

U.S. Country Commercial Guides



Chile 2020

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Doing Business in Chile

Market Overview

With civil unrest in late 2019 and the impact visited on the country from spread of the COVID-19 virus, Chile experienced significant economic decline in 2019-2020. Estimates by Chile's Central Bank, the International Development Bank and others project that the economy could decline by about 7.5 percent in 2020. But the same projections also show, absent any civil strife and outbreaks of the pandemic, that Chile is poised to recover quickly and likely to enjoy significant growth in 2021 upwards of five percent. Growth will depend on trends in the mining sector, particularly in the pricing of copper and lithium, both important to Chile in its overseas trade.

In spite of recent developments, Chile continues to be a strong trading partner and export market for U.S. companies, largely due to its open market policies, zero tariffs, democratic government, solid business practices, and low corruption.

As the United States - Chile Free Trade Agreement (FTA) concludes its sixteenth year, trade of products and services between the two countries continues to be a resounding success. As of January 1, 2004, duties were reduced to zero on 90 percent of U.S. exports to Chile, and in January 2015, all remaining tariffs were phased out, such that all U.S.-origin products enter Chile tariff free. In 2019, U.S. exports of goods totaled \$15.7 billion, or more than four times the pre-FTA figures. Bilateral trade in goods between the United States and Chile totaled \$26 billion. Overall, the U.S. enjoyed a \$5.3 billion trade surplus with Chile in 2019, a trend that has continued into 2020, although the level of trade has declined since April (as of August 2020).

In addition to the \$12.9 billion in goods, the U.S. exports about \$5.6 billion in services to Chile. Chile is the 20th largest goods trading partner for the U.S., and the U.S. is Chile's second largest trading partner after China, which overtook the U.S. as the largest trading partner four years ago. Chinese-Chilean bilateral trade has increased significantly in recent years; however, the United States maintains a broader and more dynamic and diverse trading relationship with Chile.

According to the United Nations Conference on Trade and Development (UNCTAD), global foreign direct investment (FDI) inflows to Chile grew significantly in 2019 with inflows of about \$11 billion. Total FDI stock from the U.S. in Chile stood at \$26 billion at the end of 2018 (last year of information available), representing the largest source of FDI in the country. Chile has generally held a reputation of general macroeconomic stability, earning at least "AA" ratings or the equivalent from Moody's, Fitch, and other rating agencies. The effect of civil unrest (in October 2019) remains to be seen in terms of any changes in these ratings.

The Chilean peso floats freely on international markets. As Chile's economy is based largely on the mining industry, the economy – and therefore, the value of the peso – depends largely on the trends in the price of copper and lithium, its main exports in this sector. Over the last year, the peso has fluctuated between 650-750 Chilean pesos (CLP) to the U.S. Dollar.

Chile also performs well in terms of government efficiency, low levels of corruption, and openness to foreign trade. Chile is consistently the highest-ranked country in Latin America in terms of economic competitiveness. According to the World Economic Forum's (WEF) Global Competitiveness Report 2019, Chile maintained its ranking of 33rd in the world for competitiveness, while IMD assessed Chile to be 38th worldwide, both surveys ranking Chile highest in the region. WEF estimates Chile's GDP per capita (Purchasing Power Parity) to be about \$24,000. Transparency International ranks Chile 26th out of 168 countries in its Corruption Perceptions 2019 Index.

Chile continues to pursue market-oriented strategies, expand global commercial ties, and actively participate in international issues and hemispheric free trade. Chile is a member of the Pacific Alliance, the Rio Group, an associate member of Mercosur, a full member of APEC, and a founding member of the Comprehensive and

Progressive Trans-Pacific Partnership (CP-TPP) and UNASUR. Chile became the 31st member of the OECD in 2010, only the second Latin American country to join after Mexico.

Chile has successfully negotiated Free Trade Agreements with 62 countries around the world, notably with Europe, China, India, and North America, among many others. As such, competition is fierce, and Chile's nearly 19 million citizens have excellent access to the world's products and services. This offers a unique opportunity for U.S. exporters interested in expanding their businesses in arguably the most open and stable market in Latin America.

In 2010, the United States and Chile concluded the negotiations of a bilateral tax treaty, which was ratified by the Chilean Congress in September 2015. The treaty has not yet been ratified by the U.S. Senate.

Market Challenges

While U.S. companies have not been the target of protests and demonstrations, these developments, in addition to COVID-19, has forced the Chilean Government to shift its focus to addressing citizen demands related to the pension system, high price of pharmaceuticals and higher education, health care, and utilities costs.

In terms of market entry, perhaps the greatest challenge to a U.S. firm seeking to export to Chile is the high degree of competition and the relatively small market size. Even though Chile is a market with a population of just fewer than 19 million, its open trade and investment policy has attracted the attention of many foreign firms and it ranks as the 20th largest U.S. goods export market in the world. At the same time, the small market size has led some companies to overlook Chile, leaving interesting niche markets and solid opportunities for U.S. exports.

Despite Chile's openness to new products and technology, Chilean businesspeople tend to be far more conservative and cautious than the average U.S. businessperson. U.S. companies should take this into consideration when entering the market and adjust sales expectations accordingly.

While the Chilean Government is committed to trying to streamline certain processes, U.S. companies will find that operating in Chile requires patience and a tolerance for delays associated with doing government-mandated paperwork and obtaining various approvals and permits.

A key to competing successfully is finding the right in-country partner. It is extremely difficult for a foreign entity to successfully do business in Chile without having either a direct presence in the market or a local partner. A good agent or distributor can use their business and/or social connections to open doors and overcome regulatory, as well as cultural and language barriers.

U.S. companies doing business in Chile should be aware that a relatively small number of economic groups and families control a large percentage of Chilean businesses. The limited competition in select industries has brought to light increasing concerns about transparency and allegations of potential collusion or corruption in recent years.

Market Opportunities

U.S. companies are generally respected for the high quality of their products and services and known for their innovation. Energy costs in Chile are among the highest in South America and Chile needs to expand its installed capacity to meet demand over the next decade. As such, Chile is searching for technology and capital to increase supply through new energy generation (exclusively renewable) and energy efficiency.

Chile looks to leverage private sector involvement in public works projects and infrastructure via concessions and will continue to use this strategy going forward. Chile has privatized much of its infrastructure and basic services, such as ports, highways, transportation, and water supply. There is also significant private sector involvement in education, retirement/pensions, health care, and prisons.

While Chile is a small market relative to its neighbors, many U.S. companies consider Chile to be an excellent platform for doing business in the Southern Cone. Peru, for example, has received significant attention from Chile-based retail companies, mining companies, and agriculture interests.

Leading opportunities for U.S. exports of equipment and services include energy (particularly renewables), healthcare, safety and security, environmental technologies, agricultural equipment, water resources, high-value food products, telecommunications, mining, automotive parts, and construction industries.

Market Entry Strategy

Establishing a local subsidiary or branch office in Chile is recommended for a U.S. exporter expecting a large sales volume and/or requiring local service support or localized inventory. Any corporation legally constituted abroad may form, under its own name, an authorized branch (“agencia”) in Chile.

Another practical and more common market entry strategy, especially for new-to-market exporters and companies that are testing and growing in the market, is to appoint an in-country agent or representative with good access to relevant buyers and solid technical expertise.

Leading Sectors for U.S. Exports and Investment

Agriculture

Overview

Chile has adopted a commercial policy to open and diversify markets for its agricultural and food products, with a special focus in the Chinese market. Chile has 29 trade agreements that cover 65 markets.

Chile is among the top ten agricultural exporters in the world with main agricultural exports including wine, fresh fruit, dairy, meat, and fishery products. The agriculture industry—including agricultural-related products—is responsible for 28 percent of Chile's overall trade, 11 percent of its total gross domestic product, and around 10 percent of the country's national work force.

Chile is among the top ten agricultural exporters in the world. Chile's main agricultural exports are wine, fresh fruit, dairy, meat and fishery products. Chile has a modern and developed food processing industry that is forecast to grow to more than 35 percent by 2030. The food and beverage industry will grow by 6.6 percent annually.

U.S. exports of agricultural & related product to Chile totaled \$1.1 billion in 2019 which represent a 13 percent annual growth over 2018. Chile is the third largest market in South America for U.S. agricultural products and the second largest market in South America for consumer-oriented agricultural products.

Healthy foods, gourmet foods, prepared foods and ready-to-eat meals show huge potential for growth in the Chilean market. Chilean consumers have an increasing concern for health-related issues while the food processing industry continues to adapt to the nutritional labeling law, higher labor costs, and sophisticated consumers, all of which present challenges, but also opportunities for U.S. high value-added products and ingredients such as natural additives, preservatives, thickeners and sweeteners.

Chilean Processed Food Industry

In 2019, Chile imported \$3.7 billion worth of consumer-oriented agricultural products from the world and \$755.5 million from the United States, a 18.5 percent increase over 2018, and the highest level of exports recorded so far. The top U.S. agricultural exports to Chile are beer, poultry, pork, dairy products, beef, condiments and sauces, and nuts.

There are three main reasons for Chilean companies to import food products and ingredients: (1) If the products are not available domestically through local production (2) if it is cheaper to import rather than buy domestically; or (3) if imported products offer a higher quality than those available in the domestic market.

Food processing companies are constantly looking for innovative ingredients for production of healthier foods especially those for consumers with food intolerances such as lactose and gluten-free products. Chilean consumers have an increasing concern for health-related issues while the food processing industry continues to adapt to the nutritional labeling law, higher labor costs, and sophisticated consumers, all of which present challenges, but also opportunities for U.S. high value-added products and ingredients such as natural additives, preservatives, thickeners and sweeteners.

New ingredients are used in the production of healthier products especially those adapted to consumers with food intolerances, such as lactose and gluten free products. Alongside there is a rising demand for organic foods.

Chilean companies seek to reformulate and develop new products that do not need to carry a warning label from the nutritional labeling law. Therefore, companies seek for ingredients and healthier substitutes (for

example sweeteners instead of sugar) or innovations on how to produce tasteful products within the same price range, but with healthier ingredients.

For further information on food processing ingredients please see [GAIN report](#).

Food Retail Market

Chile has been one of Latin America's fastest-growing economies in the last decade enabling the country to have a modern and dynamic food retail industry. Chile's food retail sales reached \$15.7 billion in 2019.

There are five main retail groups in Chile: Falabella, Cencosud, Walmart Chile, Ripley and La Polar. Falabella and Cencosud have department stores, home centers and supermarket/ hypermarkets; Chile has a modern, highly competitive supermarket sector.

According to the National Institute of Statistics (INE), in 2018, 1,371 stores, including hypermarkets, supermarkets and other small food retail stores with a minimum of three checkouts composed the Chilean food retail sector and 50 percent of them are located in the Metropolitan region. Supermarkets have the largest market share for Chile's food sales, holding 48.2 percent of total food sales, mid-sized supermarkets hold 12.1 percent of total sells and Grocery stores have a market share of 21.2 percent.

Chile is becoming increasingly urbanized, not only in the Metropolitan region but also in other provincial or second-tier cities. The retail industry has been adjusting to this trend especially grocery retailing that has been adopting a convenience model through chained convenience stores, forecourt retailers and smaller supermarkets.

Chilean consumers purchasing habits have changed and retailers have been adapting to that change. Traditionally, Chileans used to be loyal to brands and focused on quality, disregarding price. However, Chilean consumers have become increasingly informed, comparing and looking for promotions and variety before making a purchasing decision and searching for lower prices even if this means not purchasing all their groceries from one store. The most important factor for consumers' purchase decision is store location, followed by price, and promotional activity.

The Chilean retail industry has been adapting to the online world both with electronic and mobile commerce. The challenges in the retail industry are mainly focused on developing new platforms that respond to consumers' demands for more personalized products and services, offer a greater assortment of products for customers looking for healthy and functional food and beverage products, and improve customer service.

For more information on the retail market see [GAIN report](#).

Hotel, Restaurant and Tourist Industry

Hotels, restaurants and institutions seek to reduce operational costs by buying processed foods and ready-made meals, which minimize labor costs. Consumers' healthy lifestyle trends have changed not only restaurant and hotel operators, but also the institutional food services. Healthy foods are a category of products that show huge potential for growth in the Chilean market, there is increasing concern for health issues among consumers and food processing companies that are trying to adapt to health regulations and consumers' demand. Another category of products with high growth potential is gourmet food and beverages.

Hotels, currently the biggest investment sector of the HRI market, will continue to thrive and this will provide export opportunities for U.S. producers.

For further information on food services please see [HRI GAIN report](#).

Business Recommendations and Import Procedures

Conduct marketing research, not only in terms of typical market research, but also of appropriate business contacts and Chilean import regulations in order to successfully seize market opportunities and overcome market challenges.

If you have questions or need assistance exporting agricultural products to Chile, please contact the Foreign Agricultural Service (FAS) in Santiago, Chile. U.S. companies seeking to export food products to Chile are advised to do thorough research for a good understanding of the market. [FAS GAIN](#) reports are a good source of country specific information.

