



**Asia-Pacific
Economic Cooperation**

2018/SOM3/SYM/010

Chile's Trade Policy

Submitted by: Chile



**Symposium on How Free Trade
Agreements and Regional Trade
Agreements Can Contribute Towards
Economic Growth
Port Moresby, Papua New Guinea
18 August 2018**



CHILE'S TRADE POLICY

MARCELA OTERO

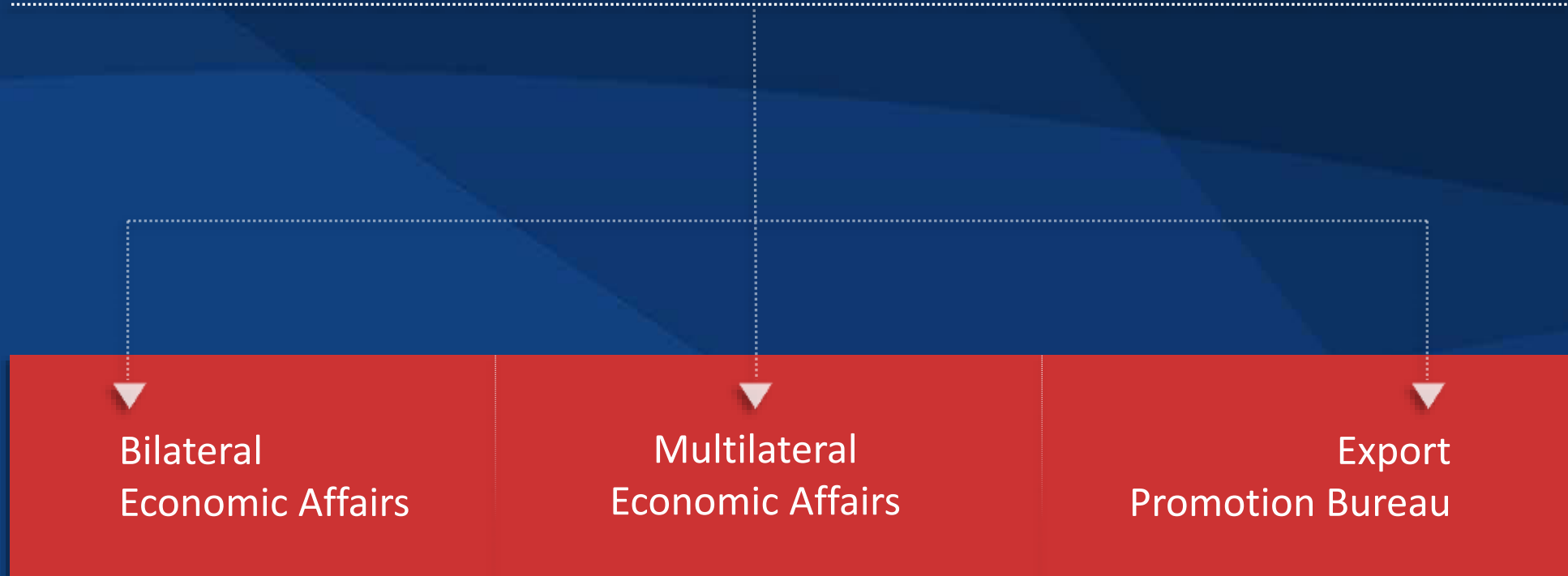
Executive Secretariat APEC Chile 2019

General Directorate
of International Economic Relations



Port Moresby, August 18, 2018

General Directorate of International Economic Relations



HOW DO WE NEGOTIATE?

