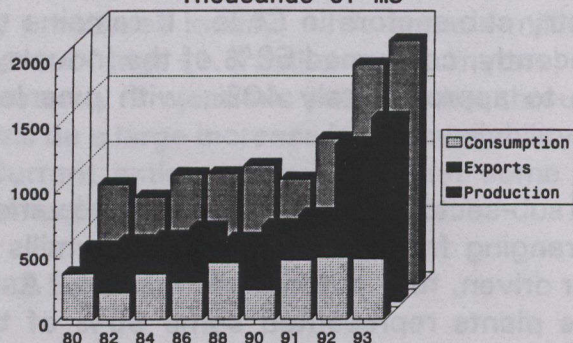


Production, Exports and Consumption of Pulp

Thousands of m3



Source: INE, CICEPLA, CONAF-INFOR

been traditionally oriented to domestic consumption. However, with the addition of new processing facilities which use modern technology, the wood based panels sub-sector is quickly increasing its export volume.

Like other sub-sectors of the forest industry in Chile, the production of particle board and medium density fibreboard is also expected to continue the rapid growth of recent years. Currently 250,000 cubic meters of fibreboard are produced by

one company (Marisa) in 3 facilities. Two companies (MDF Chile and MDF de Fibranova) now produce about 200,000 cubic metres of medium density fibreboard from Radiata Pine and Eucalyptus.

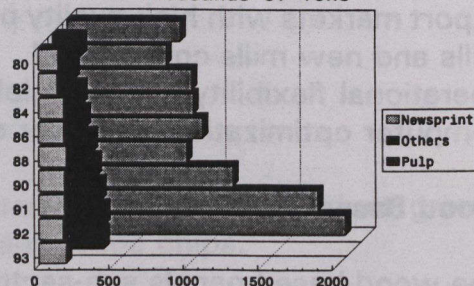
Pulp and Paper

The pulp and paper industry has become one of Chile's most dynamic and sophisticated sub-sectors. This sub-sector dominates the forestry industry, constituting 53% of exports and more than 50% of all investments. As of 1992, the wood pulp and paper sub-sector has accumulated a stock of capital investment that exceeds US\$ 3 billion.

Originally oriented towards the internal market, the pulp and paper industry has become chiefly an export business over the last two decades. This is particularly true for chemical pulp and mass produced papers like newsprint. For obvious reasons, the internationally oriented mills are larger and generally more efficient than those designed to supply the national market. While five corporations control the overwhelming majority of Chile's pulp and paper output, a few small mills manage to compete in rather specialized niches of the domestic paper and

Production of Pulp and Paper Industry

Thousands of Tons



Source: 1980, 1991 INFOR; 1982-1993 CICEPLA