Local assets recover after the Senate rejects the fourth pension fund withdrawal

The local activity, strongly driven by consumerism, would end the year with a 12% growth. Meanwhile, inflation would climb up to 6.5%

Highlights

Local financial assets rise substantially. The reduced probability of a fourth pension fund withdrawal instigated long-term rates to revert their growth of recent months, the exchange rate to appreciate -shrinking below the $800- and the stocks to climb vigorously, leading the regional hikes.

The local economy maintains high dynamism. The Imacec again surprised on the upside (15.6%YoY) with an important recovery in services and record commerce levels. As a result, we estimate that the activity will expand by 12% this year, but the normalisation of consumerism and a weak investment will cause growth to slow down substantially by 2022.

Restricted work supply hinders employment recovery. Despite the economy's reopening and the activity's rapid growth, employment has not managed to recover completely. Broadly explaining this phenomenon is the low work participation, which remains quite below its pre-pandemic levels.

October's high CPI manifests intense inflationary pressures. Even though most of the data is explained by the significant hikes to specific services, the figures ratified the speedy price ascent. In months to come, the CPI will continue to be affected by the increment in imported costs, a restricted supply, a very buoyant demand, and the effects of the presidential runoff. With this, the index would end 2021 with a 6.5% variation, remaining above the target for the next two years.

The Central Bank would drive the MPR to its neutral value by December. In the absence of new liquidity injections hereafter, the Council will moderate increments to the rate, which would settle at around 5% during the second half of 2022.

The rising global inflation becomes the focal point of concern.
Disruptions to value chains and logistics, increments to fuel costs, and a quick normalisation of the demand have translated into solid price hikes in a significant portion of worldwide economies. However, the leading central banks have insisted that this is a temporary phenomenon and have maintained a dovish approach to their monetary policy. Nevertheless, markets are beginning to internalise that the rate-raising process will happen before anticipated.

CLAUDIO SOTO
Chief Economist
claudio.soto.gamboa@santander.cl

LORENA PALOMEQUE
Economist
lorena.palomeque@santander.cl

CARMEN GLORIA SILVA
Economist
carmengloria.silva@santander.cl

MIGUEL SANTANA
Economist
miguelpatricio.santana@santander.cl

FABIÁN SEPÚLVEDA
Economist
fabian.sepulveda@santander.cl

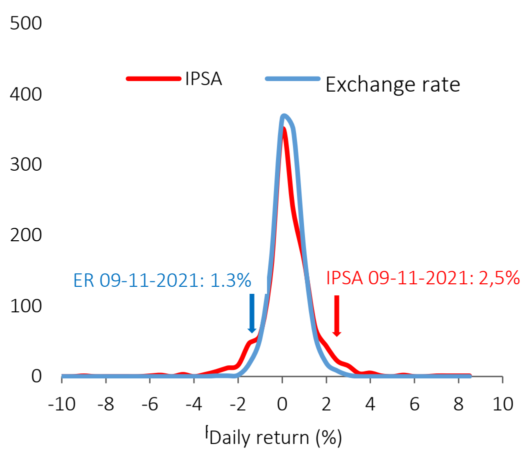
Local assets recover in the wake of the Senate's rejection of the fourth pension fund withdrawal.

In quite a relevant event, the Senate rejected the fourth pension fund withdrawal proposal. Even though political pressure was high, the views standing on technical analysis prevailed, which warned this initiative's risks. Beyond pressuring the overheated economy in the short term, a new withdrawal would also be detrimental in the long term, as highlighted by the Central Bank's recent Financial Stability Report. According to this document, the main risk to the country's financial stability is precisely materialising forced asset-stripping once again, as these types of initiatives not only foster volatility but also, by reducing savings (pension funds shrunk from 81% to 63% of the GDP between June 2020 and June 2021) they would end up impacting the economy in the long term.

After the Senate's rejection due to the minimum quorum not being met, the proposal will proceed to be reviewed by a Joint Commission, to later return to both chambers for discussion. This will take place after the presidential and parliamentary elections on the 21st of November, with which the incentives for its approval will lower considerably. Furthermore, as this is the first time the idea of legislating over pension fund withdrawals has been rejected, this gives a vital sign of decreased support to future initiatives of akin nature.

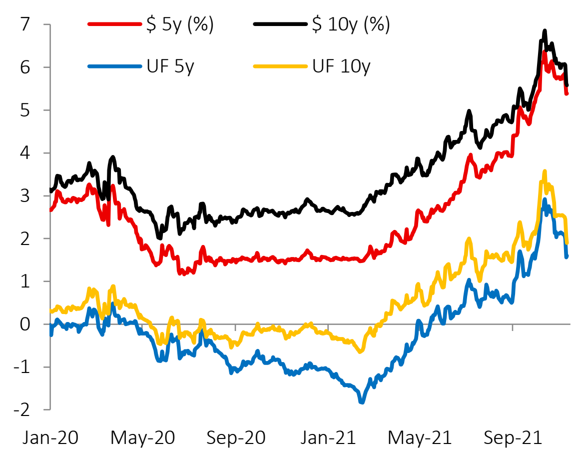
As a result of the above, the local assets exhibited vigorous profits. 5 and 10-year bond rates in Peso dropped between 30 bps and 40 bps to 5.4% and 5.6%, respectively; the exchange rate appreciated over 1%, ending the exercise at around $ 790 after the voting, and the stock surpassed the 4,470 points (+2.5%). These movements are located at the rears of the daily distribution of asset returns.

The rise of Chilean assets subsequent to the fourth pension fund withdrawal at the high end of daily distributions



Note: Daily returns, March 2018-November 2021.
Source: Bloomberg and Santander

Long-term bond rates retreat after the aggressive MPR hike

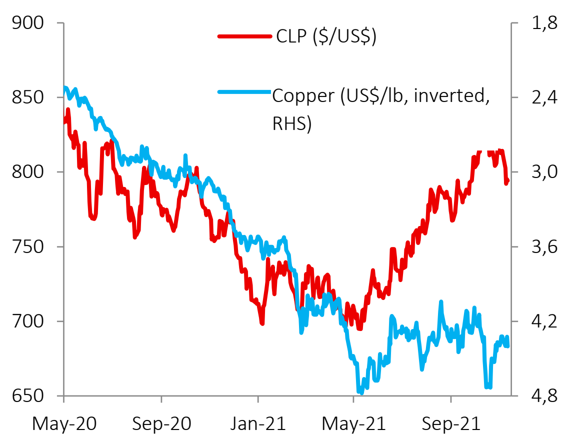


Source: Central Bank, RiskAmerica and Santander

Beyond the recent appreciation, the exchange rate will continue under pressure in the medium term. The price of copper is at levels over their medium and long term values and could suffer a downward correction. Meanwhile, the internal political uncertainty remains high and will continue to be a source of great volatility for a long time. Finally, it is possible for the monetary stimulus withdrawal in the US and other countries in the world to proceed at a quicker pace than previously estimated, particularly after October's surprising inflation figures known this week. All these factors point towards a more depreciated Peso, which is why the parity could end the year ranging between $810 and $820.

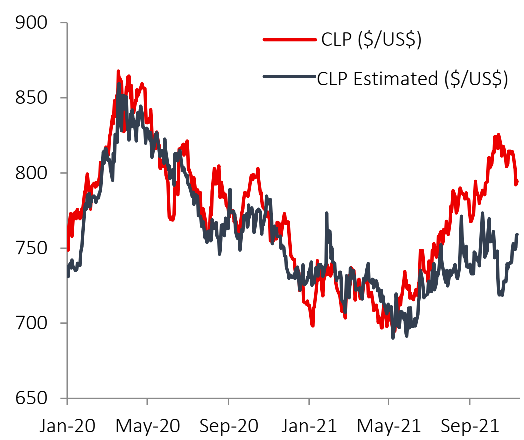
Long-term interest rates that have presented a strong correction, particularly in the lengthier part of the curve, could display some reversals at the more abrupt steepening of international rates. Likewise, coming elections' results could raise both premium risks and fiscal funding needs in the future. The concretion of the current or future pension fund proposals (besides pressuring rates due to new settlements of debt instruments) will also impact the potential demand for this type of assets, which, if not offset by the external demand, may exert a more permanent upwards bias on interest rates. On the contrary, due to the economy's diminished buoyancy, the prospect of a more moderate monetary policy during 2022 continues to be the primary downward bias.

The exchange rate continues to weaken due to lower copper prices



Source: Bloomberg and Santander

...but shortens the gap over its value in terms of economic fundamentals

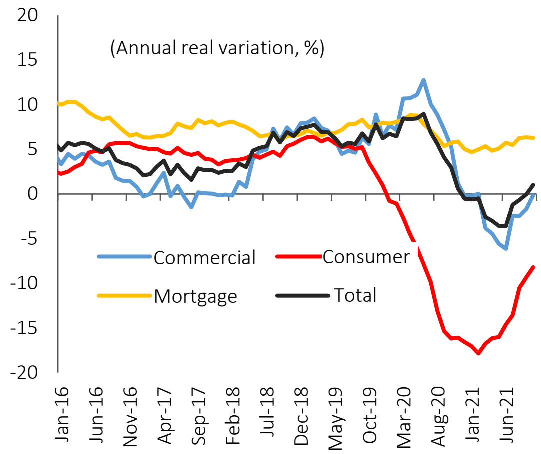


Source: Bloomberg and Santander

Abundant liquidity maintains low credit buoyancy

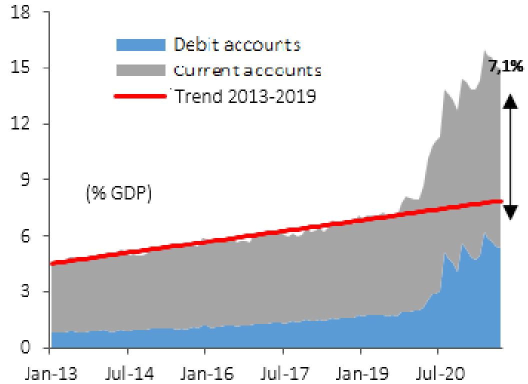
After eleven months of contraction, bank loans grew by 1% in real terms during October. However, loans to companies-which represent 2/3 of the total value- fell marginally (-0.1%) due to the still high comparison bases affected by last year's public funding programs. This segment marginally manifests a greater dynamism explained partly by the exchange rate depreciation, as over 25% of this portfolio is denominated in foreign currency, and the FOGAPE Reactiva program, which amasses a coursed amount of almost US$ 7,800 million.
Housing loans grew by 6.3% during October, maintaining a stable buoyancy during the last three months, in a context that has already signalled tighter financial conditions produced by the rise to long-term interest rates. In turn, the consumption segment receded 8.2%, somewhat less than in previous months. The abundant liquidity available in current accounts and people's prospects explains the decreased appetite for this product.

