



# CHILENEWS

No. 18 – July 30, 2001

## Did You Know?

The Esmeralda, the Chilean Navy training ship, is a four mast and 29 sail large sailboat. She recently sailed off on a new instruction cruise, an annual event started in 1954. Twice she has won the Cutty Sark trophy awarded at the Tall Ships International Races.

*Chilean women gained the right to vote in 1949.*

Chile won the gold medal in the singles and team categories at the 13<sup>th</sup> Military Horse-riding World Championship. Fifteen national teams participated in this event held in Turkey.

Public phones in areas inhabited by native peoples have instructions in their own language: in Mapudungun (the Mapuche language) and Aymara.

3.3% was the GDP growth in the first quarter of 2001.

## *Poverty Decreases Steadily*

Poverty in Chile has decreased 18% over the last decade. The Social and Economic Profile Survey (Casen) for the years 1998-2000 shows that the downward trend continues, despite the complex economic scenario prevailing in that period.

The survey, conducted by the Ministry of Planning and Cooperation (Mideplan), creates a profile of households and population, based on demographic, educational, health, housing, employment and income data.

From 1998 to 2000, the poverty rate decreased by 1.1 percentage points. This was achieved thanks to the social policies implemented as of 1990 by the administrations of the Coalition of Parties for Democracy, based on steadily increasing spending in social programs. In this year's budget they represent 70% of total fiscal spending. In the past two years, social spending was 18.6%, a figure higher than the average increase in total public spending.

Furthermore, a wide range of social and financial assistance programs have been implemented for segments living in poverty. In 2000, benefits granted under health and education programs, plus several cash benefits, increased the independent income of indigent households by 194.1%. The income of non indigent poor households rose by 63.6%. The increase for poor households was 78.7%.

## *Negotiations with the European Union*

The Fifth Round of Negotiations with the European Union – to establish a political and economic partnership between Chile and the European Union – was held in Santiago, from July 9 through 12. Negotiations have thus entered into their final stage.

The EU officially accepted to consider the Chilean proposal, which seeks to obtain the benefits accorded to EU members in the field of cooperation.

## Facts

Chile ranked second in the Wine Olympics, held during Vinexpo 2001, at Bordeaux, France. Chilean wines won five gold awards, eight silver medals, and 11 bronze medals.

According to the Santiago Chamber of Commerce, Chilean investments abroad grew by 19% in the period January-June 2001.

The Yankee Group, an Internet strategy consulting firm, said that Chile has the fastest growing user community in Latin America: the number of web surfers grew almost 150% from 1999 to 2000.

The balance of trade in Chile showed a surplus of 1,166 million dollars in the first half of 2001, according to reports by the Chilean Central Bank.

In trade-related matters, Chile and the EU exchanged tariff proposals, which are now being studied by the relevant technical groups and will be the starting point for further work in this field.

Meanwhile, in Brussels, the EU Council of Ministers for economic and financial affairs approved the negotiation of a specific agreement on science and technology with Chile. This agreement will translate into participation by Chilean university students and entrepreneurs in EU-based programs, access to Ph.D. and joint research programs, and other cooperation initiatives.

### *Copper Anniversary*

July 11 marked the 30<sup>th</sup> anniversary of the nationalization of copper unanimously approved by the National Congress of the time. Copper is Chile's main source of wealth and GDP earner. The National Copper Corporation (Codelco) was also created then to manage this natural resource.

Thirty years later, [Codelco](#) has four mines: [Chuquicamata](#) – the largest open-pit mine in the world –, El Salvador, Andina and El Teniente, in addition to the new Radomiro Tomic mine, fully designed and built by Chilean workers and professionals, and a metalworks division. Codelco is the main copper producer in the world, controlling some 20% of all known copper ore reserves.

Over the past 27 years, Codelco has shown profits in excess of 28 billion dollars, which fund 20% of Chile's spending in social programs.

### *e-President*

For his "important contribution to technological development and promotion of digital relations between Chile and the State of Florida", President Ricardo Lagos was presented with the e-Leadership award, granted by the South Florida Technological Forum.

Governor Jeb Bush presented the award, on the occasion of his visit to the Chile: "You are undoubtedly the e-President and we would like to acknowledge this, because it is important for Chile's political leadership to understand the importance of committing to investment in new technologies."

Efforts made by the Chilean government to incorporate new technologies as a potential source of development are focused on three areas: education in new issues, ability to move toward e-government and investment in the required infrastructure.

## Quotes from President Lagos

“In our relations with Peru, we have experienced moments of light and moments of darkness. Today, we begin a moment of light in the understanding that we need to define common criteria to deal with a globalized world.”

