

CHILE ENTERS UNCTAD RANKING OF TOP TWENTY FDI RECIPIENTS

■ According to UNCTAD's World Investment Report, Chile received foreign direct investment (FDI) for US\$15.1 billion in 2010, positioning it as the world's 19th largest recipient.

■ FDI in Chile in 2010 was up by 17% on 2009 as compared to a 5% increase in global FDI inflows.

According to the World Investment Report 2011, released recently by the United Nations Conference on Trade and Development (UNCTAD), Chile was the world's 19th largest FDI recipient in 2010, up from 26th in 2009. This is the first time that it has ranked among the world's top 20 host countries.

Global FDI inflows grew by 5% in 2010 to US\$1.24 trillion, according to UNCTAD, but in Chile rose by 17% to US\$15.1 billion. This was the third highest amount in Latin America and the Caribbean, after Brazil and Mexico.

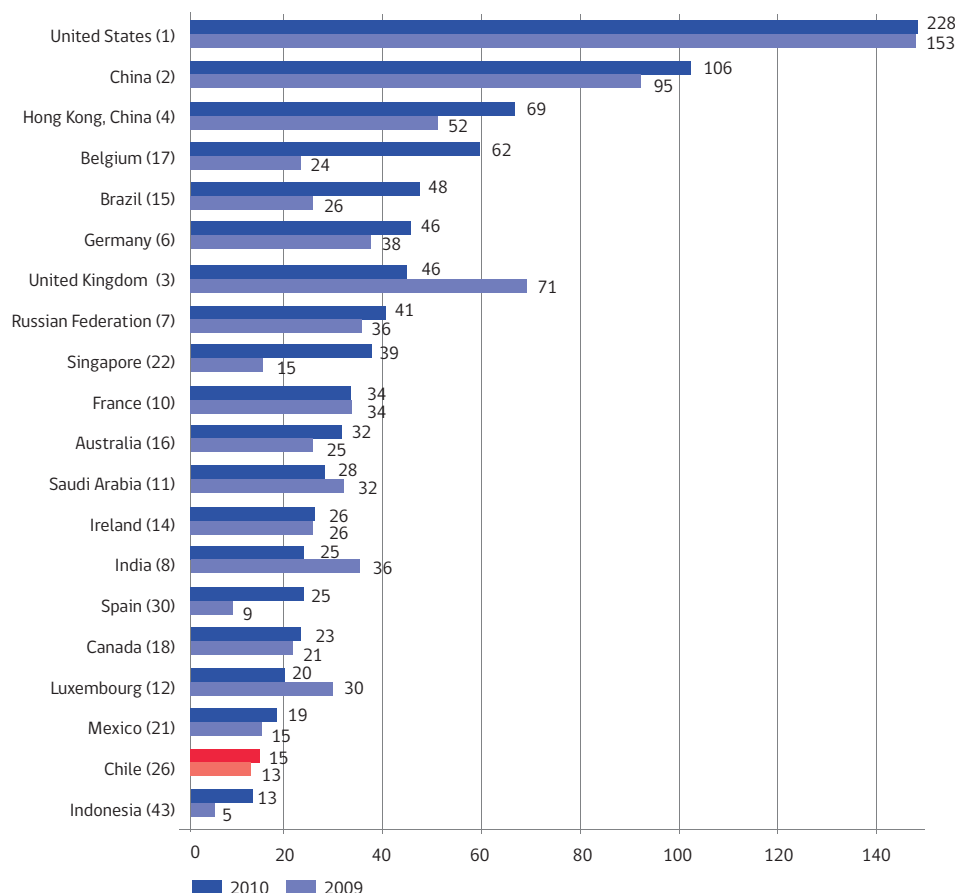
"These excellent results confirm our country's successful track record in the attraction of foreign investment and ratify its status as one of the most attractive places in the region and the world in which to do business while also reinforcing the trust that foreign investors have placed in it," pointed out Matías Mori, Executive Vice-President of the Foreign Investment Committee.

Investment from Asia

According to the report, FDI flows into Latin America and the Caribbean rose by an average 13% in 2010 to US\$159 billion but, in South America, the increase reached 56%. Most of this investment came from Asian countries where outgoing FDI is running at record levels.