Loans return to positive grounds



Source: Central Bank and Santander

Abundant liquidity maintains demand for loan consumption low

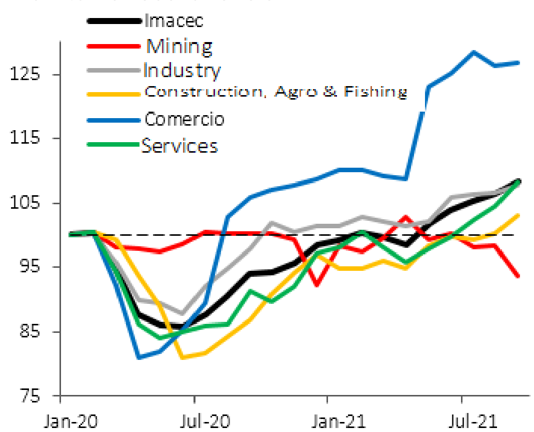


Source: CMF and Santander

The economy remains very dynamic

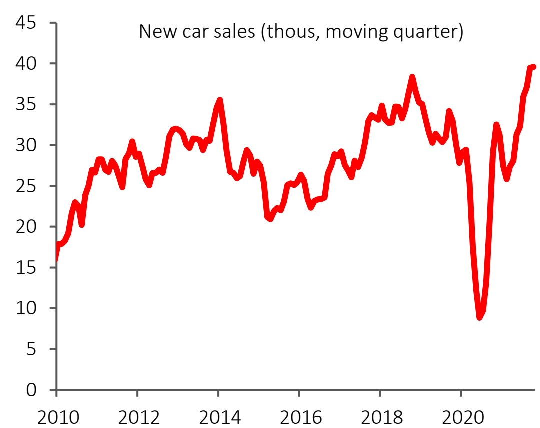
The growth of September's activity (1.7%MoM; 15.6%YoY) reflected the impact of the improvement to the sanitary conditions and the easing of social distancing measures- more than 95% of the population progressed to Phase 4 that month-, in a context where demand remains very buoyant. As a result, the services that still were lagging had a strong rebound (3.6%) and steepened above their tendency. Building and the manufacturing industry also rose, and commerce maintained record levels. On the contrary, mining (-4.8%) suffered the effects of low-grade ores and problems to the water supplies of some extracting sites.

The services sector speeds up, and commerce maintains record levels



Seasonally adjusted series (Jan-20 = 100)
Source: BCCh and Santander

New car sales at historical peaks



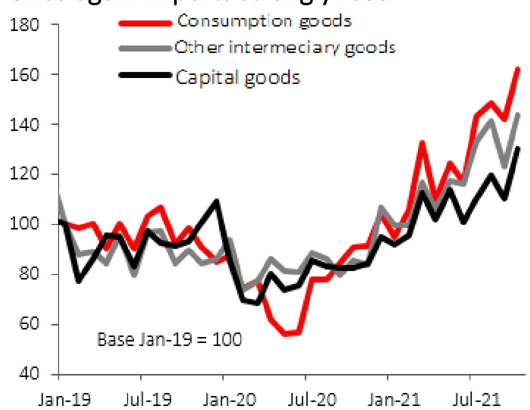
Source: ANAC and Santander

A variety of data indicates that the activity remained quite strong during October despite the rise in new Covid-19 cases. According to Apple, mobility once again rose (116% vs 108% in September), car sales remained at very high levels, and the imports of consumer goods reached new peaks. We thus estimate that October's Imacec would have had further monthly progress, but more contained than in previous months, with which its growth would reach around 15%. Meanwhile, the year will end with a 12% growth above our last estimate.

Consecutive upwards corrections to this year's growth (June's Monetary Policy Report, which at the moment was considered optimistic, estimated a 9% GDP growth) are explained by consumerism's high dynamism, which we project will grow 18% in 2021, underpinned by public aid and the pension fund withdrawals. This vigorous pace is not sustainable, particularly in a context where the labour market is still lagging, which is why during 2022, a new moderation will take place once liquidity injections dilute, and public aid dwindles. In turn, as commented on previous reports, prospects for investment are also not entirely promising. Even though imports of capital goods have recently shown buoyancy, it answers to short-term phenomena related to the reposition of depreciated machinery. According to the last Business Perception Report (IPN), only 30% of companies surveyed have plans to carry out investments during 2022—a figure which contrasts the 54% recorded on January's IPN-attributed to the economic and political uncertainty the country is facing.

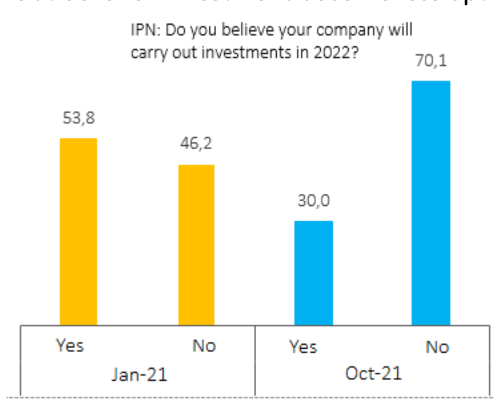
Thus, we estimate that growth in 2022 will moderate to 1.5%. This considers that consumption will experience a slight reduction and that investment will exhibit minimal progress, while exports will be moderately affected.

Once again imports strongly rose



Source: BCCh and Santander

Outlooks for investment become less optimistic



Source: BCCh and Santander

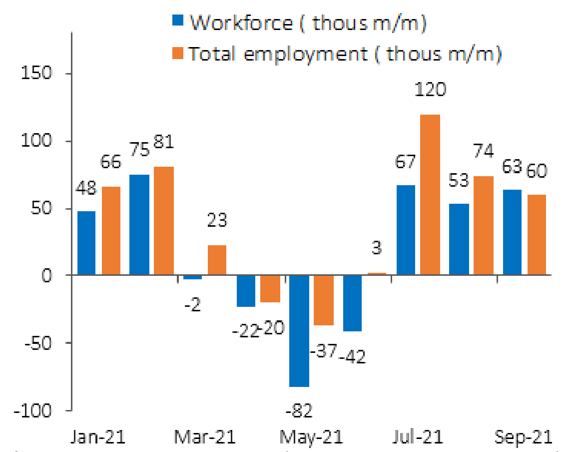
The labour market continues to lag, with very a restricted supply

Even though the employment displayed relevant progress during September (87 thousand new jobs), the total employment rate continues significantly below its pre-pandemic levels (655 thousand less than in September 2019, equivalent to 7.3%). This shows that despite the activity's dynamism and the economy's reopening, the gap opened by the pandemic would not close quickly. The workforce remains restricted, and the labour participation rates continue at around 57%, almost 6bps lower than their historical levels.

