



GOBIERNO DE CHILE

CHILE



NEWS

International Analysis and Press Department • Communication Secretariat • La Moneda Palace

September 30, 2008 • No.96



President Michelle Bachelet addresses the United Nations General Assembly.

Emergency Unasur meeting

The political situation in Bolivia is a concern for the entire region. Because of that, in her capacity as President pro tempore of the Union of South American Nations (Unasur), President Michelle Bachelet called an emergency meeting of that organization on September 15. Within 48 hours, nine Presidents of the 12 member countries arrived at La Moneda Palace, to “defend Bolivia’s democracy, its autonomy and its institutions,” sending a clear signal of unity and commitment to the region.



After six hours of intense debate, the leaders agreed upon the La Moneda Declaration, which affirms Unasur’s full support for the constitutional government of President Evo Morales. It also firmly rejects “acts of violence and any situation involving an attempted coup d’état, the breakdown of the institutional order or compromises to the Republic of Bolivia’s territorial integrity.” The participants also decided to create a commission to provide support and assistance to the Bolivian government.

“With this agreement, we have demonstrated that the fate of our neighbor countries is important to Chile, that we care about the future of South America, and as pro tempore President, we will continue working to ensure that all of our peoples can pursue development with peace, democracy, liberty and progress,” stressed the Chilean Head of State.

A few days later, at the United Nations General Assembly in New York, President Bachelet hosted a working meeting of Unasur, after which the region’s leaders reaffirmed their support for democracy in Bolivia. The President stressed that in spite of legitimate differences, “we have been able to respond quickly, efficiently and effectively to an issue of this nature, the threat to democracy in our region.”

A model of transparency

Chileans will soon enjoy access to all information of a public nature, thanks to a new law promulgated by President Michelle Bachelet. Hailed as a “milestone” for Chile’s public administration, the Law of Transparency in Public Service and Access to Information on the



Administration of the State will bring the executive branch closer to the people when it enters into force in April 2009.

The law, one of the commitments of the country’s Probity and Transparency Agenda, includes three main elements. First, it identifies the information subject

DID YOU KNOW?

★ Chile is the world’s leading producer of rhenium, with 49% of the total, according to a publication from the U.S. Geological Survey. With each kilogram costing some 23,000 dollars, it is as valuable as gold. Rhenium is chiefly used in petroleum refining and the construction of aircraft engines.

★ Chilean animals such as the huemul, the guiña cat and the Chiloe fox are threatened with extinction. In response, experts from the University of Concepción’s School of Veterinary Medicine and the Foundation for Agrarian Innovation (FIA) have set out to create a genetic bank with cellular material from eight species. To test the idea, they have given life to “Victoria,” the first surviving cloned calf born in Chile.

★ Rafi Melhem has become the first child born on Chilean soil to Palestinian refugees, in the town of San Felipe, Valparaíso Region. The hospital was specially prepared to respect the mother’s faith and customs. “In this country, I have found liberty and dignity. Now I am very moved that my son Rafi will be a Chilean and a member of the San Felipe community,” stated the baby’s father, Ramí Melhem.



QUOTES FROM PRESIDENT BACHELET

“Once more, Unasur has demonstrated that it is a powerful instrument for integration and for solving problems. Multilateralism may be a synonym for efficiency and speed, when the circumstances justify it.”

At the 63rd United Nations General Assembly.
New York, September 24, 2008.

“I am certain that this site will become a place of encounter and reflection for all Chileans. In the future, thousands of students will surely visit this place and learn the historical lesson left to us by Allende and the handful of brave and loyal men and women who decided here to resist the violent attack of those who did not believe in liberty.”

Dedicating the restored office of President Salvador Allende. La Moneda,
September 11, 2008.

“For my administration, equality of opportunity between men and women is an ethical imperative, as well as a basic political requirement as Chile seeks to become a developed country.”

At the opening ceremony for the ILO International Seminar “Equal Pay for Equal Work.”
Santiago, August 25, 2008.

“We see clearly that President Lugo’s dreams, which are reflected in the hopes and expectations of his people, are the same dreams that we share for every country of our Latin American region.”

After attending the inaugural ceremony for the President of Paraguay, Fernando Lugo.
August 15, 2008.

