

# Mining Sector Pays for 50 Percent of Water Usage Rights

*By Fernando Mares / Thu, 11/17/2022 - 14:50*

Despite the negative perception of the mining industry regarding its purported water consumption and pollution, the sector argues that it is one of the least water-consuming industries in Mexico. What is more, it is the sector that acquires the resource at the highest price, said a leading mining association.

According to the Mexican Mining Chamber (CAMIMEX), the authorization of water usage concessions is the main source of income for the Ministry of Environment and Natural Resources (SEMARNAT) and the National Water Commission (CONAGUA). CAMIMEX highlights that over 50 percent of the government's income flowing from water usage permits comes from the mining sector.

Mexico is divided into four areas, each of which determines the cost per cubic meter of water. Currently, the mining industry pays US\$1.34/m<sup>3</sup>, while the national average is US\$0.72/m<sup>3</sup>, and municipalities pay just US\$0.02/m<sup>3</sup>. CAMIMEX emphasized that the main water-consuming sectors are the agricultural and livestock industries and that they are not required to apply for water concessions.

According to CONAGUA, agriculture and livestock production consume over 76.7 percent of Mexico's water, followed by public usage at 14.1 percent, power production at 5.1 percent and various other industries consume 4.1 percent, of which the mining industry consumes just over 0.9 percent of water.

The payment of water concessions puts companies in a delicate position since it impacts operational costs. Grupo México, Mexico's largest copper producer, pays over US\$65 million each year for water usage rights. The company says this contrasts with countries like the US, Canada, Spain, Chile or Peru, where mining companies do not pay for water usage rights or pay less, which makes Mexican minerals less competitive in the international market.

Grupo México also underlined that water-related costs go beyond the concession. The company says that it pays over US\$23.8 million a year for the operation, pumping and distribution of water, meaning the company incurs a cost of US\$88.8 million. Grupo México added that those expenses are essential for the mining sector's operations and that no other industries pay for them since they are connected to the public water network.

CAMIMEX said that the mining sector is one of the most water-efficient industries as several companies continuously invest in closed water circuits. CAMIMEX cited Grupo México as an example since the company reuses over 76 percent of the water it consumes in its daily operations owing to the incorporation of closed circuits and technology that prevents leaks and avoids wasting water.

Source: <https://mexicobusiness.news/>