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STRATEGIC ELEMENTS FOR CHILE'S TRADE POLICY IN THE ASIA-PACIFIC BASIN

Research conducted by the
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SUMMARY

The Pacific Rim has been a central pillar of Chile's international integration since the return to democracy in 1990, supported by its active participation in APEC and an extensive network of trade agreements. This report analyzes the opportunities and challenges facing the country in this region in a context marked by rapid technological change and growing geopolitical tensions. A mixed methodology has been implemented, combining a documentary and statistical analysis of the 18 economies in the region, semi-structured interviews with negotiators, authorities, trade associations, and experts, and prospective exercises aimed at identifying structural trends, such as digitalization, geopolitical fragmentation, energy transition, and the reconfiguration of value chains. Based on this empirical and analytical foundation, the dynamics of bilateral trade, regulatory restrictions, new patterns of competition, and institutional capacities that condition Chile's integration have been evaluated.

Based on this diagnosis, a Strategic Framework for Latin American-Pacific Trade Policy is proposed, organized around three main axes: (1) Strengthening the export sector through active diversification towards India, ASEAN, and inland China, as well as through insertion into the digital economy by deepening frameworks such as the DEPA, the CPTPP, and the AP. (2) Developing new infrastructure that consolidates Chile as a logistics and connectivity platform between South America and the emerging markets of Southeast Asia and India, including modernized ports, bi-oceanic corridors, and green corridors. (3) Mitigation of geopolitical risks by strengthening a network of strategic partnerships, multilateral agreements with other middle powers on critical minerals and maritime security. As well as strengthening the role of the Pacific Alliance as a regional coordination mechanism to deploy interests with the different actors in the basin. With this approach, Chile could begin the path toward a more diversified and higher value-added integration.

Key points of the document

1. It analyzes the evolution and limits of Chile's trade integration model in the Asia-Pacific basin, highlighting its success in terms of market access, as well as its structural weaknesses in terms of diversification and added value.
2. It examines the central role that the Asia-Pacific basin has acquired as the main destination for Chilean foreign trade, as well as the risks associated with high export concentration and dependence on a small number of trading partners.
3. It places Chilean trade policy in the context of recent transformations in international trade, such as geopolitical fragmentation, the reconfiguration of global value chains, and the growing relevance of services and the digital economy.
4. It assesses the scope and limitations of Chile's network of trade agreements and concludes that, although it is extensive and sophisticated, its impact on productive transformation has been limited.
5. It identifies a persistent gap between the signing of trade agreements and their effective use as instruments to promote productive capacities, exportable services, and higher value chains.
6. It highlights the strategic role of infrastructure, ports, and logistics in Chile's trade competitiveness and affirms that these elements should be part of trade policy.
7. It underscores the potential of logistics, digital, professional, and knowledge-based services as the main avenue for future diversification of Chile's international integration in the Asia-Pacific region.
8. It addresses the regional and geopolitical dimension of the relationship with the Asia-Pacific region, including the need to diversify markets, reduce vulnerabilities, and strengthen outreach to economies such as India and Southeast Asia.
9. It proposes a strategic reading of trade policy that articulates trade, infrastructure, services, and regional coordination, moving beyond a vision focused on tariff barriers.
10. The study concludes with a public policy roadmap organized by time horizons: strengthening institutional capacities in the short term, developing infrastructure and services in the medium term, and strategically repositioning Chile in the Asia-Pacific space in the long term.

INTRODUCTION

Chile's foreign policy toward the Asia-Pacific region has been one of the central pillars of its international integration since the return to democracy and has been recognized as one of the most consistent and cross-cutting dimensions of its trade policy. In 2024, more than 56% of Chile's exports went to countries in Asia and the Pacific (SUBREI, 2025). Among the main destinations for Chilean exports in that year, China leads with around 36.8%, followed by Japan (8.8%) and South Korea (4.1%) as the most important Asian partners (Central Bank of Chile, 2025). The open and global nature of its economy, its early participation in multilateral forums such as APEC, and its active free trade agreement policy have made Chile a bridge between the two sides of the Pacific Basin: Latin America and Asia. However, these elements have not been sufficient to sustain steady progress. Domestically, the persistence of an export matrix highly concentrated in natural resources limits productive diversification (SUBREI, 2024); while externally, structural changes in world trade and geopolitical transformations associated with the transition of the international order are forcing a rethinking of this strategy, identifying both new opportunities and risks in an increasingly uncertain scenario (Bórquez and López, 2025).

As Putnam pointed out, the domestic and the international are two sides of the same coin (Putnam 1988). In this context, trade policies today face a triple transition that is redefining the dynamics of world trade and posing new strategic challenges. The first transition is reflected in the growing fragmentation of markets and supply chains, mainly as a result of rivalry between powers, which is forcing diversification of destinations and the orientation of production chains according to criteria of resilience and security. The second transition corresponds to the transformation of energy generation and distribution, marked by the incorporation of renewable sources and the promotion of electromobility, which require progress toward a more sustainable production model. The third transition is driven by the acceleration of digital processes, which open up unprecedented opportunities for e-commerce and the data economy. All these phenomena have a direct impact on the economies of the Pacific Basin and, in particular, on Chile, where high dependence on foreign trade makes trade policy a key strategic instrument. In this sense, for countries such as Chile, understanding and anticipating these transitions is essential for designing a proactive trade policy that allows challenges to be transformed into long-term competitive advantages.

In this context, the objective of this document is to analyze the opportunities and challenges of Chilean trade policy in the Pacific Basin, considering the dynamics and transitions that impact trade in this area. In turn, this exercise allows, in a second instance, to establish recommendations for shaping a medium- and long-term trade policy strategy for this region.

From a conceptual point of view, the research is framed by three key geoeconomic narratives. First, the Asia-Pacific, conceived as the historical space of economic and commercial convergence that articulated Chile's insertion through APEC, bilateral FTAs, and plurilateral agreements such as the CPTPP. Second, the Indo-Pacific, understood as a construct that transcends geography, integrating

emerging powers such as India and regional schemes such as ASEAN, and which today constitutes the epicenter of systemic competition among the major powers. Thirdly, the Latin Pacific, proposed as a strategic projection of the Latin American countries bordering the Pacific to strengthen their capacity for integration and joint negotiation in this key region. These conceptual elements allow us to contextualize the main dynamics of the Pacific basin and design an updated integration strategy. In this regard, it is essential to highlight that the Pacific Basin region has become the new gravitational center of the global economy. It accounts for more than 60% of global GDP and two-thirds of global growth, as well as being the hub of key strategic supply chains (critical minerals, semiconductors, food, and digital services) (Georgieva 2025). Along the same lines, the new Indo-Pacific framework not only includes India and Southeast Asia as increasingly important players, but also reflects regulatory competition on issues such as maritime security, the digital economy, and supply chain resilience. This raises the need for Latin American countries in the Pacific Basin to articulate a strategy that allows them to project themselves into this area with greater negotiating power and highlighting a specific role in the economic growth and development of both parts of the basin.

The document is structured in five main sections. First, there is a brief discussion of the key conceptual frameworks for understanding the dynamics of the Pacific Basin. Second, a map of Chile's current interactions with the region is presented. It emphasizes Chile's participation in plurilateral and multilateral agreements such as the CPTPP and the DEPA, in addition to analyzing its application for membership in the RCEP. It also reviews Chile's interactions with the main economies at the bilateral level, based on the establishment of trade agreements and strategic partnerships. This section analyzes Chile's participation in the main regional forums (APEC, ASEAN+). Third, it analyzes investment flows and trade in goods and services between Chile and the Pacific Rim. Special attention is given to strategic sectors and opportunities for integration into the value chains of the main Asian economies (China, India, Indonesia, Vietnam, and Thailand). Fourth, it explores opportunities for exchange and cooperation in digital trade and the data economy with the Pacific Rim. It takes into account the main initiatives to organize this agenda, such as DEPA and the Pacific Alliance. On this basis, the report sets out the main strategic recommendations for shaping concrete medium- and long-term actions to strengthen trade relations between Chile and the Pacific Rim. The recommendations emphasize the following thematic areas: (i) active diversification of markets towards India, China, and ASEAN; (ii) consolidation of biooceanic and green corridors and port centers; (iii) insertion into the digital economy and data governance; (iv) strengthening of human capital in negotiation and economic diplomacy; (v) promotion of the Latin-Pacific approach as a framework for collective action; and (vi) adoption of a geopolitical risk mitigation strategy based on a hedging strategy that combines openness, autonomy, and resilience.

CONCEPTUAL FRAMEWORK

Transformations in the international order have placed the Pacific Rim at the center of contemporary economic and geopolitical dynamics. More than three decades after the end of the Cold War, this region has become the new center of gravity for the global economy, accounting for more than 46% of world trade, 61% of global GDP, and 37% of the world's population, thus consolidating its position as a critical space for international competition and cooperation (APEC, 2024). In this context, geopolitical and geoeconomic narratives have emerged that seek to organize, conceptualize, and project the region's integration processes, reflecting both the continuities and the changes it is undergoing. Among these, the Asia-Pacific and Indo-Pacific regions stand out, two frameworks that respond to different strategic interests. The narrative of the Asia-Pacific region has developed mainly around the integration between the Asian and American basins through the Pacific Ocean, articulated in institutions such as APEC, where China has acquired a leading role in trade, investment, and regional cooperation (Womack, 2023). In contrast, the Indo-Pacific narrative extends the axis towards the Indian Ocean and incorporates India as a central actor, shaping a geopolitical framework that emphasizes maritime security, competition between powers, and the need to balance China's growing weight in the international system (Ain and Bukhari, 2024). Added to these two perspectives is the emerging concept of the Latino-Pacific, which seeks to reposition Latin American countries bordering the Pacific as strategic actors rather than merely peripheral ones. The Latin-Pacific perspective considers Latin America as a strategic partner for energy transition and food security, in addition to highlighting its role in the sustainability of global supply chains and interoceanic connectivity, which gives the region a unique geostrategic projection.

In this configuration, the following framework describes these narratives in order to understand the axes of competence, cooperation, and integration that will shape governance in the Pacific in the coming decades. In this sense, it allows for the establishment of an integrated framework for Chile to reflect on the role it can play in a key and increasingly dynamic region.

Asia-Pacific

The Asia-Pacific narrative initially emerged as a strategy promoted by the United States at the end of the Cold War to promote economic liberalization and free trade in the region. Initiatives such as the creation of APEC in 1989 respond to the vision of the American *Pax*, which consisted of articulating a trans-Pacific space that would integrate the economies of Asia, the Americas, and Oceania under open market rules. The result was the accession of 21 economies with the aim of consolidating the economic and political interconnection of the region. In this context, APEC functions as the main regional forum that articulates economic cooperation and integration among its 21 members, which include economies from Asia, the Americas, and Oceania. APEC's objective

is to consolidate a regional governance framework that allows its members to interact without being subordinate to a single power (Asia-Pacific Economic Cooperation 2025). The Forum is structured around three pillars: 1) trade and investment liberalization, which seeks to reduce customs and investment barriers; 2) trade and investment facilitation, which aims to simplify procedures and regulations; and 3) economic and technical cooperation, which promotes capacity building among its members.

However, over time, China's rapid growth and integration into global value chains transformed this landscape. Beginning in the 2000s, Beijing not only consolidated its position as the main trading partner of most countries in the basin, but also used the forums and mechanisms of the Asia-Pacific region to project its economic and regulatory influence. According to Evan (2024), China's strategy in the context of its interactions in the Pacific Basin reveals a sophisticated combination of economic diplomacy, logistical projection, and the building of normative influence in the trans-Pacific space. An important milestone was the inauguration in 2024 of the Chancay megaport north of Lima, Peru, led by the Chinese state-owned company COSCO Shipping, which consolidates China as a key player in intercontinental maritime trade. This port, the first in the Western Hemisphere under the full control of a Chinese company, has become a key logistics hub connecting South America with Asia, facilitating the shipment of products such as copper, lithium, and food, as well as the unloading of technological and manufactured goods. For its part, the United States promotes an approach based on alliances and coalitions to maintain its influence in the Pacific and balance China's presence. In this regard, it has sought to reinforce its narrative of market openness, labor standards, and sustainability as the cornerstones of its leadership within the Pacific Basin. However, with the arrival of Donald Trump to the White House, the United States has rethought these elements and incorporated a more protectionist vision based on the application of unilateral tariffs (Ma and Gu, 2025).

Indo-Pacific

The Indo-Pacific is a geopolitical concept that describes a strategic region spanning the Indian and Pacific oceans and connecting East Asia, Southeast Asia, Oceania, and parts of South Asia. This concept focuses more on competition for influence among the major powers, maritime security, trade, and regional cooperation networks than on strict geographical boundaries (Heine 2021).

In the Indo-Pacific framework, India emerges as a key player, projecting itself as a net provider of security and promoting an inclusive and multipolar order. According to Shubhamitra Das (2025), India's strategy is articulated through its Act East policy and the concept of an "extended neighborhood," which links the country with the Pacific Island Countries (PICs). In 2014, it launched the Forum for India-Pacific Islands Cooperation (FIPIC), through which it has offered lines of credit, cooperation in renewable energy, maritime security, digital connectivity, education, health, and support in the face of climate change, which is considered the main existential threat to these countries. Thanks to its prominent alliances with Fiji and Papua New Guinea, India is

strengthening its image as the voice of the Global South, prioritizing non-traditional security and sustainable development as the cornerstones of its presence in the region.

Within the Indo-Pacific framework, the main agreements and partnerships have focused on two aspects: on the one hand, economic cooperation. The Indo-Pacific Economic Framework for Prosperity (IPEF), promoted by the United States and comprising thirteen countries in the region, including Australia, India, Japan, South Korea, Singapore, and Vietnam, aims to establish standards in supply chains, clean energy, infrastructure, the digital economy, taxation, and the fight against corruption, with the aim of reducing economic dependence on China. On the other hand, security issues have been addressed, such as the Quadrilateral Security Dialogue (QUAD), an informal strategic forum bringing together the United States, Japan, Australia, and India. This forum was reactivated to promote a "free and open" Indo-Pacific and, although it is not defined as a military alliance, it conducts joint naval exercises to counter China's influence. Added to this is AUKUS, a trilateral security pact between Australia, the United Kingdom, and the United States whose main objective is to strengthen Australia's defensive capabilities through access to nuclear-powered submarine technology, thereby reinforcing regional deterrence.

In this vein, the Indo-Pacific has emerged as an arena of systemic competition where the United States has adopted a strategy of hybrid minilateralism to contain China's rise without resorting to direct confrontation. According to Xiaodi Ye (2025), this strategy combines flexible agreements between a few actors, such as QUAD and AUKUS, with tools of hybrid warfare, including normative diplomacy, technological cooperation, economic pressure, and military presence (Ye, 2025). This logic allows Washington to operate in multiple dimensions simultaneously: maritime security, supply chain reconfiguration, cybersecurity, and the promotion of international norms. Xiaodi Ye argues that this approach not only redefines the role of the US in the region, but also transforms the Indo-Pacific into a space structured by thematic coalitions, where middle powers and small states can play strategic roles without being caught up in a bipolar logic.

In the Asia-Pacific and Indo-Pacific frameworks, both China and the United States are engaged in a competition to establish forms of hegemony through the construction of strategic coalitions. According to Loke and Emmers (2025), this struggle is not limited to military power or economic , but manifests itself in each actor's ability to articulate networks of influence that legitimize their vision of the regional order. The United States promotes a "free and open" Indo-Pacific, based on alliances such as QUAD and AUKUS, which reinforce democratic norms and maritime security. For its part, China promotes a narrative focused on connectivity, shared development, and non-intervention through initiatives such as the Belt and Road Initiative (BRI). Both actors seek to consolidate their leadership through flexible coalitions, but face diverse responses from intermediate powers and small states, which do not automatically align themselves, but rather manage their ties with strategic autonomy, as is the case with Chile.

Latin-Pacific

The Latin-Pacific scheme is a geospatial narrative that redefines Latin America's role in the Pacific, not as a periphery of the great powers, but as a region with resources, capacity for action, and its own proposals (Bórquez, 2023). This approach recognizes that the Latin American Pacific basin has key competitive advantages: critical minerals such as lithium, copper, and rare earths; food surpluses; potential in renewable energies; biodiversity; and a strategic geographical position connecting the Pacific, Atlantic, and Antarctic oceans. These factors not only confer comparative advantages, but can also be transformed into strategic capabilities if articulated under a common agenda. These capabilities hold the main potential for generating agency in the international system. Unlike Asian-centric or Indian-centric visions, the Latin-Pacific scheme articulates its own framework for international integration based on principles such as strategic autonomy, multisectoral cooperation, sustainable integration, and the exploitation of tangible and intangible assets (Borquez et al 2025).

The Latin American-Pacific scheme allows for the establishment of a strategy that facilitates dialogue with Asia and the Indo-Pacific, offering proactive integration that prioritizes regional interests and promotes balanced ties between the Americas, Asia, and Oceania. Latin America's agency lies precisely in its ability to position itself as a reliable supplier of strategic goods, while also diversifying toward other powers in the basin. In addition, maritime connectivity is increasingly important: projects such as the Humboldt cable and the bi-oceanic corridors consolidate its role as an intercontinental hub, while the strategic value of the Strait of Magellan as an alternative route to the Panama Canal grows.

However, the Latin American-Pacific scheme has serious limitations. Regional fragmentation, institutional weakness, and the absence of a common integration strategy make it difficult to build a coordinated voice. The experiences of UNASUR, PROSUR, and even CELAC show that ideological differences and the absence of a shared pragmatic vision have prevented the consolidation of effective cooperation mechanisms. The Pacific Alliance is a slightly more nuanced case. Although in recent years there have been more tensions and s within the group, particularly in managing differences between Peru and Mexico, it has achieved a certain stability by having a minimal infrastructure to coordinate trade policy actions among its members. The challenge now is to expand membership and extend coordination mechanisms to project a more consistent and effective dialogue with actors in the Pacific basin. In this sense, the Latino Pacífico implies promoting strategic governance instances that allow for more symmetrical negotiations with Asian actors (Aquino, 2023). It should not be understood only as a discursive construct, but as an operational roadmap to convert regional assets into geostrategic advantages. To this end, it is necessary to move towards a strategic architecture based on five complementary pillars

- 1) Green energy diplomacy,
- 2) Pacific food security,

- 3) Trans-Pacific maritime corridors,
- 4) Infrastructure for port platforms
- 5) Digital economy

These pillars must be developed with a flexible, pragmatic, and gradual approach that prioritizes sectors that incorporate scalable capabilities and projects a cooperative but autonomous Latin American vision.

METHODOLOGY

To achieve the objectives set out in this report, a mixed methodology is deployed, combining quantitative and qualitative approaches, in order to capture both the empirical dimension of Chile's trade with the Asia-Pacific/Indo-Pacific region and long-term structural trends. It should be noted that this study covers Chile's interactions with 18 economies in the Asia-Pacific basin, including China, Japan, and South Korea in East Asia; the ASEAN countries; Australia and New Zealand in Oceania; and India in South Asia. Specifically, the following data collection techniques are used:

- Documentary and statistical analysis: review of specialized literature, reports from international organizations (WTO, APEC, IDB, ECLAC), official trade databases (Central Bank of Chile, UN Comtrade, WTO Stats, APEC Policy Support Unit), and recent academic studies on the region.
- Semi-structured interviews with key actors: trade negotiators, public officials, business representatives (exporters of goods and services, sectoral chambers), as well as academic experts and experts from multilateral organizations and cooperation forums.
- Prospective and scenario analysis: identification of structural trends (digitalization, geopolitical fragmentation, resilient value chains, energy transition) that affect Chile's international integration strategy.

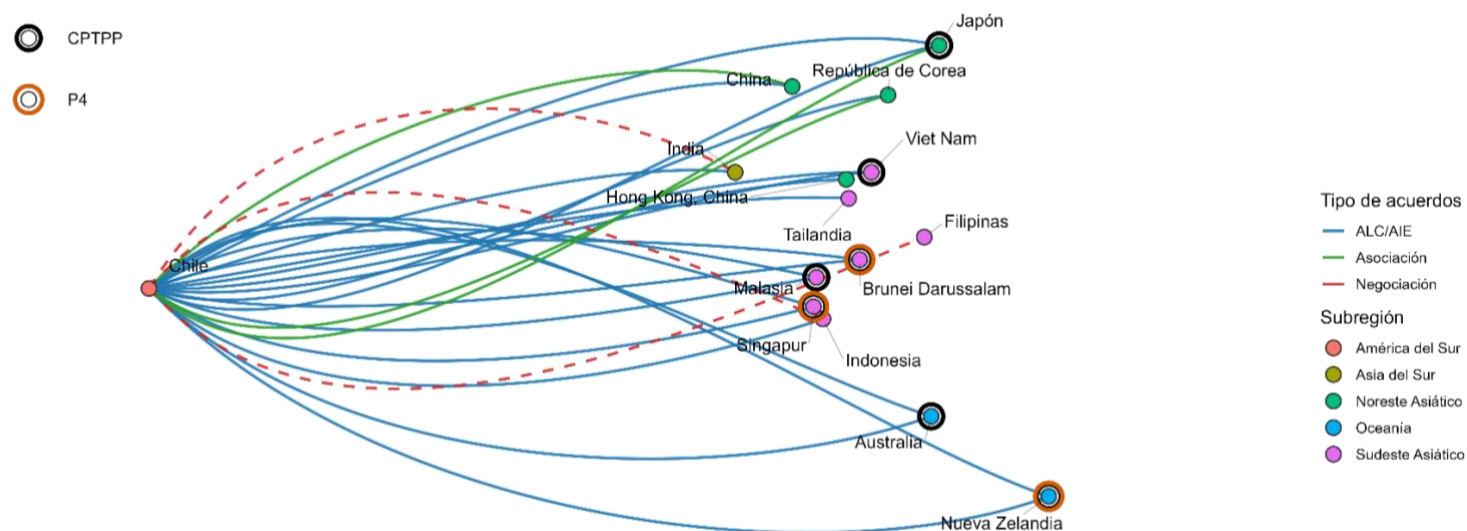
After the information gathering stage, the results are discussed and, on this basis, a number of strategic recommendations are drawn up for concrete medium- and long-term actions to strengthen trade relations between Chile and the Asia-Pacific region. The recommendations emphasize the following thematic areas: (i) active diversification of markets towards India, China, and ASEAN; (ii) consolidation of bi-oceanic and green corridors, as well as port centers; (iii) integration into the digital economy and data governance; (iv) strengthening of human capital in negotiation and economic diplomacy; (v) promotion of the Latin-Pacific approach as a framework for collective action; and (vi) adoption of a geopolitical risk mitigation strategy based on a hedging strategy that combines openness, autonomy, and resilience.

RESULTS

1. Mapping of interaction with the Asian basin

This section presents an overview of the main areas, agreements, and actors with which Chile interacts in the Asian Pacific basin. This exercise provides a panoramic view of the links that Chile has cultivated over the last three decades.

Figure 1. Diagram of agreements in which Chile participates or is negotiating in Asia-Pacific



Source: Prepared by the authors based on data from the WTO (2025) and SUBREI (2025a).

1.1 Trade agreements

As can be seen in Table 1, of the 18 economies analyzed, there are 12 relevant agreements covering the Asia-Pacific region. In particular, trade preferences are granted to 13 economies: Brunei, New Zealand, Singapore, Australia, China, India, Indonesia, Japan, Malaysia, Thailand, Vietnam, South Korea, and Hong Kong-China. With the CPTPP, Malaysia and Vietnam were covered by services in addition

to the goods that were already covered by their bilateral agreements. Chile is currently negotiating a free trade agreement with the Philippines. There are no agreements with the following four economies: Cambodia, Laos, Myanmar, and Taipei.

Table 1. List of trade agreements with countries in the Asia-Pacific Basin.

