



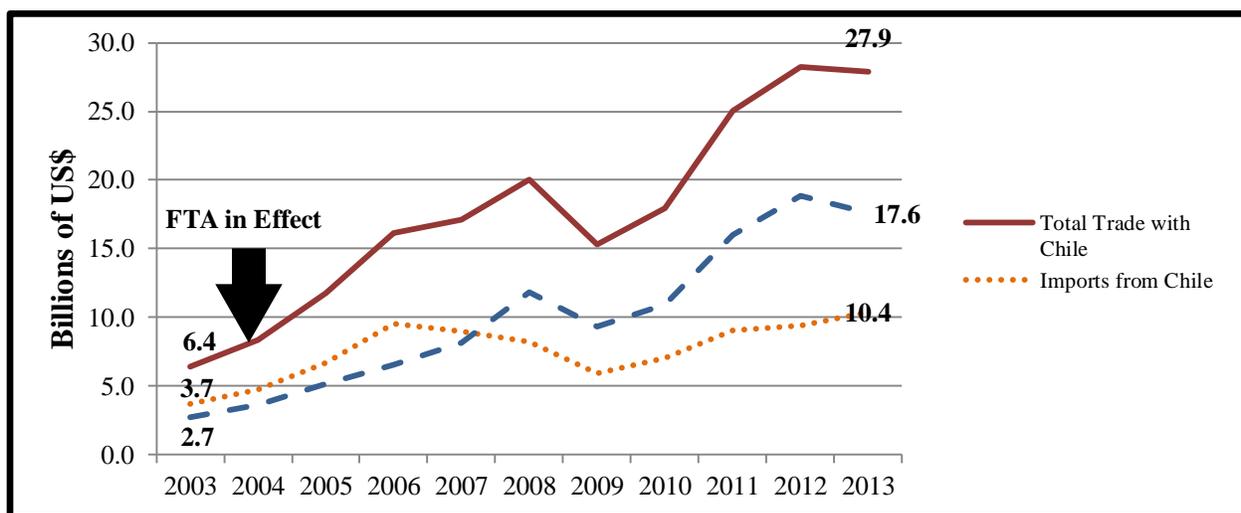
U.S.-Chile Bilateral Trade Analysis

Bilateral Trade in Goods¹

Since the U.S.-Chile Free Trade Agreement (FTA) took effect on January 1, 2004, total merchandise trade between the United States and Chile has grown to \$27.9 billion, an increase of 335 percent. This compares to 93 percent growth in total U.S. trade globally over the same period. Reflecting the growing trade relationship, Chile's ranking as a U.S. trade partner rose from 37th place in 2003 to 29th in 2013. The United States was Chile's 2nd largest trade partner and leading supplier of imports in 2013.

The U.S.-Chile trade relationship has also proved resilient after the global financial crisis. In 2009, bilateral trade between the United States and Chile fell 24 percent from 2008 highs, in line with the overall drop in U.S. total trade with the world, which fell 23 percent from 2008 to 2009. Since, U.S. exports to Chile have outperformed the 2008 record level of \$11.9 billion, reaching \$18.9 billion in 2012, before dropping to \$17.6 billion in 2013. The U.S. trade surplus in 2013 was \$7.2 billion.

