

## Success Stories

**Cameo Crafts International** of Montreal recently signed an investment agreement with **Marinetti Packaging**, a Chilean printing company, to supply state-of-the-art labels to Chilean wine producers for their wines intended for export. Under the agreement, the partners together will invest a total of \$14 million (US\$9.2 million) by the end of 2007. They hope to capture 30% to 35% of the local market, achieving approximately \$22.8 million (US\$15 million) in yearly sales. Future plans call for expansion of labelling services to other wine-producing countries in the region, such as Argentina.



Cameo Crafts decided to enter into a partnership to take advantage of the successful growth in the international demand for Chilean wines. Recent Chilean agreements with the European Union, South Korea and the United States will bring further opportunities for the industry and thus for Cameo Crafts in Chile. The wine industry is expected to continue to see annual double-digit growth in the next five years. Cameo Crafts will profit from that growth and will contribute to the continued success of the industry through its quality packaging, drawing on technology and expertise that previously did not exist in Chile.

**Foraction Chili S.A.** was established in 2000 by Canadian partners **Davidson Industries** (now part of **Tembec**), **Cascades, GLV** and the **Fédération des travailleurs et travailleuses du Québec** pension fund, with help from the Chilean government's regional investment program. Starting with an investment of \$30.7 million, the joint venture set up a sawmill and remanufacturing plant in the city of Curanilahue, 90 kilometres from Concepción. Locally the project has created 300 permanent direct jobs and 600 indirect jobs.



The fully automated state-of-the-art sawmill is designed to manufacture 250,000 cubic metres of sawn radiata pine per

year. The sawn product is then kiln-dried and undergoes further processing into fingerjointed and edge-glued products, to be used mainly in the wooden doors and windows industry. Of the output, 90% is exported back to North America (mainly the United States) as well as to some Asian countries. Davidson is responsible for marketing the plant's production and managing daily operations.

**Methanex Corporation** of Vancouver is the world's largest producer and marketer of methanol. Its Chile-based Latin America Operations covers all of South America, plus Mexico and South Africa. Methanex has approximately 250 employees in Chile; its manufacturing facilities are located in the south of the country at Cabo Negro, close to Punta Arenas on the Strait of Magellan, in the heart of Chile's petroleum- and gas-producing region. The annual production capacity is currently 3 million tonnes, most of which is exported. The total investment has exceeded \$1.5 billion (US\$1 billion). Last November Methanex announced plans to expand the Chilean facility, with a further investment of approximately \$420 million (US\$275 million).

As a key reason for investing in Chile, Methanex cites the shared views of Canadian and Chilean managers, particularly on the favourable conditions for foreign investment in Chile and successful operation of the existing plants. As a reflection of this, in

addition to overseeing its Latin America Operations, the firm's top executive in Chile also oversees the manufacturing operation of all Methanex plants around the world.



Responsible Care is the umbrella under which Methanex manages issues related to environment, health, safety, community awareness and involvement, and emergency preparedness. This ethic also guides decision making on corporate development objectives, and reflects the company's commitment to its employees. In recognition of its employee focus, in 2000 Methanex received the Carlos Vial Espantoso Award, honouring the firm in Chile that has best practices in labour relations.

**Nortel Networks** is a global industry leader and innovator, supplying its service provider and enterprise customers with communications technology and infrastructure to enable value-added IP data, voice and multimedia services spanning wireless networks, wireline networks, enterprise networks and optical networks.

Nortel Networks has been doing business in Chile for over 20 years, and established local offices in 1996. In the wireless arena Nortel Networks has deployed a nationwide network for BellSouth Chile, and it completed Latin America's first wireless next-generation call on a commercial 1X network with Smartcom PCS. Nortel Networks is also one of the top providers of high-performance optical Internet solutions in Chile, and much of the Internet traffic (particularly in the metro region around Santiago) rides across its technology.



With the increasing access and penetration of computers and the Internet in Chile, Nortel Networks is well placed to capitalize on this trend and has won several optical contracts

with an array of pan-regional providers, including Impsat and Emergia.

In a world market that has slowed its investment in telecommunications products, Nortel Networks has continued to secure opportunities in Chile. In 2002 the company won further contracts with its local wireless customers to expand and upgrade their networks, and it continues to provide next-generation infrastructures to service providers such as VTR (United Globalcom) and enterprise customers such as Cotelco.

A seasoned exporter since the early 1990s, **President's Choice International** is gaining a wide following among Chile's growing middle class, which is coming to appreciate private labels. The company has been working on a test market strategy in Chile since January 2002 and has had excellent results. Today D&S, Chile's largest food retailer, imports more than 200 different Loblaw's products under the President's Choice and No Name brands.

For Chilean customers this means access to a range of top-quality food products, and for Canadians living in Chile it has been heaven being able to purchase their favourite products far



from home. The Canada-Chile Free Trade Agreement has been instrumental in the company's success in Chile's highly competitive market, with advantages ranging from simplified documentation to reduced tariffs on exports. President's Choice International may consider using Chile as a launching pad for exports to Argentina in future when the economic situation becomes stable.

Based in Kamloops, British Columbia, the **University College of the Cariboo** (UCC) has conducted training and education activities in Chile since 1996. It started by developing training programs for the Compañía Minera Zaldivar in Antofagasta, in mobile hydraulics, automotive/mechanical, heavy-duty electrical and millwright knowledge. It then identified three key areas for potential collaboration: tourism, mining/forestry and information technology (IT).

In 2002 UCC signed agreements with the Universidad Técnica Federico Santa María in Valparaíso for cooperation in tourism development and information technology and transfer, and with the Universidad de Santiago de Chile for faculty and student exchanges. It is now negotiating with a leading technical institute in Santiago for IT curriculum and teaching methodology transfer. Three Chilean students have attended UCC's Kamloops campus, and the university hopes to expand student recruitment.



UCC has joined the Sustainable Cities Initiative in Valparaíso and Viña del Mar to open up opportunities in tourism product and human resource development and information technology. UCC has also partnered with Canadian private-sector firms to create opportunities for micro-enterprise development training for Chilean entrepreneurs.

Under a community tourism development project in the Patagonia region, UCC will work with Chilean partners to assess tourism opportunities and infrastructure shortfalls, develop training programs, and create ways and means to develop infrastructure needs.

**The Sustainable Cities Initiative (SCI)** builds relationships between its members (Canadian companies, universities and NGOs) and their Chilean counterparts to undertake projects that enhance the quality of life of the city's inhabitants. For more information, contact Shawna Greenberg at Industry Canada, tel.: (613) 941-1342, e-mail: [greenberg.shawna@ic.gc.ca](mailto:greenberg.shawna@ic.gc.ca), or visit the SCI Web site (see p. 4).