

## **A GATEWAY TO LATIN AMERICA**

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**Chile offers excellent opportunities in its own right, but it is also an excellent stepping stone for doing business throughout Latin America.**

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This publication outlines a wide range of opportunities for Canadian companies for investing in Chile or exporting goods and services to Chilean customers. The two countries have much in common. Canada has a strong track record in virtually all of Chile's key sectors. Chile's sustained economic growth, which has averaged 7 percent over the last ten years, is creating substantial markets throughout the economy. Growth is particularly robust in the natural resource sector, telecommunications, and other industries, using advanced technologies. Its location in the southern hemisphere means that produce and fish are in season when Canada's equivalent products are not.

## **A FOCUS ON SUSTAINABLE DEVELOPMENT**

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The opportunities are all the more appealing because of the growing recognition of the concept of sustainable development. Chileans have begun to recognize that the nation must manage its resources more effectively and reduce the impact of the resource industries on the environment. Chile must also reduce its dependence on non-renewable resources. For example, copper reserves will begin running out within the next few decades and will be exhausted in 60 years according to the Servicio Nacional de Geología y Minas (SERNAGEMIN), National Geology and Mining Service. The decline of Chile's native forests has also reached serious proportions. These are all problems that Canada has already successfully addressed. Canada has proven technologies that can be applied to Chile's problems in forestry, fishing, aquaculture, agriculture, geomatics and mining.

## **INDUSTRIAL DIVERSIFICATION**

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Another attraction of the Chilean market for Canadians is that the government has aggressively pursued a policy of developing diversified markets. It has developed active trading relationships with Europe, Asia, and Australia, and North America as well as other South American countries. By diversifying its markets, it hopes to reduce the vulnerability that comes from its reliance on a small number of export commodities. Four commodity groups make up almost 60 percent of Chile's exports, so it makes sense to sell them in as many markets as possible.

With respect to imports, this policy of diversification means that the United States, Canada's principal Latin American competitor, has a much smaller market share than it does in some other countries in the region. Overall, the US supplies less than one-third of Chile's needs. This compares with more than two-thirds in Mexico. Even though competition in Chilean markets is stiff, the fact that no single country dominates the market makes it easier for smaller countries to enter the market.