

Chile and Brazil sign agreement to protect and promote bilateral investment

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[Direcon](#) [ministro Armando Monteiro](#) [Ministro Heraldo Muñoz](#) [Pedro Asenjo](#)

Chile and Brazil have signed an Investment Cooperation and Facilitation Agreement through which they aim to strengthen economic and trading relations between the two countries. The agreement was signed by **Chile's Minister of Foreign Relations, Heraldo Muñoz**, and **Brazil's Minister of Development, Industry and Overseas Trade, Armando Monteiro**, who was visiting Santiago.

The agreement marks a milestone in relations with Brazil since the bilateral relationship in this field had not been deepened since the signing of the Mercosur agreement two decades ago.



The text establishes a framework for treatment of investors and their investments and for the institutional governance of cooperation as well as mechanisms for the prevention and settlement of controversies.

Minister Monteiro indicated that “this agreement will constitute an extremely important framework since it will create an institutional environment more propitious for the installation of companies in both countries, establishing appropriate mechanisms for mitigating risks, preventing controversies and

providing security for investors.” He added that Brazil expects that it will also strengthen integration between the two countries and make for more effective insertion in global value chains through partnerships between companies.

According to the director general of [Direcon](#), Andrés Rebolledo, “this is an agreement with the characteristic of being signed after the arrival of investments. In other words, it will cover the stock accumulated during recent decades of the bilateral relationship and we, therefore, now anticipate an additional boost because this is also the only agreement of this type that we will have with a [Mercosur](#) country.”

The agreement is an innovative instrument that seeks to facilitate and promote bilateral investment through norms on investment protection and the creation of an institutional framework for a cooperation agenda and of mechanisms for the prevention of conflicts. It reflects the interest that both countries have in safeguarding the balance between the state's regulatory powers and the protection of foreign investment.

One of its principal characteristics are the terms establishing mechanisms for the prevention of controversies. To this end, each state will create a Focal Point to support investors from the other country with operations in its territory. In addition, a Joint Committee will be created to facilitate exchange of information between the two countries, strengthen bilateral investment flows and establish mechanisms for interaction between the private sector and the two governments.

Breakfast with business delegation



As part of Minister Monteiro's visit, Chile's Manufacturers' Association ([SOFOFA](#)) held a breakfast for the delegation of authorities and businesspeople accompanying him. During the breakfast, attended by political authorities and business leaders as well as representatives of the Brazilian Export and Investment Promotion Agency ([APEX](#)), Pedro Asenjo, head of investment attraction at [CIEChile](#), offered a presentation about the business opportunities that Brazilian investors can find in Chile. "Chile is a long-term partner for Brazilian investors, especially those at a stage in which they are looking beyond their own domestic market. There are concrete opportunities for both investment in new businesses and joint ventures with local companies. Our country can also serve as an

important platform from which to export Brazilian products to Asia on favorable tariff terms, which is certainly another incentive to invest," he explained.

Source: Press Direcon/CIEChile