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**Federal President Joachim Gauck
at the gala luncheon marking the centenary of the
German-Chilean Chamber of Industry and Commerce
on 13 July 2016
in Santiago, Chile**

Entrepreneurship and an international horizon are two virtues that preface many an economic success story. It was likewise these two virtues that inspired German merchants to establish a chamber of industry and commerce in the port of Valparaiso back in 1916, right in the middle of World War I. At that time, saltpetre and copper were already being shipped across the Pacific to Germany, with machinery and medicines making the reverse journey. The Chamber of Commerce helped consolidate trade and exchange between our countries. It also established ties that have survived the economic crises and political upheavals of the past century.

Today, the Chamber plays a pivotal role in the economic relations between Chile and Germany. It promotes trade, as well as the transfer of technology and know-how. It assists German exporters, as well as Chilean enterprises on the lookout for business partners and new markets. Moreover, it is also active in the fields of vocational training and research and development. The motto you have chosen for this anniversary year is particularly apt: "the German-Chilean Chamber of Commerce – bringing together the best of both worlds". For this reason, too, I am delighted to be with you here this lunchtime. Thank you very much for your warm welcome.

Entrepreneurship and an international horizon – these two virtues are also the hallmark of your country's economy. Chile's economic potential is formidable, not least because the country has not turned in on itself in response to the crises and wars we face in countless parts of the world. As inhabitants of a country that stretches from the Atacama to the Antarctic, from the Andes to the Pacific, and thus

seems somewhat remote from a European perspective, the Chileans have acknowledged the importance of an open economy connected to the world markets. Chile's active commitment to free trade is conducive to growth and prosperity. This commitment is also in Germany's interest as an exporting nation, and in the interest of its partners in the European Union. Perhaps it will be possible to further improve the conditions on which trade is conducted as part of the ongoing review of the EU-Chile Association Agreement.

At a time when copper and other commodity prices are low on the world markets, more and more Chileans are realising how important diversification is for their economy. It has long been clear that the country needs to further reduce its dependence on mining, make greater progress on industrialisation and modernise production in order to improve its competitiveness. Germany will continue to support Chile on this road to renewal. Because business is – and should remain – a vital pillar in the relations between our two countries.

The extent of German companies' interest in Chile is illustrated by the number of senior businesspeople who have accompanied me on this trip. German investors are already contributing to innovation in Chile and are reliable partners – in mining and in advancing structural change. By way of example let me mention the introduction of environmentally sound production methods and the expansion of renewable energy. Conversely, various large Chilean companies have also invested in Germany recently, in the copper trade and in maritime shipping. We all know that entrepreneurs who operate at international level are interested in legal certainty and political stability. They also need to have confidence in the countries in which they are operating. It is institutions such as chambers of commerce that nurture this confidence across borders.

Successful businesspeople do not consider only short-term successes. They are also aware of their social responsibilities. Basic and further training is one of them. Training for workers is an important prerequisite not only for economic advancement but also for social progress. It opens up opportunities, it provides access to better jobs. I am pleased that the German-Chilean Chamber of Commerce considers the promotion of vocational training to be one of its priorities. The Chamber has various activities it can be proud of – such as the courses run by its educational centre and initiatives with Chilean partners to adopt elements from Germany's successful vocational training system, the dual system.

A second facet of corporate responsibility that I would like to highlight is the principle of social partnership. Constructive dialogue between employers and unions has for decades been a cornerstone of our social market economy in Germany. Experience shows that if both sides work together as equals and jointly seek compromises, this not

only contributes to economic success and lasting employment, but also is conducive to social peace and promotes a vibrant civil society.

However, this does presuppose that employers and employees are willing to reach out to each other and engage in dialogue. Interest groups should seek to resolve their conflicts by means of negotiation, without losing sight of what they have in common.

I hope that we will be able to strengthen the capacity for dialogue and compromise in our societies yet further, especially in these uncertain times that make some people yearn for simple solutions. For it is the citizens and those in government alike who bear responsibility for the economic, social and political development of our countries. We must constantly defend our democratic achievements and our liberal economic order. And we should always recall that while negotiations may be laborious, in the long term they are worthwhile for all parties involved.

The great Chilean author Antonio Skármeta – a former Ambassador to Berlin – once described this pragmatic take on democracy very nicely. “Democracy,” he said, “does not aspire to create a paradise on Earth, or even equality between all humans at all levels. It is always susceptible to improvement, precisely because it is not perfect and makes no claim to perfection.”

In this spirit, let us continue working together and shaping our future together. I am certain that the German-Chilean Chamber of Industry and Commerce will play its part – with a sense of entrepreneurship and an international horizon. Happy anniversary! I raise my glass to German-Chilean relations and the friendship between our peoples.