



CHILE

What's happening in this economy

The recent weakening of the global copper price has put downward pressure on Chile's GDP growth rate. Despite this, the IMF forecasts growth in 2019 to be around 2.5 per cent due to rising foreign investment, government infrastructure spending and looser monetary policy.

President Sebastián Piñera came to office on a business friendly platform and has continued Chile's tradition of seeking to build strong trade links across the world. Chile is consistently ranked the first or second economy in the region in the World Bank Ease of Doing Business report. It is also ranked the most attractive investment destination in Latin America by the Economist Intelligence Unit.

Australia's trade with Chile has long been dominated by exports of coal, and goods and services for the mining industry. Trade in mining services is growing, particularly as leading technologies developed in Australia are sought by Chilean mine sites. Trade is now also growing in infrastructure services, education, foods and agribusiness.

The Chilean Government is taking steps to attract more foreign investment. It has created an office to facilitate large investment projects and is introducing new measures to reduce red tape. Foreign direct investment declined over the last four years, but grew 80 per cent year on year in the first half of 2019.

While businesses sometimes cite language, distance and the business environment as challenges to doing business in Latin America, these are lesser challenges in Chile than the rest of the region.

Key facts and figures

- Population: 18.5 million
- GDP growth: 4% (2018)
- GDP per capita: USD 15,778 (2018)
- Two way trade: AUD 1.40 billion (2018)
- Australian total investment in Chile: AUD 3.365 billion
- Australian businesses in Chile: 200
- Key agreements: Australia–Chile FTA; Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) (signed); Pacific Alliance FTA (under negotiation); Work and Holiday Visa agreement (3,400 places); air services double taxation; social security

Trade, investment, and commercial opportunities and activities

- The majority of Australian businesses in Chile are involved in mining and—to a lesser extent—infrastructure and education:
 - there is scope to expand trade and investment in emerging areas such as digital technologies, water management, sports technology, major event management (PanAM Games 2023), health and agribusiness.
- About 40 per cent of Spanish Latin America's top 10 universities are in Chile:
 - the government is investing to make its industries more sustainable and globally-competitive.
- There are strong opportunities for Australian infrastructure companies:



connecting Australian business to the world

- Chile plans to invest USD 20 billion over 2018–22, including in transport, communications and water infrastructure.
- The number of Chilean’s visiting Australia is growing and reached 30,900 in the year ended June 2019:
 - in 2018 Chile was ranked Lonely Planet’s number one must visit destination.
- About 5,000 Chilean students undertook education in Australia in 2019:
 - the expanded Work and Holiday arrangement (3,400 places) contributes substantially, as some travellers choose to take English courses or stay on for other study.

Trade policy and negotiations

Australia and Chile are like-minded in their commitment to liberalising trade for economic growth. Chile has more free trade agreements than any other nation and our bilateral FTA dates back to 2009. APEC, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Pacific Alliance Free Trade Agreement will be important platforms for increasing trade.

Australia works with Chile to advance shared interests in trade liberalisation through the WTO, APEC, our engagement with the Pacific Alliance and in the OECD.

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