



# CHILE

GOBIERNO DE CHILE  
MINISTERIO SECRETARÍA GENERAL DE GOBIERNO  
SECRETARÍA DE COMUNICACIÓN Y CULTURA

## NEWS

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President Bachelet presiding over the ceremony commemorating the 127th anniversary of the Combate Naval de Iquique. Plaza Sotomayor, Valparaíso.

### First Message to the Nation

In her first annual accounting before Chile's Full Congress, President Michelle Bachelet outlined her plans for her four-year term in office. In the speech, she defined the four areas of highest priority for her administration: reforming the country's retirement system; improving education; promoting innovation and entrepreneurial activity; and raising Chileans' quality of life by constructing "a more integrated and prosperous country, one with more social protection and one in which people can lead better lives."

In her address, the President described her administration's vision for Chile: arriving at the year 2010 with a modern, developed country imbued with solidarity, and constructing an integrated, cohesive, non-discriminatory society which is centered on its people and protects citizens' rights and liberties. It is also a vision in which women will play a highly significant role.



Among the President's most important specific announcements were the creation of 130,000 jobs during the third quarter of this year; an increase in the housing subsidy for mortgage loans; the payment of a special bonus to 1,200,000 families during the winter; and an expansion of the stabilization fund for fuel prices, among other measures.

The President also promised to construct more day care centers, kindergartens and elementary schools, indicating that efforts will be undertaken to ensure their quality. Her administration will also promote the creation of "friendlier neighborhoods, to improve the quality of life for individuals."

In reference to the revenue generated by the copper industry, the President announced that the government will create two funds for the future: a Pension Guarantee fund and one for Economic and Social Stabilization. In addition, the country will invest in a wide range of infrastructure during 2006, including new operating rooms; anesthesia and mammography equipment; ambulances; mobile dental clinics; and mobile reserve units and aircraft for the Carabineros uniformed police force. There will also be a 50% increase in scholarships for specialized study abroad.

### DID YOU KNOW?

- ★ A group of Chilean technicians at the multinational paint company Sherwin-Williams has created a water-based paint which repels the feared "spider of the corners," (*Loxosceles laeta*), preventing it from nesting on painted walls. The paint includes a natural chemical compound which produces a burning sensation on the spider's body.
- ★ Eight of the world's twelve recognized species of whales inhabit Chilean waters. Humpback whales (*Megaptera novaeangliae*) can be seen in groups ranging up to 150 individuals in Francisco Coloane Marine Park, on the Strait of Magellan. They travel there to spend the summer, thanks to the great quantity of available food, including prawns and small sardines.

## QUOTATIONS FROM PRESIDENT BACHELET

"When countries grow, they need energy, and Chile is growing. That is good news, but this good news requires us to implement a policy that guarantees our autonomy and does not leave us dependent on other countries for energy supplies."

At the laying of the cornerstone of the National Petroleum Company's liquid natural gas project, Quintero Terminal, Playa El Bato, Fifth Region. May 16, 2006.

"It is not a mere gesture of protocol; it is the confirmation of a desire to deepen our cooperation in many areas, as well as the expression of a great political and economic affinity between our two countries."

At the signing of the Strategic Association Plan between Chile and Spain. Madrid, May 10, 2006.

"With Bolivia, we have an agenda without exclusions or imposed conditions, and thus we will continue to work on all of the issues that both governments find appropriate to work on."

During her official visit to Spain. Madrid, May 10, 2006.

"The association agreement between Chile and the European Union has allowed us to strengthen bilateral trade, the investment process and everything related to the social compact, the relationship among businesspeople, workers and the government."

During her official visit to Austria. Vienna, May 13, 2006.

### President Bachelet receives award in Spain

President Michelle Bachelet was honored in Spain with the 2006 New Economic Forum award. According to the Forum, the award was presented in recognition of Bachelet's "statesmanlike charisma" as well as her efforts "in favor of a new world order, characterized by the untiring search for peace, alliances and understanding among civilizations; economic development; a more prominent role for women in society; cohesion and social equilibrium."



The President concluded her European tour with an official visit to Austria, where she was received at the Hofburg Palace by Federal President Heinz Fischer.

## President Bachelet in Europe

On May 8, President Michelle Bachelet departed for her first official trip to Europe, a seven-day itinerary covering Spain, Bosnia and Herzegovina and Austria.

