

CHILE: MAIN MACRO-FINANCIAL INDICATORS

International Economics and Euro Area Department

BANCO DE **ESPAÑA**
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Table 1

Chile: main economic and social indicators

	2023				2021				
GDP per capita (constant \$)	14,118 (*)				Life expectancy (years)				78.9
GDP per capita (PPP)	23,597 (*)				Poverty rate (% of the population) (a)				1.7
GDP (\$bn)	335 (*)				Inequality (Gini)				44.9
Population (million)	20				Inflation target (2023)				3.0% (± 1.0%)
Monetary and real sector, and prices	2000-2004 average	2005-2009 average	2010-2014 average	2015-2019 average	2020	2021	2022	2023	
GDP (year-on-year rate)	4.5	3.9	4.7	2.0	-6.2	11.7	2.4	-0.5 (*)	
CPI (year-on-year rate)	2.8	4.0	2.9	3.1	3.0	4.5	11.6	7.6	
Underlying CPI (year-on-year rate)	2.4	2.8	1.8	3.0	2.3	3.8	9.0	6.7	
Policy interest rate (%) (end of the year)	3.8	4.9	4.2	2.8	0.5	4.0	11.25	8.25	
Unemployment rate (%)	10.2	9.5	7.0	6.9	10.6	9.1	7.8	8.8 (*)	
Budget balance (% of GDP)	0.4	3.9	0.0	-2.3	-7.1	-7.5	1.4	-1.6 (*)	
Primary balance (% of GDP)	0.9	3.9	0.1	-2.0	-6.6	-6.9	0.9	-2.0 (*)	
Public debt (% of GDP)	13.1	5.3	11.9	23.2	32.4	36.3	38.0	38.4 (*)	
External sector									
Trade openness (% of GDP)	64.3	74.1	68.0	57.4	58.1	64.7	75.0	—	
Current account balance (% of GDP)	1.7	1.8	-3.5	-3.6	-1.9	-7.4	-8.9	-3.5 (*)	
Foreign direct investment received (% of GDP)	5.0	6.4	9.3	4.3	4.5	5.0	6.9	—	
Portfolio capital inflows (% of GDP)	1.3	0.7	4.6	2.3	2.8	10.2	4.8	—	
Reserves (months of imports)	10.3	5.7	6.4	7.5	8.3	6.8	5.4	—	
Reserves (% of GDP)	19.6	12.7	15.1	14.9	15.4	16.2	13.0	15.7	
ARA metrics (IMF) (b)	1.4	1.0	1.1	0.9	0.8	0.9	0.7	0.8	
External debt (% of GDP)	52.0	35.6	46.8	67.5	74.1	77.3	79.7	—	
Domestic debt held by non-residents (% of total)	—	—	6.7	9.6	11.9	8.2	9.2	—	
Financial markets (annual average)									
Exchange rate against the euro	651.3	723.6	677.8	750.3	902.3	898.2	917.6	908.4	
Exchange rate against the dollar	632.8	539.0	509.2	665.1	791.8	760.6	873.7	840.4	
10-year government debt yield (%)	—	6.2	5.5	4.3	2.9	4.5	6.3	5.6	
Average government debt maturity (months)	—	111.7	—	—	130.8	141.6	136.8	137	
Sovereign CDS (basis points)	—	—	84.5	72.9	73.2	66.3	111.7	81.9	
CODELCO CDS (basis points)	—	—	109.6	128.4	130.4	125.3	165.5	138.2	
Banking sector									
Size of the sector (% of GDP) (c)	143.3	151.5	164.1	185.6	213.6	197.3	200.4	—	
Credit to the private sector (% of GDP)	62.7	68.0	72.8	81.9	88.2	80.7	83.0	—	
Basel credit-to-GDP gap (d)	3.7	-7.8	4.5	8.9	6.8	-7.0	-10.3	—	
House prices (year-on-year)	—	1.8	7.0	5.9	1.7	9.3	4.9	—	
Regulatory capital/RWAs	13.6	12.9	13.6	13.3	14.7	14.9	15.6	—	
Tier 1	—	9.8	10.0	10.4	10.7	10.6	11.9	—	
RWAs/total assets	70.2	73.1	78.1	75.6	62.0	62.5	61.7	—	
Non-performing loans (% of portfolio)	1.6	1.3	2.2	1.9	1.6	1.2	1.7	—	
ROA (e)	1.5	1.5	1.6	1.3	0.5	1.5	1.7	—	
ROE (f)	17.2	17.6	18.2	13.4	6.3	16.3	22.7	—	
Liquidity ratio	20.3	10.9	13.1	14.7	22.2	20.1	17.1	—	
Primary expenditure (% of total revenues)	53.2	51.8	47.2	49.1	52.7	45.3	38.7	—	
Net interest income (% of gross revenues) (g)	66.8	71.3	64.6	66.7	69.4	69.5	74.4	—	

