



Innovation (R&I)



**KENYA EXPORT
PROMOTION & BRANDING
AGENCY**

Research and

KENYA- CHILE

Trade Flow Analysis Report

**Prepared by
The
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Research & Innovation**

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1.0 CHILE

1.1 BACKGROUND

Chile, officially the Republic of Chile is a country in western South America. It is the southernmost country in the world and the closest to Antarctica, stretching along a narrow strip of land between the Andes Mountains and the Pacific Ocean. Chile had a population of 17.5 million as of the latest census in 2017 and has a territorial area of 756,102 square kilometres (291,933 sq. mi), sharing borders with Peru to the north, Bolivia to the northeast, Argentina to the east, and the Drake Passage to the south. The country also controls several Pacific islands, including Juan Fernández, Isla Salas y Gómez, Desventuradas, and Easter Island, and claims about 1,250,000 square kilometres (480,000 sq. mi) of Antarctica as the Chilean Antarctic Territory. The capital and largest city of Chile is Santiago, and the national language is Spanish.

Chile, classified as a high-income nation by the World Bank, has traditionally depended on its export-driven sectors, particularly mining, agriculture, and forestry. These sectors, along with a stable financial system, have been the backbone of its economy. However, in 2023, the country faced a slight economic downturn, with GDP growth decreasing by 0.5% compared to the previous year. This slowdown was mainly due to weakened domestic demand and tighter credit conditions, as reported by the IMF. Looking ahead, Chile's economy is expected to recover, with growth forecasts of 1.6% in 2024 and 2.3% in 2025. This rebound is anticipated to be driven by factors such as rising real wages, lower interest rates, and ongoing global demand for mineral exports. Nonetheless, challenges such as a potential economic slowdown in China and climate-related risks could pose threats to this recovery, requiring careful economic management.

On the fiscal front, following strong fiscal consolidation in 2022 after the reduction of COVID-19-related spending, Chile faced a reemergence of its budget deficit in 2023. This was due to the economic slowdown and lower mineral commodity prices, which led to decreased tax revenues and increased financing costs. Additionally, government spending rose, driven by higher pension payments and capital investments. To counteract these fiscal challenges, a new mining royalty bill was approved in May 2023, expected to generate revenue equivalent to about 0.45% of GDP annually once fully implemented. Despite these efforts, the General Government Balance deteriorated in 2023, with the deficit widening to 3.4% of GDP, surpassing the IMF's forecast of -2.3%. Although slight improvements are expected in 2024 and 2025, with the deficit projected to narrow to -2.3% and -1.8%, fiscal pressures remain. Chile's General Government Gross Debt also increased, reaching



38.4% of GDP in 2023 and is expected to rise further to 41.2% in 2024 and 42.4% in 2025, underscoring the challenges in managing public debt despite efforts to control spending. Inflation has been a significant issue, with the rate reaching 7.8% in 2023, well above the target range. However, measures are being taken to reduce inflation to 3.6% in 2024, with a target to stabilize it at 3% in 2025. These efforts are expected to be supported by cautious monetary policy adjustments aimed at balancing inflation control with economic growth.

Unemployment remains a persistent issue, with the rate rising to 8.8% in 2023 due to labor market challenges amid economic uncertainties. Although efforts are being made to create jobs, the unemployment rate is expected to remain above pre-pandemic levels, averaging around 9.0% in 2024 before gradually declining to 8.0% by 2026. Labor market conditions are further strained by ongoing inequality. Despite a reduction in poverty rates—from 8% in 2020 to 4.8% in 2022—income inequality continues to be a significant concern. The Gini coefficient, which measures income inequality, was 0.43 in 2022, according to World Bank data. These statistics highlight the importance of sustained policy initiatives to address income disparities and foster inclusive economic growth. Moreover, with a GDP per capita (PPP) of USD 29,935 in 2023, as reported by the IMF (the highest in Latin America), ensuring the equitable distribution of economic benefits is crucial for achieving sustainable development and social stability.

1.2 Chile's International trade Performance

Table 1: Situational analysis.

Chile's Trade Flows and Position in the Global Trade
<ul style="list-style-type: none">● In 2023, Chile's exports were valued at USD 100.3 billion which accounted for 0.4% of the world exports during the year. Chile was the 185th largest exporters in the year.● On the other hand, Chile's imports in the year were valued at USD 80.5 billion which made up 0.3% of the world imports in the year ranking the country as the 47th largest global importer in 2023.● Over the last decade, Chile has had a negative trade balance with her partners.● Her lead export destination market in 2023 was China with exports valued at USD 37.7 billion, accounting for 37.6% of Chile's total export.● In the same year, Chile's top source markets was China with USD 18.0 billion accounting for 22.3% of Chile's imports● The country chief export product was copper ores and concentrates with her export being valued at USD 23.9 billion.● Chile's import product in 2023 was petroleum oils and oils obtained from bituminous minerals (excl. Crude). The country imported approximately USD 7.2 billion

