

Over 100 companies participate in Expo China 2011



Matias Mori inaugurated Expo China 2011

Historically, Chinese businesspeople based in Chile have focused on the retail and restaurant sectors. There are, however, enormous opportunities for them to invest in sectors such as mining, energy and agriculture.

Mori highlighted the importance of the Foreign Investment Committee's sponsorship of events such as Expo China 2011 as an opportunity to develop synergies in the context of Committee's strategy of narrowing gaps for doing business with China. He reported that, in line with this strategy, two Chinese companies have submitted applications this year to invest a total of US\$205 million through the DL 600 Foreign Investment Statute. These initiatives, if implemented, would represent an increase of 141% in materialized Chinese investment in Chile.

- **The Executive Vice-President of the Foreign Investment Committee, Matias Mori, participated in the inauguration of Expo China 2011, an event organized by the Association of Chinese Businesspeople in Chile at which exhibitors include leading Chinese technology and manufacturing companies.**

The inauguration of the Expo China 2011 business fair was attended by Xiu Xiaoping, Deputy Director General of the High Technology Industry Development Center of China's Ministry of Science and Technology, and Lu Fan, China's Ambassador to Chile. The event brings together over 100 leading Chinese technology and manufacturing companies that are interested in finding new business opportunities in Chile.

Sponsored by China's Ministry of Commerce and its Ministry of Science and Technology, Expo China 2011 seeks to foster the development of bilateral trade, introduce high technology and better-quality products from China, diversify economic and commercial cooperation between the two countries and, in general, tighten ties of bilateral cooperation.

In line with these objectives, stands at the fair show the latest developments of Chinese

companies in areas that include renewable energies, water and waste treatment, vehicles, electronics and specialized machinery.

The Executive Vice-President of the Foreign Investment Committee took advantage of the event to meet potential investors and provide them with information about Chile's investment climate and the business opportunities it offers for Chinese companies.

"Initiatives like Expo China offer the possibility of tightening ties with China's main centers of innovation and development, allowing us to present Chile as a serious and reliable country and a safe place in which to invest and contribute knowledge and technology," noted Mori.

Increased investment

China is Chile's main trading partner and its largest export market, accounting for sales of US\$16,541 million in 2010, or 24.5% of total exports. In contrast, however, Chinese investment in Chile reached barely US\$85 million between 1974 and 2011 when it represented just 0.11% of total incoming investment.

CIE

FOREIGN INVESTMENT COMMITTEE SIGNS AGREEMENT WITH JAPANESE OUTBOUND INVESTMENT PROMOTION AGENCY



- **The agreement will facilitate the exchange of information and the promotion of investment opportunities in Chile among Japanese businesspeople.**

With the signing of a Memorandum of Understanding, the Foreign Investment Committee and the Japan Institute for Overseas Investment (JOI) have sealed a cooperation agreement that seeks to increase and diversify

Japanese investment in Chile. Signed in Tokyo by the Executive Vice-President of the Foreign Investment Committee, Matías Mori, and the President of the JOI, Shinichi Jin, it establishes mechanisms for improving communications and the access of foreign investors to information about projects in the public and private sectors in Chile.

"We are very pleased with this agreement, reached thanks to the support of Chile's Ambassador to Japan, Patricio Torres," said Shinichi Jin. "Its aim is to foster Japanese investment in Chile through collaboration between the Foreign Investment Committee and the JOI in promotional activities and the exchange of information about Chile's business climate and the investment opportunities it offers and I sincerely hope that it will make an important contribution to strengthening relations between our two institutions and to promoting the industrial and economic development of both countries," added the President of the JOI.

According to Matías Mori, "this agreement is a further step in Chile's consolidation as an attractive destination for Asian investors".

Japan accounts for 3.9% of the foreign investment that has entered Chile under the DL 600 Foreign Investment Statute since 1974. Out of this total of over US\$3 billion, 84.2% has gone into the mining sector. "We aim to narrow the gaps for doing business that still exist and to increase the entry of Japanese investment into other sectors such as energy and infrastructure where there are opportunities," added Mori.

The agreement was signed during a visit to Asia by the Executive Vice-President of the Foreign Investment Committee. As part of this visit, which included China and Malaysia as well as Japan, Mori also participated in investment seminars and held meetings with potential investors and the media.

