

WORLD EYE REPORTS

CHILE

A globally connected economy reaches new heights

Chile has finally transcended its postcard image of rocky peaks. Even better, it has shed its reputation as a political powder keg. The country, still a popular tourist destination, now outshines its neighbors in terms of economic growth and political stability.

Dubbed the "star economy of South America," Chile posted a GDP of \$118.2 billion in 2006, thanks to its staunch commitment to free-trade policies and prudent fiscal management.

The dynamic business environment has caught the attention of foreign investors and, according to the Economist Intelligence Unit, Chile is the world's 22nd most attractive country in which to do business and invest over the next five years.

With its highly developed in-

vestment in Chile grew by \$8.1 billion, according to the central bank.

There are approximately 6,000 export companies, most of which are engaged in metals, minerals, fish, agriculture, wine and forestry products. Last year, exports of goods and services increased 41 percent from the previous year to \$58 billion.

"Our export industry is booming. Export growth for the first quarter of this year is at 19.6 percent," says Finance Minister Andres Velasco, who believes that his country is on its way to sustained growth.

"The country has made tremendous progress in the political and social arenas. Chile has built political institutions that are of developed-country quality, which is why we're the leading economy in the region," Velasco adds.

The Ministry of Finance has also prioritized a plan to address a surge in copper prices. Exports of the metal reached an all-time high of \$33.3 billion last year despite the higher price.

State-owned CODELCO is the world's largest copper-producing company, with recorded reserves of 200 years.

"Mining is Chile's most important economic activity. One of our biggest priorities is to foster growth and good relations among all players in the mining industry to ensure our future success," says Minister of Mining Karen Poniachik, who acknowledges Japan's important presence in the mining sector.

Last year, copper and other mineral exports to Japan were valued at \$4.8 billion.

"We're thankful that many Japanese companies are investing in Chile's major mining projects. We hope to attract more Japanese companies to develop not only production projects, but also projects that involve services and technologies relating to the mining industry," says Poniachik.

Among the Japanese com-



The Titanium La Portada Building will be the landmark of Santiago, the capital of Chile, and will change the entire skyline of the city.

panies with a stake in Chile's mining sector are Sumitomo Metal Mining, Marubeni Metals and Mining Resources, Nippon

have taken advantage of Chile's many trade agreements to supply markets in the region.

110 years of diplomatic relations

In March 2006, Chile and Japan signed a free-trade agreement that would eliminate a large percentage of tariffs. The agreement went into effect in September, when President Michelle Bachelet made her first official visit to Japan.

"This agreement, in about five years' time from its full im-

plementation, will allow us to increase exports to Japan and create at least 50,000 new jobs," said Bachelet, who praised Japan for its successful postwar transformation.

"For us, Japan is the story of a successful country. After sustaining huge devastation in the war, it not only rebuilt itself but it also became an economic and technological leader," the president said during her visit.

Japan imports a wealth of Chilean products, consisting largely of copper and minerals, fish and forestry products. It

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Former Japanese Ambassador to Chile Hajime Ogawa

Metal and Mining, Mitsui and Mitsubishi Corp.

Recently, the ministry bidded out to foreign companies various mining and energy projects in southern Chile.

"This is the first time we have implemented something like this. There is huge potential for investment," says Poniachik.

The government is promoting its image as a stable economy to attract foreign capital and use Chile as a "springboard" to the rest of Latin America. In turn, investors

A world leader in sustainable forestry

This year marks the 40th anniversary of Celulosa Arauco y Constitución, the leading forestry company in Chile and one of the top forestry companies in South America.

President and CEO Matias Domeyko is proud of the rapid growth achieved by the company during recent years.

"We have a significant competitive advantage over many forestry companies around the world because of the speed at which we are able to grow and harvest our trees," he says.

This competitive advantage is especially strong in long fiber as the radiata pine plantations cycle is around 25 years whereas in other countries, it takes between 50 and 150 years to grow trees with similar fiber characteristics.

Today, Arauco is ranked No. 2 in the world in pulp production and is among the 10 largest sawmill and wood panel companies in the world.

Among the qualities that distinguish Arauco is its unwavering commitment to sustainable development. Domeyko stresses the fact that all Arauco forests are planted.

