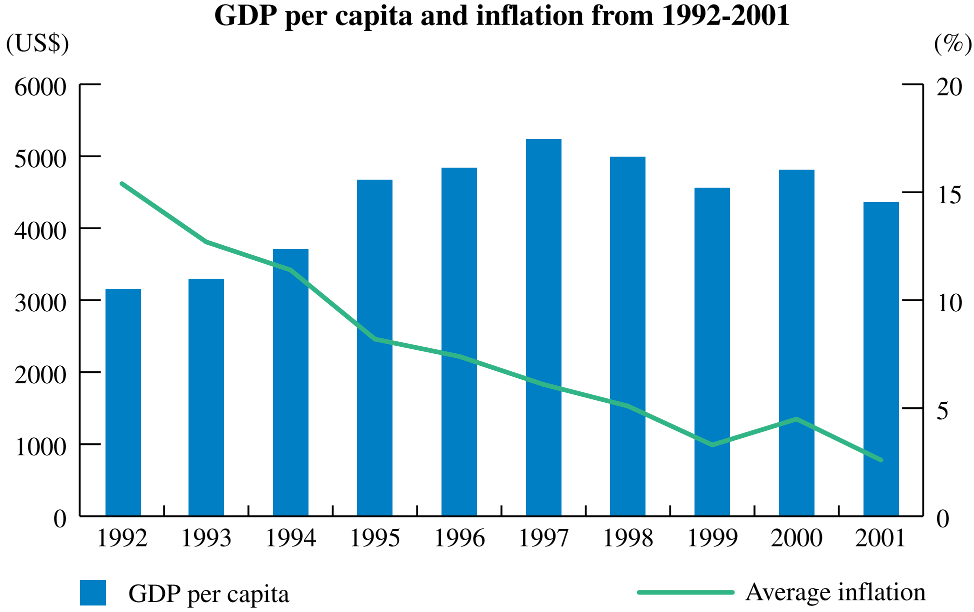
The information presented in this section is identified as having been extracted from official and unofficial publications available to the Directors, and has not been prepared or independently verified by the Company, the Vendor, the Sponsors, the Lead Manager, the Underwriters, their respective directors and any other person involved in the Offer although reasonable care have been exercised in the reproduction of these information.

Economic Overview of Chile

In the mid-1970s, the government of Chile embarked upon a programme of market-oriented reforms. These have transformed the formerly closed economy of the early 1970s into one of the most open economies in the world. Privatisations of state assets and liberalisation of trade and investment have resulted in robust and export-led growth. From 1990 to 1997, Chile achieved an average annual economic growth of around 7%.

In 1998, real Gross Domestic Product (GDP) growth slowed down to just 3.9% compared to 7.4% a year earlier, and in 1999 the economy contracted by 1.1%. In the first half of 2001, GDP growth decelerated to 3.5% year-on-year. As sluggish consumer spending curbed the expansion of the Chilean economy, retail sales slowed down in the first half of 2001. According to the National Chamber of Commerce of Chile, Chilean retail sales rose by a modest 0.7% year-on-year in the first half of 2001. Inflation, which soared during the 1980s, has been brought firmly under control, increasing by 4.5% in 2000 and 1.5% in the first half of 2001. A policy of fiscal discipline has resulted in a fiscal surplus every year throughout the 1990s until 1999.

GDP per capita and inflation from 1992-2001



Source: World Consumer Income and Expenditure Patterns and Trade Development Council

Import Markets of Chile

Chile's economy is highly dependent on foreign trade. Chile's unilateral tariff reduction has created one of the most open economies in the world, whose growth over recent decades has largely been fuelled by exports and by opening up its economy to global partnerships. All imports require a licence, but from 1990, import licences are granted as a routine procedure for nearly all goods. Imports grew at an average of 16.9% per annum between 1990 and 1999, as a surge in both foreign and domestic investment fuelled demand for capital and consumer goods. Capital goods accounted for around 22% of total imports, and the US was the single largest source, supplying 20% of Chile's imports in 1999. Total imports fell by 4.5% in 1998 and by over 19% in 1999 as the recession bit, shrinking consumer demand and deferring investment. However, 2000 saw renewed import demand, with a 19.5% increase over 1999.

The following table shows the major import countries of Chile from 1997 to 2000:

	1997		1998		1999		2000	
	US$ (millions)	% of total	US$ (millions)	% of total	US$ (millions)	% of total	US$ (millions)	% of total
United States	4,332.5	22.0	4,025.8	21.4	3,025.1	20.0	3,338.5	18.5
Argentina	1,837.2	9.3	1,900.5	10.1	2,023.6	13.4	2,876.5	15.9
Brazil	1,242.8	6.3	1,092.3	5.8	968.6	6.4	1,335.3	7.4
China	721.2	3.7	760.7	4.1	709.7	4.7	999.9	5.5
Japan	1,054.4	5.4	994.6	5.3	636.0	4.2	710.1	3.9
Others (including free trade zones)	10,474.2	53.3	10,005.1	53.3	7,780.6	51.3	8,829.1	48.8
Total	19,662.3	100.0	18,779.0	100.0	15,143.6	100.0	18,089.4	100.0

