

EMBASSY OF INDIA

CHILE

AGROCHEMICAL MARKET SURVEY

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Commisioned from Ms. Carmen Gloria Fuentealba

on behalf of the



सत्यमेव जयते

Economic Diplomacy Division
Ministry of External Affairs

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This market survey aims to provide relevant information on the agrochemical market in Chile – specifically crop protection chemicals or pesticides - so that Indian exporters may get a deep understanding of it and may also develop and execute a successful market entry into Chile.

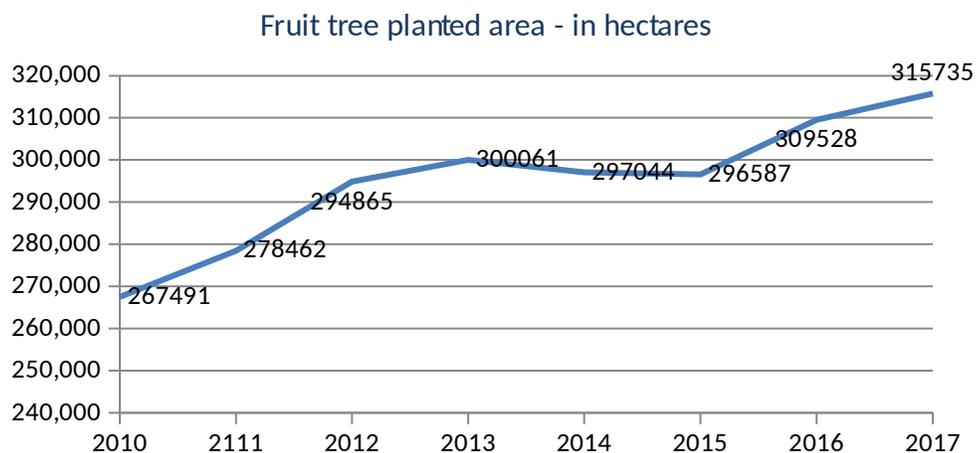
The survey includes quantitative information such as market size and import and export statistics, among other data. It also contains qualitative information about companies, products, entry and registration product requirements, etc.

1. Market Overview

1.1 Agriculture sector

In 2017, the agricultural, livestock and forestry sector totalled around US\$ 8.6 billion, representing 3.1% of Chilean GDP. The fruit growing sector accounted for 38% of sectoral GDP, followed by livestock (21%) and agriculture (19%).

The land planted with fruit trees has grown steadily in the last decade. According to ODEPA¹ and CIREN², it grew from 267.491 hectares in 2010 to 315.735 hectares in 2017, representing an increase of 18%. See chart below.



Source: ODEPA - CIREN

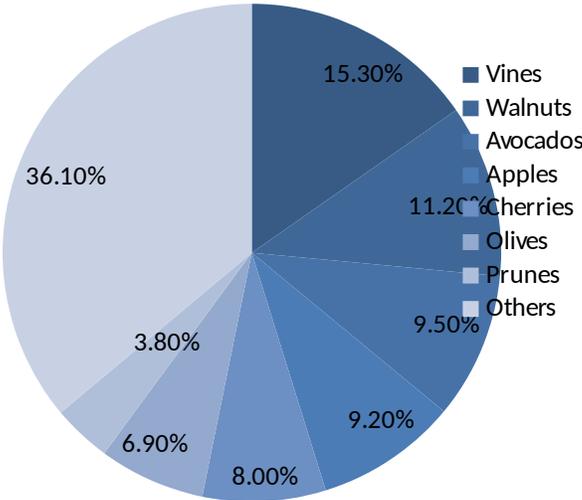
1 ODEPA, Oficina de Estudios y Políticas Agrarias (Office of Agricultural Studies and Policies).

2 CIREN, Centro de Información de Recursos Naturales (National Resources Information Centre).

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Vines are the leading fruit crop, making up 15.3% of the total planted area, followed by walnuts (11.2%) and avocados (9.5%).

Fruit tree planted area by specie - 2017



Source: ODEPA - CIREN

Almost 60% of the fruit produced in Chile is exported to other countries. At this regards, it is noteworthy that Chilean is the leader fruit exporter of the southern hemisphere, with exports of 2.7 million of tonnes of more than 20 different types of fruits exported in 2017. As well, Chile is the global leader in the export of table grapes, blueberries, prunes and cherries. This gives an idea on the importance of the fruit sector for the agriculture and foreign commerce, which has prompted farmers and fruit processors to adopt premium technology innovations, in order to ensure continued competitiveness.

Related to annual crops, main domestic ones are wheat, corn, oats, potatoes, rapeseed and rice. The growing of annual crops in Chile has decreased over the last decades. The 685,000 hectares sown in the 2016/17 season represent a -18% decline compared to two decades ago and - 6.8% decrease compared to 2015/2016 season.

Sown area reductions have been mainly in wheat, corn, barley, pulses, potatoes, sugar beet, lupine, and tobacco. Nevertheless, other crops have increased in the same period, such as rapeseed, oats and triticale. Related to yields per hectare, they have increased across almost all crops, revealing the usage of innovative technologies and better seeds and agrochemicals.

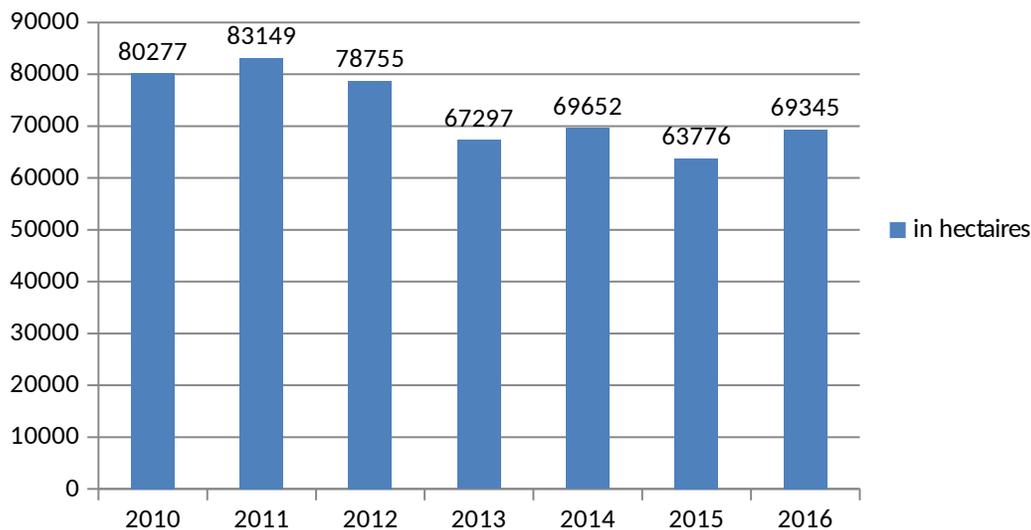
Sown area by type of annual crop (in hectares)

	2012/13	2013/14	2014/15	2015/16	2016/17
Cereals	579.184	567.641	534.984	563.782	511.161
Legumes	34.109	28.097	25.961	25.762	33.100
Tubers	67.615	67.300	72.329	70.597	70.465
Oleaginous	46.102	41.332	52.617	55.480	53.066
Others	16.213	15.603	18.683	18.546	16.760
TOTAL	753.453	727.018	704.577	734.167	684.552

Source: ODEPA

In Chile, the vegetable planted land accounted for 69.845 hectares in 2016, representing a -13.6% decrease compared to 2010. Main planted vegetables were corn, lettuces and tomatoes.

