Chilean SMEs in the International Trade

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CHILEAN TRADE POLICY

- Unilateral
- Bilateral
- Multilateral
CHILEAN TRADE POLICY
26 Trade Agreements with 64 Economies

86% of World GDP
64% of the World’s Population

Source: Trade Information, Research Department, DIRECON-ProChile with figures from the IMF (WEO April 2017).
Exports have been the engine of Chile’s economic growth.

Source: Trade Information Subdepartment, Studies Department, DIRECON-ProChile with figures from Chile’s Central Bank.
# Chilean Export Leadership in 2016

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<td><strong>Global Exporter</strong></td>
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<td>- Fresh Grapes</td>
<td>- Frozen Raspberries</td>
<td>- Raisins</td>
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<td>- Fresh Blueberries</td>
<td>- Steel Grinding Balls for Mining</td>
<td>- Walnuts</td>
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<td>- Fresh Cherries</td>
<td>- Dormant Flower Bulbs</td>
<td>- Frozen Turkey Pieces</td>
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<td>- Fresh Plums</td>
<td>- Frozen Jack Mackerel</td>
<td>- Agar-agar</td>
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<td>- Dehydrated Apples</td>
<td>- Agar-agar</td>
<td>- Inulin</td>
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<td>- Toasted Malt</td>
<td>- High Profile Tyres</td>
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<td>- Mussel</td>
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<td>- Salmon Fillet</td>
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<td>- Iodine, Lithium and Copper</td>
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<td>- Cathodes</td>
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Source: Trade Information Subdepartment, Studies Department, DIRECON-ProChile with figures from TradeMap - International Trade Center 2017.
This is a successful story. Trade has brought clear benefits to the Chilean economy and social progress.

But...
Micro Enterprises are exporting 0.1% of their production.

SMEs are exporting 1.6% of their production.

Large companies are exporting 21% of their production.

Source: Trade Information Subdepartment, Studies Department, DIRECON-ProChile with figures from Chile's Central Bank.
10% of Chilean exports in value

7,723 enterprises

90% of Chilean exports in value

380 enterprises

CHILEAN EXPORTS IN VALUE

Source: Trade Information Subdepartment, Studies Department, DIRECON-ProChile with figures from National Customs Service.
**ProChile**

**Partnership with SMEs with export potential**

ProChile addresses this problem through various initiatives which promotes **ProChile’s partnership with SMEs with export potential**, in coordination with other government agencies.

We can underline three components:

1. **15 SMEs Export Centers** *(Centros Pyme Exporta)*

2. **Sectoral Plans**

3. **Several Training Programs** aimed at providing strategic information about market opportunities, how to export, market conditions, and regulatory requirements

Source: Trade Information Subdepartment, Studies Department, DIRECON-ProChile with figures from National Customs Service.
In 2015 ProChile created one Centro *Pyme Exporta* in every ProChile regional office, with a focus on three different areas:

- **Services:** are one of ProChile’s main priorities considering Chilean Economic future growth and development. It means a change in the traditional focus of Chilean exports: commodities such as copper, lumber or other products.

- **Manufactures:** Important effects on labor creation. Positive perspectives in markets such as Latin America or NAFTA.

- **Seafood:** Important sector in Chilean economy, mainly because of Chile’s comparative advantages due to its geography and resource diversity.

*Source: Trade Information Subdepartment, Studies Department, DIRECON-ProChile with figures from National Customs Service.*
**ProChile**

**15 SMEs Export Centers - Results**

- **Joined our SMEs Export Centre 2015:** 850 SMEs
- **SMEs Starting to export 2015:** 75 SMEs
- **Joined our SMEs Export Centre 2016:** CPE 2016 1,275 empresas
- **SMEs Starting to export 2016:** 64 empresas

**Category Breakdown:**

- **2015**
  - **Services:** 41%
  - **Manufactures:** 58%
  - **Seafood:** 1%

- **2016**
  - **Services:** 80%
  - **Manufactures:** 20%
  - **Seafood:** 0%

- **CPE 2016**
  - **Services:** 50%
  - **Manufactures:** 48%
  - **Seafood:** 2%

- **2016**
  - **Services:** 33%
  - **Manufactures:** 61%
  - **Seafood:** 6%

*Source: Subdepartamento de Gestión Institucional, Subdirección de Desarrollo Estratégico*
ProChile works with an on-line survey. It provides information about SMEs export potential. This Initiative is complemented by the efforts of two other government agencies, CORFO and SERCOTEC, which also work with SMEs.
ProChile supports SMEs throughout several training programs aimed at providing specific information about market opportunities, how to export, market conditions, and regulatory requirements:

- Workshops and seminars
- Coaching (How to export?)
- Pre-Internationalization Missions

Source: Subdepartamento de Gestión Institucional, Subdirección de Desarrollo Estratégico
Number of SMEs using these programs:

- 2015: 424
- 2016: 623

Source: Subdepartamento de Gestión Institucional, Subdirección de Desarrollo Estratégico
Ongoing process

The goal of increasing Chilean companies’ competitiveness in international markets is one of our future challenges.

Continuing support, permanent programs, and providing specialized information and advice is a way to accomplish that purpose.

Nevertheless, there is still much work to be done.

Source: Subdepartamento de Gestión Institucional, Subdirección de Desarrollo Estratégico
The role of WTO and SMEs?

- It is important to continue promoting more access to key information about regulations, more transparency.
- We support WTO’s permanent efforts to promote more transparent information.
- Clear benefits to international trade and SMEs

Source: Subdepartamento de Gestión Institucional, Subdirección de Desarrollo Estratégico
Thank you very much

EXPORT PROMOTION BUREAU