

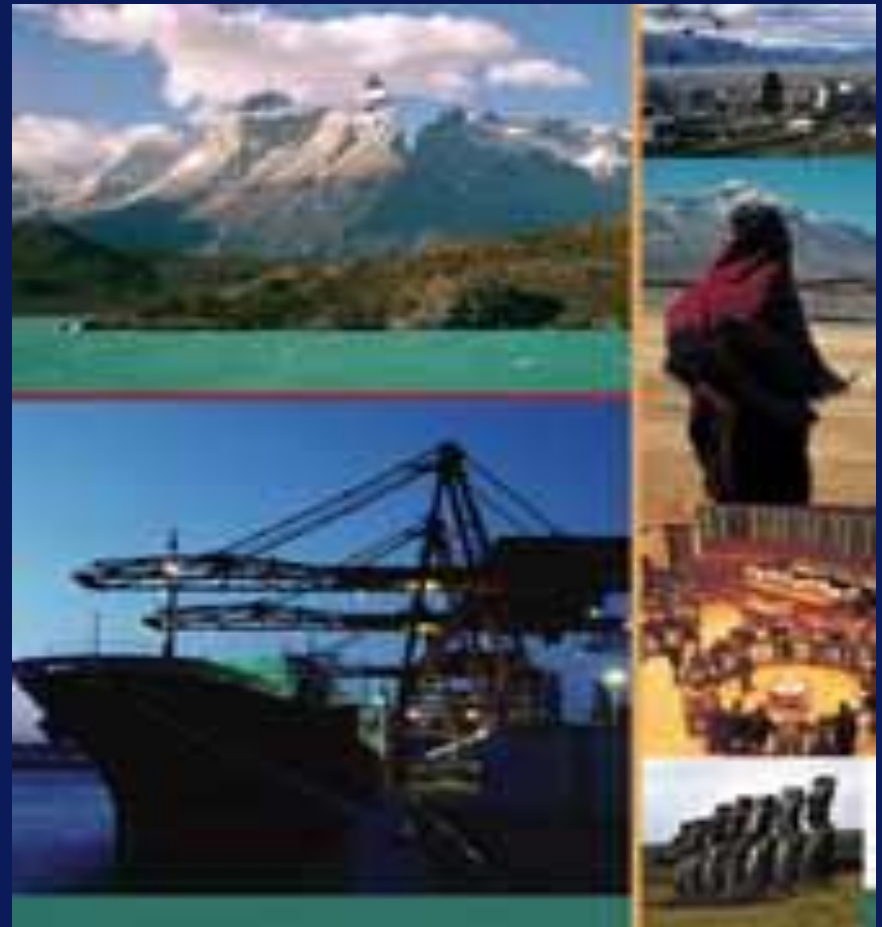


# U.S. Commercial Service Chile

## Chile Briefing for Americas Business Forum – Creating Jobs through Exports

*May 27, 2009*

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U.S. Embassy Santiago



# Key Facts

**U.S. COMMERCIAL SERVICE**  
United States of America  
Department of Commerce

- Nearly 2,800 miles long
- Just 100 miles wide (average)
- Diverse climate and geography
- Opposite seasons from the U.S.
- Isolated by mountains, desert and sea
- 16.7 million population
- Principal city and capital - Santiago



# Brief History

- Spanish Colony 1541 – 1810
- Allende/Marxists take power – 1970
- Military coup in 1973
- Open economy begins to grow – 1974
- Structural changes - 1981