“Where there is transparency, public confidence is strengthened, opportunities for arbitrary and discretionary decisionmaking are reduced, respect for institutions is reinforced, and the democratic culture is strengthened.”

At the promulgation of the Transparency Law.
Santiago, August 11, 2008.



to the requirement of “active transparency” – data which must be published on an ongoing basis on the websites of governmental entities and organizations, as well as those of public enterprises or corporations in which the State holds more than a 50% share. It also defines the procedures for “passive transparency,” allowing citizens to solicit and gain access to additional information. Finally, it creates a new Transparency Council for the country.

The types of information subject to citizen requests include the names of contractors involved in transactions with government entities, the goods and services purchased, transfers of funds to current projects, and the results of budgetary audits. Solicited information must be delivered within 20 days. The Transparency Council will be responsible for supervising the implementation of the new regulations, promoting transparency policies, resolving disputes over the denial of information, and ensuring that sanctions are applied to authorities who fail to comply with the law.

With this initiative, Chile will reach the level of the most advanced countries in the area of access to information. “I would like to state this with great clarity: those who have achieved the most significant changes to the State in Chile’s history in the area of probity and transparency have been the Concertación administrations,” stressed the President. The new law joins previous achievements such as the regulation of political campaign financing; the country’s public purchasing system, ChileCompra; the creation of the National Civil Service Directorate and the program for senior public administrators; and the requirement that high officials submit declarations regarding their assets and financial interests.

On an equal basis

Eliminating all work-related discrimination: this is the idea behind a new program called “Iguala” (“Equalize”), an initiative of the National Women’s Service (Sernam). The initiative aims to achieve employment equity for men and women in both public and private organizations, so that individuals’ chances of obtaining a job or advancing in their careers will no longer be limited by any type of discrimination. It aspires to give rise to a new labor culture in Chile, as part of a universal spectrum of rights for all women.



The culmination of efforts launched two years ago, “Iguala” calls upon companies to introduce employment practices that go beyond the requirements of the current Labor Code. Firms wishing to be recognized by the State with the “Iguala Seal” in 2009 must undergo a certification process. To earn this status, they must guarantee equality in the following areas: employee selection processes; career development and access to training; parity representation of men and women on the Board of Directors; working conditions; maternal and paternal protection; balancing of work responsibilities and family duties; and the prevention and punishment of workplace and/or sexual harassment.

To date, more than 40 firms have already begun revising their human resources policies in order to gain this recognition.

In addition to improving the labor climate, gender equality brings benefits to companies themselves and to the country as a whole. This is demonstrated by a study undertaken by the World Bank, the Interamerican Development Bank and Sernam, showing that if Chile succeeds in eliminating its gender-based income gap, it will be able to reduce extreme poverty by 8% and increase per-capita income by 2%. In the most recent quarter, labor force participation by Chilean

FACTS

A publication from the Cybermetric Laboratory of the Council for Scientific Research (CSIC), part of Spain's Ministry of Science and Innovation, placed the University of Chile second in Latin America and 214th out of 500 overall. The study evaluated the universities' online operations and their global visibility on the Web.

More than 40 wine tasters sampled Chilean, Italian and French products in a blind tasting competition. The first place went to Don Maximiano Founder's Reserve 2005, and the second to Don Maximiano 2004, both from Chile's Viña Errázuriz.

Six Chilean mining companies hold the top six positions in profitability, measured as return on assets, among Latin America's 500 leading companies, according to the 2007 ranking of the region's top 500 firms by the periodical *América Economía*.

Chile rose nine places – from 28 to 19 – in the global ranking of the best locations for doing business, making it the leader in Latin America, according to *Forbes* magazine. The report analyzed the business climate in 120 nations, focusing on variables such as the degree of individual liberty guaranteed by the country. In Chile's case, the study emphasized the trade liberalization undertaken during the 1990s.