No.	Name of the RTA	Scope of the agreement	Type of agreement	Date of signature	Date of notification	Date of entry into force	Status	Parties
1	Trans-Pacific Strategic Economic Partnership Agreement	Goods and services	FTA & EIA	July 18, 2005	May 18, 2007	May 28, 2006	In force	Brunei Darussalam; New Zealand; Singapore
2	Australia - Chile	Goods and services	FTA & EIA	July 30, 2008	March 3, 2009	March 6, 2009	In force	Australia
3	Chile - China	Goods and services	FTA & EEA	Nov. 18, 2005 (G) / Apr. 13, 2008 (S)	Jun. 20, 2007 (G) / Nov. 18, 2010 (S)	Oct. 1, 2006 (G) / Aug. 1, 2010 (S)	In force	China
4	Chile - India	Goods	AAP	Mar. 8, 2006	Jan. 13, 2009	Aug. 17, 2007	In force	India
5	Chile - Indonesia	Goods	FTA	Dec. 14, 2017	Apr. 1, 2020	Aug. 10, 2019	In force	Indonesia
6	Chile - Japan	Goods and services	FTA & EIA	March 27, 2007	Aug. 24, 2007	September 3, 2007	In force	Japan
7	Chile - Malaysia	Goods	FTA	Nov. 13, 2010	February 12, 2013	February 25, 2012	In force	Malaysia
8	Chile - Thailand	Goods and services	FTA & EIA	October 4, 2013	September 12, 2017	Nov. 5, 2015	In force	Thailand
9	Chile - Vietnam	Goods	FTA	Nov. 11, 2011	May 12, 2015	Jan. 1, 2014	In force	Vietnam
10	Korea, Republic of - Chile	Goods and services	FTA & EIA	Feb. 1, 2003	Apr. 8, 2004	Apr. 1, 2004	In force	Republic of Korea
11	Hong Kong, China - Chile	Goods and services	FTA & EIA	September 7, 2012	Oct. 15, 2014	Oct. 9, 2014	In force	Hong Kong, China
12	Comprehensive and Progressive Agreement for Trans-Pacific	Goods and services	FTA & EIA	Mar. 8, 2018	Dec. 20, 2018	Dec. 30, 2018	In force	Australia; Brunei Darussalam; Japan; Malaysia; New

Partnership
(CPTPP)

Zealand; Singapore;
Vietnam

Source: World Trade Organization. (2025). *Regional Trade Agreements: Database*. <https://s11nk.com/22hbO>

1.2 Strategic partnerships

Although Chile has managed to establish trade agreements with most of the countries in the Asia-Pacific region, it has been promoting a more ambitious strategy based on the establishment of comprehensive economic partnerships and strategic partnerships that allow for closer ties from a comprehensive perspective. These types of agreements are based on a combination of specific measures to strengthen trade, but they also incorporate action plans to advance more complex issues with a strategic perspective. It should be noted that these partnerships are not necessarily a standardized instrument; the partnership exercise functions as a platform for articulating comprehensive aspects of cooperation that vary from case to case. In the case of comprehensive economic partnerships, they are based on previous trade agreements. In the case of strategic partnerships, they complement treaties but focus primarily on establishing medium-term action plans on strategic issues.

Table 2. List of associations

No.	Name of ACR	Year
1	Comprehensive Economic Partnership Agreement between Chile and India	Under negotiation
2	Comprehensive Economic Partnership Agreement between Chile and the Philippines	Under negotiation
3	Comprehensive Economic Partnership Agreement between Chile and Indonesia*	2017
4	Strategic Partnership between Chile and Korea	2022
5	Strategic Partnership between Chile and Japan	2007
6	Strategic Partnership between Chile and China	2016

Source: Adapted from SUBREI. (2025a). The AAEI with Indonesia has been under negotiation since 2020 to address services issues.

1.3 Chile's forums and spaces for interaction in the Asia-Pacific Basin

In a dynamic of double or triple coverage, Chile has sought to establish interactions with Asia through multiple channels and platforms. Over the last few decades, this exercise has been carried out simultaneously, with greater emphasis at times on strengthening its participation in multilateral schemes and at other times with a more moderate approach at the unilateral level. As seen in the previous section, Chile already has extensive coverage of bilateral agreements, in addition to its active participation in the multilateral framework of APEC.

This is a regional intergovernmental forum whose members, countries and territories bordering the Pacific Ocean, cooperate to achieve sustainable economic growth and common prosperity in the Asia-Pacific region. Chile joined in 1994, being one of the first Latin American countries bordering

the Pacific to do so. At a certain point, its interactions within the APEC framework were fundamental in strengthening ties and opening up opportunities at the bilateral level. Another space in which Chile has been establishing ties is the Association of Southeast Asian Nations (ASEAN).

Specifically, Chile has been interacting as a development partner with ASEAN countries since 2019. This mechanism works through the adoption of Practical Cooperation Areas (PCA) focused on four categories of cooperation, which have a five-year development horizon: political-security, economic, sociocultural, and multi-pillar. This partnership has been a fundamental step in Chile's efforts to expand and diversify its relations in the Pacific Basin. At the multilateral level, Chile has focused its energy on establishing a specific agenda with other medium-sized powers, which has allowed it to ensure relative symmetry in order to build concrete cooperation agendas. First, in 2001, together with other Latin Pacific countries such as Peru, Colombia, and Mexico, it established the Pacific Alliance as an exercise in regional integration with an emphasis on promoting commercial interests among the countries of the basin.

In 2020, Chile articulated a new multilateral cooperation scheme in the area of the digital economy. The Andean nation has succeeded in establishing the Digital Economy Partnership Agreement (DEPA) together with Singapore and New Zealand, which South Korea joined in 2024. This exercise represents the second multilateral effort with small and medium-sized powers in the Pacific basin.

2. Chile's merchandise trade with Asia-Pacific¹

2.1 Evolution of merchandise exports

The rise of Asia-Pacific as the main destination for Chilean exports is the result of a process of structural transformation that began at the start of the 21st century. China went from accounting for just 0.4% of Chilean exports in 1990 to 36.1% in 2024, displacing traditional partners such as the United States and Japan. At the same time, the European Union reduced its share from 32% in 1990 to less than 10% in 2024, reflecting the geo-economic shift of Chilean trade towards the Asian Pacific basin.

Until the early 2000s, Chile's trade with Asia was dominated by Japan and South Korea and focused mainly on copper, cellulose, and salmon. However, China's entry into the World Trade Organization (2001) and the subsequent signing of the Chile-China Free Trade Agreement (2005)

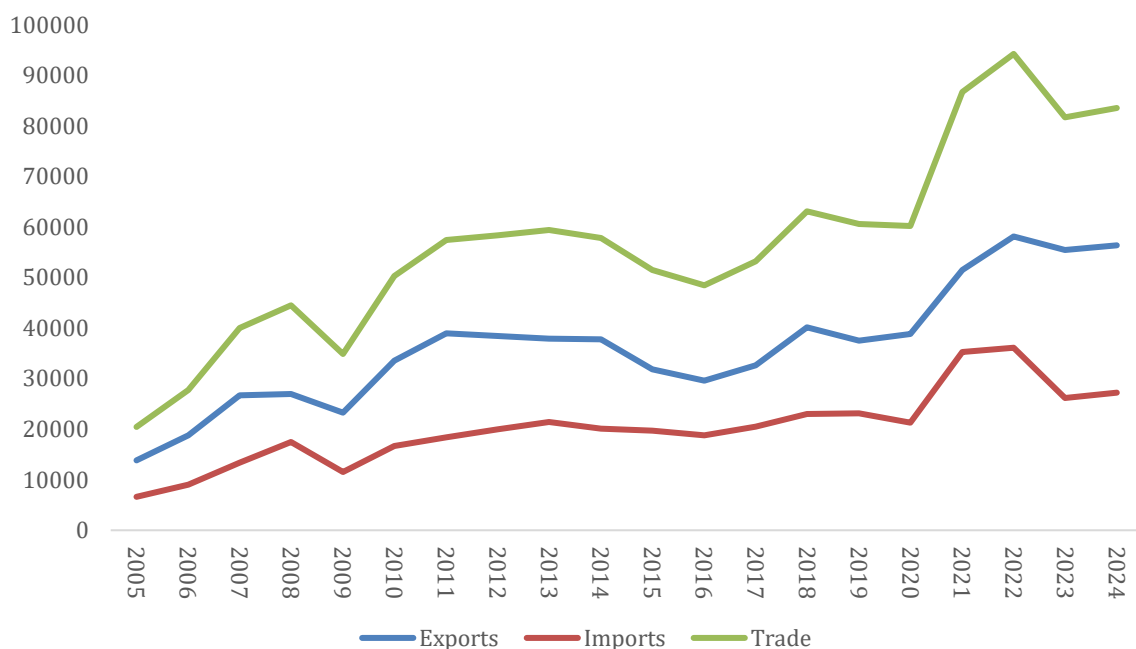
¹ In this report, the term Asia-Pacific is used in a restricted sense to refer to the group of Asian and Oceanic economies with which Chile maintains trade relations in the Pacific basin, excluding the American countries bordering the Pacific. This definition includes: Australia, Brunei Darussalam, Cambodia, China, South Korea, the Philippines, Hong Kong (China), India, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Singapore, Chinese Taipei, Thailand, and Vietnam.

marked a turning point: since then, Asia's share of Chilean exports has doubled (), and since 2010, China has become Chile's largest trading partner.

From a structural perspective, this process gave rise to a transpacific reorientation of the Chilean economy, transforming the geographical pattern of foreign trade and consolidating the strategic importance of the Asia-Pacific region. In this regard, Figure 2 shows how Chile's trade with the Asia-Pacific region has experienced substantial expansion over the last two decades, rising from US\$20.448 billion in 2005 to US\$83.512 billion in 2024, which is equivalent to growth of over 300% in nominal terms. Exports increased from US\$13.831 billion to US\$56.317 billion, while imports rose from US\$6.618 billion to US\$27.195 billion, maintaining a consistent trade surplus.

The pace of growth was particularly intense between 2005 and 2011, when exports to the region nearly tripled, driven by the entry into force of the FTA with China (2006) and the boom in copper prices. After moderating between 2013 and 2019, trade began to expand strongly again in 2021, associated with the post-pandemic recovery, growing demand for critical minerals (lithium, copper) and food, as well as the consolidation of new agreements such as the CPTPP.

Figure 2. Chile's exports, imports, and trade with Asia-Pacific, 2005-2024



Source: Own elaboration, based on data processing from Trade Map, International Trade Centre (ITC).

Trade growth was not uniform among the different Asia-Pacific partners, but it was widespread. In 17 of the 18 economies in the bloc analyzed, Chilean exports increased between 2005 and 2024, with significant increases to China, Japan, India, Vietnam, Thailand, and South Korea, which together account for more than 80% of the value exported to the region. The only exception was Indonesia, where shipments fell by nearly 40% due to the loss of several export lines and lower demand for metal products. Even in smaller markets, such as Brunei Darussalam and Myanmar, exports rose from zero in 2005 to positive amounts in 2024, reflecting a gradual expansion of Chile's commercial presence in the Asia-Pacific region as a whole.

In fact, between 2005 and 2024, Chilean exports to China increased more than eightfold (from US\$4.462 billion to US\$37.276 billion), to Japan they almost doubled (from US\$4.549 billion to US\$8.152 billion), to South Korea they more than doubled (from US\$2.238 billion to US\$4.971 billion), and to India they more than quintupled (from US\$493 million to US\$2.551 billion). In Southeast Asia, Chilean exports to the Philippines increased more than twenty-fivefold (from US\$ 12.7 million to US\$ 316.7 million), to Malaysia by almost twofold (from US\$ 94.5 million to US\$ 189.1 million), to Thailand by more than five times (from US\$131.4 million to US\$687.5 million), and to Vietnam by more than four times (from US\$70.0 million to US\$291.6 million). In contrast, shipments to Indonesia fell from US\$189.6 million to US\$114.9 million during the same period.

Shipments to Australia more than tripled (from US\$ 96.8 million to US\$ 336.5 million), and to New Zealand they increased more than threefold (from US\$ 26.5 million to US\$ 79.6 million).

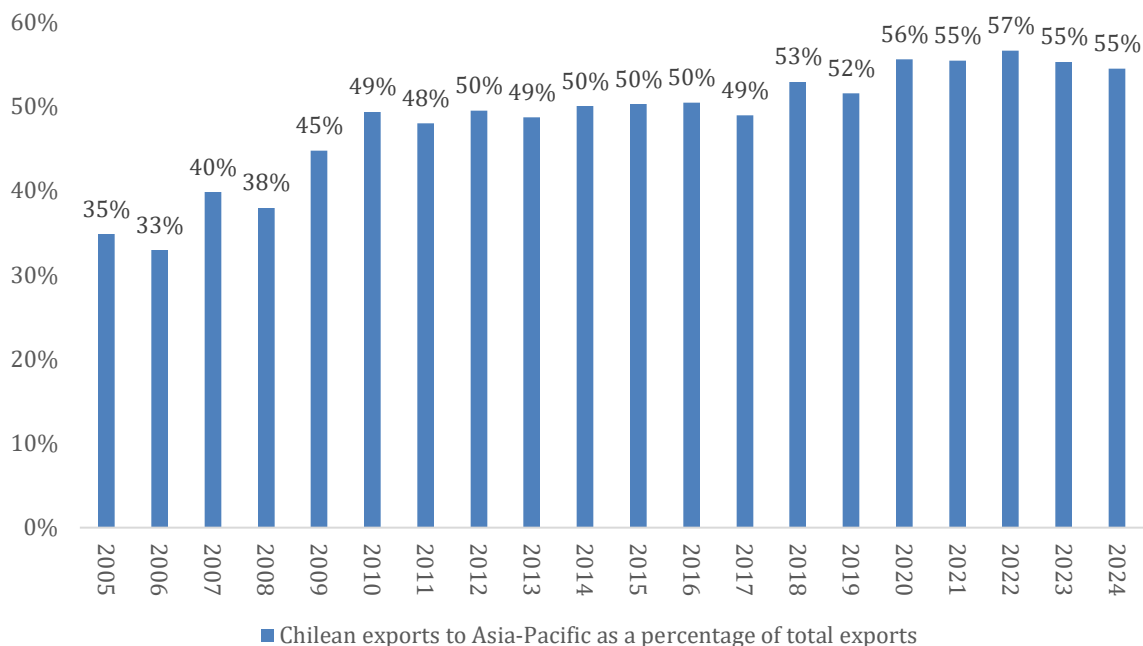
Meanwhile, the weight of Asia-Pacific in Chile's total exports shows a structural growth trend, as shown in Figure 3. In 2005, it accounted for 34.9% of total exports, while in 2010 it already reached 49.4% and in 2024 it was around 54.5%. This means that, in two decades, the bloc's share increased by 20 percentage points, consolidating its position as the main destination for Chilean shipments and displacing the United States and the European Union.

In short, the rise of Asia-Pacific as a trading destination for Chile is not just a temporary phenomenon, but a structural reconfiguration of the country's international integration pattern. The Asian bloc not only accounts for more than half of Chile's foreign trade, but also guides the direction of technological change, redefines the productive structure, and delimits opportunities for future diversification.

On the technological front, Asian demand, especially from China, Japan, South Korea, and India, is driving innovation in sectors linked to green mining, electromobility, food traceability, and smart logistics, establishing a benchmark for Chilean productive modernization. In structural terms, the sectoral composition of the export apparatus is increasingly organized around this demand, with production chains revolving around the requirements of the Asian market rather than those of Western economies. Finally, opportunities for diversification are also concentrated in this bloc, where dynamic niches are emerging for agribusiness, intermediate products, and services associated with regional value chains.

The Asia-Pacific region has thus become the anchor of the Chilean export model, linking mining, food, forestry products, and logistics services, as well as opening up new areas of productive complementarity with emerging economies such as India, Vietnam, Malaysia, the Philippines, and Thailand. This trans-Pacific shift is, in short, one of the most profound transformations of the Chilean economy in the last three decades and marks the starting point for analyzing the composition, diversification, and margins of merchandise trade with the Asia-Pacific region.

Figure 3. Asia-Pacific's % share of total exports, 2005–2024



Source: Prepared by the authors, based on data processed from Trade Map, International Trade Centre (ITC).

In this regard, Table 3 summarizes the evolution of the geographic composition of Chilean exports to Asia-Pacific between 2005 and 2024. In general terms, the expansion of Chilean trans-Pacific trade has been heavily concentrated in China, although there are early signs of diversification toward other Asian economies. In 2005, China accounted for just 11.2% of total exports, while in 2024 its share reached 36.1%, consolidating its position as Chile's main trading partner since 2010. Japan maintained a relatively stable share, fluctuating between 10% and 8% over the two decades, while South Korea consolidated around 5-6%, with a basket concentrated in copper, lithium carbonate, pork, molybdenum minerals, and chemical pulp. India, for its part, shows more irregular behavior: it peaked at 3.4% in 2012, fell after 2020, and rebounded to 2.5% in 2024, driven by the Partial Scope Agreement and sustained demand for iodine, molybdenum ores, and copper.

The economies of Southeast Asia (ASEAN) maintain low but growing individual shares, with Vietnam (0.3%), Thailand (0.7%), and Malaysia (0.2%) standing out as emerging markets for Chilean exports of food, fish, minerals, and forest products. Australia (0.3%) and New Zealand (0.1%), despite the existence of bilateral FTAs, regional (P4) and plurilateral (CPTPP) agreements, and their cooperation links in specific sectors, continue to be niche markets, together accounting for less than 1% of total exports to the bloc.

Table 3: Share of Chile's main export destinations in Asia-Pacific, 2005–2024 (percentage of total exports)

Year	Asia-Pacific (% of total exports)	China	Japan	South Korea	India	Rest Asia- Pacific
2005	34.9	11.2	11.5	5.6	1.2	5.4
2010	49.4	24.5	10.4	5.8	2.3	6.4
2015	50.3	26.7	8.7	6.6	3.2	5.1
2020	55.6	36.1	8.6	5.8	1.2	3.9
2024	54.5	36.1	7.9	4.8	2.5	3.2

Source: Prepared by the authors, based on data processed from Trade Map, International Trade Centre (ITC).

The information confirms that, although China accounts for more than two-thirds of trade with the Asia-Pacific region, the markets of East Asia, ASEAN, Australia, New Zealand, and India offer real opportunities for diversification and expansion, especially in the food, intermediate manufacturing, and related services sectors. The study, published by the Chile Pacific Foundation in 2021, identifies emerging opportunities in these markets in industries such as mining services and intermediate manufacturing, as well as in new niche markets for specific products within traditional sectors such as agribusiness (Drake-Brockman, Chile Pacific Foundation 2021). All of this shows that ASEAN is a strategic destination for diversifying and "scaling up" Chile's position in global value chains. This geographical concentration is reflected in the composition of the export basket, which is dominated by a small number of primary and semi-processed products. However, over the last two decades, there have been signs of gradual diversification, with the incorporation of new export goods and the expansion of the extensive margin.

Table 4 shows the main products exported by Chile to the Asia-Pacific region in 2024, according to the six-digit classification of the Harmonized System (HS-6). The composition confirms the predominance of mining goods, led by copper minerals and their concentrates (HS 260300), which accounted for 50% of total exports to the bloc, followed by refined copper (HS 740311), with 12%, and lithium carbonate (HS 283691), with 5%. Together, these three products accounted for more than two-thirds of shipments to the region, reflecting Chilean trade's structural dependence on metallic natural resources.

Next are products from the agri-food, forestry, and fishing sectors, which, although to a lesser extent, have shown dynamism in recent years. Fresh cherries (HS 080929) stand out, with exports exceeding US\$2.9 billion, as do frozen salmon (HS 030312), which reached nearly US\$800 million. Forest products also feature prominently, such as chemical wood pulp (HS 470321 and HS 470329), with shipments exceeding US\$1 billion each, and fishmeal (HS 230120), with nearly US\$360 million.

The presence of intermediate and manufactured products remains marginal, although there are niches of growth in metal containers (HS 860900) and lithium oxides and hydroxides (HS 282520), linked to the electromobility value chains. Together, the top twenty-five products accounted for approximately 93% of total exports to Asia-Pacific, reflecting a high concentration, but also the consolidation of new goods such as fruit, wine, and animal proteins.

In turn, if we examine the share of the main products exported to Asia-Pacific in Chile's total exports to the world, we see that the region absorbs a dominant fraction of foreign sales of most strategic goods. In 2024, more than 90% of Chile's total exports of copper minerals, fresh cherries, lithium carbonates, and chemical wood pulp were destined for Asia-Pacific. For other products, such as iron, zinc, molybdenum, and fishmeal, the share exceeds 70%, while only for more diversified agro-industrial goods (wine, Pacific salmon fillets, sawn wood) and refined copper does the proportion fall below 40%. This confirms that the dynamism of Chile's export basket is structurally dependent on demand from the Asian bloc, which acts as the anchor market for the national export model.

Table 4. Main products exported by Chile to Asia-Pacific, 2024 (in millions of US\$ and percentage of total exports to each country)

Product description	Export value 2024 (US\$ million)	% of total to that destination	% of total to the world
Copper ores and concentrates (260300)	28,367	50.4	94
Refined copper (740311)	6,972	12.4	40
Fresh cherries (080929)	2,922	5.2	95
Lithium carbonates (283691)	2,417	4.3	92
Unrefined copper (740200)	1,727	3.1	82
Iron ores (260111)	1,169	2.1	83
Chemical pulp, from wood other than coniferous (470329)	1,168	2.1	74
Chemical pulp, from coniferous wood (470321)	1,064	1.9	92
Molybdenum ores (261310)	931	1.7	64
Frozen salmon (030312)	798	1.4	89
Iodine (280120)	723	1.3	50
Frozen pork (020329)	413	0.7	73
Chemical wood pulp, dissolving (470200)	412	0.7	100
Flour, meal, and pellets of fish or crustaceans (230120)	362	0.6	74

Wine made from fresh grapes (220421)	319	0.6	24
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Source: Own elaboration, based on data processing from Trade Map, International Trade Centre (ITC).

Analysis by main destinations in Asia-Pacific reveals marked differences in the structure of Chile's export basket. In China, copper minerals and concentrates accounted for more than half of shipments, followed by refined copper and lithium carbonate, reflecting a strongly extractive-industrial pattern. In Japan and South Korea, copper also leads, but with a significant presence of marine products, particularly salmon and trout, and forestry products, reflecting a more diversified and stable relationship. India, on the other hand, shows a basket with a tendency to decentralize: in 2024, copper accounted for around 68% of total exports, but there has been sustained growth in iodine, cellulose, fruits (apples, kiwis, nuts), and horticultural seeds, linked to the Partial Scope Agreement and the dynamism of its domestic market. In this regard, it is worth mentioning that negotiations to establish a CEPA with India have been open since 2025.

The data in Table 5 confirm that Chilean trade with these Asian economies remains heavily concentrated in mining products, particularly copper and lithium, although with different profiles depending on the market. In China, the three main goods, copper minerals, cathodes, and lithium carbonates, accounted for more than 70% of total exports, reflecting a pattern of integration based on inputs for the manufacturing industry. In Japan, exports combine copper, seafood, and molybdenum minerals, while South Korea shows an intermediate structure between mining and food, with a growing presence of products associated with electromobility. In India, meanwhile, copper, molybdenum, and iodine account for more than 85% of shipments, but agroforestry and semi-processed products with potential for expansion are beginning to be incorporated.

In contrast to the economies of East and South Asia, Southeast Asian countries have a more diversified basket of goods, with a greater share of agri-food, forestry, and chemical products. The following section analyzes the main trade flows with the Philippines, Vietnam, Indonesia, Thailand, and Malaysia, which account for nearly 90% of Chilean shipments to the ASEAN bloc. Although these countries represent a smaller fraction of total trade, they show growing dynamism and strategic importance for the expansion of Chile's export base. In this regard, Chile's export pattern to Southeast Asia is more diversified than in East Asia, although it still maintains a high concentration in natural resources, as shown in Table 6. In the Philippines, copper minerals account for more than 80% of total exports, a ratio similar to that observed with China. Malaysia combines metal products, cathodes, concentrates, and copper scrap with forestry shipments, salmon, and petroleum derivatives, reflecting a broader industrial base. In Vietnam, on the other hand, an agroforestry and fishing basket predominates, led by sawn wood, salmon, trout, and iodine, suggesting a trade link more oriented toward final consumption. Thailand is consolidating its position as Chile's main partner in ASEAN, with a pattern dominated by refined copper and chemical wood pulp, complemented by marine and metal products. Indonesia, for its part,

combines traditional exports of copper and wood with shipments of fertilizers, fish oils, and processed foods, and is showing the first signs of industrial diversification.