In Spain, with Prime Minister José Luis Rodríguez Zapatero, Bachelet signed a Strategic Association Plan which complements the agreement finalized with the European Union in 2002. Through the new accord, the Spanish government will provide Chile with valuable interchange opportunities in the political and trade spheres as well as on the multilateral topics that will dominate the bilateral agenda in the coming months.



The President also met with King Juan Carlos of Spain, who held a dinner in her honor at the Royal Palace; attended a breakfast with more than 800 Spanish entrepreneurs; and was honored with the 2006 Nueva Economía Fórum award. At the Casa de América, she participated in an extended encounter with distinguished Spanish artists and intellectuals, with whom she discussed her administration's efforts in the area of culture.

On Thursday, May 11, Bachelet traveled to Banja Luka, Bosnia and Herzegovina, where she visited Chilean troops participating in a United Nations peace mission. The President expressed her thanks in the name of the country for the soldiers' presence there, emphasizing that peace operations are of central importance for Chile: "They constitute a significant part of our defense policy, because we are convinced that peace in the world is a fundamental task."

The last stop of the journey was Vienna, where the President participated in the Fourth Summit of Heads of State and Government of the European Union, Latin America and the Caribbean. Afterward, she paid an official visit to the host country.

During the Summit, Bachelet pursued a full schedule of bilateral encounters with nearly a dozen European and South American Presidents and Heads of State. Most widely reported in the press were her meetings with President Hugo Chávez of Venezuela, who offered to include Chile in the enormous South American gas pipeline project, and Bolivian President Evo Morales. With Morales, Bachelet agreed to continue working on an agenda without excluded topics. She reported that the issues discussed by the two leaders included "social policies and international cooperation which we are interested in carrying out."



The President also met with German Chancellor Angela Merkel, British Prime Minister Tony Blair and United Nations Secretary-General Kofi Annan.

## FACTS

The International Monetary Fund has projected growth of 5.5% for Chile in 2006.

In the first quarter of this year, Chileans' net investment abroad increased by 49.5%, reaching 2.632 billion dollars, according to a report from the Central Bank.

During the past three years, Biblioredes, a system which links the country's 378 public libraries, has trained more than 200,000 low-income residents in the use of computers and the Internet. Some 2,500 web pages now help reflect these individuals' lives and dreams.

According to a study by the Economist Intelligence Unit, the publishing group for the periodical *The Economist*, Chile is the leading country in Latin America in the technological development indicators used for the analysis. The country improved its standing during the past year – with 6.19 points compared to 5.97 in 2005 – and preserved its ranking of 31st, ahead of the Czech Republic, Hungary and Poland.

The Chilean film *Play* by Alicia Scherson was awarded the Grand Prize for a feature film at Lisbon's third annual International Festival of Independent Cinema. *Play*, starring Viviana Herrera and Aline Kuppenheim, among others, is Scherson's first full-length motion picture. The production had already received honors for "Best New Narrative Filmmaker" at the Tribeca Film Festival (New York, USA, 2005) and for "Best First Work" at the Havana Festival.

At the Vienna Summit, President Bachelet spoke in favor of initiatives to integrate the two regions, as well as the implementation of joint projects in Latin America aimed at helping reduce poverty and inequality. She called for shared efforts that neither intensify latent conflicts nor openly take sides in them. At the same time, she insisted that integration, accompanied by respect for the sovereign decisions of governments, is indispensable in order to make progress toward solving the problems faced by the region.

### First two months

The work has been intense. As President Michelle Bachelet had announced during her campaign, her administration went into action on her first day in office. With only a four-year term, "it is necessary to work at full steam," as the President herself has noted.

As a first initiative, Bachelet ordered the implementation of the "36 measures in 100 days" promised during the campaign. One pledge was already fulfilled during the first week: free care in public hospitals for all persons over age 60.

In addition, a Presidential Advisory Commission was created, laying the foundation for the reform of the retirement system. During its first working phase, the Commission will receive proposals from all interested constituencies: businesspeople, workers, industry representatives and retirees. Later, it will prepare a preliminary report offering analysis, conclusions and proposed changes to the pension system. In the meantime, Congress has approved a 10% increase in the lowest retirement payments, as well as automatic access for qualified senior citizens to assistential pensions.

Another proposed measure which has already been put into practice is a subsidy to promote the hiring of socially at-risk young people, with the State contributing up to 50% of the minimum wage for one year. Since the initiative did not require a change in the law, it was carried out administratively – Bachelet issued the presidential decree – and is already being implemented.

