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India and Chile relations

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Why is in news? Cabinet approves signing of MoU between India and Chile for cooperation in the field of Agriculture and Allied Sectors

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the signing of Memorandum of Understanding (MoU) between the Government of the Republic of India and the Government of the Republic of Chile for **cooperation in the field of Agriculture and Allied sectors**.

The main areas of cooperation envisaged are Agricultural policies for development of **modern agriculture, Organic agriculture** to facilitate the bilateral trade of organic products, as well as promote the exchange of policies aimed to develop organic production in both countries, **Science and innovation** to explore partnerships to promote innovation in the agricultural sector among Indian Institutes and Chilean institutes as well as collaborate to confront common challenges.

India-Chile relations are characterized by **warmth, friendship and a commonality of views on a wide range of issues**. Chile shares India's concerns over the threat of international terrorism and has regularly condemned the acts of cross-border terrorism that India has suffered.

Both countries cooperate extensively in multilateral fora and share similar views on climate change/renewable energy issues and on expansion and reforms of the UNSC.

Chile articulated **its support for India's claim to a permanent seat in the UNSC** in a Joint Statement issued at the conclusion of the official visit of Chile's Foreign Minister to India **in April 2003**, and has consistently reiterated this support since.

It **also signed the International Solar Alliance Framework Agreement** in November **2017**.

In 2009, India and Chile **celebrated 60 years of the establishment of diplomatic relations**.

India and Chile have signed **Agreements/MoUs covering various fields of cooperation** such as Sports, S&T, Antarctica, Defence, Air Services, Agriculture, New and Renewable Energy, Education, Outer Space, Geology and Mineral Resources, and Gainful employment of spouses and eligible dependents of diplomatic personnel.

On 6 September 2016, an Agreement on the expansion of the **India-Chile Preferential Trade Agreement (PTA)** was signed in New Delhi. On 1 April 2019, agreements for **cultural exchange and cooperation in mining sectors** were renewed and an agreement was signed on cooperation in disability sector. The **Double Taxation Avoidance Agreement** between India and Chile was signed on 9 March 2020.

India's exports to Chile had been growing steadily since 2009, with the exception of a slight decrease in 2014, when a **new carbon tax on diesel vehicles** in Chile.

India's export to Chile are diversified and constitute motor vehicles/cars, drug formulations, chemicals, products of iron & steel, manmade yarn, fabrics, cotton fabrics, made-ups, RMG Cotton including accessories, auto components, electric machinery and equipment, leather goods, rubber products, bulk drugs, drug intermediates,

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footwear of leather, iron and steel, aluminium & its product, ceramics & allied products, RMG manmade fibres etc.

The top 25 principal commodities constitute 94% of India's total exports to Chile during 2021. The top 10 constitute the 70%.

As far as Indian investment in Chile is concerned, based on the information given by various companies, it amounts to **about US\$220 million**.

Indian companies have entered the Chilean market by acquiring Chilean companies or setting up joint ventures.

Chilean investment in India amounts to **US\$ 151.93 million** (source: DIPPE). In addition, Chilean Financial Institutions have invested more than **US\$ 3.2 bn** in the Indian Financial sector.

Indian culture is very popular in Chile. There are a **large number of local Yoga schools** (Kundalini Yoga, Iyengar Yoga, Bikram Yoga etc.) and practitioners. Chile has declared **4th November as National Day of Yoga**.

There are also quite a few Chileans who have learned **Indian classical dance and music**, some of whom run their own schools.

The origins of the Indian community in Chile can be **traced back to 1905**. Currently, it is estimated that there are **around 3500 Overseas Indians** (1400 NRIs and 2100 PIOs) living in Chile

The **majority are from the Sindhi community** who are mainly engaged in business, and have integrated well with Chilean society

In addition, there is a constant flow of professionals and businessmen from India, working mainly in the ICT and financial services sectors and also in Indian companies represented in Chile

Some Indian labour is also present in Chile, working mainly in Indian restaurants.