General Directorate of International Economic Relations

**TARIFF AND RULES OF
ORIGIN**

**GOVERNMENT
PROCUREMENTS**

**TRADE
REMEDIES**

MARKET ACCESS

E-COMMERCE

ENVIRONMENT

LABOR

SERVICES AND INVESTMENT

**TRADE
FACILITATION**

**PHITOSANITARY AND
SANITARY MEASURES**

**GENDER AND
TRADE**

**INTELLECTUAL
PROPERTY**

**TEMPORARY ENTRY FOR
PERSONS**

**TECHNICAL BARRIERS TO
TRADE**

CHILE'S TRADE POLICY

BENEFITS OF TRADE LIBERALIZATION

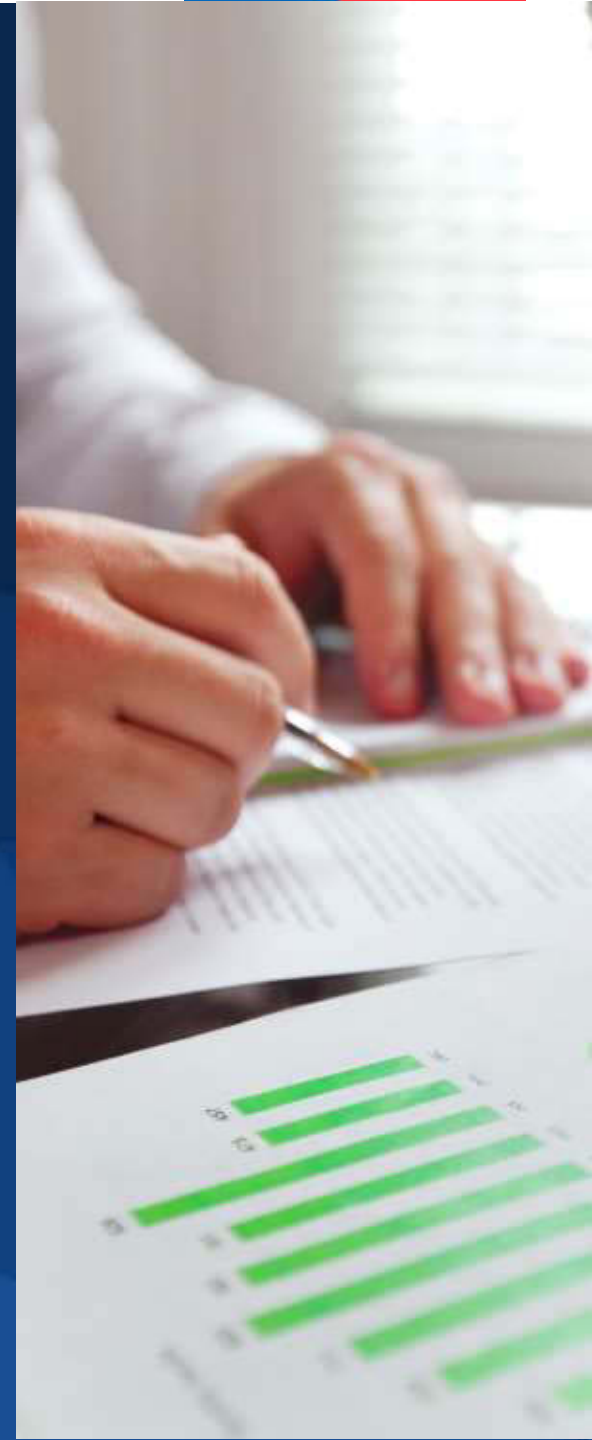
- Increased participation in world exports
- Increased production and employment
- Higher share of foreign trade in GDP
- Higher investments in countries with reciprocal agreements
- Improving the country's image
- Improving risk indicators, easy of doing business, competitiveness
- Increased supply of services
- Development of economies of scale
- Increased supply of international intermediate goods
- Preferential Market Access
- Creating dispute resolution mechanisms
- Clear rules



CHILE'S TRADE POLICY

Objectives

- ➔ **To achieve international integration of Chile, mixing the export development with the promotion and protection of investments.**
- ➔ **Promote competitiveness, within a context of stable rules, fair competition, and contribute to reduce social inequalities.**
- ➔ **To engage Chilean production in Global Value Chains, in a more sophisticated manner not only as a producer of natural resources.**
- ➔ **To increase Chile's export diversification.**



CHILE'S TRADE POLICY

Through the last three decades Chile's economic growth model has been based on export promotion and FDI attraction and has followed four strategies:



CHILE'S TRADE POLICY

UNILATERAL

Since 1990, there was a marked advance in the signing of agreements with the countries of Latin America, thus complementing the unilateral opening of the external sector.

CUSTOMS TARIFF REDUCTION IN TWO STAGES (MFN):



First (1990-1994): Reduction from 15% to 11%;



Second (1994-2003): Reduction from 11% to current level of 6%.

In 2013, Chile unilaterally removes tariffs on all goods originating in least developed countries (LDCs).

