

## **Chile faces China. Relations in a new era. Expectations and realities**

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**China Watch**

**Chile**

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### **Introduction**

Chile's option for advancing trade and strengthening presence in the Asia-Pacific Rim is coherent with Chile's interests and globalization trends. "Greater China", a national and transnational reality which includes Beijing and Taipei, is a market which ranks third as a main destination for Chilean exports and sixth as main origin of imports. And this tendency might increase in the long term.

During the eighties Chile's high officials, businessmen and journalists advanced the idea of China. In the 90's, for the first time in Chilean history, two successive presidents have been and are regularly holding talks with Chinese heads of State in multilateral and bilateral discussions. Moreover, the president is visiting Asia with large delegations of businessmen. The image Chile wants to convey is one of a serious country acting in a cohesive way. Macroeconomic balance and a sound business environment over the past decade seem to be the Chilean assets they wish to project in the East. Furthermore, Chile also wants to play a leading role in South America as a bridge with the Asia Pacific region.

This article outlines Chile's attitude in the recent past and today, and states that official policy, good as it has been should soon be changed to a more sophisticated approach if it does not want to risk the likelihood of stagnation or lose to better informed competitors. This new stage will require personnel skilled beyond traditional diplomacy and business curricula. Sophisticated data and cultural factors do matter in China, especially if Santiago expects also to play a role between Asia and South America.

It is argued that diplomatic tradition, Western ways of doing business and Chile's recent political history, represent both a barrier and an asset. The article ends with a set of recommendations aimed at improving ties with a country which is a real continent likely to be the world's largest market, as well as a political and scientific superpower in just a few decades.

### **China in Chile**

Is Chile prepared to fully assimilate the notion and importance of China? The answer is closely bound to an ambiguous and vague idea of the Pacific as a kind of "manifest destiny". The Pacific Ocean has been considered intertwined with the country's destiny since the years after independence. The incorporation of Easter Island to the national territory in 1888, strengthened Chile's tendency to consider itself a country belonging to the Pacific Basin. From 1845 to the end of the century Chilean consulates were opened in Canton, Hong Kong, and a commercial Bureau in China, apart from other consulates throughout Asia and Oceania. After the victory in the War of the Pacific (1879-1883), some 1100 Chinese were incorporated into the State of Chile. Soon afterwards, in 1915 Santiago and Beijing established diplomatic relations.

Throughout much of the XX century Chile's interests have been defined in relation to the U.S., Latin America and Europe. China and the Asia Pacific have remained unknown. Prejudice and misperceptions represented a gap difficult to fill. The distance was based on ethnic and cultural differences (the 'yellow peril' image was prevailing in the West), underscored by the dramatic political events taking place after the collapse of the Qing dynasty. The sense of unsurmountable distance was augmented by the enormous geographical barrier posed by the Pacific Ocean.

The strategic-military alignments of the Cold War obstructed relations between the two sides of the Pacific Rim. Chile was not an exception. For decades Santiago recognized Taipei as the only representative of China.

But soon Chile felt confident to make an exceptional diplomatic manouver in the Latin American context. With socialist president Allende in power, Chile was the first South American country to establish relations with Beijing, in December 1970. In spite of the ideological clash experienced by Chile two decades ago, there was consensus on the left

as well as on the right about the idea that the People's Republic of China (PRC) represented a reality beyond the ideological straitjacket. As the influential conservative newspaper *El Mercurio* put it then:

Es indudable que la exclusión de China Continental imposibilitaba a Chile para formular una política exterior genuinamente global y cerraba el acceso a un mercado de vastas proporciones que ahora podría abrirse a los productos nacionales.

In 1973 Chile, through a right-wing military coup d'état, abruptly went to the other extreme of the political spectrum. But in spite of the Cold War, the idea that the Asian nations was to remain. This stems partly from the times of the military dictatorship. In the eighties the regime came to the conclusion that it had to enhance ties with countries which avoided condemning Chile for human rights abuses. Beijing, as member of United Nation's Security Council, as well as other Asian nations were an asset to counterbalance the politically isolated dictatorship in the international arena. It was not an accident that Chile provided logistics to a Chinese settlement in the Antarctic.

