

REGULATION AND INVESTMENT IN CHILE

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Annual Conference of the OECD Global Forum on Productivity

September 28th, 2023

(SOME) INITIAL COMMENTS

To improve the quality of the regulatory system for investment is not....

- ... about deregulating, it's about regulating well
- ... only about large companies, it's also about medium and small companies, which do not have the resources to face an unnecessarily long regulatory process => competition
- ... only about increasing long-term investment, it's also about the modernization of the public sector => trust in the government => more effective (& efficient) public policy.

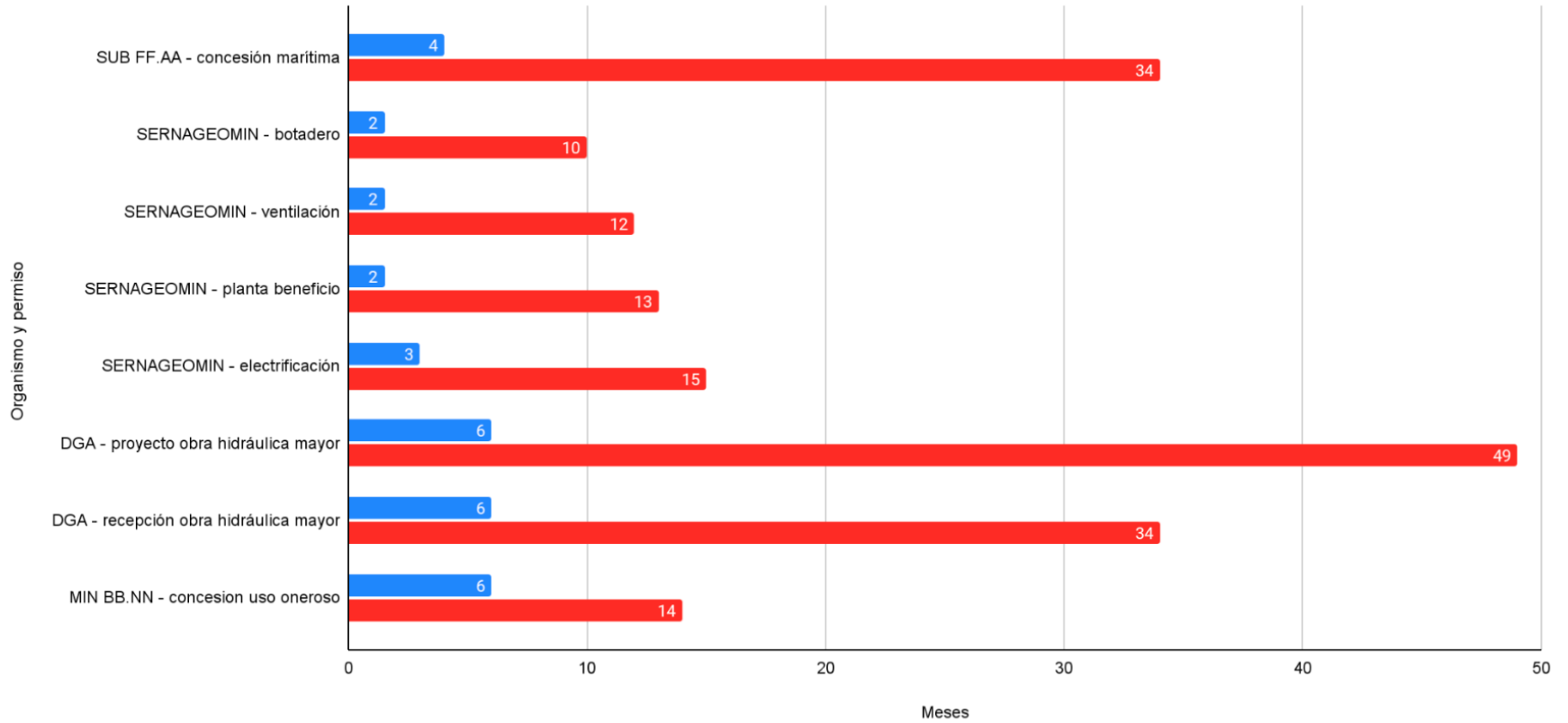
DIAGNOSIS

- 439 procedures, 309 permits, 63 critical permits, 71 public institutions.
- Highly complex and outdated system; implemented in silos and with no internal coherence => inefficiency, uncertainty and instability.
- During 2018-22, 8,851 permits were submitted for approval.
- 4 institutions concentrate 5,517 pending procedures.

