

neither its conservation nor its rational exploitation. A new law is currently being discussed in Congress, which puts a strong emphasis on conservation, but also proposes a subsidy on replantation of productive native forests.

19.4 The Forest Industry

Despite its recent development, Chile's forest industry is diversified and modern in most of its sub-sectors. In particular, the branches of pulp and paper, sawmilling and wood based panels have developed to become internationally competitive.

In 1976, total consumption of raw materials stood at 4 millions of cubic meters of logs underbark. Since then it experienced fast growth, reaching 17 million cubic meters in 1992 (see Table 3 in the statistical appendix).

Sawmilling remains the largest consumer of raw materials in the forest sector, although its importance has declined in recent years. As with other forest industry activities, sawmilling has experienced fast growth, more than tripling lumber output between 1975 and 1992 (960 millions and 3,217 millions of cubic meters, respectively). Despite this, sawmilling is characterized by a large number of small and low-productivity sawmills, although this situation has been slowly reversing in recent times. As with much of the forest industry, sawmilling is oriented almost exclusively to the export market.

This sub-sector of the forest industry is very heterogenous. Indeed, the four basic product lines (plywood, fiberboard,