The largest gap in terms of employment lies in independent work (self-employed, employers and unpaid family workers) with close to 10% difference over its situation two years ago. In the case of wage-earning employees, the difference stands lower at around 4.5%. A particularly affected category is service personnel, which is more than 35% below its pre-pandemic levels.

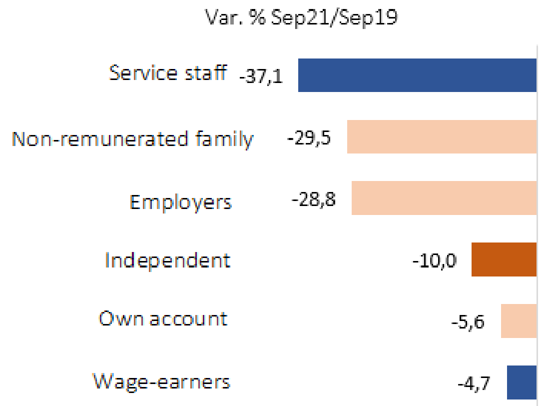
The impact of the lower work supply on the possibility of employment growth is manifested in the Central Bank's Business Perception Report, in which companies from different sectors state their staffing level is insufficient and that it is difficult for them to fill in new vacancies, particularly with workers of lower qualifications.

Employment creation moderates



Note: Seasonally adjusted series
Source: INE and Santander

There is still a significant gap with the pre-pandemic situation



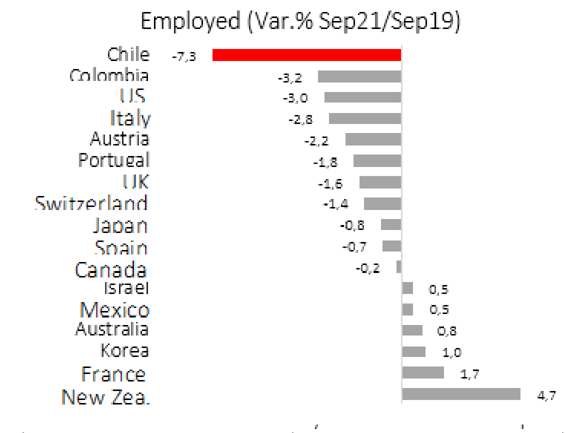
Note: Independent employment compounds of self-employed, employers and unpaid family workers
Source: INE and Santander

The slowdown of the labour market- despite the activity's recovery and the improvement to sanitary conditions- is a phenomenon reported in several countries, where low labour participation and relevantly lower employment levels over pre-pandemic figures are observed. This suggests common factors amidst countries, such as the population's fear of contagion or household care needs at the disruption of educational systems, which can continue to negatively affect people's disposition to reintegrate into the labour market.

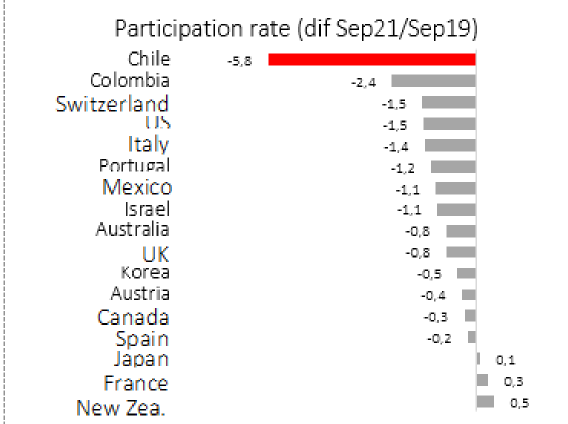
In the case of Chile, household care duties may be a still relevant motive in the path towards a normalisation of the employment supply. According to the "Monitoring of School Establishments in the Pandemic", at the end of September – when over 95% of the population was in Phase 4- the sanitary restrictions continued to limit school capacity to 55% of their student enrolment, and these reported that assistance only reached 46% of their authorised total, with substantial differences between private (75%), subsidised (43%) and municipality establishments (38%). Considering only primary education enrolment (2 million children), this involves that, on an average day, 1.5 million children would not be assisting to in-person classes, forcing an adult to stay at their care.

All things considered, when comparing Chile's situation to other OECD countries, the problem of our country's labour supply deficit is observed as particularly acute. This could reflect that beyond the elements related to the conditions imposed by the pandemic, factors specific to our country, such as liquidity injections and public aid during the second half of the year, could also be having an important effect.

Employment slowdown is a phenomenon taking place in many countries



Chile stands out due to its gap in labour supply



Note: For some countries, the last data available is that of 2Q21
Source: *OECD. Stat* and Santander

Inflation continues to rise

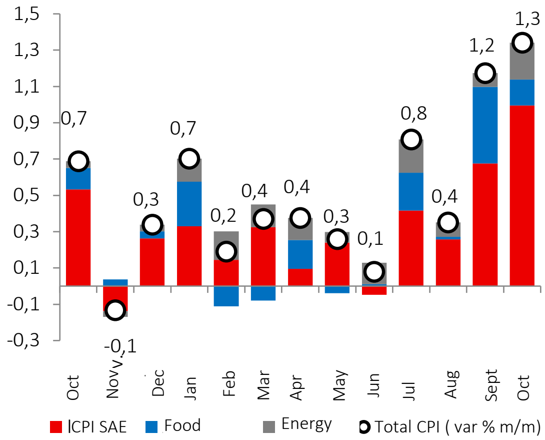
September's high CPI (1.3% MoM) again surpassed expectations (Santander:1.1% Bloomberg: 0.9%;) and was substantially influenced by fluctuations to the "tourist package" (56%MoM; incidence 0.51 bps) and airfares (45% MoM; incidence: 0.34 bps). Both components explain over 60% of the CPI's monthly variation, and their fluctuations are related to the exchange rate's depreciation, a solid internal demand, and the easing of social distancing measures. In terms of the tourist package, even though its variation was exceptionally high, figures were in line with our estimates.

