

*#InvestChileInsights*



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FOREIGN INVESTMENT PROMOTION AGENCY

# Foreign Investment in Chile 2023

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\*Updated to Nov 2024.



## Foreign Investment in Chile 2023

### Executive Summary

This is the final version of the 2023 Annual FDI Report, initially published in March 2024, with the data and figures available as of that date.

While UNCTAD and the OECD agree that 2023 FDI is below 2022 figures, UNCTAD puts the drop at 2%, while the OECD indicates a 7% decrease in global FDI flows. However, global greenfield project announcements were up 2% in quantity and 5% in investment amount (CAPEX).

According to the Economic Commission for Latin America and the Caribbean (ECLAC) Annual Report, the region's FDI flows were down 9.9% to US\$184 billion, with sizable decreases in inflows to the primary FDI recipients, like Brazil and Mexico. A representative sample of the main countries (excluding Guyana) shows a 12% drop in FDI flows for 2023 (**Table 1**); however, 2Q24 FDI was up 5% in these same countries (**Table 1-a**). In keeping with global trends, the number of greenfield projects in LatAm is down 4%, but the related CAPEX is up 22%. Chile's estimated 2023 greenfield CAPEX is particularly noteworthy (**Table 2**).

The figures from the TTR consulting firm show Chile's growth in the region in terms of M&A and venture capital transactions (**Figures 1 and 2**) and a noteworthy increase in its FDI inflows (**Table 1**). In 2023, the InvestChile portfolio recorded its highest-ever estimated investment (**Table 5**); the figures as of June 2024 were also outstanding.

Finally, this report analyzes investment behavior in mining, energy and global services projects. It pays particular attention to the role foreign capital plays in changing the energy matrix, which has made Chile one of the three most attractive emerging economies for investors, not to mention the global investment interest in green hydrogen.

The report uses Mining Council data and the Chilean Central Bank's investment estimates to analyze investment forecasts for the mining sector. It also accounts for the latest lithium policy provisions.

The global services section reviews the connectivity advances behind Chile's becoming a digital hub for the region.

## Overview

### Analysis of 2023

According to UNCTAD data, global foreign direct investment (FDI) decreased marginally (2%) in 2023, ending at \$1.3 trillion.<sup>1</sup> The outlook remains challenging for 2024. Weak growth prospects, trends of economic disruption, trade and geopolitical tensions, industrial policies and supply chain diversification are reshaping FDI models, causing some multinational enterprises (MNEs) to approach overseas expansion with caution.

International finance projects and overseas mergers and acquisitions (M&A) were particularly sluggish in 2023, but greenfield projects showed more positive signals. The number of projects increased by 2%, with growth concentrated in manufacturing, reversing the sector's decade-long decline.

In developed economies, the European Union's FDI flows jumped from -US\$85 billion in 2022 to US\$58 billion in 2023 due to large short-swing transactions in Luxembourg and the Netherlands. FDI flows to the rest of the European Union, excluding these two countries, fell 30%. US figures dropped 6%.

In developing economies, FDI flows fell 7% to US\$867 billion, with declines or stagnation in most regions, including 8% and 3% drops in Asia and Africa, respectively. They held relatively steady in Latin America and the Caribbean, falling just 1%.

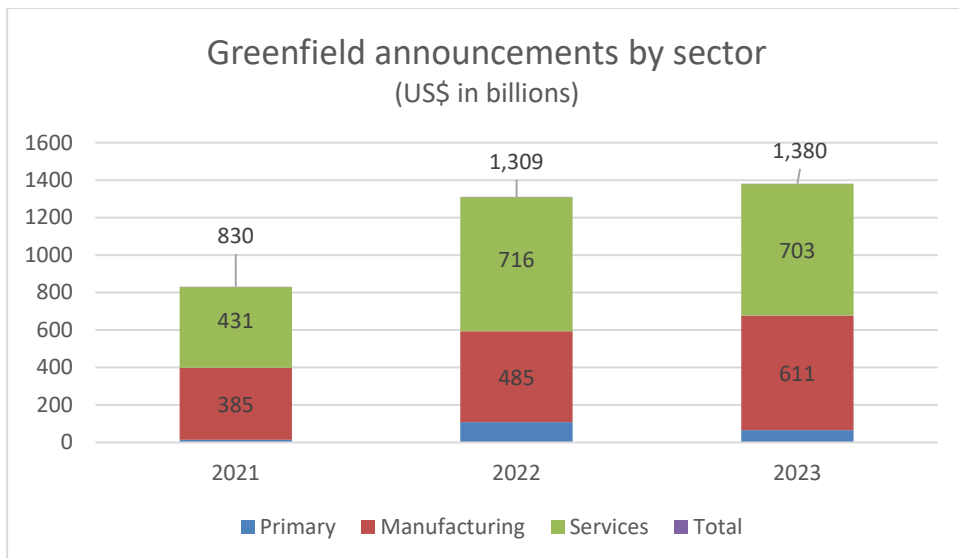
As previously noted, global greenfield (new project) announcements were up 2% in quantity and 5% in CAPEX. In Latin America, they fell 4% in quantity, but CAPEX rose 9%.

The manufacturing sector experienced the most significant increase (26%) in greenfield announcements, while the primary and services sectors saw declines.

The following table shows the evolution of greenfield announcements over the last three years, according to the sector distribution published in UNCTAD's WIR 2024.

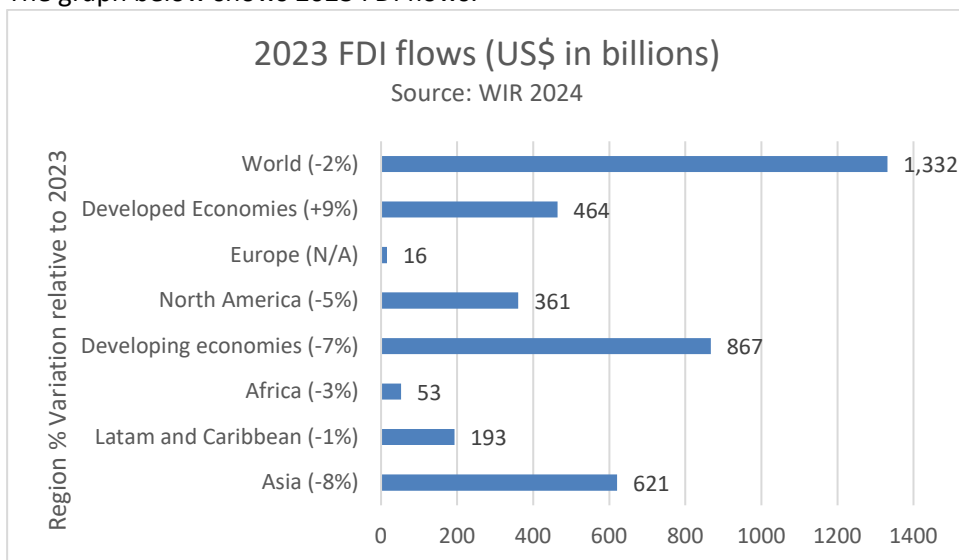
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<sup>1</sup> UNCTAD WIR 2024

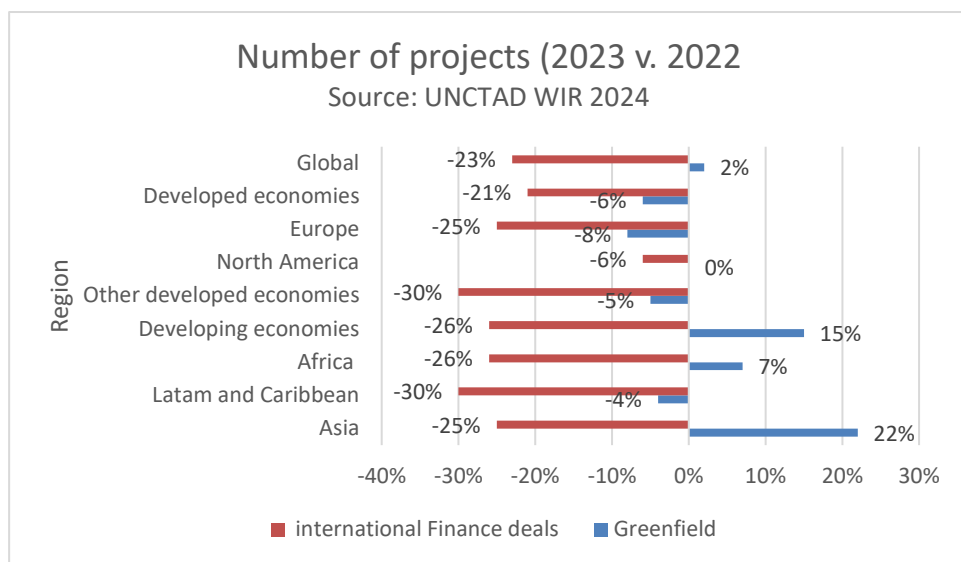


In Latin America, UNCTAD reports that FDI remained stable at US\$193 billion, with considerable heterogeneity between countries. FDI declines in Brazil and Peru offset acceleration in Argentina, Chile and Guyana. Notably, Brazil remains South America’s largest FDI recipient, while Mexico is among the primary recipients in Latin America.