"There is a great deal of interest in investing in Chile," reported Mori, who highlighted Chile's good prospects in the context of

the current international outlook as a powerful incentive for the entry of foreign capital. "Last year, Chile was among the world's top twenty destinations for foreign investment and this is a trend that, thanks to its stability, transparency and positive outlook, we hope to maintain," concluded Mori.

Source: Foreign Investment Committee, November 21

ASIAN BUSINESSPEOPLE SAMPLE "TASTES OF CHILE"



- **During a visit to China and Malaysia, the Executive Vice-President of the Foreign Investment Committee, Matías Mori, participated in two versions of the Sabores de Chile trade fair in order to promote business and investment opportunities in Chile's food sector.**

The Sabores de Chile (Tastes of Chile) fair organized by the ProChile export promotion agency in the cities of Guangzhou in China and Kuala Lumpur in Malaysia is "a valuable effort to promote opportunities in agribusiness in Chile", according to Matías Mori, Executive Vice-President of the Foreign Investment Committee. Mori participated in the two fairs along with Carlos Honorato, Deputy International Director at ProChile, Luis Schmidt and Christian Rehren, Chile's Ambassadors to China and Malaysia, respectively, and a delegation of 20 businesspeople from the Chilean food sector.

"For over a year now, the Foreign Investment Committee's work in promoting Chile as a destination for foreign investment has focused on Asia in general and China in particular," pointed out Mori. "In this context, the seminar on trade and investment opportunities that took place

during the Sabores de Chile fairs forms part of a joint effort by ProChile and the Committee to increase the familiarity of Asian businesspeople with our country's business environment," he explained.

Trade and investment partners

Over the past five years, Chile's exports to Malaysia have grown at an annual rate of 35%, rising from US\$121 million in 2006 to US\$208 million in 2010 while China is now Chile's sixth most important market for exports of food and beverages. These have grown by 65% in the past five years from US\$288 million in 2006 to US\$478 million in 2010, positioning Chile as China's 19th largest food supplier.

"It is particularly positive that a fair was held in Guangzhou where Chile recently opened a consulate and commercial office which will certainly strengthen our presence in the Chinese market," noted Mori, who also expressed optimism that, along with trade, Chinese and Malaysian investment in Chile will also grow.

"Initiatives of this type in which 22 Chilean businesspeople had an opportunity to meet their counterparts in Asia facilitate business development in terms of both trade and the search for investment partners, helping to bridge the main gaps for doing business between our countries - geographic distance and cultural understanding," said Mori.

He added that, as regards Chile's advantages for Asian investors, "its particular characteristics such as its transparency, reliability, clear and stable regulatory framework and excellent business prospects as testified to by all international rankings favor the entry of foreign investment". In 2010, Chile for the first time ranked among the world's top 20 destinations for foreign investment, according to a report issued by the United Nations, he noted, while only weeks previously, the World Bank had confirmed Chile's position as the easiest Latin American country in which to do business. "I think the time has come for Asian businesspeople to take advantage of the opportunities our country offers in areas such as mining, energy, infrastructure, agribusiness and tourism," concluded Mori.

Source: Foreign Investment Committee, November 14

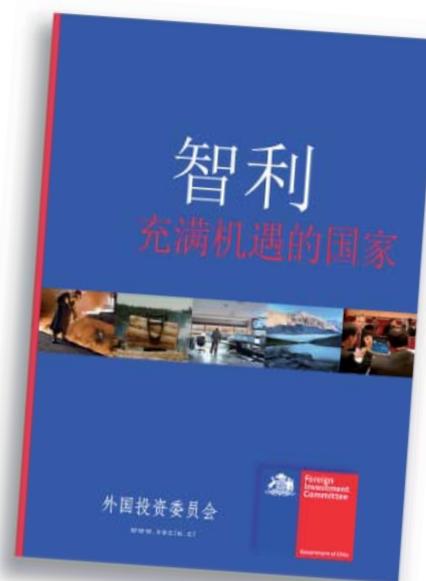
FOREIGN INVESTMENT COMMITTEE RELEASES CHINESE LANGUAGE VERSION OF THE BOOK "CHILE: LAND OF OPPORTUNITIES"

Available in Chinese on FIC's website

The news about foreign investment is extremely positive for Chile. In 2010, foreign direct investment (FDI) in our country reached US\$15.1 billion, up by 17.3% on the previous year, while the Foreign Investment Committee (FIC) authorized the entry over US\$13 billion, a record amount and a clear sign of foreign investors' confidence in Chile. This is an excellent time to invest and do business in Chile.

