# Chile

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| **Chile’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** | |
|  | **Highlights of Achievements and Areas for Improvement** |

* Low effective average tariff due to the implementation of trade liberalization schemes in an extensive network of RTA/FTAs.
* No quantitative or national treatment restrictions. Few import prohibitions are in place due to safety, animal, plant and human health, environmental and moral grounds.
* Drawback system in place for some exporters of non-traditional goods.
* Openness in services and investment continue to deepen through RTA/FTA negotiations. Some limitations for foreign investments in maritime transport.
* Strengthened coordination in standards and conformance through the National Commission on Technical Barriers to Trade.
* Measures to continue modernization of customs operations. Upgrades and new functions to Chile’s trade single window.
* International agreements in intellectual property rights have been implemented in recent years.
* Amendments to Antitrust Laws were implemented in 2017.
* New initiatives have been put in place to improve public procurement system and facilitate government procurement transactions.
* A new visa scheme is in force to facilitate working visas to professionals in the ICT sector.
* Comprehensive RTA/FTA network. New agreements have been signed recently.

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|  | **Summary of Topics** |

Tariffs

Chile applies a flat MFN import tariff of 6% to all products, except for very few non-agricultural products whose MFN tariff is equal to zero (e.g. helicopters and airplanes). Nevertheless, Chile’s effective average tariff, taking into account RTA/FTAs preferential treatments, was equal to 0.86% in 2017.

Chile is also reducing tariffs through the implementation of new RTA/FTAs. For instance, the Additional Protocol to the Framework Agreement of the Pacific Alliance entered into force on 1 May 2016.

Non-Tariff Measures

Chile does not apply quantitative or national treatment restrictions. However, some import prohibitions are in place due to safety, plant, animal and human health, environmental and moral grounds. According to the Customs National Service, it is prohibited to import used vehicles, used bicycles, used and retreaded tires, asbestos, pornography, toxic industrial waste and goods that could harm to agriculture, animals or people (e.g. certain insecticides, toys containing toluene, among others).

A drawback system is in place to allow exporters of non-traditional goods that contain at least 50% of imported inputs to request the restitution of 3% of the free-on-board value of the export transaction. The system is not applicable in some cases. For instance, due to RTA/FTA commitments.

Services

Chile continues to open its services sectors through commitments in RTA/FTAs. The services chapter in the Pacific Alliance entered into force in May 2016. In addition, services chapters were included in FTA signed with Uruguay (2016), the enhancement of the FTA with China (2017) and the Comprehensive and Progressive Trans-Pacific Partnership Agreement (2018).

Investment

No changes in Chile’s foreign investment regime have been reported since the last Bogor Goals Assessment in 2016. In general, foreign investors have access to all sectors with few exceptions. For example, example, in the maritime transport sector, as foreigners are subject to an ownership limit of 49% to register vessels and foreign participation in cabotage is restricted.

According to the UNCTAD Investment Policy Hub, Chile has 38 bilateral investment treaties in force and 25 other treaties with investment provisions in force. Among new bilateral treaties, Chile signed an investment agreement with Hong Kong, China on 18 November 2016 and a commercial agreement, including an investment chapter, with Argentina in November 2017.

Standards and Conformance

Chile has reported strengthened coordination process in this area, through the National Commission on Technical Barriers to Trade. Besides its coordination role, this commission is a permanent fora in which government agencies can share their expectations and concerns regarding the government’s standardization agenda. Public consultation is part of the process in all Chilean regulations.

Work regarding the alignment of domestic standards with international standard continues. Similarly, Chile is participating actively in international standardization activities and international cooperation in many technical areas. For example, Chile has been chosen as a pilot economy for the Laboratory Competency Strengthening Initiative Building Comprehensive Laboratory Capacity, which is under the Food Safety Cooperation Forum Partnership Training Institute Network.

Only one specific trade concern has been raised in recent years against Chile at the WTO TBT Committee. This case, about amendments to food health regulations, was raised for the last time in November 2016.

Customs Procedures

Several measures to continue the modernization of customs operations were implemented in 2017. For instance, the SICEX (Integrated Foreign Trade System), Chile’s single window to facilitate trade transactions, released new upgrades and functions in its platform. In addition, interoperability with single windows from other Pacific Alliance members was implemented, starting with the exchange of phytosanitary certificates.