SOURCES: IMF, Thomson Reuters and national statistics.

NOTE: (*) IMF Forecasts (October 2023).

- a Percentage of population with income of less than \$3.65 (purchasing power parity in 2017 dollars) per day.
b Drawing on the IMF's calculations for assessing reserve adequacy, which take into account the level of reserves relative to different aggregates and the related opportunity cost.
c Sum of bank claims on all sectors as a percentage of GDP.
d Difference between the actual level and the trend in credit to the private sector as a percentage of GDP.
e Return on Assets (ROA) is defined as profit as a percentage of banking sector assets.
f Return on Equity (ROE) is defined as profit as a percentage of banking sector capital.
g Defined as the ratio of net income from financial intermediation to operating income. Provisioning expenses are not included in the numerator. Operating income comprises income from financial intermediation, income from services, income from shares and other operating income/expenditure, except for administration expenses.

Table 2
Chile: vulnerability (a)

	Time series										With respect to other emerging market economies		
	2018		2019		2020		2021		2022			2023	Latest figure
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2			
Sovereign spread (bp)	Green	Yellow	Green	Green	Red	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	
Equity index (quarterly change)	Green	Yellow	Green	Yellow	Yellow	Green	Green	Yellow	Green	Green	Green	Green	
Exchange rate (quarterly change)	Green	Yellow	Green	Red	Yellow	Green	Green	Red	Yellow	Green	Green	Red	
Sovereign spread (quarterly change)	Yellow	Yellow	Green	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	
GDP (year-on-year)	Green	Yellow	Red	Red	Red	Red	Green	Green	Red	Red	Red	Red	
Inflation	Green	Green	Green	Green	Green	Green	Green	Yellow	Red	Red	Red	Yellow	
Industrial output	Green	Green	Green	Red	Red	Red	Red	Yellow	Yellow	Red	Red	Red	
Currency overvaluation	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Budget balance (% of GDP)	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Gross public sector debt (% of GDP)	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Credit (real, year-on-year)	Red	Yellow	Yellow	Yellow	Green	Yellow	Red	Red	Red	Red	Red	Yellow	
Deposits (real, year-on-year)	Red	Yellow	Yellow	Yellow	Green	Green	Green	Yellow	Red	Red	Red	Red	
Net foreign assets of banks (% of GDP)	Yellow	Red	Red	Red	Red	Green	Green	Green	Green	Green	Green	Yellow	
Non-performing loans (% of portfolio)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Loan-to-deposit ratio	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Red	
Banks' equity index (quarterly change)	Green	Yellow	Yellow	Yellow	Red	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	
Banks' external debt spread	Red	Green	Green	Green	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
Interbank interest rate	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Red	Red	Yellow	
Net interest income	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Banking risk (BICRA)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Banking risk (IHS)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Current account balance (% of GDP)	Yellow	Red	Red	Red	Red	Yellow	Yellow	Red	Red	Red	Red	Red	
Foreign direct investment (% of GDP)	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	
External debt (% of GDP)	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Short-term external debt (% of reserves)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
Reserves (% of GDP)	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	
External debt service (% of exports)	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Portfolio investment (% of GDP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
GDP per capita (change)	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Political risk (IHS)	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Geopolitical risk (GPR)	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	
Sovereign rating	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	
Stability/Absence of violence (percentile)	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	