Vegetable planted area - in hectares



Source: ODEPA

One of the main challenges Chilean agriculture has been facing in the last years is the water scarcity in almost all the national territory. Chile has suffered from drought periodically for many years. Agricultural production currently subtracts 73% of the water used for the productive sector. A combination of climate change, population growth and man-made problems has exacerbated water scarcity, with a high cost in damage to agriculture and others sectors.

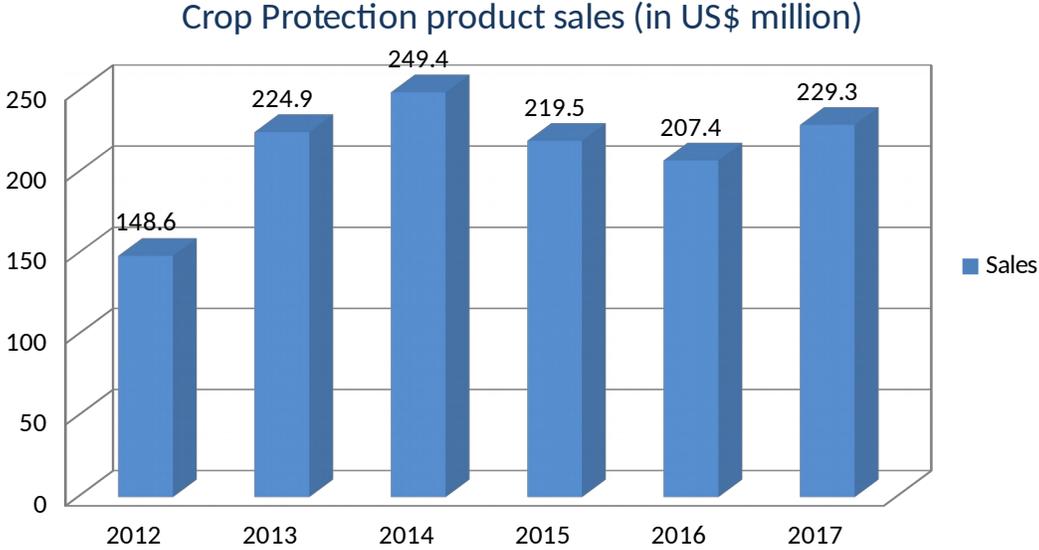
Besides, climate change (causing frost, unexpected heavy rainfall, ice rain but also elevating temperatures) has confronted farmers with other new challenges, such as the increase of pests and plant diseases.

Despite Chile is a top genetically-modified (GM) seed exporter, current Chilean regulation does not allow farmers to use them for domestic production and cultivation. Access to GM crops is strictly regulated and allowed only for export seed production. This makes farmers are highly dependent of pesticides to protect their crops.

1.2 Agrochemical market description

According to Kleffmann Group, the Chilean pesticide market value accounted for approximately US\$ 230 million in 2017. Within Latin America, Chile is relatively a small market, ranking in ninth position between Equator and Guatemala and far from the leaders (Brazil and Argentina).

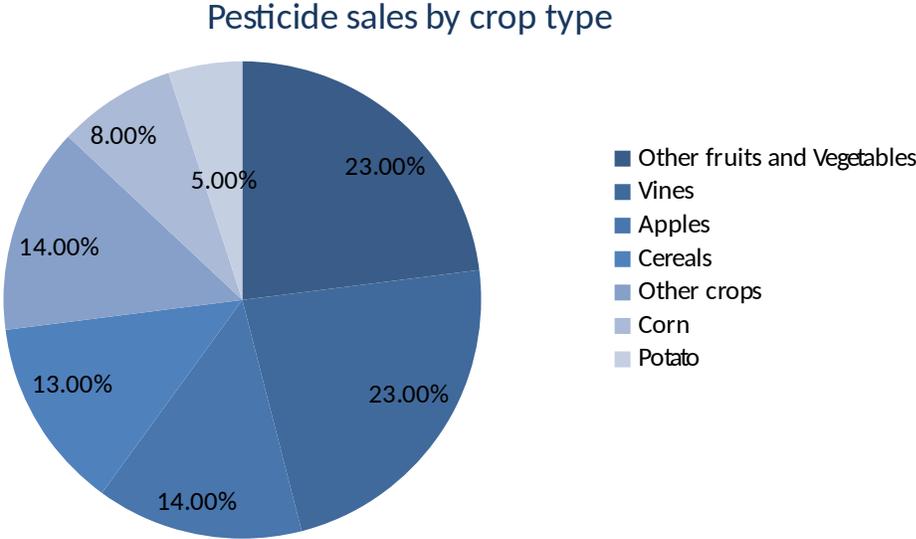
The following graphic shows the sales of crop protection products in Chile (at ex-manufacturer level) for the period 2012 -2017.



Source: amis AgriGlobe - Kleffmann Group

In line with global markets, Chilean crop protection product sales decreased in 2015 and once again in 2016, in value terms. The market recovered moderately in 2017, boosted by the strengthening of the Chilean peso vis-a-vis the U.S. dollar.

In terms of crop type, most sales (60%) corresponded to fruit crops, with vines (23%) being the single most important one. See chart below.



Source: amis AgriGlobe – Kleffmann Group

In Chile, all crop protection products should be approved by Agriculture and Livestock Service (Servicio Agrícola y Ganadero, or its acronym SAG) before its import and commercialization (see section 4.2).

As of December 2018, around 1.300 crop protection products (synthetic and bio-based) are authorized to be used in Chile. Out of the total authorized products, 29.7% are locally manufactured while the rest are imported.

There are around 28 active substances of pesticides prohibited to be used in Chile³. Last ones were forbidden in 2011 (i.e. pentachlorobenzene, endosulfan, alachlor). Currently, there is a strong pressure from environment and human health movements toward authorities to forbid the usage of other products of high toxicity levels.

1.3 Market prospects

³ To see the list of prohibited active substances click on this link: www.sag.cl/sites/default/files/lista_de_plaguicidas_prohibidos.pdf
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According to experts, factors, like GM crops not allowed for domestic consumption and increase in herbicide resistance, are expected to drive the market growth.

