

Department of Foreign Affairs and Trade

A U S T R A L I A A N D

Chile

Strong bilateral relationship with growing trade and investment.

Key engagement

Mining, resources, education and research, people-to-people links.

Outlook

One of the fastest growing economies in Latin America in recent decades, with an Indo-Pacific focus and emerging bilateral links in green energy and connectivity.

Bilateral relations

In 1899, Chile opened a consular office in Newcastle, NSW. Australia and Chile established diplomatic relations in 1945, and Australia opened a diplomatic legation in Santiago in 1946.

In 1968, Australia upgraded to an embassy in Chile, a move reciprocated by Chile in 1969.

Chile has Consulates-General in Sydney and Melbourne, a Trade Commission in Sydney and Honorary Consuls in Queensland and Western Australia.

Education and research cooperation have also become important areas of engagement. In 2020, Chile announced Sydney as the landing point for their transoceanic internet cable project

Foreign relations

Australia and Chile are members of the WTO, APEC, IMF, World Bank, International Maritime Organisation (IMO), OECD, Cairns Group, United Nations (UN), and UN organisations.

Chile is a member of the Inter-American Development Bank, Organisation of American States (OAS), CELAC, FEALAC, UNASUR and Pacific Alliance. It is an associate member of the Andean Community and Mercosur.



Foreign Policy White Paper: https://www.fpwhitepaper.gov.au

FAST FACTS



Australian Embassy in Chile

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- f Embajada de Australia en Chile y Ecuador
- <u> @AusEmbCL</u>

This data is owned by Home Affairs. They provide quarterly updates to this data on their website. *Chile reports the number of Australian visitors as 17,544 - Chilean Ministry of Tourism (Q1 January – March 2020).

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High level engagement

2021	October – Minister for Trade, Tourism and Investment Dan Tehan met Vice Minister for Trade Rodrigo Yañez (Paris OECD side- meeting)
2021	February and May – Minister for Trade, Tourism and Investment Dan Tehan spoke to Vice Minister for Trade Rodrigo Yañez (virtual).
2021	May – visit to Chile by Chief of Royal Australian Navy Rear Vice Admiral Michael Noonan
2020	October – Prime Minister Morrison spoke to President Piñera (virtual meeting).
2020	October – Minister for Foreign Affairs and Minister for Women, Marise Payne spoke to Minister for Foreign Affairs Andrés Allamand (virtual).
2020	September – Minister for Trade, Tourism and Investment Simon Birmingham spoke to Vice Minister for Trade Rodrigo Yañez (virtual).
2019	November – Minister for Foreign Affairs and Minister for Women, Marise Payne met Minister for Foreign Affairs Ribera at the G20 (Japan).

Public diplomacy

Many alumni of Australian institutions have a high profile in Chile. The Australian Embassy holds events such as annual alumni awards and masterclasses with Australian experts.

The <u>Council on Australia-Latin America Relations (COALAR)</u> provides grants to enhance Australia's economic, political and social relations with Latin America.

Economic diplomacy

Chile has been one of Latin America's fastest-growing economies in recent decades and poverty has significantly reduced. Chile's economy has quickly rebounded from the COVID-19 pandemic and is expected to grow nine per cent in 2021.

Australia and Chile are mining and agricultural economies, with an Indo-Pacific outlook. The Australia-Chile Free Trade Agreement (ACLFTA), which entered into force in 2009, has underpinned a rapid increase in engagement between both countries, with some 150 Australian companies now operating in Chile. It was Australia's fifth Free Trade Agreement (FTA) and the first with a Latin American country.

Chile ratified the <u>Comprehensive and Progressive Agreement</u> for Trans-Pacific Partnership (CPTPP) on 21 February 2023

An FTA with the <u>Pacific Alliance regional trading bloc</u> (Chile, Colombia, Mexico and Peru) is also being negotiated.



Agreements with Chile

In progress	Pacific Alliance FTA (under negotiation)
2021	MOU on Defence Cooperation
2018	<u>Comprehensive and Progressive</u> Agreement for Trans-Pacific Partnership (CPTPP) [not yet ratified by Chile]
2015	MOU on Education
2013	Income tax treaty
2009	Australia- Chile FTA (ACLFTA)
2006	Work and holiday Visa (WHV)
2004	International Social Security Agreement
2001	Air Services Agreement

The Australian Government supports Australian investors in Chile by providing advice on political, economic and regulatory environments. The Joint Declaration on Investment Treaty Practice reflects Australia and Chile's mutual desire to work closely on the evolving practise of international Investment Agreements under both the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Australia – Chile Free Trade Agreement.

Further economic and trade information can be found in our <u>Economic Factsheet</u> for Chile and the <u>Pacific Alliance Free</u> <u>Trade Agreement</u>.

Business

Austrade aims to attract foreign direct investment into Australia. It also identifies market opportunities and promotes the capabilities of Australian exporters and education providers.

Prior to the COVID-19 pandemic, an open and stable business environment, well-qualified workforce and direct flights to Australia made Chile an ideal base for Australian companies. Chile is notable in the region for its businessfriendly environment, strong institutions, and macroeconomic stability.

Around 150 Australian companies are active in Chile, over one quarter listed on the ASX200. The majority of Australian companies work in and around Chile's mining industry, although the range of sectors attracting Australian business has diversified in recent years.

Areas of opportunity include agribusiness, mining services, renewable energy including green hydrogen, water,education and training, and financial services.

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