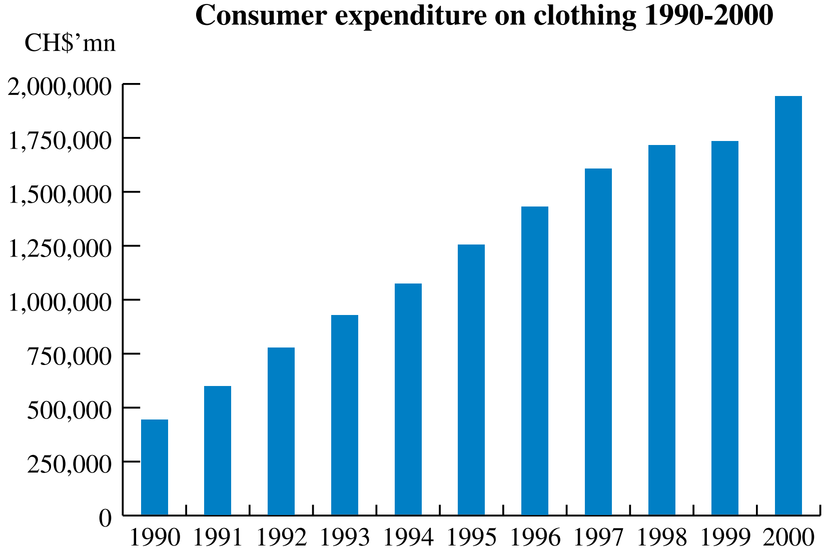
Source: The Hongkong and Shanghai Banking Corporation Limited

Chile's Clothing Markets

Chileans spent an aggregate sum of more than US$3,620 million on clothing in 2000, representing approximately US$240 per capita. The compound annual growth rate of consumer expenditure on clothing from 1990 to 2000 was 16.0%.

The following graph shows the consumer expenditure in Chile currency, CH$, on clothing from 1990 to 2000:

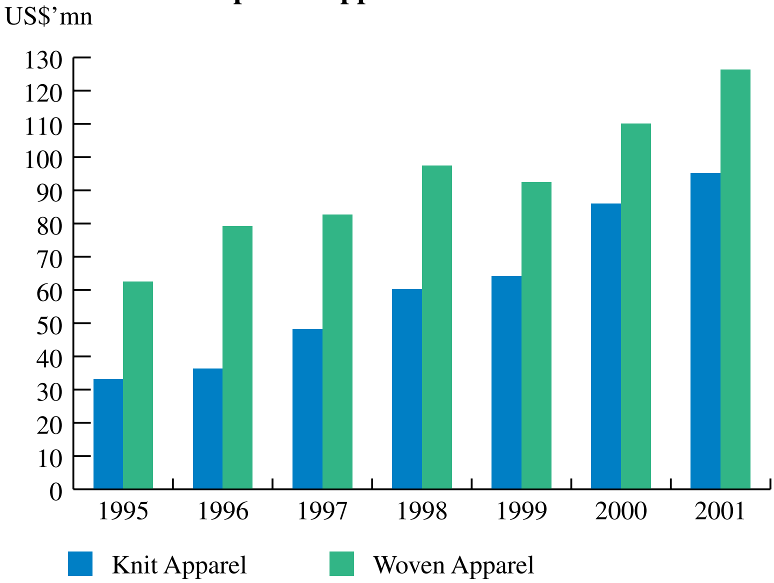
Consumer expenditure on clothing 1990-2000



Source: Euromonitor International

China is the largest supplier of knitted and woven clothing to Chile. Its imports of knitted and woven clothing from China totalled to nearly US$221 million in 2001. The compound annual growth rates of knit apparel and woven apparel from 1995 to 2001 were 19.3% and 12.5% respectively.

PRC-imported apparels to chile from 1995-2001



Source: World Trade Atlas

Trade Regulations

Exchange regulations:

The central bank is responsible for implementing exchange control policy. Payment through the official foreign exchange market is not permitted unless an import report has been issued by the central bank through the intermediary of a local commercial bank. Importers meeting documentary requirement are granted access to the official foreign exchange market, regardless of the terms of the obligation involved, no later than 30 days after the obligations' expiration date as noted in the import report.

Chile has accepted the obligation of Article VIII, Sections 2, 3 and 4 of the International Monetary Fund ("IMF") Articles of Agreement. IMF members accepting these obligations agree to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging discriminatory currency arrangements or multiple currency practices without IMF approval.

Import licensing:

Most imports are free of controls. All imports valued over US$3,000 require an import report authorized by the central bank. The import report is obtained and processed through the intermediary of local commercial banks. Licensing requirements are used primarily for statistical purposes, rather than control.

Customs tariff:

Chile uses the Harmonized Tariff Schedule to classify imports and exports. Its flat custom tariff, which had been at 9% since 1 January, 2000, was decreased again to 8% on 1 January, 2001. These decreases are part of a five-step program to lower the tariff by one percent each year to a final rate of 6% by 2003. Many products that are imported from countries with which Chile has bilateral trade agreements enter duty-free.

