

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 transport 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 transport 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 transport, opportunities are unfolding in road construction and port operations. The privatization of railroad services, and the possible construction of a monorail in Santiago bring with them other potential market opportunities that the Canadian business community should explore.

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 one of its highest priorities. It is therefore anticipated that a great deal will be accomplished over 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