



Invest in **Chile**
Opportunities in the
Food
Industry

www.ciechile.gob.cl



Land of Opportunities

Chile is not only Latin America's best evaluated economy but also one of the best evaluated emerging economies internationally.

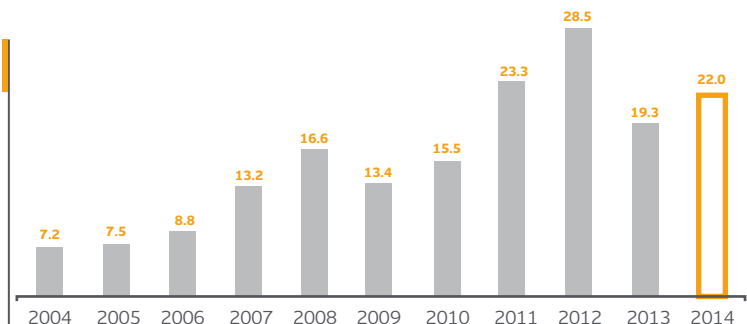
Its hallmark stability, transparency and competitiveness and excellent business prospects position the country as the best destination for foreign investment in Latin America and one of the world's leading destinations.

In its World Investment Report 2015, UNCTAD ranked Chile as the world's 11th largest recipient of foreign direct investment in 2014. With an inflow of US\$23,000 million in 2014, Chile took second place in Latin America after Brazil and ahead of Mexico.

Chile was the sixth largest recipient of FDI among developing economies in 2014, according to UNCTAD.

US\$23,000 million in inbound FDI in 2014.

FDI in Chile
2004/2014
(US billion)



Source: Central Bank of Chile



Chile's location permits counter-season supply of the main northern hemisphere markets.

Why invest in Chile?

A reliable country

Chile is a safe place in which to do business as borne out by risk ratings agencies which have increased or maintained their high ratings for the country, highlighting its low level of public debt, the health of its financial system and its solid institutions.

A competitive country

In the 2014-2015 Global Competitiveness Index published by the World Economic Forum, Chile took 33rd place out of 144 economies, ahead of all other Latin American countries.

An attractive business climate

In the Economist Intelligence Unit's Business Environment Ranking 2014-2018, Chile took 13th place out of 82 economies.

A transparent country

In Transparency International's 2014 Corruption Perceptions Index, Chile obtained a score of 73 points, ranking among the 21 best-placed economies out of the 175 countries included in the Index.

An internationally integrated country

Chile has signed trade agreements with more than 60 countries, expanding its domestic market of 16.6 million inhabitants to one of over 4,302 million potential consumers around the world (representing 85.7% of global GDP and 63% of the world's population).

A globally connected country

Chile has world-class highways and telecommunications services, with a high penetration of technology and excellent connectivity. In the Networked Readiness Index 2014 published by the World Economic Forum (WEF), it took 35th place out of 148 economies, ranking first in Latin America.

A country with talent

Chile stands out not only for its high-standard professionals but also as the home of two of the universities that, according to the latest Academic Ranking of World Universities (ARWU), are among the top ten in Latin America. In addition, it took 26th place out of 60 economies in the Global Talent Index 2015 of the Economist Intelligence Unit (EIU).

A country to live in

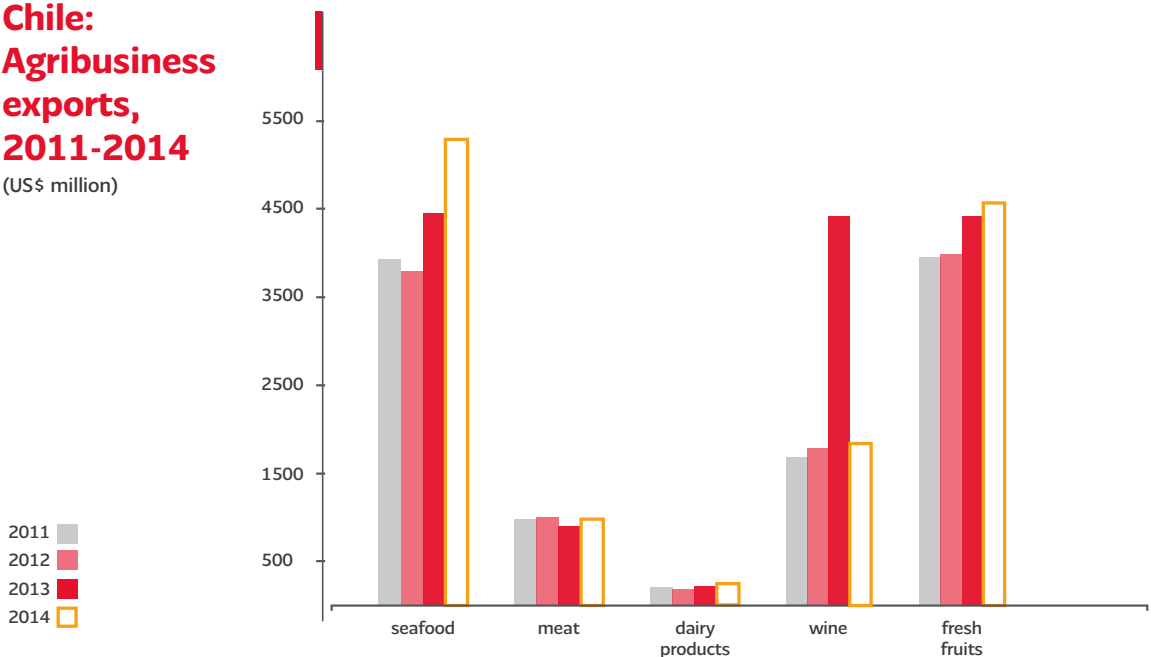
The capital Santiago is one of Latin America's most liveable cities, according to the Economist Intelligence Unit (EIU), and the country is also well evaluated in studies such as the Global Peace Index where, in 2014, it ranked 30th out of 162 countries.

