A snapshot of Chile's 20 largest multinational enterprises in 2011

Sustained growth in South America

UNITED NATIONS

ECLAC

VALE COLUMBIA CENTER
ON SUSTAINABLE INTERNATIONAL INVESTMENT
JOINT CENTER OF COLUMBIA LAW SCHOOL AND
THE EARTH INSTITUTE AT COLUMBIA UNIVERSITY

This document has been prepared by Felipe Muñoz, Miguel Pérez Ludeña and Dan Poniachik.

LC/W.544 • June, 2013
2013-366

A snapshot of Chile's 20 largest multinational enterprises in 2011
Sustained growth in South America

This report presents the results of the second survey of multinational enterprises (MNEs) from Chile, carried out by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the Institute of International Studies of the University of Chile (IEI), and the Vale Columbia Center on Sustainable International Investment (VCC), a joint center of Columbia Law School and The Earth Institute at Columbia University in New York. The survey, conducted in 2012, covers the period 2011 and was undertaken in the framework of the Emerging Markets Global Players (EMGP) project, an initiative of the VCC that brings together researchers from leading institutions in emerging markets to generate annual reports on the leading MNEs in each participating country. This report continues the work begun in 2011 with the report "The top multinationals from Chile in 2010: Retails, forestry and transport lead international expansion".[1]

The rise and expansion of MNEs from Latin America (*translatins*) have been documented and analyzed by ECLAC in the annual series Foreign Direct Investment Report in Latin American and the Caribbean, which have been published continuously since 1997. Chile has been one of the top sources of FDI outflows in the region, together with Mexico, Brazil and, most recently, Colombia.[2] The present survey complements the studies based on aggregate FDI flows by measuring assets, sales and employment abroad of the largest multinational enterprises from Chile.

Highlights[3]

No major changes may be noticed from the 2011 survey. Collectively, the 20 largest MNEs from Chile have US$27.9 billion in assets abroad at the end of 2011. As in 2010, the list is headed by the retail company Cencosud, which widened its lead from the previous ranking. Retail and forestry are the most important sectors in terms of their assets, sales and employment abroad. Other industries with companies represented in the list include transport, food and beverages, mining, manufacturing, software, medical services, energy, and construction. There is only one state-owned company in the list (ENAP), while the other 19 are 100% privately owned and are all listed. Compared to 2011, only one new company entered the Top 20 (Masisa), replacing the construction firm Salfacorp. Other changes may be seen in the relative positions of the companies in the ranking. The largest Chilean MNEs (Top 20) are presented in Table 1.

[1] Available at: http://www.vcc.columbia.edu/content/emerging-market-global-players-project.
[2] "Foreign Direct Investment in Latin America and the Caribbean 2011" Economic Commission for Latin America and the Caribbean, 2012.
[3] Note that financial firms are excluded from the ranking by the methodology of the EMGP project.

Table 1. Chile: The top 20 non-financial outward investors, 2011 (USD million)[a]

Rank	Company	Main industry	Status (% of state ownership)	Foreign assets
1	Cencosud	Retail	Listed	6,541
2	CMPC	Forestry	Listed	3,395
3	COPEC	Forestry/Energy	Listed	3,200
4	Falabella	Retail	Listed	2,283
5	CSAV	Transport	Listed	2,210
6	Masisa	Forestry	Listed	1,802
7	SQM	Mining	Listed	1,403
8	Sigdo Koppers	Manufacturing	Listed	1,130
9	Ripley	Retail	Listed	941
10	Emb. Andina	Food and Beverages	Listed	766
11	ENAP	Energy	Unlisted (100%)	684
12	Sonda	Software	Listed	660
13	CCU	Food and Beverages	Listed	530
14	Concha y Toro	Food and Beverages	Listed	495
15	LAN	Transport	Listed	483
16	Molymet	Metals	Listed	389
17	Banmedica	Health Services	Listed	306
18	CGE	Energy	Listed	288
19	Madeco	Metals	Listed	287
20	Carozzi	Food and Beverages	Listed	202

Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.
[a] The exchange rate used by all Chilean firms is the official rate of the Banco Central de Chile as of December 31, 2011, i.e., USD 1 = CLP 521.46.

The combined sales abroad of Chilean Top 20 MNEs are US$28.3 billion, employing 150,541 workers outside Chile, most of them in the retail sector (60%). Most of the MNEs in the ranking are regional MNEs with all of their assets in Latin America. Only two, Molymet and SQM, could be considered to have a truly global presence. During 2011 their total assets abroad grew by 12% in nominal terms, and this tendency is likely to have continued in 2012.[4]

[4] We conduct our survey one year after the actual observations. Therefore, 2012 data will be surveyed in late 2013.

Profile of the largest 20 MNEs from Chile

Major drivers

Companies from Chile have taken advantage of their country's stable macroeconomic environment, good investment climate and solid economic performance for the past two decades. The same determinants that attract foreign investors to Chile have allowed Chilean companies to grow in their domestic market before venturing abroad.[5] A relatively small economy means that many companies soon reach their maximum size for the domestic market, making international expansion their only possible growth avenue. This has been notably the case for retail, food and beverages, and transport companies, as these companies have entered into neighboring countries, taking advantage of the geographical and cultural proximity, and similar levels of development.

Another important group of companies in the list has benefited from the country's natural resources to build their competitive advantage. The wood product companies (CMPC and Arauco) have replicated their domestic business models in Argentina, Brazil, and Uruguay: they have a vertically integrated structure to manage the forests and process the wood into various products that are sold domestically and/or exported to other countries. Concha y Toro took advantage of Chile's natural conditions for wine production to develop into a large exporter. It later used its financial strength, marketing networks and brand recognition to acquire wineries abroad, first in Argentina and, more recently, in the United States. In contrast to those examples, SQM and Molymet keep their extraction processes in Chile, but have distribution, marketing and processing facilities in foreign countries.

