



# Chinese investment in Chile

Jun 2021



**EY**

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# Background?



Belt and Road Initiative / Economical development

Global diversity?

China no longer is the world factory, also as the world consumer

China's development, similar to Japan's in the 60s & 70s?

China has achieved mutual beneficial relationship with emerging markets, such as South East Asia and now looking at Latin America?

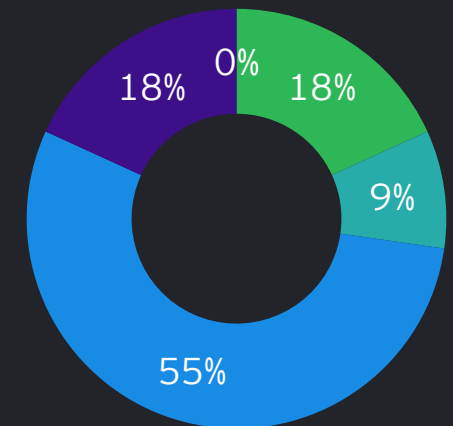
■ Yes ■ No



Although more than a third of respondents have not invested in Chile, all of them have at least a slight interest in investing in Latin America.

How interested are you in investing in Latin America?\*

- Very interested
- Interested
- Moderately interested
- Slightly interested
- Not interested



\*Respondents were asked to select only one alternative in this question. Percentages may not total 100 due to rounding.

# Viewing Chile as a hub of Chinese Latin American investment

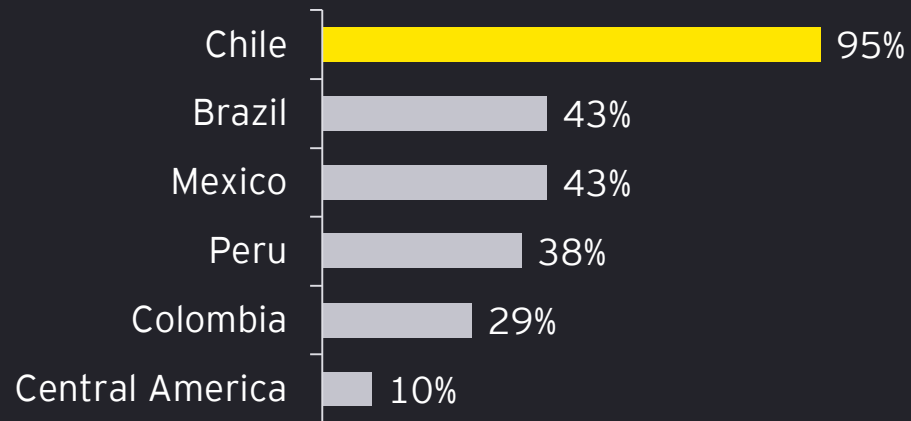


■ Yes ■ No

63%

38%

Which of the following markets do you find the most attractive to operate or invest in Latin America?



Chile is by far the most attractive market for those who are already engaged in investing in our country, followed by Brazil and Mexico.

Respondents were asked to select one or more alternatives in this question. Chart shows the percentage of respondents who included the market in their selection.

\*Respondents were asked to select only one alternative in this question. Percentages may not total 100 due to rounding.

