

"QUARTERLY ECONOMIC AND FINANCIAL REPORT OF CHILE"

June, 1986

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RECENT EVOLUTION OF THE CHILEAN ECONOMY

I - Brief Review of the 1984-85 Period

1.- The Chilean economy experienced a gross domestic product growth equal to 6.3% during 1984, augmented that was assisted with a significant increase in aggregate demand, in employment and in imports. At the same time, its terms of trade suffered a considerable deterioration, estimated in 7.4%^{1/}, mainly due to the drop of over US\$ 0.10 per pound in the average price of copper. In addition, international interest rates experienced an increment. Therefore, the current account deficit of the balance of payments increased by approximately US\$ 1,000 million as compared to 1983, having reached US\$ 2,060 million in 1984. In the presence of the deteriorated competitive position of the economy and of the need to reduce the external financing dependency, an additional effort was required in order to adjust both the external as well as the internal accounts of the domestic economy, task which was undertaken by means of a macroeconomic program for the 1985 - 87 period.

2.- Said program, backed both by the IMF as well as by the World Bank, posed as an immediate target the reduction of the external financing requirements of the domestic economy within a setting of moderate economic growth and of declining inflation. Particularly, the intention was to reduce the current account deficit by approximately US\$ 800 million, to reach an equilibrium in the balance of payments, to achieve a gross domestic product growth in the range of 2% to 4% and an inflation not superior than 25%. The principal objectives of the mentioned program were to be achieved through the conduct

^{1/} Provisional estimation of the Central Bank of Chile.

of aggregate demand policies. It is thus that the 1985 macroeconomic program granted particular importance to the reduction of the public sector deficit and to the maintenance of a high exchange rate. On the other hand, the foreseen monetary policy would allow an accommodation of the money supply to the substantial reduction of real interest rates that should result from the implementation of the fiscal and exchange rate policies mentioned above.

- 3.- The results obtained during 1985 are satisfactory since the main objectives of the program were fulfilled. Moreover, it was outstanding that the Chilean economy did avoid a recession during this period and, at the same time, registered a moderate growth together with a significant reduction of unemployment, in spite of the rigorous adjustment carried out in its external accounts and of a considerable drop in its terms of trade. Particularly, the gross domestic product grew in real terms by 2.4%, which falls within the figures estimated for the year. This result - which was achieved in the context of a drastic structural adjustment - is the reflection of both a greater growth than that forecasted of non-traditional export volumes and of the levels of fixed capital gross formation, as well as of an efficient import substitution of a greater magnitude than that expected. With respect to wages and employment, the growth by approximately 2% experienced by the real wages between 1984 and 1985 (Dec.-Dec.), stands out. Employment, including those persons adscribed to special programs (PEM and POJH), increased by approximately 8% towards the end of the year. As a consequence of this, the rate of unemployment in the country decreased from 14% during the fourth quarter of 1984, to 12% in like quarter of 1985. On

the other hand, the inflation rate for the year, which amounted to 26.4%, was slightly higher than estimated, but this rate started a significant reduction towards the fourth quarter of the year. Finally, with respect to the external accounts, they experienced a significant improvement consequence both of the policies adopted by the authorities as well as by the reduction observed in international interest rates; this, in spite of the deterioration suffered by the terms of trade, estimated at 3.6% by the Central Bank. Particularly, the current account deficit of the balance of payments amounted to approximately US\$ 1,307 million, having decreased by US\$ 753 million with respect to 1984, whereas the balance of payments registered a surplus of US\$ 56 million during 1985.

- 4.- The achievement of the above results was, in great measure, due to the clear objectives pursued by the different policies implemented by the authorities. It is thus that with respect to the exchange policy, the two step devaluations in February and June 1985, jointly with the daily depreciation of the peso against the U.S. dollar^{2/}, had as objective the strengthen of the international competitiveness of the domestic economy. On the other hand, the monetary policy did allow a significant reduction of interest rates, without committing the fulfillment of the net international reserves and net domestic assets of the Central Bank goals agreed upon with the IMF.

^{2/} This is computed as a function of the difference between the internal inflation and the external one relevant for the country, the latter being estimated monthly on the basis of the trend shown by the price indexes of the main partner countries and by the parities existing between their currencies and the U.S. dollar.

Finally, the fiscal policy, as was foreseen, resulted in a sharp budgetary adjustment during 1985. In effect, the observed moderation in current expenditures was counter-balanced by an increment in public savings, which together with financing greater investments did allow a gradual reduction of the fiscal deficit.