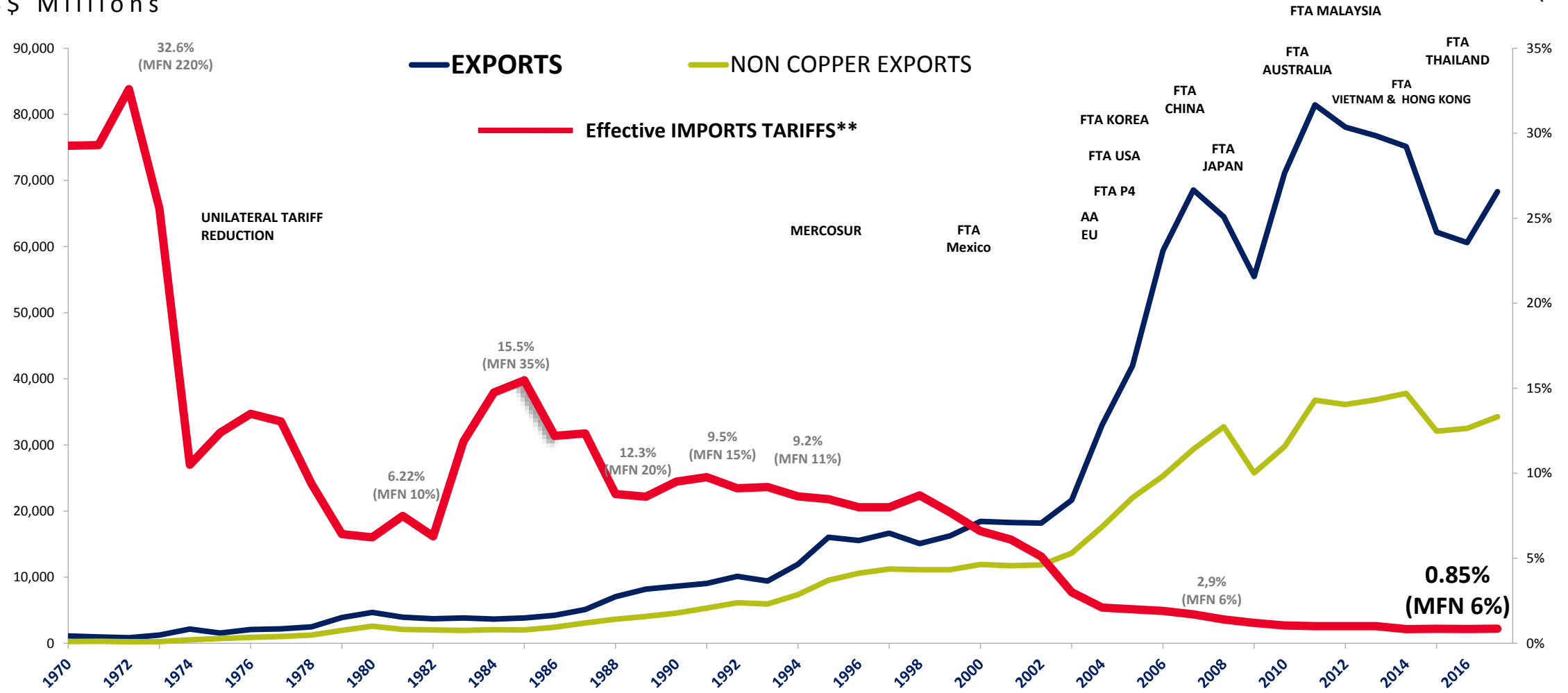
This reduction is based on the analysis and commitments established in the WTO, in Hong Kong in 2005

EFFECTIVE TARIFFS AND EXPORTS (US\$ MILLION AND %)

