

# **Bilateral Trade Chile US**

## **A win win situation**

**PROCHILE**

The Trade Commission of Chile

# CHILE AT A GLANCE

## Vital Statistics (2008)

Population:	16.6 M
GDP:	US\$ 183 B (III 08)
GDP (PPP):	US\$ 234 B
GDP per capita:	US\$ 9.879
Annual inflation:	9.3% (III 08) 4.4 % (07)
Unemployment:	7.2% (III 08)
Adult literacy rate:	96.2%
Corporate tax:	17%

### Tariffs

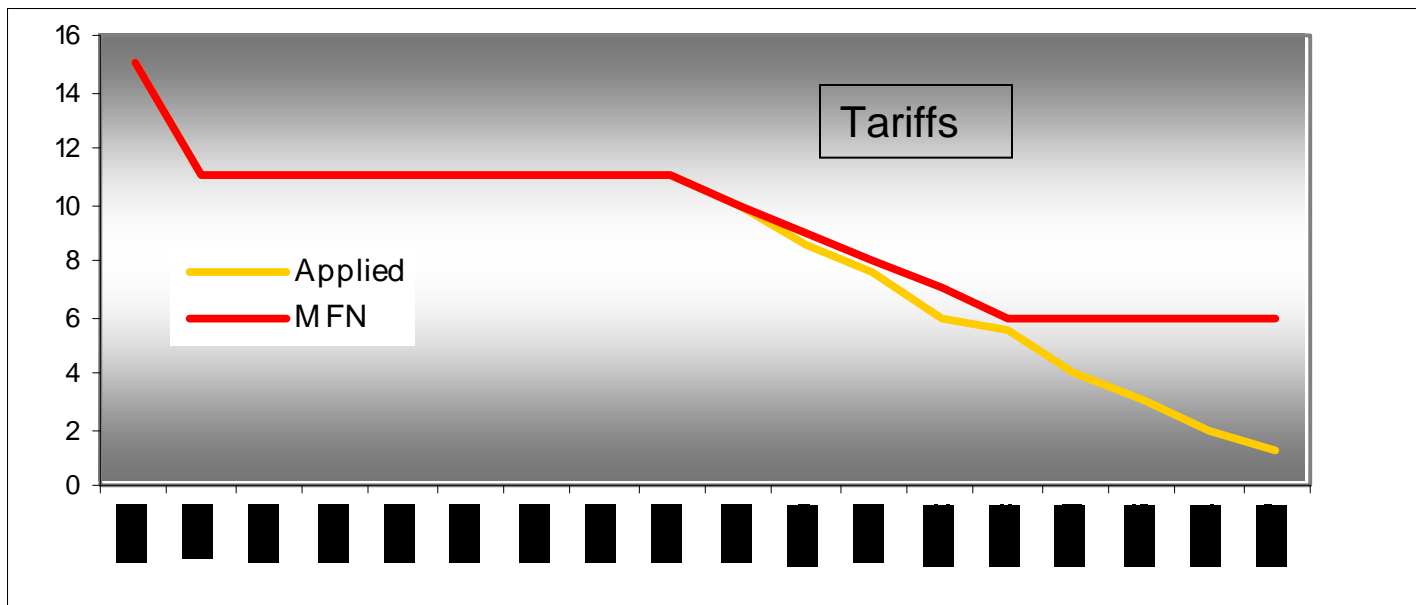
- General 6%
- Hardware 0%
- 95% of imports pay no tariffs