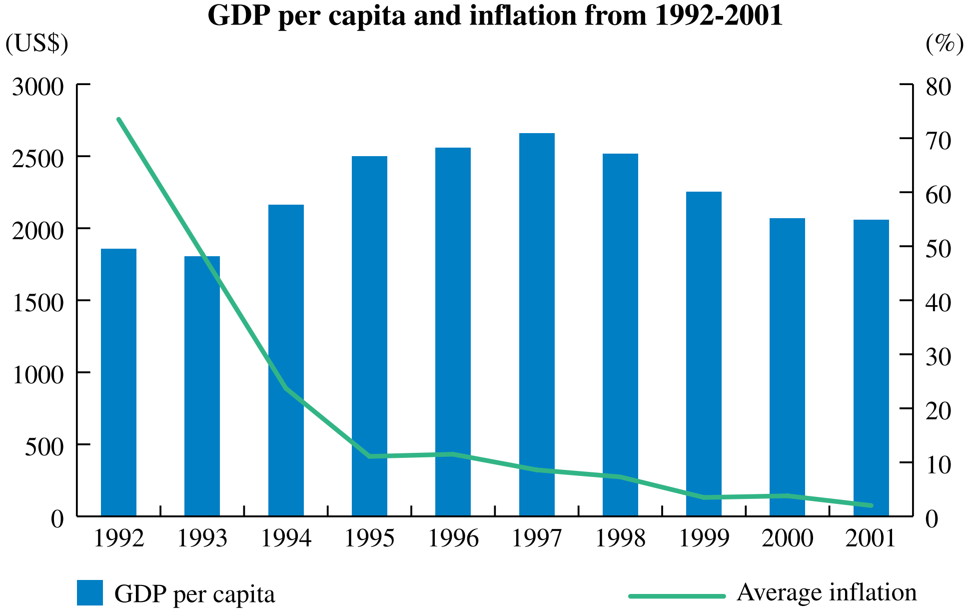
Chile is a South American member of the Asia Pacific Economic Cooperation (APEC) forum. APEC was established in 1989 to better manage the effects of growing interdependence in the Asia Pacific region and sustain economic growth. Members of APEC have set a goal of completely free and open trade between developed countries in the region by the year 2010, with developing countries reaching that goal by 2020. APEC is comprised of the following members: Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States. Three additional nations, Peru, Russia and Vietnam, became members of APEC in 1998.

Economic Overview of Peru

The Peruvian economy has become increasingly market-oriented, with completed major privatizations. Austerity programs resulted in healthy economic growth rates for most of the 1990s, as well as the lowest inflation rates in a quarter of a century. In 1998-99, a series of climatic and external financial shocks combined to produce a recession in Peru. However, an economic recovery began to take shape in 2000, and the Peruvian market continues to present exporters and investors with opportunities of immediate value and considerable potential.

GDP is forecast to rise by 2.5% in 2001 and 5% in 2002. Inflation should be 3.3% in 2001 and 2.4% in 2002. However, the economy did not expand in the first four months in 2001. Investment, employment and earnings are presently all below their levels in 1997, and per capita income is no higher than in 1970. Only around 40% of the workforce has a proper job, and 54% of Peruvians are classified as poor.

GDP per capita and inflation from 1992-2001



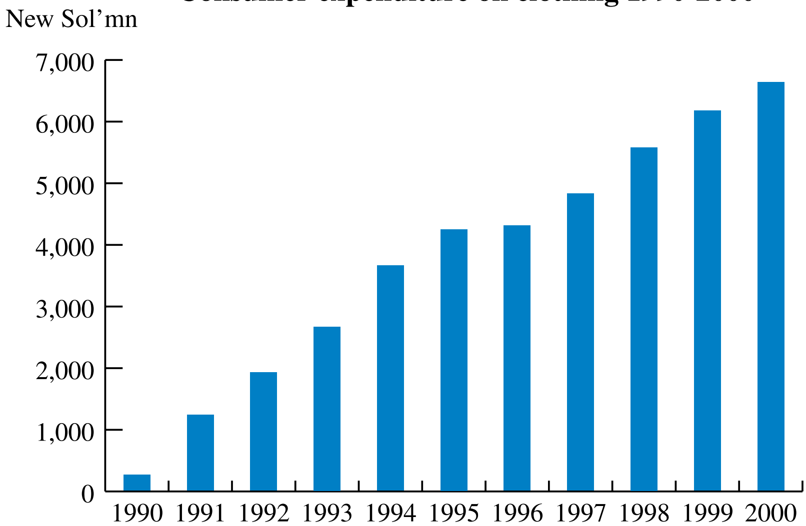
Source: World Consumer Income and Expenditure Patterns and The Economist Intelligence Unit

Peru's Clothing Markets

Peruvian spent an aggregate sum of approximately US$1,900 million on clothing in 2000, representing US$74 per capita. The compound annual growth rate of consumer expenditure on clothing from 1990 to 2000 was 22.4%.

