



Country Report

# CHILE

Market Guide for Exporters



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## EXECUTIVE SUMMARY

Trade with Chile has sufficient potential to pique the interests of exporters. Chile is the world's leading supplier of copper with global market share of approximately 37%. Chile is also one of the world's leading suppliers of lithium and molybdenum. Chile and Mexico are the only countries in Latin America to be part of OECD. The importance of Chile as a trading partner can be gauged by the fact that it is China's largest trading partner in South America despite being smaller than Brazil and Argentina.

Pakistan's exports to Chile amount to USD 68mn in 2018 (Pakistan Bureau of Statistics, 2018), ranking it as the 44<sup>th</sup> largest customer of the country and 5<sup>th</sup> largest in the South American region. During 2018, woven fabrics of polystaple fiber, cotton towels, surgical instruments and bedsheets of other textile material (other than cotton) exhibited the greatest increase in exports to Chile due to currency depreciation and increase in volumetric sales.

H.S.#	COMMODITIES	000.\$ 2018	000.\$ 2017	Variance
55134100	WOV FAB POLY STAP FIB PRINTED	6,328	4,746	1,583
63026010	TOWELS OF COTTON MILL-MADE	3,808	2,481	1,326
55132100	W-FAB SYN STA FIB MX COT DYED	1,524	371	1,153
90189090	OTH INST,APP MEDICAL/SUR/VETEN	1,907	1,158	748
63023910	BED SHEETS OTH TEX MAT HANDLOM	3,746	3,084	662

The highest exports to Chile were **bedlinen of other textile material, woven fabrics of polystaple fiber, towels** and **footballs**. While the aforementioned items were the highest exports to Chile, analysis indicates that the markets for women's trousers and shorts of cotton (HS 620462), surgical instruments (HS 901890) and inflatable balls (HS 950662) exhibit the greatest potential and the key to increasing Pakistan's exports to Chile lies in exploring the export potential of these items.

Spanish is the official business language. Although some Chileans speak English, most prefer to conduct meetings in Spanish. It is recommended that any presentations and marketing materials should be in Spanish as well. Documents required to clear customs include a bill of lading, original commercial invoice, and declaration from the importer on the value of the merchandise (provided by Customs). Additional documentation may be needed depending on the merchandise. This may include: Certificate of Origin, packing list (for merchandise entering in containers) and insurance certificates. The cost of importation is calculated on the cost, insurance and freight (CIF) value of the merchandise. It will include the tariff, and payment of Goods and Services Tax (Impuesto sobre la Valor Agredada), which is 19 percent of the total value (CIF + tariff).

This report also recommends the establishment of a trade mission stationed in Chile to deepen contacts with the local business community. Marketers should seek to establish their own brands; surgical instruments should have quality certification similar to India to establish credibility about the quality of their products. More portion of SBP's Export Finance Scheme should be allocated to new exporters and SMEs as this will increase export competitiveness and bring up the overall level of Pakistan's exports. Pakistan should also look to reduce lead times which

is a main concern for buyers. Improvements in warehousing technology can lead to cost savings by maximizing available space in an optimal fashion and reducing lead times.

Several ATL and BTL marketing techniques are also recommended to bolster the success of Pakistan's trade exhibitions in countries including Chile. Weekly newspaper ads should be placed at least 3 weeks prior to the date of the event. Banners and standees should be placed at key locations, such as outside the event venue, at least a week before the event date. Such marketing activities will help increase brand visibility for the 'Emerging Pakistan' brand. Increased brand visibility will help increase the footfall in Pakistan's exhibitions. In order to increase footfall at Pakistan's exhibitions and to secure B2B contracts, invitations should be sent out to key importers of target market. Pakistan should also seek to hold joint exhibitions in partnership with other countries. This can help increase foot fall in exhibitions. This strategy has been applied by countries such as Vietnam and Bangladesh. This strategy is viable for smaller countries which are entering new markets for the first time.

## COUNTRY PROFILE

Table 1: Economic Overview of Chile

Population (2017)	18.58 million
GDP 2017	USD 263.2 billion
GDP Projected (2018)	USD 265.2 billion
GDP Growth 2018 Projected	2.5%
GDP Per Capita (2017)	USD 14,314
GDP Per Capita Projected (2018)	USD 14,274
International Reserves (December 2017)	USD 39.553 billion
Consumer Price Index Projected (2018)	2.7%
FDI net	USD 4,311.9 million
Corporate Income Tax	25%
Withholding Tax	35%
Value Added Tax	19%
Average Exchange Rate	USD 1= 597.7 CLP

Chile is a member of OECD. The top manufacturing exporting industries in Chile are basic metals (MET) and food and beverages (FOD). Although the export orientation of Chilean industries varies, the import content of exports across Chilean industry is low and fairly homogenous, and this has not changed substantially over time. Chile has one of the lowest services content in its exports at 38%, and this is correlated with a relatively low share of its inward investment going to the services sector.

Chile is the world's #1 copper producer and has world-class mining infrastructure and operations. In 2016, Chile produced 5.55 million tons of copper, which represents 30% of current world production. The mining sector plays an enormous and important role to Chile's economy, accounting for about 10% of GDP and about 50% of Chilean exports. Chile is the world's #2 lithium producer, with 36% of current world market share.

The Table 2 gives an indication of the ease of doing business in Chile. Rankings are 1 (easiest) to 190 (most challenging).

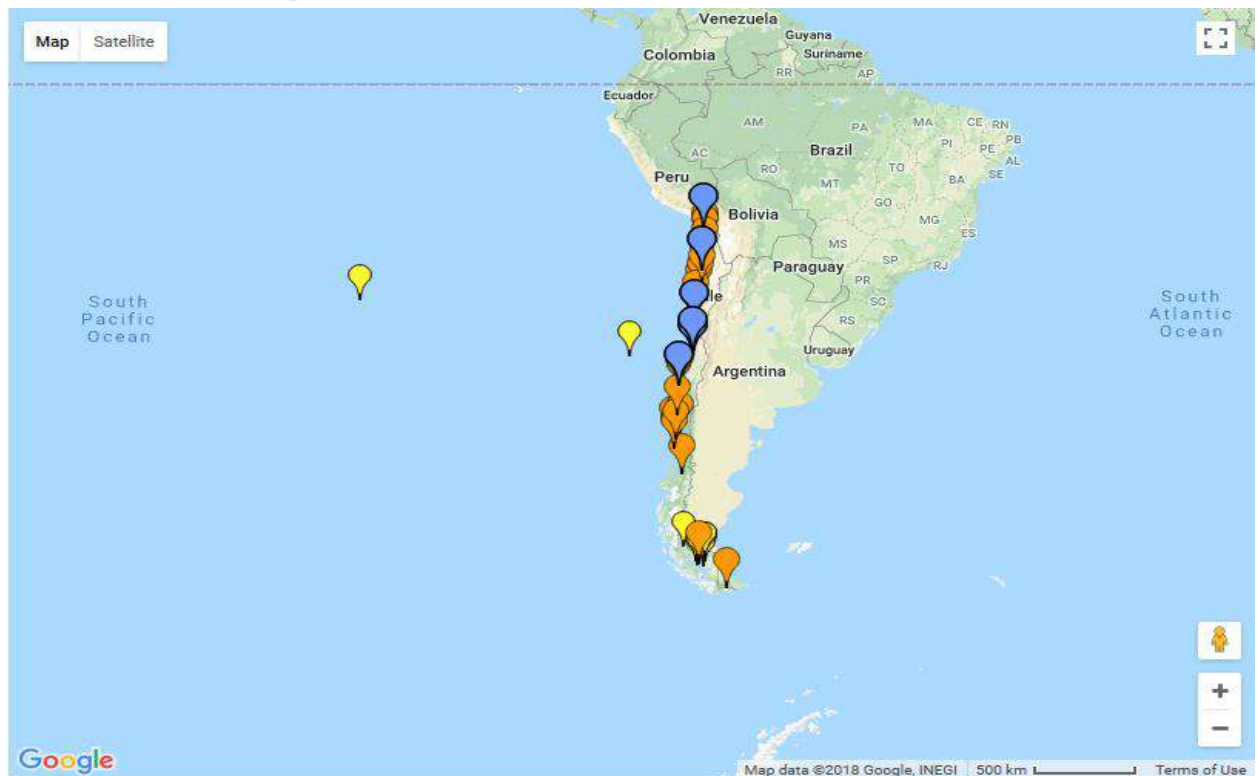
Table 2 Ease of doing business rankings

Topic	2017	2016
Starting a business	59	55
Getting credit	82	78
Protecting minority investors	32	30
Paying taxes	120	116
Trading across borders	65	64
Enforcing contracts	56	57

(World Bank, 2018)



Chile has a total of 46 ports out of which 16 have container line service.



### Ports with Container Liner Service

Table 3: List of Chile Ports

Location	Port
Antofagasta	Port of Antofagasta
Arica	Port of Arica
Coronel	Port of Coronel
Easter Island	Port of Easter Island
Huasco	Port of Huasco
Iquique	Port of Iquique
Lirquen	Port of Lirquen
Mejillones	Port of Mejillones
Port Williams	Port of Port Williams
Puerto Chacabuco	Port of Chacabuco
Puerto Ventanas	Puerto Ventanas
Punta Arenas	Port of Punta Arenas
San Antonio	Puerto San Antonio
San Vicente	Port of San Vicente
Talcahuano	Port of Talcahuano
Valparaiso	Empresa Portuaria Valparaiso

## HOW TO EXPORT TO CHILE

### EXPORTER BUSINESS TIPS

Spanish is the official language of Chile. Some Chileans speak English; however, many do not feel comfortable conducting business meetings in English. It would be best practice to prepare any presentations and marketing materials in Spanish, even if you speak in English. Table 4 lists the key phrases to help smoothen communication with Chilean businessmen.

Table 4 key phrases in Spanish

English	Spanish
Hi	Hola
Good morning	Buenos días
Good afternoon	Buenas tardes
Good evening	Buenas noches
How are you?	Como esta usted?
Thank you (very much)	(muchas) gracias
You are welcome	De nada
Goodbye	Hasta luego
Hello, my name is	Hola, me llamo
It is a pleasure meeting you	Mucho gusto
Excuse me	Permiso / Disculpame
Please	Por favor
I am sorry	Lo siento
I do not understand	No entiendo

Chileans are very warm and expect visitors to respond. They may be formal at first but move to develop friendships very quickly. Like many South Americans, Chileans use both their maternal and paternal surnames. The father's surname is listed first and is the first one used in conversation. The first greeting is normally with a handshake. It is always accompanied by the appropriate greeting for the time of the day – Buenos días, buenas tardes or buenas noches. Hugs and kisses on the right cheek are common among friends. If a business meeting has gone well and connection has been built, it would be common for the men to use one kiss on the right cheek with the women to say goodbye. Women greet other women in this way too.