"Besides, all our forests are certified and we harvest less trees than we plant each year," says Domeyko, whose company owns more than 800,000 hectares of planted forests.

"Once we began investing in industrial assets, we purchased state-of-the-art technologies and equipment to help expedite our sustainable practices. We are among the first forestry companies in the world to start selling carbon bonds, something we are very proud of," he says.

Recently, the company sold almost 500,000 carbon emission reduction certificates to Tokyo Power Energy.

Japan is one of Arauco's leading markets and has been a part of the company's overall strategy since its inception.

Arauco first exported logs to Japan more than 30 years ago and sells value-added products like pulp, sawed timber and wood panels to the country.

"We feel very proud of our long-standing relationship with Japan because it has been



Arauco President and CEO Matias Domeyko

one of our most important markets since the very beginning. If you can fulfill the stringent requirements of one of the most demanding markets in the world, you can be successful anywhere and we are proud to have managed to establish a reputation in Japan as a dependable supplier," says Domeyko.

Made up of over 34,000 people in Chile, Argentina, Brazil and Uruguay, the "Arauco Community," as Domeyko calls it, has much room for growth.

"We have the resources for growth and are looking into projects and investments in Chile and other countries," says Domeyko. ♦

www.arauco.cl



The Nueva Aldea Forestry-Industrial Complex in Nuble province — with its wood pulp mill, log merchandiser, the largest sawmill in the country, a panel mill and two cogeneration facilities for clean energy — positions the Chilean forestry industry at a level of excellence in the world.

Close links with Japan boost business

Chile possesses the world's largest copper reserves and remains the leader in the production of several other minerals. Naturally, this has played a huge part in the economic development of the country since the early 1800s, when it was already exporting huge amounts of copper and other minerals to the rest of the world.

Although state-owned CODELCO is the single-largest producer of copper in the country and the world, the private sector — made up of local and foreign invested companies — now has a combined output that exceeds that of CODELCO.

Industry leader Antofagasta Minerals, with its Minera Los Pelambres, El Tesoro and Michilla mines, produces close to half a million tons of the metal every year, making it one of the industry's largest producers and a reliable partner for resource-challenged Japan.

"We have been doing business with the Japanese for more than 25 years. Our Los Pelambres mine is 40 percent owned by two Japanese consortiums," says President and CEO Marcelo Awad. One of these consortiums is formed by Nippon Mining & Metals Co. Ltd., Marubeni Corp. and Mitsui & Co. Ltd. The other is made up of Mitsubishi Materials Corp. and Mitsubishi Corp.

Los Pelambres is one of the largest open pit mines in Chile, with an estimated mine life of at least 30 years. This company exports about 160,000 tons of copper in concentrates annually to Japan.

"Nearly 45 percent to 50 percent of our expected output this year is committed to Japan with several customers," explains Ignacio Cruz Zaba-

la, Managing Director of Minera Los Pelambres.

Apart from its strong ties with Japan, Antofagasta Minerals is actively involved in exploration, and the international expansion of the company in Chile, Latin America and Pakistan. A major project under way is the Esperanza Project, which will add 200,000 tons of copper to its output by 2010 with a capital expenditure of approximately \$1.5 billion.

"A feasibility study has been completed and approved by the board. Once we have the environmental permission, we will initiate the construction to be up and running by the fourth quarter of 2010," explains Awad, whose company will invest \$3 billion in projects over the next years and lead the way in implementing environmentally friendly practices.

Awad remains committed to increasing business with Japanese partners.

