



CHILENEWS

No. 15 –June 13, 2001

Did You Know?

The first food shipment arriving in Germany when World War II came from Chile.

Carlo de Gavardo, Chilean motorcyclist, came in first in the World Motorcycle Rally last week.

Every fortnight, the "Bibliobus" travels through the most remote corners of the Araucanía region, bringing books and culture to a mostly Mapuche population.

There are approximately 5,000 species of plants in Chile, 3,200 of which are found in the Central Zone. Around 52% are native plants endemic to Chile.

61.4% of Chilean companies have Internet access.

Chile Gets Support for a Treaty with the EU

President Ricardo Lagos secured the support of Chancellor Gerhard Schroeder for a trade treaty and a political agreement with the European Union when he visited Germany, the first stop on his trip to Europe. The German Chancellor emphasized that Chile is going through "a very good phase of development" and that political relations between both nations "are at their best".

Chile and Germany also agreed to end double taxation between both nations before the year is out. A financial cooperation agreement was signed by both countries to enable Chilean small and medium size companies to have access to a fund of 32 million dollars (25 of which will be supplied by Germany) for environmentally friendly lines of production.

To encourage German investment in Chile, President Lagos also met with a group of 17 influential entrepreneurs who expressed their interest in the new Metro subway lines, in water and sewage companies, and in garbage recycling and different infrastructure works.

In Spain, the results were even more favorable. Prime Minister José María Aznar and Josep Piqué, Minister of Foreign Affairs (and forthcoming President of the EU), promised their support to help Chile accomplish an agreement with the EU at the latest by the first half of 2002. Cordial and completely normal relations between both nations marked all contacts in political, economic, cultural and cooperation matters.

To encourage investment, Chile and Spain also will negotiate, before the year ends, an agreement to end double taxation. Three cooperation agreements were also signed to help materialize investments in Chile.

Two successful business meetings were held in Madrid and Barcelona. Around 140 Chilean entrepreneurs, who accompanied the President on his tour, from small and medium size companies participated. In total, over 750 business meeting were held.

Facts

According to the OAS Inter-American Agency for Cooperation and Development (IACD), the data and public contracting site www.chilecompra.cl is one of the best sites in international terms.

Based on to International Data Corporation figures, Chile spent 1.8% of its GDP in information technology in 2000.

Asia was the premier destination for Chilean exports in 2000, totaling 30.9%.

Aiwa, the Japanese electronics company, opened offices in Chile. Shinsuke Yoshida, International Sales and Marketing Vice-President, said that they chose Chile because of its advanced level and organization and they hope that it will serve as a model for the rest of Latin America.

In 2001, out of a total of 1.9 million taxpayers, almost one million filed their annual income tax returns over the Internet. In 1999 only 90,000 taxpayers used this method.

Favoring Families

The government introduced a bill to Congress to establish Family Courts. This is part of a series of initiatives to safeguard families and their members, particularly children. The goal is to place justice at the service of families by speeding up judicial processes and making justice more efficient.

The administration's proposal contemplates 41 Family Courts and 209 Judges to replace the existing 50 youth court judges. This helps save time and also creates savings in human and economic costs. Each court, consisting of three to five Judges, shall be advised by a Technical Board formed by psychologists, social workers and family counselors.

Efficient mediation or quick trials that consider the human aspect of conflicts will help provide families with the necessary support and protection to ensure the wellbeing of each family member.

Servicing Mirage Planes

Enaer, Empresa Nacional de Aeronáutica, signed an agreement with the French company Dassault Aviation to establish an international center to provide maintenance for Mirage planes. Business amounting to five million dollars should materialize over the next three years.

Enaer will manufacture the Lower Karman, a part that protects the fuselage of Falcon planes manufactured by Dassault.

The company, attached to the Chilean Air Force, manufactures the T-35 Pillán, the only in tandem military training plane available. It has sold 120 planes to different countries, including Spain, the Dominican Republic, Panama, Honduras and Paraguay.

Chilean to Human Rights Commission

José Zalaquett, a Chilean attorney, is one of the three new members appointed to the OAS Inter-American Human Rights Committee, together with representatives from Peru and Antigua and Barbuda. Zalaquett, a former member of the Comisión de Verdad y Reconciliación, the Mesa de Diálogo, and also a member of the Consejo Asesor de Derechos Humanos, will occupy this position for a four-year term after which he may be re-elected.

This appointment comes shortly after Chile's election as a member country of the United Nations Human Right Commission in Switzerland last month.

