

4.1 PETROLEUM: General Overview

Demand in the Sector

Petroleum is the main energy source presently used in Chile, representing in 1994 approximately 45% of total energy consumption. Throughout the 1990s, as the economy continued to grow at 6 percent per year, demand for petroleum and its derivative products also continued to rise. Between 1975 and 1994 for example, petroleum product consumption increased on average by 11 thousand barrels of oil equivalent per day. If the trend in energy demand growth witnessed over the past eight years continues, energy consumption in 2000 will exceed 177 MMboe.

As important as the absolute volume growth, is the composition of energy demand. Per capita energy consumption in Chile has increased by over 38% since 1989 to roughly 8 Boe/capita. Over the same period, GDP per capita has increased

Composition of Energy Demand in Chile

	Total Energy= 118.2 MMboe
Natural Gas	4
Coal	7
Firewood	23
Electricity	11
Petroleum Products	50
Others	5

Source: "Petroleum Industry in Latin America"
Canadian Research Institute
Study No. 64, August 1995

Composition of Energy Demand in Chile #2

	Petroleum Products= 59.2 MMboe
Kerosene	9
Deisel	34
Fuel Oil	22
Propane	11
Gasoline	24

Source: "Petroleum Industry in Latin America"
Canadian Research Institute
Study No. 64, August 1995

by only 19%. This increasing energy intensity of the Chilean economy is expected to continue into the next century. The dominance of the transportation and industrial sectors in energy demand is also projected to continue.

Production in the Sector

Despite this abundance in demand however, Chile is not endowed with significant domestic energy resources. Conventional energy production totalled 4.2 MMboe in 1993, or just over 40% of domestic energy consumption of 103.3 MMboe. Production shares were split 12% for oil, 39% for gas, 17% for coal, and 32% for hydroelectricity. Established crude oil reserves are estimated at 300 million barrels, and crude oil production in 1994 totalled some 12,000 b/d domestically.