"From the very beginning, we have felt the support of the Japanese. They saw us as a group with a long-term view and since then, they have been supporting us. We are

the size that we are thanks in part to the Japanese," says Awad. ♦

www.antofagasta.co.uk



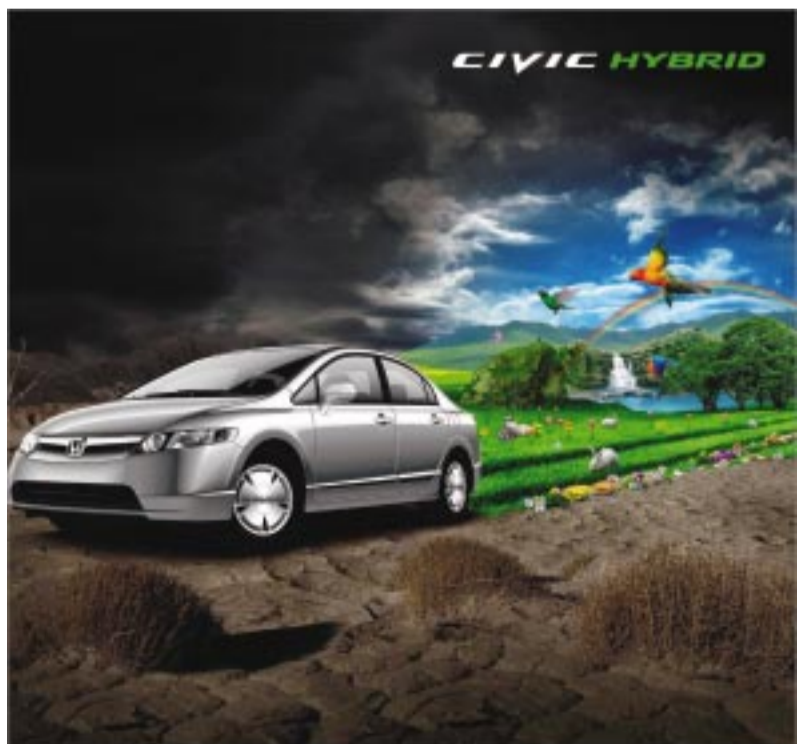
Chilean President Michelle Bachelet

rastructure, modern telecommunications system and exceptional financial system, the capital Santiago has become the preferred regional base of operations for multinational companies.

In fact, the business magazine America Economía ranked Santiago as the second-best city for business in Latin America.

Leading-edge development companies such as Inmobiliaria Titanium are transforming the face of Chile's business center, and enhancing the benefits of doing business here.

Foreign investors look favorably upon the country's low tariffs and wide range of investment opportunities in its abundance of natural resources. Last year, foreign direct in-



Honda Civic Hybrid, el primer automóvil que ayuda a combatir el calentamiento global en Sudamérica

HONDA
The Power of Dreams

eBox

Puerto San Antonio is the main port of Chile located near the center of the country's long coastline. It is the port closest to the capital Santiago. Its comprehensive Web site outlines its many services, as well as statistics about the port and its numerous expansion and developmental plans. www.sanantonioport.com

Due for completion in early 2009 in Santiago, **Titanium La Portada** is billed to become Chile's business center and will be one of the most advanced technological structures of architecture in Latin America. The building will be part of a select group of world structures certified as leading energy and environmental design projects. The dynamic corporate Web site features details, photos and videos behind the massive project, as well as information on sales and rentals. www.titaniumlaportada.cl

Chile's official Web site provides visitors with the latest news on the country, information about the government and updates on major projects. The Web site has become a valuable resource for prospective investors. www.chileangovernment.cl

The Foreign Investment Committee aims to position Chile as a highly attractive destination for foreign investment, and as a regional platform from which to export goods and services. It also contains a comprehensive guide to all investment-related inquiries. www.foreigninvestment.cl

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ANTOFAGASTA MINERALS
MINERA LOS PELAMBRES

ARRABRAN SINIRMAN L / ashout

It's full steam ahead for Ultramar

With its long seaboard, Chile has held a highly strategic position in the maritime trade. Its geography has remained an important factor driving this dynamic market-oriented economy, which has been characterized by a high level of foreign trade.

Founded in 1952 by Capt. Albert von Appen, a German merchant marine and retired inspector general for Hamburg Amerika Line (Hapag) and Norddeutscher Lloyd (later Hapag-Lloyd), Ultramar was one of the earliest steamship agents in the country to take advantage of the burgeoning shipping industry in Chile as well as in the rest of South America.

Ultramar's primary objective is to provide its principals with integrated port agency services in South America while meeting high-quality standards and facilitating highly efficient operations within the region.