Strategic Orientation: Trade & Macroeconomic Policy  
Consistency in Democracy

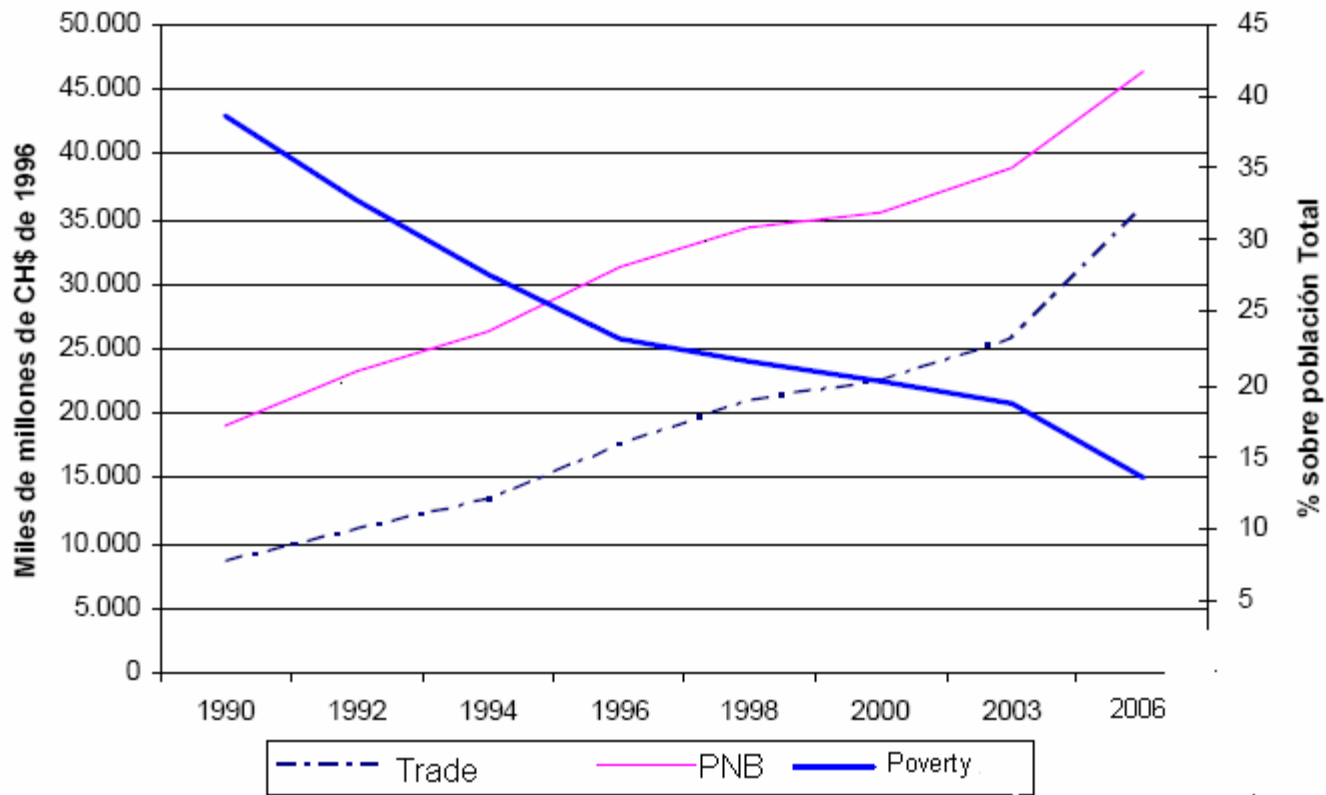
Structural linkage between trade liberalization, macroeconomic stability, economic growth, poverty reduction and democracy

