
Chile, advantages
and opportunities


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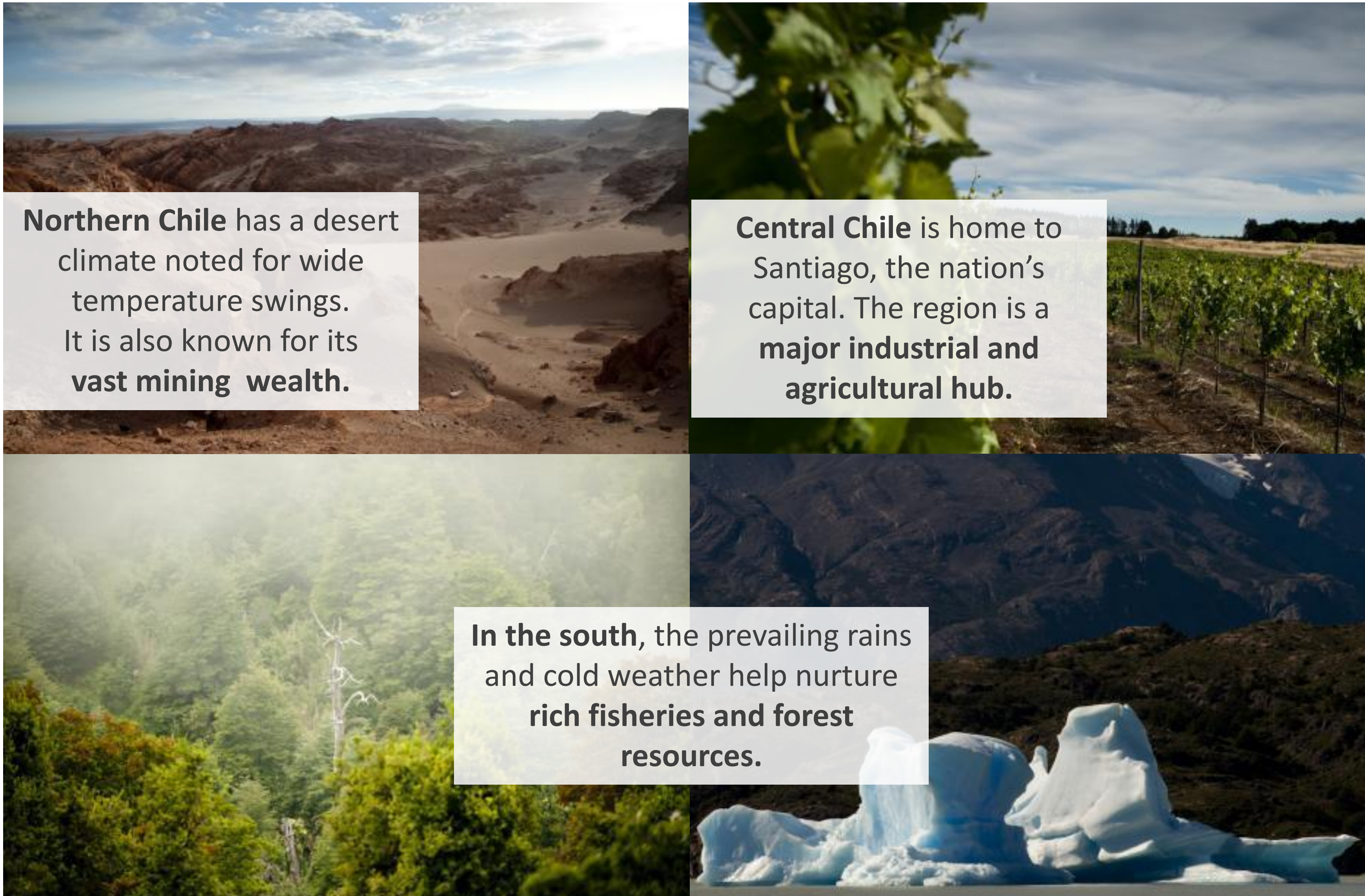
Chile

About Chile

CHILE A DIVERSE COUNTRY



Northern Chile has a desert climate noted for wide temperature swings.
It is also known for its **vast mining wealth.**

Central Chile is home to Santiago, the nation's capital. The region is a **major industrial and agricultural hub.**

In the south, the prevailing rains and cold weather help nurture **rich fisheries and forest resources.**

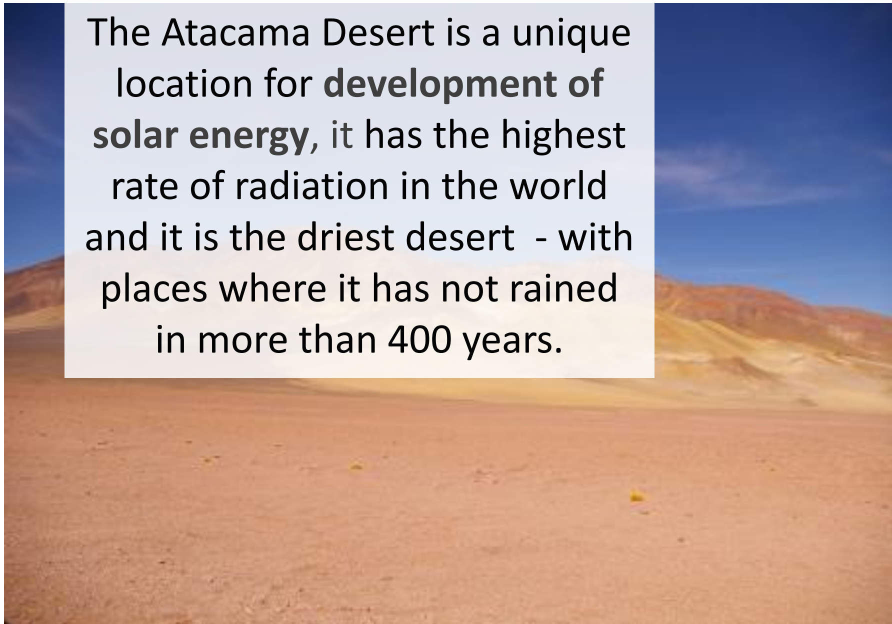
ASTRONOMICAL CAPITAL OF THE WORLD

Natural laboratory of unique conditions, with more than **330** cloudless nights per year.

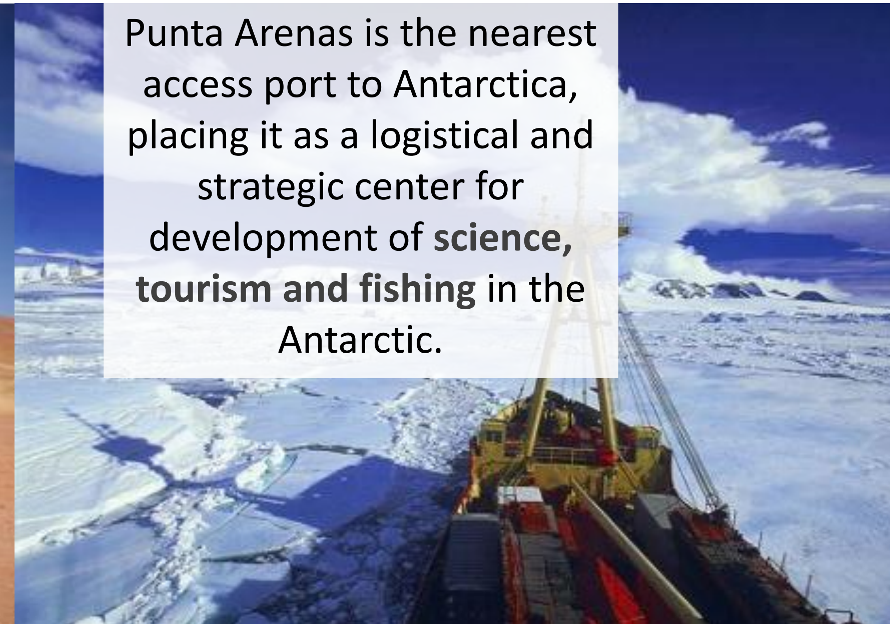
68% of global astronomy infrastructure shall be located in Chile by 2018, with an

investment of USD 6 billion

OTHER NATURAL LABORATORIES



The Atacama Desert is a unique location for **development of solar energy**, it has the highest rate of radiation in the world and it is the driest desert - with places where it has not rained in more than 400 years.

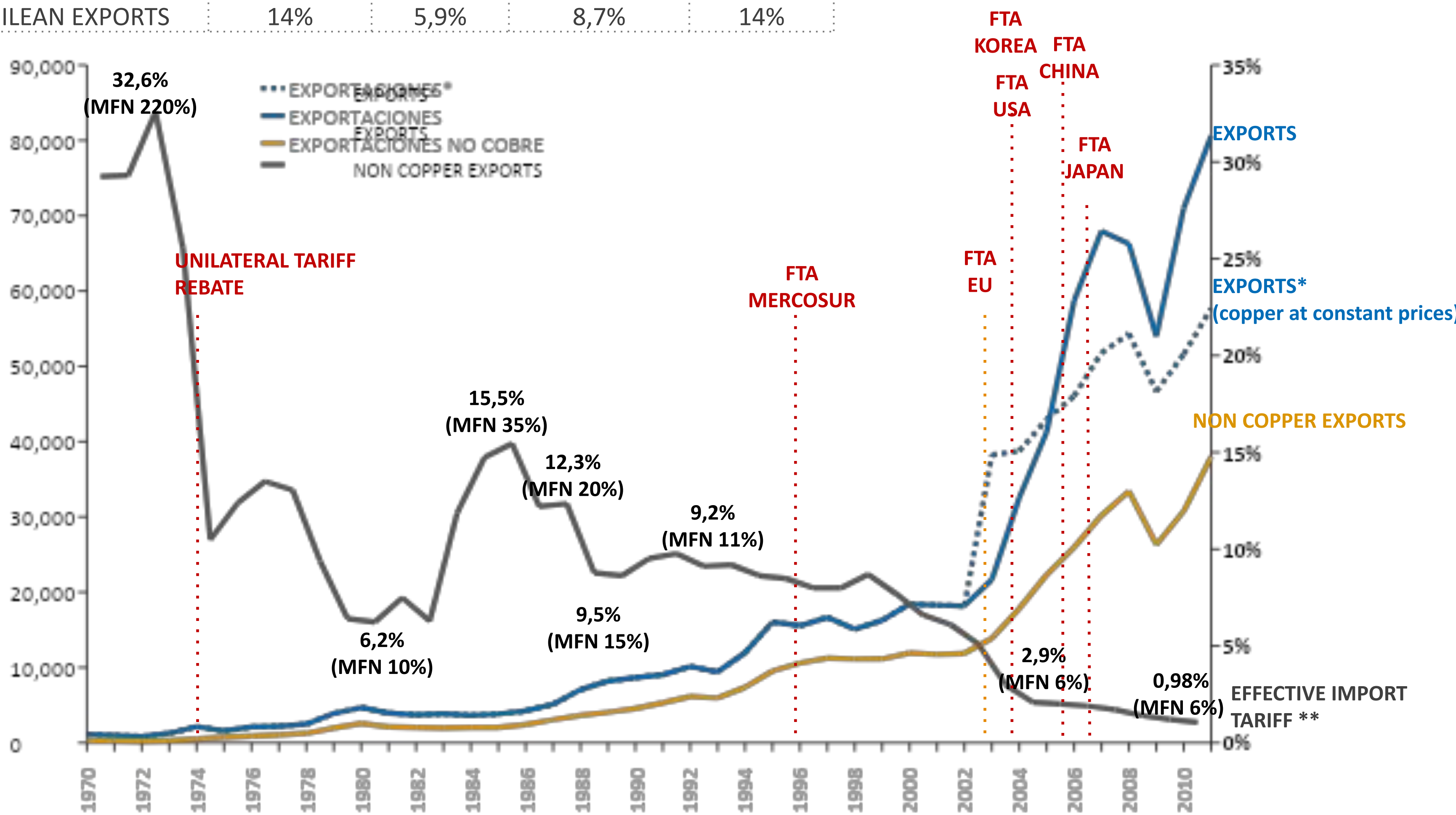


Punta Arenas is the nearest access port to Antarctica, placing it as a logistical and strategic center for development of **science, tourism and fishing** in the Antarctic.