BILATERAL

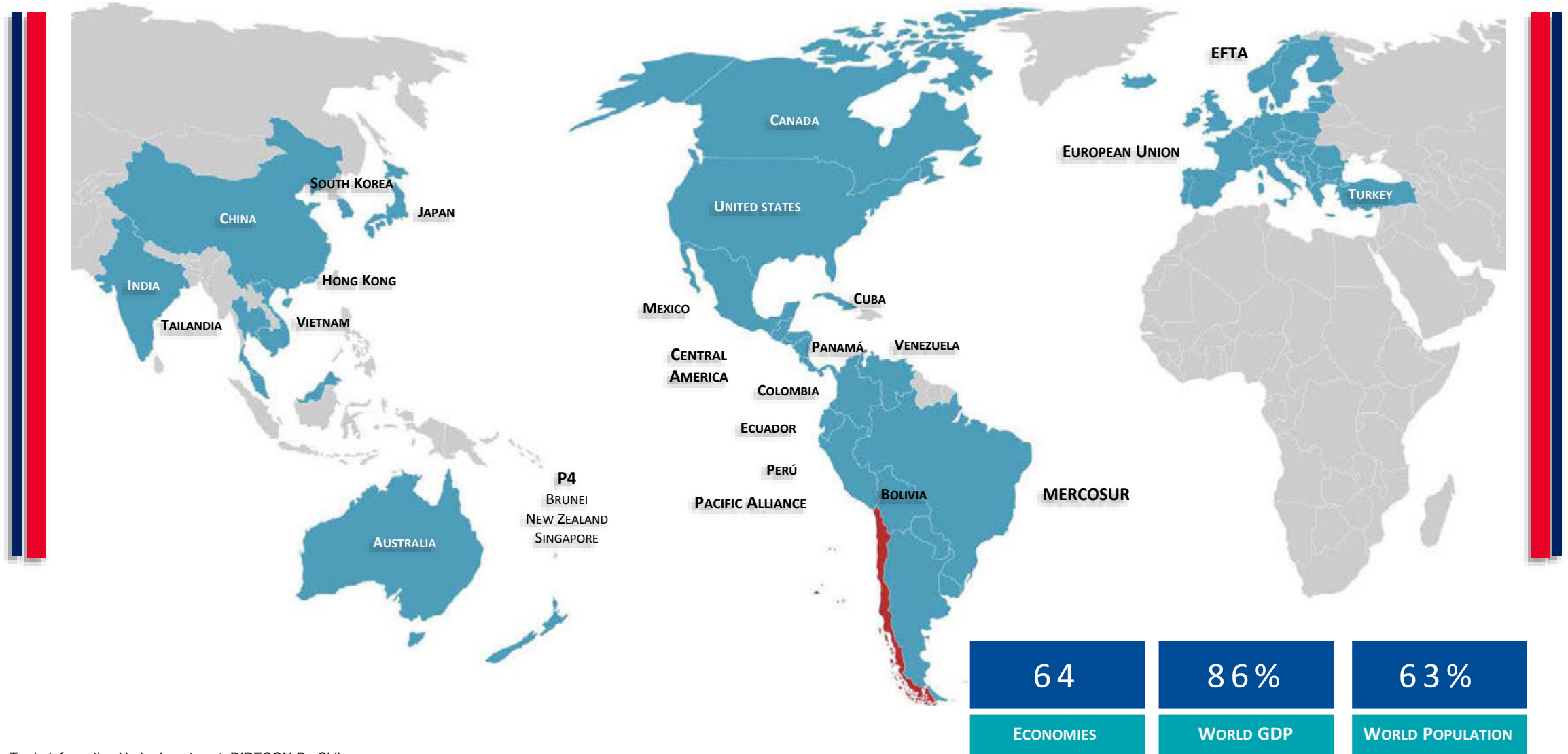
Exports
US\$ Millions

Customs
Tariff (%)