At the same time, the navy, a part of the military regime, came to conclude that Chile's destiny lay in the Ocean and beyond it. This idea was empowered by the evident fact that 4500 kilometers of Chile are facing the Pacific. The sea as a source of huge natural resources and as the way to Asia and the gigantic market represented by China's opening to the outside world was often mentioned by the mass media as well as in academic circles throughout the eighties. But Pinochet's failed visit to the Philippines signaled stagnation of the diplomatic commitment in the Asia/Pacific region. Nevertheless, trade dramatically increased in Asia, especially with Japan, Korea and Greater China. In the case of the PRC, the first joint venture between Beijing and a Latin American country was signed with a Chilean copper company, in 1987. The propaganda waged by the Chilean military regime against international communism always depicted Moscow leading a world conspiracy movement not shared by Beijing. An influential figure, former president of the Confederation of the Production and Commerce of Chile, Ernesto Ayala, said many times that the PRC, unlike, the USSR was not an expansionist power.

Tiananmen and the falling of the Berlin Wall in 1989 helped keep attention far from Beijing. For a short period there was a revival of the interest in the former Soviet Union in Chile, the most demonized country during the military dictatorship. Things Russian became temporarily fashionable. A wide news coverage and entrepreneurial interest in the former Soviet bloc was noticeable. But this tendency was not to last long. The dramatic political events undergone by Moscow and the other former Soviet republics, as well as the following decline of living standards showed that that economic space was not to play a significant role for Santiago.

### **A new meaning for Chilean Chinese relations?**

In November 1993 a powerful although brief scene was broadcast by national TV. Significant was to see the presidential candidate elaborating on his program in a spot shot by the sea. Facing the horizon, Frei depicted his plans taking for granted the economic importance of the Pacific Ocean and the nations beyond it. This fact was telling in a country that in spite of the Pacific Ocean rhetoric of the last years has been inward-looking-oriented, whose diet, unlike Japan, does attach relative importance to fish and seafood and whose inland capital Santiago, concentrates almost half of Chile's population. Few months later president Frei asserted:

Uno de los objetivos principales de nuestra política exterior es integrarse al espacio del Asia-Pacífico, actualmente uno de los focos más dinámicos de la economía mundial. Esta es una "nueva frontera" para la cual el mar es el camino natural de comunicación e intercambio. Nuestra situación geográfica privilegiada nos convierte también en un natural puente hacia el Asia-Pacífico para otros países latinoamericanos.

The admission of Chile - apart from other countries with support from Beijing- as member of APEC in 1993 represented a milestone in traditional foreign policy. Thus, Santiago officially enhanced the trend that by the end of 1997 made it trade more with Asia than with Latin America, North America or Europe.

In November 1995 president Frei visited China. One of the outcomes of that visit was a renewed impulse of bilateral relations. An example of that was the decision to establish a consulate in Shanghai in 1996. Currently almost 75% of Chilean exports is made up of copper, cellulose and fish meal. Of this, 25% is represented by copper. Sources for 1997 indicate that the Chinese market, including Beijing and Taipei, was the third destination of Chilean exports, after the USA and Japan, and the sixth source of imports after Mexico and before Germany and Japan. Chile wants to diversify the export of agricultural, forestry and sea products. Since the copper sector will be required to produce at least one million metric tons a year and the likely superpower needs plenty of it, talks have also focused on the possibility of attracting Chinese investment in the Chilean copper industry and to start joint ventures in that sector. In the last couple of years plans have been discussed for a Chilean sell of copper know how to Beijing. Likewise, the

Chinese National Corporation of Non-Ferrous Metals has contacted corresponding Chilean companies, as part of a plan to invest in copper exploitation in Chile.

