



# **THE ROLE OF NATIONAL DEVELOPMENT BANKS: THE CASE OF CHILE'S CORFO**

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**15 DE SEPTIEMBRE DE 2016  
BNDES-CAF-IPD CONFERENCE., RIO DE JANEIRO**

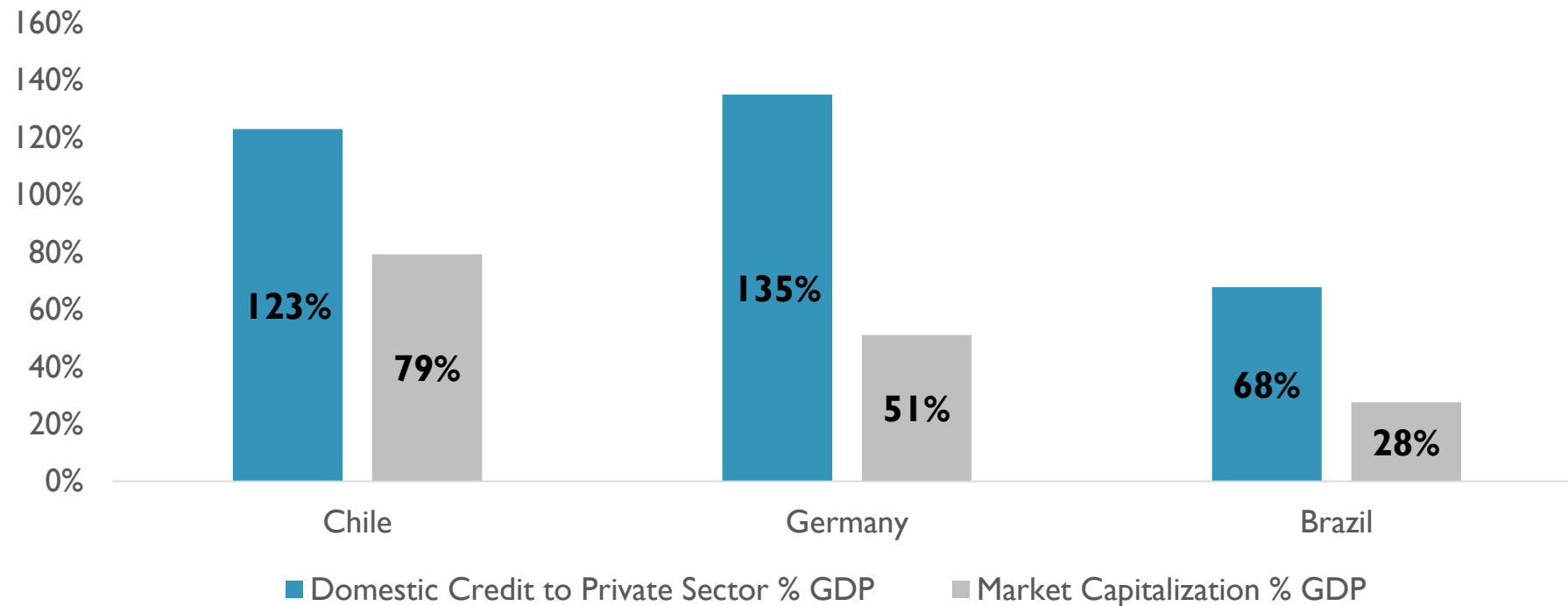
# OUTLINE

1. CORFO AT A GLANCE
2. STRUCTURAL TRANSFORMATION
3. INNOVATION AND ENTREPRENEURSHIP
4. GUARANTEES
5. COUNTER-CYCLICAL ROLE



