



PUBLIC PROCUREMENT IN CHILE

THE REGION'S PIONEER IN PUBLIC INITIATIVES RELATED TO GREEN AND HEALTH

- Its public institutions are revered as solid, corruption free, especially considering the region's past performance. It has an economic model dictated by the Chicago school, favouring freer markets with minimal public intervention, in almost all instances of society. Its government spending's share of the GDP is the lowest within the OECD, after Ireland's, and followed by Colombia's (the other Latin-American target country of GOOSE).
- Chile is the most developed country in LatAm, and stable; notwithstanding the critical turmoil of 2019, which, on the plus side, have also spurred more and better public policies, to solve the income gap, via more social equality and better public services. Gabriel Boric Font's new left-wing pro-green presidency should escalate this tendency towards more and better provision of public services.
- Its economy is led by exploitation of natural resources, specially minerals, being first in the world in copper production and second in lithium (after neighbour Argentina), and ahead of also neighbour Bolivia. It is also a regional power via its export-focused agroindustry.

WHY TENDERING IN CHILE

Its public procurement edifice is highly well-thought-out within the region, for its transparency and efficiency: legislation and procedures are plain consistent with the country's international agreements in the matter. E.g., its system of framework contracts has been highlighted by non-other than the World Bank.

Its pro-market open borders approach permeates in the government procurement milieu: the country has 15 FTAs with public procurement chapters (out of a total of 29), including that with the EU. In this sense, the Chile-EU's of 2002 is being revised to update it in matters such as work's concessions.

As many countries, specially OECD-members, it is pushing hard to spur SMEs participating in the country's public procurement, as well new tender procedures, for more innovative items, or those including sustainability and social criteria.

This can be taken to the advantage of GOOSE firms: a European firm can offer a local firm the capacity to leapfrog incumbents; by adding its know-how, technology, references and/or financial muscle, the win-win partnership can (eventually) contest fields traditionally allocated to large firms.

Also, to consider that 25% of tenders have just one bidder, whilst in 40% there are 2 or less. This gives room to new entrants contesting them.

CHILE AT A GLANCE:

- **Surface of 757,000 km²**
- **Distance from Brussels 12,000 km.**
- **19.1 M inhabitants**
- **13,470 USD/capita**
- Index of Economic Freedom 2021: 75.2/100, 19th in the world, 2nd in America
- The Legatum Prosperity Index 2021: 38th of 157
- World Economic Forum's Competitiveness Index 2019: 70.5/100, 33th of 141
- Corruption Perceptions Index 2020: 67/100, 25th out of 179

INFORMATION:

Main portal for PP is www.chilecompra.cl
Tenders centralized in: www.mercadopublico.cl

Contact GOOSE to explore and access these market's opportunities.

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TIPS TO ENGAGE IN PUBLIC PROCUREMENT IN CHILE

1. Own idiosyncrasy: local patterns differ from the region's; thus, commercial and quality relations are above personal ones. It is LatAm, yes, but is different.

2. Bureaucracy is still there: although registering as a provider to government is straightforward, and creating a local firm is a matter of days, doing business in Chile requires a mid-term strategy, as in many other countries.

3. Local partnering: consider partnering with local firms, even those not yet tendering, to which build up solid consortia, or also with other European firms already established in the country.

4. Be part of the ecosystem: you can benefit from training sessions done by Chile Compra, while you can register to the portal Mercado Público for alerts. You can also build your intelligence with resources such as the statistics portal <http://www.analiza.cl>

GET READY FOR SECTOR BASED OPPORTUNITIES!

- Chile is amongst the most ambitious in the region in the **Energy-transition**: the country has turned into a regional power in non-conventional renewable energy, for which it is investing heavily in transmission lines, as well as opening new concessions. The country's Energy plan foresees that up to 70% of energy generation by 2030 will come from renewables, whilst it aspires at being net exporter of RE. It has possibly the best water infrastructure of the continent, with opportunities for European providers, considering the country's high standards, albeit at the right costs.
- Chile's public purchase of **ICT is roughly 5% of total expenditure**. Although the market is dynamic, there are "vendor lock in" effects that need to be surmounted by European suppliers. Barriers of entry are higher than in other segments, by definition, albeit not inescapable. E.g. collaborating with local established suppliers could be a way in: partner with "integrators" that already know the public buyer machinery, plus saving the European supplier of ad-hoc certification and related experience.
- Chile has in its "Plan Chile: Territorio inteligente" (**Smart territory**) its layout in this area, with the challenges ahead considering the very high 84% of urbanization rate. Amongst the many segments covered: gains in energy efficiency via substitution of conventional lighting with LEDs; smart solid waste collection; smart safety, with all things TIC-related to reduce and track violence and law infringement. All these areas can be contested by qualified European technology and/or services.
- The Health sector** epitomizes the country's duality in income distribution, with excellent private providers and a saturated public service. However, this situation is currently one of the main focuses in public investments to reduce social inequality.
- GOOSE's portal is identifying news & tenders with real potential for European firms:** you can start activating your own alerts!

TARGET SECTORS

