EMBASSY OF INDIA

SANTIAGO

CHILE

BUILDING MACHINERY MARKET SURVEY

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Commissioned from Ms. Carmen Gloria Fuentealba

on behalf of the

सत्यमेव जयते

Economic Diplomacy Division

Ministry of External Affairs

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This market survey aims to provide relevant information on the building machinery 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 survey includes quantitative information such as market size, import and export statistics, sales by distribution channel and type of product, among other data. It also contains qualitative information about companies, products, consumer profile, entry requirements, etc.

1. Market Overview

Building is a relevant economic activity in Chilean economy. It is transversal to many other sectors, such as mining, energy and industry, and an important source for labour. It is also exceptionally sensitive to the performance of the economy as a whole, reflecting its positive and negative changes faster than most other sectors.

1.1 Building sector

1.1.1 Market size

In 2017, the building market size – measured as its contribution to Chilean GDP – accounted for 11.713 billion of Chilean pesos (at current prices), equivalent approximately to US$ 17.7 billion[1]. It represented almost 6.5% of total Chilean GDP.

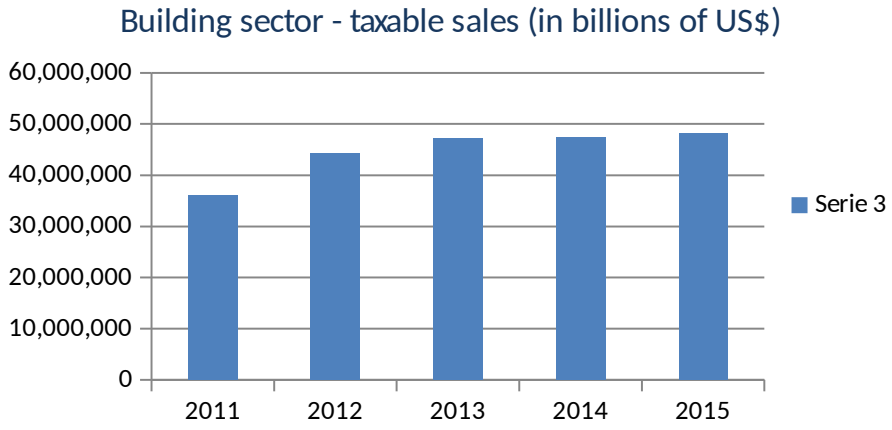
Building sector contribution to GDP[2]

In billion CHP	2013	2014	2015	2016	2017
Building sector	8.995	9.413	10.498	11.511	11.713
Total GDP	137.876	148.624	159.606	169.264	179.776
% of GDP	6.5	6.3	6.6	6.8	6.5

1 The exchange rate used in this case and in the rest of the survey is 1 US$/ 660 CHP.
2 At constant prices. Base 2013

Source: Chilean Central Bank

According to the Internal Revenue Agency (Servicio de Impuestos Internos SII), in 2015 total taxable sales of Chilean building companies reached 1.194.172 U.F.[3] (equivalent to approximately US$ 48.3 billion), representing almost 5.6% of total country sales. Building company sales showed a 1.9 % increase versus 2014. See chart below.



Source: Servicio de Impuestos Internos (SII)

According to the Chilean Chamber of Construction (Cámara Chilena de la Construcción, CChC), the building sector plays an important role in Chilean investment, concentrating around 63% of country's total. This investment is divided in 69% of Infrastructure and 31% of commercial and housing building.

Moreover, the sector is a relevant source of employment. Even if the sector has introduced advance technology to their processes, it continues to be highly labour intensive. In Chile, building is the second largest job generator after Commerce, with more than 1.420.000 employees per year and representing around 16% of total labour force.

3 The Unidad de Fomento (UF) is a unit of account commonly used in Chile, fixed on a daily basis and adjusted for inflation.

1.1.2 Building companies

According to the Internal Revenue Agency (SII), the building sector gathers around 71.000 active companies. From them, 65% correspond to micro-enterprises and 33% to small and medium enterprises.

Even if large companies represent in number only 2% of total, they concentrate around 72% of taxable sales. See chart below.

