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Chile

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CHILE

Chile joined the OECD on 7 May 2010. Its economy is characterised by a high level of foreign trade. It has a reputation for strong financial institutions and sound policy, and has the strongest sovereign bond rating in South America. Chile's science and innovation profile shows particular strengths and improvement over the two years to 2008, but also some weaknesses.

A relatively high 9% of gross expenditure on R&D (GERD) was funded from abroad in 2004 and an above average 17.5% of firms collaborated on innovation activities during 2004-06. In addition, almost 40% of Patent Cooperation Treaty (PCT) applications during 2005-07 involved foreign collaboration. Other indicators of openness are the quadrupling of foreign direct investment inflows in the five years to 2008, and the significant 20% contribution of exports to GDP in 2009.

Although the GERD intensity of 0.7% of GDP in 2004 is well below the OECD average, it exceeds that of OECD countries such as Greece, Mexico and the Slovak Republic. At 0.3% of GDP business expenditure on R&D (BERD) is also low. This is due to Chile's economic structure: the services sector makes up 64% of GDP, agriculture contributes 15% and a low-technology manufacturing sector, which includes energy, comprises 23%. Commodities account for almost three-quarters of total exports.

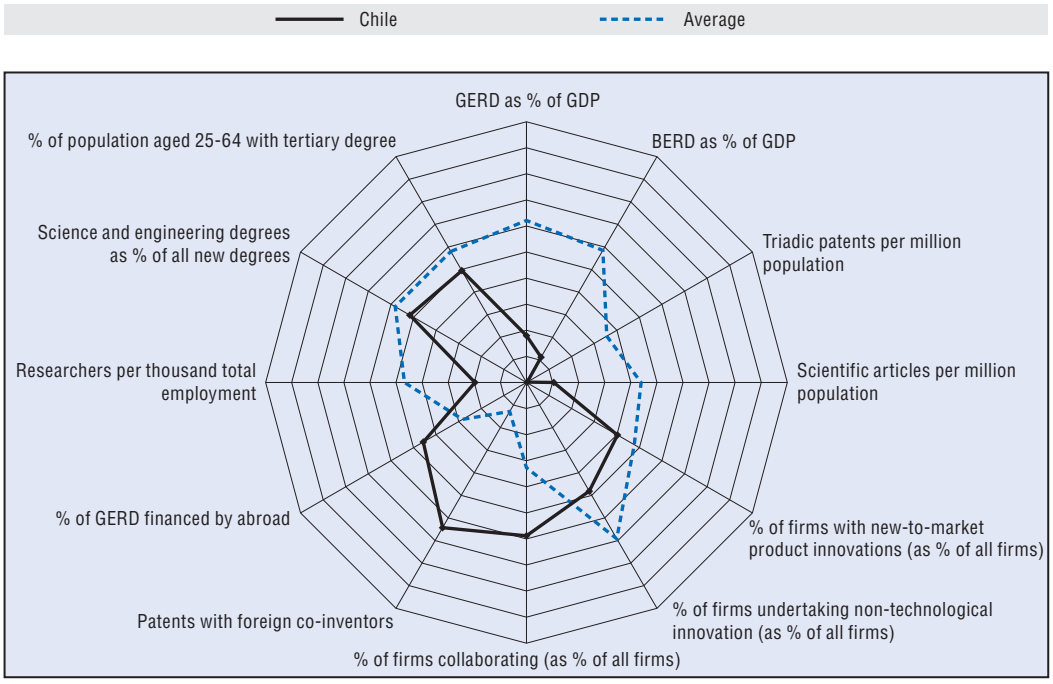
Chile produced 0.36 triadic patents per million population in 2008. It had only 185 scientific articles per million population in 2008, although these have been growing by a robust 10% a year since 1998. A comparatively low 12% of firms introduced new-to-market product innovations during 2004-06, while a below-average 33% of firms engaged in non-technological innovation.

Human resources in science and technology (HRST) indicators are below average. In 2004, Chile had 3 researchers per thousand total employment. The level of tertiary education attainment is below the OECD average; 24% of the population aged 25-64 had tertiary-level qualifications in 2008. However, a relatively high 18% of all new degrees, close to the OECD average, were in the science and engineering disciplines in 2007.

Chile's GDP grew by an average annual 4.5% during 2001-07. Growth slowed to 3.7% in 2008 and GDP contracted by 1.5% in 2009; the unemployment rate increased from 7.8% in 2008 to 10% in 2009. Relative to the United States, GDP per capita was 31% in 2008, while GDP per hour worked was 28%.

In recent years, the Chilean government has put in place a framework aimed at improving scientific and technological development. The two key agencies are the Chilean Economic Development Agency (CORFO) and the National Scientific and Technological Research Commission (CONICYT). CORFO's innovation component is focused on technology innovation for companies, technology transfer and promoting entrepreneurship, while CONICYT aims mainly at promoting and strengthening scientific and technological research through a scholarship programme.

Science and innovation profile of Chile



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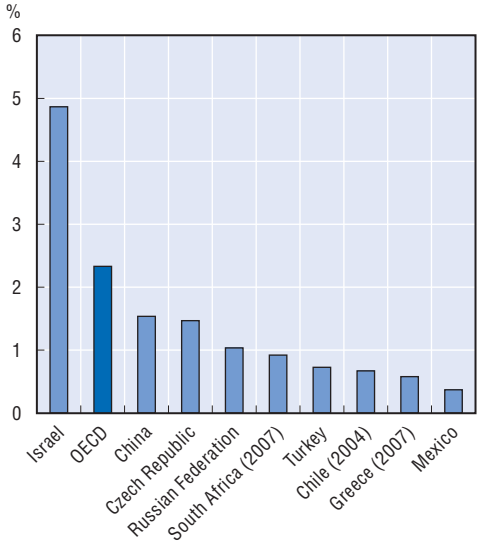
Gross expenditure on R&D

As a percentage of GDP, 2008



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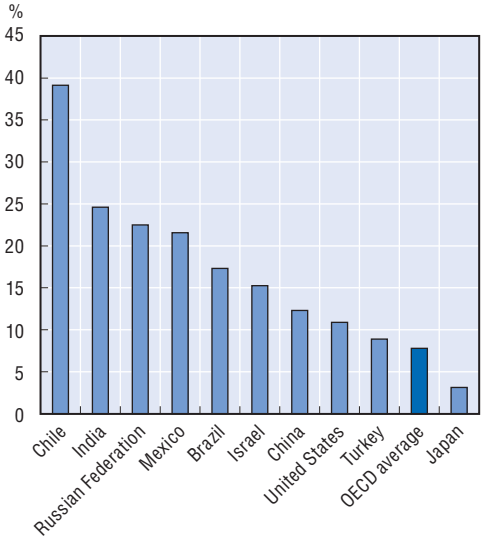
Patents with foreign co-inventors

As a percentage of PCT applications, 2005-07



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