The following graph shows the consumer expenditure in Peru currency, New Sol, on clothing from 1990 to 2000:

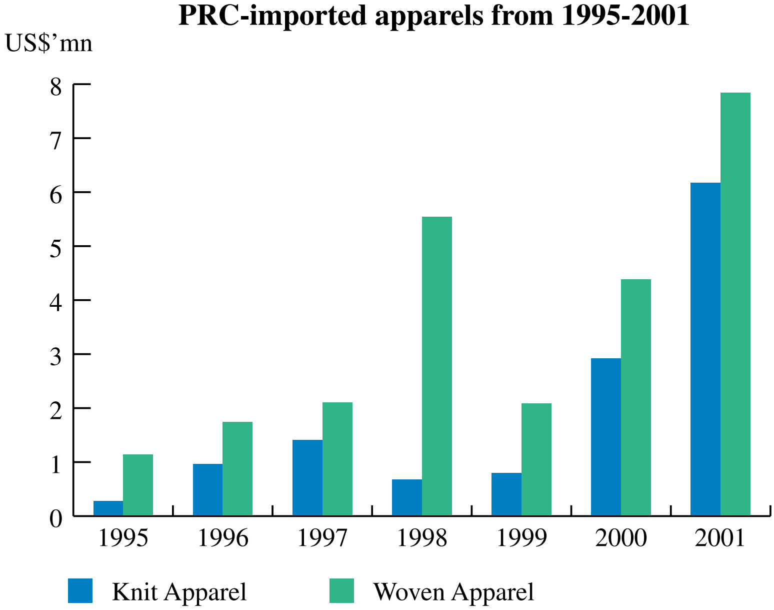
Consumer expenditure on clothing 1990-2000



Source: Euromonitor International

Import of knitted and woven clothing from China to Peru totalled to nearly US$14 million in 2001. The compound annual growth rates of knit apparel and woven apparel from 1995 to 2001 were 68.9% and 38.1% respectively.

PRC-imported apparels from 1995-2001



Source: World Trade Atlas

Trade Regulations

Exchange regulations:

There are no restrictions on exchange transactions, including holding, using, purchasing or selling foreign exchange. Peru has accepted the obligation of Article VIII, Sections 2, 3 and 4 of the IMF Articles of Agreement. IMF members accepting these obligations agree to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging discriminatory currency arrangements or multiple currency practices without IMF approval.

Import Licensing:

The Peru government abolished import licence requirements for the vast majority of products.

Customs Tariff:

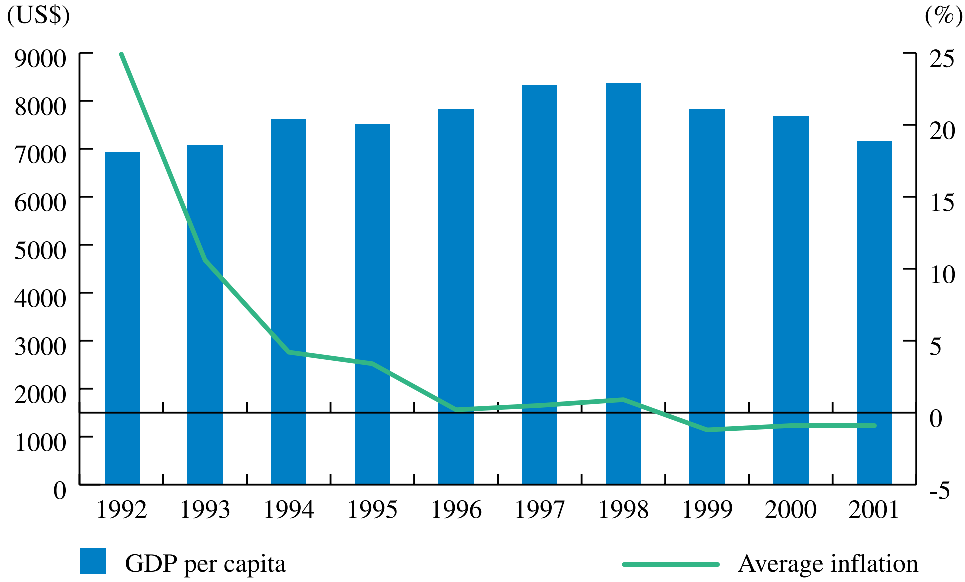
Peru's tariff rates are expressed in ad valorem terms as a percentage of the cost, insurance and freight (c.i.f.) value. New tariff rates were implemented in April 1997. A 15% rate applies to approximately 95% of all imported goods; Peru's average weighted tariff rate is 13%.

In April 2001, the government announced a new import tariff plan that sets a 4% tariff rate for 1,390 goods that are components or raw materials used in a number of sectors. The goods are mainly used in the chemical, food, metal, mining, paper, pharmaceutical, plastic, textile, steel and wood industries. The tariff on machinery and finished products will remain at 12%, and the tariff on textiles and food will stay at 20%.

Economic Overview of Argentina

Argentina's GDP growth contracted by 2.1% year-on-year in the first quarter of 2001 and 0.2% quarter-on-quarter in seasonally adjusted terms. Investment continued its tenth consecutive quarter of decrease in the first quarter of 2001, dropping by 9.2% year-on-year. Investment in durable production equipment fell most sharply by 12.8% compared with the year-earlier period. The hyperinflation of the late 1980s was brought under control by the Convertibility Law of 1991 and by measures taken to abolish index linking of wage increases. Thus the consumer price index, which had risen to over 5,000% in mid-1989, fell drastically to 84% in 1991 and to single figures by mid-1993. By 1996 inflation was running at less than 1%, a level which has been maintained ever since, making Argentina's economy one of the least inflationary of the world's developing countries. In July 2001, the consumer price index fell by 1.1% year-on-year, taking the accumulated contraction in the first seven months of 2001 to 0.3%.

