InfoCentre Document No. 189LA

Opportunities in Chile: The Forestry Equipment and Services Market

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August 1995

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Executive Summary

During the past decade, due to its open economy, its highly educated population and the entrepreneurial spirit of its private and public sectors, Chile has achieved one of Latin Americas's most spectacular growth rates.

Chile's economic growth has been based upon its endowment of both renewable and nonrenewable natural resources. Over the last two decades, Chile has evolved from being principally a copper exporter into a very diversified open economy where forest resources play an important role. An eminent trend to be considered is the growing tendency of value-added goods in the forestry industry and the economy in general. In fact, industrial exports indisputably surpassed copper and mining exports in 1994.

At the heart of Chile's forestry sector development are the world's largest non-native tree plantations. These are privately owned operations that now supply close to 90% of the industry's raw materials. Through the successful development of its forestry plantations, Chile has almost 1.36 million hectares of Radiata Pine and 200,000 hectares of Eucalyptus, as well as 100,000 hectares of other species (about 10% of the nation's total productive forests). These plantations are under forest management plans controlled and approved by the Chilean National Forest Corporation (CONAF).

Although small compared to the traditional forestry industries of the Northern Hemisphere, Chile now counts on a significant and rapidly growing forest sector. In 1994, total forestry exports totalled US$1.564 billion or 13.5% of total Chilean exports for that year. This is up from the US$1.207 billion that the sector generated in 1993. Forestry exports are expected to reach US$ 1.855 billion in 1995 (CORMA).

The globalization of forestry in Chile this past decade and growing awareness of the impact of deforestation within the country have generated both internal and external demands to raise environmental standards. Environmental responsibilities, recessionary pressures and lower commodity prices are pushing companies to become more cost-effective, thereby creating a greater demand for better equipment and newer technologies that are both cost-effective and environmentally acceptable.

Chile's forest industry is rapidly evolving from a structure intended originally for a small protected local market, to a more modern one intended to be internationally competitive and able to export most of its output. Generally speaking one branch can be considered fully modernized: the chemical pulp industry and others are following suit: sawmilling, paper production and some segments of the wood based panels.

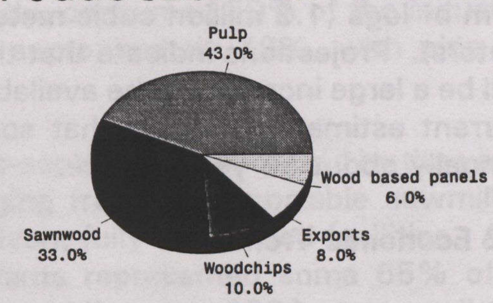
Close to 70% of the country's forest and forest industry output, in value terms, is exported and this proportion is expected to increase in the future.

In a development context, Canadian goods and services could increase their presence in the market in promising areas such as: silviculture; tree harvesting and logging; sawmilling engineering and equipment; lumber drying kilns; chipping equipment; lumber remanufacturing engineering and equipment; and pulp and paper machinery and equipment. In addition, there is significant potential in forest fire fighting, environmental studies, pest control and forestry operations safety equipment.

Canadian companies supplying equipment and services in the forestry sector have been steadily increasing their presence in the Chilean market. For Canadian companies, establishing a local presence through a strategic partnership, by securing the services of a Chilean representative or agent, or by opening an office in Chile is indispensable for success. Entering this market requires frequent contact with key buyers, aggressive marketing, and a demonstration of commitment. Contacts and familiarity are indispensable when equipment or services are contracted and clients must be assured that the supplier is committed to after-sales service and parts supply.

1. The Chilean Forestry Industry

Use of Forest Production in Chile

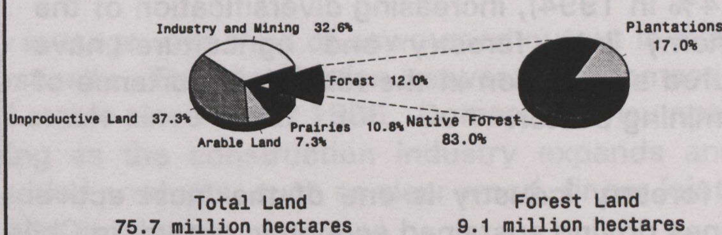


Source: Instituto Forestal (1993)

Chile, located on the southwest coast of South America, is a country whose economy makes abundant use of renewable and nonrenewable natural resources. Over the past two decades, Chile has evolved from being principally a copper exporter into a very diversified open economy where forest resources play an important role.

1.1 Overview of the Industry

Available Land and its Potential Uses



Source: INFOR

Chile has a surface area of 75.7 million hectares, which includes vast expanses of natural and cultivated forests. Approximately 16 million hectares are woodlands, of which 10% (1.8 million hectares) represents cultivated forests; the remaining 90% (14.4 million hectares) are native forests which are mostly on federally protected land that cannot be used commercially or private land that can be used commercially.

At the heart of Chile's forestry sector development are the world's largest non-native tree plantations. These are privately owned operations that now supply close to 90% of the industry's raw materials. Through the successful development of its forestry plantations, Chile has almost 1.36 million hectares of Radiata Pine and 200 000 hectares of Eucalyptus, as well as 100 000 hectares of other species (about 10% of the nation's total productive forests). These plantations are under forest management plans controlled and approved by the Chilean National Forest Corporation (CONAF).

Since 1974 more than one and a half million hectares have been planted, mostly with Radiata Pine. During the same period, the area covered by native forest, which is 5 to 6 times larger than that of the non-native species planted forest, decreased by some 0.2 million hectares. The growth of tree plantations has meant a net increase of total afforested area.

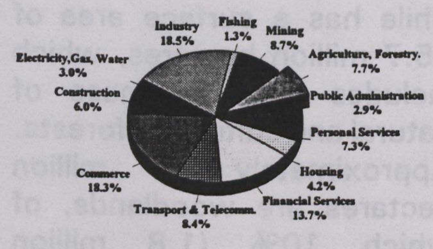
Most of the industrial wood harvested in Chile, some 13 million cubic meters per year, is processed locally, while some 4 million are exported as raw material, either in the form of logs (1.3 million cubic meters) or in the form of chips (some 3 million cubic meters). Projections indicate that through both plantations and native forests, there will be a large increase in the availability of industrial wood by the end of the century. Current estimates suggest that some 30 million cubic meters will be harvestable annually about 10 years hence.

1.2 Economic Trends

Chile is now entering its twelfth consecutive year of economic growth, with Gross Domestic Product (GDP) having realized an average increase of 4% per annum over this period. In 1994, GDP reached US$ 43.73 billion, a gain of over 6% from 1993. While mining still represents the single most important component of Chile's export revenues (43.4% in 1994), increasing diversification of the economy into forestry and agriculture have ensured a reduction in the relative importance of the mining sector.

CHILE: GDP BY SECTOR

(1994 GDP = US$ 45.9 B)



Source: Banco Central de Chile

The forestry industry is one of the most active engines driving sustained economic growth in Chile. In 1994, total forestry exports totalled US$1.564 billion or 13.5% of total Chilean exports for that year[1]. This is up from the US$1.207 billion that the sector generated in 1993. Forestry exports are expected to reach US$ 1.855 billion in 1995 (Source: CORMA) with an expected increase in sawnwood of 20%, in sheet wood and boards of 22%, in pulp of 39%, and 56% in processed wood,. The forestry sector, along with the fishery sector, is now considered to be the core of Chile's non-traditional export effort.

1.3 Key Forestry Sub-sectors

The Chilean forestry industry is based on the production of four product groups: sawnwood, wood based panels, pulp and paper and wood chips.

[1]*Indicadores de Comercio Exterior, December 1994*: Banco Central de Chile.

Sawnwood

Although currently declining in importance in relation to other sub-sectors, sawmilling has the longest history of any of the forestry sub-sectors in Chile. It remains the largest single consumer of logs and, until recently, consumed 50% of the industry's resource inputs. This share is now down to approximately 40%, with pine logs making up close to 90% of the inputs.

Production of Sawnwood by Size of Sawmill

X-Axis Labels	Production (m3)	Number of Mills	Share of Production (%)
Very large >50 000	908 025	8	31.9
Large 20 001-50 000	460 122	13	10.3
Medium 10 001-20 000	306 058	21	11.3
Small 5 001- 10 000	360 504	56	12.5
Very Small <5 000	1 182 818	1127	34
Total	3 217 527	1225	100

Source: INFOR, 1991

The sawnwood sub-sector is characterized by the variety of producers, ranging from small portable sawmills to large, computer driven, fully automated facilities. As of 1994, six large plants represented some 65% of the total export output, while some 1000 very small units constituted only 35%. The leading sawnwood exporters include Forestal Carampangue S.A., Aserraderos Mininco, Forestal Arauco S.A., Aserraderos Cementos Bío Bío S.A. and Aserraderos Unidos (Chile) Ltd. Over 75% of exports are concentrated in these five companies.

On average, one third of sawnwood output is exported and the rest is consumed domestically. This distribution between the domestic and the export market has remained stable since about 1985. Domestic consumption of sawnwood should keep growing as the construction industry expands and the production for export of value-added products, such as clear wood, finger joints and pieces and parts for furniture, also increases.

Over the next 5 years, another 4 to 7 sawmills will be constructed primarily in the Concepcion area to handle increased volumes of Radiata Pine. Most companies will tend to construct larger facilities to compete in world markets.

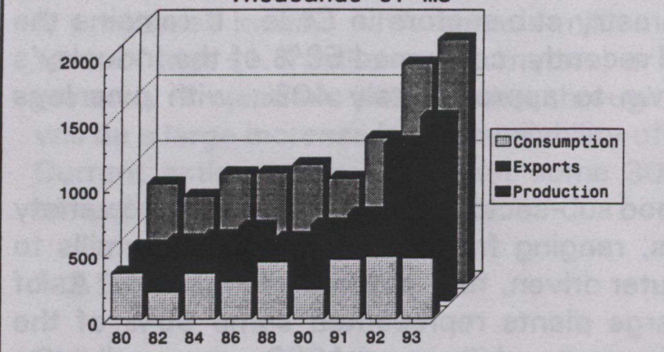
The technology in the larger sawmills is being improved to compete successfully in export markets with high quality products. New equipment is being added to existing mills and new mills constructed. With the increase of pruned pine and the need for operational flexibility to meet global niche markets, new mills in Chile are installing computer optimization similar or equal to that used in North America.

Wood Based Panels

The wood based panels sub-sector produces several types of products: fibre board, chipboard, plywood and medium density fibre board. This sub-sector represents a minor source of demand for wood (5%) as compared with other wood processing sub-sectors. Nevertheless, it has been growing 11% annually. Board production has

Production, Exports and Consumption of Pulp

Thousands of m3



Source: INE, CICEPLA, CONAF-INFOR

been traditionally oriented to domestic consumption. However, with the addition of new processing facilities which use modern technology, the wood based panels sub-sector is quickly increasing its export volume.

Like other sub-sectors of the forest industry in Chile, the production of particle board and medium density fibreboard is also expected to continue the rapid growth of recent years. Currently 250,000 cubic meters of fibreboard are produced by one company (Marisa) in 3 facilities. Two companies (MDF Chile and MDF de Fibranova) now produce about 200,000 cubic metres of medium density fibreboard from Radiata Pine and Eucalyptus.

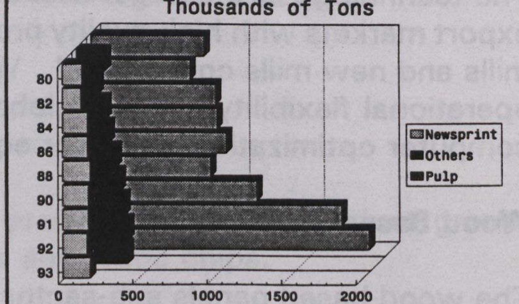
Pulp and Paper

The pulp and paper industry has become one of Chile's most dynamic and sophisticated sub-sectors. This sub-sector dominates the forestry industry, constituting 53% of exports and more than 50% of all investments. As of 1992, the wood pulp and paper sub-sector has accumulated a stock of capital investment that exceeds US$ 3 billion.

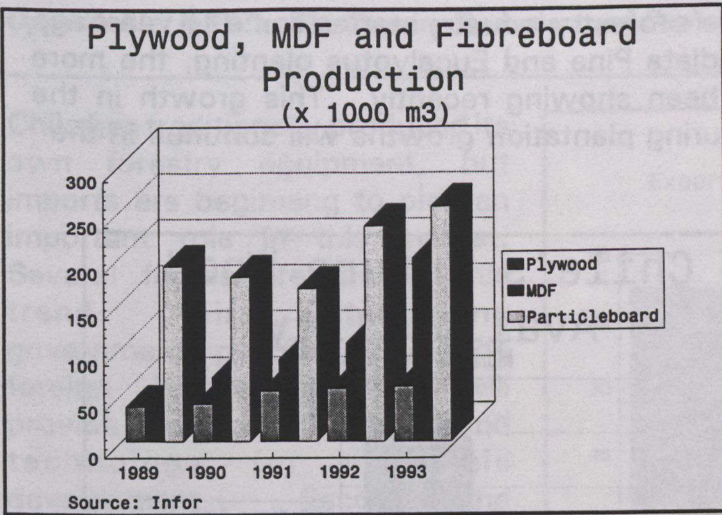
Originally oriented towards the internal market, the pulp and paper industry has become chiefly an export business over the last two decades. This is particularly true for chemical pulp and mass produced papers like newsprint. For obvious reasons, the internationally oriented mills are larger and generally more efficient than those designed to supply the national market. While five corporations control the overwhelming majority of Chile's pulp and paper output, a few small mills manage to compete in rather specialized niches of the domestic paper and

Production of Pulp and Paper Industry

Thousands of Tons



Source: 1980, 1991 INFOR; 1982-1993 CICEPLA



board market.

This relatively small number of corporations is related to the size and characteristics of the forestry resource base. Plantations, that supply a vast majority of Chile's industrial wood, are in the hands of few corporations that started their reforestation programs some 20 years ago.

Pulp is a driving force for the forestry industry as a whole. Not only does it generate demand for investments in forest management but also in specialized machinery and equipment, and optimization processes, all aimed to stimulate productivity and lower costs.

