EMBASSY OF INDIA
SANTIAGO

CHILE
ELECTRICAL EQUIPMENT MARKEY SURVEY
(Updated August 2025)

Commissioned from Ms. Carmen Fuentealba
On behalf of the

सत्यमेव जयते

Economic Diplomacy Division

Ministry of External Affairs

I N D E X

1.- MARKET OVERVIEW
1.1 Chilean electric market 3
1.2 Electrical equipment market description 4
1.3 Market prospects 6
2.- IMPORTS AND EXPORTS
2.1 Imports 9
2.1.1 Imports by type of product 9
2.1.2 Imports by country 11
2.1.3 Imports by company 14
2.2 Exports 17
3.- DISTRIBUTION CHANNELS
3.1 Representative/Company subsidiary 18
3.2 Distributors 19
3.3 Electrical and automation contractors 21
4.- IMPORT AND COMMERCIALIZATION FORMALITIES
4.1 Certification of electrical equipment 22
4.2 Import procedures 23
4.3 Duty fees and taxes 23
4.4 Trademark protection 25
5.- MARKET OPPORTUNITIES AND CONCLUSIONS
5.1 SWOT analysis 27
5.2 Main opportunities and conclusions 28

This market survey aims to provide relevant information on the electrical equipment market 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 range of electrical equipment is quite vast. As requested by the client, this survey will cover the following types of products:

- Electrical generators and generating sets
- Electric transformers
- Welding machines
- Boards, panels and consoles for electric control

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 Chilean Electric System

The Chilean Electric System is composed by 3 different areas: generation, transmission and distribution. All of them are managed by private companies, even though the last two - by the fact of holding monopoly positions -are strictly regulated by the authorities.

The Electric System is composed by one major system called National Electric System (SEN) covering almost 98.5% of the Chilean population, plus two minor systems, Aysén and Magallanes.

In 2024, total electricity generation capacity reached 36.778 MW. About 30.4% corresponded to solar power, 20.6% to hydraulic energy, 14.4% to natural gas, 14.4% to eolic energy and the remaining 20.2% to other sources of energy.

Total gross electricity generation reached 85.518 GWh. in 2024. From them, almost 68% corresponded to NCRE (mainly solar and hydraulic).

In 2024, the Chilean transmission system lines had approximately 37.753 km. of length. Distribution system is composed by about 7 million of clients, which demand approximately 32.000 GWh.[1]

The Energy Ministry is responsible for the plans, policies and standards of the energy sector. In addition, it grants concessions for hydroelectric power plants, transmission lines, substations and power distribution areas. The National Energy Commission (CNE) is responsible for analysing prices, tariffs and technical norms that energy production, generation, transport and distribution companies must comply.

1.2 Electrical equipment market description

In Chile, most of electrical equipment is imported. Referring to the products considered in this survey, Chile does not produce welding machines and electrical generators, but there is local manufacture of electric transformers and of electric power and control boards.

Local small and big companies (some of them of vast experience and good reputation) manufacture low-to-medium power transformers, mainly using imported components. Some of these companies (such as Rhona, Pailamilla and CH) also import electric transformers of different characteristics of the ones they manufacture, in order to better fulfil their clients' needs through offering a wider range of products. There are also several local companies that manufacture and/or assembly electric power and control boards.

The estimated electrical generator market size was valued at about USD 193 million in 2024 and is expected to reach USD 305 million by 2030. The market is also estimated to grow at a CAGR of around 6.7% during the forecast period 2025-30[2]. Almost 77% of the market corresponds to diesel-powered units, due to their high reliability, robust performance and long life and the high diesel availability in almost all the country.

Electrical generators are widely used in Chile by companies - as well as by office and high-income residential buildings - as a backup in case of energy outage. Also, some companies use them as an alternative source of energy during peak hours[3], in which electricity distribution companies charge a higher price for energy. In addition, they are used as a permanent source of energy by companies (i.e. mining, agriculture, fish farms, etc.) having

[1] Distribution statistics consider distribution companies that are members of Empresas Electricas AG, the association gathering main electric companies.
[2] Source: Market Insights & Analysis: Chile Generator Set Market (2025-30) – MarkNTel Advisors.
[3] In Chile, electrical peak hours are from 18:00 to 23:00, from May to September.

operations in remote zones (where electricity grid is not available or reliable). In fact, mining companies are the main generating set users

In the case of electric transformers, there is a wide range of sizes and types for different usage. The most common in Chile are power and distribution transformers. Power transformers are mainly used in power generation stations and transmission substation. Distribution transformers (of up to 500 kVA) are mainly used in residential, commercial and rural places.

Most electrical transformers used in Chile are dielectric liquid filled, are considered safer while dealing high voltage applications. Nevertheless, and for some usages, in the last years users prefer encapsulated dry-type transformers, as they require less maintenance, are more ecofriendly and have fewer fire risks.

Related to welding machines, the estimated total market is about US$ 28 million per year[4]. The building and metal mechanic sectors are the most important for welding applications.

Welding equipment and supplies are crucial in the construction of bridges, roads, buildings, and other infrastructure projects. As welding is key for some processes, companies often outsource it to external highly specialized companies. They also outsource external inspection companies to certify that welding procedures and welders fulfil required international standards (i.e. ASME IX, AWS and API), as well as the ones imposed by Chilean technical standards.

The market of boards, panels and consoles components for electric power and control is closely linked to automation systems and electric installations.