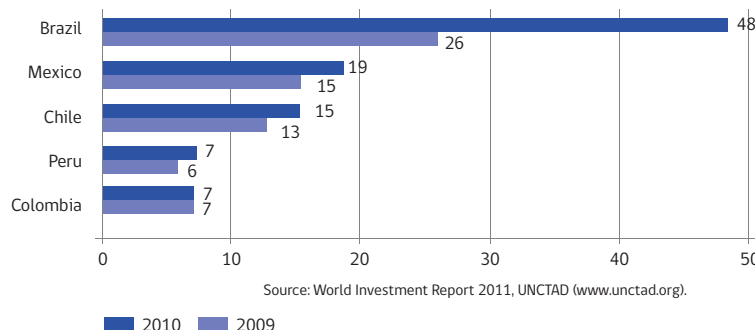
In 2010, FDI out of emerging Asian economies rose by 20% to US\$230 billion. Investment abroad by countries like China, Malaysia and South Korea has accounted for around 17% of global FDI outflows over the last two

Global FDI Inflows, Top 20 Host Economies, 2009-2010
(US\$ billion)



Source: World Investment Report 2011, UNCTAD (www.unctad.org).
Note: The number in brackets indicates the country's position in the 2009 ranking.

Latin America and the Caribbean: Principal FDI Recipients, 2009-2010
(US\$ billion)



Source: World Investment Report 2011, UNCTAD (www.unctad.org).

years, up from less than 10% in 2008, and is led by Hong Kong and Continental China.

This trend is in line with the investment attraction strategy implemented by the Foreign Investment Committee since last year with its focus on Asian countries and particularly China.

"We are making a decided effort to increase investment in Chile by Asian countries which currently represent only 0.2% of total incoming FDI," said Mori. "That is why we have translated our website and publications into Chinese and have created a China Desk, with Chinese staff, to better attend the requirements of investors from that country in their own language."

"In addition, we have participated in six visits to Asia - four to China, one to South Korea and one to Singapore - to promote the opportunities Chile offers at investment seminars and in meetings with government authorities and businesspeople, presenting

a portfolio of specific public and private investment projects," added the Executive Vice-President of the Foreign Investment Committee.

Excellent results

These activities have already begun to bear fruit, noted Mori. "In the first half of this year, the Foreign Investment Committee has received investment applications for US\$417 million from Asian countries, up from US\$294 million in the whole of last year."

UNCTAD anticipates that, as Asian countries continue to advance in their international integration, their outbound

FDI will maintain its upward trend. Preliminary World Investment Report data, in fact, shows that investment in Chile and Latin America has continued to increase this year. UNCTAD also forecasts that, in 2011, global FDI will return to its pre-crisis level, reaching US\$1.4-1.6 trillion.

Source: Foreign Investment Committee, July 26

FDI by Region, 2009-2010 (US\$ billion and % of global FDI)				
Region	Inflows		Outflows	
	2009	2010	2009	2010
World	1,185	1,244	1,171	1,323
Africa	60 / 5.1%	55 / 4.4%	6 / 0.5%	7 / 0.5%
Latin America and the Caribbean	141 / 11.9%	159 / 12.8%	46 / 3.9%	76 / 5.8%
West Asia	66 / 5.6%	58 / 4.7%	26 / 2.2%	13 / 1.0%
South, East and South-East Asia	242 / 20.4%	300 / 24.1%	193 / 16.5%	232 / 17.5%

Source: World Investment Report 2011, UNCTAD (www.unctad.org).

CIE

CHINESE SOVEREIGN WEALTH FUND INTERESTED IN INVESTING IN INFRASTRUCTURE, MINING AND ENERGY IN CHILE



■ During his official visit to China, the Former Economy Minister Juan Andrés Fontaine, with the Executive Vicepresident of the Foreign Investment Committee (FIC) Matías Mori, met representatives of the China Investment Corporation (CIC).

In a meeting on July 4th with the Former Economy Minister Juan Andrés Fontaine and the Executive Vicepresident of the Foreign Investment Committee (FIC), Matías Mori, China's main sovereign wealth fund, the China Investment Corporation (CIC), confirmed its interest in investing in

four sectors of the Chilean economy: mining, ports, infrastructure and energy.