As said above, Chilean government supports GM-seed production for exports but not for domestic production. A bill, allowing farmers to sow transgenic seeds for domestic use, has been discussed in the Congress for more than a decade. If this bill is passed in the future, the Chilean crop protection chemicals market will be affected.

As the international experience has shown, the usage GM seeds (such as BT and HT types), will reduce in most cases the usage of pesticides and herbicides. It will also probably change the type of crop protection products used by farmers toward more environment-friendly options.

It is expected that the fruit production – the main Chilean agriculture sector - will continue to grow within next years, especially of varieties intended for export. Main increases will be in grapes, cherries and blueberries. Agrochemicals used in fruit crop will, therefore, benefit from this grow. It is also expected that Chilean farmers - especially those exporting to demanding markets such as Europe - will continue to lean towards less toxic crop protection products, compelled by their clients requirements.

The increasing technological innovations in the crop-protection market, combined with various mergers and acquisitions in the industry, will also drive the increase of the Chilean market size.

However, government regulations and food safety issues, together with environmental degradation and farm worker health concerns, are the market few restraints. It is expected that authorities will evaluate the prohibition of other highly toxic pesticides, in line with international recommendations.

2. Imports and exports

Import and export statistics contained in this section correspond to the following products, with the respective Harmonized System (HS) code under which they are classified in Chile⁴ :

Chapter/code	Description
38.08.91	Insecticides
38.08.92	Fungicides
38.08.93	Herbicides
38.08.94	Disinfectants
38.08.99	Other pesticides

2.1 Imports

Imports statistics shown below are based on information provided by Chilean Customs.

It is noteworthy that imports registered under some of the above categories can possibly include products intended to be used in sectors different from agriculture (i.e. chemical and pharmaceutical industry), as well as products conceived for domestic usage.

It is also important to mention that most imports of each category (insecticides, fungicides, herbicides and disinfectants) are classified under HS codes denominated as “others”, making impossible to identify main chemical compounds imported pesticides are made of. Chilean Custom Tariff Act in force only shows separate HS codes for products made of compounds that have already been forbidden by Chilean authorities, such as methyl bromide, bromochloromethane, ethylene dibromide, heptachlor and mevinphos.

⁴ The HS codes under each type of pesticide is classified correspond to the Custom tariff classification defined by the Chilean Customs and in force from January 1, 2017. In some cases, they may not coincide with the codes used in India.

2.1.1 Imports by type of product

The following chart shows total imports of pesticides, classified by product category.

	2013	2014	2015	2016	2017
38.08.91	69.837.711	81.354.612	67.782.209	75.718.046	75.163.937
38.08.92	77.638.158	76.736.568	87.191.711	96.244.157	98.819.860
38.08.93	121.322.78	117.557.13	113.319.11	109.069.70	120.582.21
	5	2	1	7	1
38.08.94	24.774.916	24.758.311	26.461.660	23.592.959	22.685.192
38.08.99	17.791.545	16.630.291	16.102.667	16.965.106	19.311.990
TOTAL	311.365.11	317.036.91	310.857.35	321.589.97	336.563.1
	3	5	8	5	90

Source: Chilean Customs Statistics

In 2017, total pesticide imports stood at US\$ 336.5 million. Main imports by category corresponded to herbicides (35.8%), fungicides (29.3 %) and insecticides (22.3 %).

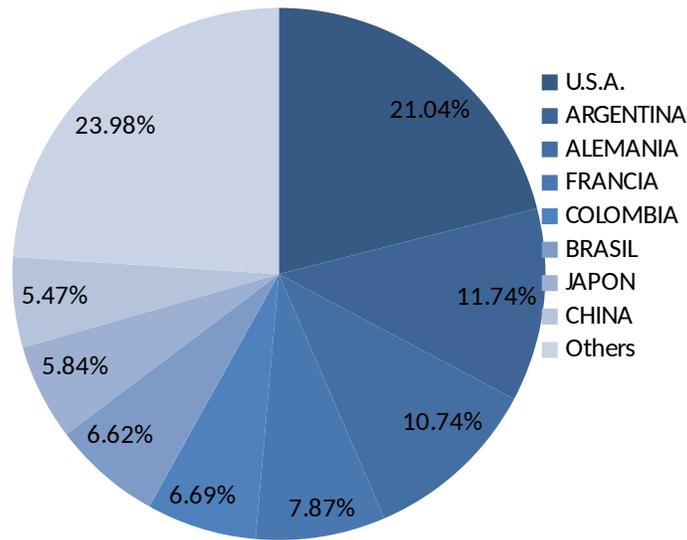
Within the last 5 years, pesticides imports have increased + 8.1% in terms of value and +19.8% in terms of volume. All categories have grown, except of disinfectants, which showed a slight decrease in value, but an increase in volume.

2.1.2 Imports by country

In 2017, Chile imported pesticides from 47 different countries. From them, the main 8 represented about 76% of total imports.

The following chart shows main countries of origin of pesticide imports in 2017.

Imports by country of origin – % CIF Value 2017



Source: Chilean Customs Statistics

Most pesticide imports came from U.S.A (21.0%), followed by Argentina (11.7%) and Germany (10.7%).

India ranked in 21th position with around US\$ 1.25 million in 2017, 0.37% of total pesticide imports. Almost 66% of imports corresponded to fungicides produced by the Indian company Indofil Industries Limited and imported by 3 different Chilean companies: Agrium Chile (subsidiary of its Canadian homonymous, recently merged Potash Corp to form Nutrien), Nufarm (subsidiary of its Australian homonymous) and Rotam Chile (subsidiary of its Honk Kong based homonymous).

