

origin, and no restrictions on foreign ownership apply. This stands in sharp contrast to Canada's restriction on foreign ownership of telecommunications companies, set at a maximum of 10 percent. In the case of Mexico, for example, no special protection exists for the import of telecommunications equipment into Chile. In the case of Chile, the fact that the country's accession to NAFTA, Canadian suppliers will gain a competitive edge over non-NAFTA suppliers to the extent of this NAFTA services category. In the major telecom companies of Chile have even expressed their regret about not having more aggressive Canadian suppliers in telecom equipment for telephone lines, mobile communications, mobile phones, and private service terminals.

Services are open to foreign suppliers in Chile and services as defined in the Chilean Law on Foreign Investment. Private investment has been allowed in both fixed and mobile telecommunications services, but with a number of restrictions. However, the fact that there is no foreign ownership restriction does not mean that for telecommunications companies the strong incentives for investment are not being realized. In fact, the Chilean government is providing incentives for investment in telecommunications through the provision of tax breaks and special depreciation rates. The telecommunications sector has been highlighted as a priority area for investment in Chile's National Development Plan. This plan estimates that total investment in telecommunications will reach US\$1.5 billion during the next 5 years. This is clearly the main investment program in the industry. Smaller companies participating in the telecommunications sector, however, have aggressive expansion plans for Chile. In fact, Chile is a fast-growing country and the telecommunications sector relatively recently, it is likely that this industry will grow more than Chile's GDP for many years to come.

Moreover, as mentioned, entry into Chile's telecommunications sector is open to all companies, regardless of their country of