# CHILE'S FINANCIAL MARKET COMPARATIVE PERSPECTIVE

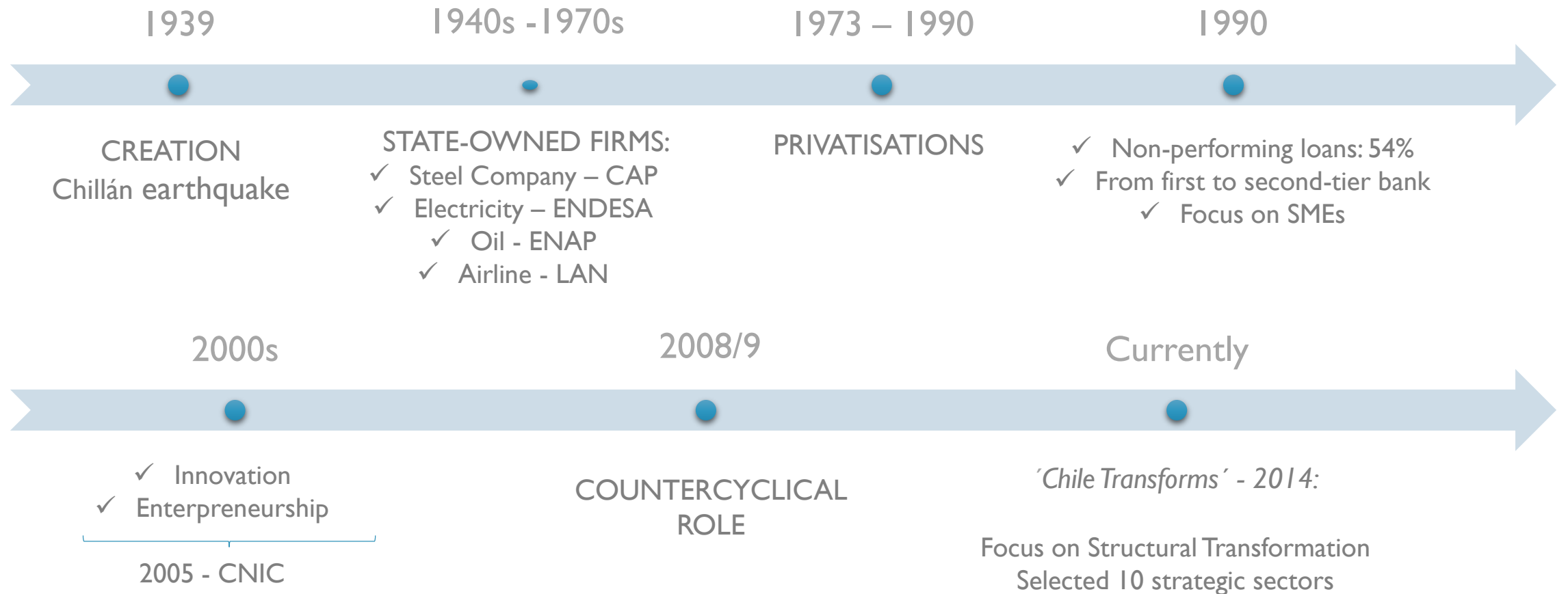
## Credit and Capital Market Size (% GDP)