Business cards are exchanged on the initial meeting at the very start. Always try to greet and say farewell to the senior most person first. Chile has a relationship-driven culture, so first meetings should be used to build a relationship and establish trust. Have non-business discussions and wait for the other party to initiate a change in topic. Expertise is less important than your personal, family and company background. Family and friendship play a big role in business, and who someone knows is important. Punctuality is generally respected and expected in business. However, be prepared for Chileans to be up to 30 minutes late.

Decision-making is centralized and takes place at the top level, although all levels have input. Visit top-level executives first. Mid-level executives can follow up on subsequent visits and are often directed to do so by their superiors. Decisions are not made at meetings so it is important

to provide all necessary information during the meeting. Be prepared to always go through a secretary — they are screeners for their bosses. Meetings and agendas are not very structured and sometimes topics will jump around. Eye contact is important in Chile as it conveys trust, sincerity and interest.

Chileans negotiate in a serious and straight talking manner. It's important to be upfront but not overbearing. Hard-sell tactics or pressure never work. Always be prepared to compromise — this shows you value the relationship more than the financial aspects of the deal. It's also important to always get written confirmation of agreements and consult a Chilean lawyer.

It is best to conduct business face-to-face rather than over the phone or via email. Sometimes it takes several trips to complete a business transaction. It's OK to communicate via email; however, don't expect a quick response. Chileans will often not reply to emails unless they have some new information or news for you.

Culturally, Chileans have a problem with saying no. This means that in a business meeting they may appear to be very interested; however, if they don't respond to follow-up communication, it could be a sign that they're not actually interested. Depending on the nature of your visit, stay at a top hotel. You will be judged by the accommodation you choose. Business lunches are usually long (a few hours) and are held in restaurants, hotels or residences. It is prudent to not talk about politics or human rights unless your host starts such a discussion (New Zealand Trade & Enterprise, 2018).

## TRANSPORT IN CHILE

There are several taxi options to avail rides from Santiago Airport:

[Taxi Alminuto](#) - +56 2 215 199300

[Taxi Oficial](#) - +56 2 260 19880

[Taxi VIP](#) - +56 2 267 73000

[TurBus](#) - this is a point service shuttle that operates between airport and 3 metro stations (Pajaritos, Las Rejas, and Universidad de Santiago). +56 2 282 27741 or +56 2 282 27742

[Centro Puerto](#) – this is another point service shuttle that operates between the airport and 5 metro stations (Los Heroes, Estacion Central, Universidad de Santiago, Las Rejas, Pajaritos) from 6:00 am to 11:30 pm.

Uber is also available in Chile.

The [Santiago metro network](#) operates from 6 am to 11 pm Monday to Saturday and until 10:30 pm on Sundays. One ride on the Metro can cost up to CLP670 during peak hours. This reduces to CLP560 during off-peak time. If you are planning to travel a great deal on the integrated public transport system [TransSantiago](#) (which includes the Metro and bus network), it's a good idea to purchase a BIP card. This can be topped up at one of the Metro station kiosks with some local currency (minimum re-charge of CLP1,000). For long journeys, buses have executive class comfort and onboard services. The two main intercity bus companies are TurBus and Pullman.

## CURRENCY, CREDIT AND ATMS

Chile uses the Chilean Peso. Chilean currency is available in the following denominations CLP 10, 50, 100, 500, 1000, 2000, 5000, 10000 and 20000. Places to change money are known as 'Casas de Cambio'. There are money exchanges at the airport (although the exchange rate is not as good) and around the city. Never change money on the street. Most of these street exchangers will rip you off either by using a rigged calculator, giving you false notes, running off with the money or they'll have a friend who will 'relieve' you of your cash when you leave. Most major credit cards are widely accepted in Chile. Banks have ATM machines called 'Redbanc' machines where you can withdraw cash either from your debit or credit card. There is a maximum daily withdrawal limit of CLP200,000 for most cards.

## SAFETY AND SECURITY

Petty crime is the main travel risk in Chile, particularly in the capital, Santiago. However, it is low by regional standards. Higher-risk areas of Santiago are Cerro San Cristóbal Park, Cerro Santa Lucía Hill and crowded markets and streets in the city center. Pickpockets can often be found in Plaza de Armas and the Metro. The risk in the up-market Las Condes, Vitacura and Providencia areas is minimal, although residential burglaries have been reported. Student-led demonstrations, as well as gatherings organized by other groups, can sometimes turn violent. These may mean some risks to bystanders. Chile is located in an active seismic zone and is vulnerable to earthquakes. There are active volcanoes in southern Chile. Ashes from the volcano eruptions can disrupt air travel across Chile and neighboring countries.

Health care in Chile consists of two tiers: the private sector (Clinicas) and the public sector (Hospitals). Chile has a very high standard of private health care. However, the quality of health care varies in different regions. Modern equipment and facilities are available in Santiago and other major cities but are not so accessible in smaller towns and rural areas. Most doctors in both the private and public sector are well trained. Many of them are educated overseas and able to speak English. Payment for services is usually required at the time of the service. Cash is preferred, but credit cards may be accepted in certain locations. Private clinics and hospitals have their own ambulance services. Public ambulance system exists, but it is not recommended.

Clinic website	Address	Telephone
Clinica Alemana	Vitacura 5951, Santiago de Chile, Santiago NA	+56 22 210 1111
Clinica Las Condes	Lo Fontellica 441, Edificio C 3, Santiago	+56 22 210 4000 or +56 22 610 3483 (direct)
Clinica Santa Maria	Sta Maria 500, Providencia	+56 22 913 0000
Clinica Indisa	Sta Maria 1810, Providencia, Santiago	+56 22 362 5555

Public holidays fall on different dates each year so it is best to check [timeanddate.com](http://timeanddate.com). The main public holiday is Chilean Independence (otherwise known as 'Dieciocho'). This is on 18 September and most Chileans will take at least a week off work to honor this occasion.

## PRODUCT REGISTRATION

The Agriculture and Livestock Service ([Servicio Agrícola y Ganadero](#)) of the Ministry of Agriculture is responsible for Chile's import regulations. This covers alcoholic beverages, organic foods, animal and plant quarantine, and the grading and labelling of beef and some processed food products, both for human and animal consumption including pet food, feed and feed supplements. The Ministry of Health is responsible for food sanitation. This includes meat and poultry and the approval of food ingredients, labels, and packaging of processed foods. The process to obtain authorization to import food products is controlled by the Seremi de Salud R.M.

Chile's regulatory processes are complicated. Also, often this information is not available in English. Given this, it's best to use a consultant (or make your distributor responsible for obtaining approvals). Imports of pharmaceutical, cosmetic or medical equipment is regulated by the Chilean Institute of Public Health.

## CUSTOMS AND IMPORT REGULATIONS

For items worth over USD 1,000 Freight on Board (FOB), you'll need to hire the services of a customs agent. The importer should provide the customs broker with all the necessary documentation for the merchandise to enter Chile.

Documents required to clear customs include a bill of lading, original commercial invoice, and declaration from the importer on the value of the merchandise (provided by Customs). Additional documentation may be needed depending on the merchandise. This may include: Certificate of Origin to benefit from preferred tariffs under an FTA, packing list (for merchandise entering in containers) and insurance certificates.

It's important that you have all the required documents to avoid costly and unnecessary delays for clearing Customs. The cost of importation is calculated on the cost, insurance and freight (CIF) value of the merchandise. It will include the tariff, and payment of Goods and Services Tax (Impuesto sobre la Valor Agregada), which is 19 percent of the total value (CIF + tariff).

Some items are subject to additional import tax. These include gold, silver and ivory-made products, jewels and precious stones, hides and fur, caviar, alcoholic and some non-alcoholic beverages, and tobacco.

[Chilean customs](#) is a good reference point for more information on Customs and import regulations. The complete list of local government directories and business associations are given in Appendix 3.

## BILATERAL TRADE ANALYSIS

Pakistan maintains a positive trade balance with Chile, however this trade balance has been decreasing over the past 5 years as imports from Chile have been increasing over the past 5 years while exports to Chile have been increasing over the corresponding time period. Details of Pakistan's bilateral trade with Chile are given in Table 5.

Table 5 Pakistan Bilateral Trade with Chile

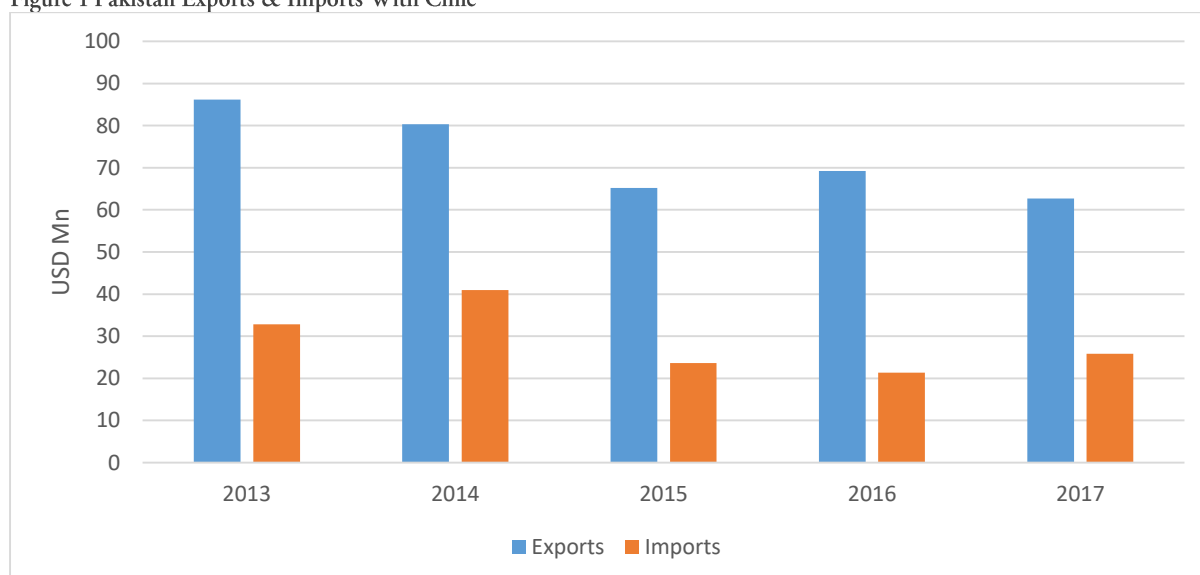
Pakistan Bilateral Trade with Chile (USD Mn)

Years	Exports	Imports	Balance
2015	65.19	23.60	41.60
2016	69.19	21.31	47.88
2017	62.68	25.82	36.86

(International Trade Centre, 2018)

Figure 1 shows the graphical representation of the progression of Chile's exports and imports over the past 5 years. Pakistan's exports reached USD 86mn during 2013 however exports declined to USD 63mn during 2017.

