

6.6 Major Corporate Entities of the Forestry Sector

The list presented below recognizes five sub-sectors and within them two or three size classes according to the existing range. It is often the case in Chilean forestry that big or medium sized companies are involved in several sub-sectors making the same names appear several times in an arrangement such as one used here. The four subsectors recognized below are the following: forest owners, sawmill operators, wood-based panel producers and the pulp and paper firms. Yet, before dealing with these subsectors separately, an introductory section will identify the six largest corporations that have more than one major activity.

Compañía Manufacturera de Papeles y Cartones S.A. (CMPC)

The oldest and most important corporation in the Chilean forestry sector, CMPC owns, among other things, one pulp plant (Laja), will have a second plant in Valdivia in the year 2000, plus large forest holdings (Forestal Mininco), sawmills, remanufacturing mills and several paper converting facilities. Although widely diversified its main products are: logs, lumber, Kraft pulp and papers (industrial, writing, printing and tissues): Immediate expansion plans include US\$32 million for modernizations of its two existing sawmills (MININCO and MADEX) and the construction of third one, as well as another US\$28 million for its plantation and harvesting operations (FORESTAL RIO VERGARA):

In addition to the operations indicated above, CMPC has a controlling interest in two other corporations: Industrias Forestales S:A: (INFORSA) and Celulosa del Pacífico S.A. (CELPAC) that will be dealt with in the next sections.

Although the shares of CMPC are dispersed among several hundred owners, a family (two generations of Mattes) controls and manages the business.

CMPC and its fully owned subsidiaries produces annually around:

- 2.5 million m³ of round wood;
- 230,000 m³ of lumber;
- 300,000 tons of Kraft pulp; and
- 350,000 tons of papers and boards.

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Celulosa del Pacífico S.A. (CELPAC)

A seven year old corporation, CELPAC owns and operates a recently inaugurated Kraft pulp mill with a design capacity of 325,000 tons of bleached pulp a year. This state-of-the-art unit is expected to reach capacity output by the end of 1995, and is located in a town called Mininco.

The owners of this corporation are CMPC (through Forestal Renaico-22%)and Simpson Paper Co. of the U.S.A. (22%)

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