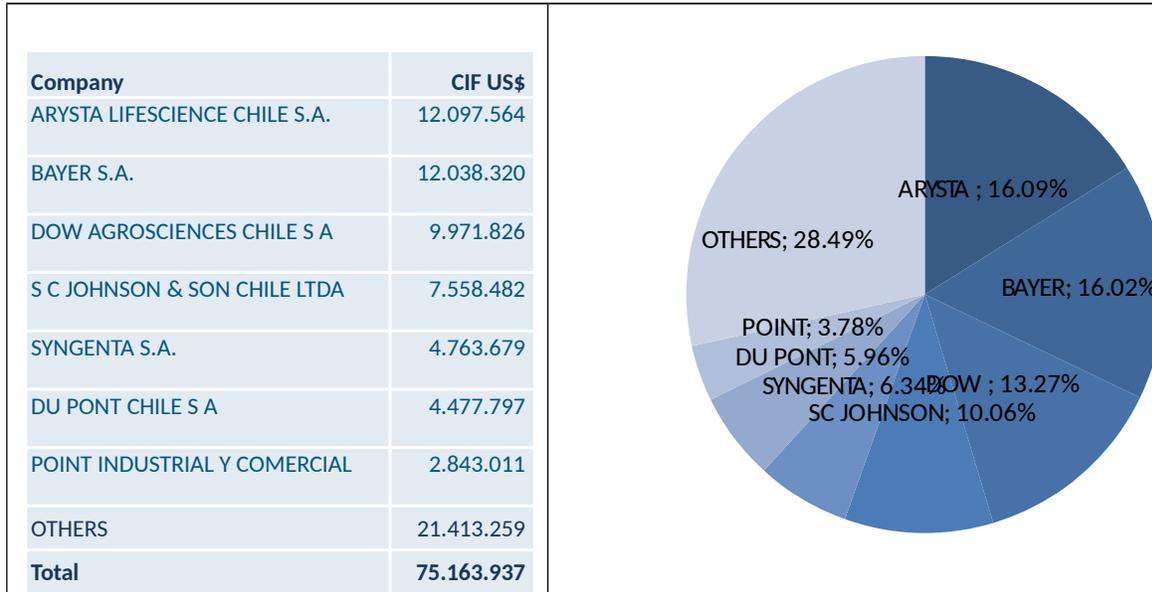
2.1.3 Imports by company

The following section shows main companies that imported pesticides in 2017, classified by category.

2.1.3.1 Insecticides

The following chart shows main companies importing insecticides in 2017, classified under HS chapter 38.08.91.

Imports by company – CIF value 2017



Source: Chilean Customs Statistics

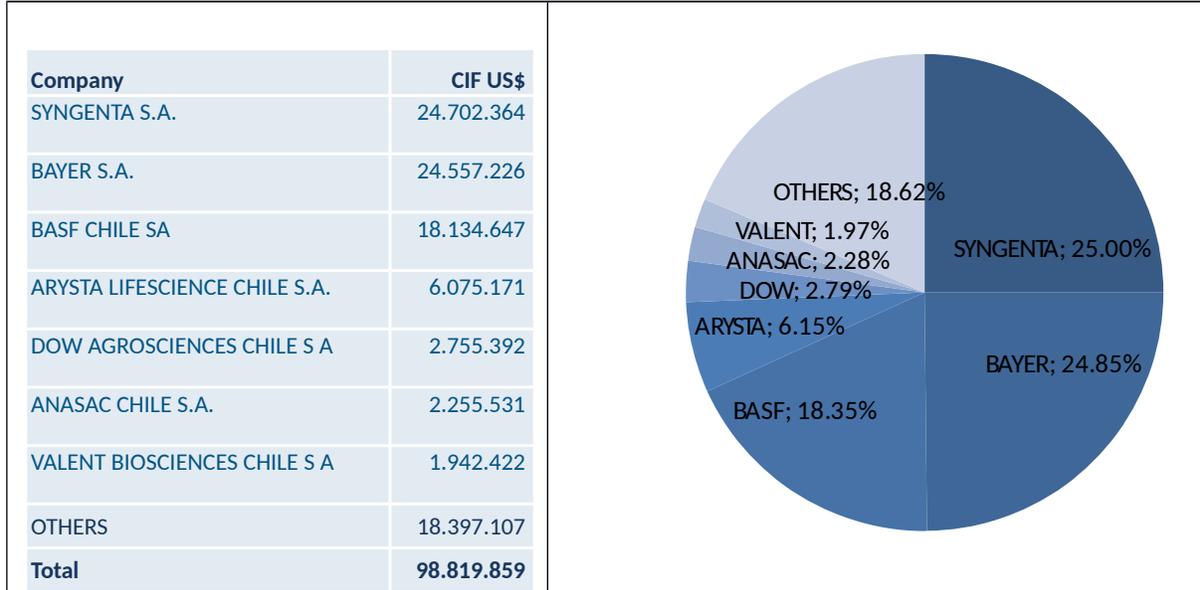
In 2017, about 60 companies imported insecticides. Despite of this, imports show a notable degree of concentration, given that almost 55% of them were conducted by 4 companies.

Most of the main importers corresponded to subsidiaries of multinational companies. Main ones were Arysta Lifescience (16.1%), Bayer (16.0%) and Dow Agrosciences (13.3%).

2.1.3.2 Fungicides

The following chart shows main companies fungicides in 2017, classified under HS chapter 38.08.92.

Imports by company – CIF value 2017



Source: Chilean Customs Statistics

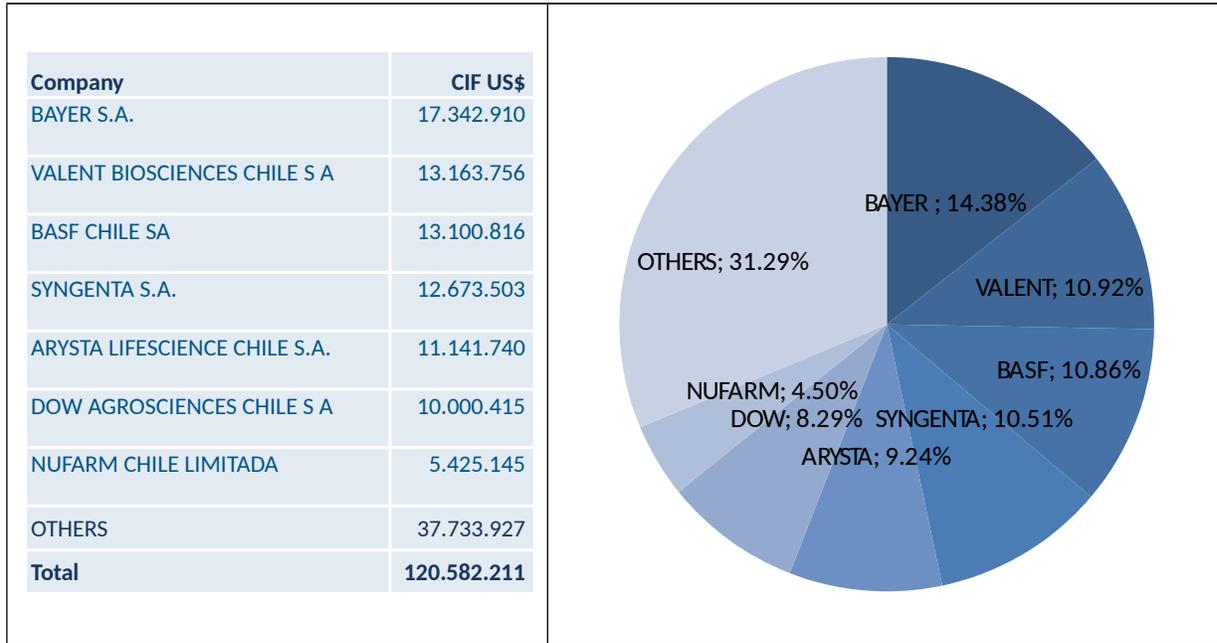
In 2017, about 55 companies imported fungicides, but 2 of them represented about a half of total imports, showing a high degree of concentration.

