APEC CHILE 2019: CONNECTING PEOPLE, BUILDING THE FUTURE

RODRIGO YÁÑEZ
Vice Minister of Trade of Chile
SOM Chair APEC Chile 2019

Santiago, August 2018
CHILE’S TRADE POLICY: OBJECTIVES

- To achieve international integration, combining export development with the promotion and protection of investments.

- Promote competitiveness, within a context of stable rules, fair competition, and to contribute to reduced social inequalities.

- To engage Chilean production in Global Value Chains, in a more sophisticated manner, not only as a producer of natural resources.

- To increase Chile’s export diversification.
Through the last three decades Chile’s economic growth model has been based on export promotion and FDI attraction and has followed four strategies:

**UNILATERAL**
- Unilateral tariff reduction
- Export promotion policies

**BILATERAL**
- International Trade Agreements

**MULTILATERAL**
- Participation in International Organizations such as: WTO, OECD, LAIA and APEC

**MEGAREGIONAL AGREEMENTS**
- Pacific Alliance and CP-TPP
Since 1990, there has been a marked advance in the signing of agreements with the countries of Latin America, thus complementing the unilateral opening of the external sector.

**CUSTOMS TARIFF REDUCTION IN TWO STAGES (MFN):**

- **First** (1990-1994): Reduction from 15% to 11%;

- **Second** (1994-2003): Reduction from 11% to current level of 6%.

In 2013, Chile unilaterally removed tariffs on all goods originating in least developed countries (LDCs)

This reduction was based on the analysis and commitments established in the WTO, in 2005.
BENEFITS OF TRADE LIBERALIZATION

- Increased participation in world exports.
- Increased production and employment.
- Higher share of foreign trade in GDP.
- Higher investments in countries with reciprocal agreements.
- Improving the country's image
- Improving risk indicators, ease of doing business, competitiveness.
- Increased the supply of services.
- Development of economies of scale.
- Increased supply of international intermediate goods.
- Preferential Market Access.
- Creating dispute resolution mechanisms.
- Clear rules.
1st APEC Leaders’ Summit
Blake Island, US 1993

12th APEC Leaders’ Summit
Santiago, Chile 2004

20th APEC Leaders’ Summit
Vladivostok, Russia 2012

27th APEC Leaders’ Summit
Santiago, Chile 2019
FACTS AND FIGURES 2017

- 64% of total trade with the world
- 59% of Chile’s imports come from APEC member economies.
- 58% of foreign investment in Chile comes from the APEC region
- 28% of Chile’s investment outflows are to APEC member economies
- 69% of Chile’s exports go to APEC member economies
- 8% annual growth of exports to APEC member economies since 1994
TRADE GROWTH BETWEEN CHILE – APEC

Exports to APEC in 1994: US$ 11.6 Million
Exports to other destinations: US$ 69 Million
Total exports: US$ 80.6 Million

Exports to APEC in 2017: US$ 69 Million
Exports to other destinations: US$ 11.6 Million
Total exports: US$ 80.6 Million

Fuente: Información Comercial, Departamento Estudios, DIRECON-ProChile, con cifras del Banco Central de Chile y el Servicio Nacional de Aduanas.
TRADE WITH THE ASIA-PACIFIC IS IMPORTANT FOR CHILE’S REGIONS

APEC  Otros destinos

<table>
<thead>
<tr>
<th>Region</th>
<th>APEC</th>
<th>Otros destinos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arica y Parinacota</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>Tarapacá</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>Antofagasta</td>
<td>21%</td>
<td>79%</td>
</tr>
<tr>
<td>Atacama</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Coquimbo</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Valparaíso</td>
<td>39%</td>
<td>49%</td>
</tr>
<tr>
<td>Metropolitana</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>O Higües</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Maule</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Biobío</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>La Araucanía</td>
<td>13%</td>
<td>87%</td>
</tr>
<tr>
<td>Los Ríos</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Los Lagos</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Aysén</td>
<td>48%</td>
<td>52%</td>
</tr>
</tbody>
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Fuente: Información Comercial, Departamento Estudios, DIRECON-ProChile, con cifras del Servicio Nacional de Aduanas.
POLITICAL AND STRATEGIC IMPORTANCE

- Maintain Chile’s policy of positioning itself as an Asia-Pacific economy;
- Connect our regions and citizens with the Asia-Pacific and the benefits of regional trade;
- Generate synergies with other forums and integration initiatives such as Pacific Alliance, WTO, OECD and G20;
- Ensure that Chile can capitalize on APEC initiatives to support the establishment of good regulatory practices, and in creating inclusive and high quality public policy.
- The unique opportunity to highlight Chile’s cultural, social and physical riches to our APEC guests.
CHILE HAS 16 FTAS WITH APEC ECONOMIES

IN FORCE
- Australia
- Canada
- China
- Republic of Korea
- United States
- Hong Kong-China
- Japan
- Malaysia
- Mexico
- Peru
- P4 (New Zealand, Brunei, Singapore)
- Thailand
- Viet Nam

RECENT PROCESSES
- Conclusion of the CEPA with Indonesia. Congressional approval is in process
- Conclusion of the CPTPP
- We are upgrading our FTAs with China, Canada & Korea
Leader
H.E. President Sebastián Piñera