GDP per capita and inflation from 1992-2001



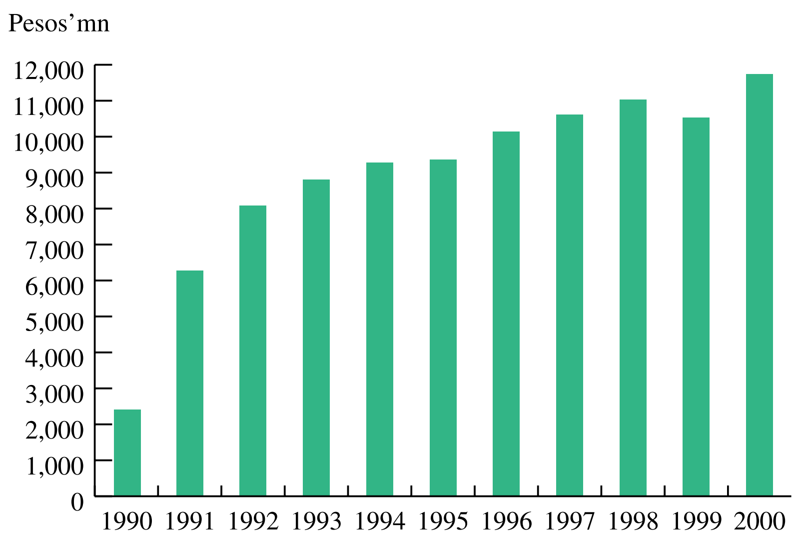
Source: World Consumer Income and Expenditure Patterns and The Economist Intelligence Unit

Argentina's Clothing Markets

Argentina consumers spent an aggregate sum of more than US$11,747 million on clothing in 2000, representing approximately US$319.2 per capita. The compound annual growth rate of consumer expenditure on clothing from 1990 to 2000 was 17.1%.

The following graph shows the consumer expenditure in Argentina currency, Pesos, on clothing from 1990 to 2000:

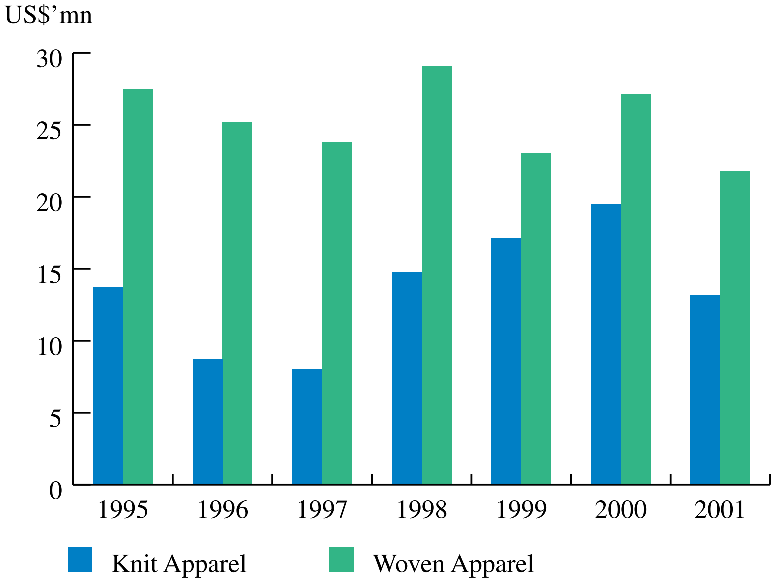
Consumer expenditure on clothing 1990-2000



Source: Euromonitor International

Import of knitted and woven clothing from China to Argentina totalled to nearly US$35 million in 2001.

PRC-imported apparels from 1995-2001



Source: World Trade Atlas

Trade Regulations

Exchange regulations:

All exchange transactions must be carried out through entities authorized expressly for this purpose, with no restrictions on the purchase and sale of foreign exchange at market prices. These authorized entities include banks, exchange agencies, exchange houses, exchange offices and financial companies. Each type of institution is subject to separate regulations.

Argentina has accepted the obligation of Article VIII, Sections 2, 3 and 4 of the IMF Articles of Agreement. IMF members accepting these obligations agree to refrain from imposing restrictions on the making of payments and transfers for current international transactions or from engaging discriminatory currency arrangements or multiple currency practices without IMF approval.

Import licensing:

Companies must be registered in the National Registry of Importers and Exporters of Argentina to import products into Argentina. Argentina implemented a new import license regime on 8th February, 1999, covering 1,276 products. Products covered by this resolution include certain organic and inorganic chemicals; plastics and plastics products; paper and paperboard products; textile products; apparel; footwear; wood and wood products; books, newspapers and printed products; iron, steel and metal products, capital goods; furniture and toys. This product list was revised several times in 1999 and now covers approximately 650 products.