Together, these five countries account for about 6% of Chilean exports to the Asia-Pacific region, but their strategic importance lies in the expansion of the extensive margin, the growing demand for food and sustainable natural resources, their integration into regional production networks linked to the CPTPP and RCEP, as well as global manufacturing chains in Southeast Asia.

Table 5. Main products exported by Chile to China, Japan, South Korea, and India, 2024 (in millions of US\$ and percentage of total exports to each country)

Country	Product description	Export value 2024 (US\$ million)	% of total to that country
China	Copper ores (260300)	19,986	53.6
	Refined copper (740311)	4,796	12.9
	Lithium carbonates (283691)	2,025	5.4
	Fresh cherries (080929)	2,823	7.6
	Iron ores (260111)	1,122	3.0
Japan	Copper ores (260300)	5,141	63.1
	Frozen salmon (030312)	562	6.9
	Molybdenum ores (261310)	487	6.0
	Salmon fillets (030481)	261	3.2
	Frozen pork (020329)	176	2.2
Korea	Refined copper (740311)	1,152	23.2
	Copper ores (260300)	1,467	29.5
	Lithium carbonates (283691)	287	5.8
	Lithium oxide and hydroxide (282520)	168	3.4
	Frozen pork (020329)	182	3.7
India	Copper ores (260300)	1,384	54.3
	Unrefined copper (740200)	359	14.1
	Molybdenum ores (261310)	223	8.7
	Iodine (280120)	215	8.4
	Fresh or dried nuts (080231)	96	3.8

Source: Prepared by the authors, based on data processed from Trade Map, International Trade Centre (ITC).

Table 6. Main products exported by Chile to ASEAN countries, 2024 (in millions of US\$ and percentage of total exports to each country)

Country	Main product (HS)	Value (US\$ million)	2024 % of total to that country
Philippines	Copper ores and concentrates (260300)	257.2	81.2
	Frozen Atlantic salmon (030313)	20.3	6.4
	Frozen Pacific salmon (030312)	10	3.1
Malaysia	Refined copper (740311)	65	34.4
	Copper ores and concentrates (260300)	21.8	11.5
	Copper waste and scrap (740400)	15.7	8.3
	Light petroleum oils (271012)	14.3	7.6
	Sawn pine wood (440711)	11.8	6.2
Vietnam	Pine sawnwood (440711)	55.2	18.9
	Frozen Pacific salmon (030312)	50.2	17.2
	Frozen trout (030314)	19.2	6.6
	Refined copper (740311)	13.1	4.5
	Iodine (280120)	12.8	4.4
Thailand	Refined copper (740311)	344.2	50.1
	Chemical wood pulp for dissolving (470200)	93.4	13.6
	Frozen Atlantic salmon (030313)	40.9	6.0
	Molybdenum ores (261390)	40.8	5.9
	Chemical pulp from coniferous wood (470311)	20.5	3.0
Indonesia	Refined copper (740311)	29.7	25.8
	Frozen Pacific salmon (030312)	11.1	9.7
	Sawn pine wood (440711)	10.4	9.1
	Mineral fertilizers containing nitrogen and potassium (310590)	7.4	6.4
	Chemical wood pulp (470329)	6.5	5.6

Source: Own elaboration, based on data processing from Trade Map, International Trade Centre (ITC).

Overall, the data confirm that the three East Asian economies account for the bulk of trade, while India and the Southeast Asian economies offer real scope for diversifying both markets and products. The emerging pattern is one of integration strongly driven by Asian demand for minerals and food, but with growing opportunities in intermediate, agro-industrial, and bio-based goods.

A key indicator for assessing the depth and sustainability of Chile's trade integration in the Asia-Pacific region is the diversification of the extensive margin, i.e., the number of products actually exported to the different markets in the bloc, according to the six-digit classification of the Harmonized System. This indicator measures the degree of expansion of the export base and the country's capacity to incorporate new goods into its trade offer.

Table 7 shows the evolution of the number of products exported by Chile to the Asia-Pacific region between 2005 and 2024, according to the six-digit classification of the Harmonized System. During this period, the total number of lines exported to the region rose from 488 to 605, reflecting moderate but sustained diversification. This increase is mainly explained by the incorporation of new goods into the markets of China, India, and Southeast Asia, while the supply to Japan and South Korea has remained relatively stable, albeit with a more specialized composition and higher added value.

In the case of China, the number of products exported nearly doubled, from 148 to 287, illustrating the expansion of the basket beyond copper and its derivatives. India shows a similar pattern, with an increase from 55 to 114 products, driven by the Partial Scope Agreement and growing demand for food and natural resources. In contrast, Japan and South Korea show more limited diversification, consistent with mature markets and established trade relations in traditional goods.

Meanwhile, the growth of Chile's exports to Asia-Pacific can be broken down into two complementary dimensions: the intensive margin, which measures the increase in the exported value of existing products, and the extensive margin, which reflects the incorporation of new goods and/or the opening of new destinations. This distinction is key to understanding the nature of Chile's export dynamism: while the intensive margin expresses the consolidation of competitive advantages in established sectors, such as mining, pulp and paper, and agribusiness, the extensive margin demonstrates the country's ability to diversify its productive structure and enter new demand segments.

In Chile's case, the recent expansion of trade with the Asia-Pacific region combines both effects: a strong intensive component, concentrated in metal ores and established agri-food products, and a growing extensive component, particularly visible in links with India and the economies of Southeast Asia.

In this sense, the intensive margin can be expressed in three ways: (i) an increase in the export value of products already consolidated in the Asia-Pacific market; (ii) a decrease in the value of those same products; and (iii) the extinction of certain goods that were previously exported.

The extensive margin is associated with the emergence of new products or new product-market combinations. Given that Asia-Pacific as a bloc and the countries analyzed (China, South Korea, Japan, India, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) are not new markets for Chile, this margin manifests itself mainly in two ways: (i) the introduction of new products into established markets; for example, the incorporation of processed foods or industrial goods that were not previously exported to these destinations or to any other country outside Asia-Pacific, and (ii) the diversification of products in consolidated markets, when Chile begins to export goods that were previously destined for other trading partners, such as the United States or the European Union, and incorporates them into trade with Asia-Pacific.

Table 7. Number of products exported by Chile to Asia-Pacific, 2005-2024

	Asia-Pacific	China	Japan	Korea	India	Philippines	Indonesia	Malaysia	Thailand	Vietnam
2005	488	148	227	115	55	33	40	53	62	32
2006	534	162	236	118	58	39	42	51	60	34
2007	566	200	243	121	62	45	66	51	67	44
2008	589	191	242	129	71	40	55	55	65	58
2009	559	195	214	117	81	34	42	49	57	60
2010	594	214	215	127	76	42	56	53	83	59
2011	682	262	231	149	93	49	53	57	61	57
2012	682	281	237	150	93	50	61	62	67	61
2013	616	285	195	163	84	34	40	68	66	65
2014	601	253	186	159	95	41	63	59	73	80
2015	602	271	187	160	92	38	56	60	73	80
2016	567	251	189	170	108	37	57	53	75	64
2017	616	252	188	154	118	41	58	56	93	74
2018	665	333	173	151	127	45	57	75	98	74
2019	644	310	172	142	119	55	54	78	92	74
2020	590	278	170	152	110	42	57	77	92	77
2021	575	252	165	145	99	47	59	80	93	72
2022	551	234	164	151	102	54	66	79	94	76
2023	606	277	173	152	120	53	79	77	94	74
2024	605	287	178	141	114	44	68	69	98	81

Source: Prepared by the authors, based on UN Comtrade data, accessed through WITS, World Integrated Trade Solution (World Bank).

In this context, Table 8 shows the evolution of the contribution of intensive and extensive margins to the growth of Chilean exports to Asia-Pacific between 2005 and 2024, which allows us to identify structural changes in the dynamics of national exports during the period. Overall, the

results show that the intensive margin, i.e., the increase in the exported value of already established products, explains most of the observed growth, while the extensive margin, associated with the incorporation of new goods or diversification in existing markets, has played a more limited role, although it has recently expanded. Based on these results, a clear recommendation can be made: Chile should take advantage of these opportunities to expand its extensive margin in Asian markets through active diversification strategies, sanitary approvals, and certifications that allow new products to be incorporated into sectors with high potential.

At the aggregate level, the intensive margin contributed about 93% of the total increase in exports to Asia-Pacific, driven mainly by growth in metallic minerals and established agri-food products. Within this margin, the "increase" component (98.3%) reflects the strength of established products, while reductions and extinctions of export lines subtracted around 6 percentage points. In contrast, the extensive margin accounted for 6.9% of total growth, mainly through product diversification in existing markets rather than the introduction of completely new goods. This pattern suggests that Chile has tended to expand its offering in the same sectors—agribusiness, forestry, and seafood—rather than radically transforming its export basket.

A comparison between countries reveals significant differences. In China, growth was almost entirely intensive (96.5%), dominated by the expansion of copper, lithium, and cellulose minerals. The contribution of the extensive margin (3.5%) indicates that, despite the strong dynamism of the market, product diversification has been limited. Japan and South Korea have a similar profile, although with a slightly higher extensive margin in Korea (12.6%), associated with the incorporation of agri-food and chemical goods. In both cases, the stability of the basket reflects mature trade relations and a consolidated insertion in traditional high-value sectors.

Table 8. Contribution of intensive and extensive trade margins, 2005-2024

	Asia-Pacific	China	Japan	Korea	India	Philippines	Indonesia	Malaysia	Thailand	Vietnam
Increase	98.3	97.2	127.1	105.0	69.9	14.5	-23.7	97.7	78.6	57.0
Decrease	-3.6	-0.5	-21.4	-12.6	0.0	-0.6	85.0	-1.3	-10.3	-24.4
Extinction	-1.6	-0.1	-7.6	-5.0	-1.2	-3.8	105.8	-67.1	-1.5	-0.5
Intensive Margin	93.1	96.5	98.0	87.4	68.7	10.1	167.2	29.3	66.7	32.1
Introduction of new products	0.3	0.0	0.0	0.2	0.1	0.4	0.0	0.1	2.6	0.0
Product diversification	6.6	3.5	2.0	12.4	31.2	89.6	-67.2	70.7	30.6	67.9
Extensive margin	6.9	3.5	2.0	12.6	31.3	89.9	-67.2	70.7	33.3	67.9

Source: Own elaboration, based on UN Comtrade data, consulted through WITS, World Integrated Trade Solution (World Bank).

In India, on the other hand, expansion was significantly more balanced: the intensive margin accounts for two-thirds of growth, while the extensive margin contributes more than one-third (31%), driven by the incorporation of new lines of food, forestry products, and chemicals. This result confirms that the Indian market is one of the main sources of diversification for Chilean exports, in line with the effects of the Partial Scope Agreement and the expansion of tariff preferences since 2017. In this vein, it can also be anticipated that a possible CEPA with India would deepen this dynamic, expanding effective access, reducing regulatory barriers, and enabling new opportunities in sectors with high extensive margin potential.

Southeast Asian countries show an even more heterogeneous pattern. In the Philippines, the extensive margin (89.9%) dominates, reflecting an accelerated diversification process, albeit on a reduced export base. Malaysia and Thailand combine intensive and extensive margins of similar magnitudes, reflecting the coexistence of established metal products with the incorporation of forestry, fishery, and agro-industrial goods. In Vietnam, the extensive margin (67.9%) is the main driver of growth, associated with the entry of new agroforestry and seafood products, while the intensive margin remains moderate. Finally, Indonesia is the only exception: total exports from Chile to that country fell by around 40% between 2005 and 2024, due to the disappearance of numerous export lines (extinction = 105.8%) and the reduction in the value of consolidated products (decrease = 85%). Diversification partially mitigated the decline, but failed to reverse it.

In summary, Chile's export growth to the Asia-Pacific region over the last two decades has been dominated by the intensive margin, sustained by the expansion of primary and semi-processed goods, while the extensive margin shows signs of strengthening in emerging markets such as India and Southeast Asia. This confirms that Chile's trade integration strategy still relies on its traditional core of minerals, cellulose, and food, but with an incipient diversification base that could be a key driver of future growth.

2.2 Tariffs

The tariff landscape in Asia-Pacific reveals a highly heterogeneous and segmented structure between countries and sectors. While Chile's mining, metal, and forestry products face low or zero tariffs thanks to existing agreements with China, Japan, South Korea, Australia, and New Zealand, the agri-food and final consumption sectors continue to face significant restrictions in India and much of Southeast Asia. In these economies, beverages, dairy products, meat, and processed foods remain subject to high levels of protection, precisely in the areas where Chile seeks to expand its export base.

The fact that four ASEAN countries (Cambodia, Laos, Myanmar, and the Philippines) do not have trade agreements with Chile means that the tariffs effectively applied in the region are higher than the preferential tariffs in force in markets with FTAs, which limits Chilean exports' access to key segments of the bloc.

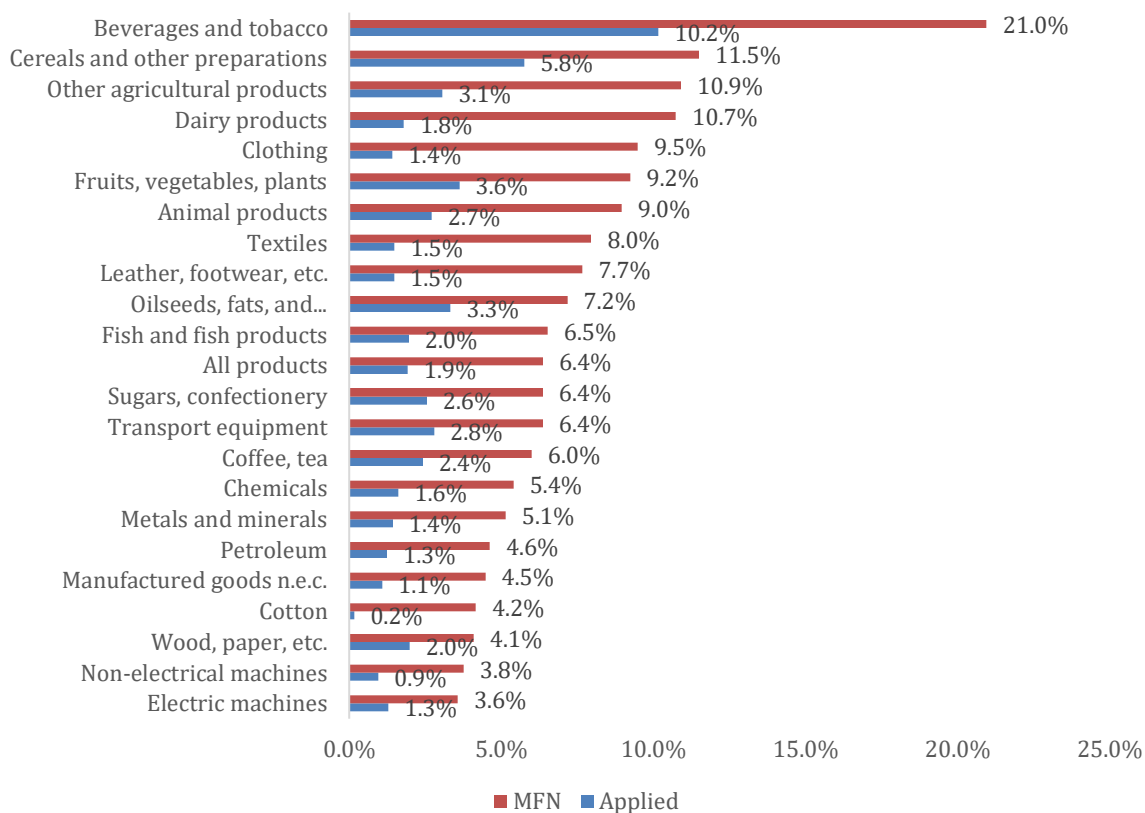
As shown in Figure 4, the highest levels of protection are concentrated in the agri-food and final consumption sectors, where average most-favored-nation (MFN) tariffs far exceed the levels observed for industrial goods and raw materials. On average, agricultural and agro-industrial products have rates of between 9% and 21%, with beverages and tobacco (21%), cereals and preparations (12%), dairy products (11%), clothing (9%), and fruits, vegetables, and plants (9%) standing out. These figures reflect a defensive tariff policy aimed at protecting sensitive industries and employment, especially in economies with large agricultural sectors, such as India, Indonesia, and Thailand.

In contrast, industrial goods and productive inputs are substantially more open. Metals and minerals, electrical and non-electrical machinery, wood, paper, and chemicals have average MFN tariffs of between 4% and 5%, with even lower effective rates (1-2%) thanks to FTAs. This pattern reflects the region's efforts to keep costs low for its manufacturing base and to strengthen the export competitiveness of Asian value chains.

In aggregate terms, the simple average MFN tariff in Asia-Pacific is 6%, which is intermediate between the average level of protection in developed economies, such as the European Union (5%) or the United States (3.4%), and that of upper-middle-income countries (WTO, n.d.). However, when tariffs are weighted by actual trade, the average drops to about 3%, reflecting that the largest import flows are concentrated in industrial sectors with low tariff protection and that the most heavily taxed products have a marginal weight in actual trade.

Overall, this tariff structure confirms the coexistence of two trade patterns in the Asia-Pacific basin: one that is open and competitive in the industrial and strategic input sectors, in which Chile participates through minerals, cellulose, and chemical products, and another that is heavily protected in the agri-food sectors, precisely those with the greatest potential for diversification for Chilean exports.

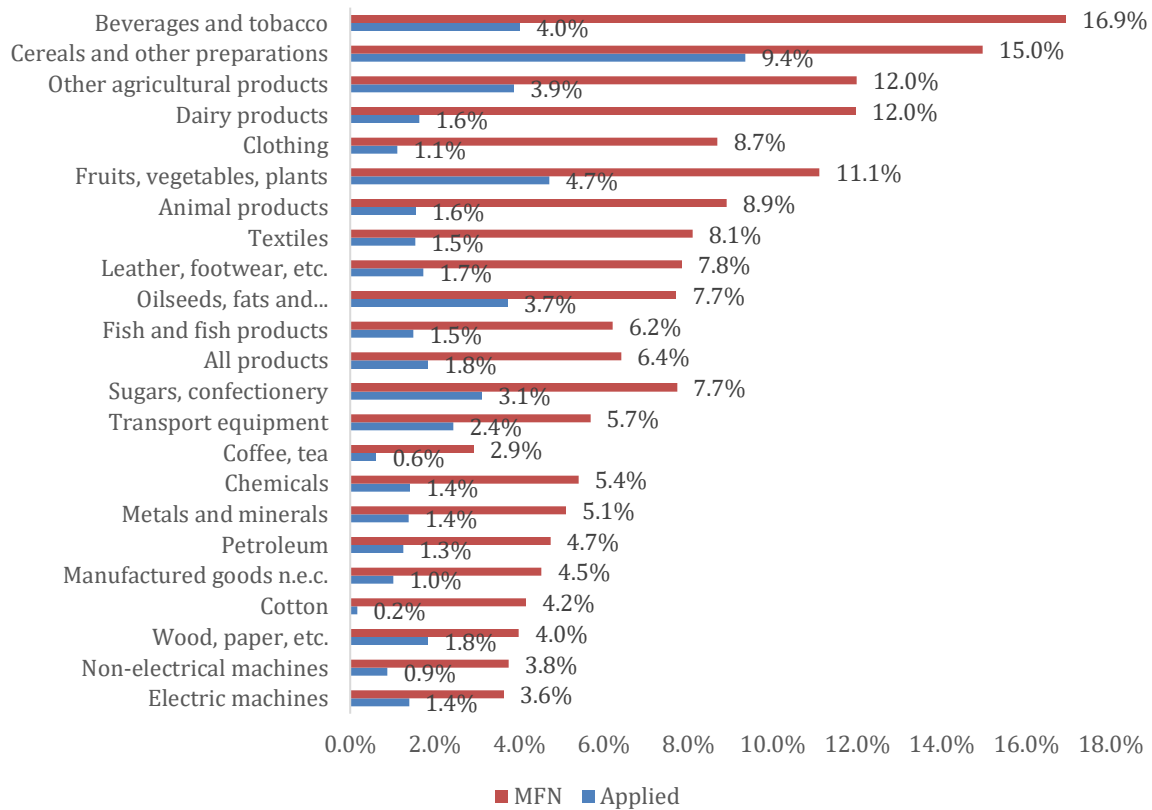
Figure 4. Tariffs on Chilean exports in Asia-Pacific, simple average by sector



Source: Prepared by the authors, based on UN Comtrade data, consulted via WITS, World Integrated Trade Solution (World Bank).

Figure 5 shows the weighted average tariffs on trade, which reflect Chile's actual export patterns to Asia-Pacific. In this case, the weighted average of MFN tariffs is 6.4%, while the average effectively applied is reduced to 1.8%, confirming that most trade is concentrated in industrial goods with low levels of protection. The difference between the two averages highlights the effect of free trade agreements, as well as the weight of intra-industry trade and intermediate inputs in Chile's export pattern.

Figure 5. Tariffs on Chilean exports in Asia-Pacific, weighted average by sector



Source: Prepared by the authors, based on UN Comtrade data, consulted via WITS, World Integrated Trade Solution (World Bank).

The weighted pattern also reveals that sectors with higher nominal tariffs are actually less relevant in actual trade, as high tariffs discourage imports. Mining, metal, and chemical products, which account for most of Chile's exports, face weighted rates of less than 2%, while the agri-food sectors, particularly cereals (15%), beverages and tobacco (17%), dairy products (12%), and fruits, vegetables, and plants (11%), retain substantially higher levels of protection. These results confirm that trade liberalization in the Asia-Pacific region is concentrated in industrial goods, while the agricultural and final consumption sectors remain sensitive and poorly liberalized areas.

In general terms, the effective tariff preferences that Chile obtains through its agreements reduce tariffs on the products that dominate its export basket to almost zero, but the use of these preferences is not fully realized due to rules of origin, administrative costs, and the persistence of exclusion lines on processed foods and beverages. In this regard, Rong and Clizo (2025) point out that it should be considered that a significant part of bilateral trade is affected by at least non-tariff barriers, particularly in APEC economies, and is mostly reflected more in the destination market than in the origin market.

Additionally, the authors suggest that APEC economies apply two to three times more non-tariff measures in agriculture than in other industries such as manufacturing, with technical measures predominating. With regard to regulatory heterogeneity, it is also noted that there is greater similarity in the manufacturing industry than in agriculture, which affects developing economies to a greater extent due to their comparative interests. These barriers affect smaller companies (micro, small, and medium-sized enterprises) in particular, given the additional requirements and costs of adapting to the different standards that must be met in order to obtain, for example, certifications in different jurisdictions.

The outlook therefore suggests that Chile's commercial profit margin does not lie in mining or industrial inputs, which are already well established, but rather in further liberalizing the agri-food and agro-industrial sectors, where tariffs and technical barriers continue to limit export diversification.

Table 9 shows the average simple and weighted tariffs, both MFN and preferential, applied by Chile's main partners in the Asia-Pacific region². The results show significant heterogeneity between developed, emerging, and lower-income economies, as well as a marked divergence between nominal tariff levels and those actually applied in preferential agreements.

Among the countries with the lowest protection are Malaysia, Japan, China, and Thailand. In Malaysia, Japan, and China, MFN rates are around 3.9%, 4.8%, and 7.3%, respectively, but are reduced almost entirely for Chile under bilateral agreements. Thailand maintains a relatively high MFN average (13.2%), although the effective tariff under the FTA with Chile is only 0.4%, reflecting the depth of liberalization achieved. These countries account for most of Chile's trade with Asia-Pacific, which explains why trade-weighted tariffs are low on average at the regional level.