Minister of Foreign Affairs (APEC Ministerial Meeting)
Hon. Roberto Ampuero

Vice Minister of Trade
SOM CHAIR (Ministers Responsible for Trade)
Mr. Rodrigo Yáñez

SOM Chile
Multilateral Director
Mr. Mathias Francke
APEC CHILE 2019 – OUR TEAM

DIRECON

Executive Secretary
APEC CHILE 2019

Imagen Chile roundtable

SUBSTANCE

LOGISTICS

Sector Ministries

Private sector ABAC Chile

Academia

Chile – Pacific Foundation

APEC Economy embassies in Chile
<table>
<thead>
<tr>
<th>TYPE OF MEETING</th>
<th>DATE AND CITY</th>
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<tbody>
<tr>
<td>Informal SOM (ISOM)</td>
<td>12 –13 December 2018, Santiago</td>
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<tr>
<td>SOM 1 and related meetings</td>
<td>23 February - 8 March 2019, Santiago</td>
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<tr>
<td>SOM 2, Ministers responsible for trade and related meetings</td>
<td>6 –18 May 2019</td>
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<td>MRT 17 y 18 May, Valparaíso</td>
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<tr>
<td>SOM 3 and related meetings</td>
<td>17 – 30 August 2019, Puerto Varas (TBC)</td>
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<tr>
<td>Women Ministerial Meeting</td>
<td>Dates and location TBC</td>
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<tr>
<td>High Level Dialogue: Digital and Innovation</td>
<td>Dates TBC. Concepción</td>
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<tr>
<td>SME Ministerial Meeting</td>
<td>Dates and location TBC</td>
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<tr>
<td>Ministers of Finance and related meetings</td>
<td>13-15 October 2019, Santiago</td>
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<td><strong>Leaders` week:</strong></td>
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<tr>
<td>• Concluding SOM (CSOM);</td>
<td>11 –17 November 2019, Santiago</td>
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<tr>
<td>• APEC Ministerial Meeting (AMM); and,</td>
<td>• CSOM 11-12 Nov</td>
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<tr>
<td>• APEC Leaders` Summit (AELM)</td>
<td>• AMM13-14 Nov</td>
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<tr>
<td>• CEO Summit 14-16 Nov, Santiago</td>
<td>• AELM 16-17 Nov</td>
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<tr>
<td>• ABAC/Leaders dialogue 16 November</td>
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<td>• Leaders` official dinner 16 Nov</td>
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APEC CHILE 2019: SUSTAINABLE, INCLUSIVE AND COMPREHENSIVE GROWTH

Regional Economic Integration
FTAAP: pathways
Trade on Goods and services
Investments
Intellectual Property
Connectivity
Structural Reform

Digital Economy
E-commerce
E-government
Digital democratization
Digital Infrastructure
Financial inclusion

Sustainable Development
Environment, Labor, CSR
Energy
Oceans
Natural Disasters
Smart Cities

Inclusive Growth
Women
SMEs
Youth
Entrepreneurs
Remote and Indigenous Communities
Education

Trade Information Underdepartment, DIRECON-ProChile.
1 DIGITAL AND SERVICES ECONOMY

- Build on the work initiated by Viet Nam and other countries within the human resource working group through high-quality, impactful projects.

- For our MSMEs, we plan to hold an innovation summit; enhance Fintech capacity; and promote our smart regional cities - to foster new and collaborative growth.

- Work towards the conclusion of the services domestic regulation principles and explore future work.

- Create an APEC regulatory cooperation toolkit for our rapidly changing business environment, as part of implementing our e-commerce facilitating framework.

- Our priority must be to advance methodologies to measure the impact of the digital economy in the region.
2 CONNECTIVITY

- Promote the incorporation of SMEs in international trade by conducting a “Customs-Business Dialogue”; and propose a list of New Actions.

- To encourage participation in Global Value Chains, we will carry out a stock take of work underway in APEC, hold a Policy Dialogue and propose an action plan.

- Emphasize the development of common standards for Authorized Economic Operator (AEO) programs; and draw up Manual of Good Practices.

- Encourage the adoption of Mutual Recognition Agreements (MRA) among APEC economies to grow trade between AEOs.

- Conduct a Policy Dialogue to discuss the Interoperability of e-Single Window systems; and develop an APEC manual that contains guiding principles for promoting these systems.

- Explore the possibility of creating an “APEC Logistics Index”, using factual data and comprehensive information shared among APEC economies.
3 WOMEN AND ECONOMIC GROWTH

- Propose initiatives that will increase participation of women in Non-Traditional Sectors and advance in digital literacy for women.

- Develop a new APEC roadmap, supported by a Leaders’ commitment that will commit us to work towards increasing the labor force participation of Women, reducing the wage gap, and lowering barriers to leadership Positions by 2030.

- Refine APEC’s data collection efforts through expanding and elevating the APEC Women and the Economy Dashboard.

- Encourage private sector participation through exploring an APEC Gender Parity Initiative, with the objective of increasing the participation of women in leadership positions.
OPPORTUNITIES FOR COLLABORATION
RODRIGO YÁÑEZ BENÍTEZ
DIRECTOR GENERAL
General Directorate of International Economic Affairs