1.3 Chile's lead Import Trade Partners

Table 2. Chile's Top 25 Import Trade Partners

Rank In 2023	Exporters	value in 2019	value in 2020	value in 2021	value in 2022	value in 2023	Share in 2023
		Imported Values in USD Billions					
1	China	15.2	15.8	26.4	25.2	18.0	22.3%
2	United States of America	15.8	12.3	18.8	26.1	16.3	20.2%
3	Brazil	6.3	4.7	8.2	11.0	8.8	11.0%
4	Argentina	4.2	3.6	5.6	6.5	5.7	7.0%
5	Germany	2.8	2.3	3.4	2.9	2.8	3.5%
6	Japan	2.5	1.1	2.0	2.8	2.2	2.8%
7	Spain	1.8	1.5	2.2	2.1	1.8	2.3%
8	Mexico	2.1	1.7	2.5	2.3	1.8	2.2%
9	Peru	1.3	1.2	1.8	2.0	1.7	2.2%
10	Italy	1.4	1.1	1.5	1.6	1.4	1.8%
11	India	1.1	0.8	1.3	1.5	1.3	1.6%
12	Korea, Republic of	1.5	1.1	1.7	1.8	1.3	1.6%
13	Paraguay	0.7	0.8	1.1	1.2	1.3	1.6%
14	France	1.4	0.9	1.2	1.4	1.2	1.5%
15	Colombia	1.5	1.2	1.6	2.2	1.2	1.5%
16	Ecuador	1.8	1.0	1.3	1.4	1.1	1.4%
17	Viet Nam	0.7	0.8	1.2	1.3	1.1	1.4%
18	Area Nes	0.8	0.7	1.0	1.2	0.9	1.2%
19	Canada	0.9	1.0	1.4	1.3	0.8	1.0%
20	Trinidad and Tobago	0.4	0.3	0.3	0.7	0.6	0.8%
21	Australia	0.3	0.4	0.6	1.1	0.6	0.7%
2	Thailand	0.8	0.6	0.8	0.9	0.6	0.7%
23	Netherlands	0.4	0.4	0.6	0.6	0.5	0.6%
24	United Kingdom	0.8	0.6	0.6	0.6	0.5	0.6%
25	Sweden	0.5	0.4	0.5	0.6	0.5	0.6%
96	Kenya	0.0	0.0	0.0	0.0	0.0	0.0%
	All Other Countries	5.8	5.3	7.6	8.9	6.3	7.9%
	All Countries	72.8	61.4	95.2	109.3	80.5	100.0%

Source: International Trade Centre database 2024; Compiled by KEPROBA.

- Chile's total imports were valued at USD 80.5 Billion in 2023 and have been growth rate of 10% between the year 2019 and 2023.
- In the year 2023, Chile's lead source markets include: China (USD 18.0 billion; 22.3%), USA (USD 16.3 billion; 20.2%), Brazil (USD 8.8 billion; 11.0%), Argentina (USD 5.7 billion; 7.0%) and Germany (USD 2.8 billion; 3.5%).
- The top five source market accounted for 64% of Chile's import baskets.

1.4 Chile's lead Import Products

Rank in 2023	Code	Product label	value in 2019	value in 2020	value in 2021	value in 2022	value in 2023	Share in 2023
			Imported value in USD Billions					%
1	'2710	Petroleum oils and oils obtained from bituminous minerals (excl. crude)	5.7	3.9	7.5	15.2	7.2	9.0%
2	'2709	Petroleum oils and oils obtained from bituminous minerals, crude	4.7	2.6	4.8	5.6	5.2	6.5%
3	'8703	Motor cars and other motor vehicles principally designed for the transport	4.2	1.8	4.0	5.1	3.1	3.9%
4	'8704	Motor vehicles for the transport of goods, incl. chassis with engine and cab	2.6	1.6	3.3	3.8	2.8	3.4%
5	'2711	Petroleum gas and other gaseous	2.6	2.2	3.4	4.3	2.7	3.3%
6	'8517	Telephone sets, incl. smartphones and other telephones for cellular networks	2.0	2.0	2.9	2.7	2.2	2.8%
7	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	1.1	1.1	1.3	1.3	1.4	1.8%
8	'0201	Meat of bovine animals, fresh or chilled	1.0	0.9	1.5	1.3	1.3	1.6%
9	'2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	1.2	0.9	1.7	3.0	1.2	1.5%
10	'8471	Automatic data-processing machines and units thereof; magnetic or optical readers	1.1	1.3	2.1	1.5	1.2	1.5%
11	'8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels	0.7	0.4	0.8	0.9	1.0	1.2%
12	'8501	Electric motors and generators (excl. generating sets)	0.5	1.1	1.1	1.3	0.9	1.2%
13	'8431	Parts suitable for use solely or principally with the machinery of heading 8425 to 8430	0.5	0.5	0.6	0.8	0.8	1.0%
14	'4011	New pneumatic tyres, of rubber	0.7	0.6	0.8	0.8	0.8	1.0%
15	'8502	Electric generating sets and rotary converters	0.4	1.0	0.8	0.6	0.7	0.9%
16	'1005	Maize or corn	0.5	0.6	0.8	0.9	0.7	0.8%
17	'2613	Molybdenum ores and concentrates	0.3	0.3	0.7	0.5	0.7	0.8%
18	'3002	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic	0.4	0.5	1.0	0.8	0.6	0.8%
19	'8708	Parts and accessories for tractors, motor vehicles for the transport	0.6	0.4	0.7	0.8	0.6	0.8%
20	'8702	Motor vehicles for the transport of >= 10 persons, incl. driver	0.6	0.5	0.3	0.7	0.6	0.7%
		All Other products	41.8	37.0	55.0	57.3	44.8	55.6%
	TOTAL	All products	72.8	61.4	95.2	109.3	80.5	100.0%

Source: International Trade Centre database 2024; Compiled by KEPROBA.

- Chile's top import products in 2023 included: Petroleum oils and oils obtained from bituminous minerals (excl. Crude) (USD 7.2 billion), Petroleum oils and oils obtained from bituminous minerals, crude (5.2 billion), Motor cars and other motor vehicles for transport (3.1 billion), Motor vehicles for transport of goods (2.8 billion) and Petroleum gas and other gaseous (2.7 billion).

1.5 Chile's lead Export Trade Partners.

Table 4: Chile's top 25 Export Trade Partners.