Another objective is to collaborate in the pacific use of the atomic energy and explore ways to cooperate in the space industry. During President's Frei visit, in 1995, it was signed a maritime agreement by which it is given a mutual maritime and port rights. A forestry agreement was also signed including processing and commercialization of forestry produce. Chile is particularly interested in China's announcement at the 1995 APEC meeting on significant tariffs reduction, including fruits and vegetables. The produce benefited would be salmon, wine and grape. Nowadays apples and pears are being exported to the PRC. Few months ago grapes just started entering the Chinese market.

Recently, a Chilean company permanently settled down in Beijing in order to sell wine to the local market. A major revolution is taking place in Chinese food habits and wine is one of the new popular products. Chile's aggressive export oriented wine industry envisions plenty of opportunities in China, and similarly with the salmon industry. There are talks in order to jointly exploit species of salmon that do not exist in South America. Private pension fund management, one of the business areas in which Chileans are more experienced, is also expected to take root in the most populous country. By the year 2000 the goal of ProChile (the country's official Export Promotion Bureau) is to reach 2 billion dollars of trade with China. Furthermore, in the beginnings of 1998 China concentrates the largest budget of ProChile in Asia and Oceania.

Over the last years, Chile's economic growth, political stability, and status as the only South American nation member of APEC has led policy makers to stress that companies should take advantage of this position to make advances in Asia. The perception in Chile is that to wait might be a mistake. Once other countries in the region put order in place at home and once sustainable growth speeds up, their ties with Asia will be enhanced.

Membership in APEC has recently been extended to Peru. Colombia and Ecuador are lining up next. On the other hand, countries not facing the Pacific, such as Brazil and Argentina, also trade with the Chinese market in significant ways. As a matter of fact, Brazil is the first Latin American partner of China.

Now Chile plans to enter soon in a second stage of export-oriented manufacturing. There is the perception that the best for a small country with 14 million people is to deepen its export strategy. Asia is a crucial region since it provides technology and a huge market to send a second generation of value added produce. In this respect, the Japanese industry and the Chinese market are important. The gradual liberalization of tariffs announced by Beijing is seen as another key factor to bolster this trend. In fact, an increasing number of joint ventures in the region with Chilean participation are expected to be signed in the next five years, according to Edgardo Boeninger, former president of the Standing Committee of PECC.

Chile's prospects, the best in many decades, have led some policy makers to harbor overly ambitious plans. Two ideas overlap here. Together with the desire to advance positions in Asia before other South American countries catch up lies the idea that Chile is to be the natural bridge between MERCOSUR and Asia. That is to say between a region of more than 1.5 billion consumers and another one of 200 million. This reasoning says that as the Atlantic countries increase export/import with Asian countries and expect increasing links with its largest market, Chile could offer better access to the Pacific by a serie of improvements in railroads, highways and ports. So far the materialization of this idea is likely to take many years, especially due to so formidable natural barriers as the Andes mountainous system.

In addition, it has been stated at high levels in Santiago that Chile might be a "valid speaker" between Asia and Latin America. This is an extremely complex task for which we are not prepared, nor is any other single country in the region. The Rio group holds regular institutional dialogues with Beijing. Its agenda includes trade as a major issue, but also expects to broach mutual investments, transportation and communications, financial support mechanisms and the development of scientific and technological relations. A more realistic approach for the country seems to be to advance its own interests in the bilateral way and to expect the Rio Group to represent it as a regional speaker to confer with Beijing.

To be sure, trading relations in Asia preceded the country's inclusion in APEC. Nevertheless, the accession to this forum is viewed as an official promotion to a new status which will help in dealings in Asian hierarchical societies and particularly in the complex Chinese market.