SOURCE: Irma Alonso and Luis Molina. (2021). "A GPS navigator to monitor risks in emerging economies: the vulnerability dashboard". Documentos Ocasionales, 2111, Banco de España. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSerias/PublicacionesSerias/DocumentosOcasionales/21/Files/do2111e.pdf>

a The risk level is indicated with shades of green (associated with lower levels of vulnerability), yellow (medium vulnerability) and red (variables in the highest risk percentiles).

Table 3

Spain and euro area exposure to Chile (2022 unless otherwise stated)

	\$bn		Percentage of GDP		Percentage of total		Ranking	
	Euro area	Spain	Euro area	Spain	Euro area	Spain	Euro area	Spain
Exports of goods (2022)	10.1	1.9	0.1	0.1	0.2	0.5	57	32
Imports of goods (2022)	7.6	1.6	0.1	0.1	0.1	0.3	68	46
Exports of services (2021)	4.5	1.0	0.0	0.1	0.2	0.9	47	18
Imports of services (2021)	1.5	0.3	0.0	0.0	0.1	0.3	63	33
International Investment Position: Foreign direct investment. Assets (2021)	60.4	19.7	0.4	1.4	0.3	3.3	39	10
International Investment Position: Foreign direct investment. Liabilities (2021)	5.7	0.4	0.0	0.0	0.0	0.0	63	43
International Investment Position: Portfolio investment. Assets (December 2022)	30.7	1.4	0.2	0.1	0.1	0.2	39	24
International Investment Position: Portfolio investment. Liabilities (December 2022)	51.9	0.4	0.4	0.0	0.3	0.0	30	38
Credit exposure to Chile of BIS reporting banks (a) (June 2023)	81.6	73.4	0.5	4.6	0.7	3.4	25	9
Claims of Chilean banks vis-à-vis residents of the euro area or Spain (June 2023)	1.4	0.6	0.0	0.0	0.0	0.1	22	21
Debt of Chilean residents to banks from the euro area or Spain (b) (June 2023)	81.6	73.4	23.7	21.3	40.0	36.0	—	1.0

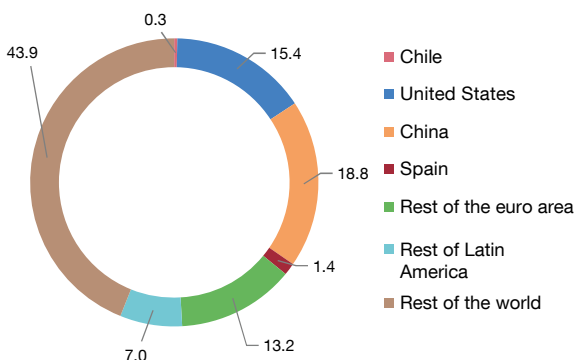
SOURCES: IMF, OECD, Eurostat, BIS and national statistics.

a With respect to euro area and Spanish figures.

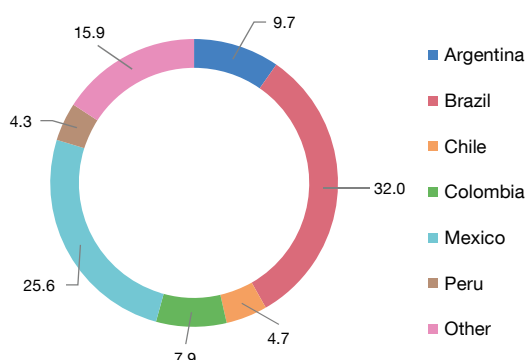
b With respect to Chilean figures.