In the intermediate openness group are Vietnam, Indonesia, and South Korea, with MFN averages between 8.8% and 11.4% and effective reductions of up to four or five percentage points thanks to existing agreements. These cases combine considerable industrial openness with more cautious policies in the agri-food sector, especially in beverages, dairy products, and processed products, which remain protected by double-digit tariffs or are included in exclusion lists.

In contrast, countries without preferential agreements in force with Chile, Cambodia, Laos, Myanmar, and the Philippines have the highest and most widespread levels of protection. In these countries, MFN and preferential tariffs coincide, as there are no bilateral reductions. Notable examples are Cambodia (12.9%) and Myanmar (10.2%), which maintain broad and defensive tariff

² It should be noted that Australia, New Zealand, Hong Kong (China), Chinese Taipei, Brunei Darussalam, and Singapore were not included because in these cases the preferential tariffs applied are zero for all tariff lines, as a result of the FTAs.

structures. The Philippines, despite being a larger market, maintains an average of 7.1%, reflecting a policy of gradual opening. These low-to-middle-income economies with sensitive agricultural sectors represent a challenge for Chilean export diversification, as effective access rates remain high even for industrial and agro-industrial products.

Finally, India stands out as the country with the highest tariffs in the group: a simple MFN average of 17.6% and a preferential tariff of 14.9%, with weighted values of 9.2% and 6.6%, respectively. The magnitude of this gap illustrates the defensive nature of Indian trade policy and the limited scope of the Partial Scope Agreement, currently in the process of being expanded to a CEPA. In comparative terms, India remains the most protected partner and, therefore, the one with the greatest potential for deepening liberalization and expanding bilateral trade.

Table 9. Tariffs on Chilean exports in Asia-Pacific, by country

	Simple average		Weighted average	
	Preferential tariff	MFN tariff	Preferential tariff	MFN tariff
Cambodia	12.9	12.9	1.9	1.9
China	0.3	7.3	0.1	2.4
South Korea	2.1	11.4	0.1	4.8
Philippines	7.1	7.1	4.5	4.5
India	14.9	17.6	6.6	9.2
Indonesia	4.8	8.8	2.0	4.9
Japan	0.7	4.8	0.0	1.2
Laos	4.5	4.5	4.8	4.8
Malaysia	3.9	3.9	0.2	0.2
Myanmar	10.2	10.2	9.5	9.5
Thailand	0.4	13.2	0.2	2.6
Vietnam	3.8	10.3	2.0	3.5

Source: Prepared by the authors, based on UN Comtrade data, accessed via WITS, World Integrated Trade Solution (World Bank).

Table 10 classifies the countries of the Asia-Pacific region into four groups according to their degree of tariff liberalization vis-à-vis Chile. On the one hand, there are fully liberalized countries, such as Australia, Brunei Darussalam, Hong Kong (China), New Zealand, Chinese Taipei, and Singapore (not included in Table 8 for this reason), where there are virtually no tariff peaks. In the case of Chinese Taipei, this high degree of liberalization is not due to the existence of a free trade agreement with Chile, but to the widespread application of low tariffs, in accordance with the Most-Favored-Nation principle of the World Trade Organization (WTO). On the other hand, there is a second group of countries with FTAs, but with sensitive sectors still protected (Indonesia, Malaysia, Thailand, and Vietnam); India, with a Partial Scope Agreement that maintains very high

tariff peaks in key sectors for Chile, such as wine; and countries without a preferential agreement in force (Cambodia, Laos, Myanmar, and the Philippines), which maintain high levels of protection in all sectors.

The data confirm marked heterogeneity in the effective opening of Asia-Pacific markets. Among FTA partners, Malaysia, Thailand, and Indonesia exhibit low average tariffs in most non-agricultural sectors (between 1% and 4%), but maintain peaks in processed agricultural products, such as beverages and tobacco (10%–43%), coffee and tea (8%–11%), and sugars and confectionery (3%–17%). In Vietnam, the overall average tariff is 4%, although high levels persist on food and beverages (up to 38%), as well as on some agro-industrial intermediate goods. This structure reflects the gradual liberalization strategy of the ASEAN-Chile agreements, in which sensitive agricultural sectors were excluded, either totally or partially, from preferential access.

Between 2021 and 2023, several of these bilateral agreements entered transition phases toward full tariff liberalization, albeit with varying degrees of scope. In Vietnam and Indonesia, it is estimated that around 10% of tariff lines will maintain tariffs other than zero even in 2030, compared to less than 5% in Malaysia and Thailand. This confirms the asymmetry in the depth of trade commitments in ASEAN, where industrial liberalization has advanced faster than agricultural liberalization.

In contrast, countries without agreements with Chile, namely Cambodia, Laos, Myanmar, and the Philippines, have significantly higher and more widespread levels of protection. The average simple tariff for this group ranges from 6% to 10%, reaching extreme values for processed agricultural products: beverages and tobacco (15%-29%), sugars and confectionery (15%-29%), and coffee and tea (16%-26%). Tariffs on non-agricultural products are also relatively high (between 5% and 10%), which restricts the competitiveness of Chilean exports of manufactured goods and intermediate goods. These economies, not being covered by preferential agreements, constitute the main "pending areas" of Chilean trade policy in Southeast Asia.

Table 10. Effective tariff applied to Chilean exports, by country and sector in 2023

Category / Product	Cambodia	Philippines	India	Indonesia	Laos	Malaysia	Thailand	Vietnam	Myanmar
All products	10	6	15	5	9	1	2	4	7
Agricultural products	13	10	43	6	11	8	7	9	10
Animal products	14	8	-	3	11	0	3	0%	8
Dairy products	10	3	-	2	5	3	19	3	3
Fruits, vegetables, and plants	10	6	13	3	5	4	8	14	4
Coffee and tea	26	16	61	11	24	8	3	3	17
Cereals and cereal preparations	28	9	31	8	19	8	3	13	10
Oilseeds, fats, and oils	18%	6%	22	1	11	3	15	7	7
Sugars and confectionery	29	15	-	15	11	3	17	38%	23
Beverages and tobacco	29	15	150	43	11	10	17	38	23
Cotton	0	0	-	0	0	0	0	1%	0
Other agricultural products	8	7	64	3	10	0	3	6	9
Non-agricultural products	10	5	8	4	8	3	1	4	6
Fish and fish products	10	5	30	4	6	1	1	2	4
Minerals and metals	5	2	6	2	4	1	1	3	2
Oil	2	1	5	1	2	1	1	1	1
Chemicals	7	5	24	3	6	1	3	3	5
Wood, paper, etc.	4	3	3	2	3	2	1	2	2
Textiles	10	6	18	6%	7%	2	4	6	5
Clothing	11	6	15	7	8	4	6	7	7
Leather goods, footwear, etc.	9	6	11	7	6	3	4	6	5
Non-electric machines	3	2	6	1	3	1	1	2	2
Electrical machinery	3	2	11	1	3	1	1	2	2

Transportation equipment	7	5	13	3	6	3	3	4	5
Manufacturing n.e.c.	6	4	10	4	5	2	2	3	4

Source: Prepared by the authors, based on UN Comtrade data, accessed via WITS, World Integrated Trade Solution (World Bank).

Note: Cambodia, the Lao People's Democratic Republic, Myanmar, and the Philippines do not have an FTA with Chile; therefore, the tariff effectively applied is the MFN tariff. The tariffs in this table are simple averages by sector. Note that, according to the sectoral classification of the WTO Agreement on Agriculture, the fish and fish products sector is considered non-agricultural. This means that Chile does not export products in this sector and therefore no tariff is applied.

In the case of India, the situation is even more restrictive. The Chile-India Partial Scope Agreement, in force since 2007 and extended in 2017, granted preferences to more than 1,100 Chilean products, but effective tariffs remain high and highly dispersed. In 2023, the average simple tariff applied by India to Chilean products was 15%, with significant differences between sectors: 43% for agricultural products and 8% for non-agricultural products. The most protected sectors are beverages and tobacco (150%), coffee and tea (61%), and fruit, vegetable, and cereal preparations (22%-50%), reflecting a regressive tariff structure that penalizes processed goods and favors raw materials. In contrast, minerals and metals, which account for more than 90% of Chile's exports to India, face average rates of just 5%, which facilitates the exchange of copper, iodine, lithium, and other industrial inputs.

India maintains a highly protectionist trade policy in the agri-food sector and a moderately open policy on industrial goods, reproducing a pattern of anti-industrial bias similar to that observed in other large emerging economies. In addition, the existence of non-tariff barriers, such as prior licenses, health certifications, and technical standards, reinforces the asymmetry of access and particularly affects Chilean exports of food, chemicals, and those with higher added value.

In short, although the Partial Scope Agreement with India has helped improve access to mineral and metal products, liberalization remains partial and shallow. Agricultural and agro-industrial products, which are key to Chile's export diversification, continue to face prohibitive tariff barriers that limit their competitiveness vis-à-vis partners with broader agreements, such as ASEAN or South Korea. Deepening the PTA into a Comprehensive Economic Partnership Agreement (CEPA) would make it possible to correct these asymmetries, incorporate disciplines on non-tariff measures, and promote regulatory convergence in sanitary, technical, and environmental standards, which are necessary conditions for expanding Chile's real access to the dynamic Indian market.

The data in Table 8 show that, while Asia-Pacific countries with FTAs have substantially reduced their industrial tariffs, barriers to agricultural and processed products persist in most partners, especially in India and parts of Southeast Asia. This underscores the need to deepen existing agreements and move toward new preferential negotiations, prioritizing export diversification and regulatory convergence in the food, beverage, and knowledge-intensive manufacturing sectors.

Overall, the tariff landscape in Asia-Pacific reflects a heterogeneous and asymmetrical opening, with the existence of preferential agreements accounting for much of the differences in effective regional market access. Partners with consolidated FTAs, such as China, Korea, Japan, Australia, New Zealand, and part of ASEAN, have eliminated most barriers to industrial goods, while countries without agreements or with partial liberalization, such as India and several members of mainland ASEAN, maintain high and regressive tariff structures, especially on agri-food products and processed manufactures. This dual pattern creates a segmented trade environment, where Chile's competitiveness depends both on the coverage of agreements and on the effective use of existing preferences. However, even in the most open markets, the growing presence of non-tariff

measures related to health, safety, certifications, and technical standards has become the main determinant of actual access to trade. The following section examines precisely this set of regulatory barriers, which today limit Chile's effective integration into Asia-Pacific regional value chains.

2.3 Non-tariff measures

Non-tariff measures (NTMs) have become the main instrument of trade protection in the Asia-Pacific region. Unlike tariffs, which have declined significantly after decades of liberalization, NTMs tend to proliferate and become more complex, acting as sanitary, technical, or environmental control mechanisms, but also as regulatory barriers that directly affect the ability of foreign exports to access markets. Their presence is widespread and growing, although their effective impact varies according to each country's level of institutional development, productive structure, and enforcement capabilities. Coverage and frequency indicators—the former measuring the proportion of products subject to at least one measure and the latter the proportion of tariff lines affected—are the standard metrics for assessing their intensity. High coverage reflects a dense and widely applied regulatory system, while high frequency suggests a multiplicity of measures per product, i.e., a greater degree of administrative and technical complexity for the exporter.

In the case of India, non-tariff measures are particularly dense. The coverage index reaches 45.5% and the frequency index 43.7%, indicating that almost half of imports are subject to at least one non-tariff measure and that, on average, each tariff line faces more than one simultaneous requirement. Most of these measures are sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT) measures, which together account for more than 60% of the total. The sectors most affected are processed foods and beverages, pharmaceuticals, cosmetics, chemicals, and electrical machinery. Quality control, labeling standards, maximum residue limits, and mandatory certification under Indian standards (BIS and FSSAI) are recurring requirements. India also requires prior licenses for a wide range of agricultural products and maintains enhanced border inspections for seafood and fresh fruit. From Chile's perspective, these requirements directly affect exports of wine, processed fruit, and fishery products, sectors in which the country has comparative advantages. Despite the existence of a Partial Scope Agreement, the lack of mutual recognition of certifications and the complexity of import licenses limit the use of tariff preferences. In this context, regulatory cooperation and the strengthening of technical diplomacy become essential to deepen Chile's insertion into the Indian market.

In Japan, NTM indicators show 54% coverage and 51% frequency, which are high levels but consistent with an advanced regulatory structure based on international standards. Most measures correspond to sanitary and phytosanitary controls, environmental regulations, and industrial quality certifications. Japan applies strict standards for traceability, nutritional labeling, maximum residue limits, and environmental certifications that follow the guidelines of the Codex Alimentarius and ISO. In the case of seafood, fruit, and alcoholic beverages, food safety and labeling requirements

are particularly detailed and may require on-site audits at the point of origin. Although the country does not use NTMs as explicit protection instruments, the high technical standard can become a practical obstacle for new exporters or small businesses. For Chile, compliance with these regulations represents a significant additional cost, especially for producers of processed foods, wines, and seafood, although at the same time it guarantees access to a high-value market with a demanding reputation for sustainability and quality.

In ASEAN countries, the situation is more heterogeneous and reflects the coexistence of complex regulatory structures with disparate institutional capacities. Indonesia has a coverage rate of 48% and a frequency of 42%, concentrated in technical measures and national certification requirements (SNI) that affect industrial products, machinery, chemicals, plastics, and processed foods. These measures often require local laboratory testing and registration with the Ministry of Trade or the National Standardization Agency, which generates costs and delays. In Malaysia, coverage reaches 40% and frequency 38%, with a predominance of sanitary and phytosanitary controls on food, pharmaceuticals, and cosmetics, applied by different agencies under Halal and Ministry of Health standards. Thailand, on the other hand, combines a broader regulatory structure with relatively high levels of coverage and frequency (52% and 49%), especially in the agri-food, beverage, chemical, and electrical products sectors. The country has strengthened its standardization and certification system, but there is still duplication between agencies, which can create uncertainty for foreign exporters.

Vietnam has one of the highest densities of non-tariff measures in the region, with a coverage rate of 56% and a frequency rate of 53%. Most of these measures are technical barriers to trade, pre-shipment inspections, and automatic licenses. The sectors most affected are food, pharmaceuticals, and electrical machinery, reflecting the country's efforts to modernize its standards in line with its international commitments. In the Philippines, meanwhile, the rates are somewhat lower (39% coverage and 37% frequency), although the country maintains a high number of sanitary and phytosanitary measures on food, beverages, and seafood, as well as administrative requirements for import licenses and permits. In general, institutional dispersion and lack of harmonization within ASEAN increase compliance costs for exporters, as standards, procedures, and certifications vary significantly between countries, even when preferential agreements are in place.

A joint analysis of the seven countries (Table 11) shows that the average density of non-tariff measures in the Asia-Pacific region exceeds 45% coverage and 42% frequency, reflecting a regulatory environment that is intensive in technical and sanitary requirements. The agri-food sectors account for the highest number of measures, followed by pharmaceuticals, chemicals, electrical products, and metals. This high regulatory density responds to growing regional concerns about food safety, public health, and environmental sustainability, but it also serves an economic function of indirect protection for strategic sectors or those sensitive to rural employment.

For Chile, this scenario means that the tariff reductions achieved through free trade agreements do not in themselves guarantee effective access to Asian markets. In practice, non-tariff measures have become the main determinant of export competitiveness, especially for processed and higher value-added goods. Exporters must bear increasing costs for certification, traceability, residue control, and technical compliance, which have a more severe impact on small and medium-sized enterprises. This situation explains why, despite the extensive network of preferential agreements, Chilean industrial and agri-food products continue to have a limited share in several Asia-Pacific markets.

At the strategic level, Chilean trade policy must evolve from liberalization focused mainly on tariffs toward deeper regulatory integration. This requires incorporating specific chapters on technical cooperation, promoting mutual recognition of certifications, and actively participating in the definition of regional standards in areas such as health, safety, and sustainability. This challenge represents an opportunity for Chile, which can leverage its recognized reputation as a producer of sustainable food and its progress and commitments in reducing emissions to position itself as a preferred supplier in markets that prioritize sustainability criteria. To this end, it is essential to develop robust certification and traceability systems that consolidate and verify this comparative advantage. In this context, non-tariff measures have become the core of the new protectionism in the Asia-Pacific region, as they define the real margins of access to trade and condition the type of international integration possible for an export economy such as Chile's.

Table 11. Non-tariff measures on Chilean exports in Asia-Pacific, by country

Country	Coverage index (%)	Frequency index (%)	Main sectors affected
India	45.5	43.7	Processed food and beverages, chemicals, pharmaceuticals, electrical machinery
Japan	54.0	51.0	Seafood, fruit, alcoholic beverages, electrical goods, motor vehicles
Indonesia	48.0	42.0	Machinery, plastics, chemicals, food, beverages
Malaysia	40.0	38.0	Food, cosmetics, pharmaceuticals, Halal products
Thailand	52.0	49.0	Agri-food, chemicals, electrical goods, beverages
Vietnam	56.0	53.0	Food, pharmaceuticals, electrical machinery, pre-shipment inspections
Philippines	39.0	37.0	Food, beverages, seafood, import licenses

Source: Prepared by the authors, based on data from the reports Non-Tariff Measures at Sector Level and Top 10 Non-Tariff Measures, accessed via WITS, World Integrated Trade Solution (World Bank).

In short, analysis of tariffs and non-tariff measures confirms that the effective opening of Asia-Pacific markets is more complex than nominal tariff reductions suggest. Although most countries in the region have made progress toward substantial tariff liberalization, the dense web of technical, sanitary, and environmental standards constitutes a new type of trade barrier that redefines the conditions of access and competition. Chile's integration into this environment depends less and less on tariff costs and increasingly on its ability to comply with, demonstrate, and certify the quality, sustainability, and traceability standards required by its Asian partners. Consequently, the challenge for Chilean trade policy lies not only in opening markets, but also in consolidating effective regulatory integration, strengthening national quality infrastructure, and deepening technical cooperation mechanisms with its main partners.

These transformations determine not only the depth of trade integration with Asia-Pacific, but also the future orientation of Chile's productive and technological structure. On this basis, the following section examines logistics and connectivity costs, the main competitors of Chilean exports in Asian markets, the country's position in global value chains, and the identification of niches of dynamic comparative advantage, factors that condition the sustainability and expansion potential of Chilean trans-Pacific trade.

2.4 Logistics costs, main competitors, global value chains, and niches of comparative advantage

Geographical distance and logistics costs are one of the main structural constraints on Chile's commercial integration into the Asia-Pacific region. Maritime transport between the Chilean Pacific ports of, mainly San Antonio, Valparaíso, and Lirquén, and the major Asian port hubs of Shanghai, Busan, Yokohama, and Singapore involves journeys of between 22 and 30 days, with freight costs that, in 2024, ranged from US\$1,800 to US\$2,500 per 40-foot container, depending on the destination and the degree of port congestion.

In the case of India, the absence of direct sea routes and the need for transshipments in Singapore or Colombo increase transit times to around 55 to 60 days and raise the relative cost of transport, reducing the competitiveness of perishable and low-value-per-unit-weight products.

According to the UNCTAD and World Bank *Trade and Transport Dataset*, international transport costs measured as the difference between CIF and FOB values represent, on average, 7% of the value of global exports, but exceed 10% for shipments from South America to Asia. In Chile's case, most transport is by sea, which implies almost total dependence on international freight rates and high sensitivity to rate volatility. Logistical disruptions resulting from the pandemic, the war in Ukraine, and tensions in the Red Sea have multiplied this volatility, generating particularly noticeable cost overruns in the transport of fresh fruit, wine, and seafood, where the cold chain and punctuality are critical.

Despite this, Chile maintains some comparative logistical advantages within the South American region. Its main ports have modern infrastructure, digitized management systems, and "green port" certifications that reduce waiting times and handling costs. The direct maritime connection with the China-Korea-Japan axis, although limited in frequency, allows for regular routes with an average transit time of less than 20 days between Shanghai and San Antonio, with rates close to US\$2,150 per 20-foot container or US\$2,650 per 40-foot container. These values are within the international average range and confirm Chile's relevance as South America's gateway to the Pacific.

However, the country faces structural challenges in terms of multimodal connectivity and regional logistics coordination. The absence of an integrated rail network to the mountain passes, the lack of coordination between ports in the Southern Cone, and the limited number of domestic cabotage stops increase total export costs. The implementation of projects such as the port of Chancay in Peru, the central bioceanic corridor, and the Humboldt submarine cable could significantly reduce connection times and costs with Asia, strengthening the export competitiveness of the entire South American Pacific axis.

In this context, Chile's trade policy requires a long-term logistics vision that complements free trade agreements with a transpacific trade-oriented infrastructure strategy. Integrating port corridors, digitizing customs processes, promoting energy sustainability in transportation, and fostering alliances with logistics *hubs* in the Southeast Asia are essential steps to reduce the cost gap with more geographically proximate competitors. Greater logistical efficiency would not only increase the profit margins of current exports, but also open up space for new comparative advantages in higher value-added goods and trade-related services, such as traceability, refrigeration, specialized packaging, and electronic certifications.

In turn, Chile's positioning in the Asia-Pacific region combines natural and reputational advantages, but faces increasingly intense competition from Latin American and extra-regional countries. In the mining sector, Chile maintains a global leadership position, although with growing competition from Peru and Australia. In 2024, the Asia-Pacific region imported more than US\$322 billion in metal ores, of which Chile contributed US\$32.6 billion, equivalent to 10% of the regional total. Australia leads the market with more than US\$107 billion, followed by Peru (US\$28.9 billion) and Brazil (US\$40 billion). In copper and copper manufactures (HS74), Chile continues to be the bloc's main individual supplier, with sales of US\$9.9 billion, but its share has declined compared to Japan, China, and the Democratic Republic of Congo, which have gained market share by exporting refined or manufactured products. This shift reflects competition not only in volume but also in the degree of processing, with Chile continuing to specialize in cathodes and concentrates, while its rivals move toward intermediate components and materials for the energy transition.

In the agro-industrial sectors, competition is even more diversified. In fruits (HS08), Chile ranks second as a supplier to the Asia-Pacific region, with exports worth US\$6.2 billion, just below Thailand (US\$6.9 billion) and above the United States, Vietnam, and China. However, its leadership in grapes, cherries, and apples is under pressure from the rapid expansion of Peru and Vietnam, which combine lower labor costs with preferential sanitary agreements. In meat (HS02), Chile maintains a marginal share compared to export giants such as Brazil, the United States, and Australia, but has consolidated niches in pork and poultry in Korea and Japan, where its sanitary reputation is a key asset.

In beverages (HS22), Chilean wine faces a particularly competitive environment. Asia-Pacific imports more than US\$25 billion annually in this category, dominated by France (US\$5.8 billion) and the United Kingdom, with Chile in twelfth position, exporting just US\$427 million in 2024. Despite high brand recognition, tariffs and logistics costs limit its penetration into higher-growth markets such as India, Thailand, and Vietnam, where European and Australian producers enjoy tariff and logistics advantages.

In fishing and aquaculture (HS03), Chile ranks among the ten largest suppliers in the Asia-Pacific region, with shipments worth US\$2.2 billion, although it competes with global players such as Norway, Russia, China, and Ecuador. Norway dominates the high-value salmon segment in Japan and South Korea, while Chile has expanded its presence in China and Southeast Asia through frozen and filleted products, taking advantage of its traceability and environmental certifications. In the long term (), the sustainability of this advantage will depend on maintaining ecological production standards and innovation in processing.

In forest products (HS44 and HS47), Chile also faces structural competition from Indonesia, Malaysia, and New Zealand. In 2024, the Asia-Pacific region imported US\$43 billion in wood and manufactured goods, while US\$34.7 billion in cellulose pulp; Chile accounted for around 7% of the total, placing it behind Brazil, Indonesia, and the United States. Chile's specialization in bleached long-fiber pulp and base paper keeps it competitive, although with limited capacity to move toward higher value-added derivatives, such as bioplastics or composite materials.