Chile is one of the most seismically active countries in the world, making it a unique location for development and testing of **seismic engineering.**

ECONOMY AND FOREIGN TRADE

	ANNUAL GROWTH			
	1970-1980	1980-1990	1990-2000	2000-2010
WORLD EXPORTS	20%	5,5%	6,4%	9%
CHILEAN EXPORTS	14%	5,9%	8,7%	14%



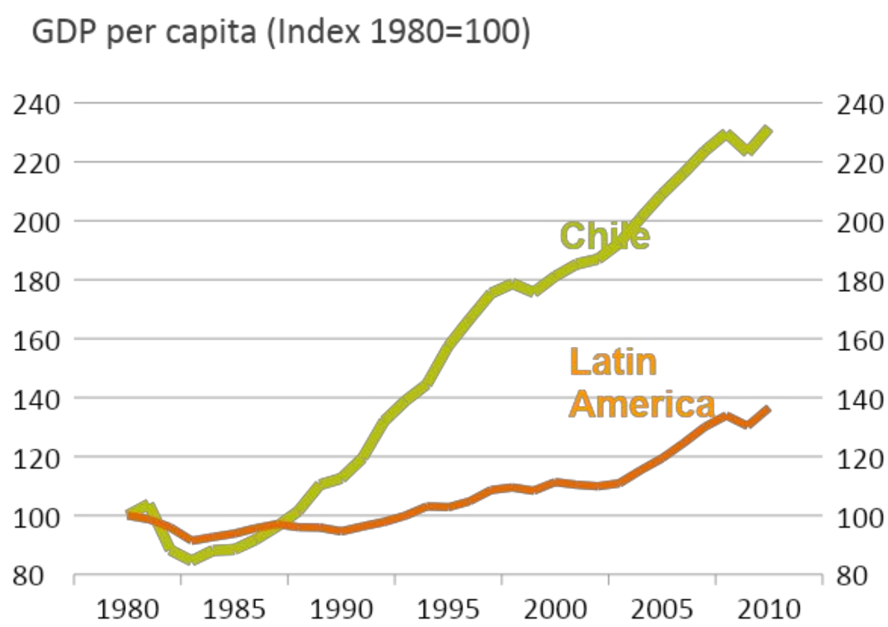
(*) Exports from 2003 to 2010 were calculated with the average copper price from 1987 – 2003 = 0,965 US$/Lb
(**) Import Tariff (Weighted Average).

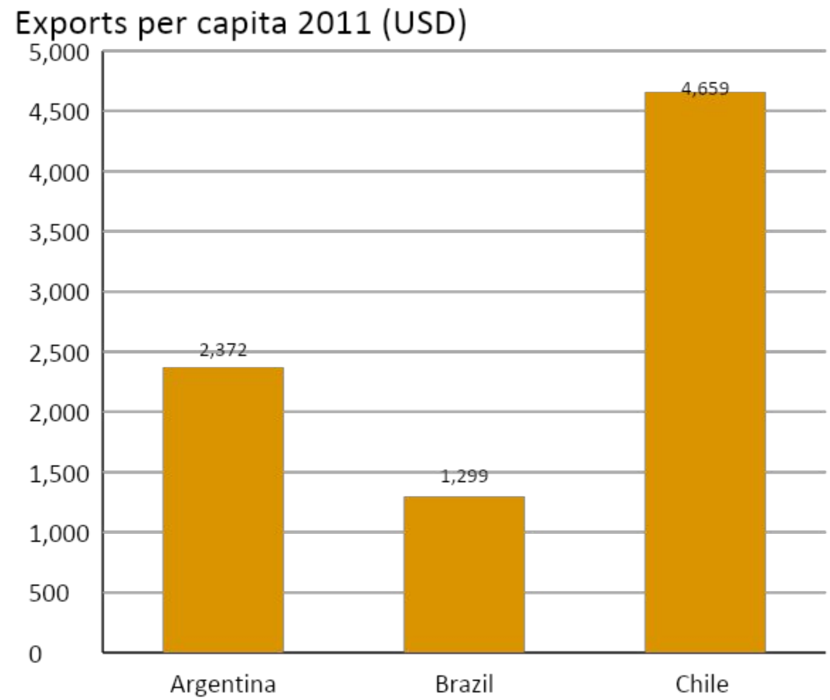
Source: DIRECON, Central Bank, National Customs Service, UNCTAD & Santiago Chamber of Commerce.

ECONOMY AND FOREIGN TRADE

Since 1985 the GDP growth rate has surpassed the average growth rate in the region. However, there has been a decrease in the speed of growth during the last period.

Objective: to gain the speed of growth in order to reach **6%.**

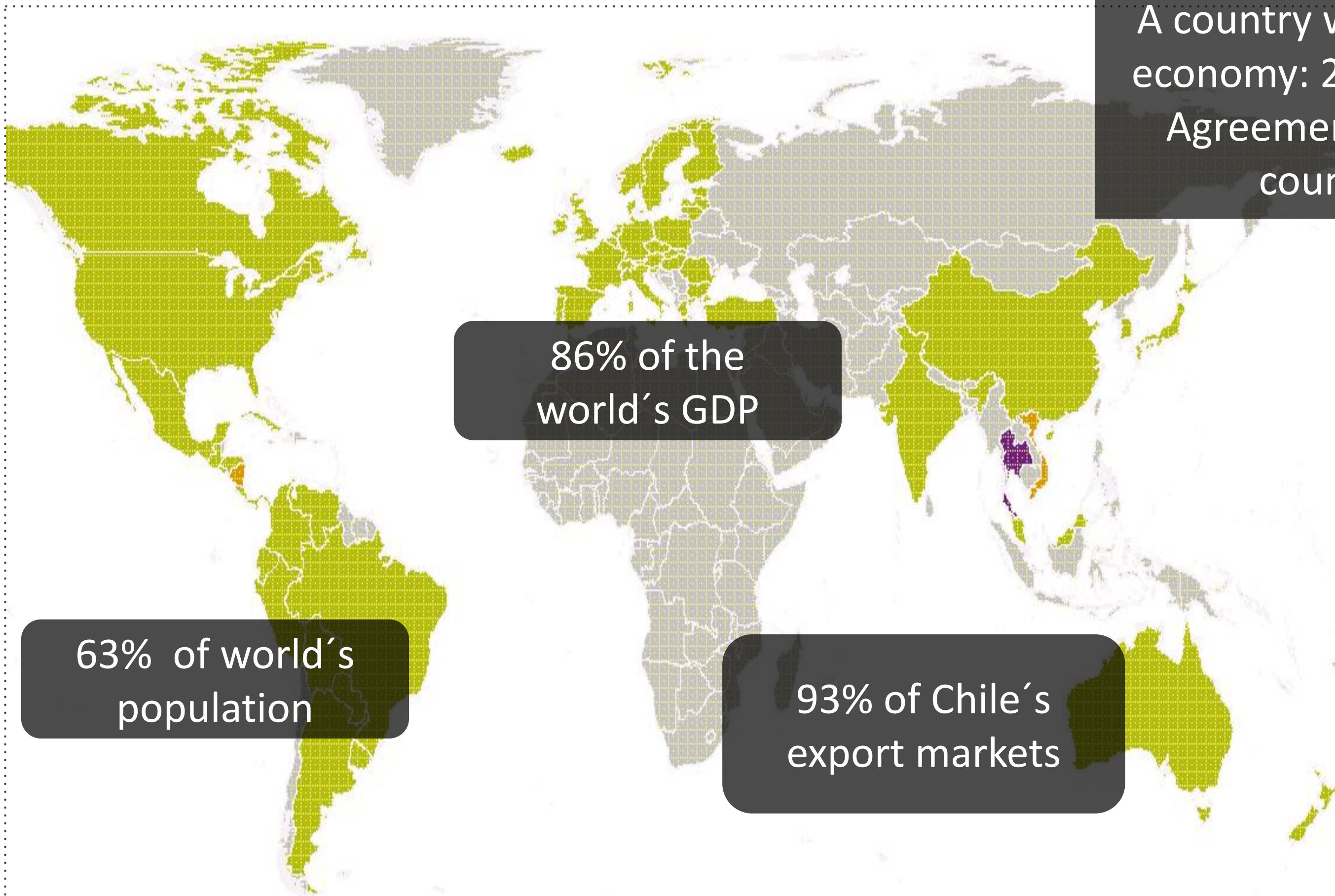




Chile´s GDP grew by 6% in 2011

Source: ECLAC, Central Bank of Chile. MERCOSUR ON LINE.

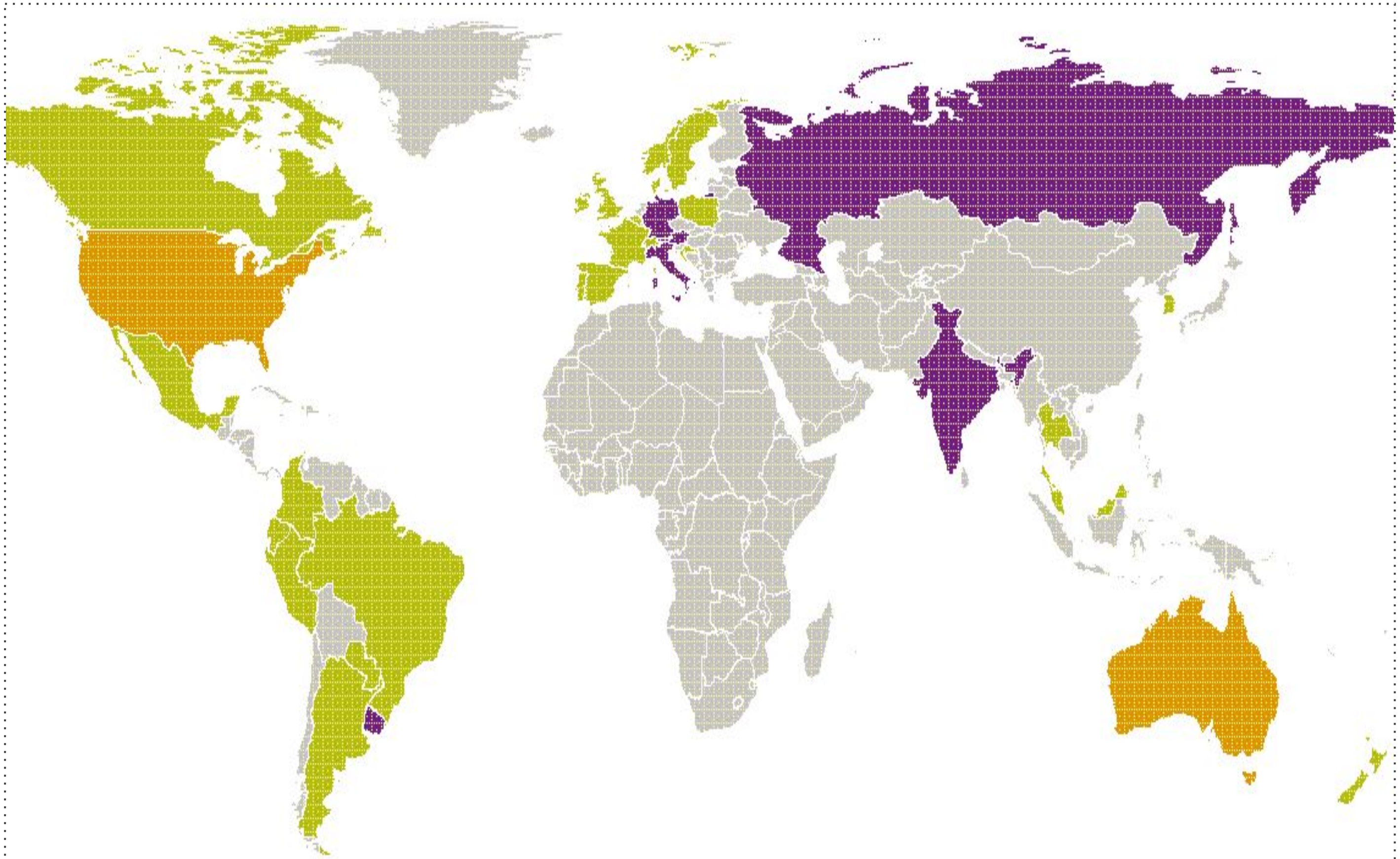
ECONOMY AND FOREIGN TRADE



- Agreements in force
- Agreements negotiated
- Agreements under negotiation

Malaysia	Australia	Japan	EFTA	Central America	Venezuela
Turkey	Peru	India	South Korea	Mexico	Bolivia
Ecuador	Cuba	P-4	USA	Canada	
Colombia	Panama	China	European Union	Mercosur	

ECONOMY AND FOREIGN TRADE



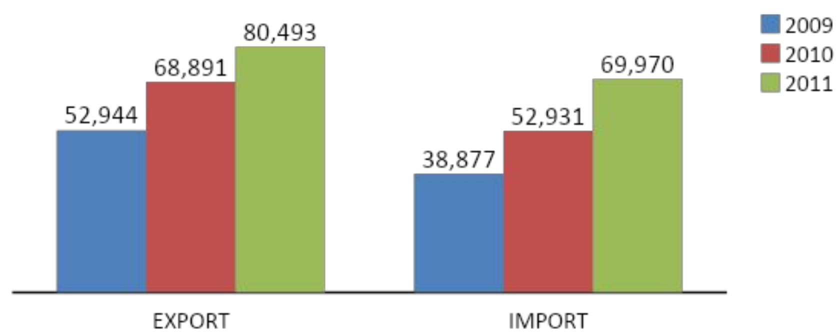
Chile has signed Double Tax Avoidance Agreements with 24 countries

- Agreements in force
- Agreements negotiated
- Agreements under negotiation

Belgium	Poland	Norway	Mexico	South Korea
Denmark	Portugal	Croatia	Peru	Thailand
Spain	UK	Canada	Argentina	Malaysia
France	Sweden	Colombia	Brazil	New Zealand
Ireland	Switzerland	Ecuador	Paraguay	

ECONOMY AND FOREIGN TRADE

Exports & Imports 2009-2011 (USD million)

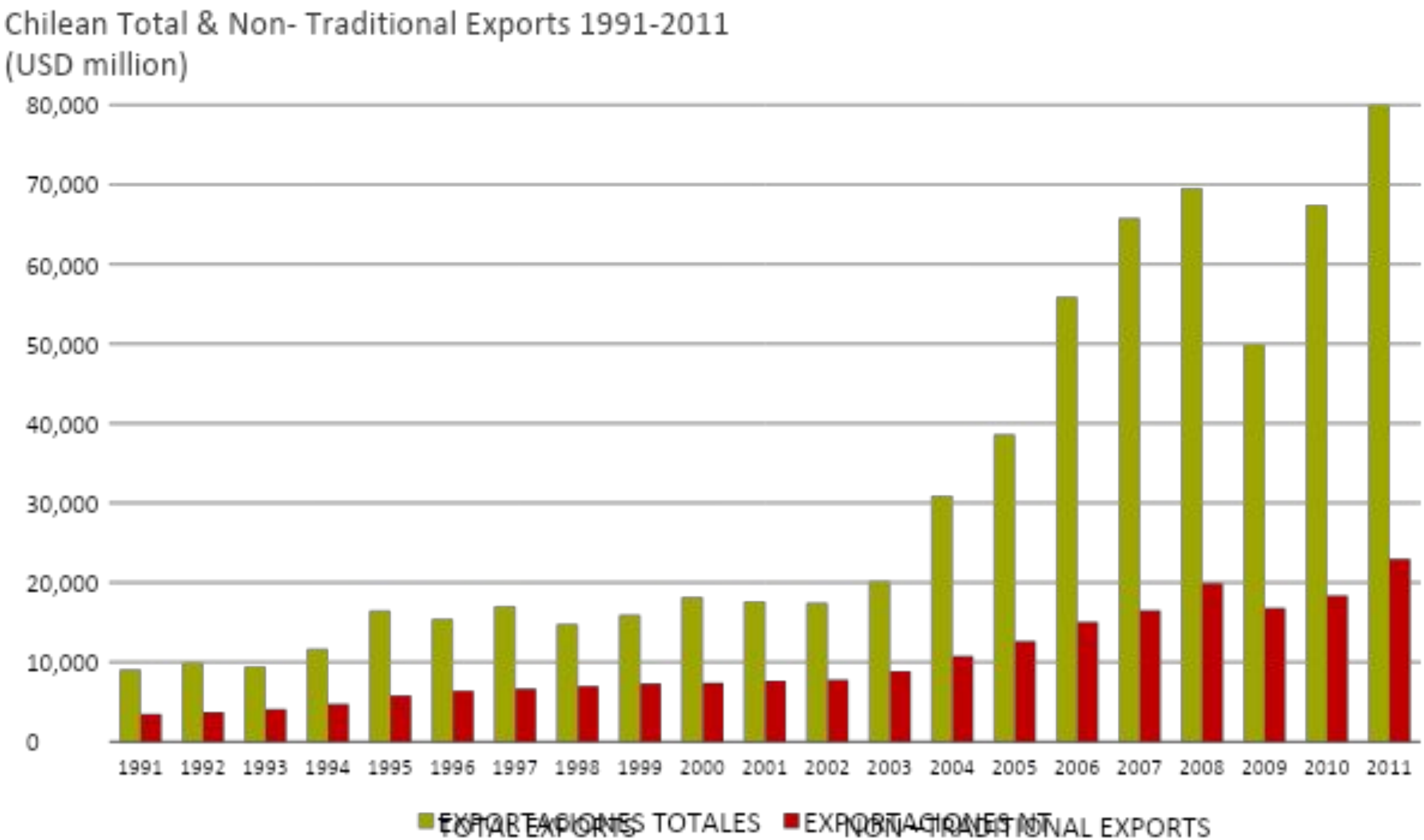


In 2011, Chilean exports rose 17% compared to 2010.

In 2011,Chilean imports grew 32% compared to 2010.

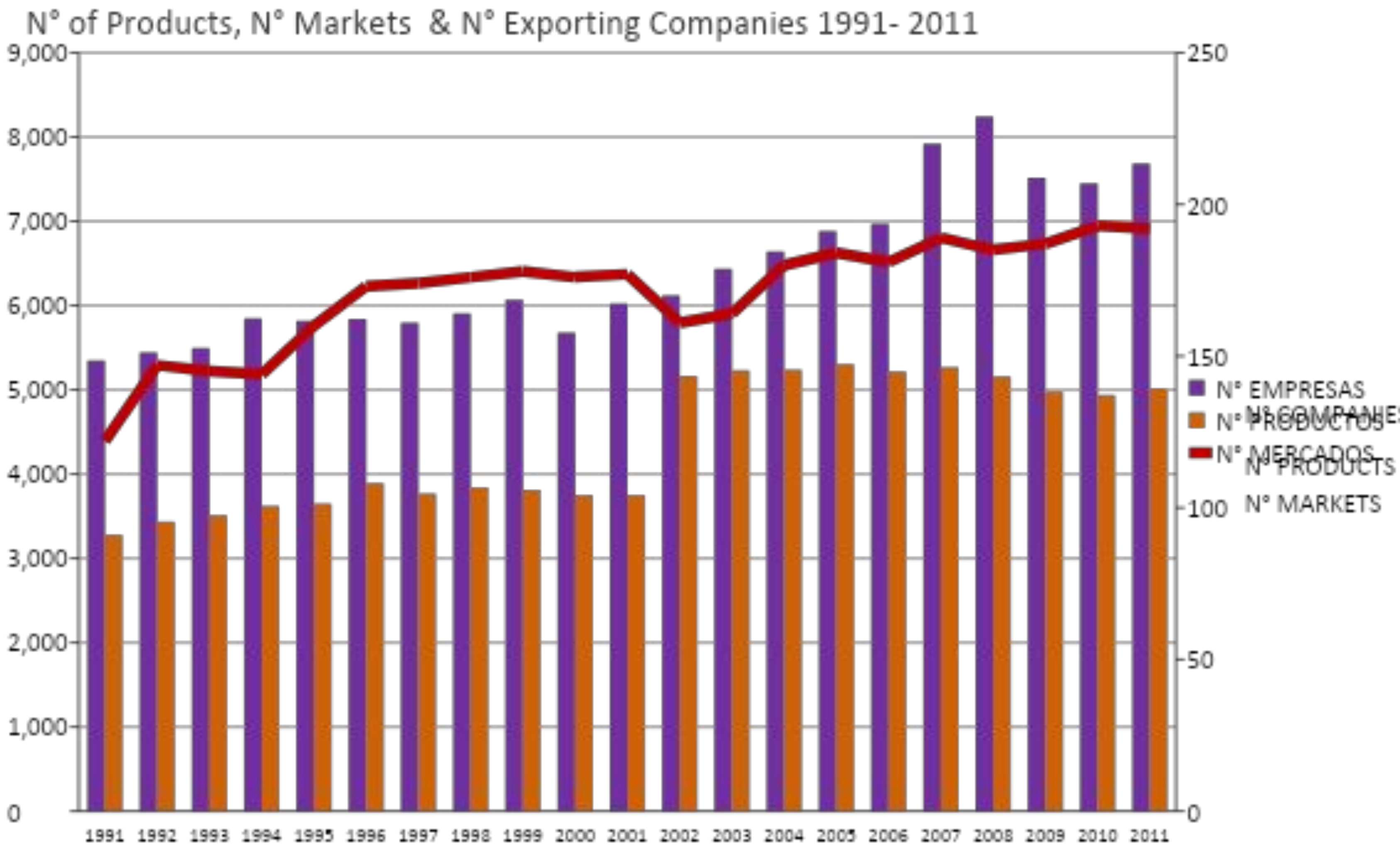
Source: Central Bank of Chile.

ECONOMY AND FOREIGN TRADE



Source: ProChile based on Chilean Customs' figures

ECONOMY AND FOREIGN TRADE

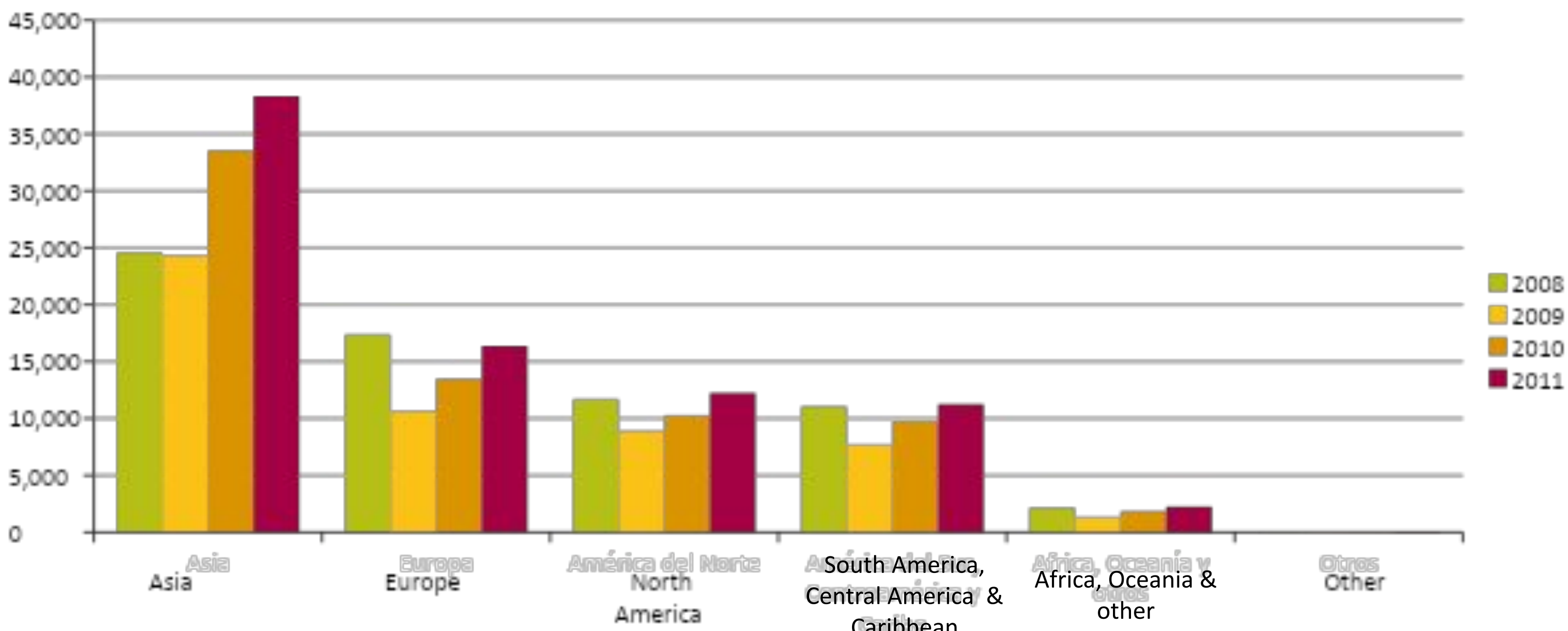


Source: ProChile based on Chilean Customs' figures

ECONOMY AND FOREIGN TRADE

Main Destinations **Total Exports** (USD million FOB)

MARKETS	2008	2009	2010	2011
Asia	24.544	24.316	33.529	38.332
Europe	17.381	10.657	13.468	16.377
North America	11.699	8.907	10.259	12.217
South America, Central America & Caribbean	11.055	7.691	9.747	11.253
Africa, Oceania & other	2.157	1.323	1.834	2.250
Other	35	50	54	64
Total	66.870	52.944	68.891	80.493

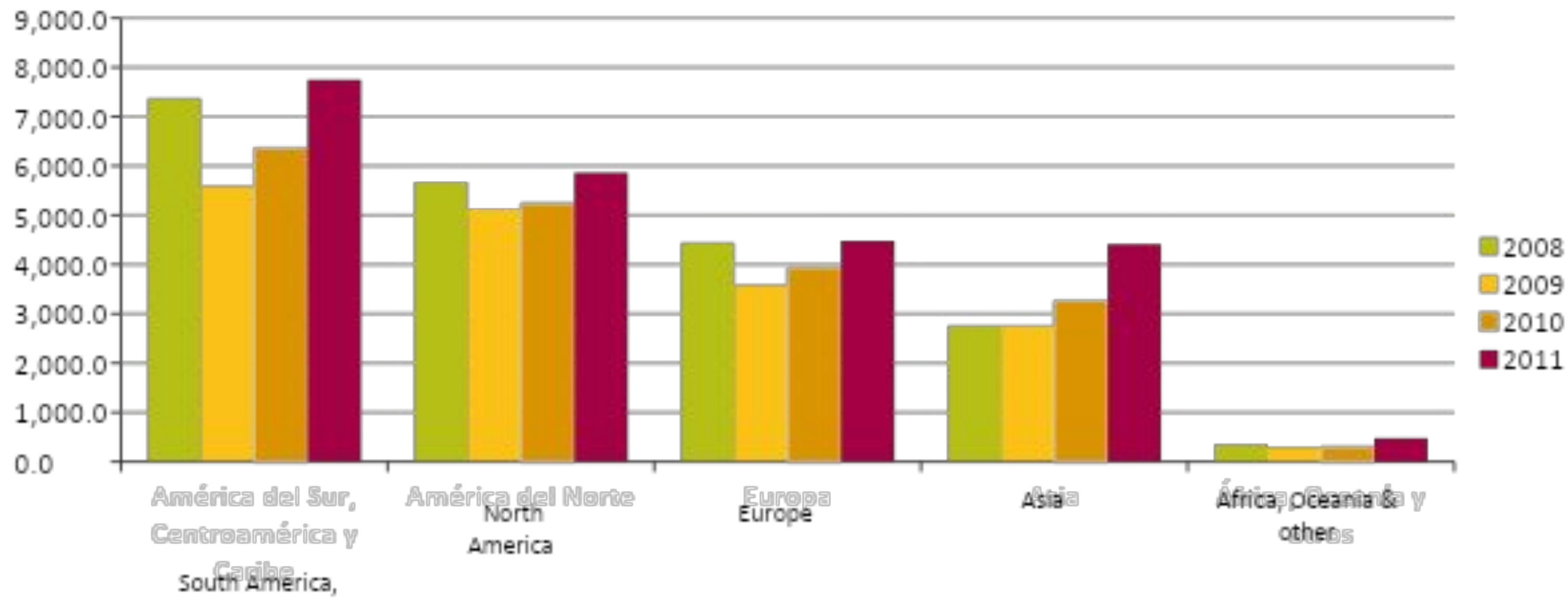


Source: Central Bank of Chile.

ECONOMY AND FOREIGN TRADE

Main destinations **Non – Traditional Exports** (USD million FOB)

MARKETS	2008	2009	2010	2011
South America, Central America &Caribbean	7.364,7	5.586,8	6.355,4	7.747,1
North America	5.671,1	5.136,7	5.234,1	5.858,2
Europe	4.443,1	3.589,0	3.935,1	4.480,4
Asia	2.754,8	2.762,1	3.262,2	4.409,2
Africa, Oceania & other	350,5	290,3	293,5	475,3
Total	20.584,2	17.365,0	19.080,3	22.970,2



Source: ProChile based on Chilean Customs’ figures

FOREIGN TRADE - SECTORS

Sectors	FOB 2009 (USD million)	FOB 2010 (USD million)	FOB 2011 (USD million)
Food	10.110	10.750	12.495
Forestry	4.141	4.922	5.833
Manufacturing	24.648	34.682	40.233
Minerals	10.973	15.466	18.228
Other	2.229	2.175	2.590
Services*	842	896	1.114
Total	**52.944**	**68.891**	**80.493**

Food	FOB 2009 (USD million)	FOB 2010 (USD million)	FOB 2011 (USD million)
Agriculture	5.625	6.254	6.689
Seafood Products	3.098	2.939	4.101
Wines	1.388	1.558	1.704
Total	**10.110**	**10.750**	**12.495**

•Services considers only code 0025.0000 “Services considered for export.“

Source: ProChile based on Central Bank of Chile´s figures

Chile, land of opportunities

LAND OF OPPORTUNITIES

According to the latest international rankings and reports from organizations like the OECD, World Bank and The Economist Intelligence Unit, Chile has been recognized as:

- The most stable and secure country in South America

- A good partner to do business

- A country open to the world that promotes free trade

Ernst & Young placed Chile among the countries with the fastest growing economy, along with China, India, Russia and Brazil.

According to the recent 2012 version of the "Doing Business" ranking, Chile advanced from place 62 to 27 in the index of business start ups.

LAND OF OPPORTUNITIES

1	**Chile**
2	Peru
3	Mexico

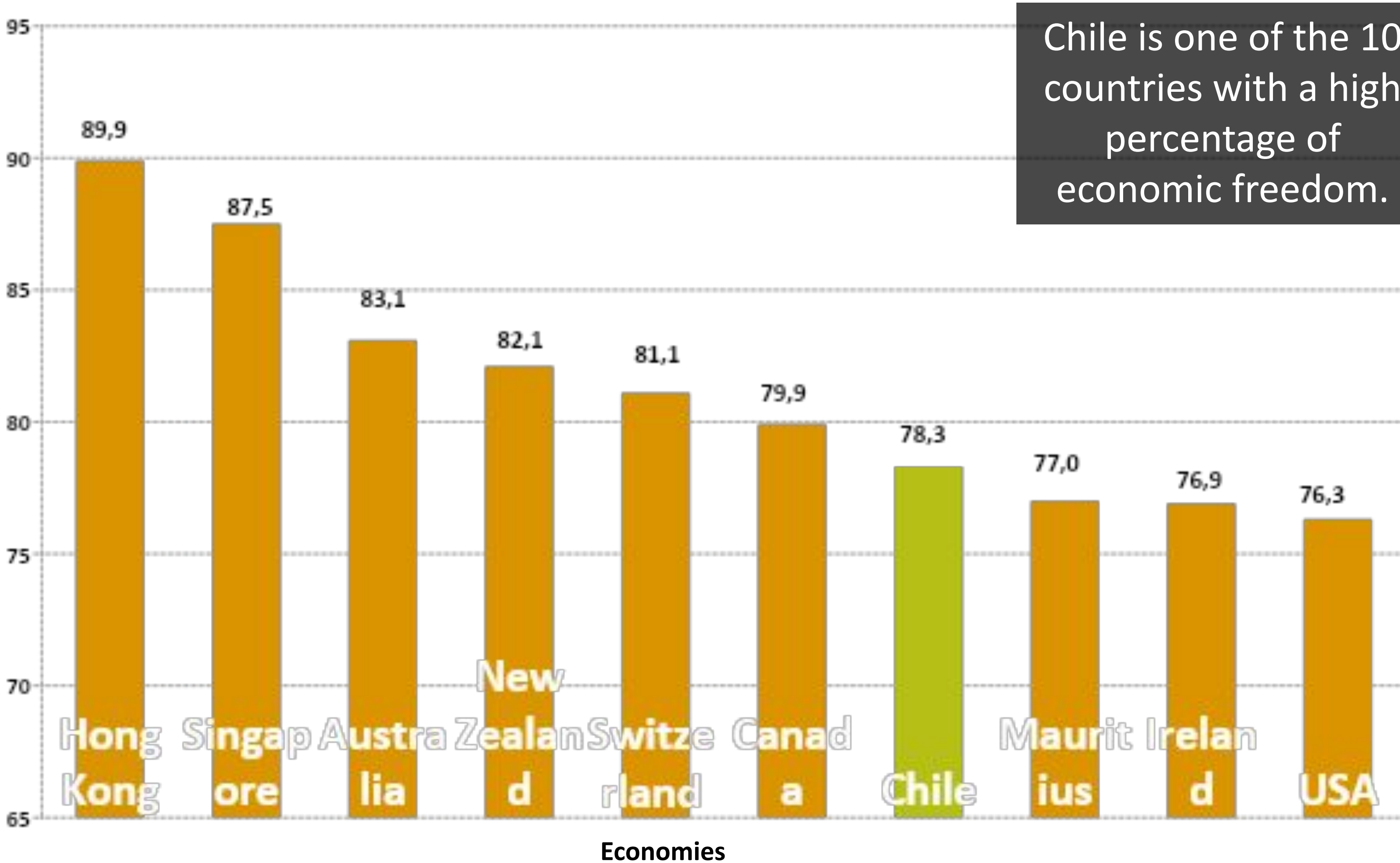
Best Countries for Business 2011
Source: Forbes.

1	Miami (USA)
2	Sao Paulo (Brazil)
3	**Santiago (Chile)**

Urban Competitiveness Index
Source: Revista América Economía, 2011.