The annual price variation climbed up to 6%, its peak value in over ten years using this data. The CPI without food and energy – which includes the tourist package and airfares- marks an annual 5.1% growth in 12 months, but the CPI without volatile components- which excludes these items- reached only 3.9%. Besides the surprise at the general index, the moderation in food and drink prices (0.7% vs 2.1% before) and a downwards surprise in clothing and shoes (-3.3% vs 1.8% before) stand out.

Hereafter, prices will continue under pressure due to the depreciation in the exchange rate of recent months, the hikes to international fuel costs and tightness in the supply of goods in a context where consumerism remains high. Furthermore, different indexation mechanisms will cause recent hikes to exert an inertial effect. Overall, we anticipate the CPI will display more contained progress for November due to the partial decline of some of the prices that drove October's record up. The year, in turn, would end with a 6.5% inflation.

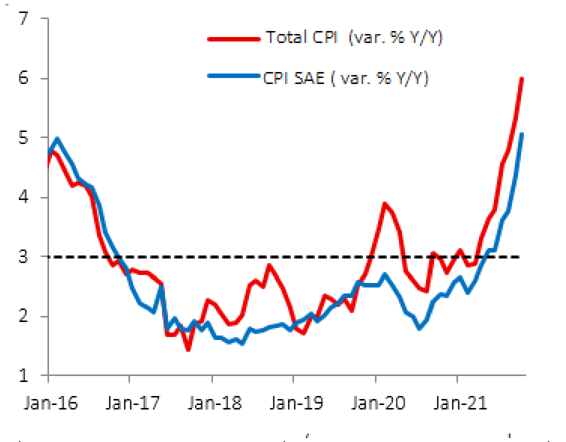
During the first half of next year, the low comparison bases will cause the CPI to remain high, settling at around 7%, to then descend up to 4.5% by the end of 2022. Thus, in our central scenario, inflation will remain above the target during 2023 and will converge to 3% only by 2024.

October's CPI (1.3%) again surprises on the upside



Source: INE and Santander

12-month inflation reaches 6% for the first time since 2009



Source: INE and Santander

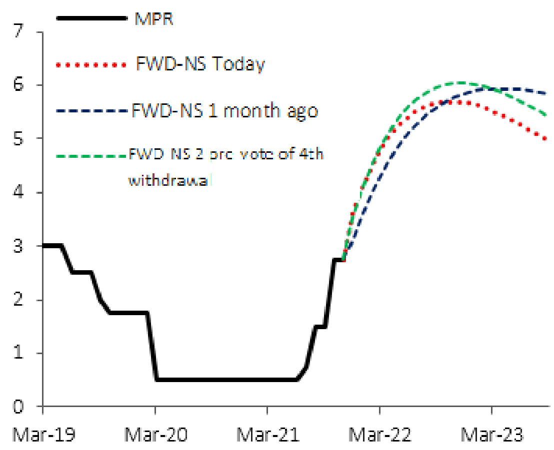
The Central Bank will continue to raise the Monetary Policy Rate, but at a more moderate pace

The latest activity figures and the CPI reflect how inflationary pressures remain high. Therefore, the Central Bank will continue to raise the MPR in the months to come to place it on contractive grounds. After two significant hikes in their previous meetings, which have substantially drawn the MPR nearer to its neutral value, and at the lower chance of the concretion of a fourth pension fund withdrawal, the following fluctuations to the rate are likely to be moderate in magnitude. Therefore, we estimate that, in the absence of significant surprises to November's inflation, the Council will adjust the rate by 75 bps to end the year with the MPR at its neutral value (3.5%). With this, the rate would accrue a 300 bps hike in the observed period, which is coherent with the acceleration to the withdrawal of the monetary stimulus to converge to a 'more neutral monetary policy', as indicated in the Minutes of the Council's last meeting.

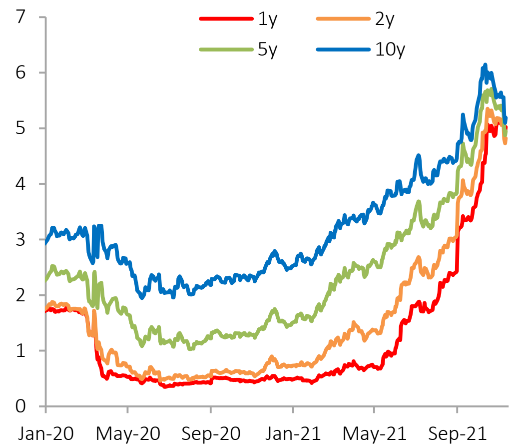
From now on, the MPR will continue to rise until it settles at levels around 5% by mid-2022. This is somewhat below what was implied by the market rates, even after the downward revisions subsequent to the Senate's rejection of the fourth pension fund withdrawal. Next year, the fiscal policy will have a clearly contractive character, and in the absence of new liquidity injections, the internal demand should moderate considerably. This will shrink the available space for the monetary policy to stand on more contractive grounds. Overall, new aid packages increasing the fiscal debt beyond what the budget considers, substantial depreciation to the currency, or even more significant pressures to international costs could force the Council to raise the MPR even more. Therefore, the publishing of the coming Monetary Policy Report (IPoM) in December will be essential to updating the future prospect for the policy, even though several of the mentioned elements will not dispel in the short term.