With the exception of Anasac Chie, main importers corresponded to subsidiaries of multinational companies. Main ones were Syngenta (25.0%), Bayer (24.9%) and Basf Chile (18.4%).

2.1.3.3 Herbicides

The following chart shows main companies importing herbicides in 2017, classified under HS chapter 38.08.93.

Imports by company – CIF value 2017



Source: Chilean Customs Statistics

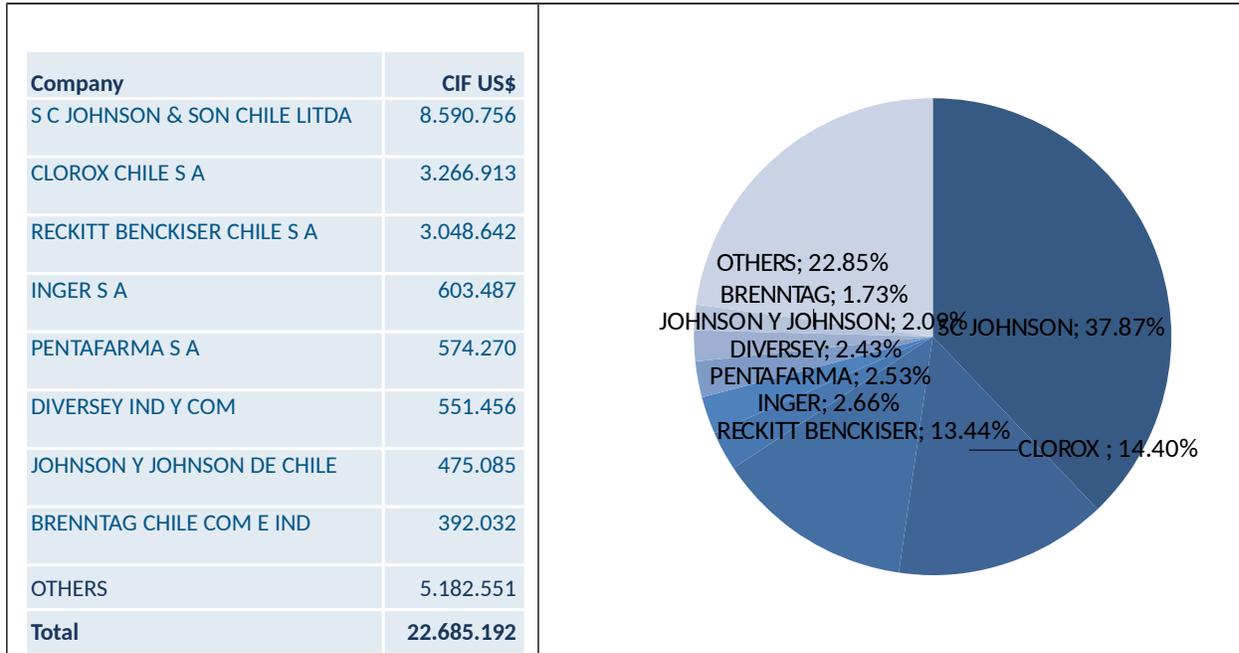
In 2017, about 48 companies imported herbicides. Imports show a significant degree of concentration, given that almost 55% of them were conducted by 5 companies.

As same as in the above cases, main importers corresponded to subsidiaries of multinational companies. Main ones were Bayer Chile (14.4%), Valent Bioscience Chile (10.9%) and Basf Chile (10.9%).

2.1.3.4 Disinfectants

The following chart shows main companies importing disinfectants in 2017, classified under HS chapter 38.08.94.

Imports by company – CIF value 2017



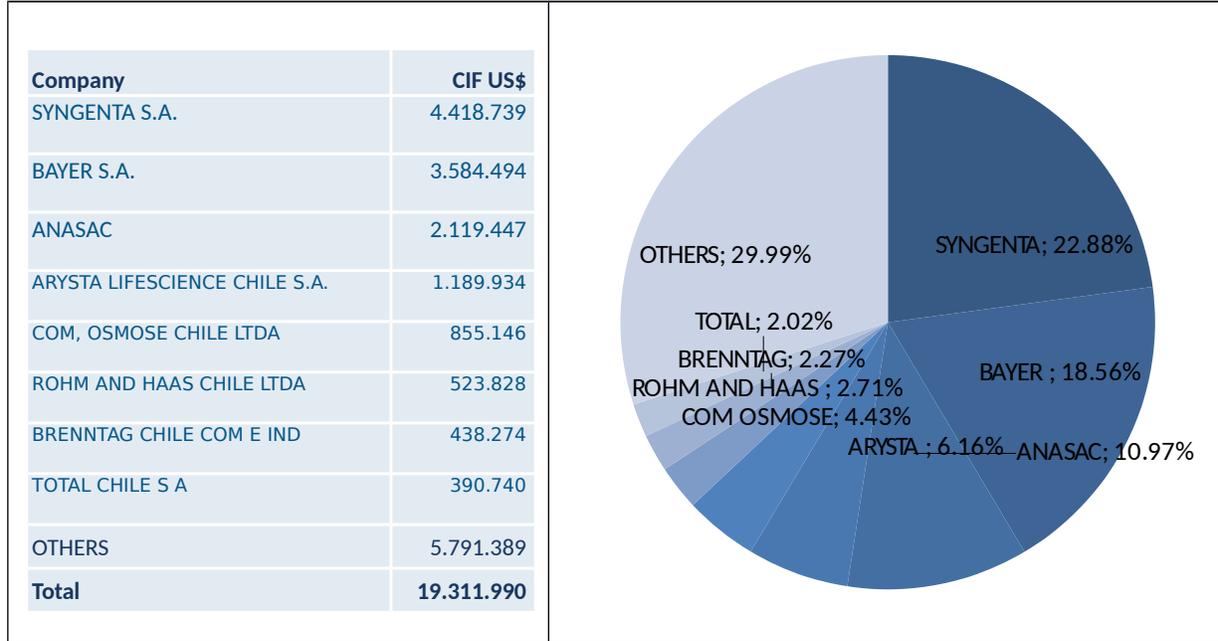
Source: Chilean Customs Statistics

Main three importers were SC Johnson (37.8%), Clorox (14.4%) and Schneider (7%) and Reckitt Benckiser (13.4%).

2.1.3.5 Other pesticides

The following chart shows main companies importing other pesticides in 2017, classified under HS chapter 38.08.99.

Imports by company – CIF value 2017



Source: Chilean Customs Statistics

In 2017, about 87 companies imported other types of pesticide. Imports show a significant degree of concentration, given that almost a half of them were conducted 4 companies.

With the exception of Anasac and Comercial Osmose, main importers corresponded to subsidiaries of multinational companies. Main ones were Syngenta (22.9%), Bayer Chile (18.6%) and Anasac (11.0%).

