

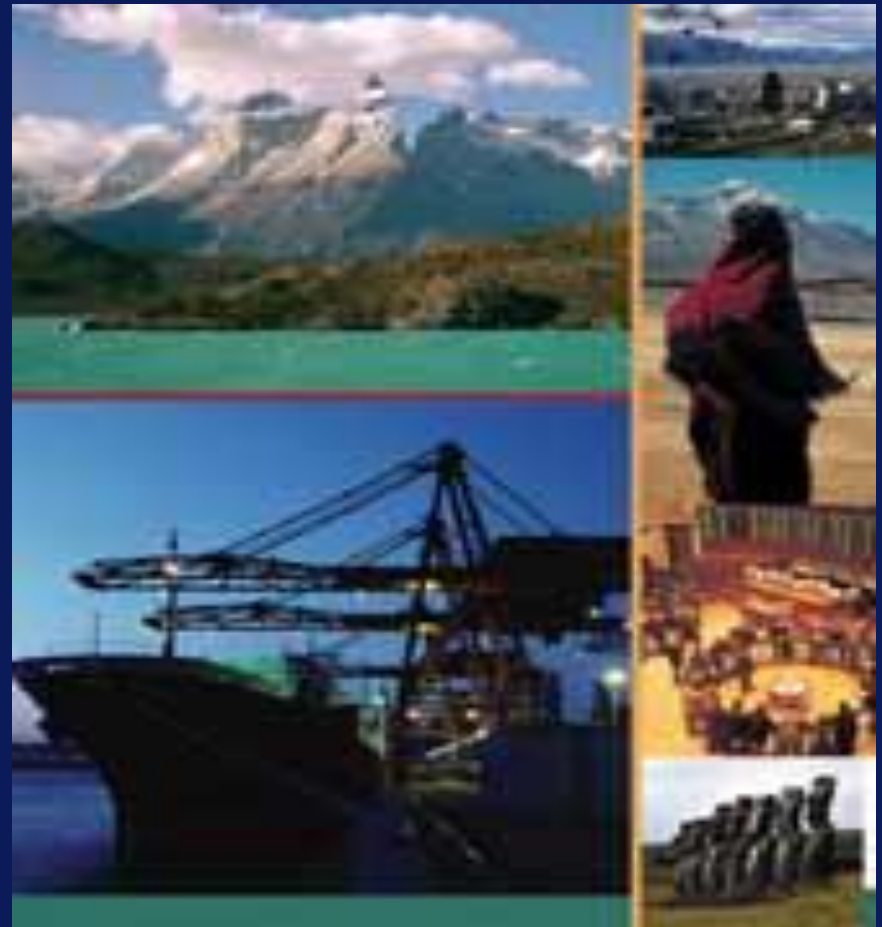


U.S. Commercial Service Chile

Chile Briefing for the Americas Business Forum

March 2010

Mitch Larsen
Commercial Counselor
U.S. Embassy Santiago



Key Facts

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





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