Sharply focused on customer satisfaction, the company has strengthened its position by anticipating changes in the industry, and upgrading its logistics chain with a strong emphasis on containerization and terminals for general and bulk cargoes, as well as for inland container terminals and depots, and stevedoring services in all major Chilean ports.

Diversification has also played a key role in the company's growth. It operates a fleet of bulk carriers, tankers and gas carriers, a development started in the early 1960s under the umbrella of the Ultragas Group.

Meanwhile, Japan, with its high profile across the globe and its growing trade ties with Chile, remains vital to Ultramar.

Since 1970, the company has represented Mitsui OSK Lines in Chile even before it entered the containerization and transport of general cargo. Its services have widened to

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Ultramar's container freight station in Santiago

For Honda, the only way is up

Although more than 30 automotive brands are on offer in the Chilean market, Honda is holding its own in the country and steadily growing amid the stiff competition.

The Japanese carmaker's origins in Chile began in 1998 as a joint venture with an importer of Honda vehicles. The company became a wholly owned subsidiary of Honda Motor Japan six years later.

Over the past three years, Honda Motor de Chile President Hitoshi Abe has been instrumental in the growth and development of the company. In 2006, the Japanese giant sold 2,100 units in the country.

"Honda has a small percentage of the total market share for cars but wins customer confidence as a premium brand in Chile. We're enhancing customer satisfaction and taking measures to ensure that this share significantly increases over the next few years," says Abe.

But in the motorcycle market, Honda has edged out its rivals with a 20 percent share. It also holds the No. 1 spot for sales of outboard engines and power products.

Meanwhile, demand for Honda products is on the rise in Chile.

"The New Honda Civic was introduced to the market last year and all the imported units were sold, exceeding our expectations. As for our motorcycle business, our sales have grown from 1,200 units in 2003 to 4,200 units in 2006," says Abe.

A brand often associated with reliability, quality and top-notch performance, Honda aims to further bolster its image by informing consumers about the benefits of its products.

"From the showroom to service, we're continually striving to raise quality standards. We take great care in our customer service and after-sales service representation to satisfy our customers' expectations," he says.

Honda has an extensive sales network across Chile, with 16 car dealerships, 20 motorcycle dealerships and 27 dealerships for power products. Honda Chile hopes that a recently signed free-trade agreement between Chile and Japan will boost growth even further.

Among the ways that Honda consolidated its position in Chile was by introducing last year the Honda Civic Hybrid, the first hybrid vehicle launched in Latin America. The "green" car remains the only hybrid car in Chile.

"We want to do something about the pollution problem in Santiago by helping to cut emissions and fuel consumption. Our advanced technology will help," says Abe.

"We're looking to the government for support, so that hybrid car users may receive special tax benefits for helping the environment, as it is done in other



Honda Motor de Chile President Hitoshi Abe

countries. We have a commitment to Chile and one of our main goals is to be seen as a company that society wants. That is why we introduced the hybrid to Chile," says Abe. ♦
www.honda.cl



The latest Honda CRV

'We have a commitment to Chile and one of our main goals is to be seen as a company that society wants to exist. That is why we introduced the hybrid to Chile'

Epson Chile goes beyond business

Since establishing its South American headquarters subsidiary in Chile in 1985, Japanese printing technology pioneer Epson has grown at an impressive rate to become the country's largest distributor of multifunction printers and projectors.

While most people associate the Japan-based giant as a leader in printers, Epson Chile has also become an example of a good corporate citizen.

Eighteen years ago, Epson Chile Managing Director Carlos Miquel helped to establish a school for impoverished children in the south of the country through the Fundación Epson.

"This program was designed to give back to the community by giving computers, software, printers and most importantly education to poor students," explains Miquel.

"I'm working on expanding the capacity of the school, so that the number of students able to attend will eventually include high-school students within the next two years," he adds.

The school has 200 students from Grades one to eight and is supported by Epson's headquarters in Japan and the Chilean government.

"In the next five years, I would like to see Epson use its leading-edge technology to give back even more to the community," says Miquel, who believes that the education of young people in Chile requires more support.

With over 15 years' experience working for a Japanese company, Miquel has acquired a lot of valuable experience and know-how.

