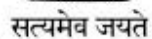


Commissioned from Ms. Carmen Fuentealba
on behalf of the



E/ I Santiago/Economic Diplomacy Division, MEA.

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This market survey aims to provide relevant information on the automotive sector in Chile 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 information about light and medium vehicles (LMV), which for this purpose correspond to passenger cars, SUVs, pickups (light trucks) and light commercial vehicles (LCV). It shows quantitative information, such as market size, import and export statistics, distribution channels, among other data. It also contains qualitative information about companies, products, consumer trends, entry requirements, etc.

1. Market Overview

1.1 Market Size

1.1.1 Automotive Fleet

The automotive fleet can be estimated from the total of Circulation Permits (called “Permiso de Circulación”) issued in Chile¹, that in 2025 accounted for 6.538.727 units². From them, 77.9% corresponded to cars, SUVs and pick-up vehicles, while the rest to vans. Almost 33.1% of total vehicles are registered in the Metropolitan Region (Santiago), followed by Valparaíso (10.6%) and Bio-Bio (8.3%)

According to figures from the Automotive Chamber of Commerce (CAVEM), the motorization rate in Chile is 1 vehicle for every 2.95 inhabitants in 2025, This rate is the fourth-best of the region, after Argentina, Mexico and Uruguay.

It is estimated that the average age of the Chilean vehicle fleet is 10 to 12 years. Besides, 70 to 75% of the light and medium vehicle fleet corresponds to gasoline-powered vehicles, followed by diesel-powered cars.

The number of fully-electric and hybrid vehicles is still not significant (estimated in approx. 70.000 units), but is growing fast, boosted by the impact of the gasoline price, the entrance into the market of more affordable brands, the government incentives for low-emission vehicles and the growing, but still insufficient charging station infrastructure. However, there are still concerns among consumers about plug-in electric car autonomy, which is limiting its usage to big cities (where charging stations are available) and to short-distance

¹ Annually, every vehicle circulating in Chile must pay a permit, except those belonging to armed forces, firefighters and foreign diplomatic and consular missions

² Source: CAVEM

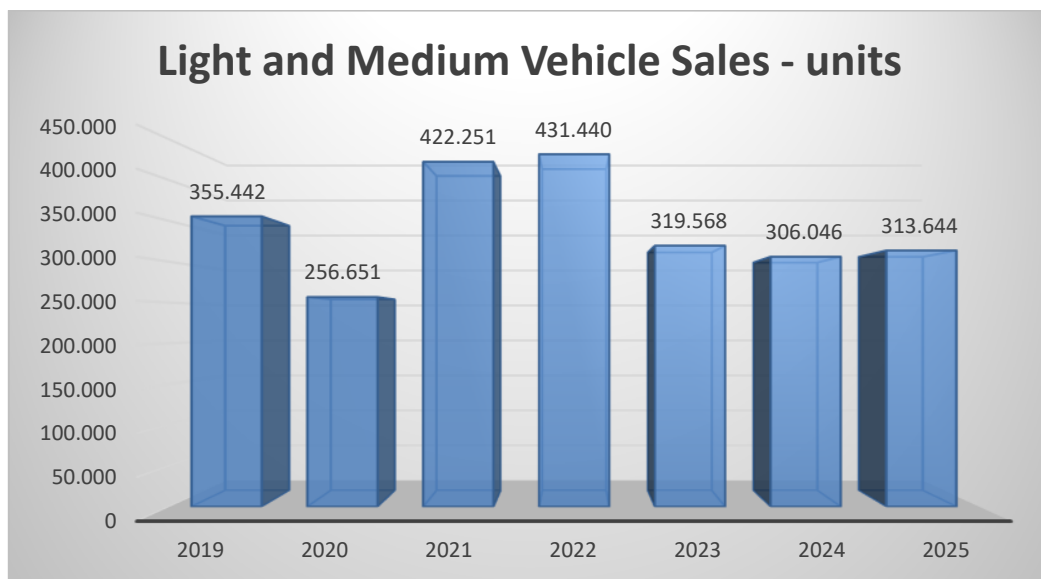
driving. The installation of chargers at home is growing, but is not always feasible in residential buildings and condos. Besides, the cost of replacing batteries is still a common concern for new and prospective electric vehicle owners, even if new technology is increasing its durability and driving costs down.

1.1.2 Market sales

According to Redline Pulse, in 2025, Chile accounted for 0.8% of the global automotive market size. In parallel, Chile ranked in fourth position³ in total light and medium vehicle sales among Latin-American countries, after Brazil, Mexico and Argentina.

Used cars dominate the Chilean auto market. In 2025, new vehicles represented almost 22.7% of total automotive sales, far behind used cars, which accounted for 77.3%.

According to CAVEM⁴, in 2025, sales of new light and medium vehicles accounted for 313.644 units, representing +2.5% increase versus previous year. See chart below.



Source: CAVEM

After the post pandemic boom (2021 and 2022), sales of new vehicles have remained stable but with several factors affecting the market behaviour. From 2023, sales have remained

³ Source ALADDA - Latin American Association of Automotive Distributors

⁴ CAVEM: 2025 Chile Automotive Market Yearbook

below the average figures over the last 10 years, which were around 348,000 units per year. In a scenario where consumer confidence remains constrained by the cost of credit, employment, and a widespread sense of economic caution, improvements in interest rates and higher real wages have helped, but have not been enough to trigger a robust recovery.

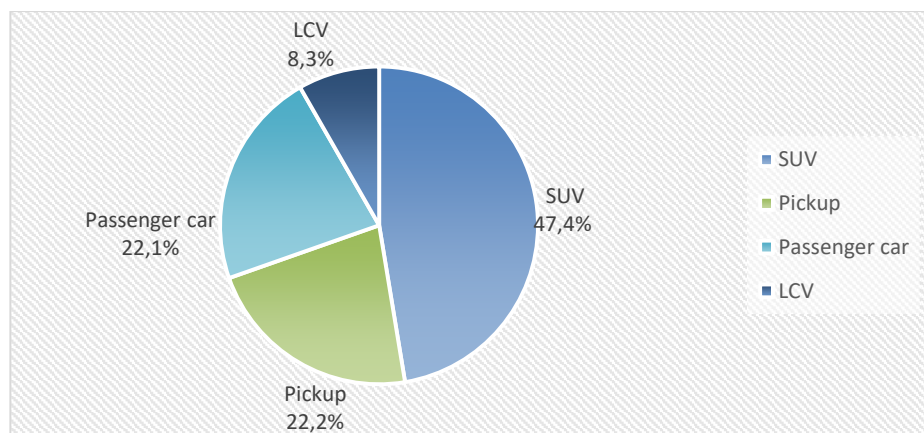
Additionally, some structural trends have completely reshaped the automotive landscape. Passenger cars – which a decade ago led sales by far– have been replaced by SUVs in consumer preferences. Chileans are looking for more space, safety and versatility, as well as vehicles offering higher seating position and easier cabin access.

In line with the above, in 2025 most sales corresponded to SUVs (47.4%), while five years ago they represented almost 39,1% of total. Pickups (22.2%) rank in second place, keeping almost unchanged its market share compared to 2021.

The light commercial vehicle segment has increased its share – from 6.5% in 2021 to 8.3% in 2025, driven by the rise of e-commerce and last-mile delivery services, that require smaller and more agile vehicles for urban logistics, rather than trucks.

The better performance of the above types of vehicles has been at the expense of passenger cars. Five years ago, they represented almost 36.1% of sales, while currently they account for around 22.1%. Despite their shrinking market share, passenger cars – specially compacts and sub-compacts - remain a practical and affordable option for many, for daily commuting, delivering better fuel economy and a lower overall purchase price. See chart below.

2025 – SALES BY TYPE OF VEHICLE - %



Source: CAVEM

Another important structural change of the automotive market has been the consolidation of Chinese vehicle origin (see.1.3.2), in terms of manufacture and brand. In 2025, 41.4% of

vehicles sold in the country came from plants located in China, compared to 26.1% five years ago. In terms of brands, 32.4% of sales were from Chinese-owned companies, significantly surpassing Japan, which led the market five years ago.

Another significant milestone in automotive sales has been the sustained improvement in the efficiency of the new vehicle fleet, boosted by the mandatory fuel economy standards imposed by the authorities (see 4.4.3). In 2015, the average fuel efficiency of vehicles sold was 15.3 km/l, while in 2025, this figure accounted for 19.2 km/l.

Finally, the automotive market shows incipient but constant signs towards electromobility. Its share of the total market remains limited, reflecting a gradual transition rather than an accelerated change. According to information from ANAC, in 2025, the market share of new electric and plug-in hybrid vehicles reached 2.8%, while non-plug-in electric vehicles (conventional hybrids and MHEVs) reached 8.6% of total sales. For many, these latest are considered as “the main gateway” for a transition to lower-emission models.

1.2 Consumers and trends

For several Chileans, the car ownership is a matter of pride and personal fulfilment. It is one of the goals several persons wish to achieve, once they start working and generating an income and it is seen as an investment. For that reason, Chileans usually take time to carefully compare different brands and models, before deciding the best option for them.

Moreover, the poor public transportation system of most Chilean cities has encouraged people to buy a car. Public transport vehicles are usually crowded in rush hours; journeys are slow and most buses lack of comfort and safety. In addition, inasmuch as cities are growing, inhabitants are trending to live farthest from their working or studying places, making necessary to have their own mean of transportation.

According to market experts, consumers are currently basing their buying decisions in some key elements:

- **Advanced Technology:** Chilean consumers are looking for connected features that enhance safety and security and improve their driving experience. Some of them are larger digital displays, wireless smartphone integration, advanced driver assistance systems (ADAS), pedestrian detection, anti-theft tracking and infotainment solutions.
- **Efficiency and electromobility:** Chilean car buyers are more and more preferring vehicles using electricity as the main power source. Electric cars offer key advantages: up to 80% savings in energy costs compared to gasoline, reduced

maintenance costs due to the absence of combustion parts, and low or zero direct emissions.

- **Price-value:** price is a key decision factor for most Chilean consumer, but shares the spotlight with factors, such as operating costs, after-sales support and brand reputation and consistency.
- **Information compilation and comparison:** The Chilean buyer is better informed due to the several information sources available. They compare prices, watch review videos, consult forums, check online financing, and only then visit a dealership.

According to Descifra⁵, the most important factor for Chileans when buying a vehicle is safety standards (49%). This is followed by the price-quality relationship (44%) and efficiency/performance (42%).

As seen in section 1.1.2, sales of SUVs have increased importantly. This growth has been boosted by the entry of several new brands. A growing number of consumers prefer SUVs, because of they are perceived as safer and more comfortable to drive.

In addition, pickups represent an important part of the market, due to the country's prominent mining, forestry, and agricultural sectors that often require off-road capability, towing power and bed space for hauling.

It is worth mentioning that the pre-owned vehicle market is quite dynamic, that is, approximately 3.9 used vehicles are sold for every new car. Used car prices have stabilized in recent years, offering a more convenient alternative for those looking to buy a vehicle in Chile. There is a growing segment of reliable dealerships offering inspected vehicles, warranties, clear history, and simplified procedures. In contrast, private transactions between individuals can involve more risks: opaque origins, no warranty, no formal financing, and so on.

In the case of light commercial vehicles, low fuel consumption and low maintenance cost are the main key factors in the buying decision.

⁵ Descifra is an alliance between COPESA (the main Chilean communication holding) and the market research and strategic communications company Artool.

1.3 Competition

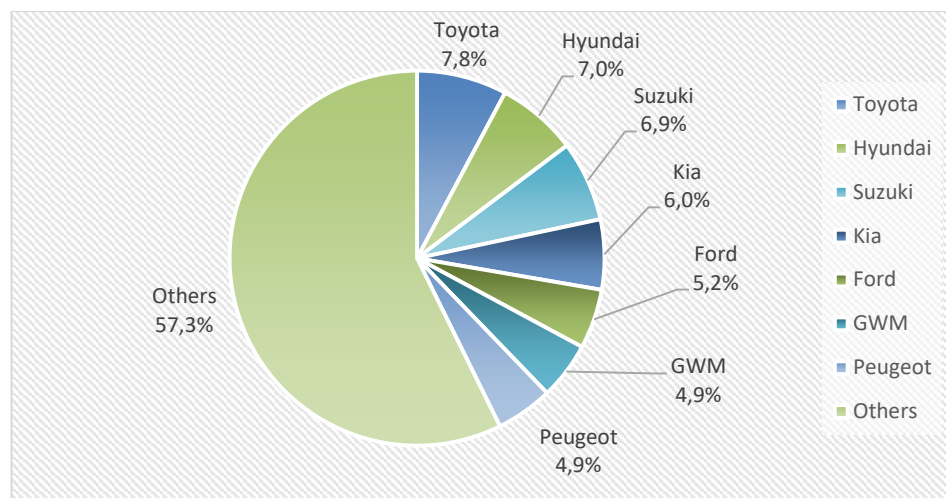
1.3.1 Brands

Because of its open-trade policies, zero-tariff agreements with major manufacturing nations and manageable market size, Chile remains one of the most competitive and diverse automotive landscapes in Latin America. For decades, several vehicle brands have seen Chile as a test market for new models, before their expansion to the other Latin-American countries.

Currently, there are approx. 80 different light-to-medium vehicle brands competing in Chilean market, with more than 1.800 models. This shows the high level of competition and atomization existing in a small market like the Chilean one.

According to the National Automotive Association (ANAC), in 2025 most sold brands were Toyota (7.8%), Hyundai (7.0%) and Suzuki (6.9%). See chart below.

