

Chile's Bogor Goals Progress Report (as at 8 August 2014) *

Highlights of Achievements and Areas for Improvement

- Zero-tariffs for almost all import goods from least developing economies. Effective tariffs also being reduced through trade liberalization schedules agreed in FTA/RTAs.
- No quantitative or national treatment restrictions to imports. Only exception is the prohibition to import used motor vehicles.
- Price band system applies for wheat, wheat flour and sugar.
- Reforms in the telecommunications and air transportation sector. The domestic air transportation market was opened to foreign flag carriers.
- Efforts to continue facilitating trade via more efficient customs procedures.
- Chile's intellectual property rights system has been strengthened with a new law regulating copyrights and related rights and the acceptance of the amendments to the TRIPS agreement.
- Chile is implementing the Agenda for Competitiveness in order to remove obstacles to doing business and raise productivity.
- More transparent regulatory regime with the implementation of the Transparency Law and Public Participation Law.

Summary of Topics

Tariffs

Chile applies a flat MFN import tariff of six per cent to all products. Nevertheless, its effective average tariff, taking into account FTA/RTAs preferential treatments, was equal to 0.9% in 2013. In September 2013, imports tariffs for all goods (except wheat, wheat flour and sugar) from least developing economies were eliminated.

Chile is also reducing tariffs through the negotiation of FTAs. FTAs with Malaysia and Viet Nam came into force in April 2012 and February 2014, respectively. Chile also signed FTAs with Thailand and Hong Kong, China in recent years, which are currently in the ratification process.

Non-Tariff Measures

Chile does not apply quantitative or national treatment restrictions. The only exception is the current prohibition to import used motor vehicles.

Chile applies a price band system to wheat, wheat flour and sugar. If the international price for any of those products falls below a minimum price, then a surcharge tax is added to the 6 per cent flat MFN tariff. But if the international price exceeds a maximum price, a discount to the 6 per cent flat MFN tariff is applied.

Services

Reforms in the telecommunications sectors took place in recent years, including the elimination of domestic long distance rates for landlines in November 2013. Landline calls made within Chile

* This brief report was prepared with information from Chile's submission of 2014 APEC Individual Action Plan (IAP) template; the WTO TBT Information System; and DIRECON and ODEPA websites.

are considered as local calls. Also, from January 2012, number portability for mobile phones is allowed.

In the air transport sector, Chile unilaterally opened its domestic air transport market (cabotage) in order to allow foreign flag carriers to transport passengers and goods. In recent years, Chile also enacted agreements on air services with China and Malaysia.

Investment

A supplementary agreement on investment was signed between Chile and China. This agreement is part of the FTA Chile-China and is currently in the ratification process.

In order to attract investments in energy, Chile passed a law requiring that 20% of the energy from new energy contracts comes from non-conventional renewable energy sources by 2025. A new bidding mechanism was created for new non-conventional energy projects, where investors are guaranteed with price stability for 10 years.

Standards and Conformance

Chile has continued the alignment of its domestic standards following international standards. For example, in fuels and electrical products, the Superintendency of Electricity and Fuels elaborated nine new technical regulations, taking into account standards by the International Electrotechnical Commission (IEC).

Chile continues to participate actively in international standardization activities. For example, Chile's main food sanitary regulations are largely based on guidelines and documents provided by the Codex Committee on Food Hygiene.

By the end of 2013, four specific trade concerns against Chile raised at the WTO TBT Committee had not reported a resolution. The most recent concern was related to proposed amendments to food health regulations and measures on safety for printers and energy efficiency for printing labelling.

Customs Procedures

A number of measures have been implemented in recent years to make customs procedures more expedite. Among the most important measures implemented, Chile announced in November 2012 that the maritime cargo manifest for import of goods could be presented in electronic version. Also, a computer system was implemented in the border of Chile and Argentina in December 2012 to exchange information and verify online export and import declaration of goods presented by land transport operators crossing the border. In January 2013, Chile established tribunals for acts related to customs and tax matters across its territory. In 2013, Chile undertook the SINTA project, which allowed the exchange of transport documentation carried by cargo trucks in transit.

Chile has been working in the design of an Authorized Economic Operator (AEO) program for exporters, which is expected to be implemented in 2014.

Intellectual Property Rights

Chile became a signatory of international IPR treaties, including the Beijing Treaty on Audiovisual Performances and the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled.

In 2013, Chile ratified and notified to the WTO the acceptance of the Protocol Amending the TRIPS Agreement, Paragraph 6. Moreover, Chile approved a law regulating copyrights and related rights.

Competition Policy

Chile's competition policy authority, the National Economic Prosecutors Office (FNE), issued guides on "Horizontal Mergers", "Competition Compliance Programs" and "Public Sector and Antitrust".

Deregulation/Regulatory Reform

The regulatory regime has changed towards a more open and transparent process after the implementation of the Transparency Law and the Public Participation Law.

Chile implemented the Agenda for Competitiveness, a program with the intention to remove obstacles to doing business and raising productivity. The agenda includes the implementation of more than 100 measures to promote investments and competition, accelerate the issuance of trade certifications, promote innovation, adapt working regulations to competition demands, and assist SMEs, among others.

Mobility of Business Persons

Chile has implemented an interoperability system to transfer and exchange policy and migratory information. A similar system concerning law courts has been implemented as well. These measures are streamlining the visa process for business people.

The Collaboration Agreement between the Government of Chile and the Chamber of Commerce of Santiago to prequalify business people has been implemented.

RTA/FTAs

Chile has put in force a comprehensive network of trade agreements covering more than 50 economies around the world under 27 FTAs/RTAs¹. Currently, Chile is negotiating the Trans-Pacific Partnership Agreement (TPP) and the negotiation of the comprehensive trade agreement within the Pacific Alliance. Chile is also working with India to deepen the scope and coverage of the existing preferential trade agreement between the two economies.

¹ Chile's RTA/FTAs in force are the following ones: Chile–Venezuela (1993), Chile–Bolivia (1993), Chile–Ecuador (1994), Chile–MERCOSUR (1996), Chile–Canada (1997), Chile–Mexico (1999), Chile–Costa Rica (2002), Chile–Cuba (2008), Chile–El Salvador (2002), Chile–EU (2003), Chile–Korea (2006), Chile–Honduras (2008), P4 (2006), Chile–India (2007), Chile–United States (2004), Chile–EFTA (2004), Chile–Panama (2008), Chile–Peru (2009), Chile–Colombia (2009), Chile–Japan (2007), Chile–Guatemala (2010), Chile–Australia (2009), Chile–Turkey (2011), Chile–Malaysia (2012), Chile–Nicaragua (2013), Chile–Viet Nam (2012).