# **CORFO AT A GLANCE**

# HISTORICAL APPROACH



# CORFO DISBURSEMENTS 2015

**LOANS**

**U\$S 14 MM**

**SUBSIDIES**

**U\$S 192 MM**

**GUARANTEES**

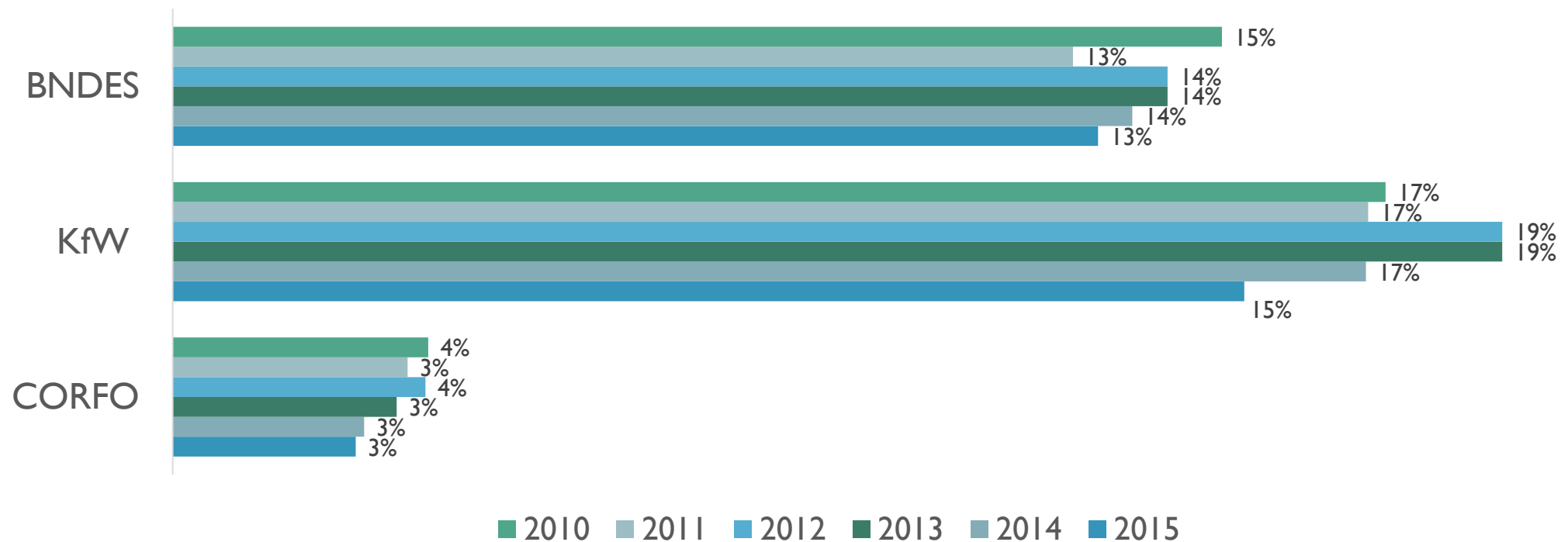
**U\$S 1,267 MM**

**TOTAL FINANCIAL SUPPORT : U\$S 1,473 MM**

# CORFO – COMPARATIVE PERSPECTIVE

## STOCK 2015

### Assets/GDP - CORFO vs BNDES and KfW

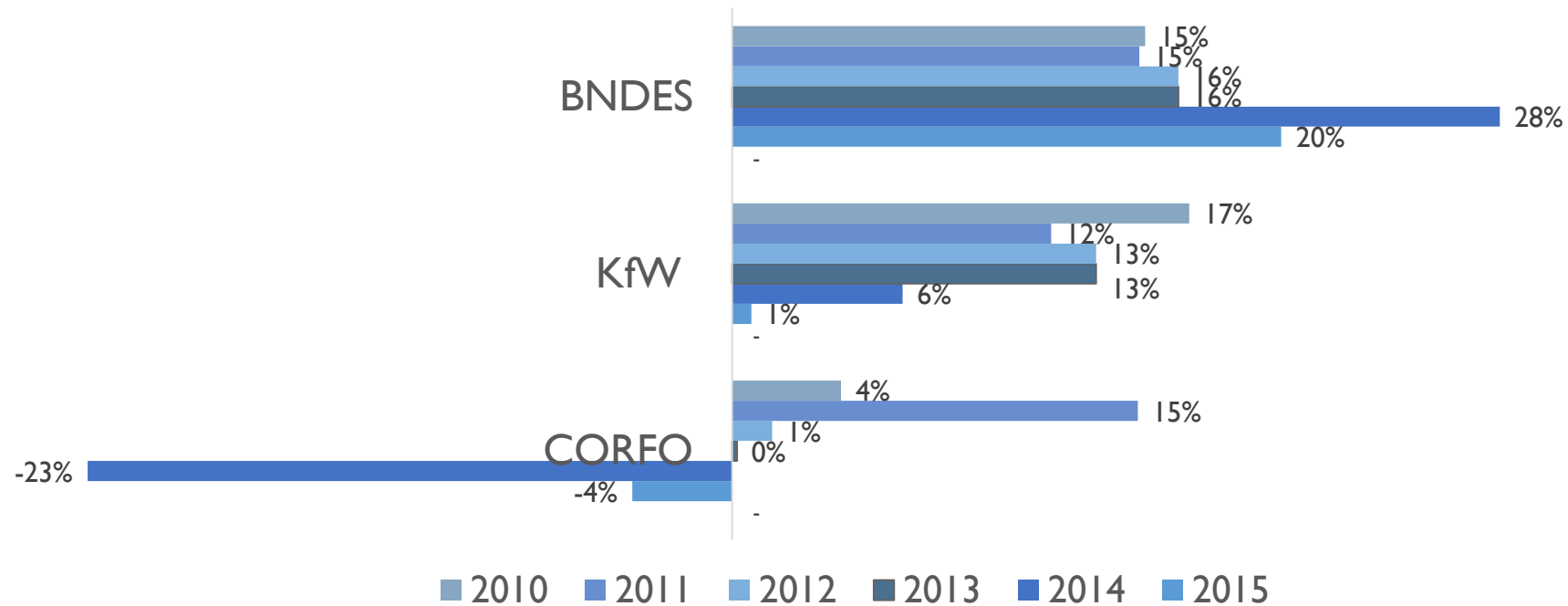


Source: prepared by the author, based on CORFO, KfW and BNDES reports.