# Viewing Chile as a hub of Chinese Latin American investment



■ Yes ■ No

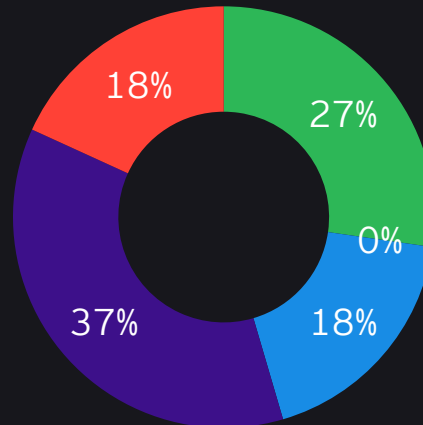
63%

38%

**27%**  
of respondents that have not invested in Chile **are very interested in doing so** in the next 3 years.

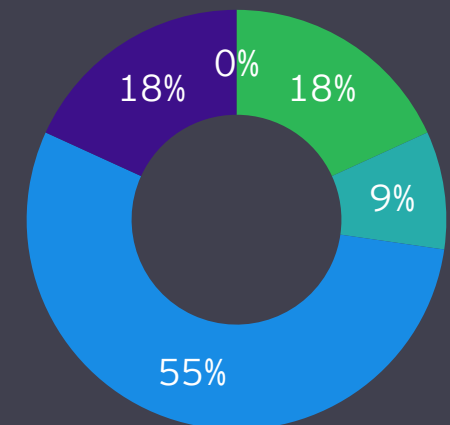
How interested are you in investing specifically **in Chile** in the next 3 years?\*

