



TALKING POINTS

Global Strategies of Chilean
Exporters

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TALKING Points

Global Strategies of Chilean Exporters

- Chile has become a major exporter of food products, which have acquired an international reputation for quality and originality.
- The successes of Chile's food exporters reflect the country's unique geography, favourable climate, and low incidence of agriculture diseases.
- Chile's position in the southern tip of the Americas enables local producers to supply Northern hemisphere markets with fresh fruit during the winter months.
- In addition to fresh fruits, Chile's agricultural export sector has achieved significant penetration of high value-added processed food markets around the world.
- Chilean food exporters use a variety of distribution channels (including supermarkets and specialised stores) to deliver products to customers in multiple foreign markets.
- Chile's multi-pronged international trade strategy (multilateral, regional, and bilateral) has expanded access to food markets in Asia, Europe, and the Americas.
- Chilean food producers are supplementing their export operations with foreign direct investment, including overseas distribution networks that facilitate sales of Chilean branded products.

Global Strategies of Chilean Exporters

Chile's economy is open and strongly export-oriented. Industrial products account for approximately 45 percent of GDP, mining 45 percent, and agriculture 10 percent. The country's export mix includes cellulosic wood, methanol, fruit, fish, and dairy products. Forestry, furniture, and wine have also become important sources of Chilean export earnings over the past decade.

With sales to over 150 markets around the world, food products represent the greatest growth opportunity for Chile's export sector in coming years. Chilean food exports are distinguished by their high quality, cultural originality, distinctive packaging, and efficient distribution.

Chile's Competitive Advantages

Chile enjoys a number of competitive advantages in food exporting:

- **Geographic Features** Banked by sea and mountains, Chile's geography is ideally suited to agricultural export production.
- **Climatic Conditions** Chile's Mediterranean climate generates fruits of high quality, good color, and pleasant flavor. Chilean food and drinks have earned a reputation for style, innovation, and exacting hygienic standards in their product categories.
- **Low Incidence of Diseases** Successive Chilean governments have maintained a firm commitment to eliminating agricultural diseases, including eradication of the fruit fly.

In addition to these assets, Chilean food exporters reap the advantages of a stable political system, a robust national economy, and an efficient infrastructure. The country's agricultural export sector also benefits from high quality professionals, technicians, and manual laborers who facilitate compliance with ISO (International Standards Organization) norms.

Geographic Markets

Chile's location in the southern end of the Americas and use of staggered harvests permit fresh fruit producers to supply to the markets of the North hemisphere in winter.

Chilean exporters are also penetrating the processed food markets of North America, Europe, South America and Asia. Pro-Chilean, an organisation created by the Chilean government, has supported the participation of local exporters in International Fairs to showcase a variety of processed foods: olive oil, wine, packaged water, non-alcoholic drinks, candy, condiments, sausage, hams, dehydrated fruit, ice cream, jam, cheese, and sauces. Chilean exporters sell these products in small supermarkets, specialised nutritional chains, ethnic food stores, coffee shops, and other channels in the United States and China.

International Trade Agreements

Until years ago, the United States and Japan were the dominant destinations of Chilean exports. But Chile's multi-pronged foreign trade strategy (including membership in the World Trade Organisation, affiliation with Mercosur, and entry into an unusually large number of Free Trade Agreements) has greatly broadened access to global markets.

These agreements have permitted Chilean exporters to expand sales in Asia (particularly China and South Korea) as well as Europe and boost growth in non-traditional categories like processed food. Chile's international trade strategy has also induced food exporters to adopt new commercial and productive methods, raising their competitiveness in demanding foreign markets.

Foreign Direct Investment

A rising number of Chilean food producers are supplementing their international trade strategies with foreign direct investment.

For example, salmon and wine exporters are launching investments in overseas retail distribution (including supermarket chains carrying their own brand logos). These FDI initiatives provide Chilean companies with direct access to customers in high-value foreign markets.

This migration from traditional export strategies to foreign direct investment illustrates the increasing sophistication of Chile's agricultural producers, which have leveraged the country's unique natural assets and their own competitive capabilities to establish a growing footprint in the global market.

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