

3.4 Internet

In 1995, Chile's Internet sector experienced monthly growth of 20%. With several service suppliers and many sites on the WWW (World Wide Web), the sector now reaches some 100,000 users and is a new force in the telecommunications market. Experts agree that two factors explain the development of cyberspace in Chile: a strong contribution by the private sector, which has created an extensive, modern infrastructure, and the rate policy based on volume used adopted by Reuna, the main service supplier. Chile and Switzerland are the only two countries in the world to use this form of charge.

Reuna is an abbreviation of Red Universitaria Nacional (national university network), a consortium of 19 public and semi-private universities and Conicyt, the agency operating and managing the main Chilean access to the Internet. The concept was to form a network to allow interconnection among academic staff in the various national universities. As early as 1988, however, Reuna was planning to connect to the Internet, and the major problem was the high cost of the connection, which at that time was US\$12,000 a month for a single line. The connection was finally made on January 2, 1992, after the executives agreed to sell the services commercially to the various interested parties in order to become financially self-sufficient.

The Reuna network is based on three major operating centres, in Santiago, Concepcion and Antofagasta. These three centres concentrate the traffic from points of presence in 11 of the 13 national regions (excluding Puerto Montt and Coyhaique). The Reuna network connects more than half of the 100,000 users (a market share in excess of 50%), who include private and public business organizations, non-government organizations, public and private universities, public libraries, schools and individuals.

As a result of the boom in the Internet sector, Reuna has implemented some measures to meet and take advantage of this growth. For example, Reuna increased its circuit capacity from 56 Kbps (kilobytes per second) to 128 Kbps in February 1994, and again to 512 Kbps in February 1995. The company has also developed an aggressive marketing plan to attract new customers and position Reuna as the best option for both commercial and non-commercial Internet use.

With the highest per capita connection rate in Latin America and a 20% monthly growth rate, Chile leads the countries of the region in the Internet sector. According to the most cautious estimates, there will be almost 1 million users in Chile by the year 2000. Thus, although Reuna is the primary supplier of the service in the country, there will be room for other companies.

Market Opportunities

Services:

- design and installation of ATM, Internet and EDI networks;
- consulting on installation and design of these networks;
- supply of video conferencing and Internet network access services;