As part of their visit to China, the Chilean authorities met the CIC's President, Lou Jiwei, and other representatives of the fund in Beijing.

CIC expressed interest in investing in sectors such as energy, mining and infrastructure that are capital-intensive and offer stable long-term returns.

The CIC -which manages assets of more than US\$300 billion or, in other words, 1.5 times Chile's GDP- generally makes direct investments, participating as a partner to operators of companies that attract its interest.

The CIC's representatives asked the Chilean delegation numerous questions about opportunities in the four sectors and the rules for investing directly in them.

FTA 2005: Investment Chapter

In another key appointment, the Chilean delegation then went on to meet Wang Chao, China's Vice-Minister for Commerce with responsibility for Latin America and investment,

with whom they discussed negotiations for an investment chapter of the Free Trade Agreement (FTA) signed by the two countries in 2005.

China's Going Global foreign investment strategy was reflected in an outflow of US\$56 billion in 2009, up fifty-fold on 2000. However, only 3% goes to Latin America as compared to 46% to Asia, 27% to North America, 23% to Europe and 22% to Africa.

Today, China is Chile's largest trading partner while Chile is its second largest in Latin America. However, despite the robust level of trade between the two countries which, in 2010, reached over US\$25 billion, Chinese foreign direct investment, at US\$85 million between 1974 and 2010, represents a mere 0.11% of the total inflow under Chile's D.L. 600 Foreign Investment Statute during this period.

According to Matías Mori, an increase in Chinese investment in Chile should be the next step in bilateral relations. The Chilean government is working to improve communications and Chinese investors' knowledge of the country, providing more and better key information for business decisions, he explained.

Source: Foreign Investment Committee, July 4

ECONOMY

CHILE PROPOSES US\$4 BILLION EDUCATION FUND AS RESPONSE TO PROTESTS

Chile's government plans to create a US\$4 billion education fund, partly financed from copper revenue, to improve access to education, President Sebastián Piñera said.

Piñera plans to increase scholarships and grants as part of a series of measures unveiled in a televised address to the nation.

The announcement follows demonstrations by tens of thousands of students in Santiago last week, pushing for increased funding for higher education and changes to university entrance requirements, according to a statement on the University of Chile student federation website.

"This great mission of improving Chile's education requires an enormous financial effort," said Piñera, flanked by Education Minister Joaquín Lavín. "As a result we're proposing the creation of a US\$4 billion education fund."

The fund would "complement fiscal budget resources and would be made up from resources of the public treasury, the economic and social stabilization fund, copper profits and other means," he said. Chile is the world's biggest copper producer.

Source: Bloomberg, July 6

CHILE UPS 2011 GDP VIEW TO 6.6% FROM 6.1%

Chile increased its 2011 economic growth forecast to 6.6% from a previous estimate of 6.1%, according to a document from the budget office released on July 13.

Robust domestic demand, high copper prices and a strong local currency account for the upward growth revision for Chile, the world's top copper producer, the budget office said.

The government sees the country having an effective fiscal surplus of 1.3% of gross

domestic product in 2011, versus its previous estimate for a fiscal deficit of 0.8% of GDP.

The government projects inflation for 2011 at 4.0% and public spending in 2011 up 4.6% in real terms in comparison with 2010.

Source: Reuters, July 13

CHILE TO INVEST US\$2.76 BILLION TO EXTEND SANTIAGO SUBWAY

The Chilean government will invest US\$2.76 billion to expand Santiago's Metro subway system, President Sebastián Piñera said.

The investment will add two new lines to the network, extending it to 140 kilometers and 136 stations. One of the two new lines will be operating in 2016 and the other one in 2017, Piñera said.

Piñera added that Corfo, the government development agency, will finance US\$500 million and that government-held subway operator Metro S.A. will contribute US\$900 million.

About one-third of Chile's 17 million inhabitants live in the capital. Some 2.5 million passengers ride every day on Santiago's subway system, which began operating in 1975.

Source: Dow Jones Newswire, July 13

CHILE KEEPS RATE AT 5.25% ON OUTPUT, DEMAND 'MODERATION'

Chile's Central Bank kept its benchmark interest rate unchanged yesterday for the first time since January as signs of slower growth abroad and a moderation in domestic output and demand provided it space to delay additional increases.