- Very interested
- Interested
- Moderately interested
- Slightly interested
- Not interested



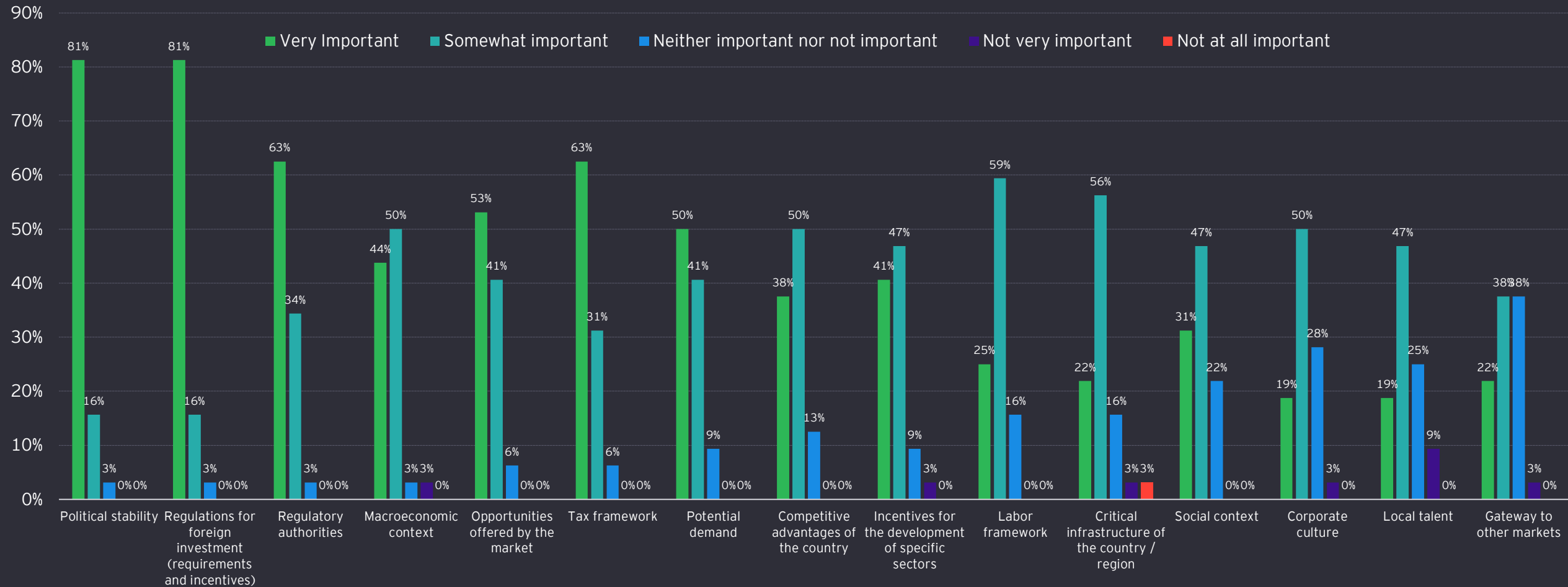
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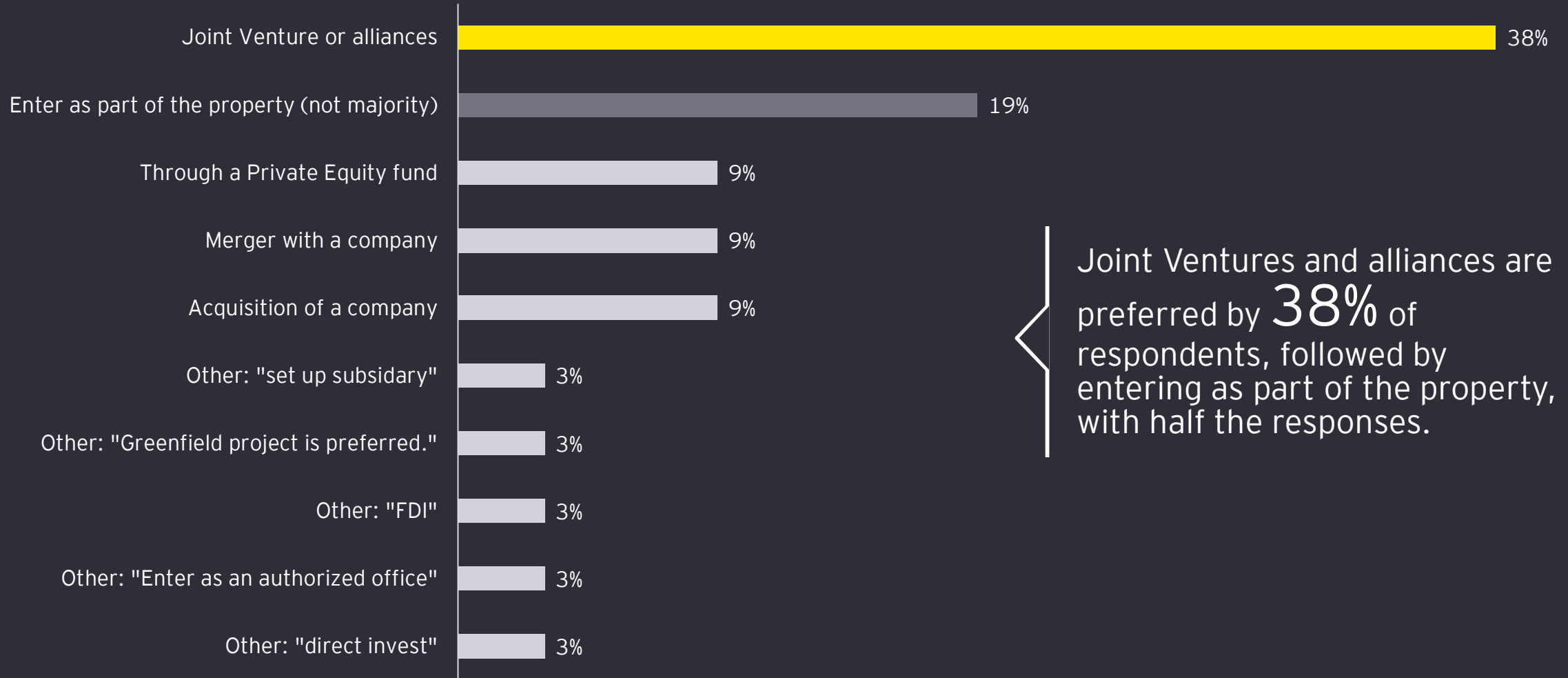
# Chinese investment taking Chile as a “administrative center” to “control their operations in Latin America”, considering....



