Chile's Quiet Build: How Two Decades of Export Diversification Carried Through to the Kast Era

On the dock at Castro, on the eastern shore of Chiloé island, the boats that leave each morning for the salmon pens carry crews who have been doing this work since before the 2007 ISA-virus epidemic that nearly broke the industry. The salmon-and-trout export business is now Chile's second-largest non-mining export category — US$2.530 billion in the first quadrimester of 2026, up 5.3 percent on the same period of 2025 — and it has reached that scale across a generation of slow institutional build: from Norwegian breeding-stock imports in the early 1980s, through the Japanese-market development of the 1990s, through the post-2007 sanitary reconstruction, into the integrated feed-and-veterinary supply chain that now employs more than 70,000 people across the south of Chile.

Two thousand five hundred kilometres to the north, in Santiago, the data file Ignacio Fernández Ruiz transmitted to the press on 23 May 2026 contains another set of numbers entirely. Manufacturing aggregate +58.2 percent. Sulphates +761 percent. ICT services +64 percent. Maintenance and repair services +223 percent. Iron and steel products +56 percent. Iodine +29 percent. These are not salmon numbers. They are the breakouts in a Chilean export quadrimester whose totals — US$44.676 billion across all categories, US$19.013 billion excluding copper and lithium — sit at the end of a long institutional arc that the country is still in the middle of writing.

Fernández, the Director General of ProChile since January 2023, was appointed by Gabriel Boric and retained by President José Antonio Kast, who took office on 11 March 2026 having defeated Jeannette Jara of the Communist Party–Frente Amplio coalition with 58 percent of the runoff vote on 14 December 2025. The continuity at ProChile is part of a wider continuity that makes the Q1+ 2026 export data legible.

The data behind the data

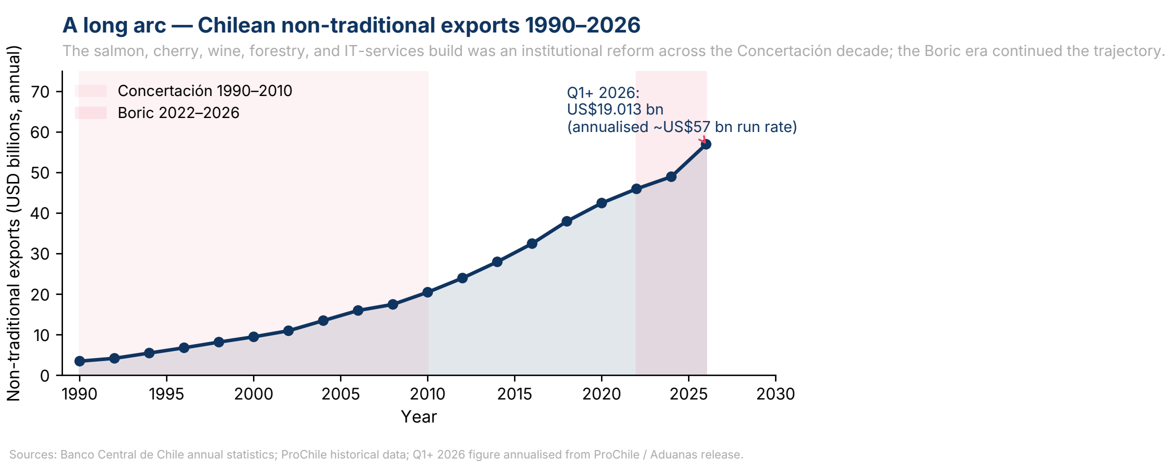

Figure 1: A long arc — Chilean non-traditional exports 1990–2026.

The Q1+ figures, sourced by ProChile's Market Intelligence Department from the tariff-line records of the Servicio Nacional de Aduanas, sit at the end of a long arc. In 1990, when the Concertación government took office and inherited an export base dominated by copper and basic processed materials, non-traditional exports excluding copper and lithium totalled roughly US$3.5 billion. By 2010, when Sebastián Piñera succeeded the second Bachelet government, the figure had reached approximately US$32 billion. The Q1+ 2026 figure, annualised, runs at roughly US$57 billion.

Ricardo Ffrench-Davis, professor at the Universidad de Chile and one of the deans of Chilean heterodox macroeconomics, has argued across his CEPAL publications and university working papers that this build was not accidental. It rested, in his telling, on three institutional foundations: the BCCh inflation-targeting framework formalised in 1999; the counter-cyclical fiscal rule that Andrés Velasco operationalised across 2006-2010 when he served as Bachelet's finance minister; and the post-1985 capital-account opening that brought Chile back into the multilateral trade-and-investment architecture after the 1982 debt crisis. The export-diversification was deliberate institutional policy, not market emergence.