At the inauguration of President  
Alejandro Toledo. July 29

“If we want to be able to go beyond our frontiers, we must have the courage to incorporate private resources into these new tasks. This is part of today’s world, but with the conviction that we are doing it from an enterprise steered by those who reflect the will of the nation at large.”

At the ceremony commemorating  
the 30<sup>th</sup> Anniversary of the  
Nationalization of Copper. July 11

“We take pride in these young people, who reflect a different, flourishing Chile; they know what they want to be. We are showing that with willpower and determination Chile can reach new heights.”

At the Second Meeting of Youth  
Orchestras. July 20

“The trust displayed by foreign entrepreneurs is proof of the soundness of our economy, despite certain problems currently experienced by the region.”

July 25

## *A Stage for Creation*

For the past seven years, Chilean playwrights have enjoyed a special encouragement: the National Drama Festival. The initiative is organized by the Communication and Culture Secretariat of the Ministry General Government Secretariat. It seeks to foster research, enable the creation and staging of new plays, and contribute to diversifying the audience base.

Plays are presented in half-hour syntheses. At this year's Festival, which took place over the past two weeks, nine plays were staged. The novelty was that, for the first time, a selection of three plays went on tour to the regions, where well-known playwrights also offered free workshops for young creators.

Some 60 plays have been chosen since 1994 and more than half of them later became full-fledged stagings. Results are encouraging: new playwrights, different themes, bold language, dialogue in the theatrical community, and audiences full of enthusiasm for Chilean drama.

## *Pacific Ocean Paradise*

Extinct volcanoes, prairies, petroglyphs, year-round mild weather, soft sandy beaches and warm waters. This is what Easter Island has to offer those who venture to visit it, attracted by the mysterious *moai* statues.

These monumental sculptures, carved from volcanic rock and weighing up to 85 tons, hide one of the biggest secrets of humankind. Hypotheses abound, but nobody actually knows how the original inhabitants transported the moai from the quarry – the Rano Raraku volcano – to the far edges of the island.

Called [Rapa Nui](#) by its inhabitants, the island has a strange charm. It seems to be surrounded by a magical aura. Perhaps it is the fresh, sweet-smelling air, or the explosion of colors in the landscape. Life there has a different pace. Islanders are hospitable hosts, but jealous guardians of their ancestral traditions and language.

Easter Island was discovered by Jacob van Roggeveen, a Dutch navigator, on Easter Day 1722, hence its name. It became Chilean territory in 1888. Unesco declared it a World Heritage site in 1995.

## Overheard

“This is a fortunate country compared to Bangladesh, where we have so many economic problems. It is a country of many resources, with a small number of poor people and many creative and energetic individuals. For these reasons, I believe poverty can be quickly eradicated, and the President wants to do it. He told me so.”

Muhammad Yunus, founder of the Grameen Bank. Santiago, July 16.

“Vast regions and nations from Chile to Thailand are escaping the bonds of poverty and oppression by embracing markets and trade and new technologies.”

George W. Bush, President of the United States . In a speech delivered to the World Bank. Washington, July 17.

“Chile is a model of economic success for the world to follow.”

Steve Forbes. Santiago, July 9.

## Q & A

### National Consumer Service (Sernac)

#### What is Sernac?

Sernac is an independent public service, under the administrative responsibility of the Ministry of Economy. Its main mission is to protect consumers.

It is thus responsible for ensuring compliance with the Consumer Protection Law (in force as of June 1997). Moreover, it is responsible for informing, guiding and educating consumers to ensure that their rights are duly exercised. It also provides assistance to consumers, it reviews and proposes measures, and it conducts or supports consumer-related investigations.

#### How does it operate?

Individuals or entities that have paid for a good or service and consider that their rights have been violated may file complaints at Sernac offices, located throughout the country, or through its web page ([www.sernac.cl](http://www.sernac.cl)). Services provided by Sernac are free of charge.

After conducting the relevant investigation, Sernac may mediate between the parties or else report the case to the pertinent courts.

#### What are its powers?

Sernac defends consumer interests in small claim courts if requested to do so, or else informs and provides guidance to consumers for them to exercise their rights personally in court. Sernac is not empowered to apply fines or penalties – that falls within the powers of the courts – but any case reported by Sernac is an important fact in the resulting action.

## Agenda

July 23-27: Sixth Round of Negotiations for a Free Trade Agreement between Chile and the United States.

July 25-29: 12<sup>th</sup> International IT, Telecommunications and Internet Fair (Softel). Santiago

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