



INTERNATIONAL TRADE INDUSTRY SNAPSHOT

FOOD PROCESSING EQUIPMENT IN CHILE

September 2011

OVERVIEW

With steady growth in the food industry Chile aims to become one of world's top ten food exporters by 2015. Its goal is to increase total annual food exports from \$12 billion to \$20 billion. The industry strives to increase efficiency and competitiveness in order to take full advantage of Chile's existing Free Trade Agreements. Chile currently has active trade agreements with countries that make up more than 80% of the world's GDP including USA, European Union, China, Canada, Mercosur, Mexico and Australia.

MARKET POTENTIAL

Chile is a top exporter of fruit and processed fruit products. It is the world's largest exporter of temperate fruit pulp, and the southern hemisphere's largest exporter of tomato paste and canned peaches. Chile's processed food sector has experienced significant growth in recent years. The sector's expansion reflects increasing world demand for processed foods as well as Chile's competitive and comparative advantages in food processing.

In recent years, Chile's agriculture, fisheries and food processing sectors have concentrated on the production and export of clean, sustainably-produced value added products. The industry is investing heavily in R&D, technology, product traceability, food safety and certifications. Most of the machinery and equipment required for the industry is imported, as local production is limited. European countries, particularly Germany and Italy, are considered traditional suppliers of food processing machinery in Chile. However, there is increasing interest in U.S. food processing equipment. This is due to the positive reputation of US-made equipment, the strengthening of the Chilean peso vs. the US dollar, and the elimination of import duties since the ratification of the U.S.-Chile Free Trade Agreement in 2004.

The Georgia Department of Economic Development's (GDEcD) office in Chile anticipates growing opportunities for Georgia manufacturers of food processing machinery in the Chilean market. High demand products include freezing and refrigeration equipment, industrial microwave ovens, dehydrating equipment, meat and bone separators, meat grinders, skinning machines, waste recycling systems, vacuum packaging machinery and food processing automation systems.

KEY CONTACTS

- Association of Chilean Food Producers: www.chilealimentos.cl
- Salmon Industry Association: www.salmonchile.cl
- Chilean Winery Association: www.vinosdechile.cl
- Chilean Association of Poultry Producers: www.apa.cl
- Chilean Association of Pork Producers: www.asprocer.cl

Georgia's Chile office can provide Georgia companies with quick market assessment, identify potential business partners in the market, and facilitate business to business connections. For more information contact Brian Wilson, Managing Director, **Georgia Department of Economic Development** trade office in Santiago, Chile, at BWilson@georgia.org and +56 (2) 335.2910.