The five-member board, led by bank President José De Gregorio, held the benchmark rate at 5.25%, matching the forecast of 20 of 24 economists surveyed by Bloomberg. Four analysts expected a third-straight quarter-point increase.

Since the bank's June meeting, policy makers, economists and traders have reduced estimates for future consumer prices to levels that fall within the Central Bank's target range. Signs of slower growth in Chile and a weaker recovery internationally gave policy makers room to implement a temporary pause, said Cristobal Doberti, chief economist at Bice Inversiones.

"There were three factors behind the decision: the external environment is moderating, local growth is slowing toward its potential and core inflation is quite contained," Doberti said after the decision. "This gave it room to hold the rate temporarily, not permanently."

The Central Bank probably will raise rates by a quarter-point twice more this year to 5.75%, Doberti said.

"In the most likely scenario, additional increases in the monetary policy rates will be necessary, the timing of which will depend on the unfolding of domestic and external macroeconomic conditions," the bank said in a statement accompanying its decision.

Inflation Forecasts

Annual inflation will be 3.4% in 12 months, matching levels seen in June, according to the survey. Policy makers in a June forecast and economists in a July 12 bank survey lowered their forecasts for annual inflation in December to 4%, which is the upper limit of policy makers' target range.

"The main news in recent months has been the easing of some inflationary risks," De Gregorio told senators June 20, when he published new price forecasts. "International prices for commodities didn't continue growing and the propagation of specific price shocks has been limited."

Economic activity probably will slow on higher lending costs, De Gregorio told the lawmakers. The economy, which grew 9.8% first quarter, is on track to expand 6% to 7% this year, according to bank forecasts.

Source: Bloomberg, July 15

CHILE'S PRESIDENT PIÑERA CHANGES TEAM AFTER PROTESTS

The president's popularity peaked after the rescue of the 33 miners in October but his approval ratings have dropped to some 30% amid simmering unrest.

Students have been protesting to demand changes to the education system, while last week copper miners staged a one-day strike over restructuring plans.

President Piñera announced eight changes to his cabinet, including at the economy, energy and justice ministries.

"Our institutions, our leadership, are being tested by citizens who are more empowered, who are demanding greater participation and, above all, greater equality," said President Piñera as he swore in his new team.

Copper promise

Among the main names is Laurence Golborne, who as mining minister had a highly visible role during the miners' rescue.

He goes to the Public Works Ministry, a department which has assumed greater prominence, especially after last year's major earthquake.

His successor as minister of mines is Hernán de Solminihaç.

President Piñera said major investment would be made in the mining sector and he denied there were any plans to privatise the state-run copper company Codelco.

"Codelco is going to remain in state hands, belonging to the Chilean people, but we also want it to be modern, efficient and fully capable of realising its potential," Mr. Piñera said.

BBC News, July 19

ENTERPRISES

CASABLANCA MINING COMPLETES ACQUISITION OF NEW GOLD PROPERTY IN CHILE

Casablanca Mining announced on July 8 that its wholly-owned subsidiary, Santa Teresa Minerals, S.A., has completed its acquisition of a 70% ownership interest in a hard rock gold mine in Rancagua, Chile.

The mining property includes 300 hectares called, "Los Pinos 1-30" and 100 hectares called "Teresita 1-20." The properties are in the Valley of Cachapoal, on the plateau that lies to the West of the village of Coltauco, 700 meters above sea level, a distance of 55 km from the city of Rancagua, approximately 150 kilometers from Santiago.

This mine was mined in the late 1940s until 1949 when, due to a landslide, it was capped and abandoned. In the 1980s it was rediscovered, and is now manifested, measured and current on its claim maintenance requirements.

The mine covers an area of 400 hectares and corresponds to a first vein which shows significant potential for gold. The expectations for the mine are derived from the altered area and the knowledge of a second parallel vein, which shows more potential than the surface gold anomalies of the first vein, and increases the mine's potential reserves substantially.

Casablanca Mining CEO, Juan Carlos Camus, said, "we intend to do both the surface and interior geology of the mine once we have entered the mine through a new tunnel. When we complete the entrance and stabilize the surrounding area, we will begin to exploit the mine."

