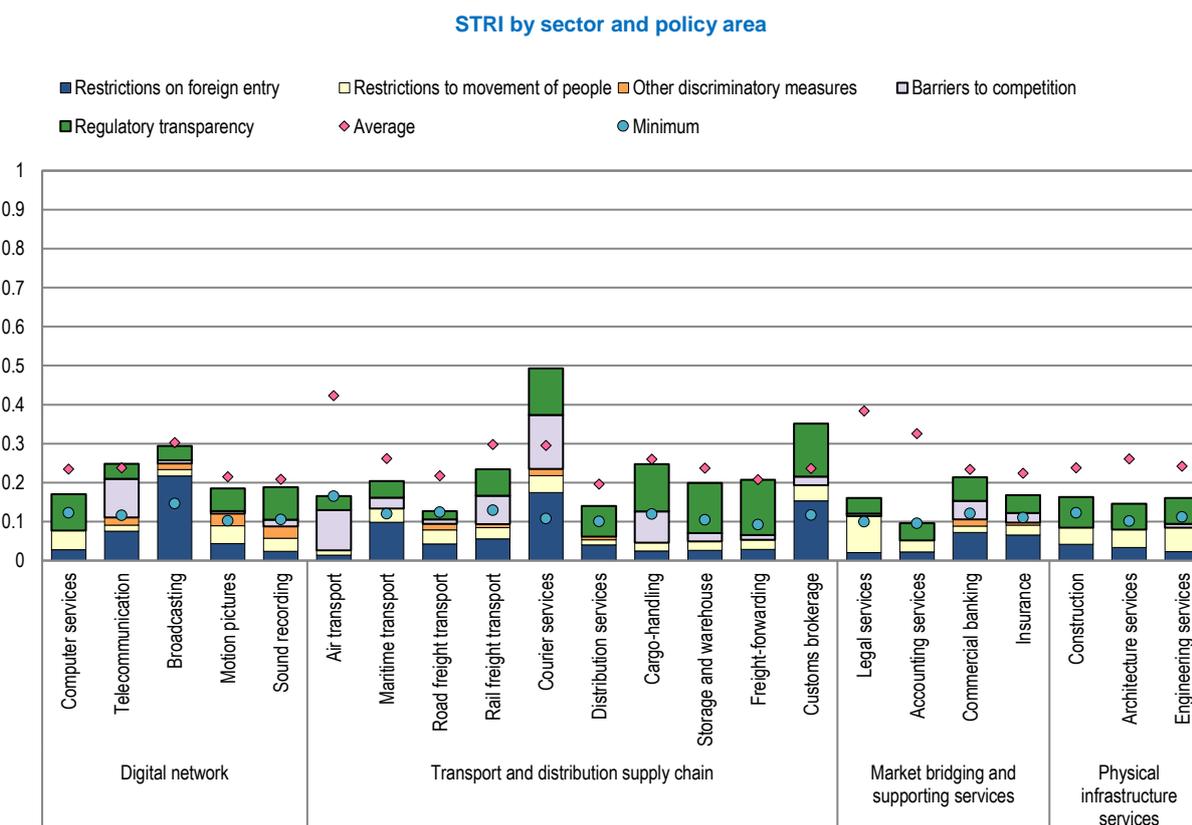


## OECD Services Trade Restrictiveness Index (STRI): Chile

Chile exported services worth USD 10 billion and services import value was USD 13 billion in 2017. Maritime transport is both the largest services exporting sector and the largest category of services imports. Services account for about 40% of inward and 50% of outward foreign investment stock in Chile in 2015.

Chile's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 45 countries included in the STRI database for each sector.



*Note:* The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 36 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Malaysia, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people).

### Horizontal policy measures

Chile has a lower score on the STRI than the average in 19 out of 22 sectors. One measure common to all sectors captures limitations on the duration of stay for natural persons seeking to provide services in the country on a temporary basis. Intra-corporate transferees may stay up to 24 months while contractual services suppliers and independent services suppliers may stay up to 12 months on their first entry permit. Other measures common to all sectors are limitations on acquisition of land or real estate by foreigners along the coast and frontier areas, and lack of a general obligation to publish laws and regulations before they enter into force or to open draft regulations for public comment, although specific mechanisms for civil society consultation exist in some sectors.

Chile offers two possible routes to foreign investors. Investments may be realised under the general international exchange regulations, or under the voluntary regime of the Foreign Investment Statute. Under the general international exchange regulations there are no specific conditions applying to foreign investors, but

under the voluntary regime, a foreign investment, above a given monetary threshold, needs to be approved, and there is a contract setting out the rights and obligations of the Chilean government and the investor in matters such as taxes and the entry and repatriation of capital. The vast majority of foreign investors opt for the regime of the Foreign Investment Statute since it offers special incentives and a guarantee of stability of rules.

### The sectors with the relatively lowest STRI scores

Accounting, legal services and air transport are the three sectors with the lowest score relative to the average STRI across all countries. Accounting services cover also auditing, both of which are not regulated professions in Chile. Similarly, the provision of legal advice on international or foreign law does not require a local license. Sector-specific constraints in legal services include regulated fees and the requirement for lawyers to have a domicile in the country to practice domestic law. Chile is one of the few countries with no foreign equity restrictions in air transport services – e.g. foreign investment in air transport services to, from and within Chile is allowed. The main barriers in this sector relate to the allocation of landing and take-off slots, which does not follow competitive best practices. Lack of transparency in the awarding of contracts for universal service obligations also contributes to the score.

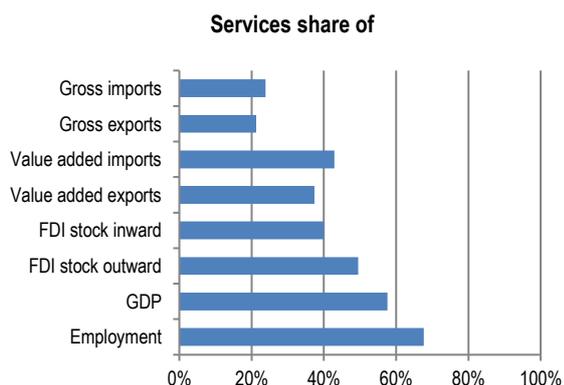
### The sectors with the relatively highest STRI scores

Courier and postal services, custom brokerage services and telecommunications are the three sectors with the highest score relative to the average STRI across all countries. In courier and postal services, Chile maintains a monopoly on the admission, transport and delivery of letters and postcards, which essentially closes the letter segment to private competitors. The state-owned incumbent operator, *Correos de Chile*, enjoys preferential treatment on the application of VAT or transport bans, and no regulation is in place to avoid cross-subsidisation of competitive and protected activities. Custom brokerage services are subject to a 49% foreign equity ceiling and there is a nationality requirement to get a licence to operate as custom broker. In telecommunications, operators with significant market power exist in several market segments and absence of pro-competitive regulation adds to the score.

### Recent policy changes

In 2017, Chile revised its customs regulation, introducing, *inter alia*, an Authorised Economic Operators Scheme open to foreign firms and authorising the release of goods before the determination and payment of duties. These policy changes are reflected in a more favourable regulatory environment for the distribution and logistics sectors.

### Efficient services sectors matter



Services account for only 21% of Chile's gross exports, 37% of value-added exports and 40% of inward FDI. The contribution of services to exports is, however, lower than average. The information and communication technology revolution opens new opportunities for inclusive growth in a services economy like Chile. Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Chile could benefit from more open markets for services trade.

### More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impacts in this publication: [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)