### **Intercultural factors**

In Santiago there is an increasing exchange of ideas on better ways to upgrade Chile's presence in Asia Pacific Forums like APEC, PBEC and PECC as helpful tools to improve multilateral and bilateral relations, but less about further effective landing of companies in Asia and particularly in China. One important chapter has been neglected: the knowledge of Chinese business mentality and the gathering of sophisticated data on each province. The embassy in Beijing, the consulate in Shanghai and the Export Promotion Bureaux (ProChile) in Hong Kong, Canton, Beijing and Taipei cannot cope with all the challenges and opportunities posed by the complexities of a different mentality in a continent comprising 21% of the world's population. Translated into facts that means that there is a deficit of China

specialists or China hands (Zhongguo tong) in business and diplomacy. That is, personnel fluent in Chinese, acquainted with the mentality of the country and with social connections at different levels.

Then there is the inertia in doing things. In other words, the traditional export of minerals and primary produce is easy. Companies load the ships and wait to get paid. But it seems that as Chile's economy continues to grow and diversify it might soon be convenient to sell manufactured goods and services, and to invest in new markets. The main multinationals as well as the mid size enterprises of many countries, Asian and Western alike, do have nationals who speak Chinese and are acquainted with the circumstances of the country -the so called guoqing. Thus, the Chilean side does partially perceive the complexities of the country's provinces, communication barriers, peculiarities of marketing, social networks (guanxi).

In 1990 a Chilean diplomat assigned to Beijing once asked me a question quite representative of the state of affairs: "what do the Chinese really think?". Ever since, little has been done to answer the question in the official and private sector. The specific intercultural task has not been embraced yet. With a few exceptions Chilean diplomats are not willing to learn Chinese or to stay longer than three years in the Asian country. It is worth mentioning that among the Spanish speaking community living in the PRC it is common to talk about the Pekinazo, the cultural shock that means living in the capital of such a distant culture.

As far as we know, none of the managers of the Santiago Beijing Copper Tube Company, the first joint venture signed by China with a Latin American country, mingled with the Chinese or learn the language, a fact that was seen of critical importance by the Chileans themselves.

We require a far deeper engagement. The information highways can do little to fill this gap. Studies show that "ongoing dialogue with the local partner is a necessary condition for success in the management of partnerships. Specifically, instead of formal reporting, face-to-face needs to be institutionalized". Even the social encounters are pervaded by subtle social skills that might have implications to get agreements, as it has been realized by Chilean officials and entrepreneurs when meeting Asian counterparts at APEC forums.

Since 1990 no more generals and admirals are representing Santiago at the ambassadorial level in Beijing. Chile is exerting diplomatic pragmatism in China. Current ambassador Octavio Errzuriz, a career diplomat, has substantial experience in Asia and his predecessor, engineer Eduardo Arriagada, maintained particularly close ties with the Chinese side. New opportunities offered by globalization in trade and cross-cultural contact do play a role in maximizing benefits. Cultural familiarity and refined data are ways of countering competition which Chile must consider seriously. That entails the must of sending dozens of nationals to Beijing and Taipei.

This might be a difficult task though. Unlike countries like the United States, Australia and Canada, Chile's new generations of students are not being raised in a multicultural setting. No significant immigration from afar has come to Chile in recent decades. This translates into a lack of stimulus to study areas other than Europe and the US, where significant numbers of the ruling class go to obtain a higher education. It is also important to remember that the country experienced significant emigration and brain drain after the coup d'etat in 1973, and as far as we know nobody took refuge in Asia.

Almost all government officials now in office who went into exile lived in the Americas as well as in Europe. Back to their country they have used the expertise and contacts forged abroad in favor of improving relations with the Western industrialized world and Latin American countries. There is nothing comparable for China. That role is being played by former ambassadors, vocal entrepreneurs and recent although promising institutions. Among all of them stands out the Chile-Pacific Foundation.

On the other side Chileans of Chinese descent could play an important role. Overseas Chinese have been outstanding in creating formal or informal "societies" to which coethnic businesspeople from both the host countries and the mother country have access. Iquique and Antofagasta, in the North, concentrate most of Chileans of Chinese descent. For its part, Chinese population living in Chile has increased in the last years. There have been several mayors of Chinese Descent in the north of the country, including a recent intendente (a political post named by the President of the Republic). In spite of this immigration, their impact is little in the national culture as well as in official policy making regarding Beijing and Taipei.