It is expected to take up to two months to build an access road to the mine and an additional month to prepare the entrance to the mine. Once this is complete, it is anticipated that the mining operation will begin.

Source: Business Wire, July 8

CANDELARIA'S ENVIRONMENTAL IMPACT STUDY FOR US\$270 MILLION DESALINATION PLANT APPROVED

Chilean copper producer Minera Candelaria's environmental impact study (EIS) for a US\$270 million desalination plant to supply its operations in northern region III has received environmental approval, a source from the environment ministry's regional evaluation office told BNAmericas.

Studies for the construction of the desalination plant were originally announced at the beginning of April last year. The decision to build the plant was made after new reserves were discovered at its open pit operation, which will extend mine life by nine years until 2026.

In September last year, Spanish water management firm Aqualia, a subsidiary of the FCC group, was awarded a US\$21 million contract to build the plant, which involves the development of engineering works, as well as the supply, installation and commissioning of its electromechanical equipment.

The facility will supply 300l/s of desalinated water to the copper operation, with an option to expand capacity to up to 500l/s. Aqualia will equip the plant with seawater reverse osmosis technology.

The project also includes the construction of an 80 kilometers pipeline to connect the plant to the freshwater pipeline between Chamonate and Candelaria.

Phoenix-based Freeport-McMoRan Copper & Gold owns 80% of the Candelaria and Ojos del Salado mining complexes, and has a 51% interest in El Abra, all in Chile. It also has a 53.6% stake in Peru's Cerro Verde operation.

Source: BNAmericas, July 11

ONTARIO TEACHERS' PENSION PLAN TO BID FOR STAKES IN CHILE UTILITIES

The Ontario Teachers' Pension Plan (OTTP), one of Canada's largest, plans to increase its majority stakes in two Chilean water utilities through an auction to be held.

CORFO, a Chilean government agency, is auctioning its stakes in Essbio S.A. and Esval S.A. After the auction, the government will own 5% of each utility.

The utilities operate drinking water and sewage treatment facilities.

Teachers' owns about 51.1% of Essbio and 69.8% of Esval and is a member of the controlling group that intends to buy CORFO's interests in the utilities.

Source: Reuters, July 12

SAMEX TO RECOMMENCE DRILLING PROGRAM AT LOS ZORROS PROPERTY IN CHILE

SAMEX will recommence the drilling program shortly at Los Zorros in Chile for exploring several precious metal deposits in a district that comprises gold, copper, silver, and barite.

The company will conduct this drilling followed by the exploration results from the previous drilling and a Titan-24 geophysical survey that advanced understanding of the current targets of the project and also defined significant new targets. It will begin drilling at the Cinchado Project region and also at the high-priority Nora Project. Additionally, the further targets defined by current reconnaissance work and the Titan 24 geophysical survey may possibly be examined in the program shortly.

The Los Zorros property holdings comprise many project areas, which enclose around 80 km² in a district of distributed several small prospects and mines where there were periodic attempts of small-scale copper, gold and silver production in the past. The location of the property is at the junction of the significant structural and

geologic features and major copper-silver and gold mineralized regions of Milagro Pampa, Milagro, Cinchado, and Nora. Numerous other minerals are occurring at the Los Zorros property, which is to be scientifically explored by SAMEX. This exploration also includes Salvadora and Cresta de Gallo, which has barite vein systems with potential copper-gold and gold, Virgen de Carmen and Colorina that has potential gold and copper-gold and copper-silver, and La Florida and Lora containing gold and copper-gold. Besides these areas, SAMEX has an intention to extend its Los Zorros land holdings over the potential geologic features in the contiguous area.

The company is well financed to progress the exploration activities of Los Zorros' high-priority precious metal projects and brings several further targets in the district.

Source: AzoMining, July 12

FLUOR NAMED BY QUADRA FNX TO PERFORM SIERRA GORDA MINING WORK IN CHILE

Fluor Corporation announced that the company has won a contract from Minera Quadra Chile Limitada, a subsidiary of Quadra FNX Mining Ltd., to perform work at the company's Sierra Gorda project in Chile. Fluor booked approximately US\$1 billion for the Sierra Gorda project in the company's second quarter 2011.