Concentration

Almost half of the assets abroad belong to the top three companies: the largest retailer Cencosud, the wood product company CMCP, and COPEC Group. Retail companies - Cencosud, Falabella and, to a lesser extent Ripley- dominate the ranking in terms of assets abroad (35%), sales abroad (30%) and especially employment abroad (60%) perhaps because retail is a very labor-intensive activity. Forestry companies CMPC, Arauco (subsidiary of COPEC Group) and Masisa together hold 26% of the foreign assets of the ranked companies, but much smaller percentages of sales and assets abroad. Considering the size of the country, there is not an extreme concentration of foreign assets in a small group of companies.

Main industries

Two sectors concentrate 63% of assets abroad of the companies in the list: retail (Cencosud, Falabella and Ripley), and forestry (CMPC, COPEC -through its subsidiary Arauco-, and Masisa). Transport has 10% (Sudamericana de Vaponers -CSVA- and LAN) while food and beverages have 7%, with Embotelladora Andina, CCU, Carozzi, and Concha y Toro. Other industries included in the list are energy (ENAP and CGE), software (Sonda), mining (SQM), metals (Molimet and Madeco), manufacturing (Sigdo Koopers), and health services (Banmédica). The relatively small role of electricity generation and distribution is notable.

[5] Foreign Direct Investment in Latin America and the Caribbean 2011" Economic Commission for Latin America and the Caribbean, 2012.

Although there were a few important Chilean electricity companies in the 1990s, they were all subsequently bought by international groups, mainly Spanish companies.

Geographic distribution of foreign affiliates

Chilean MNEs are quite concentrated in neighboring countries, even though recently there has been some expansion beyond Latin America. If we exclude affiliates that provide only marketing services, or those established in financial offshore centers, 14 companies in the list (70%) have all of their affiliates in Latin America (See Annex Table 2). Among the main reasons for this regional expansion are proximity to and familiarity with the neighboring countries. In the last few years, strong growth in most countries in South America has added arguments for focusing on these markets.

The two most globalized companies in the list both export mineral resources from Chile to process them abroad. The first one is Molymet, the largest producer in the world of molybdenum, a metal that is used in many steel alloys and which is usually obtained as a by-product of copper. The second is SQM, a world leader in production of lithium and iodine. Molymet produces its raw materials in Chile and has processing facilities in Europe, Mexico and China. Similarly, SQM obtains the primary product in Chile and transforms it into fertilizers and other products in many countries around the world.

Two companies were 100% focused in Latin America up through 2010 but expanded to other regions in 2011: Concha y Toro acquired Fetzer Vineyards in the United States; Sigdo Koopers bought the Belgian company Magoteaux.

The other Chilean MNEs with subsidiaries outside the region are ENAP, which has a drilling concession in Egypt, and Sudamericana de Vapores with a presence in Europe and United States (See Annex Table 2).

Small country, large companies

Chile has become a mayor FDI player in Latin America. Despite Chile`s smaller economy, its top MNEs' foreign investment magnitude may be compared with the top companies from Brazil or Mexico. Indeed, Cencosud, CMPC, COPEC and Falabella would be among the top 10 multinationals in the Mexican EMGP ranking and may also be among the top ones in the Brazilian EMGP ranking.[6]

As compared to global standards, however, they are not very large companies. For example in terms of total sales, the top forestry products companies from the United States or Europe are four times larger than CMPC,[7] and even Cencosud, which is almost the same size as the French company Carrefour, is only one third of Wal-Mart.[8] According to UNCTAD´s World Investment Report, none Chilean MNE ranks in the top 100 non-financial TNCs from developing and transition economies, ranked by foreign assets.

[6] See IIEc-UNAM and VCC, "Taking Advantage of the Crisis: The Performance of Mexican Multinationals during 2011" (January 11, 2013), and SOBEET and VCC, "Brazilian multinationals positive after the global crisis" (December 7, 2010), both available at: http://www.vcc.columbia.edu/content/emerging-market-global-players-project.
[7] PriceWaterhouseCoopers (PwC), Global Forest, Paper and Packaging Industry Survey, 2011.
[8] Espacios Iberoamericanos: La Inversión Extranjera Directa, Economic Commission for Latin America and the Caribbean , 2012.

Ownership and Status

There is only one state-owned enterprise (SOE), i.e., ENAP, in our list. Chile's privatization of SOEs started in the 1970s, well ahead of other countries in the region that privatized most SOEs during the 1990s and following years.[9] It was also quite complete, in the sense that the state didn't keep minority stakes in hardly any of the privatized companies. There are currently only two important SOEs in Chile: the energy company ENAP and the copper mining company Codelco which is the largest company in Chile and the largest copper producer in the world.

Codelco has announced plans for an international expansion by seeking joint ventures in other countries, but there have been no concrete results yet. If these ventures materialize in the near future, Codelco is likely to be listed among the ranked companies in future issues of this report.

All companies mentioned are listed on the Santiago Stock Exchange (SSE), with the sole exception of the SOE, ENAP. LAN SQM, Embotelladora Andina, Cervecerías Unidas, Madeco and Concha y Toro are also listed in the New York Stock Exchange (NYSE) (See Annex Table 3). Despite being all listed companies, most of the MNEs are actually controlled by a family holding and float a very small percentage of shares in the market.

Transnationality Index (TNI)

The Transnationality Index (TNI) is calculated as the average of three ratios: foreign assets to total assets, foreign sales to total sales, and foreign employment to total employment. The overall TNI of the 20 companies in the list is 32%, meaning that, on average, slightly less than one third of the operations of these companies is located abroad. Within this, there are notable variations.

Three companies stand out for having over 60% of their activities outside Chile: the forestry company Masisa (68%), Embotelladora Andina (64%), who has managed to consolidate an important presence in the large Brazilian beverages market, and Sonda (61%), a software company with subsidiaries in most large Latin American countries. The shipping company Sudamericana de Vapores also reports a very high TNI figure (58%). This is, however, somewhat of a special case: Due to the nature of its business, it is hard to determine the geographical location of many of the MNE's assets (ships) and earnings.

At the other end of the scale, with a TNI value below 10% are two energy companies (ENAP and CGE). Both are large companies in terms of total assets, with a timid internationalization strategy. ENAP only recently started to do exploration and extraction outside Chile, as an attempt to boost its own reserves. The international expansion of CGE was somewhat affected by the crisis of the energy sector in Argentina, which was its main foreign market.