With the signing of three agreements in Brussels, the first phase of the Bilateral Cooperation Program between Chile and the European Union for the 2007-2013 period was formally launched. The programs involved are "Innovation and Competitiveness," "Support for Social Cohesion in Chile," and "Support for Strategic Environmental Evaluation in Chile."

women rose above 40% for the first time – from a level of less than 30% just 20 years ago – and of the 185,000 new jobs created during this period, 67% were filled by women. In addition, an equal pay bill is currently being considered by the Senate; according to the ILO, its approval will make Chile a pioneer in Latin America with regard to this type of legislation.

Valuing native forests

In Chile, the trees can breathe freely. After 16 years of deliberation in Congress, the Native Forest Recovery and Forestry Promotion Law has been promulgated by President Bachelet. The new legislation – making Chile a reference point within Latin America in this area – will allow significant advances in environmental awareness and protection.



The law's objectives include both the conservation of native forest resources and the economic advancement of rural workers in the forestry sector. It creates a competitive fund –reaching a planned total of 8 billion dollars– to support initiatives by small and large landowners that contribute to conserving, regenerating or managing native forests, as well as forestry activities based on non-wood products. Thus, the measure addresses both the preservation of biodiversity and the socioeconomic advancement of rural communities.

To protect Chile's current heritage of 13.4 million hectares of native forest, the law includes environmental protection measures which regulate the felling of trees near waterways, wetlands, glaciers and elevated slopes. It also includes a preservation management plan; competitive funds for research projects; a consultative council to support discussions on regulations, incentives and research funding; forest accreditators who will work with the National Forestry Service (Conaf) in the areas of certification and supervision; and a sanctions mechanism granting Conaf the authority to solicit enforcement by local police and judges.

Over the next 15 years, the law is expected to lead to the preservation of 500,000 hectares of forest and the recovery of a further 600,000 hectares in protected areas, thus conserving local ecosystems while producing 2.5 million cubic meters of wood. In addition, if the necessary investments are made in biomass power systems, an estimated 1,750 megawatts will be generated through the use of forestry waste. Furthermore, some 5,000 jobs are expected to be created directly and 30,000 indirectly.

A boost to the wallet

To help reduce the adverse effects of the world economic situation in Chile, the Ministry of Finance has announced a series of measures aimed at reducing inflation and promoting economic growth. The initiative will provide a significant boost for the finances of both individuals and small businesses.

Involving resources of one billion dollars in 2009, the plan includes a temporary reduction in the gasoline tax; the permanent elimination of the tax on electronic transfers; support for small and medium-sized businesses; and home solar energy credits for low-income and middle-class families. It also creates an alternative energy fund to finance loan guarantees for investments promoting renewable energy sources and efficient energy use.

The measures announced by the government in 2008 to control inflation and revitalize the economy involve a total budget of 3.35 billion dollars.

OVERHEARD

“What is most important about Presidents Aylwin, Frei, Lagos and Bachelet is that they have respected the economic system they inherited from before. I believe that the path Chile has taken, establishing a modern socialist government, is exemplary.”

Elias Antonio Saca, President of El Salvador.
September 28, 2008.

“In the five years since the free trade agreement between the United States and Chile took effect, trade between our two nations has increased by more than 180%. And that’s positive. In other words, these agreements are mutually benefit. And most importantly, they help small business owners and workers and farmers and ranchers.”

George Bush, U.S. President
New York, September 24, 2008.

“Chile is a thriving democracy. It is a shining example for the region and for the world. It is a strong and reliable friend of the United States in Latin America, and it plays a critical role on the world stage.”

Senator Edward Kennedy, expressing his gratitude for the Order of Merit of Chile, presented by President Bachelet. Hyannis Port, Massachusetts, September 23, 2008.

“Michelle Bachelet and I share a strong and common political agenda; we are concerned about economic and social development, the fight against poverty, climate change and the need for effective dialogue in international forums such as the UN. There is also the firm consolidation of investment and trade. Chile provides an impressive example of development for the rest of the world.”

Jens Stoltenberg, Prime Minister of Norway.
Santiago, September 17, 2008.



Chile does its part

The Millennium Development Goals (MDG) were the focus of a high-level event held prior to the 63rd UN General Assembly last week. The meeting reflected the priority placed on the MDG by the international community in its effort to achieve more equitable and inclusive societies. And in this respect, Chile is clearly carrying out the task, according to a recent evaluation.

