

CHILE



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EXECUTIVE SUMMARY:

Chile is the most competitive location for investment projects in terms of stability, infrastructure and human capital (A.T. Kearney 2007, WEF, Blackbook of Outsourcing). Through national and foreign innovation and Investment projects, Chile seeks to develop a world-class biotechnology sector that leverages its global advantage as one of the main producers and exporters of natural resources with high value products and services. The Chilean government launched the National Policy for Biotechnology Development in 2003, which delineates aggressive action for business development, R&D growth, human resource training, development of a legal framework, and the increase of biotechnology awareness among the general population. The Chilean biotechnology industry is an emerging and growing sector in the country, showing rapid growth for the last few years. Most of this activity has happened in sectors such as agriculture, livestock, human health, fishery, forestry, and industrial biotechnology. Foreign companies are encouraged to evaluate Chile as a platform for biotechnology initiatives in Latin America.

Why Chile? (1) Chile is the most competitive and stable economy in Latin America. (2) Open Economy: Gateway for opportunities through free trade agreements with China, USA, Canada, Mexico, South Korea and Central America. Double taxation agreements enforced with Argentina, Brazil, Canada, Croatia, Denmark, Ecuador, Mexico, Norway, Peru, Poland, South Korea, Spain and the United Kingdom. Other agreements already signed or under negotiation. (3) Safe environment with strong regulatory framework and dominance of the rule of law. (4) Extremely low country risk. (5) Government support and incentives. (6) Highly skilled human capital. (7) Competitive business costs. (8) Exceptional quality of life. (9) Lowest tariff for technology products in Latin America. (10) World-class telecom infrastructure.

BRIEF ORGANIZATION DESCRIPTION:

CORFO, the Chilean Economic Development Agency, has been the primary organization within the Chilean Government responsible for promoting economic growth in Chile since 1939. CORFO has designed a program to attract and facilitate technology-intensive foreign investments. Our objective is to position Chile as a biotechnology and service springboard for companies with

investment projects that are aimed at Latin America and the world. This program supports the setup of biotechnology and life sciences companies, clinical research initiatives and other high value technology projects including research, development and transfer of emerging technologies. CORFO created the InvestChile program in 2000, to encourage foreign investment.

The focus of InvestChile is mainly on technology intensive foreign investment and to assist companies looking to relocate to Chile. This program offers a series of incentives, services and comprehensive information regarding business opportunities in various sectors of the Chilean economy. InvestChile is comprised of 13 offices within Chile and is represented abroad in Spain, Italy, Sweden, the United States, and Canada.

BUSINESS CLIMATE:

Chile's business environment is the result of a policy-driven strategy that has been focused on building sound macroeconomic fundamentals and strong institutions, promoting competition and international integration, and creating a more fair society in which all citizens benefit from economic development. Economic growth has been accompanied by low inflation, a sharp drop in public debt, stable external accounts and strong international reserves. These achievements are the result of Chile's commitment to economic liberalization and free-market policies, as well as of its pledge to maintain sound and responsible economic management. Moreover, the country's modern telecommunications system, its internationally competitive and solid banking sector, high-standard public infrastructure, excellent quality of services and ample availability of qualified workers are key factors that also favorably impress foreign investors. CORFO (The Chilean Economic Development Agency) launched the High Technology Investment Program in 2000 with the purpose of attracting technology-intensive foreign investment and assisting companies interested in establishing permanent operations in Chile. The Program encourages foreign investment by offering a range of services to help companies set up successful ventures in Chile. Among these services are: Extensive information on Chile; Intermediary in related services; financial incentives (reserved for foreign investors). To date, CORFO has assisted over 50 companies to establish offshore operations in Chile. These companies range from businesses offering international services (contact centers and shared service centers) to enterprises working on the development of cutting edge technology.

REGULATION & POLICY:

Intellectual Property Regulation: Strong regulatory framework and dominance of the rule of law. New Intellectual Property Law: - The law includes the possibility of patenting microorganisms and genes. Clinical Trials subject to approval by the National Health Authority. Biosafety and bioprospecting regulations currently being developed. IP in Chile managed by the Intellectual Property Department Industrial Property Law No. 19.039 incorporates commitments under the WTO's TRIPs agreement: Regulates industrial rights related to innovations - Protection of trade secrets submitted to health agencies Foreigners protected by: - Universal Copyright Convention - Berne Convention - Rome Convention - Inter-American Copyright Convention.

RECENT LEGISLATIVE INITIATIVE:

R&D Tax Credit: The tax benefit of law 20.241 is a reduction of the first class tax over the effective profits declared during the fiscal year. The tax payer can reduce up to 46% of taxes paid for contracts that have been previously certified by CORFO. The R&D center must have sufficient means in Chile to perform activities in the country and must be previously be in CORFO's "Registered Centers List".

BOOTH NUMBER: 4353