Building sector companies[4]

Size of enterprise	# of enterprises	Sales (in billions of US$)
Micro	46.245	1.3
Small and medium	23.515	12.1
Large	1.399	34.9
Total	**71.159**	**48.3**

Source: Servicio de Impuestos Internos (SII)

It is important to mention that it is quite common that large building companies outsource services from small building companies to carry our specific or specialized works. In this context, it should be noted that the above figures also consider companies dedicated to construction-related activities, such as engineering consultancy, demolition, earthmoving, etc. According to the Chilean Chamber of Construction, the number of companies directly dedicated to building is around 30.000.

Some of the main Chilean building companies are Sigdo Koppers, Besalco, Brotec and SalfaCorp. Behind this group are Echeverría Izquierdo, Claro Vicuña Valenzuela, Conpax, Desco and Fe Grande, among others.

1.1.3 Current scenario and prospects

During the period 2011-2014, the building industry showed a steady growth, mainly explained by economic recovery, government investments in infrastructure and housing construction, increased issuance of building permits and greater total surface area for construction. Furthermore, this growth was supported by reconstruction projects after the catastrophic earthquake and tsunami in 2010.

4 Classified according to SII company-size criteria

In the context of the slowdown of Chile's economy, from 2015 on, the construction industry sector has come to a standstill, even registering negative growth.

The Chilean Chamber of Construction (CChC) reported a negative growth of -0.2% in 2016, in sharp contrast with 11% growth during between 2011 and 2015. This downward trend is a consequence of the fall in infrastructure investment (-1.8% in 2016), which was not compensated by the 3.4% increase in 2016 of housing construction. It is worth mentioning that this latest boomed in 2015 and 2016, as builders raced to beat the imposition of higher taxes (VAT) on new homes before it came into effect. Housing construction investment has remained resilient because of this one-time factor that has encouraged house sales.

This downward trend was also reflected in the number of approved construction permits. According to the National Institute of Statistics (INE), in 2016, they decreased in -26% compared to previous year and remained flat in 2017 and 2018. It is important to note that fact that a project is approved does not necessary mean it will be constructed. In some cases, building projects remain in stand-by, waiting for financing or for more favourable conditions. Even thought, the number of approved construction permits is an indicative of the dynamism of the industry, in terms of the interest in investing in building projects.

For 2018, the Chilean Chamber of Construction (CChC)[5] reported a cautious upturn in the sector, reflected in an increase of +4.1% and +3.9% in housing and public infrastructure investment, respectively. This trend was also reflected by the INACOM index. This index – elaborated by the CChC to measure the activity level of the building sector – showed negative variations from 2013 on, but from late 2017 has been steadily recovering.

For 2019, the Chilean Chamber of Construction (CChC) forecast a sector growth ranging from 2.6 and 6.6%. Housing investment is expected to grow +4.6%, while public infrastructure investment would increase in +4.7%.

5 Source: CChC publication MACH 49 – November 2018

1.2 Building machinery market

In Chile, heavy machinery is mainly used in building, mining and forestry sectors. It is a very competitive market, sourced mainly from imports, in which main and most-reputed international brands are present.

For each market need, the market offers different options, ranging from simple machinery to highly sophisticated and technologically advanced equipment.

It is worth mentioning that the pre-owned machinery market is quite dynamic, existing several companies dedicated only to machinery brokerage. In fact, most building machinery units sold in Chile correspond to used ones.

Main building machinery buyers are rental companies (which rent equipment with or without operator) and building service companies, which are outsourced by building companies to perform specific works, such as earthmoving or demolitions.

Despite the above and especially in the case of costly equipment, some final clients (such as building companies) import directly. This option is sometimes given to clients by multinational subsidiaries and local representatives, taking further in charge the usage training, maintenance and repair services

Apart of cost, reliability and durability are key factors buyers take into account in their buying decision process. For buyers, it is of utmost importance that machinery is available most of time, with minimum unplanned stops due to failures. In this context, sellers must offer efficient maintenance programs to their clients and a wide and permanent availability of spare parts (or at least of those most frequently used). They should also be capable or repairing failures in a period of time as short as possible.

Another key factor in the buying decision is machinery versatility, that is, its capacity to be used for several tasks and environments, resulting in a more profitable investment. As well, buyers are interested in machinery capable of replacing – at least partially – expensive labour and therefore, of reducing operational costs.