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



Source: Direcon

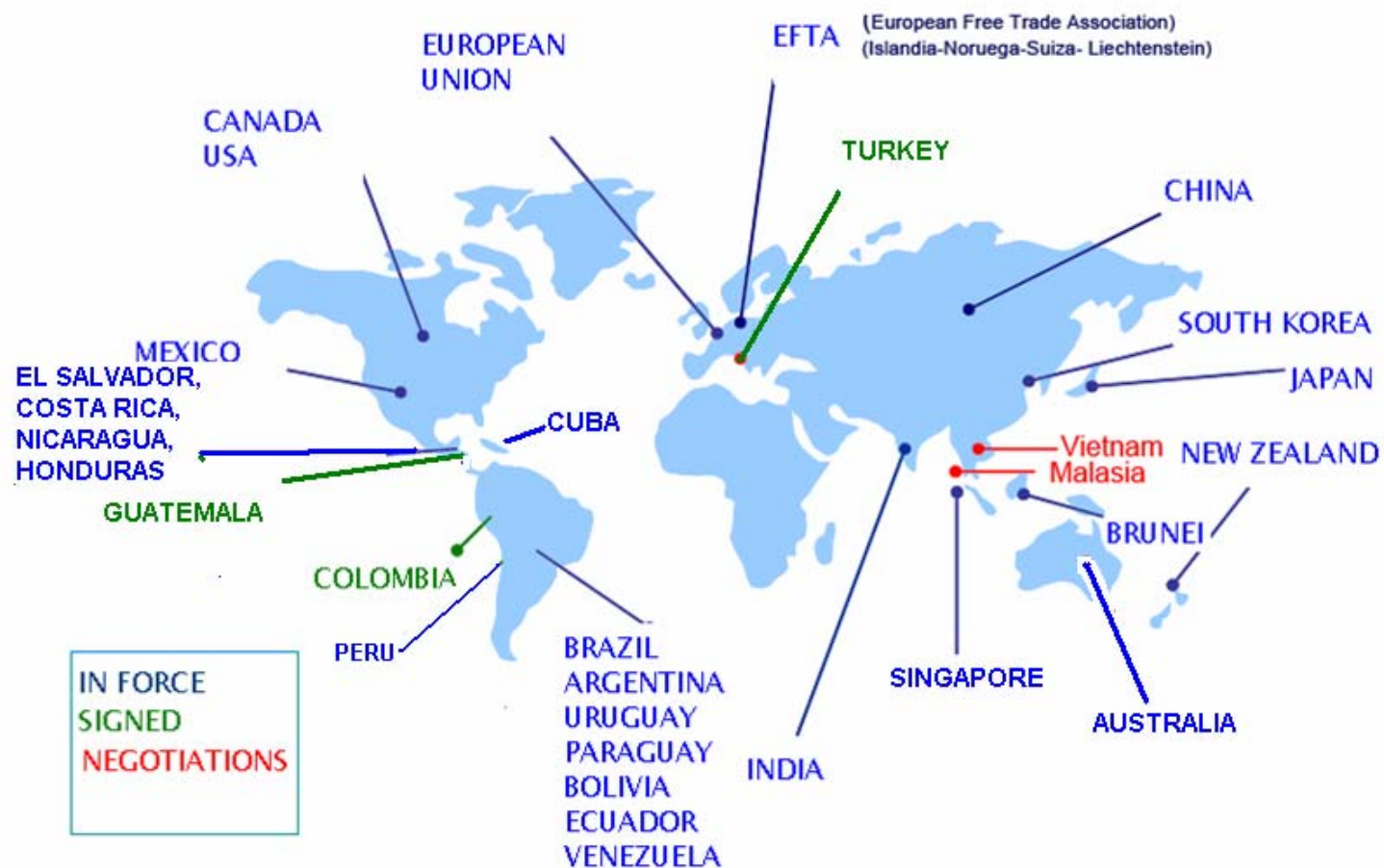
## Trade and Welfare: (1990-2006)