Sierra Gorda is an open pit, green field conventional copper/molybdenum project located in Chile's Atacama Desert. Fluor's scope of work on the project will include providing engineering, procurement and construction management (EPCM) services for the mine's processing plant.

When complete, the mine will be capable of processing approximately 110,000 tons per day of ore, expanding to 190,000 tons per day during year four of operations. Quadra FNX is targeting first production from Sierra Gorda in 2014.

"Global demand for natural resources continues to be a strong driver for Fluor's EPCM services in the mining sector," said Rick Koumouris, senior Vice President and General Manager of Fluor's Mining & Metals business line. "Our team is pleased to work with Quadra FNX on this new project in Chile and bring our world class project execution and safety focus to Sierra Gorda."

Source: Business Wire, July 12

COLLAHUASI'S US\$470MN EXPLORATION CAMPAIGN RECEIVES ENVIRONMENTAL APPROVAL

Chilean copper miner Doña Inés de Collahuasi's environmental impact assessment (EIA) for a US\$470 million exploration campaign at its Rosario Oeste deposit has received environmental approval, a source from the environment ministry's regional evaluation office told BNAmericas.

The company recently approved the start of a prefeasibility study for an expansion aimed at boosting output to more than 1Mt/y of fine copper.

The scoping studies for the phase III expansion project were completed earlier this year and the company has been ready to commence the prefeasibility study since April, London-based Anglo American's copper business unit CEO John MacKenzie told.

Commissioning of the phase III expansion project has been targeted for 2017.

Anglo American and Swiss-based resources group Xstrata each own 44% of Collahuasi while the remainder belongs to a group of Japanese companies led by Mitsui.

Source: BNAmericas, July 15

BHP INCREASES RESOURCES AT ESCONDIDA COPPER MINE IN CHILE

BHP Billiton Ltd. increased mineral resources at its Escondida complex in northern Chile after a four-year US\$381 million exploration program, ensuring it will be the world's largest copper mine "for decades to come."

Resources more than doubled to about 19 billion metric tons of ore after two new deposits were included, Melbourne-based BHP said today in a report. The estimated resource at the main Escondida deposit increased 40%, the company said.

"The resource could potentially support further expansions" beyond current plans and boost annual copper production to more than 1.8 million tons, Deutsche Bank AG analysts said in an e-mailed report.

BHP, the world's largest mining company,

and competitors such as Chile's Codelco are seeking to add reserves amid a global copper shortage that has seen prices of the metal jump more than fourfold since 2003, exacerbated by surging Chinese demand.

BHP also reported increased resources at the Pampa Escondida and Pinta Verde prospects that neighbor the mine. Estimated resources at the Antamina mine in Peru rose 32% to about 1.9 billion tons of ore.

Source: Bloomberg, July 20

MITSUI MINING, OTHERS SIGN US\$1.4 BILLION CHILE LOAN PACT

Mitsui Mining & Smelting Co. and other Japanese companies said that their joint venture in Chile has signed a combined US\$1.4 billion loan pact with banks to

finance their copper and molybdenum mining project.

The Japanese companies said the joint venture, held by Pan Pacific Copper Co. and trading house Mitsui & Co., has signed a US\$1.1 billion project-finance accord with the Japan Bank for International Cooperation, or JBIC, and four private banks including the Bank of Tokyo-Mitsubishi UFJ Ltd.

Separately, the joint venture inked a US\$300 million loan pact with five Japanese banks, including the Bank of Tokyo-Mitsubishi UFJ.

Source: MarketWatch, July 26

RANKINGS

CHILE LEADS LATIN AMERICA IN INSEAD INNOVATION INDEX

In the INSEAD business school's Global Innovation Index (GII), Chile obtained a score of 38.34 points, leading Latin America and taking overall 38th position in the Index, up by four places on the previous version.

The GII ranks the world's 125 most innovative countries on a scale of 0 to 100 in two sub-indices: the Innovation Input Sub-Index and the Innovation Output Sub-Index. The former comprises the five pillars of institutions, human capital and research, infrastructure, market sophistication and business sophistication, while the latter reflects scientific and creative outputs.