2.2 Exports

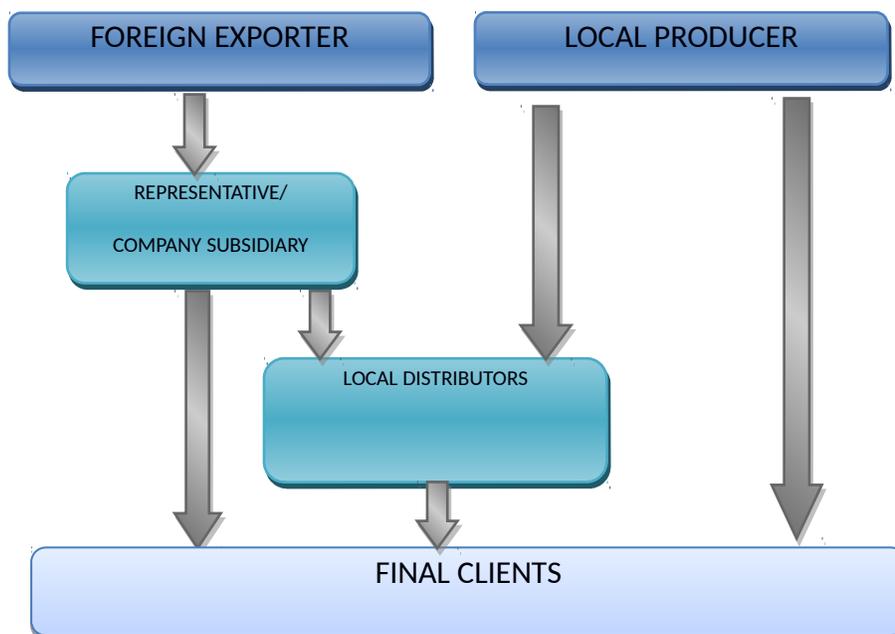
In 2017, Chile exported US\$ 74.3 million of pesticides. Most of them were, by far, fungicides (72.1%), followed by (10.6%).¹

Main exporters were the local producers Quimetal (52.3%), Anasac (9.5%) and Degesh de Chile (6.0%).

Main countries of destination were U.S.A (15.7%), Argentina (14.7%) and Peru (11.5%).

3. Distribution channels

The following chart shows main distribution channels of agrochemicals in Chile.



ANNEX 1 shows the contact data of some of the main producers, representatives and distributors importing agrochemicals.

3.1 Representative/Company subsidiary

Representatives are local companies importing and distributing agrochemicals, conducting the whole product supply process. They buy the products to the foreign manufacturers they represent and are responsible of importing them and conducting custom clearance formalities and certification procedures. They are also in charge of the storage, internal transportation, sales and promotion and customer service. Accordingly, they assume almost all the risk of product operation in Chile.

In some cases, some activities (such as storage or distribution) are not directly conducted by them, but subcontracted to third parties.

Representatives usually advise their clients about the best options to fulfil their specific needs. Most of these companies have been operating in the Chilean market for several years and have created a very good reputation among decision-takers. These companies sell directly and/or through other local distributors.

Several agrochemical foreign brands have created their own subsidiaries in Chile. This is generally the case when sales volumes justify operating directly in a given country or when the company prefers to have the total control of their product supply chain, until its arrival to final consumers. They usually operate in a very similar way than representatives and offer about the same services. As well as in the case of representatives, they sell their products directly to final clients or thru distributors.

3.2 Local Distributors

The range of local distributors is very wide.

Some of them are large companies that – apart of pesticides – commercialize other products for farmers, such as fertilizers, seeds and agricultural machinery and supplies. They usually have points of sale in different regions of the country and a sales force which visit farmers periodically. Some of these large distributors are Copeval and Tattersall.

There are also small distributors that usually commercialize only agro products and supplies, but not equipment or machinery. They offer a personalized service mainly to gardeners, landscapers and final clients.

In addition, agrochemicals are also sold in main hardware distribution chains, such as Sodimac and Easy. In this case, products are usually sold in small packages to be used in gardening.

Local distributors usually do not import, but buy to local producers, representatives and multinational subsidiaries in Chile.

4. Import and commercialization formalities

Agrochemicals imported and commercialized in Chile should meet some formalities. Some of them are the usual to any import, but some are specific for some products, necessary to their entry and further commercialization.

Although most of these formalities are conducted by the importer, it is advisable that the exporter be aware of the documentation and product requirements necessary to fulfil the Chilean regulation.

4.1 Registration of agrochemicals

All pesticides intended to be imported and sold in Chile should be registered upon the Agriculture and Livestock Service (Servicio Agrícola y Ganadero, or its acronym SAG).

The registration should be required by a natural or legal person having residence in Chile. It is also necessary to appoint an expert with proven knowledge and experience in pesticides.

The authorization process begins with a publication of an extract of the registration request in the Official Journal. This should be done at least 45 days (but less than one year) before the submission of the official certification request upon the SAG.

To formally request the registration of imported products, it is necessary to fill a form and submit the following documents:

Document ⁵	Issued by
Registration Certificate/Certificate of Free Sale/ Certificate of Export	Competent authorities
Certificate of quantitative and qualitative composition	Manufacturer
Certificate of Formulation, Production or Manufacturing	Manufacturer
Free-GMO Certificate	Manufacturer
Certificate of compatibility for Organic Agriculture (if applicable)	Competent authorities

⁵ As India is member of the Hague Apostille Convention, document which has been certified with a conformant "apostille" are accepted. If not, they should be authorized legalized in the Consulate of Chile.
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The certification process will vary depending if the product is an active substance or a formulated product. It also depends if the product is new and unique or if it is identical to an already registered one. In the latter case, the registration should follow a simplified procedure.

The registration procedure of a new product can take about 8-10 months. Fees apply depending on the type of registration.

As a general rule, the registration process is composed by three steps: verification of submitted documents, technical evaluation and packing & labelling approval.

Once the product has been technically approved, it is necessary to submit the Security Sheet (HDS), which should be prepared upon the requirements of the National Standard NCh 2445/1995, and a proposal for labelling.

Once they are all approved, the SAG issues an Authorization Resolution, which is granted for a 5-year period.

4.2 Labelling requirements

All agrochemicals should be labelled according to the instructions contained in Resolution 2.195/2000.⁶ They are based on Guidelines on Good Labelling Practice for Pesticides, prepared by the Food and Agriculture Organization (FAO)

They should contain the following information:

- Identification of the product (commercial name, product composition, volume, manufacturer and importer name and address, authorization resolution number, expiration date, etc.)
- Usage recommendations (usage instructions, application frequency, dosage, plagues, herbs and diseases for which the product is intended for, etc.).
- Cautions and warnings

Labels should follow some pre-determined designs (depending on its size and amount of information to include), which state the location of the information on the label.

⁶ To see the complete text of this resolution click on this link:
www.sag.cl/sites/default/files/RESOLUCION_2195.pdf

The bottom of the label should show a color section containing the product hazard level, according to the toxicology classification of the World Health Organization. This section should also include the precautionary pictograms recommended by the FAO to reduce risks when handling, applying or storing a pesticide.