The growing adoption of factory automation solutions in Chile has been fuelled by several factors, such as the need to remain competitive in the global marketplace, mitigate labour shortages and high costs and comply to stringent regulatory requirements.

There is a local design and assembly industry of electric and control boards produced at demand, according to clients' needs, using principally imported components. These latest are provided mainly by multinational companies, such as ABB, Rockwell, Schneider, Siemens, etc. (directly or through their local distributors).

[4] Calculated as total imports in 2024 (in CIF value)

1.3 Market prospects

Market prospects are closely linked to the future performance of the economic sectors in which electrical equipment is more used and to the forecast of new project investment. In the case of Chile, these sectors are mainly Mining, Building and Energy.

Mining and building sectors showed a slowdown in the last years, with a decrease in investment and less new project development. Nevertheless, they are currently showing some signs of recovering.

The mining sector shows some rebound in terms of new mining projects. The Chilean Copper Commission (COCHILCO) forecasts 51 new mining investment projects totalizing US$ 83 billion, to be materialized within the 2024-2033 period. In 2024, the sector grew 5.2%, boosted mainly by copper and lithium production.

In the case of the building sector, the Chilean Chamber of Construction (CCHC) reported a significative slowdown in the last decade, passing from 17.3% of the GDP in 2012 to 14.3% in 2024. Nevertheless, the same institution forecasts a +4.5% growth in investment for 2025, boosted private productive investment.

According to its June 2025 report, the Corporación de Desarrollo Tecnológico de Bienes de Capital, CBC, (Corporation of Technological Development on Capital Goods) estimated that total investment in big projects will achieve US$ 63 billion within the period 2024-2028.

Most of new investment projects correspond to mining (lifetime extension of current mining sites, desalinization plant construction and mining site maintenance) and energy (storage and transmission) sectors. These projects could require electrical equipment - especially generators and transformers. Nevertheless, it is important to mention that projects could take several years to materialize (or never do it), due to the excessive bureaucratic and sectoral approvals prior to build or operate, as well as the changes in economic and political scenarios.

In the case of generators and at final consumer level, the prolonged power outages that affected thousands of Chileans in recent years boosted sales of electric generators, with people looking for solutions to keep for homes (especially for lighting and essential appliances). Same is the case of small and medium companies that are investing in power generation systems for backup, in order to secure continuous power supply.

In the case of transformers, the energy sector is also an important player. The growing investment in renewable energy sources in Chile (USD 5.7 billion in 2024, +231% vs previous 6 year) is expected to rise the demand for transformers that can manage and facilitate the

transmission and distribution of electricity effectively. Furthermore, the program PMGD (Small Distributed Generation) implemented by the government to promote the development of small renewable energy, even if is showing some slowdown in recent years, could foster the demand for transformers.

The Chile welding equipment market is projected to witness mixed growth rate patterns during 2025 to 2029. Growth accelerates to 4.97% in 2026, following an initial rate of 4.70%, before easing to 2.97% at the end of the period.[5]

Welding machine market is closely linked to the metal mechanic sector. According to the Association of Metal Mechanic industries (ASIMET), the sector decreased -2% in 2024 and is expected to continue decreasing in 2025.

As mentioned in this research, the market of components for electric control (boards, panels and consoles) has a tight relation with automation and electric installations.

It is expected that industrial automation market will significantly increase in Chile, as companies are more and more interested in increasing their production efficiency and in reducing costs, to better compete in local and international markets.

Moreover, several companies are looking for reducing their payrolls by replacing human work by automation solutions, given the restrictions and higher costs introduced by successive labour reforms. In addition, the use of machines or technology to perform tasks without much human intervention helps companies to reduce labour risks (especially in the mining and building sectors) and – therefore – comply with workplace safety and health regulation, which is constantly updated and becoming stricter.

By the other side, building automation (domotics and inmotics) is becoming more and more demanded for office buildings and households, especially high-level ones, as a way to improve energy efficiency, security and comfort. It is expected that building automation market will increase and permeate also to mid-level level buildings, inasmuch as associated technology costs decrease.

[5] Source: 6W Research: Chile Welding Equipment Market Size Growth Rate

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 Chile[6]:

Chapter/code	Description
85.02	Generating sets (diesel or semi-diesel) with compression-ignition internal combustion piston engines: 85.02.11 of an output not exceeding 75 kVA 85.02.12 of an output exceeding 75 kVA but not exceeding 375 kVA 85.02.13 of an output exceeding 375 kVA 85.02.20 with spark-ignition internal combustion piston engine.
85.04	Electric transformers - Dielectric liquid filled Transformers 85.04.21 of an output not exceeding 650 kVA 85.04.22 of an output exceeding 650 kVA but not exceeding 10.000 kVA 85.04.23 of an output exceeding 10.000 kVA -Other types of transformers 85.04.31 of an output not exceeding 1 kVA 85.04.32 of an output exceeding 1 kVA but not exceeding 16 kVA 85.04.33 of an output exceeding 16 kVA but not exceeding 500 kVA 85.04.34 an output exceeding 500 kVA
85.15	Welding machines 85.15.11 Soldering irons and guns, electric 85.15.19 Brazing or soldering machines (excl. soldering irons and guns) 85.15.21 Fully or partly automatic machines for resistance welding of metals 85.15.29 Machines for resistance welding of metals, neither fully nor partly automatic 85.15.31 Fully or partly automatic machines for arc welding of metals, incl. plasma arc welding 85.15.39 Machines for arc welding of metals, incl. plasma arc welding, other than fully nor partly automatic

[6] The HS codes under each type of equipment and supply is classified correspond to the Custom tariff classification defined by the Chilean Customs and currently in force. In some cases, they may not coincide with the codes used in India.