The country has already fulfilled the first objective – eradicating hunger and extreme poverty – by reducing the proportion of its inhabitants living on a dollar a day from 1.8 to 1.1%. With respect to the second goal, achieving universal primary education, Chile has already surpassed 90% coverage and is expected to reach 100% by 2015. The report also notes significant advances in the promotion of gender equality and women’s autonomy, the third objective. For instance, Chile achieved its target figure of 40% of women participating in the labor force this year, up from 36.5% in 2006.

Chile also registered positive indicators in the reduction of infant mortality, the fight against AIDS and measures to increase environmental sustainability.



In memory of Allende

On September 11, 1973, La Moneda Palace was bombed by Air Force planes, suffering serious damage. During the building’s reconstruction, the military government decided to physically eliminate what had been the office of President Salvador Allende, adding new walls and passages not included in the original floor plan.

On the 35th anniversary of the military coup, on September 11, 2008, President Bachelet officially opened the restored office, which includes Allende’s original desk and authentic furnishings from the era. Now called the President Allende White Salon, it stands in remembrance of Allende’s work and the place where he gave his life for Chile and democracy. The restored site “will enrich Chile’s heritage and historical memory,” stated President Bachelet.

The reconstruction continues efforts begun by former President Ricardo Lagos, who reopened La Moneda’s entrance at 80 Morandé in 2003. Traditionally, the Presidents of Chile entered and left the palace through this door as citizens, without official honors from palace guards. The dictatorship had eliminated this feature of the building as well.

CHILEANS AROUND THE WORLD

The government of Denmark presented a symbolic torch to the Minister of Sernam, Laura Albornoz, in recognition of the country's special efforts to achieve gender equity and its fulfillment of the third of the eight UN Millennium Objectives, which seeks to promote women's autonomy and the equality of men and women.



An expert researcher in developmental biology and tissue regeneration, 38-year-old Juan Larraín will receive the Pius XI medal from the hands of Pope Benedict XVI in November. The award is presented to young scientists every two years by the Pontifical Academy of Sciences. The best-known recipient of the distinction is physicist Stephen Hawking, honored in 1975 at the age of 33.

The International Monetary Fund has designated former Minister of Finance Nicolás Eyzaguirre to head its Western Hemisphere Department, a position he will assume in January 2009.

The international ranking "Who's Who Legal" has published a list of the top legal professionals in 29 areas of private law, practicing in 121 countries. Noteworthy among them are Rafael Vergara, Carlos Pérez-Cotapos and Patricia Nuñez, named among the world's 11 leading attorneys for the mining sector. According to the report, "Chile stands out in Latin America for its level of professionalism in the area of mining law."

AGENDA

- ★ **September 21-23:** Official Visit of the President of Hungary, László Sólyom.
- ★ **October 19-22:** State Visit of King Abdullah and Queen Rania of Jordan.
- ★ **October 28-29:** Official Visit of President Michelle Bachelet to Costa Rica.
- ★ **October 29-31:** President Michelle Bachelet participates in the Ibero-American Summit in El Salvador.



Adrenaline on the sea

"Running the waves" is the aim of surfing, a sport which has gained great popularity worldwide. During the past ten years, Chile has earned the reputation of a surfers' paradise, thanks to its extensive coastline as well as the favorable climatic

conditions and strong winds that make the sport possible nearly every month of the year.

The search for adventure, thrills and tests of their courage draw surfers from beach to beach. It requires great skill to mount a board and catch and ride a wave while performing various maneuvers. In the 1960s, wooden surfboards were replaced by light, modern creations of fiberglass and synthetic foam, 2.7 to 3 meters long, bringing this "extreme sport" into the popular mainstream.



The best waves are found along the coasts of Australia, California, Hawaii, Vanuatu, Brazil and Peru, but Chile is not far behind. During every month except July – when winter conditions make it too risky – the sport is practiced from north to the south. The most popular destinations in northern Chile are Arica, Iquique, Antofagasta and La Serena, with ocean surface temperatures of 16 to 20 degrees Celsius. In central Chile, surfers flock to Pichidangui, Reñaca and Pichilemu, considered to offer some of the best waves in South America. It includes La Puntilla, where the waves extend up to 800 meters in length, and Punta de Lobos with its 100-meter cliffs, for experienced surfers only. Lebu is a popular destination in the south, and aficionados of the sport also visit Easter Island.



