

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S

INDIA-CHILE BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Republic of Chile is a long, narrow country lying along the Pacific coast of South America, extending from Peru and Bolivia in the north to Cape Horn in the far south. Isla de Pascua (Rapa Nui or Easter Island), about 3,780 km (2,350 miles) off shore, and several other small islands form part of Chile. To the east, Chile is separated from Argentina by the high Andes mountains. Chile is a member of UN, WTO, OAS, Inter-American Development Bank, LALA, APEC, IOM and the Antarctic Treaty, and has a free trade agreement with Mercosur.

2. Chile is one of South America's most stable and prosperous nations, leading Latin American nations in human development, competitiveness, globalization, economic freedom, and low perception of corruption. Since July 2013, Chile is considered by the World Bank as a high-income economy. The Executive Board of IMF concluded the Article IV Consultation with Chile on February 3, 2025, and stated that the economy's imbalances were largely resolved. Real GDP was expected to expand by 2.2 percent in 2024, close to its potential pace, driven by the strong mining and service exports, and 2-2.5 percent in 2025, related to an expected recovery in domestic demand. However, the recovery has been uneven across industries, with the construction sector lagging and the unemployment rate remaining high. Inflation is set to return to the 3-percent target in early 2026, after the impact of the significant increase in electricity tariffs between June 2024 and early 2025 subsides. The current account deficit continued to narrow and is projected to reach around 2½ percent of GDP in 2024 and 2025.

A snapshot of Chile's selected economic indicators is as under.

TABLE - 1

Table 1. Chile: Selected Economic Indicators, 2023-27					
	2023	2024	Proj.		
	2023	2024	2025	2026	2027
Output	(Annual percentage change, unless otherwise specified)				
Real GDP	0.2	2.2	2.2	2.3	2.3
Total domestic demand	-4.2	1.0	2.4	2.3	2.3
Consumption	-3.9	1.6	1.9	2.2	2.1
Fixed capital formation	-1.1	-1.0	4.3	3.4	3.7
Exports of goods and services	-0.3	5.5	4.3	4.7	3.9
Imports of goods and services	-12.0	1.2	4.4	4.3	3.2
Output gap (in percent)	0.0	-0.1	-0.1	0.0	0.0
Employment					
Unemployment rate (in percent, annual average)	8.7	8.5	8.2	8.0	7.8
Prices					
GDP deflator	6.6	6.0	4.1	2.9	2.7
Change of CPI (end of period)	3.9	4.5	3.5	3.0	3.0
Change of CPI (period average)	7.6	3.9	4.2	3.1	3.0
Public Sector Finances	(In percent of GDP, unless otherwise specified)				
Central government revenue	22.9	22.1	23.0	23.8	23.9

Central government expenditure	25.3	24.8	24.8	24.7	24.3
Central government fiscal balance	-2.4	-2.7	-1.8	-0.8	-0.4
Central government structural fiscal balance 1/	-3.4	-3.1	-2.1	-1.2	-0.5
Central government gross debt	39.4	42.7	43.7	44.1	43.5
Public sector gross debt 2/	70.2	73.5	74.5	74.9	74.4
Balance of Payments					
Current account balance (% of GDP) 3/	-3.5	-2.3	-2.5	-2.5	-2.7
Foreign direct investment net flows (% of GDP) 3/	-4.6	-4.0	-2.6	-2.9	-2.9
Gross external debt (% of GDP) 4/	71.1	77.5	76.5	76.6	75.7
Sources: Central Bank of Chile, Ministry of Finance, Haver Analytics, and IMF staff calculations and projections.					
1/ The structural fiscal balance includes adjustments for output, copper prices, and lithium revenues based on IMF calculations. The lithium adjustment starts in 2022.					
2/ Includes liabilities of the central government, the Central Bank of Chile and public enterprises. Excludes Recognition Bonds.					
3/ Calculated as a share of USD GDP.					
4/ Data from Dipres for the government and from BCCh for all other sectors. Calculated as a share of USD GDP.					