It is noteworthy that buyers are more and more preferring low fuel-consumption machinery, given the high price of diesel and gasoline. Chile should import all the petrol it consumes and fuels are charged with a high tax load. Also, buyers are looking for environment efficient equipment, given the new emission limit regulation that will entry into force in 2020 (see chapter 4.1).

2. Imports and exports

The list of machinery used for construction sector is very wide.

For the purpose of this survey, we have identified some type of equipment widely used in this sector and which are currently imported to Chile.

Therefore, import and export statistics contained in this section correspond to these products, which are classified under the following Harmonized System (HS) chapters:

Chapter	Description
84.25	Pulley tackle and hoists other than skip hoists; winches and capstans; jacks
84.26	Ships' derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane
84.27	Fork-lift trucks; other works trucks fitted with lifting or handling equipment.
84.29	Self-propelled bulldozers, angle dozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers
84.30	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile drivers and pile extractors; snowploughs and snow blowers

2.1 Imports

2.1.1 Imports by type of product

Imports of all equipment items considered in this survey have dramatically decreased in the last years, in line with the slowdown of building and mining sectors, which where they are far more intensively used in Chile.

Total imports in 2017 were about a half compared to 2013. Main import drop corresponded to equipment classified under HS chapter 84.30 (-64.2%) and 84.29 (-53.0%). See chart below.

Total Imports by type of product (CIF Value US$)

HS Chapter	2013	2014	2015	2016	2017
84.25	48.678.277	38.034.060	31.186.195	25.643.544	29.672.621
84.26	172.461.610	189.981.444	180.244.428	139.010.936	116.339.315
84.27	160.494.596	111.651.337	125.354.991	112.464.422	132.843.343
84.29	951.814.901	452.556.933	440.746.639	374.675.956	446.970.864
84.30	192.012.267	146.295.224	166.005.201	68.396.777	68.794.681
TOTAL	**1.525.461.651**	**938.518.997**	**943.537.455**	**720.191.635**	**794.620.826**

Source: Chilean Customs Statistic

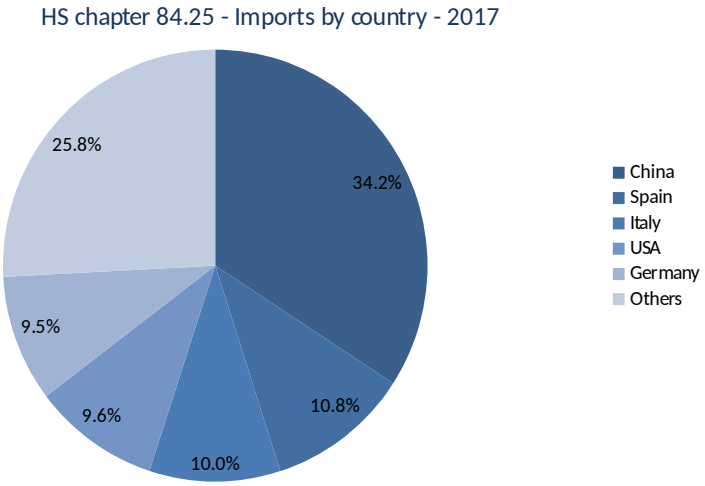
Over these 5 years, main imported equipment items have been excavators (HS 84.29.52.10) and front loaders (HS 84.29.51.10), both together representing around a third of total imports.

2.1.2 Imports by country

This section shows imports of building equipment classified by country of origin.

2.1.2.1 HS chapter 84.25

The following chart shows the main countries of origin of the imports of equipment classified under HS chapter 84.25 in 2017.



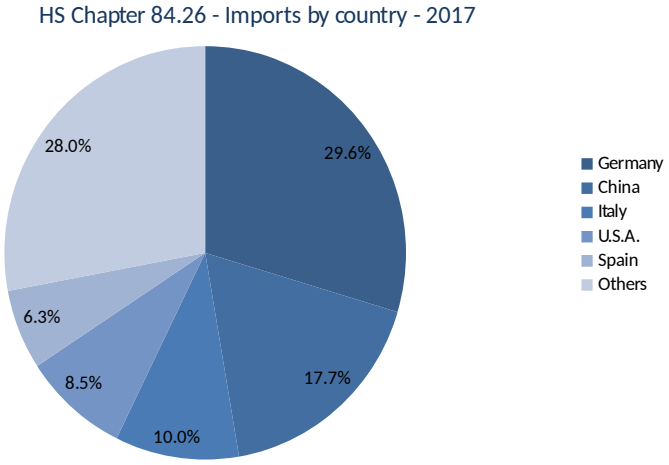
Source: Chilean Customs Statistics

Main country of origin is China (34.2%), followed by Spain (10.8%) and Italy (10.0%).