2025 – SALES BY BRAND - %



Source: ANAC

The following chart shows the Top 5 best-selling vehicle models per category in 2025:

TOP 5 BEST-SELLING MODELS BY CATEGORY – 2025

SUV 1. Chery Tiggo 2 2. Chevrolet Groove 3. GWM Jolion 4. Omoda G5 5. Mazda CX5	PASSENGER CAR 1. Suzuki Baleno HB 2. Kia Solutio 3. Hyundai Grand i10 4. Chevrolet Sail 5. Suzuki Swift
PICKUP 1. Toyota Hilux 2. Mitsubishi L200 3. GWM Poer 4. Ford Ranger 5. Maxus T60	LIGHT COMMERCIAL VEHICLES 1. Peugeot Partnet 2. Citroen Berlingo 3. Hyundai Porter 4. Kia Frontier 5. Ford Transit

Source: ANAC

1.3.2 Market composition by country of origin

According to a survey conducted by Descifra⁶ in 2025, 90% of consumers consider that both, the origin country of the brand and the country where the vehicle is manufactured are important.

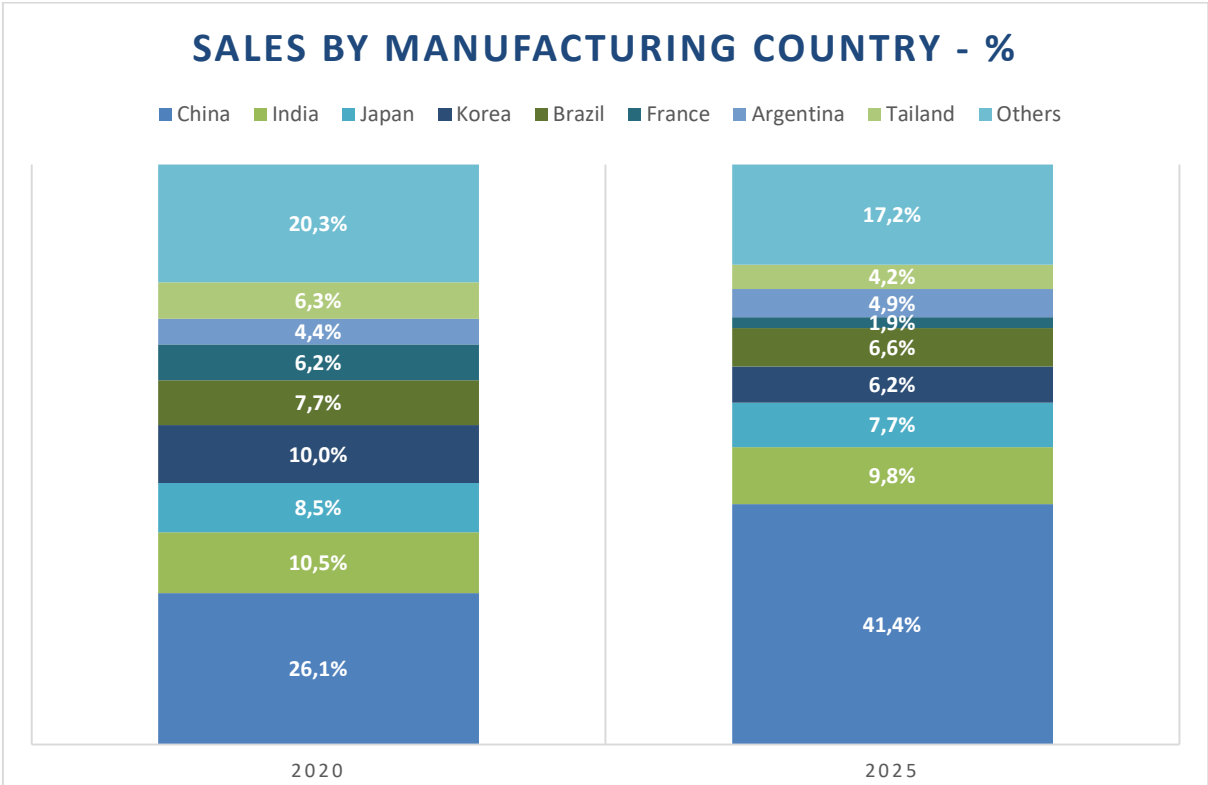
When asked which countries they would buy a car from, the most valued were Japan (70%), Korea (41%), Europe (34%) and the United States (32%), all with a strong automotive tradition. And a resounding 48% stated they would never consider buying a car manufactured in China. This rejection surpasses that of Argentina (38%) and India (24%).

According to experts, Chinese brands have managed to establish a strong price/quality relationship, with high level of technological equipment, modern design, and competitive prices. However, they still face the challenge of aligning their image with safety standards, which is the most valued purchase factor for consumers.

⁶ Chinese Automobiles and Brands Survey, conducted by the research consortium Descifra.

Despite the above, Chinese vehicles are currently leading sales in Chile. China is, at the forefront, in terms of brands and manufacturing country of origin of the vehicles sold in Chile, showing a dramatical change in the market composition in the last years.

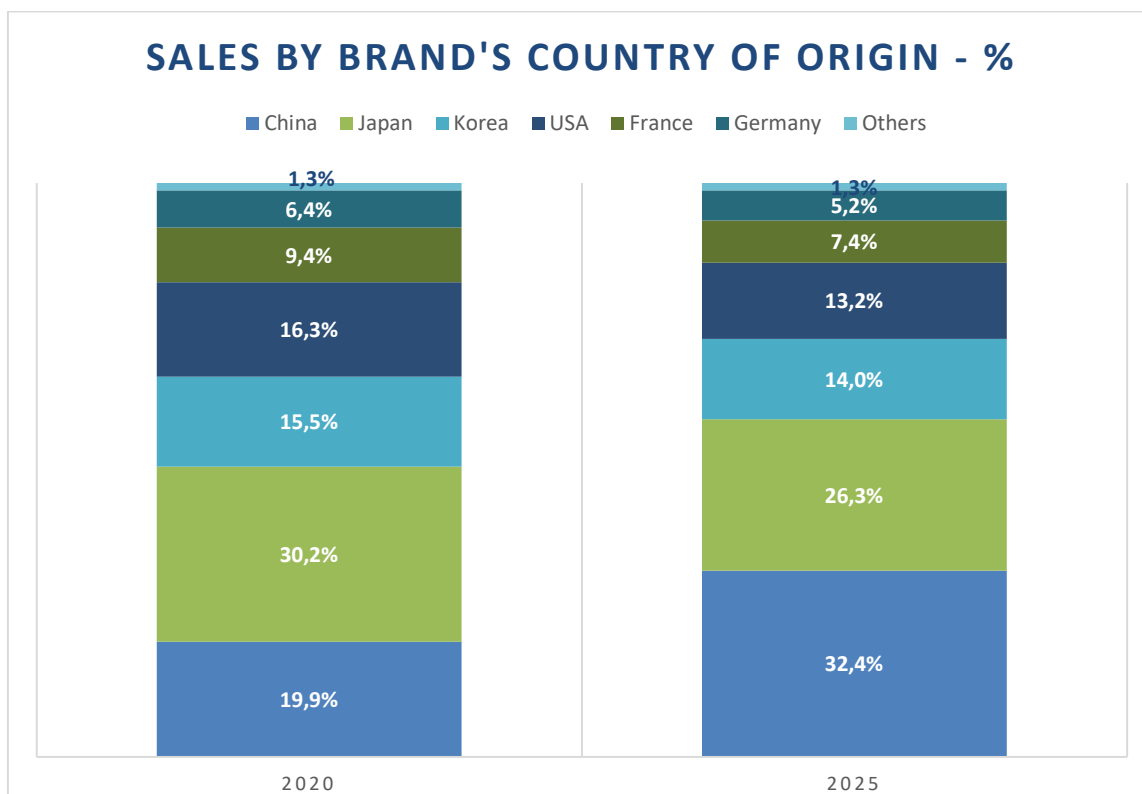
In 2025, China was the main country of manufacturing of the vehicles sold in Chile, representing 41.4%, while in 2020 this percentage was 26.1%. It is followed by India (9.8%) and Japan (7.7%), that in 2020 accounted for 10.5% and 8.5%, respectively. See chart below.