In this context, the Foreign Investment Committee has released the Chinese version of its publication "Chile: Land of Opportunities" which seeks to guide and support potential Chinese and Asian investors while also delivering a complete report of the current business climate of Chile and the advantages of invest in its different sectors. This publication is available to download in PDF format on the Publications section of our Chinese website www.vecie.cl.

Foreign Investment Committee, November 10



OPINION

UNCERTAIN TIMES: AN OPPORTUNITY FOR FOREIGN INVESTMENT

Matías Mori
Executive Vice-President
Foreign Investment Committee



Uncertainty about the future of the international economy is shaking markets. This uncertainty has a number of origins: problems in the European Union in reaching political agreement on a bailout for Greece, difficulties in the United States in improving growth and labor market indicators, and the risk of a deceleration of China's growth in response to a possible tightening of monetary policy. In this context, an important migration of investors is anticipated as they begin to seek safer havens for their businesses.

With its solid macroeconomic fundamentals and growth rates, Chile stands out as one such option. Our challenge is to take advantage of this opportunity to position Chile as the most reliable and rewarding country in which to invest during times of instability. To achieve this, we must act quickly and decisively.

In forecasts released in September, the International Monetary Fund (IMF) anticipated that, in the midst of the present storm, Chile will grow by 6.5% this year, with per capita income reaching US\$15,000 in 2012 and unemployment holding steady at around

7.5% for some years. Similarly, Citigroup Global Markets forecast in September that domestic demand in Chile will grow by 14.4% in 2011.

On the other side of the Pacific Ocean, China and India will continue to grow at enviable rates. In October, Goldman Sachs reduced its projections for their expansion in 2012 but emerging economies will still see the fastest growth while the United States and Europe lag far behind, with an important deterioration in their labor markets.

In this context, the international appetite for stable sources of resources and services will remain resilient. China, for example, already has over 3,000 companies investing in 129 countries around the world and committing amounts that are over fifty times the level of its foreign investment a decade ago. China has no alternative but to go out into the world and, for Chile, the weakness of the world's main economic centers, rather than posing a risk, is an opportunity.

Chile will also continue to grow. The forecasts of Citigroup and Goldman Sachs are auspicious. We are not, of course, immune to external instability and these organizations have, in fact, already reduced their estimates for the growth of consumer spending, domestic demand and investment in Chile this year. However, according to the projections they released in September, GDP growth in Chile will reach 4.5% in 2012, in line with the rest of the region, putting us in a position of stability within a context of great financial volatility.

In 2010, foreign direct investment (FDI) in Chile reached US\$15,095 million, up by 17.3% on the previous year, with reinvested earnings accounting for 51.9% of this total. The Foreign Investment Committee alone authorized the entry of more than US\$13,000 million last year, an amount without precedent in its history. This positioned Chile for the first time among the world's top twenty FDI recipients, according to the World Investment Report of the United Nations, and Chile is, moreover, forecast to reach 18th place in 2011-2013.

The United States, Spain and Canada have historically been Chile's principal sources of FDI while, over the past 36 years, Asia has accounted for barely 4% of the inflow. With its eyes on the opportunities currently afforded by the international economic situation, the Foreign Investment Committee will continue to focus its efforts on the large Asian economies which have so far played only a very small role in Chile's FDI matrix. We will do our utmost to ensure that the capital fleeing the industrialized economies comes to Chile in the short term and to take advantage of the current situation from a long-term perspective.

Chile is good news for the Asian economies and for all those who want to ride out the current international storms by taking advantage of investment opportunities in a safe and rewarding place. That is to the benefit of us all, but we must not rest on our laurels.

Source: Diario Financiero, November 15

ECONOMY

CHILE A HOT HUB FOR HALAL FOOD

Think Chile and one cannot help but think of its "divine" wine.

