

2.1 ECONOMIC OVERVIEW 1995

General Statistics

In 1995, Chile experienced another year of marked economic growth after a slight decline during the previous two years: 8.2% in 1995 compared to 4.2% and 6.3% in 1994 and 1993, respectively. This rate of growth has placed Chile ahead of other Latin American countries, followed by Peru (7%), and Colombia (5%). By contrast, Argentina and Mexico have recorded negative growth rates (-2.5% and -5%, respectively). 1996 predictions are equally as optimistic forecasting a growth rate of 7%, according to Chile's Central Bank. The annual GDP per capita reached US\$ 4,500 dollars in 1995. The unemployment rate is currently situated at the 4.5% mark albeit it is thought that this rate is not an accurate reflection of reality given that close to 25% of the population is underemployed and thus unable to cover essential needs. The inflation rate continued its decline to 8.2% in 1995, compared to 8.9% in 1994 and 12.3% in 1993. The outlook for 1996 presages a 6.5% rate of inflation.

Exports and Imports

Chilean exports reached US\$ 14.4 billion (to November 1995). This represents a 20% increase with respect to 1994. Imports experienced an increase as well in 1995, while the trade balance has virtually doubled. Almost half of the exports are currently directed to the United States (18%), Japan (17%), Argentina (6%), Brazil (5%), and South Korea (5%), while 25% of imports come from the US. In 1995, Canada exported Cdn\$ 368 million in goods to Chile, while Canada imported Cdn\$ 279 million in goods from Chile. Hence, Canada has had positive trade balance in 1995 with respect to Chile, a noteworthy fact given that in 1993 this positive trade balance reached Cdn\$ 3.6 million, and Cdn\$ 75.3 million in 1994. Canada's exports consist mainly of wheat, industrial equipment, mining equipment and Potassium. Imports from Chile consist mainly of fresh grapes and other fruit, wine, copper concentrates, and fish and seafood products.

Chile is endowed with considerable resources in mining. Copper represents a major Chilean export. The government has sought to diversify the structure of Chilean exports by encouraging them from other sectors of the economy. Thus, by 1995, copper represented 35.6% of the total export amount, while, in 1990, this figure was 45.5%.

The Chilean economy is composed essentially of 9 sectors. Their respective contribution to the GDP in 1995 was as follows:

Fishing Industry	5.8%
Mining	4.9%
Manuf. Indust.	6.1%