Source: ANAC

It is worth mentioning that – even if Mahindra is the only 100% Indian brand sold in Chile – there are about 15 models of Japanese and Korean brands (Suzuki, Hyundai and Kia) that are manufactured in India and commercialized in Chile.

In terms of brand’s country of origin, most vehicle sales in 2025 corresponded to brands from China (32.5%), Japan (26.3%) and Korea (14%). See chart below.

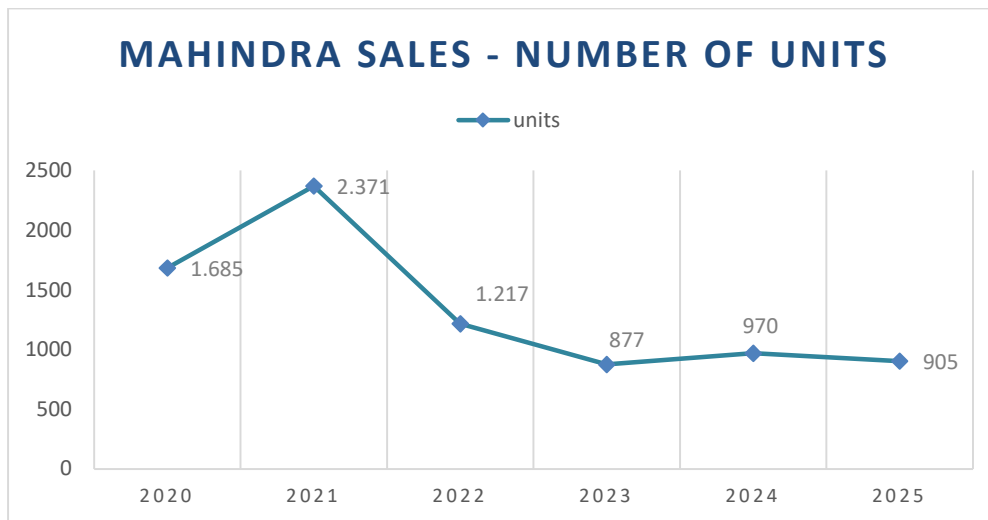


Source: ANAC

1.3.3 Indian brands in the Chilean market

Currently, the automotive footprint of Indian brands in Chile is modest, accounting for less than 0.4% of total sales and being represented by Mahindra and Tata groups.

Mahindra is the only 100% Indian brand currently sold in Chile and is represented by the local importer Gildemeister. It ranks in the 41th position of light and medium vehicle sales, with 0.3% of market share and 905 units sold in 2025. In 2020, Mahindra was in the 19th position with 1.685 units, showing a lower presence in the Chilean market within the last years. See chart below.



Source: ANAC

Mahindra is well known for their pickup models, because of its solid construction, durability and exceptional good price-quality ratio. However, from late 2025 they are no longer imported to Chile. According to some experts, Mahindra pickup sales were negatively impacted by the arrival of some Chinese brands offering more comfort and technology at a similar price range.

These days, Mahindra is present in the Chilean market only with a gasoline-powered compact SUV model, offered in four different versions.

Related to Tata, until a few years ago, the brand itself was present in the Chilean market with pickup models, but no longer. Currently, only Land Rover and Jaguar brands (belonging to Tata Group) are sold in Chile, but none of their vehicles currently imported to Chile is produced in India.

Locally, both brands are represented by Inchcape Group. Land Rover offers three different models (with several versions) of off-road vehicles and SUVs. Jaguar sells sedans, SUVs and sport cars. Both brands are currently offering 100% electric luxury SUVs, available only with prior reservation.

Land Rover and Jaguar rank in 54th and 78th positions, respectively. They target affluent buyers who value luxury, high performance, and status. Therefore, the number of units sold is quite limited, ranging from 55 to 66 units per year for each brand.

1.4 Prospects

According to a Research and Markets report⁷, the Chile automotive market is projected to grow at a CAGR of 4.80% between 2025 and 2034, from US\$ 10.1 to 14.7 billion.

Estimations of some local market experts are that, in 2026, sales of light and medium vehicles will account for 315 to 320 thousand units, representing a modest grow compared to 2025. It seems that market grow will be slow but steady during the next few years, closely tied to a rebound of the Chilean economy behaviour and the stabilization of credit interest rates.

It is expected that all categories (passenger cars, SUVs and light commercial vehicles) will show sales increases, but SUVs will continue to lead the growth, in line with consumer preference changes.

ANAC estimates that, in 2026, 3.8% of sales will correspond to 100% electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs), totalling around 12,000 units (+ 40% compared to 2025). Adding self-charging hybrid electric vehicles (HEVs) and micro-hybrids (MHEVs) – which involve the incorporation of non-plug-in electrified technologies – the market share would reach 16.8% by the end of 2026, with around 54,000 units for zero and low emission vehicles.