Wood Chips

A recent addition to the forestry sector is the production and export of wood chips for pulp production. In 1994, wood chip production was 1.54 million cubic metres, while in 1988 it was not even listed in the official statistics. Wood chip production is mostly based on Radiata Pine species, the second most utilized is Eucalyptus and, increasingly, native forests. The sudden expansion of this industry has created pressure on native forests as new investment is made for processing and infrastructure in remote areas.

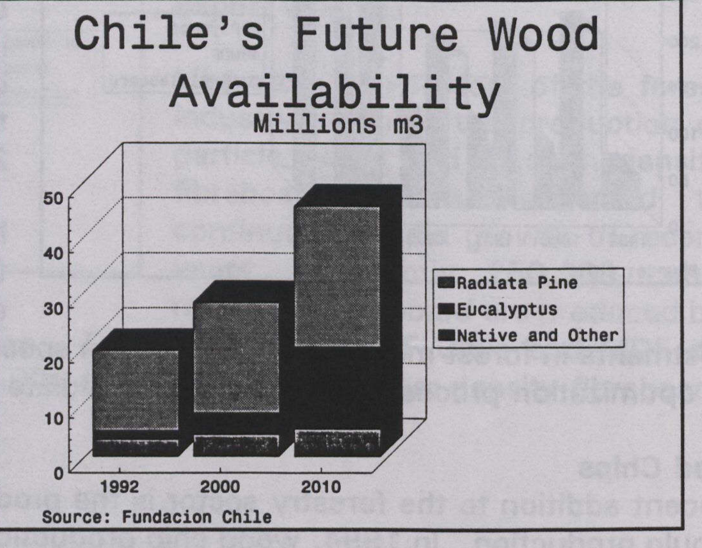
More than 20 companies produce wood chips. However, just a handful of producers account for 90% of all exports. Forestal Del Sur Ltd. is the largest single exporter with 27% of the 1994 export market. Chile's main customer for wood chips is Japan. Currently, Chile supplies 10% of Japan's needs, and Japan takes 97.6% of Chile's wood chip exports.

1.4 Potential for Growth

Chile has a distinctive natural advantage for growing Radiata pine and Eucalyptus. Native to the coast of California, the Radiata Pine was introduced into Chile over a century ago, and adapted extremely well to the country's climatic conditions. These species, not native to Chile, reach adulthood in a much shorter period than comparable species in other countries. Available data indicate that planted Radiata pine grows five times faster in Chile than do comparable species in southern USA, its native country.

Although the rapid development of Chile's forestry industry started some 15 years ago through a vast upswing in rate of Radiata Pine and Eucalyptus planting, the more tangible industrial results have only been showing recently. This growth in the industrial exploitation of the now maturing plantation growths will continue in the coming years.

Plantations and not natural forests, currently provide the bulk of the industrial wood that Chile consumes and exports. This reliance on transplanted and managed growths is expected to be accentuated in coming years. Nevertheless, natural forests do maintain productive potential and are included in the following exhibit:

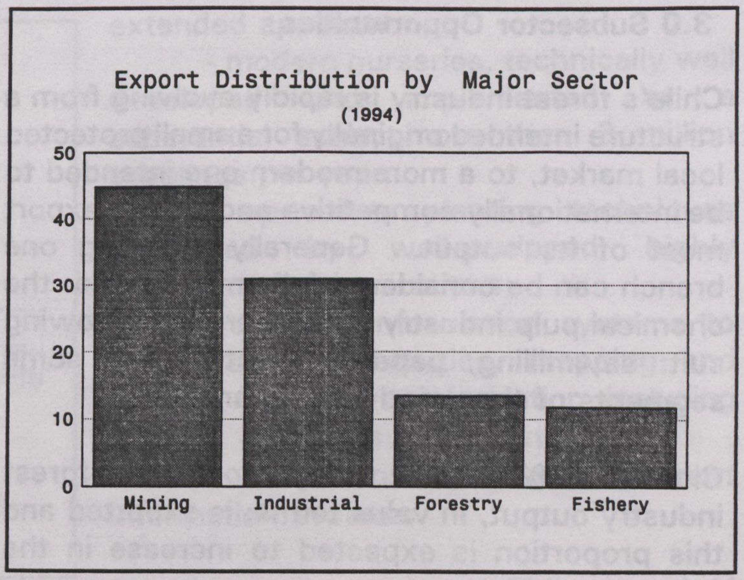


The above numbers suggest an interesting potential for forest industry development in the coming years. Simply put, industrial wood availability will more than double current volumes.

The combination of forestry resource growth and favourable economic conditions provides a strong platform for sustained growth through the next decade and beyond. Chile's forestry exports are projected to reach US$ 2.7 billion a year within the next 20 years. Reaching such levels would require a steady growth rate of 4% annually, which seems attainable if compared with the 12% average growth which occurred over the last five years.

2. The Role of Imports

The expansion of the forestry sector over the last decade and the surge of forestry projects in preparation have generated a high and continuous demand for forestry equipment and services. Favourable tariffs in Chile and the limitations of the domestic industry to meet equipment demands have lead to a significant level of imports. They were valued at US$ 353,3 million in 1994 including consumable, capital and intermediate forestry goods. Imports are expected to be similar in the future depending on the start up dates of new projects.



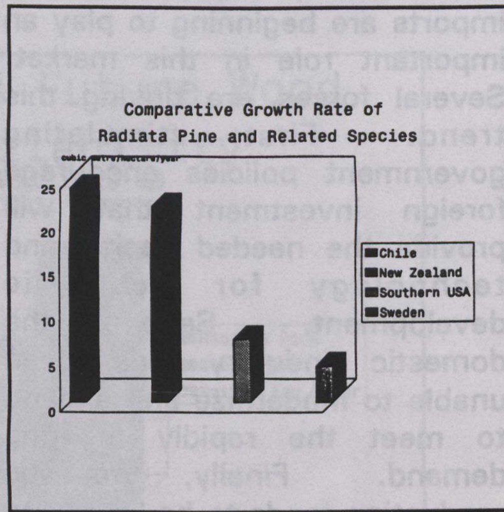
Chile has traditionally produced its own forestry equipment, but imports are beginning to play an important role in this market. Several forces are driving this trend. First, stimulating government policies encourage foreign investment that will provide the needed capital and technology for economic development. Second, the domestic industry has been unable to modernize and expand to meet the rapidly growing demand. Finally, domestic production tends to be limited to a relatively small number of products, and quality and availability is often inadequate. Imported equipment offers a wider choice of alternatives and more reliability. This is particularly true for pulp and paper equipment.

Although wood products have not traditionally been popular in Chile, international demand of wood products have fuelled the expansion of this market. The fastest growing markets are pulp and paper, sawnwood and wood chips. However, the wood based panel market is increasing its presence.

The most significant imports of forestry equipment are chippers, saws, harvesters, thrashers, and pulp and paper equipment. This market is dominated by Germany with an import market share of roughly 50 per cent. German equipment manufacturers hold an exceptionally competitive position, in part, because of their reliability and their advanced technology. The remaining share of the market is held by the United States, Sweden, Argentina, Brazil, Italy and Canada.

An eminent trend to be considered is the growing tendency in value-added goods in the forestry sector. For example, wood-working equipment has increased by an impressive 67 percent over the past year, from CIF US$ 1.8 million to US$ 3.0 million. Considering the vast majority of this value-added production would be destined for export, the marriage between Chile's demand for appropriate processing facilities and Canada's abundant supply of forestry processing plants seems entirely plausible. The possibility of such projects manifesting themselves though, is of course dependent on their overall cost and benefit structures, as well as the competitive advantage of Canadian equipment over foreign equipment.

3.0 Subsector Opportunities



Chile's forest industry is rapidly evolving from a structure intended originally for a small protected local market, to a more modern one intended to be internationally competitive and able to export most of its output. Generally speaking one branch can be considered fully modernized: the chemical pulp industry and others are following suit: sawmilling, paper production and some segments of the wood based panels.

Close to 70% of the country's forest and forest industry output, in value terms, is exported and this proportion is expected to increase in the future.

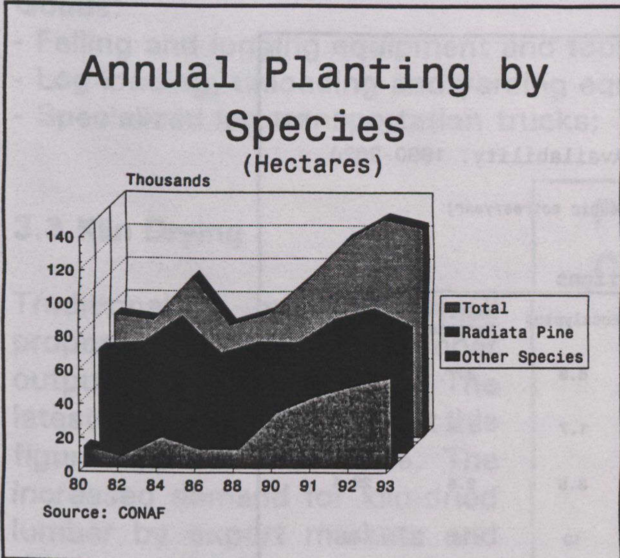
Canadian goods and services are currently concentrated in engineering services for the pulp and paper industry. In a development context, Canadian goods and services could increase their presence in the market in other promising areas such as:
- silviculture;
- tree harvesting and logging;
- sawmilling: engineering and equipment;
- lumber drying kilns;
- chipping equipment;
- lumber remanufacturing: engineering and equipment; and
- pulp and paper machinery and equipment.

In addition, there is significant potential in forest fire fighting, environmental studies, pest control and forestry operations safety equipment.

3.1 Silviculture

In sharp contrast to natural forests, the privately-owned plantations, are typically managed under intensive silviculture practices. This is particularly true of the estates owned by large corporations which account for around 60% of the 1.5 million hectares now under plantation. Modern silviculture can be identified in the following basic activities:

- tree breeding or genetic improvement, with two decades of practice and



extended application;

- modern nurseries, technically well developed and implemented at a substantial scale, more than 3 million seedlings per year;
- up-to-date planting techniques supported by well-equipped highly professional organizations;
- modern information systems to keep track of statistics, mapping and forest growth information, including GIS support; and
- sophisticated management information systems.

As an open economy, Chile has had access to goods and services originating from all over the world. In this competitive and rapidly growing market, silviculture practitioners have demanded standards in quality and service. Specific areas of interest to Canadian suppliers are:

Services:
- National parks: design, organization and management consultants;
- Wildlife management: training and consultants;
- Tree breeding: genetics, plant reproduction, seed production and training;
- Nurseries: design, operation and management consultants;
- Plantation technology: training;
- Industrial forest silviculture: consultants;
- Site preparation;

Goods:
- Wildlife laboratories and equipment;
- National park operation: instruments and equipment;
- Plant breeding and nursery laboratories, instruments, machinery and equipment;
- Planting equipment and tools;
- Thinning and pruning equipment and tools;

Diversification: A Necessity

The Chilean Minister of Agriculture Emiliano Ortega delivered this message to the Third Silvicultural Workshop, organized by Fundación Chile's Silvicultural Group and the National Forestry Corporation (CONAF).
One of the aspects on which Ortega insisted most in his message was that "to continue to work with a small number of species not only limits the possibilities of a more varied offering in the markets of the future but also puts in jeopardy the forestry of the present. We cannot strain the species with which we are working today, planting them on sites that may be unfavourable for them. We all know that this weakens them, creating the conditions for the proliferation of pests and disease".
Source:Chile Forestry News, Dec. 1994

3.2 Forest Harvesting

The Chilean market for goods and services in the area of forest harvesting is wide-open and very competitive. The reality of intense competition is already well known to a number of Canadian exporters who have long been active in the Chilean market for timber felling and logging equipment.

Industrial Wood Availability: 1990-2020

(1000 000 cubic metres/year)

Year	Plantations: Radiata Pine	Plantations: Eucalyptus	Natural, Forests	Total
1990	10.7	0.9	2.7	14.3
1995	16.3	1.7	2.6	20.6
2000	23.3	3.5	2.6	29.4
2020	35	10	13	48

[1] The concept of availability can be estimated systematically for plantations. In the case of natural forests, given Chilean conditions, it is based solely on the existance of the resource.

Harvesting techniques for natural forests and plantations are significantly different in Chile. In the natural forest, environment conscious operators must work through selective cutting, reduced volumes per hectare and big heavy logs. In the plantation context, clear cutting, high volumes per hectare and medium to small size logs prevail.

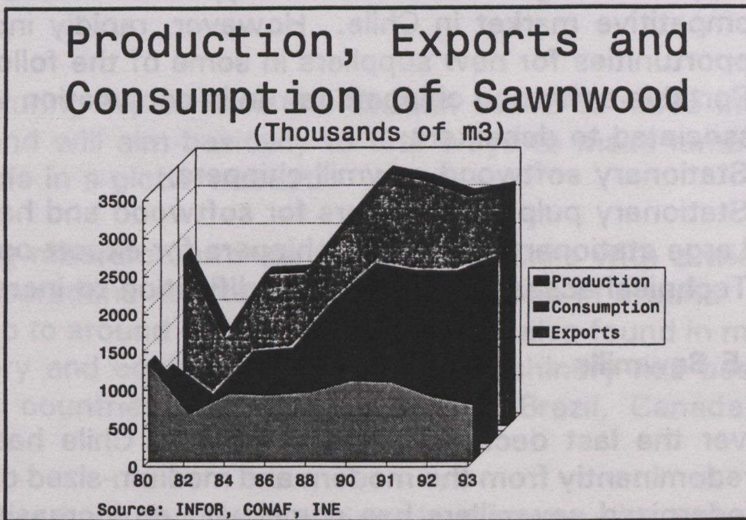
Current harvesting techniques range from chain saw and oxen, to state of the art equipment. With no historic concern about labour saving productivity, the harvesting sector will only evolve as quickly as equipment suppliers can prove to the plantation owners that their equipment can provide cost savings.

Chilean firms, particularly the large ones, are increasingly facing growing volumes of wood to harvest. They are therefore moving into more sophisticated tree harvesting equipment.

The areas of greatest potential for Canadian suppliers are:
Services:
- Harvest equipment, equipment selection, economics and software consultants;
- Services on technical planning and construction of roads for forest harvest operations, including GIS applications, consultants, and training;
- Site preparation;

Goods:
- Felling and logging equipment and tools including light cable logging units;
- Log loading, unloading and yarding equipment and tools;
- Specialized log transportation trucks;

3.3 Kiln Drying



Traditionally, only a small proportion of Chile's lumber output has been kiln dried. The latest estimates suggest that this figure approximates 25%. The increased demand for kiln-dried lumber by export markets and their unwillingness to accept PCP treated lumber has produced a general recognition among Chilean foresters that kiln-drying must be more fully implemented.

