

# Foreword

This *FDI Qualities Review of Chile* examines how foreign direct investment (FDI) supports sustainable development in Chile and provides guidance on how to enhance its positive contribution. It offers an analysis of how FDI has contributed to national sustainable development goals in Chile and examines the potential and benefits of diversifying the FDI landscape towards more sustainable activities. The review also provides a detailed analysis of the policy and regulatory framework that influences the sustainable development impact of FDI. The report compares Chile with other OECD economies and provides examples of good practices based on the experience of other countries.

The report comprises three chapters. Chapter 1 provides an overview of the main challenges and opportunities for sustainable development in Chile and presents a summary of the main findings of the study, which show the role that FDI currently plays in supporting sustainable development. Based on an assessment of Chile's regulatory and policy framework, it also derives overarching policy considerations to strengthen the benefits of foreign investment. Chapter 2 examines in depth the impact of FDI on trade and GVC integration; productivity and innovation; job quality and skills development; and the low-carbon transition. It also discusses how attracting FDI in a wider range of sectors can help improve the economic diversification of the Chilean economy. Chapter 3 assesses the policy and regulatory framework influencing the impact of FDI on sustainable development, with a focus on productivity, innovation, skills development and low-carbon transition.

The review has been prepared by the OECD in close co-ordination with InvestChile and the Ministry of Foreign Affairs' Undersecretariat for International Economic Relations (SUBREI). It will help Chile decide where to focus its investment attraction and facilitation efforts to become a more diversified, resilient and knowledge-based economy. It can ensure that FDI supports sustainable and inclusive growth after the COVID-19 outbreak and economic recession. This review is part of a series of *FDI Qualities Reviews*, supporting the implementation of the *OECD Council Recommendation on FDI Qualities*, adopted by OECD Ministers in 2022.

This review was prepared by Letizia Montinari and Stratos Kamenis of the Investment Division in the OECD Directorate for Financial and Enterprise Affairs, under the overall guidance of Ana Novik, Head of the Investment Division and Martin Wermelinger, Head of Investment Qualities and Incentives Unit. Alejandro Buvinic Alarcon, Head of Services, Investment and Digital Economy Division at SUBREI, was instrumental in providing guidance and feedback to the OECD team. Mertol Ozaltan and Raimundo Smith provided substantive inputs. The report benefited from discussions with and comments from Al Hussami Fares, Alexandre de Crombrughe, Juan Pablo Candia, Iris Mantovani, Rodrigo Monardes, Francisco Picón Gutiérrez, Alejandro Riquelme, Monika Sztajerowska, and Stephen Thomsen.



**From:**

## **FDI Qualities Review of Chile**

Boosting Sustainable Development and Diversification

**Access the complete publication at:**

<https://doi.org/10.1787/98bf1829-en>

### **Please cite this chapter as:**

OECD (2023), "Foreword", in *FDI Qualities Review of Chile: Boosting Sustainable Development and Diversification*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/88c74aec-en>

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