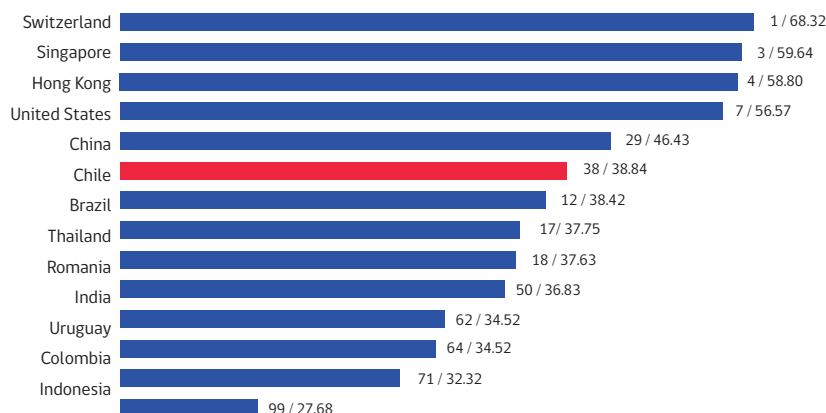
INSEAD's new ranking, in which the top ten places are occupied by six European countries,

two from Asia and two from the Americas, confirms that innovation is today a universal phenomenon.

Chile obtained its best scores in the Input Sub-Index and, particularly, on the regulatory environment for which it took 12th position globally while, in the Output Sub-Index, it achieved its best performance for creative intangibles on which it ranked 8th.

Source: INSEAD, July 1

Global Innovation Index
(Selected economies, position and score)*



Source: INSEAD (www.globalinnovationindex.org).
* Out of 125 countries.

Chile in the Global Innovation Index			
Sub-Index	Pillar	Indicator	Rank
Innovation input			36
Institutions			18
		Political environment	22
		Regulatory environment	12
		Business environment	32
Human capital & research			71
		Education	89
		Tertiary education	62
		Research & Development (R&D)	63
Infrastructure			50
		ICT	44
		Energy	62
		General infrastructure	67
Market sophistication			37
		Credit	52
		Investment	29
		Trade & competition	40
Business sophistication			44
		Knowledge workers	37
		Innovation linkages	49
		Knowledge absorption	56
Innovation output			57
Scientific outputs			85
		Knowledge creation	57
		Knowledge impact	81
		Knowledge diffusion	75
Creative outputs			44
		Creative intangibles	8
		Creative goods & services	80

Source: INSEAD (www.globalinnovationindex.org).

CHILE AMONG TEN COUNTRIES WITH LOWEST DEFAULT RISK

In the Sovereign Risk Index 2011 published by the BlackRock Investment Institute, Chile ranked ahead of all other emerging and Latin American economies. Positioned among the ten countries with the lowest default risk, it also ranked close to Norway, Sweden and Switzerland, the world leaders in financial responsibility.

"While most countries have a burden of net debt, [Chile] has good fiscal space, with assets that exceed its net debt and a surplus equivalent to 11% of GDP," noted Garth Flannery, one of the report's authors. As a result, Chile is on a par with Denmark and South Korea and better placed than the United States, China and Brazil, which have a much higher level of sovereign credit risk.

The Index, which covers 44 countries, measures indicators across four categories:

fiscal space, which looks at the structure of a country's government debt and its default record; its external finance position with respect to trade and policy shocks; its financial sector health, considering the existence of potential credit bubbles; and, willingness to pay off debts.

Source: *BlackRock Investment Institute, July 11*

13% OF HIGHEST-SALES LATIN AMERICAN COMPANIES ARE CHILEAN

According to a ranking published by the *AméricaEconomía* business magazine's research unit, 65 out of the 500 Latin American companies with the highest sales are Chilean. The number of Chilean companies in the ranking represented a rise from 55 in 2010, the largest increase in the region.

Sales by the 65 companies totaled US\$211,359 million, giving Chile third place in the ranking after Brazil and Mexico. The state copper producer, Codelco, was the Chilean company with the highest sales - over US\$16 billion - and climbed seven places on the previous year's ranking. It was followed by the Cencosud retail group, in 29th position up from 36th in 2010, and the Enersis energy company in 30th place. Chilean companies showed the highest growth in 2010 in terms of revenues which rose by 31%, followed by Brazilian companies (27%) and Colombian companies (24.5%).