Source: Central Bank Chile, Casen

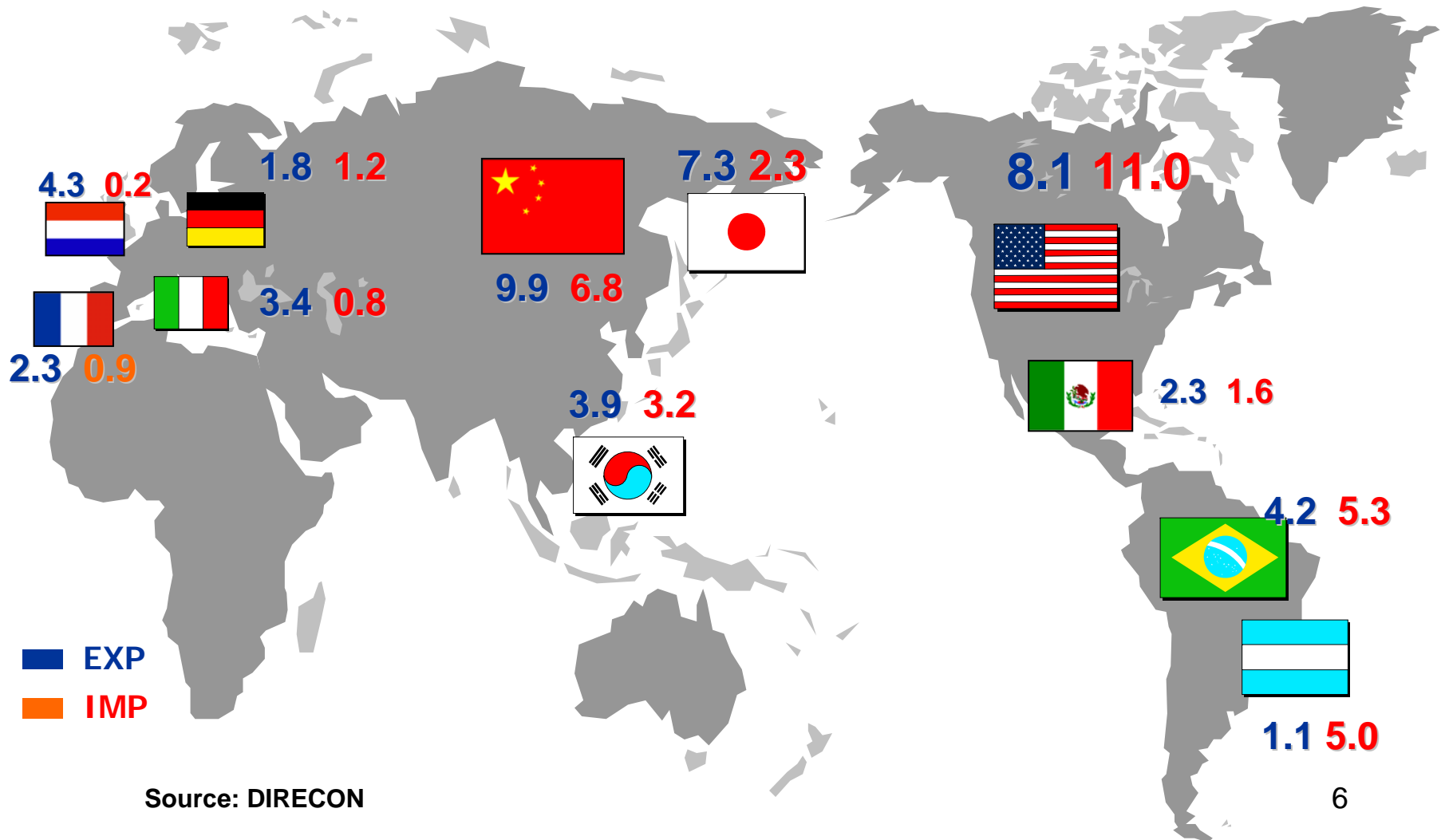
# Chile has preferential access to 90% of world GDP