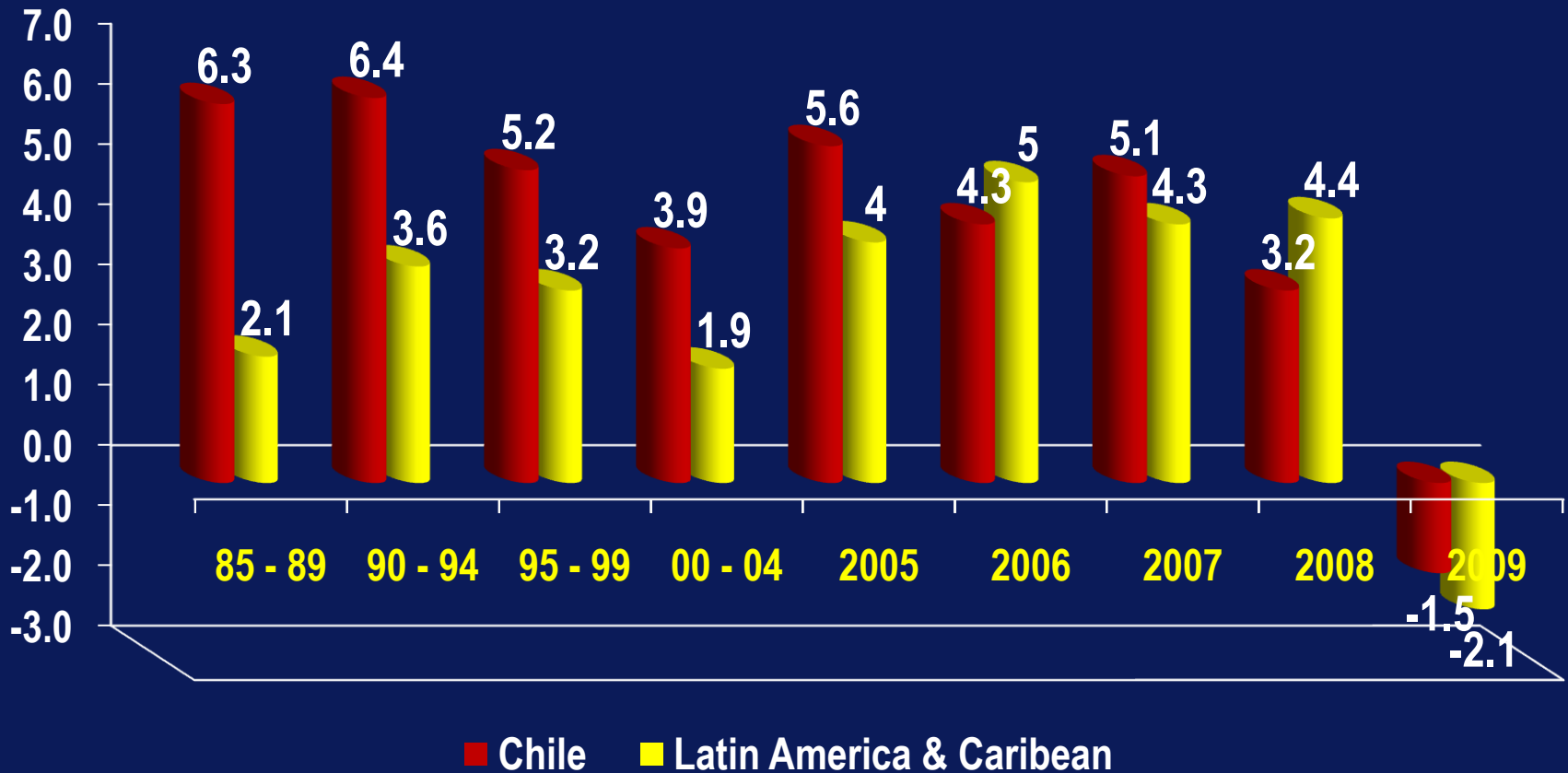


Chile Today

- President *Michelle Bachelet* leaves office on March 11, 2010. New term runs from 2010-2014.
- Transition from Center-Left “Concertación” Coalition to “Alianza” of President-Elect ***Sebastián Piñera (pictured)***
 - Broad Consensus
 - Open Economy – Free Market
 - Democratic Institutions

