

- Key features of the agreement include immediate duty-free access for 75 per cent of Canadian exports and the elimination of Chile's 11 per cent import duty on almost all remaining industrial and resource-based goods over five years. It also provides significant new protection for Canadian investments in Chile, including an agreement to automatically grant Canadian investors the benefits of any future liberalization.
- Canada and Chile signed a double taxation agreement during the 1998 Team Canada mission.
- Canadian investments in Chile have increased sharply in recent years, making Canada Chile's largest foreign investor in 1990, 1992, and 1995. The cumulative total of actual and planned investment approaches \$8 billion. Investment is principally in mine development, although interest in banking, communications and energy is increasing.
- One of Canada's priorities is to more effectively protect its substantial investment in Chile. This investment is now eligible for foreign investment insurance from the Export Development Corporation (EDC), which has lines of credit with both the Banco Sud Americano and Banco O'Higgins. EDC's programs are open to both the private and public sectors.
- Canadian commercial objectives centre on Chile's mining, forestry, power and energy, and communications sectors. The informatics, agriculture and environmental sectors are also of interest. Canada's reputation as a supplier in these sectors encourages the transfer of technology and the sale of goods and services between Canada and Chile. More than 50 joint ventures operate in Chile, ranging from fighting forest fires to building industrial machinery.
- The Alliance of Manufacturers and Exporters Canada (AMEC) and its Chilean equivalent have an exchange program that began in 1992. CIDA is contributing \$510,000 to a project led by AMEC that is assisting Chile rejuvenate its renewable resources sector (forestry, marine and agribusiness). The project uses new Canadian technologies to strengthen Chile's production capacity and help stop the exodus of productive workers from the rural areas. The Association of Consulting Engineers of Canada and its Chilean counterpart have maintained an exchange program since 1993.

### **Development Co-operation**

- The Canadian International Development Agency (CIDA) views Chile as an important partner in the development of the Western Hemisphere.