# CORFO – COMPARATIVE PERSPECTIVE

## PROFITS

### Net Income/Equity - CORFO vs BNDES and KfW



Source: prepared by the author, based on CORFO, KfW and BNDES reports.

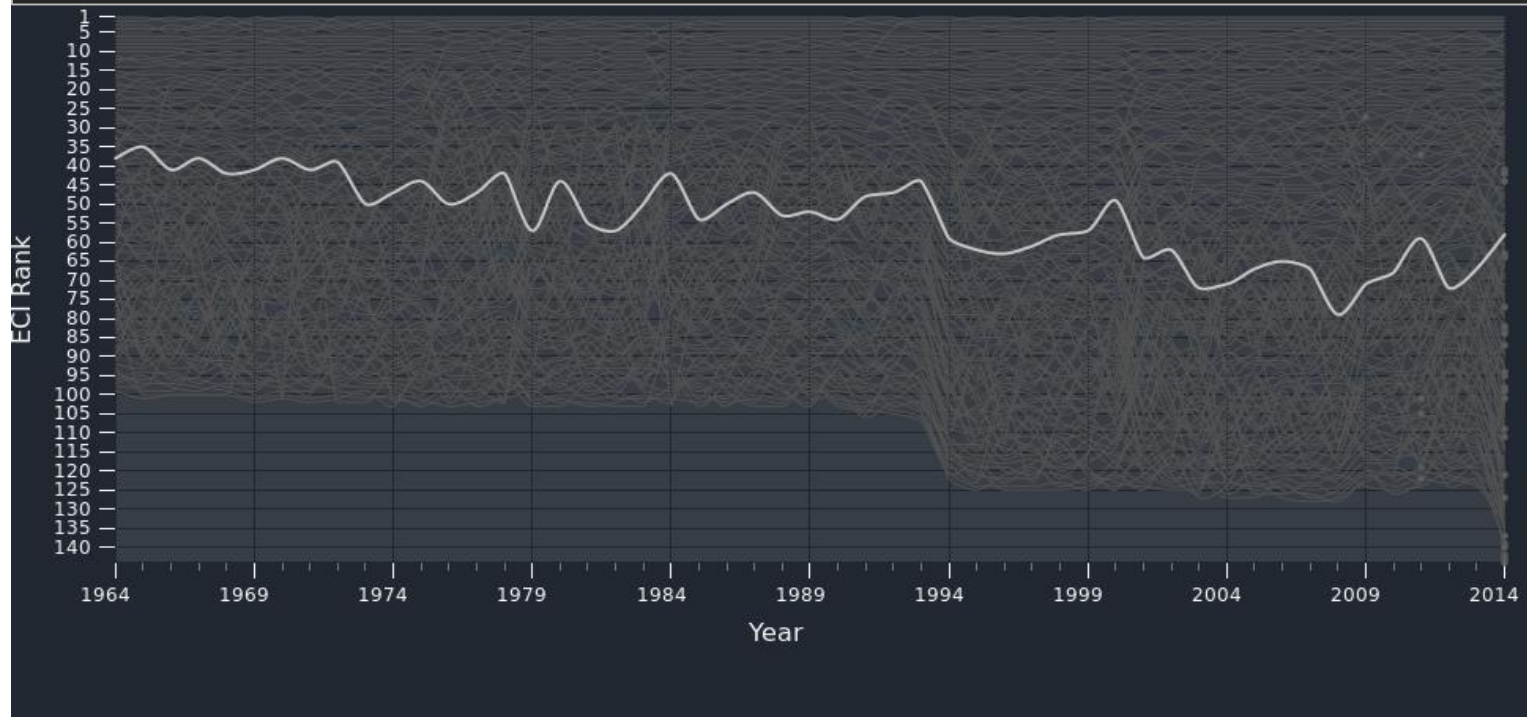




# **STRUCTURAL TRANSFORMATION**

# CHILE'S PRODUCTIVITY

## CHILE'S ECONOMY COMPLEXITY RANKING - 1964 to 2014



Source: prepared by the author, based on MIT Atlas, Observatory of Economic Complexity