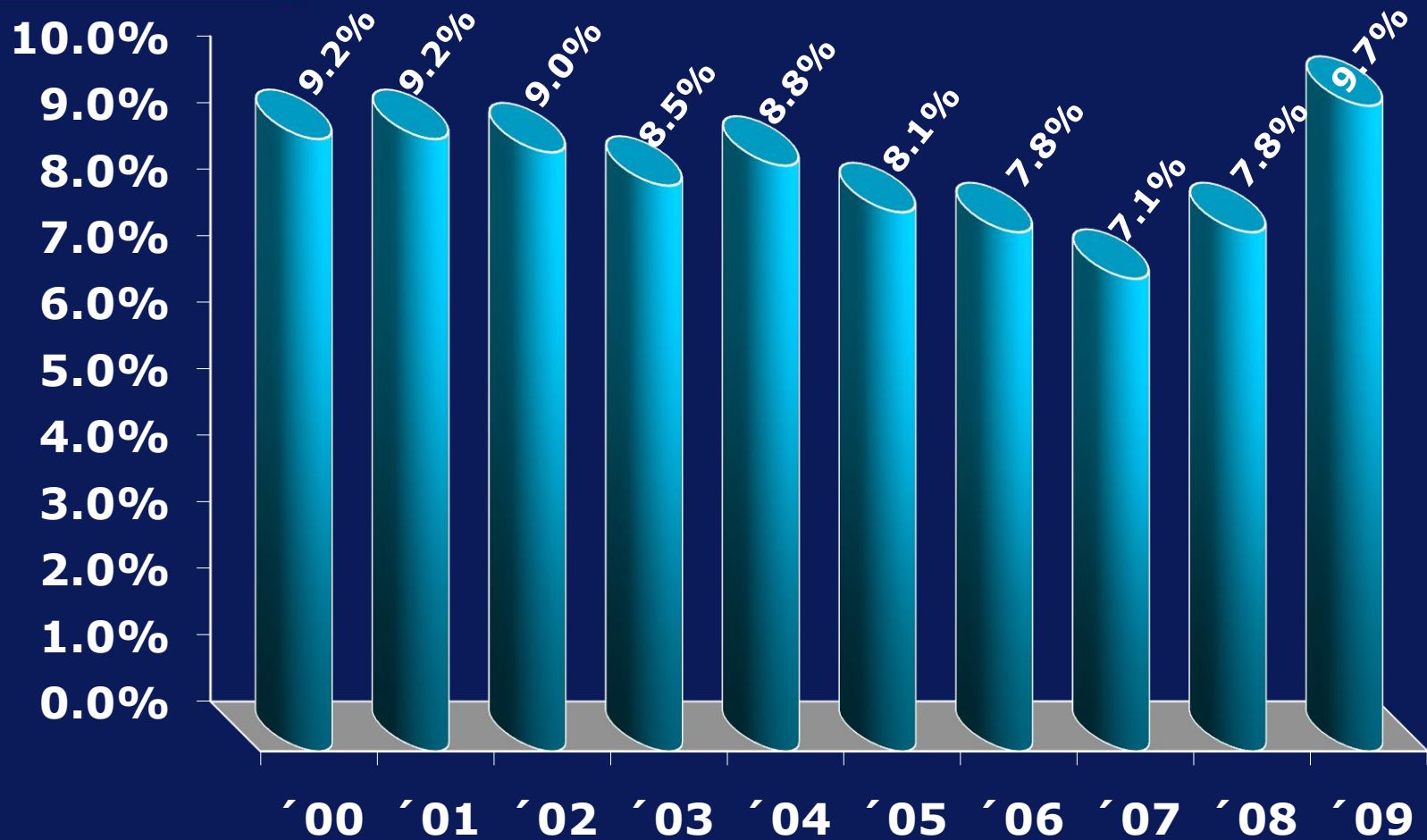


Sustained Economic Growth



Source: Central Bank, Chile

Unemployment Level



Price Stability Annual Inflation (%)



Source: Asociación de Bancos e Instituciones Financieras

Chile: Leader in Free Trade



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FTAs:

Canada	1997
Mexico	1998
Central America	1999
European Union	2003
South Korea	2004
United States	2004
Trans-Pacif. Partnership	2005
China	2006
Japan	2007
Colombia	2009

Australia 2009

Peru 2009

CEAs:

Bolivia 1993

Venezuela 1994

Ecuador 1995

Mercosur 1996

India 2006

TPP = NZ, Singapore, Brunei, US, Chile, Australia, Peru, Vietnam



Business - Why Chile?