- 5.- The main objectives of the 1986 macroeconomic program presented at the beginning of the year, were the following: i) a gross domestic product growth of approximately 3 to 5%; ii) a decrease in the inflation rate to levels of 15 - 20%; and iii) a current account deficit of approximately US\$ 1,300 million. Likewise, a surplus was projected, both in the balance of trade as well as in the balance of payments of approximately US\$ 836 million and US\$ 15 million, respectively.

II - Performance of the Economy During the First Semester of 1986

- 6.- The performance of the main macroeconomic variables during the first semester of the current year has been healthy. The gross domestic product grew at an annual rate of 5.8%, as compared to like semester of the previous year. The unemployment and inflation rates have maintained a declining trend. External accounts have evolved in a way more favourable than planned. Goals set with respect to net international reserves and net domestic assets of the Central Bank have been amply met. The monetary policy being implemented has allowed a significant reduction of the real interest rate. The exchange policy has maintained an adequate level of international competitiveness for domestic production. The fiscal policy has continued the reduction of the public sector deficit in accordance with the programmed guide lines. Fi-

nally, the decrease of Chile's foreign debt, in part ascribable to the operation of the innovatory mechanisms of conversion and capitalization of external debts established in 1985, is worthy of notice. Below is presented an analysis of the evolution shown by the principal macroeconomic variables during the first half of the year.

Productive Activity

7.- During the first semester of the year, domestic activity regain a significant reactivation rhythm. The Gross Domestic Product grew by 4.3% during the first quarter and by 7.2% during the second quarter, as compared to like periods of the former year. Even though those rates reflect in part the recovery experienced from relatively depressed levels of the GDP, these are consistent with the annual goals established by the authority. In effect, it will be sufficient to maintain a moderate rhythm of growth during the rest of the year in order for the annual growth rate to reach the upper border of the 3-5% range announced at the beginning of the year.

8.- The 5.8% growth experienced by the GDP during the first semester of 1986 was the result of the dynamism shown by all sectors of productive activity. Within these stand out the Agricultural (10.1%), Fishing (9.8%), Electricity, Gas and Water (7.5%), Mining (7.4%) and Transportation (6.6%) sectors. (See charts 1 and 2). When grouping the different sectors which make up the GDP into those that produce goods (Agriculture, Fishing, Mining, Construction and Industry) and those that produce services, it is inferred that while the

former did grow by 7.2%, the latter did it so only by 4.6% during the same period. This behaviour is consistent with the growth strategy proposed by the economic policy, which has its base on the promotion of exports and of an efficient substitution of imports.

Labor Situation

9.- With respect to employment, as from mid-1985 a steady trend towards a decrease in the unemployment rate has been observed, both at the Metropolitan Region and at a country level. Particularly, and according to surveys carried out in the Metropolitan Region by the University of Chile, the unemployment rate decreased from 16.2% in June 1985 to 15.4% in like month of the present year, whereas the month of March 1986 registers a rate of 14.5%, percentage which is comparable to the 18.0% registered in March 1985. This improvement is mainly due to the significant increase of employment in the goods producing sectors, especially in those dedicated to exports and to the efficient substitution of imports. In effect, the number of employed persons in the goods producing sectors has increased by 6.8% between June 1986 and like period of 1985, whereas the labor force has done so only by 3.5% in like period of time. (See chart 3). A determinant aspect within the positive evolution observed in employment has been the maintenance of an austere wage policy, which resulted in a growth of only 1.9% in real wages during 1985 (Dec-Dec) and of 0.7% during the first semester of 1986.

Inflation

10.- The inflation rate, which started to decrease drastically as of July 1985, has continued its decreasing trend during the first semester of 1986, favored by the drop experienced by the price of oil. In effect, the steady reduction in the price of crude oil observed since the beginning of the present year contributed, in a great extent, to the moderate growth experienced by consumer prices during the first semester of 1986. The recent evolution of the whole - sale prices is a reflection of the above. Particularly, the accumulated rate of variation of these prices during the first semester of 1986 was 7.5%, rate which is compared with that of 21.6% for like period of 1985. On the other hand, the accumulated rate of variation of the consumer prices was 8.8% for the first six months of 1986, whereas during like period of 1985 it amounted to 17.0%. The performance of this variable with respect to the programmed rate, which was 8.4% for this semester, confirms the target of 15-20% planned for the year. (See chart 4).