20 trade agreements with 56 countries



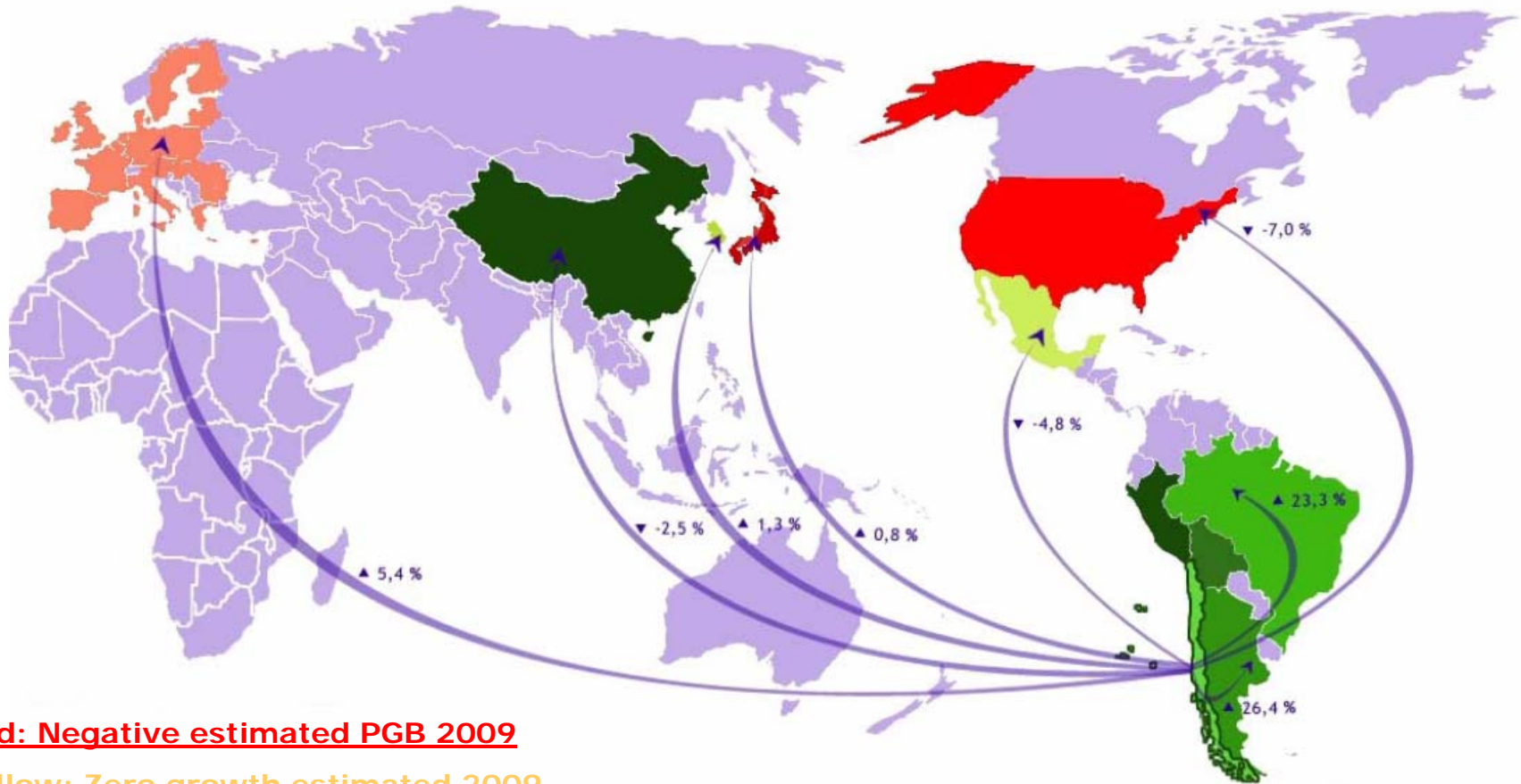
Source: DIRECON

# Chile's Major Trade Partners (US \$ Trillions 2008)



Source: DIRECON

# The World Economy 2009 and Chilean Exports



Red: Negative estimated PGB 2009

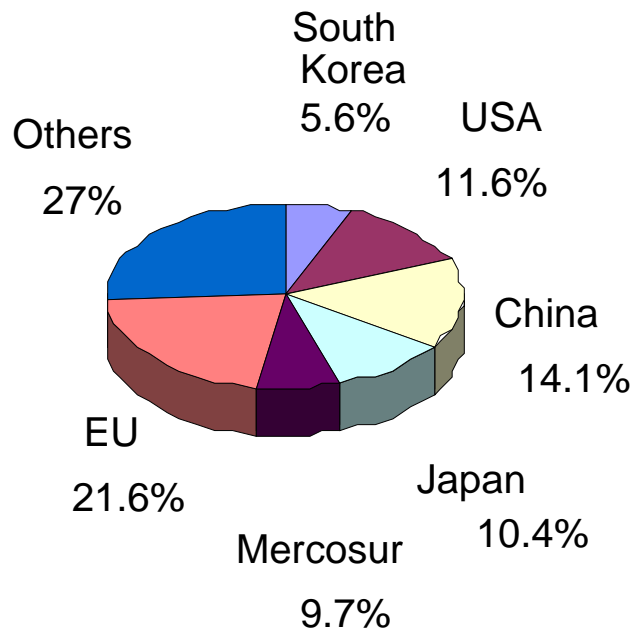
Yellow: Zero growth estimated 2009

Green: Positive estimated GDP 2009

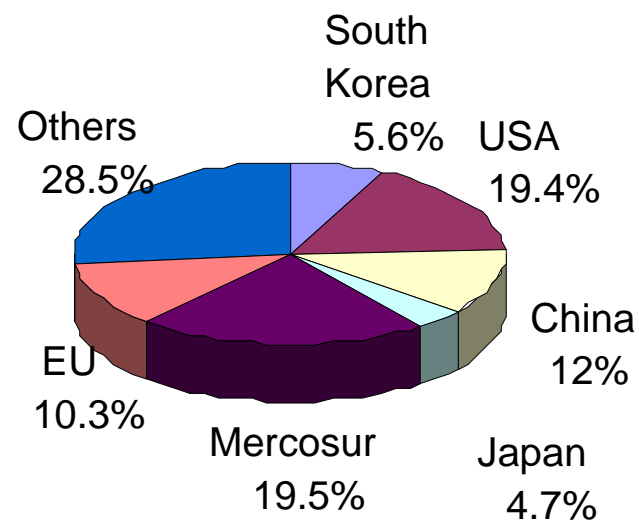
Source: Direcon

# Chile's Exports and Imports 2008

## Exports Destiny



## Imports Origin



Source: DIRECON



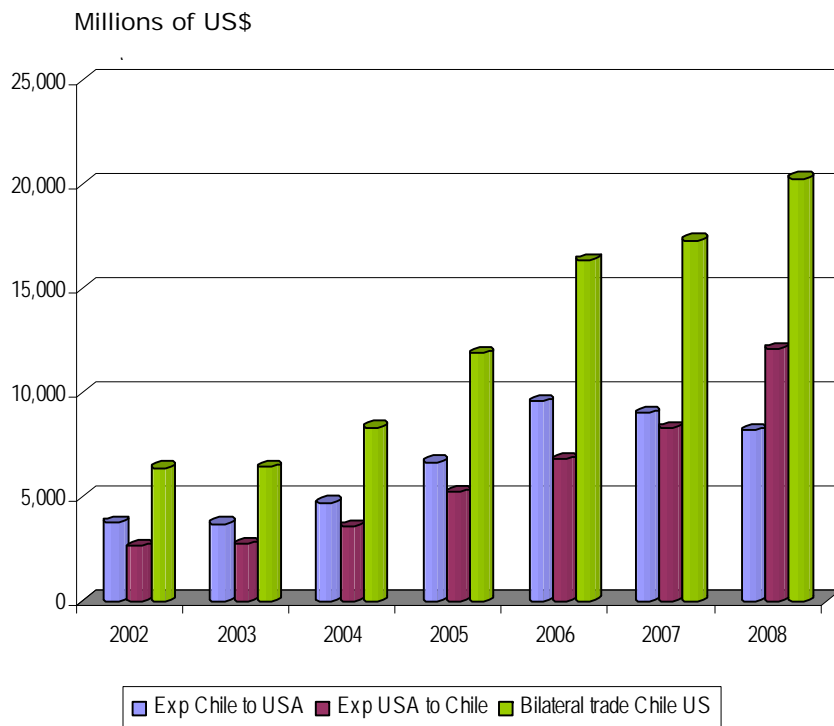
