

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Chilean Export trends from 2010

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Agriculture in the News

Approved By:

Rachel Bickford, Agricultural Attaché

Prepared By:

Maria Jose Herrera M., Marketing Specialist

Report Highlights:

Despite the strong Chilean peso, 2010 was a record year for Chilean exports. In 2009 the country's exports totaled US\$53,735 million, for 2010 the numbers climbed to US\$69,621 million, representing a gain of nearly 30% according to ProChile (Chilean Export Promotion Bureau of the Ministry of Foreign Affairs).

Trends:

Chile had a record year for exports in 2010. In 2009 the country's exports totaled US\$53,735 million, for 2010 the numbers climbed to US\$69,621 million, representing a gain of nearly 30% according to ProChile (Chilean Export Promotion Bureau of the Ministry of Foreign Affairs).

The reasons for this leap lie in the high price of copper and the recovery of the international economy, which was reflected in increased demand for mineral and agricultural products, two of Chile's strengths. When compared to 2009, the income produced by copper shipments during 2010 rose by US\$11,863 million, an expansion of 43.1 percent.

Cellulose, the product with the second largest export numbers after copper, earned export sells of US\$5,466 million, representing an increase of 19 percent year on year. Industry reports that international demand for Cellulose recovered and prices rose 52 percent in 2010.

In spite of the severe damages suffered by the pulp mills because of the earthquake, commodity consignments rose 19%, producing an excellent earnings of US\$871 million in 2010 when compared to the US\$4,594 million of 2009.

The increase is due to the increase of pulp registered last year, which amounted to 52%, reaching US\$948 per ton, versus the US\$623 of 2009. Sawed lumber, the eighth product registering the highest export in value, reached US\$549 million, showing a rise of 28% during the year.

The chairman of the Chilean Wood Council (CORMA) highlighted the recovery of the prices and the demand after the subprime crisis that knocked the exports during 2009.

Salmon and trout exports attained third place with exports worth US\$2,004 million. Still, compared to last year, exports of these products dropped because of ISA virus and infrastructure damage due to the February 27, 2010 earthquake.

Salmon and trout suffered a setback of 1.3% in exports last year, amounting to US\$2,004 million according to ProChile. The drop can be explained by the problems experienced by the Atlantic salmon species, whose production was affected by the ISA virus – InfoTrade Company clarifies – cutting their income from shipping in 33%.

In the case of fish flour the drop goes deeper. During 2010 these exports decreased in 14%, reaching the US\$521 million; if the sells abroad are measured in tons, the setback reaches 50%.

According to the Chilean Fishing Industry Association – ASIPES, the decrease can be explained by the

reduced availability of horse mackerel and the damages due to the earthquake, which interrupted the captures for almost two months.

Wines and grapes: growths in spite of the low price of the dollar.

The sectors that had problems during 2010 were connected to agriculture, due to the adverse kind of exchange for these activities.

In spite of the difficulties, the consignments of bottled wine increased in 12% during 2010, amounting to US\$1,547 million according to ProChile. An increase of 11% in volumes and 1% in the average price of the industry, which reached the US\$26.9 per crate according to Vinos de Chile Association, stands out.

In the case of table grape, main fruit exports of the country, progress amounted to 4.1%, reaching US\$1,202 million. According to ProChile, the improvement is due to the recovery of the prices after the financial crisis of 2009.

Regarding markets, the increase in demand from China, Chile's main commercial partner nowadays, stands out. During 2010 US\$16,457 million were sent to that country, which represented a 43% increase year on year.

In addition, Japan supplanted the United States as the second most important destination for Chilean exports with US\$7,110 million worth of total imports.