Work closely with U.S. Department of Agriculture Foreign Agriculture Service (FAS) Santiago Office to promote U.S. food products on Sabor USA Chile [Facebook](#) and [Instagram](#) to strengthen the U.S. food lovers' community on social media.

FAS Santiago recommends exhibiting at the USDA-endorsed show [Espacio Food & Service 2020](#) the most important food industry event in Chile. This show serves as a gateway into the Chilean market, helping U.S. exporters to promote their products, to get in contact with potential business partners, buyers, and to run product introductions.

A trade show can serve to contact local distributors/sales agents, buyers, and businesspersons, and to become familiar with local competition. In the case of new-to-market companies, be prepared to provide support for in-store and media promotions to familiarize consumers with your products. Another option is state/regionally organized trade missions.

Adjust your product to local preferences, if required prepare promotional material in Spanish and assign a specific budget to promote your product locally.

Conduct background checks before entering into contractual agreements with potential importers.

Develop an appropriate marketing campaign that informs the consumer the origin of the brand. Slogans and marketing materials should be understood in Spanish. Be mindful of using slang. The word "American" coupled with a U.S. flag can be favorably used in this market.

While regulations are relatively transparent, changes are not widely advertised. Hence, the exporter or his/her representative must monitor the official journal (Diario Oficial), where periodical changes are published. One can also visit the websites of the [Ministry of Agriculture](#) and the [Ministry of Health](#) to seek further updates. Spanish labeling is mandatory for all products.

Opportunities

- Meat products (beef, pork and poultry)
- Dairy products (cheese and ice cream)
- Sauces, mixed condiments and seasonings
- Frozen meals
- Healthy foods (natural derived, with few food additives and preservatives)
- Healthy snacks; healthy beverages (natural ingredients, functional drinks)
- Ready to eat foods.

For more information regarding the Agricultural and Food sectors contact the [U.S. Foreign Agricultural Service](#).

Agricultural Machinery and Equipment

Overview

Agriculture is one of the main economic activities in Chile, accounting for 24 percent of the country's total exports, and 11 percent of its total GDP. Approximately 9 percent of the country's labor force is engaged in agriculture and related services. Chile has a small internal market, and its economy is driven by exports, concentrated primarily in copper and its agricultural sectors: fresh fruit, wine, forestry, meat, dairy, and fishery products. Chile is the world's largest exporter of fresh table grapes, blueberries, prunes, dehydrated apples, and frozen salmon fillets. After the sector's impressive growth of 9.5 percent in 2015, and 3.7 percent in 2016, growth fell to 2.5 percent in 2017, mainly due to low production of livestock and poultry, and low crop production, especially corn. However, agriculture recuperated growing by 5.8 percent in 2018, becoming the fastest growing sector, and by 5.5 percent in 2019, well over the 1.8 percent of Chile's economic growth during the same period.

Agriculture faces a difficult scenario due to high labor and energy costs and a historic drought that has affected the country during the last decade. The challenge for today's farmers and farming conglomerates is to become more sustainable. However, farmers and agriculture-related companies have not invested in new projects, machinery, and equipment, preferring to purchase replacement equipment. Agriculture machinery from the U.S. has a high reputation, and is in demand, but U.S. companies must be aware that the market is small and very competitive.

Chile always looks for innovative technologies to address the lack of labor and water in the production of its major crops. Robotic equipment such as unmanned tractors (for planting, harvesting, fumigating, weed removal), and robot/workers will be required in some areas of the country. Drones are already being used (although not on a massive scale) to collect data on soil condition, hydro availability, harvest conditions, fertilizer presence, etc. The current market for specialized and energy efficient machinery and equipment is a best prospect since it reduces labor, saves energy, and subsequently lowers production cost. Productivity has increased in recent years, but needs to increase even further, with the use of new and higher efficiency machinery, technology, irrigation systems, natural fertilizers, and soil enhancers. The industry trend is to mechanize agriculture processes such as harvesting, and to use other labor replacement machinery and equipment, which are in high demand by Chilean farmers. Chile must reduce production costs to remain competitive in the international market, of which it is an important food supplier.

Chile's agriculture is focused on sustainability and natural products with the Chile brand. Organic production has increased, and natural fertilizers and pesticides are needed. Chile's agriculture production aims at being as 'green' as possible, and to remain as such, obtaining better value for its exports, and contributing to a healthy environment.

	2017	2018	2019	2020 estimated
Total Local Production	12	12	12	9
Total Exports	1	9	7	6
Total Imports	366	443	524	420
Imports from the US	76	83	68	85
Total Market Size	369	446	529	423
Exchange Rates: 1 USD	649	641	770	790

Total Market Size = (total local production + imports) - exports

UNITS: \$ millions

Source: Thomson Reuters Chile / Chilean Customs

Leading Sub-Sectors

- Smart agriculture “machine learning” devices for agriculture processes such as planting, watering, fertilizing, collecting data, etc.
- Equipment/drones to effectively monitor production conditions, propose improvement processes, and increase crop yield.
- Irrigation infrastructure is required to maximize efficiency of water usage. There is an critical water shortage, and investment in irrigation and other related systems represent an opportunity for U.S. agriculture machinery manufacturers.
- Water storage systems and water transportation systems (and supplies) to line canals, tunnels, and underground reservoirs. The authorization to build water reservoirs takes at least 15 years due to the bureaucratic process entailed, involving several ministries and government entities. Large water storage systems that can replace water reservoirs are a good prospect.
- Mechanization of agriculture processes including fresh fruit harvesting equipment. Machinery to replace labor.
- Energy efficient machinery and equipment (decrease energy consumption). Environmentally friendly machinery and equipment (reduce impact on environment and provide higher sustainability).
- Equipment, systems and supplies to obtain traceability of crops.

Opportunities

[FRUITTRADE 2020](#), October 7-8, 2020, Santiago, Chile

FruitTrade is the trade event/seminar related to the fruit and vegetable production and exports. The event brings together producers/exporters, with international buyers of fresh fruit, dried fruit, vegetables and organic products. FruitTrade includes a business roundtable and an International Convention, featuring technical seminars on trade, technology, production, innovation and management.

[SAGO-FISUR 2020](#), November 14-17, 2020, Osorno, Chile

Sago-Fisur trade show, whose first version took place in 1917, focuses mainly on dairy and livestock, and regional fruits/berries production. The event is attended by suppliers, distributors, and service providers related to the agriculture sector, and includes technical seminars, and the most important exhibit of pedigree cattle and equine. The Chilean Association of Slaughtering Plants organizes a special seminar on the subsector.

IFT Agro 2021, May, 2021, Talca, Chile

IFT Agro is the largest and most important agriculture trade show in the country. The International Trade Show, IFT-Agro 2021, is an industry trade event committed to bringing together leading suppliers of technologies to produce agricultural goods, products and services with decision-makers from small, medium and large producers who need access to technology to become more competitive in this industry.

Web Resources

[MINAGRI](#) - Chilean Ministry of Agriculture

[ODEPA](#) - Oficina de Planificación Agraria (Chilean Office for Agricultural Policy Studies)

[SAG](#) - Servicio Agrícola y Ganadero (Agriculture and Livestock Service)

[SNA](#) - Sociedad Nacional de Agricultura (National Association of Agriculture)

[INDAP](#) - Instituto de Desarrollo Agropecuario, (Institute of Agriculture Development)

[CONAF](#) - Corporación Nacional Forestal (National Forest Agency)

[AGRYD](#) – Asociación Gremial de Irrigación y Drenaje (Chilean Association of Irrigation and Drainage)

For additional information, please contact CS Santiago Commercial Specialist Mary L. Lathrop, Mary.Lathrop@trade.gov.

Construction Machinery and Equipment

Overview

While Chile's economy grew by a meager 1.1 percent in 2019, the construction industry was the highest growing sector, reaching 4.9 percent, an increase from 3 percent growth during 2018. However, Chile's economic slowdown in recent years, combined with the economic fallout from the social unrest in October 2019, and the current COVID-19 pandemic, leads to a pessimistic scenario for 2020 with a possible recovery during 2021.

Imports of construction machinery and equipment reached \$378.1 million during 2019, a significant drop of almost 42 percent, in line with a projected negative growth during 2020 of between -10 and -14 percent, the steepest in 37 years, according to the Chilean Chamber of Construction, CCHC (Cámara Chilena de la Construcción). However, the entity projects a quick recovery during 2021, with a projected growth rate of between 9 percent and 12 percent then decreasing to between 2.75 percent and 4 percent in 2022.

The U.S. is the single largest supplier of machinery and equipment, mostly with heavy machinery, high-tech building materials and capital equipment, followed by Germany, China, and Italy. Building materials from the U.S. have a high reputation, and are in demand, but U.S. companies must be aware that the market is small and very competitive. Construction standards continue to be improved, especially related to regulations covering insulation, energy efficiency, doors/windows, sustainability, and 'green' construction. The high cost of energy (the highest in Latin America), fosters the need to use energy efficient materials incorporated in projects design.

There is wide consensus on the need to substantially increase public and private investment on infrastructure to reach sustainable development. The current administration is prioritizing construction investment, which will play an important role in the economic recovery of the country once the pandemic is under control. Investment in infrastructure construction, should continue to grow during the next years through private and public investment, reaching a total of \$60 billion (2019-2027), covering three main areas:

- Base Infrastructure: Water resources, transportation and storage; Energy; Telecommunications
- Logistics Infrastructure: Inter-urban roads; Urban roads; Airports; Ports; Railway roads; Logistics
- Social Use Infrastructure: Public Spaces; Hospitals; Jails; Education

In response to the negative economic impact caused by the COVID-19 pandemic, the government is modifying regulations to reduce bureaucracy and speed up authorization processes and qualifications. In this context, 138 private projects totaling \$24.5 billion, are being prioritized to start construction by the end of 2021. The latest, projected infrastructure investment for the 2020-2024 period, reaches \$34.8 billion, 74 percent of which relate to the mining and energy sectors. Mining is the most important generator of construction projects accounting for approximately 46 percent during 2020.

Infrastructure projects are financed with direct state investment as well as public/private partnership resources. The country has a large portfolio of pending infrastructure projects including ports, airports, and highways. Among the areas with major investment requirements for the 2019-2027 period are urban roads and highways, totaling \$60 billion; telecommunication infrastructure (expansion of fiber optics, and coverage of remote areas) for \$25.3 billion; and water infrastructure (transportation and storage), for \$18.3 billion. A parallel road to the country's main highway Ruta 5, which runs north/south, is projected to begin construction by 2022.

Arcadis' Sustainable Cities Index ranks Santiago number one as the most sustainable city in Latin America. According to Chile Green Building Council, GBC Chile, Chile has 223 LEED certified buildings, and 490 total LEED activities (including certified and ongoing projects). Chile signed a cooperation agreement with U.S. GBC in 2018.

The public consciousness of sustainable practices and support for investment in green infrastructure, engineering, and construction is high. In 2016, Chile started its "National Program for Sustainable Production and Consumption", which includes sustainable construction. The program involves the Ministries of Public Works, Housing & Urban Development, Energy, Environment, Mining, Health, Economy, Finance, and Agriculture to jointly incorporate and

design the local concept of sustainable construction, production and consumption to achieve an overall sustainable environment.

	2017	2018	2019	2020 estimated
Total Local Production	110	110	95	70
Total Exports	73	59	61	50
Total Imports	672	900	378	300
Imports from the US	197	234	109	78
Total Market Size	709	952	412	320
Exchange Rates: 1 USD	649	641	770	770

Total Market Size = (total local production + imports) - exports)

Units: \$ millions

Source: Thomson Reuters Chile / Chilean Customs

Leading Sub-Sectors

Chile manufactures very limited and basic types of construction equipment, mostly mining related. Most of the equipment is imported, and U.S.-made products are highly regarded by Chilean buyers. Imports from the U.S. account for 28.9 percent of the market, followed by Germany: 19.2 percent, and China: 8.4 percent. Chinese equipment continues to increase its presence in Chile.

Energy Efficiency

The best opportunities for U.S. exports are for those products that offer high levels of efficiency and that can work on reduced operational costs, replacing expensive labor. Since the cost of energy in Chile is very high, energy efficient machinery is an excellent sales advantage. The most promising are in areas such as earth moving equipment, concrete technology for high-rise building construction (scaffolding, concrete pumps), and supplies and consumables that accelerate the building process. Energy efficiency and 'green' building materials also have a good market.

Building Materials

Building materials used in green building are good prospects, including those that add points for LEED and other certification programs. 'Green' and 'sustainable' are key words within the Chilean construction sector. Renewable energy equipment related to construction (commercial, industrial, and housing), insulation products, heating systems and air conditioning systems are important considerations in current construction projects. The local market is open to new and high-tech products; however, it is a small and very competitive marketplace.

Construction Digitalization and Mechanization - Innovation

There is an increasing awareness of the benefits of digital construction, including Building Information Modeling, BIM, Blockchain, Big Data management, software services, inventory management, augmented reality, cloud computing, digital processes integration, and recycling processes (and avoiding waste). Chile's construction is still in 'paper mode', which is inefficient, unprecise, and causes 'fail phase' to be recurrent. With digitalization and IT technology, processes can improve efficiency, and cut costs and construction time. Corruption can also be avoided by using technology and online live data. There are already some buildings made of 3D printer materials, and industrialization of construction is also beginning, saving time and cost.