The graph below shows 2023 FDI flows.



The number of international investment deals announced was down 23% worldwide, while the number of greenfield announcements grew by 2%. In Latin America and the Caribbean, international investment projects and greenfield announcements fell by 30% and 4%, respectively.



In terms of investment, international deal announcements fell by 26% while greenfield announcements grew by 5%.<sup>2</sup>

Analyzing 2023 trends by industry, the WIR 2024 spotlights the renewable energy sector as the main recipient of international financing despite a 12% decrease in CAPEX and 19% fewer projects. The power and gas sector reported the highest greenfield project investment amount, while the information and communications sector had the largest number of project announcements.

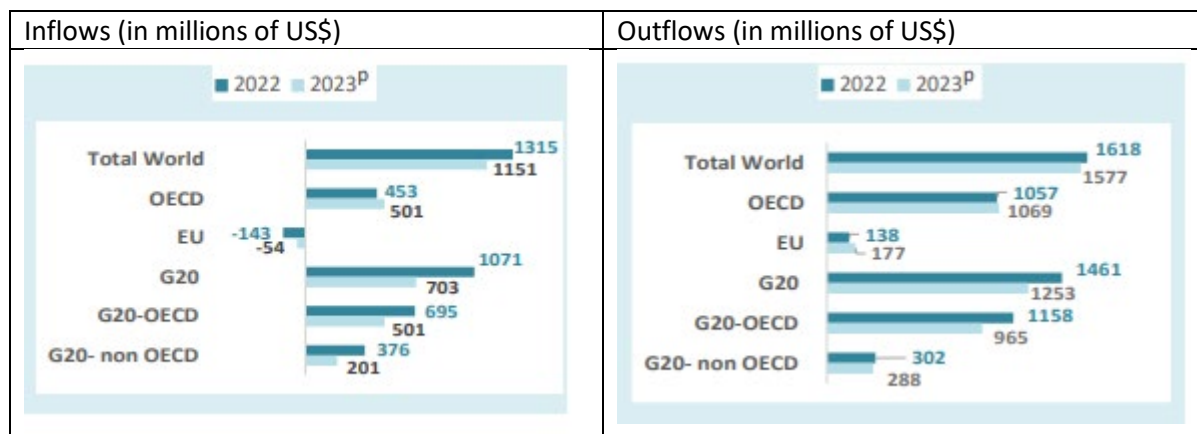
Moreover, the OECD calculates global FDI flows considering the sum of inflows and outflows, so the percentage variations do not necessarily coincide with individual variations between measurements.

The latest OECD report from April 2024 shows a 7% drop in 2023 global FDI flows compared to 2022. According to the OECD measurement, the overall percentage breaks down into a 12% drop in inflows and a 3% drop in outflows.<sup>3</sup>

<sup>2</sup> See Tables I.4 - I.5 WIR 2024

<sup>3</sup> <https://www.oecd.org/en/topics/sub-issues/foreign-direct-investment-fdi.html>

The OECD graph below shows inflows, outflows, and the 2023 decrease in both.



Source: OECD *FDI in Figures*, October 2024

According to OECD data, the main foreign investor in 2023, as in 2022, was the United States, followed by Japan and China. The main FDI recipient countries are the United States, Brazil and Canada.

### Outlook for 2024

Preliminary OECD estimates indicate that as of 1Q24, global FDI (inward plus outward) reached US\$923.5 trillion, implying growth of 78% over 4Q23. Levels are comparable to 1Q23 figures (-1%). The percentages are also similar when considering only inward transactions: 70% higher than 4Q23 and 5% lower than 1Q23.<sup>4</sup>

Globally, the top recipients of FDI in 1Q24 were the United States, the Netherlands and Brazil.

### 2023 FDI in Latin America

ECLAC’s Annual FDI Report data shows that FDI flows in Latin America and the Caribbean fell 9.9% to US\$184 billion. As previously noted, Brazil remains the region’s primary FDI recipient despite a 14% drop relative to 2022 figures. Mexico also experienced a 23% drop. A regional sample (excluding Guyana) involving US\$165 billion for the leading Latin American and Caribbean countries showed a 12% decrease.

<sup>4</sup> OECD figures as of July 2024

Despite the significant drop in 2023 regional FDI flows, Brazil, Mexico, Argentina, and Chile recorded the highest flows in Latin America. In fact, Brazil ranks fifth in the world, and UNCTAD's WIR places these four countries among the world's top 20 FDI recipients, a sign of the region's significance in global FDI flows.

Even with the 2023 decline in FDI flows, these countries have already recovered to pre-pandemic figures. Argentina recorded especially remarkable growth in 2023. **(Table 1)**

The region aligns with global trends for greenfield projects, showing a 22% increase in CAPEX and a 4% decrease in quantity. In 2023, the region has far exceeded pre-pandemic levels in terms of CAPEX but lags in project quantity. **(Table 2)**

In 2023, Mexico led Latin America in the number of greenfield projects, while Brazil led in terms of the investment amount. Together, they received 61% of total CAPEX and 60% of projects in the sample of select Latin American countries. Chile comes in third in terms of CAPEX—very close to the estimates for Mexico, with year-on-year growth of 187%—and fourth for the number of projects, with a decrease of 10% relative to 2022.

M&A and other transactions (both may include FDI) were down 24% in amount and 12% in number of transactions in 2023. In fact, according to the Transactional Track Record (TTR) annual report, sponsored by AON and Datasite, the region recorded 3,235 transactions compared to 3,694 the previous year. **(Figure 1)** Announced and closed transactions totaled US\$74.1 billion this year versus US\$98 billion in 2022. **(Figure 2)** The figures show a steady deterioration in M&A transactions, private equity deals, venture capital and buyouts.<sup>5</sup>

A breakdown of the total number of M&A and financial transactions by country shows Brazil leading with 2,008 transactions and US\$ 43.5 billion. Chile follows with 384 transactions and US\$15 billion. In third place, Mexico has 314 transactions and US\$13.4 billion. These statistics include domestic transactions as well as cross-border transactions by foreign companies. Thus, the comparison must bear in mind that Brazil recorded 1,421 local M&A, private equity, venture capital and buyout transactions.<sup>6</sup>

In terms of M&As, the region's leading countries in 2023 are Brazil, with 1,049 transactions and US\$27 billion; Chile, with 166 transactions and US\$11.2 billion; and Mexico, with 157 transactions and US\$10.1 billion. **(Figure 3)**

Exclusively considering cross-border M&A, Brazil totaled US\$8.5 billion in 2023, followed by Chile with US\$2 billion and Mexico with US\$1.2 billion.<sup>7</sup>

<sup>5</sup> TTR Data's Latin America - Annual Report 2023

<sup>6</sup> The Brazil-Mexico-Chile portion of the cited TTR report.

<sup>7</sup> UNCTAD WIR 2024 Value of net cross-border M&As by region/economy of seller, 1990-2023.

Regarding venture capital, the TTR Report indicates 899 transactions totaling US\$5 billion in 2023, trending downward from 2022, when 1,167 operations totaled US\$8 billion. In 2023, Brazil captured 558 transactions for US\$3.4 billion, followed by Chile with 159 transactions for US\$1.6 billion, and Mexico with 156 transactions for US\$2.6 billion. A 2023 report by LAVCA (Latin America Venture Capital Association) tallies 770 deals totaling US\$4 billion, representing a 33.5% drop in the number of transactions and a 49% decrease in amount.

## Outlook for 2024

Data for the leading Latin American countries is available as of 2Q24. Regional FDI flows are up 5%. However, the figure reflects substantial increases of 24% and 16%, respectively, in the two leading countries: Brazil and Mexico. Argentina, Chile and Colombia recorded drops in FDI as of 2Q24. **(Table 1-a)**

## Chile and 2023 foreign investment

According to the revised March 2024 figures, Chile's 2023 investment flows were up 19% from 2022, with cumulative net FDI flows of US\$21.7 billion. This recovery is a substantial (60%) increase over pre-pandemic 2019 figures. **(Figure 5)**

At US\$10.7 billion, equity holdings were the largest component of 2022 annual FDI flows, followed by reinvested earnings at US\$8.8 billion. Together, these concepts represent new funds and reflect recovery in the 2019-2023 period. Finally, related-party debt hit a five-year record of US\$2.2 billion. **(Figure 6)**

Another five-year high, the equity holdings recorded in 2023 are the third-highest for the entire 2003-2022 period. Given the international uncertainty, this record high reflects the absorption of fresh capital into the economy along with all the positive impacts of FDI. **(Figure 7)** Also noteworthy are the high reinvested earnings—the fourth highest figure recorded in the above period—reflecting the importance foreign capital assigns to undertaking new investments in Chile with its own resources. **(Figure 8)**

The net FDI flows by economic sector through 2023 **(Table 3)** show greater investment in the mining sector, which climbed back to first place, surpassing energy, which has led since 2019. Based on FDI stock measurements as of December 2023, Canada stands out as the primary country of origin, followed by the United States and Spain. **(Table 4)**

As mentioned in the previous section, M&A and other financial transactions in Latin America fell 24% in terms of amount and 12% in the number of transactions relative to 2022. In contrast, in Chile, they were up 2% in amount



and 15% in number of transactions. The 384 transactions totaling US\$15 billion put Chile in second place for Latin America after Brazil.<sup>8</sup>

Reviewing these transactions, M&As stand out with 166 transactions amounting to US\$11.2 billion; the 145 transactions in 2022 totaled US\$9 billion. M&A recorded a remarkable 24% increase in the investment amount. At the sector level, the largest number of M&A transactions were in the software and services sector at the internet and industry levels, accounting for 60% of the transactions. The rest were in the financial and real estate sectors.

As noted above, Chile ranked second after Brazil in cross-border M&A transactions.

Chile also experienced significant growth in venture capital. A total of 159 transactions and US\$1.6 billion placed Chile second in Latin America, with the number of transactions up 15% and the amount nearly doubling. These figures are important because over 90% of the amount comes from cross-border transactions.

## FDI in investment projects

InvestChile focuses on attracting new investment projects, positively impacting the domestic economy through job creation, the equity capital involved, and the agency's foreign investment promotion and attraction efforts. The InvestChile project portfolio closed 2023 with record-high investments of US\$33.5 billion—the highest in the agency's five-year history and an 18.2% increase over 2022. A total of 450 portfolio initiatives at different stages have created 18,202 jobs. As of June 2024, the InvestChile project portfolio contained 405 initiatives at various stages of development, totaling US\$34.5 billion.

The energy sector once again led the portfolio with 116 projects valued at US\$15.9 billion, followed by mining with US\$8.2 billion and 28 projects. The next sector, global services and technology, had US\$5.9 billion but 191 projects, a signal that the industry is very attractive for FDI. **(Table 5)**

The United States leads the InvestChile project portfolio with 135 projects totaling US\$9.9 billion. Canada is next with 24 initiatives and US\$5.3 billion, pushing China into third place with 21 projects valued at US\$4.3 billion. There was a noteworthy increase in investment projects from Brazil, which reached US\$2.2 billion and 27 projects, making it one of the primary countries of origin for FDI and the Latin American leader in portfolio participation. **(Table 6)**

The fDi Markets estimate for greenfield projects in 2023 (published in UNCTAD's WIR 2024) is another indicator for the new projects currently underway. According to the forecast, CAPEX should reach US\$22 billion, implying

<sup>8</sup> TTR Annual Report - Latin America 2023

spectacular growth of 187% over 2022, despite 10 fewer initiatives bringing the number of 2023 projects down to 90. These figures place Chile third in Latin America for project CAPEX. **(Table 2)**

Data from fDi Markets as of July 2024 places Chile fourth in Latin America for CAPEX and the number of greenfield project announcements for the year. **(Table 2-a)**

The Corporación de Bienes de Capital (CBC) 4Q23 Portfolio Report highlights the significant percentage of FDI in investment projects. In fact, for the 2023-2027 period, there were 622 private initiatives for an estimated US\$46.2 billion. Of these, 255 initiatives (41%) totaling an estimated US\$29.3 billion (71%) were by FDI-related companies. The greatest impact was in the mining and public works sectors, though energy and technology also contributed significantly. **(Table 7)**

The 4Q23 portfolio contains an estimated US\$60.4 billion (including state investment), a 4.7% increase relative to the year-end 2022 portfolio (US\$57.7 billion).

As of 2Q24, the portfolio shows growth in the amount of private and FDI-related projects for 2024-2028. **(Table 7-a)**

## Mining

Given the importance of the mining sector, we highlight its recent investment performance. Chilean Central Bank figures for 2018-2023 (the most recent available with investment broken down by sector) show recovery in mining flows following the 2020 pandemic-related drop **(Table 8)** when a generalized 10.8% fall in GFCF (Gross Fixed Capital Formation) investment impacted the entire economy. Mining was the hardest hit, with a 23% drop in 2020, though it experienced a 29% recovery in 2022. In 2023, total GFCF was down 1.1%, which could impact mining sector investment, although new projects have been submitted.

**Figure 9** shows the CBC's estimated actual expenditure for each year from 1998 to 2023. Slowdowns in mining spending are apparent in the wake of the copper price boom and in 2020, the most intense year of the pandemic. It recovered slightly in 2021 and 2022 before falling again in 2023. However, there are prospects for increased investment for 2024-2026.<sup>9</sup>

According to Mining Council data, the projects being implemented and evaluated in the sector total US\$24.1 billion with startup dates between 2023 and 2026; 31% of the projects are by companies with foreign capital. **(Table 9)**

Of particular relevance is foreign investors' interest in the lithium industry. These projects, at different stages of development, address enormous challenges in the future development of the industry. Chile's lithium strategy has

<sup>9</sup> Chile's Monetary Policy Report (IPoM) September 2024 (Table I.1 page 22)

identified strategic salt flats (Atacama and Maricunga) where the State, through Codelco, will participate in projects as a majority shareholder. The strategy also designates protected salt flats to preserve biodiversity.

According to the data from the Mining Ministry, Chile plans to prioritize six salt flat systems for private lithium projects that represent 38% of the expressions of interest. Those interested in participating in the priority process have until December 31, 2024, to submit their Special Lithium Operating Contract (CEOL) applications.

## Energy

Data from several sources, including the InvestChile project portfolio and the Corporación de Bienes de Capital (CBC), suggests that energy investment has stood out in recent years, primarily thanks to non-conventional renewable energy (NCRE) projects.

The latest BloombergNEF Climatescope report ranked Chile—along with two giants, India and China—among the three most attractive emerging economies for investing in renewable energies.<sup>10</sup> Similarly, EY’s Renewable Energy Country Attractiveness Index (RECAI) ranked Chile first in Latin America.<sup>11</sup>

61 <sup>st</sup> RECAI Ranking		
	Current ranking	Previous ranking
USA	1	1
Germany	2	3
China	3	2
UK	4	4
France	5	5
India	6	7
Australia	7	6
Spain	8	8
The Netherlands	9	10
Japan	10	9
Denmark	11	11
Canada	12	15
Ireland	13	13
Chile	14	17
Italia	15	12

Source: EY

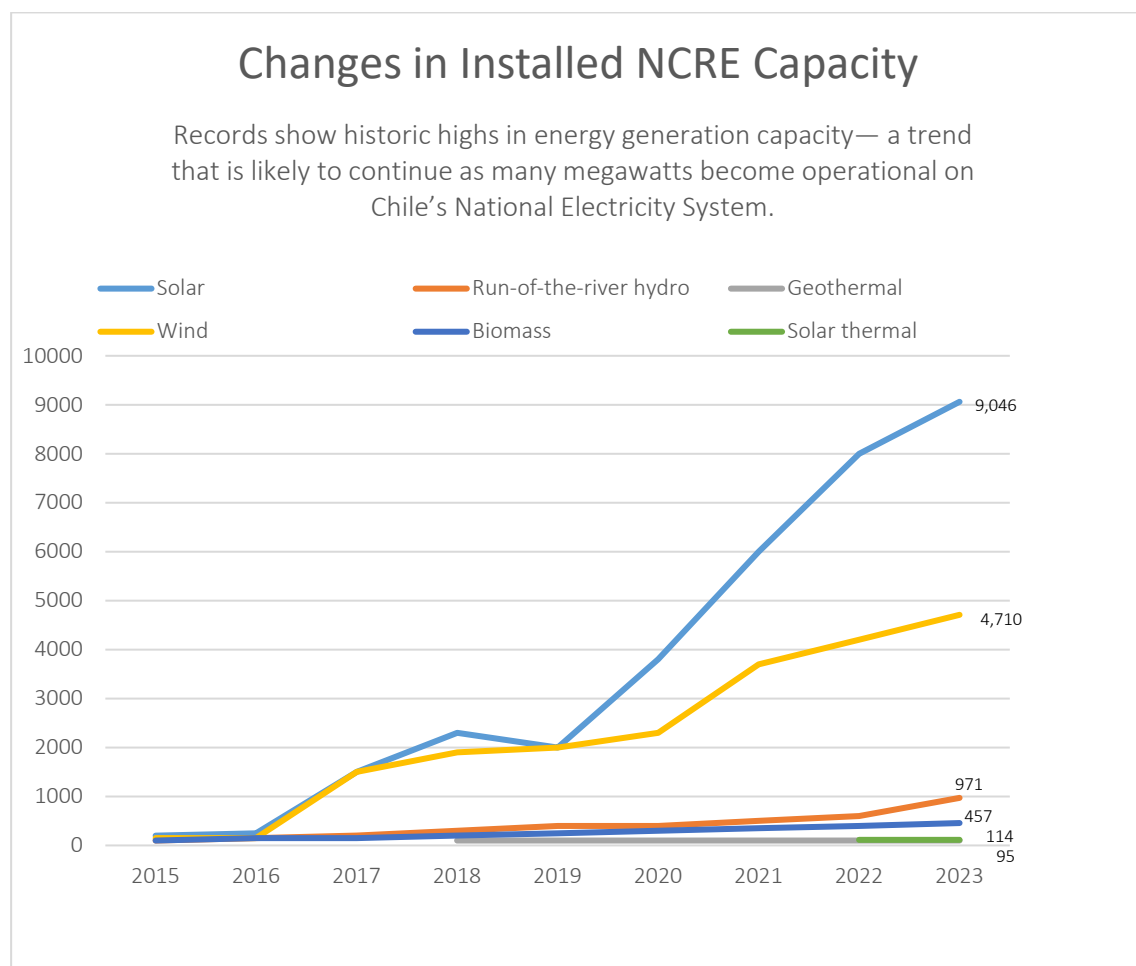
El Mercurio

<sup>10</sup> Climatescope November 2023 Power Transition Factbook Bloomberg NEF

<sup>11</sup> 61<sup>st</sup> version of the RECAI index. August 2023

The CBC’s list of energy investments shows noteworthy participation by companies with foreign capital. According to data complemented by InvestChile, 77% of projected private investment for 2024-2028 is by FDI companies. The estimated investment of US\$6.9 billion is primarily for the Antofagasta region. **(Table 7-a)**

According to Chilean records, 41% of the energy generated in 2023 came from Non-Conventional Renewable Energy (NCRE) sources. The following table shows the changes in installed NCRE capacity.



An analysis of the list of NCRE generation and power expansion projects under construction with estimated connection dates in 2024 further highlights the importance of the energy sector. These generation projects total US\$4.6 billion and involve high levels of FDI. **(Table 10)**

Many of the energy investment initiatives involving foreign capital relate to green hydrogen. Chile was the first Latin American country to present a National Hydrogen Strategy. Latin America—with its plentiful, low-cost renewable energy—is currently among the regions with the highest potential for producing renewable hydrogen.

Today, Chile has 59 renewable hydrogen projects registered with the Chilean Hydrogen Association A.G., H2 Chile. This reflects a tremendous public-private effort and acceleration of the processes essential to building a hydrogen industry that plays a major role in the country's economy and global supply.<sup>12</sup>

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<sup>12</sup> <https://electromineria.cl/chile-cuenta-con-59-proyectos-catastrados-por-h2-chile/>

## Global services and technology

InvestChile's project portfolio reveals that the global services and technology sector is among Chile's most attractive.

Data centers are one of the fastest-growing industries in Chile. According to a report by Colliers consulting firm, this market has continued to gain ground, and data center development has increased sharply over the last few years.

In the last decade, installed capacity has continued to grow. "In 2013, data center capacity did not exceed 35 megawatts (MW) nationwide. In just five years, the figure doubled to 82.3 MW. Chile's current data center capacity is 193 MW—a 451% increase over the course of a decade," according to Colliers.

Another industry indicator that has increased significantly is the land used for data centers. In the last 10 years, the land area went from approximately 50,000 square meters to 350,000 square meters in 2023—a 600% increase.<sup>13</sup>

Colliers explained that this data center boom mainly reflects the consolidation of new technology, increased renewable energy and the momentum of fiber optics in Latin America. These factors led the industry to invest US\$300 million in Chile in 2023.<sup>14</sup>

Over the last few years, Chile has become a LatAm digital hub as prominent multinational companies like Microsoft, Google, Huawei, AWS and Oracle choose to set up their data centers or regional clouds in the country.

According to the Science, Technology, Knowledge and Innovation Ministry, Chile is home to 22 data centers and expects 28 additional centers to arrive under the National Data Center Plan, which hopes to accelerate investment by US\$2.5 billion.<sup>15</sup>

Chile's transformation into a Latin American hub is thanks primarily to its existing connectivity infrastructure. Telecommunications advances in 2023 have set a promising path for new trends expected to gather speed in the coming year. The industry has high expectations for advances like the expansion and consolidation of the 5G network. By September 2023, Chile had achieved the goal of doubling the number of connections within a year. With over 3.1 million lines nationwide, according to data from Chile's Telecommunications Undersecretary (Subtel), the figure is expected to grow further in 2024<sup>16</sup>.

<sup>13</sup> <https://www.colliers.com/es-cl/articulos/santiago/2024-1103-data-center>

<sup>14</sup> *Diario Financiero* 3-6-2024

<sup>15</sup> MinCiencia, May 2024

<sup>16</sup> *Diario Financiero*: Telecommunications 2023 and 2024 challenges bridging the digital divide, 12-15-2023

On the other hand, in its July 2023 report, the Organization for Economic Cooperation and Development (OECD) **spotlighted the Chilean telecommunications sector**, noting that Chile is a top ten country in terms of the percentage of fiber optic subscriptions relative to total landline internet contracts.

The agency noted that 66% of total landline internet subscriptions in Chile are fiber optic, ranking Chile tenth in the world and first in the Americas.

Chile's connection to the Mistral, Prat and Curie submarine cables is noteworthy. In addition, the newly announced Humboldt submarine cable will become the first digital connection point between South America, Asia and Oceania. As the world's first transoceanic fiber optic cable, it will make Chile a digital hub and regional leader.