Figure 1 Pakistan Exports & Imports With Chile



## PAKISTAN'S IMPORTS FROM CHILE

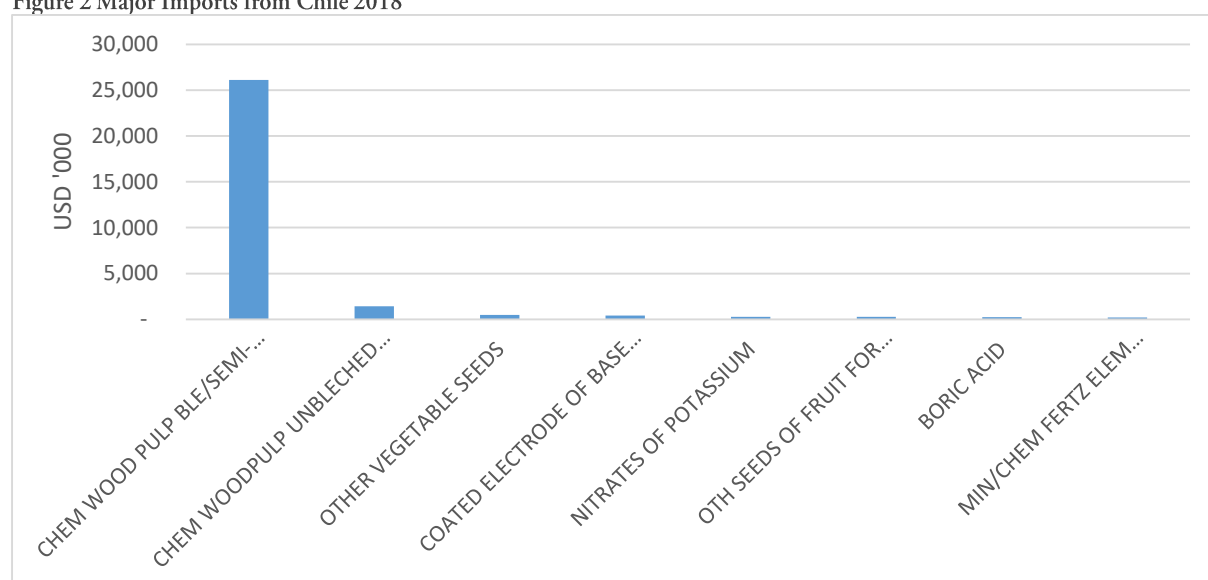
Pakistan's total imports during 2017, Jan to Dec, amounted to USD 53mn (State Bank of Pakistan, 2018). Out of a total of 223 trade partners, Chile ranks as the 69<sup>th</sup> largest supplier to Pakistan with a market share of 0.04%.

Table 6 Pakistan Import Partners

						USD Mn
Rank	Exporters	2013	2014	2015	2016	2017
	World	41,213	42,675	39,815	42,687	53,107
1	China	5,439	6,358	7,753	9,071	11,250
2	UAE	6,939	8,046	6,372	6,012	8,392
5	USA	1,176	1,094	1,387	1,614	2,092
69	Chile	5.68	10.80	9.05	8.40	18.95
(State Bank of Pakistan, 2018)						

Pakistan's major imports from Chile consisted of chemical wood pulp, vegetable seeds, potassium nitrate, electrode of base metal and boric acid.

Figure 2 Major Imports from Chile 2018



## PAKISTAN'S EXPORTS TO CHILE

Pakistan's total exports to Chile amounted to USD 68mn in 2018. The majority of Pakistan's exports to Chile consist of bedlinen, cotton fabrics and fabrics of polystaple fiber.

Table 7 Major Exports to Chile

H.S.#	COMMODITIES	000.\$-2017	000.\$-2016	%age change
630239	Bedlinen exc cotton	15,362	13,663	12.4%
630210	Bedlinen, knitted or crocheted	6,399	4,689	36.5%
521051	Cotton fabrics 521051	5,250	2,860	83.6%
551341	Polyester fabrics	4,746	8,041	-41.0%
521021	Cotton fabrics 521021	3,529	2,872	22.9%
630260	Toilet linen	2,501	3,162	-20.9%

(Pakistan Bureau of Statistics, 2018)

Chile is a non-traditional trade partner for Pakistan. The export base of Pakistan is narrow with heavy reliance on textiles and apparels for export earnings. In view of decreasing Chilean imports from Pakistan, Pakistan's export income from the Chilean market can be increased with increased exhibitions, greater supply of value added products, and diversification in our export base.

Chile's major trading partners are China, USA, Brazil and Argentina. The latter 3 have an increased volume of trade due to geographical proximity. Other countries such as Vietnam, Thailand and India also constitute as large trading partners with Chile. Pakistan's market share has remained largely stagnant between 0.10% and 0.12% during the last 5 years due to distance factor, lack of presence of trade mission and lack of marketing activities.

Analysis of item-wise exports during 2017 and its comparison with last year reveals that some of the major export items witnessed an increase in volume. Notable among those are: Men's trousers and shorts of cotton (+244%), Hand woven rugs (+182%), Trunks and suitcases (25700%) and Men's or boys' ensembles of cotton (excluding knitted) (+125%).



## PAKISTAN'S TOP EXPORT ITEMS TO CHILE AT HS 6-DIGIT LEVEL

Men's or boys' ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear) have continuously fetched the highest export value for Pakistan, which has increased by 275% from USD 0.66mn in 2016 to USD 1.49mn in 2017.

Export of Men's or boys' trousers, bib and brace overalls, breeches and shorts (HS 620342) increased by 244% from USD 0.213mn to USD 0.732mn. Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton (HS 611020) increased by 1008% from USD 0.012mn to USD 0.133mn.

Exports of graduated compression hosiery (HS 611510) exhibited the greatest decrease at 94% from USD 0.173mn to USD 0.01mn. The second greatest decrease was in Track-suits of textile materials, knitted or crocheted (excluding cotton or synthetic fibers) (HS 611219) at 93% from USD 0.142mn to USD 0.01mn. The decrease was attributed to decrease in market demand in Chile.

Details of top 30 products exported by Pakistan to the Chilean market are given in Appendix 1. Figure 3 shows the graphical representation of Pakistan's top 15 exports to Chile during the past 3 years.

Figure 3 Chile Imports from Pakistan & the World



Figure 4 depicts the percentage change in the top 15 products exported by Pakistan to Chile from 2016 to 2017. Further details of Pakistan's top 15 exports are provided in Appendix 2. The highest increase was observed in Men's or boys' ensembles of cotton (excluding knitted and swimwear) (HS 620322) and T-shirts, singlets and other vests of cotton, knitted (HS 610910) at 125% and 58% respectively. The increase was attributed to volumetric rise.

Figure 4 Pakistan's Exports to Chile, %age Change 2016-17

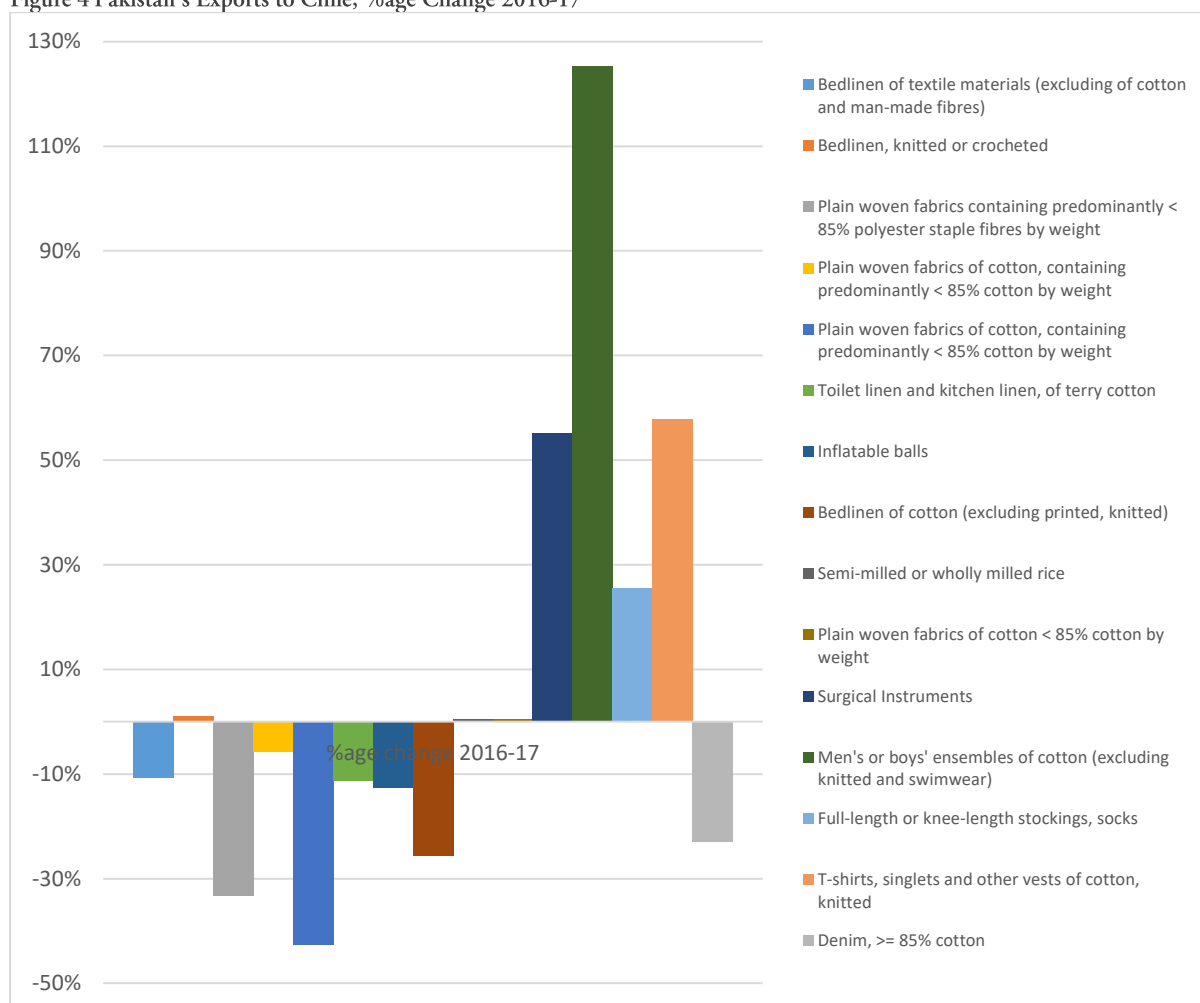


Table 8 illustrates compounded annual growth rate (CAGR) of Pakistan's top 15 exports. Men's ensembles of cotton (excluding knitted and swimwear) (HS 620322) and T-shirts, singlets and other vests of cotton, knitted (HS 610910) showed the highest rate of growth in terms of export at 275% and 155% respectively over the past 5 years indicating that exports of these products have been increasing since 2013.