Opportunities

- Public Works, Infrastructure: urban and inter-urban roads and highways, airports, ports, hospitals, jails, etc.
- Mining, energy & general industry related construction
- Private sector buildings (offices, hotels, first & second homes, mountain, country, lake and beach resorts)
- Retail, especially shopping malls
- Educational and private health facilities
- Industrial facilities

[EXPO EDIFICA](#) / Expo Hormigón will take place in Espacio Riesco, October 13-16, 2021

The local trade shows Expo Edifica collocated with Expo Hormigón (Cement Construction Show), is the most important event in the construction industry, and brings together exhibitors and visitors from Chile, Latin America, North America, Asia, and Europe.

Resources

[Ministry of Public Works \(MOP\)](#)

[Ministry of Housing and Urbanism \(MINVU\)](#)

[Chile GreenBuild Council](#)

[Chilean Chamber of Construction \(CCHC\)](#)

[Technology Development Corporation \(part of CCHC\)](#)

[Institute of Cement and Concrete \(ICH\)](#)

[Association of Engineering Consultants \(AIC\)](#)

[Association of Architecture Firms \(AOA\)](#)

For additional information, please contact CS Chile Commercial Specialist, Mary L. Lathrop, Mary.Lathrop@trade.gov.

Healthcare

Overview

Chile's annual healthcare expenditure is approximately 5 percent of GDP. Public healthcare expenses are expected to reach \$13 billion by the end of 2020. FONASA, the government-run healthcare insurance system, covers 77 percent of the population. Of the remaining 23 percent that are not covered by FONASA, 16 percent (approximately 2.6 million people) pay into the private sector insurance system, which is provided by entities that are equivalent in the U.S. to health insurance companies called ISAPREs. Three percent receive coverage through the Ministry of Defense, as part of the armed forces and police. Approximately 5 percent of population lacks any type of insurance.

The number of healthcare centers -public and private- in the country has reached 3,814 in the last 10 years including investments in hospitals and outpatient centers. Healthcare infrastructure projects are a priority for Chile, due to the country's aging population and the increase in the number of patients with chronic diseases.

U.S. companies have invested heavily in the Chilean healthcare sector over the last five years. In 2013, the U.S.-based Christus Health network invested in RedSalud network of Chile's Catholic University. In 2014, Walgreens Boots Alliance purchased Farmacias Ahumada, one of Chile's top pharmacy chains. In 2017, Nexus acquired Masvida, one of Chile's twelve ISAPREs. In 2018, United Health Group acquired the large private health insurance and medical provider Banmedica, which operates in Chile, Peru, and Colombia.

Healthcare agreements exist between several important U.S. medical centers and private Chilean hospitals. Massachusetts General Hospital has an agreement with Clínica Universidad de Los Andes. Numerous renowned U.S. healthcare centers are working with Clínica Alemana, including Mayo Clinic, Cleveland Clinic Foundation, the Children's Hospital of Philadelphia, the MD Anderson Cancer Center, the Hospital for Special Surgery, the Chest Disease Center-Beth Israel Deaconess Medical Center, and the Nicklaus Children's Hospital. Clínica Alemana also has agreements with several hospitals in Germany, Belgium, Argentina, Italy, and Spain. Clínica Las Condes is associated with Johns Hopkins Medicine. These agreements cover diverse areas, including scientific research and exchanges, U.S. medical specialist evaluations/second opinions of Chilean patients, interaction with renowned U.S. experts, and opportunities to learn about U.S. healthcare models,

There are two private healthcare centers in Chile with Joint Commission Accreditation: Clínica Alemana and Clínica Las Condes.

In terms of regulation, pharmaceuticals are subject to mandatory registration at the Institute of Public Health (ISP, in Spanish). Currently, medical devices that require ISP authorization include contraceptives, gloves, needles, and syringes. However, the Chilean Congress is currently considering a law that may impact the pharmaceutical and medical device industries in Chile, known as Ley de Farmacos II.

	2017	2018	2019	2020 estimated
Total Local Production	6	6	6	7
Total Exports	19	22	21	221
Total Imports	972	1,116	1,115	1,890
Imports from the US	319	342	349	370
Total Market Size	959	1,120	1,099	1,677
Exchange Rates: 1 USD	649	641	676	770

total market size = (total local production + imports) - exports

Units: \$ millions

Source: Chilean Customs Data and ADIMECH

The COVID-19 pandemic has been the worst health crisis in Chile in the last 100 years. The Chilean government's 2021 budget is still being negotiated; however, the government has already announced their intention to dedicate around \$1 million for testing and \$200 million for vaccines. The pandemic has also led to a rapid increase in the utilization of telemedicine from less than 1 percent pre-pandemic to an estimated 25 percent in 2020. In addition, many patients have delayed routine medical care, which healthcare officials expect to cause an increase in demand for health services in the second half of 2020 and 2021.

Leading Sub-Sectors

Best prospect sub-sectors include:

- Telemedicine technology
- Healthcare information management systems
- Digital medical record systems
- Remote monitoring systems for chronic diseases
- Medical devices, such as central monitors and essential emergency medical equipment.

Opportunities

Since taking office in March 2018, the Piñera Administration has identified the following healthcare priorities:

- Creating a unified national record of patients on waiting lists for government-funded treatment of certain diseases.
- Implementing a system for quality care of elderly citizens.
- Improving management systems to foster capacities and efficiencies in hospitals and outpatient centers.
- Strengthening and expanding the annual immunization program, including a Covid-19 immunization vaccine.
- Creating a network of high-quality family outpatient centers throughout the country.
- Modernizing public hospitals with the construction of thirty new hospitals, thus creating 7,000 new beds over the next six to eight years.
- Modernizing management and introducing new technologies, reducing drug costs to foster competition and transparency, implementing an oral healthcare plan, among others.

Another consequence of the health emergency was the move to utilize direct purchases, which have almost doubled since 2019, instead of public tenders in health. Nevertheless, the majority of public sector opportunities are published as tenders at [the government procurement website](#). Foreign companies may register on this site as foreign suppliers; however, as with other segments of the Chilean market, it is far more effective to appoint a local representative with experience in selling to the public sector. Local representatives generally have good contacts in the public and private sector and a network of sales people throughout the country to provide after-sale service and support, which is highly valued in this market.

[Expo Hospital](#)

September 7-9, 2021

Santiago, Chile

Web Resources

[Chilean Ministry of Health](#)

[Fonasa, National Health Fund](#)

[Association of ISAPREs](#)

[Chilean Health Superintendency](#)

[Institute of Public Health](#)

[Chilean Association of Medical Devices \(ADIMECH\)](#)

[Department of Statistics and Health Information \(DEIS\)](#)

[Association of Private Clinics](#)

For additional information, please contact CS Santiago Commercial Specialist Claudia Melkonian, claudia.melkonian@trade.gov

Safety & Security

Overview

The safety and security sector in Chile is overseen by the Ministry of Interior, which proposes to the President of Chile the rules and actions on internal policies to maintain public order, security and social peace. The agencies for Crime Prevention, the Police Force (Carabineros de Chile), and Investigation Police (PDI) are under the Ministry of Interior.

The safety and security sector is expected to continue growing due to a number of high profile security and cybersecurity incidents over the last 12 months. The largest protests since Chile's return to democracy occurred on October 18, 2019 and continued for weeks. These protests are expected continue to occur throughout 2021. In addition to the social unrest, Chile has experienced an increase in violent incidents in southern Chile related to land claims of indigenous people. Chile's coastline is 2,700 miles long, from the border with Peru to the southernmost islands in Cape Horn, and illegal fishing is a growing problem. The country also faces a serious problem of illegal immigration through the natural passes between Chile and bordering countries. To address all of these above issues, there is a growing market for security monitoring and detection systems, services, equipment, and technologies in this market.

Natural disasters such as earthquakes, tsunamis and wildfire are common in Chile. Equipment and technologies to monitor and respond to these threats are in constant demand. Chile's wildfire season lasts from November through April and has worsened over the last decade due to climate change and an ongoing historic drought. Chile also is a very seismically active country requiring equipment and technologies to monitor and respond to earthquakes and tsunamis. Firefighters in Chile are grouped under the National Council of Firefighters (Junta Nacional de Bomberos), which coordinates annual purchases of firefighting equipment and gear. Chile follows the standards of the U.S. National Fire Protection Association (NFPA). In order to participate in the Council's tenders, foreign companies must register as a foreign supplier and also assign a local representative.

Prison overpopulation is another important aspect in the safety and security sector. The national penitentiary system includes 84 prisons for approximately 40,000 inmates, with an average occupation of 106.6 percent. One step to alleviate overcrowding has been the adoption of electronic bracelets for offenders.

The Chilean market for safety and security is highly competitive. U.S. companies must compete with foreign suppliers from China, India, Spain, Germany, Brazil and other countries. U.S. technology is highly regarded in the Chilean market; however, price has always been a priority in Chile.

	2017	2018	2019	2020
Total Local Production	12	12	14	15
Total Exports	18	18	19	19
Total Imports	384	395	410	428
Imports from the US	85	88	96	105
Total Market Size	378	389	405	424
Exchange Rates: 1 USD	649	641	770	790

Total Market Size = (total local production + import) – exports

Units: \$ millions

Source: Chilean customs data and estimates from local industry experts

Leading Subsectors

- Broadcast devices and video cameras
- Protective/safety clothing and footwear
- Safety devices and tools
- Equipment and implements for working at height
- Identification and control elements
- Detection and alert systems
- Radionavigation and radio remote control devices
- Fire Control implements

Cybersecurity

Chile has one of the highest levels of internet penetration in South America, and also leads the region on eCommerce sales on a per-capita basis. Cybersecurity continues to be an increasingly important issue for regulators and corporations alike, particularly since 2018 when a large financial institution was targeted for an attack that resulted in losses of \$10 million. A second high-profile cybersecurity incident occurred in September 2020 when malware was discovered in the IT systems of the state-owned bank, BancoEstado.

As a result of the social unrest and country-wide protests that affected Chile in October 2019, when the country declared state of emergency, President Piñera signed a [bill](#) to allow the arm forces to protect the national critical infrastructure, [including telecommunication and IT infrastructure](#). In July 2020, the Chilean Commission for the financial market (Chile's SEC equivalent) published a [regulation](#) to require cybersecurity and information security management procedures.

Chile has an agreement with the U.S. Department of Defense for closer cooperation in combating cyber threats. In 2019, Chile hosted the Cybersecurity Symposium organized with the Organization of American States. As part of its broader security-enhancement agenda, Chile has received a loan of [\\$48 million from the Inter-American Development Bank](#) to finance a "Program to Strengthen the Strategic Management of Public Security in Chile" which includes a cybersecurity component.

Opportunities

The Chilean Government is planning to implement various security plans for the coming years in three main areas. In Cybersecurity, it plans a CSIRT Incident Systems, the creation of a National Cryptological Center and Full Digitalization of the Immigration System. In Risk Prevention Control it plans a National Policy for Disaster Risk Reduction (2020-2030) and a National System for Disaster Prevention and Response. In Internal Security & Public Order it plans a Mobile Remote Surveillance in all Country by 2022 and a Teleproteccion System Nationally.

[SeguridadExpo 2021](#)

Espacio Riesco

Santiago, Chile

September 8 – 10, 2021

Seguridad Expo is the main international event in safety and security sectors in Chile. The event attracts over 5,000 visitors due to its wide range of technological solutions in the sector and its interesting program of activities. The exhibition is divided into three halls: Public and Private Security; Industrial Safety, Occupational Health, and Biosecurity; and Fire and Natural Disasters. SeguridadExpo provides an excellent opportunity for U.S. companies to introduce their equipment and products in the Chilean market.

Web Resources

[Chilean Ministry of Interior](#)

[Chilean Council of Firefighters](#)

[Carabineros de Chile \(national police\)](#)

[Investigative Police \(PDI\)](#)

For additional information, please contact CS Chile Commercial Specialist Isabel Valenzuela, isabel.valenzuela@trade.gov

Telecommunications Equipment

Overview

Chile has the most advanced and modern telecommunications network in Latin America continuing to grow and offer numerous opportunities for U.S. companies. Chile has to import almost all of its telecommunications equipment, therefore, while significant opportunities exist, U.S. suppliers face intense international competition.

Chile's main challenge in telecommunications is to overcome the existing digital gap by providing internet connectivity to all Chileans in all regions. Due to the pandemic, internet has become a critical service for consumers, which will continue after the pandemic while also accelerating the digitization process.

In 2018, the Undersecretariat of Telecommunications (SUBTEL) announced a development of a plan to increase telecommunications investment in Chile by 30percent over four years. SUBTEL has established a Telecommunications Investment Working Group with the participation of representatives from the private and public sector and academia to help guide investments in telecommunications infrastructure.