Also approved was the State's commitment to pay its debts to providers within 30 days. The President further called on large companies to follow the government's lead in this area. The measure will enter into force on June 1 for spending by government agencies, with the exception of the Ministry of Health.

Plans call for the creation of some 200 daycare centers throughout the country during the first three months. The idea is to create the necessary conditions to ensure equal opportunities for all children from their first years of life.



## OVERHEARD

"Spanish companies are comfortable in Chile because they are working in a serious and modern country which currently serves as an example for Latin America and the world."

José Luis Rodríguez Zapatero, Prime Minister of Spain. Madrid, May 10, 2006.



José Manuel Barroso, President of the European Commission. Vienna, May 12, 2006.

"We have urged Chile to exercise its very significant influence in Latin America; Chile is a resounding success. (...) In 2005, trade (between Chile and the EU) grew by 23.6%."

"Chile is moving in the right direction; it is a good model for our relations with third countries."

Wolfgang Schüssel, Chancellor of Austria. Vienna, May 13, 2006.

Chile "is a country which I admire and respect, above all for the progress it has made in the political and democratic spheres as well as in the economic and social areas. It is a country which can serve as a model, not only in Latin America but throughout the world."

Jacques Chirac, President of France. In an interview with El Mercurio newspaper. March 26, 2006.

## Family health centers

By July of this year, sixty Family Health Centers will be operational in Chilean communities. The facilities are designed to improve access to primary health care facilities, especially in neighborhoods with high population concentrations, where many families are unable to meet their health care needs.



These facilities, which were included in the new administration's plan for the first 100 days, will help bring health care closer to the people, since they are designed to serve communities of approximately 5,000 people. The idea is that they

will represent not only a short-term response, but an ongoing strategy to improve the quality of public health.

One of the centers' first tasks will be to establish ties with local families, so that the community can participate in the various stages of the centers' implementation. This will help ensure that the new centers adequately meet users' needs and expectations.

## New tobacco law

Fewer smokers: this is the aim of the newly enacted tobacco law in Chile. With this measure, the country has joined the world movement to put an end to tobacco addiction, which in Chile kills some 14,000 people each year.

The law, which significantly strengthens previous legislation, includes active measures to discourage cigarette consumption, especially among school-aged children, along with stricter regulations on tobacco sales and advertising. It also seeks to protect non-smokers from exposure to the harmful effects of tobacco smoke.

Among the leading provisions are a ban on cigarette sales to persons under age 18 or within 100 meters of a school, along with prohibitions against smoking in educational institutions, fuel stations, public transportation, public buildings, airports, bus terminals, universities, theaters, cinemas, sports facilities, supermarkets, shopping centers, and services in general that are open to the public. In restaurants, pubs and similar gathering places with an area of more than 100 square meters, there must be separate smoking and non-smoking areas. Smaller establishments must choose to be either smoking or non-smoking.

Changes are also mandated in the design of cigarette packages, which must provide information on 50% of their surface area about the health risks of smoking. There are also new rules for tobacco advertising, which can be displayed only at places where the products are sold.

One of the law's most important aspects is the mandatory inclusion in plans and programs of objective studies and content aimed at educating students about the damage caused by tobacco use, as well as its addictive nature.

## CHILEANS AROUND THE WORLD

Along with journalists from Italy, Poland and Indonesia, Mónica González was one of the four winners of the 2006 Dan David award in the Print Media Journalists category. The honor is awarded by the foundation of the same name and the University of Tel Aviv.

Kristel Kobrich won three gold medals for the Chilean swimming team at the South American



Championship in Medellín, Colombia. Her outstanding performance allowed the national team to finish third in the country classifications.

The prestigious U.S. newspaper *The New York Times* published a profile of Easter Island artist and sculptor Benedicto Tuki, who constructed a traditional *moai* (stone statue) for the Manhattan Natural History Museum during a three-week period in 2000. The statue is currently on display in Washington State. The article describes Tuki as the most recognized sculptor from Easter Island today.

## AGENDA

- ★ **May 26-27:** State Visit of the President of France, Jacques Chirac. Santiago.
- ★ **June 7-8:** President Michelle Bachelet carries out an official visit to the United States. Washington.
- ★ **June 9:** Visit of President Michelle Bachelet to Jamaica. Kingston.
- ★ **June 29:** President Michelle Bachelet participates in the Mercosur Summit, Argentina. Buenos Aires.