MPR would moderate its hikes towards 2022

Swap rates over 1 year accumulates 50 bps drops in average



Source: Banco Central, Bloomberg and Santander



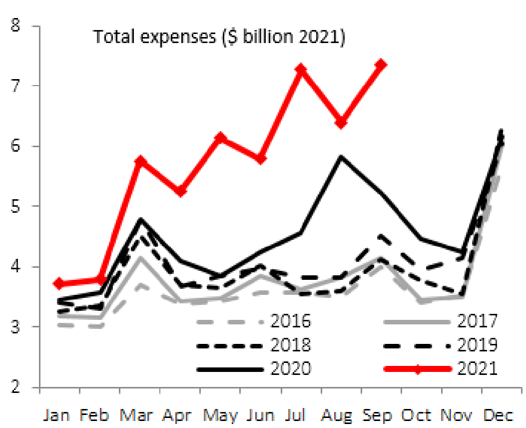
Source: Bloomberg and Santander

Fiscal spending remains at record levels, but incomes have also risen

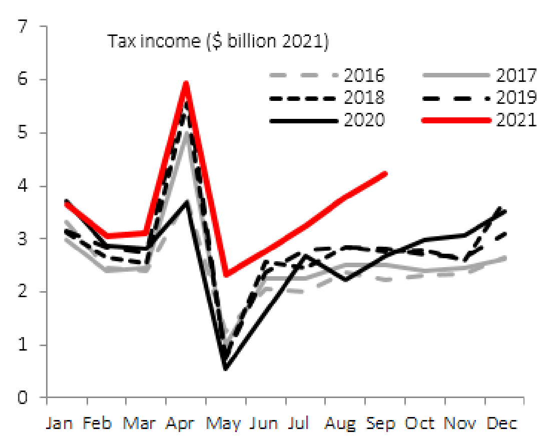
The universal Emergency Family Income has generated a substantial fiscal impulse. In the third quarter, spending grew by 35% in actual terms and 73% compared to the same period in 2019. The figure is almost wholly explained by the subsidy's component, which has grown primarily because of the Emergency Family Income and other measures related to the pandemic, including additional health expenditure. Therefore, by September, the fiscal disbursement reached US$ 72 billion, which already surpasses the total budget of recent years.

Fiscal revenues have also experienced an important rebound due to the activity's recovery and the higher copper price, with an annual growth of 45% in the third quarter. Even though the low comparison bases related to the sanitary crisis and the tax aid measures during 2020 affect this figure, compared to the same period in 2019, significant growth of 28% is likewise observed. Additional to the strong VAT collection, a substantial increment in monthly income tax payments is manifested – only in September, the usual amounts surpassed US$ 600 million - which would be related to the single tax paid to dividend remittances.

Fiscal impulse remains at unprecedented levels



Income revenues recover due to the VAT, the price of copper, and the income tax



Source: Dipres and Santander

Source: Dipres and Santander

In their last Public Finances Report- presented in early October-, the government projected that 2021 would see the deficit reach 8.3% of the GDP. The higher growth expected for this year and the additional income's dynamism could drive this figure to levels between 7.5% and 8%. Overall, the fact that the character of a relevant part of higher incomes is temporary must be considered, which is why a correction will be observed hereon.

Nevertheless, the most relevant for the future evolution of fiscal policy is the ability to normalise expenditure in 2022. Even if the government manages to approve the budget while shrinking expenses by 22.5%- which would lead the expenditure/GDP ratio to levels similar to those before the pandemic- the possibility of the next administration encouraging additional expenditure cannot be ruled out. If this happened, pressure would again be exerted upon the deficit, raising funding needs above what the current budget proposal contemplates (up to US$ 21 billion).

Global inflationary pressures increase

The last data manifests that global inflationary pressures continue to intensify. Underlying this is the demand's quick recovery in different countries and a limited supply linked to the slowdown of employment's recovery, the disruption to value chains and logistics and the OPEC's restricted oil production, which has pushed the crude oil price above the US$80 per barrel.

In the US, the CPI jumped during October (0.9%MoM vs 0.6% expected), with which this country's annual inflation steepened up to 6.2%. Even though the figure is explained, in great part, by hikes to specific prices (fuels and used cars), the dynamic that the inflation is exhibiting suggests that pressures could be more persistent than previously estimated. In the Eurozone, prices also surprised on the upside in October (0.8% MoM vs 0.5% expected), driving annual inflation (4.1% YoY) to double the 2% target. Meanwhile, even though in China the CPI remains at low rates, October's data showed an acceleration (1.5% YoY vs 0.7% in September), and the Producer Price Index (PPI) once again had a double-digit variation (13.5% YoY vs 12.3% expected) accounting for the higher energy costs and the rise in commodity prices.

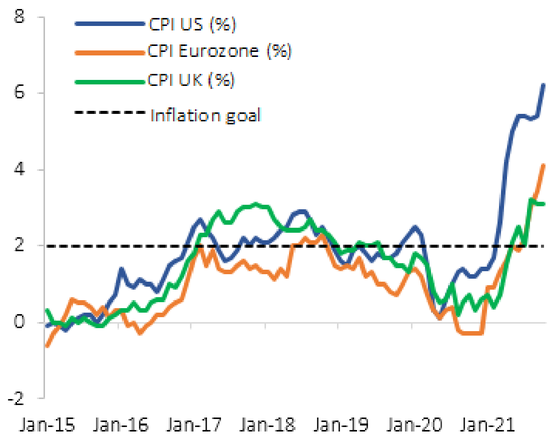
Before the latest inflation data became known, both the Federal Reserve (Fed) president, Jerome Powell, and the European Central Bank (ECB) president, Christine Lagarde, ratified their view that the price hikes were a temporary phenomenon.