The Humboldt cable—the result of an agreement with the multinational company Google—is a submarine fiber optic cable that will span the more than 14,000 kilometers between Chile and Australia, providing an optimal connection with the Asia-Pacific region. Construction will reportedly begin in 2025, and the cable is expected to be operational in 4Q26.<sup>17</sup>

The global services sector comprises all services rendered in Chile for use abroad, including:

- BPO: business process outsourcing
- ITO: information technology outsourcing
- KPO: knowledge process outsourcing
- IPO: intellectual property outsourcing

In recent years, new technology and business models have made it possible to trade a growing number of services internationally through digital media. This gave rise to a base of information technology and communication (ITC) service providers that support the Chilean economy's ongoing digitalization process. These companies contribute to the digital transformation of traditional Chilean exports and the expansion of ITC service exports.<sup>18</sup>

In 2023, Chile exported services (excluding tourism) valued at US\$3.8 billion, a 10% increase relative to 2022. These include financial and insurance services; telecommunications, computer and information services; and other business, personal and recreational services.<sup>19</sup>

<sup>17</sup> <https://www.gob.cl/noticias/chile-logra-acuerdo-con-google-para-tener-el-primer-cable-submarino-transoceanico/>

<sup>18</sup> 2021 Manual for Service Exports and Free Trade Agreement Opportunities

<sup>19</sup> Chilean Central Bank



## Closing Thoughts

Several sources indicate that 2023 FDI stagnated globally and in Latin America. While the UNCTAD determined that the global drop was 2%, OECD estimates put the figure at 7%. However, Chile exhibited significant growth in FDI flows, accentuating the recovery experienced in recent years and surpassing pre-pandemic levels. The recovery is also evident in the investment amounts involved in greenfield project announcements. Chile placed very close to Mexico, which has always stood out as a leader in this type of investment.

Stagnation has also impacted international deals, such as M&A and other non-FDI. Analysis by the TTR consulting firm noted Chile's significant leap, surpassing one of the leaders, Mexico, in 2023. The venture capital dynamic was similar.

Expected investment in the InvestChile project portfolio was also up significantly, closing 2023 with the highest figure since the agency's creation.

Chile's percentage of NCRE generation, generally by companies with foreign capital, and the projects scheduled for presentation in 2024 are also noteworthy. Despite the 2023 downturn, mining investments are projected to increase in the coming years.

The foregoing is a favorable scenario for FDI and investment in general in Chile.

## Appendix: Figures and Tables

**Table 1 FDI flows in LatAm economies, 2023-2019 (in millions of US\$)**

Country	2023	2022	2021	2020	2019	2023-2022 Change	2023-2019 Change
Brazil	64,230	74,606	46,441	38,270	69,174	-14%	-7%
Mexico	30,196	39,108	35,405	31,524	29,946	-23%	1%
Argentina	23,866	15,201	6,658	4,884	6,649	57%	259%
Chile	21,738	18,237	15,177	11,447	13,579	19%	60%
Colombia	17,147	17,183	9,561	7,459	13,989	0%	23%
Uruguay	-436	8,526	3448	528	1,470	n/a	n/a
Costa Rica	4,687	3,673	3,593	2,103	2,719	28%	72%
Peru	3,918	11,201	7142	663	4,775	-65%	-18%
<b>Total</b>	<b>165,346</b>	<b>187,735</b>	<b>127,425</b>	<b>96,878</b>	<b>142,301</b>	<b>-12%</b>	<b>16%</b>

Source: CEPAL FDI Report

Table 1-a FDI flows as of 2Q24 and 2Q23

Country	2024	2023	2024-2023 Change
Brazil	37,807	30,406	24%
Mexico	32,755	28,206	16%
Argentina	8,870	10,227	-13%
Chile	8,423	11,463	-27%
Colombia	6,746	7,943	-15%
Uruguay*	-1,628	2,400	n/a
Costa Rica*	1,272	947	34%
Peru*	3,663	1,809	102%
<b>Total</b>	<b>97,908</b>	<b>93,400</b>	<b>5%</b>

Source: Central Banks and the National Institute of Statistics and Census of Argentina (INDEC)

\*Figures as of 1Q24

Table 2: Greenfield projects in LatAm countries, 2023-2019

Year	2023		2022		2021		2020		2019	
	CAPEX	Projects	CAPEX	Projects	CAPEX	Projects	CAPEX	Projects	CAPEX	Projects
Brazil	36,195	256	21,423	242	23,541	190	16,852	225	33,097	368
Mexico	33,180	502	46,059	487	21,343	379	14,472	309	27,965	652
Chile	22,027	90	7,688	100	5,352	83	5,431	80	8,515	150
Argentina	9,228	48	7,357	72	6,679	106	4,073	63	5,234	97
Colombia	3,313	132	1,786	152	4,240	140	3,004	114	5,892	236
Peru	1,773	48	1,326	50	2,304	60	1,726	43	12,262	91
Panama	983	26	3,777	16	199	14	1,285	24	1,733	32
Uruguay	4,566	26	930	25	1,224	23	155	16	3,914	22
Costa Rica	1,675	120	2,470	156	1,610	144	1,801	105	1,233	117
Ecuador	565	18	224	19	697	16	679	18	541	14
<b>Total</b>	<b>113,506</b>	<b>1,266</b>	<b>93,039</b>	<b>1,319</b>	<b>67,190</b>	<b>1155</b>	<b>49,476</b>	<b>997</b>	<b>100,386</b>	<b>1,779</b>

Source: fDI Markets/UNCTAD WIR 2024

Table 2-a Greenfield projects in LatAm countries, 2024

Year	2024	
Country	CAPEX	Projects
Brazil	26,045	152
Mexico	21,162	236
Chile	4,521	37
Argentina	2,367	26
Colombia	1,554	62
Peru	10,478	26
Panama	322	7
Uruguay	113	8
Costa Rica	677	35
Ecuador	267	3
<b>Total</b>	<b>67,506</b>	<b>592</b>

Figure 1 M&A and other transactions in LatAm, 2019-2023 (Quantity)

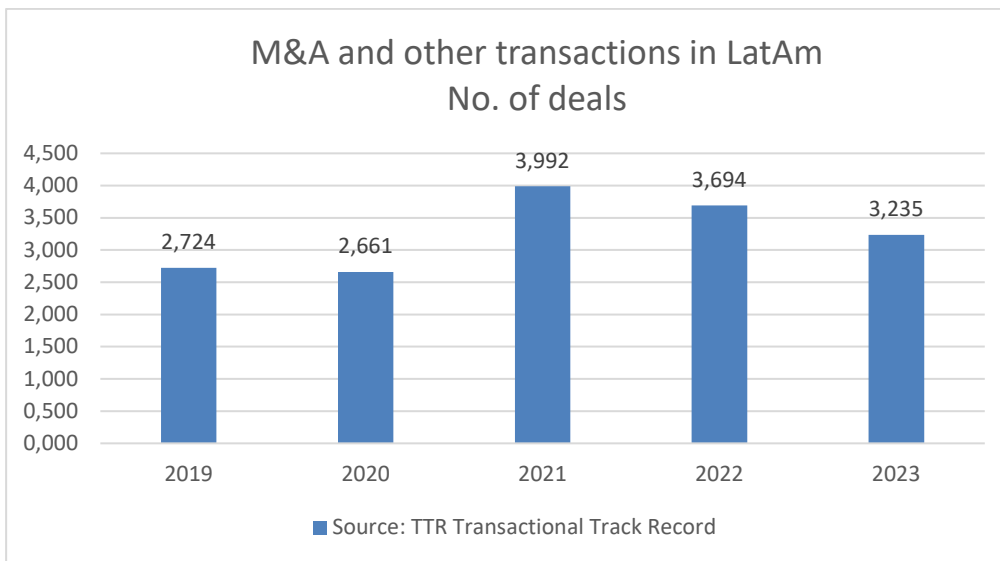


Figure 2 M&A and other transactions in LatAm, 2018-2022 (Amount)