- ▶ All aspects asked are “Somewhat important” or “Very Important” for at least 60% of respondents.
- ▶ Social context and corporate culture are not among top aspects when evaluating the entry to a market.
- ▶ 97% of respondents consider “Very Important” or “Somewhat important” aspects such as political stability and regulations.

\*Respondents were asked to select only one alternative per aspect in this question. Percentages may not total 100 due to rounding.

# Chinese investors are looking for partners!



\*Respondents were asked to select only one alternative in this question. Percentages may not total 100 due to rounding.

# Are Chileans interested in “becoming” China’s partner?



In 2019, for the first time, investment from China led the agency's portfolio with US\$ 4,852 million in projects at different stages, leaving behind Canada (US\$ 2,866 million) and the US (US\$ 2,790 million).

(Source: InvestChile)

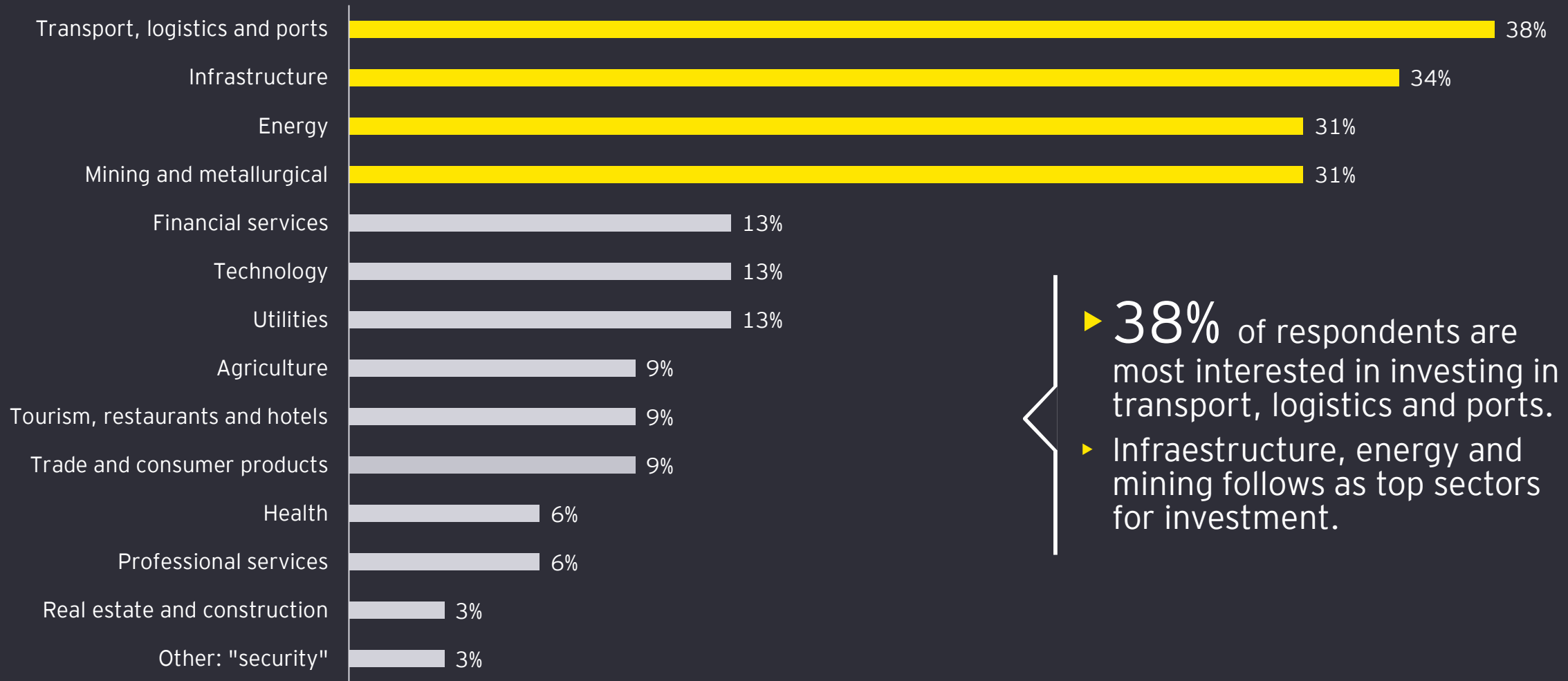


Chile and China are strategic partners with a long history of cooperation, trust and high-level exchanges, all of which lay the foundation for strong bilateral ties in the future. (source: Eduardo Frei Ruiz-Tagle, former president of Chile and and Ambassador Extraordinary and Plenipotentiary on Special Mission for the Asia-Pacific)