Plazo de revisión legal v/s real

período 2018 a 2022

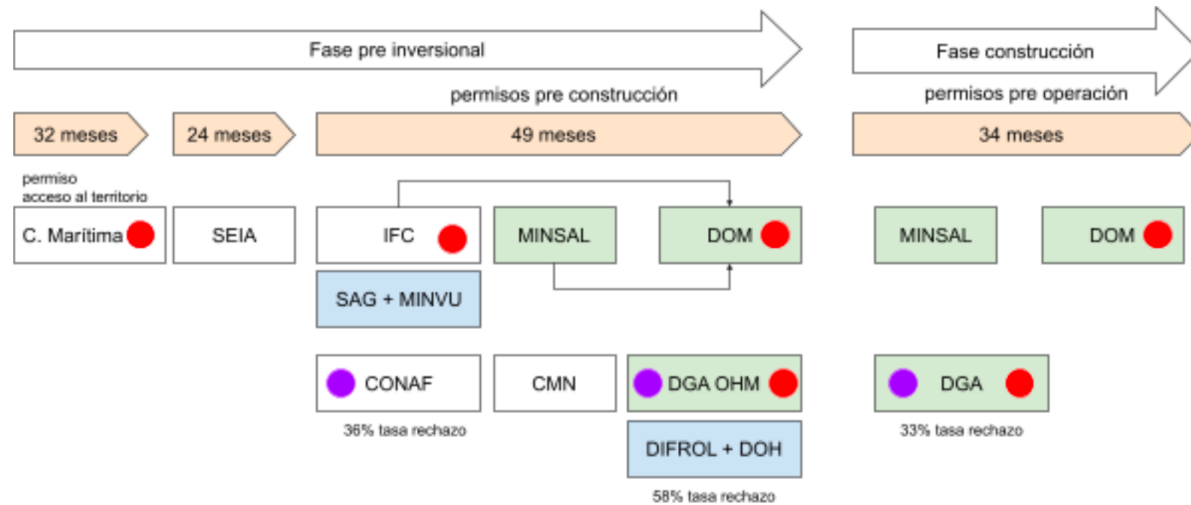
■ Plazo legal (meses) ■ Plazo real promedio (meses)



Desalination plant (139 months)

Proyecto de desalación nuevo (supuesto: ingreso al SEIA como EIA y emplazado en zona rural)

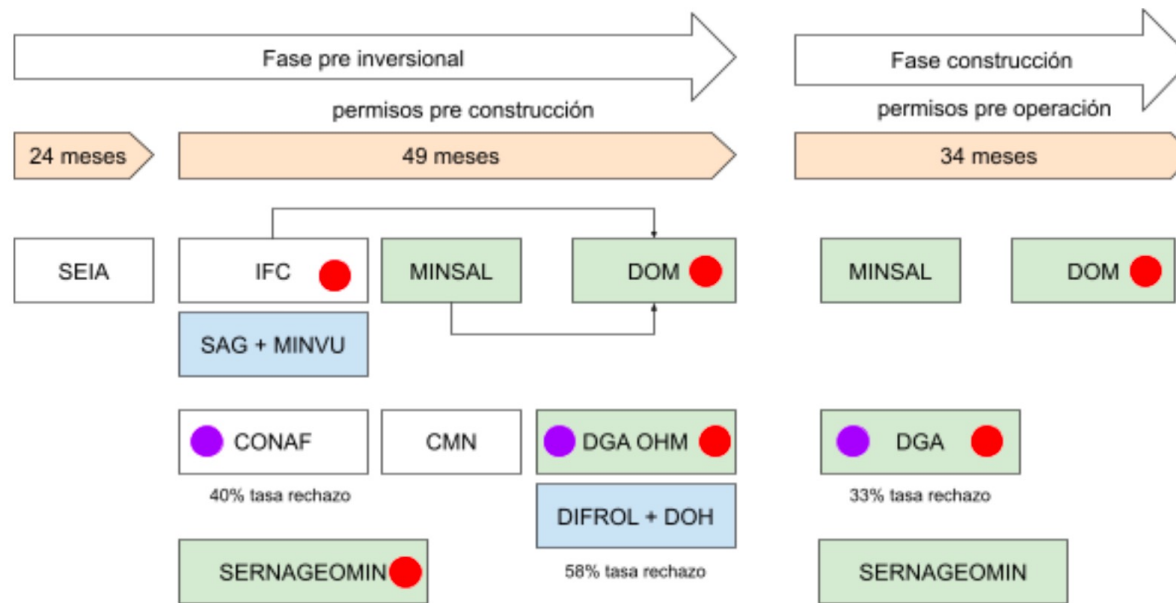
139 meses (11 años y 7 meses) para llegar a condición de estar listo para explotar activos y comenzar a generar retornos



Mining exploitation (107 months)

Proyecto minero de explotación nuevo (supuesto: ingreso como EIA y emplazado en zona rural)

107 meses (8 años y 11 mes) para llegar a condición de estar listo para explotar activos y comenzar a generar retornos



Conforme el alcance del proyecto incluya una planta desaladora el timing aumenta 32 meses por el trámite de obtención de la concesión marítima

(SOME) RECOMMENDATIONS

- Intra-government coordination (governance)
- Proportionality of regulation (risk-based, ex post inspections)
- Digitalization (transparency, trust)
- Complement public and private role (cost transfer to the user with external reviewers)
- To reduce average processing times by (at least) 1/3