

Sergio Silva Alcalde
Beachhead Advisor
South America

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10 Reasons to do business in Chile



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- **Stable economy:** The good performance of the Chilean economy is one of the major qualities that it would be highlights.

Chile's position, with respect to attractiveness for investment, clearly exceeds that of all other countries in Latin America, in all of the dimensions under evaluation. The country was also ahead of Japan, Spain, Poland and South Korea, among others.

This is due to a constant average economic growth of 5% per year in the last decade, the exceptional levels of macroeconomic stability reached by the country, a solid financial system, low inflation, low debt in relation to the Internal Gross Product (4,1 % of the GDP), a healthy budgetary surplus (4,7 % of the GDP), stable change and almost no political risk.

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- **World Class Connectivity:** Chile's modern telecommunications infrastructure stands out in the region.

According to a recent [Connectivity Scorecard 2009](#) study conducted by Nokia, Chile places third in [connectivity](#) rankings among [the economies](#) based on resources and efficiency, surpassing Russia, India and all the countries of Latin America.

In its latest ranking of the best cities in which to do business in Latin America, the *AméricaEconomía* magazine considered **Santiago** the city with the second most **competitive telecommunications network**, just behind Buenos Aires.

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- **Skilled Human Resources:** Competitive costs and skilled professionals are some of the advantages that Chile offers to foreign companies settled in the country.

Chile has several of the best [business schools](#) in Latin America and, in general, it has achieved very high educational standards.

The **Chilean** government puts emphasis on English learning.

Companies that relocate their operations to **Chile** can reach cost savings of up to 60% on the gross salaries in Information Technology. The absenteeism and rotation of personnel is low, which guarantees efficiency and allows management to centre its attention on productivity.

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- **Competitive Business:** Costs Chilean cities are well-evaluated when it comes to consider conditions for doing business and costs of transfers, among others.

In its latest ranking of the best cities in which to do business in Latin America, the AméricaEconomía magazine placed Santiago second in the region, behind Sao Paulo and ahead of Miami.

This study, in combination with other analysis has continuously positioned the capital of Chile, and Chile in general, as one of the most competitive locations to establish international corporations in terms of cost of doing business- including taxes- availability of office space, workforce, telecommunications, and transfer costs.

Institutions, infrastructure, macroeconomic stability, health and primary education, higher education and training, technological readiness among other pillars.

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- **Exceptional Quality of Life:** Santiago has one of the best standard of living in the region and stands also out for its low crime rates and an exciting mix of sports and recreational activities.

Chile has low costs and high quality of homes, and high quality and cheap education, also offers part of the best medical infrastructure in the region.

It also boasts a safe and extensive banking system, as well as excellent commercial and leisure installations. Additionally, it has the lowest crime rate in Latin America. Within the global context, it is a very economical city.

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- **Access to World Markets** : With 21 trade agreements signed, Chile is an open and internationally connected economy.

As a result of numerous free [trade agreements](#), corporations in **Chile** enjoy the privilege- in many cases, with no tariffs- of accessing markets with almost 4,000 million consumers around the world.

The use of **Chile** as a springboard for regional operations has spurred the creation of new jobs, an increase in the use of sophisticated technology in the country and an increase in service exports.

There are also less tangible benefits in the form of new knowledge and technological transferences. It is a virtuous circle that favors the development of **Chile**, and benefits its foreign partners.

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- **Government Support:** Chile offers investment incentives and government programs to those who are interested in investing in the country.

Chile does not utilize subsidies to support business activities or attract investment. However, any investor, local or foreign, can access incentives for investments in specific areas of the country- remote regions that suffer from the decline of key industries- or for new sectors.

In that sense, the Chilean government looks to position Chile as a platform of business intensive in technology, for which a series of credit lines, subsidies, and bonuses are generated and channeled through the Corporación de Fomento (Corfo, economic development agency). It was in support of this objective [InvestChile](#) program of the Ministerio de Economía (Department of Commerce) and) ([Committee of Foreign Investments](#)).

[A National Cluster Program](#) has also begun to develop, with the objective of propelling innovation and strengthen the sectors with high growth potential. The first five clusters are in the areas serviCes, food, mining, special interest tourism, and agriculture.

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- **Low Corporate Tax:** The taxes in Chile are the lowest in Latin America and well below many European countries.

In Chile the tax of 17% that applies to companies is less than is charged in most of the European economies and the lowest in Latin America.

Additionally, has negotiated bilateral double taxation agreements based on the following criteria:

- A current free trade agreement.
- A flow of substantial capital and technology from or to Chile.
- The attractiveness of an economy to develop business, for Chileans and foreigners.
- A strategic interest in the region.

With a double taxation agreement, only one of the states is granted the power to impose taxes on revenue or the patrimony of the company. Today Chile has [agreements](#) with 19 countries, among which are countries like Canada, Brazil, France, Malaysia, Mexico, Poland, Russia, South Korea, Spain and the United Kingdom. Negotiations also exist with China, Finland, Ireland, the Netherlands, Switzerland and the United States, among others.

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- Freedom of Growth: Chile is one of the freest economies of the planet and the regulatory system is not discriminatory to foreign investment.

80% of the Chilean economy is free. In the Index of Economic Freedom World Rankings by Heritage Foundation, Chile placed 11th of 179 countries.

The transparency of the Chilean government and the role of non-interference guarantees freedom to businesses and individuals, foreign or local, to determine the nature of its business activities.

Furthermore, private activity has reached the farthest corners of most industries, and Chilean authorities now encourage private investment in public services and infrastructure.

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Solid Institutions: Chile's stable business environment

Chile tops the list in Latin America for political security, fiscal policy, transparency and business

Chile is a safe and secure place to do business, with strong institutions and laws to protect investors.

Investors have the benefit of a stable and business-friendly government, is playing an active role in **promoting foreign investment and innovation**. For example, with "[Start-Up Chile](#)," programme the government offers US\$40,000 to entrepreneurs who want to set up office for six months, to test their product in the South American market.

[Standard & Poor's](#) gave Chile an A+ credit rating;

Moody's ranked economic stability an Aa3

[Fitch](#) scored the country an A, [citing](#) its "solid institutions and public and foreign debt ratios that are much lower than average 'A' countries.

"The Chilean Economic Development Agency, Corfo, is a useful source of information and support for [foreign investors](#).

Also [investchile.com](#)

[note](#) ([Foreign investment](#) accordingly [is at record levels](#) in Chile. **Last year, investment went up 201%**, reaching [US\\$13.3 billion](#) between January and October in 2010. "Foreign investors value the conditions that exist in Chile for doing business.)

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- Thank you and Good Luck