The political context

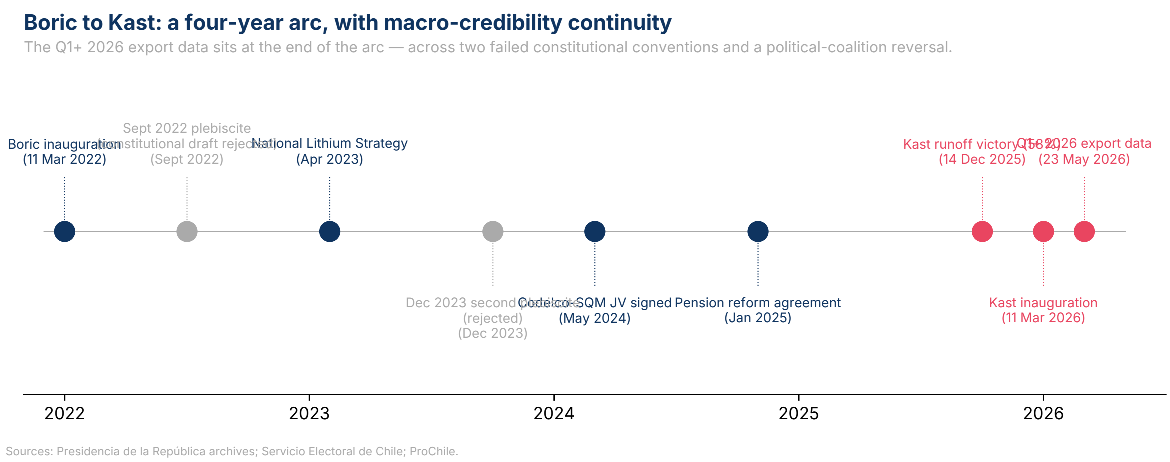

Figure 2: Boric to Kast: a four-year arc, with macro-credibility continuity.

Chile's politics across 2019-2026 has been turbulent. The October 2019 *estallido social* — three weeks of mass demonstrations that produced the largest single protest in Chilean history on 25 October 2019 — triggered the constitutional referendum process. The 4 September 2022 plebiscite rejected the Boric-era constitutional draft by 62 percent to 38. The 17 December 2023 second-attempt plebiscite, drafted under the more right-leaning Consejo Constitucional, was also rejected, by 56 percent to 44. Chile retains the 1980 Constitution, substantially amended. The 14 December 2025 runoff that put Kast in the presidency was, by several readings, a referendum on the Boric-Convention episode.

Patricio Navia, who teaches at NYU and writes a regular column for La Tercera, has framed the Kast-Jara outcome as a generational political realignment: a Boric reform programme that overpromised in its first half and underdelivered in its second, paired with a Chilean centre-right consolidation that the Pinochet-era and post-democratic-transition party system had not previously allowed. Robert Funk, director of the Institute of International Studies at the Universidad de Chile, has argued in his FT and X commentaries that the post-2019 estallido and the two failed constitutional conventions left a vacuum that Kast filled by emphasising security, macroeconomic continuity, and immigration restriction.

What Kast inherited on 11 March 2026 includes the export data the Boric administration's institutional momentum had been producing. He vowed in his inauguration speech to preserve the independence of the nation and to uphold the Constitution and the laws — the standard inaugural commitments, with the standard implementational latitude.

The mid-period transition

The Q1+ 2026 reporting window opens on 1 January 2026 under the Boric administration and closes on 30 April under the Kast administration. The 51 days of Kast through the close of the window are not enough time for the new administration to have meaningfully altered the export trajectory; the data reflects pre-existing institutional momentum.

Mario Marcel Cullell, the Boric-era finance minister and a former BCCh governor (2016-2022), maintained the Velasco fiscal-rule discipline across the entire 2022-2026 administration. The Kast finance ministry has not announced material departure from the framework. Rosanna Costa, BCCh Governor since 1 February 2022, retains her position — central bank governorships in Chile are not aligned to the political cycle, and Costa's term runs to 2030. The BCCh policy framework is unchanged.

The senior career-civil-service continuity at ProChile, the Aduanas, the Banco Central, and the Ministry of Foreign Affairs (where Alberto van Klaveren served as Boric's foreign minister and the Kast appointee took office on 11 March) is the institutional substrate the Q1+ 2026 export data rests on.