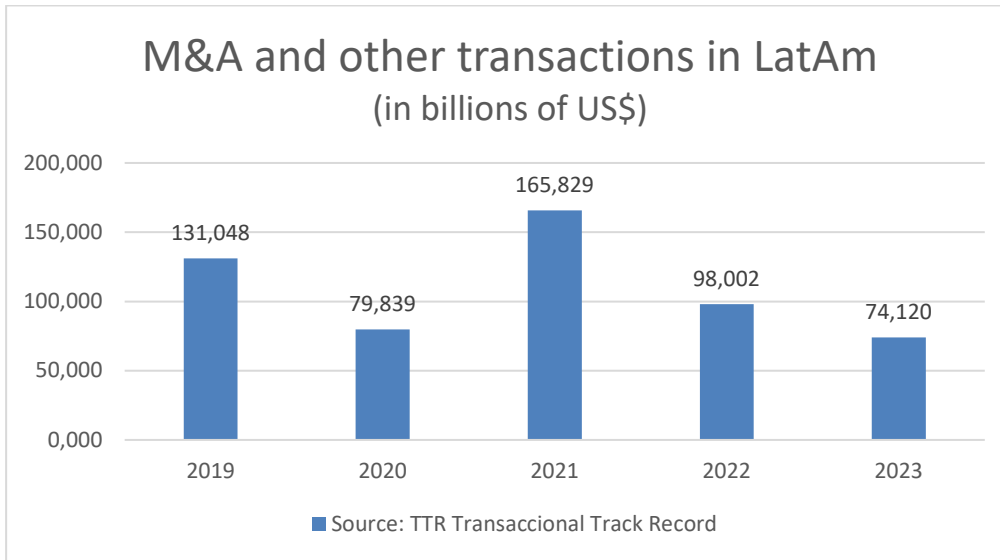


Figure 3 M&A in LatAm, by country (includes local transactions)

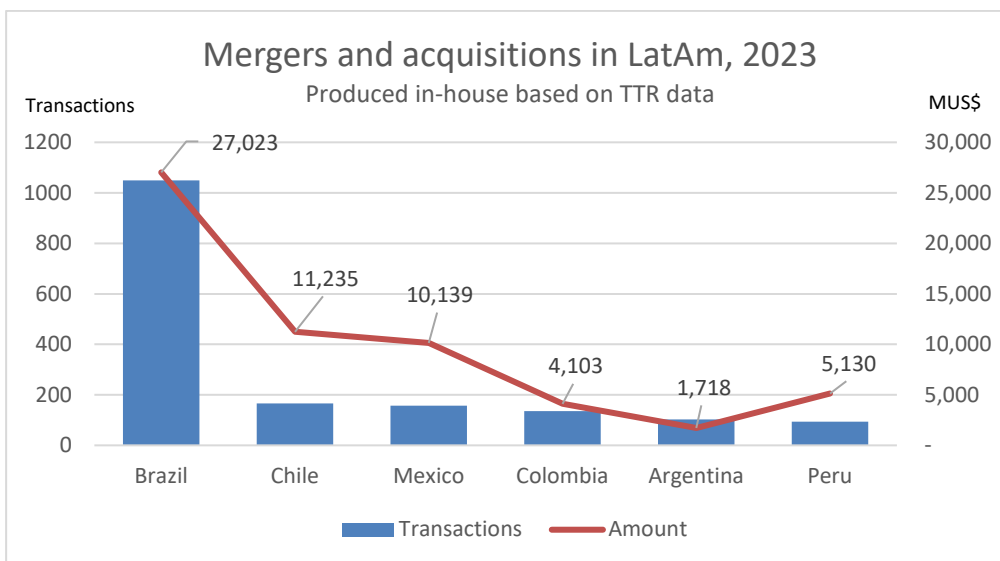


Figure 4 Venture capital investment in LatAm

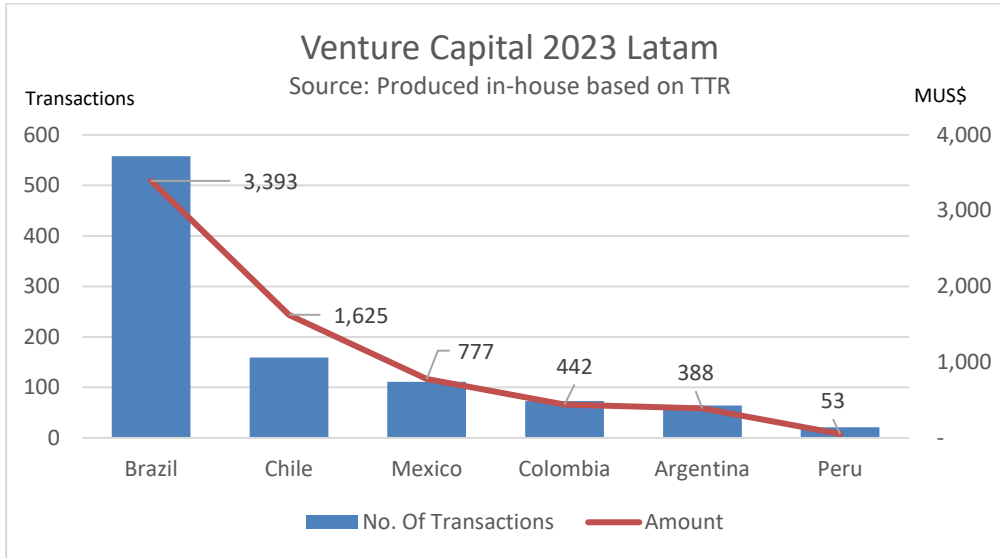
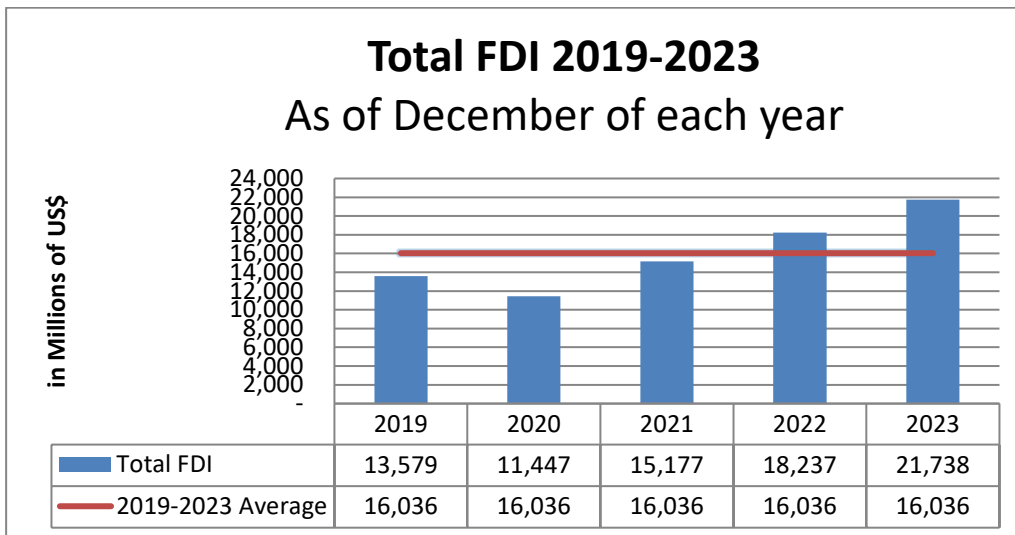
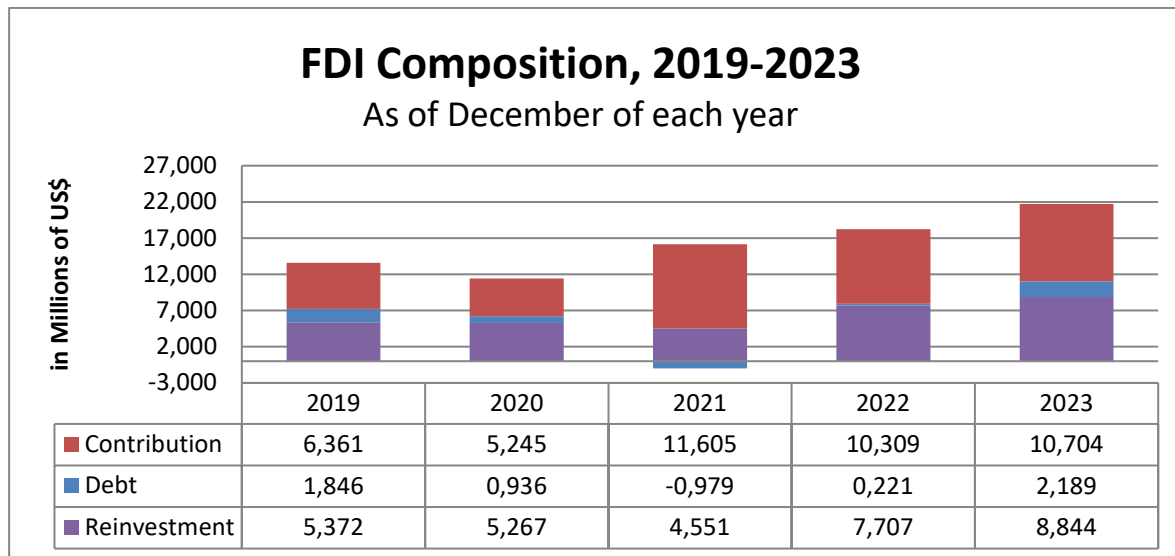