## Agreement with India

A new trade agreement was signed by Chile in March. The accord, a Preferential Trade Agreement (PTA) with India, will liberalize tariffs on a significant part of the trade between the two countries.

Upon its entry into force, 98% of Chilean exports to India will receive tariff preferences, while 91% of Indian exports to Chile will enjoy the same advantages. Chile granted tariff reductions on 296 products, while India conceded 266 products to Chile. The most highly favored goods are copper, cellulose, wooden boards and salmon.

During 2005, Chile's exports to India totaled 495.5 million dollars, 19.9% more than in 2004. Imports from India totaled 134.8 million, 33.7% greater than in the previous year.

The agreement represents a first step toward the negotiation of a future free trade agreement with India.

## Fossils and paintings in Patagonia

Great interest was provoked by the discoveries of the "Ultima Patagonia 2006" expedition, a French-Chilean research group which spent two months on Madre de Dios Island in the Magallanes Region. The team found a cave with rock paintings in ochre and charcoal which had been created by a community of Alacaluf people, nomadic aborigines who inhabited Chile's extreme south.

The group also found the remains of whales, a great variety of previously unknown insect species, and indigenous tombs situated in a place which had previously been thought to be uninhabited. According to the National Corporation for Indigenous Development (Conadi), these finds are historic because they challenge existing scientific theories and studies; the ancient indigenous group had not previously been known to follow this practice.



The scientists explained that the material collected by the expedition must now be analyzed by a range of specialists to reveal the true scope of the discovery. The wealth of information hidden in the island's age-old limestone crevices has catapulted it to the forefront as a candidate for the World Heritage List.

"Ultima Patagonia 2006" is supported by the French and Chilean governments and is preparing a new expedition to investigate the site again in 2008.

# FESTIVALS OF CHILE

## Wine festivals

The wine industry has reached such an advanced level of development in Chile that there is no longer an excuse for not knowing it from within. Each year, wine producers and enthusiasts gather in the outskirts of the capital and numerous other locations around the country to celebrate this famed beverage, considered by some to be an “elixir of the gods.”

This autumn – the season which marks the harvest period in the country – some twenty events, quite diverse in their characteristics, were organized. In Santiago, upscale avenues were

decorated to welcome thousands of wine lovers during the evening, while in the country’s central valleys,

where the celebrations are most concentrated, *fiestas de la vendimia* or wine harvest festivals can last up to two days, and visitors have the opportunity to learn about all of the stages and processes involved in turning grapes into wine.

From north to south, the valleys of Limarí, Casablanca, Maipo, Curicó, Colchagua and Maule staged lively festivals to pay homage to wine, including

popular shows in the town squares – with horsebreaking, trick riding and folkloric presentations – as well as wine-related activities such as grape trampling competitions, wine tastings and tours of each region’s leading wineries.

Special activities included the Wine Harvest Games, organized each year by the Miguel Torres and Los Robles wineries in the Curicó Valley; the nighttime harvest at Viña San Pedro; rides on the recently inaugurated cable cars at Viña Santa Cruz; and the “open harvest” offered in the Maule Valley, which gives tourists hands-on experience with the tasks of the harvest.

The Maipú Valley celebrated its harvest festival with the reading of a “Chilean-style” Mass, the appearance of the traditional Quasimodo character and the blessing of the first harvested vines. Grapegrowers gathered together with *huasos* (traditional Chilean horsemen), restaurateurs, local artisans and crowds of visitors for the event, which also marked the beginning of a larger project aimed at the development of ecotourism in the region.



The Colchagua Valley festival was staged on an especially grand scale, since it also served as a celebration of the area’s recognition by the international publication *Wine Enthusiast*, which awarded it the honor of “the world’s best winegrowing region.”

In a more formal manner, Chile’s leading cities also joined in celebrating the wine harvest. In Santiago, the elegant Alonso de Córdova avenue was decked out to receive thousands of residents for the 2006 *Fiesta de Copas* (Wineglass Festival) which offered tastings of an extensive sample of wines, ranging from the latest varieties introduced on the market to the winners of recent awards.



Representatives of some 35 wineries gathered at Viña del Mar’s Sporting Club in January, offering over 500 types of wines for the *Fiesta del Color* (Festival of Color), which also included an artistic exhibition of painted bodies and a musical performance accompanied by an impressive light show. The event introduced thousands of visitors to the palette of colors offered by Chilean wines.



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