- Free Trade Agreements – 58+
- Steady, positive growth
- Prudent fiscal policies
- Stable democratic government
- Solid business practices
- Rule of law
- Low corruption



Competitiveness & Economic Freedom



Investment Welcome

- “A+” credit rating (S&P)
- \$6.3 billion in new foreign investment in 2009 (62% in services and 12% goes to utilities)
- \$ 12.2 billion total (FDI plus portfolio)
- Since 1974, total FDI in Chile has topped \$75 billion. Top investors: U.S., Spain, Canada, U.K.
- Santiago selected as “Best City for Business” in Latin America
- A springboard to other markets



Our Free Trade Agreement

Effective January 2004

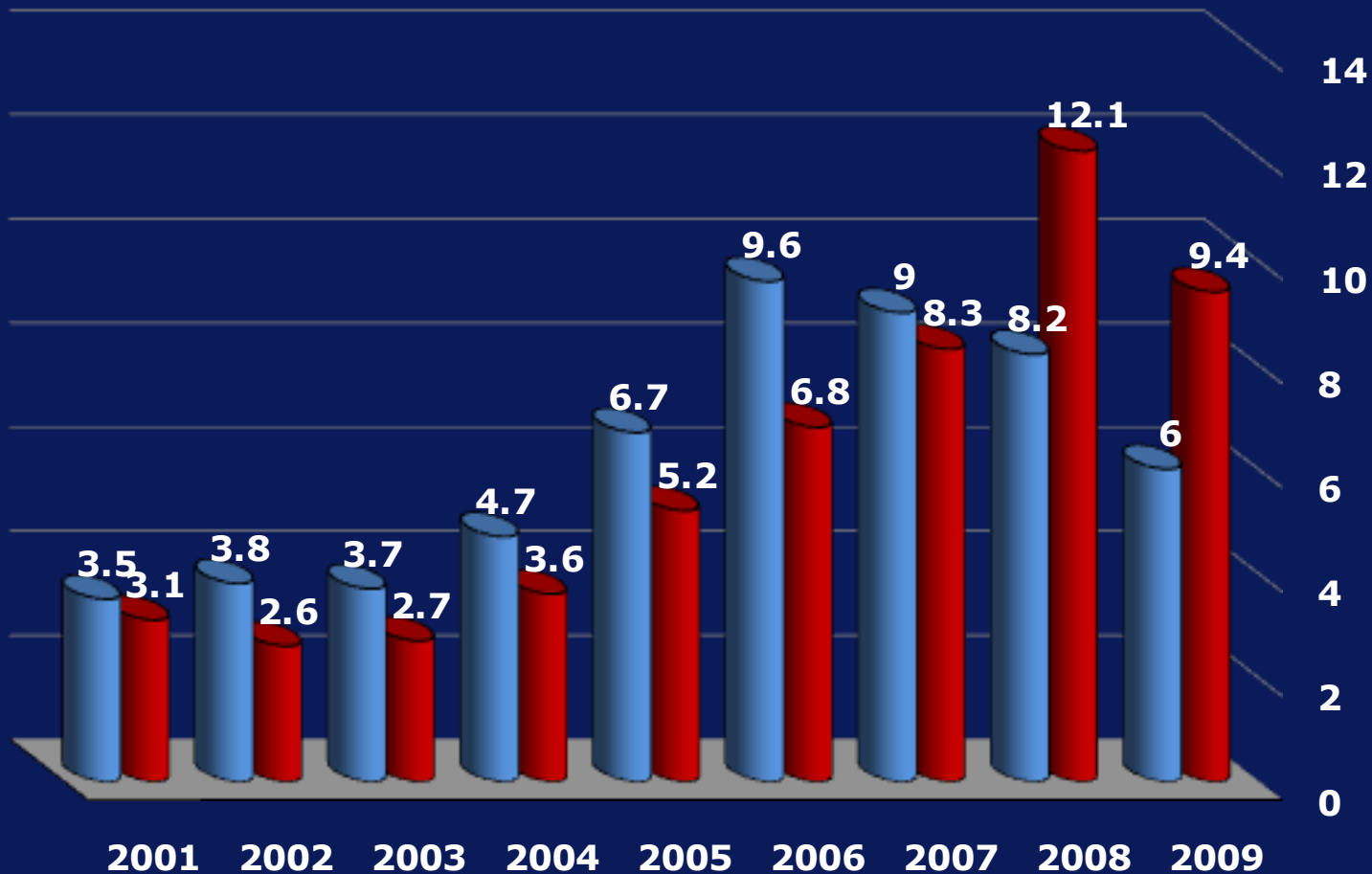


- 95% + of bilateral trade in goods duty-free
- 75% + of U.S. farm goods duty-free by 2008
- Stronger protection of intellectual property rights (IPR)
- Open and fair government procurement (www.chilecompras.cl)
- Commitments on labor rights and environmental protection
- Phases out all tariffs within 12 years (by 2016)
- U.S. market share was up to around 20% in 2009; 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)

