

Also, most of the machinery and equipment used in the construction of these plants (turbines, generators, transformers, etc.) is imported. Nearly 20% of this equipment comes from the USA, with other important suppliers being Germany, France, Japan and Brazil. The strong expansion that this sector will experience in the near future opens an interesting area for Canadian firms to get a share of this market.

The largest reserves of coal existing in Chile are located in the far south, which makes it difficult to use them in the central region. Also, the declining production of the state-owned ENACAR has already meant that some local coal consumption has been met by foreign suppliers.

Canada has been one of the main suppliers of imported metallurgical and bituminous coal (54.7% and 11.0% of total imports, respectively, as shown in Table 4). Strong competition can be expected, however, from other suppliers like Colombia, with large reserves and low production costs.

One of the main opportunities for foreign firms in the Chilean gas sector is in the exploration and exploitation of new reserves. A Canadian firm has participated through risk-contracts in oil and gas exploration in northern Chile, although results have not been encouraging.

As mentioned, the future construction of the gas pipeline from Argentina to central Chile may imply a reconversion of the public transportation services, switching from diesel to gas use. The supply of equipment for this "new" fuel, used in a massive scale,