LAND OF OPPORTUNITIES

2012 Index of Economic Freedom

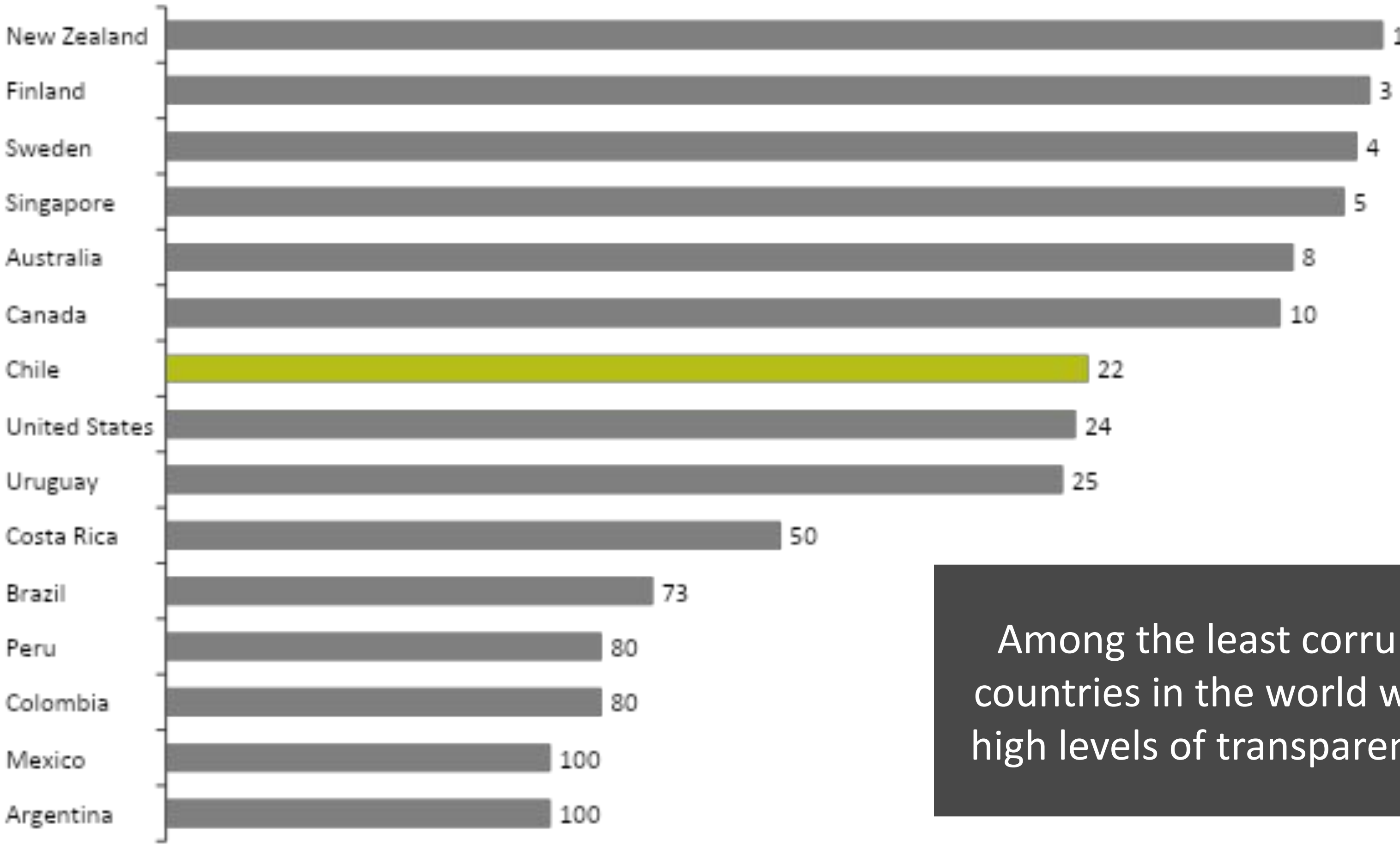


Chile is one of the 10 countries with a high percentage of economic freedom.

(7th among 184 economies)

Source: The Heritage Foundation (http://www.heritage.org/index/)

LAND OF OPPORTUNITIES

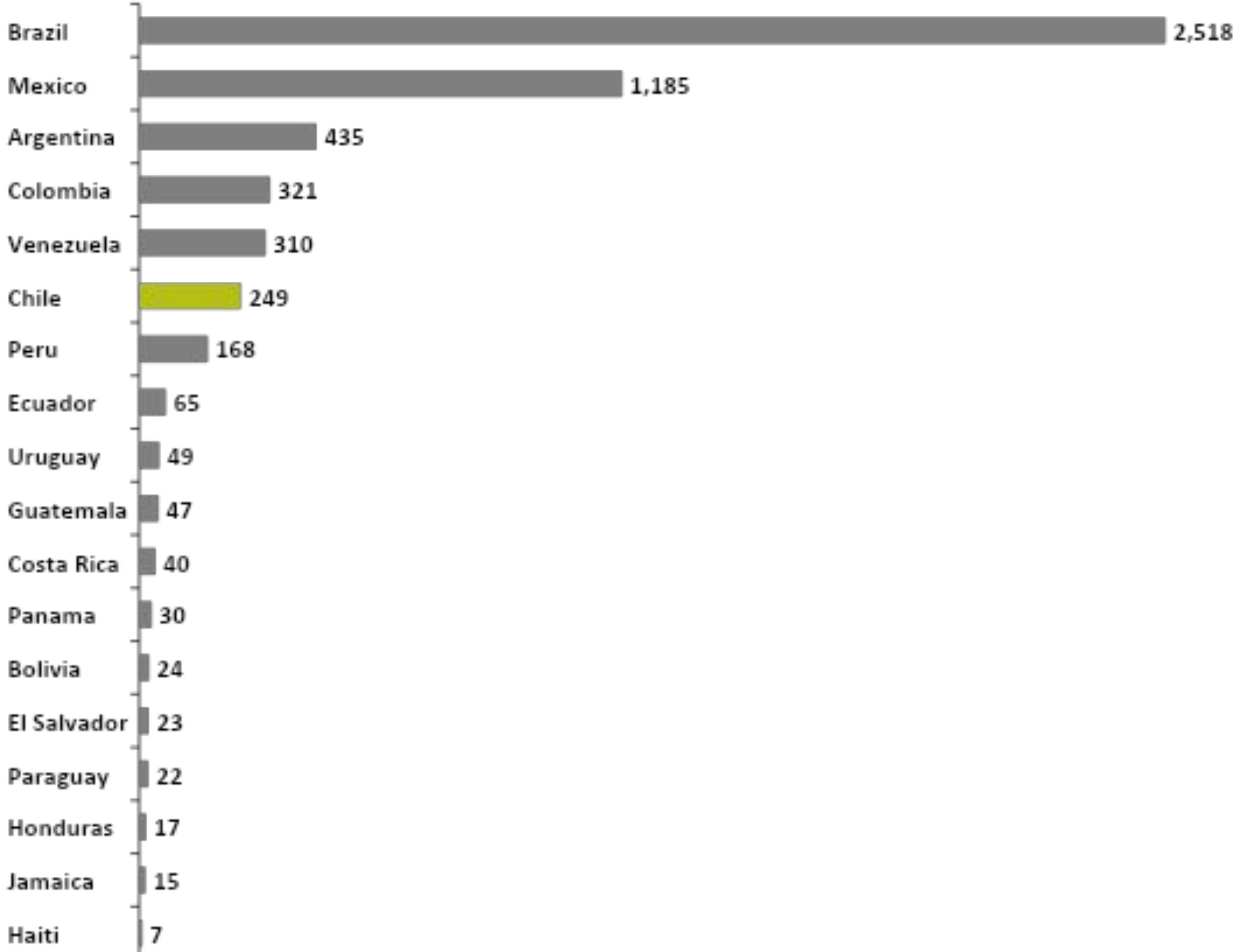


Corruption Perceptions Index 2011

(22nd among 183 economies)

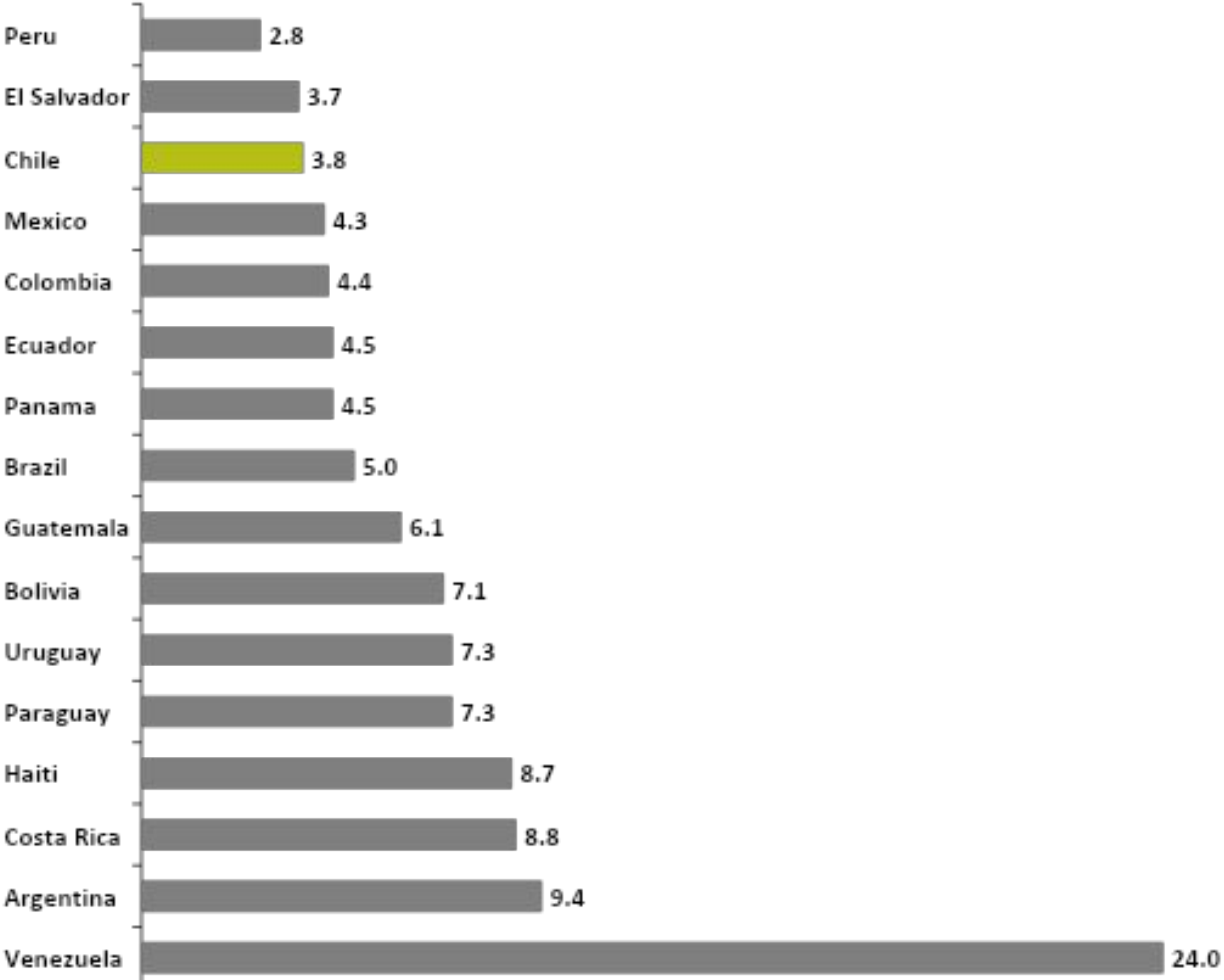
Among the least corrupt countries in the world with high levels of transparency.

