
Invest
Araucanía
UNIDAD REGIONAL DE ATRACCIÓN DE INVERSIÓN EXTRANJERA
Chile
La Araucanía,
Region of opportunities
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CORE
Consejo Regional de La Araucanía

Welcome to La Araucanía

La Araucanía is in the SOUTHERN AREA OF CHILE, and it is one of the 16 regions into which the country is divided.

TEMUCO IS THE CAPITAL OF THE REGION.

IT IS DIVIDED INTO

2 ADMINISTRATIVE PROVINCES **CAUTÍN AND MALLECO**

AND 32 DISTRICTS.

THE MAIN ECONOMIC ACTIVITY IS

farming and forestry,

GIVEN ITS CLIMATE AND SOIL CONDITIONS.

LA ARAUCANÍA INTERNATIONAL AIRPORT

IS LOCATED AT FREIRE DISTRICT, 20 KM SOUTH OF TEMUCO.

FOREIGN INVESTMENT

Currently comes from the **United States, Japan and Argentina,** among others, in different sectors such as **AGRICULTURAL INDUSTRY, ENERGY AND TECHNOLOGY.**

The regional main terrestrial infrastructure logistics is the 5 South Route, which connects to Chile's Pan American Highway, allowing for communication from the border with Perú until Quellón city. The main cargo border path is Pino Hachado, allowing to connect imports and exports with the ports of Lirquén, Coronel and San Vicente.

The regional railway infrastructure has a cargo network through which over 10 million tons are annually transported, thus constituting a logistics alternative for the challenges of the mining, forestry, industrial, agricultural and containers industries.

The regional energy supply is guaranteed thanks to the local production with wind, thermal and hydraulic sources. The region is connected to the National Electric System [*Sistema Eléctrico Nacional* (SEN)], a network complying with the 360 V three-phase requirements which guarantees energy with industrial production purposes.

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The region at a glance

AREA OF
31.842,3 km²
EQUIVALENT TO
4.2% OF THE COUNTRY'S AREA.

ITS NORTHERN BORDER IS WITH BIOBÍO REGION, TO THE SOUTH WITH LOS RÍOS REGION, TO THE EAST WITH ARGENTINA AND TO THE WEST WITH THE PACIFIC OCEAN.

POPULATION = 869.535 inhabitants

EQUIVALENT TO 5.8% OF THE DOMESTIC POPULATION, WITH A DENSITY OF 27.3 INHABITANTS/KM².

NATIVE FORESTS, VOLCANOES, RIVERS, AND LAKES ARE A PART OF THIS ZONE'S LANDSCAPE.

CLIMATE AND SOIL CONDITIONS FAVORING A COPIOUS VEGETATION, WITH UNIQUE SPECIES IN THE WORLD SUCH AS ARAUCARIA.

Roads covering **1.827.719 km,** which represent **7%** of the country's total.

LANGUAGES: SPANISH AND MAPUDUNGUN.



It has an Industrial and Technological park managed by the [*Corporación para el Desarrollo Productivo de La Araucanía* (Corparaucanía)], at 23 km from Temuco, with an area of 430 hectares. The purpose of it is to create a center to unify companies and entities, improving competitiveness, productive development, and the incorporation of new technologies.

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In the beginning of 2019, the Regional Government created the first Regional Unit for Direct Foreign Investment Promotion and Attraction, InvestAraucanía.

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Why La Araucanía?

Our contribution as partners
regional strengths

Multicultural population. Communities belonging to indigenous peoples deliver a seal of quality to the production of local goods and services. This is the region in Chile concentrating the greatest presence of indigenous population communities.

Tourism attractions. Five national Parks, six national reserves and two natural monuments, volcanoes, lakes, and rivers are a perfect scenario. Together with the world view of its ethnic communities, they create an ideal atmosphere for productiveness with respect towards the environment, biodiversity and multiculturality.

Innovation ecosystem. The presence of entrepreneurs, private companies, and universities, together with a public sector enabling interaction spaces among such entities allowing for development opportunities in this area.





The capability to "build companies" includes initiatives such as Araucanía Digital, which intends to convert the region into a technological development center which is a reference not only at a domestic, but at a Latin American level.

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European Hazelnut

La Araucanía has a large area availability to grow European Hazelnut.

DURING THE LAST
10 YEARS
IT HAS SHOWN A GREAT EXPANSION IN THE REGION.

ITALY IS CURRENTLY THE DESTINATION FOR
95% OF **EUROPEAN HAZELNUT** EXPORTS FROM CHILE.

