Introduction

Chile is a country in South America that borders the South Pacific Sea. Neighboring countries include Argentina, Bolivia, and Peru. Chile has a strategic location relative to sea lanes between the Atlantic and Pacific Oceans including the Strait of Magellan, Beagle Channel, and Drake Passage. Chile occupies a long, narrow coastal strip between the Andes Mountains to the east and the Pacific Ocean to the west. Thus, the geography is varied. The government system is a republic; the chief of state and head of government is the president. Chile has a market-oriented economy in which the prices of goods and services are determined in a free price system. Chile is a member of the Asia-Pacific Economic Cooperation (APEC) and the Trans-Pacific Partnership (TPP).

Location: South America
Capital City: Santiago (-4 GMT)
Chief of State: President Sebastián Piñera Echenique
Head of Govt.: President Sebastián Piñera Echenique
Currency: Chilean peso (CLP)
Major Languages: <p>Spanish 99.5% (official), English 10.2%, indigenous 1% (includes Mapudungun, Aymara, Quechua, Rapa Nui), other 2.3%, unspecified 0.2%</p>
Primary Religions: <p>Roman Catholic 66.7%, Evangelical or Protestant 16.4%, Jehovah’s Witnesses 1%, other 3.4%, none 11.5%, unspecified 1.1%</p>
Calling Code: 56
Voltage: 220

Key Websites

Main Government Page: gob.cl
Commerce Ministry: economia.gob.cl
Export Promotion Agency: prochile.gob.cl
Investment Promotion Agency: investchile.gob.cl

Key Economic Facts

Income Level (by per capita GNI): High Income Level (by per capita GNI):
Level of Development: Developing
GDP, PPP (current international $): $446.81 billion (2017)
GDP growth (annual %): 1.49% (2017)
GDP per capita, PPP (current international $): $24,747.31 (2017)
External debt stocks, total (DOD, current US$): $96,244,880,000.00 (2011)
Manufacturing, value added (% of GDP): 10.22% (2017)
Inflation, consumer prices (annual %): 2.18% (2017)
Labor force, total: 9,076,843 (2018)
Unemployment, total (% of total labor force) (modeled ILO estimate): 7.22% (2018)
Imports of goods and services (current US$): $74.79 billion (2017)
Exports of goods and services (current US$): $79.53 billion (2017)

GDP Composition %

<table>
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<tr>
<th>GDP Composition %</th>
<th>Agriculture</th>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
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<tr>
<td>4</td>
<td>58</td>
<td>30</td>
<td>10</td>
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Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings

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<td>KOF Index of Globalization</td>
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<td>Networked Readiness Index (NRI)</td>
<td>38 / 139</td>
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</table>

Risk Assessment (Provided by Coface)

Country rating: A3 - Changes in generally good but somewhat volatile political and economic environment can affect corporate payment behavior. A basically secure business environment can nonetheless give rise to occasional difficulties for companies. Corporate default probability is quite acceptable on average.

Business Climate rating: A3 - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings.

Strengths

- Mining (leading copper producer), agricultural, fishery and forestry resources
- Numerous free-trade agreements
- Flexible monetary, fiscal and exchange rate policies
- Favourable business climate; political and institutional stability
- Member of the OECD and the Pacific Alliance

Weaknesses

- Small, open economy vulnerable to external shocks given the dependence on copper and Chinese demand
- Exposure to climate and earthquake risks
- Weak budgetary resources: 20% of GDP
- Inadequate research and innovation
- Vulnerability of the road network and electricity grid; high energy price / stretched country
- Income disparity and poor education system

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