Chile: structural economic data

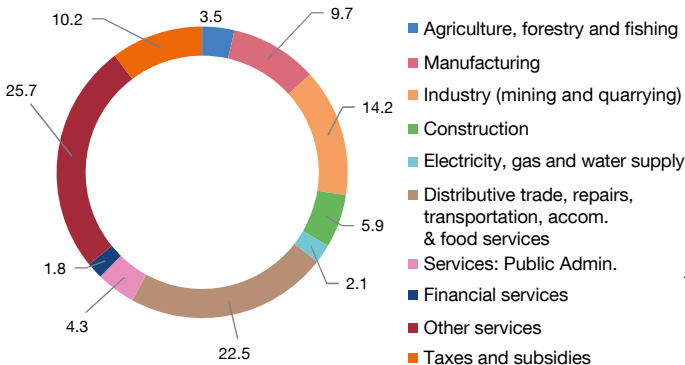
1.a Share of global GDP (%) (2023) (a)



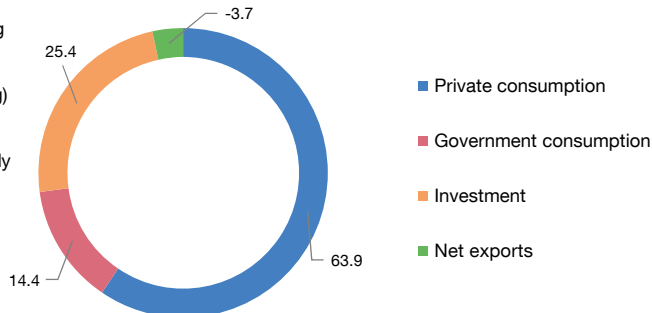
1.b Share of Latin American GDP (%) (2023) (a)



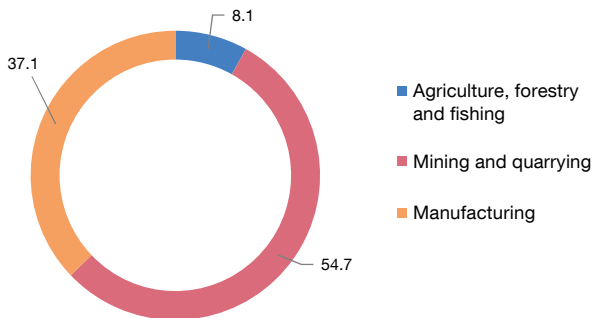
1.c Breakdown of GDP: supply (%) (2022)



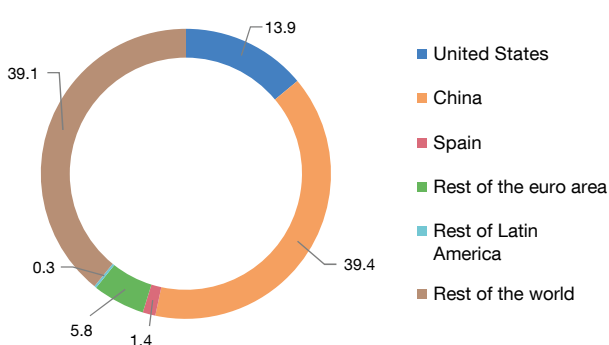
1.d Breakdown of GDP: demand (%) (2022)



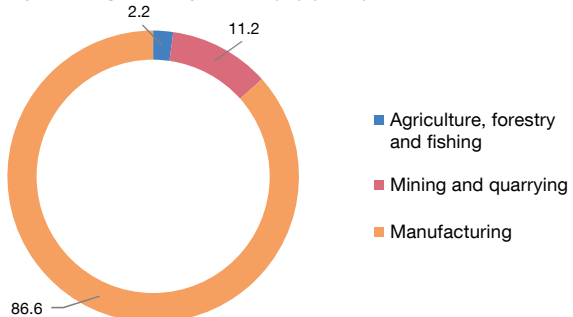
1.e Exports of goods, by sector (%) (2023)