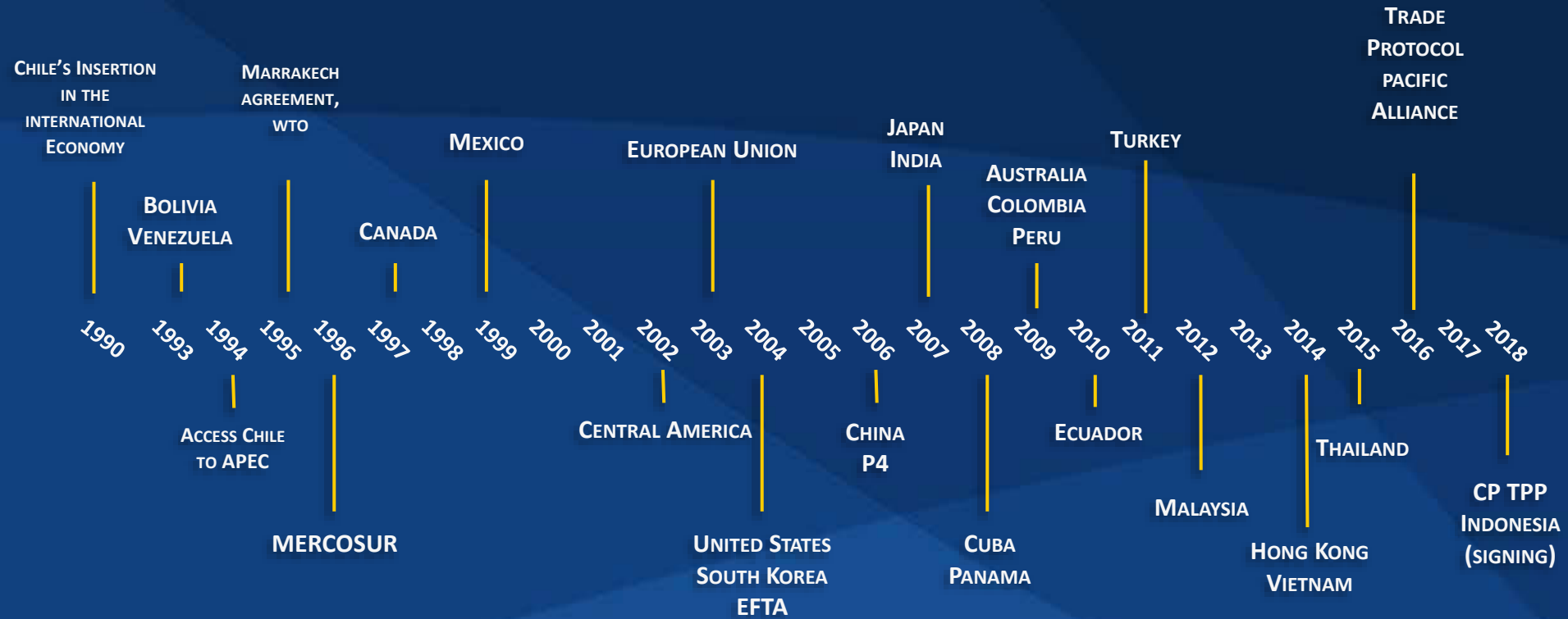
CHILE'S TRADE POLICY

26 FREE TRADE AGREEMENTS IN FORCE



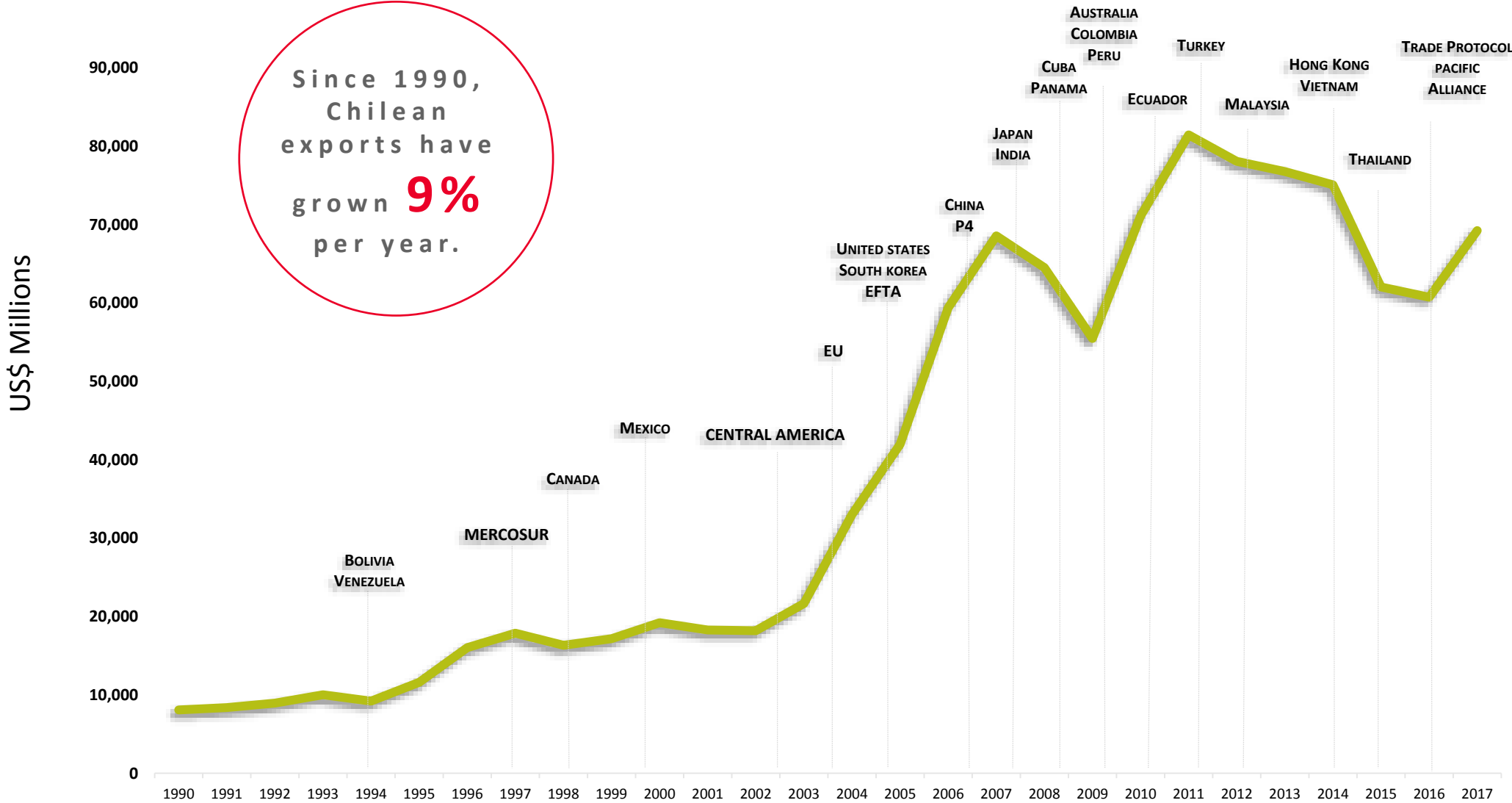
CHILE'S TRADE POLICY

FTAS TIMELINE