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Chile are **China, United Kingdom, Japan, Korea Rep. and Brazil**. On the other hand five major import partners of Chile are **China, United States, Brazil, Argentina and Germany**. Major five exported goods of Chile are (i) Copper ores and concentrates, (ii) Copper cathodes and sections of cathodes unwrought, (iii) Lithium carbonates, (iv) Copper unrefined, copper anodes for electrolytic and (v) Cherries, fresh.. On the other hand major five imported goods of Chile are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Petroleum oils and oils obtained from bituminous, (iii) Automobiles with reciprocating piston engine, (iv) Transmission apparatus, for radioteleph incorpo and (v) Bituminous coal, not agglomerated.

4. Chile's total exports in 2020 were of the order of USD 74,081 million. It scaled up to USD 99,094 million in 2024. During the period 2020 to 2024, Exports from Chile increased maximum by 27.80% in the year 2021 compared to the year 2020. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 7.54%.

5. Chile's total imports in 2020 were of the order of USD 59,201 million and which were USD 84,292 million in 2024. Imports of Chile jumped by 55.73% in 2021 compared to the year 2020. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 9.24%.

6. Chile runs an overall Balance of Trade surplus from 2020 to 2024 except the year 2022. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 8.31%.

A snapshot of Chile’s overall Trade Statistics is presented in Table 2 and Figure 1 below.

TABLE - 2

CHILE'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE
AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	74081		59201		1,33,282		14880
2021	94677	27.80	92191	55.73	1,86,868	40.20	2486
2022	98557	4.10	104606	13.47	2,03,163	8.72	-6049
2023	94936	-3.67	85505	-18.26	1,80,441	-11.18	9431
2024	99094	4.38	84292	-1.42	1,83,386	1.63	14802

Annual
Compound
Growth Rate

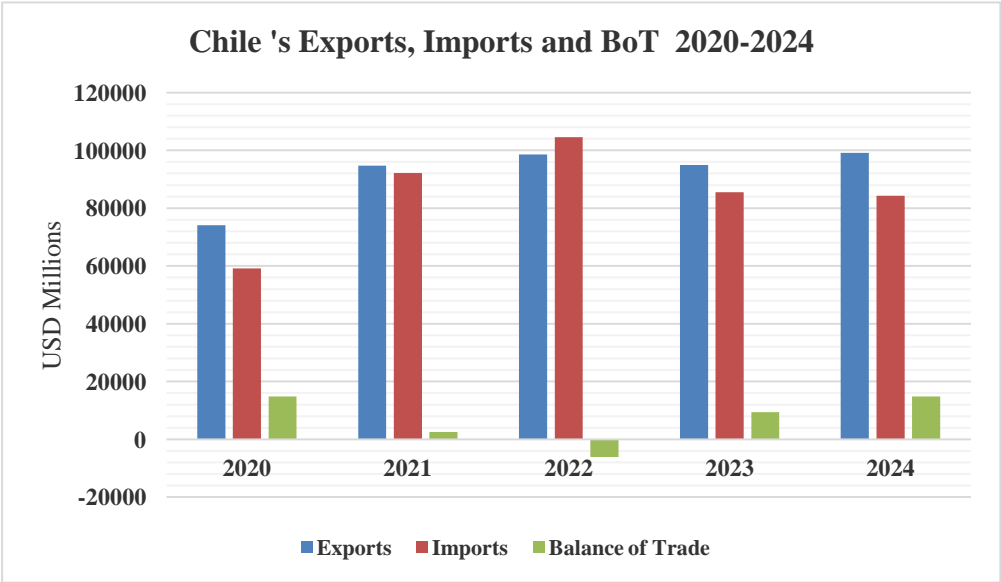
7.54

9.24

8.31

NOTE : Figures relate to calendar year (January to December)
SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Prime Minister Narendra Modi announced on April 1, 2025 that India and Chile have started discussions on a “mutually beneficial and comprehensive” trade pact. This came after state-owned copper mining firms from the two countries signed an agreement that will expand Chile’s access to the mining market in India. India exported to Chile almost 0.26% of its total export value in FY 2024-25. In the same financial year imports from Chile was 0.36% of India’s total import value. Almost 0.28% of India’s total international trade value of goods was between India and Chile as recorded in DGCI&S database for FY 2024-25. Chile was the 46th major trading partner of India in FY 2024-25.

8. Indo- Chile total volume of bilateral trade in FY 2020-21 was of the order of USD 1,475.60 million. It scaled up to USD 3,758.50 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 was 26.33%.