Figure 5 Annual FDI flows in Chile, 2019-2023



Source: Chilean Central Bank

Figure 6 Foreign direct investment by component (in millions of US\$)



Source: Chilean Central Bank

Figure 7 FDI: Equity holdings (in millions of US\$)

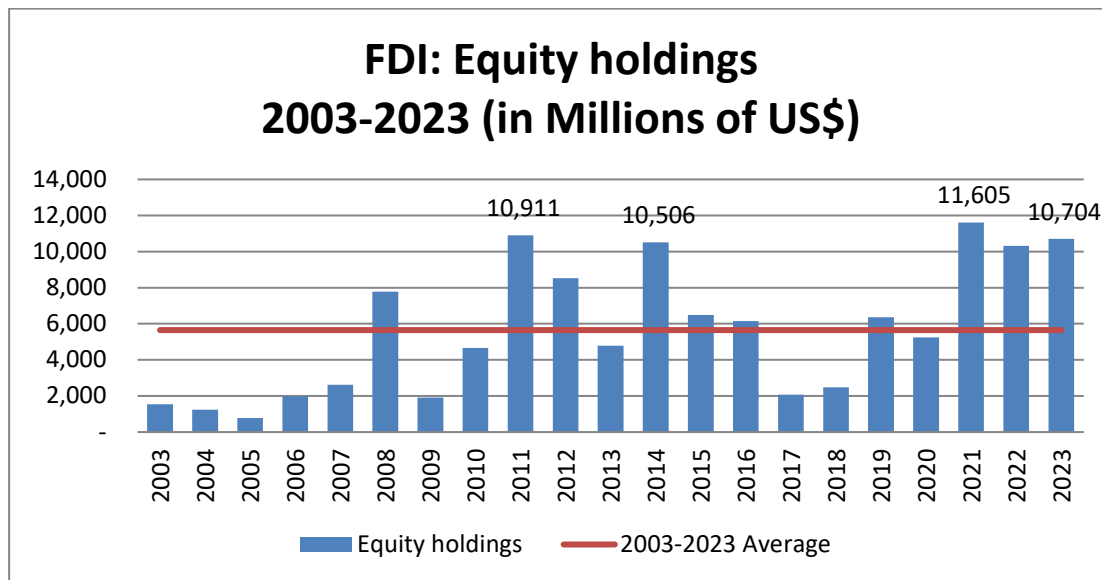


Figure 8 FDI: Reinvested earnings (in millions of US\$)

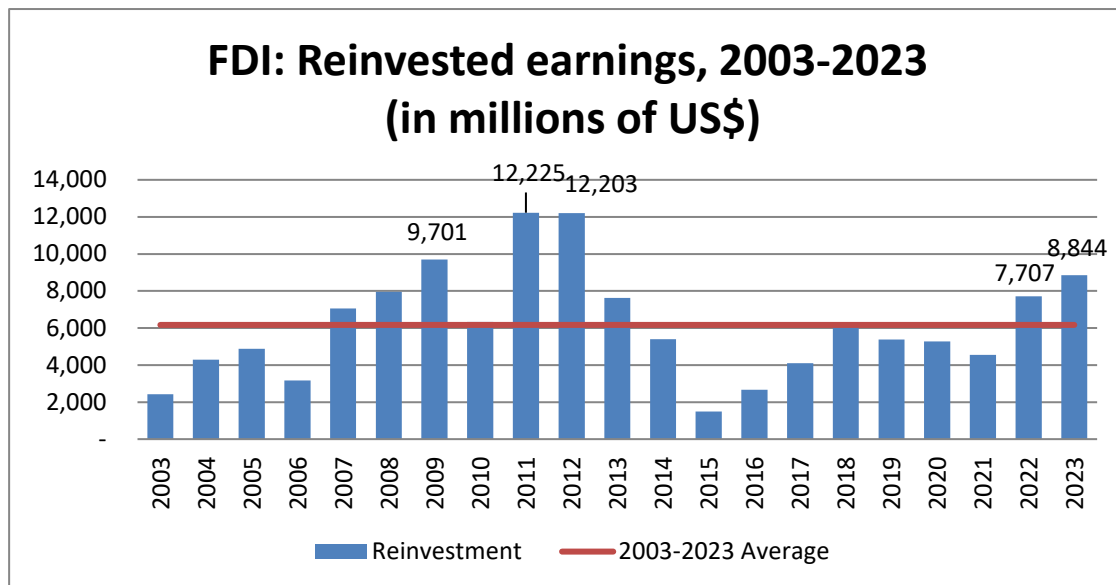


Table 3: FDI inflows by economic sector (in millions of US\$)

Sector	2019	2020	2021	2022	2023
Agriculture and fishing	184	564	148	293	892
Mining	1,482	2,157	5,946	6,558	9,346
Manufacturing	328	-226	207	648	757
Electricity, gas and water	3,988	3,860	10,278	4,027	4,119
Construction	153	1,286	763	299	220
Trade	1,449	1,077	219	474	1,783
Hotels and restaurants	7	1	2	9	12
Transportation and storage	-203	639	-2,320	-1,466	1,278
Communications	1,236	-1,603	-368	326	771
Financial services	2,108	136	614	3,785	-594
Real estate and business services	16	10	-13	7	-14
Other services	-316	169	316	-63	-374
Not assigned	3,147	3,376	-615	3,339	3,542
<b>TOTAL</b>	<b>13,579</b>	<b>11,447</b>	<b>15,177</b>	<b>18,237</b>	<b>21,738</b>

Source: Chilean Central Bank. The amounts do not match those in Figure 5 due to the bank's policy of revising figures.



Table 4: FDI stock by country of origin (in millions of US\$)

FDI stock in Chile, main investor countries (in millions of US\$)		
Country	2022	2023
Canada	35,130	40,233
USA	25,134	28,820
Spain	19,142	20,687
Netherlands	20,737	19,496
United Kingdom	20,192	16,341
Italy	15,859	14,762
Japan	4,048	7,209
Belgium	6,240	6,207
Colombia	3,216	3,370
Brazil	3,519	2,978
Bermuda	3,031	2,914
Australia	2,410	2,597
Switzerland	1,970	2,204
Sweden	1,115	1,927
France	1,877	1,739
British Virgin Islands	1,453	1,720
Norway	1,513	1,484
Germany	1,109	1,192
Luxembourg	1,406	1,169
Panama	677	921
Areas not covered by other offices	98,615	108,775
<b>Total stock (in millions of US\$)</b>	<b>268,394</b>	<b>286,747</b>

Table 5 InvestChile's foreign direct investment portfolio, 2023

Sector	No. of projects	Amount in US\$ (millions)	Jobs
Energy	116	15,911	1,286
Global Services	191	5,860	8,105
Mining	28	8,175	4,812
Infrastructure	10	1,476	53
Miscellaneous	50	1,107	1,591
Food	37	899	1,841
Financial	9	21	7
Tourism	9	56	407
<b>Total</b>	<b>450</b>	<b>33,505</b>	<b>18,102</b>

Source: InvestChile

Table 6 InvestChile's FDI portfolio (by country), 2023

Sector	No. of projects	Amount in US\$ (millions)	Jobs
United States	135	9,913	5,648
Canada	24	5,329	2,994
P.R.C.	21	4,250	723
Brazil	27	2,163	487
Ireland	12	2,016	110
Norway	9	1,700	68
Spain	26	1,626	484
Japan	14	1,293	1,843
Germany	23	1,092	305
South Africa	3	955	737
France	17	763	492
Denmark	1	600	10
Areas not covered by other offices	138	1,807	4,201
<b>Total</b>	<b>450</b>	<b>33,505</b>	<b>18,102</b>