A significant characteristic of Chile, compared to the large worldwide producers is its location in the southern hemisphere, added to the country's phytosanitary conditions and an important number of free trade agreements.

Southern Wines

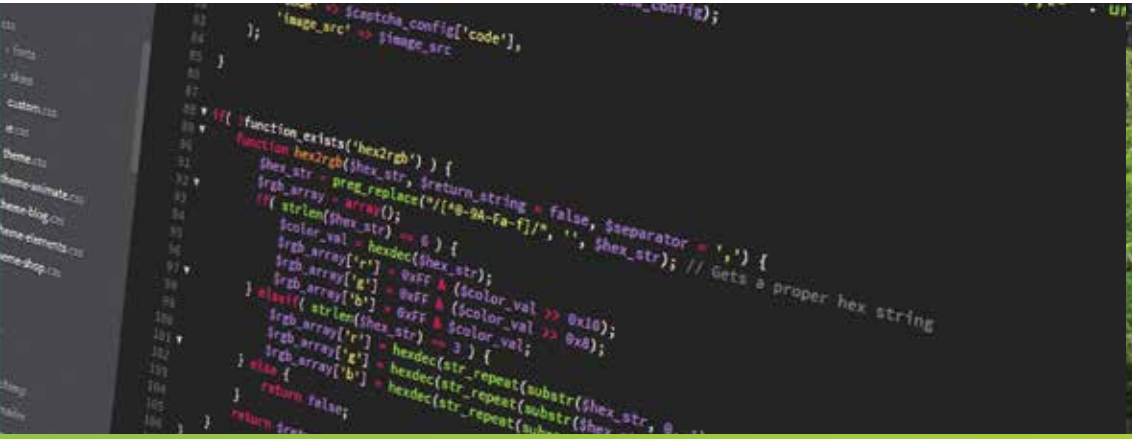
The first vineyards were planted in the region in the mid-nineties.

THE GROWN AREA IS OF ABOUT 130 HECTARES, OF DIFFERENT COLD CLIMATE STOCKS, SUCH AS
PINOT NOIR, CHARDONNAY AND SAUVIGNON BLANC.

Wines intended for a premium segment given their characteristics, among them the climate in their origin.

This is the **most southern region** that has achieved continuity and a significant production.

Investment Opportunities





Technological Industry and software development

La Araucanía region has **three features** granting a competitive advantage in this market:

- THE EXISTENCE OF AN ALREADY **INSTITUTIONALIZED INNOVATION ECOSYSTEM,** DRIVEN AT A DOMESTIC AND REGIONAL LEVEL.
- THE ACKNOWLEDGMENT OF A **COMPETITIVE PERFORMANCE** IN SPECIFIC PRODUCTIVE SECTORS, BOTH AT A DOMESTIC AND REGIONAL LEVEL (AGRICULTURAL INDUSTRY, MINING), BENEFITTING TECHNOLOGICAL SUPPLIERS OF THESE INDUSTRIES.
- **TIME ZONE** GIVEN ITS GEOGRAPHICAL LOCATION, WHICH IS ATTRACTIVE FOR SOME MARKETS AS REGARDS OTHER POTENTIAL SUPPLIERS SUCH AS INDIA OR SOUTH KOREA.

The region, mainly Temuco city, has a trained human capital for the development of this industry. **The labor cost for this sector is approximately 25% lower than in the rest of the country.**

Tourism

This sector's opportunities may be split into two areas:

- ADVENTURE TOURISM AND USE OF NATIONAL PARKS
- INTEGRATED OPERATION OF MOUNTAIN TOURISM SERVICES

La Araucanía has five national parks, six national reserves and two natural monuments, **equivalent to approximately 10% of the regional area;** it also has several volcanoes, lakes, and rivers.

With different sites of geological interest, biodiversity, landscape, and cultural-historical aspects, it is possible to develop adventure tourism activities during the **365 days of the year,** in addition to multiple mountain activities.







Berries

Chile is the greatest fruit producer and exporter of the southern hemisphere and one of the worldwide leaders in the export of products such as cherries, blueberries, and grapes.

LA ARAUCANÍA HAS AN ADVANTAGEOUS SOIL AND CLIMATE, ALLOWING TO CONTINUE CONSOLIDATING ITS SHARE IN PRODUCTION AND EXPORT, PARTICULARLY OF **BLUEBERRIES, CHERRIES, RASPBERRIES AND CRANBERRIES OR RED BLUEBERRIES.**

There is a growth trend in the worldwide demand for these products, opening a space for producers to increase their capacity and for the entrance of new players, given the market's attraction.