The standouts and the structural

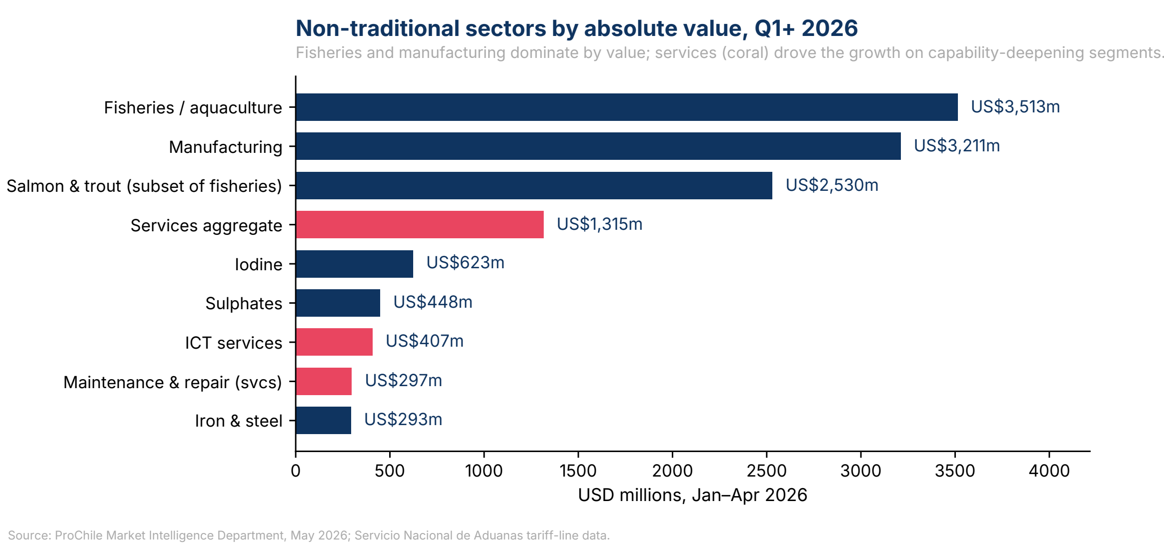

Figure 3: Non-traditional sectors by absolute value, Q1+ 2026.

Behind the standout growth percentages lies a more textured story. Sulphates at +761 percent and US$448 million is a small-base, large-coefficient figure that reflects byproduct dynamics of copper-and-lithium smelter operations more than a genuine chemicals-industry breakthrough. Manufacturing aggregate at +58 percent and US$3.211 billion contains real shifts in chemicals and metals-product composition but also includes the same byproduct dynamics. Iodine at +29 percent and US$623 million reflects strong global demand for medical and water-treatment uses; Chile produces roughly two-thirds of world iodine through SQM and Sociedad Chilena de Tierras.

The capability-deepening readings are in services. ICT services at US$407 million and +64 percent reflects the Santiago and Valparaíso software-services cluster reaching export scale — a cluster anchored on the post-1990s computer-science programmes at the Universidad de Chile, the Pontificia Universidad Católica, and the Universidad Técnica Federico Santa María; the early-2000s software-services firms; the post-2010 fintech ecosystem; and the data-centre buildout that Microsoft, Google, and AWS conducted across 2020-2025. Maintenance-and-repair services at +224 percent extends a long-running Chilean export of mining-services capability into other Latin-American jurisdictions.

Fisheries and salmon — the largest absolute non-traditional category at US$3.513 billion combined — grow at 5.8 percent, which is more in line with the long-run capability-deepening trajectory and which provides the structural floor under the headline figure. Ffrench-Davis would likely identify these as the load-bearing categories. The +5.3 percent salmon-and-trout growth, paired with the destination concentration on US (US$1.016 billion), Japan (US$498 million), and Brazil (US$365 million), is the steady-state continuation of the post-2007 industry reconstruction.