Customs tariff:

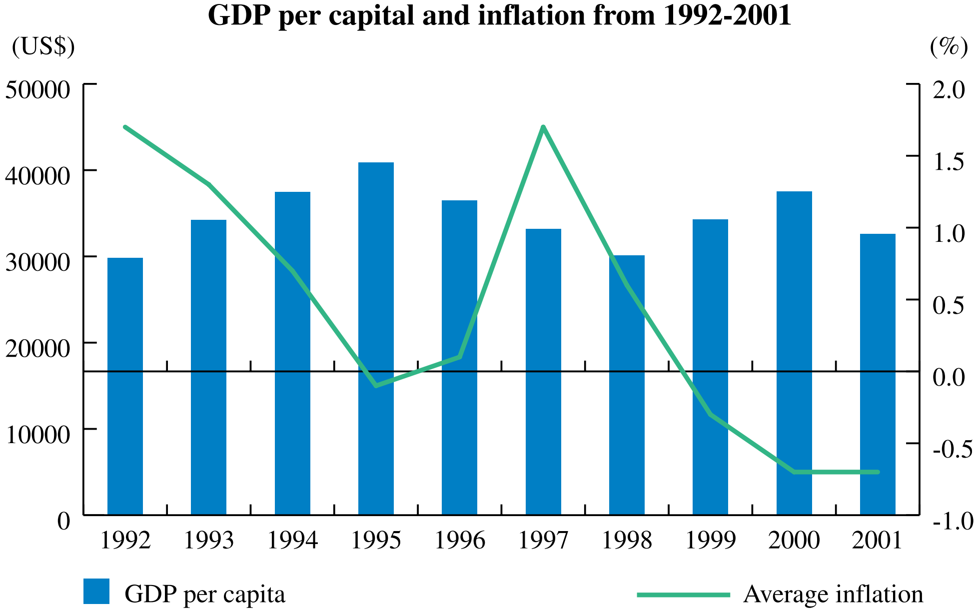
The Argentine Harmonized System was implemented on 1st January, 1992, and is aligned with the WTO Customs Classification Code that was adopted in 1979.

Ad valorem duties are assessed on the cost, insurance and freight (c.i.f.) value of the imported merchandise. Tariffs generally range from zero to 30%; the average applied tariff is approximately 13.5%. Argentina adopted the Mercosur Common External Tariff (CET) on 1st January, 1995. The CET was reduced on 1st January, 2001, with the overall tariff structure now zero% on certain goods not produced locally.

Economic Overview of Japan

Japan's economic performance has been lackluster over the past decade. The lingering impact of asset depreciation following the bursting of the economic bubble, high unemployment rate due to corporate restructuring, and worries about heavy taxes and contributions to pension funds to support the ageing population have combined to undermine consumer spending and give rise to deflation in Japan. When consumers tighten their purse strings, Japanese retailers are under great pressure to make their products competitive in both price and quality.

GDP per capital and inflation from 1992-2001



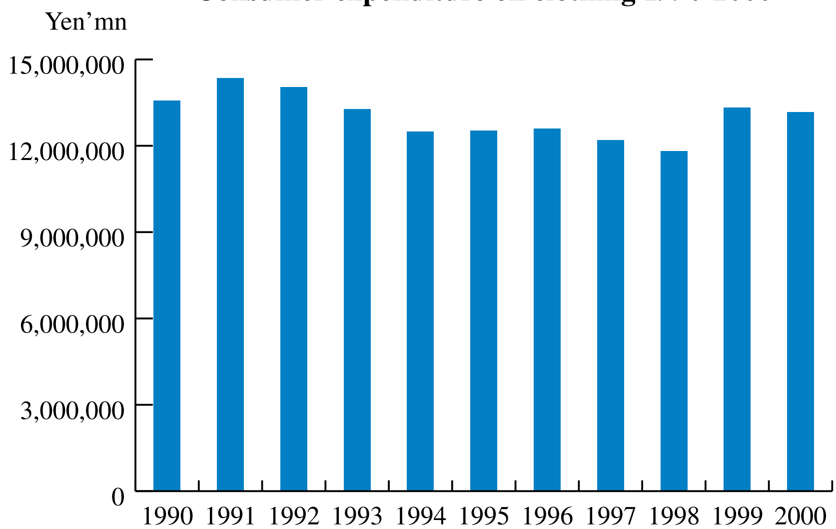
Source: World Consumer Income and Expenditure Patterns and Trade Development Council

Japan's Clothing Markets

Japanese spent an aggregate sum of approximately US$122,272 million on clothing in 2000, representing US$963 per capita.

The following graph shows the consumer expenditure in Japanese currency, Yen, on clothing from 1990 to 2000.

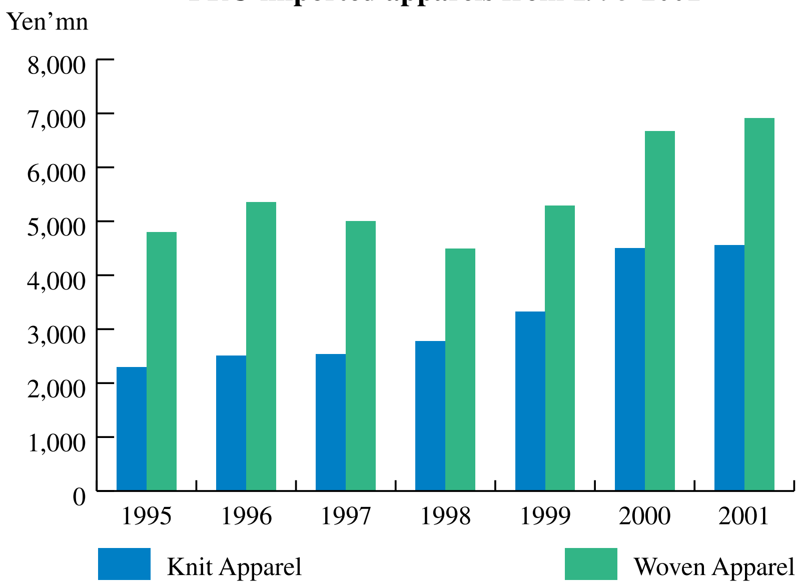
Consumer expenditure on clothing 1990-2000