With lumber output expected to increase from today's 3.3 million cubic metres per year to close to 5 million by the end of the decade and an increasing demand for kiln drying, there is strong potential for Canadian suppliers in this area.

Services:
- Planning and design of kiln drying operations, economics of kiln drying and market opportunities for kiln dried wood consultants;
- Training in kiln drying with modern installations;

Goods:
- Kiln instruments and control systems;
- Kiln chambers and equipment;
- Humidity control and efficiency equipment;

3.4 Chipping Equipment

With the worldwide economic recovery, the turnaround in cellulose prices and the environmental pressures on North America's publicly owned forests, a larger share of the world chips market is predicted for Chile. Chile is prepared to meet this bigger demand with timber from native forests and from fully developed plantations, with four ports where only this product is loaded and a number of other ports that handle general loads as well as chips, and an impeccable tradition of filling supply contracts.

Chippers along with the other types of standard forestry equipment, face a competitive market in Chile. However, rapidly increasing demand should present opportunities for new suppliers in some of the following areas:
- Portable softwood chippers to run in conjunction with logging operations, normally associated to debarkers;
- Stationary softwood sawmill chippers;
- Stationary pulp mill chippers for softwood and hardwood;
- Large stationary hardwood chippers for export operations;
- Technical accessories and/or modification to increase efficiency;

3.5 Sawmills

Over the last decade, lumber output in Chile has been sourced more and more predominantly from the modern and medium-sized operations. The emergence of the modernized sawmillers has come with an increasingly active role being played by foreign suppliers, since locally produced equipment cannot cope with growing technical standards.

Canadian firms have come under criticism for a perceived lack of after-sales services. Chilean sawmillers demand that suppliers are able to provide technical support, preferably with familiar personnel. Foreign suppliers strong in this sector maintain an active local presence and technical support that often includes regularly scheduled site visits, not only in times of break-down.

While after-sales services and a knowledge of the local market remain essential, modern equipment is crucial in order to be internationally competitive. The growth and renewal expected in this industry should offer opportunities in the following areas:

Services:
- Sawmilling feasibility studies;
- Sawmilling programming, design and engineering;
- Sawmilling management consulting;
- Lumber marketing assistance;

Goods:
- Sawmilling machinery and equipment, particularly in high technology components;
- Computerized production control systems;
- Wood preservatives and anti-stain chemicals;

3.6 Lumber Remanufacturing

The focus on lumber remanufacturing stems from the Chilean desire to move into higher value-added processing and will aim basically to find ways to make lumber production in Chile more profitable in a global market.

Some 20 lumber remanufacturing mills are currently operating in Chile with a wide range in capacity. The largest operations register annual productions of around 40 000 m^3 while the smallest drop to around 4 000 m^3. Diversity is also found in mill design and origin of its machinery and equipment. In effect, machinery has been imported from several different countries, including Argentina, Brazil, Canada, Denmark, Germany and USA.

Canadian suppliers would appear to have their best options in the following area:

Service:
- Feasibility studies for lumber remanufacturing mills;
- Planning and design of lumber remanufacturing operations;

Goods:
- machinery and equipment for lumber remanufacturing mills;
- process control systems;
- Spare parts and machinery for replacement in existing mills;

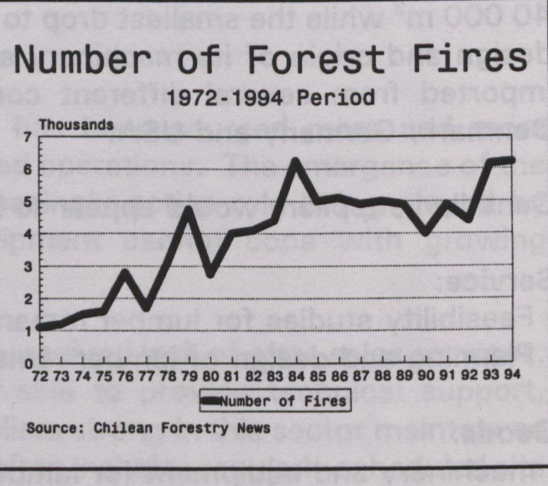
3.7 Pulp and Paper

The pulp and paper industry is by far the largest segment of Chile's forest industry and is also the one showing the best prospects for growth over the coming years. Chile's pulp and paper industry is oriented to the export market, and is based primarily on kraft pulp.
Due to the large investments of recent years, all the mills in this group are either new or have been recently reconditioned.

The areas of interest for Canadian suppliers seem to be the following:
Services:
- Engineering consulting for new mills and adaption of some of the existing ones to operate on Eucalyptus rather than on Radiata Pine;
- Engineering for process improvement for existing mills;

Goods:
- Machinery and equipment for new mills;
- Machinery and equipment parts for the maintenance of existing operations;
- Process control engineering, hardware and software to improve the efficiency of existing operations;

3.8 Forest Fire Fighting



Over the last two decades, Chile has developed a forest fire fighting system that covers the Central and South-Central regions of the country. This system was produced through the joint efforts of the public and private sectors and targets primarily the protection of the pine and eucalyptus plantations. As a secondary objective, this system offers a degree of protection to the natural brush formations of Central Chile as well as to the natural forests of the South. This focus on the plantation reflects the fact that the risk of fire is much smaller for natural forests than it is for plantations. However, experts in this area agree that the country needs to update its forest fire fighting system so as to make it more rational and efficient.

Although some Canadian suppliers have already been active in this field, potential exists for more activity in the following areas:

Services:
- Forest fire fighting planning and operations management, consulting and training;
- Forest fire fighting systems: design, reconditioning and implementation, consulting;

Goods:
- Forest fire fighting equipment and tools including detection and communication

equipment plus specialized helicopters, planes and fire fighting chemicals, sprays and delivery systems;

3.9 Environmental Studies

Following global trends, Chile has given considerable attention to the environmental topics related both to its natural forests and its plantations. However, the pressures generated by the ongoing debates has done little in generating concrete studies to deal with the outstanding issues. This has not been the case with the environmental aspects of industrial development where timely action by the private sector in recent years has shown results and decreasing public opinion concern.

Promising areas for Canadian companies include:

Services:
- Education and training on the impact of deforestation and how best to reforest harvested tropical species;
- Education and investigation on the environmental impact of quick growing artificial forests on soils, flora and fauna;

3.10 Pest Control Services

No substantial efforts have been required nor applied in Chilean forestry for pest control. Chile's mixed natural forests have so far been spared any significant infestation and the plantation are well managed enough that any pest is quickly identified, isolated and dealt with. As Chile then is essentially pest-free, business potential is decidedly limited. Technical exchanges between the Instituto Forestal (INFOR) and Forestry Canada, specifically the Pacific Research Centre in Victoria, mean that in any event of pest manifestation, Canada is well positioned to assist.

3.11 Forestry Operations Safety Equipment

Although not always the case, concern for safety is now wide spread in the Chilean forestry industry, both in forest operations and in productive plants. Three branches of the sector appear as the ones with most business potential for Canadian suppliers: logging operations, sawmilling and the pulp and paper industry. Within them the more promising topics would appear to be the following:

Services:
- Training and demonstration on safety procedures, practices and use of specialized equipment and tools;

- Consultants on the operation of a worker's compensation program;

Goods:

- Specialized safety equipment and tools;
- Safety oriented chemical products needed in industrial processes;
- Administrative equipment associated with installation of reduced work-accident ratios program and worker's compensation program (e.g. computer system);

3.12 Main Investment Projects in the Forestry Sector

Entity	Project	Region	Estimated Value US$M	Status	Production and/or jobs created
Cellulosse Attisholz Group	New sawmill and pulp plant	VII	186,0	completed	140 000 tons/year
Forestal Río Calle-Calle	Corral Port	X	14,0	completed	250-300 direct jobs
Aserradero Mininco, CMPC	Plant modernization	VIII	22,0	completed	180 000 m3/year; 100 direct jobs, 200 indirect jobs
CMPC	Sawmill modernization & new plant		30,0	completed	130 000 m3/year
BOMASA	Plant expansion		30,0	completed	40 000 m3/year
MASISA	Plant expansion	VIII	15,0	completed	40 000 m3/year
Forestal ANCHILE. Daio Paper	Pulp and paper plant	VII	500,0	completed	
CMPC	Tissue paper plant	VIII	350,0	completed	15 000 tons/year
INFORSA	Modernization & increased paper production		22,0	completed	15 000 tons/year
Aserradero Arauco	New sawmill		12,0	completed	100 000 m3/year
Forestal Millalemu, CAP S.A.	Plantation		40,0	completed	
Forestal Tierra Chilena	Reforestation and plantation		35,0	completed	Plantation of 6000 hectares of Radiata Pine
Inversiones Errázuriz	Kraft pulp, plantation and sawmill		45,0	completed	
Forestal Russfin	New plant	XII	70,0	completed	
Empressa Magallánica de Bosques	Sawmill and chip plant	XII	5,0	completed	20 000 m3/year of sawnwood
Fibranova, CAP	Increased production of MDF	VIII	50,0	design and study	220 m^3 /year, 220 direct jobs
Forestal Cholguan	MDF plant and purchase of forest land	VIII	15,5 60,0	design and study	
INFODEMA	Plant modernization		25,0	completed	120 000 m3/year

OSB. MASISA	Wood based	X	44,0	completed	110 000 m3/year
Fibranova, CAP		VIII	100,0	design and study	
EXMA	Wood remanufacturing plant	IX	2,0	design and study	125 000 inches; 45 direct jobs
Härthing, First National Bank and Itochue Corp.	Sawmill and chip plant	X	5,0	completed	
Celulosa Arauco	Bleached pulp plant	X	1 000,0	design and study	1,4 million tons/year
Celulosa Arauco, COPEC	Remanufacturing plant, long and short pulp fibre	IX	40,0	design and study	470 tons
Forestal Valdivia, Angelini	Eucalyptus pulp plant	X	1 000,0	design and study	500 000 tons/year of bleached pulp
COMAEX	Laminated wood plant			design and study	
Forestal Río Cóndor, Trillium Corporation	Sawmill, chip		100,0	completed	
Papeles Industriales	New machine to increase paper production		15,0	completed	
Shell Chile, Forestal Santa Fe	Increased production of short fibor pulp		60,0	design and study	Increased production to 320 000 tons from 275 000 tons
Celco	New pulp plant		1 000,0	design and study	Expected production: 500 000 tons of pulp per year
CMPC	Installation of cardboard machinery		200,0	design and study	
Total			5092,5		

4.0 The Regulatory Framework

4.1 Government Forestry Policies

The growth of the Chilean forestry sector has been stimulated by the Chilean government since 1974, when Decree Law 710 (DL-710) was enacted establishing state subsidies and strong financial support to promote the development of the forestry sector. These subsidies in some cases cover up to 75% of the cost of new plantations (excluding the cost of the land). Special land tax exemptions are also part of DL-701. Expropriation of land dedicated to forestry production is prohibited under DL-701. The success of the program is evident from the large increase already attained in newly planted areas.

Santiago Declaration
Statement on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests

The Governments of Australia, Canada, Chile, China, Japan, Mexico, New Zealand, the Republic of Korea, the Russian Federation and the United States of America, which are participating in the Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests ("Montreal Process") and whose countries contain a significant portion of the world's temperate and boreal forests:

Recognizing that the sustainable management of all types of forests, including temperate and boreal forests, is an important step to implementing the Statement of Forest Principles and Agenda 21, adopted by the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in June 1992, and is relevant to the United Nations conventions on biological diversity, climate change and desertification,

Also recognizing the value of having an internationally accepted understanding of what constitutes sustainable management of temperate and boreal forests, and the value of agreed criteria and indicators for sustainable forest management in advancing such an understanding,

Mindful that the application of agreed criteria and indicators will need to take account of the wide differences among States regarding the characteristics of their forests, including planted and other forests, land ownership, population, economic development, scientific and technological capacity, and social and political structure,

Taking note of other international initiatives regarding the development of criteria and indicators for sustainable forest management,

Affirming their commitment to the conservation and sustainable management of their respective forests, and

Having Undertaking substantive discussions to develop agreed criteria and indicators for the conservation and sustainable management of temperate and boreal forests,

Endorse the non-legally binding Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests annexed to this Statement as guidelines for use by their respective policy-makers;

Encourage other States which have temperate and boreal forests to consider the endorsement and use of these criteria and indicators;

Note the ongoing nature of the discussion on these criteria and indicators and the need to update the annex, to the FAO Meeting of Ministers Responsible for Forestry, to be held in Rome, March 17-27, 1995, and the third session of the United Nations Commission on Sustainable Development, to be held in New York, April 11-28, 1995.

(Final acceptance of the annex to this statement is under consideration by Australia and Mexico)

Since DL-701 was enacted in 1974, total investments made by the government through subsidies amounted to US$91.3 million as of August 1990.

Chile's rapid expansion was thought to be due to the private sector's concern that the DL-701 subsidies would be reduce or eliminated after the law expired in 1994. Plantings are expected to continue to increase at a rapid rate until the future of DL-701 is decided which is expected to take place by the end of 1995.

4.2 Environmental Legislation

Although the environmental regulatory system in Chile is very young compared to North America or Europe, it has been exceptionally dynamic in the past five years. Environmental policy did not exist in Chile until 1990 when CONAMA (Comisión Nacional del Medio Ambiente, *National Environmental Commission*) was created to review and coordinate the environmental legislation, norms and regulations of government ministries into a coherent legal framework. This lead to the passing of the Environmental Framework Law (*la Ley Marco del Medio Ambiente*) in March, 1994. Among CONAMA's current functions are the administration of environmental impact assessments (EIA), maintenance of a national environmental information system and support of activities or projects oriented to the protection of the environment. CONAMA's organizational structure includes regional commissions for the environment (COREMAs) which are responsible for reviewing and approving environmental impact statements.

