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**PRESENT STATUS AND FUTURE PLANS FOR THE
DEVELOPMENT OF THE PLASTICS INDUSTRY
IN URUGUAY**

by

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General.-

Uruguay is a little country in South America with a small population. It is about 190.000 square kilometers and it has 3.000.000 inhabitants.

Now, its economy is in trouble because the increase of oil's price and other raw materials imported, and the difficulties in sales of its basic productions: meats and wool. In spite of this, our income per capita is one of the best in Latinamerica, about dollars 900/year.

The Plastics Industry today.-

This report is going to be a quick review about the real situation and capacity of our industry. There have had several previous reports and the conditions are the same in many aspects.

The Plastics Industry is not very sophisticated in the country, but almost all processes are represented. Some of them are running using old and obsolete machines; although there are many modern ones.

Injection moulding.-

There are about three hundred machines, almost all imported from Europe, USA and Argentine.

Their capacity are from the little and rapid machines to the big ones with a maximum of six kilos.

All the traditional materials are being used and some engineering materials also.-

There are a sufficient number of mould factories. Two of the most important are making moulds for export to Latinamerica's countries.

Extrusion.-

Blow film is the biggest activity in this area using about 60% of the polyethylene consumption. There are less than fifty machines, some imported and other locally constructed, are running in this activity.

Other articles produced by extrusion are:

Sheets.--High impact polystyrene and copolymer, polypropylene and other resins are being used.

Profiles.--Plasticized and rigid PVC, included curtains.

Monofilaments and cords in nylon and polypropylene.

Sintetic textile sacks of polypropylene and high density polyethylene are produced from two factories, for use in agricultural packaging and export.

Wires and cables.--Plasticized PVC or polyethylene, according to the application in electric installations or TV. Six producers are running in this area.

Pipes from black polyethylene, polypropylene and rigid PVC are produced for water management, electric uses, etc.

Tubular mesh-wire, from polyethylene to be used in fruit packaging.

Boots and shoes are produced for two important companies. They use soft PVC.

Blow moulding.-

Near 150 machines are running in this important activity. Some of them are modern and rapid machines, other are old or locally constructed ones. The maximum of blowing capacity is 50 liters. Polyethylene, polypropylene, polystyrene, rigid PVC, polycarbonate, etc are being used to produce bottles, flask, jerry cans, toys, etc.

Vacuum thermoforming.-

There are several little machines and few big ones, producing blister packaging, radio and TV parts, inner cases for refrigerators etc.

Calendering and Coating.-

Plasticized PVC with and without textile support are being produced by several factories, for local market and export into the automatic agreement with Argentine and Brazil. Some exportation to Ford of England have been made lately.

Acrylic sheets.-

Two plants are producing sheets from 1,6 to 30 mm. thick.

Foams.-

There are two plants producing rigid and soft polyurethane foaming for car assembly, mattresses, pillows, and textile industry.

Two plants are producing foams from expandable polystyrene for insulation, boxes, etc.

Thermosetting.-

Two factories are producing industrial and decorative laminates for many uses in the country and for export.

Compression and injection moulding of these materials are being used for electrical accessories, caps, house ware, etc.-

Reinforced Plastic.-

There are four plants producing automotive bodies, boats, sanitary ware, ondulate sheets for roofs, panels for building industry, etc.

Polyester resins are also used to produce buttons. The quality level of this production is very good.

Raw materials consumption.-

The quantities of consumption are the following, according with estimation for 1974:

Polyethylene low density	8.000	tons/year
high density.	800	" "
Polystyrenes and copolymers.	1.200	" "
PVC and copolymers	1.500	" "
Polypropylene	800	" "
Polyester	500	" "
Thermosetting resins	800	" "
Polyurethane	500	" "
Expandable polystyrene	500	" "
Nylon, polycarbonate, polyacetal	200	" "
Miscellaneous	200	" "
		<u>17.000 tons/year</u>

Almost all raw material is imported in Uruguay.

Brazil, Germany, England, France, Italy, Japan, Mexico are the most important sources.

The follow raw materials are being produced locally:

Urea and phenol formaldehyde
 Diethyl Phthalate
 Lead stabilizers and lubricants for PVC compounding.

The future of Plastics Industry.-

In this sense several aspects should be considered.

a) The Government's policy to re-organize the economy and the social situation: strong policy anti-inflationary; actual value of the Uruguayan peso respect to dollar; control and minimize of the public spending; no restricted importation of equipment and raw materials; intensify of fishing and agricultural productions, are some of the ways the authorities are running.

b) The geographic position, between Argentina and Brazil, and the trade agreements with neighbour countries for the importation of articles from Uruguay, are big possibilities to get the wide market that Uruguay needs.