The main decrease was observed in Toilet linen and kitchen linen, of terry cotton (HS 630260) at 24%. Denim, >= 85% cotton (HS 520942) decreased at a CAGR of 22% over the past 5 years indicating that exports for these products have been on the decline since 2013.

Table 8 Compounded Annual Growth Rate of Pakistan's Top 15 Exports to Chile 2013-17

Unit : US Dollar Mn							
Product code	Product label	Pakistan's exports to Chile					CAGR
		2013	2014	2015	2016	2017	
'630239	Bedlinen of textile materials (excluding of cotton and man-made fibers)	18.21	14.28	10.12	15.73	14.04	-5.07%
'630210	Bedlinen, knitted or crocheted	7.76	8.16	7.19	5.40	5.46	-6.79%
'551341	Plain woven fabrics containing predominantly < 85% polyester staple fibers by weight	8.53	8.70	6.66	7.24	4.84	-10.72%
'521021	Plain woven fabrics of cotton, containing predominantly < 85% cotton by weight	4.23	3.41	2.81	3.32	3.13	-5.84%
'521051	Plain woven fabrics of cotton, containing predominantly < 85% cotton by weight	4.74	4.32	3.26	4.97	2.85	-9.66%
'630260	Toilet linen and kitchen linen, of terry cotton	10.61	6.31	4.55	3.04	2.70	-23.96%
'950662	Inflatable balls	1.91	3.34	2.61	2.90	2.53	5.77%
'630231	Bedlinen of cotton (excluding printed, knitted)	2.88	3.44	2.41	3.24	2.41	-3.46%
'100630	Semi-milled or wholly milled rice	1.70	3.48	3.00	1.82	1.83	1.55%
'521031	Plain woven fabrics of cotton < 85% cotton by weight	2.26	1.49	1.58	1.70	1.71	-5.47%
'901890	Surgical Instruments	0.97	1.03	1.25	1.04	1.62	10.79%
'620322	Men's or boys' ensembles of cotton (excluding knitted and swimwear)	0.00	0.14	0.07	0.66	1.49	275.45%
'611595	Full-length or knee-length stockings, socks	0.44	0.32	0.60	1.09	1.36	25.60%
'610910	T-shirts, singlets and other vests of cotton, knitted	0.01	0.17	0.39	0.81	1.28	154.53%
'520942	Denim, >= 85% cotton	4.31	2.15	2.09	1.57	1.21	-22.44%

## EXPORT DYNAMICS MATRIX

The Export Products Dynamics (EPD) Matrix is an analysis tool that divides exports into 4 categories:

Figure 5 Export Products Dynamics Matrix

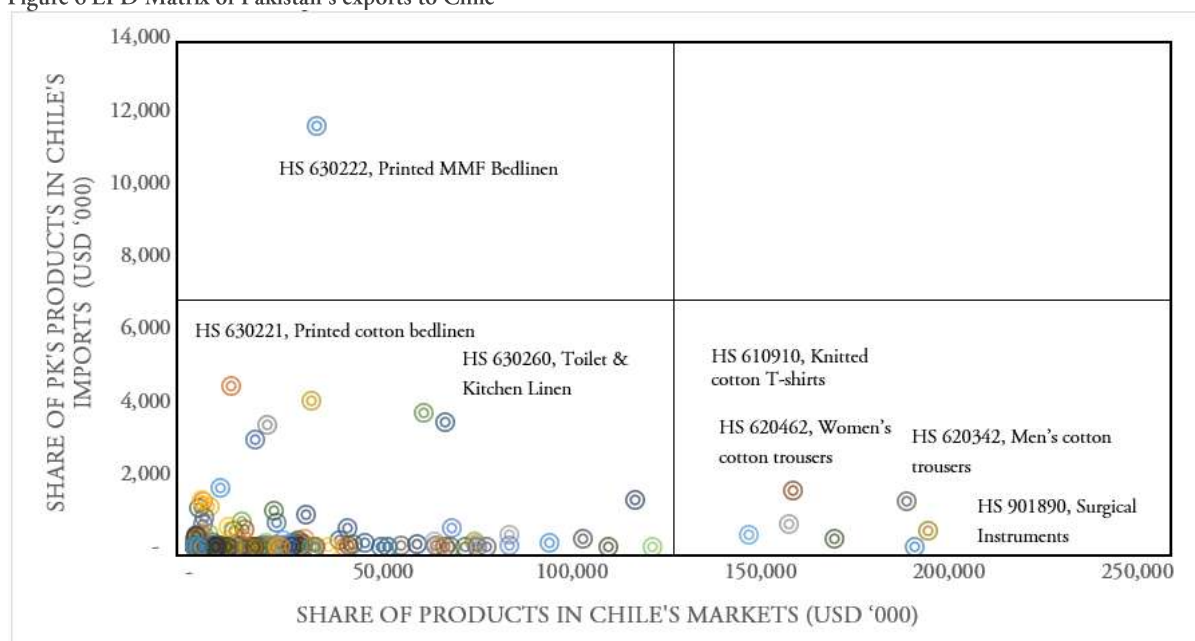


(Source: Estherhuizen, 2006)

By taking Chile's imports from the world on the x-axis and Pakistan's exports to Chile on the y-axis, we can plot the exports of different Pakistani products and see their performance in relation to their demand in the Chilean market. Consequently, items which are high in demand among Chilean imports and high in Pakistan's exports to Chile are called Rising Stars. Items which are high among Pakistan's exports to Chile but low among Chile's imports are Falling Stars. Items which are high in demand among Chile's imports but have a low share in Pakistan's exports to Chile are labeled Lost Opportunities and therefore every effort should be made to boost them up to the Rising Stars category by branding, marketing and more trade fairs featuring such products. Items which are low among Chile's imports and low among Pakistan's exports to Chile are labeled Retreat. While trade fairs and promotional activities may push such items into the Falling Stars category, they will still not be able to move into the Rising Stars category due to low demand in the Chilean market.

Using the EPD matrix tool, the top 200 products that Pakistan exported to the Chilean market were plotted to see how they fared. The results are given in Figure 6.

Figure 6 EPD Matrix of Pakistan's exports to Chile



As evident from the EPD matrix, **HS 901890 Surgical Instruments** lies in the 'Lost Opportunity' segment. This indicates that there lies potential for Surgical Instruments to move up in the 'Rising Star' segment. Chile's imports of **HS 901890 Surgical Instruments** have averaged USD 185mn over the past 3 years whereas Pakistan's exports to the Chilean market have averaged USD 454,000 over the corresponding time period. Therefore, exporters should make efforts to promote their surgical instruments exports towards Chile and increase their market share of these products in the Chilean market to push them up in the 'Rising Stars' segment.

Exports which seemingly perform high in the Chilean market, such as various items from **HS 6302 bedlinen, both MMF and cotton** are classified as 'Falling Stars' because Chile's total imports from the world for these items is very low. Nevertheless, Pakistan remains one of the top 10 suppliers of bedlinen to Chile due to the lower AUP offered by Pakistan's exporters.

The majority of Pakistan's exports to Chile fall in the 'Retreat' category due to low imports by Chile and low exports of said items by Pakistan. These include export items such as **HS 610610 women's cotton shirts**, **HS 420229 handbags** and **HS 621149 women's tracksuits**.

## POTENTIAL ITEMS

Using the EPD matrix as an analysis tool, the following items were identified as having potential to increase Pakistan's exports as they have high demand in Chile and Chile's imports of these items from the world are well over USD 100mn.

1. HS 950662 Inflatable balls
2. HS 901890 Surgical instruments
3. HS 620462 Women's trousers of cotton

### HS 950662 INFLATABLE BALLS

The market size for inflatable balls in Chile amounts to USD 140mn. Pakistan's market share is 18%, Vietnam comes in second at 14% and Thailand at 4%. Inflatable balls are a potential item to increase exports to Chile since football is a popular sport in Chile. In light of Pakistan's recent success in supplying footballs to the World Cup which was currently held in Russia, it would be prudent for football exporters to capitalize on this opportunity and expand their customer base by increasing exports to other countries including Chile. According to Nielsen Sports, 75% of the population in Chile is interested in football, thereby validating exports of footballs as a potential item to increase Pakistan's exports to Chile.

Table 9 Popularity of football by country

Selected Markets Ranked by Percentage of Population interested in football		
Market		Percentage of population "interested" or "very interested" in football
1	UAE	80%
2	Thailand	78%
3	Chile	75%
4	Portugal	75%
5	Turkey	75%
6	Mexico	73%
7	Spain	70%
8	South Africa	70%
9	Italy	67%
10	Poland	67%
11	South Korea	67%
12	Malaysia	65%
13	Brazil	60%
14	Germany	60%
15	Hungary	54%
16	Russia	52%
17	UK	51%
18	France	50%
19	Czech Republic	50%
20	Singapore	49%
(Nielsen Sports, 2018)		