Headquarters in Chile

Santiago offers overseas companies some of the world's most attractive installation costs. In its Prices and Earnings report for 2012, the UBS investment bank gave Chile's capital a score of 52.8 points and 60th position out of 72 cities in a ranking where first place indicates the most expensive city (Oslo) and New York is the base of comparison with 100 points.

Foreign investment in the Food Industry

Chile: Agribusiness exports, 2011-2014 (US\$ million)



Why invest in Agribusiness?

An open economy.

In 2014, Chile's agribusiness exports reached US\$16,000 million, accounting 21% of the country's total exports.

Geographic advantages.

Chile's location permits counter-season supply of the main northern hemisphere markets.

Climatic advantages.

Chile is one of the world's only five macrozones with a Mediterranean climate, offering excellent conditions for fruit growing. In addition, the country's length and diversity of climates permit year-round production as well as supporting the different forms of animal and vegetable life that underpin the diversity of its agricultural industry.

Excellent phytosanitary and zoosanitary conditions.

The natural barriers that protect Chile and transform it into a phytosanitary and zoosanitary island - the Atacama Desert in the north, the Andes mountains to the east, the Pacific Ocean to the west, and the ice fields of the south - mean that it is a country free of pests.

Natural conditions.

A coastline that stretches for over 4,300 km offers a variety of conditions for aquaculture, including the country's emblematic salmon of which it is the world's second largest producer.

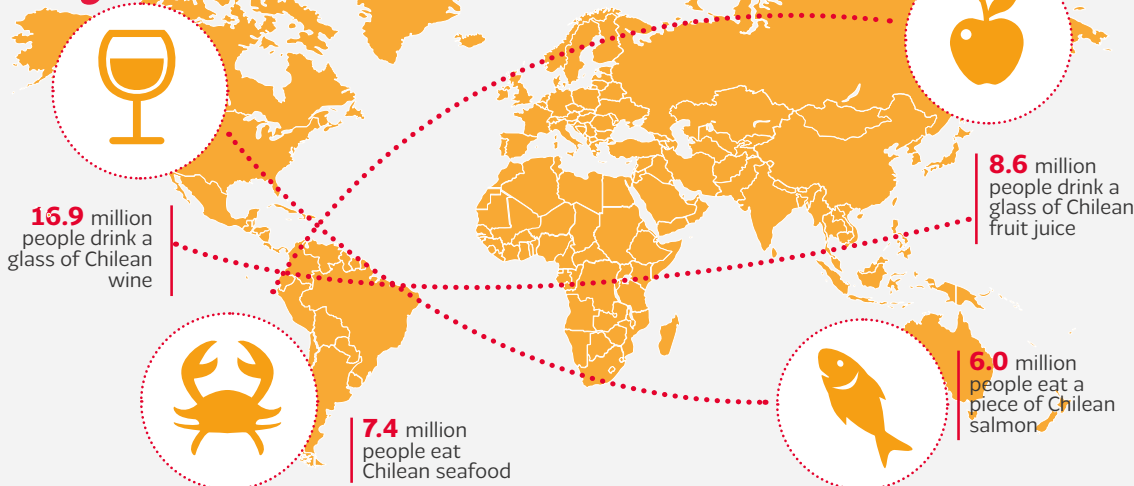
International markets.

Chilean products are present all around the world.

05

Opportunities in **Food Industry**

Each day



Investment opportunities



Olive growing sector

Key facts

Area under olives: 19,737 hectares.