	2017	22018	2019	Est. 2020
Total Local Production	84	110	116	120
Total Exports	48	50	65	70
Total Imports	648	640	815	825
Imports from the US	126	180	244	265
Total Market Size	684	800	866	875
Exchange Rates: 1 USD	649	641	770	790

Total market size = (Total local production + imports) – exports = Total Market Size

Source: Chilean Customs Data, SUBTEL and information from local industry.

Leading Sub-Sectors

Wireless

In December 2019, Chile's mobile phone penetration reached 129.9 subscribers per 100 inhabitants for a total of 25 million subscribers. The three main operators (Entel, Movistar, and Claro) had 79 percent of the market in 2019, compared to 86 percent in 2018. New entrant WOM has increased its market share to 19 percent 2019. Total fixed landlines are 14.3 per 100 inhabitants, which represents a decrease of 8.2 percent.

Internet

Internet penetration, including wireless and fixed landlines, totaled 116 per 100 inhabitants in 2019, an increase of 3.3 percent compared to the previous year. The main suppliers of wireless internet, Entel, Movistar, and Claro, had 74 percent of the market in 2019. WOM increased its market share from 19 percent in 2018 to 22 percent in 2019. The main suppliers of fixed internet are Movistar and VTR with 66 percent of the market.

Opportunities

In May 2020, President Sebastian Pinera announced an ambitious telecommunications program to be implemented before the end of his Presidential term in March 2022. The program includes the first nationwide 5G network in Latin America, a subsea fiber optic cable to connect South America and Australia, and a new satellite network.

5G

On August 1, 2020, SUBTEL released four public tenders to grant telecommunications service concessions to install, operate, and deploy a high-speed wireless network (LTE Advanced Pro and 5G or higher) in the frequencies of 700 MHz and AWS bands, and 5G or higher in the frequencies of 3.5 GHz and 25 GHz bands. A total of 1,800 MHz will be tendered. The implementation of 5G will require an estimated investment of US\$ 3 billion over the next 5 years.

SUBTEL will conduct a "beauty contest" to award the spectrum to those companies that offer the best model and a greatest social benefit in the use of spectrum. The deadline for submitting proposals is November 18, 2020 and the spectrum should be awarded in early 2021. The companies will have one year to complete their project. Once 5G is implemented, there will be several opportunities open for US suppliers of multiple applications.

Fiber Optic Subsea Cable

Chile is planning to build a submarine fiberoptic cable connecting South America to Asia. On July 27, 2020, President Piñera announced that the route selected for the cable would be from Chile to Australia with an additional landing point in New Zealand. This route was considered the most cost-efficient option due to it requiring fewer kilometers of cable. A terminus in Australia would also take advantage of Australia's existing 12 submarine fiberoptic cables with the rest of the world, including a new link to Japan.

The next phase in the project is to complete the engineering study and develop the business case to attract investors. Subtel is working with Chile's infrastructure development fund, Desarrollo Pais, to conduct outreach to potential investors. The estimated investment required for the project is US\$ 500 million.

Web Resources

- [Chilean Under Secretariat of Telecommunications](#)
- [Chilean Association of Information Technology Companies](#)
- [Santiago Chamber of Commerce](#)
- [Asociación de Telefonía Móvil](#)

For additional information, please contact CS Santiago Commercial Specialist Isabel Valenzuela, Isabel.valenzuela@trade.gov.

Mining

Overview

Chile is the number one producer of copper and the number two producer of Lithium in the world. In 2019, the sector produced 5.79 million tons of copper and 112.6 thousand tons of lithium. Its current world copper and lithium

production market share is 28 percent and 23 percent respectively. The mining sector’s contribution to the country’s GDP is approximately 10 percent (GDP 2019: \$283 billion) and represents over half of the country’s total exports. It is a key sector of Chile’s economy.

Chile's copper mining project pipeline remains attractive but both reductions in prices and ore grades place high demands on process efficiency. Also, operational costs need to include the cost of adopting technologies necessary to produce what has been termed “green copper “, i.e., copper produced in which the environment and the local communities are an integral part of the project.

The following table portrays the sector by looking at a sample set harmonized codes of mining equipment.

	2016	2017	2018	2019	2020 estimated	2021 estimated
Total Local Production	256	258	322	202	194	232
Total Exports	203	222	155	163	160	190
Total Imports	1,156	1,292	1,612	1,701	1,656	1,747
Imports from the US	264	307	363	331	335	326
Total Market Size	1,209	1,328	1,779	1,740	1,690	1,937
Exchange Rate: 1 USD	667	637	682	770	n/a	n/a

total market size = (total local production + imports) - exports

Units: \$ millions

Source: Chilean customs data

For 2020, copper prices are expected to lie within the range of \$2.50 - \$3.00 per pound. For the year 2021, mining sector investment projections will be around \$5 billion.

Chile currently holds 51 percent of the world’s lithium reserves. This combined with the demand coming from the electric vehicle industry will make this resource the focus of international investors and developers. Currently there are two large companies active in the industry: Soquimich S.A. (SQM) in association with Tianqui who owns 24 percent of SQM, and Albemarle Chile Ltda. Chile is also the number one producer of iodine, rhenium and sodium and potassium nitrate.

The U.S remains the single largest mining parts and equipment supplier, with a market share around 30 percent. Important export opportunities in this industry will continue for those companies offering technologies and products that bring substantial operational cost reductions, improved productivity and more efficient use of water and cleaner and safer processes.

Freeport McMoran Copper & Gold Inc. of Phoenix, Arizona, and Albemarle Corporation of Charlotte, North Carolina are two major U.S. mining companies present in the market. Most mining companies continue to be Canadian, Australian, European, and Asian owned.

Leading Sub-Sectors

The following is a list of mining parts, equipment and technologies in demand:

Equipment that requires regular replacement:

- Crushers

- Grinders
- Off-road trucks (240-440 tons)
- Cabbed truck chassis (+ 50 tons)
- Parts for rock cutters
- 360-degree revolving excavators
- Cranes and screening machines

Environmental system solutions

- Water treatment
- Water desalination
- Air pollution abatement
- Mine closure technology
- Carbon footprint reduction
- Dust control technology
- Arsenic management in smelters
- Tailing pond technology and services

Other

- Underground mining technology equipment and services
- Wear-resistant materials
- PSE

Opportunities

Industry projections indicate that by 2026 the sector is expected to invest \$19 billion, and U.S. exporters will remain an important supplier of quality products to Chilean importers.

Chile is seeking innovative technologies to modernize productivity and extraction in its mines, a trend that has been accelerated by the COVID-19 pandemic. A roadmap developed by Chile's Mining Council, Fundación Chile, and Corporación Alta Ley outlines a 15-year plan to guide mining operators on deploying new technologies to handle operational challenges including improving sustainability and human resource management. Codelco, Chile's state-owned copper mining company and largest copper producer in the world, has developed a digitalization strategy focused on data transmission and security, internet of things (IoT), automation, and integrated operations centers. Antofagasta Minerals has been experimenting with machine learning to gain efficiencies at its processing plants. Both Chilean mining firms have opened remote operation centers to centralize mining operations. Due to the risk averse culture of the sector, it is recommended that new technologies are introduced through cooperation with piloting centers to demonstrate effectiveness and reliability.

In Chile, there are two mining trade shows, EXPOMIN and EXPONOR:

[EXPOMIN](#) is the world's largest mining trade show outside of the U.S. Its global attendance gathered over 1,350 exhibitors in 2018. The official U.S. Pavilion featured around 100 exhibitors. Expomin's next version is scheduled to take place in Santiago on April 19-23, 2021.

[EXPONOR](#) is Chile's second largest mining trade show after EXPOMIN. The show will take place in June 21-24, 2021, in the northern city of Antofagasta. The U.S. Pavilion features about 70 exhibitors.

In the past, both trade shows have received certification from the U.S. Department of Commerce.

Web Resources

- [Ministry of Mining](#)

- [Chilean Copper Commission](#)
- [Chilean Geological Service](#)
- [Codeco](#)

For additional information, contact Mr. Marcelo Orellana marcelo.orellana@trade.gov

Customs, Regulations and Standards

Trade Barriers

Chile has very few barriers to imports or investments, allowing foreign firms to enjoy the same protections and operate under the same conditions as local firms. In agriculture, some exceptions apply. In the case of dairy, beef, and poultry products, there is an equivalency between the inspections and certification systems and therefore, U.S. establishments in these sectors no longer have to be individually inspected by the Chilean Ministry of Agriculture. Many import restrictions on fresh fruits have been resolved as a result of technical talks held annually and subsequent to the FTA negotiations under the Sanitary and Phyto-Sanitary Committee. Consequently, new market access exists for a wider range of U.S. fruits and vegetables. Nonetheless, agricultural exporters should contact the Department of Agriculture/APHIS to check on any restrictions for specific products before shipping to Chile.

Chile only approves the import of processed food products on a case-by-case basis. There is no blanket approval process for permitting identical products from different companies to enter Chile after they have been tested and found in compliance with local health regulations. To bring in a product, the importer must obtain the permission of the Health Service Officer at the port of entry, which will take samples and perform the necessary tests. Chile is increasingly following international standards such as the Codex Alimentarius. However, a 2015 nutritional labeling law differs significantly from labeling requirements in the U.S (see details below under labeling and marking requirements). Another distinction is that all labels must be in Spanish. For more information regarding Chile's labeling requirements, see the Foreign Agricultural Service's Food and Agricultural Import Regulations report at [USDA Chile website](#).

Import Tariffs

The U.S.-Chile Free Trade Agreement (FTA) came into force on January 1, 2004. Tariffs on 90 percent of U.S. exports to Chile were eliminated immediately. Since January 1, 2015, all trade between the U.S. and Chile became duty-free (i.e. zero tariff). For those products not of U.S. (or other FTA country) origin, Chile generally applies a uniform 6 percent tariff.

The U.S.-Chile FTA further addressed some other non-tariff import taxes that Chile applied. For example, under the FTA, Chile eliminated the 50 percent duty surcharge applied to used goods originating from the United States. In addition, Chile agreed to phase out its luxury tax on U.S.-made automobiles. As of January 2007, the tax was eliminated completely.

Certain other imported "luxury goods" incur a 15 percent tax upon entry into Chile. These include: beer, chicha, cider, wine and champagne; gold, platinum, and white ivory articles; jewelry and natural or synthetic precious stones; fine furs; mobile home trailers; caviar conserves and their derivatives; pyrotechnic articles, such as fireworks, petards, and similar items (except for industrial, mining or agricultural use); air or gas arms and their accessories (except for underwater hunting); electric vehicles; and fine carpets and similar articles. Other liquors, such as grape pisco, whisky, aguardiente face a 31.5 percent tax, wines, sparkling wine cider and beer face a 20.5 percent tax. Tobacco products, such as cigarettes, cigars and processed tobacco, are subject to additional 61 percent, 51 percent and 57.9 percent taxes, respectively.

Additionally, all imports are subject to the same 19 percent Value Added Tax (IVA) imposed on domestic goods.

Import Requirements and Documentation

The commercial forms used by both local importers and exporters are commercial invoices, certificates of origin, bills of lading, freight insurance, and packing lists. Special permission, certificates, and approval documents, such as sanitary and phytosanitary certificates, are required for most agricultural products and in special cases for industrial products. Depending on the nature of the product, these certificates can be obtained at the USDA Food Safety

Inspection Service (FSIS), USDA Animal and Plant Health Inspection Service (APHIS), USDA Agricultural Marketing Service (AMS), and the National Oceanic and Atmospheric Administration (NOAA). For documentation requirements specific to agricultural products entering Chile, see the [Chilean Agricultural Inspection Service](#) or contact the U.S. Foreign Agricultural Service in Chile, phone: +56-2-2330-3704; e-mail: AgSantiago@usda.gov.

Labeling and Marking Requirements

Chile has fairly common labeling requirements for imported products. Among the most important requirements for U.S. exporters is that labeling must be in Spanish and measurements must be in the metric system. In addition, consumer products must display the country of origin before being sold in Chile. Packaged goods must be marked to show the quality, purity, ingredients or mixtures, and the net weight or measure of the contents. There are also specific requirements for canned food, shoes, foods, electric machinery, liquid and compressed natural gas equipment (LNG and CNG), plastics, wines and alcoholic beverages, textiles and apparel, wheat flour, detergents, and insecticides for agricultural use.

Canned or packaged foodstuffs imported into Chile must bear labels in Spanish for all ingredients, including additives, manufacturing and expiration dates of the products, and the name of the producer or importer. All sizes and weights of the net contents also must be converted to the metric system. Goods not complying with these requirements may be imported but not sold to consumers until conversion is made. Thus, foodstuffs labeled in English must be re-labeled in Chile before they can be sold. For information on Chile’s labeling requirements for food, see the Foreign Agricultural Service’s [Food and Agricultural Import Regulations](#).

On June 26, 2015, the Ministry of Health published the implementing regulation to Law 20606 that regulates the labeling of the nutritional compositions of food products, Decree 13, 2015. The Decree aims at targeting food products that are intended for consumption by children under 14 years of age if they exceed specified limits of sodium, sugar, energy (calories) and saturated fats, as indicated in the following table below. Enforcement began on June 27, 2016.

