

emphasis will be made on producing and exporting higher value-added products from the natural resources, manufacturing and services sectors.

2. THE ORIGIN AND EVOLUTION OF THE FISHING INDUSTRY

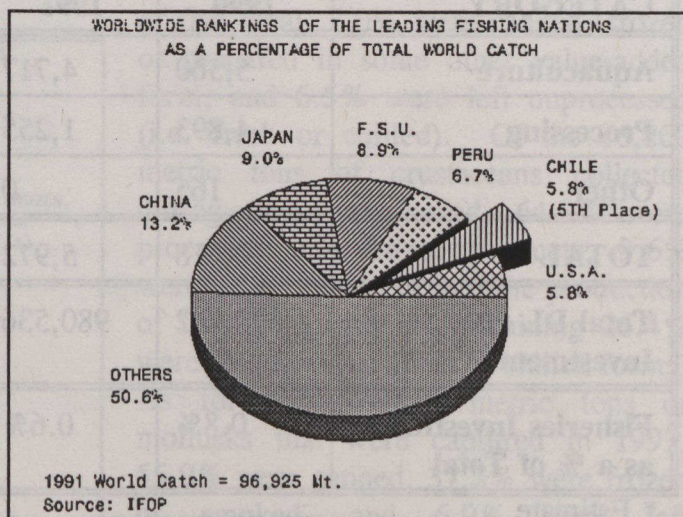
2.1 Background¹

Large-scale fishing in Chile began in the 1960s, when the Production Development Corporation (CORFO) adopted a policy of encouraging the production of fish meal in the north of the country. While it is true that the industry went through a crisis with the disappearance of the anchovy and an excess of investment, an entrepreneurial core was formed during this period which, with more experience, was to develop the fishing industry on a more solid basis, both in the north and south of the country.

A policy of export promotion was introduced in 1967. This, combined with moves toward a free market economy, had a positive effect on the fishing industry, leading to its expansion and diversification throughout the country. New species were put into production, including frozen and canned products, as well as the traditional areas of fish meal and oil.

In the 1980s, the farming of salmon products was introduced. High growth rates experienced by this subsector into 1990 gave further momentum to the development of fish farming in Chile, which is now second only to Norway in the production of farmed salmon and trout.

Comparatively, Chile ranks fifth among fishing nations of the world in terms of total catch (5.8% of total world catch). With respect to the country's contribution to total industry exports, Chile represents 2.8% of total revenues, or 13th place among fishing nations. The drop in Chile's global ranking between the two measures is primarily a reflection of the significant impact that fish meal has had on the country's fishery sector. For example, in 1993 83.2% of total commercial landings (6,190,648 metric tons) went towards the production of fish meal. Of the US\$1.172 billion that the fisheries generated in export revenues for 1993 though, fish meal represented only 31.3%.



¹Source: *Chile: Wealth of the Southern Seas*, PROCHILE, 1993.