Growth of Bilateral Trade with Chile Chart



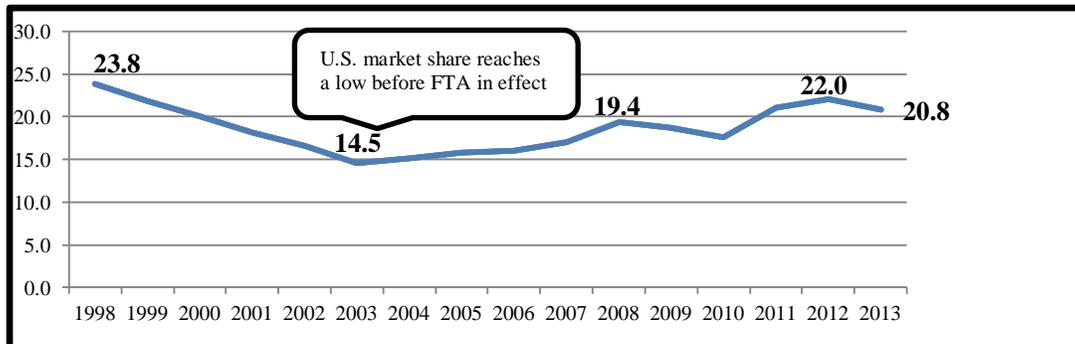
U.S. Exporters Succeeding in Chile²

The FTA is helping U.S. exporters win back market share that was lost in the years leading up to the implementation of the FTA. While U.S. exports to Chile made up 23.8 percent of Chilean imports in 1998, the U.S. share dropped in the following years, reaching a low of 14.5 percent in 2003. Since the implementation of the FTA in 2004, U.S. market share in Chile has been on a path to rebounding, reaching 19.4 percent in 2008 and 20.8 percent in 2013.

¹ Global Trade Atlas, Annual Data (2003-2013), February 2014.

² Global Trade Atlas, Annual Data (2003-2012), February 2014.

U.S. Exports Market Share in Chile Chart (in percent growth)

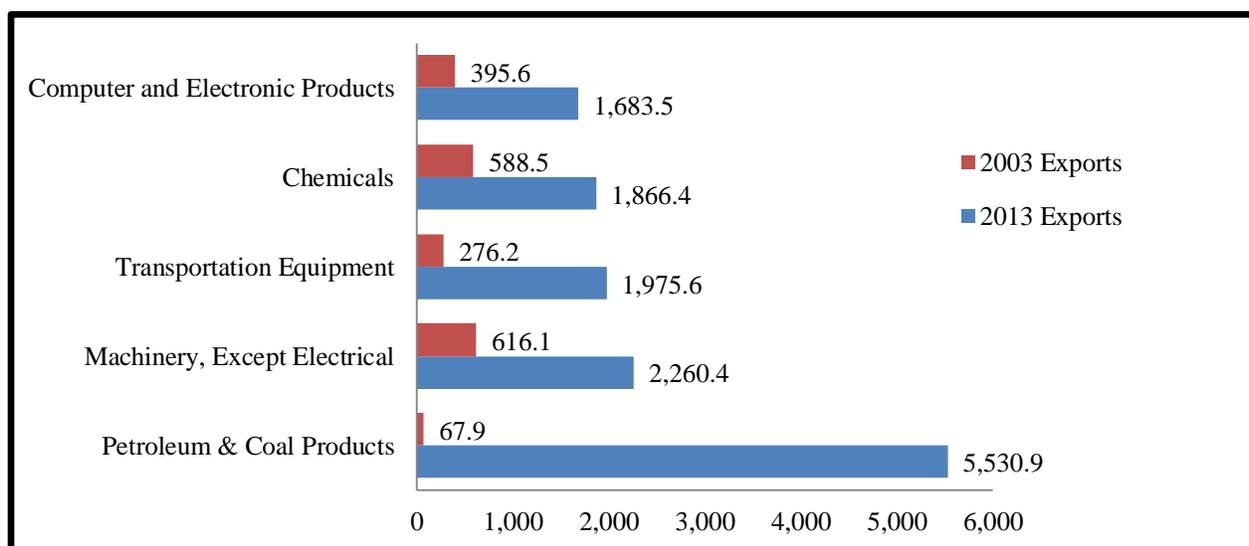


Exports Before and After the FTA³

While U.S. exports to the rest of the world increased 116 percent between 2003 and 2013, U.S. exports to Chile increased by 548 percent (\$14.9 billion), growing from \$2.7 billion in 2003 to \$17.6 billion in 2013. Chile is currently our 21st largest export partner and the 4th largest in Latin America. Chile's exporters also saw increases between 2003 and 2012; U.S. imports from Chile grew from \$3.7 billion in 2003 to \$10.4 billion in 2013, an increase of 180 percent.

The manufactured goods highlighted below were among the top U.S. exports to Chile in 2013. It is no coincidence that many of these goods became duty-free or started trading immediately after the FTA.

