

Significant investments have been made in Methanol and Urea production by foreign companies (US). Multinational companies are the most important participants in sub-sector (351), with the exception of Chilean "Soquimich", mainly devoted to production of fertilizers.

Major companies in sector (351) are Diamond Shamrock, Dow Chemical, Quimica Harting, Shell, Exxon, Hoechst and Anilquimica. There are approximately 70 companies in this sector.

One of the highest potential areas within sector (351) is the production of chemicals oriented to the mining and forestry industries, mainly flotation reactivities and solvents, since most of new investments are oriented to these sectors (See forestry industry investments).

In 1989, imports of main 5 reactivities for mining were US\$ 29.3 compared to US\$ 16 in 1984. (Sodium Sulphure [neutral and acid], Sodium Cianurum, Phosphoric Sulphure and Isopropyl Alcohol). Imported volumes for these 5 chemicals increased 51% from 20.9 ktons in 1982 to 32 ktons in 1989. The principal local manufacturer is Shell. *

Another important group of imports is fertilizers for the fast growing Chilean agricultural sector. Imports of fertilizers increased 29% between 1984 and 1989, from US\$ 77.7 to US\$ 100. Volumes increased 120% in the same period, reaching 678.000 tons in 1989.

The second division corresponds to sectors (352, 355 & 356). Industries within these sectors are characterized by their contribution to employment (wages account for 45% of total production value) and by the large number of companies competing in each market.

Foreign companies like Goodyear and Bridgestone (Necsa) control the tire market and Bata Int'l in rubber shoes; Bayer, Hoechst, Roche, Parke-Davis the pharmaceutical market (with the exception of Laboratorio Chile); UniLever and Procter & Gamble the detergents market; B.D.F Chile, Barbara Lee, Wella in the cosmetics market.

The three sub-sectors mentioned in the previous paragraph account for 37% of total value added by the chemical industry. In average, 76% of total supply by each sector is produced in Chile. Near 55% of inputs are imported (raw materials & intermediate goods) and wages represent approximately 40% of total production value.