"There are many things we can learn from the Japanese, like discipline and work ethic, and conversely, the Japanese can learn from Chile, like how to enjoy life and relax — the Chilean way," he says.

"Working for Epson has been a great experience. Both of our countries have adopted reliable and stable business practices, which have helped our nations maintain successful business and diplomatic relations during the past 100 years," he also says. ♦
www.epson.cl



Epson Chile Managing Director Carlos Miquel

'There are many things we can learn from the Japanese .. and conversely, the Japanese can learn from Chile'

The new face of Santiago

Leading Chilean real estate developer Inmobiliaria Titanium recently launched a world-class project that hopes to change the face of the capital Santiago.

"Inmobiliaria Titanium is contributing to the development of the city with the creation of this emblematic project," says CEO Abraham Senerman, whose company is jointly owned by sector leaders Bethia and ASL Sencorp, and has other landmark projects in the pipeline.



The Titanium La Portada building in Santiago

Titanium La Portada is located in the El Golf area of Santiago, which has evolved into the city's leading business district and where Senerman, since 1993, has built six other major office buildings with a total floor area of more than 600,000 sq. meters.

"This project represents a considerable opportunity for us to consolidate the area linking the most important companies while attracting new firms to come here and establish their operations," he says.

The 52-story building will be the first in South America to be pre-certified by the U.S. Green Building Council in its LEED CS program as a leader in energy and environmental design, which will create a new building category in Chile.

"Our buildings' occupants will notice the difference in working in an environmentally friendly space. More natural light, natural air, a toxic-free infrastructure and an energy-efficient technology will contribute to their well-being," says Managing Director Patricio Montt Errazuriz.

"This revolutionary new structure (due for completion in early 2009) could link Chile and countries similar to Japan. We welcome first-class companies to come to Chile and experience the benefits of working and living here. We hope that Titanium's world-class standards will inspire more Japanese companies to base themselves in Chile," says Senerman.

"We are here to provide them with what they want and need — a high-quality, safe building in the best location, with outstanding views of the Andes. This will be one of the most important buildings in the city, with the expectation of becoming a major business center,"



Abraham Senerman, CEO of Inmobiliaria Titanium and the architect of Titanium La Portada

Senerman adds.

According to American Economic Review magazine, Santiago is the best place to do business in Latin America, with its stable economy and advanced infrastructure.

"I am very proud to inform you that this building will be the landmark of Santiago and will change the entire skyline. This building is part of my vision for the future of Chile. Chile and Japan have a close relationship. I believe that the Japanese people will be very comfortable working here as we adhere to American and European standards. We welcome you to Chile and Titanium La Portada," Senerman ends. ♦

www.titaniumlaportada.cl

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There is no better image than that of a great friendship

Epson celebrates the consolidated friendship between Chile and Japan

www.epson.cl

Arauco, a Chilean company with 30 years of presence in Japan, celebrates the 110th anniversary of the Treaty of Amity, Commerce and Navigation between Japan and Chile

www.arauco.cl

Law firm sets a standard for excellence

Carey y Cia, a law firm that traces its origins back to 1905, is widely considered the top of its field in Chile and its "blue-chip" reputation has attracted clients from around the world, including Japan. It is comfortably the largest firm in Chile.

Chairman Jorge Carey, grandson of the founder, is pleased with the number of Japanese clients that the firm has acquired in recent years.

"We represent over 15 major Japanese companies, when 20 years ago we didn't have any," says Carey, who joined the Chile-Japanese Chamber of Commerce in 1992 to raise the firm's profile within the Japanese community.

"On many occasions I was the only non-Japanese speaker attending the meetings, which said a lot about our determination to understand Japanese culture. This role became easier when lawyers of our firm who spoke Japanese took over for me," he adds.

"We service our clients by providing the best possible resources. We offer support on every level, helping our clients adapt to the culture and business practices here," says Carey, whose firm provides full legal services and advice to its prestigious Japanese and in-

ternational clients in Chile.

Carey believes that the firm's excellent reputation in the region is the main reason for the company's continued growth and success.

"Our strategy has always been to do the work well and to stand by our clients every step of the way," says Carey.

Meanwhile, Carey is optimistic about the firm's future.