Evolution of the Balance of Payments

11.- The macroeconomic program for 1986 includes among its main objectives the maintenance of a reduced current account deficit of the balance of payments. This objective was met amply during the first semester of the year, since the current account registered a deficit of only US\$ 409 million, result which contrasts with the US\$ 589.9 million deficit programmed for the period. This difference of US\$ 180.9 million is mainly explained by a trade balance surplus

greater than that originally programmed. Thus, whereas the trade balance estimated for this semester was US\$ 484.6 million, the actual balance amounted to US\$ 707.1 million, i.e., a 46% higher. (See chart 5).

12.- The discrepancy observed, between the actual and the programmed figures for the trade balance surplus during the first semester of 1986, was due either to exports greater by US\$ 55.7 million than those forecasted as well as to imports lower by US\$ 166.8 million than those planned. In effect, while programmed exports for that period were US\$ 2.057,3 million, actual exports reached US\$ 2.113 million. Such discrepancy is explained by a greater than expected generalized increase in the quantities exported. The average price of copper during the first semester of 1986 was US\$ 0.607 per pound, which is practically identical to the estimation for the period of US\$ 0.5995 per pound. The discrepancy in imports was due to the greater than expected drop registered by the price of crude oil, as from the beginning of the year, as well as to the significant substitution of imports of agricultural products and of industrial raw materials.

13.- Outstanding is the increment of 73.2% experienced by the trade balance surplus during the first semester of 1986, with respect to like period of 1985. This is explained by the 12.2% growth registered by exports, as well as by the 4.7% decrease experienced by imports, during said period. Within the exports growth stands out that registered by non-copper exports, which reached 16%. This is in part accounted for by the quantity increase in exports of products such as fish meal and apples. Regarding the price of copper and the

quantity exported of it, they also experienced a non-negligible improvement during that period. Finally, the drop of 4.7% registered in imports is explained mainly by the significant substitution of imports as regards nourishing and intermediate goods. (See charts 6 and 7).

- 14.- On comparing the balance of payments results obtained during the first semester with those estimated for same period, it is possible to anticipate the ample fulfillment of the annual targets. In particular, while a US\$ 19.0 million deficit was estimated for the balance of payments during the first half of the year, the actual result was a surplus of US\$ 53.2 million. (See chart 5). Likewise, and ending the description of events occurred in the external sector, it is important to mention the ease with which the international reserve goals, set for the program corresponding to the first semester, were met.^{3/} In effect, while it was estimated a decrease of US\$ 25.2 million in them, the final result was a US\$ 76.7 million increase as compared to their level as at the end of 1985. That is, the difference between estimated and actual figures amounted to US\$ 101.9 million.

Exchange Rate Policy

- 15.- During the year 1986 it has been maintained an exchange rule intended to support a real exchange rate, in tune with the objective of promoting the development of the export sector and of that which efficiently substitutes imports. Such rule consists of a daily depreciation of the exchange reference rate on the basis of the differential which exists between

^{3/} Both the balance of payments settlement as well as net international reserves referred to here correspond to the IMF definition of them.

the internal inflation of the preceding month and the external inflation relevant to Chile which, on the average between the months of January and June 1986, was estimated in 4.5%^{4/} at annual rates, in terms of U.S. dollars. This estimation is constantly reviewed and is modified opportunely in order to ensure an adequate external competitiveness for the country. The above rule establishes a $\pm 2\%$ margin, over the reference value, for the sale and purchase price of foreign exchange by the Central Bank. During the present year, the "observed dollar", which is freely determined within this band, surpassed the "reference dollar" between January and April of this year, whereas during the last two months of the semester, it was inferior.

16.- As a result of the policy described above, the real exchange rate grew in the average, by 22% during 1985, as compared to its average level of 1984. However, the U.S. dollar depreciation, registered in international markets during the first semester of 1986, has brought about a new rise in this variable, this time equal to 17.3% as compared to like semester of 1985. (See chart 8).

Monetary and Rates of Interest Policy

17.- During 1986, as in great part of 1985, the monetary policy has been managed with flexibility, adjusting the money supply to the significant reduction experienced by the domestic interest rates as a consequence, in a great measure, of the fiscal and exchange adjustment carried out in 1985. Thus,

^{4/} From this average is excluded the estimated rate for the period Feb.10/Mar.9 1986, which amounted to 11.35% at annual rates. The latter rate was applied in the mentioned period in order to correct a slight and involuntary real devaluation of the U.S. dollar registered at the beginning of the year in external markets.

the Central Bank, through its credit operations, has been able to avoid that transitory changes occurred in the liquidity conditions, prevailing in the credit market, might affect the evolution of the real interest rate. The administration of the monetary policy has been carried out through open market operations and medium term credit lines of a non-preferential nature.