## RATE OF GROWTH TOTAL FACTOR PRODUCTIVITY

Período	TFP Chile
1990 - 1999	2,4
1993 - 1999	1,7
2000 - 2009	0,6
2010 - 2014	0,4

Source: prepared by the author, based on Bitran, 2016

# 'CHILE TRANSFORMS'



Source: prepared by the author, based on Bitran, 2016

## OTHER PROGRAMS

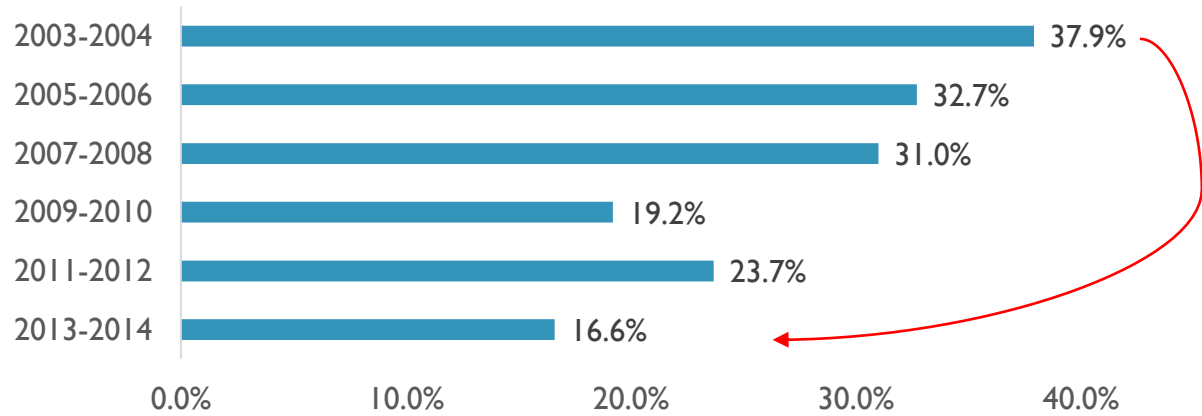
- ✓ **PROFO**: promotes associativeness, 786 projects in 2015
- ✓ **PDP**: stimulates local providers and value chains, 2214 projects in 2015
- ✓ **STRATEGIC NODES**: stimulates competitiveness, 255 projects in 2015
- ✓ **INTEGRATED DEVELOPMENT INITIATIVE**: stimulates technological upgrade (mínimum U\$S 2,000)



# **INNOVATION AND ENTREPRENEURSHIP**

# INNOVATION AND ENTREPRENEURSHIP

## Innovative Firms (%)



Source: prepared by the author, based on Innovation Survey, Ministry of Economy in Chile

## INNOVA CHILE

✓ U\$S 49 million

✓ 2015 - 98% increase  
- > 80% SMEs

✓ Programs:

- Seed Capital – 118 beneficiaries 2015
- Start Up Chile – 272 beneficiaries 2015

## VENTURE CAPITAL

✓ 2015 – new program of U\$S 120 MM



# **GUARANTEES**

# GUARANTEES

## 1. IGR – Institutions of Reciprocal Guarantees

- ✓ 10,111 beneficiaries
- ✓ U\$S 93 million

## 2. Guarantee Programs:

**FOGAIN (Investments/Working Capital) + COBEX (Export) + PRO-INVESTMENT**

- ✓ 66,000 operations
- ✓ U\$S 2,000 financial increase
- ✓ 99% SMEs





# **COUNTERCYCLICAL ROLE**

# FINANCIAL CRISES 2008

**CHILE** INCREASED 15% ITS GOVERNMENT EXPENDITURES

## **CORFO:**

- ✓ WIDELY RECOGNISED BY ITS COUNTERCYCLICAL ROLE, NOT HAMPERED FOR DEPENDING ON NATIONAL BUDGET.
- ✓ DUPLICATED ITS BUDGET FROM U\$S 870 IN 2008 TO U\$S 1,991 IN 2009
- ✓ INCREASED ITS GUARANTEE PROGRAMMES BY SEVEN TIMES FROM 2007 TO 2011

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# THANKS!

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