CHILE'S TRADE POLICY

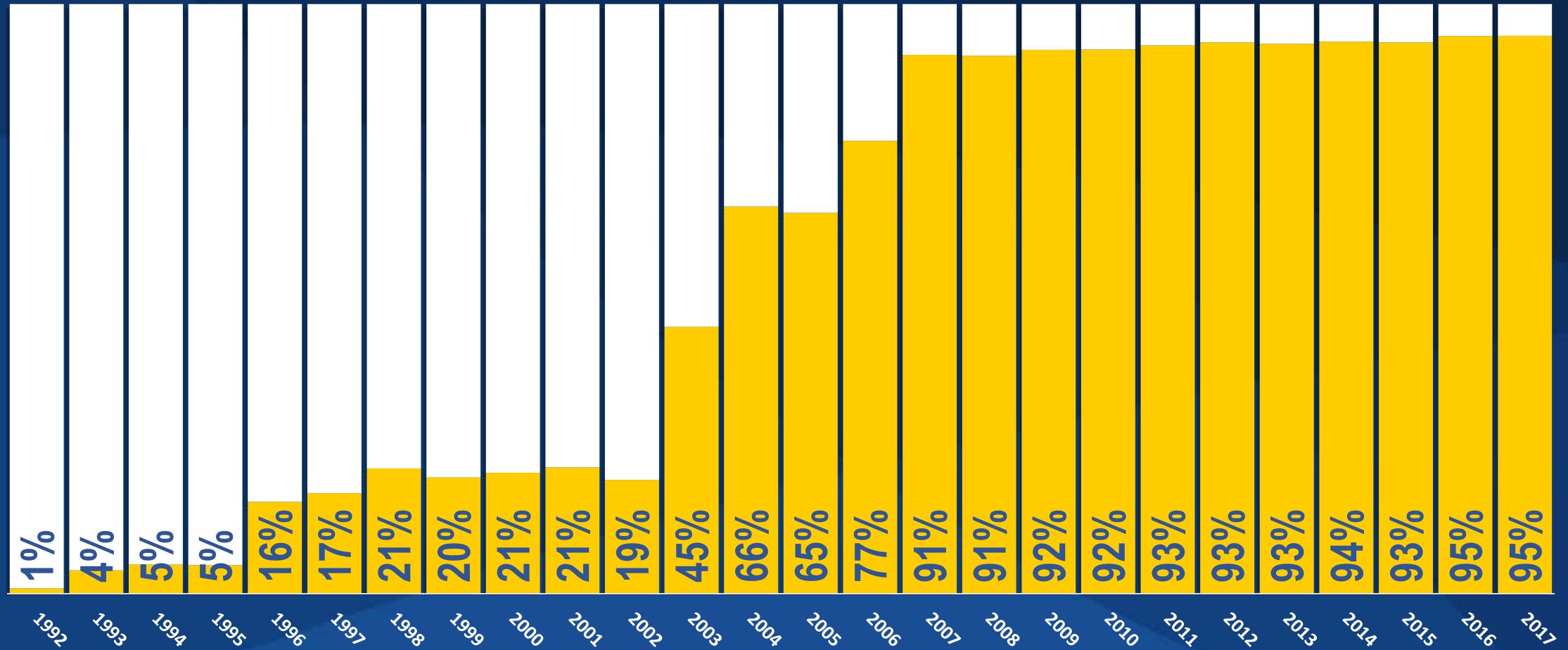
EXPORTS AND TRADE AGREEMENTS



Trade Information Underdepartment, DIRECON-ProChile.
With data from the Central Bank of Chile.

