

17.1 Overview

The Chilean energy sector is widely heterogeneous, both in the market structure and orientation of each sub-sector, and in the structure of property. Oil exploitation and refining are still in the hands of the state, although distribution is made by private firms. On the other hand, electricity generation and transmission is now mainly under private ownership, after the privatization round of the second half of the 1980s.

National consumption of energy is diversified among a number of sources. Petroleum is by far the most important source, representing 42% of total consumption. Hydroelectricity, natural gas, coal, and firewood come at a considerable distance, accounting for around 14% of total consumption each (see Table 1 in the Statistical Appendix).

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17.2 Petroleum

For a long time, the production of oil in Chile has been in decline, with the slow depletion of existing fields, and the lack of significant new discoveries of reserves. Nowadays, close to 80% of national consumption is imported. Thus, the main activities in this sector are the import of crude, its transportation and refining, and the distribution of refined products to final users.

The petroleum sector has been liberalized progressively since the mid-1970s. Prices are now freely determined by the market for