[9] See Hachette, D. & Lüders, R. (1992). La Privatización en Chile; Fischer, R & Serra, P. (2004). Efectos de la privatización de servicios públicos en Chile: Casos sanitario, electricidad y telecomunicaciones.

Location of head offices, official language and management

Chile is a very concentrated economy, with almost half of its population, and more than half of its GDP concentrated in the capital Santiago. With the exception of Sudamericana de Vapores, a shipping company located in the port city of Valparaíso, all Chilean companies are headquartered in Santiago, including those who have their main production facilities in other regions in Chile. All of them use Spanish as their working language and very few of them have foreigners among their top management positions.

The composition of the ranked MNEs' boards and top executives by gender shows a male dominance far beyond the international average. There are only seven women sitting on the board of these 20 companies, among 183 men. This is only 4% of female representation, as compared to 12% for European companies.[10] (See Annex Table 5).

Top mergers and acquisitions

The most important acquisition during 2011 was Sigdo Koopers' US$ 793 million acquistion of the Belgian company Magoteaux, a designer and manufacturer of tailor-made solutions against wear, wear-resistant products, and dredging. With this acquisition Sigdo Koopers, which was previously exclusively based in South America, diversified its geographical range substantially. It was the second largest acquisition of a foreign firm by a Chilean company after the 2009 acquisition by CMPC of a wood and pulp products plant in Brazil for US $1.4 billion. Other than Magoteaux, the other targets outside Latin America were Fetzer Vineyards of the US (bought by Concha y Toro in 2011 for US$ 238 million) and a Danish provider of freight forwarding services (by Navieras Ultragas for US$ 93 million).

Changes in foreign assets, sales and employment

During 2011 total assets and sales of the 20 companies listed grew by 7% and 20% respectively (Table 2). The high growth of sales reflects a 73% jump from COPEC group, the largest company in the ranking by this measure.

Foreign assets grew faster than total assets, at 12%, reflecting the fact that the large Chilean companies are expanding abroad at a faster pace than at home (which may reflect the domestic market saturation of most of the companies). It should be noted that figures are in nominal US dollars, so the growth rates include both inflation and currency appreciation in Brazil, Argentina or Peru.

Employment, both total and foreign dropped moderately during 2011, despite expansions in assets and sales. This is partially explained by the drop of Salfacorp from the ranking in exchange of Masisa, which is a less intensive employer.

---

[10] Within Europe this percentage varies substantially from 38% in Norway to less than 4% in Italy and Portugal, but it has increased consistently in the last years. European Professional Women's Network, "EPWN Board Women Monitor, Learning – Connecting – Sharing," p.8 (2010, 4th Edition), available at: http://www.europeanpwn.net/files/europeanpwn_boardmonitor_2010.pdf (last visited on February 6, 2013). See also European Professional Women's Network, Women on Boards, Fourth Bi-Annual Europeanpwn Boardwomen Monitor 2010, at: http://www.europeanpwn.net/index.php?article_id=8 (last visited on February 6, 2013).

Table 2. Chile: Snapshot of the top 20 multinationals, 2009−2011 (USD million)

Variable	2009	2010	2011	% change 2010 - 2011	% average growth 2009-2011
Assets					
Foreign	20 499	25 028	27 995	11.9%	16.9%
Total	83 386	100 035	107 029	7.0%	13.3%
Share of foreign in total (%)	24.6%	25.0%	28.0%		
Sales					
Foreign	19 224	25 723	28 372	10.3%	21.5%
Total	62 924	79 020	95 190	20.5%	23.0%
Share of foreign in total (%)	30.6%	32.6%	29.8%		
Employment					
Foreign	n.a.	159 238	150 541	-5.5%	
Total	n.a.	393 710	377 406	-4.1%	
Share of foreign in total (%)		40.5%	39.9%		

Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

[a] The data coverage on employment available for 2009 was too poor to be included.

The larger picture

Chile is only the sixth largest economy in Latin America after Brazil, Mexico, Argentina, Venezuela and Colombia, but it is one of the most active outward investors. Over the last three years, outward foreign direct investment (FDI) flows from Chile were the second largest in Latin America, only slightly lower than Mexico; despite having a population of only 16 million and an economy that is just 12% of Brazil's. It is also an important recipient of FDI from abroad, usually the third in the region after Brazil and Mexico, and above larger economies such as Argentina and Colombia.

Chile has enjoyed many years of sustained economic growth, favorable investment climate and macroeconomic stability which had attracted very large inflows of FDI -according to UNCTAD Chile ranked 6th in FDI inward flows in 2011-. As stated by OCDE, Chile`s per capita GDP is rapidly catching up OCDE countries, as progress is noted in easing product market regulation and other key areas for economic growth.[11] Since 2006 the country is also enjoying the benefits of high commodity prices in international markets, which has boosted export earnings, particularly from copper. This mining bonanza has added to the attractiveness of Chile as an investment destination, and for the past few years the country has been receiving record FDI inflows, which topped US$ 17,299 million in 2011 and likely continued to grow in 2012.

These conditions have also played a role in the expansion of Chilean companies abroad. Macroeconomic stability and a growing domestic market allowed companies to accumulate capacities that were later used in their international expansion. Chilean companies initiated their investments abroad sooner than those from any other South American country, starting from the 1980s. Early and thorough privatization of SOEs and deregulation generated a competitive environment for companies in some key industries such as energy, transport and pension fund administration. Because of its relatively small economy, several sectors showed a high degree of concentration from the 1980s onward, forcing some companies to look abroad for growth opportunities.

Concentration in South America

De-regulation and opening up of other countries in the region from the 1990s acted as an important draw for Chile's outward investments.[12] In fact, Chilean companies' foreign investments are heavily concentrated in neighboring countries. This regional exposure explains the trend in Chilean outward investment: retreating after the 2001 crisis in Argentina and expanding rapidly since 2007. But this new expansion focused much less in Argentina. Investments in the past years have been directed mainly towards Peru, Brazil and, increasingly, Colombia.