Source: Euromonitor International

In a deflationary environment, Japanese consumers have become increasingly price sensitive. If the quality and design of the clothes available on the markets meet their expectations, Japanese consumers show less concern about where the clothes are made. As such, imports of apparel, particularly from China, have surged in recent years, despite the uninspiring performance of Japan's economy. Import of knitted and woven clothing from China to Japan totalled to nearly US$11,468 million in 2001. The compound annual growth rates of knit apparel and woven apparel from 1995 to 2001 were 12.2% and 6.3% respectively.

PRC-imported apparels from 1995-2001



Source: World Trade Atlas

Trade Regulations

Exchange regulations:

The exchange control system is operated primarily by the Ministry of Finance, the Ministry of Economy, Trade and Industry and the Bank of Japan, which acts as the Government's agent. Japan's Foreign Exchange and Foreign Trade Control Law was amended and renamed the Foreign Exchange and Foreign Trade Law, effective from 1st April, 1998. The new law provides complete liberalization of foreign exchange transactions, allowing companies and individuals to make foreign exchange transactions without government authorization.

Import licensing:

Most goods do not require an import licence and are freely importable, with the exception of specifically restricted items.

Customs tariff:

Effective from 1st January 1988, Japan replaced its customs tariff based on the Customs Cooperation Council Nomenclature with the Harmonized Commodity Description and Coding System of tariff classification. The Customs and Tariffs Bureau of the Ministry of Finance administers all tariffs. Japan's tariff schedule has four columns: general, WTO, preferential and temporary. As a contracting party to the WTO, Japan accords most-favored-nation tariff treatment to most of its trading partners. A preferential tariff system grants lower or duty-free rates to products imported from developing countries. Japan's average applied tariff rates are among the world's lowest at approximately 2%.

Export market of knitted and woven apparels of the PRC

For the year ended 31st December 2001, the PRC exported an aggregate sum of US$32.4 billion of knitted apparel and woven apparel to other countries of the world. The compound annual growth rates of knitted apparel's and woven apparel's export values from 1995 to 2001 were 11.7% and 4.8% respectively.

The following table shows the top ten largest export countries of knit apparel in US$ from the PRC from 1995 to 2001:

US$'mn	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**
Japan	2,289.8	2,504.4	2,538.9	2,780.2	3,321.4	4,502.0	4,559.7
Hong Kong	2,110.9	2,575.6	5,825.1	4,669.9	3,549.3	2,804.9	2,328.1
United States	522.6	601.2	741.7	911.3	1,045.7	1,146.7	1,241.8
Korea, South	164.9	188.0	232.7	190.7	244.7	418.9	681.7
Australia	208.9	208.0	266.8	309.8	379.5	448.9	436.1
Hungary	80.0	46.1	45.4	64.9	104.8	190.0	263.3
Singapore	56.9	55.9	92.5	12.4	180.9	198.8	220.8
Germany	142.7	143.2	177.0	190.3	214.5	231.3	219.4
Saudi Arabia	64.5	76.6	94.9	114.6	168.1	193.7	204.2
United Arab Emirates	88.3	68.0	71.1	80.8	99.7	163.3	189.0

Source: China Customs

The following table shows the top ten largest export countries of woven apparel in US$ from the PRC from 1995 to 2001:

