



GOBIERNO DE CHILE
DIRECCION GENERAL DE RELACIONES
ECONOMICAS INTERNACIONALES
PROCHILE

HISTORY OF THE NEGOTIATIONS FOR A PARTIAL SCOPE AGREEMENT BETWEEN CHILE AND INDIA

HISTORY OF THE NEGOTIATION

- As part of its foreign trade policy, oriented to strengthening the liberalization of trade through the signature of Free Trade Agreements (FTA) and similar instruments, Chile evaluated the convenience of accepting a proposal made by India in the year 2003, to negotiate a Partial Scope Agreement (PSA) that would include tariff reductions, rules of origin, customs procedures, and safeguards.
- Following the corresponding appraisal, approved by the Foreign Affairs Inter-ministerial Committee, the initial work for a negotiation was started in 2004.
- During the year 2004, the Chilean offer was prepared with the active participation of the private sector, and the agreement's draft texts were also prepared.
- During President Lagos' visit to India in January 2005, the beginning of the negotiations was announced after signing the Framework Agreement on Economic Cooperation between both countries.
- The negotiations were held in four rounds (Santiago, 4-6 April; New Delhi, 20-22 June; Santiago, 5-7 September, New Delhi, 21-22 November).
- During the negotiations, both countries also completed the Joint Feasibility Study for an FTA between both countries. Negotiations are expected to begin once the PSA becomes effective.
- The Agreement was signed in New Delhi on 8 March 2006. It is currently under internal ratification process before the Chilean Congress.

MAIN CONTENTS OF THE AGREEMENT

- The main results of this Partial Scope Agreement summarize in the fact that 98% of Chilean exports and 91% of India's exports will obtain an average 20% tariff reduction as from the date in which the agreement becomes effective.

- Chile lowered the tariffs of 296 products from India, while India lowered them for 178 products from Chile, corresponding to a reduction of 10% to 50%.
- The export products of Chile that will be most favored include copper, wood pulp, wood boards, and salmons.