	Energy Kcal/100 ml	Sodium mg/100 ml	Total sugar g/100 ml	Saturated fat g/ 100 ml
Limits on solid foods. Values greater than or equal to:	275	400	10	4
Limits on liquid foods. Values greater than or equal to:	70	100	5	3

Food products that exceed the defined limits are required to be labelled with black stop signs with the words “High in salt, sugar, energy or saturated fat,” according to its nutritional composition. One stop sign must be used for each of the critical nutrients in excess of the specified limit. Therefore, in some products, up to four stop signs may be required for a single product.

The Regulation also states that products bearing one or more stop signs must adhere to the following:

- The product shall not be sold, marketed, promoted, or advertised within establishments of preschool, primary, or secondary education.
- The product shall not be advertised on media or means of communication that target children under 14 years of age, such as posters, printed materials, point of sale or textbooks, nor in television, radio, internet, magazines, nor in advertising space during or close to the latter, when at least 20 percent of the target audience includes children under 14 years of age.

- The product shall not be given freely to children under 14 years of age nor can they use commercial ploys targeting that public, such as toys, accessories, stickers, or other similar incentives.

There are a few products that are exempt of this Regulation, those products are:

- Food products that do have added sugar, sodium or saturated fat.
- Foods that are sold in bulk, portioned, fractioned, or prepared at the request of the public, although these are packaged at the time of the sale.
- Foods for special dietary uses, such as infant formula, commercial preparations for baby food, and foods for medical uses or for weight control.
- Dietary supplements and food for athletes.
- Foods and prepared dishes that are packaged to be sold in portions.

Regarding enforcement, this Decree entered into force 12 months after the date of publication in the National Gazette, which was June 26, 2015. The objective of this phased-in reduction over 3 years was to encourage producers to reformulate their products (i.e. reduce fat, sugar, sodium content) and allow time for them to do so. The Decree is being phased in as follows, from the date of June 26, 2015:

For solid products:

Nutrient or Energy	Enforced date	24 months after enforcement	36 months after enforcement (June 27, 2019)
Energy	350	300	275
Sodium	800	500	400
Total sugar g/100 g	22.5	15	10
Saturated fat	6	5	4

For liquid products:

Nutrient or Energy	Enforced date	24 months after enforcement	36 months after enforcement (June 27, 2019)
Energy	100	80	70
Sodium	100	100	100
Total sugar	6	5	5
Saturated fat	3	3	3

Finally, the Regulation also notes that small businesses will have 36 months to comply.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counseling exporters, and drafting and publishing changes to the [Export](#)

[Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end-use and end-user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end-uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "[red flags](#)", or warning signs, and compiled "[Know Your Customer](#)" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry-specific topics. Interested parties can check [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed. The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Under the terms of the U.S.-Chile FTA, Chile will permit duty-free temporary admission of professional equipment necessary for carrying out the business activity of a businessperson who qualifies for temporary entry under Chilean law. Temporary duty-free admission of goods intended for display or demonstration and commercial samples is allowed. For temporary entry of food samples, see [Chilean Customs](#) Acuerdos Internacionales, Tratados de Libre Comercio, Chile – Estados Unidos, Oficios Circulares, Oficio Circular N° 333. Contact the Commercial Service to add certainty to this process.

Prohibited and Restricted Imports

Chile has very few prohibited or restricted imports, aside from those agricultural products previously referenced. For more information, please contact the U.S. Department of Agriculture, Foreign Agricultural Service's Food and Agricultural [Import Regulations](#).

Customs Regulations

Chilean customs valuation uses the normal value of merchandise, without special discounts, plus freight and insurance (CIF). Used goods are valued by the customs service according to the current new value of similar merchandise, discounting 10 percent per year of use, up to a 70 percent discount. For more information, see the [Chilean Customs](#).

Standards for Trade

Overview

In Chile, there are no standards associations like those found in the United States. The only organization charged with developing standards in Chile is the [National Standards Institute](#), or INN (in Spanish, Instituto Nacional de Normalización). The long-term plan of INN for the development of standards is aligned with Chile's primary export sectors, which include copper, forestry, agricultural products, and wine. Other sectors are marked by a mix of voluntary and mandatory standards regimes; mining and industrial-related sectors are most likely to be subjected to more formal, mandatory standards.

Standards

In most sectors, standards are not mandatory in Chile, but companies can voluntarily comply with them, especially in industries where such compliance constitutes a kind of "seal of approval." However, certain imported products, such as those related to industrial safety, building and construction materials, and the gas and electrical industries, must comply with the specific requirements of the supervising entity. For example, there are specific regulations pertaining to the seismic resistance of new construction. The INN is also promoting ISO 14000 and ISO 9000 standards among local manufacturers. The chemical industry is an example of one industry that has incorporated ISO 9000 standards into its industrial processes. For agricultural products, the U.S.-Chile FTA includes an agreement on red meat grading standards, which now allows U.S. boneless red meat products to be sold in the Chilean market according to U.S. standards.

Testing, Inspection and Certification

Most products can enter the Chilean market with minimal prior standards testing. However, for those products requiring testing prior to market entry, there is a data base of the most important national testing organizations in Chile. These organizations are grouped under the following categories:

- Testing laboratories
- System quality auditors
- Inspection organizations
- Product certification
- Calibration laboratories
- Quality Management Systems (QMS)
- Environmental Management Systems (EMS)

Several locally accredited organizations are listed below. A complete list of accredited testing organizations under each category can be found under the [Directorio de Acreditados](#) (available in Spanish only).

Name	Type of Certification/Area
CESMEC Ltda. División Certificación / ISO9000 (56) 2 2350 2100	Calibrating and testing laboratory Construction/Food/Microbiology/Water
DICTUC S.A. (56) 2 2354 4886	Testing laboratory Chemistry/Microbiology/Concrete
Bureau Veritas Chile S.A. (56) 5 5255 7890	Products/Systems/Services Certification
ISP (Instituto de Salud Pública de Chile) (56) 2 2354 7030	Testing laboratory Chemistry/Bio essays
LACEM S.A. (56) 2 2603 8242	Testing Laboratory Concrete/Construction/Soil Mechanics
SAG (Servicio Agrícola y Ganadero) (56) 2 2345 1805	Testing Laboratory Chemicals/Microbiology/Animals, Food
SGS-Chile Ltda. (56) 2 2898 9608	Inspection/Verification/Testing Laboratory/Certification
Corthorn Quality (56) 2 2580 8000	Testing Laboratory Chemistry/Water/Environmental

Publication of Technical Regulations

The name of Chile’s government bulletin is the “Diario Oficial”. Once regulations are approved by the INN, and officially accepted by Chile’s central government, they are published in the “Diario Oficial.” Only approved regulations are published; proposed regulations are never published in the “Diario Oficial.”

Regulations currently under discussion, a schedule of upcoming standards development committee meetings, and a forum for public comment are available on the [INN website](#). Any institution, private or public, may request the services of the INN for the development of a standard in accordance with most procedures. Moreover, institutions and company representatives can be active participants in the committee that is created when defining a certain standard. U.S. company representatives have, in fact, participated in such study discussions. The application request is available on-line.

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries

and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Contact Information

The Standards Liaison at the U.S. Embassy in Santiago is Ms. Claudia Melkonian, Phone: +56-2-2330-3312; e-mail: claudia.melkonian@trade.gov; website: <http://export.gov/chile/en>

INN, Head of Standards Division is Ms. Claudia Cerda. Phone: +56-2-2445-8870; e-mail: claudia.cerda@inn.cl; website: www.inn.cl.

Trade Agreements

Chile continues to be a critical partner in promoting U.S. foreign policy goals throughout the region. In January 2010, Chile became the 31st member of the OECD and the first, and only, South American member at that time. Chile is also a member of the WTO and the Cairns Group. The U.S.-Chile Free Trade Agreement (FTA) entered into force on January 1, 2004 and was fully implemented on January 1, 2015. Chile has negotiated 26 trade agreements of which 25 have entered into force, covering 65 markets, representing 88 percent of the world's GDP. These agreements include 17 FTAs (United States; Canada; Mexico; Central America, which includes Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; Korea; EFTA which includes Iceland, Liechtenstein, Norway, and Switzerland; China; Panama; Australia; Colombia; Turkey; Malaysia; Vietnam; Hong Kong; Thailand, Uruguay, and Argentina); 3 Economic Association Agreements (European Union, which includes its 28 member countries; Japan; and P-4, which includes New Zealand, Singapore, and Brunei Darussalam); 6 Economic Cooperation Agreements (Bolivia, Cuba, Ecuador, Venezuela, Peru, and Mercosur, which includes Argentina, Brazil, Paraguay, Uruguay, and Venezuela); one Partial Association Agreement (India), and a Commercial Protocol with the Pacific Alliance. Pending ratification by the Congress is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), to which Chile was a founding member and continues to seek with other Asia-Pacific members post-U.S. withdrawal.

This network of trade agreements has significantly improved market access for Chilean products and exports. In 2019, Chile sent 27.5 percent of its exports to China, 14.5 percent to the U.S., and 9.3 percent to Japan. The [Chilean Vice Ministry for International Economic Relations](#) has more information on the Chile's trade agreements.

Licensing Requirements for Professional Services

For the recognition of studies, Chile has signed several bilateral treaties. Please see the list of [current valid agreements](#).

Stock Exchange & Securities

Chilean securities regulator, Comision para el Mercado Financiero (CMF), requires individuals that act as intermediaries, third-party securities managers, brokers, portfolio managers, and trading agents to be registered and to demonstrate relevant financial knowledge by approving an exam to be authorized to perform these duties. To pass the exam applicants must: possess a high school diploma or GED equivalent, have a Chilean tax identification number (RUT) that must be requested at the Chilean equivalent to IRS, Servicio de Impuestos Internos (SII), and must also provide a description of the duties to be performed once accredited. The accreditation period can vary from 2 to 5 years depending on the performed function.

Selling US Products and Services

Distribution & Sales Channels

Using an Agent or Distributor

In general, foreign suppliers enter the Chilean market by appointing an agent, distributor, or wholesaler. Most are small-to-medium size firms. Several large firms handle different product lines and operate as wholesalers. Almost all the firms have their main offices in Santiago. The larger ones have branch offices throughout the country, including the free-trade zones of Iquique and Punta Arenas. Agent/representative commissions normally range from 5 to 10 percent, depending on the product. For contract requirements, see Local Professional Services.

Chile is a relatively small market where relationships in the business community are a key to success. The selection of a Chilean agent or representative is an extremely important decision for U.S. exporters and merits a thorough review of possible candidates, their qualifications, and capabilities. U.S. companies are invited to make full use of the wide range of market entry and partner search services offered by the Commerce Department's [U.S. Commercial Service](#), and for agricultural exports, the Department of Agriculture's [Foreign Agricultural Service](#).

Establishing an office

Within the framework of Chilean law, business entities can choose among a variety of different corporate forms, each with different legal and tax implications. Since tax treatment of the various forms of businesses is similar in Chile as in the U.S., the choice of entity type is often guided by U.S. tax considerations. Currently there is no bilateral tax treaty between Chile and the United States; however, the treaty has been negotiated and ratified by the Chilean Congress and is awaiting consideration by the U.S. Congress. (For more information, please see the chapter on Investment.)

There are two ways to incorporate a business in Chile: via traditional means with a Chilean attorney (for all corporations), or via self-service online. The process of working with an attorney to form a corporation is relatively inexpensive and takes about three weeks. The direct costs are approximately \$1,300 for legal fees (depending on business sector) and \$550 for expenses such as notary public, commercial registry, and the official gazette publication. Chile has no minimum local participation requirement, and the inclusion of local partners is guided only by commercial considerations.

The Chilean Government created an [online portal](#) to help individuals create their business in 24 hours from the comfort of their own desk. The portal, under the Ministry of Economy, provides information, facilitates the procedures, obtains the certificates and the benefits of the state, and will allow users to create and grow their businesses. There is no charge to create a business via this portal. The only expenses are associated with the use of the Advanced Electronic Signature (FEA). Those who do not have FEA can sign electronically through a notary. The cost is around \$60.

There are several types of companies that can be registered: limited liability corporations, individual limited liability corporations, joint stock companies, public limited corporations and reciprocal guaranty corporations.

Regardless of whether you work through an attorney or online, the first step for any U.S. citizen, corporation or entity wishing to establish a business in Chile is to present a declaration of intent to invest at a Chilean Consulate. This intent form should state the nature of the business and the capital to be invested, while simultaneously requesting a Chilean Permanent Residence Visa. This visa confers official residence status on the company, which is necessary in order to conduct commercial activity in Chile.