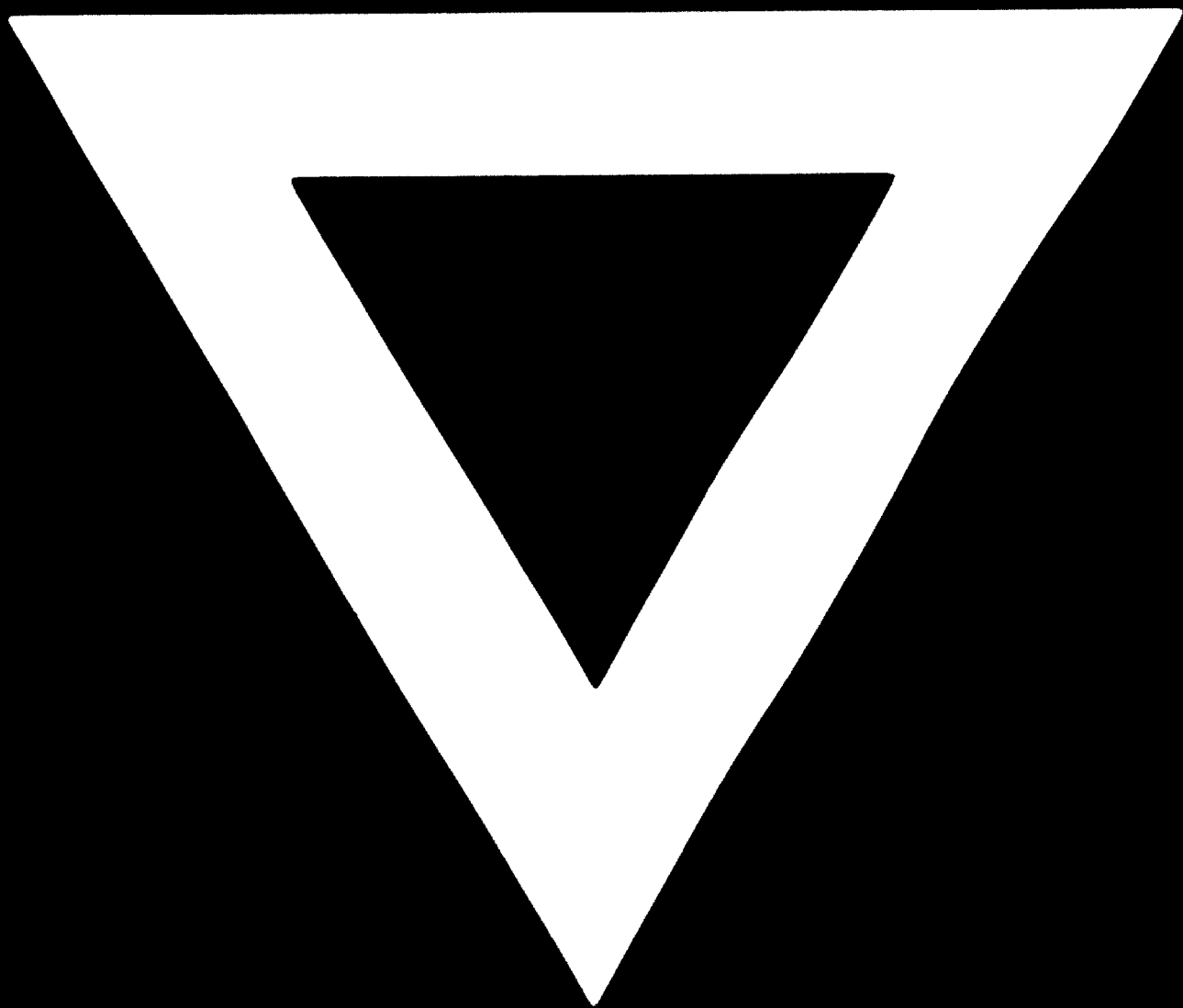
c) The good level of our handwork and the calm social situation are attractive to local and foreign investors.

d) Two dams are being constructed, the big one (Salto Grande) is going to produce 2.000.000 Kw/h, more than double of the consumption of the country. The electric generation is going to start in 1978 and we hope price of electric energy is going down. This is very important for a country without oil because its possibilities in the development process.

e) In spite we said in d) oil prospection is running in the country and on the River Plate.

f) The Plastics Industry is being assisted by UNIDO in cooperation with the Uruguayan Plastics Industry Association (AUIP). The assistance program is described in the report by Mr. Patfort and Mr. Coats, two UNIDO's experts that were in Montevideo at the beginning of this year.

All we said before, the general situation in the country and the special one of the plastics industry is enough to expect a good rate of development in this area in a few years



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