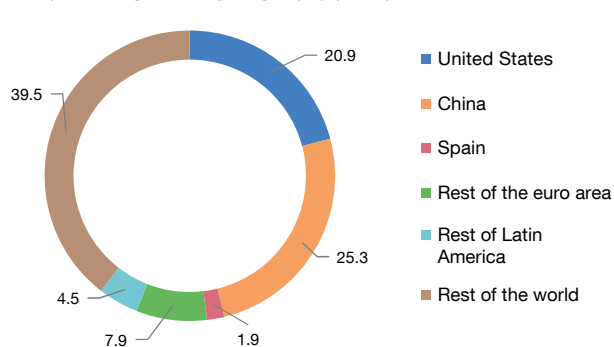
1.f Exports of goods, by destination (%) (2022)



1.g Imports of goods, by sector (%) (2023)



1.h Imports of goods, by origin (%) (2022)



SOURCES: OECD and IMF.

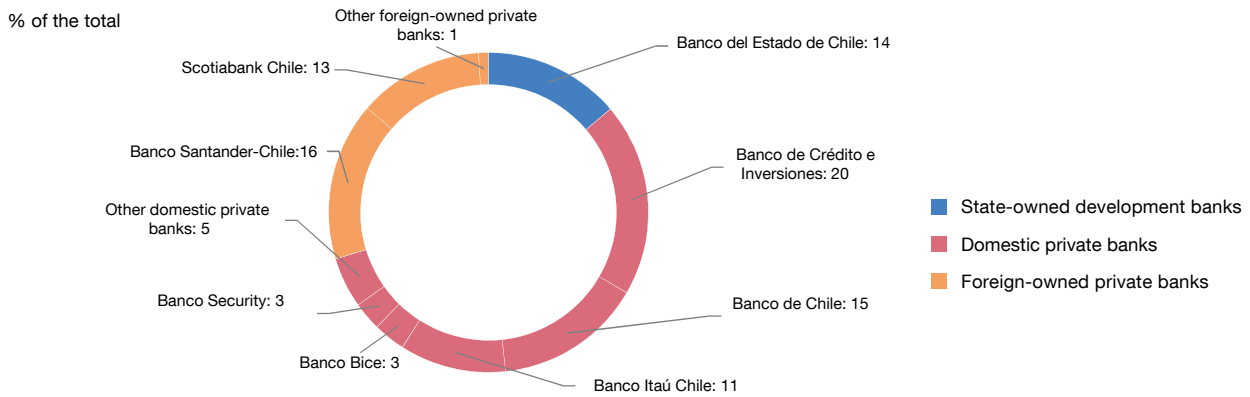
a IMF Forecasts (October 2023).



