



Foreword by
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FIRST

It gives me particular pleasure to introduce this Official Report on Chile to mark the Visit of President Michelle Bachelet to the United Kingdom. Lord Hurd and I are especially grateful to His Excellency Rolando Drago Rodríguez, the Chilean Ambassador, and his Embassy staff for all their help and guidance in the preparation of this report. We are also very grateful to President Bachelet, and Rt Hon Hugo Swire MP, Minister of State at the Foreign Office, for contributing such personal messages to this Official Report.

The strength of the United Kingdom’s strategic partnership with Chile has also been underlined by Hugo Swire’s attendance at President Bachelet’s inauguration at the National Congress in 2014 as well as the Lord Mayor’s recent visit to Chile in April of this year. HRH Prince Harry also paid a hugely successful visit in 2014.

This Official Visit of the President to the United Kingdom is particularly timely and will help focus the attention of business leaders and policy makers on the many opportunities that exist in Chile. Chile is the fifth largest economy in South America and has the highest level of Gross Domestic Product (GDP) per capita in the region. GDP for 2015 is estimated at US\$424 billion (ppp) with a world ranking of 44. Chile ranks seventh in the Index of Economic Freedom and is Latin America’s top-ranked country in the World Bank’s ease of doing business table.

The Chilean economy is highly market-orientated, characterised by significant levels of foreign trade with a well-founded reputation for stable financial institutions. Chile enjoys a high level of exports – which comprise some one third of GDP. Commodities constitute around 60 per cent of total exports, with copper accounting for 20 per cent of government revenue.

Key industries include copper, lithium, foodstuffs, fish processing, iron and steel, wood products, transport equipment, cement and textiles – providing a wide range of investment opportunities.

Chile represents an important trade partner for the United Kingdom. The UK is the sixth largest investor in Chile and exports some £1.6 billion of goods and services each year. Chile is the UK’s second largest export market in South America – focused on crude oil, industrial machinery, cars, beverages and pharmaceuticals. Over 100 British companies operate in Chile.

As the world’s largest producer of copper – Chile has major investment plans with over US\$70 billion due to be invested in the Chilean mining sector up to 2021 – providing further significant opportunities. Chile’s energy sector also expects significant investment in renewables. Other key sectors include retail, education and training, and infrastructure development. Chile requires some US\$9 billion of infrastructure investment.

The strength of the Chilean market is underlined by the government’s commitment to an open economy, no net national debt, promotion of free trade and well developed economic and financial institutions.

The Official Visit of President Bachelet to the United Kingdom, while providing an opportunity for private discussions, will give us all an opportunity to study these important developments in Chile and to weigh carefully the opportunities for both countries to work together even more closely.

We at FIRST are delighted to have been asked to produce this official publication to mark the President’s Visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship, especially in the important areas of trade and investment. **F**