This concentration in neighboring countries limits somehow the diversification effect of FDI for Chilean companies, as they remain vulnerable to a potential economic crisis in a group of countries that, historically, have seen a high correlation among their business cycles.

[11] OCDE (2013). Chile, in Economic Policy Reforms 2013: Going for Growth. Available at 10.1787/growth-2013-10-en.
[12] See Chong, A. & Benavides, J. Privatización y regulación en América Latina. IADB.

Even within this strong concentration there have been signs during 2011 of an increasing outreach of some Chilean companies beyond Latin America, especially into developed markets. Some notable examples include the acquisitions of Fetzer Vineyards in the United States by Concha y Toro and of Magoteaux in Belgium by Sigdo Koopers. Both companies were transformed by these operations from exclusively focusing in South America to assuming a more diversified geographic profile. Finally, as previously discussed, many of the largest MNEs have taken advantage of Chile's natural resources endowment, a country-specific advantage, to build their global competence.

Recent expansion continues

Although the largest MNEs from Chile started their international investments in the 1980s and 1990s, many companies in our ranking made most of their international expansion in the last few years. The trend in recent years has been clearly towards an acceleration of investments abroad, driven by good returns in the home market and good opportunities in the neighboring countries. Most Chilean TNCs have a market-seeking strategy in their foreign investments and they concentrate mostly in South America. Domestic demand in these countries is now growing at above-average trend, which provides good opportunities for expansion of these companies. In 2011 the economy of Latin America and the Caribbean grew 4.3%; although in 2012 growth slowed somewhat to 3.1%, it is expected to pick up again in 2013.[13]

The current expansion phase of many Chilean companies may come to a point in which integration with a larger global company may become inevitable. By the standards of world markets, there is hardly any Chilean company that is large enough to prevent foreign takeovers. Furthermore, companies in this ranking have developed a network of subsidiaries across Latin America that may be attractive for larger companies that want to expand their presence in the region, as taking control over one company ay led to regional presence. This is actually what happened in the 1990s, when Chilean companies in electricity and finance had expanded across South America and were later taken over (mostly by Spanish firms). Since then there have not been many large takeovers in this fashion. One reason for this is the family ownership and control of most companies in this list, which often acts as a deterrent for hostile takeovers.

In a different way, this seems to have been the strategy of the airline LAN, which in 2012 finally concluded its merger with the larger Tam from Brazil. The resulting company will be bi-national, with a complex ownership and governance structure, to accommodate legal requirements for the aviation sector in Brazil. Other companies have taken capital and knowhow of larger international groups operating in the same industry without relinquishing their independence: Potash of Canada is the largest single shareholder of SQM (32% of the stock) and Heineken from the Netherlands has a similar stake in CCU.

Prospects for 2012

FDI outflows from Chile continued to rise during the first three quarters of 2012, suggesting that Chilean companies in the ranking continued to increase their assets abroad during that

[13] Preliminary Overview of the Economies of Latin America and the Caribbean, 2012; Economic Commission for Latin America and the Caribbean, 2012.

year. Furthermore, no company in the ranking has decreased its exposure abroad or being taken over by another one, with the partial exception of LAN, which, as we mentioned, is now merged into LATAM.

In November, Cencosud acquired the assets of Carrefour in Colombia for US$ 2,614 million. These transactions (together with CorpBanca´s acquisition *-see box below-*) were part of a larger pattern across the region in which some European companies weakened by the economic crisis in their domestic markets were forced to sell some of their non-core foreign assets to emerging markets multinationals.

Box 1. Chilean financial services: CorpBanca expansion to Colombia[14]

During the 1980s, Chile begun a deep privatization process which, amongst others, included financial services and pension funds. This early process allowed Chilean companies to gain the know-how that enabled them to expand in the region when the privatization process began in other Latin American countries. Led by Chilean private pension funds (Administradoras de Fondos de Pensiones or "AFPs), various Chilean financial companies were able to acquire assets in Colombia, Ecuador, El Salvador, Mexico and Peru. In the latter half of the 1990s, however, as the economic conditions of host countries declined, most of those assets were bought by larger MNEs, mainly Spanish groups such as BBVA and Santander (ECLAC, 2005).

Due to the latest financial and European economic crisis, various European groups have retreated to their core businesses. This has created an opening whereby Chilean financial companies are re-entering the Latin American market. In June, CorpBanca, Chile's fifth-largest bank -in terms of assets-, acquired the subsidiary of Spanish Banco Santander in Colombia for US$ 1,125 million. This was followed by the announcement that CorpBanca will also take control of Helm Bank, another Colombian financial institution, for US$ 1,200 million.

With these acquisitions, CorpBanca has begun a new expansion of Chilean financial services companies in the region.

Considering that a good number of large Chilean MNEs are commodity producers and that most of them have all their assets in and revenues from Chile, Argentina, Brazil and Peru, the current economic conditions in these countries are clearly favorable for those Chilean MNEs' expansion. Should economic conditions in these economies deteriorate sharply, the companies' internationalization strategy could change.

[14] As the methodology used by the EMGP project does not include financial services companies, this acquisition will not be reflected in next year's report.

For further information, please contact:

United Nations Economic Commission for Latin America and the Caribbean (ECLAC)

Miguel Pérez Ludeña

Economic Affairs Officer

miguel.perez@cepal.org

+56-2-210-2170

Institute of International Studies

University of Chile

Dorotea López G.