But there's more to the little South America nation which has now turned into a halal hub in that part of the world.

Chile's ambassador-designate to Malaysia Christian Rehren said the number of halal-certified Chilean companies had grown steadily from 25 to 45 within the first quarter of the year.

"We think we can compete as our halal products are of high quality," he said here.

He said Chile had exported many of its halal meat products to other Islamic nations including the Middle East and Muslim African countries.

"We have close ties with Muslim nations and received encouraging response from them for our products," he added.

He said the halal certifications of Chilean companies were also acknowledged by the Islamic Development Department of Malaysia.

Total exports between Malaysia and Chile amounted to RM656mil last year, with total imports at RM726mil.

Malaysia and Chile signed a bilateral free trade agreement (FTA) last year.

Under FTA, 96.5% of trade between the two countries is tariff-free.

Chile's executive vice-president of the Foreign Investment Committee, Matías Mori, who attended the "Flavours of Chile" seminar here earlier this week, said when FTA was first negotiated, not many were familiar with the halal industry in Chile.

"Our government then started pushing to create awareness and gave incentives to local companies so they would not be

left out.

"I hope with the expansion of FTA expected early next year, trade volume and investment would increase in both directions," he said.

Mori said the committee would do its best to highlight Malaysian brands in Chile.

Source: *The Star*, November 13

CHILE JOINS COLOMBIA AND PERU TO KEEP INTEREST RATES ON HOLD

Chile joined Colombia and Peru in leaving its benchmark interest rate unchanged as the European debt crisis shows little sign of damping growth or easing price pressures in the world's top copper producer.

Chile's five-member policy board, led by José De Gregorio in what may be his last meeting as bank president, held the overnight rate at 5.25 percent, as forecast by all 16 economists surveyed by Bloomberg. De Gregorio's term ends December 9 and President Sebastián Piñera has yet to nominate a replacement.

While Brazil has cut rates at each of its past two meetings, Peru, Colombia and now Chile have kept rates unchanged at recent meetings as they gauge the impact of global economic turmoil. Chile's economic growth accelerated in September, while retail sales leaped 9.6 percent and the annual inflation rate rose to a 30-month high in October.

Rates Outlook

With the second-highest borrowing costs among major Latin American economies that set interest rates, Chile's Central Bank has room to stimulate growth if the European debt crisis deteriorates further.

Policy makers will lower the rate to 4.75 percent by April after keeping it at 5.25 percent in December, according to the median estimate of 61 economists in a November 9 Central Bank survey.

"Headline inflation has been somewhat higher than expected because of the incidence of fuels and foodstuffs," policy makers said in a statement accompanying yesterday's decision. "Inflation expectations are close to the target."

'Close Attention'

Chile's economy, which expanded 8.4 percent in the first half of 2011, is starting to decelerate to growth rates nearing its long-term trend of 5 percent and remains vulnerable to shocks from the European crisis, De Gregorio said in an October 19 speech in Santiago.

"Output figures are evolving close to projections in the last monetary policy report's baseline scenario, while domestic demand is somewhat stronger," the Central Bank said yesterday in reference to the September report that forecast economic growth of 6.25 percent to 6.75 percent in 2011.

"We are paying close attention to external developments and we have the flexibility to act whenever necessary," De Gregorio said on October 19. "The focus is now on the effects that the weak global economy will have on the Chilean economy, especially on growth and inflation."

Source: *Bloomberg*, November 16

CHILE CITES MIDEAST AS KEY TO ITS EXPORT EXPANSION

The Middle East is an emerging market and one that the Chile Trade Commission has said is key to its export expansion plan, said trade commissioner Carlos Salas at a recent Chilean food and wine tasting event in Dubai.

Last year Chile exported around US\$80 million to the UAE, and this year its target is US\$130 million. Salas is confident of reaching the target: "This year we are increasing exports by 60%. So far we are doing well. In September we had exported US\$100 million, and we still had three

months to reach the target," he said. "So far we are in the 16th place out of 200 countries in the world for exporting food. We want to be in the top 10. That is our goal for 2015."

