

## **India-Chile Bilateral Relations**

### **Political Relations:**

India-Chile relations are characterized by warmth, friendship and a commonality of views on a wide range of issues. Chile shares India's concerns over the threat of international terrorism and has regularly condemned the acts of cross-border terrorism that India has suffered. The Chilean Parliament strongly condemned the terrorist attack on the Indian Parliament and the terrorist attacks in Mumbai. Both countries share similar views on expansion and reforms of the UNSC. Chile has articulated its support for India's claim to a permanent seat in the UNSC in a Joint Statement issued at the conclusion of the official visit of Chile's Foreign Minister to India in April 2003, and Chile has continued to express this stand in India's favour regularly since then.

The bilateral relations have strengthened over the years with the exchange of high-level visits, including visits by HoS/HoG, Cabinet Ministers, parliamentary delegations and Army, Navy and Air Force Chief. In 2009, India and Chile celebrated 60 years of the establishment of diplomatic relations which coincided with the visit to India by the President of Chile, H.E. Dr. Michelle Bachelet Jeria. This was in reciprocation of then Hon. President of India, Smt. Pratibha Devisingh Patil's visit to Chile in 2008. The Sixth Round of India-Chile Foreign Office Consultations was held in New Delhi on 31 October, 2014.

**Bilateral Agreements:** India and Chile have signed Agreements/MoUs covering various fields of cooperation such as Sports, S&T, Antarctica, Defence, Air Services, Agriculture, New and Renewable Energy, Education, Outer Space, Geology and Mineral Resources. Most recently, on 6 September, 2016, an Agreement on the expansion of the India-Chile Preferential Trade Agreement (PTA) was signed in New Delhi which increased the scope of the agreement from about 474 tariff lines to 2829 tariff lines.

**Technical Cooperation and Training:** The Embassy of India currently has 25 ITEC slots annually to offer to Chilean nationals, in diverse areas like IT and Telecommunication, Management, SME/Rural Development, Environment and Renewable Energy, Finance and Accounts, Audit, Banking, Education, Planning and Administration, Parliamentary Studies, Crime Records, Environment, etc.

### **Trade and Economic Relations:**

India's exports to Chile have been growing steadily since 2009, with the exception of a slight decrease in 2014, when a new carbon tax on diesel vehicles in Chile adversely affected motor vehicle exports from India, but this sector has seen a big recovery. Chilean exports to India have also increased, though there was a slump in 2015 and 2016 due to the impact of low copper prices, the major export item in Chile's basket.

Both countries seem poised to hit record levels in 2017 on the basis of the figures for the first six months.

Year	Exports from India to Chile (CIF)	Imports from Chile by India (FOB)	Total Indo-Chilean bilateral trade
2009	278.07	908.35	1186.42
2010	380.91	1581.95	1962.86
2011	467.03	1964.99	2432.02
2012	658.45	2636.82	3295.27
2013	693.90	2182.70	2876.60
2014	619.85	2571.75	3191.60
2015	685.76	2026.98	2712.74
2016	701.05	1398.53	2099.58
Jan-June 2017	364.41	883.14	1247.55

Source: Santiago Chamber of Commerce (In Million US Dollars)

[Note: A small addition to the above figures, around US\$ 20 million in 2016, is the value of India's exports to the free trade zones in Iquique and Punta Arenas.]

High value-added items such as commercial vehicles (Telco, Mahindra), motor cars (Tata Motors, Maruti Suzuki, Hyundai), two-wheelers, and bulk pharmaceuticals have entered the Chilean market, and are among the top 10 Indian exports to Chile. Other traditional items being imported by Chile are home furnishings, garments, handicrafts, textiles, carpets and hand-tools. India's imports from Chile are predominantly copper, iodine, chemical wood pulp, molybdenum concentrates, and apples. Discussions are underway to finalize phyto-sanitary requirements for the export of avacados, walnuts and blue berries from Chile, and the import of mango, coco peat, pomegranate from India.