Deli products

Deli products, also known as specialist butcher, corresponds to production and marketing of meat products, mainly derived from pork, with preservation of meat through cooking, salting, smoking, maturing, or fermenting.

ENCOURAGEMENT, DEVELOPMENT AND POSITIONING OPPORTUNITY FOR A PRODUCTION MARKET ALREADY EXISTING IN THE REGION, AND ROOM FOR THE DEVELOPMENT OF INITIATIVES ORIENTED TO **INNOVATION IN HEALTHY AND/OR PREMIUM DELI PRODUCTS.**

Sustainable aquaculture production

The aquaculture industry has a great potential, both locally and worldwide. It is estimated that by 2030, **over 60% of fish for human consumption will be originated by aquaculture** (GAA, Global Aquaculture Alliance).

LA ARAUCANÍA HAS ONE OF THE **MOST IMPORTANT FRESHWATER RESERVES IN CHILE,** COVERING 25% OF THE CONTINENTAL HYDRIC RESOURCES IN THE COUNTRY.

Introducing new technologies and processes aimed to strengthen sustainability of the initial links in the salmon production chain is one of the business opportunities.

Investment Opportunities





Industrial pharmaceutical laboratories

THE WORLDWIDE PHARMACEUTICAL MARKET IS GROWING, AND THIS TREND IS EXPECTED TO CONTINUE DURING THE NEXT FEW YEARS.

IN CHILE, THIS MARKET IS CHARACTERIZED FOR OPERATING UNDER A FREE TRADE MODEL.

THE CREATION/INSTALLATION OF PHARMACEUTICAL LABORATORIES IN THE REGION REPRESENTS A BUSINESS OPPORTUNITY **FOCUSED ON INDUSTRIAL LABORATORIES** RENDERING SERVICES TO KEY SECTORS.

Geothermal electric generation

La Araucanía region shows a **competitive advantage given its six volcanic complexes in the territory,** located in its mountain range area.

THE USE OF NON-CONVENTIONAL RENEWABLE ENERGIES IS A NATIONAL POLICY.

IN 2019, 238 **PROFESSIONALS OF CAREERS STRATEGICALLY RELATED** TO THIS BUSINESS OPPORTUNITY OBTAINED THEIR DIPLOMAS.

THE **LABOR COST** OF THIS INDUSTRY IS 18% LOWER COMPARED TO THE REST OF THE COUNTRY.

Regional economy profile

The main activity in the region is farming and forestry, given its climate and soil conditions. **The most important are traditional cultures, livestock and forestry production,** areas in which it has an outstanding position in the country.



The agricultural activity includes cultures of oat, barley, and rye, in addition to lupine and potatoes. They represent the **greatest areas grown in the country** (except for potatoes). The growth experienced by the production of hazelnuts and berries should also be highlighted (especially export blueberries).

Livestock production also plays a significant role in the regional economy, particularly the bovine sector, being the second region with the greatest production in Chile.

Services also represent a significant sector of the dynamic local economy.

During the last few years, a significant growth in the forestry activity of pine and eucalyptus has been observed, mainly at Malleco province.

The region has a great tourism potential given the beauty of its landscape composed by forests, lakes, rivers, volcanoes, and mountains, with a wide offer of hotel and tourism complexes services.

Some Figures

Despite its small relative size, La Araucanía region **has shown a dynamism higher than the average in the country** since 2015 and up to date.

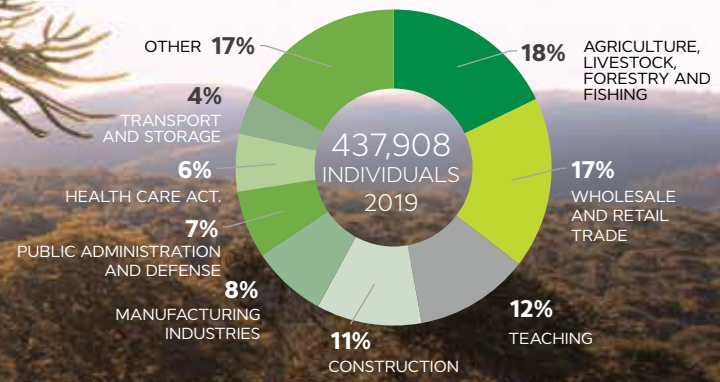
IN 2018, LA ARAUCANÍA REGION RECORDED AN ECONOMY EXPANSION OF

4,3%

COMPARED TO 3.9% OF THE CHILEAN ECONOMY. IN 2019, THIS GROWTH AMOUNTED TO 1.7% AND 1.1% FOR THE REGION AND COUNTRY, RESPECTIVELY.