"For that reason the Middle East is a very, very important place to develop. So far it represents 2% of our total exports, and we want to increase it to 5% or more."

"We have chosen Dubai as a hub to develop this market, and have selected Emirates and Saudi as our first two steps. From here we are close to Qatar and all of the GCC."

"Our main sector is fresh fruit, the second is dried fruit, the third is seafood, followed very closely by wines. These four sectors represent 90% of our exports. We think that with these four we can grow very fast."

"We have just opened our country for halal meats and in the next year that could be another sector that develop in an aggressive way. We don't have a high volume of meat, but it is high quality because in Chile we have green grass," he went on to explain.

"We have the same climate as New Zealand and Australia. It's a long country and we have very different landscapes in each part. Australia and New Zealand have a big advantage as they are closer, but they have already reached their trade capacity.

"As we are growing we can be more competitive. We can reach the market with better prices, and the quality will still be high.

"There are only a few countries in the world where food is more than 10% of a country's GDP. After New Zealand and Belgium, Chile is third in how important exports are to the country."

Source: Hotelier Middle East, November 17

CHILE'S GDP GROWS 4.8% ON THE YEAR IN 3Q

The Chilean economy grew at a healthy pace in the third quarter, albeit slower than in the previous two quarters, amid robust domestic demand, the Central Bank reported.

The country's gross domestic product surged 4.8%.

Source: Dow Jones Newswire, November 18

SPAIN'S CROWN PRINCE VISITS CHILE

Chilean President Sebastián Piñera on November 22 welcomed Spanish Crown Prince Felipe and his wife, Princess Letizia, with the honors reserved for heads of state at Moneda Palace.

The royal couple, who arrived on Monday night in Santiago, came to the seat of Chile's government after placing a floral offering at the monument to the country's liberator, Bernardo O'Higgins, the first event on their schedule.

Many Chileans followed the activities at the O'Higgins monument and also came to the palace to greet the prince and princess with applause and cheers.

Piñera, accompanied by first lady Cecilia Morel, awaited Felipe and Letizia and welcomed them at the palace's main entrance, while a military guard detail offered honors to the royal couple as the respective national anthems played.

Source: EFE, November 22

COURT WILL DECIDE IF CODELCO, ANGLO DEADLOCKED-CHILE

Chile's courts will decide an option contract spat between state copper giant Codelco and global miner Anglo American if they fail to negotiate a deal, President Sebastián Piñera said.

Anglo shocked world No. 1 copper producer Codelco and investors this month when it sold a 24.5 percent stake in its southern Chilean copper properties to Japan's Mitsubishi Corp for US\$5.4 billion, undermining an option Codelco had to buy a 49 percent stake.

Codelco has appealed against the sale to Chilean courts, and the two sides are gearing up for a likely protracted legal battle.

"The government is aware of and supports the moves Codelco is making to defend its legitimate interests," Piñera said in a speech at an annual mining sector dinner. "The solution can come by one of two paths."

"If they do not reach an agreement, given Chile is a land with a rule of law, it will be the Chilean courts which must resolve these differences," he added.

Source: Reuters, November 23

ENTERPRISES

XSTRATA UNIT REACHES CHILE PROJECT POWER LINE DEAL

Energía Austral, a unit of mining company Xstrata Copper, said that it had signed a memorandum of understanding with HidroAysén to share land for planned transmission lines in southern Chile.

Source: Reuters, November 3

OUTOTEC PROVIDES PROCESS TECHNOLOGY TO SIERRA GORDA COPPER-MOLYBDENUM PROJECT IN CHILE

Outotec has signed a contract with Quadra FNX Mining Ltd. for the design and delivery of process solution to the new copper-molybdenum concentrator located in Sierra Gorda, close to Antofagasta in northern Chile. The contract value is about EUR 26 million. The majority of the contract is booked in Outotec's Q3 order intake with a small part being booked in the fourth quarter.

Deliveries of Outotec TankCell e300 flotation cells, concentrate and tailings thickeners as well as filters are scheduled to be completed during 2012. In addition, Outotec also provides installation, commissioning and start-up services for the delivered equipment.

"Outotec is committed to providing process solutions that enable our customers to recover the valuable metals in the most sustainable manner possible. We are happy that our latest flotation and thickening developments were chosen for the new Sierra Gorda concentrator", states Outotec's CEO Pertti Korhonen.