85.37	Boards, panels and consoles for electric control 85.37.10.00 for a voltage not exceeding 1.000 V 85.37.20.10 for a voltage exceeding 1.000 V but not exceeding 72.5 kV 85.37.20.90 others

2.1 Imports

2.1.1 Imports by type of product

2.1.1.1 Generating sets

In the post COVID pandemic years, imports of generating sets have relatively stable in terms of CIF value.

Most imports corresponded to big units of an output exceeding 375 kVA. mainly used by big companies, especially from mining, building and industrial sectors. Even if these sectors have been impacted by the economy slowdown, they have continued to invest in energy generating equipment, in order to secure operation continuity despite power outages. See chart below.

Total Imports of generating sets (in US$ CIF value)

	2020	2021	2022	2023	2024
85.02.11	23.680.067	40.033.607	38.693.260	26.459.912	30.361.938
85.02.12	23.118.362	34.455.369	43.695.167	28.336.758	34.025.136
85.02.13	53.515.810	56.213.171	46.318.315	67.586.440	53.874.231
85.02.20	12.682.593	24.081.137	18.812.151	15.473.781	22.018.097
TOTAL	**112.996.831**	**154.783.284**	**147.518.894**	**137.856.891**	**140.279.401**

Source: Chilean Customs Statistics

In terms of volume or number of units, in 2024 most imports corresponded to Generating Sets with Spark-ignition (especially those an output not exceeding 10 kVA), representing almost 56.1% of total, followed by Generating Sets with Compression-ignition of an output not exceeding 75 kVA (40.1% of total). These low-output generating sets are mainly used by small to medium companies - as well as by office and residential buildings - as electricity back-up systems.

2.1.1.2 Electric transformers

Imports of electrical transformers have considerably decreased in 2024, after two years of imports over US$ 100 million.

Most imports correspond to dielectric liquid filled transformers of an output exceeding 10.000 kVA (30.8% in 2024). These transformers have a very high unitary cost (over US$ 1 million in some cases) and are generally imported directly by final users, such as mining and energy companies. They can, therefore, significantly impact the total import value of a given year, in case they are imported for specific projects. See chart below.

Total Imports of electrical transformers (in US$ CIF Value)

	2020	2021	2022	2023	2024
Dielectric transformers					
85.04.21	32.662.865	25.830.631	38.752.201	19.922.075	12.822.318
85.04.22	8.917.468	8.877.076	9.034.972	12.201.521	20.752.185
85.04.23	28.096.278	25.489.476	33.907.909	43.366.917	26.787.641
Other transformers					
85.04.31	6.528.675	9.555.434	7.154.3667	11.649.403	6.861.249
85.04.32	882.849	2.171.245	2.244.297	5.600.466	1.706.199
85.04.33	5.069.146	5.163.564	5.311.224	5.837.144	5.276.267
85.04.34	4.515.429	9.848.753	8.513.204	7.141.260	12.899.983
TOTAL	**86.672.710**	**86.936.178**	**104.918.173**	**105.718.786**	**87.105.841**

Source: Chilean Customs Statistics

In terms of volume or number of units, most imports corresponded to other types of transformers of an output not exceeding 1 kVA, representing about 71.9% of total, followed by Dielectric liquid filled Transformers of an output exceeding 650 kVA but not exceeding 10.000 kVA (10.8% of total).

2.1.1.3 Welding machines

Welding machine imports have showed a changing behaviour in the last 5 years (with an exceptionally high amount in 2021).

Total Imports of welding machines (in US$ CIF value)

	2020	2021	2022	2023	2024
85.15.11	1.371.543	2.956.490	1.866.149	1.315.297	1.354.461
85.15.19	244.942	493.297	1.436.415	178.740	1.641.634
85.15.21	484.248	1.435.725	1.180.475	628.996	273.129
85.15.29	780.671	2.069.630	4.330.375	827.346	743.926
85.15.31	3.711.440	6.606.075	3.958.036	6.467.937	11.729.381
85.15.39	12.117.205	37.651.646	15.269.743	8.940.799	12.850.252
TOTAL	**18.710.049**	**51.212.863**	**28.041.192**	**18.359.115**	**28.592.783**

Source: Chilean Customs Statistics

In terms of volume or number of units, in 2024 main imported products corresponded to Soldering irons and guns, representing 53.8% of total.

2.1.1.4 Boards, panels and consoles for electric control

Imports of components for electric control have been quite fluctuating in the last 5 years, showing aa exceptionally high value in 2021 and an increase in 2024. Most imports (51.1% in 2024) corresponded to components for a voltage not exceeding 1.000 V.

