Australian Government
Australian Trade Commission

Food and Beverage to Chile.

Trends and opportunities

The market

Although fresh fruits, vegetables and meat still constitute an important component of the Chilean diet, **consumption of processed and ready-to-eat foods is expanding considerably**. One reason for this is the large percentage of young people in Chile (48 per cent of population are under 25). Another factor is that more young couples are working outside the home, there is more access to international travel, and there is a decrease in domestic service assistance.

Factors that will also increase consumption of food and beverages include:

- the rising consumer experimentation with new products
- higher disposable income
- increasing attention to quality foods
- healthier eating habits
- modern food distribution systems
- many in the growing middle class cannot afford full-time household help to buy, cook and prepare meals

With a healthy export oriented economy and a high level of domestic savings and investment, Chile is expected to sustain growth rates. Despite a relatively small population of 15 million, which is growing at about 1.5 per cent annually, further growth in per capita income will continue to increase the demand for food and beverages.

Food and beverage purchases amount for the largest single household expenditure (30 per cent). Most of these consumer-oriented food sales are in the more affluent Santiago metropolitan area. Annual salaries for this sector average US$9000 and account for almost 40 per cent of the country's GDP.

Opportunities

Although Chile is a one of the world 's food exporters, there are a number of products that present opportunities for Australian suppliers. There are **possibilities for ingredients or primary products** such as wheat, milk powder, sugar and tropical products, and a number of other differentiated and value-added food products including:

- UHT milk
- milk powder
- confectionary products
- prepared food
- consumer-ready and frozen products

Domestic companies are more concerned in volume sales and reaching the mass markets, rather than niche and more selective segments. This provides an opening for business opportunities for Australian companies that are interested in supplying small but valuable market sectors.

Chile competes against Australian suppliers of wine in the world market, the growing local interest in wines has seen the opening of three local boutique wine stores that specialise in imported wines, especially from France, Italy and also Australia. Other export opportunities can be found in:

- meat (Chile imports 30 per cent of its meat)
- specialty dairy products
- snack food
- pet food
- health and diet products
- fruit and vegetables (in Chile's off-season)
- salad dressings and spices
- beer
- breakfast breads and cakes

There also export opportunities for of state-of-the-art processing equipment and other labour-saving devices for the Chilean food and agribusiness industry.

Competitive environment

Supermarkets are being pushed to have a wider variety and having to import a greater number of items because of:

- higher per capita income
- a growing middle class
- access to overseas travel
- change in consumer behaviour
- globalisation
- the increasing need for more sophisticated products

More information

For further information please contact Austrade on 13 28 78 or email info@austrade.gov.au

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