CHILE'S TRADE POLICY

EXPORTS AND TRADE AGREEMENTS



In 2017, 95% of our exports were to countries with FTA

CHILE'S TRADE POLICY

New trade negotiations

ON GOING:

- Brazil (new FTA)
- European Union (FTA modernisation)
- South Korea (FTA modernisation)
- Pacific Alliance (with Associated Members)

SIGNED BUT NOT IN FORCE:

- Indonesia (new FTA)
- Argentina (new FTA)
- Uruguay (new FTA)
- China (FTA modernisation)
- Canada (FTA modernisation)

FUTURE:

- Eurasian Economic Union
- Philippines
- Morocco
- Southern African Customs Union (SACU)
- Egypt
- Dominican Republic
- Central América (FTA modernisation)



CHILE'S TRADE POLICY

World's leading exporter



Fresh Cherries
Walnuts in Shell
Lilliums Bulbs
Frozen Mackerel
Grinding balls for mining



Fresh Grapes
Fresh Blueberries
Fresh Plums
Dried Apples
Mussels
Salmon Fillets
Iodine, Lithium
Copper Cathodes

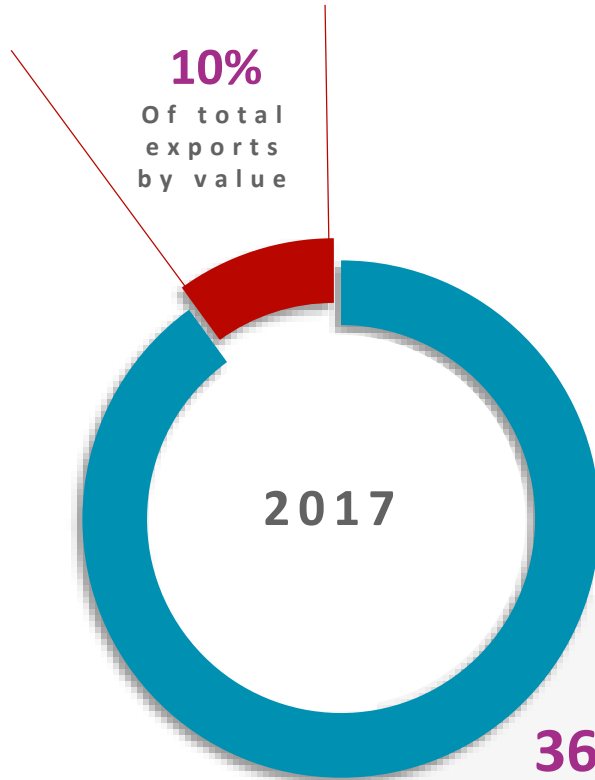


Raisins
Shelled Walnuts
Agar-agar
Inuline
Bulk Wine
Frozen Raspberries



EXPORT CONCENTRATION

7.803
COMPANIES



8.163 Chilean companies exported goods and services in 2017.

but...

364 companies were responsible for 90%
of total exports by value in 2017.

90%
Of total exports by value

CHILE'S TRADE POLICY CHALLENGES

More inclusive
and
participative
trade policy
towards
citizenship

Take
Advantage
of FTA
benefits



CHILE'S TRADE POLICY

TRADE FOR ALL

Ensure that

benefits of international trade policy reach the entire population across the country:



1,6%

of Chilean SMEs
are exporting



3%

of export companies
are led by women



85%

of Chilean exports of
services originates in
just one region



CHILE'S TRADE POLICY

NEW ISSUES



**Cross-border
trade both in
service and
ecommerce**



**Environmenta
l protection
and
conservation**



**Gender
equality**



Labor



**Science,
Technology
and
Innovation**



**Sustainable
development**



Energy



**Corporate
social
responsability**

ACTIVE PARTICIPATION IN MULTILATERAL ECONOMIC FORUMS



1994



1995



2010

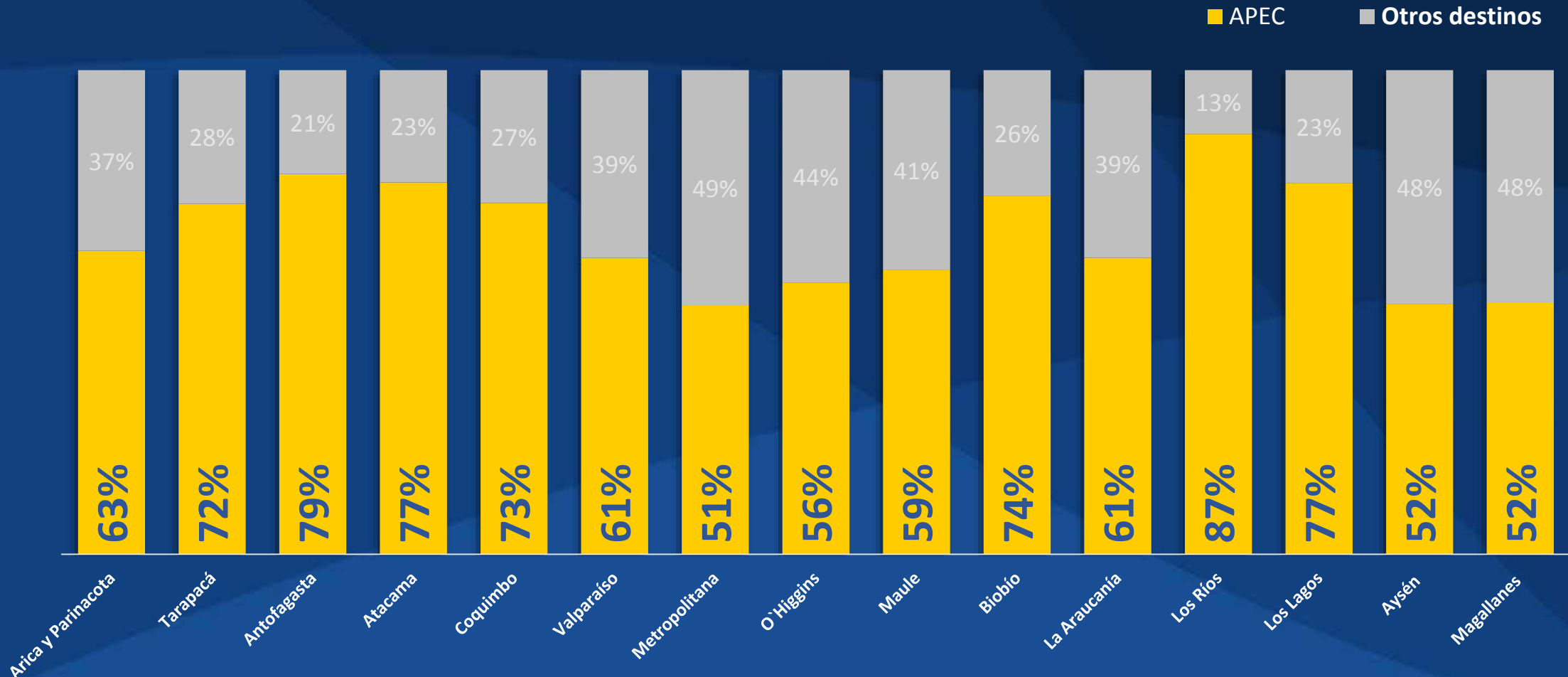
Chile will host the
A P E C in 2 0 1 9



REGIONS

APEC IS THE LARGEST EXPORT DESTINATION

in each of the 15 Chilean regions



APEC CHILE 2019- Sustainable, inclusive and comprehensive growth

Regional Economic Integration

FTAAP: *pathways*
Trade on Goods and services
Investments
Intellectual Property
Connectivity
Structural Reform

Digital Economy

E-commerce
E-government
Digital democratization
Digital Infraestructure
Financial inclusion

PEOPLE

Sustainable Development

Enviroment, Labor, CSR
Energy
Oceans
Natural Disasters
Smart Cities

Inclusive Growth

Women
SMEs
Youth
entrepreneurs
Local and Native Communities
Education

APEC CHILE 2019 - PRIORITIES

Digital Economy and Services



Connectivity



Women and Economic Growth



THANKS



WELCOME TO CHILE 2019



WE ARE WAITING FOR YOU