⁷ Chile Automotive Market Report and Forecast 2025-2034 – Research and Markets

2. Imports and Exports

Import statistics contained in this survey section correspond to the following vehicles, with the respective Harmonized System (HS) code under which they are classified in Chile:

HS Chapter/code	Description
87.03.21.91/22.91/23.91/ 87.03.31.90/32.91/33.90 87.03.40.14/40.24/40.34/50.25/ 60.14/60.24/60.34/70.25/80.90	Passenger cars and SUVs Engine size up to 3.000 cm3 gasoline Engine size up to 3.000 cm3 diesel Engine size up to 3.000 cm3 100% electric or hybrid
87.04.21.21 87.04.31.21 87.04.41.21/51.21/60.20	Pickups (light trucks) Load capacity between 500 and 2.000 kg. diesel Load capacity between 500 and 2.000 kg. gasoline Load capacity between 500 and 2.000 kg. 100% electric and hybrid
87.04.21.11 87.04.31.19 87.04.41.11/51.19/60.10	Light commercial cargo vehicles Load capacity up to 2.000 kg diesel Other load capacity up to 2.000 kg gasoline Load capacity up to 2.000 kg 100% electric and hybrid

2.1 Imports

2.1.1 Imports by type of vehicle

2.1.1.1 Passenger cars and SUVs⁸

After the post pandemic boom (2021 and 2022), total imports of passenger cars and SUVs have remained relatively stable within the last 3 years. See chart below.

Total Passenger Car and SUV Imports (in US\$ CIF)

	2021	2022	2023	2024	2025
Gasoline	3.158.009.118	3.938.697.167	2.259.497.810	2.120.076.677	2.075.153.254
Diesel	342.844.171	420.238.710	277.995.084	205.313.180	159.542.965
Electric and hybrid	62.455.698	141.117.607	196.232.522	392.034.390	583.646.561
Total	3.563.308.987	4.500.053.483	2.733.725.416	2.717.424.248	2.818.342.780

Source: Chilean Customs Statistics

⁸ The Harmonized Code System used in Chile does not provide separate codes for passenger cars and SUVs.

In 2025, most imports (73.6%) corresponded to gasoline vehicles and, among them, about 58.6% were vehicles with engine size between 1.000 and 1.500 cm³. Diesel-powered passenger car and SUV imports show a downward trend. Imports of electric and hybrid vehicles represented 20.7% of total passenger car and SUV imports, taking into consideration that their unit price is higher than gasoline and diesel-powered vehicles.

It is worth mentioning the explosive growth of 100% electric and hybrid vehicles. Within the last 5 years, imports increased more than 9 times in terms of value and passed from 2.818 units in 2021 to 29.943 in 2025.

2.1.1.3 Pickups (light trucks)

In 2025, most imports corresponded to diesel powered pickups (76.6%). Gasoline is cheaper than diesel and pickups usually travel long distances, given that they are mainly used in the agriculture, forestry mining and fishing sectors, among others,

As well as for passenger cars and SUVs, imports of electric and hybrid pickups have grown fast within the last 5 years, but volumes remain still modest. There is still a limited availability of models and brands in the Chilean market.

See chart below.

Total Pickup Imports (in US\$ CIF)

	2021	2022	2023	2024	2025
Gasoline	304.477.192	366.162.141	271.119.824	268.114.438	278.776.359
Diesel	1.248.693.219	1.644.194.299	1.107.273.459	906.968.469	1.114.880.619
Electric and hybrid	0	5.469.942	21.463.491	22.648.440	61.391.558
Total	1.553.170.412	2.015.826.382	1.399.856.774	1.197.731.348	1.455.048.536

Source: Chilean Customs Statistics

2.1.1.4 Light commercial vehicles

As in the case of pickups, in 2025, most imports corresponded to diesel-powered vehicles (94.5%). Usually, they are intensively used for deliveries and should travel many kilometres in cities and on highways, therefore owners prefer a cheaper fuel. See chart below.

Total Light Commercial Vehicle Imports (in US\$ CIF)

	2021	2022	2023	2024	2025
Gasoline	55.854.765	46.676.826	9.218.340	6.150.558	7.952.320
Diesel	274.314.716	232.471.626	214.372.812	198.654.582	255.688.910
Electric and hybrid	0	14.583.994	19.210.417	5.567.091	6.891.533
Total	330.169.481	293.732.446	242.801.569	210.372.230	270.532.763

Source: Chilean Customs Statistics

According to some local experts, buyers are still reticent toward electric and hybrid light commercial vehicles. Despite their lower operation and maintenance cost, there are concerns about the autonomy given by the few brands currently available in the market, which would not secure a daily non-stop operation in large cities and long distances.

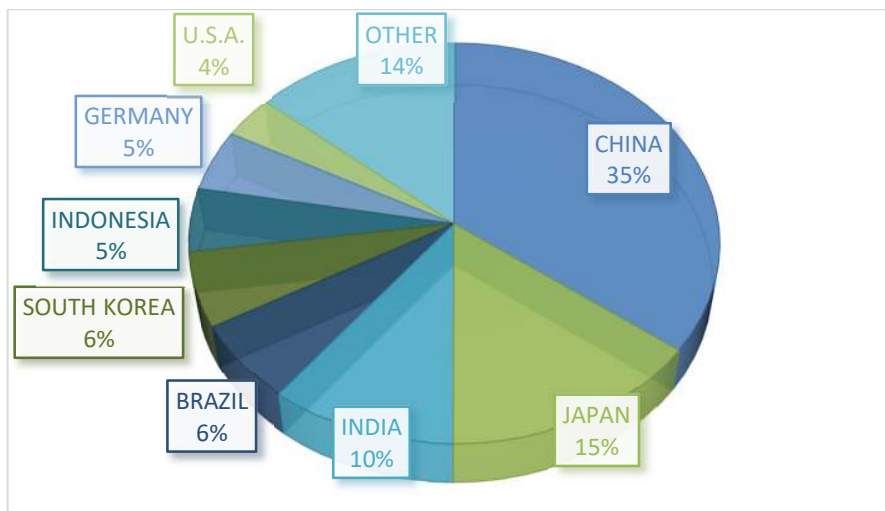
2.1.2 Imports by country of origin

2.1.2.1 Passenger cars and SUVs⁹

In 2025, most imports came from China (35%), Japan (15%) and India (10%). See chart below.

⁹ The Harmonised Code System (HS) used in Chile does not have separate codes for passenger cars and SUVs.