Labels should be printed in Spanish and on a material ensuring duration and legibility. They should be printed in black type on a white background, with the exception of the bottom section and the product or company logotype.

Following is an example of a real label:

PRECAUCIONES	INSECTICIDA • SUSPENSIÓN CONCENTRADA	INSTRUCCIONES DE USO															
<p>PRECAUCIONES GENERALES</p> <ul style="list-style-type: none"> • Mantener fuera del alcance de niños, personas no responsables y animales domésticos. • No almacenar junto con alimentos. • Conservar este producto en su envase original, bien tapado y con su etiqueta visible, en una bodega fresca, seca, bien ventilada, segura y bajo llave. • Usar guantes, botas de goma, ropa protectora, protector facial completo o de nariz y boca, anteojos y gorro adecuado. • No fumar, comer ni beber durante su aplicación. • De ocurrir algún malestar o signo de intoxicación durante su aplicación, el operador debe suspender inmediatamente su trabajo y recibir atención médica. • Cuidar de no aplicar sobre cursos de agua y sobre insectos beneficios. <p>PRIMEROS AUXILIOS</p> <ul style="list-style-type: none"> • En caso de contacto con los ojos, lavar con abundante agua limpia 10 - 15 minutos. • En caso de contacto con la piel, lavar con abundante agua y jabón alcalino. • En caso de inhalación, poner al afectado en un lugar bien ventilado o al aire libre. • En caso de ingestión, no inducir el vómito y dar a beber agua con carbón medicinal para absorber el insecticida. Mantenga al afectado boca abajo mientras consigue atención médica. • Si se observan signos de intoxicación (náuseas, vómitos, calambres abdominales, diarrea, irritación cutánea y ocular y dificultad respiratoria) debido al mal uso del producto o a descuido, procurar atención médica inmediata y mostrar al facultativo la etiqueta del producto. <p style="text-align: center;">EN CASO DE EMERGENCIA, COMUNICARSE INMEDIATAMENTE CON RITA-CHILE AL : (2) 777 1994</p> <p>SÍNTOMAS DE INTOXICACIÓN:</p> <ul style="list-style-type: none"> • Malestar general, náuseas, mareos, disnea, espasmos. <p>ANTÍDOTO:</p> <ul style="list-style-type: none"> • No se conoce antídoto específico. • Tratamiento sintomático bajo vigilancia médica. <p style="font-size: small;">Fabricado y Distribuido por: Agrícola Nacional S.A.C. e I. Camino Naviguado Norte, Lote 75-B, Lampa - Santiago - CHILE www.anasaccontrol.cl</p>	 <p>AQUATRIN 2,5 SC</p> <p>AQUATRIN 2,5 SC, es un potente insecticida de efecto residual prolongado recomendado para el control de plagas en lugares sensibles, de bajo olor.</p>  <p>COMPOSICIÓN:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Deltametrina</td> <td style="text-align: right;">2,5 g</td> </tr> <tr> <td>Ingredientes inertes</td> <td style="text-align: right;">100 ml</td> </tr> </table> <p>Reg. I.S.P. N° P-538/14 USO PROFESIONAL 1 LITRO</p> <p>NO INFLAMABLE - NO CORROSIVO - NO EXPLOSIVO</p>	Deltametrina	2,5 g	Ingredientes inertes	100 ml	<p>AQUATRIN es un potente insecticida piretroide de efecto residual prolongado, incluso en superficies altamente absorbentes. Aquatrin posee un moderno y efectivo tipo de formulación, que corresponde a la suspensión de partículas micronizadas de Deltametrina suspendidas en agua. Aquatrin no posee solventes orgánicos, no tiene olor, no irrita y no mancha las superficies tratadas.</p> <p>AQUATRIN está especialmente formulado para tratamientos preventivos y curativos en interiores y exteriores de casas, casinos, restaurantes, colegios, bodegas, plantales pecuarios, medios de transporte y en general en diferentes ambientes donde se busque un adecuado control de insectos voladores y rastrojos sin la presencia de olor.</p> <p>AQUATRIN está formulado con Deltametrina, uno de los más potentes ingredientes activos desarrollados, que se caracteriza por tener una alta potencia insecticida contra una amplia variedad de insectos voladores (moscas, zancudos, ovispas) y rastrojos (borratos, chinches, pulgas, garrapatas, hormigas, fieretas, vinchucas, etc).</p> <p>AQUATRIN puede ser aplicado al pasto, árboles y arbustos. No es fitotóxico. Amigable con el medio ambiente.</p> <p>MECANISMO DE ACCIÓN: AQUATRIN actúa por contacto e ingestión.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">RECOMENDACIONES DE USO</th> </tr> <tr> <th style="width: 30%;">LUGAR DE APLICACIÓN</th> <th style="width: 30%;">TIPO DE APLICACIÓN</th> <th style="width: 40%;">DOSIS</th> </tr> </thead> <tbody> <tr> <td>Lugares sensibles a olores como hospitales, casinos, jardines infantiles, colegios, hogares de ancianos.</td> <td rowspan="2" style="text-align: center;">Aspersión</td> <td>Diluir 40-60 cc de Aquatrin en 5 litros de agua y aplicar en 100 m².</td> </tr> <tr> <td>Instalaciones: Agropecuarias, maternidades, industrias y residencias en general, medios de transporte y otros.</td> <td>En superficies porosas o con una alta carga de insectos, aumentar la dosis a 70 cc para 5 litros y aplicar en 100 m².</td> </tr> </tbody> </table> <p>OBSERVACIONES</p> <p>Para aplicaciones con bombas de mayor volumen (1.000 litros), aplicar Aquatrin al 1 - 2 % y asperjar profusamente toda la superficie.</p> <p>Preparación de la mezcla: llene 1/3 del volumen del equipo de aplicación con agua. Varía la dosis y complete con agua. Agite energícamente hasta lograr una buena homogenización.</p> <p>Incompatibilidad: No aplicar en conjunto con productos de reacción alcalina.</p> <p>Fototoxicidad: No es fitotóxico.</p> <p>Tiempo de Reingreso: 2 horas post aplicación.</p>	RECOMENDACIONES DE USO			LUGAR DE APLICACIÓN	TIPO DE APLICACIÓN	DOSIS	Lugares sensibles a olores como hospitales, casinos, jardines infantiles, colegios, hogares de ancianos.	Aspersión	Diluir 40-60 cc de Aquatrin en 5 litros de agua y aplicar en 100 m ² .	Instalaciones: Agropecuarias, maternidades, industrias y residencias en general, medios de transporte y otros.	En superficies porosas o con una alta carga de insectos, aumentar la dosis a 70 cc para 5 litros y aplicar en 100 m ² .
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4.3 Registration of pesticide points of sale

Companies distributing pesticides and fertilizers should inform the Agriculture and Livestock Service (SAG) of any new point of sale or warehouse, at least 30 days in advance of their start of operations.

