

Free trade pact to enhance ties with Chile

The *Việt Nam News* spoke to Chilean Ambassador Fernando Urrutia* on the occasion of his country's National Day yesterday.



Chilean Ambassador Fernando Urrutia

Việt Nam and Chile have celebrated 40 years of the establishment of their diplomatic ties this year. What are the biggest achievements of the two countries during the period in terms of bilateral relations?

The date of the 40th anniversary of the establishment of diplomatic relations between Chile and Việt Nam on March 28 was widely celebrated in both countries, with different events organised in both Chile and Việt Nam, and with the exchange of letters of congratulations between our leaders.

During these 40 years (1971-2011) the friendship between our two countries has immensely strengthened in almost every possible aspect: political, economical, cultural, friendship, culture, etc. This includes of course many high level visits from both sides, like those paid by then President of Chile Michelle Bachelet in 2006 and then President of Việt Nam Nguyễn Minh Triết in 2009, then General Secretary of the Communist Party of Việt Nam Nông Đức Mạnh, among others and a lot of members of the parliaments, military and other authorities.

We have a number of bilateral agreements on different issues, and every two years bilateral political consultations are held. Both countries have to work together in different international and multilateral forums, including the UN, APEC, the Non Aligned Movement, etc. In all of them we share and promote together our common values and principles. Chile was one of the first countries to support the membership of Việt Nam to the WTO and is doing the same now with Trans-Pacific Part-

nership (TPP).

The commerce and trade between our countries have increased dramatically in the last 10 years, and will continue growing with the boost of the Bilateral Free Trade Agreement we will sign on the sidelines of the APEC Summit to be held in Hawaii in November.

Therefore, we already have great achievements and there are more to come in the economic, cultural co-operation and academic fields.

Việt Nam and Chile have completed negotiation for the free trade agreement (FTA) to be signed during the 19th APEC Summit. Which co-operation opportunities do you think the FTA would bring to the business of the two countries?

Last year our trade, including exports and imports on both directions, reached US\$400 million, with a general growth of 43 per cent with respect to 2009. The bulk of Chilean exports to Việt Nam are copper, wood and timber, seafood, fish and fishmeal, wines and others. From Việt Nam to Chile the main products we import are textiles, garments, shoes, plastics, coffee, rice, parts of machines, among others. This year we will reach and exceed the goal of \$500 million, and I hope that before I finish my term as Ambassador of Chile in Việt Nam we will surpass the goal of \$1 billion.

In my experience, one of the first positive consequences of any FTA is a dramatic increase of trade and commerce between partners, and just after that the expansion and growth of investments. I am completely sure that the FTA negotiations we just completed will

not only substantially increase trade but will also bring fresh air for our business relationship in the form of investments and co-operation in different fields like energy, innovation, development, tourism, education, gender equity, etc. This FTA has a special chapter dedicated to co-operation between the public and private sectors of the two countries. There is a very wide spectrum for co-operation in these important issues.

Chile is one of the world's biggest wine producers and exporters. How do you view co-operation possibilities between Việt Nam and Chile in this field?

It is true that Chilean wines are very popular in Việt Nam, because of the high quality and unbeatable value for money ratio. From 2009 to 2010 the Chilean wine exports to Việt Nam increased by a staggering 64 per cent, and they are rising again this year. Chile is already the second largest wine exporter to Việt Nam and we expect to be the first in the next few years. This is despite some major administrative difficulties that importers have had in recent months, although I know that with the strong commitment showed by local authorities everything will be solved soon.

Besides the increase in imports of Chilean wines, the FTA will open new opportunities for joint ventures between Chilean and Vietnamese entrepreneurs. This has already happened with the FTA between Chile and China, where vintners of both countries are producing wines together.

Trade relations between Việt Nam and Chile remain modest, reaching more than US\$381 million in 2010. What should be done more to boost the bilateral economic ties?

I am convinced that our new FTA will boost the commerce between Chile and Việt Nam considerably. Of course I cannot predict exact numbers.

Something that will facilitate is the visits of businessmen from both countries. It is essential to improve the knowledge of the business culture in a partner country and this can only be achieved by crossing the Pacific Ocean. I call on the entrepreneurs of Chile

and Việt Nam to be more active in their visits and personnel exchanges.

Could you share with our readers what you find the most interesting here in Hà Nội in terms of culture and lifestyle? What are the special cultural characteristics of Chile that you would like to tell our readers?

Hà Nội is one of the most interesting cities I have ever been to because of its historical and cultural background. The city is full of interesting and very attractive monuments and beautiful places to visit. As we say in Chile, "A thousand years do not go in vain". This cannot have a better meaning in another place than in Hà Nội. Vietnamese arts and crafts are among the most recognised in the world. My wife, Pilar, and I are dedicated collectors of Vietnamese paintings and handicrafts. The streets and people of Hà Nội are extremely beautiful and perfect for amateur photographers like me and my wife.

For that reason – and as you may know – so many Chileans are choosing Hà Nội for tourism. The city is an ideal place to honey-

moon, for retired people travelling around, of course for backpackers, and in general for all kinds of people from my country. Chile is almost 40 hours of flight from Việt Nam but even so every day more and more Chileans are considering Việt Nam as the gateway to Asia. This is because of the attraction of the cities, the landscapes, the people, and certainly the food which is very delicious for Chileans.

Leaving aside our excellent wines, in Chile we have many other attractions to Vietnamese, considering that we are a very different country. The Vietnamese tourists will find in Chile a variety of different climates and landscapes: deserts in the north, fertile valleys with Mediterranean weather in the centre; native forests, breathtaking volcanoes and lakes in the south, as well as the enchanting Polynesian Easter Island and its fantastic monuments in the middle of the Pacific Ocean. Food, music and traditions, like the unique Chilean Rodeo, and a very open and friendly people make Chile a very nice and interesting place to visit. — VNS

CHILE AT A GLANCE

Capital:	Santiago
Total area:	756,945sq. km
Population:	17 million
Currency:	Peso
Official language:	Spanish
National flag:	two unequal horizontal bands of white and red and a blue square the same height as the white band in the canton, which bears a white five-pointed star in the centre.



An overview of Santiago the capital of Chile