Growth of U.S. Exports to Chile Chart (in millions of US\$)

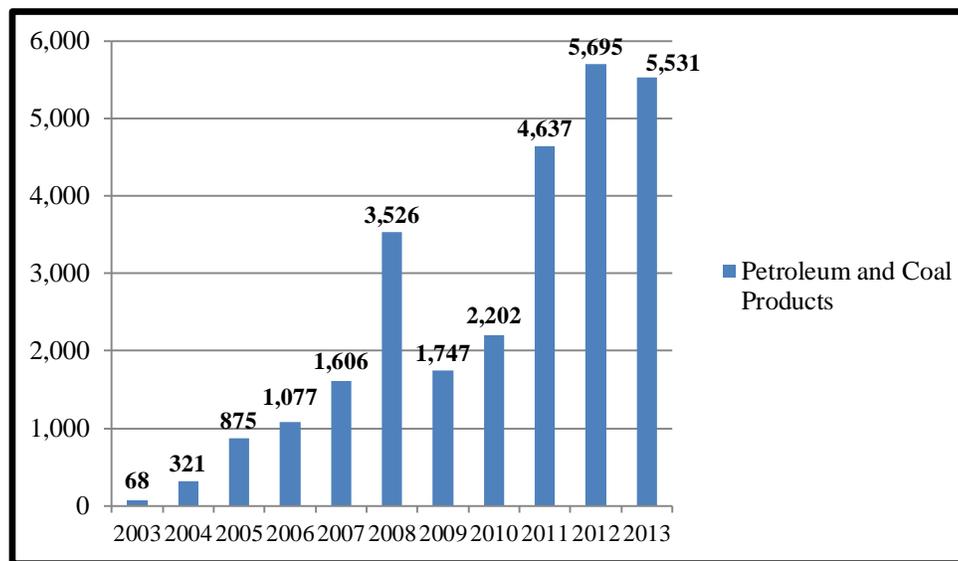


³ Trade Stats Express, Annual Data (2003-2013), February 2014. Products represent the following North American Industry Classification System (NAICS): 324 (Petroleum and Coal Products), 333 (Machinery, Except Electrical), 325 (Chemicals), 334 (Computer and Electronic Products), 336 (Transportation Equipment)

U.S. Energy Exports to Chile⁴

In 2013, Chile was the fifth largest export market for the United States in petroleum and coal products. In 2003, Chile was the 28th largest export market for the United States in this category. In 2013, the United States exported \$5.5 billion in petroleum and coal products to Chile. The category made up 31.5 percent of U.S. exports to Chile. Exporting refined petroleum to Chile has increased 8,034 percent since 2003. Tariffs on refined petroleum were almost immediately phased out after the FTA went into effect in 2004. Chile's increasing energy demand is an opportunity for alternative and more efficient energy options to help relieve the country's future energy burdens.

Growth of U.S. Petroleum and Coal Exports to Chile Chart (in millions of US\$)



Trade in Services:⁵

Services trade with Chile has also grown substantially since the FTA took effect in 2004. In 2012 (latest data available), U.S. services exports to Chile were \$3.2 billion and U.S. imports of services from Chile were \$1.4 billion, resulting in a \$1.9 billion U.S. trade surplus in services. Between 2003 and 2012, U.S. exports of services to Chile grew 214 percent and U.S. imports of Chilean services grew 121 percent.

Small and Medium Enterprises⁶:

U.S. small and medium-sized Enterprises (SMEs) are an important part of the U.S.-Chile trade relationship. As of 2011, 14,918 SMEs exported to Chile, representing 88 percent of all U.S. companies exporting to the Chilean market. These SMEs exported \$5.7 billion in merchandise to Chile in 2011.

⁴ Trade Stats Express, February 2014. Products represent the following North American Industry Classification System (NAICS): 324 (Petroleum and Oil Products).

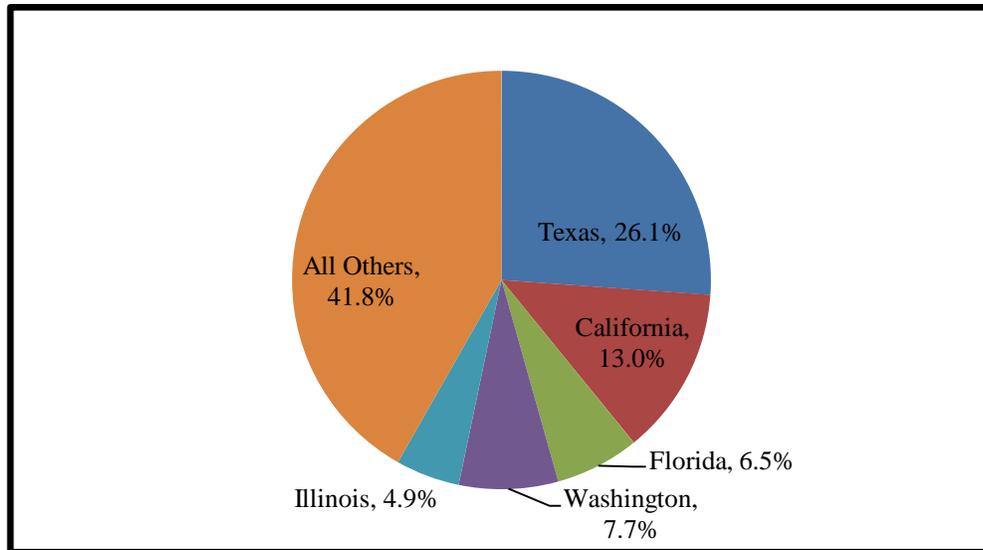
⁵ Source: Bureau of Economic Analysis, U.S. Department of Commerce, February 2014