Total Imports of Boards, panels and consoles (in US$ CIF value)

	2020	2021	2022	2023	2024
85.37.10.00	101.804.424	116.146.548	96.008.055	125.429.077	123.131.697
85.37.20.10	40.868.496	47.566.532	25.674.418	28.012.208	28.849.834
85.37.20.90	60.459.196	198.930.581	70.558.479	33.038.597	88.892.811
TOTAL	**203.132.116**	**362.643.660**	**192.240.952**	**186.479.882**	**240.874.343**

Source: Chilean Customs Statistics

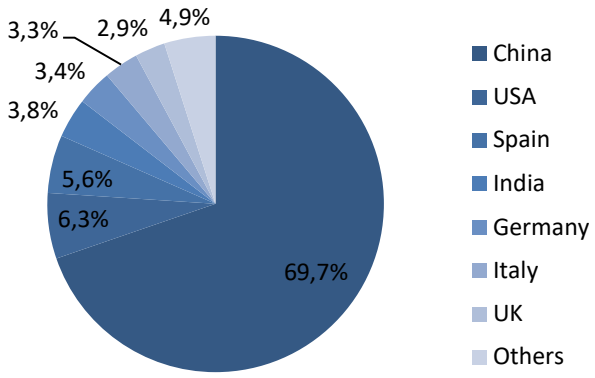
It is important to mention that Custom statistics of the above HS codes actually gather a wide range of products, including complete electric and control boards and electrical rooms, but also components used to manufacture them, such as panels, screens, cabinets, etc. Also, some punctual high-value equipment imports could affect the statistics of some specific years.

2.1.2 Imports by country

2.1.2.1 Generating sets

The following chart shows main countries of origin of generating set imports in 2024.

Imports by country of origin – % CIF Value 2024



Source: Chilean Customs Statistics

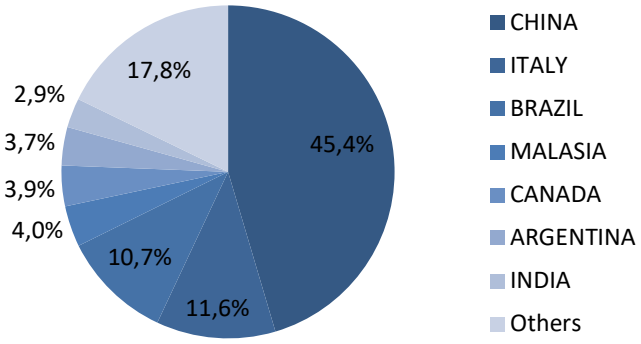
Most generating set imports come from China (69.7%), followed by USA (6.3%) and Spain (5.6%).

India ranks in 4th position with around US$ 5.4 million in 2024, representing 3.8% of total generating set imports. Most imports corresponded to two companies: Distribuidora Cummins (subsidiary of its homonymous from U.S.A.) and Dercomaq (representative of the English company JCB). Both, Cummins and JCB produce part of their equipment in India.

2.1.2.2 Electric transformers

The following chart shows main countries of origin of electric transformer imports in 2024.

Imports by country of origin – % CIF Value 2024



Source: Chilean Customs Statistics

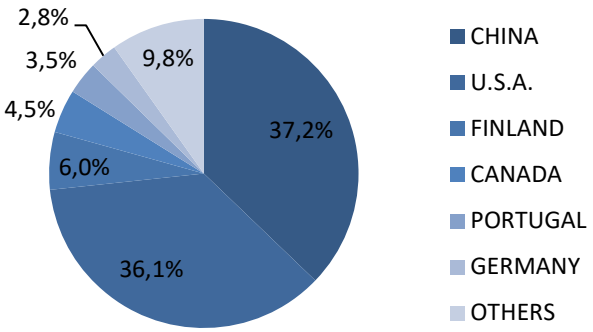
Most imports come from China (45.4%), followed by Italy (11.6%) and Brazil (10.7%).

India ranks in 7th position with around US$ 2.5 million in 2024, representing 2.9% of total electric transformer imports. Most imports (85.5%) corresponded to Chilectra (electricity distribution company, subsidiary of the Italian company Enel), which imported equipment from India of the brand Toshiba.

2.1.2.3 Welding machines

The following chart shows main countries of origin of welding machine imports in 2024. Most imports come from China (37.2%), followed by U.S.A. (36.1%) and Finland (9.8%).

Imports by country of origin – % CIF Value 2024



Source: Chilean Customs Statistics

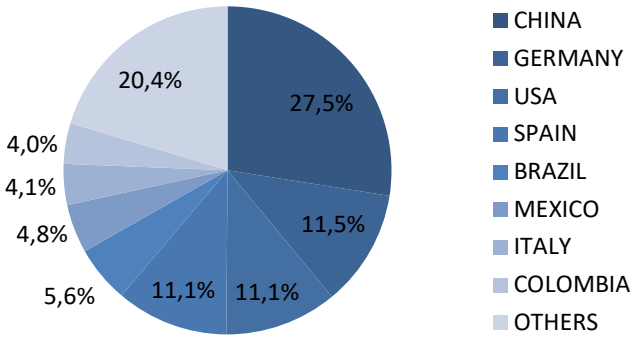
Imports from India in 2024 were not significant, reaching US$ 10.5 M and representing 0.4% of total welding machine imports.

2.1.2.4 Boards, panels and consoles for electric control

The following chart shows main countries of origin of boards, panels and consoles for electric control imports in 2024.

Most imports of boards, panels and consoles for electric control come from China (27.5%), followed by Germany (11.5%) and USA (11.1%).

Imports by country of origin – % CIF Value 2014



Source: Chilean Customs Statistics

Imports from India in 2024 ranked in the 10th place, reaching US$ 7.2 million and representing about 3% of total imports.

2.1.3 Imports by company

The following section shows main companies that imported electrical equipment in 2024.

Note that some importers are identified with an "X". This corresponds to companies expressly request Chilean Customs not to reveal their names, in accordance to the Personal Data Protection Law.