9. It appears from the available figures that between 2021-22 and 2024-25, India had a deficit Balance of Trade with Chile. India enjoyed a surplus balance of trade in FY 2020-21. Exports from India to Chile increased by 46.82% in FY 2021-22 compared to FY 2020-21. The annual average compound rate of growth of Exports was 9.42%. On the other hand, imports from Chile to India remarkably increased by 104.47% in FY 2021-22 compared to FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 40.39%.

A snapshot of India’s merchandise trade statistics w.r.t. Chile is presented in Table 3 & Figure 2.

TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. CHILE
FY 2020-21 to FY 2024-25

(Value in USD Million)							
Year	Exports from India to Chile	Percentage Growth in Exports	Imports from Chile to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	805.00		670.60		1475.60		134.40
2021-22	1181.92	46.82	1371.16	104.47	2553.08	73.02	-189.24
2022-23	1166.43	-1.31	1435.83	4.72	2602.26	1.93	-269.40
2023-24	1183.05	1.42	1514.10	5.45	2697.15	3.65	-331.05
2024-25	1153.80	-2.47	2604.70	72.03	3758.50	39.35	-1450.90

**Annual
Compound
Growth Rate**

9.42

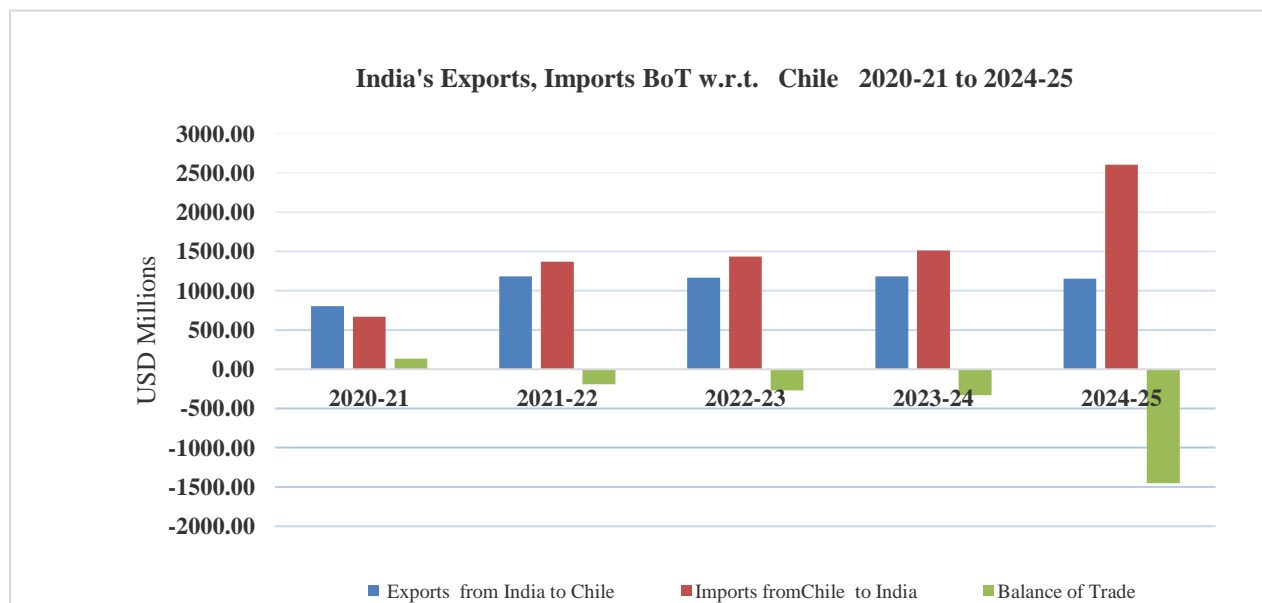
40.39

26.33

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. **Motor Vehicle/Cars, Drug Formulations: Biologicals and Products of Iron and Steel**, occupied the top three slots in India's exports to Chile in the year 2024-25. **Motor Vehicle/Cars** occupied 23.35% share of India's total exports to Chile in FY 2024-25.
- b. **Bulk Minerals and Ores, Copper and Products Made of Copper and Inorganic Chemicals** were the three major commodities in India's imports list from Chile in the year 2024-25, India imported **Bulk Minerals and Ores** from Chile with a share of 61.02% of total imports from Chile as recorded in FY 2024-25.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO CHILE
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Motor Vehicle/Cars	209.65	357.00	364.28	281.66	269.36	70.28	2.04	-22.68	-4.37
	Share in total export	26.04	30.21	31.23	23.81	23.35				
2	Drug Formulations, Biologicals	122.53	152.38	138.22	189.24	210.29	24.36	-9.29	36.91	11.12
	Share in total export	15.22	12.89	11.85	16.00	18.23				
3	Products of Iron and Steel	28.69	22.49	27.02	119.07	83.17	-21.61	20.14	340.67	-30.15
	Share in total export	3.56	1.90	2.32	10.06	7.21				
4	Manmade Yarn, Fabrics, Madeups	37.57	53.11	47.88	46.01	59.62	41.36	-9.85	-3.91	29.58
	Share in total export	4.67	4.49	4.10	3.89	5.17				