Rank in 2023	Importers	value in 2019	value in 2020	value in 2021	value in 2022	value in 2023	Share in 2023
		Exported Values in USD Billions					%
1	China	21.9	25.3	34.6	38.9	37.7	37.6%
2	United States of America	10.9	10.2	15.8	15.6	16.4	16.4%
3	Japan	6.4	6.0	7.1	7.8	6.9	6.8%
4	Korea, Republic of	4.7	4.1	4.7	6.1	6.2	6.1%
5	Brazil	3.3	3.2	4.7	4.9	4.7	4.6%
6	Peru	2.1	1.7	1.8	2.2	2.2	2.2%
7	Netherlands	1.6	1.3	1.5	2.7	1.8	1.8%
8	Mexico	1.4	1.1	1.5	1.9	1.8	1.8%
9	Spain	1.8	1.2	1.7	1.5	1.6	1.6%
10	Canada	1.0	1.0	1.3	1.4	1.5	1.5%
11	India	1.1	0.8	1.1	1.3	1.4	1.4%
12	France	1.0	0.8	1.2	0.9	1.3	1.3%
13	Taipei, Chinese	1.5	1.2	1.9	1.6	1.3	1.3%
14	Germany	1.0	1.0	1.2	1.1	1.2	1.2%
15	Belgium	0.6	0.5	0.5	0.9	1.1	1.1%
16	Argentina	0.8	0.7	0.9	1.1	1.1	1.0%
17	Colombia	0.8	0.7	0.8	1.1	1.0	1.0%
18	Italy	0.8	0.6	0.7	0.6	0.9	0.9%
19	Bolivia, Plurinational	0.4	0.4	0.4	0.5	0.8	0.8%
20	Switzerland	1.1	0.9	1.0	1.0	0.8	0.8%
21	Ecuador	0.5	0.5	0.6	0.6	0.7	0.7%
22	Thailand	0.4	0.4	0.5	0.7	0.6	0.6%
23	United Kingdom	1.0	0.7	0.7	0.8	0.6	0.6%
24	Russian Federation	0.8	0.7	0.6	0.4	0.5	0.5%
25	Malaysia	0.2	0.1	0.2	0.3	0.3	0.3%
112	Kenya	0.0	0.0	0.0	0.0	0.0	0.0%
	All other countries	5.6	5.1	5.9	6.7	6.1	6.0%
	All countries	72.8	70.0	92.9	102.6	100.3	100.0%

Source: International Trade Centre database 2024; Compiled by KEPROBA.

- Chile's total export was valued at USD 100.3 billion in 2023 and have a total growth rate of 10%.
- Chile's lead export destination markets in 2023 included: China (USD 37.7 billion; 37.6%), USA (USD 16.4 billion; 16.4%), Japan (USD 6.9 billion; 6.8%), Korea Republic of (USD 6.2 billion; 6.1%) and Brazil (USD 4.7 billion; 4.6%)

1.6 Chile's lead Export Products

Table 5: Chile's top 20 Export trade Products.

Rank in 2023	Code	Product label	value in 2019	value in 2020	value in 2021	value in 2022	value in 2023	Share in 2023
Exported values in USD Billion								
1	'2603	Copper ores and concentrates	18.0	17.5	26.7	23.1	23.9	23.8%
2	'7403	Copper, refined, and copper alloys.	13.3	13.5	20.2	18.3	17.5	17.4%
3	'2836	Carbonates; peroxocarbonates "percarbonates.	0.8	0.7	0.9	7.6	6.1	6.1%
4	'0304	Fish fillets and other fish meat, whether or not minced, fresh, chilled or frozen	2.8	2.5	3.1	3.9	3.9	3.8%
5	'2613	Molybdenum ores and concentrates	1.3	1.2	1.6	1.8	2.5	2.5%
6	'0809	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	1.4	1.5	2.1	2.5	2.4	2.4%
7	'4703	Chemical wood pulp, soda or sulphate (excl. dissolving grades)	2.7	2.0	2.4	2.6	2.4	2.4%
8	'7402	Copper, unrefined; copper anodes for electrolytic refining	1.4	1.8	2.5	2.7	2.3	2.3%
9	'0303	Frozen fish (excl. fish fillets and other fish meat of heading 0304)	1.8	1.5	1.6	2.1	1.9	1.9%
10	'2601	Iron ores and concentrates, incl. roasted iron pyrites	0.6	1.4	2.4	1.6	1.7	1.7%
11	'2204	Wine of fresh grapes, incl. fortified wines; grape must, partly fermented.	1.9	1.8	2.0	1.9	1.5	1.5%
12	'2825	Hydrazine and hydroxylamine and their inorganic salts; inorganic bases.	0.3	0.2	0.4	0.7	1.4	1.4%
13	'2801	Fluorine, chlorine, bromine and iodine	0.5	0.7	0.6	1.1	1.3	1.3%
14	'0302	Fish, fresh or chilled (excl. fish fillets and other fish meat of heading 0304)	0.9	0.6	0.9	1.1	1.1	1.1%
15	'7108	Gold, incl. gold plated with platinum, unwrought or not further worked.	1.2	1.0	1.0	0.9	1.0	1.0%
16	'2710	Petroleum oils and oils obtained from bituminous minerals (excl. crude).	0.2	0.2	0.3	0.7	1.0	1.0%
17	'0806	Grapes, fresh or dried	1.1	1.1	1.0	1.9	1.0	1.0%
18	'8407	Spark-ignition reciprocating or rotary internal combustion piston engine	1.1	0.6	0.9	0.8	0.9	0.9%
19	'2833	Sulphates; alums; peroxosulphates "persulphates"	0.0	0.0	0.0	0.2	0.8	0.8%
20	'4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed.	0.8	0.7	0.9	1.0	0.8	0.8%
		All other products	20.5	19.3	21.8	26.2	24.9	24.8%
	'TOTAL	All products	72.8	70.0	92.9	102.6	100.3	100.0%