The Fed, in turn, announced the gradual beginning of the stimulus moderation, thus reducing the asset purchase pace (tapering) starting this month, in line with the market's estimates (a reduction of US$15,000 million in monthly purchases of government and MBS bonds). Furthermore, their statement ratified that the possible reference rate hikes would only begin mid- next year. The Bank of England, in turn, surprisingly maintained their policy rate unchanged in their November meeting.

The dovish tone delineated by the leading central banks and both the Fed and ECB's insistence at considering inflation as temporary in character led to drops in long-term rates worldwide. Overall, after the US's surprising CPI and the new increment in China's PPI, these fluctuations were partially reverted, with which as of the date this report was issued, the rates were at levels similar to those of a month ago.

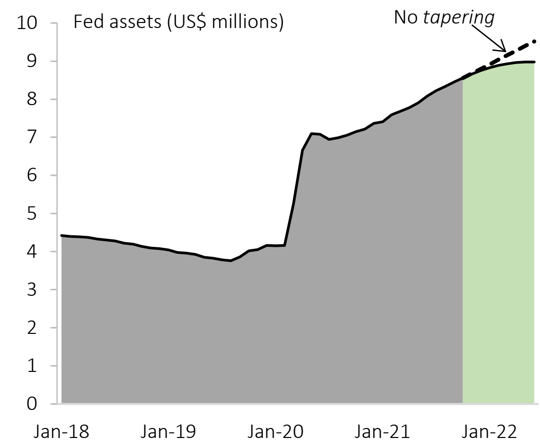
In this context, the international stock markets have displayed mixed reactions. The MSCI global index reflected relevant progress, encouraged by the temporary rate drops and the positive results' reports of companies in Europe and especially in the US, which drove the S&P 500 to 4,700 points (6% MoM). Conversely, stock exchanges in Latin America and China receded (-3% and -1%, respectively).

Inflation in leading economies accelerates



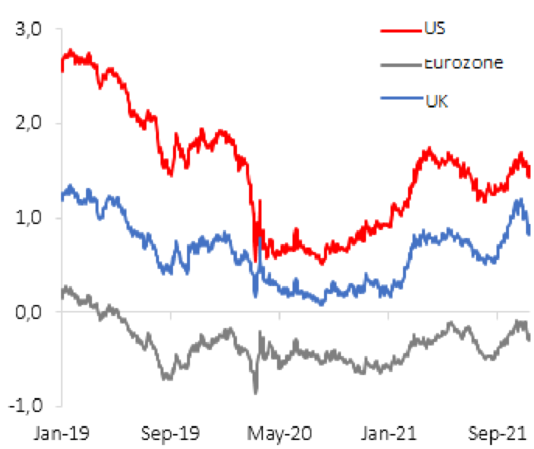
Source: Bloomberg and Santander

Fed begins *tapering*



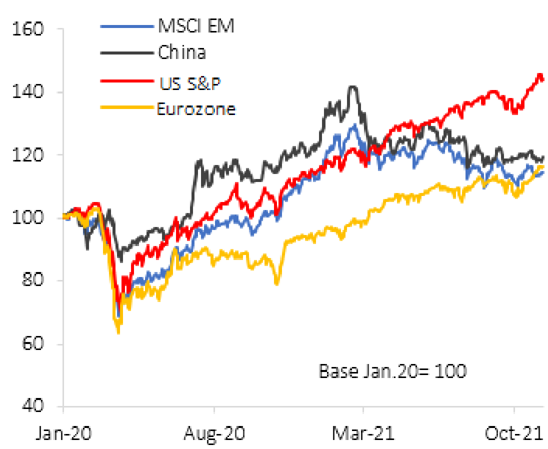
Source: Bloomberg and Santander

Long-term rates tended to fall during the month, but they rebounded after inflation data became known



Source: Bloomberg and Santander

Stock indexes exhibit mixed movements in the last month, with the progress in the US and the Eurozone standing out



Source: Bloomberg and Santander

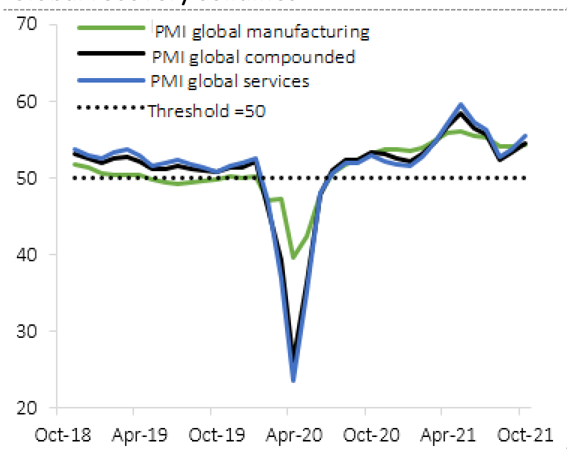
Global recovery solidifies

Even though Covid-19 infections have tended to rise due to an outbreak in Europe, the sanitary situation remains favourable thanks to the vaccination rollout and to the fact that governments from leading economies are reticent to impose new social distancing measures. This has allowed the services sector to proceed with its recovery process (PMI global services: 55.6 vs 53.8). In contrast, manufacturing has moderated due to specific disruptions to global value chains, particularly in China (PMI global manufacturing: 54.3 vs 56.1 in May).

China's activity data from the third quarter reflected the impact of lockdowns (GDP 3Q21: 0.2% QoQ seasonally adjusted vs 0.4% expected). Foreign trade figures gave mixed signals in October facing the start of the fourth quarter (imports:20.6% YoY vs 26.2% expected; exports: 27.1% vs 22.8 expected), but the Caixin PMIs delivered some optimism (manufacturing: 50.6 vs 50.0 expected; services: 53.8 vs 53.1 expected). Overall, the risk of a more considerable slowdown due to the weakening of the real-estate sector - with more companies joining the payment defaults- and the tightness created by the lower energy supply still persists.

