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THE DEVELOPMENT OF THE PLASTICS INDUSTRY
IN URUGUAY^{1/}
by
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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

Before describing the up to date state of the Plastic Industry in Uruguay it's necessary to take into accounts some important features of our Economy.

Uruguay (with 137.000 sq km and 2.5 millions inhabitants) is mainly agro-cattle country. Its main exportation being meat, wool and grains.

Petroleum has not been found yet but several prospective projects in land and sea are on the way.

In this moments the country is passing through a high economical crisis with an annual inflationary index of more than 90 % and US\$ 300 annual rent "per capita". There are besides a very noticeable emigratory flux to neighboring countries.

Recent data from CEPAL (Consejo Económico para América Latina) show an increase of -1.2% of the national economy compared to its neighbors : Brasil 11% and Argentina 8% . For the period Jan.-August, 1974, the commercial estimate gave US\$ 50 millions deficit.

Neither industry in general nor Plastic Industry in particular are out of this process.

An international problem of lack of raw materials mainly those derived from petroleum, ought to be added to the small income market and a low purchasing power.

This is critical in Plastic Industry due to fact that 100 %

of raw materials come through importation.

Some statistical features will give a better explanation of this process.

During the year 1973 , 15000 Tons of plastic materials were imported being the highest amounts polyethylene and PVC . The annual amount of PVC resins normally reaches the 4000 Tons but during the last year, due to petroleum crisis it fell to 2000 Tons .

Only 5% of the total of importation of raw materials belong to polymerization reactions mainly hard and soft polyurethane foams.

In this basis Plastic Industry should be classified as a transformation one operating in small factories with no more than 50 workers - only 5 units have more than 100 workers -. The equipment used is about 15 years old being its replacement difficult.

Extrusion processes are applied to obtain films , pipes profiles and tubes. The raw materials to use by this means is polyethylene, PVC , polypropylene , polystyrene and polyacides. Calenders are also applied for PVC and polyethylene films.

For the preparation of molten articles injection , compression and vacuum molded.

It's evident that, for the mentioned state of the inward market, it became difficult to introduce new technology.

This could be achieved by the gain of other markets.

In this field, it becomes necessary to improve the amount and

quality of the exported production.

These articles related to building and automotive industries are mentioned as preferentially exported, though they have not gained commercialization volume.

A treaty has been recently signed between Uruguay and Argentina for an interrelation in cars industry.

A control Laboratory has been created, that emits quality certificates without which means exportation is forbidden.

Dealing now with the future of the Plastic Industry, our Government advocated to its improvement by creating means that incentive the income Capitals and multinational enterprises. As a complement, they favor the installation of new industries especially those that avoid or reduce the importation of raw materials.

As an example it may be mentioned that a polymerization plant for the obtention of polyesters fibers is in its first stage of installation.

Of course this plant will also depend on imported materials.

Our enterprise is now studying a project for the installation of a vinyl chloride and PVC plant, starting with national raw materials and with the seek of gaining the inward market.

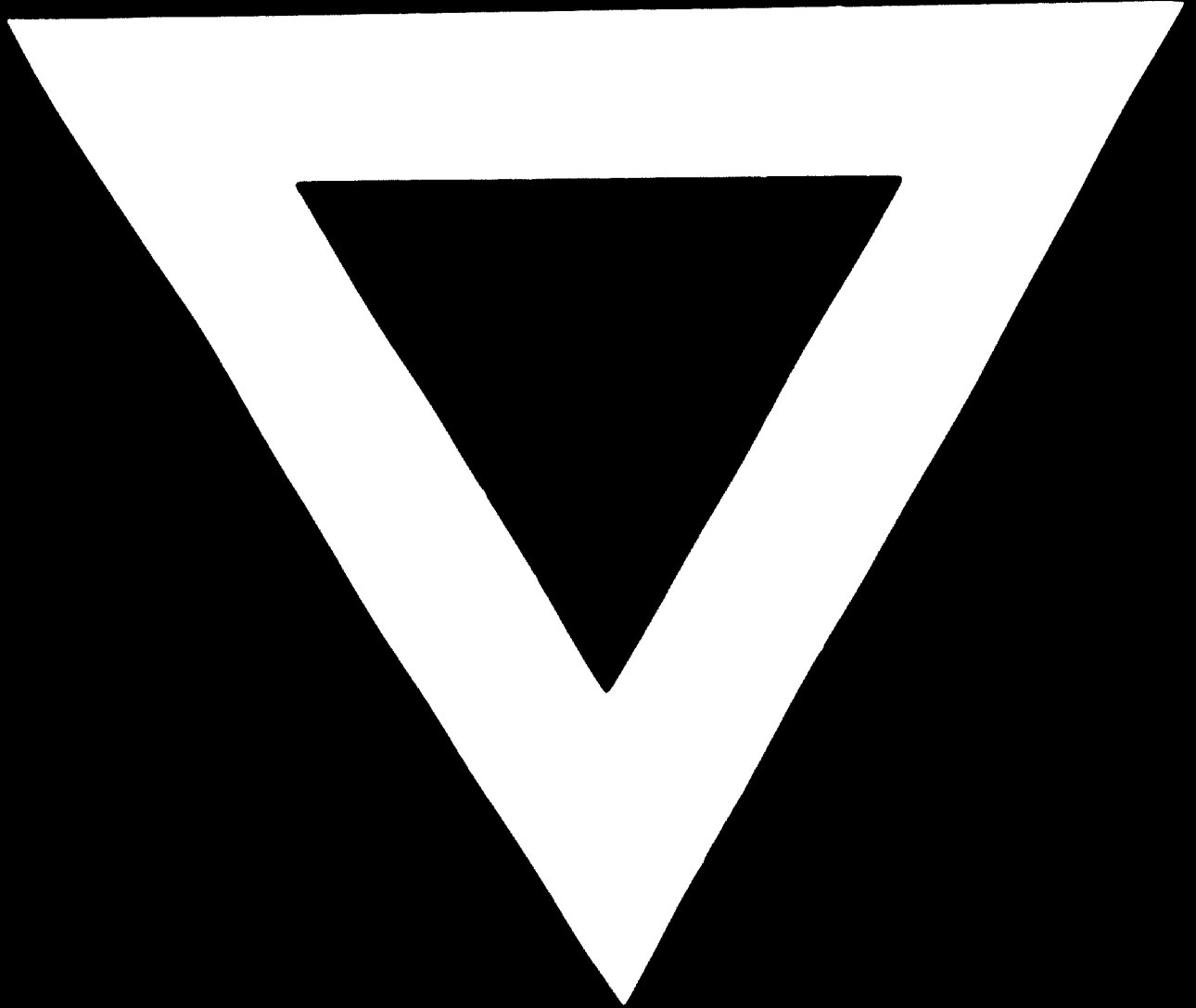
As a real development is expected for the Plastic Industry in Uruguay it is most important to prepare specialized technicians in the field.

In our country it is economically impossible to build labs and

pilot plants to study plastic technology, so there are no courses of specialization on this field.

We think that by means of an internationally well supported technical assistance through equipments and Experts on the field it will be possible to get the necessary training for a real and pushing development of the Plastic industry in Uruguay.





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