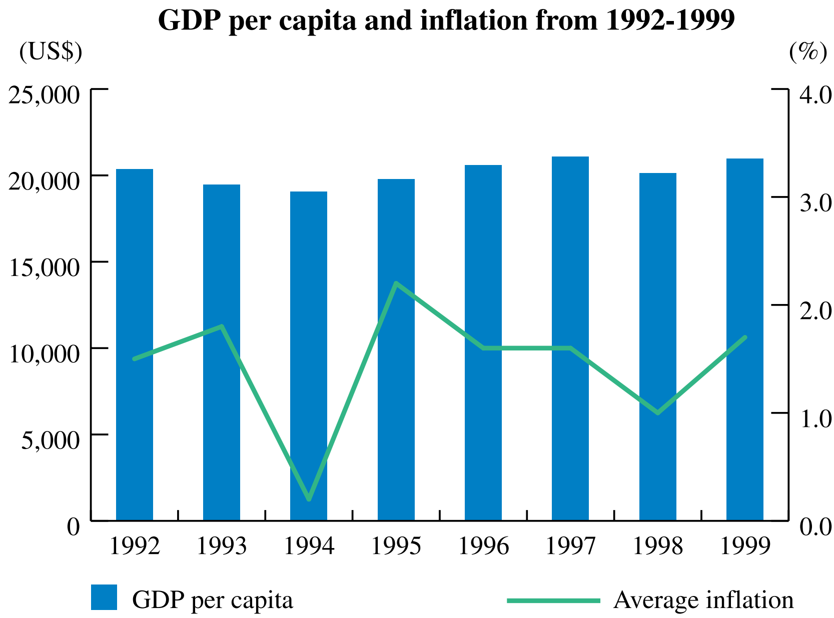
US$'mn	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**
Japan	4,793.5	5,352.2	5,000.1	4,493.7	5,288.2	6,665.9	6,908.0
Hong Kong	3,853.2	3,690.5	5,414.0	4,335.8	3,387.8	3,541.9	3,212.9
United States	1,763.4	1,787.2	1,947.8	1,932.8	1,846.0	2,189.8	2,135.1
Korea, South	293.1	399.7	465.3	307.9	403.2	700.5	872.1
Russia	207.1	208.0	242.2	230.7	195.3	357.1	450.2
Germany	542.1	464.0	494.7	471.3	460.7	448.5	430.4
Australia	217.0	214.1	229.2	263.3	334.2	407.4	415.1
Canada	178.8	163.4	186.9	210.1	247.1	309.6	343.5
United Kingdom	164.4	149.5	184.5	188.7	209.2	268.6	293.3
Italy	176.5	167.4	198.2	234.7	228.0	278.7	271.2

Source: China Customs

Economic Overview of Canada

Between the mid-1990s and 2000, Canada enjoyed strong GDP growth averaging just over 4%. Favourable economic conditions allowed Canada to record its best trade and current account balance on record in 2000 and 2001. In 2001, the merchandise trade balance grew by 60% to C$61.5 billion from 1999, while the current account surplus rose to C$29.1 billion or some 2% of GDP. The labour market improved in 2000, with the unemployment rate falling to 6.8%, but rose again to 7.2% in 2001 compared to some 12% in the early 1990s. In late 2000, however, the global outlook began to weaken, led by a sharp slowdown in growth in the USA. After averaging 4.5% in the first three quarters of 2000, Canada's real GDP growth slowed down to 2.6% in the fourth quarter, led by a 1.7% contraction in real manufacturing output.

GDP grew by 1.5% in 2001 and this is expected to be followed by a rebound of 3% in 2002, due to the continuing strong demand for Canadian exports and Canada's competitive foreign exchange rates, as well as to sustained growth in domestic demand. In addition, Canada's role in reconstruction efforts to help restore the US economy is expected to provide further economic momentum in 2002.



Source: World Consumer Income and Expenditure Patterns

Import Markets of Canada

As a nation highly dependent on imports and exports, Canada has benefited from the trend of trade liberalisation. Many duties and tariffs with other WTO members have been reduced or eliminated. Canada is a member of the APEC group and has signed several other trade agreements with countries such as Chile and Israel.

Canada maintains a liberal trade regime. There are no foreign exchange restrictions, and import licences are only required for a limited number of goods. With some exceptions, imports are only subject to import duties. Import licences are required for items regulated under the Export and Import Permits Act. The Act lists various agricultural products, a number of textile and clothing items, and certain steel products.

The US now accounts for more than 85% of Canada's exports and 73% of its imports. Other important trading partners are Japan, which received C$9.4 billion worth of Canadian exports in 2000, the United Kingdom and other European countries. The government is committed to expanding trade with the Asia-Pacific outside Japan, targeting an annual growth rate of 15% for exports to the region.

The following table shows the major imports, by products on balance of payment basis, of Canada from 1999 to 2001:

	1999		2000		2001	
	C$ (millions)	% of total	C$ (millions)	% of total	C$ (millions)	% of total
Agricultural and fish products	17,661	5.4	8,568	5.1	20,360	5.8
Energy products	10,708	3.3	7,864	4.9	17,712	5.1
Forestry products	2,741	0.9	3,064	0.9	2,887	0.8
Industrial goods	62,169	19.0	70,470	19.4	68,451	19.5
Machines and equipment	108,164	33.1	122,674	33.8	112,422	32.1
Automobile products	75,931	23.2	77,403	21.3	72,540	20.7
Other consumer goods	36,975	11.3	40,089	11.0	42,922	12.2
Other products	12,495	3.8	13,149	3.6	13,209	3.8
Total	326,844	100.0	363,281	100.0	350,503	100.0

Source: The Hongkong and Shanghai Banking Corporation Limited

The following table shows the major import countries, on balance of payments basis, of Canada from 1999 to 2001:

	1999		2000		2001	
	C$ (millions)	% of total	C$ (millions)	% of total	C$ (millions)	% of total
United States	249,331	76.3	267,675	73.7	255,087	72.8
United Kingdom	7,689	2.4	12,257	3.4	11,830	3.4
Japan	10,589	3.2	11,714	3.2	10,585	3.0
Other European Union countries	20,739	6.3	21,171	5.8	23,212	6.6
Other Organisation for Economic Cooperation and Development (OECD) countries	13,253	4.1	18,947	5.2	18,610	5.3
Other countries	25,243	7.7	31,517	8.7	31,179	8.9
Total	326,844	100.0	363,281	100.0	350,503	100.0

Source: The Hongkong and Shanghai Banking Corporation Limited