Quotes from President Lagos

“It is my duty to ensure that the Courts operate freely and sovereignly. When I was elected President, people in the streets demanded ‘Take Pinochet to trial.’ But I said No; the President can not submit Pinochet to trial. This must be done by the Courts and I believe that Chile has shown the world how our institutions operate.”

Interview published by
El Periódico de Catalunya. June 3

“We have learned that in order to participate in the global economy we must have solid national accounts. This is the reason why we determined, for my administration, a structural fiscal surplus of 1%. We started out last year with a 0.1% fiscal surplus, despite international circumstances.”

At the Chile-Spain
Entrepreneurial Meeting.
Madrid, June 4

“What are our concerns? Increasing trade, which is still too weak. It is time to give small and medium size companies a chance and to encourage more joint ventures between Chilean and Spanish companies of this type.”

Interview published by
La Vanguardia. June 4

“A President does not pay visits to close business deals; a President visits to plant a seed and the harvest takes time.”

On his trip to Germany and Spain.
June 7

Advancing towards e-Government

Chile is working hard to become a major actor in the 21st century by providing the necessary training and support to help the country develop and compete successfully in the new economy. With this goal in mind, President Ricardo Lagos signed a Directive in May to begin implementing e-government procedures.

The Directive defines the policies that government agencies must implement to establish a new type of relationship with citizens. This includes improving services and information, increasing the efficiency and effectiveness of public management, enhancing transparency and encouraging citizen participation.

To help this new relationship materialize, several tools are being developed, including a one-stop-counter, a citizen’s website, electronic kiosks and public terminals. They will bring the state closer to the community through information technology, particularly the Internet. The government currently has two information websites: www.gobiernodechile.cl and www.presidencia.cl. Some ministries and government agencies also have web pages.

At present, 12 government agencies offer direct on-line services.

Walkway Town

[Caleta Tortel](#), with around 400 inhabitants, has an almost unbelievably beauty but not a single street. People walk down walkways built exclusively with cypress. This picturesque little town on the mouth of the Baker River, in Southern Chile, has just been declared a National Monument in the “typical zone” category.

The weather in Caleta Tortel is cool and rainy. It is located in a region noted for its fjords, canals, islands and sheer cliffs, its marshes, forests and huge canyons. Several nature reserves, including Laguna San Rafael, are found in the area.

People live mostly off wood, primarily the Guayteca Island cypress. There are two inns and some houses provide food and lodging. There is also a café that doubles as a dancing room and bar at night.

Overheard

“No connection should be made between the European Union-Mercosur negotiations, on the one hand, and those between the European Union and Chile, on the other. We agree in saying that those who make the most progress are also entitled to enjoy them.”

Gerhard Schroeder,
Chancellor of Germany

“Chile offers Spaniards an image of sound national integration, an active political life rooted in a democratic tradition that is manifested through the soundness of its institutions.”

King Juan Carlos of Spain

“Relations between Spain and Chile are developing fully and very satisfactorily at the present time; they are marked by significant trust and have been strengthened thanks to this visit.”

José María Aznar,
Prime Minister of Spain

“I am very happy to see that Chile is enjoying a stronger participation in the European market.”

Fernando Henrique Cardoso,
President of Brazil

Q & A

Chile – European Union Agreement

What is this Agreement about?

Its primary objective is to establish a political and economic association including a channel for political concertation, a free trade zone to encourage and increase trade in goods, services and investment, and to enhance cooperation. This should aid Chile in its process of modernization and give it access to the technology available in European countries.

A Framework Agreement was signed in June 1996 in Florence, which was approved unanimously by the National Congress.

What does it include?

It covers all aspects of reciprocal relations, that is, political, economic, trade and cooperation relations between the parties, particularly in social, cultural, scientific and technological matters. This agreement is larger in scope than the trade treaties that Chile has already negotiated or is negotiating with other countries or groups of countries.

The European Union is an important market for Chilean exports (4.8 billion dollars); it is the number one foreign investor (15.7 billion dollars); and the first source of international cooperation resources.

What stage are negotiations in?

After signing the Framework Agreement, four Negotiation Rounds have taken place. The structure, the principles, and the general and specific objectives for conducting negotiations and the matters to be included in the Agreement have already been established.

At the Fourth Round, which took place recently in Brussels, texts were approved on political dialogue and the institutional framework, scientific and technological cooperation and social issues. Areas of common interest and divergence were identified with regard to economic and trade matters.

The Fifth Round will be held on July 9-12. The agenda will include negotiations on the liberalization of tariffs and services.

Agenda

14-16: Visit by Tonino Picula, Minister of Foreign Affairs of Croatia.

21-22: 20th Summit Meeting of Mercosur Presidents.

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