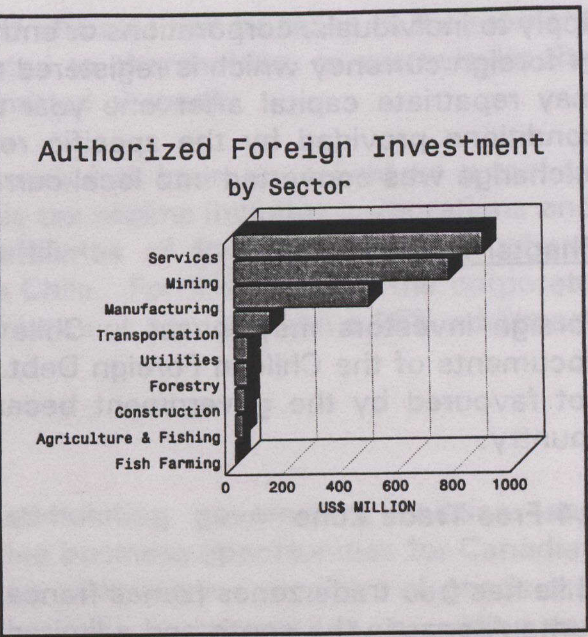
The globalization of forestry in Chile this past decade and growing awareness of the impact of deforestation within the country have generated both internal and external demands to raise environmental standards.

In February of 1995, Chile hosted the latest meeting of the Working Group on Sustainable Management of Temperate and Boreal Forests. Following 18 months of discussions, the seven criteria for the conservation and sustained management of these forests was presented. Known as the Santiago Declaration, these conclusions will be presented at the Meeting of the United Nations Commission for the Sustainable Development, which will take place during April, 1996 in New York.

4.3 Foreign Investment

The Chilean government's policy is to actively seek foreign investment that will provide the needed capital and technology for economic development. Chile's foreign investment policy is based on three main principles: equal treatment of domestic and foreign investors, free access to domestic markets and minimum intervention by the government. There are three legal vehicles to invest in Chile that are within the formal market:

- Foreign Investment Law (Decree Law 600)
- Chapter XIV of the Foreign Exchange Law
- Chapter XIX: Capitalization of the Chilean Foreign Debt



Decree Law 600

The Foreign Investment Committee is the government agency which authorizes the inflow of foreign capital under Decree Law No. 600 and stipulates that terms and conditions of the corresponding contract. It is a very simple piece of legislation based on the principle of non-discrimination between foreign and local investors. It guarantees foreign investors access to the Formal Market for repatriation of capital and profits and grants them special franchises relating taxes and customs duties.

Pursuant to this Law, foreign individuals, corporations or entities may bring capital into the country in the form of freely convertible foreign exchange, tangible assets, technology that can be capitalized, and loans ties to foreign investment projects. The authorization of foreign investment in accordance with the Law is contained in a contract entered into by the investor and the State of Chile.

Since the rights and guarantees awarded to the foreign investor are included in a contract, they may not be abrogated during the period for which they have been agreed upon, even if new legislation containing different rules is enacted. Amendments to the contract are possible only with the agreement of both parties.

The petition to obtain the referred authorization must be granted by the Foreign Investment Committee, which is the only entity legally authorized to accept the entrance of capital from abroad under Decree Law 600 and to stipulate the terms and conditions of the corresponding contracts. This is a very agile institution and the procedure is simple.

The contract establishes the term in which the capital must be brought into the country, which may not exceed three years.

Foreign investors may repatriate their capital and related profits after one year has elapsed, counted as from the date in which it has been brought in. Related profits may be repatriated at any time, without limitation as to the business acquired or organized with the investment.

Chapter XIV

Chapter XIV is increasingly being used by companies to invest in Chile. Its provisions apply to individuals, corporations or entities which bring capital into Chile in the form of foreign currency which is registered with the Central Bank. Registered investors may repatriate capital after one year and profits, anytime, under the terms and conditions provided by the specific regulations in force at the time the foreign exchange was converted into local currency.

Chapter XIX

Foreign investors may invest in Chile through the acquisition abroad of certain documents of the Chilean Foreign Debt. This mechanism is rarely used now and is not favoured by the government because it does not attract new capital to the country.

4.4 Free Trade Zone

Chile has free trade zones (zonas francas) at Iquique in the north of the country and Punta Arenas in the south and a limited free-trade zone in Arica (also in the north). These zones generally allow processing operations such as assembly, finishing and manufacturing of imported materials which are exempted from the value-added tax (IVA). Goods imported into a free-trade zone may then be assembled, finished or subject to other processes for export to Chile or other countries.

Entrance of goods into the free zones does not require an import permit or foreign exchange cover. It is subject only to a 3 percent ad valorem tax. Goods may be re-exported from the free zones without restriction or imported into the rest of the national territory according to normal regulations. Customs duties, however, are assembled only on the foreign parts or components. Enterprises located within the free zones enjoy tax benefits.

4.5 Duties and Taxes

Customs duties are 11 percent for most products. Where it can be proven that a product is subsidized by the exporting country, special surcharges of up to 20 per cent can be applied but, to date, this has not occurred.

A registration tax of 3 percent of the import duty is required to register the import. The tax is later offset against the actual import duty. In addition, there are special taxes such as an airport tax of 3 percent on import duties applicable to cargoes entering via Chile's first-line airports.

A value-added tax (IVA) at 18 percent is applied on the C.I.F. value of imported goods plus duties and charges therein. The IVA can be recovered by importers in some cases. However, IVA is not levied on goods constituting part of the equity contribution of a foreign investment or if imported as part of a local investment program when the goods are not available in Chile in the quantity or quality required. Goods exempted from the IVA generally are those from the primary sector. These goods are included in a list issued by the Ministry of Economy.

Foreign corporations, limited partnerships, and affiliates can be taxed at the moment the income is obtained or when it is distributed to shareholders or partners (in the case of partners, when it is withdrawn or remitted abroad).

The general income tax structure for companies has been conceived as a tool to promote private savings and investment. This tax regime includes corporations and limited liability companies as well as the affiliates of foreign companies whose partners or shareholders are not domiciled in Chile. For these cases, the corporate income tax rate is 15% and 35% for profit remittances abroad, with a 15% additional tax credit.

5.0 Market Entry Strategies

Favourable Chilean economic conditions, stimulating government policies, and extensive forest reserves create many attractive business opportunities for Canadian suppliers of goods and services. In order to be competitive, suppliers of goods and services should concentrate on finding appropriate representation, providing top quality service and competitive financing, actively participating in trade promotions and strengthening their ties to engineering firms which participate in the project bidding process.

Different market entry strategies exist for consulting services and equipment suppliers.

5.1 Market Approach for Products and Consulting Services

To successfully penetrate the Chilean market, Canadian consulting companies should consider three approaches.

1. The primary approach to the market would entail the use of a local agent to identify project opportunities for the consultant. This is the minimum level of commitment that should be considered if the goal is to penetrate the Chilean market.

2. A preferable alternative would entail an affiliation with a local detail design engineering company. This would benefit the consultant with representation, and allow the consultant to provide a complete process/detail engineering package to the client.

3. Alteratively, in addition to either of the above options, affiliation with an equipment supplier would allow the consultant to address the market trend toward vendor supplied engineering.

Consulting Services

1. At a minimum, the consultant should establish a local agent or representative. The role of this representative should, however, be limited to project identification.

2. An employee of the company should plan regular sales calls to Chile to meet with prospective clients and support its representatives.

3. Since foreign consultants will supply the process design, and detail design will be done by local consultants, an affiliation or joint venture with a local design consultant would be an ideal way to penetrate and serve the market.

4. Given the trend of vendor supplied engineering, the consultant should explore a strategic alignment with one or several equipment suppliers.

Establishing a local presence through a strategic partnership, by retaining the services of a Chilean representative or agent, or by opening an office in Chile is essential for success. Entering this market requires frequent contact with key buyers, aggressive marketing, and a demonstration of commitment. Contacts and familiarity are indispensable when services are contracted and clients must be assured that after-sales services will be available.

Equipment Suppliers

1. The supplier should have a local representative or agent but this role should be limited to the identification of sales opportunities. The standard approach in Chile for some sectors, such as the Harvesting Equipment Sector, is establishing a dealer network.

2. The supplier should have a commitment to service and parts supply before it makes sales contacts in the marketplace.

3. The supplier must make regular sales calls in Chile, as the purchaser prefers to deal directly with the supplier as often as possible, but especially on major purchases. Regular contact will indicate to the Chileans that a commitment has been made to the market.

4. The supplier should develop an affiliation with a local company to manufacture component parts of its equipment, and/or manufacture replacement parts. By doing so, the supplier can create a price advantage by utilizing local labour, and ensure prospective clients it has a local parts operation.
A joint venture with a Chilean company would be the ideal method of creating a committed marketing network.

5. The supplier should make every effort to use standardized parts and components in its equipment, thus facilitating local part replacement and service.

6. As a sales feature, the supplier must have operating training programs in place, if applicable. The supplier must ensure that the performance claims for their equipment are backed up by operators.

7. The supplier should be prepared to service technical requirements and questions from the client.

8. For high ticket items, suppliers should create financing packages to lease or sell equipment in Chile.
Financing aspects of a purchase are fundamental in such a competitive market as Chile. Purchasers normally will look for the most convenient credits obtained from the government of the supplier's country.
Larger buyers may request financing facilities directly with international banking groups, rather than obtaining local credit, which normally is more restrictive and expensive. Smaller buyers may request direct credit from the suppliers, who might have better access to preferential terms.

9. Equipment trials, coordinated through an entity as *Fundacion Chile*, is an excellent sales strategy that would help the supplier validate equipment performance claims.

5.2 Choice of Market Representatives

The selection of a market representative should be considered carefully by the consultant or equipment supplier. Even though the above mentioned strategies recommend that the role of your local representative be limited to that of project identification, the image of your representation is the Chilean market will have a direct bearing on your image in the marketplace.
Companies looking for an agent or representative are recommended to first contact one of twelve International Trade Centres located across Canada to find out about fairs and missions to Chile. Participation in a recognized foreign trade fair or mission is an excellent way to meet agents and representatives.

5.3 Trade Promotion Opportunities

An excellent way for Canadian exporters interested in entering the Chilean market is by participating in one of Chile's major trade exhibitions, such as the annual Expocorma (as of 1995), the bi-annual Tecnomadera and the bi-annual Expocelpa.

Expocorma:
Expocorma is organized by the Chilean Timber Corporation "*Corporacion de la Madera* (CORMA) and is sponsored by the Chilean Government. Expocorma's fifth version will take place in Concepcíon, 600 km south of Santiago, which is considered Chile's forestry capital. It will be held from November 22 through November 26, 1995. This fair is meant to promote technological exchange and, provide a meeting point for exhibitors, executives and professionals involved in the forestry sector. The organizers have also considered visits to the main forestry and timber companies and industries, to observe the development of the Chilean forestry sector, in plantations, harvesting sites, sawmills, hardboard and panelling industries, pulp and paper mills and ports in the VIII Region.

Canada's Department of Foreign Affairs and International Trade (DFAIT) encourages the participation of Canadian companies at Expocorma by hosting the National Pavilion. Canadian companies interested in participating in this trade exhibition are suggested to contact Mr. Paul Schutte of the Latin America and Caribbean Trade Division in Ottawa (Tel: 613 996-5358 or FAX: 613 944-0479).

H.A. Simons Ltd of Vancouver was project leader in the construction of Chile's two most modern pulp mills (Arauco II and Ceopec) and they coordinated the procurement plans for both of these plus US$ 600 million projects. The role of the consulting engineers in completing procurement needs of forestry projects should not be underestimated.

Tecnomadera:
Tecnomadera is organized by FISA, The International Trade Fair of Santiago (*Feria Internacional de Santiago*), the oldest and most important organization of its kind in Latin America. This bi-annual trade show dedicated to value-added wood products takes place every other year in November. The technologically innovative products exhibited, the presence of visitors and presenters from all over the world, the business contacts generated and the high quality seminars and technical conferences have made the bi-annual event a must for firms, professionals and technicians in this sector.

Expocelpa:
Expocelpa is a bi-annual fair hosted by the Chilean Pulp and Paper Association, *Asociación Técnica de la Celulosa y el Papel de Chile* (ATCP-Chile). The forth version of this fair will take place in Santiago from October 17th to the 22nd, 1995. This year's fair will feature talks, round tables, speaker panels and a technical course on the pulp and paper industry. National and international environmental experts will also outline projections and future trends of the pulp and paper sector. The main objective of this fair is to create a point of reference between pulp and paper producers and providers of machinery and services in this field.

5.4 Financing

Financing aspects of a purchase are fundamental in such a competitive market as Chile. Purchasers normally will look for the most convenient credits obtained from the government of the supplier's country.

Larger buyers may request financing facilities directly with international banking groups, rather than obtaining local credit, which normally is more restrictive and expensive. Smaller buyers may request direct credit from the suppliers, who might have better access to preferential terms.

Export Development Corporation (EDC) financing is available to support Canadian exports and export credit insurance is recommended. Two EDC lines of credit are in place through the Banco Sud Americano and Banco O'Higgins. Financing by international financing institutions (World Bank, Inter-American Development Bank) figure in Chilean trade activities. However, local financing may be preferable as it is readily available and competitive.

The Canadian International Development Agency's Industrial Cooperation program is currently the most active CIDA mechanism in Chile. CIDA Inc has identified Chile as a priority market in Latin America and focuses its support on technology transfer and joint venture projects. CIDA's role in creating new joint venture projects has been very successful. Several good experiences have arisen from financing by CIDA for the education and training of personnel to work in Canadian-Chilean firms.

Division in Ottawa (Tel: 613 996-5358 or FAX: 613 ...

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6. Key Contacts

6.1 Canadian Government Departments and Services in Canada

Department of Foreign Affairs and International Trade (Ottawa)

Department of Foreign Affairs and International Trade (DFAIT) is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and can provide interested companies with copies of specialized export publications.

InfoCentre
Tel: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500

Latin American and Caribbean Trade Division promotes trade with Chile. There are several trade commisioners at the Embassy of Canada in Santiago. Trade Commissioners can provide a range of services including introducing Canadian companies to potential customers in Chile, advising on marketing channels, assisting those wishing to participate in trade fairs, helping to identify suitable Chilean firms to act as agents, and compiling credit and business on potential foreign customers.