In 2017, imports from India of equipment classified under HS 84.25 were insignificant, accounting for US$ 6.6 M and ranking in 35th position among countries of origin of these products.

2.1.2.2 HS Chapter 84.26

The following chart shows the main countries of origin of the imports of equipment classified under HS chapter 84.26 in 2017. See chart below.



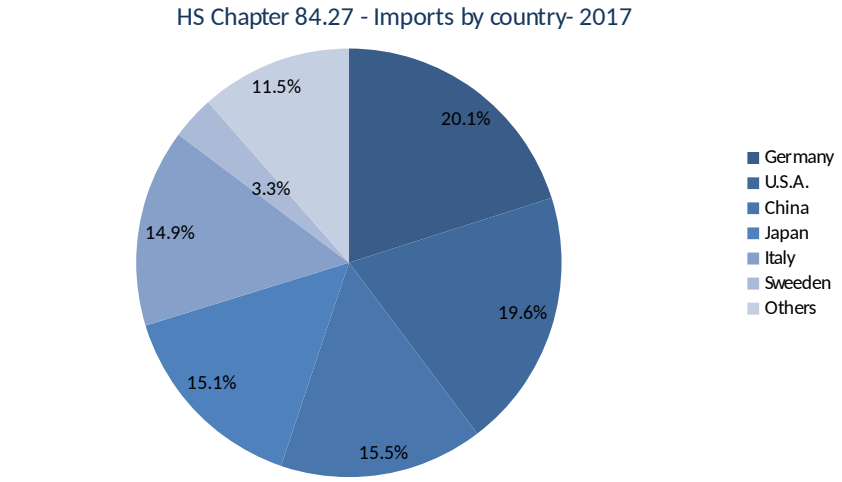
Source: Chilean Customs Statistics

Main countries of origin are Germany and China– representing in total almost 29.6% and 17.7% of total imports, respectively.

In the last 5 years, there are not imports of these types of equipment from India.

2.1.2.3 HS Chapter 84.27

The following chart shows the main countries of origin of the imports of equipment classified under HS chapter 84.27 in 2017. See chart below.



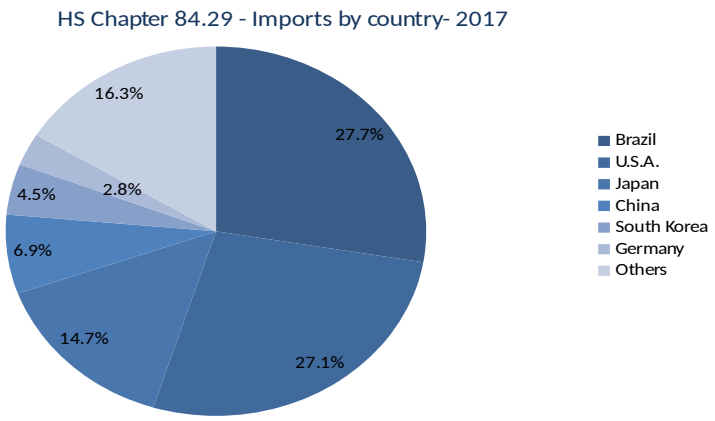
Source: Chilean Customs Statistics

Main countries of origin are Germany and USA – representing 20.1% and 19.6% of total imports, respectively.

In 2017, imports from India of equipment classified under HS 84.27 were not significant, accounting for US$ 30.6 M and ranking in 27th position among countries of origin of imports.

2.1.2.4 HS Chapter 84.29

The following chart shows the main countries of origin of the imports of equipment classified under HS chapter 84.29 in 2017. See chart below.