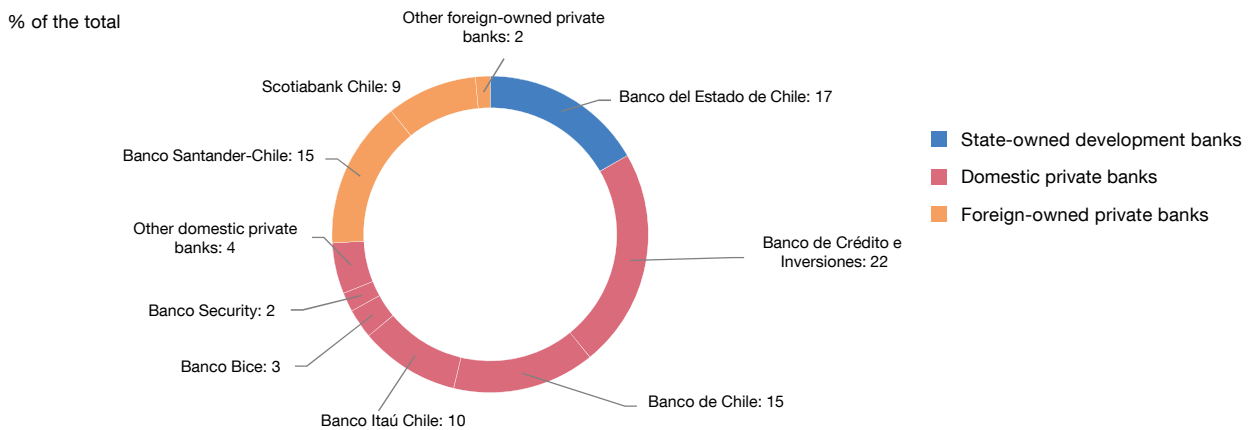
Chart 2

Chile: structure of the banking sector and relevance for Spain

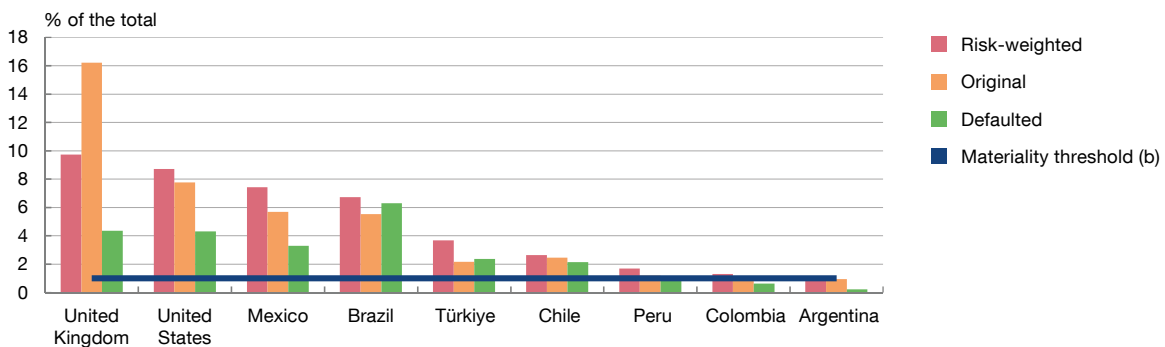
2.a Breakdown of the banking sector (November 2023): loans



2.b Breakdown of the banking sector (November 2023): deposits



2.c Exposures to material third countries, by type of exposure (December 2022) (a)



SOURCES: Comisión para el Mercado Financiero and Banco de España.

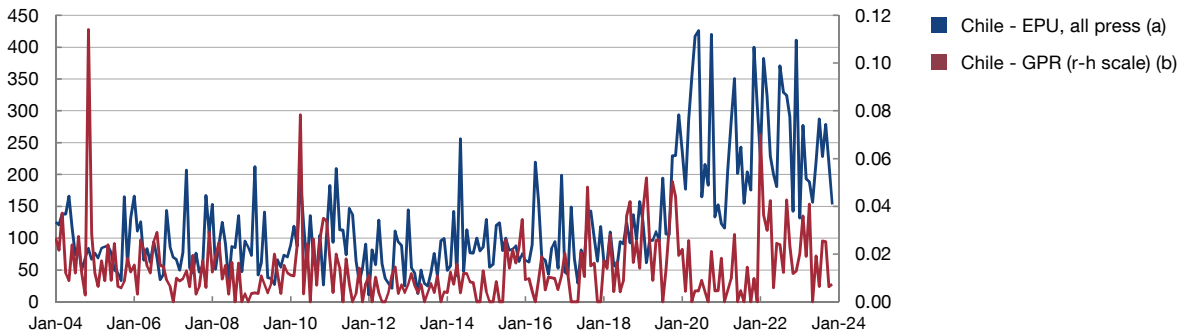
a Credit and other claims on households and non-financial corporations, excluding public entities and financial institutions.
 b 1% of any of the types of exposure.