Latin American and Caribbean Trade Division
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, Ont. K1A 0G2
Tel: (613) 996-5546
Fax: (613) 943-8806

International Trade Centres

International Trade Centres have been established across the country as a convenient point of contract to support the exporting efforts of Canadian firms. Co-located with the regional offices of Industry Canada (IC), the centres operate under the guidance of DFAIT and all have resident Trade Commissioners. They help companies determine whether or not hty are ready to export; assist firms with marketing research and marketing planning; provide access to government programs designed to promote exports; and arrange for assistance from the Trade Development Division in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

British Columbia
Scotia Tower
300 West Georgia Street
P.O. Box 11610
Suite 2000
Vancouver, B.C. V6B 5H8
Tel: (604) 666-0434
Fax: (604) 666-0954

Alberta and Northwest Territories
Canada Place
9700 Jasper Avenue
Suite 540
Edmonton, AB T5J 4C3
Tel: (403) 495-2944
Fax: (403) 495-4507

510-5th Street S.W.
11th Floor
Calgary, AB T5P 3S2
Tel: (403) 292-6660
Fax: (403) 292-4578

Yukon:
300 Main Street
Room 210
Whitehorse, YT Y1A 2B5
Tel: (403) 667-3925
Fax: (403) 668-5003

Saskatchewan:
119-4th Avenue South
Suite 401
Saskatoon, SK S7K 5X2
Tel: (306) 975-5315
Fax: (306) 975-5334
1919 Saskatchewan Drive
6th Floor

Regina, SK S4P 3V7
Tel: (306) 780-6325
Fax: (306) 780-6679

Manitoba:
330 Portage Avenue
7th Floor
P.O. Box 981
Winnipeg, MB R3C 2V2
Tel: (204) 983-4540
Fax: (204) 983-2187

Ontario:
Dominion Public Building
1 Front Street West
4th Floor
Toronto, ON M5J 1A4
Tel: (416) 973-5053
Fax: (416) 973-8161

Quebec:
International Trade Centre
5, Place Vile-Marie
Suit 800
Montreal, PQ H3B 2G2
Tel: (514) 283-6328
Fax: (514) 283-8794

New Brunswick:
1045 Main Street, Unit 103
P.O. Box 1210
Moncton, NB E1C 8P9
Tel: (506) 851-6452
Fax: (506) 851-6429

Prince Edward Island:
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown, PEI C1A 7M8
Tel: (902) 566-7443
Fax: (902) 566-7450

Nova Scotia:
Central Guaranty Trust Tower
1801 Hollis Street, 5th Floor
P.O. Box 940 Stn M
Halifax, NS B3J 2V9
Tel: (902) 426-7540
Fax: (902) 425-2624

Newfoundland:
Atlantic Place
215 Water Street, Suite 504
P.O. Box 8950
St. John's, NF AB 3R9
Tel: (709) 772-5511
Fax: (709) 772-2373

Program for Export Market Development (PEMD)

This program seeks to increase exports sales by sharing the costs of industry-initiated activities aimed at developing export markets. PEMD is administered by IC regional offices and funded by DFAIT. Activities eligible for PEMD financial support (up to 50 percent of the costs) include:

- participation in recognized foreign trade fairs outside Canada;

- trips to identify export markets and visits by foreign buyers to Canada;

- project bidding or proposal preparation at the precontractual stage for projects outside Canada;

- the establishment of permanent sales offices abroad in order to undertake sustained marketing efforts;

- special activities for non-profit, non-sales food, agriculture and fish organizations, marketing boards and agencies, trade fairs, technical trails, and product demonstrations (for example): and

- new eligible costs include: product testing for market certification, legal fees for marketing agreements abroad, transportation costs for offshore company trainees, product demonstration costs and other costs necessary to exeute the marketing plan.

Support is also provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missiones to Canada of foreign business and governmentt officials who can influence export sales. For information call: (613) 954-2858

International Financing

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFI). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information contact:

International Finance Division
Department of Foreign Affairs and International Trade

Tel: (613) 995-7251
Fax: (613) 943-1100

Technology Inflow Program

Managed by DFAIT and delivered domestically by the National Research Council, this program is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. IC also helps in program promotion. The program officers respon to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The program will also help Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies as well as to negotiate to acquire them.
For information call: (613) 993-3996

World Information Network for Exports

The World Indormation Networks for Exporters (WIN Exports) is a computer-based information system designed to help Canada's trade development officers abroad match foreign needs to Canadian capabilities, experience and interests of more than 30.000 Canadian exporters.
To register on WIN Exports, call: (613) 996-5701

Canadian Government Departments and Services in CanadaIndustry Canada

IC Regional Office
Industry Canada (IC) was created with a broad mandate to improve the competitiveness of Canadian industry. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of Canadian industry; the enhancement of industrial, scientific and technological development and the improvement in the productivity and efficiency of industry;

- promote the mobility of goods, services and factors of production within Canada;

- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;

- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the government of Canada; and

- promote and provide support services for the marketing of Canadian goods, services and technology.

Construction Industries and Capital Projects

Industry Canada
235 Queen Street, 7th Floor, East Tower
Ottawa, ON K1A 0H5
Tel: (613) 952-0218
Fax: (613) 957-7942

NAFTA Information
Industry Canada
235 Queen Street, 5th Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 952-0540

The regional offices work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information, technology and industrial development, and trade and market development. They also promote and manage a portfolio of programs and services.

The following are areas in which IC regional offices have special competence:

- access to trade and technolohy intelligence and expertise;

- entry points to national and international networds;

- industry sector knowledge base;

- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad:

- client focus on emerging and threshold firms; and

- IC Business Intelligence

Investment Development Program

This program helps Canadian companies find the investment they need. It actively promotes investments that take the form of new plant and equipment, joint ventures or strategic partnerships. It is especially interested in attracting investment that introduces new technology into Canada, a key to creating new jobs and economic opportunities. Investment officers make contact with foreign investors and bring them together with Canadian companies. For information, call: (613) 996-8625

Canadian International Development Agency

An important possible source of financing for Canadian ventures in Chile is the special fund available through the Canadian International Devolopment Agency (CIDA) under the Industrial Cooperation Program or CIDA/INC. CIDA's Industrial Cooperation Program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC supports the development of linkages with the private sector in Chile encouraging Canadian enterprises to share their skills and experiences with partners in Chile, and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Chile.

There are five INC mechanisms which help eligible Canadian firms to conduct studies and provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, development assistance to women, job training, or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An imortant CIDA criterion is that the project creates jobs in Chile without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs.

Industrial Cooperation Division
Canadian International Development Agency
200 Promenade du Portage
Hull, PQ K1A 0G4
Tel: (819) 997-7905/7906
Fax: (819) 953-5204

The Business Opportunities Sourcing System (BOSS)

BOSS is a computerized databank that profiles over 26,000 Canadian companies. It lists basic information on products, services and operations that is useful to potential customers. The system was established so that Trade Commissioners posted around the world by DFAIT could find Canadian companies that might be able to take advantage of foreign market opportunities. Today, more than 11,000 domestic and international subscribers use the system not only to locate Canadian suppliers but also to obtain market intelligence and idnetify market opportunities. The majority of subscribers are Canadian companies.
For information call: (613) 954-5031

Market Intelligence Service

This market service provides Canadian business with detailed market information on a product specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer, and new manufacturing investment opportunities. The intelligence is used by Canadian business in decisions regarding manufacturing, product development, marketing, and market expansion. The information includes values, volume and unit price imports, characteristics of specific imports (e.g. mateiral, grade, price range, etc.), names of importers, major countries of exports, and U.S. imports. Two-thirds of the clientele for this service are small businesses.
For information call: (613) 954-4970

Revenue Canada

NAFTA Information Desk
Revenue Canada - Customs, Excise and Taxation
191 Laurier Avenue West
6th Floor
Ottawa, ON K1A 0L5
Tel: 1-800-661-6121
Fax: (613) 954-4494

NAFTA Spanish Help Desk
Revenue Canada - Customs provides a NAFTA Help Desk telephone line with service available in Spanish.
Tel: (613) 941-0965

Atlantic Canada Opportunities Agency

Atlantic Canadian companies seeking to develop exports to Chile may be eligible for assistance from the Atlantic Canada Opportunities Agency (ACOA). The Agency works in partnership with entrepreneurs form the Atlantic region to promote self-sustained economic activity in Atlantic Canada.

The ACOA Action Plan provides support to businesses as they look to expand existing markets through the development of Marketing Plans. Efforts include monitoring trade opportunities arising from global economic change; communications efforts to promote the region; trade missions and associated activities, as well as better coordiantion with federal and provincial bodies that influence trade and investment opportunities.

ACOA Head Office
Blue Cross Centre
644 Main Street
P.O. Box 6051
Moncton, NB E1C 9J8
Toll free: 1-800-651-7862
Fax: (506) 851-7403

Newfoundland and Labrador:
Atlantic Place
215 Water Street, Suit 801
P.O. Box 1060, Station C
St. John's, NF A1C 5M5
Tel: (709) 772-2712
Toll free: 1-800-563-5766
Fax: (709) 772-2712

Nova Scotia:
1801 Hollis Street
Suite 600
P.O. Box 2282, Station M
Halifax, NS B3J 3M5
Tel: (902) 426-2054
Toll free: 1-800-565-0228
Fax: (902) 426-2054

Prince Edward Island:
75 Fitzroy Street
3rd Floor
Charlotte Town, PE C1A 1R6
Tel: (902) 566-7492
Toll free: 1-800-565-0228
Fax: (902) 566-7098

New Brunswick
570 Queen Street
P.O. Box 578
Fredericton, NB E3B 5A6
Tel: (506) 452-3184
Toll free: 1-800-561-4030
Fax: (506) 452-3285

National Research Council

Canadian companies hoping to succeed in the Chilean marketplace may require additional technology to imporve their competitiveness. The National Research Council (NRC) works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council supervises the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network supports the process of developing, accessing, acquiring, implanting and using technology throughout Canadian industry. IRAP has been in existence for 40 years and has acquired a reputation as one of the more flexible and effective federal programs. IRAP takes advantage of an extensive network that includes more than 120 regional and local offices, 20 provincial technology centres, the Council's own laboratories and research institutes. The IRAP network also extends abroad through the technology counsellors attached to Canadian posts in some 18 foreign countries. For more information or the name if the IRAP officer nearest you, contact the following:

IRAP Office
National Research Council
Montreal Road
Building M-55
Ottawa, ON K1A 0R6
Tel: (613) 993-5326
Fax: (613) 952-1086

Halifax:
Purdy's Wharf, Tower 2
1969 Upper Water Street
Suite 1410
Halifax, NS B3J 3R7
Tel: (902) 429-0426
Fax: (902) 423-0881

6.2 Business and Professional Associationas in Canada

The Canadian Council for the Americas (CCA) is a non-profit organization formed in 1987 to promote business interests in Latin American and Caribbean conutries. The CCA promotes events and programs targeted at expanding business and building networking contacts between Canada and the countries of the region. It also publishes a bimonthly newsletter

The Canadian Council for the Americas (CCA)
360 Bay Street, Suite 300
Toronto, ON M5H 2L2
Tel: (416) 367-4313
Fax: (416) 367-5460

Canadian Exporterts' Association
99 Bank Street, Suite 250
Ottawa, ON K1P 6B9
Tel: (613) 238-8888
Fax: (613) 563-9218

Canadian Manufacturer's Association (CMA)
75 International Boulevard, 4th Floor
Etioboke, ON M9W 6L9
Tel: (416) 798-8000
Fax: (416) 798-8050

The Canadian Chamber of Commerce (CCC)
55 Metcalfe Street, Suite 1160
Ottawa, ON K1P 6N4
Tel: (613) 238-4000
Fax: (613) 238-6808

Forum for International Trade and Training (FITT)
155 Queen Street, Suite 608
Ottawa, ON K1P 6L1
Tel: (613) 230-3553
Fax: (613) 230-6808

Language Information Centre
249 Sparks Street, RPO
P.O Box 55011
Ottawa, ON K1P 1A1
Tel: (613) 523-3510

Canadian Freight Forwarders Association (CFFA)
Box 929
Stitsville ON L5M 2C3
Tel: (905) 567-4633
Fax: (905) 542-2716

Canadian Standards Association (CSA)
178 Rexdale Blvd.
Rexdale, ON M9W 1R3
Tel: (416) 747-4000
Fax: (416) 747-4149

Standards Council of Canada
45 O'Connor Street, Suite 1200
Ottawa, ON K1P 6N7
Tel: (613) 238-3222
Fax: (613) 995-4564

Association of Consulting Engineers of Canada (ACEC)
130 Albert Street, Suite 616
Ottawa, ON K1P 5G4
Tel: (613) 236-0569
Fax: (613) 236-6193

Machinery and Equipment Manufacturers' Association of Canada (MEMAC)
Suite 701, 116 Albert Street
Ottawa, ON K1P 5G3
Tel: (613) 232-7213
Fax: (613) 232-7381

6.3 Chilean Government Offices in Canada

The Embassy of Chile, and Chilean consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Chile.

Commercial Division
Embassy of Chile
Suite 605
151 Slater Street
Ottawa, Ontario
K1P 5H3
Tel: (613) 235-4402/9940

General Consulate of Chile - Vancouver
1250-1185 West Georgia
Vancouver, B.C.
V6E 4E6
Tel: (604) 681-9162
Fax: (604) 682-2445 Fax: (613) 235-1176
Telex: 3774 (EMBACHILE OT)

General Consulate of Chile - Montreal
1010 Sherbrooke Street West
Suite 710
Montreal, Quebec
H3A 2R7
Tel: (514) 499-0405
Fax: (514) 499-8914
Telex: 05562433 (CONGECHILE MTL)

General Consulate of Chile - Toronto
Suite 800
170 Bloor Street West
Toronto, Ontario
M5S 1T9
Tel: (416) 924-0106/0112
Fax: (416) 924-2727

Prochile
Trade Commission of Chile
Suite 801
170 Bloor Street West
Toronto, Ontario
M5S 1T9
Tel: (416) 924-0176
Fax: (416) 924-2627

6.4 Canadian Government Departmants and Services in Chile

Note: to telephone Santiago, dial: 011-56-2 before the number shown; for contacts in other cities in Chile, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.

Commercial Division
The Embassy of Canada in Chile
Ahumada 11, 10th Floor (Street Address)
Casilla 711 (Mailing Address)
Santiago, Chile
Tel: (56-2) 696-2256
Fax: (56-2) 696-0738
Telex: Destination code 34) 240 341 (DMCAN CL)

The Commercial Division of the Canadian Embassy in Chile can provide vital assistance to Canadians venturing into the Chilean market. The trade commissioners are well informed about the market and will respond in whatever measure possible to support a Canadian firm's presence in Chile.

