

My Purpose to Visit Seoul:

## "To Create a Business Atmosphere And Promote Mutual Relations," Minister Quiroga

Question: Mr. Jaime Campos Quiroga, Minister of Agriculture, Chile, what is your purpose to be here in Korea?

Answer: I came here with some Chilean delegates in the agricultural field. Basically, there were two main reasons. The first reason was to discuss with my Korean counterpart, Huh Sang-man, Minister of Agriculture and Forestry, and Hwang Doo-yun, Minister for Trade, on the matter that we can cooperate and find a way to create a mutually relation after the FTA came into effect last April. Second, I visited Korea in order to create a business atmosphere, especially in the private sectors, to promote and strengthen mutual relations between the firms of the two nations.

The purpose has been satisfactorily performed on behalf of the Chilean government. We exchanged many views with our Korean counterparts on other mutual interest in common and useful agenda. During my stay in Korea, we had a good table talk with the officials of the Rural Development Administration for the future possibility for further cooperation in practical fields, for instance, technical assistance and science research.

Q: Two months have passed since the FTA between two nations entered into force (on April 1, 2004). Is there any significant change in the Chilean agricultural fields?

A: There is no significant change yet in Chile because we are still keeping up with the traditional trade relations between the two nations regardless of the FTA. For example, Korean products such as automobiles, household electric appliances and clothes are being imported to Chile on a regular basis.

On the other hand, the exporting volumes to Korea account for approximately \$10 billion annually. Out of the total goods, 70% are the copper. The other natural minerals, including agricultural products, recorded 30%.

Q: Do you forecast any change of Korean products in the Chilean market?

A: Presumably, it seems hard to make any assessment at this moment. Only a couple of months passed since the FTA came into effect between the two countries. At least one or two years after, we would be able to judge in an objective sense. However, I could tell that

the FTA.

Both private and official vehicles in Chile are Korean cars. These vehicles were purchased before the FTA agreement and enforcement, which was a good example of showing the competitiveness of Korean products in the Chilean market. When it comes to purchasing a new car, I will be buying one with an even more profitable condition due to the FTA. In this regard, I would like to stress that the Korean products would be continually dealt in the Chilean market.

The Korean-made cars marked 20% in Chile. Korean car makers are competing for second and third position followed by the European and Japanese. Not less than 15 years ago, there were less than 0.1% of Korean-made cars in our country. Considering this, "Isn't it amazing facts?"

Q: The Korean livestock industry in Korea is currently decreasing due to mad cow disease in the United States. How do you foresee the trade volume of Chilean livestock products to Korea?

A: The best point regarding livestock field is the high level of quarantine. Chile has been known as the "Clean Nation" in terms of livestock goods. No other country in Latin America can compete more favorably in sanitation quality than Chile. Our criteria complies with high level of standards. This is most advantageous in our livestock industry.

The most important key to agro-livestock product exporting promotion is no other than quality-oriented strategy, not the volume-oriented strategy. One of Chilean five major exporting agro-livestock is fresh fruits, grown under the best conditioned temperate region. Other exporting agro-livestocks are lumber, sea farming goods like salmon, wine, and seeds for plant breeding.

In the future, more various kinds will be listed in the exports. For instance, poultries (chicken and turkey) and carcass meats (pork and beef) will be added for diversity.

In 2003, the Chilean agro-livestock product export recorded US\$58 million. It is expected to expand by US\$60 million in 2004. Upon this opportunity, it is expected that the customers' welfare-effect will occur in Korea. Hopefully, we will continue to develop mutual cooperation between the two nations.

Q: What are the prospects of the Chile-Korea trade relations after the FTA?

A: Currently, the FTA agreement between the two countries can bring out two effects within the framework of two standpoints: First, the agreement will be able to increase the trade volumes between the two countries in a short-term. The mutual trade in agricultural and aquatic products will be activated.

Second, in terms of investment, it will be able to advance the two countries' into Latin American and Asian markets with partnership investment like joint-venture. At the same time, we will open up a new market for both countries.

For Chile, Korea is the nation which closed agreement with us most recently. We have already

American nations and economic blocs such as NAFTA and the E.U., which cover most of the important economical circles in the world.

Lately, Chile kicked off for negotiation with four nations like New Zealand, Singapore, China, and India. Eighty percent of our products, however, are being exported to the nations under the FTA-contracted nations at present. Practically, Chilean products have the good reason for competitiveness in a variety of fields. We have been drawing the fullest benefit out of the FTA effects.

It is very hard to recommend a specific field to invest on when you're in a governmental position. If I were an investor, I would recommend three fields—forestry, dairy products and wine production—to invest on.