

III. NON-METALLIC OR INDUSTRIAL MINERALS

Except for the products derived from saltpeter - nitrates, sodium sulfate and iodine - and those derived from the salt mines - lithium carbonate and boron - Chile is a small producer of industrial minerals, and its production is mostly destined for domestic use.

US\$ 176.5 million worth of products were exported from the non-metallic mining sector in 1991 (US\$ 183.4 in 1990). Potassium nitrate, nitrate and iodine are the main export products, which represents almost three-fourths of the total.

III.1 Nitrate Mining.

The nitrate industry is basically made up of the Sociedad Química y Minera de Chile, SOQUIMICH, which is the only producer of nitrate, potassium nitrate and anhydrous sodium sulfide, and has more than a 90% share of the Chilean iodine market.

Unlike other mining products and mining derivatives, nitrate sales are high in Chile and consist of approximately half the market.

The product is used as fertilizer in agriculture. Most of the iodine production is exported.

III.1.1. Potassium nitrate and sodium sulfate

Production of nitrate and potassium nitrate in 1991 was 779,000 tons compared to 830,000 tons in 1990. During 1991 Chile exported 438,920 tons of nitrate compared to 495,176 tons in 1990.

Exports of potassium nitrate increased from 111,207 tons in 1990 to 129,702 tons in 1991.

In 1991 Chile produced 5,487 tons of Sodium Sulfate, 59% less than 1990. This production is different from the Anhydrous Sodium Sulfate produced by the nitrate industry.

The main producing company, Compañía Minera Iris, stopped production in 1989, thereby causing a decrease in production.

SOQUIMICH obtains Anhydrous Sodium Sulfate from its nitrate and iodine facilities at María Elena. In 1991 production was 13,690 tons. In 1987 production had been 61,700 tons.

Exports of Sodium Sulfate were only 6,603 tons in 1991, compared to 14,728 the previous year. Returns also fell from US\$ 1.9 million to US\$ 1 million between 1990 and 1991. Exports have been decreasing over the past years. The average price of export returns was US\$ 126 per ton 1990, compared to US\$ 151 in 1991.

III.1.2. Iodine

Chile is the second largest producer of iodine in the world (5,447 tpy in 1991) after Japan which produces 7,500 tpy. The world iodine market is approximately 13,000 tons. The price of iodine in the international market has declined since the end of 1989 because of oversupply. The average price in 1991 was US\$ 10.5 per kilo (1990 14.5 dollars and 1989 17 dollars).

The increase in Chilean supply and higher production in the U.S.A. have caused the decrease in prices, which could be greater if other plants start producing.

The return of exports of iodine, decreased in 1991 to US\$ 49.7 compared to US\$ 57.6 million in the previous year.

Sociedad Química y Minera de Chile (SOQUIMICH) - Privately Owned

Iodine represents one third of SOQUIMICH's sales, and provides better profit margins than nitrate. Reduced prices represented lower earnings for Soquimich of US\$ 24 million in 1990. This situation determined the temporary closing of producing plants 1 and 2 in Puelma in mid-1990. In spite of this measure annual production was almost 4,000 tons. The Puelma plants have a capacity of 420 tpy, and unit number 2 had been inaugurated in May, 1989.