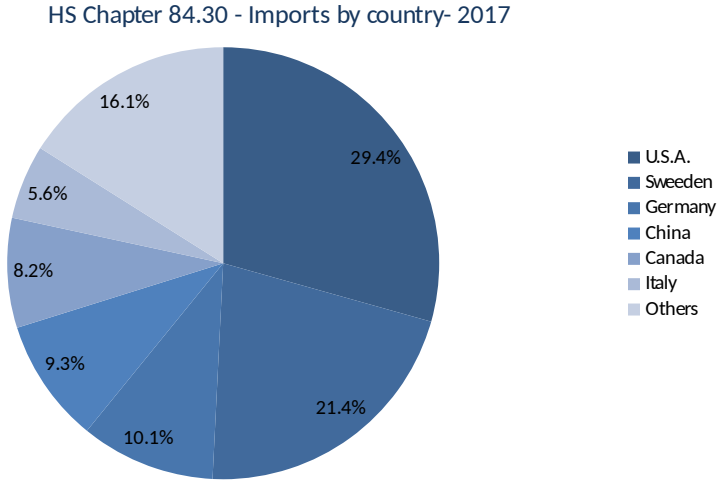
Source: Chilean Customs Statistics

Main countries of origin were Brazil and U.S.A., representing more than a half of total imports.

In 2017, imports from India of equipment classified under HS 84.29 accounted for US$ 2 million and ranked in 17th position among countries of origin of imports.

2.1.2.5 HS Chapter 84.30

The following chart shows the main countries of origin of the imports of equipment classified under HS chapter 84.30 in 2017. See chart below.



Source: Chilean Customs Statistics

Main countries of origin are U.S.A and Sweden – representing 29.4% and 21.4% of total imports, respectively.

In 2017, imports from India of equipment classified under HS 84.30 were not significant, totalling US$ 15.7 M and ranking in 33th position among all countries of origin of imports.

2.1.3 Imports by company

The following section shows the companies that imported building equipment.

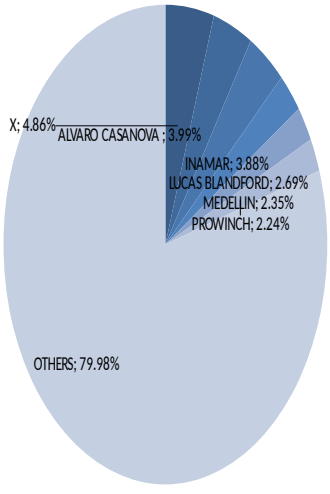
It is noteworthy that building equipment is mostly imported by foreign brand representatives/distributors or by the local subsidiaries of multinational equipment manufacturers. Despite de above and especially in the case of high-price equipment, imports are often done by final clients – such as building or mining companies.

2.1.3.1 HS Chapter 84.25

In 2017, imports were quite atomized, with 728 importing companies. Six major importers represented about 20% of total imports. See chart below.

HS Chapter 84.25 – imports by company 2015 (in US$ CIF)

Company	CIF US$
X	1.442.096
ALVARO CASANOVA MAQUINARIAS	1.185.376
INDUSTRIA METALURGICA INAMAR	1.152.244
SERVICIO LUCAS BLANDFORD S A	798.612
SOC.ELECTRICAS DE MEDELLIN S.A	698.278
EQUIPOS DE IZAJE PROWINCH	663.832
OTHERS	23.732.183
TOTAL	**29.672.621**



Source: Chilean Customs Statistics

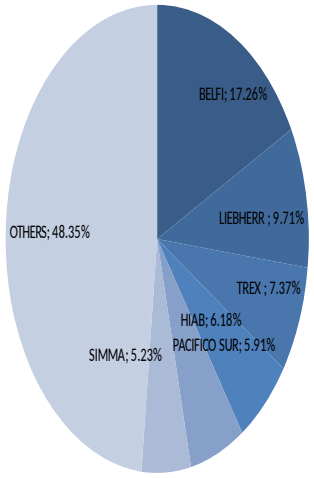
It should be noted that – in accordance with the Chilean Personal Data Protection Act– companies can explicitly request that their import and export operations do not appear under their name in the publicly available statistics prepared by Customs. This is the case of the main importer of this equipment category; the company name is replaced by a "X".

2.1.3.2 HS Chapter 84.26

In 2016, a total of 225 companies imported equipment classified under the HS chapter 84.26, while 6 of them represented almost 52% of total imports. See chart below.