4.4 Import procedures

In the case of any import, Chilean Customs requires that each customs entry be supported by the following documents:

E/I Santiago/Economic Diplomacy Division, MEA

- Commercial Invoice
- Certificate of Origin, if applicable
- International Transport Document (Bill of Lading or Air Way Bill)
- Packing List, when necessary
- Value declaration
- Other Documents (i.e. SAG authorization)

Each import operation of crop protection products is subject to the authorization granted by the Agriculture and Livestock Service (SAG). The following documents should be submitted:

- Custom Destination Certificate (“Certificado de Destinación Aduanera”), indicating the SAG Authorization Resolution number (see section 4.1).
- Security sheet (HDS)
- Agriculture/livestock product inspection certificate (IIPA)
- Certificate of product composition
- Original Invoice
- International Transport Document (Bill of Lading or Air Way Bill)

The SAG conducts a physical and documentary inspection of all imports. In addition, they take samples of about 5% of total pesticide imports and conduct laboratory tests to check if products correspond to what is declared.

All imports of a total value exceeding USD 1.000 (FOB) require the participation of a Customs Broker. Minor imports (less than USD 1.000 FOB) can be cleared directly by importers, following a simplified procedure.

Prior import licenses are not requested by authorities. This is valid for any type of goods.

4.5 Duty fees and taxes

The tax treatment applicable to imports into Chile includes the payment of customs duties, Value Added Tax (VAT) and other taxes (if applicable), all calculated on CIF value and determined under GATT valuation standards. Agrochemical imports are subject only to duty taxes and VAT (19%).

The ad-valorem customs duty rate is 6%. However, goods originating in any of the countries or regions having signed a Commercial Agreement with Chile and evidencing such condition by means of a Certificate of Origin can be benefited with a reduction or exemption of import duties.

Chile has signed 26 Commercial Agreements with 64 markets, representing 63% of total world population and 86.3% of world GDP. These agreements grant tariff preferences to the import of some products.⁷

India and Chile have signed a Partial Scope Trade Agreement (PSA) giving to some pesticides a tariff preference. Products covered in this survey and benefiting of this preference are the ones classified under the following HS codes:

Chapter/code	Description	Tariff preference
38.08.91	Insecticides 38.08.91.92 38.08.91.93 38.08.91.94 38.08.91.99	60% 60% 60% 60%
38.08.92	Fungicides 38.08.92.19 38.08.92.99	60% 60%
38.08.93	Herbicides 38.08.93.19 38.08.93.29 38.08.93.51 38.08.93.59	60% 60% 60% 60%
38.08.94	Disinfectants 38.08.94.12 38.08.94.19 38.08.94.99	80% 80% 80%
38.08.99	Other pesticides	0%

⁷ Find the list of countries and the complete texts of Commercial Agreements signed by Chile, by clicking on this link: www.direcon.gob.cl/acuerdos-comerciales/
E/I Santiago/Economic Diplomacy Division, MEA

4.6 Trademark protection

Even if it is not mandatory, it is strongly recommended that foreign companies register their trademarks if they aim to use them in Chile. They will permit to uniquely identify a company and its products to its customers and to distinguish them from those of its competitors

It is also advisable that, before using a trademark or logo, companies should check if such signs are already registered in identical terms or in similar terms (from a visual or phonetic point of view).

Trademark protection lasts 10 years and its registration can be renewed indefinitely (for periods of 10 years at a time). According to Chilean law, trademarks cannot be revoked for non-use reasons. The owner of a trademark could authorize a third party to use it under a license contract.

The National Institute of Industrial Property INAPI (www.inapi.cl) is the Chilean agency for registering trademarks, copyrights and appellations of origin. The registration procedure can be done in person or via internet, for a fee. According to Chilean law, it is not necessary to hire a lawyer or trademark agent to file a trademark application.

Nevertheless, it is highly recommended in the case of companies having foreign residence, which should also appoint a local representative.

5. Market opportunities and conclusions

5.1 SWOT analysis

The following SWOT Analysis is intended to be a useful technique for understanding the Strengths and Weaknesses of India agrochemical producers, and for identifying both the Opportunities open to them and the Threats they face in the Chilean market.

SWOT ANALYSIS

Strengths <ul style="list-style-type: none">• India is the fourth largest global producer, with an agrochemical industry size of US\$ 4.9 billion.• India is the thirteenth largest exporter of agrochemicals globally.• Competitive prices• Wide variety of products.• Existence of experienced Indian producers and exporters.• Duty tax preference (India-Chile Partial Scope Agreement).	Opportunities <ul style="list-style-type: none">• Total market is expected to continue growing in years to come.• Opportunities for products of low toxicity.• Opportunities for biological products• Opportunities for active substances to be sold to local producers.• Opportunities for niche products, especially those incorporating technology advances.
Weaknesses <ul style="list-style-type: none">• Lack of awareness of Indian agrochemical products among decision takers.	Threats <ul style="list-style-type: none">• Market dominated by multinationals and one large local company, hindering the entering of new brands.• Potential changes in regulation that will increase the list of prohibited products.• Existence of a few potential representatives/distributors• Potential changes in regulation

	permitting GM seeds.
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5.2 Main opportunities and conclusions

As said above, the Chilean crop protection market is expected to continue growing in next years, driven by the GM seed prohibition for domestic crops, technology improvements and the still large types of non-prohibited products for sale and usage.

Agrochemical market will also continue to be led by products oriented to protect fruit crops.

According to market actors, main opportunities are for products of low-toxicity at competitive prices, given that farmers – especially exporters – are interested in replacing harmful pesticides but are not willing to significantly increase their costs.

Generic products have also good opportunities, especially for large crop areas and also small farmers. Same as for active substances used in the formulation and production for finished products. Locally, there is one large producer (Anasac) and other medium and small ones that need to import raw materials for their manufacturing processes.

The market is strongly dominated by large multinational companies most of them having subsidiaries in Chile. It is important to take in mind that these local subsidiaries have very few possibilities to decide where to import from, as most of the time this decision is imposed to them by the brand. Therefore, Indian companies should negotiate manufacturing contracts or finish product provision with them at corporate level.

There are also some local companies that formulate their products but manufacture them through third parties (locally or abroad).

Indian exporters willing to sell agrochemicals in Chile are advised to find a local representative or importer, who can be permanently with final clients, as well as to deal with certification processes and import procedures. Moreover, it is very important that the representative can also take in charge the training to users on how to apply the pesticides.

Another way to entry the Chilean market is to set up a subsidiary. The steps to follow to create a new company are well defined and are, in general, quite simple. Nevertheless, it is recommended to foreign investors to get advice from a local lawyer, who can even act as legal representative and provide a commercial address (both are requirements for a company creation).