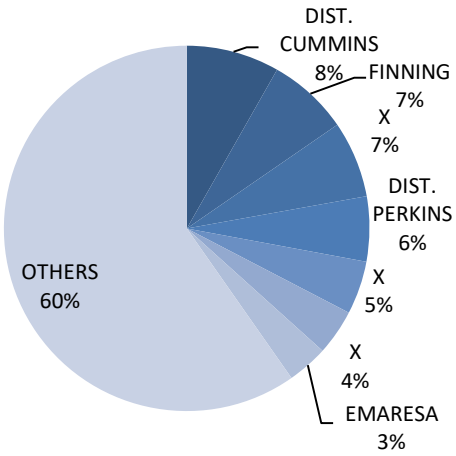
2.1.3.1 Generating sets

Imports of generating sets are quite atomized in about 148 importers, none of them representing more than 10% of total imports in 2024.

Main importers correspond to subsidiaries of multinational companies and to local representatives/importers of international brands. Main ones are Distribuidora Cummins (subsidiary of its homonymous company of U.S.A.), Finning (subsidiary of its homonymous Canadian company), Distribuidora Perkins (representative of FG Wilson) and Emaresa (representative of several international brands, such as Generac, Loncin and Inmesol). These four companies represented about 25% of total generating set imports in 2024.

Imports by company – CIF value 2024

Company	CIF US$
DISTRIBUIDORA CUMMINS CHILE	11.563.067
FINNING CHILE S A	10.070.929
X	9.486.952
DISTRIBUIDORA PERKINS CHILENA	8.042.539
X	6.630.267
X	5.652.653
EMARESA	5.046.165
OTHERS	83.786.830
Total	**140.279.401**



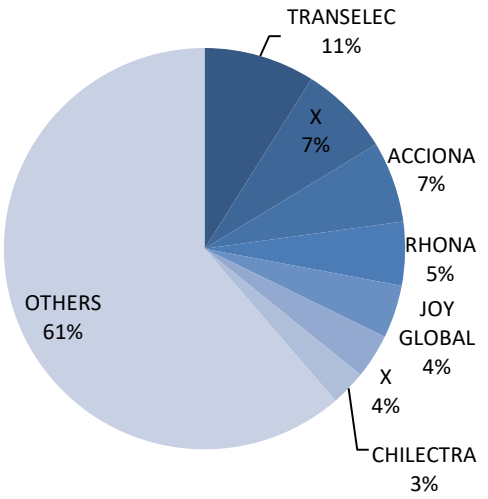
Source: Chilean Customs Statistics

2.1.3.2 Electric transformers

The following chart shows main companies importing electric transformers in 2024.

Imports by company – CIF value 2024

Company	CIF US$
X	7.819.714
X	5.586.430
ACCIONA WINDPOWER	5.489.353
RHONA	4.775.592
JOY GLOBAL CHILE SA	3.864.068
X	3.131.017
CHILECTRA	3.113.413
OTHERS	53.326.253
Total	**87.105.841**



Source: Chilean Customs Statistics

Main importers are final clients (importing transformers for their own projects), engineering companies developing solutions for their clients and local transformer manufacturers. In 2024, Main ones were Acciona (Spanish renewable energy development company), Rhona (local transformer manufacturer) and Joy Global (mining equipment supplier belonging to the Japanese Komatsu).

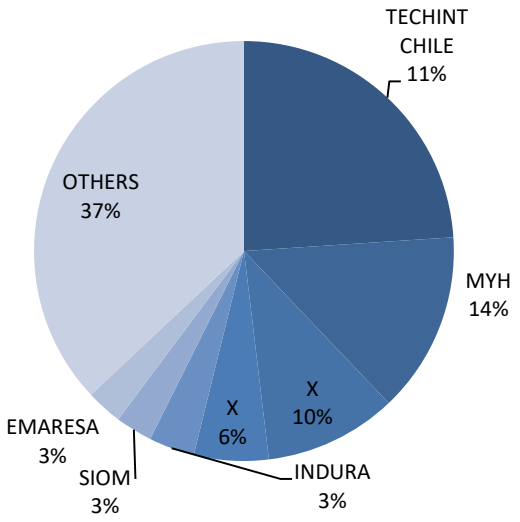
2.1.3.3 Welding machines

The following chart shows main companies importing welding machines in 2024.

Welding machine are quite atomized, showing about 240 importers in 2024. Main importers were subsidiaries of multinational companies and representatives/importers of international brands. Main ones were Techint (multinational engineering company), MyH (local importers of equipment under its private brand) and Indura (subsidiary of the company Air Products from U.S.A.).

Imports by company – CIF value 2024

Company	CIF US$
TECHINT CHILE SA	6.847.855
MYH COMERCIAL E INDUSTRIAL LTD	3.985.607
x	2.915.960
x	1.643.099
INDURA SA	1.009.235
SIOM SPA	812.900
EMARESA INGENIEROS	798.670
OTHERS	10.579.457
Total	**39.234.223**



Source: Chilean Customs Statistics

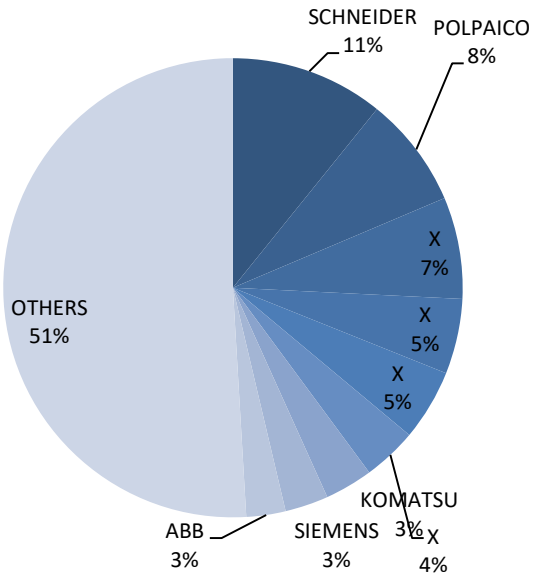
2.1.3.4 Boards, panels and consoles for electric control

The following chart shows main companies importing boards, panels and consoles for electric control in 2024.