"We'll continue in our pursuit to recruit the finest lawyers and maintain close, personal relationships with our clients," he stresses.

Carey y Cia won the 2006 and 2007 awards from Who's Who of Business Lawyers as the "Law Firm of the Year in Chile." It also received the "Client Choice Award for Chile" for 2006 and 2007 from the International Law Office.

This year, the firm got the "National Law Firm of the Year Award" from the International Financial Law Review, which cited it as having "the greatest strength in breadth of any corporate law firm in Chile."



Carey y Cia Chairman Jorge Carey

The magazine Latin Lawyer said the firm is "widely seen as the best organized in the Chilean market... with its strength and depth being its main assets." www.carey.cl

Chile's largest port gets ready to expand

Moving about 50 percent more cargo than neighboring Valparaiso, Puerto San Antonio is the most important port in Chile. It is also the second largest on the west coast of South America and has just unveiled major expansion plans for this year.

"We are confident that we'll be able to increase our capacity by more than six or seven times over the next 20 years, making us the largest port on the west coast of South America," says Managing Director Alvaro Espinosa.

The port is buying 100 hectares to develop, which would allow growth southward as well as outward to the sea.

In the short term, Espinosa is looking to double the port's capacity over the next five years. The port, in this period, will attract investments from the private sector (estimated at \$300 million) in new port infrastructure (container and bulk terminals) and various support facilities.

While the port will increase in size, it will not disturb the city of San Antonio.

"We are dedicated to the well-being of the community and don't want to impact the city's inhabitants in a negative way," says Espinosa.

With the recent signing of a free-trade agreement between Chile and Japan, the port also expects activity to grow. Currently, export cargo to Japan is at 16 percent, consisting mainly of copper, wood chips and foodstuffs.

So, Japan remains high on the agenda of Puerto San Antonio. It is the second-most vi-

tal market after the United States.

During the past seven years, the port has grown 34 percent and container movement grew 47 percent, thanks in part to the growth of Chile's commercial sea activities.

The port has also upgraded its equipment amid strong competition in the industry.

"We are the port authority. So, development of the port's infrastructure and acquisition

of new technology are important," says Espinosa.

In August, the port of San Antonio boosted its competitive edge by easing access to its facilities.

"We have big expectations in relation to the FTA with Japan. The interchange of foreign trade between our countries is mainly done by sea, so we look forward to a growing relationship," Espinosa says. www.sanantonioport.com



Puerto San Antonio is the closest port to the capital Santiago and Chile's principal gateway to the sea.

NYK shapes up to ship out

With the recent signing of a bilateral free-trade agreement and the robust growth in the mining, fishing, forestry and wine industries, Japan-based giant NYK launched a new logistics division in Chile in anticipation of heavier trade traffic.

"We are looking to provide the best solutions for the logistics service," explains Yukio Mitsuma, managing director of NYK Sudamerica Chile, which began operations in the country in 1991 and has branches in Iquique, Valparaiso and the capital Santiago.

Earlier this year, NYK Sudamerica Chile became the headquarters for the parent company's container vessel operations on the west coast of Latin America.

"Santiago is the logical place for the new headquarters because of the time difference between Japan and South America. It allows NYK to react to immediate problems and allows us to develop closer relationships with our customers in Chile, Peru, Ecuador and other South American countries," points out Mitsuma.

Among the advantages NYK has over competitors is its logistics program dubbed SEALIP (Sea Earth Air Logistics Integrator Program).

"Along with ships, NYK Group companies own terminals, trucks, warehouses and cargo planes, etc., which all work together. This allows us to provide total logistics solutions to our customers," Mitsuma explains.

Between Asia and South America, NYK has a market share of between 10 percent and 15 percent in the container shipping industry. It has also seen a 15 percent increase in cargo since 2006.

"For our company, this year will be better than last year. We do not want to lose the business opportunities that have been created by the free-trade agreement. Along with focusing on the 15 percent cargo growth, we plan to focus on expanding the logistics business, making sure everyone knows that this is a service we now offer," he adds.

Of the 107 employees who make up NYK in Chile, the majority — 100 to be exact — are national staff, allowing the company to identify and service domestic customers more efficiently.