Franchising

There are approximately 260 franchises in the Chile, with 6,500 stores throughout the country, a 12 percent increase from 2018. Franchises are located primarily in the Santiago Metropolitan Region, with additional representation also in the Valparaíso and Bio-Bio regions. The vast majority of franchises in Chile (82 percent) are sourced from five countries: Chile, the United States, Spain, Peru, and Argentina. These franchises are distributed among five sectors: 1) the food industry (39 percent), including restaurants, coffee shops, and ice cream shops; 2) services (23 percent),

including healthcare providers, fitness centers, real estate, financial services, hotels, and car rental; 3) apparel (17 percent), including clothing and footwear; 4) commerce (14 percent), including shops that sell sweets, tea, coffee, pharmacies, cosmetics, and other goods; and 5) education (7 percent), including technical institutes, test-prep institutes, and others. The franchise industry in Chile was responsible for nearly 70,000 jobs in 2019.

Chile does not have specific franchise laws, franchise companies operating in Chile are subject to the same general Chilean trade laws as all companies. Royalties and fees are subject to a withholding tax ranging from 15 to 35 percent and contracts are usually for 5 or 10 years. U.S. companies are encouraged to register their trademarks prior to entering the Chilean market. Chile does not have a Franchise Association, however, there is a Franchise Committee under the Santiago Chamber of Commerce that organizes the only franchise trade show in the country, [FIF Chile](#).

A major challenge in Chile for franchises is identifying local investors interested in obtaining a master franchise. A small group of established local companies own the master franchises in the principal sectors making it very challenging for new concepts to enter the market and reach new investors. For those franchises committed to entering the market, it is recommended to utilize newspaper advertisements and/or reach out to the 2-3 franchising consultants in the market. Other challenges include securing financing, finding affordable locations, and recruiting employees.

Franchises with low initial investments (in the range of \$100,000-200,000) have stronger market potential compared to concepts requiring larger investments (\$500,000+). The average initial investment in Chile is \$232,000. Another challenge for franchisors is a conservative and risk averse business culture that is cautious about large, upfront investment for unproven concepts until the franchisor has a track record of success in other markets.

For further information, please contact the U.S. Commercial Service in Santiago, Macarena Marin macarena.marin@trade.gov

Direct Marketing

Direct marketing is well-established in the services sector, especially in banking/finance and telecommunications services. Catalog sales are not common marketing methods used to reach the average Chilean consumer, with the exception of the cosmetics sector, where brands such as Natura are quite popular.

Although Internet and catalog sales are increasing with time, the more traditional Chilean consumer generally prefers to browse in shops rather than to purchase through catalogs. Customers do want to know there is a store that can provide after sales service or address any problem that might arise.

The exchange of products in Chile is made more complicated due to value added tax (VAT) considerations. Most store policies will provide store credit, rather than cash refunds, with exchanges within a certain time period. The larger department and grocery store chains do provide cash refunds. Credit card penetration is lower in Chile than in the United States, but growing.

Joint Venture/Licensing

In Chile, joint ventures and licensing arrangements require the participation of a legally established local partner who can be responsible for Chilean legal and tax obligations. The various administrative, commercial, profit distribution, and other issues involved in the association are established in contracts drawn up between the partners in accordance with Chilean law and tax regulations.

Express Delivery

The United States has several reliable express delivery firms, including FedEx Express, UPS, and DHL.

FedEx Express was the first delivery firm to use express distribution which delivers to over 220 countries worldwide. It is currently the world's largest express transportation company, completing up to 3.6 million shipments each business day. In regard to customs, FedEx has developed technology that reduces the amount of handled paperwork and improves the movement of international shipments. International shipments are scanned at all key points

throughout the process to provide live status reports to the customer, including when Customs clearance is obtained. A standard package takes 2 to 5 days to arrive to a destiny (Chile-U.S.)

UPS offers several international shipping options as well, including UPS Worldwide Express, which provides a 1-3 day international delivery and a second business day delivery to Latin America. The online process allows the customers to create a shipment while the system generates the necessary customs documents at the same time. They also provide tracking and customer service to help with the regulation of the package.

DHL Express provides international shipping with strong customs support. They offer various options for delivery including emergency same day, guaranteed time-critical next day, and other less time constricting options.

All of these companies provide a guide to understand the shipping restrictions and customs procedures for Chile. They also provide international customs support, making for an easier tracking and retrieving experience for the customer.

Chile uses the Harmonized System (HS) and requires a complete description for all shipments entering the country. The description must include the value of each commodity and the HS# if possible. Customs entries are generally submitted by a customs broker, either electronically or by submitting copies of the required documents. However, those who import non-commercial goods valued at less than \$500 can handle customs entry without a customs broker. Commercial forms issued to both local importers and exporters are as followed: commercial invoice, certificate of origin, bill of lading, freight insurance and packing list. All imports require a license. This is important; however, most goods receive an import license without an issue.

Imports are subject to duties and taxes which must be paid in order for customs to release the goods. An "ad valorem" custom is imposed on most goods and "specific" duties (based on the quantity) are imposed on certain goods. The uniform "ad valorem" tariff of 6 percent applies to most goods. However, alcoholic beverages, pyrotechnics, and tobacco products are subjected to different tariffs. Imported automobiles are also subject to a luxury tax. In regard to import taxes, a value added tax of 19 percent is assessed on the value of the imported goods plus the customs duty.

The following goods are prohibited to import into Chile: Used passenger and cargo vehicles for tourism, used tires, used motorcycles, asbestos in any form or incorporated into other products, narcotics, knives (except for cutlery), and dangerous Goods as defined by IATA (International Air Transport Association).

Further details of these limits and restrictions for customs can be found on each delivery firm's websites.

Due Diligence

Due diligence is an important part of any decision to enter into business with a foreign company. U.S. exporters who would like to request a background on a prospective business partner should consider the International Company Profile (ICP) service offered by the U.S. Commercial Service. More information on this and other U.S. Commercial Service assistance to identify and qualify your business partner, is available on the U.S. Commercial Service [website](#).

eCommerce

B2C eCommerce sales reached \$6 billion in 2019. Estimates for 2020 were initially set to a 15-25 percent growth, however, since the start of the COVID-19 pandemic the market has undergone dramatic changes across sectors leading to higher than expected eCommerce sales of an estimated [\\$9 billion](#). Historically, eCommerce has had a positive growth trend over the last decade due to Chile's rapid and continuing technological infrastructure development.

Chile's digital economy accounted for roughly 3 percent of GDP in 2019, however, this figure is expected to increase in 2020 due to the dramatic shift towards ecommerce. For example, in March 2020 online sales had increased almost by 300 percent. Online retailer [Mercado Libre doubled](#) its market capitalization and recently [inaugurated a Distribution Center](#) which demonstrated the huge demand that eCommerce is experiencing in Chile.

Assessment of Current Buyer Behavior in Market

Chile has a tremendous mobile penetration, with 95.7 daily access over 100 inhabitants. There are over 22 million internet subscribers that access the internet primarily through smartphones. According to a recent study by Fundación País Digital, Transbank, and the Santiago Chamber of Commerce, online shopping in Latin America had an annual growth rate of over 30 percent, generating new businesses, higher productivity, and opportunities. To ease access to medicines during the pandemic, the Chilean Ministry of Health permitted the [online sale of medicine](#), which has led to an explosive demand for prescriptions purchased online.

Food and purchase delivery services, such as [Rappi](#), [Uber Eats](#) and [PedidosYa](#) have experience an unexpected increase in demand due to COVID-19 sanitary restrictions. The use of these platforms has increased up to 250 percent during the pandemic. This eCommerce growth has also changed the way restaurants and retailers operate, and now [Dark Kitchens](#) and [Dark Stores](#) are popping up with the purpose of serving online channels with no public facing personnel.

According to a [study](#) by Bridge Research, COVID-19 has also influenced the purchase decisions of consumers with price and delivery accounting for 48 percent when making purchase decisions.

Local eCommerce Sales Rules & Regulations

Digital Agenda 2020 is a Chilean Government program to foster the country's digital transformation by taking advantage of advanced technologies in all aspects of the social and economic activities of the country. Some steps include public-private alliances, investments in quality and robust infrastructure in all regions of Chile, and widespread IT used as a means to reduce inequalities. Currently, there are free internet zones in fifteen regions of the country, providing accessibility and connectivity for local low income residents. Users can connect for thirty minutes with the option to re-connect.

Local eCommerce Business Service Provider Ecosystem

CyberDay is an annual three-day event in Chile to promote online shopping. The results in recent years have far exceeded business expectations, transforming the event into the premier online sales event in the country, with over 260 vendors of products and services. [CyberDay 2019 generated \\$271 million](#) in sales from over two million transactions, a 16 percent increase compared to 2018. CyberDay 2020, which occurred on August 31, doubled the number of transaction in 2019 to 4 million with total sales of \$368 million.

Cross-Border eCommerce

eCommerce is seen as an important tool for local exporters to enter international markets with attractive bi-lingual websites and strategic alliances with logistics companies. For international online purchases, local customers use Alibaba for cheaper prices, although delivery time may be long and the goods may not turn out to be what expected, particularly during the COVID-19 pandemic. Amazon continues to be an excellent option for local customers and now includes products sourced from Chilean companies; however, there are brands that do not ship internationally. Still, local consumers are willing to take advantage of international online purchases looking for wider variety of products and prices.

eCommerce Intellectual Property Rights

The U.S.-Chile FTA, in place since 2004, addresses eCommerce in [Chapter 15](#), which highlights the importance of eCommerce between the United States and Chile and the need to work together to overcome obstacles. The chapter notes the importance of sharing information related to regulations on data privacy, cyber security, and intellectual property rights.

The National Enterprise for Electronic Certification was created in 2002 by the Santiago Chamber of Commerce with the support of CORFO, the Chilean Economic Development Agency (housed within the Ministry of Economy). EcertChile, incorporates on a regular basis products and services to provide higher levels of security and confidence to safeguard the integrity of eCommerce transactions.

Chilean domain names (“.cl”) are assigned and registered by [Nic-Chile](#). Registration fees vary depending on the length of registration. The fee for the shortest period, one year, is approximately \$12 in 2020. Foreign companies can register a domain name in Chile, but must have a local presence to do so. The Internet Assigned Numbers Authority (IANA) regulates the recording of domain names. When a conflict arises over a domain name, arbitration is required. Registration at the trademark department, INAPI, is the main criteria for determining who has a claim to a given domain name.

Popular eCommerce Sites

Retail and supermarket stores like [Falabella](#), [Ripley](#), [Paris](#), [Jumbo](#), [Lider](#), along with the market places such as [Linio](#), [Mercadolibre](#) and [Yapo](#). For food and purchases deliveries Cornershop, [Rappi](#), [Uber Eats](#), and [PedidosYa](#) are the most used platforms.

Online Payment

Online payments on sites in Chile are made in the local currency (Chilean peso, CLP) via local bank transfers and credit cards from local banks. Popular Chilean platforms for payments are [MACH](#), [Fpay](#), and [Mercadopago](#). For online purchases made in Chile from sites outside Chile, credit cards can also be used but the transactions are generally processed in U.S. dollars.

Credit cards issued outside Chile are generally not accepted on Chilean eCommerce sites.

Mobile eCommerce

As of December 2019, there were [22.4 million internet mobile subscriptions in Chile](#) with over 80 percent of these connections are done using smartphones. Mobile companies such as Entel, Claro Chile, Movistar, and WOM plan to continue their investments to improve network connectivity. The Chilean Government announced in August 2020 the start of the [5G auction process](#).

For more information, please contact the U.S. Commercial Service in Santiago, Commercial Specialist Juan Catril juan.catril@trade.gov

Selling Factors & Techniques

Trade Promotion and Advertising

Chile enjoys a free press and has a highly developed media market, though concentration is a problem. The 2015 World Press Freedom Index notes that two companies, *El Mercurio SAP* and *Grupo Copesa* own about 95 percent of the print media, while Spanish company Prisa owns about 60 percent of radio stations.

Broadcast media includes free-to-air broadcast television networks, cable and satellite TV, radios, newspapers and magazines. Most advertising is handled by private agencies, the majority of which belong to the Chilean Association of Advertisement Agencies (ACHAP).

ACHAP reports a decrease of 6.1 percent in total advertisement investment in Chile in 2018, compared to 2017, as a result of a decrease of investment in free-to-air television (-8.1 percent), newspapers (-16.7 percent), magazines (-27.8 percent), and cable TV (-9 percent). Investment in radio and cinema increased 3.1 percent each. Taking in account investment in online media, the decrease in investment would be solely 1.2 percent, since this category experienced a real growth of 15.5 percent.

Free-to-air television is still the media with the highest investment, with 43.1 percent of all spending, followed by newspapers with 22.3 percent of the total and magazines, (1.8 percent). The volume of investment in newspapers, however, was 16.7 percent less than in 2017. In real pesos, total investment was 8.1 percent lower than in 2017. For more information, please visit [Asociacion Chilena de Publicidad](#).

Broadcast Media

Chile has six broadcast television networks that include top rated TV station Mega, owned by local Bethia Group (72.5 percent) and by U.S. company Discovery Communications (27.5 percent); *Chilevision*, the second most popular TV station, owned by U.S. company Turner Broadcasting and which also owns *CNN Chile*; Canal 13, formerly Catholic University of Chile TV network, now owned by businessman Andronico Luksic, which also airs an increasingly popular network of news radio stations (T13.cl); and the largest TV broadcaster *TVN (Televisión Nacional de Chile)*. This station, which also airs a 24/7 news station on cable (24Horas), is a state-owned but not publicly funded network. Locally produced news, variety shows, and soap operas draw large prime time audiences on all networks.

