

Overview of Chile Economy

By

Embassy of Chile, Thailand

- Population : 17 million
- GDP per capita (2010) : USD15.400
- Inflation rate (2009) : 1.7%
- % growth since 1990 : 5.3% avg.
- Projected growth for 2011 & 2012 : over 6% per year
- By 2018 is expected to reach a developed country status (USD22.000 per capita income)



Chile Offers



- Fascinating geography
 - Diversity of climates and natural resources
- Skilled Human Capital (HDR 2010 by UNDP)
- Solid Institutions
 - Presidential democracy based on the rule of law
- Stable Economy
- Access to World Markets
- World Class Connectivity



Chile Features



- Stable democracy
- Solid macroeconomic regulations
- Consensus on foreign trade policy
- Integration to the world: FTA with over 57 countries
- Access to a market of 4.2 billion consumers worldwide
- Santiago: Best city for doing business in Latin America



Over 30 years of success



- First & Only OECD' member in Central and South America
 - Acknowledgment to Chile's efforts to develop its market-based economy
 - Recognition to successful policies adopted for the last two decades.
- Best business environment in Latin America
(N°15 according to Economist Intelligence Unit 2009)
- Gateway to Latin America and a Launch pad for newcomers FDI
- Chilean Bonds rated A by Fitch Ratings, A-plus by Standard & Poor's and Aa3 by Moody's Investors Service.
- N° 15 IMD* Competitiveness Index (ahead of Canada, China, Thailand (19), Taiwan, Japan & Korea).



Foreign Trade Policy



- Very open economy
- Export oriented
- Consensus on Chilean trade policy
- Firm supporter for WTO liberalization measures: Ideal trade environment for Chile is a sort of worldwide FTA
- Every FTA looks for an Investment chapter

- Solid Guarantees for FDI
- Chile's Constitution guarantees:
 - non discrimination,
 - neutrality and
 - equal treatment for national and foreign investors.
- Three mechanisms:
 - Foreign Investment Statute (D.L. 600),
 - Chapter XIV of the Central Bank's Compendium of Foreign Exchange Regulations (CFER),
 - Chapter XIX of the CFER.

ZOFRI: Iquique's Free Trade Zone Business Platform of the Southern Cone of America





Challenges

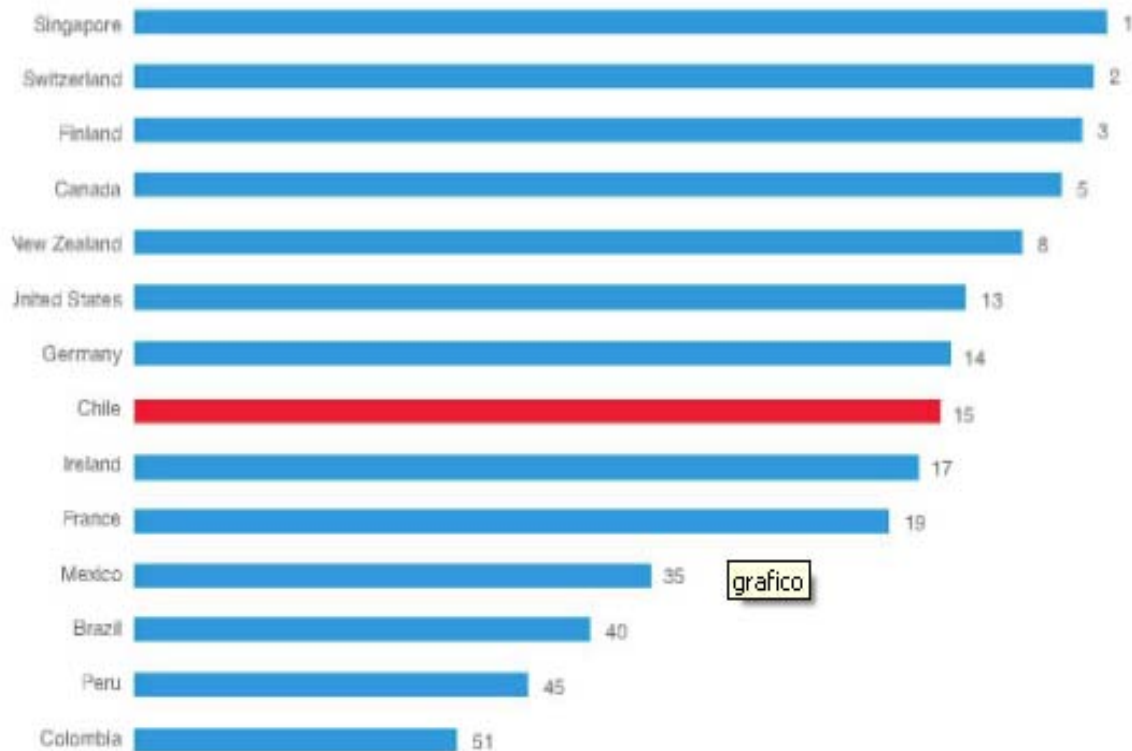


- Increasing efficiency
- Improving access to finance
- Fostering innovation
- Attract new investment flows from Asia.