Table 7 Corporación de Bienes de Capital's private project portfolio, 2023-2027

Sector	Private MUS\$	No. of private investors	FDI projects MUS\$	FDI projects	% FDI amount by private investors	% of projects by private investors
Energy	5,501	200	4,218	122	77%	61%
Industrial	1,288	47	469	21	39%	42%
Real estate	6,537	233	306	7	3%	3%
Mining	21,396	60	20,466	54	69%	63%
Public works	8,935	67	6,469	40	33%	10%
Ports	162	5	33	2	37%	36%
Technology	2,413	10	1,076	9	35%	63%
<b>Total</b>	<b>46,232</b>	<b>622</b>	<b>33,038</b>	<b>255</b>	<b>71%</b>	<b>41%</b>

Source: Produced in-house based on the 4Q23 portfolio

Table 7-a Corporación de Bienes de Capital's private project portfolio, 2024-2028

Sector	Private MUS\$	No. of private investors	FDI projects MUS\$	FDI projects	% FDI amount by private investors	% of projects by private investors
Energy	6,953	126	6,621	92	95%	73%
Forestry	0	1	0	1	39%	42%
Industrial	2,875	40	1254	19	39%	42%
Real estate	6,297	208	261	7	3%	3%
Mining	21,414	51	21,397	47	69%	63%
Public works	9,330	76	6,384	43	33%	10%
Ports	53	4	3	1	37%	36%
Technology	1,749	12	1,559	11	35%	63%
<b>Total</b>	<b>48,671</b>	<b>518</b>	<b>37,478</b>	<b>221</b>	<b>77%</b>	<b>43%</b>

Source: Produced in-house based on the 2Q24 portfolio

Table 8 GFCF by economic sector (in billions of CLP)

Economic sector	2018	2019	2020	2021	2022	2023
Mining	8,114	9,603	7,536	8,923	11,533	
Housing and real estate services	7,183	7,307	6,020	6,739	6,453	
Transportation, information and	6,205	6,029	5,031	6,701	7,191	
Electricity, gas, water and waste	4,912	3,998	5,171	5,341	4,387	
Manufacturing	3,726	4,568	4,740	5,097	5,000	
Public administration	3,118	3,252	3,016	3,441	3,143	
Personal services	2,435	2,499	2,325	2,494	2,614	
Other	7,971	8,366	6,887	8,415	8,648	
<b>Gross Fixed Capital Formation</b>	<b>43,664</b>	<b>45,623</b>	<b>40,680</b>	<b>47,171</b>	<b>49,022</b>	<b>48,479</b>
<b>% Change in GFCF</b>	<b>6.5%</b>	<b>4.5%</b>	<b>-10.8%</b>	<b>16.0%</b>	<b>3.9%</b>	<b>-1.1%</b>

Figure 9 Estimated mining expenditures (Source: CBC)

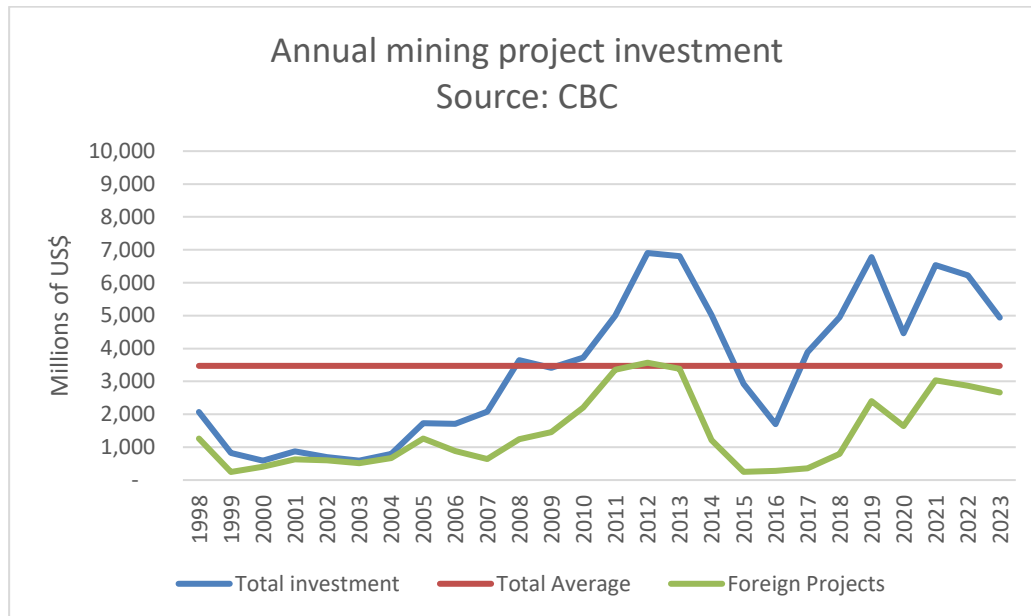


Table 9 Annual mining project investment

Operations scheduled to begin	Company	Project	Product	Region	EIA	FDI	Investment (in millions of US\$)	Stage
2023-2027	Codelco Chile	Several (Incl Sme)	Copper	Several	Approved	No	6,763	In progress
2023	Gold Fields	Salares Norte	Gold	Atacama	Approved	Yes	1,021	In progress
2023	Teck Carmen Andacollo	Op. continuity	Copper	Coquimbo	Approved	Yes	100	In progress
2024	Escondida	Dumpsite	Copper	Antofagasta	Approved	Yes	470	In progress
2025	Codelco Chile	Rajo Inca	Copper	Atacama	Approved	No	2,400	In progress
2030	Codelco, Teniente Div.	New level	Copper	O'Higgins	Approved	No	7,510	In progress
2024	Lomas Bayas	Op. continuity	Copper	Antofagasta	Approved	Yes	254	Evaluation
2024	Centinela	Polo Sur	Copper	Antofagasta	Approved	Yes	300	Evaluation
2024	Sierra Gorda	Tailings ponds	Copper	Antofagasta	Approved	Yes	400	Evaluation
2025	Collahuasi	Improvements	Copper	Tarapacá	Approved	Yes	3,320	Evaluation
2025	Candelaria	Op. continuity	Copper	Atacama	Presented	Yes	600	Evaluation
2026	Pelambres	Futuro I	Copper	Coquimbo	Presented	Yes	1,000	Evaluation
<b>Total (in millions of US\$)</b>							<b>24,138</b>	

Source: Mining Council

Table 10 NCRE Generation Projects, FDI with estimated connection date in 2024

Project	Type of Technology	Net Capacity (MW)	Region	Company	FDI	CAPEX MMUS\$	Operational as of
Horizonte	Wind	812	Antofagasta	Colbún	No	850	feb-24
FV CEME1	Solar	380	Antofagasta	Generadora Metropolitana	Yes	213	feb-24
Doña Antonia	Solar	85.6	Coquimbo	Metka	Yes	150	feb-24
PFV Las Salinas	Solar	122.8	Antofagasta	Enel	Yes	85.4	feb-24
Tocopilla	Solar	227.5	Antofagasta	Metka	Yes	170	mar-24
Punta de Talca	Wind	80	Coquimbo	EDP Renewables Chile	Yes	120	mar-24
Tamarico	Solar	144.7	Atacama	Metka	Yes	360	abr-24
CH Los Cóndores	Hydro	150	Maule	ENEL	Yes	900	may-24
Hidroñuble	Hydro	136	Ñuble	Eléctrica Puntilla	Yes	504	jun-24
Libertad I and II	Solar	244	Atacama	Grupo Fotones	Yes	165	sept-24
Lomas de Tal Tal	Wind	353.4	Antofagasta	Engie	Yes	424	oct-24
Desierto de Atacama	Solar	273.1	Atacama	Pacific Hydro	Yes	300	oct-24
Camán Stage I	Wind	145.7	Los Ríos	Mainstream	Yes	223.5	abr-25
CH Los Lagos	Hydro	48.7	Los Lagos-Los Ríos	Statkraft	Yes	173	abr-25
<b>Total (in millions of US\$)(*)</b>						<b>4,638</b>	

(\*) Projects under evaluation &gt; US\$100 million or 100MW

Source: Energy Ministry, Energy Sector Project Report, December 2023