Chilean - Canadian Chamber of Commerce
Los Estanques 9482, Casilla 19045
Vitacura, Santiago
Tel/Fax: (56-2) 201-1571

6.5 Institutions Involved in the Chilean Forestry Sector

Chilean Pulp and Paper Association
Asociación Técnica de la Celulosa y el Papel de Chile (ATCP Chile)
Lincoyán 199, Piso 2
Concepción, Chile
Tel: (56-41) 237-679

Centre for Environmental Studies
Centro de Investigaciones de Problemas del Medio Ambiente
Av. Holanda 1515
Santiago, Chile
Tel: (56-2) 274-9600
Fax: (56-2) 223-2028

Chilean Forestry Corporation
Corporación Nacional Forestal (CONAF)
José Antonio Prado, Director Ejecutivo
Av. Bulnes 285
Santiago, Chile
Tel: (56-2) 696-6677
Fax: (56-2) 671-5881

Chilean Wood Association
Corporación Chilena de la Madera (CORMA)
Eladio Susaeta, President
Giamberto Bisso, General Manager
National Office
Agustinas 814, Of. 407
Santiago, Chile
Tel: (56-2) 633-5728/638-4194
Fax: (56-2) 639-7485

Industrial Association of Wood-Based Products
Asociación de Industriales de la Madera (ASIMAD)
Sergio Goitía Llull, President
Obispo Donoso 5, Of. 61
Santiago, Chile
Tel/Fax: (56-2) 274-8707

Plywood Producers Association
Asociación de Productores de Tableros Contrachapados (APT)
Agustinas 853, Of. 507
Santiago, Chile
Tel: (56-2)

Fundación Chile
Mario Hermosilla, Forestry Director
Av. Parque Antonio Rabat Sur 6165
Casilla 773
Santiago, Chile
Tel: (56-2) 218-5211
Fax: (56-2) 218-6716

Professional Foresters Association
Asociación Chileda de Ingenieros Forestales
San Isidro 22, Of. 503
Casilla 9686
Santiago, Chile
Tel: (56-2) 639-3289
Fax: (56-2) 638-5280

Forest Research Institute
Instituto Forestal (INFOR)
René Saa, Executive Manager
Huérfanos 554
Casilla 3085, Correo Central
Santiago, Chile
Tel: (56-2) 639-6189
Fax: (56-2) 638-1286

Natural Resources Research Centre
Centro de Investigación de Recursos Naturales
C I R E N - C O R F O
José Antonio Bustamante, Director
Av. Manuel Montt 1164
Casilla 14995
Santiago, Chile
Tel: (56-2) 223-6641
Fax: (56-2) 225-4362

Ministry of Agriculture
Ministerio de Agricultura
Teatinos 40, Piso 9
Santiago, Chile
Tel: (56-2) 696-3241
Fax: (56-2) 695-7763

National Agricultre Securtiy
Sociedad Nacional de Agricultura (SNA)
Tenderini 187
Santiago, Chile
Tel: (56-2) 639-6710
Fax: (56-2) 633-7771

Corporación de Fomento de la Producción (CORFO)
Gerencia de Desarrollo, Aria Forestal
Eduardo Bitrán Colodro, General Manager
Moneda 921
Santiago, Chile
Tel: (56-2) 639-6710
Fax: (56-2) 633-7771

Sociedad de Fomento Fabril (SOFOFA)
Andrés Bello 2777, Piso 3
Santiago, Chile
Tel: (56-2) 203-3100
Fax: (56-2) 203-3101

Universidad Austral de Chile
Facultad de Ciencias Forestales
Instituto de Manejo Forestal
Independencia 641
Casilla 567
Valdivia
Tel: (56-63) 221-421
Fax: (56-63) 212-589

Aserraderos Unidos de Chile Ltda. (ASUN)
Av. Libertador Bernardo O'Higgins 1302, Of. 52
Guillermo Kuntz Schilling, General Manager
Santiago, Chile
Tel: (56-2) 699-3344/3345
Fax: (56-2) 699-1680

Universidad de Chile
Facultad de Ciencias Agrarias y Forestales
Escuela de Ciencias Forestales
Av. Lib. B. O'Higgins1058
Santiago, Chile
Tel: (56-2) 678-5743
Fax: (56-2) 678-5700

Universidad Católica de Chile
Facultad de Agronomía
Economía Agraria
Campus San Joaquín
Vicuña Mackenna 4860, Macul
Tel: (56-2) 552-2375
Fax: (56-2) 552-5692

Universidad del Bío-Bío
Av. Collao 1202
Casilla 5-C
Concepción, Chile
Tel: (56-41) 314-364
Fax: (56-41) 313-897

Universidad de Concepción
Víctor Lamas 2090
Casilla 20-C
Concepción, Chile
Tel: (56-41) 234-985
Fax: (56-41) 222-712

This University has signed with the University of Laval an agreement to create a doctorate program in forestry studies.

6.6 Major Corporate Entities of the Forestry Sector

The list presented below recognizes five sub-sectors and within them two or three size classes according to the existing range. It is often the case in Chilean forestry that big or medium sized companies are involved in several sub-sectors making the same names appear several times in an arrangement such as one used here. The four subsectors recognized below are the following: forest owners, sawmill operators, wood-based panel producers and the pulp and paper firms. Yet, before dealing with these subsectors separately, an introductory section will identify the six largest corporations that have more than one major activity.

Compañia Manufacturera de Papeles y Cartones S.A. (CMPC)

The oldest and most important corporation in the Chilean forestry sector, CMPC owns, among other things, one pulp plant (Laja), will have a second plant in Valdivia in the year 2000, plus large forest holdings (Forestal Mininco), sawmills, remanufacturing mills and several paper converting facilities. Although widely diversified its main products are: logs, lumber, Kraft pulp and papers (industrial, writing, printing and tissues): Immediate expansion plans include US$32 million for modernizations of its two existing sawmills (MININCO and MADEX) and the construction of third one, as well as another US$28 million for its plantation and harvesting operations (FORESTAL RIO VERGARA):

In addition to the operations indicated above, CMPC has a controlling interest in two other corporations: Industrias Forestales S:A: (INFORSA) and Celulosa del Pacífico S.A. (CELPAC) that will be dealt with in the next sections.

Although the shares of CMPC are dispersed among several hundred owners, a family (two generations of Mattes) controls and manages the business.

CMPC and its fully owned subsidiaries produces annually around:
- 2.5 million m^3 of round wood;
- 230,000 m^3 of lumber;
- 300,000 tons of Kraft pulp; and
- 350,000 tons of papers and boards.

Agustinas 1343, Piso 3
Santiago, Chile
Tel: 56-2-698 1941
Fax: 56-2-671 1957
Arturo Mackenna ,General Manager

Celulosa del Pacífico S.A. (CELPAC)

A seven year old corporation, CELPAC owns and operates a recently inaugurated Kraft pulp mill with a design capacity of 325,000 tons of bleached pulp a year. This state-of-the-art unit is expected to reach capacity output by the end of 1995, and is located in a town called Mininco.

The owners of this corporation are CMPC (through Forestal Renaico-22%)and Simpson Paper Co. of the U.S.A. (22%)

Agustinas 1350, Piso 4
Santiago, Chile
Tel: (56-2) 697-1744
Fax: (56-2) 699-3964
Antonio Larrain, General Manager

Industrias Forestales S.A. (INFORSA)

This corporation, an old timer in the forestry industry, boasts CMPC as controlling shareholder (81.95%). The rest of the shares are widely dispersed among several hundred owners.

INFORSA's basic production item is newsprint (130 000 tons/year) processed in an integrated operation comprising mechanical and sulphite pulps. The mill has recently been revamped making it a modern operation. In addition to newsprint, INFORSA operates a sawmill with an output of 120 000 m^3/year and a plantation estate of around 130,000 hectares of basically Radiata Pine plantations.

Agustinas 1350, Piso 7
Santiago, Chile
Tel: 695-4477
Fax: 695-4477
Andrés Larraín Marchant, General Manager

Celulosa Arauco and Constitución S.A. (Arauco)

With Kraft pulp as its basic product, this corporation has three mills (Arauco I. Arauco II and Constitución) with a rated total capacity of some 860,000 tons/year. Additionally, it operates six sawmills producing around 240,000 m^3/year and a vast estate of forest plantations of over 250,000 hectares, mostly of Radiata Pine. All three mills are either new or have been recently renovated.

Although part of the company's stock is in the hands of many shareholders, the corporation is controlled by two majority shareholders, Mr. Anacleto Angelini, a Chilean entrepreneur, and Carter Holt of New Zealand which is in turn owned by International Paper.

Agustinas 1070, Piso 6
Santiago, Chile
Tel: 698-1961 / 672-7522
Fax: 698-5967
Alejandro Pérez Rodríguez, General Manager

Forestal e Industrial Santa Fe S.A. (SANTA FE)

A seven year old company, SANTA FE; is owned by the following corporations: Shell International (60%), Scott Paper of the U.S.A. (20%) and Empresas CMPC (20%). On the industrial side, Santa Fe operates a 260,000 tons/year Kraft pulp mill that uses Eucalyptus pulpwood as its raw material and has a plantation estate of some 35,000 hectares made basically by Eucalyptus globulus and E. Mitens.

Av. Julio Hemmelmann 670
Nacimiento, Chile
tel(56-43)511352
fax(56-43)511525
Manuel Francisco Diaz, General Manager

Papeles Bio Bio S. A.

Fully owned by Tasman Chile Inversiones, which in turn is owned by Fletcher Challenge of New Zealand and Resource Investment of USA. This corporation runs a newsprint mill that has been revamped recently with a capacity of around 106,000 tons/year and a forestry estate of some 40,000 hectares of Radiata Pine plantations.

Pedro Agruirre Cerda 1054
Concepcion, Chile
tel (56-41)371-229
fax (56-41)371-090
Rufino Figueroa, General Manager

6.7 Forest Owners'

Large Companies

1. Bosques Arauco Ltda.
Plantation ownership: 118.262 ha.

2. Forestal Celco Ltda.
plantation ownership: 75.856 ha.

3. Forestal Valdivia S.A.
plantation ownership: 58.075 ha.

All three are subsidiaries of Celulosa Arauco y Constitución S.A. with the following head office address:
Agustinas 1070, Piso 6
Casilla 880
Santiago, Chile
Tel: (56-2) 698-1961
Fax: (56-2) 698-5967

This corporation owns, consequently, around 252,193 ha of plantations, mostly of Radiata Pine. The subsidiaries operate under one central management although they are part of different "cost centres" and have some operational autonomy.

4. Forestal Mininco S.A.
It belongs to Compañía Manufacturera de Papeles y Cartones S.A. (CMPC) with head office at:
Agustinas 1343, Piso 4
Santiago, Chile
Tel: (56-2) 698-1941
Fax: (56-2) 696-5437

This corporation owns around 130,000 ha of plantations mostly Radiata Pine.

5. Forestal Crecex S.A. Forestal Río Vergara
Both subsidiaries of Industrias Forestales S.A., (which is owned by CMPC) with head office at:
Agustinas 1350, Piso 7
Santiago, Chile
Tel: (56-2) 695-4477
Fax: (56-2) 695-4477

These corporations own around 114,000 ha of plantations, mostly Radiata Pine.

6. Forestal Bío-Bío S.A.
A Subsidiary of Papeles Bío-Bío, with head office at:
Paicaví 3280
Concepción
Tel: (56-41) 480-266
Fax: (56-41) 480-263

This corporation owns around 40,000 ha of plantations, mostly Radiata Pine.

7. Forestal Copihue
Av. 11 de Septiembre 2155, Providencia
Santiago, Chile
Tel: (56-2) 231-1903
Fax: (56-2) 231-1903

8. Forestal Monte Aguila
Both subsidiaries of Forestal e Industrial Santa Te S.A. with head office at:
Av. Julio Hemmelmann
Nacimiento, Chile
Tel: (56-43) 511-352
Fax: (56-43) 511-525

These corporations own around 35,000 ha of plantations, mostly Eucalyptus.

9. Forestal Cholguán S.A.
Its head office is located at:
Estado 337, Piso 2
Santiago, Chile
Tel: (56-2) 639-5097
Fax: (56-2) 633-2676

This corporation owns around 50,000 ha of plantations, mostly Radiata Pine.

Medium and Small Companies with Plantation Estates of less than 30,000 ha

10. Forestal Tornagaleones
A subsidiary of Maderas y Sintéticos S.A. (MASISA) with head office at:
Exposición 1258
Santiago, Chile
Tel: (56-2) 683-7202
Fax: (56-2) 683-6398

MASISA is owned by the Pathfinder Corp. of the U.K.

11. Forestal San José
Monseñor Sótero Sánz 27
Santiago, Chile
Tel: (56-2) 233-3411
Fax: (56-2) 231-9038

This corporation is owned by Inv. Hartwig S.A. a Chilean investment company.

12. Forestal Cementos Bío-Bío S.A.
Camino Concepción-Coronel Km 11
Tel: (56-41) 371-726
Fax: (56-41) 374-234

This corporation is owned by a cement factory controlled by Chilean shareholders.

13. Forestal Millalemu S.A.
A subsidiary of Aserraderos Andinos S.A. with head office at:
Huérfanos 669, Piso 6
Santiago, Chile
Tel: (56-2) 632-2322
Fax: (56-2) 632-6722

This corporation is owned by Cía. de Acero del Pacífico S.A. (CAP), a steel mill owned by several Chilean and foreign corporations.

14. Maderera Río Itata S.A.
Camino Coelemu-Quirihue Km 3
Chillán, Chile
Tel: (56-42) 511-461
Fax: (56-42) 511-462

This is a family owned operation (R. Izquierdo)

15. Universidad Austral de Chile
Pedro Aguirre Cerda 2001
Valdivia, Chile
Tel: (56-63) 216-185
Fax: (56-63) 216-964

The owner is a local private university, Universidad Austral de Valdivia.

Sawmill Operators

Large Sawmill Operations

Aserraderos Andinos S.A.