HS Chapter 84.26– imports by company 2017 (in US$ CIF)

Company	CIF US$
CONSTRUCTORA BELFI S A	20.082.674
LIEBHERR CHILE SPA	11.294.090
TREX SPA	8.573.788
HIAB CHILE S A	7.187.249
TERMINAL PACIFICO SUR	6.870.668
SIMMA S A	6.084.491
OTHERS	56.246.354
TOTAL	**116.339.315**



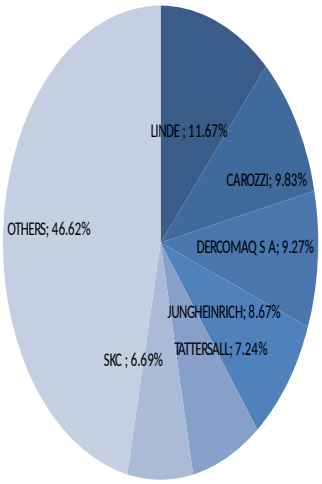
Source: Chilean Customs Statistics

2.1.3.3 HS Chapter 84.27

In 2017, imports were quite atomized, with 318 importing companies. Six major importers represented about 53% of total imports. See chart below.

HS Chapter 84.27 – imports by company 2017 (in US$ CIF)

Company	CIF US$
LINDE HIGH LIFT CHILE S A	15.500.754
EMPRESAS CAROZZI S A	13.063.080
DERCOMAQ S A	12.315.801
JUNGHEINRICH RENTALIFT	11.521.633
TATTERSALL MAQUINARIAS	9.618.749
SKC MAQUINARIAS S.A.	8.892.189
OTHERS	61.931.117
TOTAL	**132.843.343**



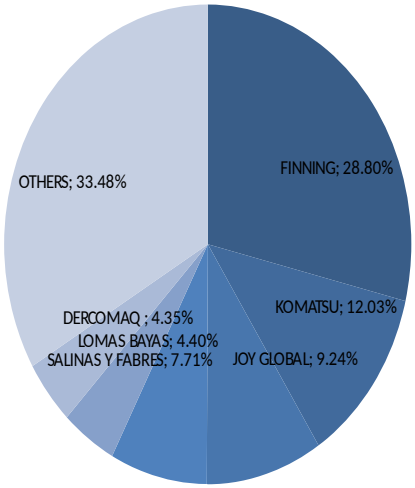
Source: Chilean Customs Statistics

2.1.3.4 HS Chapter 84.29

In 2017, a total of 228 companies imported equipment classified under the HS chapter 84.29, while 6 of them represented almost 67% of total imports. See chart below.

HS Chapter 84.29 – imports by company 2017 (in US$ CIF)

Company	CIF US$
FINNING CHILE S A	128.742.225
KOMATSU CHILE S A	53.760.982
JOY GLOBAL (CHILE) S.A.	41.279.531
SALINAS Y FABRES S A	34.457.397
MINERA LOMAS BAYAS	19.670.641
DERCOMAQ S A	19.422.959
OTHERS	149.637.128
TOTAL	**446.970.864**



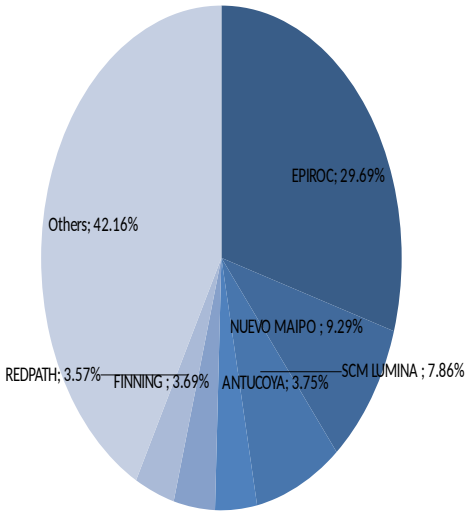
Source: Chilean Customs Statistics

2.1.3.5 HS Chapter 84.30

In 2017, a total of 184 companies imported equipment classified under the HS Chapter 84.30, while 6 of them represented almost 58% of total imports. See chart below.