- 18.- Domestic interest rates have recently experienced a substantial reduction. Particularly, the deposit rate for medium term indexed operations - which represents a free rate, agreed upon in real terms - decreased from 14.66% in December 1984 to 6.22% twelve months later, having reached 3.92% in June 1986. The average rate for long term instruments traded at the Stock Exchange dropped from 11.20% in December 1984 to 7.70% at same date of 1985, reaching 5.14% in June 1986. Likewise, real rates for loans and discounts have also experienced a similar decreasing trend. It is thus that the loan and discount rate for medium term indexed operations dropped from 10.4% in December 1984, to 8.87% twelve months later, having reached 7.58% in June 1986. (See chart 10).

- 19.- On seeking for an explanation about the behaviour registered by the real interest rates from 1985 to date, it is necessary to consider that the perception of the economic agents about the stability of the exchange policy influences the level of this variable. Thus, when expectations of a real devaluation come up, real interest rates face a pressure towards an increase, as a consequence of the greater premium required by

savers, in order to commit their resources in assets denominated in local currency. Thus, in the drop observed in real interest rates, it is necessary to consider the influence of a non-negligible effect which is the greater confidence in the exchange policy being implemented.

20.- In the mentioned reduction experienced by interest rate, also influences the drastic fiscal adjustment undertaken as from the end of 1984. In effect, such budgetary adjustment - which resulted in a significant increment of public savings - did allow the private sector a liberation of substantial resources, thus reducing the pressure on interest rates in the domestic market.

21.- The monetary administration itself has been carried out without committing the fulfilment of the goals, either of international reserves nor of net domestic assets of the Central Bank, agreed upon with the IMF for the period. In effect, whereas the estimated growth (as a maximum ceiling) in net domestic assets during the semester considered a maximum of Ch\$ 77.55 thousand million, they only grew by Ch\$ 57.20 thousand million. The above means that the Central Bank neutralized the monetary impact of the greater availability of international resources just mentioned, thus avoiding the generation of an excessive monetary expansion.

22.- The principal monetary aggregates have evolved in an uneven manner during 1985 and the first semester of 1986. In particular, private money, M_1 , which did grow by 1.5% in real terms during the first semester of 1985, decreased by 0.1%

during the rest of the year. This evolution is compared to the 8.2% growth experienced by such aggregate during the first semester of 1986^{5/}. The behaviour of real private money reveals a partial recovery from the depressed levels observed at the end of 1984. This would be the result of the reactivation of the local economy, of a perception of greater stability in the value of the peso and of the significant reduction in real interest rates recently described.

23.- Regarding the behaviour of a more ample monetary aggregate such as M_7 , stands out the significant increase of it in real terms during recent years. In effect, M_7 grew by 19.2% in real terms during 1985, being the growth of it equal to 7.4% during the first semester of 1986. This increment is mainly accounted for by the flow of increasing and steady financial savings channelled by the Pension Fund Administrators, which has resulted in a sizable increase of bank quasi-money and in the holdings of public debt instruments.

External Debt Policy

24.- The foreign debt of Chile, after several years of steady increment, has experienced during the first semester of 1986 a reduction of approximately US\$ 284 million. In effect, whereas on December 31, 1985 the estimated foreign debt of Chile amounted to US\$ 19,328 million, such figure was reduced to US\$ 19,044 as at June 30, 1986. This decrease marks a break in the trend of this variable, which according to

^{5/} The evolution registered by a monetary aggregate close to M_1 contrasts, especially as from 1985 onwards, with the evolution experienced by the later. In effect, adjusted M_1 - designated here as "enlarged private money" (M_1A) and which incorporates other sight liabilities of banks - ¹experienced increments in real terms of 2.1% during the first six months of 1985, of 5.6% during the second semester of 1985 and of 13.1% during the first semester of 1986. (See chart 9). The recent evolution of M_1A has been the result of the massive daily use of means of payment different to the traditional ones, as for example, cashier's checks, which have been amply used by institutional investors recently, and which have not been recorded within the more restricted definition of money.

preliminary estimates, will continue during the second semester of the year. The reduction of the external debt reflects in part the deliberate action of the authorities tending to reduce the short term liabilities of the Central Bank and of other organisms. It is also closely linked to the capitalization of external credits, to the investment with external debt promissory notes, to the clearing of portfolios and to the financial restructuring of certain enterprises of the non financial private sector with external liabilities. It is thus that as at June 30, 1986, transactions for an amount of US\$ 783,9 million had been carried out, resulting from stipulations contained in Chapter XVIII, Chapter XIX (both of the Compendium of International Exchange Norms) and others.