Product:	Lumber, millwork, furniture
Capacity:	Sawmill: 100,000 m^3/year Millwork and furniture: 20,000m^3
Markets:	U.S.A., Middle East, Europe
Equipment:	Sawmill, Canalli (Germany), Indumet (Chile), Hildebrand, The Taylor (U.S.A.)
Years in Operation:	14
Expansion Plans:	Not disclosed

Huérfanos 669, Piso 6
Santiago, Chile
Tel: (56-2) 632-2322
Fax: (56-2) 633-7082

This mill is owned by CAP (100%)

Aserraderos Arauco

Six mills: sawmills and millworks operated by one corporation. Detailed infromation on each of the units is not available except for output as follows:

	Annual Output (m^3 of lumber)
El Colorado	70,000
Escuadrón	55,000
La Araucana	35,000
Pilpilco	30,000
Maitenco	30,000
Colico	20,000

One of the operations is new, El Colorado, the rest have been established for several years. El Colorado has basically German Equipment (Linck).

Celulosa Arauco y Constitución S.A. is the owner of these mills (100%).

Aserraderos Copihue S.A.

Product:	Lumber, millwork, furniture components, trated lumber and roundwood, logs, chips and pulpwood.
Capacity:	Sawmill : 120,000 m^3/year Millwork: 20,000 m^3/yaer Furniture components: 10,000 m^3/year
Markets:	Middle East, Japan, Europe, Argentina, local
Equipment:	Sawmill: Frick, schurmann.(U.S.A.); Kiln: Bollman (Germany), Moore (U.S.A.); Components: U.S.A., Italy, Brazil
Years In Operation:	around 15
Expansion plans:	none

Av. 11 de Septiembre 2155, Piso 14
Santiago, Chile
Tel: (56-2) 231-1831 Fax: (56-2) 231-1903

Owners: Shell Chile (55%), Citicorp (45%)

Aserraderos Mininco S.A.

Product:	Lumber
Capacity:	100,00 m^3
Markets:	Middle East, Japan
Equipment:	Linck (Germany), Ari (Sweden)
Years in Operation:	8
Expansion:	*Replacement of equipment '93-94 Construction of new mill '93-94

Agustinas 1357, Piso 3
Santiago, Chile
Tel: (56-2) 698-1941
Fax: (56-2) 696-8833

Owner: CMPC (100%)
Fernando León Steffani, General Manager

Forestal Carampangue S.A.

Product:	Lumber
Capacity:	150,000 m^3/year
Markets:	Middle East, Japan, Europe
Equipment:	Linck (Germany)
Yaers in Operation:	15
Expansion plans:	none

Estado 10, Of. 1402
Santiago, Chile
Tel: (56-2) 632-1241
Fax: (56-2) 633-9680

Ownership: French entrepeneur M. Porte
Miguel Azriel, General Manager

Maderas Nacimiento S.A. (MADEX)

Product:	Lumber
Capacity:	150,000 m^3/year
Markets:	Middle East, Japan, Europe
Equiipment:	Kockumns, Dennis, Linck (Canada, Germany)
Years in operation:	15
Expansion plans:	Partial replacement of equipment

A subsidiary of Industrias Forestales S.A. with head office at

Agustinas 1357, Piso 3
Santiago, Chile
Tel: (56-2) 698-1941
Fax: (56-2) 696-8833

Owner: INFORSA (100%)

Medium Sized Sawmills
Aserraderos Aragón S.A.

Product:	Lumber, millwork
Capacity:	20,000 m^3/year
Markets:	Argentina, local
Equipment:	Premultini (Italy), Wining (Germany)
Years in operation:	2
Expansion plans:	none

A subsidiary of Madras y Sintéticos S.A. with head office at:
Exposición 1258
Santiago, Chile
Tel: (56-2) 683-7202
Fax: (56-2) 683-6398
Owner: MASISA

Aserraderos Cemento Bío-Bío S.A.

Product:	Lumber
Capacity:	80,000 m^3/year
Markets:	Middle East, Japan, Europe, local
Equipment:	Linck (Germany), multiple circular saws and chipper canter
Years in operation:	14
Expansion plans:	none

Camino a Concepción-Coronel Km 11
Santiago, Chile
Tel: (56-41) 371-726
Fax: (56-41) 374-234
Owner: Cementos Bío-Bío S.A.

Aserraderos Cholguán S.A.

Product: Lumber, dimension stock
Capacity: 40,000 m^3/year
Markets: Local, Korea, Holland, Germany, U.S.A.
Equipment: Chipper canter and multiple circular saws (Germany)
Years in operation: 12
Expansion plans: Panels and millwork

Estado 337, Piso 2
Santiago, Chile
Tel: (56-2) 639-5097
Fax: (56-2) 638-0723

Agrícola y Forestal Casagrande Ltda.

Product: Lumber, dimensional stock and finish furniture
Annual Output: 15,000 m^3/year
Markets: Furniture: USA, Eruope
Lumber: Local
Equipment: Sawmill (Chile)
Remanufacturing plant (USA, Italy, Chile)
Years in operation: around 5

Av. Recabarren 3160
Temuco, Chile
Tel: (56-45) 250-004
Fax: (56-45) 250-005
Owner: the Casagrande family

Aserradero San Vicente S.A.

Product: Lumber
Capacity: 80,000 m^3/year
Markets: Middle East, Korea, Japan
Equipment: Chipper canter, multiple circular saws, Linck (Germany)
Years in operation: around 16
Expansion plans: none

Av. Gran Bretaña 4793
Talcahuano, Chile
Tel: (56-41) 411-934
Fax: (56-41) 411-115
Owner: a Spanish corporation, IMASA

Aserradero Vista Alegre Ltda.

Product: Lumber, millwork
Capacity: 20,000 m^3/year
Markets: Middle East, Japan, local
Equipment: Frame saw, Linck (Germany)
Years in operation: around 16
Expansion plans: none

Avda. Pedro Aguirre Cerda 2001
Valdivia, Chile
Tel: (56-63) 216-185
Fax: (56-63) 216-964
Owner: Universidad Austral, Valdivia

Central Maderera

Product: Components for fruit crates
Capacity: 30,000 m^3/year
Markets: Local
Equipment: Band resaw, cut off saws, lathe: (Chile, Spain, Italy)
Years in operation: around 12
Expansion plans: none

Av. Alessandri 2101
Curicó, Chile
Tel: (56-75) 312-418
Fax: (56-75) 312-418
Owner: a family group of the area

Forestal Tromen S.A.

Product: Lumber
Annual Output: 30,000 m^3
Markets: Japan, Middle East
Equipment: Band saw and carriage, multiple circular saws (Brazil)
Years in operation: around 8
Expansion plans: none

Parque Industrial Escuadrón, sitio 6
Coronel, Chile
Tel: (56-41) 712-043
Fax: (56-41) 712-044

Maderas Río Itata S.A.

Product:	Lumber, dimension stock
Capacity:	30,000 m^3/year
Markets:	Local, Middle East, Europe, Japan
Equipment:	Sawnull Ari (Sweeden), Components (Germany)
Years in operation:	around 4
Expansion plans:	none

Camino Coelemu-Quirihue Km 3
Coelemu, Chile
Tel: (56-42) 511-461
Fax: (56-42) 511-462
Owner: Chilean entrepreneur Mr. Roberto Izquierdo

Industrias Fourcade S.A.

Product:	Lumber, dimension stock and finished furniture
Capacity:	40,000 m^3/year
Markets:	Local, U.S.A., Europe
Equipment:	Band saw and carriage, Band resaw (U.S.A., Chile) Furniture: U.S.A., Italy and Germany
Years of operation:	around 10
Expansion plans:	none

Manuel Montt 850, Piso 2
Temuco, Chile
Tel: (56-45) 210-189
Fax: (56-45) 367-077
Owner: Mr. Marcelo Fourcade

Sociedad de Industrias Madereras S.A.

Product:	Plywood
Capacity:	8,000 m^3/year
Markets:	Local for fruit crates
Equipment:	Lathe, press, clippers (Spain)
Years in operation:	around 3
Expansion plans:	none

Longitudinal Sur Km 461
Los Angeles, Chile
Tel: (56-41) 295-050
Fax: (56-41) 295-050
Owner: Undisclosed

Wood Based Panel Producers

Although the number of companies operating in this area is small, for purposes of convenience they will be divided into four groups recognizing the different types of panels: fiberboard, plywood, chipboard and MDF. Some companies produce more than one type of panel.

Fiberboard

Maderas Prensadas Cholguán S.A.

Product:	Fiberboard
Capacity:	60,000 m^3/year
Markets:	Local, Europe, Asia, U.S.A.
Equipment:	Sunds defibrator (Sweden)
Years in operation:	More than 20
Expansion plans:	none

Estado 337, Piso 2
Santiago, Chile
Tel: (56-2) 639-5097
Fax: (56-2) 633-2676
President: Mr. Gino Angelini Fabbri

Plywood

Maderas y Sintéticos S.A. (MASISA)

Product:	Plywood
Capacity:	8,000 m^3/year
Markets:	Local and export to Europe,U.S.A.,Argentina, Venezuela
Equipment:	From Finland, Italy, Brazil, Japan
Years in operation:	Around 20
Expansion plans:	Fenolic and melamine coated plywood

Exposición 1240-1258
Santiago, Chile
Tel: (56-2) 683-7202
Fax: (56-2) 683-6938
Owner: The Pathfinder group from the U.K.

INFODEMA

Product:	Plywood veneer, dimension stock, furniture components
Capacity:	30,000 m^3/year
Markets:	Local, U.S.A., Germany, Venezuela, Australia
Equipment:	Italy, Germany
Years in operation:	Over 20
Expansion plans:	none

Santa Isabel 36
Santiago, Chile
Tel: (56-2) 222-3568
Fax: (56-2) 222-5654
Owner: Local family

Maderas y Sintétocos S.A.

Product:	Particle Board, doors, plywood
Capacity:	280,000 m^3 particle board; 650,000 m^2 doors; 15,000 m^3 plywood/year
Markets:	Local, South East Asia, Europe,Central and South America
Equipment:	Germany, Italy, U.S.A.
Years in operation:	over 20
Expansion Plans:	Undisclosed

Exposición 1240-1258
Santiago, Chile
Tel: (56-2) 683-7202
Fax: (56-2) 683-6398
Owner: the Pathfinder group of the U.K.

Forestal Curacautín S.A.

Product:	piywood and particle board
Capacity:	9,500 m^3/year
Markets:	Local and Argentina
Equipment:	Germany
Years of operation:	Over 20
Expansion plans:	none

Av. José Joaquín Pérez 9580
Santiago, Chile
Tel: (56-2) 558-6586
Fax: (56-2) 558-4720
Owner: Undisclosed

Medium Density Fiberboard

Manufacturera de Fibropaneles Chile S.A.

Product:	Medium density Fiberboard
Capacity:	100,000 m^3/year
Markets:	Local and export
Equipment:	Sunds Defibrators (Sweden)

Estado 337, Piso 1
Santiago, Chile
Tel: (56-2) 639-2555
Fax: (56-2) 633-6760
Owners: Mr. Anacleto Angelini and the Carter Holt Group of New Zealand

Pulp and Paper Producers

Large Corporations

Celulosa Arauco y Constitución S.A.

Product:	Bleached and unbleached Radiata Pine, Kraft pulp
Capacity:	Around 750,000 tons/year

Agustinas1070, Piso 6
Santiago, Chile
Tel: (56-2) 698-1961
Fax: (56-2) 698-5967
Owner: Arauco S.A.

Celulosa del Pacífico S.A.

Product:	Bleached Radiata Pine Kraft pulp
Capacity:	315,000 tons/year

Agustinas 1350, Piso 4
Santiago, Chile
Tel: (56-2) 697-1744
Fax: (56-2) 699-3964
Owners: CMPC and Simpson Lumber

Fibranova S.A.

Product:	Medium Density Feberboard
Capacity:	100,000 m^3/year
Markets:	Local and export (Far East)
Year of operation:	0.5
Expansion plans:	none

Owner: Cap S.A.

Compañía Manufacturera de Papeles y Cartones S.A.

Product:	Kraft pulp, papers and boards
Capacity:	650,000 tons/year

Agustinas 1343, Piso 4
Santiago, Chile
Tel: (56-2) 698-1941
Fax: (56-2) 711-957
Owner: CMPC

Forestal e Industrial Santa Fe S.A.

Product:	Bleached Eucalyptus Kraft Pulp
Capacity:	240,000 tons/year

Marchant Pereira 10, Piso 18
Santiago, Chile
Tel: (56-2) 231-6616
Fax: (56-2) 231-6614
Owner: Santa Fe

Industrias Forestales S.A.

Product:	Newsprint
Capacity:	130,000 tons/year

Agustinas 1350, Piso 17
Santiago, Chile
Tel: (56-2) 695-4477
Fax: (56-2) 695-4283
Owner: CMPC and small shareholders

Small Companies in Paper and Boards

Cía. Papelera del Pacífico S.A.

Product:	Writing paper 2,000 tons/year Wrapping paper 2,000 tons/year Corrugted kraft 6,000 tons/year Couche 4,000 tons/year
Capacity:	14,000 tons/year
Markets:	Local
Equipment:	Beloit DD, Broth Shark, Voith, Sulzer, Tolosa, Keinefewers
Years in operation:	More then 20
Expansion plans:	none

Longitudinal Sur, Km 63
San Francisco de Mostazal, Chile
Tel: (56-72) 208-100
Fax: (56-72) 491-025

Fábrica de Papeles Carrascal S.A.

Product:	Corrugated board, paper
Capacity:	36,000 tons (recycled fibre/year)
Markets:	Local
Equipment:	Spain and Sweden
Years in operation:	More then 20
Expansion plans:	Printing paper

Papeles Bío-Bío S.A.

Product:	Newsprint
Capacity:	100,000 tons/year

Pedro Aguirre Cerda 1054
Concepción, Chile
Tel: (56-41) 371-229
Fax: (56-41) 371-090
Owner: Tasman Chile S.A.

Schörr y Concha S.A.

Product:	Liner paper and corrugated board
Capacity:	Liner paper 2,600 tons (recycled fibre)/year
Markets:	Local
Years in operation:	More than 20
Expansion plans:	Feasibility stage

Av. Carlos Schorr 433
Talca, Chile
Tel: (56-71) 226-406
Fax: (56-71) 223-957

Vera y Giannini S.A.C.I.