5	Electric Machinery and Equipments	24.15	48.02	71.29	64.35	32.35	98.84	48.46	-9.73	-49.73
	Share in total export	3.00	4.06	6.11	5.44	2.80				
6	Cotton Fabrics Madeups	33.82	46.61	28.60	24.49	32.13	37.82	-38.64	-14.37	31.20
	Share in total export	4.20	3.94	2.45	2.07	2.78				
7	Two and Three Wheelers	21.06	49.31	34.35	17.55	24.83	134.14	-30.34	-48.91	41.48
	Share in total export	2.62	4.17	2.94	1.48	2.15				
8	Auto Components/Parts	13.51	23.02	21.56	17.82	22.38	70.39	-6.34	-17.35	25.59
	Share in total export	1.68	1.95	1.85	1.51	1.94				
9	RMG Cotton Incl. Accessories	16.23	24.20	26.19	17.60	20.24	49.11	8.22	-32.80	15.00
	Share in total export	2.02	2.05	2.25	1.49	1.75				
10	Indl. Machinery For Dairy Etc.	11.71	23.05	17.58	20.70	18.79	96.84	-23.73	17.75	-9.23
	Share in total export	1.45	1.95	1.51	1.75	1.63				
	Total exports to CHILE	805.00	1181.92	1166.43	1183.05	1153.80	46.82	-1.31	1.42	-2.47

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM CHILE
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Bulk Minerals and Ores	434.92	1003.59	1027.62	846.66	1589.39	130.75	2.39	-17.61	87.72
	Share in total import	64.86	73.19	71.57	55.92	61.02				
2	Copper and Products Made of Copper	2.67	4.07	1.75	234.32	399.92	52.43	-57.00	13289.71	70.67
	Share in total import	0.40	0.30	0.12	15.48	15.35				
3	Inorganic Chemicals	40.43	56.06	119.60	120.58	207.53	38.66	113.34	0.82	72.11
	Share in total import	6.03	4.09	8.33	7.96	7.97				
4	Fresh Fruits	73.46	137.26	120.17	118.18	118.81	86.85	-12.45	-1.66	0.53
	Share in total import	10.95	10.01	8.37	7.81	4.56				
5	Pulp and Waste Paper	31.30	75.94	103.30	63.28	92.54	142.62	36.03	-38.74	46.24
	Share in total import	4.67	5.54	7.19	4.18	3.55				
6	Gold		37.25			70.29				
	Share in total import		2.72			2.70				
7	Iron and Steel	13.61	12.87	7.45	56.48	45.85	-5.44	-42.11	658.12	-18.82
	Share in total import	2.03	0.94	0.52	3.73	1.76				
8	Aluminium amd Prod. Made of Alum.	10.72	8.02	7.23	10.16	19.79	-25.19	-9.85	40.53	94.78
	Share in total import	1.60	0.58	0.50	0.67	0.76				
9	Fruits / Vegetable Seeds	3.68	4.80	5.66	12.97	9.90	30.43	17.92	129.15	-23.67
	Share in total import	0.55	0.35	0.39	0.86	0.38				
10	Cereal Preparations	7.83	3.22	6.91	4.44	9.44	-58.88	114.60	-35.75	112.61
	Share in total import	1.17	0.23	0.48	0.29	0.36				
	Total import from CHILE	670.60	1371.16	1435.83	1514.10	2604.70	104.47	4.72	5.45	72.03

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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