RELATIVE SIZE OF LATIN AMERICA ECONOMIES GDP, CURRENT PRICES (US$ BIILIONS, 2011)



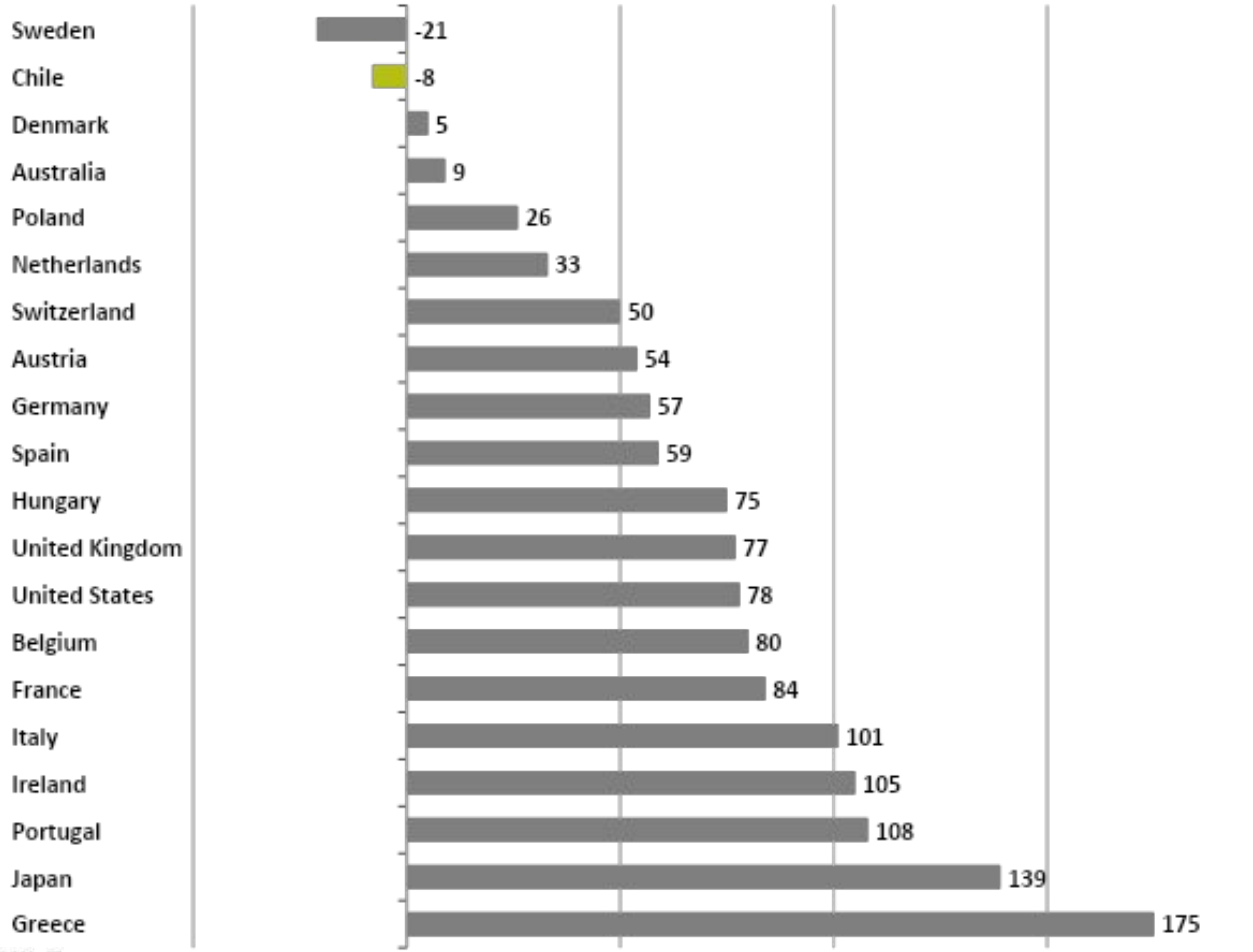
Source: IMF

INFLATION IN LATIN AMERICA
(AVERAGE CONSUMER PRICES 2006-2011, PERCENT CHANGE)



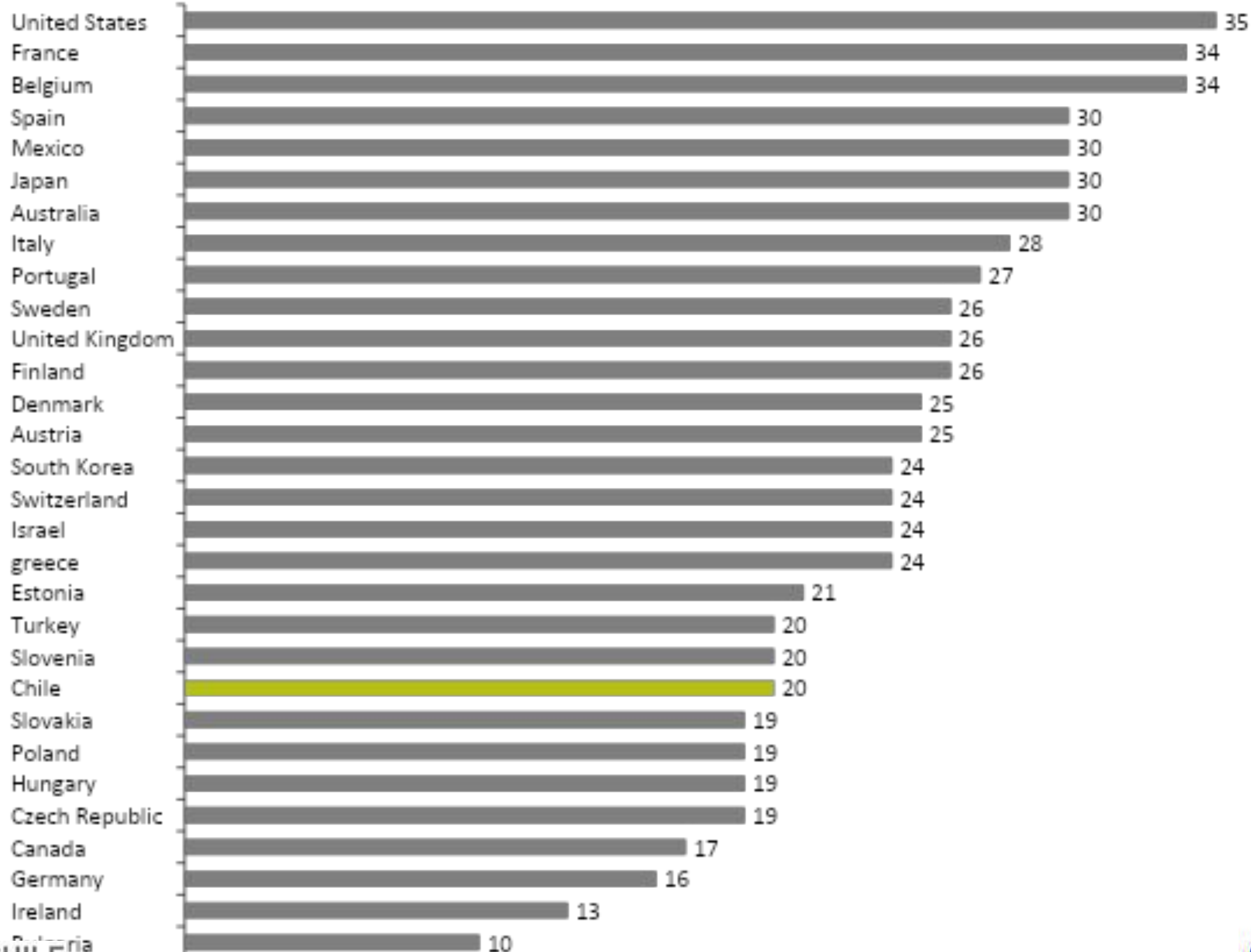
Source: IMF

GENERAL GOVERNMENT NET DEBT (PERCENT OF GDP, 2012E)



Source: IMF

CORPORATE TAX COMPARISION 2011 (%)
OECD ECONOMIES

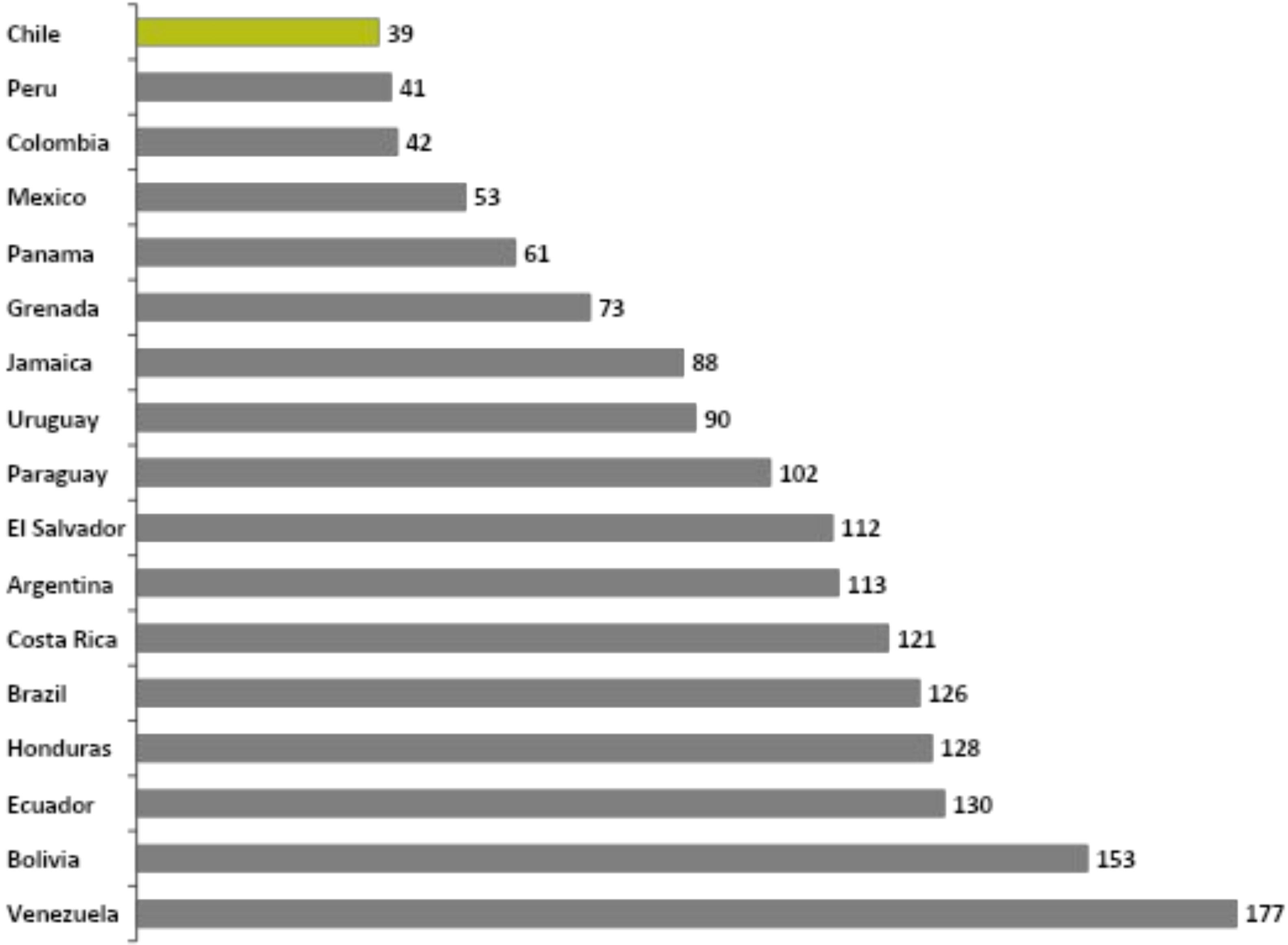


pro|CHILE

Chile

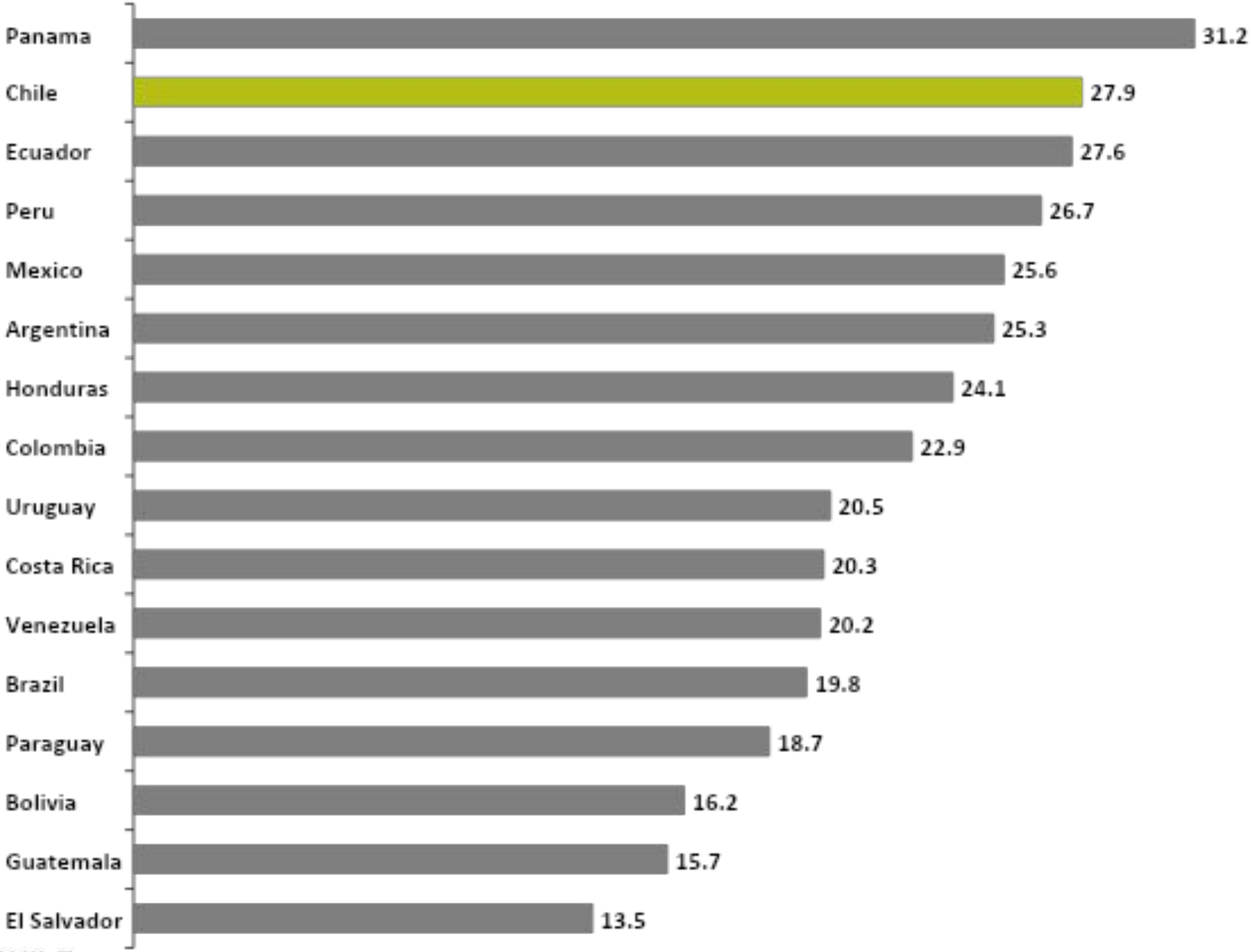
Source: OECD.

