



Introduction by
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We have all followed with enthusiasm the successful rescue of the 33 Chilean miners, and through the President we send heartfelt congratulations to all those concerned. It is a great triumph. His Official Visit to this country would at any time be a welcome event and underlines the firm and healthy state of Chilean democracy. Following the end of the rule of General Pinochet in 1990, there has been a series of elected Presidents from the centre-left coalition of the Concertación. For the first time since the restoration of democracy, the Chilean people have elected a President from the centre-right, thus showing the range of democratic choice from which the Chilean electorate made their choice.

This first stop on a flying tour of leading European capitals underlines the warm friendship between our two countries spanning two centuries since the struggle for Chilean independence, in which Britons played their part. Britain has made a friendly contribution to the development of the country since then, but much needs yet to be done to strengthen the relationship in a way appropriate for the twenty-first century. That is why this visit is so opportune, and I have no doubt that the meeting between the new President and our new Prime Minister will set the scene for that work.

President Piñera's first months have been overshadowed by the events arising from the serious earthquakes and by the current drama over the rescue of the miners trapped in the San José mine. The response of his government to these events has been very much to the credit of the new Chile.

Further progress has been made in terms of economic growth, the control of inflation and the reduction of unemployment. Chile has a long record of liberal economics and openness of its market to international investment and trade. The economic progress the country has achieved is underlined by Chile's recent accession to the OECD. President Piñera's goal of making Chile the first Latin American nation to join the developed world, with a

per capita income in excess of US\$22,000, is quite a challenge.

Chile has of course benefited from the high price of copper, extracted by a world-class mining industry, in which British companies have long participated. But, the Chilean economy has developed well beyond the mining sector – for instance in the fields of agriculture and fisheries. Chilean wines are amongst the best in the world and Britain has joined in the development of that industry by taking the lead in importing Chilean wine. Chilean fish and fruit feature in our own supermarkets.

The openness of Chile's markets to investment and trade is underlined by the country's extraordinary network of trade agreements. Not only has Chile excellent economic relations with Britain, with the rest of Europe and North America, and with the countries of its own continent, but uniquely for South America it has become a key player in the Asia-Pacific region, which today claims 40 per cent of Chilean trade, notably with China.

However, the emphasis of President Piñera's new government is not on economics alone. He has highlighted the importance of education and law and order. Education is essential to his ambitions for growth, and his doubling of public investment in education, in terms of the new network of excellent high schools, of the direct student subsidy and the direct provision to every child of access to a laptop is highly significant. The increase in the number of policemen and the work being done to enforce the law, and to rehabilitate prisoners is going quite some way to reduce public concerns over security. In the health sector, not only is reconstruction taking place of the hospitals and other health facilities destroyed by the earthquakes, but major reforms of the health system are also being carried out.

The British people have long enjoyed a firm friendship with Chile. The determination of the President, against the background of recent events, to come to London augurs well for the future development of our warm relationship.

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