Bilateral Trade Chile US
A win win situation

PROCHILE
The Trade Commission of Chile
**CHILE AT A GLANCE**

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<td><strong>Population:</strong> 16.6 M</td>
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<td><strong>GDP:</strong> US$ 183 B (III 08)</td>
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<td><strong>GDP (PPP):</strong> US$ 234 B</td>
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<td><strong>GDP per capita:</strong> US$ 9,879</td>
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<td><strong>Annual inflation:</strong> 9.3% (III 08)</td>
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<td>4.4% (07)</td>
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<td><strong>Unemployment:</strong> 7.2% (III 08)</td>
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<td><strong>Adult literacy rate:</strong> 96.2%</td>
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<td><strong>Corporate tax:</strong> 17%</td>
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**Tariffs**
- General 6%
- Hardware 0%
- 95% of imports pay no tariffs
Strategic Orientation: Trade & Macroeconomic Policy
Consistency in Democracy

Structural linkage between trade liberalization, macroeconomic stability, economic growth, poverty reduction and democracy

Chile accounts for 0.2% of the world economy.
65% of Chile’ GDP is represented by trade (75% services)

Source: Direcon
Trade and Welfare: (1990-2006)

Source: Central Bank Chile, Casen
Chile has preferential access to 90% of world GDP
20 trade agreements with 56 countries

Source: DIRECON
Chile’s Major Trade Partners (US $ Trillions 2008)

Source: DIRECON
The World Economy 2009 and Chilean Exports

Red: Negative estimated PGB 2009
Yellow: Zero growth estimated 2009
Green: Positive estimated GDP 2009

Source: Direcon
Chile’s Exports and Imports 2008

**Exports Destiny**
- Others: 27%
- EU: 21.6%
- Mercosur: 9.7%
- Japan: 10.4%
- China: 14.1%
- USA: 11.6%
- South Korea: 5.6%

**Imports Origin**
- Others: 28.5%
- EU: 10.3%
- Mercosur: 19.5%
- Japan: 4.7%
- China: 12%
- USA: 19.4%
- South Korea: 5.6%

Source: DIRECON
In effect since January 2004
87% of Chilean products and 90% of US products duty free
No exclusions
Free trade in 2015
Market access
Customs procedures
Rules of origin
Sanitary & phytosanit.
Technical norms
Services
Telecomunications

Financial services
Investments
Business mobility
Intellectual property
Competition policies
AD & countervailing measures
Safeguards
E-commerce
Government procurement
Labor
Environment
Dispute settlement

Source: DIRECON
Chile US Bilateral Trade

- The US used to be the first destiny of Chilean Exports (11.6%) until 2006. Today is China (14.1%)
- In 2008, the US was the main exporter to Chile followed by China, Brazil and Argentina
- 19.4% of Chilean imports are from US (in 2008 Chile imported more US products than Russia, Indonesia...)
- Bilateral trade in 2007 is more than 3 times bigger than in 2003.
- In 2008 the US has a positive trade balance with Chile for the first time

Source: DIRECON
Since 2007 CA has a positive trade balance with Chile.

CA exports to Chile in 2008 is more than 9 times the value in 2003.

Produce is the main imports from Chile (while copper in the main import of the US from Chile).

Main exports to Chile: Mineral Fuel, Oil Aircraft, Spacecraft, And Parts, Nuclear Reactors, Boilers, Machinery Etc.; Parts.

Some tendencies: Lead, Coffee, Tea, Prep Cereal, Flour, Bakers Wares, Fish, Crustaceans, Beverages, Spirits And Vinegar.

Chile offers the same quality gourmet products than Europe, at lower prices.

Source: DIRECON
MOU Between Chile & California

• MOU between Chile and the State of California.

• Signed by the President of Chile and the Governor of California in June 2008.
  – Opportunities to develop in the areas
    • human capital development
    • education
    • environmental protection
    • Energy
    • Agriculture
    • information technology and communication
    • trade and business
    • Customs procedures

• 3 Agreements of Cooperation

• California State University and the Universidad Tecnológica de Chile
  – advice on curriculum development
  – college preparation and remediation
  – development of articulation programs with community colleges

• University of California Davis and the Instituto de Investigaciones Agropecuarias, the Asociación Nacional de Productores de Semillas, and a group of the best universities of Chile
  – conserve and characterize critical genetic resources
  – develop new crop germplasm
  – release improved varieties
  – educate a new generation of plant breeders to enhance and sustain innovation in crop variety development

• University of California Davis and the wine consortia of Chile Vinnova
  – research, development and capacity building
  – improving viticulture and enological technology
  – sustainable production
  – improving wine flavor
  – educate a new generation of winemakers to enhance and sustain innovation in wines and grapes