DOING BUSINESS RANKING 2012
EASE OF DOING BUSINESS



Source: World Bank.

INVESTMENT RATE IN LATIN AMERICA (AS % OF GDP, 2011)



Source: IMF

LAND OF OPPORTUNITIES

Chile maintains "A +" by Standard & Poor's 2012

Chile's ratings are supported by the low level of fiscal debt, political stability and a very flexible and strong economy.

Projections:

A low level of fiscal debt, along with growing local financial markets should support the stability and growth of GDP in Chile, despite the growing external uncertainty and potentially slow global growth in coming years.

Source: www.standardandpoors.com

Investments

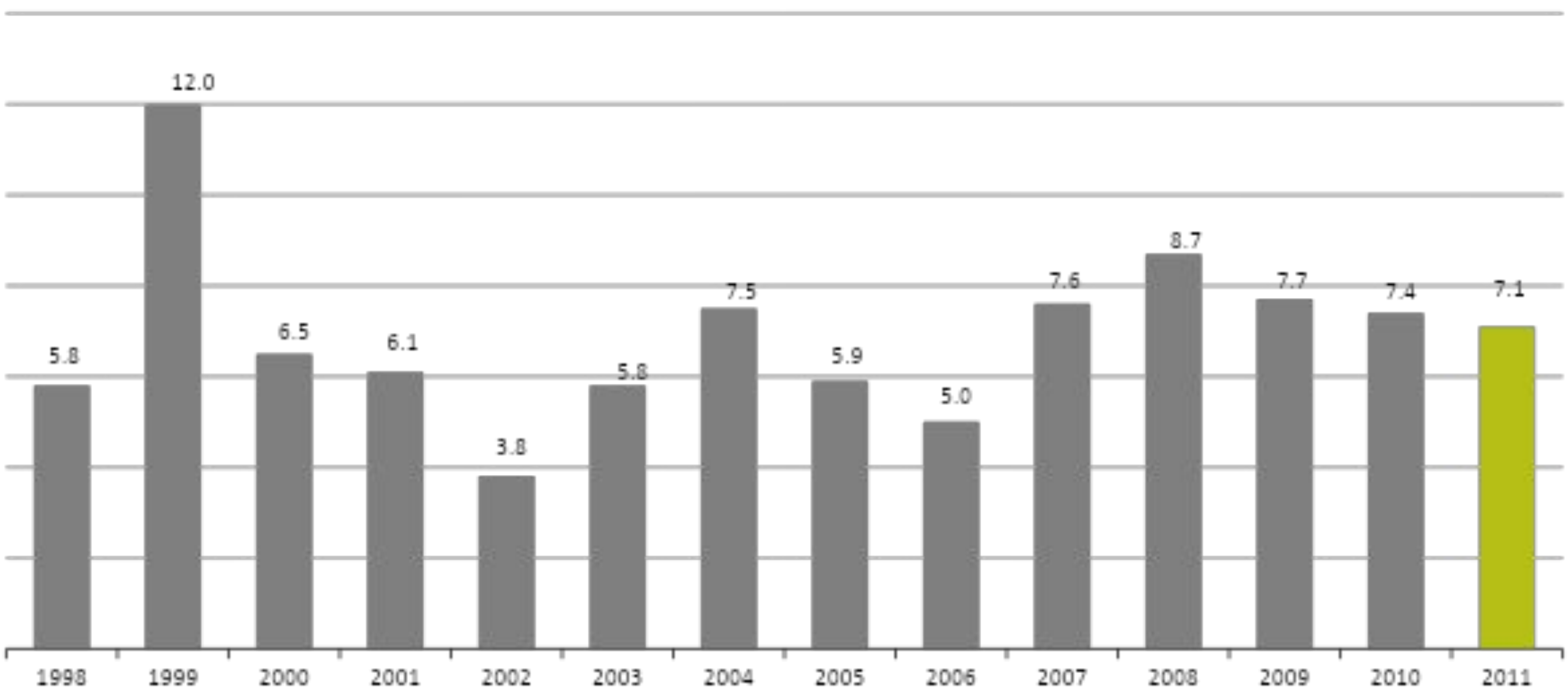
A PLACE TO INVEST IN

During the past 25 years Foreign Direct Investment (FDI) has played a key role in Chile´s **economic growth and development.**

Maintaining its **upward trend**, FDI has helped to increase Chile's competitiveness, not only through resources and new markets but also through technological development and specialized know-how.

A PLACE TO INVEST IN

Successful track record of foreign investment



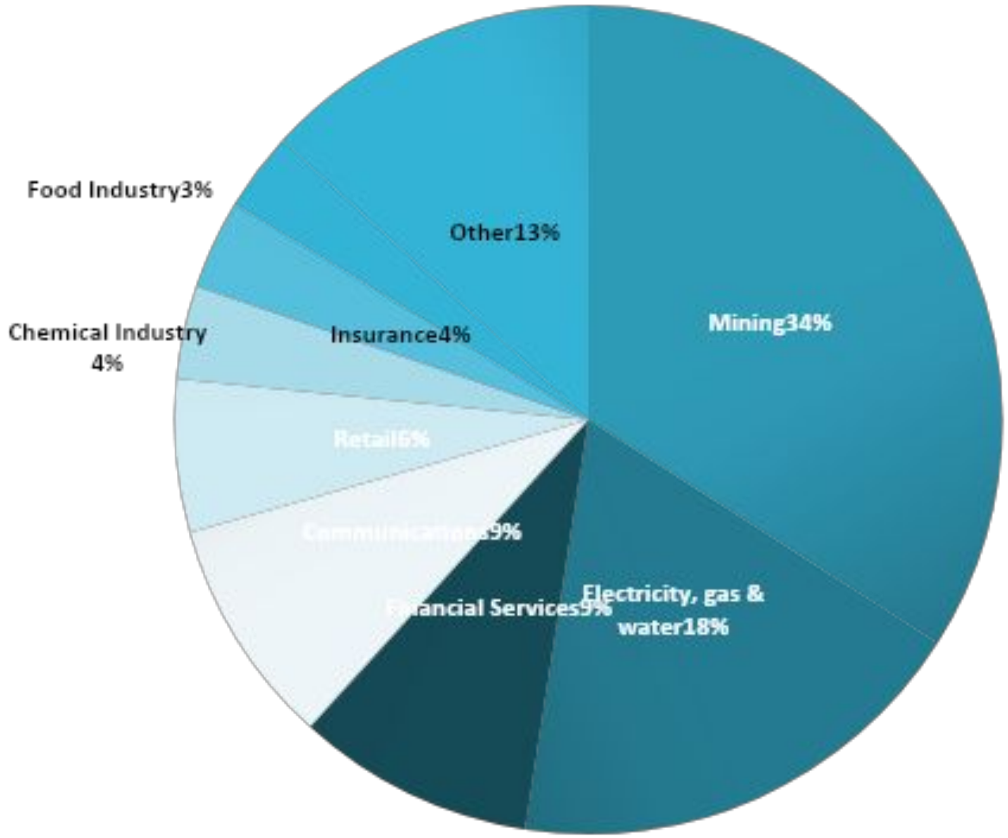
Source: Central Bank of Chile (www.bcentral.cl)

Foreign Direct Investment (FDI) in Chile

(6,9% average as % of GDP)

A PLACE TO INVEST IN

Foreign Direct Investment in Chile: By sector.



Materialized Foreign Investment D.L. 600
By Sector 1974-2011
USD 82.021 million

Source: Foreign Investment Committee

DUTY FREE ZONES

Chile has Duty Free Zones in the cities of Iquique and Punta Arenas.

These are comprised of:

❖ Industrial parks

❖ *Logistics center*

❖ *Shopping centers*

The DFZs emerge as international business and industry centers in strategic geographic areas.

Fuente: DIRECON

DUTY FREE ZONES

ADVANTAGES OF OPERATING IN DUTY FREE ZONES IN CHILE

EXTRATERRITORIAL CUSTOMS SYSTEM of Duty Free Zones of Chile allows goods that have entered the DFZs to be regarded as if they were abroad.

The special tax regime for companies operating in DFZs involves:

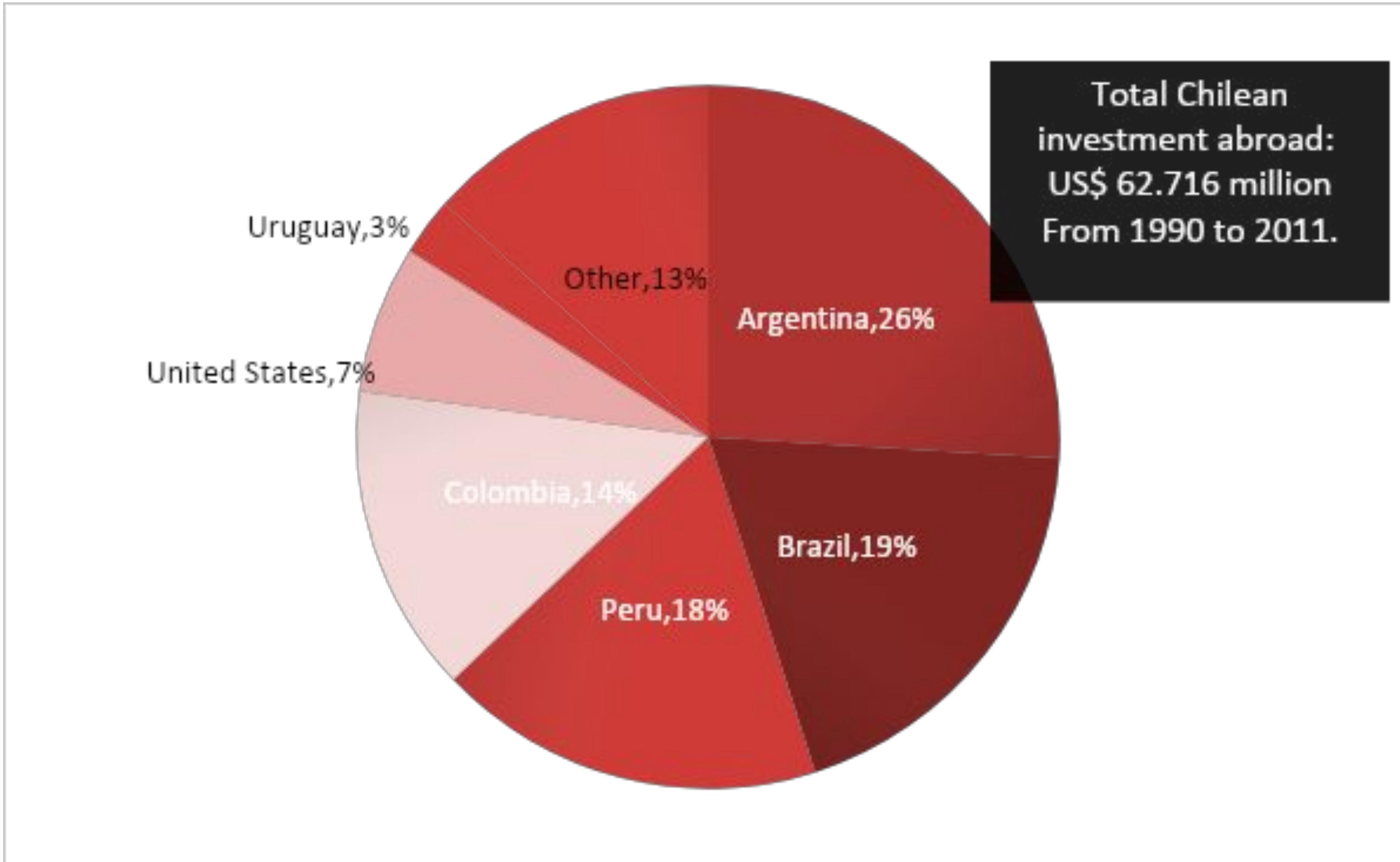
Exemption from payment of duties, taxes and other charges for goods entered to Duty Free Zones and marketed within it

Exemption from VAT (19%), import tariffs (maximum 6%) and specific taxes.