Finally, in inorganic chemicals (HS28), which include lithium, Chile is in an intermediate position: it exported US\$3.7 billion to Asia-Pacific in 2024, compared to US\$17.9 billion from China, US\$5.7 billion from Japan, and US\$5.2 billion from the United States. Although Chile has the world's largest lithium reserves, its lack of processing capacity limits its value capture. Australia, on the other hand, exports processed carbonate and spodumene to China, obtaining better prices and greater integration in the battery chain.

Revealed comparative advantage (RCA) indicators confirm this pattern. Between 2010 and 2024, there is a clear duality in the structure of Chile's comparative advantages in the Asian market. On the one hand, Chile is consolidating its leadership in primary and intermediate products of mineral,

agricultural, and forestry origin; on the other hand, it shows weak integration in manufacturing and medium- or high-tech goods, where its RCA remains low or is declining.

In natural resources and intermediate goods with high comparative advantage, copper (HS 74) and metal ores (HS 26) continue to be the core of Chilean specialization, with high and stable RCA values. Lithium, classified as inorganic chemicals (HS 28), has seen a significant increase in RCA, rising from 36 to over 76, driven by demand from the battery industry in China, Korea, and Japan. Cellulose and derivatives (HS 47) also show a significant jump, from 111 to 192, consolidating Chile's position as a structural supplier of forestry inputs for the Asian paper sector. These sectors confirm a trajectory based on capital-intensive natural resources, where Chile retains an advantageous position, albeit with low technological content.

In terms of agribusiness and processed foods, there is diversification based on natural resources. Indeed, fresh and processed foods show sustained growth. Fruit (HS 08) doubles its RCA, from 42 to 84, thanks to the dynamism of cherry, grape, and blueberry exports. Other products such as fruit and vegetable preparations (HS 20), dairy products, eggs (HS 04), and beverages (HS 22) show moderate but consistent increases, reflecting intra-sectoral diversification toward segments with higher added value. At the same time, cereals (HS 10), cocoa (HS 18), and various food preparations (HS 21) show gains in comparative advantage, albeit from low initial levels. This group shows that Chilean agribusiness has managed to insert itself more stably into Asian supply chains, but still with a dependence on seasonal and perishable products.

Raw materials and industrial goods show a decreasing advantage. Some traditional sectors show a loss of relative dynamism. Fish and seafood (HS 03) reduced their RCA from 83 to 48, reflecting growing competition from Norway, Vietnam, and China. Values also declined for meat (HS 02) and animal or vegetable fats and oils (HS 15), where logistics costs and health regulations affect competitiveness. In the mining sector, the RCA for metallic minerals (HS 26) has stagnated, with no progress toward manufactured products, underscoring the limited diversification within the extractive sector itself.

There are also emerging manufacturing sectors and new niche advantages. The emergence of comparative advantages in non-traditional areas is noteworthy. Some sectors of textiles and clothing (HS 61–63), ceramics (HS 69), furniture (HS 94), and toys and musical instruments (HS 92, HS 95) are recording substantial increases in RCA, from values close to zero in 2010 to medium or high levels in 2024. In many cases, these are one-off shipments or re-exports, but they suggest opportunities in cultural, design, or creative goods niches. There are also signs of specialization in specific industrial products such as zinc (HS 79), aluminum (HS 76), and high-purity organic and inorganic products (HS 29 and HS 28).

Similarly, there are setbacks in technological manufacturing and capital goods. The machinery (HS 84-85), vehicles (HS 87-88), and precision instruments (HS 90-91) groups maintain RCA values

below 1, evidencing a clear structural disadvantage. Although some chapters show slight increases, for example, aircraft and parts (HS 89) or watches (HS 91), these are marginal in terms of export value. The technological gap with Asian countries remains wide, and Chile remains a net importer of technology and sophisticated intermediate goods.

Overall, Table 12 shows that the RCA profile for 2024 reaffirms the concentration in natural resources and primary processing goods, with moderate advances in agro-industry and chemical products, while emerging opportunities are appearing in creative manufacturing or specialized materials niches. Future trade policy should focus on technological *upgrading*, sustainability, and regional productive integration, rather than on the quantitative expansion of exports.

Table 12. Evolution of Chile's revealed comparative advantage (RCA) in Asia-Pacific, 2010–2024

Category	Main sectors (HS2)	Examples	RCA 2010–2024	Trend
Consolidated advantages	Copper (74), Minerals (26), Lithium and inorganic compounds (28), Cellulose (47), Fruit (08)	Cathodes, copper concentrates, lithium carbonate, cellulose pulp, cherries	>50 and rising	Stable and strategic
Emerging advantages	Cocoa and preparations (18–20), Dairy products and honey (04), Ceramics (69), Zinc (79), Aluminum (76), Organic chemicals (29)	Chocolates, confectionery, decorative ceramics, processed metals	5–100 and growing	Recent expansion
Declining advantages	Fish and crustaceans (03), Meat (02), Fats and oils (15), Animal products (05), Gums and resins (13)	Salmon, beef, vegetable oil, gelatin	From >50 to <40	Relative loss
Potential advantages or niches	Wood products (44), Paper and cardboard (48), Diversified agribusiness (10, 19, 21, 22), Toys and creative products (92–95)	Furniture, paper products, processed cereals, wines, musical instruments	1–20	Upgrading opportunities
No structural advantage/disadvantage	Machinery and equipment (84–85), Vehicles (87–88), Plastics (39), Textiles (54–63)	Electronics, automobiles, plastics, clothing	<1 or ≈0	Persistent disadvantage

Source: Own elaboration, based on data processing from Trade Map, International Trade Centre (ITC).

Finally, Chile's participation in global value chains (GVCs) reflects a pattern dominated by its role as a supplier of natural inputs to third countries rather than as an assembler or processor of intermediate goods. According to the WTO's Global Value Chains profile for 2023, Chile's total participation index reached 45.1% of its total gross exports, slightly above the Latin American average (36.5%), but below Asia (44.4%) and Europe (48.8%). This participation consists of 31% forward participation (Chilean inputs integrated into other countries' exports) and 14.1% backward participation (foreign content in Chilean exports), confirming the primary and *upstream* nature of its insertion.

In 2018, the non-energy minerals and basic metals sectors accounted for about 55% of the domestic value added exported to other economies, while food and beverages contributed 9%. Advanced manufacturing and technical services accounted for much smaller proportions, reflecting a low density of domestic linkages.

In terms of foreign content, the main sectors importing external inputs were base metals (25.5% foreign content), mining (17.7%), and food and beverages (11.9%), showing that even primary industries are increasingly incorporating external components and services into their export production.

In terms of Asia-Pacific, Chile exports its inputs mainly to Japan (22.2%), China (20.1%), and South Korea (8.3%), confirming the weight of Asia-Pacific in its *forward* projection within the GVCs. In contrast, the foreign content of Chilean exports comes mainly from the United States (22.7%), followed by China (13.3%) and Brazil (9%), reflecting a dependence on North American and Asian technology and intermediate goods.

Thus, Chile participates mainly in the initial stages of extraction and basic processing, with limited presence in the design, assembly, or distribution phases. Domestic value added in manufacturing exports is only 50%, compared to more than 85% in primary products. This indicates that, although the country generates high export revenues, its contribution in terms of local value added is modest, especially in manufacturing.

The expansion of green and digital chains in Asia opens up possibilities for functional and technological *upgrading*: i) Critical minerals and green technologies: copper, lithium, and molybdenum are key inputs for the energy transition. Chile could capture more value through industrial alliances with Asian companies such as BYD or LG Chem, integrating refinement and production phases for cathodes or battery components; ii) Sustainable agribusiness and premium foods: Chile's positioning in fruits, wines, and seafood allows it to develop brands of origin and environmental certifications, combining digital traceability and green logistics; iii) bioproducts and circular economy: taking advantage of forestry and marine potential to produce biodegradable packaging, natural ingredients, or cosmetics, with the support of Japanese and Korean technological cooperation; and iv) logistics and technological services: services associated with agri-food trade

(certification, refrigerated transport, blockchain traceability) could constitute a new source of national added value.

In short, Chile's integration into the Asia-Pacific GVCs is deep but asymmetrical: the country provides essential inputs to Asian chains but imports technology and intermediate capital. Its challenge is not to integrate further, but to integrate better, i.e., to move up to links with greater technological content and sustainability.

The political-commercial challenge lies in turning free trade agreements into platforms for productive and technological cooperation, facilitating the development of local *clusters* linked to green energy, advanced agribusiness, and the bioeconomy.

Overall, the evidence shows that Chile's insertion into the Asia-Pacific region combines consolidated strengths, structural challenges, and new opportunities for productive coordination. The country's natural and reputational advantages, based on mineral, agricultural, and forestry resources, continue to be its main competitive asset, but its long-term sustainability will depend on its ability to translate these static advantages into dynamic ones. Reducing logistics costs, deepening transpacific connectivity, and promoting technological alliances with Asian partners are essential conditions for moving toward a more sophisticated, resilient, and sustainable export pattern.

In this perspective, Chile's trade strategy should evolve from a focus on tariff access to value-added economic diplomacy, aimed at consolidating its role as a strategic partner in regional supply chains, not only as a supplier of inputs, but also as a co-producer of knowledge, technology, and sustainability. These transformations will ultimately determine the country's ability to maintain its economic relevance in the Asia-Pacific region and strengthen the domestic productive base on which its international integration rests.

3. Trade in services

International trade in services has taken on a structural role in the global economy. In 2024, while global trade in goods grew by just 2%, trade in services grew at a rate of close to 10%, raising its share of total trade to 27.2%, the highest figure since 2005. When considering the growing component of services incorporated into manufacturing exports, a phenomenon widely documented as servicification, the effective share of services in global trade exceeds 45%. For example, an export of refined copper includes design, logistics, financing, insurance, and traceability services; an export of salmon incorporates R&D in genetics, biosecurity, health certification and h , and cold chain management. This added value in services increasingly determines competitiveness and margins.

This change reflects profound transformations: digitization, the expansion of global connectivity, the emergence of platform-based business models, and the growing demand for professional, scientific, technological, and financial services linked to global value chains. Between 1990 and 2022, global trade in services grew at an annual rate of 6.8%, consistently outpacing trade in goods, while digitally deliverable services recorded even higher growth, at 8.2% annually since 2005.

This global dynamism contrasts with Chile's performance over the last two decades. Despite its active trade integration, the country has seen a marked slowdown in its export capacity since the 2000s. While between 1990 and 1999 real exports of goods and services grew at an annual rate of 10%, between 2000 and 2009 the rate fell to 4.7%, and in the last decade it fell to just 0.9%. The lag is particularly evident in services: between 2000 and 2009, Chile managed to partially keep pace with the global trend, but between 2010 and 2022 its real exports of services contracted at an average rate of -3.5% per year, in contrast to global expansion of 3.3%. The decline is explained by the sharp drop in traditional services, transportation, travel, construction, and personal services, which have historically concentrated the national supply, while modern, knowledge-intensive services show positive growth but insufficient to close the gap with the international trend. The evidence confirms that the Chilean economy has not managed to insert itself strongly into the new geography of trade in services, which rewards talent, advanced human capital, digital innovation, and scalable business capabilities.

Even so, recent performance shows signs of recovery, albeit from a low base. Between 2014 and 2019, Chile's cross-border exports of services remained relatively stable at around USD 1.2 billion. In 2020, the pandemic caused a significant contraction to USD 1 billion, particularly affecting transportation and tourism services. Starting in 2021, there is a notable recovery that accelerates between 2022 and 2024, when exports authorized by Customs reach USD 2.872 billion. This rebound is explained by the dynamic performance of IT services, transport-related auxiliary services, the recovery of tourism, and the growth of knowledge-intensive financial and business services.

The sectoral structure of these exports shows a strong concentration: five categories account for 84.4% of the total in 2024. IT and related services top the list with 34.2% of the total (USD 980.8 million), followed by other business services (22%), transport-related services (18.6%), professional services (5.1%), and research and development services (4.5%). Between 2023 and 2024, the most dynamic sectors were tourism (+71.5%), transport support services (+47.4%) and financial services (+37.5%), while audiovisual services recorded a sharp decline, albeit from a low base (see Table 13).

Table 13. Chile: cross-border services authorized by Customs as exports 2014-2024 (FOB US\$)

Services Classified as Exports	2014	2024
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Computer and Related Services	152,309.4	980,804.3
Other Services Provided to Companies	316,490.7	632,834.4
Auxiliary Services Related to All Means of Transport	409,467.9	535,346.1
Telecommunications Services	165,018.4	75,341.5
All Insurance and Insurance-Related Services	17,750.9	68,708.8
Professional Services	112,739.3	145,726.5
Research and Development Services	27,437.0	129,388.8
Banking and Financial Intermediation Services	2,746.7	74,540.0
Other Services Not Covered Elsewhere	5,927.7	42,418.6
Advisory and Other Financial Services	41,498.8	44,196.1
Tourism and Travel-Related Services	-	49,159.4
Audiovisual Services	14,046.2	1,660.3
Other Educational Services	7.5	92,117.3
Maritime transport services	-	-
Total Cross-Border Services Authorized by Customs	1,265,440.6	2,872,242.1

The internal composition reveals relevant strategic elements: in IT, *hosting* services, remote technical support, and maintenance stand out; in professional services, mining-related consulting services are prominent; in research and development, capabilities in medical sciences, biotechnology, agronomy, and applied natural sciences are observed, all with the potential to link up with scientific and agricultural value chains in Asia. Taken together, these data confirm the emergence of a core of modern services capable of contributing to the country's export diversification, provided that gaps in scale, certification, and market access can be overcome (see Table 14).

Table 14. Service Exports by Category, 2023–2024

Category (abbreviated)	2023	2024	$\Delta(24/23)$	$\Delta \%$	Share 2024
IT and related	896,119.3	980,804.3	84,685.0	+9.44	34.15
Other business services	543,170.7	632,834.4	89,663.7	+16.52%	22.04
Auxiliary (transport)	363,325.6	535,346.1	172,020.5	+47.39	18.64
Telecommunications	61,845.3	75,341.5	13,496.2	+21.84%	2.62
Insurance and related	70,545.8	68,708.8	-1,837.0	-2.60%	2.39
Professionals	141,028.8	145,726.5	4,697.7	+3.33%	5.07
Research and Development	135,672.5	129,388.8	-6,283.7	-4.63%	4.50
Banking/Financial intermediation	54,211.9	74,540.0	20,328.1	+37.54%	2.59
Others not included	35,906.4	42,418.6	6,512.2	+18.14%	1.48

Category (abbreviated)	2023	2024	Δ(24/23)	Δ %	Share 2024
Consulting and other financial services	32,751.2	44,196.1	11,444.9	+34.95%	1.54
Tourism and travel services	28,671.6	49,159.4	20,487.8	+71.46%	1.71
Other education	63,714.9	92,117.3	28,402.4	+44.58%	3.21
Audiovisual services	3,647.0	1,660.3	-1,986.7	-54.48%	0.06
Total	2,430,611.0	2,872,242.1	441,631.1	+18.15%	100.0

In terms of the destinations of service exports from Chile in 2024 (FOB value in US dollars), the United States ranks as the main market, with shipments worth US\$760.1 million, followed at a considerable distance by China, with US\$55.1 million. The Pacific Alliance countries also stand out, especially Peru (US\$ 76.3 million), Colombia (US\$ 20.4 million), and Mexico (US\$ 5.9 million). Other relevant destinations are the United Kingdom (US\$ 76.2 million), Switzerland (US\$ 81.4 million), Argentina (US\$ 54.2 million), Spain (US\$ 46.6 million), Ecuador (US\$ 46.0 million), and Brazil (US\$ 28.5 million). Finally, although the values are low, it is worth noting that exports of services to French Polynesia reached US\$1.4 million, surpassing even India (US\$471,000), a market with development potential but which poses significant challenges, especially of a cultural nature (Customs, 2025).

With regard to exported professional services, it is important to note that a large part of them are related to services applied to mining. On the other hand, many of the research and development services are related to the agricultural sector (see Table 15). Although they represent a smaller proportion of total exports, there is potential to reposition the country, especially in mining and agriculture.

Table 15. Chile: cross-border research and development services authorized by Customs as exports 2014-2024 (FOB US\$)

Research and Development Services	FOB Amount (US\$)
Research and development services in medical and pharmaceutical sciences	55,957,038.5
Research and development services in chemistry and biology	13,512,834.2
Reproduction and development services for parent material for the generation of horticultural plants	6,972,070.9
Research and development services in other natural sciences	5,912,674.5
Research and development services in agronomy	2,062,118.2
Consulting services in scientific synthesis	222,294.4
Total	84,639,030.7

These global and national trends highlight a strategic challenge for Chilean trade policy: the need to move beyond an export model focused almost exclusively on goods and toward deeper integration into international trade in services, especially in those segments that enhance national added value and strengthen long-term competitiveness. Unlike trade in goods, geographical distance is much less of a determining factor in services; instead, digital, regulatory, linguistic, technological, and business capabilities are more important. The Asia-Pacific region is one where demand for modern services is growing exponentially and where Chile still has an incipient presence.

3.1 Overview of Chile-Asia trade in services

Chilean exports of services have experienced a significant upturn in recent years, although from a still small base and with a highly concentrated international presence. According to the National Customs Service, in 2024 cross-border shipments of services reached US\$2.869 billion, an increase of 18% over 2023 (+US\$437 million), reaching the highest value since records began. This dynamism reflects the expansion of 119 of the 198 services exported that year (60% of the total), suggesting a slow but visible process of diversification.

The structure of supply shows a marked orientation toward digital services, specialized maintenance, and knowledge-intensive consulting. Just five categories account for 40% of shipments: *web hosting* and email (US\$ 392 million), aircraft maintenance and repair (US\$ 378 million), Internet-based IT technical support (US\$ 189 million), IT consulting (US\$ 107 million), and marketing services (US\$ 102 million). Other relevant services include original software design (US\$ 71.4 million), digital animation (US\$ 38.7 million), R&D in chemistry and biology (US\$ 30.6 million), engineering for mining facilities (US\$ 19.4 million), and advanced plant reproduction services (US\$ 10.5 million). This set of activities reveals an exportable supply with the potential to integrate competitively into knowledge-intensive global value chains.

From a geographical perspective, the pattern of integration continues to be strongly hemispheric. In 2024, Latin America received 42.1% of service exports (US\$1.206 billion), followed by North America (34.7%; US\$994 million) and Europe (17.2%; US\$493 million). In contrast, Asia accounted for only 5.3% of total shipments, equivalent to US\$151 million. This figure is illustrative: despite being the fastest-growing global market in terms of demand for modern services, Asia-Pacific continues to represent a minimal fraction of Chile's foreign trade in services.

The breakdown by destination confirms this structural lag. In 2024, the main markets were the United States (US\$953.7 million), Peru (US\$516.9 million), Colombia (US\$217.1 million), Switzerland (US\$128 million), Uruguay (US\$110.9 million), the United Kingdom (US\$93.7 million), and Mexico (US\$92 million). Among the 20 largest buyers of Chilean services, only Japan (US\$ 37.4 million) and China (US\$ 51.1 million) belong to the Asia-Pacific region, followed

at a distance by India (US\$ 16.9 million), Singapore (US\$ 1.8 million), South Korea (US\$1.2 million) and the Southeast Asian markets, which rarely exceed US\$1 million per year.

In total, adding up the 18 Asia-Pacific economies analyzed, Chile exported just US\$125.7 million in services in 2024, equivalent to 4.4% of the country's total exports worldwide. If only strategic markets (China, Japan, Korea, India, Singapore, and ASEAN) are considered, the proportion drops to approximately 2%, revealing a deep geographical gap between the pattern of goods exports and that of services. While Chile is a consolidated player in Asia-Pacific in terms of goods, with more than 50% of its shipments going to the region, its presence in services is marginal.

This disconnect is even more pronounced when considering the scale of regional demand. According to Table 13, the 18 economies analyzed imported a combined total of around US\$2.2 trillion in services in 2024, a cumulative increase of more than 260% compared to 2005. China (US\$610.565 billion), Singapore (US\$351.122 billion), India (US\$269.318 billion), Japan (US\$246.166 billion), and South Korea (US\$162.654 billion) top the list, followed by Australia, Hong Kong, Thailand, Chinese Taipei, and Indonesia. These ten importers alone account for more than 80% of regional demand, but Chile captures only US\$125 million of a US\$2.2 trillion market, equivalent to a penetration of 0.006%, 83 times lower than Chile's penetration in goods (0.5%).

Table 16. Main importers of services in Asia-Pacific, 2005–2024 (millions of USD, BOP6 – total services)

Economy	Imports 2005	Imports 2024	Absolute change 2005–2024	Growth 2005–2024 (%)
China	83,971	610,565	526,594	627.1
Singapore	55,052	351,122	296.07	537.8
India	60,636	269,318	208,682	344.2
Japan	139,030	246,166	107,136	77.1
South Korea	59,522	162,654	103,132	173.3
Australia	33,333	108,616	75,283	225.9
Hong Kong (China)	56,245	90,422	34,177	60.8
Thailand	26,798	73,644	46,846	174.8
Chinese Taipei	32,457	71,162	38,705	119.3
Indonesia	22,197	57,512	35,315	159.1

Source: Prepared by the authors, based on WTO, BOP6.

The conclusion is clear: Chile has not managed to insert itself into the strategic geography of international trade in services, despite having incipient capabilities in IT, mining, engineering, scientific services, advanced agribusiness, and environmental services. The main gaps that explain

this lag include: i) technological gaps such as the low density of scalable companies, insufficient digital adoption in SMEs, and limited remote export capacity; ii) regulatory gaps such as the absence of mutual recognition agreements (MRAs), data localization requirements, non-harmonized technical certifications, and immigration restrictions that affect professional mobility; iii) business scale gaps: high atomization of Chilean supply and absence of specific promotion platforms for services; and iv) commercial presence gaps: scarce installation in Asian hubs (Singapore, Hong Kong), limited participation in sectoral fairs, and cultural and language barriers. But perhaps the most relevant gap is the asymmetry between Chile's export structure and the structure of Asian demand. While Asia is increasingly demanding digital, professional, financial, logistical, scientific, and environmental services, all of which have a strong technological content, Chile's basket continues to be dominated by traditional services or modern services that are mainly oriented toward the United States, Latin America, and Europe. However, detailed analysis reveals concrete opportunities in niches where Chile has competitive advantages and where there is growing Asian demand: mining consulting in Indonesia and Mongolia; agrotech and plant reproduction services in China and India; green hydrogen engineering for Japan and Korea; and specialized IT services in Singapore and Vietnam. Although specific, these niches represent combined markets worth more than US\$200 billion annually.

This diagnosis highlights the urgent need to reorient trade policy toward a comprehensive strategy that will increase Chile's presence in services in the Asia-Pacific region. The following section identifies specific opportunities by subsector, cross-referencing Asian demand with Chile's emerging export capabilities.

3.1.1 Case study: China—recent evolution of service exports and strategic opportunities

Chile's service exports to China have undergone a remarkable transformation over the last decade, going from a marginal and stable flow to becoming one of the most dynamic Asian markets in recent years. Between 2014 and 2022, shipments remained at low levels, fluctuating between US\$1.7 million and US\$9 million annually, with an erratic but slightly upward trajectory, reflecting an incipient presence concentrated in a few subsectors. However, starting in 2023, a structural break can be observed: in a single year, exports expanded to US\$33 million, representing a 277% growth over the previous year, and then reached US\$51 million in 2024. This implies a cumulative increase of more than 2,700% since 2014 and suggests an unprecedented escalation in the bilateral relationship.

Analysis by subsector confirms that this change is due to a combination of new opportunities and the consolidation of highly dynamic services in the Chinese market. The most obvious case is transportation, which, after recording no significant operations until 2021, went on to account for US\$18 million in 2023 and more than US\$36 million in 2024, becoming the main service exported to China. This surge is likely due to an increase in logistics operations, related services, and specialized transportation associated with the growth of bilateral trade in goods and the post-

pandemic reconfiguration of logistics chains. Other subsectors showing significant growth, albeit on a smaller scale, are research and development, administration, and information technology, all of which indicate that China is beginning to demand knowledge-intensive services from Chile. R&D, for example, increased from marginal figures to almost US\$10 million in 2023, while ICT exports have increased tenfold in a decade, reaching US\$3.6 million in 2024. In contrast, services such as maintenance and repair, professional consulting, market research, audiovisuals, advertising, and tourism continue to show irregular trajectories and limited scale, indicating that there is still no systematic pattern of integration in these segments.