Another barrier to further engagement in China is obviously the geographical factor. There is a 12 hour difference between the two countries and more than 15.000 kms to be covered in a 24 hours flight. The establishment of direct flights is soon to be set. In spite of the difficulties, the China option has its rationale. However, the recent Asian crisis appears to signal a red light of warning to increasing commitment in that region. But in the mid and long term, a small country like Chile can not afford disengagement in that market. Crisis by definition can only be temporary and Asia has the resources to revert the current situation. In fact, the very crisis has upgraded Beijing status as a potential balancing factor in Asian affairs.

But in spite of present obstacles, there are promising signs. The Chilean commitment with Asia followed by the last two consecutive administrations is likely to continue. Ricardo Lagos, according to the polls of opinion one of the strong candidates to the presidential elections of 1999, appears convinced of the convenience to enhance ties with Beijing.

So far the Asian option (and within it the increasing importance of the China factor) is a reality promoted by presidents, policy makers and bold entrepreneurs in tune with the "open door" policy of free trade with as many partners as possible pursued in the last and consecutive administrations suitable for a small country like Chile.

### **The educational frame**

The very difficulties that keep us culturally far from Asia conceal a positive factor. In spite of the relative isolation from the main cultural centers of the Western world, Chile has traditionally been willing to receive foreign cultural products and ideas.

We argue that it might be possible to include Asia in the awareness of the citizens. This means changes in the educational system in order to correspond with what is going on with the country's foreign trade. Chinese is not taught in Universities, business schools and is not present in diplomatic curricula.

Looking into the future, a good starting point is the potential of school curricula. As we know, textbook histories are official histories. Their purpose is to inform the next generation of citizens about their nation's past and instruct them about how to live in today's world. That entails a process of selection. Textbook histories are a work in progress; new history books often re-write previous history to reflect current trends. For example, Chile's textbooks during the eighties and nineties have increasingly include events taking place in the Pacific Rim.

More attention is currently being paid to Asia. In primary school the South American country is presented in the network of sea routes and ports along the Pacific, linked to the rest of America, Asia and Oceania. For some decades now students have learned that America was partly peopled by ethnic groups bringing plants and animals coming from Asia via Bering straight and by groups of Polynesians coming from Oceania.

In the realm of the Asia Pacific as a common zone, it is stated that it is a region of volcanoes and earthquakes influenced by the "Fire Belt". The Pacific is considered to be the "Ocean of the Future", a common economic basin made up of big countries where a vibrant commercial exchange is taking place. North America, Japan, Mexico, China, the "dragons of the Pacific" (Taiwan, Korea, Singapore, Hong Kong) are also included.

In school Chileans learn that Asia is the largest continent inhabited by more than half of the world's population and the cradle of the oldest writing systems, religions, laws, commercial routes, sciences and agriculture. Nevertheless, the Asia Pacific countries overlap with Asia as a unity, stretching from the oriental part of the Mediterranean Sea to the Sea of Japan. And most of the importance is given to Japan as an economic superpower.

But textbooks also stress the importance of the most populated country as a home of huge natural resources, organization and manpower. In secondary school up-to-date information is given on the new tendencies in Chinese socialism after Mao's death. Basic data is given on Deng's reforms and his opening to the outside world under the 'market socialism with Chinese characteristics' formula.

Until last year at least, the four tigers were also depicted in the textbooks as countries going through uninterrupted growth since 1960. One recent text underscores Hong Kong, Singapore, Taiwan and South Korea's economic performance stating that four common factors make them belong to a peculiar region: their closeness to Japan (technology and capitals); their easy access to a maritime zone with an ancient trade tradition; and their huge and city-oriented population in a culture which puts a premium on skills and the work ethic. Docility of the workforce (low demands), and facilities given to multinationals were also stressed as significant characteristics of these trading partners of Chile.