Regarding the main activities of the economy performed by workers in La Araucanía, in 2019 the greatest number of employees was concentrated in: AGRICULTURE; TRADE, TEACHING AND CONSTRUCTION.

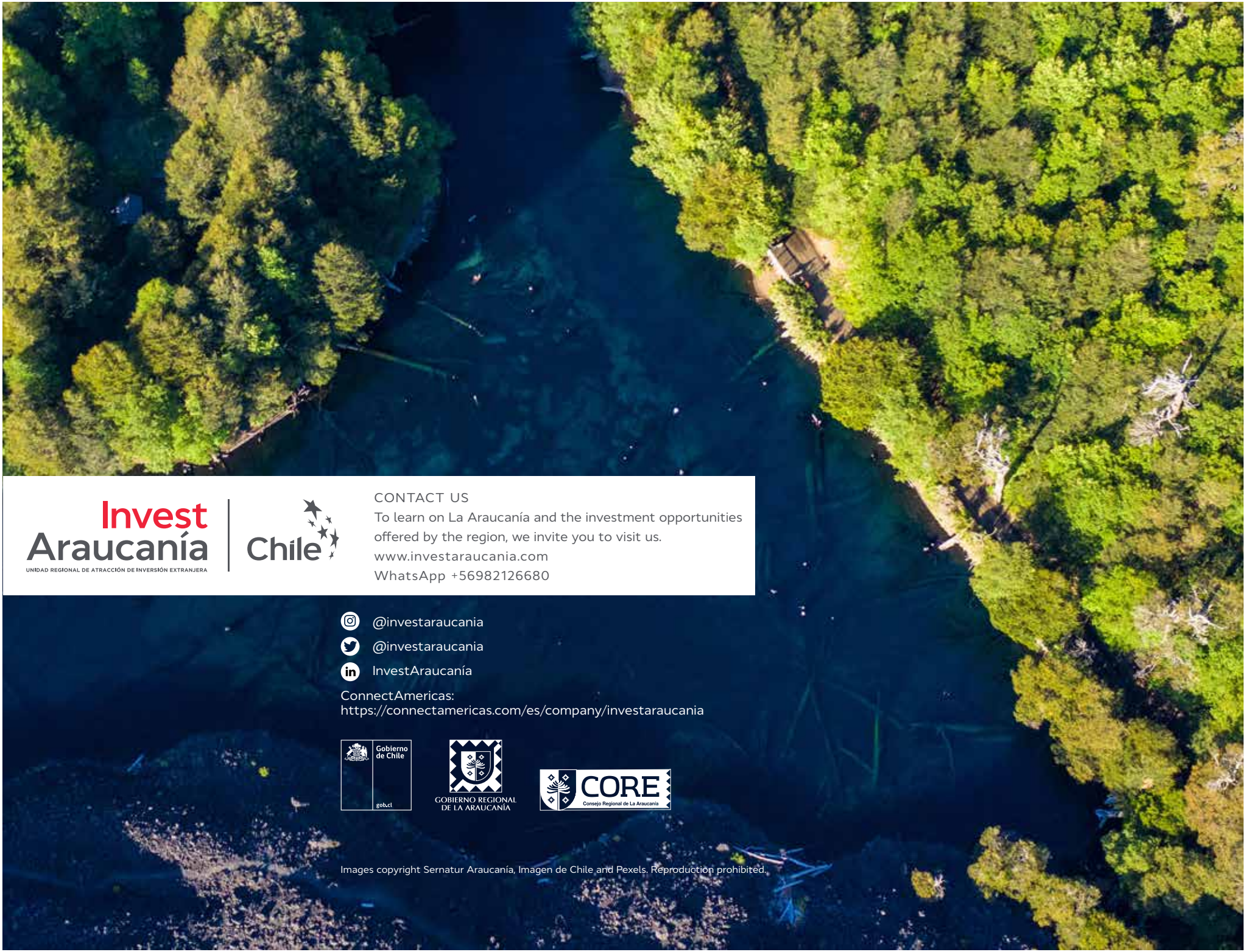
FIGURE 1.
Employees by sector, Araucanía, 2019.



SOURCE: CSP INGENIERÍA INDUSTRIAL U. DE CHILE BASED ON INE DATA

SINCE 2018 STATISTICS HAVE SHOWN AN INCREASE IN THE LABOR FORCE, AND A DECREASE IN THE UNEMPLOYMENT RATE, TO 6.9% UNDER THE NATIONAL AVERAGE.

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CONTACT US

To learn on La Araucanía and the investment opportunities offered by the region, we invite you to visit us.

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