

Recently, however, Chile has been moving in the direction of the latter scheme and should not have significant problems in adopting NAFTA procedures.

The main issue concerning emergency actions is that Chilean legislation does not allow the Government to depart from its uniform tariff regime. Accordingly, Chile would have to develop special national procedures and legislation to cover the requirements of emergency actions under trade agreements. It may not be easy for the Government to introduce exceptions in a successful trade policy based on non-discrimination among sectors.

The Standards chapter in NAFTA provides clear rules aimed at reducing the scope for using standards as disguised barriers to trade. Two guiding principles in that chapter are that standards must be non-discriminatory and that parties should seek to ensure that provincial, state and local governments comply with the provisions of the chapter. Chile fully complies with both principles: with the first, because the principle of non-discrimination is a principle specifically spelled out in the Constitution and applied to all economic activities; the second, because Chile is a unitary country and, therefore, all of its standards apply nation-wide. Chile may need, however, additional reinforcement of the institutional structure related to conformity assessment bodies.

3. Government procurement

Chilean government procurement procedures are essentially transparent and non-discriminatory. In practice, there is no explicit reserve for local producers and no, or very little, preferential treatment is given to local bidders. Most provisions in Chapter 10 of NAFTA are therefore fulfilled at least in substance. Thresholds for open bidding are lower than those in NAFTA and there is plenty of available information.

The central government has uniform regulations for procurement, with strict scrutiny on non-discriminatory procedures and on transparency, both of which are ensured by the Government Comptroller's Office. Chile does not have separate legislation for provincial governments or municipalities.