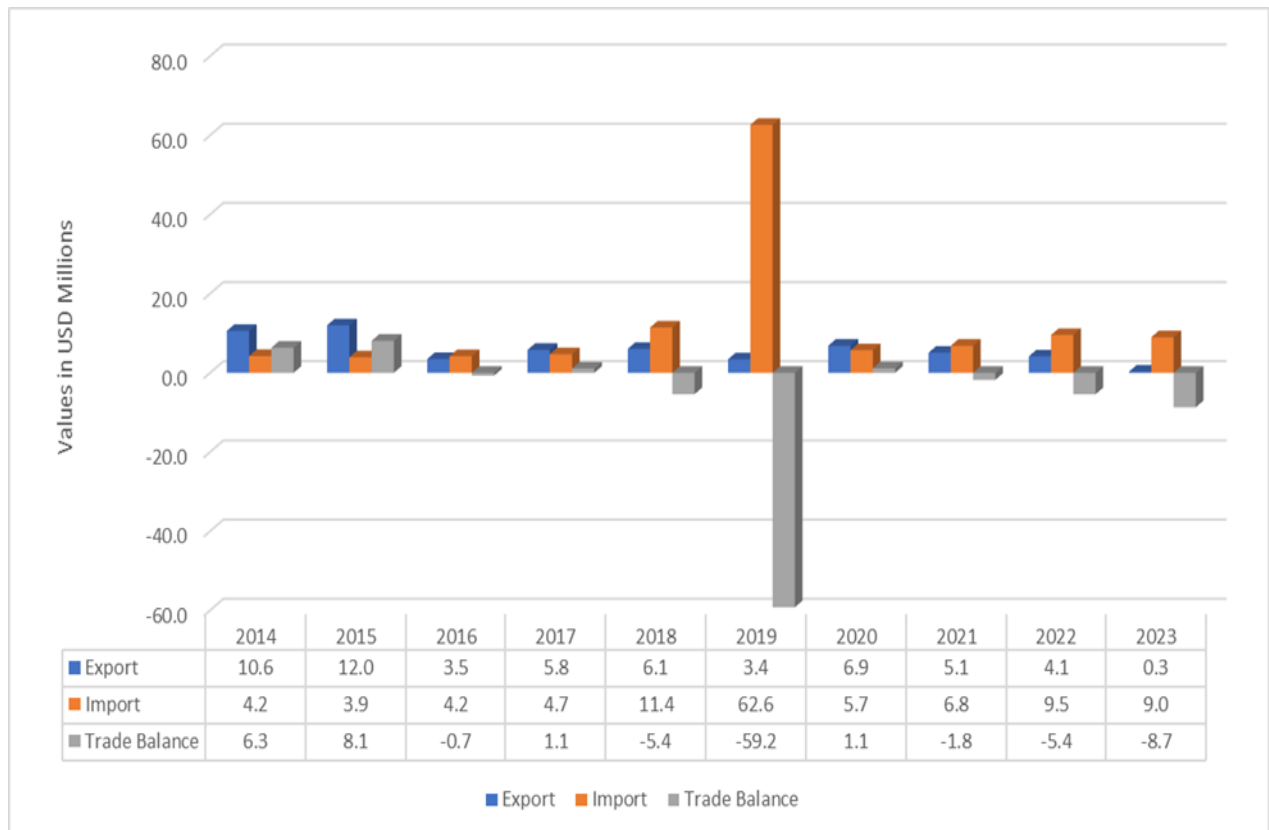
Source: International Trade Centre database 2024; Compiled by KEPROBA.

- Chile's top export products in 2023 included: Copper ores and concentrates (USD 23.9 billion), Copper refined, and copper alloys, wrought (excl. Copper alloys of heading 7405) (USD 17.5 billion), Carbonates; peroxocarbonates 'percarbonates (USD 6.1 billion), Fish fillets and other fish meat, whether minced, fresh, chilled, or frozen (USD 3.9 billion) and Molybdenum ores and concentrates (USD 2.5 billion).

2.0 BILATERAL TRADE BETWEEN KENYA AND CHILE

2.1 Kenya- Chile Bilateral Trade Trends:

Figure 1: Kenya- Chile bilateral trade



Source: International Trade Centre database 2024; Compiled by KEPROBA.

- Kenya's exports to Chile's have been decreasing through the period from USD 10.6 Million in 2014 to USD 0.3 Million in 2023. In 2023 the export dropped to USD 0.3 Million from 4.1 million in 2022.
- On the other hand, Kenya's imports from Chile's grew through the period from USD 4.2 Million in 2014 to USD 9.0 Million in 2023 the peak being USD 62.6 Million in 2019.
- The balance of trade between Kenya and Chile has remained in favour of Chile through the period. This trade deficit widened through the period from USD 0.7 Million in 2016 to USD 8.7 Million in 2023.

2.2 Kenya's Export to Chile

Table 6: Kenya's Export to Chile

Rank in 2023	Product code	Product label	Kenya's exports to Chile'USD Thousand					%
			Value in 2019	Value in 2020	Value in 2021	Value in 2022	Value in 2023	Share in 2023
1	'0902	Tea	3,229	6,612	4,863	3,955	266	90.2%
2	'9701	Paintings, e.g. oil paintings, watercolours and pastels	-	-	-	-	9	3.1%
3	'0602	Live plants	53	2	2	6	5	1.7%
4	'7323	Table, kitchen or other household articles, and parts thereof	-	-	-	1	3	1.0%
5	'2101	Extracts, essences and concentrates, of coffee, tea or maté	-	210	184	146	2	0.7%
6	'6104	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts	-	-	-	-	2	0.7%
7	'9403	Furniture and parts thereof	-	3	-	-	2	0.7%
8	'4420	Wood marquetry and inlaid wood	-	-	-	-	1	0.3%
9	'9503	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; ...	-	-	-	-	1	0.3%
10	'9206	Percussion musical instruments, e.g. drums, xylophones, cymbals	-	-	-	-	1	0.3%
		All other products	133	23	26	35	3	1.0%
	'TOTAL	All products	3,415	6,850	5,075	4,143	295	100.0%

Source: International Trade Centre database 2024; Compiled by KEPROBA.

- The values of Kenya's export to Chile stood at USD 295 Thousands in 2023.
- Kenya's key export product to Chile in 2023 was Tea, whether flavoured or not (USD 266 Thousand), Painting e.g., oil painting, watercolour, or pastels (USD 9 Thousand), Live plants incl. Their roots, cuttings (USD 5 Thousand), Table, kitchen, and other household articles (USD 3 Thousand) and Furniture and parts (USD 2 Thousand).
- The top five export products constituted 96.7% of Kenya's export basket

2.3 Kenya's Import from Chile.

Table 7: Kenya's Import from Chile.

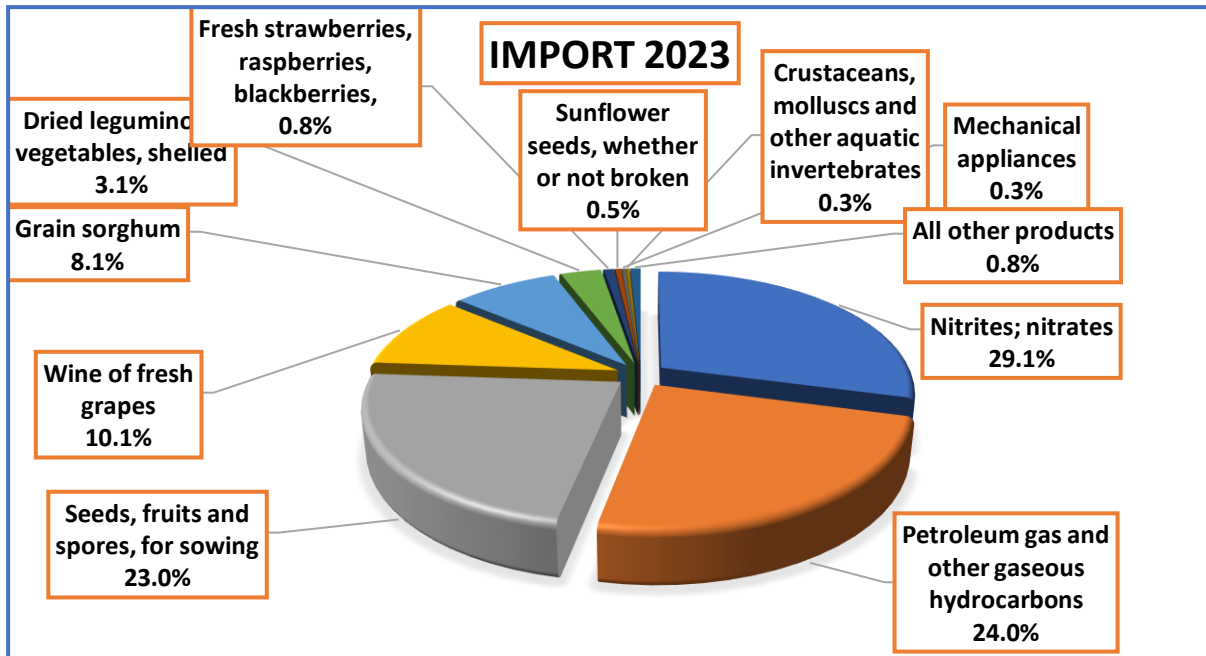
Rank in 2023	Product code	Product label	Kenya's imports from Chile' USD Thousand					Share in 2023
			Value in 2019	Value in 2020	Value in 2021	Value in 2022	Value in 2023	
1	'2834	Nitrites; nitrates	1,729	1,009	1,411	6,174	2,617	29.1%
2	'2711	Petroleum gas and other gaseous hydrocarbons	56,952	43	-	-	2,159	24.0%
3	'1209	Seeds, fruits and spores, for sowing	1,665	2,246	2,638	1,544	2,062	23.0%
4	'2204	Wine of fresh grapes	1,235	1,035	1,195	1,184	904	10.1%
5	'1007	Grain sorghum	-	-	-	-	725	8.1%
6	'0713	Dried leguminous vegetables, shelled	433	745	1,304	274	281	3.1%
7	'0810	Fresh strawberries, raspberries, blackberries,	57	41	62	193	73	0.8%
8	'1206	Sunflower seeds, whether or not broken	-	93	11	15	41	0.5%
9	'8424	Mechanical appliances	-	-	-	3	27	0.3%
10	'1605	Crustaceans, molluscs and other aquatic invertebrates	-	-	-	19	25	0.3%
11	'0904	Pepper of the genus Piper	-	-	47	7	21	0.2%
12	'0303	Frozen fish (excl. fish fillets and other fish meat of heading 0304)	-	-	-	-	19	0.2%
13	'3006	Pharmaceutical preparations and products of subheadings 3006.10.10 to 3006.93.00	-	-	-	3	7	0.1%
14	'2825	Hydrazine and hydroxylamine and their inorganic salts	10	40	-	-	4	0.0%
15	'8517	Telephone sets	-	-	-	-	3	0.0%
16	'0813	Dried apricots, prunes, apples, peaches, pears, papaws "papayas"	-	-	1	-	3	0.0%
17	'8538	Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537	-	-	-	-	2	0.0%
18	'9032	Regulating or controlling instruments and apparatus	1	-	2	-	2	0.0%
19	'3926	Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s.	-	-	-	-	1	0.0%
20	'9504	Video game consoles and machines, table or parlour games	31	-	1	-	1	0.0%
		All other products	526	462	174	133	7	0.1%
	'TOTAL	All products	62,639	5,714	6,846	9,549	8,984	100.0%

Source: International Trade Centre database 2024; Compiled by KEPROBA.