In the same way, the Law 20997 on customs modernization, created the Authorized Economic Operators (AEO)’s legal basis, by allowing customs to implement regulation on the matter and approve AEO status for those operators meeting the requirements. In addition, the Law considers a number of measures aimed to expedite custom procedures, such as to allow SMEs and AEOs the release of goods before duties and taxes are paid, subject to the provision of a guarantee.

Intellectual Property Rights

In 2016, Chile put in force the amendment to the Agreement on Trade-Related Aspects of Intellectual Property Rights, incorporating flexibility to the system of compulsory licenses on patents for medicines.

Chile also ratified the Marrakesh Treaty to facilitate access to published work for people who are blind, visually impaired or have other disabilities to access printed publications.

Competition Policy

Amendments to the Antitrust Law were implemented in 2017, which include strengthening the deterrence effect of cartel persecution with higher fines and imprisonment penalties; applying a mandatory notification system for merger review; and new powers to the antitrust agency to conduct market research and request information to private undertakings for those effects.

Government Procurement

A number of initiatives to improve the public procurement system and facilitate transactions have been implemented in recent years. In 2017, a simplified tendering pilot was put in place by 10 public institutions for certain purchases. Furthermore, Chile launched Microcompra, an initiative that connects public institutions with e-commerce platforms to facilitate a new system for small amount government purchases.

In January 2018, Chile launched a renewed open contracting data platform, which includes useful information to anyone interested in participating in public procurement, such as the public institutions involved in procurement, how much is purchased by each of them, and which goods and services are demanded. The platform also includes information on which individuals and firms are allowed to sell to public institutions.

Deregulation/Regulatory Review

Chile has implemented Law 20730, regulating lobbying and activities representing particular interests before authorities and officials.

The OECD and Chile’s Lower Chamber have signed an agreement on best legislative practices, in order to exchange knowledge and promote practices to improve public policies through quality regulation.

Dispute Resolution

Chile has reported its participation in WTO, as a third party, in six active disputes.

Mobility of Business People

A new initiative called Visa Tech has been implemented. Its purpose is to facilitate the issuance of working visas to foreigners who are owners, partners and shareholders of information, communications and technology (ICT) service companies, as well as to highly qualified workers in this area. The initiative allows the visa issuance in no more than 15 working days.

A temporary Visa of opportunities for workers and for entrepreneurs and investors wishing to come to Chile for these purposes was put in place from 1 August 2018.

RTA/FTAs

Chile has implemented a comprehensive RTA/FTA network with 26 RTA/FTAs in force[[2]](#footnote-2). In 2017, Chile signed a supplementary agreement on trade in services and a protocol to amend the FTA with China. Likewise, it signed the Comprehensive Economic Partnership Agreement with Indonesia. In 2018, Chile signed the Comprehensive and Progressive Trans-Pacific Partnership Agreement.

1. \* This brief report was prepared with information from Chile’s submission of 2018 APEC Individual Action Plan (IAP) template; the WTO Tariff Database; the WTO TBT Information System; the OECD Reviews of Regulatory Reform - Regulatory Policy in Chile: Government Capacity to Ensure High-Quality Regulation and information from Aduanas Chile; Chile Atiende; Sistema Integrado de Comercio Exterior; Biblioteca del Congreso Nacional de Chile; Chile Compra; InvestChile; and Departamento de Extranjería y Migración websites. [↑](#footnote-ref-1)
2. 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-Central America (2002); Chile–EU (2003); Chile-United States (2004); Chile-EFTA (2004); Chile-Korea (2006); P4 (2006); Chile-China (2006); Chile-India (2007); Chile-Japan (2007); Chile-Panama (2008); Chile-Cuba (2008); Chile-Peru (2009); Chile-Colombia (2009); Chile-Australia (2009); Chile-Turkey (2011); Chile-Malaysia (2012); Chile-Viet Nam (2012); Chile-Hong Kong, China (2014); Chile-Thailand (2015); and Pacific Alliance’s Additional Protocol (2016). [↑](#footnote-ref-2)