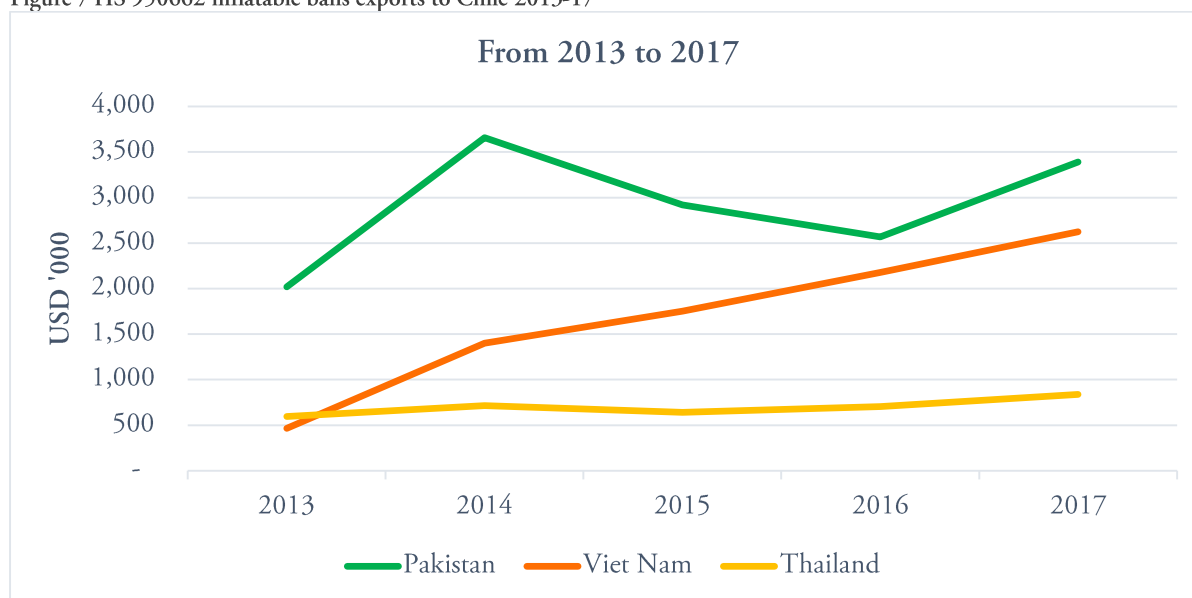
## Export Competitiveness Index & Market Share

Table 10 Export Competitiveness Index for HS 950662 Inflatable balls

	ECI		Rank	
	2013	2017	2013	2017
China	0.616	0.629	1 →	1
Pakistan	0.310	0.466	3 →	3
Viet Nam	0.115	0.624	5 ↑	2
Thailand	0.188	0.250	4 →	4
India	0.011	0.017	6 ↓	8
Indonesia	0.003	0.031	9 ↑	6
Peru	0.545	0.169	2 ↓	5
Brazil	0.004	0.009	8 ↓	9
United States of America	0.002	0.003	10 →	10
Spain	0.011	0.023	7 →	7

Among Pakistan's export basket to Chile, **inflatable balls** ranked third in terms of export competitiveness index. Chile's total import market size of **inflatable balls** is approximately USD 140mn.

Figure 7 HS 950662 inflatable balls exports to Chile 2013-17



Vietnam's sales appear to be steadily growing over the past 5 years while Pakistan's sales have fluctuated indicating market capture by Vietnam. Although Pakistan still maintains its lead, Vietnam is fast catching up in terms of sales.

### What has worked for Vietnam?

Vietnam has focused on establishing its market presence by focusing on lower quality, cheaper balls meanwhile Pakistan's strategy has been to focus on the premium segment. So while Pakistan focuses on quality, Vietnam chose to aim on quantity via increase in volumetric sales. Selling cheaper, low quality balls allows Vietnam to sell at lower prices. Vietnam has been able to capture market share from both China and Pakistan due to increasing labor costs in China and using the bottom of the pyramid (BOTP) strategy to penetrate the lower end of the market. Labor costs are

low in the north of Vietnam. Vietnam has the advantage of locally grown natural rubber as a source of raw material. In terms of exports to Chile, Vietnam holds the distance advantage.

### What has worked for Thailand?

Thailand's focus in the supply of inflatable balls has primarily been on basketballs rather than footballs. Due to the low popularity of the sport in comparison to football, demand for basketballs is lower. However, Thailand has also been able to sell footballs due to the fact that Thai exporters were the first movers in the market to produce machine-stitched balls as opposed to hand-stitched balls which were being made in Pakistan and India. Thailand has been able to penetrate the market due to its branding and marketing activities such as large producers sponsoring local footballing events and inviting scouts from professional football clubs.

### Non-tariff requirements

Another incentive to export inflatable balls is that there are no non-tariff requirements imposed by Chile on the item.

### Additional information

JUXTAPOSITION		
Pakistan	Vietnam	Thailand
Average distance (km)		
18,727	18,815	20,018
Number of non-tariff requirements applied by Chile		
0	0	0
Tariffs		
6%	6%	6%
AUP (USD per Ton)		
11,282	11,285	11,253
(International Trade Centre, 2018), (UNCTAD, 2018)		

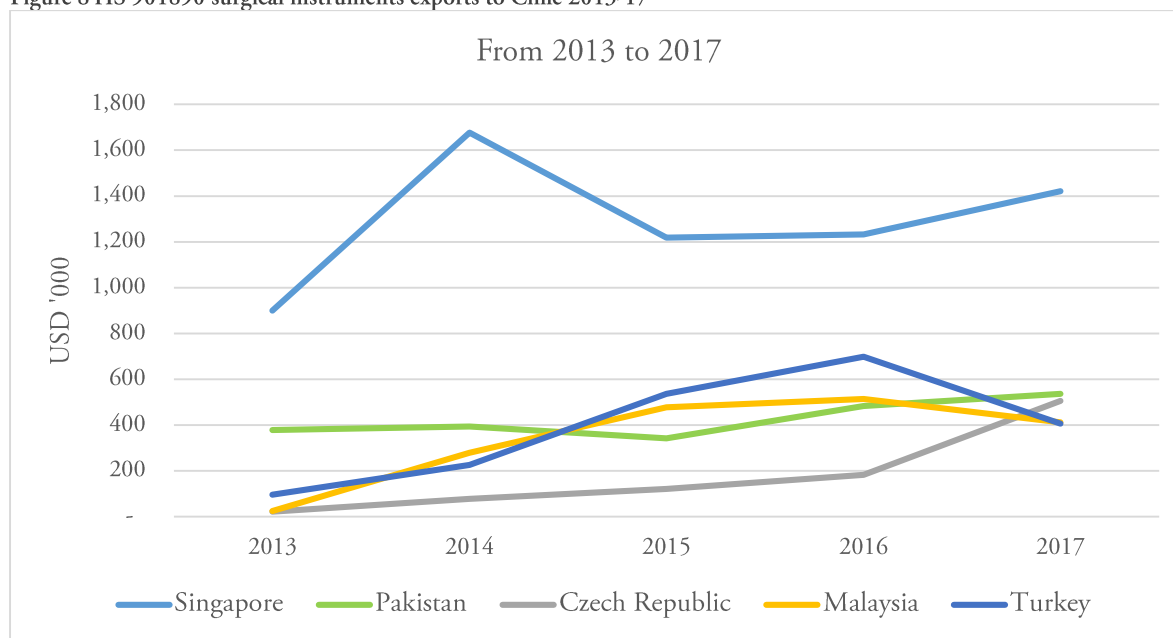


## HS 901890 SURGICAL INSTRUMENTS

The market size for surgical instruments in Chile is USD 185mn of which Pakistan holds a 0.3% share. Pakistan's total sales of surgical instruments to Chile amounts to USD 537,000. However, the potential for further exports exists as Pakistan has the capacity and expertise in this product evident by USD 361mn worth of exports that Pakistan sends to the rest of the world in 2017. The product is also in high demand in Chile as the country imported USD 185mn worth of surgical instruments in 2017.

Pakistan's market share has remained stagnant over the past 5 years indicating that export of surgical instruments have been a neglected segment. Chile imports USD 184mn worth of surgical instruments and Pakistan should look to capitalize on its expertise in manufacture of this product and seek to promote it in future exhibitions. The US holds the largest market share of surgical instruments imported by Chile at 34%.

Figure 8 HS 901890 surgical instruments exports to Chile 2013-17



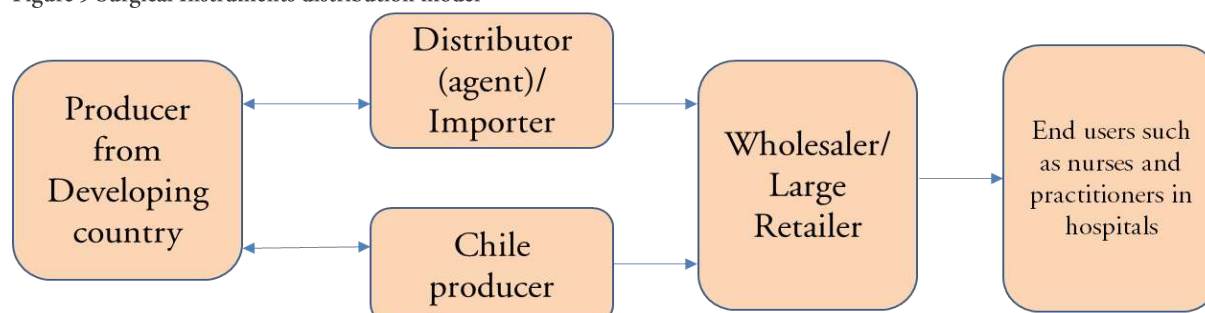
### What has worked for Czech Republic?

Czech Republic's exports of surgical instruments to Chile increased from USD 200,000 in 2013 to USD 510,000 in 2017, an increase of 2200% in comparison to Pakistan's increase of 42% over the corresponding time period. Czech exporters have focused on targeted products such as cotton swabs, gauzes, bandages, surgery tools, hospital furniture, bedsheets, microscopes and stomatology tools. Several Czech manufacturers also merged with German companies to utilize the brand image of 'German efficiency'. Czech manufacturers have been able to use effective branding including LINET, MEDIN, VAMED, KOVONAX, and Variel which are well known surgical instruments manufacturers in the West (CzechTrade, 2018).

## What has worked for Malaysia?

Malaysia has the advantage of having a free trade agreement with Chile. Under the free trade agreement, Chile eliminated import duties on 6,960 tariff lines including surgical gloves. The Malaysian surgical sector has FDI of USD 1.6bn as well as well established distribution channels.

Figure 9 Surgical Instruments distribution model



30 MNCs operate in Malaysia manufacturing surgical instruments. Popular names include Agilent, Braun, St. Jude Medical, C.R. Bard, Toshiba Medical. According to the 11<sup>th</sup> Malaysia Plan, Malaysia have set a target of MYR 11.4bn in GNI contribution by the surgical sector. Malaysia's targeted products include gloves, catheters, syringes, needles, sutures, electro-medical equipment and ophthalmic lenses.

## Non-tariff requirements

Chile requires fulfilment of 5 non-tariff measures for import of HS 901890 surgical instruments n.e.s. into the country. Details of non-tariff requirements are provided in Table 11.