⁶ Small and medium-sized enterprises here are defined as businesses with fewer than 500 workers. U.S. Department of Commerce Exporter Database, a joint project of the International Trade Administration's Office of Trade and Industry Information and the U.S. Census Bureau's Foreign Trade Division, "Exporters by Country and Select World Regions, 2011", February 2014.

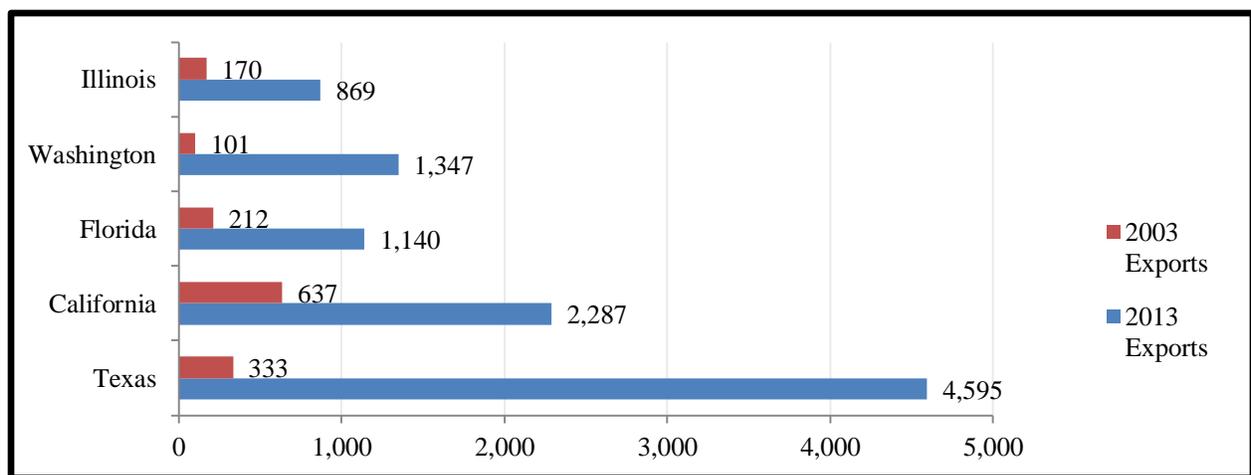
Top States that Export to Chile:⁷

In 2013, the top exporters to Chile were Texas at 26 percent, California at 13 percent, Florida at 7 percent, Washington at 8 percent, and Illinois at 5 percent, which together accounted for over 58 percent of exports to Chile, and \$10 billion dollars.

States' Share of Exports to Chile in 2012 Chart



Top 5 States Exporting to Chile in 2013 Chart (in millions of US\$)



⁷ Trade Stats Express, Annual Data (2003-2013), February 2014.



U.S. Exports to Chile versus the World:⁸

Increase in Exports, 2003 - 2013		
	Exports to Chile	Exports to Rest of World
United States	548%	118%
Texas	1280%	183%
California	977%	79%
Florida	179%	143%
Washington	4652%	131%
Illinois	511%	148%

Since the beginning of 2004, exports to Chile grew more than exports to the rest of the world for all top five exporting states. For two of the top five states, Texas and Washington, exports between 2003 and 2013 grew over 1,000 percent. Overall, U.S. exports to Chile grew 548 percent.

⁸ Trade Stats Express, Annual Data (2003-2013), February 2014.