Paid television (cable and satellite) reach 56.7 percent of households nationwide, according to the Chile’s Under Secretary for Telecommunications regulatory agency (SUBTEL). The four major cable and satellite providers are VTR, Movistar, DirecTV and Claro. Combined, these operate in approximately 95 percent of the country’s territory. All rebroadcast to local stations and carry a host of international channels. Free-to-air broadcast TV stations such as TVN and Channel 13 each have a cable (paid) TV news channel.

Radio

Radio is the country’s most extensive and most trusted news medium, especially in rural areas. There are approximately 2,030 radio stations nationwide. Ownership is concentrated in primarily three holdings - Grupo Bethia, Grupo Dial, and Iberoamericana Radio Chile (Spanish-owned Prisa), which holds the largest market share.

Print Media

Chile has approximately fifty newspapers ranging from nationally distributed dailies to small-town tabloids; Santiago has nine major dailies. Distribution ranges from as many as 500,000 copies (a Sunday edition of *El Mercurio*) to 3,000 copies of a regional paper. Most dailies follow a conservative editorial line, with *El Mercurio* and *La Tercera* considered the leading newspapers. *Publometro*, Chile’s leading free morning daily, boasts a circulation of approximately 400,000, the highest in the country. Financial daily *Diario Financiero* is the only business newspaper standing after its main competitor, *Pulso*, was absorbed by *La Tercera* in May 2018. That same month, the newsweekly *Que Pasa* was closed as well as *Paula* women’s magazine.

Chile’s consistently best investigative reporting is undertaken by the non-profit organization CIPER – the Centro de Investigación Periodística, which only publishes online. *Grupo Copesa* partially subsidizes CIPER.

Readership for major publications

Average Readership (July – December 2018)	Monday-Friday	Saturday	Sunday
El Mercurio (print)	289,667	396,051	422,271
(Print + digital)	558,346	625,411	639,254
La Cuarta (print)	267,678	260,223	267,219
(Print + digital)	322,581	306,805	313,037
La Tercera (print)	237,740	362,028	331,428
(print + digital)	350,005	453,848	423,633
Las Ultimas Noticias (print)	278,367	273,342	245,296
(Print + digital)	728,129	699,039	650,679

La Segunda (Print)	33,116	33,116	--
(Print + digital)	42,146		
Publimetro (Print)	386,920	--	--
(Print + digital)	401,481		
La Hora (Print)	306,484	--	--
(Print + digital)	309,846		
Hoyxhoy (Print)	254,041	--	--
(Print + digital)	259,922		
The Clinic (Print)	77,138	--	--
(Print + digital)			
Diario Financiero	34,771	--	--
El Sur (Print)	N/A	N/A	--
(Print + digital)			91,785
El Mercurio de Valparaíso (Print)	N/A	N/A	
(Print + digital)			71,617
El Mercurio de Antofagasta (Print)	N/A	N/A	
(Print + digital)			45,974

Sources

- IPSOS *Circulation and Readership Verification System* for January -December 2018
- Estudio Medios regionales GRM
- Chilean Association of Advertisement Agencies (ACHAP)
- Undersecretary of Telecommunications (SUBTEL)

(*) Latest updated by Valida readership poll which correspond to the latest data gathered, which is second semester 2018.

Pricing

Pricing in Chile starts with a fairly straightforward formula based on CIF value: costs plus generally constant ship-to-warehouse expenses. Gross margins for consumer goods are generally 30 to 50 percent or more for direct sales to consumers, or 20 to 30 percent each for the importer/distributor and the retailer when a distribution chain is in place. The final price for mass-market items should be competitive with imports from Asia and/or Brazil. Higher-priced items must identify niche market segments in order to prosper. More specialized products are sold by stocking distributors or by commissioned agents who generally earn margins of 5 to 10 percent on their sales.

Under the U.S.-Chile FTA, tariffs were eliminated on most goods imported from the United States. However, all goods, both foreign and domestic, are subject to Chile's value added tax (called "IVA" in Spanish), which has been

19 percent since October 1, 2003. Any tariff and value added tax is usually paid by the importer and not by the supplier. There are some exceptions: government entities do not pay these taxes, and some luxury goods have higher tariffs.

Sales Service/Customer Support

Customer service and support are fundamental to successfully penetrating and retaining market segments for most products and services. Any product that requires operator training or needs after sales technical service must have, in effect, a qualified local company ready and able to assist the customer. Due to Chile's relatively close-knit society, company reputations can be made or lost in a fairly short period of time.

Local Professional Services

Chile's business environment and infrastructure are well-developed. There are many local companies that can provide professional services to U.S. firms.

The U.S. Commercial Service maintains a list of service providers that offer legal, financial, administrative/HR, transportation, hotel, consulting and market research services. These firms provide support to companies initiating or expanding business in Chile. See [BSP](#).

Principal Business Associations

An additional method vital to the success of conducting business in Chile is to contact the multitude of principle business associations. With information and expertise in the various business sectors, their insight can provide key assistance in launching an expansion into the Chilean market. Although their keen knowledge is an easily accessible resource, their ability to provide contacts in Chile can be equally as rewarding. Below, several principal business associations are listed along with their website addresses. Some of them are as follows:

[SOFOFA](#) - Chilean Manufacturer's Association

[Asexma](#) - Chilean Exporters Association

[Sonami](#) - National Mining Association

[ACTI](#) - Chilean Association of Information Technology Companies

[Cif Chile](#) - Chilean Chamber of Pharmaceutical Innovation

[Asilfa](#) - Industrial Association of Pharmaceutical Labs

[Clinicas de Chile](#) - Association of Private Clinics

[Anac](#) - Chilean Automotive Association

[Carep](#) - Chilean Chamber of Auto Parts

[CChC](#) - Chilean Construction Chamber of Commerce

[Achiga](#) - Chilean Association of Gastronomy

[Asipla](#) - Association of Chilean Plastic Industry

[SNA](#) - National Society of Agriculture

[CDT](#) - Technological Development Corporation

[Asoex](#) - Fruit Exporters Association

[Asimpres](#) - Graphic Industry Association

[Camara Cosmetica](#) - Chilean Chamber of Cosmetics Industry

Limitations on Selling U.S. Products and Services

There are no major limitations for U.S. products or services. However, when bidding through the government procurement agency, Chilecompra, U.S. companies must have a RUT (Chilean tax identification number) in order to get a RUT companies must contact the Chilean IRS equivalent, Servicio de Impuestos Internos (SII). In other words, U.S. companies must have a direct presence or a local representative in Chile in order to sell to the government.

Trade Financing

Methods of Payment

In Chile, most of the payments sent to foreign suppliers are submitted using irrevocable letters of credit from Chilean commercial banks. This is done across industries, with no lengthy delays in the remittance of foreign currency, most banks in Chile have Foreign Trade divisions that specialize in international payments and collections. Payments are made upon receipt of notice of shipment of goods. Other methods of payment to suppliers include cash against documents and open account. The credit insurance industry is developed in the country and major private agencies such as [Mapfre](#), [Continental](#), [HDI](#), [Solunion](#), and [Coface](#) have local offices in Santiago. The [U.S. Export Import Bank \(EXIM\)](#) also offers credit insurance products to U.S. exporters.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

Banking Systems

Chile's banking system offers many of the asset and liability products available in international markets. Foreign trade financing and money exchange operations are particularly well developed and efficient compared to the rest of Latin America.

Chile's [Commission for the Financial Market](#), an agency under the Ministry of Finance, regulates the financial sector, this public entity oversees and coordinates the action of other financial-related agencies. Chilean [Pensions Superintendency](#) is the technical authority responsible for the supervision and control of the institutions involved in the Chilean Pension System. Chile's Bureau of Consumer Protection is [Sernac](#), its mission is to protect consumers in Chile in a variety of industries, including financial services. For all credit requests in the country, Sernac mandates that quotations must include the CAE index (Carga Anual Equivalente, or Annual Equivalent Cost) to facilitate credit comparison to end users.

Chile's [Central Bank](#) is autonomous from the government in conducting monetary policy and regulating foreign capital movements, its mission is the stability of the currency, and to keep inflation low and stable over time. The bank also regulates the amount of currency and credit in circulation.

Some Chilean banks with direct presence in the United States, including Banco de Crédito e Inversiones, also known as [BCI](#), which controls [City National Bank](#) in the U.S. [Banco Estado](#), [Banco de Chile](#), and [Banco Itaú](#) also have representative offices in New York.

U.S. banks operating in Chile, including [Wells Fargo](#) and [Bank of America](#), concentrate on corporate lending for multinationals and capital market activities, although Banco de Chile (a Citibank joint venture) and [Santander](#) are active in retail banking. There are a few business development offices of U.S. commercial banks in Chile offering [U.S. Export Import Bank](#) insurance programs.

Foreign Exchange Controls:

Chile has no restrictions on incoming and outgoing foreign capital. Reserve requirements for external capital, and the prior authorization requirement to enter funds associated with external loans, investment, working capital, bonds and ADRs have been eliminated. Limitations on capital and profit repatriation were also eliminated. Foreign trade finance operations (both import and export) are allowed to perform their foreign exchange transactions in the open market. Foreign exchange operations are relatively active and efficient in Chile. As a rule, currency may be freely traded in

two markets: the informal and the interbank market (formal). Prior to receiving authorization, Chile's Central Bank requires confirmation that the trade finance transactions, foreign loans, capital flows, and profit repatriation will be executed through a commercial bank (formal market). Foreigners entering Chile, must [declare at Customs](#) if they are bringing more than \$10,000 dollars.

U.S. Banks and Local Correspondent Banks:

[JP Morgan Chase](#) +56 2 2425 5100

[Wells Fargo](#) +56 2 2365 9733

Protecting Intellectual Property

Chile remains on the Priority Watch List in 2020.

Ongoing Challenges and Concerns

Although there have been positive movement this year by Chile with regard to the implementation of certain intellectual property (IP) obligations under the United States-Chile Free Trade Agreement (Chile FTA), the United States continues to have serious concerns regarding long-standing implementation issues with a number of other IP provisions of the Chile FTA.

Chile took a step forward in passing legislation establishing criminal penalties for the importation, commercialization, and distribution of decoding devices used for the theft of encrypted program carrying satellite signals. The United States has requested that Chile clarify the full scope of activities criminalized in the implementation of the law. In addition, the United States also urges Chile to provide remedies or penalties for willfully receiving or further distributing illegally-decoded encrypted program-carrying satellite signals, as well as the ability for parties with an interest in stolen satellite signals to initiate a civil action. Concerns remain regarding the availability of effective administrative and judicial procedures, as well as deterrent-level remedies, to right holders and satellite service providers. Chile also must establish protections against the unlawful circumvention of technological protection measures (TPMs).

The United States continues to urge Chile to ratify and implement the 1991 Act of the International Union for the Protection of New Varieties of Plants Convention (UPOV 91) and improve protection for plant varieties. The United States also urges Chile to make effective its system for resolving patent issues expeditiously in connection with applications to market pharmaceutical products and to provide adequate protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. The United States urges Chile to improve its Internet service provider liability framework to permit effective and expeditious action against online piracy.

In 2018, Chile's Ministry of Health issued Resolution 399, which declared that there are public health reasons that justify issuing compulsory licenses on certain patent-protected drugs used to treat hepatitis C. While Chile has not issued a compulsory license, the resolution satisfies an initial legal requirement after which a third party may then make the request. The United States urges Chile to ensure transparency and due process in any actions related to compulsory licenses. To maintain the integrity and predictability of IP systems, Chile should use compulsory licenses only in extremely limited circumstances and after making every effort to obtain authorization from the patent owner on reasonable commercial terms and conditions.

Developments, Including Progress and Actions Taken

In the past year, Chile carried out strong enforcement efforts to combat counterfeits. The National Customs Service reported that it had seized more than 11.6 million counterfeit products in 2019, worth a total of nearly \$139 million. Customs was also responsible for seizing more than five million items considered potentially harmful to consumers, 32.5 percent more than in 2018. The main types of merchandise in this category includes toys, medical devices and cosmetics. The National Institute of Industrial Property continued to make improvements to strengthen the climate for IP protection, reducing the average time of patent application processing to 3 years in 2019. With respect to the outstanding FTA implementation concerns noted above, the United States is closely monitoring potential legislation on TPMs, an effective mechanism for the early resolution of potential patent disputes, and the implementation of UPOV 91.

The United States will continue to work closely with Chile to address IP issues. This year marks the fifteenth anniversary since the Chile FTA entered into force, and the United States expects to see additional tangible progress in these areas in 2020.

For additional IP information, please check [Protecting Intellectual Property](#) and also [Corruption](#).

