

Higher potential sectors should be those related mainly to the wood industry (furniture, lumber, cellulose, paper), the chemical industry (methanol, urea, fertilizers and chemicals oriented to mining and wood processing), garments and foodstuffs related to agribusiness, beef and dairy products. Thus, there is a good potential in the coming years for selling machinery, technology and intermediate goods to these higher potential sectors.

Medium potential segments are expected to be the beverage sector, domestic household appliances, transportation equipment and electric machinery, footwear and metal products.

Lower potential areas are expected to be textiles other than garments, rubber, basic steel and non-ferrous basic industries and oil refining.

3. INDUSTRIAL PRODUCTION

Industrial production should reach around 4.8 billion usd in 1990. The average annual growth rate for Industrial Production in the last 10 years has been 3,3 %.

Throughout the last decade, the industrial sector, as a percentage of the GDP, fluctuated between 19% and 21%. This figure is lower than the 25-26% reached in the late sixties.

The food industry is the mayor player in the Chilean industrial production:

INDUSTRIAL PRODUCTION
(Millions of US\$ of 1990)

Sub-Sector	1986		1990	
	GDP	%	GDP	
Foodstuff & Wine	1,105	29%	1,398	
Textiles & Shoes	423	11%	535	
Wood & Paper Prod.	627	16%	793	
Chemicals, Oil & Rubber	893	26%	1,286	
Non-Metallic Minerals Manuf.	172	4%	218	
Metal Industry	512	13%	640	
Other manufactures	14	0%	18	
TOTAL INDUSTRY	3,845	100%	4,866	

Source: Input-Output Matrix, Central Bank, 1990

Note: 1986 percentages have been applied to 1990 GDP.

The above-mentioned output is generated by approximately 25,000 companies, out of which less than 1% are big companies (more than 5 million usd annual sales), less than 2% are medium companies (more than 1,5 million up to 5 million usd annual sales), and 97% are small companies (less than 1,5 million usd annual sales).