Main three importers were Schneider (11%), Cemento Polpaico (8%) and Komatsu (3%). Imports from automation multinational companies (such as Schneider, ABB, Siemens) correspond mainly to components that, as said before, are also included in these HS codes.

Imports by company – CIF value 2024

Company	CIF US$
SCHNEIDER ELECTRIC CHILE S A	26.014.549
CEMENTO POLPAICO S A	18.830.608
X	17.268.765
X	12.731.866
X	12.037.773
X	9.190.525
KOMATSU CHILE S A	8.119.136
SIEMENS S.A.	7.342.121
ABB SA	6.680.664
OTHERS	122.658.337
Total	**240.874.343**



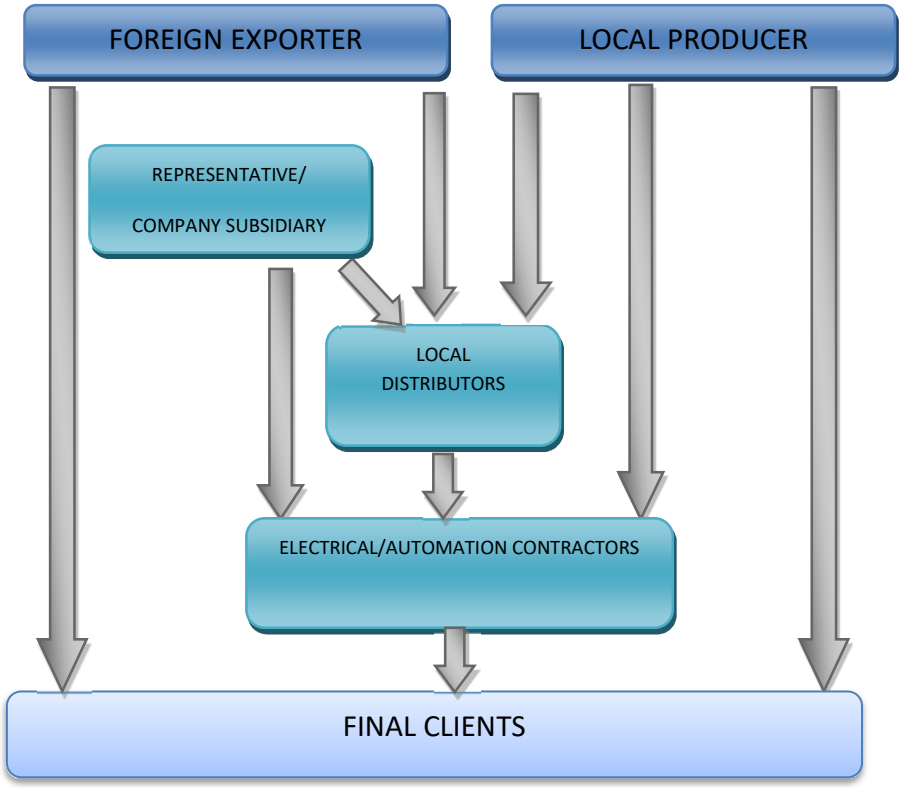
Source: Chilean Customs Statistics

2.2 Exports

Chilean exports of electrical equipment are insignificant, totalizing less than US$ 8 million in 2024. Most of them corresponded to re-exports of previously imported products or with some value-added in Chile. They were mainly sent to other countries of the region.

3. Distribution channels

The following chart shows main distribution channels of electrical equipment in Chile.



ANNEX 1 shows the contact data of some of the main producers, representatives and distributors importing electrical equipment

3.1 Representative/Company subsidiary

Representatives are local companies importing and distributing electrical equipment, 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. 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, maintenance or distribution) are not directly conducted by them, but subcontracted or endorsed to third parties.

Representatives usually advise their clients about the best equipment options to fulfil their specific need. They also offer – directly or through third companies - the installation of the products they supply to building companies and final users.

In most cases, representation contracts demand exclusivity, that is to say, local companies cannot represent other competitive brands of the same category.

By the other side, well reputed multinational equipment companies have their own subsidiaries or branches in Chile. Among them are Siemens, General Electric, Rockwell, Schneider, etc.

Most of these companies have been operating in the Chilean market for several years and have created a very good reputation among equipment decision-takers. These companies sell directly and/or through other local distributors. These latest are generally also in charge of equipment installation, maintenance and repair.

Prices of these well-known multinational suppliers are generally higher than their competitors, i.e. Asian manufacturers. But they often offer better post-sale service, availability of spare parts and accessories and reliable guarantees, as well as direct financing.

In some cases, and even if a company has a local branch or representative in Chile, equipment is imported directly by the final client. This happens mainly in the case of energy or mining companies importing highly priced equipment.

3.2 Distributors

Electrical equipment distributors could be divided in two groups: hardware distribution chains and small distributors.