Table 11 Non-tariff measures for HS 901890

UNCTAD, TRAINS NTMs database through Integrated Trade Intelligence Portal (I-TIP)				
Your query covers 5 measures				
Measures:	Sanitary and Phytosanitary [SPS] [A], Technical Barriers to Trade [TBT] [B], Pre-shipment inspection [INSP] [C], Contingent trade protective measures [CTPM] [D], Quantity control measures [QC] [E], Price control measures [PC] [F], Other measures [OTH] [G,H,I,J,K,L,M,N,O], Export-related measures [EXP] [P]			
Country(ies) imposing:	Chile			
Product(s):	HS codes: 901890			
Country imposing	Partner affected	Requirements	Phase	Measures
Chile	All Members	Technical Barriers to Trade	In force	5

## Additional information

JUXTAPOSITION		
Pakistan	Malaysia	Czech Republic
Average distance (km)		
18,727	18,815	19,208
Average tariff (estimated) applied by Chile(%)		
6%	6%	6%
Number of non-tariff requirements applied by Chile		
5	5	5
Government Initiatives/Investment		
Rs 5M in Strategic Policy	MCFTA	Bilateral Investment Treaty
(International Trade Centre, 2018) (UNCTAD, 2018)		

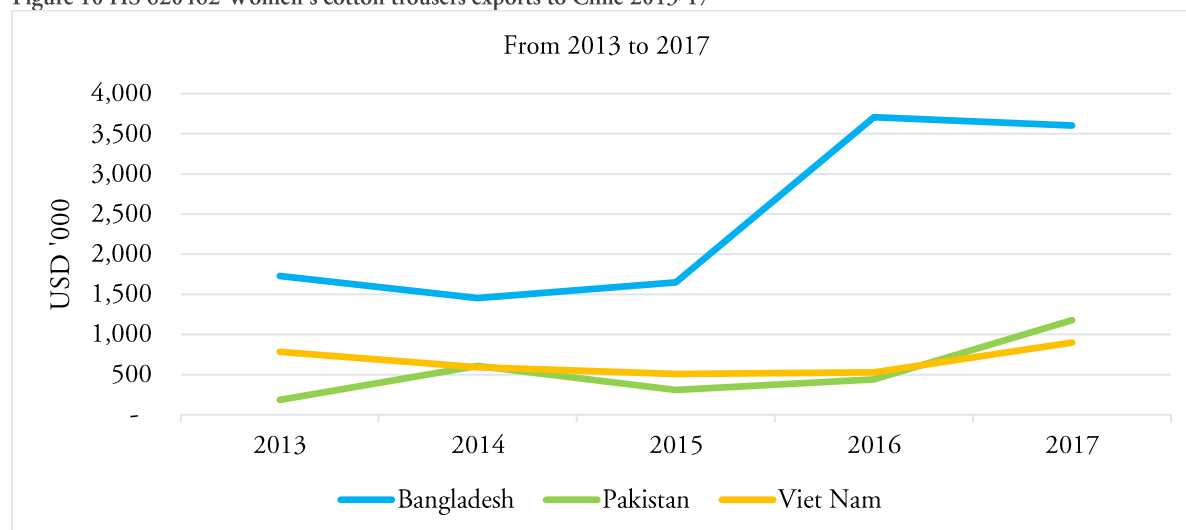
Malaysia holds the advantage in distance and FTA with Chile

## HS 620462 WOMEN'S TROUSERS & SHORTS OF COTTON

Chile's imports of HS 620462 women's trousers and shorts of cotton amount to USD 173mn of which Pakistan's market share is 0.7%. Pakistan's supply of women's trousers and shorts of cotton amounted to USD 1.2mn in 2017.

China remains the top supplier of this item, although its market share has fallen from 88% in 2013 to 83% in 2017 due to rising labor costs in China putting upward pressure on prices. However, China still retains its advantage due to its FTA with Chile thereby eliminating its customs duty on the product.

Figure 10 HS 620462 Women's cotton trousers exports to Chile 2013-17



Pakistan's market share in Chile's import of women's trousers improved slightly from 0.1% to 0.7% over the corresponding period. Bangladesh has managed to capture 2.1% of the market share in 2017, up from 0.9% in 2013 indicating Pakistan lagging behind in terms of increasing its market share of women's trousers in the Chilean market.

## What has worked for Bangladesh?

Bangladesh has started focus on new markets such as Chile, Russia and South Korea. Bangladesh's advantage lies in its cheaper product prices due to lower input costs. The electricity tariffs in

Bangladesh amount to 7.3 cents per kWh while Pakistan's average electricity cost is 11 cents per kWh. Bangladesh also has lower gas tariffs costing USD 3 per MMBTU vs Pakistan's gas tariffs costing USD 8 per MMBTU. Bangladesh has made investments in backward linkages such as machinery and spare parts suppliers as well as investments in forward linkages such as transportation, communications, banking, insurance and trade services. About 1000 to 1500 overseas apparel buyers visit Bangladesh every year. China's focus has also shifted to higher value added products leaving space for Bangladeshi manufacturers.

### What has worked for Vietnam?

Vietnam's advantages lie in its low labor costs and exchange rate competitiveness. 1 US dollar is equivalent to 23,000 Vietnamese dong. Vietnam has shifted quickly from silk to cotton to polyester indicating the fast market adaptability of its exporters and the role of the government in lowering customs duties for textile manufacturers. There is zero duty on import of machinery and equipment for textile and garment. Vietnamese manufacturers have made investments in fiber spinning, shuttle weaving and circular knitting. Vietnam have also identified how to improve lead times. Their locally sourced raw materials have a lead time to 60 days whereas imported raw materials have a lead time of 30 days.

### Additional information

JUXTAPOSITION		
Pakistan	Vietnam	Bangladesh
Average distance (km)		
18,727	18,815	19,652
Number of non-tariff requirements applied by Chile		
1	1	1
AUP (USD per ton)		
27,395	26,882	27,150
(International Trade Centre, 2018; UNCTAD, 2018; SeaRates LTD, 2018)		

## THE FREE TRADE AGREEMENTS OF CHILE

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Chile has negotiated 26 trade agreements of which 25 are in force covering 65 countries. The following countries have free trade agreements with Chile:

- USA
- Canada
- Mexico
- Costa Rica
- Switzerland
- Peru
- Turkey
- Hong Kong
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- China
- Australia
- Malaysia
- Thailand
- South Korea
- Iceland
- Lichtenstein
- Norway
- Panama
- Colombia
- Vietnam

Chile also has Economic Association Agreements with the following countries / blocs:

- EU
- Japan
- New Zealand
- Singapore
- Brunei

The following countries/blocs have signed Economic Cooperation Agreements with Chile:

- Bolivia
- Ecuador
- Peru
- Cuba
- Venezuela
- MERCOSUR

Chile also has signed a Partial Trade Agreement with India.

### CHILE - USA FTA

As per the agreement 100% of US goods enter Chile duty-free. However, all goods, both foreign and domestic, are subject to Chile's value added tax (called "IVA" in Spanish) which has been 19% since October 1, 2003. Value added tax is usually paid by the importer and not by the supplier.

### CHILE - CHINA FTA

100% of the products contained in the FTA will have a zero tariff, excluding the 214 products originally from Chile and the 152 products originating in China contained in the FTA's Exception List. More than 8000 tariff lines have a zero tariff.

### CHILE - INDIA AGREEMENT

Chile sees institutional stability and high growth potential in India. 98% of Chilean exports and 91% of Indian exports obtained an average tariff reduction of 20% from the moment of entry into force of the Agreement. Currently this Partial Scope Agreement is in the process of deepening, which would include broader chapters and lists with more extensive tariff preferences. In 2007, Chile reduced tariffs on 296 Indian products while India reduced tariffs on 178 Chilean products

during the same time period. In 2017, Chile expanded their list to 1798 Indian items while India expanded their list to include 1031 Chilean items (Ministry of Commerce, India, 2018). The margin of preference given by Chile to Indian items ranged from 30% to 100% depending on the items while the margin of preference given by India to Chile ranged from 10% to 100%.

Figure 11 Chile offer list for reduction on following Indian items

<b>Chile Offer List</b>	Agricultural products
	Organic & Inorganic chemicals
	Pharmaceuticals
	Plastic & Rubber articles
	Textiles
	Apparel
	Articles of iron/steel & copper
	Machinery & Equipment

Figure 12 India offer list for reduction on following Chilean items

<b>India Offer List</b>	Meat products
	Fish and fishery products
	Vegetable oils
	Iron ore & copper ore
	Organic & inorganic chemicals
	Pharmaceuticals
	Washing preparations
	Plastic & rubber articles
	Articles of iron & steel
	Articles of wood & paper

## ITPO TRADE EXHIBITIONS IN CHILE

The following are the trade exhibitions held by ITPO in South America (including Chile):

Sr No.	Event	Products
1	The Int. Industrial Trade Exhibition Bogota(Colombia) September, 2018	Engineering show
2	India Show Peru 2018-19	Multi Products
3	India Show Chile 2018-19	Multi Products
(India Trade Promotion Organization, 2018)		

It is recommended that Pakistan should also look to increase its presence in South America and TDAP should look to organizing more fairs in the region to increase exports.

## OTHER TRADE EXHIBITIONS IN CHILE

Chile actively engages in trade and frequently holds several fairs and exhibitions to invite buyers and suppliers. Table 12 shows the list of exhibitions held in Chile where exporters can book stall space and attract customers.

Table 12 Exhibitions held in Chile

Exhibition Name	Cycle	City / Location
1. EXPOMIN World Mining Exhibition for Latin America	every 2 years	Santiago > Espacio Riesco
2. ELECGAS Expo dedicated to the Domestic Energy Development and its Challenges	once a year	Santiago > Hotel Cumbres Vitacura
3. EXPOVIVIENDA Real Estate Exhibition	once a year	Santiago > Centro Cultural Estación Mapocho
4. EXPO HOSPITAL International Exhibition of Technologies, Products and Service for Hospitals and Clinics	once a year	Santiago > Espacio Riesco
5. FRUITTRADE Chilean Business Round Table - Fruits & Vegetables for Export	once a year	Santiago > Casa Piedra
6. EXPO FOOD PROCESS Food & Beverage Process Trade Show	once a year	Santiago > Centro Cultural Estación Mapocho
7. AQUA SUR International Aquaculture exhibition, the largest of southern hemisphere	every 2 years	Puerto Montt > Calle de servicio 200
8. SAGO FISUR Agricultural & Livestock Industry Trade Show	once a year	Osorno
9. HALAL EXPO LATINO AMERICANA Chilean Trade Fair for halal products	once a year	Santiago > Intercontinental Santiago
10. EXPONAVAL International Maritime Defense Exhibition & Conference for Latin America	every 2 years	Valparaíso > Base Aeronaval Viña del Mar
11. EDIFICA International Exhibition of Machinery, Materials and Construction Systems	every 2 years	Santiago > Espacio Riesco
12. EXPOCORMA Forestry, Pulp and Paper Industry International Exhibition	every 2 years	Concepción
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Other websites with information on Chile's trade shows and industry exhibitions are:

- [Eventseye](#)
- [10times](#)
- [nTradeshows](#).