Despite this growth, Chile's presence in the Chinese market remains small compared to the size of the import market. China demanded more than US\$610 billion in services in 2024, ranking among the world's largest importers and accounting for a significant share of global demand in strategic sectors such as ICT, financial services, intellectual property, professional services, advanced logistics, and R&D. From this perspective, the US\$51 million exported by Chile represents less than 0.01% of total Chinese demand, highlighting a considerable mismatch between China's absorption capacity and Chile's current export supply. Similarly, the subsectors where China concentrates its largest imports are not yet the subsectors where Chile has the greatest export traction, revealing untapped opportunities.

This marginal position is evident in the fact that Chile does not appear among the bilateral partners reported in China's official service import statistics. According to Chinese balance of payments data (BOP6), countries such as Brazil (US\$3.442 billion), India (US\$1.573 billion), and South Africa (US\$1.147 billion) appear as recognized suppliers, while Chile remains below the bilateral reporting threshold.

The contrast with Brazil is particularly revealing: Brazil exports 2.85 times more goods to China than Chile (US\$116.4 billion vs. US\$40.8 billion in 2024), but exports 67 times more services (US\$3.4 billion vs. US\$51 million). This disproportion indicates that the gap in services is 24 times greater than the gap in goods. While Brazil generates US\$3 in services for every US\$100 in goods exported to China, Chile generates only US\$0.12, a ratio 25 times lower. This evidence suggests that Chile not only exports less, but has failed to articulate related, logistical, or value-added services around its bilateral trade in goods.

The comparison with South Africa is equally revealing: both countries have similarly sized economies based on mining, but South Africa has managed to position mining consulting, engineering, and corporate services in the Chinese market, achieving a presence 22 times greater than Chile's. Even small economies with established trade relations with China have achieved significantly higher penetration: Macao (US\$6.085 billion), Russia (US\$6.703 billion), and Taiwan (US\$11.102 billion) export between 119 and 218 times more services to China than Chile. This evidence confirms that Chile's marginalization is not due to restrictions of size, distance, or access to the Chinese market, but rather to the absence of a deliberate strategy for insertion into services

and, more fundamentally, to a trade relationship model that has not evolved from *commodity* exports to the articulation of bilateral value chains that include complementary services.

Even so, trends observed in 2023 and 2024 suggest that there are emerging niches where Chilean offerings are beginning to gain visibility. Digital and IT services appear to be the first natural area of expansion: the sustained growth of *software*, remote support, cloud services, and automation solutions opens a window for Chilean companies, especially considering that China continues to increase its external consumption of digital services despite its strong domestic industry. Engineering services, especially those associated with mining, energy, and natural resources, are another sector with potential, as they are aligned with China's industrial transformations and its interest in extractive technologies, energy efficiency, traceability, and environmental management. Finally, scientific areas such as R&D in biosciences, applied chemistry, plant genetics, and advanced agro-industrial services represent strategic opportunities for Chile based on its sectoral specialization, emerging technological capabilities, and complementarity with China's food security, sustainability, and agricultural modernization needs.

In short, the case of China shows a dual phenomenon. On the one hand, Chilean service exports remain relatively small, highly concentrated, and without systematic penetration in the sectors where China imports the largest volumes. On the other hand, however, the strong growth observed in the last two years confirms that the Chinese market is indeed beginning to absorb Chilean services in emerging areas, opening a strategic window that Chile has not yet fully exploited. Recent dynamics suggest that if business capabilities are strengthened, regulatory and language barriers are overcome, and appropriate access models are promoted, including commercial presence in strategic *hubs*, technical certifications, and regulatory cooperation, China could become a priority destination for the geographic and sectoral diversification of Chilean services within the Asia-Pacific region.

3.2 Strategic services where Chile has potential

The diagnosis presented in the previous sections shows that the low penetration of Chilean services in Asia-Pacific is not solely due to demand constraints, but also to insufficient coordination between domestic capabilities and the real opportunities offered by the region. However, there are a number of sectors where Chile does have emerging comparative advantages, relevant institutional assets, or export trajectories to third markets that could scale up to Asia-Pacific with an appropriate strategy. Although diverse, these sectors share key attributes: high technological content, knowledge intensity, complementarity with Asian value chains, and capacity for remote internationalization. Below, we identify five areas with significant potential for strategic expansion.

A first area of opportunity lies in logistics, traceability, and certification services for exports, a segment that is particularly relevant for food, aquaculture, bioproducts, and sensitive manufactured goods. The magnitude of demand in Asia-Pacific is considerable: in 2024 alone, China, India,

Japan, South Korea, Singapore, and the major Southeast Asian economies collectively imported approximately US\$575 billion in logistics services (transportation, goods-related services, and maintenance and repair), with China and Singapore accounting for nearly US\$180 billion and US\$130 billion, respectively. In several of these markets, categories related to maritime transport, cold chain logistics, health certification, and trade support services have been growing at annual rates close to or above 4-6%, in line with the increase in imports of fresh food, seafood, and goods that are sensitive in health and environmental terms.

In contrast, Chilean exports of logistics services remain in their infancy, but show significant technical capabilities. According to ProChile (2022), for a sample of companies in the logistics sector, Chile exports around US\$320 million annually in logistics and related services, a figure generated by an ecosystem of 70 to 80 companies specializing in health certification, cargo inspection, cold chain management, digital traceability, and maritime logistics solutions. Most of these services are currently directed to Latin America, the United States, and the European Union, while Asia accounts for less than 3% of the total. This gap contrasts with the extensive experience accumulated in the salmon, fruit, and wine sectors, where advanced traceability, remote monitoring, *blockchain* for certification of origin, and *cold chain management* platforms are in operation. In a context where the markets of China, Japan, Korea, and Southeast Asia are strengthening their requirements in terms of quality, sustainability, and origin, these Chilean capabilities can become a natural bridge between the regulatory and technological experience developed in the Southern Cone and the growing logistical needs of Asia-Pacific, provided that specific promotion and access strategies are articulated for the sector.

A second area of opportunity corresponds to technological services associated with mining, and in particular, green mining activities. According to SUBREI information for 2023, Chilean mining suppliers exported nearly US\$220 million in services, with an average annual growth of 31% between 2017 and 2023. Sixty-one percent of these shipments are destined for Latin America (mainly Peru, with approximately US\$76 million; Argentina, with US\$24.6 million; Mexico, with US\$14.2 million; and Brazil, with US\$6.2 million), while North America accounts for 24.3% (United States, US\$32.8 million; Canada, US\$20.6 million) and Europe 11% (with Spain, Germany, and Finland as the main destinations). Asia and Oceania, on the other hand, only account for around US\$6.4 million (2.9% of the total), concentrated in Australia (US\$2.1 million), Malaysia (US\$1.6 million), and Chinese Taipei (around US\$0.9 million), which shows a strong regional concentration of Chilean mining service exports and an underutilization of Asian markets.

In terms of basket, the main services exported are "engineering project management consulting" (US\$78.7 million), "information technology consulting" (US\$57.7 million), "engineering for copper mining facilities" (US\$16.8 million), "original *software* design" (US\$14.7 million), "mining engineering consulting" (US\$7 million), as well as services such as remote monitoring, geological prospecting, tailings pond design and operation, and environmental engineering, are precisely knowledge-intensive services directly linked to green mining. In other words, Chile has already

built a proven export portfolio in engineering services, IT, and environmental solutions for mining, but it does so almost exclusively to Latin America, North America, and Europe.

This pattern contrasts with the magnitude of potential demand in Asia. Balance of payments statistics show that in 2024 China imported more than US\$64 billion in "other business services," a category that includes engineering, R&D, technical consulting, and professional services. Japan exceeded US\$80 billion, India was close to US\$67 billion, South Korea reached nearly US\$47 billion, and Singapore exceeded US\$110 billion in this same category. Added to this are significant amounts in construction, telecommunications, IT, and intellectual property services, all of which are intensive in technological solutions for mining, energy, and infrastructure. In fact, much of this demand is met by companies from Australia, Canada, the United Kingdom, and South Africa, which have managed to position themselves as regular suppliers in large mining and energy projects in the region. The main gap does not lie, therefore, in the absence of capabilities in Chile, but in the lack of a specific strategy for entering these highly dynamic Asian markets, which would allow the current strong export performance of mining services to be translated into a systematic presence in the green mining value chains in Asia-Pacific.

A third area with strong growth potential is educational services and specialized technical training. Over the last decade, Chile has established itself as a Latin American leader in environmental regulation, mining management, lithium technologies, energy transition, and natural resource governance, which has led to a robust range of university and technical-professional training programs. This heritage puts the country in a favorable position to export training programs aimed at technicians, supervisors, and professionals from Asian companies, especially in areas such as green mining, hydrogen policies, the circular economy, environmental oversight, operational safety, and aquifer governance.

Demand for this type of training in Asia-Pacific is growing. Japan and South Korea have expanded their specialized international training programs for engineers and environmental managers; India has developed an explicit technical cooperation policy for energy transition that requires educational partnerships; and China has shown sustained interest in short training programs in lithium governance, environmental assessment, and regulatory control. These countries already import a significant portion of educational and professional services, estimated by WTO data at more than US\$30 billion annually, collectively for training, certifications, and related professional services, which opens up a potential space for Chile to participate as a niche provider.

However, unlike other subsectors analyzed, the export of educational services faces clearer regulatory barriers. Internationally, the mobility of professionals and the certification of skills are increasingly governed by Mutual Recognition Agreements (MRAs). The APEC database on global agreements on MRAs shows that the Asia-Pacific region has a highly developed architecture for engineers, accountants, geoscientists, and health professionals (Washington Accord, Seoul Accord, APEC Engineer, ASEAN MRAs). These platforms allow degrees and competencies to be

automatically recognized between Asian economies and strategic partners such as Australia, Canada, and New Zealand. Chile, in contrast, does not participate in any of these global or regional technical agreements, limiting itself to bilateral MRAs with Argentina, Ecuador, Spain, and the United Kingdom, which do not cover Asia-Pacific.

This absence of agreements has two implications. On the one hand, it restricts the possibility of offering certified training with automatic recognition in Asian markets, reducing its appeal to students and companies. On the other hand, it hinders the future mobility of professionals trained in Chile, which is especially important in areas where Asian countries with s require mandatory licenses or professional associations to perform technical functions. In practical terms, this forces Chilean programs to operate mainly under training models that do not lead to professional certification, which is valued by companies but not always by regulatory bodies.

In addition to these restrictions, there are significant operational barriers: the language of instruction, where Chilean programs continue to operate largely in Spanish, with limited capacity to offer courses in English or Mandarin; the modality, which requires a choice between face-to-face programs in Chile, asynchronous *online* courses, or *in-company* models taught directly in Asia; and regulatory differences in educational supervision, which in several Asian countries restrict the direct provision of training services without local registration. These conditions partly explain why the export of educational services from Chile is still marginal despite clear sectoral demand.

However, the potential is significant. The acceleration of the energy transition and the demand for human capital specialized in lithium, hydrogen, energy storage, water efficiency, and environmental certifications position Chile as a credible and competitive supplier, especially if institutional strategies for mutual recognition are developed with economies such as India, Indonesia, or South Korea. Overall, the export of non-traditional technical education represents an efficient channel for commercial integration, with low deployment costs, growing demand, and a high capacity to generate lasting institutional links between training centers, companies, and regulatory agencies on both sides of the Pacific.

Fourth, creative and content services represent a sector with strategic potential in Asia. Over the last decade, Chile has consolidated a competitive ecosystem in digital animation, video games, independent music, design, and audiovisual post-production services, with creative industry exports exceeding US\$67 million in 2022 (23.7% more than in 2021) and sustained momentum in 2023–2025. Within this universe, video games stand out as the spearhead: Chilean studios are already developing titles for Nintendo, Xbox, and PlayStation, and in 2023, video game exports exceeded US\$9 million, with growth of close to 50% per year and a portfolio where between 80% and 90% of revenue comes from abroad. The Japanese market illustrates this potential well: ProChile has accompanied Chilean companies' participation in trade fairs such as the Tokyo Indie Games Summit and Tokyo Game Show, in a country with more than 55 million gamers, while

major *publishers* such as Bandai Namco have begun to identify Chile as an emerging talent hub. Added to this is the growing Asian demand for Latin American audiovisual and musical content for OTT platforms, virtual reality, and immersive experiences, which opens up specific opportunities for Chilean studios that already operate under creative *outsourcing* and *nearshore* provision of specialized services models.

Finally, there is significant room for growth in environmental, energy, and sustainability services, in line with the regulatory wave sweeping Asia, from carbon neutral standards to new ESG requirements for exporting and industrial companies. Chile has companies and research centers capable of offering carbon footprint audits, environmental certifications, renewable energy consulting, decarbonization planning, industrial waste management, and climate modeling, capabilities that have emerged in the wake of Chile's energy transition and the expansion of the solar and wind industries. Given that economies such as China, Korea, Japan, Singapore, and even Vietnam are increasing their environmental commitments through green taxonomies, incentives for industrial transition, and stricter regulatory requirements, the possibility of exporting environmental services from Chile to Asia represents a strategic opportunity with high growth potential.

Together, these five sectors illustrate a common pattern: Chile has specific capabilities that, although they have not yet translated into a systematic presence in Asia-Pacific, coincide with growing demand in the region. What is needed to move forward is not so much to generate new capabilities, but rather to align trade policy, promotion instruments, and business strategies with real opportunities in the Asian market, strengthening sectoral presence, international visibility, and institutional coordination to convert emerging advantages into sustained exports.

3.3 Gaps that hinder the expansion of services

Despite the recent dynamism of Chilean service exports and the identification of high-potential niches in Asia-Pacific, the country's effective insertion in the region remains limited. As shown in section 3.2, mining suppliers exported nearly US\$220 million in services in 2023, but only 2.9% went to Asia and Oceania, compared to 61% to Latin America and 24.3% to North America. Of the total of 106 exporting companies, most are small and medium-sized firms, and just five types of services account for nearly 80% of foreign sales. This structure clearly illustrates the underlying problem: Chile's lag in Asia is not only due to geographical distance or external barriers, but also to a set of internal gaps that reduce the scale, sophistication, and international visibility of the services offered.

The first gap is technological and productive in nature and is reflected in the limited critical mass of companies capable of scaling their services to the pace and standards demanded by the Asian market. Chile has built significant capabilities in digital services, green mining solutions, logistics traceability, engineering, and sustainability, but the business fabric remains small, fragmented, and

concentrated in a few segments. Among mining suppliers, for example, engineering project management consulting, IT services, and original *software* design alone account for more than two-thirds of exports, while intensive services such as remote monitoring, advanced simulation, tailings management, and water treatment represent only a small fraction of the total.

This structure means that many companies operate on a project-by-project basis, with limited margins for investment in R&D, international certifications, cybersecurity, or the systematic integration of artificial intelligence into their services. Compared to competitors such as India or the Philippines, which have developed *clusters* of thousands of companies in BPO, *software*, and digital services, or Australia and Canada in engineering and mining, Chile's offering appears to be a set of highly specialized niches, but still small-scale, undiversified, and ill-prepared to take on large contracts with Asian counterparts.

The second gap is regulatory and normative. Unlike trade in goods, where tariffs have been greatly reduced, the export of services is conditioned by professional licenses, technical certifications, local presence requirements, data protection rules, and mutual recognition of studies and skills.

In Asia-Pacific, the density of professional recognition instruments is particularly high. ASEAN has signed mutual recognition agreements (MRAs) in eight professions, including engineering, architecture, nursing, and tourism, which facilitate mobility and professional practice among its member states. At the same time, several APEC economies participate in the APEC Engineer Agreement, in force since 1999, which allows for the recognition of professional engineers between countries such as Australia, Canada, Japan, Korea, and Malaysia.

Chile, on the other hand, has a limited number of agreements for the recognition of qualifications and degrees (Argentina, Ecuador, Spain, and the United Kingdom), none of which are with Asian economies. In sectors such as mining engineering, environmental services, technical education, and occupational health, this absence forces Chilean companies to certify their professionals on a case-by-case basis in each market, with high costs and processing times that discourage participation in Asian tenders. In the digital sphere, the requirements for data localization and proprietary technological infrastructure imposed by economies such as China, India, Indonesia, and Vietnam reinforce this gap for smaller companies, which cannot afford local data centers or large-scale technology partners.

In practice, the lack of MRAs and sectoral regulatory cooperation acts as a silent filter: even when Chilean offerings are technically competitive, regulatory risk and uncertainty about the recognition of credentials discourage Asian demand for Chilean services compared to providers with already established recognition frameworks.

A third gap is cultural, linguistic, and relational, particularly relevant in markets where business is based on accumulated trust, reputation, and continuity of inter-company relationships. China,

Japan, Korea, Thailand, Indonesia, and Vietnam combine demanding regulatory environments with negotiation styles that favor physical presence, communication in the local language, and the building of long-term relationships.

Chilean service companies, especially SMEs, often lack teams with proficiency in Mandarin, Japanese, or Korean, previous experience in Asia, or the capacity to sustain five- or ten-year internationalization strategies. In many cases, market entry is based on specific contacts, occasional participation in trade fairs or business roundtables, and isolated projects promoted by ProChile or industry associations. This contrasts with the expansion models of competitors such as Australia and Singapore, which combine active public promotion with companies accustomed to maintaining permanent offices, *joint ventures*, and local staff in major Asian hubs.

This cultural gap not only makes entry more expensive, but also reduces the likelihood that complex services, such as green mining consulting, specialized training programs, or high-value creative solutions, will be able to establish a stable position in value chains dominated by consolidated networks of trust and suppliers with a physical presence in the region.

The fourth gap is operational and logistical, and particularly affects services that combine remote components with on-site deployments or that require continuous real-time interaction. Although Chile has a significant network of ProChile trade offices in Asia, including representations in China, Japan, Korea, India, Southeast Asia, and Australia, the specific infrastructure for services (technology *hubs*, *soft landing* spaces, residences for *startups*, sectoral demonstration centers) remains in its infancy compared to countries that have strategically committed to the export of services.

Physical distance and time differences complicate, for example, the provision of 24/7 support for digital services, the execution of contracts that require frequent visits to mining sites or industrial facilities, or the delivery of intensive *in-company* technical training programs. In practice, many companies choose to prioritize Latin America and North America, where logistics are simpler and travel costs are lower, thus consolidating a vicious circle: the lack of an operational presence in Asia reduces the flow of projects, which in turn makes it less attractive to establish offices, local teams, or long-term partnerships.

Finally, there is a fifth gap associated with institutional coordination and the construction of an international narrative around services. While sectors such as food and mining have consolidated promotion strategies, service exports benefit in a more fragmented way from promotion instruments, internationalization programs, and commercial intelligence actions.

Although world trade in services already accounts for more than a quarter of global trade and is growing at rates higher than trade in goods, Chile's public policy architecture remains strongly oriented toward tangible goods. In terms of communication, the country's brand continues to be

associated mainly with natural resources, wines, fruits, and tourism, while Chile's image as a provider of technological, creative, educational, and environmental services is only just beginning to be built. This contrasts with deliberate strategies such as "India – IT happens here," Singapore's "Smart Nation" agenda, and South Korea's creative content policy, which have succeeded in positioning these countries as global leaders in knowledge-intensive services.

The absence of a specific strategy for services, which articulates promotion, financing, human capital formation, regulatory policy, and presence in international hubs, makes it difficult to prioritize sectors and markets, coordinate public and private efforts, and capture economies of scale in market intelligence.

Taken together, these five gaps help explain why, even though Chile has competitive capabilities in advanced logistics, green mining, technical education, and creative services, its presence in Asia-Pacific remains marginal in relative terms. Some gaps, such as regulatory and institutional coordination, are particularly critical in the short term because they directly block the possibility of providing services in regulated sectors (engineering, education, environmental services) and because they can be addressed through specific agreements, regulatory reforms, and sectoral governance mechanisms. Others, such as cultural-linguistic and technological gaps, require longer-term efforts in training, innovation, and organizational change, but are equally decisive for building sustainable integration.

Chile's low presence in Asia-Pacific is therefore not an inevitable fact associated with the country's size or geographical location, but rather the expression of a set of internal challenges that, if addressed strategically, would allow the export of services to be scaled up to high-demand and sophisticated markets. The actions required to close these gaps, and the prioritization of public policy instruments and public-private partnerships, are discussed in the following subsection.

4. Digital trade

4.1 Concept and global evolution

Digital commerce is an evolving concept that, over the last two decades, has gone from identifying only electronic transactions to covering the global ecosystem of goods and services traded through digital networks, platforms, data, and emerging technologies (IMF et al., 2023; ITC, 2025).

According to the standardized definition by the International Monetary Fund (IMF), the OECD, the WTO, and UNCTAD, digital trade includes "all international trade that is ordered and/or delivered³ by digital means," which implies both goods and services ordered through computer networks and services delivered entirely remotely, including software, consulting, audiovisuals, financial services, and telecommunications (IMF et al., 2023). This conceptualization is extremely relevant and allows us to appreciate, from the outset, the complex nature of the phenomenon, especially for the purposes of measuring it.

At the macroeconomic level, even before the pandemic, the digital economy already accounted for between 4.5% and 15.5% of global GDP, while ICT services and other digitally enabled services accounted for around half of global service exports, confirming that digital trade has become a structural component of international trade and not an isolated sector (Fundación Chilena del Pacífico, 2021).

The conceptual framework proposed by the individual organizations distinguishes two main components:

- i. Trade *ordered* by digital means: the international purchase or sale of goods or services carried out by computer networks, i.e., international e-commerce.
- ii. Trade *supplied* by digital means: services (or products) provided entirely remotely via digital channels, a category that has grown exponentially with the expansion of the cloud, AI, and global intermediation platforms. It can be inferred that this component is referred to in the negotiations within the framework of the World Trade Organization, which incorporates the term "electronic transmissions," to which customs tariffs may or may not be applied (WTO, 1998).

Digital intermediation platforms (DIPs) such as Amazon, Alibaba, Mercado Libre, TikTok Shop, Uber, among others, have become key catalysts for expansion in the last decade, reducing transaction costs and incorporating SMEs into international trade, although challenges in measurement and supervision (ITC, 2025; IMF et al., 2023). In the information systems literature,

³ Digitally ordered and/or digitally delivered.

digital platforms are understood as socio-technical infrastructures that mediate interactions between multiple user groups and facilitate specific tasks, distinguishing between transaction platforms (such as digital intermediation platforms, which coordinate exchanges between buyers and sellers) and innovation platforms (which provide a technological base on which third parties develop complementary applications and services) (Bonina, Koskinen, Eaton, and Gawer, 2021).

Harmonized measurement of digital trade continues to evolve and depends on the integration of customs sources, business surveys, and platform data, under international recommendations (IMF et al., 2023). It will even depend on the understanding that economies themselves have of some fundamental aspects of digital trade, namely whether certain exports correspond to (digital) products or services, and whether ICT goods are included in e-commerce import and export statistics.

The literature also highlights the high degree of concentration in the platform ecosystem, noting that nearly 90% of the market value of the world's 70 largest digital platforms is concentrated in companies in the United States and China (Fundación Chilena del Pacífico, 2021). This concentration reinforces the importance of intermediate economies such as Chile using trade agreements and digital governance frameworks to improve their access to large platforms and global digital value chains, particularly in Asia Pacific.

In this regard, although trade agreements have tended to harmonize regulations and concepts, to date there is no consensus or clarity. See, for example, Article 14.1 of the CPTPP, which refers to "digital products," defining them as "a computer program, text, video, image, sound recording, or other product that is digitally encoded, produced for commercial sale or distribution, and capable of being transmitted electronically." It then states that this definition "should not be understood to reflect the opinion of any party on whether trade in digitally transmitted products should be classified as *trade in services* or *trade in goods*" (emphasis added).

