Evolution and Impact on its economy of the Chilean trade with Asian countries.

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Author: Patricio AROCA
Co-Authors: Nicolas GARRIDO

There has been an increasing trade among Chile and Asian countries. This trade might be characterized by exporting row materials from Chile and importing manufactured goods from Asian countries. How much had been the impact of this trade over Chile through the recent years is something that has not a clear answer and this paper aims to answer at least partially this question. The methodology will rely in using the recent multicountry input-output table built for ten Latin American countries and the rest of the world. Part of this paper, separate the Asian countries from the rest of the world in order to have a better estimation on the impact and the evolution of the trade. In addition, the matrix is estimated around year 2005, which is the middle of strong increase in the copper price, one of the main Chilean production that account for more than 50 percent of the exports. The data used in the paper come from the Chilean Central Bank and the matrix is the one produced by ECLAC and IPEA from Brazil. The results shows that Asian countries have a large and growing impact on the Chilean economy, especially in the period where the cooper price is increasing, and this effect is significant reduced when the price goes down.