

FACT SHEET - CHILE (Aquaculture & Fisheries)

Economic growth, healthy business environment & stable framework conditions.



Chile is all over the world known for its extensive coastline, pure waters, and highly nutritional marine resources. The temperate waters of central and northern Chile and the cold seas of the south provide an unparalleled wealth of resources ideal for aqua-culturing. The national aquaculture industry has expanded at high pace - from a limited production of a few thousand tons of salmon and trout in the 1990's to an expected result of 700.000 tons in 2012. Today aquaculture is amongst the most important industries in Chile and the production of salmon and trout alone contributed with approximately USD 2.9 billion in export value in 2011 – a significant increase compared to 2010, where the aftermath of the ISA virus outbreak (Infectious Salmon Anemia) was still present. It is expected that the production of salmon will continue to grow steadily in the future, however now with a much stronger focus on sustainability and disease control to avoid future outbreaks and epidemics.

Rebuilding the Chilean aquaculture sector.

As a result of the outbreak of the ISA virus in 2007, the aftermath caused several company closures in various parts of the industry. However, these effects have also resulted in revitalization in the 10-12th region (southern part of Chile), which has paved the way for expansion and establishment of new companies and acquisitions of others.

Another interesting factor is the greater integration between the aquaculture- and the industrial fishery sectors, where the aquaculture sector increasingly is integrating vertically with the fish meal manufacturers, in an attempt to control the expenses and costs of fish meal and fish feed.

DID YOU KNOW THAT...

... it is expected that the Chilean aquaculture industry will invest USD 1 billion within the next 5 years ...

Furthermore, it is evident that a larger consolidation process is taking place in the aquaculture sector, where few global players capture market shares through acquisitions or strategic alliances. Along with the simultaneous intensification of the

production output, and with the outbreak of the ISA virus in hindsight, there is now an increased focus on investing in more environmentally friendly and sustainable solutions.

These are all key variables, which have created a unique business opportunity for Danish companies which are renowned in Chile for their know-how, cutting edge technology and ability to offer competitive advantage solutions in this sector.

DID YOU KNOW THAT...

... Chile is the world's second largest producer of salmon only surpassed by Norway ...

AQUACULTURE AT A GLANCE:

- Approximately 185 fish farms in operation.
- Annual production of approx. 700.000 tons.
- Second largest export commodity in Chile.
- 91% of the production is exported.
- Primary export markets; USA, Japan & Brazil.
- Export value USD 2,9 billion (2011)

Business opportunities for Danish companies.

According to the latest Business Environment rankings for 2008-2012 published by The Economist Intelligence Unit (EIU), Chile currently occupies the 20th place among the most attractive countries to do business in, based on an environment formed by the 82 best economies in the world.

Chile's position, with respect to attractiveness for investment, clearly exceeds that of all other countries in Latin America, in all of the dimensions under evaluation. This is due to a constant average economic growth of 5% per year in the last decade, the exceptional levels of macroeconomic stability reached by the country, a solid financial system, low inflation, low debt in relation to the Internal Gross Product (4.1 % of the GDP), a healthy budgetary surplus (4.7 % of the GDP) and almost no political risk.

Furthermore it is worth noticing that Chile has signed free trade agreements with 55 countries, including EU, NAFTA, EFTA, China, Japan South Korea, Australia and Turkey which in total covers 90% of the world market.

DID YOU KNOW THAT...

... Chile estimates that the annual output of salmon will reach 870.000 tons in 2013 ...

Transparency and low corruption

Chile tops the list in Latin America for political security, fiscal policy, transparency and business atmosphere, following 20 years of stable growth and democracy. Chile consistently fares well in the Corruption Perceptions Index (CPI) published each year by Transparency International (TI).

In the latest rankings from 2011, the international organization scored Chile a 7.2 on a scale of 0 to 10, with 0 being "very corrupt" and 10 being "very transparent." The CPI defines corruption as "the abuse of entrusted power for private gain" and rankings are based on 17 different surveys and assessments from 13 institutions to measure the populace's perception of abuse of public power and bribery of public officials.

Chile enjoys a sterling reputation for transparency at home as well as abroad, leading the World Economic Forum to call it the region's most competitive economy in 2011. The ranking put

Chile in the top 25 most transparent countries in the world, and secured its spot as the most transparent country in Latin America, an honor it also held in the 2010 rankings.

The CPI ranking was topped by New Zealand with a score of 9.5. The island nation was followed by Denmark (9.4), Finland (9.4), Sweden (9.3), Singapore (9.2), Norway (9.0) and Belgium and Ireland finishing up at 7.5, just ahead of Chile.

In May 2010 Chile was invited to join the OECD, making it the first and only South American member country and the second in Latin America, alongside Mexico. According to a new report issued by the OECD Chile's economy will see the highest rate of growth among all nations in the Organization for Economic Cooperation and Development (OECD) in the period between 2010 and 2015, with an estimated growth rate of 4.8%. The report also stated that unemployment in Chile will remain stable at 7.2% between 2012 and 2015.

With this prosperous outlook it is expected that Chile, within the next 10 years, will reach European levels of wealth, similar to what has been seen in Hong Kong and Singapore. It is hereafter only a matter of time before Chile's standard of living surpasses Europe.

UPCOMING EVENT 11-14 march 2013

... State Visit by Her Majesty The Queen and His Royal Highness The Prince Consort ...
Read more: www.royalvisitchile2013.dk

CONTACT US:

The commercial team at the Danish Embassy in Santiago



Lars Steen Nielsen | larnie@um.dk | Ambassador
Laurids Refslund | lauref@um.dk | Head of Commercial Dept.
Aksel Jensen | aksjen@um.dk | Commercial Advisor
Carsten Bidsted | carbid@um.dk | Commercial Advisor
Kamil Kuninski | kamkun@um.dk | Commercial Advisor

Aquaculture & Fisheries sector – Carsten Bidsted