The ranking, which covers 19 Latin American countries, is based on figures from official sources and stock exchanges in each country and includes only companies with annual sales of over US\$1 billion. Their position is determined according to the value of their net sales in dollars.

Source: *AméricaEconomía Intelligencia, July 25*

CHILEAN PENSION FUNDS WITH SECOND HIGHEST INVESTMENT RETURN IN OECD

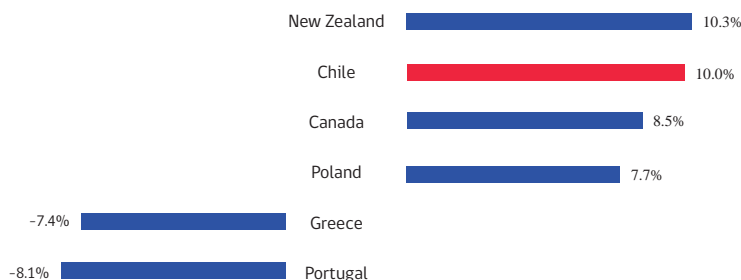
According to the Organisation for Economic Co-operation and Development (OECD), the real return on investment achieved by Chile's pension funds in 2010, at 10.0%, was the second highest among OECD member countries. First place was taken by New Zealand, with 10.3%, taking the return on its pension funds back to their level prior to the international crisis.

According to the OECD report, Pension Markets in Focus, the average return on the pension funds of the 33 member states was 2.7% in real terms (4.3% in nominal terms). The worst-performing countries were Portugal and Greece. The report also notes that the OECD weighted average ratio of pension fund assets to GDP increased from 68.0% in 2009 to 71.6% in 2010. The report also found that, in most OECD countries, bonds remained the dominant

asset class and accounted for an average 50% of pension funds' portfolios, indicating a generally conservative stance.

Source: *OECD Pension Markets in Focus* (www.oecd.org), July 25

Pension Funds' Real Net Rate of Investment Returns, 2009-2010
(Selected OECD countries)*



Source: OECD Global Pension Statistics (www.oecd.org).
*Out of 33 countries.

SANTIAGO AMONG 15 EMERGING-MARKET CITIES WITH MOST OFFICES OF WORLD'S LARGEST COMPANIES

A study by the CB Richard Ellis consultancy firm of the places where the world's 280 largest companies have offices found that Santiago has one of the 15th highest concentrations among cities in emerging markets. This is the first time that the study - which, in its latest version, includes a total of 232 cities - has ranked Santiago among the top 15. Within Latin America, Santiago took third place after São Paulo and Buenos Aires.

An additional factor in Santiago's favor is that, while rentals of Class A office premises are not the highest in the region, they are of prime quality, making the city an attractive destination for multinational companies.

The global ranking was led by Hong Kong, where 68.2% of the companies considered have offices, while, for cities in emerging economies, it was headed by Shanghai (61.4%).

Source: *CB Richard Ellis*, July 28

In Santiago, large companies account for 40.4% of total office space, according to the study. It also concluded that Santiago is well positioned to rise further in the ranking since this is based on factors that include population and the ease of closing business transactions in which it anticipates Chile will continue to gain ground.

■ 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

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Investment Opportunities in Chile

Highlight Project

AMÉRICO VESPUCIO ORIENTE (AVO)

It's the concession contract offered by Ministry of Public Works for the construction of the underground Américo Vespucio Oriente (AVO) urban highway in Santiago. This corresponds to the eastern segment of the city's Américo Vespucio ring road between the Grecia roundabout and El Salto. Its design envisages a dual-carriage expressway with three lanes in each direction, high service and safety standards and local or service roads on the surface, including a public transport lane.



It would be built using the New Austrian Tunneling Method. Light vehicles account for between 92% and 95% of traffic. Location: Santiago Region, eastern part of the city. The bidding process is already in prequalification stage and the concession mechanism consists in two award phases, a 5 to 8-year construction phase and a 20 to 30-year operating phase. The winner of the re-tender bid will have to pay the first concession holder a residual amount through a mechanism established in contracts with the Ministry of Public Works.

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