Exemption from Value Added Tax (VAT) for operations of DFZ users.

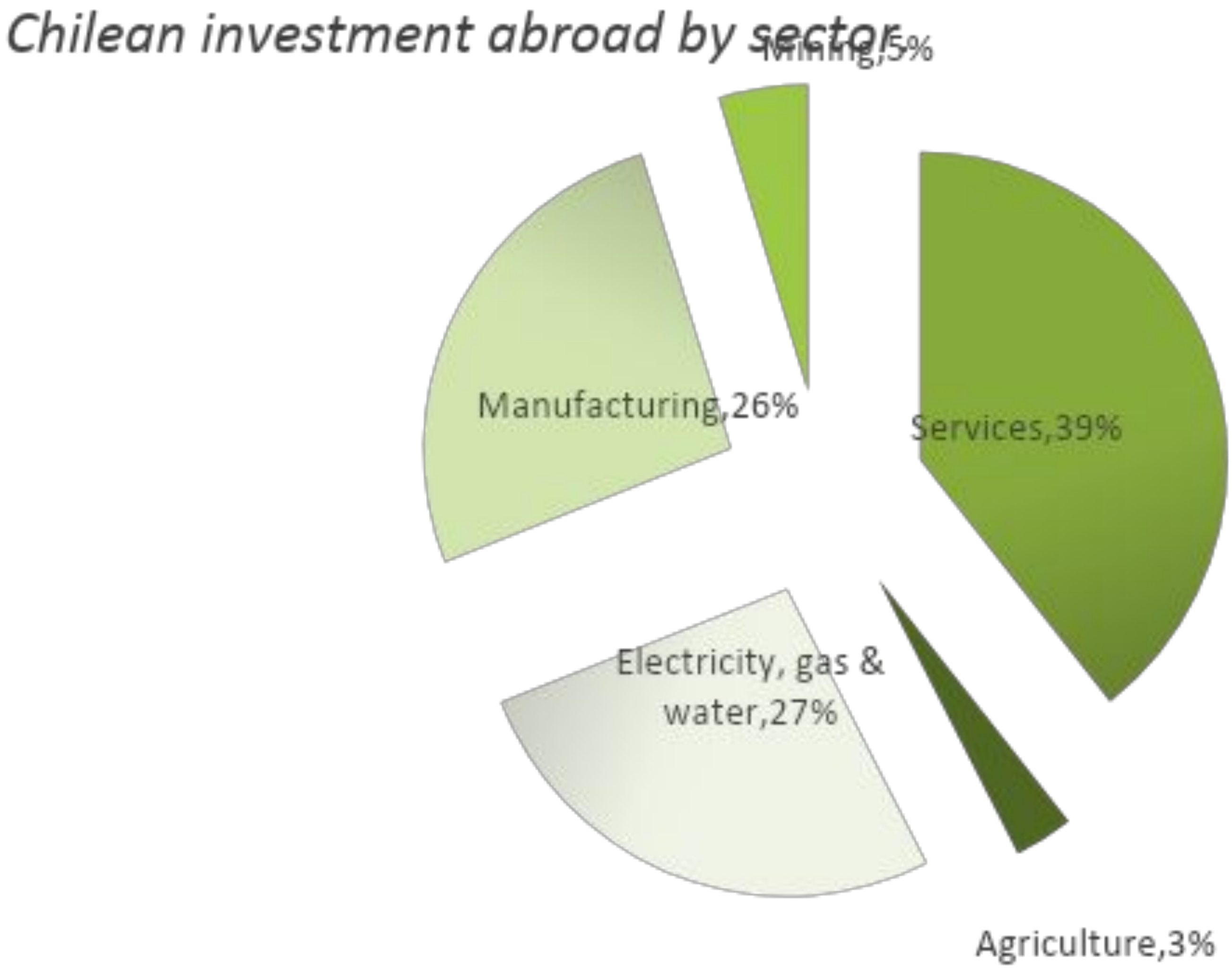
Exemption for First Category Tax .

CHILEAN INVESTMENT ABROAD



Source: DIRECON

CHILEAN INVESTMENT ABROAD



Fuente: DIRECON

OUR EXPORT LINE UP

Chile

FOOD AND FORESTRY DEVELOPMENT

Consisting of a universe of more than 200 food & beverages exporting countries, Chile ranks 16th .

Exports of food and forest industry exceeded USD 18.300 million in 2011, a figure expected to increase to USD 20.000 million by 2015.

Chile is one of the few countries in which the food industry has a high share of the GDP, more than 10%, after New Zealand and Belgium.

The natural geographical insulation is a major phytosanitary barrier .

FACTS & ACHIEVEMENTS OF THE FOOD INDUSTRY

N° 1 world exporter of:

- Blueberries
- Grapes
- Plums
- Dehydrated apples
- Trout
- Pacific salmon

Second world exporter of:

- Avocado
- Cherries
- Frozen raspberries
- Prunes
- Atlantic salmon

Source: ProChile, information from International Trade Centre..

ACHIEVEMENTS OF THE CHILEAN FOOD INDUSTRY

Every day worldwide…

16.9 million people enjoy a glass of Chilean wine;

6.0 million enjoy a portion of Chilean salmon;

8.6 million have a glass of Chilean juice;

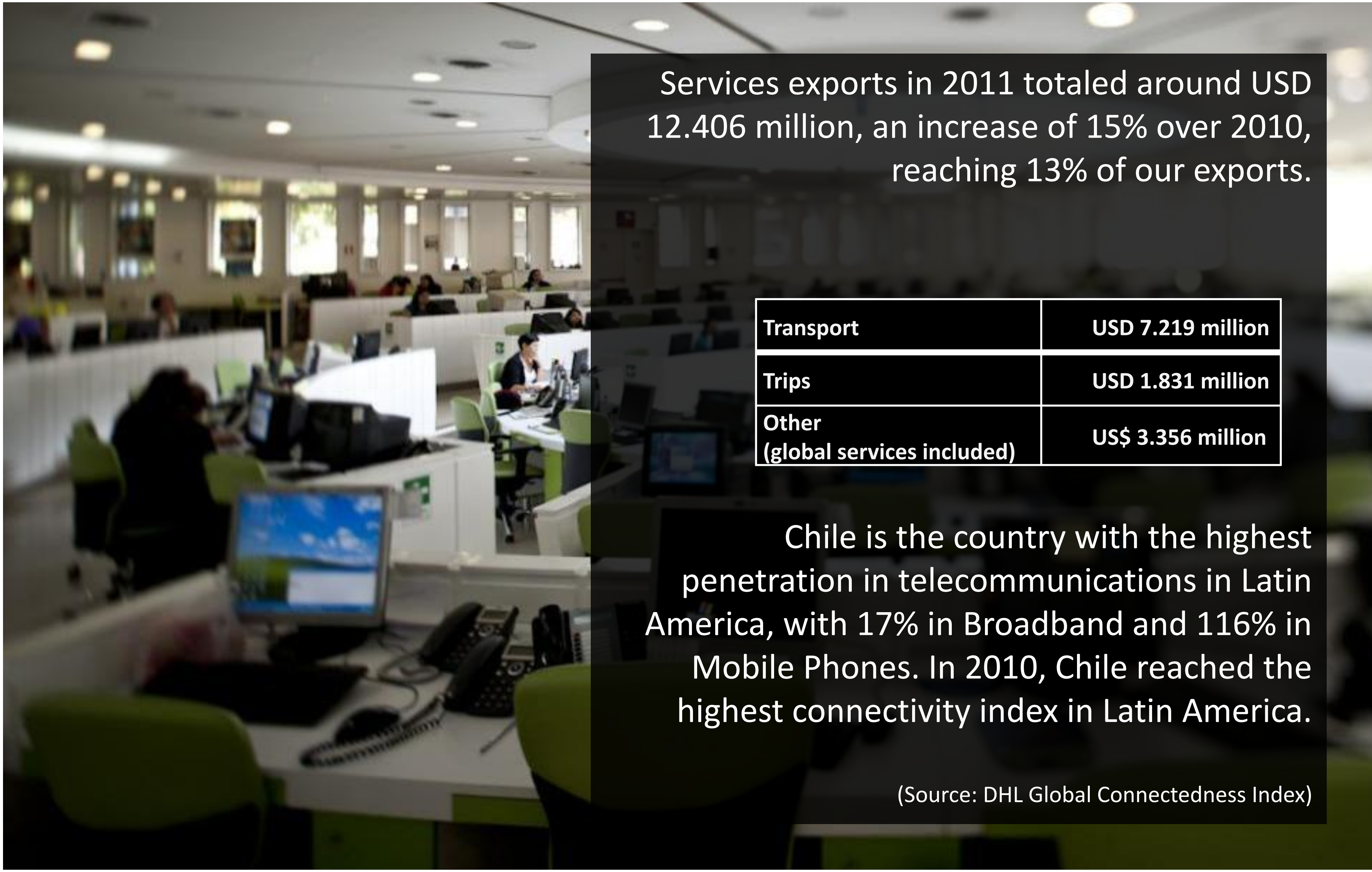
8.5 million have preserved fruits and vegetables;

4.9 million people enjoy a portion of Chilean dehydrated fruit;

1.7 million people have Chilean frozen fruit.

Fuente: Chilealimentos AG

ATTRIBUTES OF SERVICES SECTOR DEVELOPMENT



Services exports in 2011 totaled around USD 12.406 million, an increase of 15% over 2010, reaching 13% of our exports.

Transport	**USD 7.219 million**
Trips	**USD 1.831 million**
Other (global services included)	**US$ 3.356 million**

Chile is the country with the highest penetration in telecommunications in Latin America, with 17% in Broadband and 116% in Mobile Phones. In 2010, Chile reached the highest connectivity index in Latin America.

(Source: DHL Global Connectedness Index)

Source: ProChile based on Central Bank of Chile´s figures

GLOBAL PLAYER IN COPPER

With its copper production Chile has become the heart of mining industry development in South America.

From 15 world leading engineering offices in mining, 11 of them have branch offices in Chile.

The development of Chilean suppliers of goods and services for the mining industry has generated an export line up of excellent quality and competitiveness, generating WORLD - CLASS professionals.

TOURIST ATTRACTIONS

FOR FURTHER INFORMATION

General Information	www.thisischile.cl
Trade Information	www.prochile.gob.cl/importadores
Investments	www.foreigninvestment.cl
Tourism	www.chile.travel

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Gobierno de Chile