Dynamic Business Environment

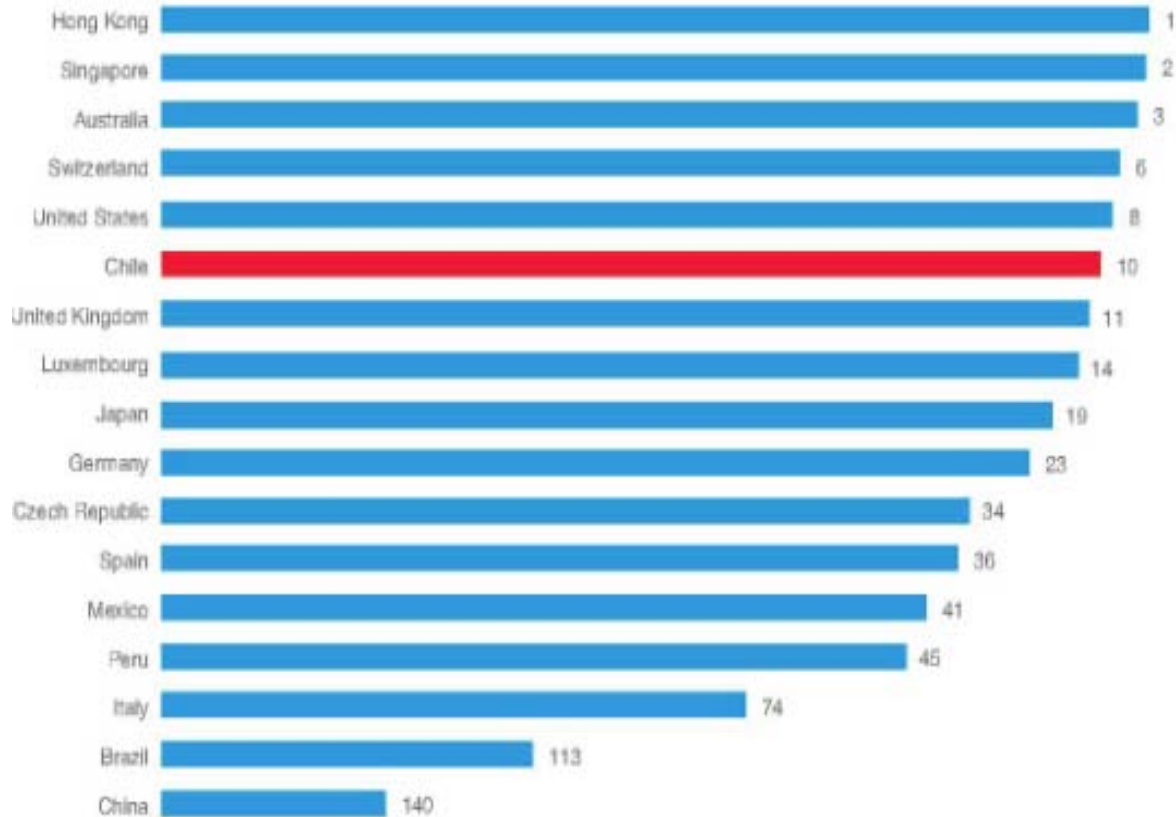
Best Places to Do Business 2010-2014 Chile

Best Places to Do Business 2010-2014 (*)



Source: Economist Intelligence Unit (www.eiu.org)
* Out of 82 economies

Dynamic Business Environment Index of Economic Freedom 2010



Source: Heritage Foundation (www.heritage.org)
* Selected economies out of total of 179.

2010 Corruption Perceptions Index

N°21

(Transparency International)



Trade Figures

CHILE – THAILAND (US\$)					
	2007	2008	2009	2010	09-10 Growth
EXPORTS (FOB)	292.869.411	160.352.847	133.395.666	281.572.258	111,08%
IMPORTS (CIF)	374.054.812	393.841.955	194.675.984	565.138.865	190,30%
BILATERAL TRADE	666.924.224	554.194.802	328.071.650	846.711.123	158,09%
TRADE BALANCE	-81.185.401	-233.489.109	-61.280.319	-283.566.606	362,74%