

f) The Tobacco Industry:

This industry is controlled by one company, CCT, which is a conglomerate owned by British BAT Industries. In addition to tobacco, CCT operates the largest tomato paste company in Chile (Malloa), a Snack plant (Everscrip) and a biotechnology division (Bio-Plant).

CCT has approximately 90% of the cigarettes market, supplied both with local manufacturing and imports of finished products. The remain 10% represents imports done by a local distributor.

The metal industry is composed of the following sub-sectors:

Main investments in the next two years will go to the fishing industry (Fish flour and fish oil processing), Beer and softdrinks industry and agribusiness plants. Table No 18 shows principal investments.

As a result of the food industry growth, it is expected that technological improvements will be required in the packaging and canning industry. Some companies are introducing new products in the frozen and prepared food categories, thus, as consumers increase their adoption of these products, specialized equipment for food processing will be required.

Note: (figures are in US\$ M of 1989)

Table No 23 shows the composition of each sub-sector in terms of its domestic supply (including domestic and imported inputs), and its imported supply (imported finished products), according to latest available information (1986).

It is important to notice the significant share of imported inputs, which represented in 1986, 37 % of total inputs. Imported inputs are especially important in the basic metal industry and in the manufacturing of transportation equipment.

In terms of total supply by the metal industry, 54% was imported. Given the relatively low technological development and the small scale of the Chilean metal industry, imported finished products represent a mayor share of total supply of machinery and electrical equipment (see Table No27) and professional/scientific instruments.

According to a study done by CORFO in 1980, near 10% of the metal industry machinery was less than 10 years old. Since then, main investments have been devoted to modernize the basic metal industry specialized in copper and steel manufactures.

Table No 24 shows expected mayor investments for the next two years, accounting approximately US\$ 160 Millions.