- Kenya's import from Chile were valued at USD 9.0 Million in 2023.
- Chile's main export products to Kenya in 2023 included: Nitrites and nitrates (USD 2.6 Million), Petroleum gas and other gaseous hydrocarbons (USD 2.2 Million), Seeds, fruits and spares for sewing (USD 2.1 Million), Wine of fresh grapes, incl. Fortified wines; grapes (USD 0.9 Million) and Grain sorghum (USD 0.7 Million).
- The top five Kenya's import from Chile accounted for USD 8.5 Million.

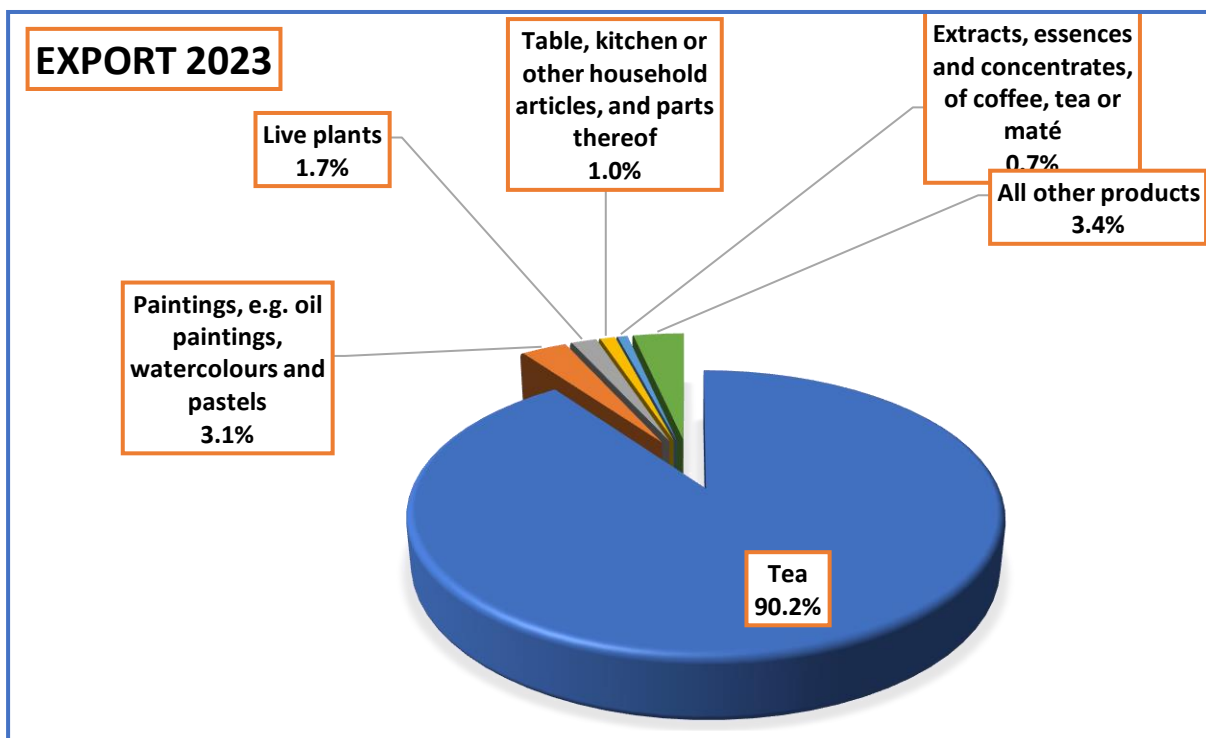
2.4 Share of export and import trade between Kenya and Chile 2023.