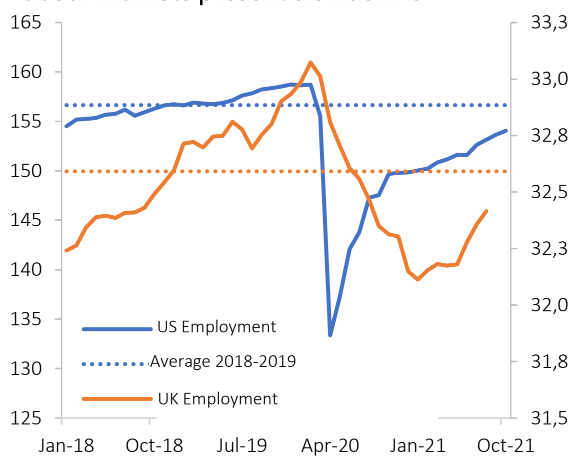
In terms of employment, even though data shows a rebound, important gaps with the pre-pandemic situation still remain. In the US, October's employment showed a significant rise (ADP employment: 571,000 vs 400,000 expected; non agriculture payrolls: 531,000 vs 450,000 expected) and the unemployment rate shrank to 4.6% (4.8% in September). Nevertheless, labour participation remains below its situation two years ago.

Global recovery solidifies



Source: Bloomberg and Santander

Labour markets present slowdowns



Source: Bloomberg and Santander

Macroeconomic Projections

National Accounts	2014	2015	2016	2017	2018	2019	2020	2021 P	2022 P
GDP (real var. % YoY)	1.8	2.3	1.7	1.2	3.7	0.9	-5.8	12.0	1.0/2.0
Internal demand (real var. % YoY)	-0.5	2.5	1.8	2.9	4.5	1.0	-9.1	20.0	-1.0
Total consumption (real var. % YoY)	2.9	2.6	3.5	3.6	3.7	0.8	-6.9	18.0	-0.5
Private consumption (real var. % YoY)	2.7	2.1	2.7	3.4	3.8	1.0	-7.5	20.0	-0.5
Public consumption (real var. % YoY)	3.8	4.8	7.2	4.6	3.3	-0.2	-3.9	12.0	-2.0
Gross fixed capital formation. (Real var. % YoY)	-4.8	-0.3	-1.3	-3.1	5.1	4.4	-11.5	17.0	0.0
Exports (real var. % YoY)	0.3	-1.7	0.5	-1.5	5.3	-2.6	-1.0	1.5	3.2
Imports (real var. % YoY)	-6.5	-1.1	0.9	4.6	8.1	-2.4	-12.7	28.0	-4.5
GDP (US$ billions)	260.6	244.3	250.6	277.1	298.2	279.8	253.7	311	298
GDP per capita (US$ thousands)	14.6	13.6	13.8	15.0	15.9	14.8	13.0	15.8	15.0
Population (millions)	17.8	18.0	18.2	18.4	18.8	19.1	19.5	19.7	19.8

Payment Balance	2014	2015	2016	2017	2018	2019	2020	2021 P	2022 P
Trade balance (US$ billions)	6.5	3.4	4.9	7.4	4.6	4.2	16.8	14.5	18.0
Exports (US$ billions)	75.1	62.0	60.7	68.8	75.2	69.9	71.7	92.0	86.5
Imports (US$ billions)	68.6	58.6	55.9	61.4	70.6	65.7	54.9	77.5	68.5
Current account (US$ billions)	-5.2	-5.7	-5.0	-6.4	-9.2	-10.5	3.4	-9.8	-2.0
Current account (GDP%)	-2.0	-2.4	-2.0	-2.3	-3.1	-3.7	1.3	-3.0	-0.5
Price of copper (annual average, US$/lbs.)	3.11	2.50	2.21	2.80	2.96	2.72	2.80	4.0	3.8
WTI oil price (annual average US$/bbl.)	93.1	48.7	43.2	50.9	64.8	57.0	39.0	67	78

Money and Exchange Market	2014	2015	2016	2017	2018	2019	2020	2021 P	2022 P
CPI Inflation (var. YoY, % by December)	4.6	4.4	2.7	2.3	2.6	3.0	3.0	6.5	4.5
CPI Inflation (var. YoY, average %)	4.7	4.3	3.8	2.2	2.4	2.3	3.0	4.5	6.0
CPI sans food and fuel inflation (IPC-SAE) (var. YoY, % by December)	4.3	4.7	2.8	1.9	2.3	2.5	2.6	5.4	4.3
CLP/US$ exchange rate (year's exercise)	607	707	667	615	696	745	711	815	825
CLP/US$ exchange rate (year average)	570	654	677	649	640	703	792	761	820
Monetary policy rate (year's exercise, %)	3.00	3.50	3.50	2.50	2.75	1.75	0.5	3.5	5.0
Monetary policy rate (%, year average)	3.75	3.06	3.5	2.7	2.52	2.48	0.8	1.3	4.7

Fiscal Policy	2014	2015	2016	2017	2018	2019	2020	2021 P	2022 P
Public expenditure (real var. % YoY)	6.4	7.4	3.8	4.8	3.5	4.1	11.0	32.0	-22.5
Central Government balance (% GDP)	-1.6	-2.2	-2.7	-2.8	-1.6	-2.8	-7.4	-8.0	3.0
Central Gov. gross Debt (US$ billions)	36.6	39.0	53.4	68.9	70.2	74.4	91.6	113	130

Source: BCCh, INE and Santander.

CONTACT

(56 2) 2320 1021
Access to our Reports at:

https://banco.santander.cl/estudios

)