



# CHILENEWS

No. 20 – August 27 2001

## Did You Know?

La Moneda Palace, the seat of the Executive Branch, owes its name to the fact that it originally housed a mint (moneda means coin.)

*Chile maintain 65 embassies, 76 join embassies, 108 consulates and missions to seven international organizations.*

Selma Simonstein, a Chilean educator, will chair the World Organization for Early Childhood Education (OMEPE). She is the first Latin American to hold this position.

Chile's copper reserves (around 260 million tons) will allow it to produce copper at the current rate during at least the next 50 years.

3,5% is the growth rate of Chile's economy during the first half of 2001.

## *The Rio Group: A Single Voice*

The 15<sup>th</sup> Summit of the Rio Group – held in Santiago – ended as a complete success. The main achievement was that the 16 Presidents and the three Vice-Presidents who attended agreed to “to act as a single voice in the search for solutions for the region.”

President Ricardo Lagos remarked that “we have gone from words to action” in view of the need to propose common policies at the coming international forums and meetings on economic matters. The first concrete action was that the President of Chile, based on a request made by the other Presidents, called President George W. Bush on the telephone to ask for support for Argentina.

Since its establishment 15 years ago, the Rio Group has managed to “fulfill to a great extent, its primary objectives”: guarantee democracy, respect for human rights and peace in the region. “At present”, said President Lagos, “the group is also examining more economy-related issues”.

The participants concluded that in order to reinstate the economic and social agenda in the region, which involves medium and long term problems, changes are needed in income distribution, social justice, access to health care and creating a larger number of jobs. This is achieved by improving education.

Another issue discussed by the participants was the information society. They undertook to “struggle to make access to technology more democratic,” available to all and to generate policies to protect privacy rights in cyberspace.

## *Less Taxes, More Income*

Close to one million people will have an income increase as of next year. The National Congress passed a law that reduces personal income tax by an overall amount of 150 million dollars per year.

The government is thus helping to improve microeconomic incentives, increase consumption and revive Chilean economy. This measure involves direct benefits for medium income sectors.

## **Facts**

According to Economist Intelligence Unit, Chile will be the best place in Latin America to conduct business for the next five years.

*The First Entrepreneurial Poll on Ibero-America, conducted among Spanish entrepreneurs by the Spanish Chambers of Commerce, shows that Chile has the most efficient public administration service in Latin America.*

Chile will open shortly a promotion office for its exports in Hanoi, Vietnam.

Chile and Canada signed an Air Transportation agreement, to supplement the one in force since 1990. This will make it possible to open direct routes between both countries, with a maximum frequency of 28 flights per week.

The latest analysis of the Institute for Scientific Information (ISI) assigned 5<sup>th</sup> place to the Chilean magazine *Biological Research* among 51 international journals. This is the first Latin American publication to rank in this place.

Starting from the basis used to calculate personal income tax, the rebate raises the income bracket for income tax exemption, reduces maximum marginal rates and decreases interest rates applicable to mortgages.

To compensate for reduced fiscal income, taxes from corporate retained profits will gradually increase from 15% to 17% over a three-year period.

The Finance Minister, Nicolás Eyzaguirre, explained that, despite this moderate rise in corporate taxes, Chile ranks as “one of the countries with the lowest [tax] rates in the world.”

## ***Better Quality of Life***

In the past ten years, Chileans have significantly improved their quality of life in material terms. Lower income sectors are the ones that have benefited the most: their income has risen remarkably and their access to goods such as hot water and electrical appliances has also increased. This is apparent in a recent survey conducted by the Center for Public Studies (CEP), a private think-tank linked to Chilean entrepreneurs.

The socio-economic profile of Chileans shows that people who have drinking running water inside their homes rose from 95.8% to 97.5%; color TV sets increased from 67.1% to 91.6% while car owners went from 24.3% to 36.7%. Chilean children who benefit from education free of charge education at county schools or private schools subsidized by the state amount to 88%. State subsidized schools educate 74% of students from lower income sectors of the population.

According to CEP researchers, the figures show that the lower classes are the ones that have experienced the most significant progress. This is evidenced by a strong access to goods, where the improvement rate is higher than the national average. In terms of income levels, “there is a significant shift of the lower income brackets to the medium brackets, which shows an improvement in absolute terms.”

## ***Young Scientists Win Awards***

It was a round trip. They left with projects and returned with prizes. Twenty-three youngsters, aged six through 14 years old, participated at the Eighth International Expo Science 2001 held in Grenoble (France). The youths submitted nine projects, covering subjects such as how to generate environmentally friendly energy and recycling paper to introducing new nutrients to human food intake.

The young Chilean scientists received a prize awarded to “the best delegation for the quality of their initiatives and the good work methods employed.”

## Quotes from President Lagos

“This Summit is a change compared to what we had. All of us have brought a message of urgency, from our respective capitals, from our peoples, from the cities, from rural areas, from factories, from the workers, from pensioners, from the unemployed, from artists, women and young people. We have brought the most legitimate leadership possible: that of democracy.”

*Closing Speech at the  
15<sup>th</sup> Summit of the Rio Group.  
Santiago, August 17-18*

“President Bush asked me to tell each one of you that he is following very closely the events on the international scene, that his government and the Group of Eight fully understand the need to maintain capital flows open in emerging markets and the need, also, to adequately solve those other more complex issues that we are facing at present.”