2.5 Share in import from Chile 2023.



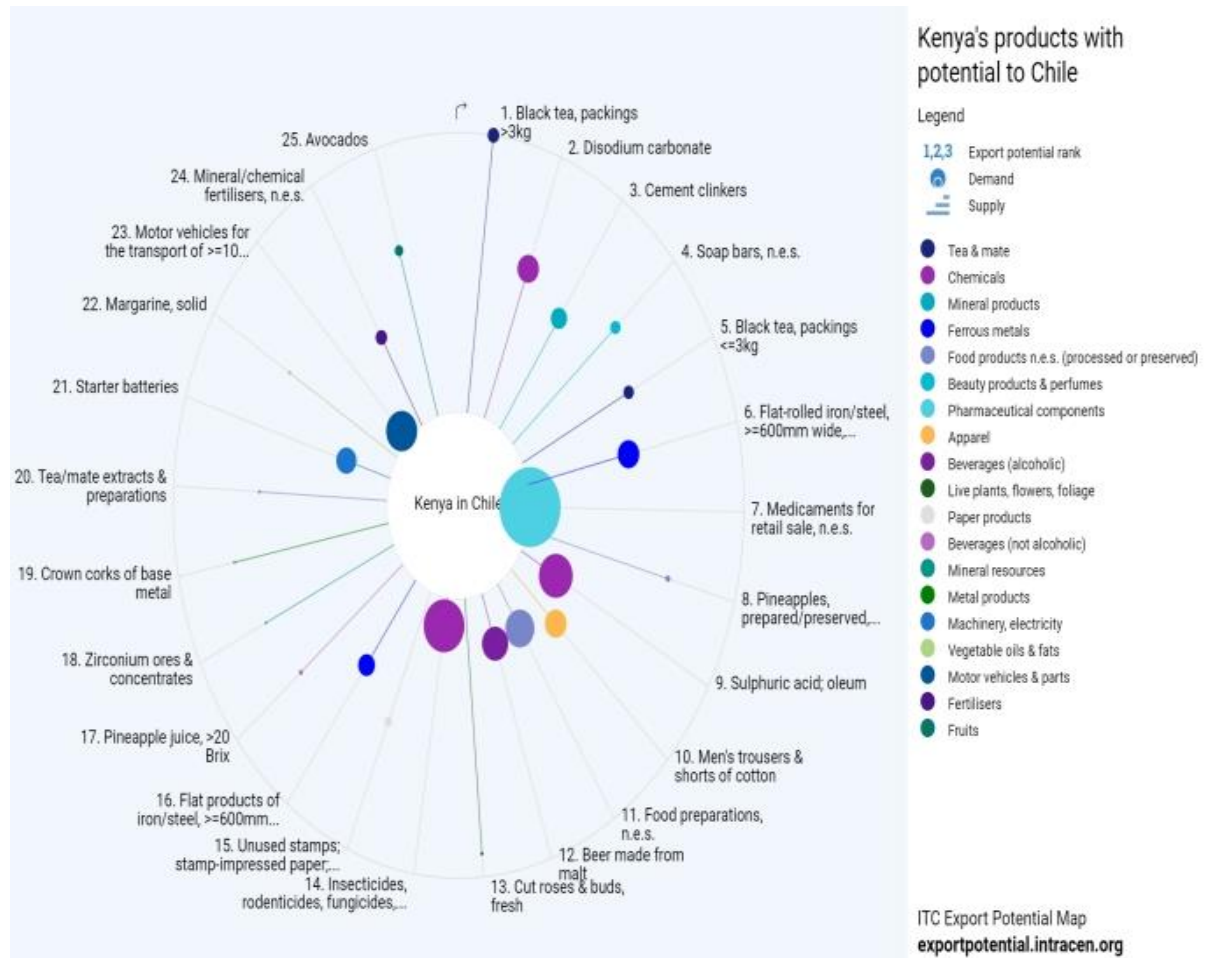
Source: International Trade Centre database 2024; Compiled by KEPROBA.

2.6 Share in export to Chile 2023



2.7 Kenya's potential Exports to Chile

Figure 2: Export potential for Kenya's products in Chile.



Source: International Trade Centre database 2024; Compiled by KEPROBA.

- The products with greatest export potential from Kenya to Chile are Black tea, packing >3kg, Disodium carbonate and Cement clinkers.
- Kenya has the highest supply capacity in Black tea, packing >3kg.
- Medicament for retail sale, n.e.s. is the product that faces the strongest demand potential in Chile.

3.0 CHALLENGES AFFECTING KENYAN EXPORTERS TO CHILE

Kenyan exporters face various challenges, some of which may also be relevant in Chile as discussed below.

- 1. Infrastructure Constraints:** Inadequate infrastructure, such as poor roads, ports, and airports, can increase transportation costs and lead to delays in exporting goods.
- 2. Trade Barriers and Tariffs:** Exporters often face trade barriers and high tariffs when accessing foreign markets, which can make their products less competitive abroad.
- 3. Bureaucratic Red Tape:** Lengthy and complex bureaucratic procedures, including customs clearance processes and documentation requirements, can slow down the export process and increase transaction costs.
- 4. Standards and Compliance:** Meeting international quality standards and compliance requirements can be challenging for exporters, particularly small and medium-sized enterprises (SMEs) with limited resources.
- 5. Access to Finance:** Limited access to finance, including credit and trade finance, can hinder exporters' ability to expand production capacity, invest in technology, and explore new markets.
- 6. Lack of market information and networks:** It can make it difficult for exporters to identify new market opportunities and establish business relationships with foreign buyers.
- 7. Currency Fluctuations:** Exchange rate volatility can impact Kenyans exporters' profitability and pricing competitiveness in international markets.
- 8. Political Instability and Security Concerns:** Political instability and security concerns in both the exporting country and target markets can disrupt supply chains and deter foreign buyers.
- 9. Skills and Capacity Building:** A shortage of skilled workers and limited capacity in areas such as product design, marketing, and distribution can impede exporters' efforts to compete in global markets.
- 10. Competitive Challenges:** Competition from other exporting countries offering similar products or services at lower prices can pose a significant challenge for Kenyan exporters to Chile.



4.0 PROHIBITED AND RESTRICTED IMPORTS IN CHILE

4.1 Prohibited Products in Chile

In Chile, the government regulates the import and sale of various products. Here are some categories of products that are typically prohibited or restricted:

1. **Narcotics and Psychotropic Substances:** The import, export, and sale of drugs and controlled substances are strictly prohibited unless authorized for medical or scientific purposes.
2. **Counterfeit and Pirated Goods:** Any items that violate intellectual property rights, including counterfeit brand-name goods, pirated media, and software, are prohibited.
3. **Hazardous Materials:** Products containing hazardous chemicals or substances, including certain pesticides, chemicals, and waste materials, are restricted.
4. **Endangered Species:** Items made from or involving endangered species, such as ivory or certain types of exotic leather, are prohibited in accordance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
5. **Weapons and Explosives:** The import of firearms, ammunition, and explosives is highly regulated and generally prohibited without special authorization.
6. **Certain Food and Agricultural Products:** Restrictions apply to the import of certain foodstuffs, plants, seeds, and animals to prevent the spread of pests and diseases.
7. **Cultural Property:** The export of cultural property, such as antiquities and works of art, is subject to strict controls to prevent the illicit trade of cultural heritage.
8. **Pornographic Material:** The import and sale of obscene materials are prohibited.
9. **Medical Devices and Pharmaceuticals:** Importing medical devices and pharmaceuticals requires specific authorization and must comply with health regulations.