But textbooks content do not necessarily dictate the content of classroom lessons. And above all, the success of any curriculum adjustment depends upon changing teacher's knowledge. So far, apart from our national history, we concentrate in Latin America and Europe. Western culture is highly valued and a factor of prestige. But among the ways to ameliorate our perception to the East we could consider sending school teachers to China under educational exchange programs and also include them in official delegations.

### **Recommendations**

It is not out of place to suggest a series of recommendations to deepen relations with the Chinese continent, likely to be the largest market, as well as a political and scientific superpower in just a few decades. To the invaluable steps taken by Chile in the last years, additional long ranging measures could be added, such as:

1.- Altering parts of School curricula. Schools should reinforce the teaching of English and some should include Chinese as an option. Private schools could consider dropping either French or German as a second language, noting that Chinese is increasing its presence as a regional language in the East.

- 2.- Creating a space for Asia in the mass media network. The diffusion of languages, mores and customs might help narrow the gap of understanding. Funds might come from the government and the private sector. Asian countries may find interesting to support the idea. The German model might be useful. For decades Germany has promoted itself in the cinemas of Chile by projecting the Ufa news on culture, science and sports, before the main film.
  - 3.- Reinforcing general and specialized news coverage. Data is needed to analyze economic performance and perspectives, the evolution of reform and liberalization, the characteristics of the decentralization process, the commitments vis-a-vis the negotiation of entry into the World Trade Organization, relevant economic, financial and research entities and actors. To identify opportunities for Latin American countries would be advisable to create a pool of journalists from the region. A likely alliance could be created with the Spanish news agency Efe, already present in Beijing for the last two decades. The pool could provide specialized news to most of the Latin American embassies.
  - 4.- Training a new generation of University students, businessmen and women, and diplomats as China specialists and in various of its regions, in view of the diversity and likely opportunities offered by different provinces. Nowadays, four main strategic cities are being covered. Apart from the embassy in Beijing, there are the newly opened consulate in Shanghai, and four trade offices of ProChile, in Hong Kong, Canton (soon to be opened), Beijing and Taipei. To open offices in Tianjin, a significant Northern China port, and Tongling (in Anhui province), a sister city of Antofagasta, both copper distribution centers of Chile and the PRC are additional options.
  - 5.- Due to its small size Chile should support the idea of establishing a Latin American or MERCOSUR information center in Shanghai, which according to today's projections, will be the most significant city of Asia in 20 years. Such a body could become a training and meeting point. It could be an institution to offer Master's courses for upper level executives of government-owned companies, joint ventures and the civil service. The seminars may include regular meetings with government officials and executives of local and multinational companies. Funding might come from governments, the private sector and the Interamerican Development Bank.
  - 6.- Analyze the potential represented by Chinese residents and Chileans of Chinese descent in Chile. It is in our interest to include prominent members of these groups in relevant institutions related to bilateral relations. Decision making processes regarding "Greater China", as well as commercial and cultural delegations to Beijing and Taipei could benefit with the input from this so far low profile human resource group. Last, but not least, provinces with powerful international networks like Fujian and Guangdong should be closely analyzed in connection with the Chinese diaspora.
- We are certain that in spite of the present Asian crisis, the impact of a further commitment in China and Asia will pay off in the coming decades.