**Visits of business delegations:** In the last two years, though there has been only one big delegation to India from Chile (in November 2015), there have been many visits from India to hold BSMs/B2B meetings, participate in Trade Fairs, and to organize road shows in the areas of pharma, apparel, handicrafts, leather, chemicals and allied products, sports goods, information technology, tourism, etc. In the first half of 2017 alone, there have been four delegation visits covering pharmaceuticals, renewable energy, tea and leather. Delegations for hospital equipment and medical supplies, basmati rice, handlooms, etc., are expected in 2017. Another big delegation from Chile led by former President Eduardo Frei (President Bachelet's Special Envoy to the Asia-Pacific Region) is also scheduled for October 2017.

**Indian investments in Chile:** As far as Indian investment in Chile is concerned, based on the information given by various companies, it amounts to about US\$ 216.25 million. Many Indian companies have entered the Chilean market. Some have acquired Chilean companies, others have entered into joint ventures or collaborations, and some have expanded their operations significantly in the last three years. These include: Jindal Steel Works, TCS, Oracle Fin Services, Polaris, Evaluserve, Godrej, Tega Industries, Dr.Reddy's Chile, Seven Pharma, Wipro Technologies, Tata Motors, Bajaj Auto, Mahindra & Mahindra, Maruti Suzuki, etc. The figure for Chilean investment in India is US\$ 150.54 (source: DIPP).

### **India-Chile Expanded Preferential Trade Agreement (PTA)**

India and Chile signed an agreement on 6<sup>th</sup> September, 2016 on the expansion of the India–Chile Preferential Trade Agreement (PTA), which is expected to considerably strengthen the commercial relations between both the countries. In the original PTA concluded in March 2006, which came into force from August 2007, India had offered 178 tariff lines with the MoP ranging from 10%-50% at 8-digit level and Chile's offer list consisted of 296 tariff lines with MoP ranging from 10%-100% at 8-digit level. Under the expanded PTA, Chile has offered concessions to India on 1798 tariff lines with Margin of Preference (MoP) ranging from 30%-100% and India has offered concessions to Chile on 1031 tariff lines with MoP ranging from 10%-100%.

The expanded PTA came into effect on 16 May, 2017. It also incorporates new chapters on Rules of Origin, Technical Barriers to Trade and Sanitary and Phytosanitary Measures, which would contribute to the reduction of non-tariff barriers.

### **Cultural Relations:**

Indian culture is very popular here in Chile. There are a large number of local Yoga schools (Kundalini Yoga, Iyengar Yoga, Bikram Yoga etc.) and practitioners. There are also quite a few Chileans who have learned Indian classical dance and music, some of whom run their own schools. Bollywood music and dance is also popular. Indian cuisine is appreciated and there are many Indian restaurants in Santiago. Organisations such as ISKCON, Brahmakumari Samaj, and Art of Living are also flourishing. There are Hindu Temples in Santiago, Iquique and Punta Arenas. There is also a small but thriving community of Buddhists.

Cultural events are organised regularly by the Embassy, including most recently, two sold-out performances by Guru Shovana Narayan's Kathak Group (April 1 and 2, 2017). The International Day of Yoga is also celebrated annually and in 2017, was celebrated in the Chilean Parliament for the first time. India@70 will be celebrated with the visits of the Mayadhar Raut group (Odissi) and Geeta Chandran (Bharatnatyam). In January 2018, India will officially participate in the Santiago-a-Mil International Fest for the first time, with an inaugural performance by Astad Deboo and his group. Also for the first time, Easter Island's Rapa Nui Folkloric Group will be participating in ICCR's Latin America Festival in November 2017.

## **Indian Community:**

The origins of the Indian community in Chile can be traced back to 1905. Currently, it is estimated that there are around 1500 Indians living in Chile of which approx. 60% have obtained Chilean nationality. One third of them live in Iquique and the rest are in Santiago, Valparaiso, Vina del Mar and Punta Arenas. The majority are from the Sindhi community who are mainly engaged in business, and have integrated well with Chilean society. In addition, there is a constant flow of professionals and businessmen from India, working mainly in the ICT sector and also in Indian companies represented in Chile. At any given time, these number around 500. Some Indian labour is also present in Chile, working mainly in Indian restaurants.

### Useful Resources:

Website : [www.embajadaindia.cl](http://www.embajadaindia.cl)  
Facebook : IndiaInChile/  
Facebook : [ItecinChile](#) Santiago  
Twitter : @Indiainchile

August 2017

.....