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PESTLE Analysis of Chile 2014

Lucintel, the premier global management consulting and market research firm creates your equation for growth — whether you need to understand market dynamics, identify new opportunities, or increase your profitability.
**Background:**
Michelle Bachelet's return to the Chilean presidency in 2014 will pave the way for a highly ambitious reform agenda, which seeks to raise taxes and introduce higher quality free education in the country. But due to an insufficient parliamentary majority, the centre-left coalition will need to compromise on reforms.

Lucintel, a leading global management consulting and market research firm, has conducted a detailed analysis of this economy and presents its findings in “**PESTLE Analysis of Chile 2014**.” The study indicates that Chile is likely to face some challenges in its quest for achieving growth and competitive edge in the economy. High dependence on copper export is one of the major challenges for the country. The report also highlights the major drivers of the economy.

Increase in external as well as domestic demand is expected to boost high economic growth of Chile. Since the country is the world's third largest in copper reserves, increase in copper prices will also have positive impact on the economic growth. Chilean economy is likely to grow to $283.7 billion at the current price by 2019, with a CAGR of 5.5% from 2014 to 2019. Economic recovery across the globe is likely to improve producer confidence that in turn, is likely to boost demand of copper. Lucintel expects a rebound in the economy by 2014, especially after a phase of recession in the European countries.

The service sector is contributing to 69% of the GDP in Chile where business services are playing crucial role. High growth in business services such as administrative services and professional services is backed by the highly skilled workforce. Mining is one of the leading industries in Chile which contributes 14.2% to GDP. Huge copper reserves have led to the growth of the mining industry.

Chile is known for its mining industry and is ranked third in the world for copper output. Huge copper reserves (28% of global reserves) are making mining support services industry an emerging industry of Chile. It is expected that Chile will attract more than $50,000 million investment by 2017 in this industry. Lucintel highlights the key challenges faced by Chile. High dependence on exports of copper is one of the economic challenges faced by Chile. Chile is also facing the technological challenge of low R&D expenditure. On the social front, Chile may face higher dependency ratio which is likely to increase to 16.6% in 2019 from 13.9% in 2013.

This report includes in-depth analysis of the macro economy of Chile, political scenario, economic and business risk as well as, social and technological analysis. This report provides the knowledge on leading and the emerging industries in the country.

This unique report from Lucintel will provide you with valuable information, insights, and tools needed to identify new growth opportunities and operate your business successfully in this market. This report will save hundreds of hours of your own personal research time and will significantly benefit you in expanding your business in this market. In today's stringent economy, you need every advantage that you can find.
Features of This Report:
To make business, investment, and strategic decisions, you need timely, useful information. This market report fulfills this core need and is an indispensable reference guide for multinational materials suppliers, product manufacturers, investors, executives, distributors, and many more that operate in this market.

Some of the features of “PESTLE Analysis of Chile 2014” include:
- Trend and forecast for key macroeconomic variables that are useful to make major investment decision
- Analysis on economic activity, investment environment, and trade structure of the country
- Major industries in Chile and its contribution to GDP
- Trends in savings, investments, and consumptions
- Analysis of Political, Economic, Social, Technological, Legal, and Environmental scenarios as well as their impact on different industries
- Analyses on geographical importance and social structure such as labor quality
- Strength, Weakness, Opportunity, and Threat (SWOT) analysis of Chile

More than 27 figures/charts and 14 tables are provided in this roughly 65-page report. Sample charts with random data are presented below.

Regional Economic Scenario, 2013
Trend of Real GDP Growth Rate
- Random Data

* Bubble Size Represents GDP at Current Price
**PESTLE Analysis of Chile 2014**

### Political Factors and Their Impact on Business – Random Data

<table>
<thead>
<tr>
<th>Factors</th>
<th>Future Direction</th>
<th>Impact on Business</th>
<th>Industries to be Benefited</th>
<th>Industries to be Negatively Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Stability</td>
<td>Positive</td>
<td>🕵️‍♂️</td>
<td>XYZ Industry</td>
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<tr>
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<td>XYZ Industry</td>
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<tr>
<td>Internal Security</td>
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<td>🕵️‍♂️</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
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</tbody>
</table>