PASSENGER CAR AND SUV IMPORTS BY COUNTRY OF ORIGIN - 2025



Source: Chilean Customs Statistics

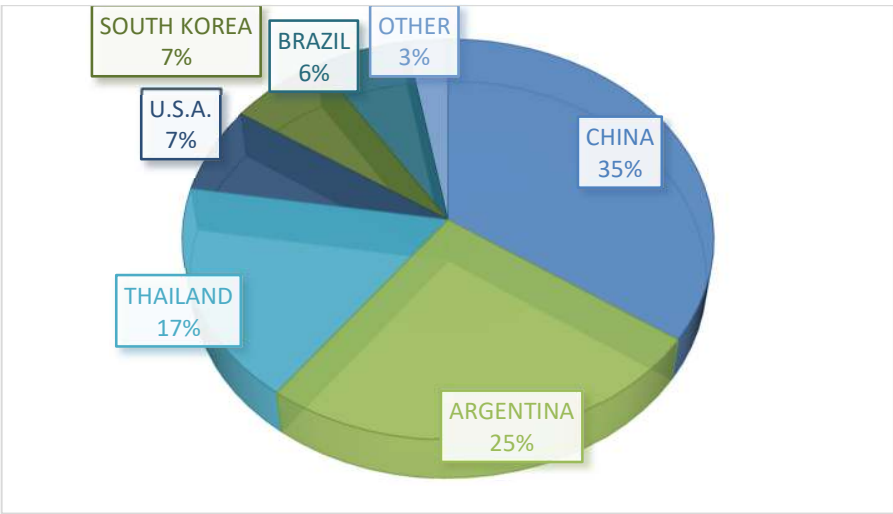
In 2025, vehicle imports from India accounted for US\$ 293.6 million. From them, 57.3% corresponded to gasoline vehicles with engine size between 1.000 and 1.500 cm³ and 71.3% to Suzuki brand (manufactured in India).

2.1.2.2 Pickups (light trucks)

In 2025, most imports came by far from China (35%), followed by Argentina (25%) and Thailand (17%). See chart below.

India ranked in 9th position with imports for almost US\$ 3.4 million and 252 units. All of them, corresponded to Mahindra brand.

PICKUP IMPORTS BY COUNTRY OF ORIGIN - 2025

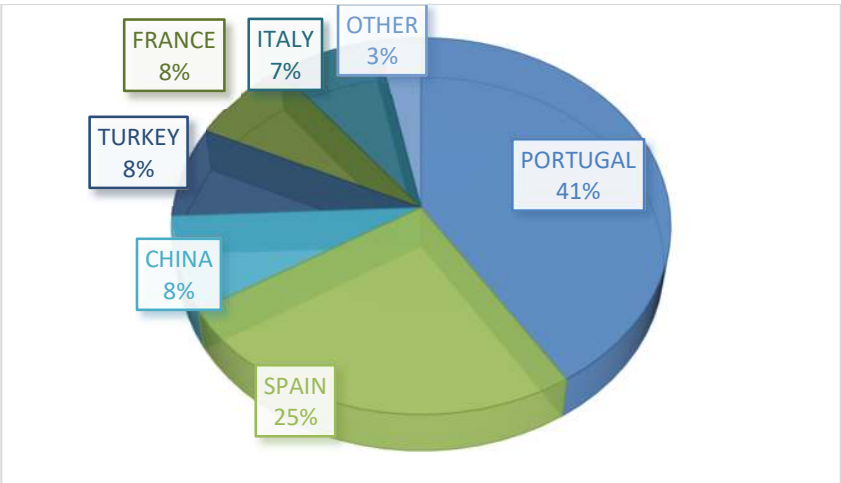


Source: Chilean Customs Statistics

2.1.2.3 Light commercial vehicles

In 2025, most imports of light commercial vehicles came from Portugal (41%), followed by Spain (25%) and China (10%). In this category, there are not imports coming from India. See chart below.

LIGHT COMMERCIAL VEHICLE IMPORTS BY COUNTRY OF ORIGIN - 2025



Source: Chilean Customs Statistics

2.1.3 Imports by company

2.1.3.1 Passenger cars and SUVs

In 2025, almost 99 Chilean companies and natural persons imported passenger cars and SUVs. The 8 major importers gathered 46 % of total in terms of value. See chart below.

Passenger Car and SUV Imports by Company – 2025 (CIF Value)

Company	Volume (units)	Value (US\$ CIF)
TOYOTA CHILE S A	15.067	264.961.669
PEUGEOT CHILE S A	11.115	200.450.293
KIA CHILE S A	14.444	184.800.645
PORSCHE CHILE SPA.	8.092	151.824.278
DERCO S A	12.900	135.762.783
IND. AUTOMOTRIZ FRANCOMEC	8.051	120.948.048
IMPORTADORA Y DISTRIBUIDORA AL	11.504	119.247.219
FORD MOTOR COMPANY CHILE SPA	5.664	117.951.720
OTHER	707.683	1.522.396.126
Total	794.520	2.818.342.780

Source: Chilean Customs Statistics

Main importer was Toyota Chile (the best-selling brand in Chile) with 9.4% of total sales, followed by Peugeot Chile (7.1%) and Kia (6.6%).

2.1.3.2 Pickups (light trucks)

In 2025, 79 Chilean companies and natural persons imported pickups. From them, the 6 main importers represented 58.9% in terms of import value and 51.3% in terms of volume. See chart below.

Pickup Imports by Company – 2025 (CIF Value)

Company	Volume (units)	Value (US\$ CIF)
FORD MOTOR COMPANY CHILE SPA	8.297	280.661.391
MMC (MITSUBISHI) CHILE S A	8.782	190.547.661
TOYOTA CHILE S A	7.113	176.649.003
ANDES MOTOR S.A.	4.810	73.268.474
CIDEF COMERCIAL S A	5.393	68.570.185
COMERCIAL ITALIA S A	2.965	66.604.363
OTHERS	35.380	598.747.459
Total	72.740	1.455.048.536

Source: Chilean Customs Statistics

Main importer was Ford Motor Company (19.3%), followed by MCC (Mitsubishi) Chile (13.1%) and Toyota Chile (12.2%).

2.1.3.3 Light commercial vehicles

In 2025, almost 38 Chilean companies and natural persons imported light commercial vehicles. The 5 major importers gathered 92.2% of total imports in terms of value and 88.9% in terms of volume. See chart below.

Main importer is, by far, Peugeot Chile (71.0%), followed by Citroen (9.5%) and Ford Motors (7.1%).

Light commercial vehicle Imports by Company – 2025 (CIF Value)

Company	Volume (units)	Value (US\$ CIF)
PEUGEOT CHILE S A	11.641	191.975.104
CITROEN CHILE SAC	1.611	25.693.181
FORD MOTOR COMPANY CHILE SPA	842	19.398.257
MOTORES DE LOS ANDES S.A.	284	6.886.253
KAUFMANN S A VEHICULOS MOTORIZ	94	5.383.508
OTHERS	1.804	21.196.459
Total	16.276	270.532.763

Source: Chilean Customs Statistics

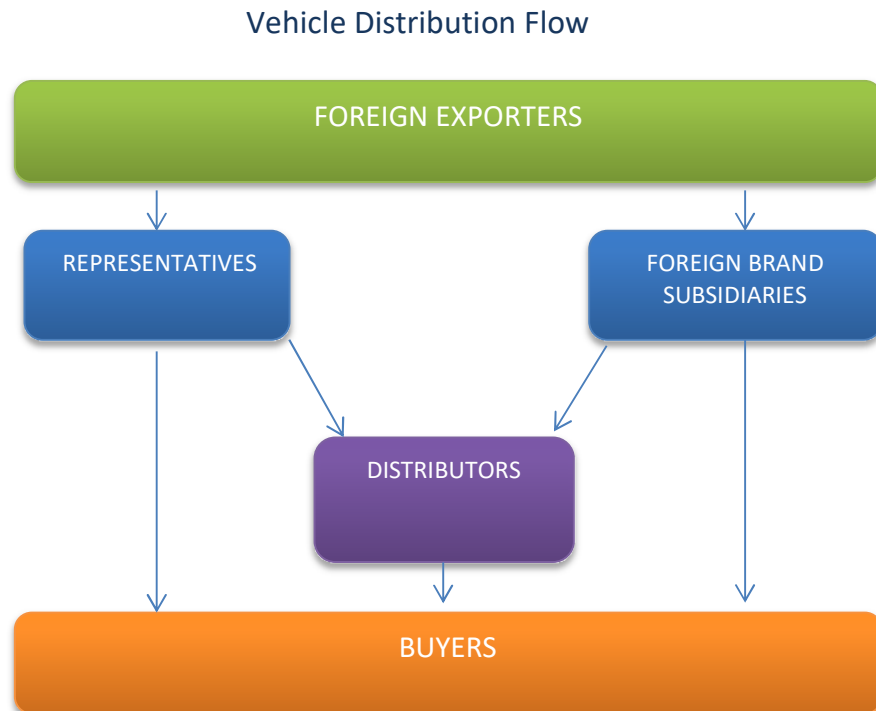
2.2 Exports

Given that Chile does not manufacture vehicles of any kind, there are not exports. There are just a few occasional re-exports, which are not significant for the purposes of this survey.

3. Distribution channels

The distribution chain of new vehicles is quite short and composed by a few players.

The following chart shows the flow of imported vehicle distribution in Chile and its main players.



3.1 Representatives

This group is composed by local companies representing one or more vehicle brands. They import and distribute vehicles, conducting the whole product supply process. Representatives buy the vehicles to foreign manufacturers and are responsible of importing them and conducting custom clearance formalities. They are also in charge of the storage, internal transportation, sales and promotion, customer service and aftercare service. Accordingly, they assume almost all the risk of product operation in Chile.

In some cases, some of these activities are not directly conducted by them, but subcontracted to third parties.

Most representatives represent several foreign brands in the same or different categories. Some of them have created subsidiaries under which each brand or a group of them are managed in a separate way.

In most cases, foreign manufacturers can only sell their products through their local official representative. For them, representation contracts are exclusive by brand and/or vehicle category; nevertheless, the situation is not reciprocal for local representatives, which can represent more than one brand per category.

They also offer maintenance and repair services for the cars they sale, through their own technical service centres. Representatives also provide original spare parts.

Representatives sell their vehicles directly to final clients or thru car distributors. They usually offer direct financing to car buyers, especially to those who do not have access to bank loans. Some of them also accept used car in part payment and have a dedicated to pre-owned vehicles trading.

ANNEX 1 shows the contact data of the main importers and representatives, as well as automotive business associations.

3.2 Foreign brand subsidiaries

Several foreign vehicle 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 to final consumers, as well as the after care.

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 vehicles directly to final clients or thru distributors.

3.3 Distributors

Most representatives and foreign brands subsidiaries have distributors all over the country, which sell vehicles and also take care of the technical service.

4. Import and commercialization formalities

All products imported and commercialized in Chile should meet some formalities. Some of them are the usual to any import, but there are some specific to vehicles, necessary to its 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 Import procedures

For any imported product and for its further commercialization, Chilean Customs requires each custom entry to be supported by the following documents:

- Commercial Invoice
- Certificate of Origin, if applicable
- International Transport Document (BL, AWB, CMR, etc.)
- Packing List, when necessary
- Value declaration

All imports of a total value exceeding USD 1.000 (FOB) require the participation of a Customs Broker. Imports lower in value 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.

4.2 Import restrictions

As a general rule, the import of used vehicles is forbidden in Chile. Some exceptions are the import of preowned vehicles by:

- Persons returning after living abroad for 18 months or more.
- Diplomats and Foreign Officials
- People domiciled in free trade zones (Iquique and Punta Arenas).

In addition, Chile does allow imports of used vehicles for special purposes, such as ambulances, funeral coaches, fire-fighting vehicles, street cleaning vehicles, prison vans, radiological equipment vehicles, motor homes, etc.

4.3 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.

4.3.1 Duty taxes

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 33 Commercial Agreements covering 65 economies, which have granted tariff preferences which each country applies to imports.

At present, both nations are discussing a new deepening of the trade agreement, including more tariff preferences, trade regulatory aspects and rules of origin.

Chile has signed 36 Commercial Agreements, which have granted tariff preferences which each country applies to imports.¹⁰

India and Chile have signed a Partial Scope Trade Agreement (PSA) giving Indian vehicle imports into Chile some tariff preferences. At present, both nations are discussing a new deepening of the trade agreement, specifically a Comprehensive Economic Partnership Agreement (CEPA).

Under the current PSA, and for the vehicles (and their respective HS codes) analysed in this survey, duty taxes to pay go from 1.2 to 6.0%. See details in the following chart:

¹⁰ 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/

HS Chapter/code	Description	% Tariff preference	% of Duty tax to pay
	Passenger cars and SUVs		
87.03.21.91/22.91/23.91	Engine size up to 3.000 cm3 gasoline	80%	1.2%
87.03.31.90/32.91/33.90	Engine size up to 3.000 cm3 diesel	80%	1.2%
87.03.40.14/40.24/40.34/50.25/60.14/60.24/60.34/70.25/80.90	Engine size up to 3.000 cm3 100% electric or hybrid	80%	1.2%
	Pickups (light trucks)		
87.04.21.21	Load capacity between 500 and 2.000 kg. diesel	80%	1.2%
87.04.31.21	Load capacity between 500 and 2.000 kg. gasoline	80%	1.2%
87.04.41.21/51.21/60.20	Engine size up to 3.000 cm3 100% electric or hybrid	80%	1.2%
	Light commercial vehicles		
87.04.21.11	Load capacity up to 2.000 kg. diesel	0%	6.0%
87.04.31.19	Load capacity up to 2.000 kg. gasoline	0%	6.0%
87.04.41.11/51.19/60.10	Load capacity up to 2.000 kg 100% electric or hybrid	0%	6.0%

Source: Direcon

It is worth mentioning that, Chile has Free Trade Agreement signed with most of the countries of origin of imported vehicles; actually, almost 97% of vehicles imported into Chile grant with a 100% tariff preference, that is to say, they are not subject to duty fees.

4.3.2 Other taxes

Light and medium vehicles are subject to the following taxes:

- Value Added Tax (VAT)**, which rate in Chile is 19% and is calculated on CIF value + duty taxes.
- Green Tax** on new car purchases, whose amount is based on nitrogen oxide (NOx) emission, urban fuel yield (km/l) and vehicle sale price.
- Luxury Goods Tax** is levied at 2% annually on cars or SUVs with a value for tax purposes¹¹ equal to or greater than 62 UTA (approximately US\$ 56.000).