The demand has been so great that numerous international championships are already being held in the country. The Pichilemu International Surf Championship takes place in May each year, coinciding with the year's first big swells. The government of Australia

helped support last year's competition. During the same month, surfers compete in the Héroes de Mayo International Championship, the country's oldest competition, attended by some 6,000 people. In Arica – site of the World Surfing Championship each June – local conditions produce a wave with a perfectly formed circular tube. Called "the gringo," it is one of the most world's most sought-after and dangerous waves.

PLANTS OF CHILE

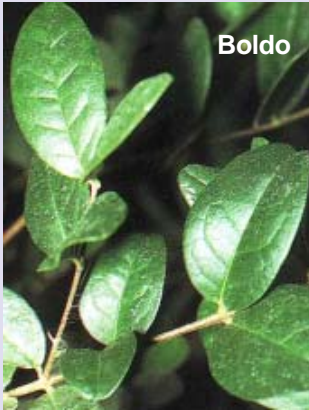
Natural medicine: plants that cure

Fennel, lavender, plantain, chicory and a hundred other species were used for centuries by indigenous peoples to treat various types of complaints. Now they have been legally recognized, joining the ranks of the “traditional herbal medicines” categorized by the Ministry of Health.

Thanks to this designation, labeling on their packages will now inform patients about their common uses, preparation, effects and contraindications, providing users with increased confidence and safety. Thus, the application of these herbs will no longer simply be an ancient rural tradition, but will form part of a modern market, with scientific oversight and approval. Thanks to overwhelming demand, phytotherapy – the treatment of illnesses through the use of various plant species – has become a resounding success. Considered one of the most comprehensive forms of alternative medicine, it is also compatible with conventional treatments, according to the experts who apply it.

Herbal preparations bring not only health benefits, but economic advantages as well. Between 2002 and 2007, exports of these “non-traditional” products rose by 58%, with shipments totaling 26 million dollars, according to the Foundation for Agrarian Innovation (FIA). The leading plant species for export is the **rosa mosqueta** or wild rose, with a volume of 5,000 tons annually in the form of oil and dried rose hip husks. Chile is the world’s leading producer and exporter of this product. It is followed

by **oregano**, with 2,000 to 3,000 tons per year. Shipments of **chamomile** and **boldo** also expanded significantly during the same period: by 165% and 127%, respectively.



Boldo

Boldo is a native tree found from the Coquimbo to the Biobío Region. Its aromatic leaves and bark act as a digestive stimulant and help alleviate liver complaints. Boldo also promotes the elimination of uric acid, acts as a sedative for the nervous system and stimulates kidney activity.

The sacred tree of the Mapuche people, the **canelo**, or Winter’s Bark, reaches a height of more than 30 meters, with a trunk up to one meter in diameter. Its smooth bark and leaves help alleviate rheumatic and circulatory disorders and have antiseptic and healing properties.

Rosemary has been planted in Chile since colonial times, becoming a tradition in the country despite its Mediterranean origins. A shrub tolerating any type of soil, its leaves and flowers stimulate the circulatory and digestive systems, as well as having antispasmodic,



Romero

antiseptic and sedative properties. Externally, the herb is applied as a pain reliever, anti-rheumatic, healing balm and scalp stimulant.

International shipments of extracts of **quillay** currently exceed one million dollars. The bark of this tree, which grows from the Coquimbo to the Araucanía Regions, has a powerful expectorant effect and is also used as a cosmetic to reduce the appearance of blood vessels.



Quillay

For digestive complaints, nothing is better than **cedrón**, a shrub growing in temperate climates whose rough leaves and tiny flowers are also used as a local anesthetic, antiseptic and light sedative. Its extracts also help combat vertigo, nausea and insomnia.

The **maqui**, a native of Chile and Argentina, rapidly spreads on open land and tolerates both dry and damp soils. Its leaves and fruits – small black, shiny spheres – contain alkaloids and tannins with antiinflammatory, antispasmodic, astringent and healing properties.



Maqui



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