The last decade has seen rapid transformation. The global value of digital trade has grown from \$4.59 trillion in 2020 to \$7.23 trillion in 2024, at an average annual rate of 12.1%, outpacing total world trade (9.7%)⁴ (ITC, 2025). This growth is driven by both digitally delivered services (from \$3.21 trillion to \$4.64 trillion) and digitally ordered goods and services (from \$1.41 trillion to \$2.62 trillion) (ITC, 2025). However, the global digital transformation is still underway: in 2024, digital trade accounted for 21.9% of all international trade (i.e., US\$7.23 trillion of US\$33 trillion in total trade), showing significant room for future digitization (ITC, 2025).

The leading regions are the European Union, the United States, and China, although emerging economies such as India, Brazil, and Mexico show rates above 15% per year and growing

⁴ For clarity, it should be noted that the report cited expresses these figures in English under "trillion" (ITC, 2025, p. 10).

participation in global digital chains (ITC, 2025). Countries such as the United Kingdom, India, and the United States have the highest proportion of their international trade conducted digitally, exceeding 35% in 2024 (ITC, 2025).

Digital trade not only encompasses the *online* sale of goods, but also includes a growing variety of professional, creative, educational, and financial services provided by digital platforms, applications, and disruptive technologies (IMF et al, 2023; ITC, 2025). The development of global digital platforms, advances in artificial intelligence (AI) applied to e-commerce, digital payments, and smart logistics have enabled, especially since the pandemic, a qualitative leap in the scope and diversification of digital trade models (ITC, 2025; ECLAC, ECA, and ESCAP, 2024).

In addition, the rise of digital commerce is driving the development of regulatory and policy agendas, both multilateral and regional (DEPA, CPTPP) and national, with an emphasis on data protection, interoperability, and secure digital flows (ITC, 2025; Ferracane et al., 2025).

Among the main challenges, the specialized literature highlights the following:

- Regulatory fragmentation, as regulatory differences between economic blocs and jurisdictions complicate international operations, especially for SMEs (ESCAP and OECD, 2024).
- Adaptation of the international statistics framework and complementarity of sources to capture new forms of provision and marketing (IMF et al., 2023).
- The digital and skills gap, considering persistent inequalities in access to connectivity, digital training, payment facilitation, and international logistics, especially in developing countries (ITC, 2025).

From a comparative perspective, Latin America ranks at an intermediate level of digital development (index close to 49.9 on a scale of 0 to 100), slightly above the Asia-Pacific average (49.16), but still well below Europe and North America (Chile Pacific Foundation, 2021). This situation suggests that, although the region has the capacity to engage in digital commerce, there are still gaps in infrastructure, governance, and skills that limit its competitiveness compared to the more advanced markets of Asia-Pacific, where a large part of global digital platforms and services are concentrated.

4.2 Role of DEPA and the Pacific Alliance

The Digital Economy Partnership Agreement (DEPA) represents an unprecedented instrument for Latin America and Asia-Pacific, aimed at comprehensive digital cooperation focused on open internet principles, technical interoperability, and e-commerce. Indeed, it has been recognized as a pioneering agreement worldwide, as it is the first binding instrument of public international law in this area. The original members—Chile, Singapore, and New Zealand—established a framework

that facilitates secure digital exchange, mutual recognition of electronic signatures, data protection, and policies to promote competitiveness and cooperation in pioneering areas such as cybersecurity, AI, and digital identity.

South Korea's accession in 2024 expanded DEPA's regional influence, while China's application creates a complex scenario due to divergent models of digital governance, the internet, and, of course, digital commerce. The Chinese model, characterized by significant state control and restrictions on the digital market, contrasts with the open architecture that DEPA recognizes as the basis of the internet, a fundamental issue for Chile and other member countries that promote the free flow of data and open standards (Government of China, 2025; CIGI, 2023; O'Hara and Hall, 2018; ECLAC et al., 2024).

From a market access perspective, the DEPA incorporates disciplines that reduce barriers to entry for suppliers of digital goods and services: non-discrimination of digital products and the enshrinement of the absence of customs tariffs on these products between the parties; the recognition of the free cross-border flow of data and the limitation of forced server localization to exceptional and non-discriminatory cases; as well as the relevance of net neutrality as a guarantee of a competitive environment for content and services. These provisions are particularly significant in enabling Chilean companies to provide digital services to customers in the Asia-Pacific region without facing physical establishment or local infrastructure requirements in each market.

The Pacific Alliance's Regional Digital Market (MDR), launched in 2019, incorporates objectives to create a common digital space that facilitates and streamlines e-commerce, promotes digital innovation, and strengthens the presence of MSMEs in the global market (Pacific Alliance, 2021). Chile, with its leadership in digital penetration and institutionality, has been a key player in these efforts, promoting initiatives for infrastructure construction, data protection, and regulatory modernization (SUBREI, 2024; Pacific Alliance, 2021).

The Chile Pacific Foundation (2021) itself points out that the MDR has been conceived as a platform to reduce regulatory and compliance costs, as well as to attempt to harmonize divergent national rules under a convergent framework for e-commerce, data protection, electronic signatures, and payment facilitation. For Chile, this intraregional and y convergence is a basic condition for MSMEs and digital service providers to then be able to comply more efficiently with similar standards in Asia-Pacific markets, taking better advantage of agreements such as DEPA and CPTPP.

The MDR seeks to harmonize regulatory frameworks and digital practices, improve digital connectivity, and foster regional technical capacities to boost the digital economy in the region, overcoming technological and regulatory barriers and stimulating inclusive participation (Colombian Ministry of Foreign Affairs, 2025). All this, while incorporating essential international technical standards such as the adoption of IPv6 and transparent domain name management

(ECLAC, ECA, and ESCAP, 2024). These developments underscore a commitment to facilitating interoperability and sustainable digital trade, aligning with sustainable development goals and global competitiveness.

The DEPA also deepens digital trade facilitation by promoting the use of electronic customs documentation, electronic certificates of origin, invoicing interoperability, and specific rules for express shipments, along with explicit recognition of the importance of cross-border electronic payments. This set of disciplines reduces transaction costs and delivery times, which are critical for MSMEs exporting digital content-intensive services and goods to access and compete in Asia-Pacific markets.

A 2021 study on the digital economy in the Pacific Alliance estimates that the contribution of digitization to the bloc's GDP could increase from approximately US\$9.6 billion to US\$13.8 billion annually, with a potential impact of up to 0.66% of GDP, if a Regional Digital Market (RDM) that harmonizes regulation and facilitates e-commerce among its members is fully implemented. This same exercise projects additional indirect effects ("spillovers") of close to US\$21.33 billion accumulated over five years, illustrating the economic potential of moving toward an integrated digital space before projecting that convergence toward Asia-Pacific partners (Chile Pacific Foundation, 2021). The most recent efforts of the Pacific Alliance have been aimed at updating the Regional Digital Market Roadmap, approved by the Alliance ministers in December 2024, with the objective of strengthening the digital transformation of the bloc and adapting its regulatory frameworks to emerging technologies (Pacific Alliance 2024).

The discussion on digital trade and market access in Asia-Pacific is taking place against a backdrop of competing regulatory models for digital platforms. On the one hand, the debate between the United States and the European Union shows that there is no linear relationship between "more regulation" and "less innovation," and that technological gaps are more a response to structural differences in their innovation ecosystems (Bradford, 2024). On the other hand, the European Digital Services Act is emerging as a possible regulatory model that could be exported ("regulatory modeling") to Latin America, where bills inspired by its obligations of diligence, transparency, and accountability are already being considered, although the authors warn of the risks of transplanting this framework without considering local institutional capacities and inter-American standards of freedom of expression (González Mama and Álvarez Ugarte, 2025).

4.3 Competitive advantage niches for Chile

Chile offers highly differentiated opportunities in digital commerce, excelling in sectors with strong technological innovation and high added value. Information and communication technology (ICT) services, software exports, creative industries, agrotechnology (agrotech), processed foods, and digital logistics are the main niches that Chile is consolidating to compete in the region and globally.

ProChile, responsible for promoting the export of Chilean goods and services, has identified fintech, climatech, edutech, agrotech, and healthtech services as priority areas of so-called "global services," while seeking to train its officials to provide answers and advice to local companies wishing to export these types of services (ProChile, 2025a). It has also launched specific initiatives to connect Chilean providers of these types of services at trade fairs and business roundtables, such as "Chile Tech Tour 2025," a trade mission led by ProChile that connected 28 Chilean companies with 45 U.S. and international companies in the technological innovation sector (ProChile, 2025b).

These areas benefit from an emerging and rapidly growing ecosystem of digital entrepreneurship, which is heavily influenced by public policies that promote innovation, as well as access to financing and advanced human capital training. The growing adoption of disruptive technologies, such as artificial intelligence and *big data*, is enabling new business models, especially in fintech and digital services, supported by flexible regulatory frameworks and in line with Asia-Pacific and Indo-Pacific standards (ECLAC, ECA, and ESCAP, 2024; APEC, 2023).

The provision of these various services can be enhanced by digital intermediation platforms. Comparative evidence shows that digital platforms now occupy a central position in the global economy and offer high potential for the economies of the Global South by reducing search, information, and payment frictions and increasing the scale of operation of exporting SMEs. However, the literature warns that their impact on development is ambivalent, because they can also exacerbate inequalities, make forms of work more precarious, and concentrate economic and data power in the hands of a few actors (Bonina et al., 2021).

In terms of infrastructure, Chile has strengthened its position with strategic projects. The construction and operation of the Humboldt submarine cable substantially improves connectivity with Asia-Pacific, enabling efficient and rapid data transfer. In addition, the national P-DATA policy promotes the creation and regulation of data centers, which are expected to ensure security, sustainability, and technological capacity, critical aspects for competitiveness in global digital commerce (Government of Chile, 2025; ITC, 2025). Comparative indicators of state resilience and digital quality of life also show that Chile ranks among the best-positioned Latin American countries in terms of electronic infrastructure and digital government, with scores above the regional average, although still below OECD average levels. This situation reinforces the possibility of Chile functioning as a regional platform for digital services oriented toward the Asia-Pacific region, provided that it consolidates investments in connectivity, data centers, and regulatory frameworks that provide certainty for data flows and the cross-border provision of services.

These factors, together with growing integration into regional agreements and digital governance frameworks, position Chile favorably to take advantage of digital market niches with high demand

in Asia Pacific, while facing the ongoing challenge of strengthening digital competencies and dynamic and convergent regulatory frameworks.

The specialized literature emphasizes that taking full advantage of these niches requires policies that preserve the interoperability and open nature of the internet, avoid unnecessary restrictions on cross-border data flows, limit the requirement to disclose source codes or algorithms as a condition of market access, and favor free technological choice, coupled with the active participation of multiple stakeholders in the digital ecosystem. For Chile, this means aligning its domestic regulatory agenda with the commitments made in DEPA, CPTPP, and the Pacific Alliance, so that regulatory frameworks do not become new barriers to access to digital goods and services in Asia-Pacific markets.

5. Analysis by international experts

This report presents the main results of the qualitative analysis of semi-structured interviews on Chile's integration into the Asia-Pacific region, conducted using the ATLAS.ti software program. As mentioned in the methodology section, the study also took into account the perspectives of key players in the Asia-Pacific region. In total, 11 semi-structured interviews with experts were analyzed, whose profiles are distributed as follows: three of the interviewees were from academia, two from an international organization, two private actors, two public actors, and two experts (grouped in Tec/SC) (see Annex 1).

The qualitative analysis methodology included initial (manual) and axial coding of the interviews, their thematic grouping into five categories, and the analysis of co-occurrences and sentiment. These procedures resulted in frequency tables, Sankey diagrams, and word clouds, which constitute the main results of the analysis. The results are presented following the structure of the five questions that guided the interviews.

5.1 Diagnosis of Chile's current situation in the Asia-Pacific region

The overall diagnosis offers a nuanced assessment of Chile's current situation in the Asia-Pacific region, where structural strengths coexist with complex risks in a new global scenario. The topics most frequently mentioned in the interviews—trade autonomy, policy coherence, and multilateralism—reflect a widespread consensus that Chile's integration depends both on its active participation in regional frameworks and on maintaining a stable and autonomous foreign policy. In this regard, it is noteworthy that Chile's approach to the Asia-Pacific region has been based on the implementation of a state policy, with a pragmatic view of continuity beyond the change of government.

"Chile's policy of looking to Asia and deepening relations with Asia began in the late 1990s... the plan to consider Asia, and certainly China, as an important element was

conceived in the late 1990s, and from there came the implementation of the plan to deepen and strengthen ties with Asia, mainly through trade agreements... This has not changed under any of the successive governments, as it responds, in general terms, to a state policy."
(Interview _01_ Government)

However, interviewees point out that, in recent years, the rapprochement with the Asia-Pacific region has been subject to external tensions. Analysis of the sentiment expressed in the interviews shows that, although Chile's positioning in Asia-Pacific receives positive evaluations, geopolitical tension and the concentration of exports in a few markets generate negative perceptions, highlighting structural vulnerabilities and the growing complexity of the international context. In this regard, the relationship with China emerges as an ambivalent element, since, although it offers a clear economic opportunity, it also implies an increasing strategic risk due to the level of dependence, and is, at the same time, central to long-term action.

Another aspect that emerges from the interviews is the existence of internal gaps: despite the extensive network of agreements and a track record of policy coherence, the private sector's ability to take advantage of the trade structure continues to be limited by cultural, technical, and internationalization factors, which partially reduces the potential of Chile's strategy toward the region.

"We have an incredible network of trade agreements with Asia, with ASEAN members, with APEC members, we have the DEPA... but our exporters, for cultural reasons, still prefer to export to Peru, Colombia, Mexico, the United States... we have all the infrastructure in place, we have excessive infrastructure, to work with Singapore, but very few dare to do so, it has to do with language, it has to do with cultural aspects." *(Interview _05_ Government)*.

5.2 Risks and opportunities of competition between powers

The interviews show that strategic competition between major powers is the central concern. The concept of "geopolitical risk" is the most frequently mentioned in this area, with 16 mentions (20%), reflecting a widespread perception of vulnerability in the face of the deteriorating international environment.

"Chilean diplomacy faces the challenge of maintaining a solid relationship with the United States... without compromising the progress made with China. This balance requires a clear strategy, especially in sensitive sectors such as technology, infrastructure, and security."
(Interview _03_ Private)

The word clouds reinforce this trend: the terms "China," "United States," "market," "investment," and "value chain" dominate the semantic field associated with risk. This suggests that elites

perceive the dispute between the two powers as directly affecting the material foundations of Chile's economic development, particularly given Asia's structural centrality as an export and investment destination.

The risks identified are organized around three critical dimensions:

1. Competition between major powers, where most mentions are explicitly grouped under the concept of geopolitical risk;
2. Chinese investment in strategic sectors, perceived as an area where rivalry can generate reputational costs or external pressures;
3. Dependence on East Asian markets, mainly China, Japan, and Korea, as Chile's exposure to the political and economic conditions of this subregion creates systemic vulnerability.

This convergence allows us to affirm that the main perceived risk is the effect of geopolitical polarization on Chile's decision-making autonomy and its access to markets and investments in the Asia-Pacific region. The interviews emphasize the concern about being forced to "take sides," as one interviewee points out: *"The United States could react... by exerting pressure to limit rapprochement with China."* (Interview 03, Private). This idea appears repeatedly in the testimonies and in the analysis of co-occurrences (80% between "China" and "risk").

However, in the face of these risks, a second line of interpretation emerges: the strategic opportunities derived precisely from the complexity of the environment. Although this category is smaller in volume (11 mentions, 14%), its elements show a nuanced view in which rivalry also opens up spaces for Chile to diversify its partners, deepen its insertion in Asia, and attract technological investment. Word cloud 6 in this category highlights concepts such as "China," "market," "technology," "RCEP," "CPTPP," and "partnerships," indicating that opportunities are interpreted within the framework of the trade liberalization strategy and the use of multilateral platforms.

Complementarily, "economic diplomacy" (11 mentions) is perceived as a key instrument for navigating rivalry without getting caught up in bloc logic. The fact that this category has more positive than negative evaluations reveals that it is understood as a policy of continuity that has made it possible to protect commercial and investment interests and reduce the need for diplomatic confrontation. In contrast, "diplomacy in the field" receives a more critical assessment: half of the mentions express a lack of physical presence and influence of traditional and non-traditional Chilean diplomatic actors in the countries of the Asia-Pacific basin, pointing to an area where elites perceive a need for improvement.

5.3 Strategic sectors for strengthening Chile's international integration

The interviews show a widespread perception that Chile has significant strategic opportunities to deepen its integration in the Asia-Pacific region through sectors that go beyond its traditional export specialization. Participants agree that diversification and added value should be the pillars of a modern integration strategy. Logistics, connectivity, digital commerce, and renewable energy are highlighted as priority areas. The energy transition is presented as a clear strategic axis, with a positive cross-cutting assessment of renewable energy, green hydrogen, and mining linked to critical minerals, revealing the perception that Chile has valuable comparative advantages in relation to Asian demand for clean energy and raw materials for green technologies.

"Energy, digital commerce, infrastructure, and education are industries that require added value and highly skilled human capital to compete in Asia, which has a significant advantage in the digital economy." (*Interview _06_ Tec/SC*)

This reading is complemented by the sentiment analysis of the interviews, which shows that opportunities for cooperation in strategic areas with Asian partners are key, especially in areas such as connectivity, innovation, and technology transfer (see sentiment analysis table by strategic sector). Likewise, the notion of added value is projected as a cross-cutting requirement for all strategic sectors, which shows that **experts** envision Chile's future integration not only in terms of goods exports, but also through technological capabilities, sophisticated services, and productive chains.

Figure 7. Sentiment analysis by "Strategic Sector"

		○ ◆ Analisis_sentimiento: Evaluacion_negativa 🗨️ 30	○ ◆ Analisis_sentimiento: Evaluacion_positiva 🗨️ 42
● ◆ Sectores_estrategicos: Agronegocios	🗨️ 6		4
● ◆ Sectores_estrategicos: Antartica	🗨️ 3		
● ◆ Sectores_estrategicos: Asuntos_maritimos	🗨️ 3	1	
● ◆ Sectores_estrategicos: Aumento_demanda	🗨️ 5		2
● ◆ Sectores_estrategicos: Cadenas_valor	🗨️ 8	6	1
● ◆ Sectores_estrategicos: Capital_humano	🗨️ 11	3	4
● ◆ Sectores_estrategicos: Comercio_digital	🗨️ 12	4	3
○ ◆ Sectores_estrategicos: Competitividad	🗨️ 7	2	2
● ◆ Sectores_estrategicos: Complementariedad	🗨️ 4		2
○ ◆ Sectores_estrategicos: Demanda_energética_del_comercio	🗨️ 2		1
○ ◆ Sectores_estrategicos: Educación	🗨️ 9	3	4
● ◆ Sectores_estrategicos: Energías_renovables	🗨️ 7	1	3
● ◆ Sectores_estrategicos: Hidrógeno_verde	🗨️ 4		2
● ◆ Sectores_estrategicos: Hub_comercial	🗨️ 4	1	1
● ◆ Sectores_estrategicos: Infraestructura	🗨️ 7	3	2
● ◆ Sectores_estrategicos: Logística_conectividad	🗨️ 13	3	7
● ◆ Sectores_estrategicos: Manufactura	🗨️ 3		
● ◆ Sectores_estrategicos: Minerales_verdes	🗨️ 2		1
● ◆ Sectores_estrategicos: Minería_y_recursos	🗨️ 4		2
○ ◆ Sectores_estrategicos: Oportunidades_comerciales	🗨️ 31	2	12
○ ◆ Sectores_estrategicos: Productos_premium	🗨️ 6	1	3
● ◆ Sectores_estrategicos: PYMES	🗨️ 4		
● ◆ Sectores_estrategicos: Servicios_Basados_en_Conocimiento	🗨️ 5	1	2
● ◆ Sectores_estrategicos: Servicios_exportables	🗨️ 8	1	4
● ◆ Sectores_estrategicos: Tecnología_innovacion	🗨️ 19	4	6
● ◆ Sectores_estrategicos: Transferencia_tecnologica	🗨️ 5		4
● ◆ Sectores_estrategicos: Valor_agregado	🗨️ 8	3	1

Source: Own elaboration.

Negative mentions, associated mainly with gaps in infrastructure and education, underscore the need to strengthen capabilities to compete in advanced economies. This translates into competing in specific areas, particularly in technology and innovation and agribusiness, as well as seeking broad complementarities with the Asia-Pacific region in exportable services, manufacturing, logistics, infrastructure, and technology transfer. This is linked to specific opportunities for SMEs in sectors that are intensive in human capital and emerging technologies, suggesting that integration does not depend solely on large economic actors, but also on the ability to expand the country's productive base. In this regard, the interviews highlight Chile's potential in maritime technology, its possible role as an Antarctic logistics hub, and the need to move toward traceability standards in order to access more sophisticated markets.

"To reach sophisticated markets that pay more, sustainability must be measurable, with complete traceability from origin to consumption. Solid certifications are needed, and attention must be paid to non-tariff barriers." (*Interview_07_Private*).

5.4 Analysis of geographic priorities for partner diversification in the Asia-Pacific region

The analysis of frequencies, sentiments, and co-occurrences reveals a robust pattern: Chile needs to expand its integration beyond its traditional partners in East Asia, and the interviews agree that diversification toward new Asian economies is not only desirable but also strategic for maintaining competitiveness, resilience, and a balanced presence in the Asia-Pacific basin. There is consensus that India and Southeast Asia are the key areas for driving this active diversification.

Figure 8. Sankey diagram Geographic priorities for diversification in the Asia-Pacific region



Source: Own elaboration.

- India as the main strategic priority

India consistently appears as the priority destination for Chile's trade diversification. It is the most mentioned country (31.1%), with the most positive evaluation and the highest number of references to "trade opportunities." Its centrality in the analysis is supported by all types of actors (academia, public and private sectors), indicating a cross-cutting consensus. The findings show that India is linked to sectors in which Chile has relative advantages or potential for expansion: technology

transfer, exportable services, infrastructure, education, human capital, and agribusiness. In addition, the aspects most associated with India, such as "regional cooperation" and "complementarity," suggest a structural relationship that can be consolidated through agreements, training programs, and productive chains.

-ASEAN, as the second priority, with a focus on logistics and manufacturing.

The ASEAN bloc is the second priority region. Although the assessment is more mixed, with negative mentions attributable to the lack of face-to-face diplomacy, the subregion stands out for its economic dynamism and growing demand. ASEAN is linked above all to logistics, connectivity, manufacturing, and value chains, indicating that the region is not only a market but also a space in which Chile can integrate productively. Within the bloc, three countries stand out:

- Singapore, perceived as a commercial, technological, and logistical hub, with opportunities in human capital and global services.
- Indonesia, associated with connectivity, trade regulation, added value, and linkages; it is considered by Chile to be an undervalued powerhouse.
- Vietnam, which is linked to manufacturing, logistics, and *hubbing*, reflecting its growing role in global production chains.
- The Philippines, meanwhile, offers opportunities in the agribusiness sector, although its perception is more uncertain, reflecting an emerging market with regulatory and positioning challenges.

-South Korea: a traditional partner with renewed potential

Although not a new destination, South Korea stands out for its alignment with the strategic sectors in which Chile wants to advance: human capital, innovation, and knowledge-based services in key sectors such as green hydrogen and electromobility. This suggests that, rather than a consolidated trading partner, Korea could become a strategic partner for the knowledge economy, based on technology transfer, educational cooperation, and joint projects in advanced industries.

-Oceania as an emerging, yet secondary, space

Australia and New Zealand appear marginally, but mentions point to opportunities for cooperation in strategic sectors such as advanced mining, engineering, and specialized services. Although they are not a priority in terms of volume, they could be niche partners for value-added industries or scientific and technological cooperation projects. In addition, the countries of Oceania are relevant cases for monitoring how geopolitical tensions are navigated.