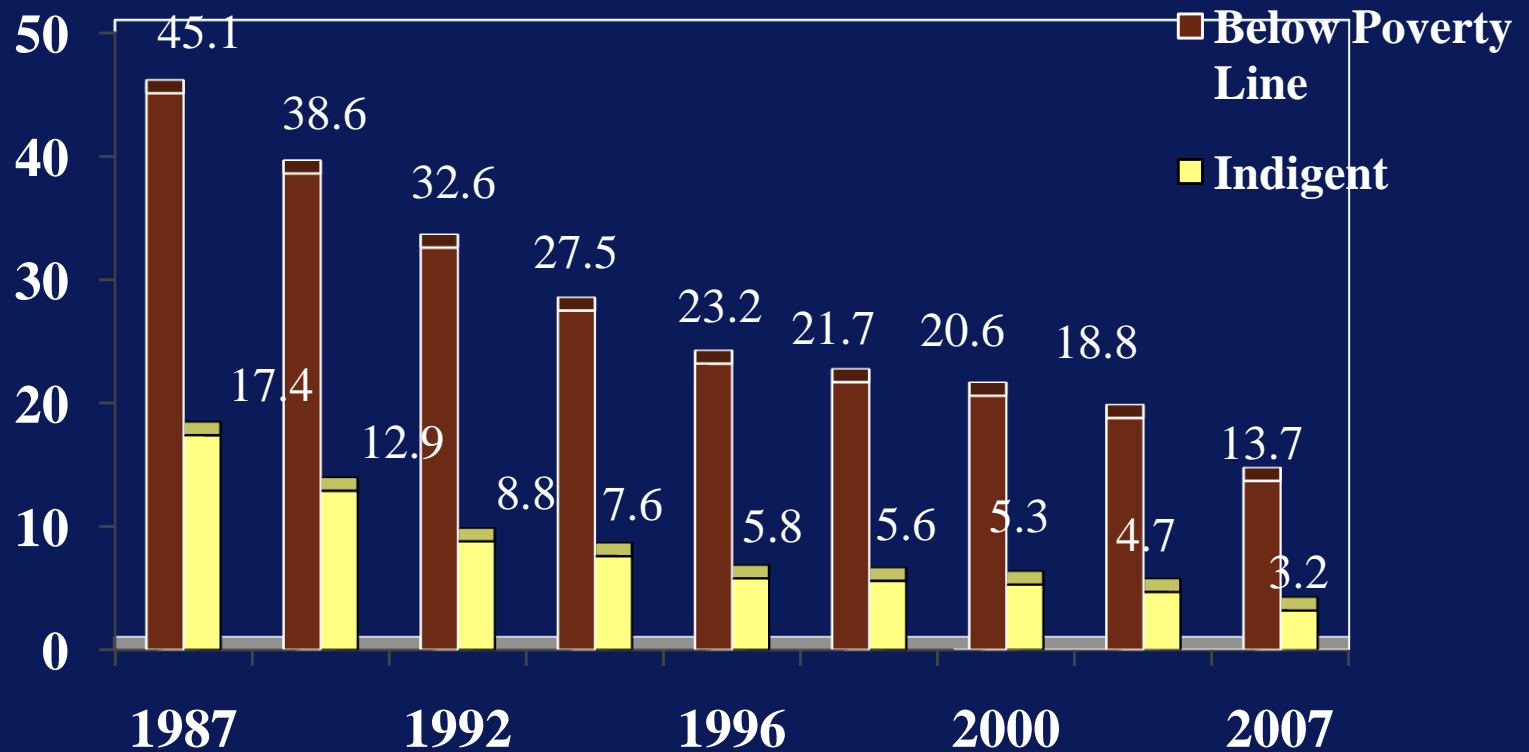
# Economic Transformation

- “Chicago Boys” take charge in 1974
- Huge budget deficit eliminated
- State-owned firms privatized
- Tariffs slashed
- Foreign investment restrictions ended
- Economy begins to grow rapidly



# Declining Poverty Rates

(as a percent of population)



Source: Mideplan, Biannual CASEN Study, 2007

Note: Indigence is defined as having income inadequate for a basket of goods sufficient to support a family of 4. Poverty is defined as income less than 2x the value of the same basket.

# Chile: Leader in Free Trade

## FTAs:

Canada	1997
Mexico	1998
Central America	1999
European Union	2003
South Korea	2004
United States	2004
P4	2005
China	2006
Japan	2007

Australia 2009

Peru 2009

## CEAs:

Bolivia 1993

Venezuela 1994

Colombia 1994

Ecuador 1995

Mercosur 1996

India 2006

**P4 (now TPP) = New Zealand, Singapore, Brunei and Chile**

# U.S. Companies Invest in Chile

- Wal-Mart placed a big bet on Chile in late 2008
  - The major shareholder in D&S, one of the country's largest retail chains
- AES Corporation owns AES Gener
  - Largest thermal generator and second largest generator of electricity in Chile
  - Constructing 4 new generation facilities in Chile
- Freeport-McMoRan Copper & Gold
  - 51% interest in Chile's El Abra mine
  - 80% interest in several other mining operations around Candelaria
- Investments like these and others tend to inspire even more confidence in the Chilean economy