## SWOT ANALYSIS

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### STRENGTHS

- Pakistan offers high quality basmati rice for export.
- The textile sector is strong and has a wide variety to offer to the international market.
- Pakistan's sports goods are world class and can be marketed to the world thereby creating demand for Pakistani sports goods.
- The surgical instruments sector of Pakistan has strong linkages in the international market with a sound reputation and established distribution channel.

### WEAKNESSES

- The quality of Pakistani exports is not consistent due to lack of local quality checks.
- Focus is on low tech, low quality and low value products due to lack of knowledge on modern techniques and research.
- Increasing cost and inconsistent supply of gas and electricity hamper production, increase cost of manufacturing and undermine the competitiveness of local industries.
- Lack of proper training institutions result in less skilled workforce not capable of working with emerging technologies.
- Lack of research and development hamper sustainability and growth in the international market.

### OPPORTUNITIES

- The textile sector is Pakistan's strength and offering value added products in this sector can help increase Pakistan's exports.
- There exist good opportunities in the sports goods segment as revealed by the Export Competitiveness Index. With sound marketing and branding, Pakistani sports goods can increase in global demand.
- With the advent of the Look Africa policy, Pakistan can begin to offer textiles, surgical instruments and sports goods in the African (and Asian) markets thereby diversifying its export base which is mainly concentrated towards Europe and North America.

### THREATS

- The local labor force is not properly trained to keep up with modern world demands and this poses a threat to Pakistan's exports in the future.
- Pakistan's image as an exporter of low quality selected goods threatens the marketing activities and hampers demand for Pakistani goods.
- The deteriorating law and order situation deters importers from coming to Pakistan and seeing Pakistani goods on offer.
- The energy crisis jeopardizes the Pakistani manufacturing industry leading to fluctuating lead times and concerns from the importers as to whether Pakistani manufacturers will be able to complete their orders on time and deliver on any contracts given to Pakistani firms.
- The emergence of regional strong competitors in Asia have taken market share from Pakistan.



## CONCLUSION & RECOMMENDATION

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Chile is a strong trading partner due to its open market policies, zero tariffs, stable democratic government, solid business practices and low levels of corruption. It is a member of OECD and it is the world's largest supplier of copper and second largest supplier of lithium and molybdenum. Chile is also China's largest trading partner in South America despite being a smaller market than Brazil and Argentina. Its market attractiveness has prompted India to sign a partial trade agreement with Chile to further increase trade. Chile applies a flat tariff rate of 6% on all imports. It has low non-tariff barriers compared to USA, Canada and EU therefore making it an attractive export destination for several Pakistani exporters.

It is recommended that Pakistan should also look to establish a trade mission in Chile and deepen contacts with the local business community. Business opportunities exist for inflatable balls, surgical instruments and women's cotton trousers. In addition to that, several opportunities also exist for other items depending on the level of marketing done for the items. Establishing a trade mission in Chile will also help Pakistan identify the market preferences of Chile for example which type of rice is most preferred in the country.

Due to India's preferential trade agreement, it has managed to capture Pakistan's market share of toilet and kitchen linen of cotton (HS 630260). Pakistan should also look to craft a preferential trade agreement of their own with Chile. Lower tariffs by way of preferential trade agreement will enable Pakistan to capture a greater market share in Chile and this could help boost textile exports to the target country.

In order to increase exports, Pakistan will also need to make structural changes within the country (Ahmed V. , 2017). The absence of name brands and dependence on OEM orders restrain Pakistani manufacturers from expanding profit margins. Manufacturers need to start **establishing their own brands** to create demand and increase profit margins. More exhibitions should be arranged for sales of inflatable balls, surgical instruments and women's cotton trousers to Chile as the market for these items is substantial.

In order to establish credibility, Pakistan's medicaments and surgical instruments industries should have **quality certification requirements** to assuage the quality concerns of buyers. The Indian government has launched a voluntary scheme known as ICMED (Indian Certification of Medical Devices) to bring international respect to medical devices made in India. It would be beneficial for Pakistan to launch a similar voluntary scheme as this will help establish credibility and quality standards for Pakistan's products.

**Establishing cordial relations** is also important to create business contracts. Sri Lanka, for example, try to invite businessmen and buyers to visit their country not just for business purposes but for tourism as well. This enables the buyers to view the country, its production processes and its market. Buyers can judge lead times and manufacturing costs by visiting the country and seeing an overview of what the country has to offer. In this regard, Pakistan should not only invite buyers but also develop its tourism industry. Make the country more appealing to foreigners like South

East Asian countries have done. This will benefit Pakistan indirectly, such as future possible contracts and FDI which will help increase exports.

Pakistan also needs to implement structural changes to enhance export competitiveness. A significant portion of **Export Finance Scheme** should be made available to SMEs and new exporters. Large corporations should be encouraged to borrow from conventional sources, leaving EFS for SMEs and new exporters. The low borrowing rates would help finance the funding needs of these smaller exporters and improve overall export competitiveness.

**Lead times** are a big concern for foreign buyers. They want consistent lead times and Pakistan should look to upgrade their warehousing technology to improve reorder levels and keep inventory levels sufficient to cater to demand. **Improvements in warehousing technology** can lead to costs savings by maximizing available space in an optimum fashion. Other savings will include costs cut from keeping optimum inventory levels which will ensure sufficient quantity available for supply without excess inventory which leads to raising inventory holding costs. Several foreign and local companies such as TCS, Abu Dawood and other foreign firms offer warehouse upgradation on a Build Operate Transfer model.

Exporters should also be made **aware of the country's Non-tariff requirements**. Compliance with non-tariff requirements is one of the biggest roadblocks for Pakistan's exporters. Lack of knowledge of the rules and requirements for exports to the target country lead to lower than potential exports. Exporters need to be made aware of non-tariff requirements before export to the target country. This report attempts to identify the non-tariff requirements for the top in-demand products recognized in the Moroccan market. The non-tariff requirements for various other products are also detailed at the UNCTAD website (<https://trains.unctad.org>). Potential exporters can easily view the list of required non-tariff compliance measures and can decisions accordingly. Exporters should also be given **Kaizen, Six Sigma training** to improve the quality of their exports and to minimize bad batches.

Pakistan also needs to **reduce its electricity tariffs**. The electricity tariff for Bangladesh is 7.3 cents per kilowatt hour versus Pakistan's 11 cents per kilowatt hour (Ahmed D. V., 2017). This leads to lower production costs for Bangladesh as compared to Pakistan.

Utilizing the potential of CPEC, Pakistan should also look to **become part of the regional supply chain**. This will also help Pakistan move forward in the direction of becoming part of the global value chain. Local businesses should ask their Chinese counterparts to involve them in manufacturing parts and accessories as 3<sup>rd</sup> party contractors.

Last but not the least, marketing techniques go a long way in helping present your products to the buyer. Whether trying to penetrate into the premium segment or utilizing the bottom of the pyramid strategy, Pakistani exporters need to have a clear, distinct brand image which is easy to convey to the customers. Having a brand image that does everything, e.g. try to cater to premium segments as well as the mass market is not helpful as it detracts and confuses the buyers. A clear, effective brand identity helps conceive product awareness, express brand association and grow loyal customer bases. A strong, clear, rich identity will help Pakistani companies by making it easier to

sell their products worldwide. Several companies around the world use the same strategy. For example, when Swatch started selling their watches, a brand identity of a low cost watch with Swiss engineering and a brand association with fine arts helped them develop their identity. BMW and Mercedes developed their own brand image as manufacturers of reliable quality cars backed by German engineering. Japanese automobile manufacturers fostered their own identity of selling budget cars in the 1960s. The Moroccan textile sector, specifically the denim segment, have developed their own brand image of ‘eco-friendly’ denim, processed with chemicals less harmful to the environment, to cater to the nearby European markets which voice similar concerns over the environment. Having a brand image and customers identifying Pakistani products with that image make it easier for exporters to compete in the international market on touch points other than pricing. It even allows Pakistani exporters to charge a premium over the rest of the market if their brand image justifies it. Therefore, developing a brand image, along with well-established distributor networks is essential for every Pakistani exporter to help develop their customer base and sell in the foreign markets including Chile.

In order to make Pakistan’s trade exhibitions a success, the following strategies are recommended:

1. *Marketing & branding:* Adequate marketing efforts should be made prior to the exhibition. Weekly newspaper ads should be placed at least 3 weeks prior to the date of the event. Banners and standees should be placed at key locations, such as outside the event venue, at least a week before the event date. Such marketing activities will help increase brand visibility for the ‘Emerging Pakistan’ brand. Increased brand visibility will help increase the footfall in Pakistan’s exhibitions.
2. *Send RSVPs to marketing heads of key businesses and importers of target market:* in order to increase footfall at Pakistan’s exhibitions and to secure B2B contracts, invitations should be sent out to key importers of target market. This will help notify the importers of that target market to come visit the exhibitions and trade fairs and to see Pakistan’s goods for themselves. Sending invitations to importers can help identify potential future customers who can see Pakistani products at trade fairs and secure long term supply contracts.
3. *Hold joint exhibitions in partnership with other countries:* holding joint exhibitions in partnership with other countries can help increase footfall. This strategy has been applied by countries such as Vietnam and Bangladesh. Both countries held exhibitions in Japan, in partnership with China. This strategy is viable for smaller countries that are entering new markets for the first time. Holding exhibitions and trade fairs in conjunction with other countries will not only attract a greater foot fall, it will also help reduce costs for Pakistan. The resulting greater number of visitors increases Pakistan’s chances of visibility in new markets such as Chile. Greater number of visits can increase the probability of securing B2B contracts for supply of Pakistani goods.