*In reference to his telephone conversation  
with the President of the United States,  
George W. Bush. August 18*

“This has shown that it is possible to have vast citizen involvement channels thanks to the new technologies; that we can think of enhancing our democratic system by bringing up an issue for discussion and interacting simultaneously with 20 cities in the country.”

*On the videoconference held during  
the Rio Summit. August 17*

## *Public Libraries On-Line*

To ensure that all Chileans have access to new technologies, President Ricardo Lagos launched a project hooking up to the Internet 368 public libraries located throughout the country.

The initiative will be funded through the support of the Bill & Melinda Gates Foundation, which donated nine million dollars, in addition to 1.2 million contributed by Microsoft Chile and 6.7 million supplied by the Chilean government. The project involves installing 1,800 computers for the more than five million readers who visit the libraries each year, enabling them to have access – free of charge – to the world wide web. Part of the staff will be trained at the Gates Foundation in Seattle, Washington, USA.

## *Export Acumen*

Frost is one of the biggest hazards for vineyards and fruit exports. To fight it, Florencio Lazo, a Chilean grower, invented a machine that propels warm air.

This centrifugal ventilator with two outlets and a heater is carried around fields on a tractor, at a speed of roughly ten kilometers per hour. Jets of hot air cover around 130 meters on each side.

According to Lazo, the outcome is amazing since the machine generates a microclimate in the vine arbors. The machine not only serves to protect crops from frost. It also allows employing previously unused due to its exposure to low temperatures.

The project materialized with the support of Fontec (National Fund for the Development of Technology and Production). A patent has already been granted in the United States. There are 84 machines operating there, in addition to the 380 in Chile, 11 in Mexico, ten in Argentina and two in Europe. The price involved is around 10,000 dollars.

## *Zubin Mehta Decorated*

The Israel Philharmonic Orchestra gave a series of highly successful concerts in Chile. President Ricardo Lagos awarded Zubin Mehta, the Orchestra's conductor, the “Gabriela Mistral Order of Docent and Cultural Merit” for his contribution to world culture and the teaching of music in Chile.

Simultaneously, Avi Shoshani, the Secretary General of the Orchestra, signed a cooperation agreement with the Ministry of Education to foster preschool music education in Chile. Cooperation will be supplied through advisory services and the transfer of technology and methodologies.

## Overheard

“I wish to reiterate my government’s willingness to continue the dialogue with no exclusions initiated by Presidents Banzer and Lagos (...) Adopting a constructive and trusting attitude will enable us to find a satisfactory and definitive solution to the differences that we inherited from historical circumstances.”

**Jorge Quiroga, President of Bolivia.**  
Santiago, August 16

“I am firmly resolved to bring our countries closer, not only in matters such as investment and trade but also in connection to an agenda of mutual learning, in the social agenda, in issues related to healthcare and education. I have deep respect for Chile and admiration for Ricardo Lagos.”

**Alejandro Toledo, President of Peru.**  
Santiago, August 17

“I pray to God for Chile. From Venezuela we will always reach out with a vibrant heart to this great country which is called upon to be one of the major democratic nations of the continent.”

**Hugo Chávez, President of Venezuela.**  
Santiago, August 20

“This Summit of the Rio Group has been the most important one and it is also the one that has generated more positive results for the continent.”

**Jorge Batlle, President of Uruguay.**  
Montevideo, August 19

“We are in [the process of] integrating Costa Rica with the most successful Latin American country in terms of economic growth in the last decade (...). I hope that [the Free Trade Treaty] will be made in September, or at the latest by October.”

**Miguel Angel Rodríguez, President of Costa Rica.**  
Santiago, August 18

## Q & A

### The National Commission for Scientific and Technological Research (Conicyt)

#### What is Conicyt?

The Comisión Nacional de Ciencia y Tecnología (Conicyt) is an independent body, established in 1967 and financed with funds allocated by the Ministry of Education. Its present Chairman, Dr. Eric Goles, received the National Science Award in (1993). Conicyt provides advice to the government and manages funds to develop science and technology throughout the country. It defines, promotes and coordinates policy in science and technology and also monitors such activities.

#### In what fields does it operate?

Conicyt fosters and finances research programs in science and technology, promotes cooperation and international relations and establishes connections between Chilean scientists and institutions with their foreign counterparts. It supports human resource training, facilitates access to information and fosters dissemination and the appreciation of research in science and technology carried out in Chile.

To implement these lines of action Conicyt has Funds, Programs and Departments. Funding for all projects is made available through public competitive proposals.

#### Which are its main Funds?

? The National Fund for Scientific and Technological Development (Fondecyt) finances research projects and programs primarily in the basic sciences.

? The National Fund for Fostering Scientific and Technological Development (Fondef) supports high quality projects of major significance and impact to raise the productivity and competitiveness of the main sectors of Chilean economy.

? Priority Areas Development Fund (Fondap) finances the work done by groups of researchers for them to become an international benchmark in their respective disciplines, by combining state-of-the-art research with training with the training of scientists.

[www.conicyt.cl](http://www.conicyt.cl)

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COMMUNICATION AND CULTURE SECRETARIAT  
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## Agenda

📅 September 1: Friendly football match between the national teams of Chile and France. Santiago

📅 September 9: President Ricardo Lagos begins a tour to Portugal, United Kingdom, Belgium and Sweden