Production: 15,000 tonnes.

High yields: Around 12 tonnes per hectare.

Exports (2014): US\$41.7 million.

Principal export markets (2014): Brazil (47%), United States (27%), and Italy (6%).

Investment opportunity identified

Integral use of the Chilean olive growing industry's waste.

Principal drivers

Use of waste with high antioxidant power that is normally discarded. Increasing international demand.

Location (Region of Chile)

Coquimbo
O'Higgins
Maule



Fruit farming sector

Key facts

Area under fruit: Over 297,000 hectares.

The largest areas correspond to table grapes, apples and avocados.

Principal fruits exported (by volume, 2014): grapes, apples, cherries and berries.

Exports (2014): US\$4,530 million.

Principal export markets (2014): United States (32%), China (14%) and Netherlands (9%).

Investment opportunity identified

Primary production of fresh fruit for export (walnuts, cherries and berries).

Principal drivers

Increasing demand and counter-season.

Location (Region of Chile)

O'Higgins
Maule
Biobío
Araucanía
Los Lagos

Production of fruit for agribusiness sector.

Increasing international demand. At present, the agribusiness sector uses rejected fresh fruit.

O'Higgins
Maule
Biobío
Araucanía

Mechanized harvesting services for fruit farming.

Industry expansion in response to high cost of labor.

Coquimbo
Valparaíso
Santiago
O'Higgins
Maule
Biobío
Araucanía
Los Lagos



Chile is the world's second leading exporter of frozen berries.



Wine sector

Key facts

Area under wine grapes: 138,355 hectares. 74.1% of the total area planted corresponds to red varieties, principally Cabernet Sauvignon, País and Merlot, and 25.9% to white varieties, principally Sauvignon Blanc, Chardonnay and Muscat of Alexandria.

Production (2014): 1,387 million liters.

Exports (2014): US\$1,891 million, positioning Chile as one of the world's four leading wine producers. Principal export markets (2014): United States (14%), United Kingdom (12%) and Japan (9%).

Investment opportunity identified

Production of special wines (grown at different latitudes, at altitude, on coast and biodynamic organic wines) for niche markets.

Principal drivers

Increasing demand and experienced industry.

Location (Region of Chile)

Coquimbo
Valparaíso
O'Higgins
Maule
Biobío



Meat sector

Key facts

Production (2014): 669,054 tonnes of poultry, 520,074 tonnes of pork and 224,111 tonnes of beef. Production concentrated in central-southern Chile.

Exports (2014): US\$976.6 million of which 55% corresponded to pork, 33.3% to poultry and 5.7% to beef.

Principal export markets (2014): Japan (17%), Russia (14%) and South Korea (11%).

Investment opportunity identified

Breeding plants for beef production.

Principal drivers

High prices which are expected to persist.

Location (Region of Chile)

O'Higgins
Maule
Biobío
Araucanía



Dairy sector

Key facts

Production (2014): 2,650 million liters.

Exports (2014): US\$244.9 million.

Principal export products: Full-fat milk, condensed milk and cheese.

Principal export markets (2014): Mexico (19%), Venezuela (18%) and China (11%).

Investment opportunity identified

Production of cow's milk.

Principal drivers

Increasing demand and great growth potential.

Location (Region of Chile)

Southern Chile (Araucanía, Los Ríos and Los Lagos Regions)
Central-southern Chile (O'Higgins, Maule and Biobío Regions)



Aquaculture sector and salmon industry

Key facts

A total of 18 types of fish are farmed in Chile but only four (salmonids and mussels) account for over 95% of output.

Chile is the world's second largest producer of salmon and the largest of rainbow trout.

Exports (2014): US\$5,295 million.

Principal export markets (2014): United States (32%), Japan (24%) and Brazil (13%).

Investment opportunity identified

Cultivation of new species: seriola lalandi (yellowtail kingfish), cilus gilberti (Chilean croaker), genypterus chilensis (Chilean red kingclip) and dissostichus eleginoides (Chilean sea bass).

Processing plants for aquaculture products.

Joint ventures with salmon companies.

Plant for producing feed for fish and animals.

Principal drivers

Increasing international demand.

Increasing international demand.

Need to complement capital.

High growth prospects.

Location (Region of Chile)

Tarapacá
Antofagasta
Atacama
Coquimbo
Biobío
Los Lagos

Los Lagos
Aysén
Magallanes

Los Lagos
Aysén
Magallanes

Biobío
Los Lagos
Aysén
Magallanes



Chile is the **world's**
second largest producer
of **salmon** and the
largest of
rainbow trout.

Exports (2014): US\$5,295 million.

