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India-Chile Bilateral Relations

(Prepared based on MEA’s September, 2023 Report)

A. Introduction

1. 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. Both countries cooperate extensively in multilateral fora and share similar views on climate change/renewable energy issues and on expansion and reforms of the UNSC.

2. The origins of the Indian community in Chile can be traced back to 1905. Currently, it is estimated that there are around 3950 Overseas Indians (1800 NRIs and 2150 PIOs) living in Chile. 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 and financial services sectors and also in Indian companies represented in Chile.

B. Bilateral Trade Relations – Recent facts & figures

2. As a trading country partner of India, Chile is enlisted in Region 08 i.e. Latin America and as per latest compiled and available statistics with DGCI&S, India’s exports to Chile during *April-December* ’23 have been recorded at INR 7,49,159 lakhs and India’s imports from Chile during the same reference period stands at INR 9,32,847 lakhs with a resultant trade balance deficit of INR 1,83,688 lakhs.

3. India’s exports to Chile had been growing steadily since 2009, with the exception of a slight decrease in 2014, when introduction of a new carbon tax on diesel vehicles in Chile adversely affected motor vehicle exports from India, but this sector has seen a big recovery. The expanded preferential trade agreement was implemented in May 2017 and since then India’s exports to Chile have increased. Bilateral trade between the two nations was adversely affected during 2019-20 and 2020-21 due to the global slowdown backed by domestic social crisis and labour unrest in Chile. However; bilateral trade in both exports and imports have now again recovered and revived as is observed from the data of 2021-22 and 2022-23.

The Export-Import statistics as per India’s Ministry of Commerce data bank from 2018-19 to 2022-23 are as follows:

Export-Import Statistics from 2018-19 to 2022-23

(US Dollar Million)

| Year | Exports from India to Chile | Imports from Chile by India | Total Indo-Chile Bilateral Trade |
|-------------|------------------------------------|------------------------------------|---|
| 2018-19 | 989.80 | 1237.55 | 2227.35 |
| 2019-20 | 793.43 | 1175.67 | 1969.10 |

| Year | Exports from India to Chile | Imports from Chile by India | Total Indo-Chile Bilateral Trade |
|---------|-----------------------------|-----------------------------|----------------------------------|
| 2020-21 | 805.00 | 670.60 | 1475.60 |
| 2021-22 | 1181.92 | 1371.16 | 2553.08 |
| 2022-23 | 1166.43 | 1435.83 | 2602.26 |

Source: DoC, Ministry of Commerce & Industry

4. Total export from India to Chile was highest at US \$ 1181.92 million in 2021-22 which is a significant leap from 2020-21 level of US \$ 805.00 million followed by a slight decline to US \$ 1166.43 million in 2022-23. The main exports from India to Chile includes motor vehicles/cars, drug formulations, chemicals, products of iron & steel, man-made yarn, fabrics, cotton fabrics, auto components, electric machinery and equipment, leather goods, rubber products, bulk drugs, drug intermediates, footwear of leather, iron and steel, aluminum & its product, ceramics & allied products, RMG man-made fibers etc.

5. Total imports from Chile to India registered a sharp fall in 2020-21 to US \$ 670.60 million followed by a phenomenal leap to US \$ 1371.16 million in 2021-22 and the positive trend has continued with imports at US \$ 1435.83 million in 2022-23.

6. A delegation of Confederation of Chilean Industry (SOFOFA) visited India from 19- 26 June 2023 and held meetings with several Government authorities as well as CII and other Chambers. SOFOFA and CII held the first meeting of India Chile Business Council on 19 June 2023 in New Delhi. The 9th India-LAC Business Conclave was held during 3-4 August 2023 in New Delhi.

7. Indian companies have invested in Chile amounting to about US \$ 620 million. Indian companies have entered the Chilean market by acquiring Chilean companies or through setting up of joint ventures. Chilean investments in India amounts to US \$ 118 million (Source: DIPP). In addition, Chilean Financial Institutions have invested more than US \$ 3.2 billion in the Indian Financial sector.

C. Other Major Areas of Cooperation

- India and Chile have signed multiple Agreements/MoUs covering areas such as Sports, S&T, Defence, Air Services, Agriculture, New and Renewable Energy, Education, Outer Space, Geology and Mineral Resources, and Gainful employment of spouses and eligible dependents of diplomatic personnel.
- Indian culture is very popular in Chile. There are a large number of local Yoga schools in Chile. Chile has declared 4th November as National Yoga Day. Chile's Gymnasium of Las Condes Municipality joined hands with the Indian Mission in organizing a physical programme on the occasion of 'International Day of Yoga' in June 2022 and June 2023.
