

# Sector Opportunitites

## Telecommunications

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Two areas that are being highlighted by the Chilean government are rural telephony and personal communications systems (PCS). It has created a four-year development fund to increase telecommunications coverage in rural areas.

There is also potential in informatics, particularly computer peripherals, printers and local area network equipment, application and networking software, electronic data interchange.

The estimated market for geomatics in Chile is approximately US\$30 million a year. Traditional geomatics activities such as surveying and mapping are controlled by the military which is currently upgrading its facilities and converting to digital-based systems. As well, the emphasis on resource development in Chile has resulted in the application of various geomatics technologies, especially in forestry and mining.

Opportunities for Canadian companies can be found in cartographic surveying, aerial photography, geophysical surveying, satellite-based imaging, global information systems, radar imaging, urban planning systems, and global positioning systems.

## Power and Energy

Over the last three years, the consumption of primary energy in Chile has grown an average of 7 per cent, with annual growth of 8.5 per cent being projected by the National Energy Commission for the next five years.

Chile's rapidly expanding economy has created great demand for new energy systems. Electric power

generation is one of Chile's fastest-growing sectors, second only to oil. About 60 per cent of Chile's production comes from hydroelectric plants, with the remainder from coal-fired thermal power stations.

With the introduction in Chile of natural gas from Argentina by 1997, there should be a great deal of activity in the electricity, oil and gas sectors. Edmonton's Novacorp International is already part of the GasAndes consortium, which is building a natural gas pipeline from Mendoza, Argentina to Santiago, Chile, and is looking at constructing a second pipeline from Neuquén in southern Argentina to Concepción in southern Chile. A second consortium, headed by Tenneco of the U.S., is studying the feasibility of a pipeline connecting Neuquén to Concepción and Santiago, and other interests are considering a pipeline from Bolivia to northern Chile.

The availability of natural gas in Chile should lead to considerable effort to convert existing processing plants from coal/fuel to direct-fired natural gas, especially in the forestry (pulp and paper), mining, fisheries and food processing industries. Other opportunities will also open up, for example: natural gas residential heating systems; household appliances such as dryers and ovens; conversion of buses and taxis to natural gas; consulting engineering services; and pipeline construction.

## Agriculture and Food

Agriculture is Chile's fifth-largest sector, producing about 7 per cent of its GDP and supplying 16 per cent of all jobs. Wheat (durum and spring), lentils, peas, canary seed, tobacco, dairy products, processed foods, confectionery items, meat

products and animal genetics are Chile's main agricultural imports from Canada.

There are a number of opportunities for Canadian companies, particularly in grains/pulses (due to low local production, Chile expects to increase its wheat imports over the next decade) as well as lentils, peas and beans; in animal genetics (Chile is determined to improve the bloodlines of its beef and dairy stock); and in prepared foods (with consumer habits changing rapidly, the market for prepared foods in Chile is expanding and diversifying).

## Fisheries

Squeezed between the Andes mountains and the Pacific Ocean, Chile enjoys a coastline that extends over 4,300 kilometres. Despite having such privileged access to ocean resources, however, large-scale fishing did not begin in Chile until the 1960s. Since that time, the fishery sector has assumed an increasingly important role in Chile's economy. In 1993, primary fishing activities accounted for over 1 per cent of GDP; closer to 2 per cent when processing activity is included.

The sector represented 12.4 per cent, or US\$1.2 billion, of total exports in 1993, and total investment in Chilean fisheries is now over US\$2 billion. Recent investments include the refitting of processing plants and the introduction of new technology to improve product quality and reduce the risk of contamination.

Chile's fishing industry can be separated into two major industrial subsectors: fish meal and aqua-

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