Export Opportunities in Chile

In 2017, Chile ranked 21st among U.S. export destinations and 45th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Chile include:

- Industrial Machinery
- Energy Efficient Construction
- Healthcare
- Automotive Parts
- Mining and Drilling Technology
- Water Management
- Education and Training

Top Virginia Exports to Chile

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$68.1</td>
<td>-13%</td>
</tr>
<tr>
<td>Vehicles, Not Railway</td>
<td>$17.1</td>
<td>-18%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$8.6</td>
<td>3%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$6.2</td>
<td>-21%</td>
</tr>
<tr>
<td>Meat</td>
<td>$5.1</td>
<td>-1%</td>
</tr>
<tr>
<td>Medical Instruments</td>
<td>$4.2</td>
<td>-18%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$3.6</td>
<td>-39%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$3.6</td>
<td>-53%</td>
</tr>
<tr>
<td>Aircraft &amp; Spacecraft</td>
<td>$2.7</td>
<td>-26%</td>
</tr>
<tr>
<td>Seafood</td>
<td>$2.5</td>
<td>N/A</td>
</tr>
<tr>
<td>Fats &amp; Oils</td>
<td>$2.4</td>
<td>264%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)

U.S. Exports to Chile

In US$ Millions

- 2015: $15.4
- 2016: $12.9
- 2017: $13.6

(World Trade Atlas)
## Opportunities in Chile for Exporters

### Mining
Chile’s mining project pipeline remains large, but is less certain than it was a few years ago. Chile is the number one producer of copper in the world. In 2016, the sector produced 5.55 million tons of copper. The mining sector contribution to the country’s GDP is about 10%. Finally, Chile produces 36% of lithium worldwide.

Top opportunities for U.S. exports include:
- Cranes and screening machines
- Underground mining technology services
- Wear-resistant materials
- Off-road trucks
- Mine closure technology

### Electric Power Equipment
The consensus is that electricity demand for the next five years will grow at approximately 3% per year. At the current growth rate, Chile will require approximately 90,000 GWh of total electric energy supply by 2020. To achieve enough installed capacity to meet this projected demand, Chile would need to add approximately 500 MW per year for the next 5 years, creating opportunities for U.S. companies in the energy sector. Chile has four independent electric grids.

Top prospects include:
- Hydro and thermal generation plants
- Clean coal technology
- Wind generation plants
- Solar Panels and Systems

### Water Management
Chile is an important market for suppliers of different technologies to obtain clean water and reutilization of water. U.S. suppliers of water, wastewater treatment, and desalinization technologies have great potential in this market. Chile is experiencing the worst water shortage in 100 years, affecting industrial, commercial, agricultural, and individual consumers. Chile’s water market is privatized with limited government regulation and strong private property rights.

Top prospects for U.S. exports include:
- Hydrodynamic separators
- Desalination plants
- Biological-based treatment plants
- Reverse osmosis treatment plants

### Education and Training
Education spending has doubled in real terms since 1990 and today represents 4-5% of GDP. The percentage of students undertaking further education has doubled in the last decade. The government instituted Becas Chile in 2008 as a response to the urgent need for entrepreneurs and technical graduates to lead in priority areas such as digital transformation, water resources, and natural disaster resilience.

Top prospects include:
- Laboratory equipment
- Software and platform-based learning, especially in English
- Simulators for technical training
FAST FACTS

Economic Overview

Chile has a market-oriented economy characterized by a high level of foreign trade and a reputation for strong, financial institutions and sound policy that have given it the strongest sovereign bond rating in South America. Exports of goods and services account for approximately 1/3 of GDP, with commodities making up some 60% of total exports. Copper alone provides 20% of government revenue.

From 2003-2013, real growth averaged almost 5% per year, despite the slight contraction in 2009 that resulted from the global financial crisis. Growth slowed to an estimated 1.4% in 2017. A continued drop in copper prices prompted Chile to experience its third consecutive year of slow growth.

Chile deepened its longstanding commitment to trade liberalization with the signing of a free trade agreement with the US, which took effect on January 1, 2004. Chile has 22 trade agreements covering 60 countries and is a signatory of the Trans-Pacific Partnership (finalized as CPTPP).

(CIA World Factbook)

Cultural Guide

- Always use surnames and titles - wait to be invited to use someone's first name.
- Business cards are exchanged on the initial meeting at the very start. Try and have one side translated into Spanish. Keep cards in good condition - a tatty card will reflect badly on you.
- Chile has a relationship driven culture so initial meetings should be used to build a relationship and establish trust. Devote time to non-business discussions and wait for the other party to initiate the change in topic.
- Meetings are not always linear in their progression. Schedules are not very structured and issues can be tackled all at the same time. It is important to be patient as time is not of the essence in Chile - meetings will last as long as they need to last. Decisions are not made at meetings so it is important to provide all necessary information during the meeting.

Chileans like an element of formality in all they do.

- Communication styles tend to be tuned to people's feelings. Confrontation is generally avoided in order not to jeopardize another's honor or dignity, therefore, it may be necessary to read between the lines in order to fully understand what is really meant.

(Kwintessential)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources

- **Chile Overview**
  - Global Edge - Michigan State University

- **Taxation and Customs Union**
  - ICAEW-Library & Information Service

- **Chile News (English)**
  - The Telegraph

- **Kwintessential**
  - Kwintessential Guide to Chile

- **Chile Country Commercial Guide**
  - U.S. Commercial Service

- **Ease of Doing Business Report**
  - World Bank

- **Sector Opportunities in Chile**
  - Forbes

- **Exporting to Chile**
  - United Kingdom Trade & Investment