

EXECUTIVE SUMMARY

Squeezed between the Andes and the Pacific, Chile enjoys a coastline that extends over 4,300 kilometres. Despite having such privileged access to ocean resources, large-scale fishing did not begin in Chile until the 1960s. Since that time though, the fishery sector has taken on an increasingly important role in Chile's economy. In 1993, primary fishing activities accounted for 1.07% of the country's Gross Domestic Product. When industry specific manufacturing functions are factored in (i.e. processing), that figure approaches 2.0%.

Taken alone, these figures do not necessarily convey the impact that the fishery sector has on the Chilean economy. To fully grasp the industry's importance, one should also analyze Chile's export and investment statistics. In 1993 for example, fisheries represented 12.4%, or US\$1.172 billion of the total US\$9.416 billion in export revenues. This is down from the US\$1.295 billion that the sector generated in 1992, but based on results to July, 1994, the industry is poised to equal or better the mark achieved during its 1992 peak (during the first seven months of 1994, the fishing industry exported US\$755.5 million worth of fish and fish products, a year over year increase of 12.3%). The fishery sector, along with agriculture and forestry, is now considered to be the core of Chile's non-traditional export effort.

4B-21-818
Total investment in Chile's fishery sector is now in excess of US\$2 billion, US\$200 million of which is directed towards salmon and trout farming operations. Recent investments include refitting processing plants and introducing new technology to improve product quality and reduce the risk of contamination. According to a recent study carried out by industry analysts, an additional US\$600 million will probably be invested across the sector within the next five years. This money will be directed towards further modernization of the industry.

Among one of the leading fishing nations of the world, Chile's fishing industry recorded landings of 6,190,648 metric tons in 1993. Although impressive, this represented a 6.6% drop from the 1992 catch. Sharp reductions in the landings of sardines and hake, two of the industry's primary resources, accounted for the bulk of the decline. A prolonged "El Niño" current, coupled with the overexploitation of various fish stocks has made the pelagic, demersal and benthonic fisheries increasingly unstable. So much so, Chilean fishery regulators are now managing demersal species such as hake and Sea bass (cod) landings through a quota system.

It is important to recognize that although 1993 can be considered an off year for the Chilean fishing industry, it by no means signifies the beginning of a downward trend. While it is true that Chilean authorities now face the challenge of maintaining the level of landings without compromising the industry's long term sustainability, Chile's fishery sector is poised to remain an integral and growing presence in the Chilean economy. Over the period 1990 to 1992, the sector jumped from 5.4 metric tons to over 6.6 million metric tons in total landings, and based on results to July, 1994, 1993 losses should be more than offset by advances made during the calendar year.

Broadly defined, the Chilean fishery sector can be separated into three distinct fisheries: pelagic, demersal and benthonic. The pelagic fishery, which is comprised of dark-fleshed fish such as