IP Legal Advisor for Chile:

Silvia Solis

U.S. Patent & Trademark Office – U.S. Department of Commerce, ITA, U.S. Embassy Peru

Tel: +511920060597

E-mail: silvia.solis@trade.gov

Selling to the Public Sector

Selling to the Government

The U.S.-Chile FTA calls for open tendering, including the name of the supplier and the value of the contract. The FTA provisions cover all non-construction procurements by over twenty Chilean central government entities, as well as local government agencies. The agreement also calls for non-discriminatory “national treatment” for either country’s suppliers. Tender opportunities should be published at least thirty days in advance and technical specifications or requirements should be performance-based. The agreement further establishes an impartial authority to review any challenges filed against specific procurement awards. Many governments finance public works projects through borrowing from the Multilateral Development Banks.

[ChileCompra](#), the Government of Chile procurement website, was established in March 2000 to serve as the central source for all Chilean government procurement, including the armed forces. The site is administered by the ChileCompra Directorate to increase transparency, enhance opportunities, and reduce government procurement costs. In 2019, ChileCompra facilitated more than \$10 billion in purchases.

To participate in public tenders, all companies, local and foreign, must register free of charge on [MercadoPublico](#). Instructions on how to register (only available in Spanish) can be found [here](#). All bidders must post a bank and/or guarantee bond, usually equivalent to ten percent of the total bid, to ensure compliance with specifications and delivery dates. Bidding is best done through a local agent who is registered, well connected, and familiar with Chilean government bidding procedures.

Business Travel

Business Customs

U.S. business representatives will find that business practices in Chile and the United States are very similar. The Chilean business day usually begins at 9 am and ends between 6 pm and 7 pm. Lunch breaks usually do not begin before 1 pm. If there is business to be conducted, two or even three-hour lunches are not uncommon. Although social occasions do not always begin at the indicated time, business meetings usually do.

Many Chilean businesspeople are well-educated professionals who travel internationally. However, not all speak English and foreigners will often find the ability to speak Spanish very useful, if not an absolute must. Product marketing or company promotional literature should be in Spanish.

Appearance is an important part of Chilean business. Dress codes are generally formal and conservative - suit and tie for men and discreet dress or business suit (skirt or trousers) for women. Men tend to put on their jackets when leaving the office, even if it is just for lunch. Business attire is less formal outside major cities and in certain industrial sectors.

It is useful to have business cards printed with English on one side and Spanish on the other. Generally, business cards are exchanged at the beginning of any meeting.

Travel Advisory

As of October 2019, State Department has issued a [Travel Advisory for Chile](#). Visitors are advised to refer to State Department's website for the latest information on traveling to Chile.

Visa requirements

U.S. citizens entering Chile must have a valid passport in good condition, valid for the period of your stay. U.S. citizens traveling to Chile for recreation, tourism, business, or academic conferences do not need to obtain a visa prior to their arrival in Chile if traveling with a tourist passport. Chilean immigration will issue a Tourist Card or printed receipt valid for a stay of up to 90 days. An extension of stay for another 90 days is possible upon payment of a USD 100 extension fee at the Chilean Immigration Office located at San Antonio 580, Santiago; telephone +56-2-2486-3200. The Tourist Card must be presented and surrendered upon departure. Failure to submit this card upon departure may result in delays until a replacement is obtained. If lost or stolen, the Tourist Card must be replaced by the International Police (website is in Spanish only) at their nearest headquarters or at the international airport prior to departure.

If you have stayed in Chile for more than the allowed time, you will not be allowed to leave the country without paying a fine. This fine cannot be paid at the airport or any border crossing, so you must pay it before attempting to depart Chile. To pay the fine prior to your departure, you should go to the Departamento de Extranjería and make an autodenuncia, or complaint, against yourself in the Sanciones (sanctions) office. Upon doing this, you will be told how much the fine will be, and, once you pay it, you will be able to depart the country. If you attempt to depart Chile without paying the fine, your passport will be confiscated by the airport police, and they will give you directions on how to pay the fine. This process involves going to multiple Chilean government offices to first find out how much the fine is, to pay the fine, next to show that you have paid the fine so that you can get a document indicating your passport should be returned, and finally to retrieve your passport. The entire process may take from several days to three weeks.

U.S. citizens who intend to work, live, or study in Chile long-term must apply in advance for a Chilean visa. You can enquire with the closest Chilean Consulate for further information.

The Government of Chile requires U.S. Government travelers on official business to enter the country with a diplomatic or official passport and a valid Chilean visa. Visas must be obtained at a Chilean Embassy or Consulate before traveling to or through Chile. Official travelers attempting entry on tourist passports will be denied entry,

detained, and returned to the point of origin at personal expense. U.S. Government officials should only use their tourist passports to enter Chile while here on personal tourism.

Ensure that you have appropriate documentation to enter Chile. The U.S. Embassy cannot secure entry on your behalf if you arrive without a valid U.S. passport, with a passport that is damaged or mutilated, or if you arrive without a visa when one is required.

For up-to-date information on Chilean visa requirements, visit the website of the [Embassy of Chile in Washington, D.C.](#)

U.S. companies that require travel of foreign businesspersons to the United States should visit the [State Department visa website](#) for more information.

Currency

Chile's currency is the Chilean peso (CLP). Bank notes are in denominations of 1,000 – 2,000 – 5,000 – 10,000 and 20,000; coins are in denominations of 10, 50, 100, and 500.

Foreign currency may be exchanged at the airport, banks, most hotels, and foreign exchange agencies in large Chilean cities. A passport or Chilean ID is required when exchanging travelers' checks and is often required when exchange large sums of cash. Rates vary from place to place and banks charge a commission.

Use of credit cards is very common in Santiago and they can be used almost everywhere instead of cash. If you're planning on visiting small towns however, you will probably need to use cash. If you are driving, you will need cash for tolls, some rental car companies will have some toll road coverage in Santiago but very few do elsewhere.

There are also many ATM machines available throughout the city and country. Check with your bank to see what the international withdrawal charges are and if they have any agreements with Chilean banks for lower or no fees.

If you are using ATMs in Chile and you are traveling to remote locations, it is advisable to withdraw money in the bigger cities as small towns may not have multiple ATMs and some very small towns may not have any. Additionally, if you are traveling during a long weekend or the holiday season it is advisable to withdraw cash early, as the ATMs may run out and will not be refilled until after the holiday.

Some hotels offer currency exchange at favorable rates. Hotels are also a potential source of information for the closest casa de cambio (currency exchange) with the best rates. There are many casas de cambio within the country, and one is usually located inside each shopping mall.

Telecommunications/Electronics

Chile's capital, Santiago, has a well-developed telecommunications infrastructure. Domestic and international calls work well, and rates are generally competitive. There are also several mobile operators present, including Entel, Movistar, Claro, Virgin and WOM. Visitors are advised to check with their own United States carrier to see if their phone can make international calls from Chile.

Wi-Fi "hot spots" are common in Santiago. In rural parts of Chile, the telecommunications infrastructure is less reliable, but still available in many areas. It is advisable to check with the hotel or local individuals about data and cell phone reliability and availability in the area where you plan to travel.

Chile's standard voltage is 220 V and 50Hz. You will need a voltage converter to use U.S. appliances. The power sockets are the typical Southern European (Italy) rounded two prong plugs, type C & L.

Transportation

Chile is well connected via air service to the United States and countries throughout Latin America. American Airlines has non-stop service between Santiago and both Miami and Dallas. Delta Airlines has non-stop service to Atlanta. United Airlines offers non-stop flights between Santiago and Houston. Chile's main airline and the largest in Latin America, LATAM, offers non-stop service to Miami, New York (JFK), and Orlando, and direct service to Los Angeles

with a stopover in Lima, Peru. In Chile, the primary point of entry is the Santiago International Airport. Copa Airlines is also very active in the Chilean market with connecting flights from Santiago via Panama City to over 10 U.S. destinations, including Orlando, Tampa, Miami, New Orleans, Las Vegas, Chicago, and others.

Due to COVID 19, traveling between Chile and the United States is gradually increasing. As of August 2020, the frequency of flights is limited to a few days of the week and to a few ports of entry in the U.S., mainly to Miami and New York. It is recommended that travelers contact the airlines for the latest information on flight schedules.

In December 2019, Delta Air Lines acquired a 20 percent equity stake in Latam Airlines Group for approximately \$1.9 billion, Delta's largest investment since its merger with Northwest Airlines. As a result of its new relationship with Delta, LATAM terminated its participation in the One World Alliance in April 30, 2020.

Domestic air service within Chile is well developed and offered primarily by LATAM, Sky Airlines, and JetSmart. Given the long geographic distances between cities, flights between Santiago and most cities in Chile are frequent. The rail system is less developed, but there is a good central [train line](#) that runs between Santiago and Chillan. As for public transportation, the city of Santiago has a vast [subway network](#), the fare for the subway and public buses can only be paid using a [contactless card](#) that must be recharged with funds in subway stations and other top-up outlets. Ride-share services are available in the main cities of the country, and in recent years also have proliferated shared bike and scooters.

Primary roads in Chile are good. The main highways are toll roads and are in good condition. Toll roads within the Santiago Metropolitan area are paid electronically, while toll roads outside Santiago must be paid in cash. Secondary roads, especially outside of Santiago, are sometimes in poor repair. Gravel and dirt roads are common in rural areas.

Language

Spanish is the main language of Chile. Among the business community, there exists sporadic English language capability but to operate in Chile, U.S. businesspeople need to speak Spanish or identify a local partner who can speak both English and Spanish. More information about partner-matching assistance is available on the U.S. Commercial Service [website](#).

Health

Chile has both public and private healthcare service providers. Some of the private clinics in Santiago are well equipped and operate at the level of service providers in the United States and Europe, two of these clinics (Alemana and Las Condes) are accredited by the Joint Commission International. Travelers to Chile are advised to check with their health insurance providers to ascertain coverage levels in Chile. For more information on medical issues in Chile, see the [Country Specific Information](#).

Local Time, Business Hours, and Holidays

Because Chile is in the Southern Hemisphere, its seasons are opposite those in the United States. This means that when the United States enters daylight savings time, Chile remains on standard time. In turn, Chile is far enough south that it goes on daylight savings time during its summer months. Consequently, during the Northern Hemisphere winter, Chile is 2 hours ahead of Eastern Standard Time. In the northern summer, Chile is the same time as Eastern Daylight Time. For a few shoulder weeks/months in the fall/spring, Chile is 1 hour ahead of Eastern Standard (or Daylight) Time.

Business hours in Chile are roughly the same as the United States. Most offices open at 9:00 am and continue until usually 6:00 pm or later. Lunchtime is usually later (beginning at 1:00 pm or later) and longer (1-2 hours) than in the United States. There is an increasing use of a 9-hour workday from Monday to Thursday, and a 4-hour workday on Friday.

Below is a list of holidays to be observed by the U.S. Embassy in Santiago in 2021. The Embassy will be closed to the public on these holidays.

January 1 – Friday	New Year’s Day	U.S./Chilean
January 18 – Monday	Martin L. King’s Birthday	U.S.
February 15 – Monday	Washington’s Birthday	U.S.
April 2 – Friday	Good Friday	Chilean
May 21 – Friday	Navy Day	Chilean
May 31 – Monday	Memorial Day	U.S.
June 28 – Monday	Saint Peter and Saint Paul	Chilean
July 5 – Monday	Independence Day	U.S.
July 16 - Friday	Virgen del Carmen	Chilean
September 6 – Monday	Labor Day	U.S.
October 11 – Monday	Columbus Day	U.S./Chilean
November 1 – Monday	All Saints Day	Chilean
November 11 – Thursday	Veterans Day	U.S.
November 25 – Thursday	Thanksgiving Day	U.S.
December 8 – Wednesday	Immaculate Conception	Chile
December 24 – Friday	Christmas Day (observed)	U.S.
December 31 – Friday	New Year’s Day (observed)	U.S.

The following Chilean holidays fall on weekends:

April 3 – Saturday	Holy Saturday
May 1 – Saturday	Labor Day
August 15 – Sunday	Assumption Day
September 18 – Saturday	Independence Day
September 19 – Sunday	Army Day
October 31 – Sunday	National Day of Evangelical and Protestant Churches

December 25 – Saturday	Christmas Day
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Temporary Entry of Materials and Personal Belongings

Under the terms of the U.S.-Chile FTA, Chile will permit duty-free temporary admission of professional equipment necessary for carrying out the business activity of a U.S. businessperson who qualifies for temporary entry under Chilean law.

Chile accepts [ATA carnets](#), which is an international customs document issued by 70 countries. It is presented when entering a Carnet country with merchandise or equipment that will be re-exported within 12 months.

Upon presentation, the Carnet permits the equipment or merchandise to clear customs without the payment of duties and taxes. Payment is not necessary because the Carnet guarantees that the merchandise or equipment will be re-exported within a year. The use of a Carnet is a way of temporarily importing into foreign countries without payment of duties and taxes. Carnets also serve as the U.S. registration of goods so that the goods can re-enter the U.S. without payment of duties and taxes.

Chile will accept carnets for these categories of goods:

- Exhibitions and Fairs
- Professional Equipment
- Commercial Samples

For temporary entry of food samples, see the [FAS Food and Agricultural Import Regulations report](#).

Investment Climate Statement (ICS)

The U.S. Department of State Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.