MEIPC Coordinator

WTO Chair

dolopez@uchile.cl

+56-2-24961200

Felipe Muñoz

fmunozn@uhcile.cl

+56-2-24961200

Vale Columbia Center on Sustainable International Investment (VCC)

Lisa Sachs

Director

lsachs1@law.columbia.edu

+1(212) 854-0691

Lise Johnson

Lead Investment Law and Policy Researcher

ljj2107@columbia.edu

Victor Zitian Chen

Assistant Professor of International Management

Belk College of Business

University of North Carolina, Charlotte

Global Coordinator and Editor

Emerging Market Global Players Project, VCC

emgp.editor@gmail.com

Valentina Bratu

Manager and Editor

Emerging Market Global Players Project

emgp.editor2@gmail.com

Emerging Markets Global Players Project

This report on Chilean multinationals was prepared in the framework of the Emerging Markets Global Players (EMGP) Project, an international collaborative effort led by the Vale Columbia Center on Sustainable International Investment. It brings together researchers on FDI from leading institutions in emerging markets to generate annual reports on the leading multinationals in each participating country. Since 2007, reports have been published on 14 countries: Argentina, Brazil, Chile, China, Hungary, India, Israel, Republic of Korea, Mexico, Poland, Russia, Slovenia, Taiwan and Turkey. For further information, visit: http://www.vcc.columbia.edu/content/emerging- market-global-players-project.

United Nations Economic Commission for Latin America and the Caribbean

The Economic Commission for Latin America and the Caribbean (ECLAC) was established in 1948 as one of the five regional commissions of the United Nations. Over the years, the institution's in-depth analysis of the region has taken the form of two main lines of action: economic and social research and the provision of technical cooperation to Governments. ECLAC provides a wide range of services to the Governments of its member States, as well as to public and private bodies, regional agencies, non-governmental organizations and other institutions. These include: promoting economic and social development through cooperation and integration, providing advisory services to Governments upon request, organizing conferences and meetings, and bringing a regional perspective to the discussion of global issues held in international forums. ECLAC is headquartered in Santiago de Chile. For more information, visit: http://www.eclac.org/default.asp?idioma=IN.

Vale Columbia Center on Sustainable International Investment

The Vale Columbia Center on Sustainable International Investment (VCC), a joint center of Columbia Law School and the Earth Institute at Columbia University, is a leading forum for discussion by scholars, policy makers, development advocates, practitioners, and other stakeholders of issues related to FDI in the global economy, paying special attention to the impact of this investment on sustainable development. The VCC bridges education, scholarship and practice in the field of sustainable investment. Its objectives are to analyze important topical policy-oriented issues related to investment and to develop and disseminate practical approaches and solutions to promote development outcomes. For more information, visit http://www.vcc.columbia.edu.

Institute of International Studies - University of Chile

Founded in 1966, the Institute of International Studies of the University of Chile is an autonomous educational and research center in the field of international relations, covering political, legal, economic and historical spheres. It was one of the first centers in Latin America to dedicate itself specifically to international studies. The Institute for International Studies (IEI, according to its acronym in Spanish) is an interdisciplinary graduate center, leader in research, teaching and analysis of international relations, political science, history and international economics. The IEI was the first interdisciplinary institute to be established by the University of Chile, the country’s oldest public education institution. The IEI’s academic staff is composed of high level scholars and researchers. Since 1967, the IEI has also been publishing "Estudios Internacionales", an analytical and research publication as well as one of the region’s oldest initiatives in the field.

Annex table 1. Chile: The top 20 multinationals: Key variables, 2010 (USD million and number of employees)

	Company	Industry	Assets		Sales		Employment		TNI (%)	No of foreign affiliates	No of host countries
			Foreign	Total	Foreign	Total	Foreign	Total			
1	Cencosud	Retail	6,541	15,526	4,897	15,900	71,276	131,505	42%	5	5
2	CMPC	Forestry	3,395	13,371	1,343	4,797	6,766	15,463	32%	13	7
3	COPEC	Forestry/Energy	3,200	12,458	2,880	21,125	5,842	20,195	23%	6	3
4	Falabella	Retail	2,283	16,063	2,935	9,268	14,911	65,000	23%	4	3
5	CSAV	Transport	2,210	3,180	2,370	5,152	6,797	11,769	58%	8	4
6	Masisa	Forestry	1,802	2,683	1,018	1,251	2,236	4,027	68%	14	5
7	SQM	Mining	1,403	3,872	1,866	2,145	182	4,327	42%	12	7
8	Sigdo Koppers	Manufacturing	1,130	3,567	897	2,707	2,471	16,725	27%	5	13
9	Ripley	Retail	941	3,412	542	2,037	4,381	20,863	27%	1	1
10	Emb. Andina	Food and Beverages	766	1,552	1,300	1,885	4,739	6,471	64%	5	2
11	ENAP	Energy	684	6,203	627	10,835	349	2,896	10%	8	4
12	Sonda	Software	660	1,200	654	1,137	8,950	12,500	61%	9	8
13	CCU	Food and Beverages	530	2,686	379	1,859	1,155	5,758	20%	1	1
14	Concha y Toro	Food and Beverages	495	1,602	633	811	740	3,561	43%	3	1
15	LAN	Transport	483	7,649	4,161	5,585	8,824	21,838	40%	8	6
16	Molymet	Metals	389	1,610	499	1,330	482	1,563	31%	5	6
17	Banmedica	Health Services	306	1,201	423	1,510	6,413	14,241	33%	3	2
18	CGE	Energy	288	7,244	188	4,495	438	7,880	54%	8	2
19	Madeco	Metals	287	741	286	437	1,322	2,313	54%	4	3
20	Carozzi	Food and Beverages	202	1,209	474	924	2,267	8,511	32%	3	3
		Totals	**27,995**	**10,7029**	**28,372**	**95,190**	**150,541**	**377,406**	**32%**	**125**	**19**

Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

mp

Annex table 2. Chile: The top 20 multinationals: Regionality Index,[a] 2011

	Transnational's name	Latin America & the Caribbean	North America	Western Europe	East Asia & the Pacific	Middle East & North Africa	No of foreign affiliates
1	Cencosud	100%	0%	0%	0%	0%	5
2	CMPC	100%	0%	0%	0%	0%	13
3	COPEC	100%	0%	0%	0%	0%	6
4	Falabella	100%	0%	0%	0%	0%	4
5	CSAV	50%	13%	13%	25%	0%	8
6	Masisa	100%	0%	0%	0%	0%	14
7	SQM	8%	17%	25%	25%	25%	12
8	Sigdo Koppers	80%	0%	20%	0%	0%	5
9	Ripley	100%	0%	0%	0%	0%	1
10	Embotelladora Andina	100%	0%	0%	0%	0%	5
11	ENAP	88%	0%	0%	0%	13%	8
12	Sonda	100%	0%	0%	0%	0%	9
13	CCU	100%	0%	0%	0%	0%	1
14	Concha y Toro	67%	33%	0%	0%	0%	3
15	Lan	100%	0%	0%	0%	0%	8
16	Molymet	40%	0%	40%	20%	0%	5
17	Banmédica	100%	0%	0%	0%	0%	3
18	CGE	100%	0%	0%	0%	0%	8
19	Madeco	100%	0%	0%	0%	0%	4
20	Carozzi	100%	0%	0%	0%	0%	3