## Free Trade Agreement Chile US

- 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
- Telecommunications
- 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

Bilateral Trade Chile US

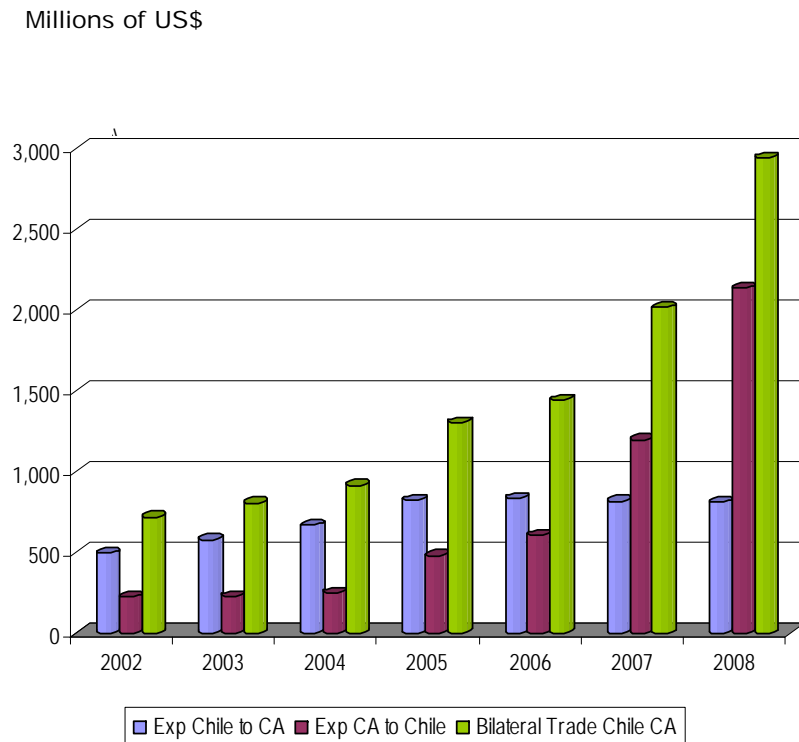


Source: DIRECON

- 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

# Chile CA Bilateral Trade

Bilateral Trade Chile CA



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 is 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

# 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*