

PRIVATE AND PUBLIC SECTOR PLAYERS

Telecommunications

Chile's telecommunication sector includes five major players namely: CTC, ENTEL, VTR, Telex-Chile and Bell South. However, there are a number of smaller companies who are competing with the major players.

ENTEL: Until recently, ENTEL (owned by Chilquinta, Stet and Samsung), enjoyed a monopoly of the long-distance market. ENTEL's profits were approximately US\$15.5 million in 1996 and US\$25 million in 1995. This company recently became active in local telephony through its affiliate Entelphone as well as cellular. In August of 1996, they became majority owner of Telecom, renaming the company ENTEL Telefonía Personal. ENTEL is now engaged in an expansion program of US\$700 million for the period 1996-2000. The program will include:

- the expansion of local telephony for the installation of 250,00 lines from now until the end of the century through its affiliate Entelphone;
- completion of the national fibre-optic network by the year 2000;
- connection of Chile's fibre optics and traditional trunk lines to international networks (UNISUR, AMERICAS, COLUMBUS);
- installation of the wireless system for PCS throughout Chile, through its affiliate Entel Telefonía Personal, beginning in October 1997 for the metropolitan area and fifth region;
- consolidation of its satellite transmission facilities, construction of small earth stations;
- expansion of rural microwave transmission facilities; and
- investment in foreign markets such as Colombia, Mexico, Argentina

CTC: CTC (Compañía de Telecomunicaciones de Chile), which is 48% owned by Telefonía de España, is Chile's dominant supplier of local telephony and accounts for over 80% of all investment in the telecom sector. CTC has an aggressive expansion plan aimed at increasing the ratio of telephone lines per capita from 14 to 22 by the end of the 1990s. Some major points concerning CTC:

- CTC is active in local telephony (95% of local lines), cellular phones, long distance telephony and cable.
- In 1993, CTC installed 608,000 lines and completed the total digitalization of its network. Between 1989 and 1996, it installed 2,251,106 lines. CTC estimates that it will install about 1.3 million more lines in the period 1996-2000.
- CTC will expand cellular phone systems from 40,000 to 65,000 which entails an investment of US\$22 million in 14 NEC switching stations.