HS Chapter 84.30 – imports by company 2017 (in US$ CIF)

Company	CIF US$
EPIROC CHILE	20.423.349
CONSTRUCTORA NUEVO MAIPO S.A.	6.388.335
SCM MINERA LUMINA COPPER CHILE	5.404.492
MINERA ANTUCOYA	2.579.806
FINNING CHILE S A	2.538.782
REDPATH CHILENA CONSTRUCCIONES	2.458.432
OTHERS	29.001.487
TOTAL	**68.794.681**



Source: Chilean Customs Statistics

2.2 Exports

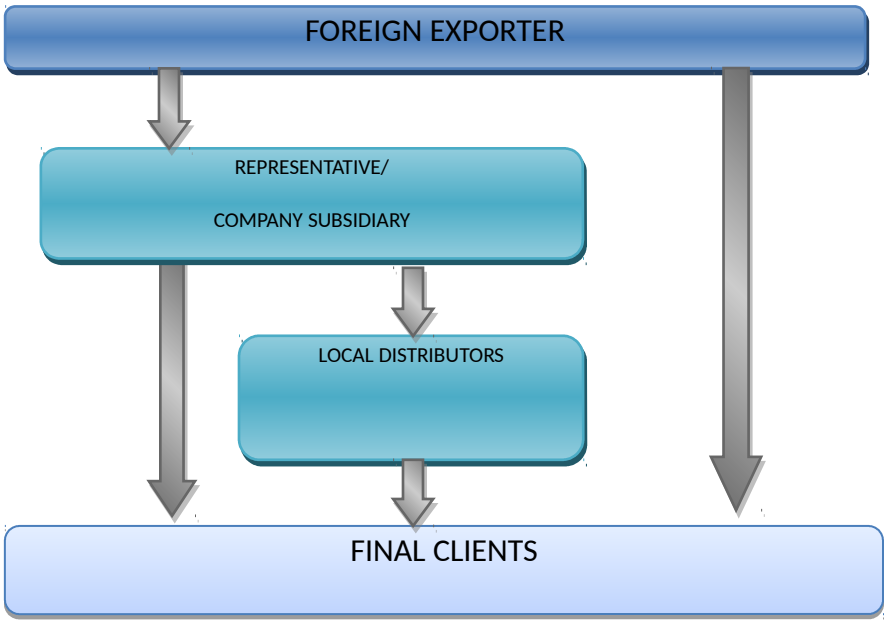
In 2017, exports accounted for US$ 122.6 million.

Almost all corresponded to re-exports of new and used equipment given that Chile is not a manufacturer of building equipment.

In some cases, exporters were contractors which sent their equipment to other countries in which they have operations.

3. Distribution channels

The following chart shows main distribution channels of building machinery in Chile.



ANNEX 1 shows the contact data of some of the representatives and distributors importing building machinery.

3.1 Representatives and Company subsidiaries

Representatives are local companies importing and distributing building machinery, conducting the whole product supply process. They buy the equipment 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 technical service. Accordingly, they assume almost all the risk of product operation in Chile.

In some cases, some activities (such as storage or local transportation) are not directly conducted by them, but subcontracted to third parties.

Representatives usually advise their clients about the best options to fulfil their specific needs. Most of these companies have been operating in the Chilean market for several years and have created a very good reputation among decision-takers. These companies sell directly and/or through other local distributors.

In most cases, representation contracts are exclusive, that is, foreign manufacturers can usually only sell their machinery through one local official representative. By the other side, local representatives usually represent only one brand per category.

Some foreign building machinery companies (i.e. Finning, Komatsu) 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 supply chain, until its arrival to final users. 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 products directly to final clients or through distributors.

3.2 Local Distributors

Local distributors usually do not import, but buy to local representatives and multinational subsidiaries in Chile. Some of them commercialize only machinery, but others include different products in their offer, such as building materials, spare parts, supplies, etc.

Bigger ones usually have points of sale in different regions of the country and a sales force which visit clients periodically.

4. Import and commercialization formalities

All building machinery imported and commercialized in Chile should meet some formalities. Some of them are the usual to any import, but there are specific to some building machinery, necessary to its 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 Building Machinery regulation

All building machinery intended to circulate - even eventually - in streets and roads should meet the same requirements than other vehicles, i.e. trucks. They should comply with all safety requirements as same as with gas and particle maximum emission levels. Owners should also get a Registration Certificate (known as "Permiso de Circulación"), which should be paid yearly, based on machinery valuation.

Building machinery should also comply with requirements associated to labour safety of machine operators and also to other workers. These requirements - contained in the Supreme Decree 594 (1999)[6] and further amendments - are related to vibrations, exposure to heat, cold and noise, lighting, etc.