Source: Reuters, November 8

MAERSK SAYS TO INVEST US\$170 MILLION IN CHILE PLANT

Danish shipping and oil group A.P. Moller-Maersk plans to invest about US\$170 million in a new factory in Chile to produce refrigerator containers, known as reefers, for a Latin American export boom.

The factory in San Antonio, Chile, will begin operating by the end of 2013 and reach an annual output of 40,000 reefer containers and 30,000 reefer refrigeration units by early 2017, Maersk's container industry unit said.

Maersk Container Industry (MCI) has production facilities in Qingdao, Dongguan, and Huidong in China and annual output of 41,000 reefer containers, 37,000 reefer refrigeration units and 200,000 twenty-foot dry containers, the company said.

MCI is an independent unit within the A.P. Moller-Maersk group. Historically about a third of its containers have gone to the group's Maersk Line, which is the world's biggest container shipping company, and the rest to other customers.

Reefers were earlier produced in the United States, but now all reefer production is concentrated in China, so the Chilean plant will be a milestone in the development of the industry.

It will be located next to a Maersk port terminal in Chile.

"The new factory will produce Maersk's high-tech reefers in a part of the world where exporters have problems gaining access to reefers," the company said.

Because of a current imbalance in world trade, tens of thousands of reefer containers each year are shipped empty to western South America to be loaded with reefer cargo, which is typically fruit and other fresh produce, Maersk said.

Source: Reuters, November 11

CHILE TO STEP UP CREATION OF WIND ENERGY

Pattern Energy Group recently agreed on a 20-year renewable power sale and energy services agreement with Minera Los Pelambres, a Chile mining company, for its El Arrayán Wind project located in north Santiago on the country's coast.

"Pattern is expanding its development reach into Latin America with the El Arrayán project, which boasts one of the strongest wind resources in Chile," said Mike Garland, CEO of Pattern Energy. "We were attracted to Chile because it is an investment-grade country with a very attractive power market and growing demand for electricity."

El Arrayán is currently in development, and when it is completed in 2013, the 115-megawatt project will be Chile's largest wind energy project. It will be able to create enough clean energy to power up to 45,000 local homes without creating any harmful emissions.

While El Arrayán is only in the development stage, Chile is the home to a new wind farm on behalf of Barrick Gold, which recently began operation at the Punta Colorado Wind Farm.

The US\$50 million development uses 10 wind turbines that generate 20 megawatts of power and provides clean energy to roughly 10,000 homes.

Source: Cooler Planet, November 28

RANKINGS

SANTIAGO DE CHILE IS AMONG LONELY PLANET'S TOP 10 CITIES TO TRAVEL FOR 2012

After "globe-trotting research and fierce debate", Lonely Planet Magazine ranked Santiago de Chile in 7th position, including it on its Top 10 Cities for 2012, a shortlist with the best in travel for the next year. According to the publication, those ten cities are "showing new flair with music and art festivals or dusting off preconceptions by showing their wilder streak".

TOP 10 CITIES TO TRAVEL FOR 2012	
Rank	City
1	London
2	Muscat
3	Bengaluru (Bangalore)
4	Cádiz
5	Stockholm
6	Guimarães
7	Santiago
8	Hong Kong
9	Orlando
10	Darwin

Source: Lonely Planet Best in Travel (www.lonelyplanet.com).

Lonely Planet recommended visiting Santiago, highlighting the optimism and buzz of the city. "Culture and sports have come to the fore and new museums have opened to acclaim. Dining is now top-notch, nightlife exhilarating and this year also marks the inauguration of the tallest building on the continent, the 70-storey Torre Gran Costanera. Day trippers can scale an Andean peak in summer, ski its powder-clad slopes in July, or cycle through the idyllic vineyards of the Casablanca, Maipo and Colchagua valleys", they said.

