

## **CHAPTER 13**

### **GLOBAL VALUE CHAINS**

#### Article 13.1: General Provisions

1. The Parties acknowledge the importance of Global Value Chains (“GVCs”), as a means to modernize and broaden the bilateral economic relation between the Parties, and the relevance of the benefits of that economic relation of both Parties.
2. The Parties acknowledge that international trade and investment are engines of economic growth and must facilitate their companies’ internationalization and insertion into GVCs.
3. The Parties affirm the relevance of micro, small and medium-sized enterprises (“MSMEs”) in their productive structure and their impact on employment, and recognize that their adequate insertion into GVCs contributes to a better allocation of resources and the economic benefits derived from international trade, including the diversification and enhancing of value added in exports.
4. The Parties acknowledge the importance of the participation of the private sector as well as the entrepreneurial community as fundamental actors within GVCs, and the relevance of creating an adequate environment for the implementation of public policies and efficient business management.
5. The Parties recognize the importance of the services sector, especially those services associated to GVCs, in trade integration.
6. Each Party shall domestically promote public knowledge of its laws, regulations, policies, and practices relating to regional integration and GVCs.
7. The Parties recognize the importance of the development of GVCs for a greater level of productive integration, including aspects such as accumulation of origin, e-commerce, industry 4.0, investment, among others.

#### Article 13.2: Economic Cooperation Activities

1. The Parties shall carry out economic cooperation activities of mutual interest on issues and topics agreed by the Parties, through the interaction of their respective government institutions, companies, especially MSMEs, academic and research organizations, other non-governmental organizations, and their representatives, as appropriate. Such activities may include:

- (a) developing public-private strategies to identify opportunities, such as economic sectors with potential for insertion into GVCs and the development of productive linkages, as well as direct investment opportunities related to GVCs projects;
- (b) designing programs to identify the attributes that MSMEs should develop in order to achieve their insertion into GVCs;
- (c) proposing joint action with the corresponding government agencies to promote the formation of GVCs, including joint proposals to support policies of insertion of Parties' companies into regional and global service chains;
- (d) promoting greater access to information regarding the opportunities that GVCs offer to MSMEs;
- (e) sharing methods and procedures for the collection of information, the use of indicators, and the analysis of trade statistics;
- (f) identifying the principal factors that contribute to the promotion of productive linkages, as well as the main barriers that affect their formation;
- (g) identifying opportunities at a company level, as well as sector or productive activities for the generation of productive linkages and potential investment projects;
- (h) examining the feasibility and the trade generation potential of accumulation models for rules of origin;
- (i) assessing how GVCs the companies of the Parties are taking advantage of the provisions of this Agreement;
- (j) sharing their respective experiences in designing, implementing, strengthening and monitoring policies and programs to encourage the participation of companies, especially MSMEs, in GVCs, and
- (k) other activities agreed by the Parties.

2. The Parties may undertake economic cooperation activities previously agreed upon in the areas identified in paragraph 1, through:

- (a) workshops, seminars, dialogues and other fora for exchanging knowledge, experiences and best practices;

- (b) the creation of an Experts Network on GVCs;
- (c) internships, visits and research studies to document and study policies and practices;
- (d) collaborative research and development of best practices in subject matters of mutual interest;
- (e) specific exchanges of specialized technical knowledge and technical assistance, as appropriate, and
- (f) other activities as agreed by the Parties.

3. The priorities for economic cooperation activities shall be agreed by the Parties based on their interests and available resources.

#### Article 13.3: Subcommittee on Global Value Chains

The Parties hereby establish a Subcommittee on Global Value Chains (“Subcommittee”), composed of government representatives of each Party. The Subcommittee shall:

- (a) determine, organise, coordinate and facilitate the cooperation activities under this Chapter;
- (b) report or make recommendations to the Joint Committee on any matter related to this Chapter;
- (c) within two years of its first meeting, provide to the Joint Committee a comprehensive review of the implementation of this Chapter, and
- (d) carry out any other activities requested by the Joint Committee.

#### Article 13.4: Contact Points

1. To facilitate communication between the Parties regarding the implementation of this Chapter, each Party designates the following contact point:

- (a) for Chile, the Undersecretariat of International Economic Relations or its successor, and

(b) for the UAE, the Foreign Trade Sector at the Ministry of Economy, or its successor.

2. Each Party shall promptly notify the other Party if there is any change in its designated contact point.

#### Article 13.5: Non-Application of Dispute Settlement

Neither Party shall have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter.