

4010 Outline of the Agreement between Japan and the Republic of Chile for a Strategic Economic Partnership

In September 2006, Japan and Chile confirmed the substantive agreement on a bilateral Economic Partnership Agreement between Japan and the Republic of Chile on the basis of a series of negotiations since February 2006. The agreement was signed by both countries in March 2007, and entered into force in September 2007.

This agreement became the fourth economic partnership agreement, following those concluded with Singapore, Mexico and Malaysia.

1. Summary of the agreement

This agreement is expected to promote greater freedom in movement of goods, services, and capital between Japan and Chile, and foster comprehensive economic cooperation, including development of the business environment, intellectual property rights, and competition policy, for the advancement of stronger bilateral economic relations.

2. Significance of the agreement for Japan

Chile is Japan's 35th export partner and 22th import partner (2023 Trade Statistics, Ministry of Finance).

This Agreement provides legal guarantees and predictability to Japanese and Chilean enterprises, gradually deregulates trade, strengthens export competitiveness of each country in the other country's market, fosters reciprocal investments, and sets institutional communication mechanisms between the two countries, which will make it possible to improve business environment and advance towards future expansion of opportunities under the Agreement.

3. Key elements in the agreement

- (1) Trade in goods: Comprehensive tariff elimination and reduction for mining and industrial products and for agricultural products in bilateral trade
- (2) Investment: Grant of the equal of national treatment and most favored nation status, as a general rule, and prohibition of demand to execute specific measures (performance demand), as well as protection of investors and investment properties, and resolution of investment disputes between investors of nations party to the agreement.
- (3) Services: Regarding measures executed by signatory nations that impact transnational service trade, grant of equal nation treatment and most favored nation status, as a general rule, and prohibition of demand to establish an operation base in the other-party nation
- (4) Financial services: Signatory nations that pledge equal nation treatment, market access

for financial institutions and compliance with regulations on transnational trade in the area of financial services listed in the Table of Pledges for the respective country

- (5) Movement of people: Approval of entry and temporary stay of citizens of the other country who fall into the four categories specified, including commercial visitors, and pledge to implement measures necessary for facilitating the movement of people
- (6) Government purchasing: Equal nation treatment and nondiscriminatory treatment in the pledged business related to procurement of goods and services exceeding a certain standard value by government organizations and other public organizations, as well as the detailed procurement procedure to be implemented by institutions of the signatory nation
- (7) Intellectual property rights: Efficient, effective and nondiscriminatory protection of intellectual property rights, management of an intellectual property protection system that is efficient and transparent, and guarantee of adequate and effective exercise of intellectual property rights vis-à-vis violation of such rights
- (8) Competition: Cooperation in the area of regulation of measures against anti-competitive practices and adoption of measures recognized as appropriate, and controlling anti-competitive practices
- (9) Business environment development: Consultations organized as needed in addressing issues related to business environment development, and formation of a subcommittee consisting of representatives of the two signatory nations, including representatives from the private sectors
- (10) Customs procedure: In addition to guaranteeing transparency in customs procedures, the two nations are to cooperate to guarantee greater speed in trade and effective customs control through rationalization and harmonization of customs procedures.