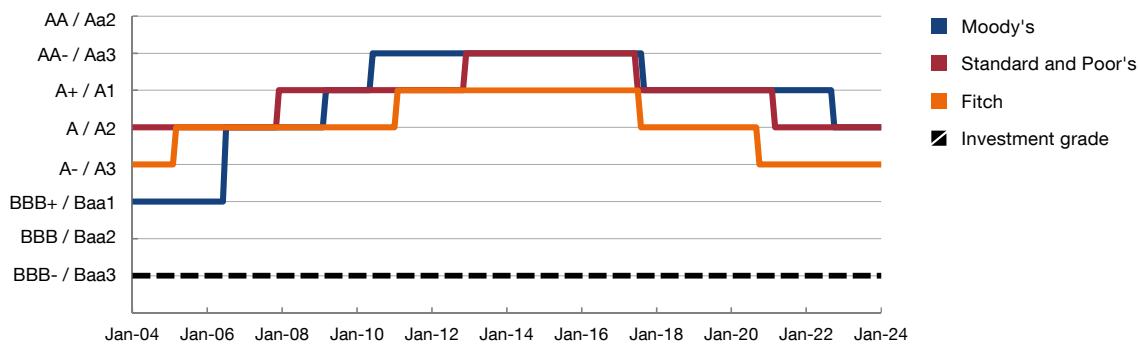
Chart 3

Chile: uncertainty and geopolitical risk indicators and sovereign ratings

3.a News-based indicators



3.b Sovereign ratings



SOURCES: Banco de España, Moody's, Standard and Poor's and Fitch, in addition to: Dario Caldara and Matteo Iacoviello. (2022). "Measuring geopolitical risk". *American Economic Review*, April, 112(4), pp. 1194-1225; and Corinna Ghirelli, Javier J. Pérez and Alberto Urzua. (2021). "The spillover effects of economic policy uncertainty in Latin America on the Spanish economy". *Latin American Journal of Central Banking*, 2(2); and Erik Andres-Escayola, Corinna Ghirelli, Luis Molina, Javier J. Pérez and Elena Vidal. (2022). "Using newspapers for textual indicators: which and how many?". Documentos de Trabajo, 2235, Banco de España. <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSeriadas/DocumentosTrabajo/22/Files/ct2235e.pdf>.

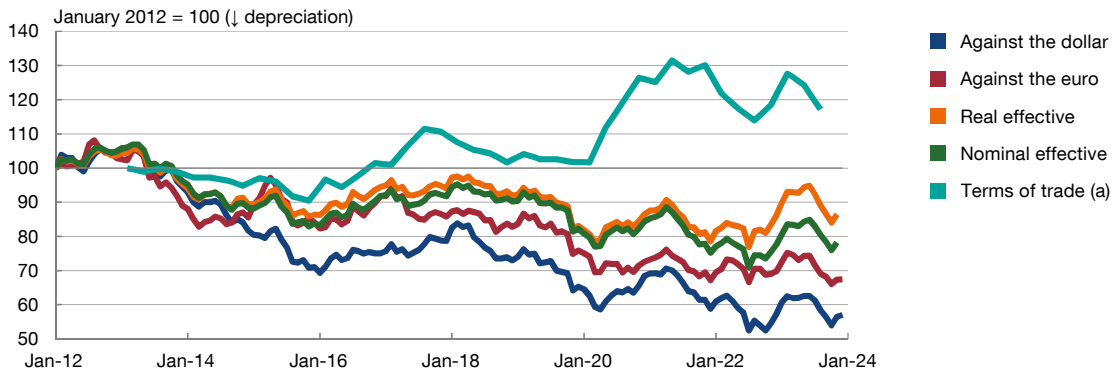
- a The Economic Policy Uncertainty (EPU) index is constructed drawing on the local and international press using words related to uncertainty over economic policies, based on the following methodology: Scott R. Baker, Nicholas Bloom and Steven J. Davis. (2016). "Measuring economic policy uncertainty". *Quarterly Journal of Economics*, 131(4), pp. 1593-1636.
- b The Geopolitical Risk (GPR) Index is a measure of adverse geopolitical events based on a survey of newspaper articles in the English-speaking press covering geopolitical unrest.