[a] Excluding marketing affiliates and those in offshore financial centres
Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

Annex table 3. Chile: The top 20 multinationals: Stock exchange listings, 2011

Rank by foreign assets	Company	Main industry	Domestic SE	Foreign SE
1	Cencosud	Retail	SSE	
2	CMPC	Forestry	SSE	
3	COPEC	Forestry/Energy	SSE	
4	Falabella	Retail	SSE	
5	C. Sudamericana de Vapores	Transport	SSE	
6	Masisa	Forestry	SSE	
7	SQM	Mining	SSE	NYSE
8	Sigdo Koppers	Manufacturing	SSE	
9	Ripley	Retail	SSE	
10	Embotelladora Andina	Food and Beverages	SSE	NYSE
11	ENAP	Energy	Unlisted	
12	Sonda	Software	SSE	
13	Cervecerías Unidas (CCU)	Food and Beverages	SSE	NYSE
14	Concha y Toro	Food and Beverages	SSE	NYSE
15	Lan	Transport	SSE	NYSE
16	Molymet	Metals	SSE	
17	Banmédica	Health Services	SSE	
18	CGE	Energy	SSE	
19	Madeco	Metals	SSE	NYSE
20	Carozzi	Food and Beverages	SSE	

Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

Annex table 4. Chile: Top 10 outward M&A transactions, 2007-2011 (USD million)

	Date	***Acquirer's name***	***Target firm 's name***	***Target industry***	***Target country***	***% of shares acquired***	***Value of transaction***
1	12-15-2009	CMPC	Aracruz Cellulose SA-Guaiba	Forestry	Brazil	100	1,430
2	10-19-2011	Sigdo Koopers	Magotteaux SA	Manufacturing	Belgium	100	794
3	12-16-2007	Cencosud	Grupo Wong	Retail	Peru	100	633
4	11-17-2007	Cencosud	G Barbosa	Retail	Brazil	100	430
5	05-14-2010	COPEC	Proenergia Internacional SA	Energy	Colombia	60	240
6	04-15-2011	Concha y Toro	Fetzer Vineyards	Beverages	United States	100	238
7	11-26-2010	LAN	Aerovias de Integracion	Transport	Colombia	99	99
8	06-21-2010	Navieras Ultragas	Eitzen Bulk Shipping A/S	Transport	Denmark	33	93
9	02-27-2009	Investor Group	Bavaria SA-Agua Brisa Bottled	Food and Beverages	Colombia	100	92
10	07-05-2010	Cervecerías Unidas (CCU)	Inversora Cervecera SA	Food and Beverages	Argentina	100	88

Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

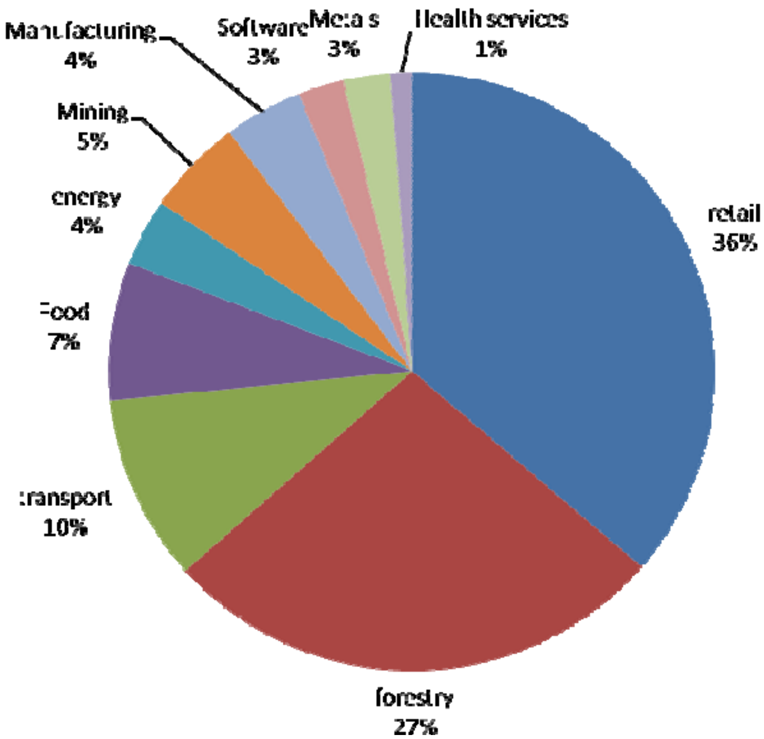
My

Annex table 5: Chile: The top 20 multinationals: Board members by sex

Rank	Company	Men	Women
1	Cencosud	9	0
2	COPEC	9	0
3	CMPCx	8	0
4	Falabella	7	2
5	CSAV	12	0
6	Masisa	6	1
7	SQM	8	0
8	Sigdo Koppers	7	0
9	Ripley	16	2
10	Emb. Andina	7	0
11	ENAP	7	0
12	Sonda	9	0
13	CCU	15	2
14	Concha y Toro	7	0
15	LAN	9	0
16	Molymet	10	0
17	Banmedica	8	0
18	CGE	8	0
19	Madeco	7	0
20	Carozzi	7	0
Total		**162**	**7**

