

19.1 Overview

The Chilean forestry sector has been one of the main contributors to the export boom experienced by the Chilean economy since the mid-1980s. Forestry exports, including processed and unprocessed products, represented 7.8% of total exports in 1975, and increased their share to 11.3% in 1992. This figure is even more impressive considering that the share of exports in Gross Domestic Product (GDP) peaked at almost 33% in 1992, and was only 21% in 1975. The contribution of this sector to the country's GDP has increased from 2.14% in 1975 to nearly 3.5% in 1992.

In spite of its very rapid growth since the mid 1970s, the Chilean forestry sector is still small compared to the forestry industries of the Northern Hemisphere. This has a favorable aspect, in that a strong expansion of Chile's forest exports would not have a significant depressing effect on international prices.

Chile's international competitive advantage in the forestry sector is based on very favorable soil and weather conditions, low costs of production, and a convenient location of plantations with respect to processing plants and ports. The only shadow of doubt about the medium-term evolution of this sector is cast by the weak situation in the international markets for some of the most important forestry products.