## NOTES

- . This paper was written in May 1998. Needless to say that in the coming months the figures will be influenced by the dramatic changes of the Asian crisis.
- . See Hernan Gutierrez and Lin Chou, "Relations between the Republic of China and the Republic of Chile Occasional Papers/Reprint Series in Contemporary Asian Studies, n° 1, (1995): 16-17.
- . On this subject see Pilar Armanet et al., *Latin American Perceptions on the Pacific Basin. Evolution and Prospect* (Santiago: Instituto de Estudios Internacionales de la Universidad de Chile, Serie de Publicaciones Especiales n° 65, 1985): 12.
- . El Mercurio, January 14, 1971, quoted by Javier Matta, *Las relaciones bilaterales entre Chile y la República Popular China*, MA thesis in International Relations (Santiago: Instituto de Relaciones Internacionales de la Universidad de Chile, 1993): 83.
- . Manfred Wilhelmy and Rosa María Lazo, "La política multilateral de Chile en Asia-Pacífico" in *Estudio Internacionales*, n° 117 (January-March, 1997): 7.
- . See Augusto Varas (ed.), *Hacia el siglo XXI. La proyección estratégica de Chile* (Santiago: FLACSO, 1989)
- . That joint venture, the Beijing Santiago Tube Copper Company, whose goal was to produce copper tubes in Beijing for the Chinese market and the rest of Asia went into failure by the beginnings of this decade.
- . Over the last years Ayala has given positive opinions about China in many interviews. For a recent one, see "Negociador en China", *Revista del Domingo*, in *El Mercurio*, June 29, 1997.
- . See the presidential speech in "Discurso presidencial en ocasión del mes del mar", *Revista chilena de geopolítica* Santiago, n° 3 (August, 1994): 4.
- . It is important to note that in contrast, Spain, a developed country with increasing interests in China, still does not have a consulate in Shanghai.
- . Banco Central de Chile, *Indicadores de Comercio Exterior* (Santiago: January-August, 1997): 1936, 1998; also see Economist Intelligence Unit, *Chile Country Report* (London, Economist Intelligence Unit, 4th quarter 1997): 5.

. Li Peng, "A new Chapter in Chinese/Latin American-Caribbean Cooperation" in Capítulos del SELA. Special Number (1996): 17.

. La Nación (Santiago de Chile), November 25, 1995; El Mercurio (Santiago de Chile), November 26, 1995

. See "China: favorables perspectivas para exportaciones frutícolas", El Mercurio, April, 15, 1998

. In 1996 Chile was the second producer of salmon after Norway

. Chilean imports and exports to the PRC in the last six year

(In millions of US\$, including Hong Kong).

	1992	1993	1994	1995	1996	1997*
Exports	368,4	256,4	217,5	375,2	466,7	548,5
Imports	22,2	300,6	363,1	498,5	635,8	654,8

(\*) updated data, November 1997

Source: Banco Central de Chile.

. Interview with ProChile manager for Asia and Oceania, Guillermo Garrido, January 13, 1998

. See "Negocios de pequeñas y medianas empresas en el Asia Pacífico. Tierra de oportunidades y complejidades", El Mercurio, June 22, 1997.

. See interview with Edgardo Boeninger in La Tercera (Santiago de Chile), August 22, 1996

. It is worth remembering that since 1996 Chile's longest runway is located in Easter Island, 3700 km from the continent, and is expected to play an important role in Chile's Asian trade relations. For its part, Peru wants to play a bridge role between APEC and the Andean countries.

. On this subject, see SELA, Elements for Institutional Dialogues Between the Rio Group and the People's Republic of China (New York, October 1996).

. On this subject, see Carolyn Blackman, Negotiating China. Case Studies and Strategies (Australia: Allen & Unwin 1997); Augusto Soto, "Antecedentes para el entendimiento y la negociación en la República Popular China" in Revista de Estudios Asiáticos, n° 3 (1996): 201-222.

. On the peculiarities of the Chinese market, see "To Reach China's Consumers adapt to Guo Qing", Harvard Business Review (September-October, 1994): 66-74.

. In the nineties, diplomats as committed with serving Chile in China and the Far East as Jorge Pierotich and Enrique Subercaseaux are exceptions, as it was the case of the late Carlos Gallo in the eighties.

. Interview with Luis Soto, April, 15, 1990

. Philippe Lasserre and Hellmut Schütte, Strategies for Asia Pacific (New York: New York University Press, 1995)

196. It has been reported that in the last years the importance of communication has increased with the obsessive use of the mobile phone (the cellular phone). See "Handy-Boom in China. Plappern geht zum Handwerk", Süddeutsche Zeitung, January 22, 1998.