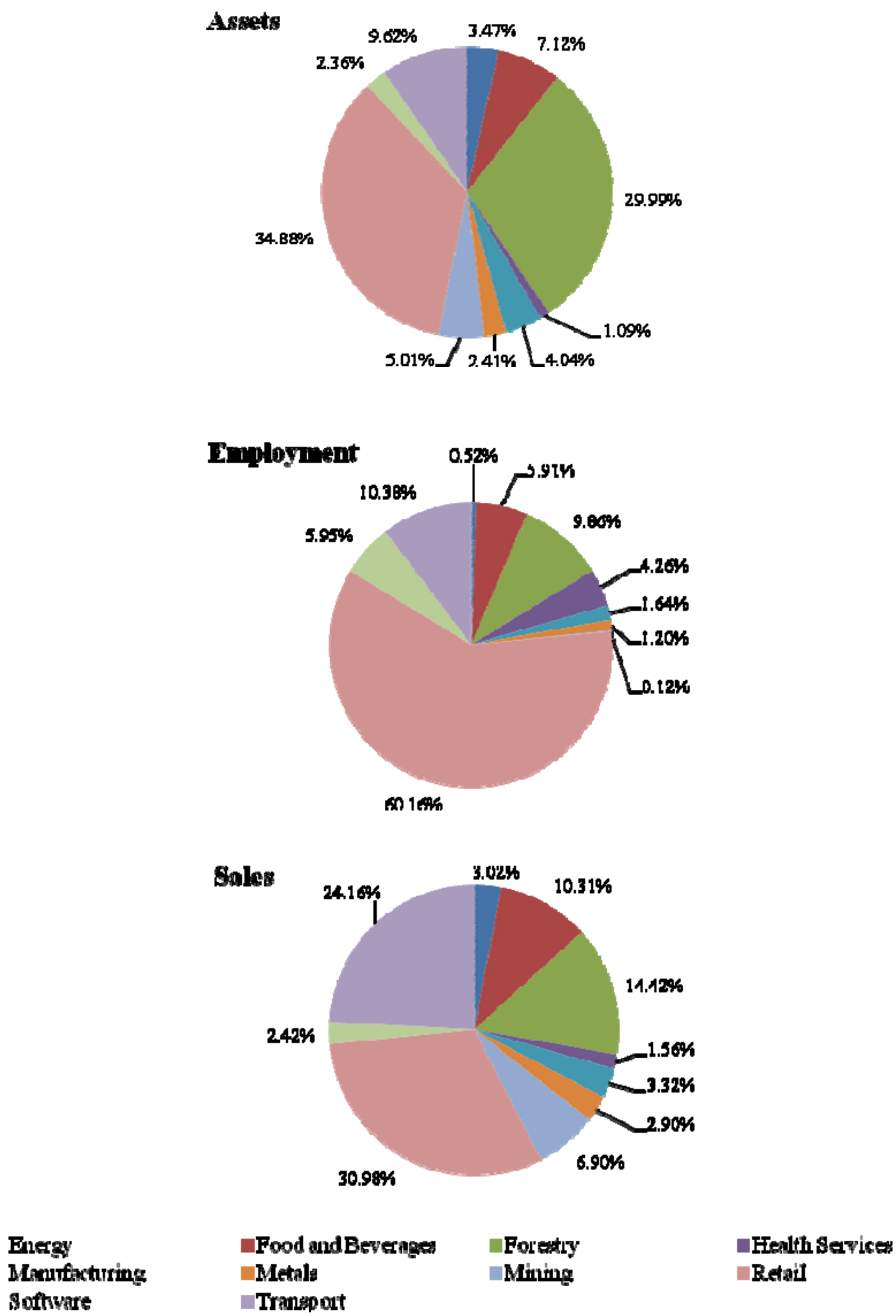
Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

Annex figure 1. Chile: Breakdown of the foreign assets of the top 20 multinationals, by main industry, 2011



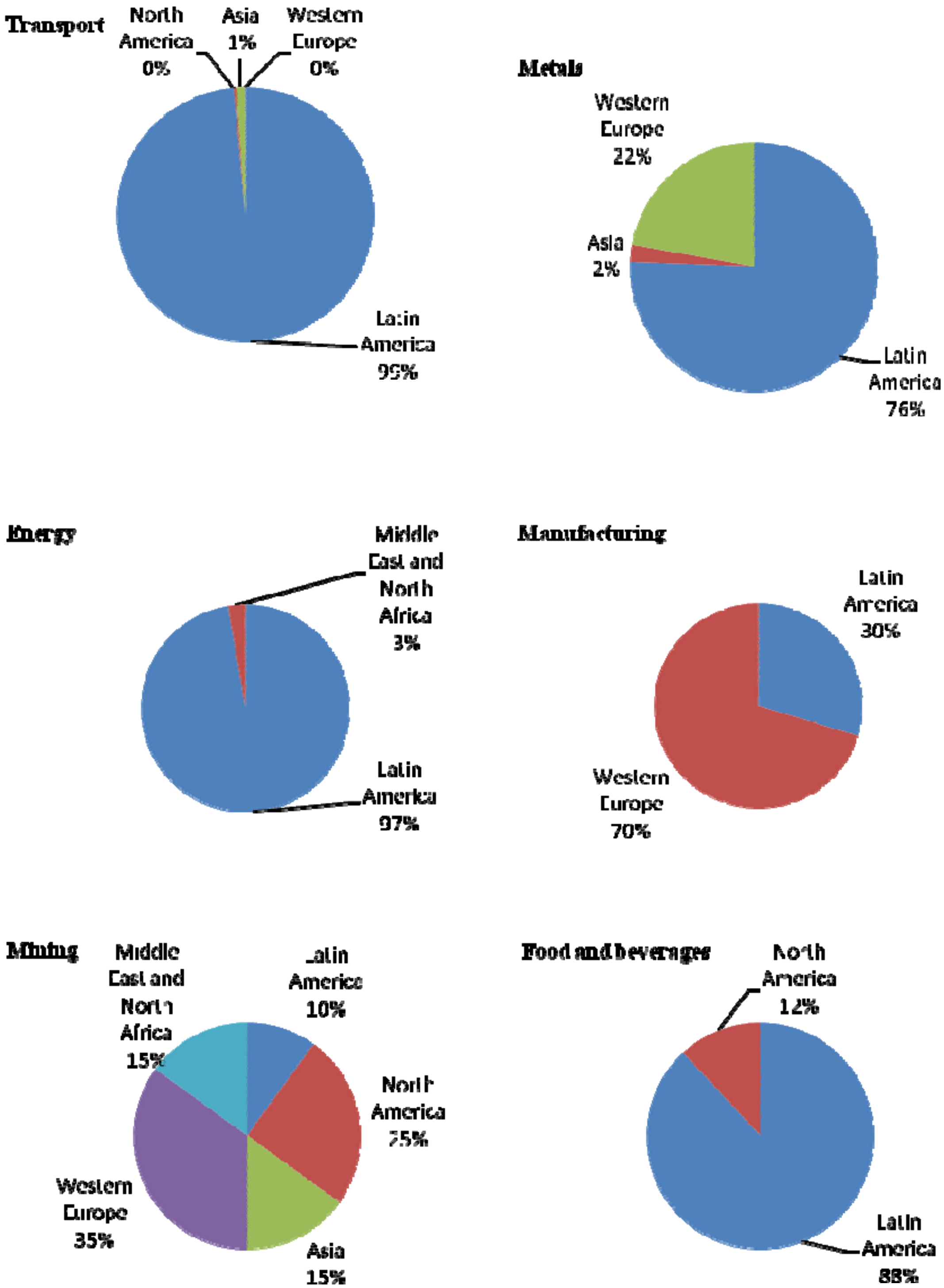
Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