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## APPENDIX 1

### PAKISTAN'S TOP 30 EXPORTS TO CHILE

EXPORT FROM PAKISTAN TO CHILE					
H.S.#	COMMODITIES	Qty Unit	JULY-JUNE 2016-17		
			QTY.	000.RS.	000.\$
63023990	BED LINEN OTH TEX MAT NOT/KNIT	KG	1,873,943	1,177,736	11,248
63021090	OTH BED LINEN,KNITTED/CROCH	KG	878,353	604,094	5,769
52105100	W-FAB COT MIX,MF W200G/SQM PRI	SQM	4,734,406	549,679	5,250
55134100	WOV FAB POLY STAP FIB PRINTED	SQM	4,203,344	496,914	4,746
52102100	W-FAB COT MIX-MMF WT 200G/SQM	SQM	3,863,603	369,547	3,529
63023910	BED SHEETS OTH TEX MAT HANDLOM	KG	522,566	322,926	3,084
63026010	TOWELS OF COTTON MILL-MADE	KG	756,621	259,817	2,481
95066210	FOOTBALLS	DOZ	49,143	259,073	2,474
52103100	COT WOV FAB MX-MMF200G/SQM DYE	SQM	1,736,617	211,056	2,016
63023190	OTH BED LINEN OF COTTON	KG	259,125	204,532	1,953
10063090	RICE OTHER VARIETIES	MT	4,515	183,163	1,749
52094200	COTTON WOV FAB DENIM>200G/SQM	SQM	1,270,487	153,153	1,463
62032200	ENSEMBLE MEN/BOY COT NOT KNIT	DOZ	17,762	145,746	1,392
61159500	OTH HOSIERY OF COTTON	DOZ	131,248	125,509	1,199
90189090	OTH INST,APP MEDICAL/SUR/VETEN	NO	552,225	121,257	1,158
61091000	T-SHIRT,SINGLETs,WAISTCOT K/CR	DOZ	26,122	109,621	1,047
63023130	BED COVERS OF COTTON MILL-MADE	KG	107,486	82,762	790
61161000	GLOV,MITTEN,ETC PCAS/RUBER K/C	DOZ	73,807	82,411	787
10064000	BROKEN RICE	MT	1,984	76,573	731
42032100	GLOVES/MITTENS LEATHER SPORTS	DOZ	16,273	75,982	726
63023930	BED COVERS OTH TEX MAT HANDLOM	KG	111,798	67,284	643
61109000	JERSEY,ETC. OTH TEXT. MATERIAL	DOZ	7,804	66,348	634
63021010	BED SHEETS,KNITTED/CROCHETED	KG	110,189	65,314	624
61034900	TROUSERS,ETC.MEN/BOYS TEX MAT	DOZ	8,763	63,886	610
52103900	OTH W-FAD COTMX MF W200G/SQMDY	SQM	405,021	44,438	424
63023110	BED SHEETS OF COTTON MILL-MADE	KG	50,789	41,034	392
63023920	BED COVERS OTH TEX MAT MILLMAD	KG	57,550	40,516	387
55132100	W-FAB SYN STA FIB MX COT DYED	SQM	365,740	38,804	371
52081200	WOV FAB COT WT>100G/SQM UNBLEA	SQM	330,890	37,510	358
63071030	DUSTERS	DOZ	87,560	36,454	348
	<b>Subtotal</b>			<b>6,113,139</b>	<b>58,384</b>

(Pakistan Bureau of Statistics, 2018)

## APPENDIX 2

### MARKET SHARE OF PAKISTAN'S TOP 15 EXPORTS IN CHILEAN MARKET

Unit: USD Mn				
Product code	Product label	Pakistan's exports to Chile 2017	Chile's imports from world 2017	Market Share
'TOTAL	All products	62.68	65,161.35	
'630239	Bedlinen of textile materials (excluding of cotton and man-made fibers, printed, knitted)	14.04	14.76	95%
'630210	Bedlinen, knitted or crocheted	5.46	8.25	66%
'551341	Plain woven fabrics containing predominantly, but < 85% polyester staple fibers by weight	4.84	5.68	85%
'521021	Plain woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	3.13	3.88	81%
'521051	Plain woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	2.85	3.58	80%
'630260	Toilet linen and kitchen linen, of terry toweling or similar terry fabrics of cotton	2.70	88.87	3%
'950662	Inflatable balls	2.53	18.88	13%
'630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	2.41	12.56	19%
'100630	Semi-milled or wholly milled rice, whether or not polished or glazed	1.83	59.27	3%
'521031	Plain woven fabrics of cotton, containing predominantly, but < 85% cotton by weight	1.71	2.20	78%
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	1.62	152.08	1%
'620322	Men's or boys' ensembles of cotton (excluding knitted or crocheted, ski ensembles and swimwear)	1.49	2.57	58%
'611595	Full-length or knee-length stockings, socks and other hosiery, incl. footwear	1.36	112.19	1%
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1.28	119.75	1%
'520942	Denim, containing >= 85% cotton by weight and weighing > 200 g/m <sup>2</sup> , made of yarn of different ...	1.21	6.94	17%
(International Trade Centre, 2018)				

## CHANGE IN MARKET SHARE

Unit : US Dollar Mn		
Product code	Product label	%age change 2016-17
'TOTAL	All products	-9.42%
'630239	Bedlinen of textile materials (excluding of cotton and man-made fibers)	-10.74%
'630210	Bedlinen, knitted or crocheted	1.15%
'551341	Plain woven fabrics containing predominantly < 85% polyester staple fibers	-33.20%
'521021	Plain woven fabrics of cotton, containing predominantly < 85% cotton	-5.72%
'521051	Plain woven fabrics of cotton, containing predominantly < 85% cotton	-42.68%
'630260	Toilet linen and kitchen linen, of terry cotton	-11.34%
'950662	Inflatable balls	-12.67%
'630231	Bedlinen of cotton (excluding printed, knitted)	-25.59%
'100630	Semi-milled or wholly milled rice	0.49%
'521031	Plain woven fabrics of cotton < 85% cotton by weight	0.53%
'901890	Surgical Instruments	55.08%
'620322	Men's or boys' ensembles of cotton (excluding knitted and swimwear)	125.38%
'611595	Full-length or knee-length stockings, socks	25.62%
'610910	T-shirts, singlets and other vests of cotton, knitted	57.88%
'520942	Denim, >= 85% cotton	-22.91%

## APPENDIX 3

### CHILE CHAMBERS OF COMMERCE

The following list provides the Chambers of Commerce in Chile for exporters convenience.

Organization	Address	Telephone	Website / Email
National Chamber of Commerce	Merced 230 Santiago	+56 2 2365 4000	<a href="http://www.cnc.cl">www.cnc.cl</a> <a href="mailto:cnc@cnc.cl">cnc@cnc.cl</a>
Santiago Chamber of Commerce	Monjitas 392, Santiago	+56 2 2360 7000	<a href="http://www.ccs.cl">www.ccs.cl</a> <a href="mailto:cpn@ccs.cl">cpn@ccs.cl</a>

### CHILE GOVERNMENT DIRECTORY

Organization	Address	Telephone	Website / Email
Ministry of Foreign Affairs Ministerio de Relaciones Exteriores	Teatinos 180 Santiago	+56 2 2827 4200	<a href="http://www.minrel.gob.cl">www.minrel.gob.cl</a>
Ministry of Finance Ministerio de Hacienda	Teatinos 120 Santiago	+56 2 2828 2000	<a href="http://www.economia.gob.cl">www.economia.gob.cl</a>
Ministry of Economy, Development and Tourism Ministerio de Economía, Fomento y Turismo	Av. Libertador Bernardo O'Higgins No. 1449 Santiago Downtown Torre II Piso 10, 11 y 12 Santiago	+56 2 2473 3400	<a href="http://www.economia.gob.cl">www.economia.gob.cl</a>
Ministry of Education Ministerio de Educación	Av Libertador Bernardo O'Higgins 1371 Santiago	+56 2 2406 6000	<a href="http://www.mineduc.cl">www.mineduc.cl</a>
Ministry of Labour and Social Prevision Ministerio del Trabajo y Prevision Social	Huérfanos 1273 Santiago	+56 2 2753 0400	<a href="http://www.mintrab.gob.cl">www.mintrab.gob.cl</a>
Ministry of Health Ministerio de Salud	Mac Iver 541 Santiago	+56 2 2574 0100	Web.minsal.cl
Ministry of Agriculture Ministerio de Agricultura	Teatinos 40 Santiago	+56 2 2393 5000	<a href="http://www.minagri.gob.cl">www.minagri.gob.cl</a>
Ministry of Mining Ministerio de Minería	Amunátegui 232 Pisos 15, 16 y 17 Santiago	+56 2 2 473 3000	<a href="http://www.minmineria.gob.cl">www.minmineria.gob.cl</a>
Ministry of Transport and Telecommunications Ministerio de Transporte y Telecomunicaciones	Amunátegui 139	+56 2 2473 30	<a href="http://www.mtt.gob.cl">www.mtt.gob.cl</a>
Chilean Customs Dirección Nacional de Aduana	Plaza Sotomayor 60 Valparaíso	+56 3 2213 4881	<a href="http://www.aduana.cl">www.aduana.cl</a>



## CHILE BUSINESS ASSOCIATIONS / INDUSTRY GROUPS

Organization	Address	Telephone	Website / Email
ASOEX	Calle Cruz del Sur 133 Oficina 2, Las Condes, Santiago	+56 2 2206 4163	<a href="http://www.asoex.cl">www.asoex.cl</a>
Fedefruta	Calle San Antonio 220 Oficina 301, Santiago	+56 2 2632 5274	<a href="http://www.fedefruta.cl">www.fedefruta.cl</a>
Mining Council	Av. Apoquindo 3500 Piso 7 Las Condes, Santiago	+56 2 2347 2200	<a href="http://www.consejominero.cl">www.consejominero.cl</a>
SONAMI (SME Mining Association)	Av. Apoquindo 3000 Piso 5 Las Condes, Santiago	+56 2 2820 7000	<a href="http://www.sonami.cl/site">www.sonami.cl/site</a>
APRIMIN (Mining suppliers Association)	Los Militares 5890 Oficina 302, Las Condes, Santiago	+56 2 2954 7785 or +56 2 29547786	<a href="http://aprimin.cl/site">http://aprimin.cl/site</a>
SOFOFA (Industry Association)	Av. Andrés Bello 2777 Piso 3, Las Condes, Santiago	+56 2 2391 3100	<a href="http://web.sofofa.cl/languages/en/">http://web.sofofa.cl/languages/en/</a>
Camara Chilena de la Construcción (Construction Chamber)	Marchant Pereira No. 10 Piso 3 Providencia, Santiago	+56 2 2376 3300 or +56 2 2376 3301	<a href="http://www.cchc.cl">www.cchc.cl</a>
CORMA (Forestry Council)	Agustinas 1357 Piso 3, Santiago	+56 2 2331 4200	<a href="http://www.corma.cl/home">www.corma.cl/home</a>
Consorcio Lechero (Dairy Consortium)	Manuel Antonio Matta 1266 Osorno	+56 64 222 6123	<a href="http://www.consorciolechero.cl">http://www.consorciolechero.cl</a>
Federacion Nacional de Productores de Leche (Dairy Farmers Federation of Chile)	Tenderini 187, Santiago	+56 2 2632 9473	<a href="http://www.fedeleche.cl">www.fedeleche.cl</a>
Asociación de Productores de Leche de Osorno (Dairy Producers Association of Osorno)	Cesar Ercilla S/N Recinto Sago S/N, Osorno	+56 64 2200 350	<a href="http://www.aproleche.cl">www.aproleche.cl</a>