"As an expatriate living and working in Chile, I find the Chilean people to be very diligent, hardworking and trustworthy," says Mitsuma.

In line with the vision of the parent company, NYK Sudamerica Chile is focused on providing total-quality service that primarily considers the needs of customers while remaining adaptable in the face of fluctuations in a highly competitive industry. www.nyksud.cl



NYK Sudamerica Chile Managing Director Yukio Mitsuma

Casting a wide net across the world

Claiming more than half of South America's western coastline at around 4,300 km, Chile is blessed with abundant ocean resources, and a thriving fishing and aquaculture industry that is unrivaled in the region.



Pesquera El Golfo Managing Director and CEO Alberto Romero

Seeing the opportunity offered by the country's geography and resources, a group of German immigrants established Pesquera El Golfo in 1962. Twenty-four years later, a group of entrepreneurs formerly in the gas and fuel business bought the company, which has since grown to become the country's leading supplier of marine products.

In the last 10 years alone, El Golfo secured the largest fishing quotas for the most valuable species in Chilean waters.

"Our quota for jack mackerel represents about 12.1 percent of the main quota of Chile," states Managing Director and CEO Alberto Romero.

Jack mackerel is the main ingredient in surimi, a food product widely used in Japan and typically made from white-

flesh fish. While the company exports to more than 40 countries in five continents, Japan remains a vital market.

"Japan was the first country where we started exporting our products to. Our main export to the Japanese market at that time was surimi," Romero recalls.

Sardines, anchovies and horse mackerel are among the other valuable species caught from the company's purse seiner fleet. Also operating trawlers, the company's six vessels are all equipped with modern and state-of-the-art fish treatment technology.

Aware of issues concerning natural resources, sustainable fishing is of vital importance to the company.

"El Golfo is committed to sustainable fishing and environmental development," stresses Romero, whose company has invested \$11 million in clean technology.

The company is also a major player in the aquaculture industry and has made enormous strides the last few years.

Since 2003, the company has been involved in scallop farming in the north of Chile, where they grow, harvest and produce top-quality roe-on scallops. In the island of Chiloe in the south, the company operates a modern processing facility for their mussels farm.

Two years ago, the company entered the salmon farming industry as it acquired top water concessions in the south of Chile.

"We've been exporting salmon to Japan for the last six months and we see a lot of potential for our business to grow there," states Romero.

For a company that expanded its workforce from 350 to 1,800 in the last 21 years, El Golfo remains committed to its growth and to its partners.

"Japan is where it all started for us. Our success in the Japanese market is a result of trust and patience. We remain committed to our partners there and we look forward to further strengthening our relationship with them," he says.

www.elgolfo.cl



Inaugurated in 2003 by the president of Chile, Pesquera El Golfo's freezing plant in the city of Talcahuano is one of the most modern in the country.

Top Chilean tea gains approval in Japan

Founded in Valparaiso in 1875, Cambiaso Hermanos has been Chile's premier producer of tea and remains a pioneer in the industry. Although it still harvests Supremo Black tea, its original product, the company has expanded its line to include organic herbal teas.

"About 15 years ago, we bought land in Chile to produce organic herbal teas. We control the entire process from planting to production to ensure that the product is 100 percent organic," recalls President Luis Cambiaso, a grandson of the company's founder.

Over the past decade, the popularity of its herbal teas has been growing, with Japan emerging as its most important market after Chile and the United States.

"We started exporting our 'Garden of the Andes' herbal teas to Japan 10 years ago with the help of our Japanese partner, Keiji Okita," says Cambiaso, who points out that the two most popular flavors for the Japanese are chamomile and rose hip.

The company's largest Japanese distributor, Muso, has been instrumental in stocking the shelves of health-food stores across Japan with "Garden of the Andes" tea. Outside of stores, its herbal teas can be found online through the same distributor as well as on Japan Airlines.

"Over the years, we have established a very

successful relationship with the Japanese," he says.

The company scored extra success when it came out with packaging specifically designed for the aesthetically conscious Japanese customer. Exports to Japan are at 12 percent and expected to grow significantly over the next five years.