# Our Free Trade Agreement

Effective January 2004

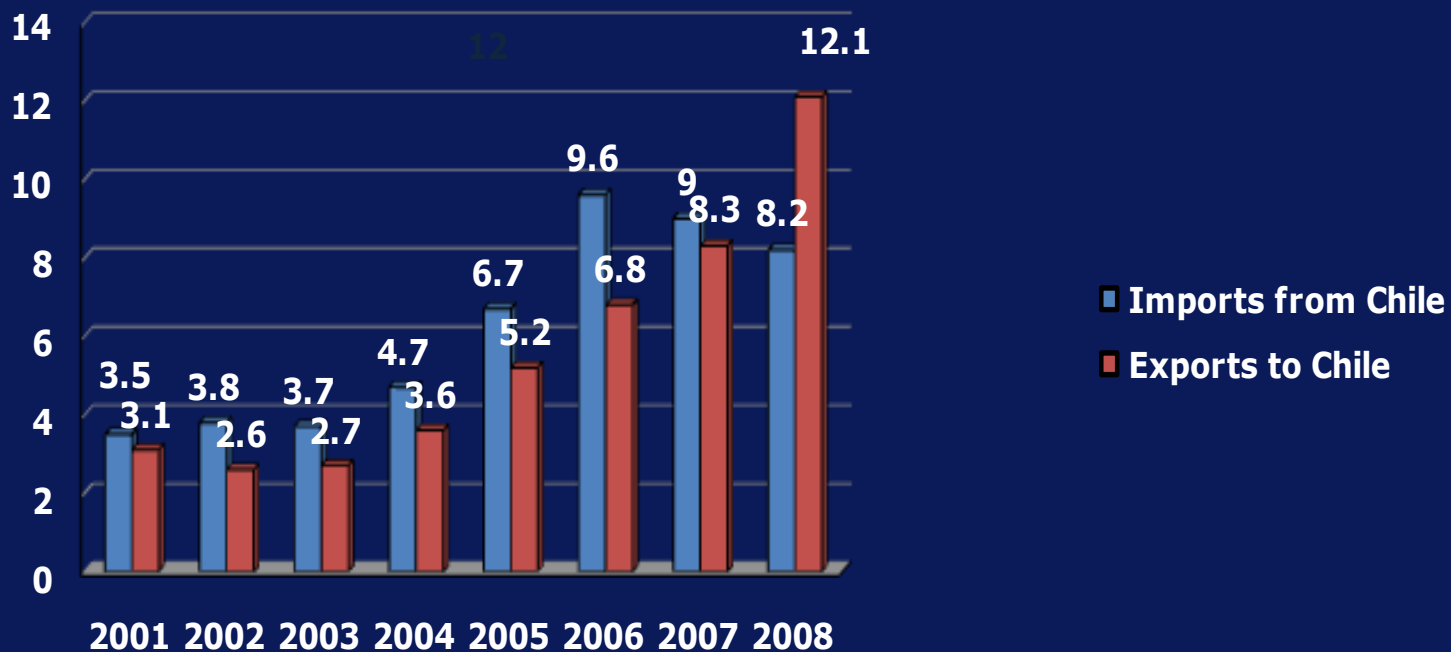


- 95% + of bilateral trade in goods duty-free
- 75% + of U.S. farm goods duty-free by 2008
- Stronger protection of intellectual property rights (IPR)
- Open and fair government procurement ([www.chilecompras.cl](http://www.chilecompras.cl))
- Commitments on labor rights and environmental protection
- Phases out all tariffs within 12 years (by 2016)
- U.S. market share was up to 21% in 2008; under 15% in 2003

Visit our *U.S. Exporters Guide to the US – Chile FTA* at <http://www.buyusa.gov/chile/en/ftaguide.html>



# U.S.-Chile Trade in Merchandise/Goods (In US\$ Billions)



# Growth Sectors / Best Prospects for U.S. Exports

- **Construction**
- **Electric Power Equipment**
- **Medical Equipment & Healthcare**
- **Computer Hardware / Software & Services**
- **Food Processing & Packaging Equipment**
- **Environmental Technologies & Services**

# Growth Sectors / Best Prospects for U.S. Exports (continued)

- **Mining Equipment**
- **Security & Safety Equipment**
- **Telecommunications Equipment & Services**
- **Travel & Tourism**
- **Aviation / Defense**

## Recent / Upcoming Local Trade Events

- Exponaval - Valparaíso, Chile
  - PescaSur - Concepción, Chile
    - Americas Competitiveness Forum
    - TradeOne - Santiago, Chile
  - Expocorma - Concepción, Chile
    - FIDAE - Santiago, Chile
    - Expomin - Santiago, Chile
- ✓ December 2-5, 2008
  - ✓ March 25-28, 2009
    - ✓ September 27-29, 2009
    - ✓ November 4-6, 2009
  - ✓ November 11-14, 2009
    - ✓ March 23-28, 2010
    - ✓ April 15-18, 2010



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**Thank you!**

**U.S. Embassy / Department of Commerce  
Santiago, Chile**

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