4.2 Restricted Products in Chile

In Chile, certain products are restricted and require special permits or must meet specific regulatory standards for import, export, or sale. Here are some categories of restricted products:

1. **Pharmaceuticals and Medical Devices:** Importing pharmaceuticals and medical devices requires authorization from the Instituto de Salud Publica de Chile (ISP). These products must comply with health regulations and standards.
2. **Alcoholic Beverages:** Importing alcoholic beverages requires permits, and the products must meet labelling and quality standards set by Chilean authorities.
3. **Tobacco Products:** Import of tobacco products is regulated, and these products must comply with labelling requirements, health warnings, and other regulations.
4. **Agricultural Products:** Importing agricultural products such as fruits, vegetables, seeds, and live animals requires permits from the Servicio Agrícola Ganadero (SAG) to prevent the introduction of pests and diseases.
5. **Food Products:** Importing food products requires compliance with health and safety standards set by the Ministry of Health. Special permits may be required for certain food items.
6. **Chemicals and Hazardous Substances:** Importing chemicals and hazardous substances is regulated and requires permits. These products must meet safety and environmental standards.
7. **Weapons and Ammunition:** Importing firearms, ammunition, and related items requires special permits from the Chilean Ministry of Defence and compliance with strict regulations.
8. **Endangered Species and Wildlife Products:** Importing and exporting products made from endangered species is regulated under CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and requires special permits.
9. **Phytosanitary Products:** Importing pesticides, herbicides, and other phytosanitary products requires permits from SAG and compliance with safety regulations.
10. **Vehicles:** Importing vehicles is subject to regulations regarding emissions, safety standards, and other criteria. Used vehicles are subject to additional restrictions.



11. Textiles and Apparel: Importing textiles and apparel may require compliance with labelling and safety standards, including fire retardant requirements for certain items.

12. Electronic Devices: Importing electronic devices requires compliance with safety and electromagnetic compatibility standards.

5.0 RECOMMENDATIONS TO IMPROVE KENYA'S EXPORTS TO CHILE

To improve Kenya's exports to Chile, several strategies and recommendations can be considered. Here are some suggestions:

i. Market Research and Analysis: Conduct thorough market research to understand Chile's demand preferences, market trends, and potential opportunities for Kenyan products. Identify sectors where Kenya has a comparative advantage and tailor export strategies accordingly.

ii. Trade Promotion and Marketing: Increase efforts to promote Kenyan products in Chile through trade fairs, exhibitions, and targeted marketing campaigns. Utilize digital marketing channels and engage local distributors or agents to enhance market penetration.

iii. Packaging, labelling, and branding: Customize products to meet the specific needs and preferences of the Chile market. Adapt to resonate with local consumers and comply with regulatory requirements.

iv. Improving Trade Infrastructure: Enhance trade infrastructure, including transportation networks, ports, and logistics services, to facilitate smoother trade flows between Kenya and Chile. Address logistical challenges to reduce transit times and transportation costs.

V. Trade Agreements and Partnerships: Negotiate bilateral trade agreements or partnerships between Kenya and Chile to reduce trade barriers, tariffs, and non-tariff barriers. Strengthen diplomatic ties to foster a conducive trade environment.

vi. Capacity Building and Skills Development: Invest in capacity building initiatives to enhance the competitiveness of Kenyan exporters. Provide training programs, technical assistance, and support services to improve product quality, compliance standards, and export management skills.

vii. Access to Finance and Trade Facilitation: Facilitate access to finance for Kenyan exporters through trade financing schemes, credit facilities, and export credit insurance. Streamline trade procedures, customs clearance processes, and documentation requirements to reduce administrative burdens.

viii. Diversification of Export Products: Diversify Kenya's export product portfolio to include a broader range of goods and services that are in demand in Chile. Explore new export sectors beyond traditional commodities and identify niche market opportunities.

ix. Quality Assurance and Standards Compliance: Ensure that Kenyan exports meet international quality standards and regulatory requirements. Implement quality assurance measures, product certification programs, and compliance checks to build trust and confidence among Chile importers.

x. Government Support and Policy Reforms: Provide policy support and incentives to promote exports, such as export promotion schemes, tax incentives, and investment incentives. Align government policies with export development objectives and address regulatory bottlenecks hindering export growth.

ANNEXES

Annex 1: Map of Chile





Annex 2. Quick facts

Facts	
Also Known As	Republic of Chile • República de Chile
Head Of State and Government	President: Gabriel Boric
Capital	Santiago ¹
Population	(2024 est.) 20,095,000
Currency Exchange Rate	1 USD equals 957.476 Chilean peso
Form Of Government	multiparty republic with two legislative houses (Senate [38] Chamber of Deputies [120])
Official Language	Spanish
Official Religion	
Official Name	República de Chile (Republic of Chile)
Total Area (Sq. Km)	756,096
Total Area (Sq. Mi)	291,930
Monetary Unit	peso (Ch\$)
Population Rank	(2023) 65
Population Projection 2030	19,477,000
Density: Persons Per Sq. Mi	(2023) 68.4
Density: Persons Per Sq. Km	(2023) 26.4
Urban-Rural Population	Urban: (2019) 88.4% • Rural: (2019) 11.6%
Life Expectancy at Birth	Male: (2022) 76.8 years • Female: (2022) 82.9 years



**Literacy: Percentage of
Population Age 15 And Over Literate**
Male: (2021) 97% • Female: (2021) 97%

Gni (U.S.\$'000,000) (2022) 301,170

Gni Per Capita (U.S.\$) (2022) 15,360