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U.S. Department of Commerce, Bureau of the Census (www.census.gov)

■ Imports from Chile ■ Exports to Chile



Main U.S. Exports to Chile

HS Chapter (2 digits)

US\$ Millions FAS

Total Exports (billions):

	2007	2008	2009
	8.3	12.0	9.4
84 - Industrial Machinery & Parts	1,631	2,155	2,016
27 - Mineral Fuel, Oil, etc.	1,627	3,589	1,857
88 - Aircraft & Parts	492	510	1,244
85 - Electric Machinery, Telecom Equipment, etc.	617	778	743
87 - Vehicles & Parts, Not Railway	765	1,029	714

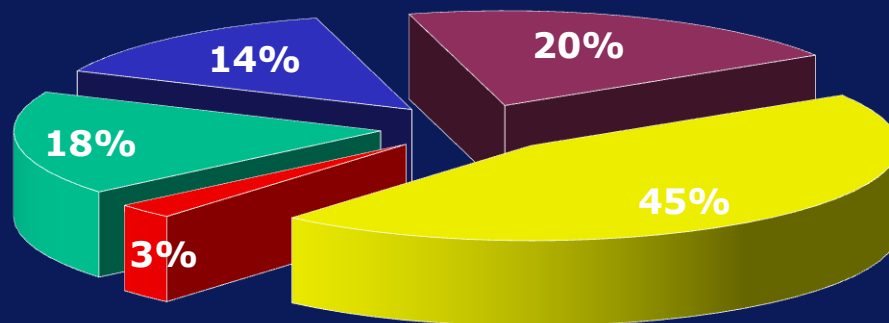
Main Chilean Exports to the U.S.

HS Chapter (2 digits)

US\$ Millions Customs Value

	2007	2008	2009
Total Exports (billions):	9.0	8.2	6.0
08 - Edible Fruit & Nuts	1,251	1,370	1,393
74 - Copper and Articles Thereof	3,410	2,753	1,371
03 - Fish & Seafood	972	938	685
44 - Wood and Articles of Wood	770	658	507
71 - Precious Stones & Metals	464	542	312
22 - Beverages, Spirits	212	227	276
28 - Inorganic Chemicals	227	281	212

Main Destinations for Chilean Exports (2009)



■ South America

■ Nafta

■ EU

■ Asia

■ Others

2010 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**

2010 Growth Sectors / Best Prospects for U.S. Exports (cont.)

- **Mining Equipment**
- **Telecommunications Equipment & Services**
- **Travel & Tourism Services**
- **Financial Services**
- **Franchising**



Recent / Upcoming Local Trade Events

- **FIDAE - Santiago, Chile** ✓ **March 23-28, 2010**
- **Aquasur – Puerto Montt, Chile** ✓ **March 24-27, 2010**
- **Expomin - Santiago, Chile** ✓ **April 15-18, 2010**
- **Exponaval – Valparaíso, Chile** ✓ **Nov. 30 – Dec. 3, 2010**
- **Pesca Sur – Concepción, Chile** ✓ **March 2011**
- **Exponor – Santiago, Chile** ✓ **June 2011**



Int'l Buyer Program (IBP) Events

- **American Toy Fair** ✓ **February 14-17, 2010**
- **Graphics of the Americas** ✓ **February 25-27, 2010**
- **Int'l Home and Housewares Show** ✓ **March 14-16, 2010**
- **National Association of Broadcasters** ✓ **April 12-15, 2010**
- **Clinical Lab Expo (AACC)** ✓ **July 25-29, 2010**
- **Pack Expo** ✓ **October 31 – Nov. 4, 2010**
- **Power-Gen International** ✓ **December 14-16, 2010**



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Thank you!

**U.S. Embassy / Department of Commerce
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