### FDI Inflows by Industry in XY Country Random Data

![Graph showing FDI Inflows by Industry in XY Country](image1)

### Share of Different Sectors to GDP in Chile, 2013 US$ Billion - Random Data

![Graph showing share of different sectors to GDP](image2)
### PESTLE Analysis of Chile 2014

#### Economic Factors and Their Impact on Business – Random Data

<table>
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<tr>
<th>Factors</th>
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<th>Industries to be Negatively Affected</th>
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<td>GDP Growth Rate</td>
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<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Inflation Rate</td>
<td>B</td>
<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Per-Capita Income</td>
<td>C</td>
<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>D</td>
<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Industrial Production</td>
<td>E</td>
<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Foreign Direct Investment</td>
<td>F</td>
<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
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</tbody>
</table>

- **Very High**
- **High**
- **Medium**
- **Low**
- **No**

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<table>
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<tr>
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<td>Urbanization Rate</td>
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<td>XYZ Industry</td>
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<tr>
<td>Corruption Rate</td>
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<td>⬝</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Labor Cost</td>
<td>--$/hour</td>
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<td>⬝</td>
<td>XYZ Industry</td>
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</table>

- **Very High**
- **High**
- **Medium**
- **Low**
- **No**
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<table>
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- **Very High** - High - Medium - Low - No

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- **Very High** - High - Medium - Low - No
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<td>![Medium]</td>
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<td>Positive</td>
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<td>XYZ Industry</td>
<td>XYZ Industry</td>
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Please see below comments from our customers on how they benefited from our market reports.

"We found great value in Lucintel’s research both from a commercial and technology standpoint. Not only did we gain insights into the value chain and the key players in each industry segment, but we also were able to understand their future plans. Lucintel helped us better align our products with the needs of the market.” Genaro Gutierrez, PhD, Business Development Manager – Dow Chemical

"The information is so comprehensive and detailed, that it has allowed us to identify and focus our new business development efforts. This one report has saved months of legwork.” Bill Barz, L&L Products, Inc.
**PESTLE Analysis of Chile 2014**

"With more than 20 years experience in the industry, this is the first time we have come across such an extensive and detailed market analysis for our industry." Ven Cote, CEO, ZCL Composites

“The report from Lucintel is useful not only for business planners, but also for the technology officers wanting to create a roadmap of who uses which technology” Dr. Giulio Ranzo, Booz Allen Hamilton Consulting

“Lucintel’s report has saved precious time and resources brought together in a concise and informative manner. The report clearly outlines the key markets and segments, but also highlights those with potential. This helps assist with decisions to cement our current position within our own market but also formulate long-term strategies to realize the potential for global growth that can be achieved. The most detailed report of its nature in the market place at present.” Paul Everley, Peters & May Ltd.

“We bought Lucintel’s report because it is the best report about our industry…a complete and appropriate analysis.” Cesare Andrenacci – Ferretti Group

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**Who Can Benefit From This Report?**

This study is intended for material suppliers, parts fabricators, investors, executives, and consultants. This multi-client market study from Lucintel is used by small to multi-national Fortune 500 companies and utilized for a variety of reasons as follows.

- Business development
- Strategic planning
- Business presentation
- Determination of market size and trend
- Competitive analysis
- Personnel training
- Budgeting
- Investment decision

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**Research Methodology:**

Lucintel has been closely tracking and conducting research on variety of industries and countries since 1998. This research project was designed for the purposes of determining the investment opportunities in Chile. In order to ensure fairness with our analysis, we compared several factors in order to align the current performance and, more importantly, the future prospects.

Our analysts used the following sources for the creation and completion of this valuable report:

- Political, Economic, Social, Technological and legal analysis of Chile economy.
- Extensive search of current published literature, market and database information including industry news, country news, and customer intentions.
- A compilation of the experiences, judgments, and insights of Lucintel's analysts, who have analyzed and tracked the economic study of the country.

Lucintel collects a significant amount of uninterpreted data from a variety of sources and converts this into intelligent data as follows. The intelligent data is used by our clients for making confident business decisions. The figure below is a graphical representation of the end-to-end Lucintel research process.
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