. Manfred Wilhelmy and Rosa María Lazo, op.cit., 5, 19

. See, for example, his Carta de Beijing, a monthly bulletin issued by his embassy between 1994 and 1997. Arriagada also fostered excellent relations with the Chinese press.

. Nowadays, apart from the diplomatic staff and its family assigned in Beijing there are officially only six Chileans living in the PRC and none of them is working for Chilean interests. At a Latin American level the numbers are meagre. In 1991 only 120 Latin American students were studying in China, Eduardo Daniel Oviedo, Las relaciones chino-latinoamericanas post-Tiananmen (Buenos Aires: Instituto de Relaciones Internacionales, 1996):18. We lack of figures for Chinese students in Latin America. Undoubtedly, North America is a magnet for Asian intellectuals. By 1987, 20,000 to 25,000 Chinese students were studying in the United States. See Orville Schell, Discos and Democracy, (New York: Doubleday, 1988): 296.

. The Chile-Pacific Foundation was established in November 1994 by the Government of Chile along with business and academic communities to foster Chile's integration into the Pacific Basin. It recently started collaborating with the newly created Center for Asian Studies of the Institute of International Relations at the University of Chile as well as with other institutions engaged with Asia.

. Here I have greatly benefited from the work in progress on ethnic Chinese networks as positive factors on bilateral international trade, soon to be published by Vitor Trindade and James Rauch, University of California, San Diego.

. Lin Chou, "Relations Between the Republic of China and the Republic of Chile", Occasional Papers/Reprints Series in Contemporary Asian Studies, n° 1 (1995): 16.

. This author does not know of any Chilean diplomat of Chinese descent assigned in Beijing in the last 12 years

. See the interview with Ricardo Lagos after his visit to the People's Republic of China, El Mercurio, May 3, 1998

. On the alternatives for Chile and Latin American countries in the post cold war order see Peter Smith, "Introduction Cooperation or Rivalry? Issues and Themes" in *Cooperation or Rivalry? Regional Integration in the Americas and the Pacific Rim* (Boulder: Westview Press, 1996): 1-6; Alberto van Klaveren, "América Latina: hacia un regionalismo abierto", *Estudios Internacionales*, n° 117 (January-March, 1997): 62-78.

. On this topic I benefited a great deal from Professor's Bud Mehan ideas expressed during the seminar, "Cultura Encounters Between Latin America and the Pacific Rim: Historical and Cultural Representations in Textbooks", under the "Latin America and the Pacific Rim Project" at UCSD, February-March, 1998.

. Ana María Barros et al., *Historia y Geografía 2* (Santiago: Araya, 1988): 31, 42, 43; Andrea Krebs K., Verónica Matte L., *Historia y Geografía 5* (Santiago: Editorial Universitaria, 1997): 17, 75, 167.

. P. Benejam et al., *Horizonte 2. Historia y Geografía. Segundo Año de Educación Media* (Santiago: Editorial Andrés Bello, 1995): 238-239. See wide coverage of Asian contemporary events in a Spanish school textbook also distributed in Chile, Miguel Artola and Manuel Pérez, *Historia del Mundo Contemporáneo* (Barcelona: Anaya, 1993).

. P. Benejam, op. cit.: 239. For an overview of Asia in primary and secondary school, see René Vías Joan, ed. *Historia y Geografía 8*, (Santiago: Santillana, 1982); Lenka Domic, Sergio Villalobos, Ricardo Krebs, *Historia y Geografía. 5º Año Básico* (Santiago: Editorial Universitaria, 1980). For a current history of Chile's accession to APEC used in school curricula, see Alejandro Concha et al., *Historia de Chile* (Santiago: Bibliográfica Internacional, 1995): 764-766.

. It should be noted that written Chinese is a useful base for the student who later wants to study Japanese