Ancillary Food Industry

Key facts

Suppliers to the aquaculture industry are present in all the principal areas of marine development and cultivation and can be found in northern and central Chile (Atacama, Coquimbo and Valparaíso Regions), offering equipment and services for shellfish cultivation, and in the south (Los Lagos and Aysén Regions) for fish farming.

Production of containers and packaging is particularly important: 1,910,922 tonnes in 2010 of which 34.2% corresponded to paper and cardboard products and 27.4% to glass products.

The fruit farming ancillary industry generates over 1 million jobs in areas that include transport, services and supply of inputs.

Investment opportunity identified

Service center for fruit farming: technological adaptation of different services for the country's fruit farming industry.

"Online" containers to support export logistics.

Commercial and technological platform for mobile slaughterhouses.

Equipment, machinery and inputs for aquaculture (with post-sales service).

Principal drivers

Demand for products that are healthy and have special attributes.

Increasing demand for high-quality fruit.

Increasing development of lamb and, to lesser extent, beef production.

Production platform already in place and with growth prospects.

Location (Region of Chile)

Atacama
Coquimbo
O'Higgins
Maule
Biobío
Araucanía

Coquimbo
Valparaíso
Biobío

Santiago
Valparaíso

Santiago
Los Lagos

Processed foods

Key facts

High growth of exports of processed foods over past ten years: 234%.

Chile is the world's leading exporter of dehydrated apples, the second of dehydrated plums and frozen berries and the third of raisins.

Exports (2012): US\$178 million.

Principal export markets: Mexico (12.4%), Ecuador (9.6%) and Peru (7.9%).

Investment opportunity identified

Installation of pilot plant for product development.

Integral exploitation of byproducts of Chile's agribusiness industry.

Principal drivers

Challenges of developing new products and processes.

International demand for products with high antioxidant power related to health benefits.

Location (Region of Chile)

Valparaíso
Santiago
O'Higgins

Coquimbo
Valparaíso
O'Higgins
Maule

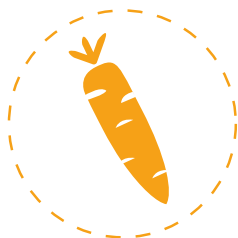
**The Araucanía
Region** has Chile's
second largest cattle herd
of which over
75% corresponds
to **dual-purpose
races** that permit both **beef
and milk** production.

Exports: US\$267.1 million.

Map
of
Chile



Food industry in Chile



North: Desert

- Horticulture
- Camelid
- Farming



Atacama And Elqui: Semi-arid

- Fresh fruit production
- Viticulture
- Goat farming



Central Valley: Mediterranean

- Fresh fruit and horticulture
- Wine production
- Annual crops (maize and wheat)



Central-southern Chile: Wet Temperate

- Annual crops /fresh fruit
- Wine production
- Milk and meat production
- Forestry (pine and eucalyptus)



South America



Mid-south: Wet Temperate

- Cereals
- Meat Production
- Forestry



Los Lagos Region: Wet Temperate

- Meat and milk production
- Potato growing
- Forestry
- Salmon production

Far South: Rainy And Tundra

- Sheep and cattle farming
- Forestry
- Salmon production



Companies that have already invested in Chile



“It’s in Chile where we’ve found the greatest transparency and ease of doing business. We also carried out studies of imports and double taxation agreements, factors that are very favorable in Chile as compared to other Latin American countries.”

Domingo Sanfiorenzo, Business Development Director for Latin America, Barry Callebaut.

“Chile is a very stable country politically. The security it offers for property and people was an important criterion for choosing Chile, the prime country for the development of organic agribusiness.”

Christian Faraud, Founding Partner, PureFruit.

“As well as for its political and economic stability, Chile was chosen because it has a quite advanced food industry as well as a network of universities that positions it as one of the most advanced in Latin America as regards scientific research.”

Pablo Devoto, Executive President, Nestlé Chile.

“The key reasons for prioritizing Chile are growth opportunities, favorable biological conditions and the competitiveness of the local industry.”

Jon Hindar, CEO, Cermaq ASA.



The Foreign Investment Committee (CIEChile) 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.

What can CIEChile do for you?

- * Provide you with information in Spanish, English or Chinese about Chile's business climate and the investment opportunities offered by different sectors in Spanish, English or Chinese.
- * Supply you with a portfolio of public and private investment projects.
- * Provide you with legal advice for the signing of an investment contract with the State of Chile.
- * Help you in preparing schedules of meetings with relevant players.
- * Guide you in presenting queries to different government services.
- * Respond to your enquiries and requests in the shortest possible time.

For further information, please visit www.ciechile.gob.cl.

Invest in **Chile** Opportunities in the **Food Industry**

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