The Pacific Alliance comparator

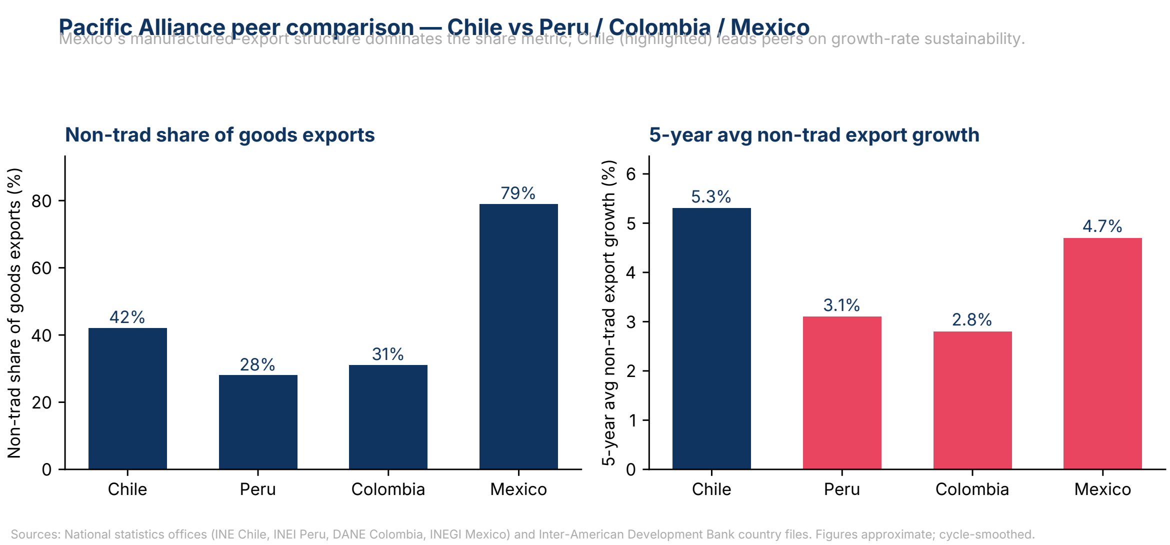

Figure 4: Chile sits mid-pack in Pacific Alliance on non-trad share.

Chile's Pacific Alliance peers offer the cleanest comparator set. Peru, with a similar copper-and-mining export-concentration profile, has lagged Chile on non-traditional export-base growth over the last decade, in part because of political instability since the 2022 Castillo crisis. Colombia's export profile is more dependent on coal and oil but its non-mining exports have grown more slowly. Mexico's export structure is dominated by manufactured exports through the USMCA framework — Mexico's 79 percent non-traditional share of goods exports is structurally distinct.

Michael Stott, the Latin America Editor at the Financial Times, has covered the Chilean export and political-economy beat across the Boric administration and the Kast transition. The FT institutional reading, visible across the paper's Big Read and editorial coverage 2024-2026, is that the Chilean export-diversification arc is intact and that the macro-credibility infrastructure is the binding asset.

The Kast administration's first quadrimester

What the Kast administration does next is the open question. The announced agenda — tax reform, security policy, immigration restriction, education and pension adjustments — has not yet produced legislative outcomes. The National Lithium Strategy adopted under Boric in April 2023 remains operative; the Codelco-SQM joint venture signed in May 2024 remains operative; the green-hydrogen pipeline under CORFO concession remains operative.

The Inter-American Dialogue's Washington-based commentariat has read the Kast victory alongside Milei's December 2023 Argentine win and the broader 2022-2026 Latin-American right-of-centre shift — the "Pink Tide reversal" framing. Cynthia Arnson, Distinguished Fellow at the Wilson Center Latin America Program, and Michael Shifter, the former Dialogue President now an adjunct at Georgetown, have placed the Chile case within this wider pattern.

Marta Lagos, the founder of Latinobarómetro and the senior Latin-American survey researcher since 1995, has documented the post-2019 collapse in Chilean citizen trust in political institutions and the partial recovery. Her data places Chilean institutional trust below the regional mean despite the macro-credibility infrastructure remaining intact — a divergence between citizen attitudes and the credibility framework that the Q1+ 2026 export data sits inside without resolving.

What's at stake for investors

Sovereign bondholders in Chilean USD Eurobonds, peso-denominated local-debt holders, and Pacific Alliance equity allocators are watching three things. First, the Kast tax-reform timing and shape — whether the proposal includes capital-gains-rate increases above the market-consensus levels that would unsettle equity valuations. Second, the BCCh policy-rate path through 2026 under Costa's continuing governorship — whether the inflation-targeting framework holds against any political pressure. Third, the National Lithium Strategy implementation — whether the Codelco-SQM JV proceeds on the announced timeline and whether the local-content and capability-deepening conditions survive the political transition.

For sectoral investors, the ICT services and maintenance-and-repair services breakouts open exposure questions in Santiago-listed software, engineering, and mining-services names. The salmon-aquaculture and forestry trades remain on long-running cyclical-and-structural pricing.

Three things to watch

1. Q2 2026 (May-August) non-traditional export data, expected in the September-October ProChile release window. The +7.4 percent reading sustains or reverts.
2. Kast tax-reform proposal timing and content — the major announced macro-policy shift, expected in the second half of 2026.
3. National Lithium Strategy implementation milestones — the Codelco-SQM JV operational progress, the green-hydrogen pipeline first cargoes, and the cathode-production buildout.

The teacher in the Maule cherry orchard who packed her last quota box at 6:30 in the evening on the last Friday of April 2026 — whose name was withheld at her family's request from the small-paper interview she gave that night — described the season as steady. The export box was sealed with the certifications that the SAG (Servicio Agrícola y Ganadero) inspector had affixed earlier in the week. The box, like several thousand others packed in the Maule that month, was on its way to Hong Kong, then on to Shanghai. Cherry exports are not in the Q1+ 2026 ProChile-released top sector breakdown; they sit inside the broader fisheries-and-fruit aggregate. But the long Chilean export build the data captures, and the political continuity the Boric-Kast transition has preserved, runs through that box.