

THE FORESTRY INDUSTRY

The third division includes the oil refineries and manufacturers of products derived from oil. It is the most capital intensive sector of the chemical industry and is highly concentrated in state-owned companies (ENAP) and multinationals like Exxon, Shell & Mobil Oil. It represents 56% of total value added by the chemical industry. In addition to oil and its sub-products, main imports by this sector are related to capital equipment and transportation vehicles.

Code Total Supply
(US\$ M)

Main planned investments in the Chemical Industry are shown in Tables Nr. 32, with an estimated total of around 1 billion US\$. Most of the new investments are related to plants oriented to export operations.

Manufacturing	342	714.9
Printing & Publishing	342	195.3

Note: Figures are in US\$ M of 1989
For more details see Table Nr. 35.

The Chilean forestry industry is one of the most dynamic sectors representing approximately 3.1% of Chile's GDP. Its growth in the last years is impressive with a 22% per year since 1974. In 1989, this sector exported US\$ 790 M, representing 3.6% of total Chilean exports. Of the above amount, 90% corresponds to industrial forestry exports. The following table shows exports evolution:

FORESTRY INDUSTRY EXPORTS (US\$ Millions)

	1978	1987	1988	1989
Logs & Chips	2.4	71.0	108.7	75.4
Sawn Wood & Furniture	94.0	152.0	219.0	292.0
Cellulose & Paper	159.0	365.0	417.0	423.0

Source: INFOR (Instituto Forestal)

Between 1974 and 1989, total Chilean exports increased by 280% while forestry exports increased in 522%.

Chile has currently the largest radiata-pine plantations in the world with 1.4 million Has., being 20% and 86% larger, respectively, than New Zealand and Australia. There are also approximately 8 million Has. of commercial native forest, although most of it is only suitable to produce pulp and exportation is highly restricted by the authorities.