

THE CHEMICAL INDUSTRY

The evolution of production and sales indexes of the Chemical Industry is shown in Charts No28 and 29. Highest growth is present in the production of chemical substances.

The chemical industry can be divided into 5 sub-sectors, according to international classification criteria:

Sub-sectors:	Code	1986 Total Supply (US\$ M)
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*Manuf. of chemical substances	(351)	709.9
*Manuf. of other chemicals	(352)	813.1
*Oil refinement & other oil prod.	(353,354)	1,520.3
*Manuf. of Rubber products	(355)	213.7
*Manuf. of Plastic products	(356)	351.1

Note: Figures are in US\$ M of 1989.
For more details see Table Nr. 30.

The first sector (351) is composed of the manufacturing of inorganic substances and gases, fertilizers, synthetic resins, artificial fibers and organic substances. Sector (352) includes paints, cosmetics, pharmaceutical products, detergents agents and other. Sectors (353,354) represent all processes related to oil refinery and derived products from oil and coal. Rubber manufacturing (355) is mainly composed of the tire industry and other minor rubber manufactures. Finally, sector (356) includes all manufacturing processes related to plastics. Imports of intermediate goods for the Chemical Industry are shown in Table Nr. 31.

From a structural point of view, the above subsectors could be grouped into three divisions, each having very different characteristics.

The first one, mainly sector 351, is the basic chemical industry, which is highly sensitive to technological changes and trade conditions. Usually, high scale economies are present. Thus, since the trade liberalization done in 1978, imports of both raw materials and finished chemicals have substituted a significant share of local production. According to available data from 1986, approximately 70% of total supply is imported. Imports by this division represent near 45% of total imports of the Chilean chemical industry. Of total inputs consumed by companies in sector (351), 49% are produced in Chile.