3.2.1 Hardware distribution chains

In Chile, there are three main hardware and home improvement distribution chains, selling to building companies, contractors, small hardware stores and final users. These chains are the following:

SODIMAC: Sodimac is the leader with about 48% of the Chilean market. The company also operates in Peru, Colombia, Argentina, Uruguay, Brazil and Mexico, with a total of 260 points of sale. In Chile, the company has 87 under the brands Sodimac, Imperial and Ikea (franchising). Sodimac operates under three formats; home improvement stores for final clients (Homecenter) and wholesale stores (Sodimac Constructor) for contractors and small building companies and institutional sales to medium and large building companies.

EASY: The Company is part of the Cencosud holding and has subsidiaries in Chile, Argentina and Colombia. It represents about 25% of the market. In total, Easy has 117 points of sale, 40 of which are in Chile. The company accounts sales for about US$ 1.654 million. It operates business units oriented to different markets; final users, contractors and building companies.

CONSTRUMART: This Company belongs to Inversiones RTB S.p.A. (a Chilean family office). The company has 29 points of sales all over the country. Construmart serves construction companies, hardware stores and master builders across Chile. The company operates through two main channels: retail with in-store sales and B2B through direct sales to engineering and construction firms.

Hardware distribution chains usually sell small to medium size electrical equipment, importing them directly from foreign companies or buying to local producers. And representatives and to multinational company subsidiaries located in Chile.

3.2.2 Small distributors

Small distributors usually commercialize small to medium size equipment, as well as a wide range of electrical materials and supplies.

They usually do not import, but buy to local producers, representatives and multinational subsidiaries in Chile. They offer a personalized service mainly to small contractors and final clients

3.3 Electrical and automation contractors

In Chile, electrical works and installations should be conducted by certified electricians. The Electricity and Fuel Superintendence (SEC) is the institution in charge of granting this certification, which should be renewed each five years.

Most electrical equipment – especially medium and big ones - is installed by specialized contactors. These latest often work under turnkey project modality, therefore they buy the equipment and sell the project (already finished and operating) to their clients.

4. Import and commercialization formalities

Electrical equipment 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 Certification of Electrical equipment

Commercialization of electrical products in Chile may require mandatory safety certification established by the government through the Superintendence of Electricity and Fuels (SEC).

The certification is ruled by the Supreme Decree 298/1995. The dispositions of this regulation apply to all fuel products commercialized in Chile and to electrical products that - in accordance with current standards - must be certified for any use or application field.

Most electrical products requiring certification are mainly home appliances or equipment intended to be used by no trained persons. The list also includes some types of electrical material (switches, plugs, cables, etc.) and some hand electrical tools (drills, screwdrivers, polishing machines, etc.).

Some types of generators must be certified previous to their commercialization. This applies to generators not exceeding 500kW powered by fuel or diesel. Tests should be conducted by previously approved laboratories and under the product safety requirements ruled by PC 115 protocol[7] and labelled accordingly.

In addition, from 2023 on, new diesel and fuel powered generators must comply with the maximum limits of pollutant substances (such as carbon monoxide, hydrocarbon, nitrogen oxides, etc.)[8]. Compliance verification is carried out by the manufacturers and/or importers, who must prove to the Superintendency of Environment that the generator sets comply with the standard, prior to be imported.

[7] The PC 115 protocol is based on the UNE-EN 12601:2001. Find it and other relevant information about certification by clicking in https://wlhttp.sec.cl/PublicacionProductos/publicacion.do

[8] See maximum limits of pollutants by clicking in https://normasaire.mma.gob.cl/nambientales/normas-de-emision/norma-de-emision-para-grupos-electrogenos/

The rest of the electrical equipment covered in this survey is not subject to any specific compulsory product certification. Nevertheless, they could be subject to mandatory requirements related to their installation and, therefore, equipment must fully comply with them. These requirements could be, for instance, related to personal safety and to protection in case of fire, earthquake and water flood.

In addition, international certification granted by well-reputed international institutions is often required by clients in the framework of tendering processes.

4.2 Import procedures

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

- Commercial Invoice
- Certificate of Origin
- International Transport Document (Bill of Lading or Air Way Bill)
- Packing List, when necessary
- Value declaration
- Other Documents (i.e. safety and product certificates)

All imports of a total value exceeding USD 2,000 (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.

4.3 Duty fees and taxes

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

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.

In 2007, India and Chile signed a Partial Scope Trade Agreement (PSA), giving tariff preferences to several products. This agreement was later updated in 2017. Electrical equipment covered in this survey and benefiting of this preference are the ones classified under the following HS codes:

Chapter/code	Description	Tariff preference
85.02	Generators	
	85.02.11.10 of an output not exceeding 15 kVA	80%
	85.02.11.20 of an output exceeding 15 kVA but not exceeding 37.5 kVA	80%
	85.02.11.90 others not exceeding 75 kVA	80%
85.04	Electric transformers	
	- Dielectric liquid filled Transformers	
	85.04.21.10 of an output not exceeding 15 kVA	80%
	85.04.21.20 of an output exceeding 15 kVA but not exceeding 75 kVA	80%
	85.04.21.30 of an output exceeding 75 kVA but not exceeding 150 kVA	80%
	85.04.21.40 of an output exceeding 150 kVA but not exceeding 300 kVA	80%
	85.04.23.10 of an output exceeding 10.000 kVA but not exceeding 37.500 kVA	80%
	85.04.23.20 of an output exceeding 37.500 kVA but not exceeding 75.000 kVA	80%
	85.02.23.30 of an output exceeding 75.000 kVA but not exceeding 150.000 kVA	80%
	85.04.23.90 Others	80%
	-Other types of transformers	80%
	85.04.31.00 of an output not exceeding 1 kVA	80%
	85.04.32.00 of an output exceeding 1 kVA but not exceeding 16 kVA	80%
	85.04.33.00 of an output exceeding 16 kVA but not exceeding 500 kVA	80%
	85.04.34.00 an output exceeding 500 kVA	
85.15	Welding machines	
	85.15.80.00 Others (like laser or other light or photon beam, ultrasonic, electron beam, magnetic pulse	100%

