

left state run hospitals in very poor condition. Although the private health sector (ISAPRE) has reduced their administrative costs and lowered the prices for their plans, the private health scheme is available mainly to the richest third of the population, leaving an important segment of the community to the state administered FONASA scheme. Given that the per capita income is steadily rising (US\$3000 as of 1993), ISAPREs are looking at designing low priced schemes where medium to low income people could join.

Improvement of state health care services is a Government priority. In fact, over the period 1991 to 1993, public expenditures on health care have risen from 86,000 million Chilean pesos to over 180,000 million pesos (nominal), an increase of close to 110% (this compares to a 58% increase in total public expenditures for the same period). The World Bank and Inter-American Development Bank are looking at projects in this field. Given Canada's world class expertise in developing and providing health care services, there exists a real potential for Canadian companies to participate in these future developments.

CONSULTING AND ENGINEERING SERVICES

The gap between the dynamism of the national economy and the slow modernization of the physical infrastructure, particularly in the transportation sector, must be resolved in order to ensure sustained growth in Chile. The Chilean Government, in order to ensure an adequate development of infrastructure, established a system of public concessions in public works.

Among the various components that comprise Chile's infrastructure, Canadian companies can play a particularly active role in assisting the country develop its energy and transportation systems. Chile's increasing demand for energy has meant the need for additional thermoelectric and hydroelectric plants. Instead of relying on a depleting domestic base of oil and coal stock though (for its thermoelectric plants), Chile is looking to Argentina and Bolivia for the supply of natural gas. Questions such as, 'how to reconfigure the plants from hard combustibles, such as coal or wood, to soft combustibles, such as natural gas', or 'how to manage an efficient distribution system', must be, and can be answered with Canadian solutions. As well, Canadian expertise in the area of co-generation is something that could be exploited in Chile.

With respect to transportation, opportunities are unfolding in road construction and port operations. The privatization of railroad services, and the possible construction of a monorail in Santiago should also be of interest to the Canadian business community.

Water resource management is another topic that is becoming increasingly important in Chile, especially as the country continues to industrialize. Canadian companies can, and in fact are already starting to provide consulting services in this particular area.

President Frei's Government has repeatedly identified the improvement of Chile's standard of living as being part of its most pressing priorities. It is therefore anticipated that much will be accomplished in the next six years in the areas of health, education and infrastructure. Also, with the arrival of natural gas, the increase in energy demand and the depletion of national oil reserves, the energy sector should be one of great diversification and expansion in the coming years. These are the sectors where international financial institutions are focusing their projects, and subsequently the sectors where Canadian companies should direct their efforts.