¹¹ Each year, the Internal Revenue Service (SII) makes an official appraisal of vehicles by brand, model and year, as the base for the calculation of taxes, like the Registration Certificate and the Luxury Goods Tax.

- d. **Circulation Permit (known as “Permiso de Circulación”)**, which should be paid yearly by car owners, based on its value for tax purposes.

Electric vehicles are exempted from the Carbon tax. Also, electric vehicles and plug-in hybrids enjoy a 75% discount on the Circulation permit for up to 8 years.

4.4 Commercialization requirements

4.4.1 Homologation Certificate

Importers should get from the Transport Ministry a Homologation Certificate for each brand and model they intend to sell in Chile. A type of the car should pass different gas emission technical tests performed in the Vehicle Certification and Control Centre (called 3CV) located in Santiago.

Currently, gasoline and diesel vehicles should comply with Euro 6c standards.

The Homologation Certificate will be valid as long as the vehicle model is not subject to technical changes that could affect the emission parameters.

4.4.2 Safety Requirements

All light passenger vehicles sold or operated in Chile must be equipped with specific built-in active and passive safety features. Some of them are: ABS (Anti-lock Braking System), ESC/ESP (Electronic Stability Control), front airbags, seat belts for all occupants, etc.

Also, to be allowed to circulate, drivers should also carry in their vehicles some safety elements, such as warning triangles, reflective jackets, fire extinguisher and first-aid kit. Most of these elements are generally provided by car importers and/or distributors as part of the car equipment.

4.4.3 Fuel Consumption labelling and energy efficiency

Every car in a dealer show room must have a label in the wind shield showing the fuel economy in kilometres per litre tested, including also CO₂ emissions and local pollutant emission standards that the vehicle model meets. The information came from the Homologation Certificate (see section 4.4.1). Following is an example of the required label.

Eficiencia Energética	
Marca: Modelo: Combustible: Norma de emisión: Emisiones de CO ₂ : Código de Informe Técnico:	 Rendimiento de combustible
Mixto 14,5 km/l	Ciudad
Carretera 18,3 km/l	12,1 km/l
Los valores reportados en esta etiqueta son referenciales. El rendimiento de combustible y emisiones de CO₂ corresponde al valor constatado en el proceso de homologación desarrollado por el Ministerio de Transporte y Telecomunicaciones, a través del Centro de Control y Certificación Vehicular (CCV). El rendimiento efectivamente obtenido por cada conductor dependerá de sus hábitos de conducción, de la frecuencia de mantenimiento del vehículo, de las condiciones ambientales y geográficas, entre otras. El CO₂ es el principal gas efecto invernadero responsable del cambio climático. informate en www.aaa.cl	
	

In addition, regulations require importers to meet progressive energy efficiency average targets for the vehicles they commercialize. Current target is set at 18.8 km/l, but will be made stricter to 22.8 km/l for the period 2027-2029 and 28.9 km/l from 2030 onward.

4.5 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.

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.

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.

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 vehicle exporters, and for identifying both the Opportunities open to them and the Threats they could face in the Chilean market.

SWOT ANALYSIS

Strengths • Good quality of vehicles. • High technological level of Indian manufacturers • Competitive prices of Indian car makers • Existence of experienced Indian producers and exporters. • General good image of Indian products.	Opportunities • The sector is expected to continue growing. • Good opportunities for SUVs and city cars. • Some consumers are still reluctant towards Chinese cars • Opportunities for electric and hybrid cars • Opportunities for low consumption vehicles, given the high cost of fuel in Chile.
Weaknesses • Highly competitive market with the presence of several brands • High competition of Chinese vehicles • India-Chile PSA versus FTA with other manufacturing countries (will be offset as soon as both countries sign a CEPA)	Threats • Limited number of potential representatives, as most they already manage several brands. • High entry barriers for new representatives given high investment required. • Strict technical, safety and efficiency requirements for vehicle approval.

5.2 Main conclusions and recommendations

According to OICA¹², in 2025 India was the third world largest producer of cars and commercial vehicles, with about 6.5 million units.

Despite of its small size, Chilean market shows a high level of competition and atomization, reflected in the existence of around 80 different LDV brands and 1.800 models.

In 2025 almost 9.8% of imported light and medium vehicles sold in Chile were manufactured in India, under Suzuki, Kia, Mahindra and Hyundai brands. Among Chilean buyers, vehicles manufactured in India have a better image than Chinese ones (see 1.3.2), even if these latest are the market leaders in terms of sales.

Within the next 5 years, the market is expected to grow at conservative rates, giving space for new brands and models. India could take advantage of this scenario, especially in the SUVs and city car segments, but also for 100% electric and hybrid vehicles.

Mahindra is currently offering in Chile a small-size compact SUV, while the premium brands Land Rover and Jaguar sell high-end models. Even if compact SUVs are at present the top selling, the mid-size SUV category is, according to experts, expected to grow, as it represents a good balance between comfort and safety, at a still affordable price. It would be advisable for Indian brands to evaluate the introduction of vehicles belonging to this category.

As said before, there are also opportunities for low fuel consumption vehicles (i.e. small-size city cars). None of the brands belonging to Indian groups (Mahindra, Land Rover and Jaguar) currently present in Chile is offering vehicles in this category. It would be advisable to consider it, after evaluating if they are competitive and meet the efficiency standards required by buyers, as well as safety, technology and comfort features. Buyers are becoming more conscious about car's fuel efficiency, given the high price of gasoline. Even more, the stricter energy efficiency target (4.4.3) -which will come into effect from 2027 - will push importers to incorporate to their offer more fuel-efficient vehicles to comply with regulations and avoid fines.

The India electric and hybrid vehicle industry is experiencing robust expansion, with domestic manufacturers like Tata Motors and Mahindra currently dominating the market, but also by other global brands with production plants in India (like MG and Suzuki).

Chile's National Electromobility Strategy aims to reach carbon neutrality by 2050. The plan sets aggressive goals: by 2035, 100% of all new light and medium vehicles, public transit buses, and heavy mining machinery sold must be zero-emission. Even if this target will be

¹² International Organization of Motor Vehicle Manufacturers

difficult to reach, it will boost electrical vehicle sales, as long as the current barriers described in this survey are overcome.

Related to market entry, it is important to take in mind that local subsidiaries of international brands have no possibilities to decide where to import from, as most of the time this decision is imposed to them by the headquarters based on their plant location. Therefore, Indian vehicle manufacturers willing to enter the Chilean market could focus on current representatives willing to add new brands to their portfolio. Although this option could be attractive because of the market knowledge and well reputation of these representatives, it should be evaluated the effort and resources they will assign to a new brand.

Another way to enter 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).