

Interview: Investment Opportunities for Japanese Companies in Peru's Energy and Mining Sectors

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Rómulo Mucho Mamani ペルー共和国エネルギー鉱山大臣がLATAM-Japan Hydrogen Workshop 2024 出席のため来日した機会をとらえ、ペルーのグリーン水素をはじめとした再生可能エネルギーや鉱業分野における投資機会について海外投融資情報財団（JOI）理事長の林健一郎よりお話をうかがいました。

Peru's National Energy Policy 2010-2040

Kenichiro Hayashi, president of JOI: Peru seems to be focusing on promoting green hydrogen as it aims to diversify its energy infrastructure with an emphasis on renewable energy and energy efficiency based on the National Energy Policy 2010-2040. Please tell us more about the policy related to green hydrogen promotion including from the viewpoint of law and regulation, road map etc., current situation and opportunities for Peru as well as potential for renewable electricity and green hydrogen.

Eng. Rómulo Mucho Mamani, Minister of Energy and Mines of Peru: Since March of this year, we have been working on developing a proposal for a National Green Hydrogen Roadmap, which aims to establish a long-term vision that contributes to energy security by harnessing Peru's renewable energy potential.



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Looking toward 2025, we must update our National Energy Policy to include green hydrogen, to establish standards and technical norms. We aim to achieve this goal by 2028, facilitating investments geared towards the production of this new energy source and thereby meeting future demand.

The goal set for 2030 is to have four pilot projects of 256 MW in Callao, Piura, Matarani, and Ica, as well as other pilot projects applying green hydrogen in public transportation. By 2040, Peru aims to be capable of exporting green hydrogen.

Regarding renewable energies, we have a portfolio of 26 power plant projects using renewable energy sources, which will be built in the coming years and will add 4,280MW to the National Interconnected Electric System (SEIN), with an investment of US\$ 5.65 billion.

These power generation projects are in the regions of Puno, Ancash, Huánuco, Cusco, Arequipa, Moquegua, Lima, and Ica, and can be divided into 12 hydroelectric projects, 3 wind farms, and 11 photovoltaic plants.

This reaffirms Peru's potential to attract interested investors to develop new energy generation sources from renewable energies.

Traditional Mining Sector

Although Peru is promoting green hydrogen, Peru is still one of the world's leading producers of mineral

resources and Japanese companies participated and made investment to many huge projects, so please tell us about its potential as a mining country.

Minister Mucho: Our Mining Investment Project Portfolio by 2024 comprises 51 mining projects requiring an investment of US\$ 55 billion.

Copper accounts for 72% of the entire project portfolio and represents 35% of our exports today, with significant reserves as noted by the United States Geological Survey. Peru is a nation blessed with natural resources, and mining is gaining importance due to the future needs for metals, especially copper, along with lithium, cobalt, nickel, among others.

By mid-2024, we succeeded in making feasible the projects: Antamina Replacement, Yumpaq, Huancapetí, and Tantahuatay Replacement, with an investment exceeding US\$ 2.47 billion, generating over 50,000 jobs.

Also projected in the coming months are the construction of projects such as: Quellaveco Extension, Corani, Raura Replacement, Chalcobamba Phase I, and Romina in Apurímac, with an investment exceeding US\$ 2.025 billion.

Additionally, through the General Directorate of Mining, we have authorized a total of 77 mining project files valued at more than US\$ 3.5 billion. Among these projects are Antapaccay Extension, auxiliary dams at Cerro Verde, additional quarries at Quellaveco.

Peru's Strengths

What are Peru's strengths in mining and energy investment?

Minister Mucho: Peru is a regional HUB in South America, with a strategic geographic position that provides a considerable advantage as a mineral-producing and exporting country. Located on the South American Pacific coast, it has a privileged location in the region and access to important trade routes and key markets in Asia and North America.

Peru is a beacon for investors worldwide, with high prospects to position itself as a leader in mining production through minerals like copper, silver, gold, and tin. We have growth potential, along with a legal framework favorable to investment, and we encourage the implementation and commissioning of mining projects with modern standards and high technology that contribute to the development of our communities.

Our potential to advance 51 mining investment projects and 77 exploration projects represents a significant opportunity to establish partnerships with investors to harness our mining potential.

In hydrocarbons, we are promoting the reactivation of the subsector to develop the natural gas industry through petrochemicals, the restart of oil production, and the opportunity to advance power generation projects through unconventional renewable and green hydrogen energies.

Opinions of Japanese Government, Organizations & Companies

Through your meetings with the Japanese government, organizations, and companies during your visit to Japan, what were their opinions about investing in Peru?

Minister Mucho: We received a positive reception from Japanese authorities and investors, whom we contacted during our participation in the LATAM-Japan Hydrogen Workshop 2024 held in Tokyo. We informed them that, within Latin America, we are one of the most stable economies, with the lowest inflation rates and low country risk.

We were able to exchange positive comments on the possibilities of green hydrogen in Peru with representatives of Mitsubishi, Sojitz, Sumitomo Metal Mining, JX Metals, Nittetsu Mining, Japan Bank for International Cooperation (JBIC), and Institute of Energy Economics, Japan (IEEJ).

Additionally, we were welcomed by Mr. Ken Saito,

Minister of Economy, Trade and Industry of Japan, with whom we agreed on the importance of signing a Memorandum of Cooperation to coordinate efforts between our countries to promote and develop initiatives with renewable energies, electric mobility, efficiency, and energy management.

Japan sees us as a friendly country, with ties dating back approximately 150 years in history, and we admire the values and achievements of this great nation, which is one of our reference countries for Peru to advance in leveraging power generation from solar, wind, geothermal sources, among others, as well as to promote the use of energy storage, smart grids, and renewable energy integration technologies.

Peru's Expectations from the Japanese Public and Private Sector

What do you expect from Japanese public sector and private companies in Peru's energy and mining sectors? Please also provide details on projects in which you expect Japanese companies to participate.

Minister Mucho: In our meetings with investors, we found significant interest in our portfolio of renewable



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energy projects and the investment opportunities Peru offers to develop hydrogen projects and their applications. Our government has defined a national strategy to promote the development of green hydrogen, with a roadmap project proposing pilot applications of green hydrogen in public transportation and, in the medium term, achieving exports of this energy source.

Hydrogen has the potential to be used in various activities within the mining ecosystem, for example, in the manufacture of explosives; as a replacement for diesel in trucks; likewise in metallurgical processes, in backup power generation, as storage, and in fuel cells.

Peru is well-positioned globally to develop a low-cost hydrogen economy, with production costs identified as being among the top 10 globally. Currently, our energy matrix is mainly based on hydrocarbon consumption, with the transportation sector being the primary consumer at 43%, followed by the industrial and mining sector with 29%.

Therefore, in the transportation sector, there is a huge market for the substitution of hydrocarbons with the use of battery electric vehicles or fuel cells (hydrogen), to replace traditional fuels and opt for energy with lower carbon emissions, more favorable to health and the environment.

Moreover, Peru has a high potential in renewable resources; 900GW of solar energy, 22GW of wind energy, 70GW of hydropower, 3GW of geothermal energy, among others, to enhance our energy security in the long term, within the framework of an energy transition towards clean energies.

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