From 2020 on, building machinery intended to operate in the Metropolitan Region will need to comply with maximum emission limits of breathable particulate matter, ozone, carbon monoxide, nitrogen dioxide and sulphur dioxide. From 2022 on, maximum emission limits will be reduced even more.[7]

In addition, from 2020 on, all machinery intended to be used in the Metropolitan Region in building projects executed by the public sector will be required to be equipped with particle filters.

6 To see the full text of the Supreme Decree 594 (1999) click on this link www.leychile.cl/Navegar?idNorma=167766

7 Maximum emission limits are contained in the Article 19 of the Prevention and Atmospheric Decontamination plan for the Metropolitan Region. See full text by clicking on www.leychile.cl/Navegar?idNorma=1111283

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 certificates)

All imports of a total value exceeding USD 1,000 (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, Value Added Tax (VAT) and other taxes (if applicable), all calculated on CIF value and determined under GATT valuation standards. Building machinery imports are subject 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 26 Commercial Agreements with 64 countries, which have granted tariff preferences which each country applies to imports.[8]

India and Chile have signed a Partial Scope Trade Agreement (PSA) giving Indian imports into Chile some tariff preferences. Some of the building machinery (and their respective HS codes) analysed in this survey, are granted with tariff preferences. For these products, the duty tax to pay goes from 0 to 2.4 % (see chart below), while for the rest is 6%.

8 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	HS Code	% of Tariff preference	% of Duty tax to pay
84.27	84.27.90.00	80%	1.2%
84.29	84.29.11.10	80%	1.2%
	84.29.20.10	80%	1.2%
	84.29.51.10	60%	2.4%
	84.29.52.10	80%	1.2%
	84.29.52.90	80%	1.2%
84.30	84.30.31.00	100%	0%
	84.30.41.10	100%	0%
	84.30.41.90	100%	0%
	84.30.49.10	80%	1.2%
	84.30.49.90		

Source: Direcon

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

SWOT ANALYSIS

Strengths	**Opportunities**
• Good quality of Indian machinery • Existence of experienced Indian producers and exporters. • General good image of Indian products.	• Opportunities for environment friendly equipment, generating low emissions. • Opportunities for low fuel consumption equipment • Opportunities for machinery capable of replacing expensive labour. • Opportunities for versatile machinery, able to be used for different types of works. • Opportunities for equipment offering superior safety protection to operators.
Weaknesses	**Threats**
• Low experience of India building machinery exporters in the Chilean market.	• Slow recovery of the Chilean building sector. • Market dominated by main multinational brands. • Changes in regulation related to particles and gas emissions, to be in force from 2020 on.

5.2 Main conclusions and business opportunities

In recent years the building industry growth has been threatened by a number of challenges, mainly explained by the general Chilean economy slowdown. A upturn is observed but still modest.

It is expected that – inasmuch as the Chilean economy continue its growing trend and at higher rates with the subsequent increase in infrastructure and housing demand – the construction market, and therefore the building machinery demand, will recover the dynamism shown in past years.

As construction is transversal to many other sectors, the reactivation of sectors such as mining, forestry and manufacturing industry among others, would positively impact the building industry.

In order to compete in the Chilean market, Indian exporters should be fully comply with the technical standards required by local regulation, in as well as be able to offer competitive prices.

There are good opportunities for some types of building machinery, being the following ones the most promising:

- Environment-friendly equipment, generating low particle and gas emissions.
- Fuel-efficient machinery, including electricity-powered equipment, in the case of small machinery.
- Machinery capable of replacing totally or partially expensive human work
- Machinery able to be used in different types of works
- Machinery equipped with superior safety protection systems and comfort features for machine operators.

It is important to take in mind that local subsidiaries of international brands (such as Finning, Komatsu, Liebherr, etc.) have very few possibilities to decide where to import from, as most of the time this decision is imposed to them by the brand.

Therefore, Indian exporters willing to sell building 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 import procedures. Moreover, it is key that the representative can take in charge the training to users and post-sale services (repairing and maintenance), as these are key factors for buyers.

In case of high cost equipment, it is usual that final clients (such as building companies or equipment rental 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 maintenance and repair services.

Another way to entry 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).