

## THE METAL INDUSTRY

The metal industry is a very heterogeneous sector since it includes the manufacturing of consumer, intermediate and capital goods. All the subsectors that compose the industry are highly integrated and almost 50% of total inputs are produced within the metal industry, both domestic and foreign. The evolution of production and sales indexes is shown in Charts No 19 to 22.

The metal industry is composed of the following sub-sectors:

Sub-sectors:	Code	1986 Total Supply (US\$ M)
* Basic Metal Industry	370	677
* Metal Products	381	698
* Non-electrical Machinery	382	957
* Electrical Machinery	383	627
* Transportation Equipment	384	687
* Professional & Scientific Equip.	385	170

Note: (figures are in US\$ M of 1989)

Table No 23 shows the composition of each sub-sector in terms of its domestic supply (including domestic and imported inputs), and its imported supply (imported finished products), according to latest available information (1986).

It is important to notice the significant share of imported inputs, which represented in 1986, 37 % of total inputs. Imported inputs are especially important in the basic metal industry and in the manufacturing of transportation equipment.

In terms of total supply by the metal industry, 58% was imported. Given the relatively low technological development and the small scale of the Chilean metal industry, imported finished products represent a mayor share of total supply of machinery and electrical equipment (see Table No27) and professional/scientific instruments.

According to a study done by CORFO in 1980, near 10% of the metal industry machinery was less than 10 years old. Since then, main investments have been devoted to modernize the basic metal industry specialized in copper and steel manufactures.

Table No 24 shows expected mayor investments for the next two years, accounting approximately US\$ 160 Millions.