"We know that we have a high-quality product because of the success we've achieved in Japan. If we can sell our tea there, we can sell it anywhere in the world," says Cambiaso, who hopes to launch more of his products, such as organic olive oil, to Japan and other markets.

"What we do, we do professionally and with great care. Our customers in Japan and around the world will surely recognize that we offer some of the best herbal teas in the world," says Cambiaso. www.cambiaso.cl



Cambiaso Hermanos' organic herbal tea line "Garden of the Andes"

"Our customers in Japan and around the world will surely recognize that we offer some of the best herbal teas in the world"

Chilean government stays the course toward economic growth

Chile is no longer a far-flung country outside the radar of global business. It has left behind its long history of political turmoil and has aggressively promoted the nation as an attractive base for investment in the region.

In a recent interview with World Eye Reports, Finance Minister Andrés Velasco, a Ph.D. graduate in political economics from the Massachusetts Institute of Technology and a Sumitomo professor of international economics at the John F. Kennedy School of Government at Harvard University, spoke about Chile's long-term economic prospects and elaborated on his government's various pro-business policies.

On the state of Chile's economy:

Chile has a very strong economy with sustained growth. We are now, by almost all measures, Latin America's leading economy. Since 1990, we've tripled per capita income, and for the first time last year, we overtook Argentina and Uruguay in economic growth.

We still have challenges ahead, but certainly the country has made tremendous progress over the past decade.

On quality of life in Chile:

We've dramatically increased the standard of living in Chile. During the last three years, more than 700,000 people have risen above the poverty line. Poverty in Chile has gone from 18 percent to about 14 percent. We are a much more equitable country than we were a decade ago. Chile is ranked No. 54 in the world in terms of equality of its people. Chile is also without a doubt, the safest country in Latin America, which is one reason why the Japanese enjoy doing business here.

On why Chile is an ideal place for investment:

Chile has done things right. We have had a stable government since 1990, and we have built institutions that are of developed country quality. Chile is ranked No. 48 in the world for political stability, according to World Bank statistics. This figure means that Chile is as stable and developed as most European countries.

We have created transparent laws and regulations, which translates into low government corruption. We're one of the most open economies in the world, with extremely low tariffs, and more trade agreements than almost any other country in the world. Exports experienced 19.6 percent growth from last year.

Our infrastructure is of world-class quality. Chile has the best ports in Latin America, new airports in almost every major city, and an excellent highway system. Essentially, Chile has reached the point of having developed country quality infrastructure.

Investment is growing at around 10 percent this year — the highest in Latin America. We're also developing our own multinationals to increase our competitive advantage.

On the main priorities of the Ministry of Finance:

We're working on designing and building institutions to deal with the surge in the price of copper. We are determined to overcome this challenge and maintain sustained growth despite the fluctuating costs of copper. We have created rules for governing the budget with structural criteria, spending what is permanent and saving what is transitory.

We have created two funds to invest abroad — a pension guarantee fund and an economic stabilization fund. We will have a budget surplus of almost \$10 billion by the end of 2007. We're working on capital market reforms that would make the market even more secure and mature.

We're encouraging venture capital. We want to ensure that all good business ideas have proper funding. We're funding new projects and R&D efforts in areas where Chile has a natural competitive advantage, such as forestry, biotech and agriculture. We're also investing heavily in our education system with big reforms taking place this year.

A message to the Japanese:

We are keen to develop closer economic and business links to Japan, and we look forward to welcoming more Japanese investors and tourists to Chile. www.hacienda.gov.cl

It's full steam ahead for Ultramar

CONTINUED FROM PAGE 13 include regular container service, bulk iron ore, methanol and wood chip transport, and car carriers.

The 37-year relationship between the companies is characterized not just by efficiency and impeccable performance but by mutual trust, honesty and respect.

With its solid partnerships, strong presence in terminals, stevedoring, container freight stations and inland depots, Ultramar clearly offers a unique package unrivaled in the country. www.ultramar.cl



Ultramar's Pacifico Sur Terminal in Valparaiso, Chile

Erratum

In the Malaysia supplement published Sept. 1, the Web site for the Japan External Trade Organization (JETRO) should have appeared as: www.jetro.go.jp.