

B. Empresa Nacional de Telecomunicaciones de Chile S.A. (ENTEL)

B.1. Introduction

ENTEL (Empresa Nacional de Telecomunicaciones) is a privatized operator providing all international telephone services and most of the long distance internal communications in Chile. Formed as a limited company in 1964 it has moved away from majority State ownership and now finds itself in an increasingly competitive environment.

In general terms, Entel provides two types of services that identify its markets:

- (a) The national service
- (b) The international service

The national service is provided through intermediate concessionary service companies such as CTC (Compañía de Teléfonos de Chile), Télex, and others that represent about 40% of total income while the remaining 60% originates in the international telephone service where the most frequently used modality by users is the Direct International Dialling Service (DDI).

The following table shows the consolidated financial statement of Entel for the years 1990 and 1991.

	1990	1991
Revenue	1,851	2,011
Operating Expenses	1,001	1,088
Operating Income	850	923
Financial Expenses	10.8	10.8
Financial Income	0.88	0.88
Income before taxes	839.22	912.22
Taxes	100.0	100.0
Net Income	739.22	812.22