Source: Lonely Planet Best in Travel, November 1

CHILE CLIMBS SIX PLACES AND REACHES 34TH POSITION IN COUNTRY

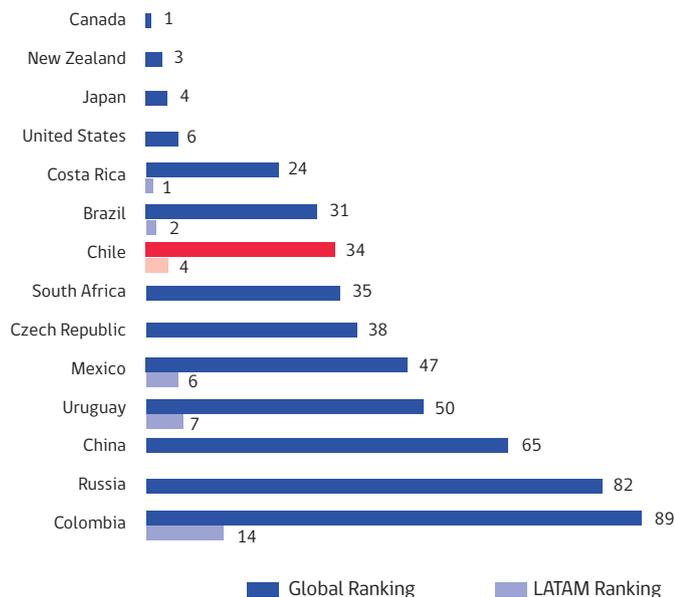
"Although the individual countries of Latin America exhibit huge differences in terms of history, economy, society and politics, there is a strong will to build towards a shared future", concludes the report of the Country Brand Index (CBI) after the results of the new 2011 ranking. "Latin America has developed a growing sense of regional identity in the last decade, favoring consolidation at a time when more established regional entities like the European Union start to question its value", highlights the study.

Chile climbed six places since the last measurement, reaching 34th position in 2011 overall CBI and 4th position in Latin America ranking, after Costa Rica, Brazil and Argentina.

This index is published every year by the consulting firm FutureBrand, which documents brand strength perceptions around 113 nations and is based on more interviews, insights and information than any other study of its kind.

Source: FutureBrand, November 10

Country Brand Index (BCI)
(Selected economies, position)*



Source: FutureBrand (www.futurebrand.com).
* Out of 113 economies.

CHILE HAS GOT A VERY HIGH INDEX OF HUMAN DEVELOPMENT IN 2011 UNDP REPORT

Chile's Human Development Index (HDI) is 0.805 in 2011, which gives the country a rank of 44 out of 187 countries with comparable data, maintaining its 2010 score. The HDI of Latin America and the Caribbean as a region increased from 0.582 in 1980 to 0.731 today, placing Chile above the regional average. The country has grown three positions between 2006 and 2011, with an average annual increasing of 0.65 points during the last decade.

Each year the Human Development Report of United Nation Development Programme has published the HDI which was introduced as an alternative to conventional measures of national development, such as level of income and the rate of economic growth. The HDI represents a push for a broader definition of well-being and provides a composite measure of three basic dimensions of human development: health, education and income. In these dimensions, Chile obtained 0.932, 0.797 and 0.701 points, respectively.

The HDI is provided by a variety of public international sources and represents the best and most current statistics available for those indicators at the time of the preparation of this annual report. This year's Report focuses on the challenge of sustainable and equitable progress.

Simulations for the Report suggest that by 2050 the global HDI would be 8 percent lower than in the baseline in an "environmental challenge" scenario that captures the adverse effects of global warming on agricultural production, on access to clean water and improved sanitation and on pollution.

Source: United Nation Development Programme, November 2

Human Development Index by components (Selected economies, values)*						
2011 Country	HDI Value	Life expectancy at birth (years)	Mean years of schooling	Expected years of schooling	Gross Rank National Income per capita*	
VERY HIGH HUMAN DEVELOPMENT						
1 Norway	0.943	81.1	12.6	17.3	47,557	
4 United States	0.910	78.5	12.4	16.0	43,017	
9 Germany	0.905	80.4	12.2	15.9	34,854	
12 Japan	0.901	83.4	11.6	15.1	32,295	
17 Israel	0.888	81.6	11.9	15.5	25,849	
26 Singapore	0.866	81.1	8.8	14.4	52,569	
44 Chile	0.805	79.1	9.7	14.7	13,329	
45 Argentina	0.797	75.9	9.3	15.8	14,527	
HIGH HUMAN DEVELOPMENT						
55 Bulgaria	0.771	73.4	10.6	13.7	11,412	
57 Mexico	0.770	77.0	8.5	13.9	13,245	
61 Malaysia	0.761	74.2	9.5	12.6	13,685	
84 Brazil	0.718	73.5	7.2	13.8	10,162	
MEDIUM HUMAN DEVELOPMENT						
101 China	0.687	73.5	7.5	11.6	7,476	
113 Egypt	0.644	73.2	6.4	11.0	5,269	
World	0.682	69.8	7.4	11.3	10,082	

Source: United Nation Development Programme (<http://hdr.undp.org>).
* Out of 187 economies.
** Constant 2005 PPP US\$.

Chile in Human Development Report 2011 (Indicators by dimension)	
Dimension/Indicator	Value
Health	
Expenditure on health, public (% of GDP)	3.7
Under-five mortality rate (per 1,000 live births)	9
Life expectancy at birth (in years)	79.1
Health index (life expectancy)	0.932
Education	
Public expenditure on education (% of GDP)	4.0
Expected years of schooling (of children under 7)	14.7
Adult literacy rate, both sexes (% aged 15 and above)	98.6
Mean years of schooling (of adults over 25 in years)	9.7
Education index (expected and mean years of schooling)	0.797
Income	
GDP per capita in PPP terms (constant 2005 international US\$)	13,057
GNI per capita in PPP terms (constant 2005 international US\$)	13,329
Income index (GNI per capita)	0.701

Source: United Nation Development Programme (<http://hdr.undp.org>).

■ ABOUT US

WHAT IS THE FOREIGN INVESTMENT COMMITTEE ?

The Foreign Investment Committee (FIC) is the agency that represents the State of Chile in its dealings with foreign investors and helps to position Chile as a highly attractive destination for foreign investment and international business through its role in matters related to the administration and communication of the corresponding legal norms, the development of promotional activities of different types and the preparation of information concerning foreign investment for investors and potential investors.

Is formed by the Ministers of Economy (who acts as president of the Committee), Finance, Foreign Relations and Planning as well as the president of the Central Bank. Other ministers responsible for specific economic sectors are also invited to participate in meetings whenever deemed necessary. It's headed and managed by an Executive Vice-President who is appointed by the President of the Republic.

WHAT THE FOREIGN INVESTMENT COMMITTEE DOES?

- Provides general information about Chile, its economic and social environment, legal framework and policies on Foreign Direct Investment.
- Provides information on how to begin the process of setting up a business in Chile as well as the procedures and regulations to which any investor must adhere for bringing foreign direct investment (FDI) into Chile.
- Coordinates business missions abroad, organizes seminars and conferences.
- Publishes regular reports about Chile's business climate and about specific investment opportunities in private and public projects.

CONTACT US

www.foreigninvestment.cl / cie@foreigninvestment.cl / tel. +56-2-6984254.

Investment Opportunities in Chile

HIGHLIGHT PROJECT

Tolhuaca I Geothermal Plant

Project for the construction of Chile's first geothermal plant. This will supply sufficient energy for consumption in the Temuco-Valdivia node, representing a population of some 500,000 people. Given that temperatures above 275°C have been found to exist in the Curacautín area, the plant will have a capacity of 75MW. The estimated investment is US\$250 million and the starting date is between end-2011 and end-2012.



MORE INFORMATION Federation of Chilean Industry (SOFOPA): Francisco Ovalle, fovalle@sofofa.cl, tel: +56-2-3913113 .



LEGAL DISCLAIMER: The information contained in this document is for the purposes of information only and the particular conditions of each specific potential project may vary from those set out here. The contents of this document should in no way be interpreted as a legally binding obligation of the Republic of Chile or any other state agency that participates in any way in the processes of administrative approval or of any other nature corresponding under Chilean law. This information in no way constitutes an authorization to start or exercise the economic activity potentially intended to be developed. The resulting agreements will be governed and interpreted exclusively according to the laws of the Republic of Chile, their related regulation and the national policies applicable to each particular case

The items contained in this newsletter are extracts from articles and reports published in the international press.