Product:	Board, paper and corrugated board
Capacity:	40,000 tons/year
Markets:	Local
Equipment:	Black Clawson, Bauer (refiners, deputators)
Years in operation:	More than 20
Expansion plans:	none

San Ignacio 1538
Talca, Chile
Tel: (56-2) 556-9748
Fax: (56-2) 556-7863

Lumber Remanufacturing Mills

Lumber remanufacturing is relatively new in Chile and both the number and capacity of existing operations shows considerable fluctuation through recent years. The more significant and stable operations are listed below.

Andinos S.A.
Huérfanos 669, Of. 613
Santiago, Chile
Tel: (56-2) 632-5282
Fax: (56-2) 632-6722

Aserraderos Aragón S.A.
Los Conquistadores 1700
Santiago, Chile
Tel: (56-2) 231-1010
Fax: (56-2) 234-2666

Aserraderos Copihue S.A.
Av. 11 de Septiembre 2155, Piso 14, Torre C
Providencia, Santiago, Chile
Tel: (56-2) 231-1831
Fax: (56-2) 231-1903

Casagrande
Recabarren 3160
Casilla 1685
Temuco, Chile
Tel: (56-45) 250-004
Fax: (56-45) 250-005

Centro Tecnológico de Producción Maderera S.A.
Ruta 5, Km 660
Casilla 1204
Temuco, Chile
Tel: (56-45) 221-776
Fax: (56-45) 221-490

Compañías CIC S.A.
Esquina Blanca 960
Santiago, Chile
Tel: (56-2) 557-1634
Fax: (56-2) 557-4362

Forestal Millalemu S.A.
Ruta Sur Km 357,5
Chillán, Chile
Tel: (56-42) 224-262
Fax: (56-42) 224-020

Forestal Mininco S.A. (Los Angeles)
Av. Alemania 751
Los Angeles, Chile
Tel: (56-43) 312-646
Fax: (56-43) 312-701

Fried Hermanos Ltda.
Av. España 1210
Las Animas
Valdivia,Chile
Tel: (56-63) 216-146
Fax: (56-63) 216-146

Industria Maderera Irizar Ltda.
Vicuña Mackenna 1420
Santiago, Chile
Tel: (56-2) 551-9849
Fax: (56-2) 555-4346

Maderama S.A.
Panamericana Norte 1613
Santiago, Chile
Tel: (56-2) 777-9480
Fax: (56-2) 779-158

El Rehue S.A.
Casilla 166-A
Villarrica, Chile
Tel: (56-45) 411-659
Fax: (56-45) 411-659

Maderas Prensadas Cholguán S.A.
Estado 337, Piso 2
Santiago, Chile
Tel: (56-2) 639-5097
Fax: (56-2) 633-2676

Madesal S.A.
Camino Viejo Concepción Talcahuano
Concepción, Chile
Tel: (56-41) 471-071
Fax: (56-41) 472-414

Maderas y Sintéticos S.A. MASISA
Los Conquistadores 1700, Pisos 12 y 13
Providencia
Santiago, Chile
Tel: (56-2) 231-1010
Fax: (56-2) 234-2666

Maderas de Aysén S.A.
Marchant Pereira 221, Piso 12
Providencia
Santiago, Chile
Tel: (56-2) 274-0300
Fax: (56-2) 204-7409

Maderera Río Itata S.A.
Av. Ricardo Lyon 861
Providencia
Santiago, Chile
Tel: (56-2) 204-3669
Fax: (56-2) 204-3370

Muebles Fourcade Soc. Ltda.
Av. Recabarren Frente 1440
Casilla 184
Temuco, Chile
Tel: (56-45) 210-189
Fax: (56-45) 367-077

Muebles Sur
Curicó 246
Santiago, Chile
Tel: (56-2) 222-7951
Fax: (56-2) 634-4577

6.8 Chilean Forestry Engineering Companies

CADE - IDEPE
Rep: Lautaro Cárcamo Zilveti
Av. José Domingo Cañas 2640
Santiago, Chile
Tel: 204-7966 / 204-7107
Fax: 274-5315

CICA Ingenieros Consultores S.A.
Rep: Roberto Delpiano Pérez Canto
Av. 11 de Septiembre 2260 Of. 93
Santiago, Chile
Tel: 251-5933 / 251-7191
Fax: 233-7041

CONIC-BF Ingenieros Consultores Ltda
Rep: Basilio Espíldora
Pedro de Valdivia 2029
Santiago, Chile
Tel: 274-2409 / 225-4106
Fax: 274-2409

Cruz y Davila Ingenieros Consultores
Rep: Juan Enrique Cruz
Augusto Leguia Norte 127, 2nd floor
Santiago, Chile
Tel: 231-4236 / 231-2482
Fax: 233-2225

EDIC Ingenieros Ltda
Rep: Guillermo Noguera Larraín
Antonio Bellet 77 Of. 202
Santiago, Chile
Tel: 235-0034
Fax: 235 0042

Geoexploraciones S.A.
Rep: Alfredo Eisenberg Grimberg
Galvarino Gallardo 1841
Santiago, Chile
Tel: 204-8958 / 235-3892 / 236 0551
Fax 225-6099

Hidrosan Chile
Rep: Guillermo Ruiz Pérez
Casilla 50630 Correo Central
Santiago, Chile
Tel: 603-5503 / 603-5504
Fax: 603-5511

ICSA Ing. Consultores Asociados
Rep: Gabriel Gutierrez Nilo
Av. Bulnes 139 Of. 84
Santiago, Chile
Tel: 671-1447 / 696-8613
Fax: 696-7758 / 695-3542

INECON
Rep: Ricardo Ramos Robles
Villavicencio 361 Of. 105
Santiago, Chile
Tel: 633-9142 / 633-9146
Fax: 633- 5092

Ingenieria Cuatro
Rep: Carlos Bretón Erenchum
Av. Italia 2064
Santiago, Chile
Tel: 209-1422 / 204-5168
Fax: 209-1422

Ingendesa S.A.
Rep: Carlos Mercado Herreros
Santa Rosa 76
Santaigo, Chile
Tel: 634-7266
Fax: 635-4070 / 222-0072

Ingeniería y Recursos Hidráulicos Ltda
Rep: René A. Ureta Quintana
Los Conquistadores 1982
Santiago, Chile
Tel: 233-1513 / 233-0851
Fax: 231-9872

Minmetal
Rep: Ramón Freire Canto
José Domingo Cañas 2681, Ñuñoa
Santiago, Chile
Tel: 274-1670
Fax: 204-4137

R & Q Ingeniería Ltda
Rep: Jorge Chávez Sáchez
Miguel Claro 578, Providencia
Santiago, Chile
Tel: 235-2426 / 235-2146 / 236-1578
Fax: 236-0958

Ricardo Edwards G. Estudios Ltda
Rep:Raúl Feliú Castillo, Guillermo Wood
Providencia 2330 Of. 62
Santiago, Chile
Tel: 232-4356 / 232-1305 / 233-2404
Fax: 233-2572

6.9 Chilean Agents

Comercial CIDEF S.A.
Av. 5 de Abril 5757
Santiago, Chile
Tel: 56-2-776 4071
Fax: 56-2-779 4288

Product Line: Case, Minck (USA), Valmet Logging (Canada), Nissan (Japan)

Distribuidora Cummins S.A.C.I.
Bulnes 1203
Santiago, Chile
Tel: 56-2-697 2929
Fax: 56-2-671 7037

Product Line: Blount Inc. Forestry Equipment Div. (USA) - cranes, feller, buncher, Hydro-ax tractors
Komatsu Inc. and Dresser Int. Co, - crawler tractors, front-end loaders, retro excavators
Cummins Engine Co. - diesel engines

Distribuitora Perkins Chilena S.A.C.
Av. España 69
Santiago, Chile
Tel: 56-2-697 2929
Fax: 56-2-671 7037

Product Line: Perkins Engine (U.K., Brazil, Argentina)
Clark, Link Belt, Bob Cat (USA)

Jaras S.A.
Baron de Jaras Reales 5250
Santiago, Chile
Tel: 56-2-623 1215
Fax: 56-2-623 1547

Maco Industrial y Comercial S.A.
Av. Vicuna Makenna 3212
Santiago, Chile
Tel: 56-2-238 1311
Fax: 56-2-238 0315

Product Line Husky, precision, Hyster, International Navistar (USA)
Farmi (Finland), O&K (Germany), VW (Brazil)

Lanz y Cia. Ltda
Dr. Manuel Barros Borgono 233
Santiago, Chile
Tel: 56-2-235 2707
Fax: 56-2-235 1070

Maga Ltda.
Toesca 2096
Santiago, Chile
Tel: 56-2-698 0252 Fax: 56-2-695 3155

Product Line: DMC Kootoney Manufacturing Co. (Canada), Tree Farmer, Peerless (USA), Cremona (Italy), Shindiwa (Japan)

Manfred Brauchle S.A.
Agustinas 1070
Santiago, Chile
Tel: 56-2-696 3294

Product Line: Paulan (USA)
Jack (Denmark)

Salina y Fabres S.A.C.I.
Rondizzoni 2130
Santiago, Chile
Tel: 56-2-683 5866
Fax: 56-2-683 6750

Product Line: Fiat Allis, General Motors, Mack Trucks Inc. (USA)
The Yokohama Rubber Co., Toyota (Japan)

Sigdo Koppers Comercial S.A.
Panamericana Norte 5151
Santiago, Chile
Tel: 56-2-623 4883 / 56-41-237 506
Fax: 56-2-623 4531

Product Line: Volvo BM (Sweden)
Michigan (Brazil)
IVECO (Europe, Argentina)
Case International (U.K.)
Toyota (Japan)
Barko (USA)

Tecfor Ltda
Agustinas 611 Of. 91
Santiago, Chile
Tel: 56-2-633 0925
Fax: 56-2-638 1654

Product Line: European cable logging equipment, portable sawmills, steel cables and accessories

BSC Ltda.
Oanamericana Norte 3026
Santiago, Chile
Tel: 56-2-735 5609
Fax: 56-2-737 5649

Product Line: Morbark International; Salem International, Price Industries Peerless

Comercial e Industrial ESESA S.A.
Av. Pedro Aguirre Cerda 4693
Santiago, Chile
Tel: 56-2-621-3423
Fax: 56-2-621 3019

Product Line: SIA, VALLORBE (Switzerland)

Coofor Ltda
Av. Einstein 760
Santiago, Chile
Tel: 56-2-621 3423
Fax: 56-2-621 3019

Product Line: Simonds, Pacific Hoe, Nicholson, Demhorst (USA), Criptogil (France), Hoseler, Lauser, Casco (Germany)

G. Weiblin y Cia. Ltda.
Dr. Sotero del Rio 326 Of. 704
Santiago, Chile
Tel: 56-2-698 3168
Fax: 56-2-698 3168

Product Line: International Knife and Saw Inc. (USA), Northern Vibrator Manufacturing Ltd (Canada)

Inhemad Ltda
General Ghana 576
Santiago, Chile
Tel: 56-2-556 6371
Fax: 56-2-556 6818

Product Line: Watkin (UK)
Ogan (Italy)

Kupfer Proveedores Industriales S.A.
Lincotan 601
Concepcion, Chile
Tel: 56-41-233 002
Fax: 56-41-224 941

Product Line: Simonds Industries
Wisconsin Knife

Limaq Ltda.
Marinez de Rosas 3305
Santiago, Chile
Tel: 56-2-773 8852
Fax: 56-2-775 1215

Product Line: Linares Metalurgica (Argentina)
A. costa (Italy)
Biesse (Germany)

Max Hamdord Maquinaria Ind. S.A.
Lira 2310
Santiago, Chile
Tel: 56-2-698 2605
Fax: 56-2-699 5788

Product Line: used equipment, mainly of German origin

Raab Rochette S.A.
Av. L. B. O'Higgins 1869
Santiago, Chile
Tel: 56-2-698 2605
Fax: 56-2-699 5788

Product Line: Invicta Delta, Schifer (Brazil)
Taylor, Armstrong (USA)
Kadoret (Canada)
Gottert (Argentina)
Udelhom (Sweden)

6. Key Contacts

Solecia Ltda
Av. Holanda 27
Santiago, Chile
Tel: 56-2-233 3608
Fax: 56-2-232 5880

Product LineL Saderhamms Verkstader, Bruks,
Waco-Jonsereds (Sweden)
Vollmer Werke (Germany)
Stenner (UK)

Ricardo Schmidlin
Box 14245
Santiago, Chile
Tel: 56-2-229 3623
Fax: 56-2-229 3623

Product Line: Siempelkamp GBH, Lignomat, Linch (Germany)
Valoncone (Finland)

6.10 Forestry Publications

Boletín Informativo de la Corporación Chilena de la Madera A.G.

Contents: News concerning CORMA's activities and the forest sector. Regional activities, technological reports and economic statistics.

Published every two months.

Chile Forestal

Monthly magazine, published by Corporación Nacional Forestal (CONAF).

Contents: News concerning activities on native forests and plantations, world market of forest products, forest prices, domestic market, forest exports, technical papers and brief news.

Chilean Forestry News

Monthly magazine, published ny Corporación National Forestal (CONAF). A summary in English of the contents of "Chile Forestal".

Lignum - Bosque - Madera - Tecnología

Published by Fundación Chile every three months

Contents: Forestry world news, forestry Chilean news, technical reports on different tree species, technical reports on equipment, silviculture, forest harvesting and other aspects of the forestry activity.

Renarres

Published monthly by Colegio de Ingenieros Forestales A.G.

Bosque
Contents: News concerning the forestry profession, and summaries of technical papers.

ATCP Chile

Published every tow months by Asociación Técnica de la Celulosa y el Papel Chile.

Contents: Editorial, documents of ATCP activities, technical section, news of importance to ATCP members, commercial information

Instituto Forestal

1. **Exportaciones Forestales Chilenas**

Monthly publication with statistics about prices and exports of forest products.

2. **Estadísticas Forestales**

Annual publication of forest statistics: macroeconomic indicators, forestry resources, production and

consumption, exports, prices, transport, price index, availability of Radiata Pine limber and forest occupation.

3. **Boletín de Precios Forestales**

Monthly publication with prices of forest products and prices of provisions for the forest products industry.

Boletín de Mercado Forestal

Monthly magazine published by Corporación Nacional Forestal (CONAF).

Contents: Analysis of world forest products market, national news of importance in the export of forest products, important events, prices of local and export markets, and financial data and economic indicators.

Published every six months by Universidad de Chile, Facultad de Ciencias Forestales.
Contents: technical papers that cover specially silvicultural aspects of the native forest.