5.5 Priority elements for updating Chile's agenda in Asia-Pacific

The interviews show that Chile's trade policy toward the Asia-Pacific region should focus on diversification, the strategic use of agreements/partnerships, and more active trade diplomacy, combining immediate actions with structural transformations. Export diversification is the most frequently mentioned and highly valued element, especially by the private sector, reflecting the urgency of expanding exportable supply and positioning new products and services. Trade agreements appear as the second pillar, valued both for closing pending processes and for deepening and modernizing existing frameworks, including the relaxation of rules of origin and sanitary approvals.

"Be pragmatic and remain open. Chile already has many trade agreements; one could consider deepening them... one option is to accelerate or expand [tariff] reductions, make rules of origin more flexible to facilitate the entry of Chilean products, and advance sanitary and phytosanitary agreements that enable more food products." (*Interview _02_ Regional Organization*)

"These things are also done with presence... this so-called 'commercial diplomacy' must be permanent... we must make a strategic decision as a country to have a permanent diplomatic and commercial presence in order to resolve issues... to have a permanent presence, participate in all fairs and activities... and also invite leaders from these countries to our country." (*Interview _07_ Private*)

In the long term, interviewees emphasize the need to move toward greater structural openness and real diversification, which requires internal capacities and stable state policies. Trade challenges, export promotion, and tariff policy appear to be cross-cutting issues that generate concern and require a proactive approach. Depending on the type of actor, complementary emphases are observed: academia highlights sustainable industries and a regulatory approach; the private sector demands support for market penetration; and technology actors emphasize regulatory frameworks and digital trade. Taken together, the interviews outline a strategy that combines economic pragmatism, regulatory leadership, and institutional modernization to reposition Chile in a region that is key to its future.

From a broader strategic perspective, there is a growing belief that Chile, as a medium-sized country highly dependent on the Asia-Pacific region, must adopt a structured pragmatism, avoiding both automatic alignment and ambiguity, since, as one interviewee, , points out, "trade is never just trade; it always has political implications." This implies that the country's ability to navigate competition between powers will depend on how well it manages to combine active economic integration with a flexible and sophisticated foreign policy. In this context, promoting exports, strengthening human capital, and cooperating on innovation and sustainability become essential elements for seizing opportunities, overcoming the current concentration on a few destinations, and repositioning Chile as a relevant player in the Asia-Pacific region in the 21st century.

RECOMMENDATIONS

Based on this diagnosis, a series of recommendations on Chile's trade strategy in the Asia-Pacific region are established. These proposals are organized into three interrelated areas. First, actions are proposed to strengthen exports through active diversification and the creation of new strategic partnerships that reinforce Chile's position as a platform for Latin America in the Pacific. Second, it is recommended to advance new infrastructures for Latin American-Pacific trade policy, with special emphasis on the creation of logistics and connectivity hubs that provide new resilience capabilities. Finally, recommendations are proposed to mitigate geopolitical risks based on a hedging approach that combines diplomatic flexibility with active economic integration. This comprehensive architecture would allow Chile to evolve from an insertion based mainly on intensive margins to a more diversified, resilient model compatible with the new economic and geopolitical dynamics of the Asia-Pacific region in the 21st century. Below are more details on each of these three areas.

1) Promotion of the export sector in a more fragmented Asia-Pacific

Strengthening exports in the Asia-Pacific region must combine diversification, strengthening strategic partnerships, and active integration into the digital economy. Given that the effective opening of Asian markets depends less and less on tariffs and increasingly on compliance with technical, health, and sustainability standards, Chile must move from treaty-based trade diplomacy to a strategy of reliable partnership based on quality, certification, and security in supply chains. This is especially relevant considering that export growth over the last two decades has been highly intensive (93% is accounted for by already established goods, mainly minerals and agri-food products), while the extensive margin remains small, with limited diversification in China (3.5%) and somewhat greater diversification in Korea (12.6%). To break this pattern and expand the export basket in highly demanding markets, actions are needed to strengthen internal capacities, reduce non-tariff barriers, and enable new value-added sectors.

In this context, three sequential strategic lines are proposed, allowing Chile to move from immediate regulatory adjustments to strengthening institutional capacities and, finally, to a strategic Latin American-Pacific repositioning consistent with a Pacific basin defined by standards, value chains, and the digital economy rather than tariffs.

1.1. Short term: institutional and regulatory strengthening

A. Trade diplomacy based on standards and certification.

Given that the effective opening of Asian markets increasingly depends on compliance with technical, health, and sustainability standards, and less on tariffs, Chile must move from treaty-based trade diplomacy to a trusted partner strategy based on quality, certification, and supply chain

security. This change in approach is essential given that recent export growth has been highly concentrated (93% accounted for by already established goods), with low diversification in China (3.5%) and only moderate diversification in Korea (12.6%).

Concrete action to manage this measure:

- South Asian market access certification program: create a public-private program to coordinate phytosanitary and halal product certifications, plant approvals, and compliance with technical standards required by India and ASEAN, giving priority to sophisticated agribusiness, functional foods, and advanced mining services.

B. Active diversification towards priority markets

Prioritize diversification in India, ASEAN (with an emphasis on Indonesia, Vietnam, and Thailand), and inland areas of China through an expanded exportable supply, accompanied by certification programs, health approvals, and sustainability standards that overcome the regulatory barriers that currently limit the entry of new products. This diversification should focus on sectors with extensive margin potential, such as sophisticated agribusiness, biotechnology, knowledge-based services, and mining solutions.

Concrete action for diversification:

- Strengthen the narrative that Chile is a key country for Asian supply chains, emphasizing products that are a fundamental part of the diet of countries in the Asia-Pacific basin. In this regard, it is important to promote different types of products in order to highlight that Chile is a country that contributes to the food security of Asian consumers: fresh, dehydrated, canned, and chip-. Chile already has producers ready to export a range of non-traditional products such as frozen squid, frozen horse mackerel, smoked salmon, and frozen fruits such as strawberries, blueberries, and raspberries.

C. Early entry into the digital economy.

Chile's entry into the digital economy should be achieved by strengthening and promoting the DEPA to new Asian and South American partners, as well as its convergence with frameworks such as the CPTPP and RCEP+, in order to position the country as a stable and reliable partner in terms of data standards, interoperability, digital services, and e-commerce. This approach would reduce regulatory uncertainty and compliance costs for Chilean companies exporting digital services (such as software, animation, engineering, certification, and traceability) in a context of increasing regulation on data, privacy, and cybersecurity. Digitization is essential to expanding the scope of exports, particularly global services, digital certification of origin, smart logistics, and

platforms that help reduce the cultural and operational distance between Chilean exporters and buyers in the Asia-Pacific region.

Concrete actions to promote these measures:

- Promote commercial digitization laboratories: create a space for public-private cooperation-private cooperation to test new technologies for systems integration, cross-border digital payments, and data management, as well as providing incentives, subsidies, or technical support to companies that adopt advanced digital solutions in logistics, traceability, electronic invoicing, and online commerce, prioritizing sectors with the greatest growth potential and ensuring compatibility with digital trade frameworks in the Asia-Pacific region.
- Establish a digital traceability platform with Asian standards. In particular, the platform should incorporate technologies applied to port management and the logistics chain, such as port IoT and commercial blockchain.
- Deploy a scientific diplomacy strategy that allows for the creation of more agreements between universities and digital companies to transfer knowledge to Chilean ventures seeking to market digitally in Asia-Pacific.

1.2. Medium term: institutional infrastructure and capacity building

A. Strengthening strategic partnerships beyond FTAs

Progress must be made in partnerships that go beyond traditional FTAs and are geared toward generating concrete action plans to strengthen Chile's capacity as a key player in the new supply chains in the Asia-Pacific region. Thanks to its network of strategic partners, Chile can develop a strategy to be a secure, stable, and neutral partner in key sectors such as the exploration and exploitation of critical minerals, food security, and the creation of green corridors to Asia. To this end, it is necessary to advance agreements on mutual recognition of certifications, technical regulations, traceability, and environmental standards in order to reduce compliance costs in the Asia-Pacific region. Chile must prioritize its development partnership with ASEAN, its strategic partnership with Korea, and finalize its partnership with India, combining market access with specific value-added projects and productive linkages.

B. Specialized institutional presence in Asia

To move from a primarily commercial presence to a more structural participation in Asia, Chile must strengthen its institutional presence in key regional spaces and priority markets. To this end, it is necessary to have specialized diplomatic and technical capabilities that allow not only for the management of bilateral relations, but also for influencing the definition of standards, eliminating regulatory barriers, and coordinating specific projects in strategic supply chains. In this context, the following actions are proposed:

Specific actions to promote this measure:

- Establish a Permanent Mission of Chile to ASEAN (Jakarta): strengthen and enhance the capabilities of Chile's diplomatic representation in Jakarta, whose ambassador to Indonesia currently serves, by default, as representative to ASEAN, in order to consolidate a more systematic commitment to coordinating the agenda with ASEAN, negotiating common standards, participating in regulatory forums, and coordinating projects in supply chains, green corridors, and food security. The case of Switzerland can be used as a reference, where there is an ambassador in charge of bilateral relations, but also an ambassador representing Chile to the World Trade Organization and the World Intellectual Property Organization.
- Itinerant sectoral attachés (agriculture/bio/services) in India and ASEAN: Implement temporary technical attachés in priority markets, with specialists in health regulations, sustainability, and value chains, dedicated to opening up new products, accelerating registration processes, and resolving regulatory obstacles at destination. These attachés should coordinate with Prochile offices.

C. Strengthen the specialized services industry towards the Asia-Pacific region

The review of the services section revealed the need to establish a gradual and focused strategy for the insertion of service exports, aimed at reducing regulatory and operational barriers, leveraging existing capabilities, and improving the international visibility of Chilean offerings. Along these lines, two specific actions are recommended to move from a marginal presence to a more structural insertion in Asian markets.

Concrete action to promote this measure:

- Advance mutual recognition agreements (MRAs) focused on professional services: initiate a pilot mutual recognition agreement with India and/or a Southeast Asian country in strategic professional services, particularly in information and communication technologies

(ICT) and engineering related to mining, energy, and the environment, in order to reduce regulatory barriers, facilitate professional mobility, and generate symmetries of access. This instrument would allow for the testing of a model that could be replicated with other Asian economies where the recognition of licenses and degrees constitutes a critical barrier.

1.3 Long term: strategic repositioning of Latin America and the Pacific

A. Chile as a stable and neutral partner in Asian supply chains

ProChile and InvestChile should further develop the narrative of Chile as a premium, stable, and secure supplier capable of contributing to food security and the resilience of Asian supply chains. This narrative should reflect strategic neutrality, internal stability, and reliability.

Concrete action to promote this measure:

- It is recommended to strengthen the promotion of key products for the Asian diet, which are highly valued by its population and, therefore, part of those that seek to strengthen their food security (fresh, dehydrated, canned, and processed foods), with emphasis on the non-traditional offerings already available: frozen cuttlefish and horse mackerel, smoked salmon, and frozen fruits (strawberries, blueberries, and raspberries).

B. Positioning in knowledge-intensive services.

Creation of new sector-specific brands for advanced services, in addition to existing ones such as Chile at the Digital Forefront, Cinema Chile, and Learn Chile. These brands should be integrated into trade fairs, missions, and business roundtables in the Asia-Pacific region, with collaboration from ProChile, Imagen de Chile, and trade associations.

Concrete action to promote this measure:

- It is recommended that new brands be created for advanced services in mining and food security. These services are highly valued by Asian countries where Chile has crucial expertise. It is essential to integrate these brands into Chile's participation in trade fairs, festivals, missions, and business roundtables in the Asia-Pacific region, coordinating the actions of ProChile, Imagen de Chile, and trade associations. To this end, it is necessary to build a recognizable and credible narrative around Chile's knowledge-intensive services offering that complements the traditional country brand associated with natural resources and tourism and adapts to the quality and reliability expectations of Asian markets.

Together, these recommendations will enable Chile to tackle the new Asian trade frontier, defined by standards rather than tariffs, and overcome its current dependence on intensive margins. This

would create the conditions for Chile to generate new sophisticated products and services, as well as strategic alliances that increase its resilience and positioning in the Asia-Pacific region in the 21st century.

2) New infrastructure for the implementation of trade policy

In order to implement an active trade policy for Chile towards the Asia-Pacific basin and consolidate its position as a stable, secure, and neutral connectivity platform in the Latin-Pacific, it is necessary to develop new infrastructure that improves logistics, increases the value of cargo, and positions the country in the region's new supply chains. Depending on the implementation horizon, the following lines of action are proposed:

2.1. Short term: technical capabilities and operational readiness.

Training of new teams of technical negotiators.

Promote an advanced training program in Asian international trade, economic diplomacy, and digital regulations to strengthen the State's capacity to negotiate standards, enable supply chains, and overcome regulatory barriers that condition access to highly dynamic and regulated Asian markets.

Specific example:

- Scholarship and technical internship program in Asian organizations and *think tanks* (Japan, Korea, Singapore, India) to train and develop negotiation skills with direct knowledge of the region's regulatory frameworks and commercial practices.

2.2. Medium term: logistics infrastructure and regional coordination

A. Logistics-port hub scheme

The objective is to modernize strategic ports to transform them into regional logistics hubs capable of receiving cargo from Brazil, Argentina, and Paraguay, processing it, adapting it, and certifying it to meet Asian market standards. In this way, Chile would function as a value-added platform and preferential access point to India and Southeast Asia. It is essential that these centers encourage the presence of Asian shipping companies and *freight forwarders* in Chile so that local actors can become familiar with Asian standards in practice. This measure will improve resilience, as daily interaction with logistics companies from emerging markets will allow for the development of alternative cargo routes to mitigate geopolitical risks. It is essential that these alternative routes operate in coordination with neighboring countries (see the recommendation on the Pacific Alliance).

Examples of some actions:

- Develop halal product *packaging* and certification capabilities.
- Attract COMEX offices and shipping companies of Asian origin to Chilean port cities.
- Organize annual *Puerto–LatinoPacífico & Asia* business rounds to attract investment and promote Chilean services as a regional platform.
- Establish a digital traceability platform with Asian standards, incorporating technologies such as port IoT and commercial *blockchain*.

A. Multimodal bioceanic corridors

Develop and consolidate corridors connecting the Atlantic with Chilean ports, prioritizing logistical efficiency, safe transport, and digital traceability chains. These corridors will allow cargo from the Southern Cone to reach Chilean ports to be conditioned and subsequently exported to the new middle classes in the Asia-Pacific region. This measure will strengthen Chile's resilience in this dynamic scenario, as it will not only export local cargo but also manage shipments from neighboring countries.

Specific example:

- Northern corridor (cargo from Brazil, Paraguay, and Argentina).
- Central corridor (cargo from Argentina).

2.3. Long term: strategic repositioning and chains of the future

A. Green hydrogen (H₂V) corridors for Asia

Create specialized infrastructure in the ports of southern Chile (Magallanes, Biobío, and Los Lagos) adapted to the logistical and certification requirements of green hydrogen and its derivatives. Japan and South Korea, two of the largest future consumers of green hydrogen, need to import large volumes for their decarbonization and energy transition plans. Chile, thanks to its advantage in renewable energies, can position itself as a trusted supplier through export corridors that integrate production, storage, certification of renewable origin, and shipment from specialized ports.

Specific example:

- Magallanes-Ulsan Corridor
- Magallanes-Yokohama Corridor

3) Geopolitical risk management

In an increasingly tense international context due to strategic competition between the major powers, Chile needs a geopolitical risk management and mitigation strategy that strengthens its autonomy, protects its strategic interests, and allows it to present itself as a secure, stable, and neutral partner in the Pacific basin. This strategy must combine immediate h y monitoring and response capabilities, regional coordination mechanisms, and, in the long term, a flexible architecture of agreements that ensures resilience in a more fragmented international order.

3.1. Short term: monitoring, anticipation, and immediate mitigation

A. Smart risk management approach

It is necessary to adopt a smart risk management approach that diversifies partners and reduces excessive dependencies, expanding cooperation with actors such as Japan, Korea, India, Australia, New Zealand, and Southeast Asia. At the same time, it is essential to develop internal capabilities for ongoing geopolitical monitoring that allow for the anticipation of disruptions in critical supply chains, especially in sectors such as strategic minerals, clean energy, and food.

Concrete actions:

- Create a Geoeconomic Risk Early Warning Unit: establish an interministerial team (Foreign Ministry, Ministries of Mining, Energy, and Agriculture) responsible for monitoring trade tensions, sanctions, logistical disruptions, and regulatory changes in Asia, as well as generating monthly reports for companies and decision-makers.
- Develop strategic reserve plans or backup contracts in sectors sensitive to national interests. Along the same lines, evaluate the incentive of long-term supply contracts for key products such as lithium, copper, green hydrogen, and food with strategic partners such as Korea, Japan, and, in the near future, India.

- Alternative assurance mechanisms: explore storage agreements, logistics insurance, and alternative supply contracts for essential products affected by geopolitical volatility.

3.2. Medium term: regional coordination and greater room for maneuver

A. Strategic reorientation of the Pacific Alliance

Chile must lead the reactivation of the Pacific Alliance as a flexible platform for economic diplomacy and strategic coordination toward the Pacific basin. This mechanism would allow for the negotiation of common standards, the promotion of shared logistics and energy projects, and the coordination of positions in forums such as APEC, ASEAN, and other spaces in the Asia-Pacific and Indo-Pacific regions. Regional coordination is essential to increase South America's negotiating power in markets where scale, certification, and advanced regulation determine access.

Concrete actions:

- Promote the inclusion of new members (Ecuador, Panama, and Costa Rica).
- Deploy joint trade missions in strategic sectors.
- Organize multinational missions (Chile, Peru, Mexico, and Colombia) to ASEAN, India, and Korea to promote productive chains in critical minerals, green hydrogen, sophisticated agri-foods, and digital services.

3.3. Long term: flexible agreement architecture and strategic repositioning

A. Network of minilateral agreements

Chile must move forward in building a network of minilateral agreements that protect its interests in a more fragmented international order. These agreements, with like-minded partners such as Australia, New Zealand, Singapore, Vietnam, Japan, and Korea, can focus on three strategic areas: supply chains for critical minerals for electromobility; maritime security and preservation of routes in the South Pacific; and protection of green corridors from geopolitical tensions. This approach will allow for the coordination of standards, attract more sophisticated investments, and ensure that the logistics and energy routes where Chile has comparative advantages remain open, secure, and free from pressure between major powers.

Concrete actions:

- Chile-Australia-Vietnam-Indonesia working group on critical minerals, aimed at coordinating environmental standards, traceability, and the exchange of best practices for lithium, copper, and rare earths, facilitating investment and access to secure supply chains.
- A multilateral green corridor agreement with Korea, Japan, and Australia, based on common standards for green hydrogen, ammonia, and clean fuels, ensuring compatible standards and energy corridors free from political pressure.
- Create a Latin American-Pacific Green Minerals Certification Network, led by Chile, to standardize ESG and carbon standards with like-minded partners, reduce compliance costs, and ensure preferential access to high-level Asian markets.

Together, these initiatives would enable Chile to strengthen its resilience, increase its room for maneuver, and consolidate its position as a key player in the economic and logistical architecture of the Latin-Pacific region, while protecting sectors that are strategic for its long-term development.

CONCLUSION

This study demonstrates that Chile's commercial integration into the Pacific Basin is a structural phenomenon rather than a temporary one, whose evolution must be analyzed in light of profound transformations in the international economic order that go beyond market access understood as a reduction in tariff barriers. Empirical evidence confirms that the Asia-Pacific region has consolidated its position as the main destination for Chilean foreign trade, both in terms of its share of total exports and its role in the sectoral configuration of the productive apparatus. However, this centrality coexists with persistent patterns of geographical and productive concentration, which introduces significant tensions between trade openness, diversification, and resilience. In other words, the Pacific Basin is the structural axis of Chile's international integration, but it faces limitations that we must overcome.

This research contributes to the debate on international integration by articulating three analytical frameworks—Asia-Pacific, Indo-Pacific, and Latin-Pacific—that allow us to understand the overlapping economic, geopolitical, and regulatory logics that currently structure the Pacific Basin. The distinction between these frameworks reveals that trade policy can no longer be understood exclusively as a tool for liberalization, but rather as an instrument embedded in dynamics of systemic competition, regulatory fragmentation, and the reconfiguration of global value chains. In this sense, the concept of the Latin Pacific emerges as an analytical contribution, shifting the focus from a center-periphery reading to a perspective of strategic agency for Latin American countries bordering the Pacific.

The mixed methodology used reinforces this reading. Long-term quantitative analysis shows a significant expansion of trade with Asia-Pacific, along with moderate diversification of the

extensive margin, especially towards India and Southeast Asia. However, the qualitative results, derived from interviews, show that this diversification faces institutional, regulatory, and strategic limits that are not fully reflected in the aggregate data. The methodological triangulation thus allows us to identify a gap between the objective potential for diversification and the effective capacities for insertion, a gap that constitutes one of the central findings of the study.

Sectoral results confirm that Asian demand continues to structure Chile's export pattern around natural resources and primary goods, particularly critical minerals and agri-food products. Although progress has been made in incorporating new products and services, this has not been sufficient to substantially alter the country's dependence on a small set of goods and markets. This dynamic suggests that the observed diversification is more horizontal than vertical, i.e., it is expressed in an expansion of destinations and export lines, but not necessarily in a transformation of Chile's position in regional value chains.

At the geopolitical level, the study shows that growing competition among major powers in the Indo-Pacific introduces new variables into the analysis of international trade. Regulatory fragmentation, supply chain security, and the emergence of minilateral arrangements create an environment in which medium-sized countries, such as Chile, face simultaneous incentives to deepen openness and manage strategic risks. The evidence suggests that the response does not take the form of rigid alignments, but rather flexible strategies of multiple linkages, reinforcing the analytical relevance of approaches based on strategic autonomy and multi-alignment.

The study's conclusions indicate that Chile's integration into the Pacific Rim is in a transitional phase, marked by the coexistence of an export model that is successful in terms of volume but limited in terms of diversification and value added, as well as by an international environment that is redefining the conditions under which this model can be sustained over time.

Trade policy is increasingly positioned at the intersection of economics, geopolitics, and institutionality. Therefore, further research is needed to deepen the link between trade, state capacities, and regional governance, as well as the role of Latin American Pacific countries in shaping a more fragmented trans-Pacific economic order that is also more open to differentiated integration strategies.

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Appendices

Appendix 1. List of interviewees

Interviewee	Profile	Label
1	Public actor	Interview_01_Government
2	Organization actor	Interview_02_Regional Agency
3	Private actor	Interview_03_Private
4	Academia	Interview_04_Academia
5	Public actor	Interview_05_Government
6	Expert	Interview_06_Tec/SC
7	Private actor	Interview_07_Private
8	Expert	Interview_08_Tech/SC
9	Academia	Interview_09_Academy
10	Academy	Interview_10_Academy
11	Actor Organization	Interview_11_Regional Organization

Appendix 2. Summary of recommendations

Time frame	Priority area	Recommendation	Basis in the diagnosis
Short term (1–2 years)	Institutional and regulatory	Optimize the effective use of existing trade agreements	High coverage of agreements contrasts with export concentration and non-tariff barriers
Short term (1–2 years)	Institutional and regulatory	Deepen integration into new-generation regulatory frameworks (DEPA, CPTPP)	Growth of digital trade and services with frameworks still incomplete
Medium term (3–5 years)	Infrastructure and capabilities	Develop strategic logistics infrastructure and bi-oceanic corridors	Logistics costs and concentration of flows limit diversification
Medium term (3–5 years)	Infrastructure and capacities	Strengthen productive capacities in sectors with regional potential	Empirical opportunities in agribusiness, intermediate manufacturing, and services

Long term (10+ years)

Strategic repositioning

Promote the Latin-Pacific approach as a framework for collective action

Power asymmetries and regional fragmentation
reduce negotiating capacity

Long term (10+ years)

Strategic repositioning

Implement structural strategy for mitigating geopolitical risks

High dependence on markets and strategic products exposed to shocks