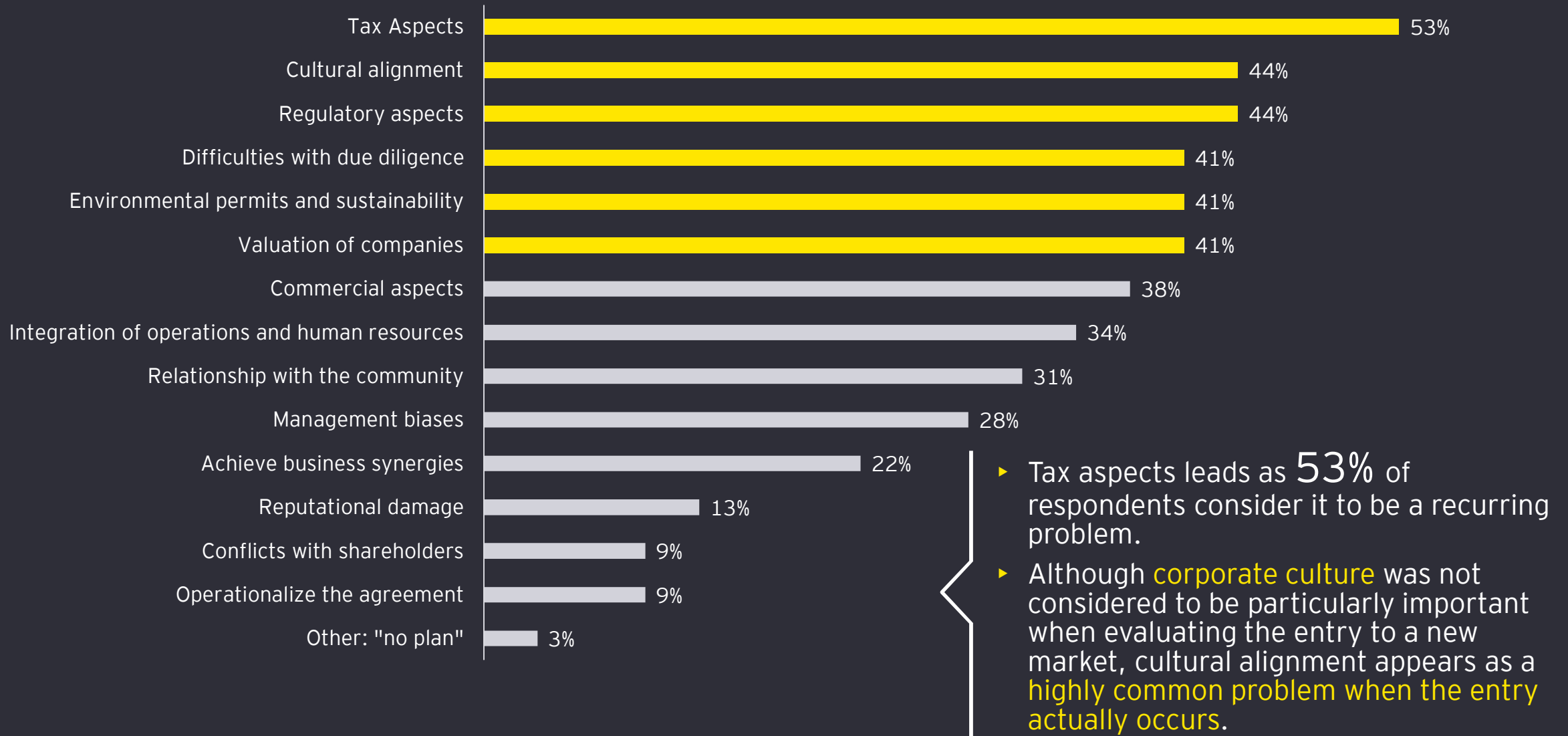


# Key industry focus



\*Respondents were asked to select one or more alternatives in this question. Chart shows the percentage of respondents who included the sector in their selection.

# Key challenges entering the market



\*Respondents were asked to select one or more alternatives in this question. Chart shows the percentage of respondents who included the problem in their selection.

# The top priorities Chinese customers mentioned to EY



Comments about the previous slide, such as:

**Tax and regulations:** Chinese is always looking for safety, no troubles with the local compliance

**Cultural alignment:** importance of cultural integration and adaption to each other, to co-create a harmonic relationship

**Due diligence:** Chinese customer's willingness to learn, and be part of the local industry