	85.15.90.00 Parts	80%
85.37	Components for electric control (boards, panels and consoles) **85.37.10.00** for a voltage not exceeding 1.000 V **85.37.20.10** for a voltage exceeding 1.000 V but not exceeding 72.5 kV	 100% 80%

It is worth mentioning that currently India and Chile are actively negotiating a Comprehensive Economic Partnership Agreement (CEPA), in order to enhance even more bilateral trade and investment ties.

4.4 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 electrical equipment and for identifying both the Opportunities open to them and the Threats they face in the Chilean market.

SWOT ANALYSIS

Strengths	**Opportunities**
• Good comparative advantages of the India electric equipment market of manufacturing costs, market knowledge, technology and creativity. • Competitive prices • Wide variety of products. • Existence of experienced Indian producers and exporters. • Duty tax preference (India-Chile Partial Scope Agreement).	• Total market is expected to continue growing in years to come. • Opportunities for low-cost equipment with demonstrable quality. • Opportunities for niche products, especially those incorporating technology advances. • Existence of several well-reputed potential representatives/distributors • Opportunities in the mining, energy and building sectors
Weaknesses	**Threats**
• Lack of awareness of Indian electrical equipment among decision takers.	• High competition from multinational and largely established companies. • Continuous changes in regulation aiming to increase safety and energy efficiency and to reduce contamination. Need of certification for some products.

5.2 Main opportunities and conclusions

After a slowdown in Chilean economy, main sectors in which electric equipment is more intensely used are expected to grow from 2025. Even though, experts believe that main opportunities will be for niche products, such those introducing new technologies, allowing energy- efficiency and safety and reducing noise/atmospheric contamination.

According to market actors, there are good opportunities for generating sets with low gas and particle emissions, vis-a-vis the standards generators will have to meet. Also, there are good opportunities for generating sets with low fuel consumption, as well as for those which reduce noise and vibration while operating. Besides, generation sets powered by solar energy are increasing their popularity, mainly because of their easy maintenance and no noise.

Equipment for small-scale energy generating projects is expected to be more demanded, given recent changes in the energy distributed generation. These projects will probably be more attractive for companies, communities and households, given that the maximum installed capacity to inject energy to the network has increased from 100 to 300 kW.

In addition, there are good prospects for equipment for the automation market, specifically at industrial and building level (domotics and inmotics).

Related to welding machines, robotized equipment (MIG, TIG, Laser, etc.) have good possibilities in the Chilean market. Even if they will not easily replace manual welding machines - which are widely used in the building and metal mechanic industries – they can help to face the increasing shortage of skilled and well-trained welders. Also, energy efficient solutions are welcome, that is, equipment consuming less power while producing fewer emissions, to meet both environmental concerns and regulations more effectively. Furthermore, digital technologies - like remote-controlled and smart welding machines - are slowly penetrating the market, enabling a more effective monitoring and of welding processes.

Due to changes in electric network quality, efficiency and safety standards, electric distribution companies are currently replacing traditional electric consumption meters by smart devices. This translates in a significant demand for smart electric meters, given that currently they have been replaced to only about a half of the total of clients (estimated in 7,3 million).

In addition, there are good opportunities for equipment related to electricity transmission. Early this year, electric system authorities announced an investment of US$ 708 million for 2025 to expand and reinforce the national transmission system (lines and substations). 28

As seen before, most of electrical equipment used in Chile is imported, with the exception of some types of electric transformers and other minor equipment.

Several international companies, such as Cummins, Perkins, ABB, Schneider, etc.., have subsidiaries in Chile and sell their products, as well as their associated services (installation, maintenance, repair, etc.). They also sell through local distributors.

There are also several companies representing electric equipment. In some cases, they have exclusivity contracts with their suppliers, that is, they can only sell equipment from the brand they represent. In other cases, local representatives sell different brands which even compete with each other.

In case of high-cost equipment, it is usual that final clients (such as energy and mining companies) import directly. In fact, both multinational subsidiaries and representatives often give to their clients the option to import directly from their manufacturing plants, but take in charge the further installation, maintenance and repair services.

Indian exporters willing to sell electrical equipment in Chile are advised to find a local representative or importer, who can be permanently aware of public and private calls for bids, as well as to deal with certification processes (if needed) and import procedures. Moreover, it is very important that the representative can take in charge the training to users and post-sale services (repairing and maintenance), as these activities are requested in almost all tenders.

It is also important to take in mind that local subsidiaries of international brands (such as ABB, Siemens, Rockwell, etc.) - which in some cases are the main importers - have very few possibilities to decide where to import from, as most of the time this decision is imposed to them by the brand.

Setting up manufacturing bases in Chile – alone or in association with Chilean investors can also facilitate targeting not only the Chilean market but also other markets, taking advantage of the free trade agreements Chile has currently in place.