Elec., Gas, Water	8.8%
Construction	9.2%
Businesses, Hotels, Restau.	10.6 %
Transp.& Communications	11.1%
Financial Services	7.3%
Personal Services	2.3%

Source: Banco Central de Chile

Government Budget

The financial status of the Chilean government is, generally speaking, favourable. Chile's foreign debt reached US$ 21 billion (about 35% of the GDP), a debt reduction is forecasted for 1996 given the government's disposition of making payments on the principal. Indeed, Chile and Colombia are the only countries in Latin America that show no deficits given that the surplus of the Colombian government represents 1.5% of the GDP while that of Chile reaches 4.3% of the GDP.

General 1996 Outlook

GDP growth	7%
Inflation rate	6.5%
Trade balance	$US 900 million

Materialized Foreign Investment

Although materialized foreign investment in 1995 experienced a 5.5% decline due to the impact of the Mexican crisis on ADR income, foreign investment represented 6% of the GDP. Direct foreign investment reached US$ 3.431 billion, 17.3% higher than the previous year. Authorized foreign investment reached US$ 5.962 billion (+1.04%) of which US$ 4.034 billion correspond to new projects, while US$ 1.928 billion went to increases in existing investment. The breakdown, sector by sector can be summarized as follows: US$ 3.916 billion went to the Mining sector; US$ 1.069 billion went to services; US$ 458.5 million went to industry.

Additionally, investment sources were distributed in the following manner: North America materialized US$ 1.935 billion (via DL 600 in 1995), 29.8% higher than the previous year: U.S. generated US$ 1.534 billion (+53.7%), and Canada generated US$ 401.2 million (-18.7%). Authorized investment from this region amounted to US$ 3.128 billion, 37.4% less than in 1994. While Canada increased its authorized investment by 199.4% (US$ 2.013 billion) mainly in the areas of energy and mining, the United