Chart 4

Chile: exchange rates, stock market, sovereign spreads, long-term interest rates, financial conditions and financial stress

4.a Exchange rates of the Chilean peso



4.b Stock exchange index



4.c Sovereign spread



SOURCES: Banco de España and Refinitiv.

a Ratio of export prices to import prices.



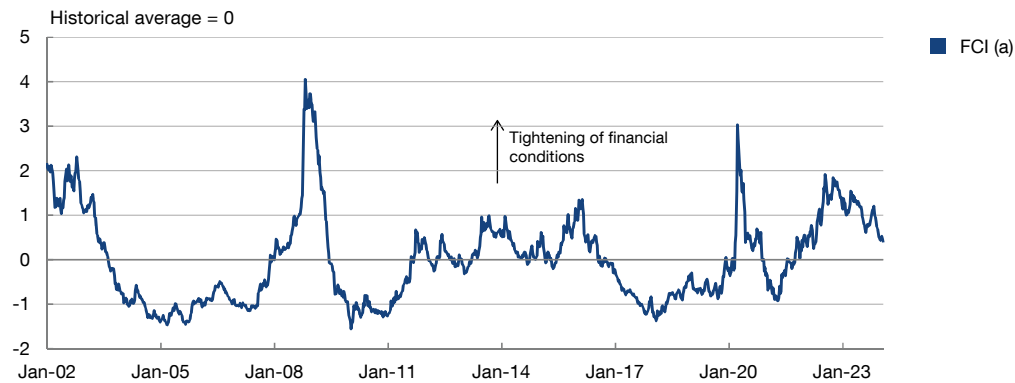
Chart 4

Chile: exchange rates, stock market, sovereign spreads, long-term interest rates, financial conditions and financial stress (cont'd)

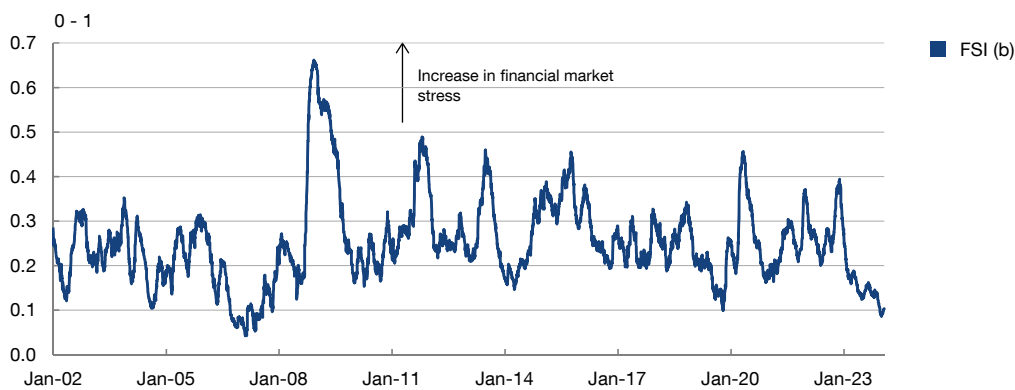
4.d Long-term interest rate on public debt in local currency



4.e Financial conditions index



4.f Financial stress index



SOURCES: Banco de España and Refinitiv.

- a Estimated using a principal component methodology drawing on changes in the stock market, short and long-term interest rates, the price of commodities and exchange rate fluctuations.
- b Calculated on the basis of volatilities and spreads of six market segments, standardised and grouped discounting any cross-correlations between indicators.