Annex figure 2. Chilean Top 20 MNEs concentration by economic activity



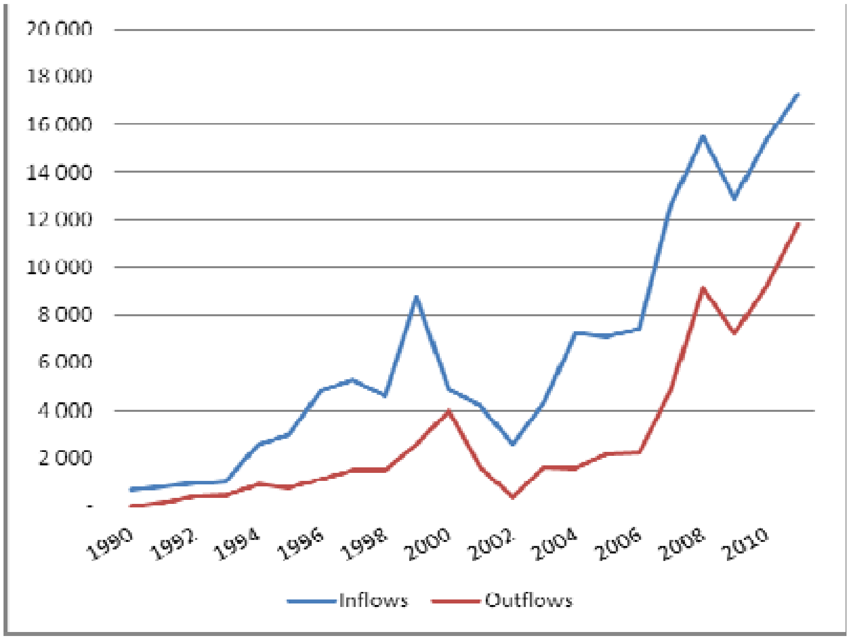
Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

Annex figure 3. Chile: Geographic distribution of the foreign assets of the top 20 multinationals, by main industry, 2011 (percentages)



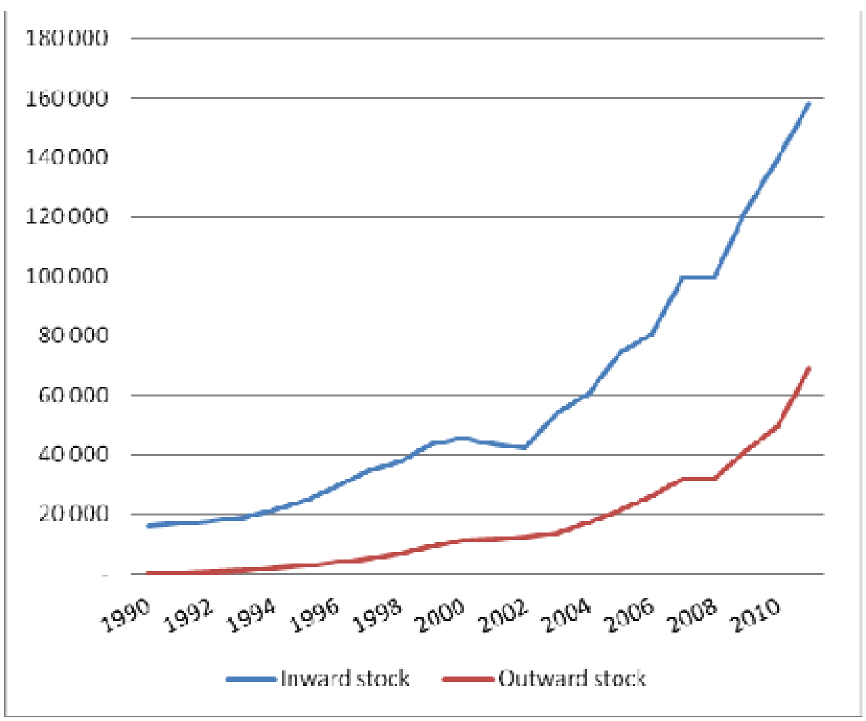
Source: ECLAC - IEI - VCC, survey of Chilean MNEs, 2012.

Annex figure 4. Chile: FDI inflows and outflows, 1990-2011 (USD million)



Source: ECLAC

Annex figure 5. Chile: Inward and outward FDI stock, 1990-2009 (USD million)



Source: UNCTAD

ECLAC
Economic Commission for Latin America and the Caribbean (ECLAC)
Comisión Económica para América Latina y el Caribe (CEPAL)
www.eclac.org