25.- It should be reminded that the external debt stock of Chile implies an abroad interest payment of approximately US\$ 1,700 million per year. It is due to this that although Chile has a positive settlement in the balance of goods and services, it has a negative balance in the current account of its balance of payments. In order to finance this current account deficit, Chile must resort to external financing, which results in an increase of its external debt. As a way of avoiding an excessive growth of this debt, transactions were authorized with the external debt bonds mentioned above.

These transactons, in the majority of cases, represent the change of an asset drawn against a foreign bank (Ex. Chapter XVIII) or of an internal asset (Ex. Chapter XIX) for an external liability. The above will result in the reduction of approximately US\$ 60 million foreign debt interest payments during the year.

III - Conclusion

26.- In short, during the first semester of 1986 the Chilean economy experienced a significant recovery in production and employment, preserved a reasonable and declining level of inflation and did show a solid progress in the consolidation of its balance of payment position. The above results reveal the fruits of a macroeconomic program that, with coherence and realism, has proposed the promotion of exports and an efficient substitution of imports through a flexible exchange policy, uniform tariffs and other complementary measures; has triggered savings and investment by means of a strict fiscal budget adjustment; and has encouraged productive activity through a monetary policy in attendance of the liquidity needs of the economy consistent with a non-inflationary growth. The maintenance of such ordaining and reactivating policy, allows to foresee the full completion of the targets outlined for the rest of the year.

CHART N°1

GROSS DOMESTIC PRODUCT BY SECTOR^{1/}

(in millions of 1977 ch.\$)

	<u>1984</u>		<u>1985</u>				<u>1986</u>	
	<u>TOTAL</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>TOTAL</u>	<u>I</u>	<u>II</u>
Agriculture	28.988	10.142	9.621	5.031	5.818	30.612	11.399	10.364
Fishing	3.299	1.054	829	853	748	3.484	813	1.255
Mining	30.405	7.263	7.374	8.173	8.264	31.074	7.672	8.042
Industry	71.858	17.066	18.414	18.087	19.125	72.692	17.360	20.187
Elect., Gas and Water	8.841	2.125	2.331	2.429	2.265	9.150	2.270	2.518
Construction	17.737	4.821	5.033	5.121	5.618	20.593	5.207	5.209
Commerce	58.668	13.667	14.713	15.344	15.915	59.639	14.081	15.610
Transport	18.916	4.868	4.856	4.964	5.273	19.961	5.148	5.213
Others	109.214	27.095	27.307	27.549	27.291	109.242	27.983	28.557
 TOTAL G.D.P.	 347.926	 88.101	 90.478	 87.551	 90.317	 356.447	 91.933	 96.956

^{1/} Provisional figures.

CHART N°2

GROSS DOMESTIC PRODUCT GROWTH RATES BY SECTOR^{1/2/}

(percentage change in 12 months)

	<u>1984</u>		<u>1985</u>				<u>1986</u>	
	<u>TOTAL</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>TOTAL</u>	<u>I</u>	<u>II</u>
Agriculture	7.1	7.5	6.5	1.7	4.4	5.6	12.4	7.7
Fishing	11.5	34.9	-18.9	3.6	11.2	5.6	-22.9	51.4
Mining	4.4	-3.7	-3.6	9.0	7.2	2.2	5.6	9.1
Industry	9.8	2.8	-1.2	-0.5	3.7	1.2	1.7	9.6
Elect., Gas and Water	7.0	3.7	-0.7	4.7	6.6	3.5	6.8	8.0
Construction	4.2	16.7	11.4	18.8	17.6	16.1	8.0	3.5
Commerce	5.0	5.0	0.9	-1.1	2.3	1.7	3.0	6.1
Transport	6.0	3.5	3.7	3.4	11.4	5.5	5.8	7.4
Others	5.4	1.6	-1.2	-1.3	1.1	0.0	3.3	4.6
 TOTAL G.D.P.	 6.3	 3.8	 0.4	 1.4	 4.3	 2.4	 4.3	 7.2

1/ Provisional figures

2/ Over the same period of the previous year.

CHART N°3

VOLUME AND UNEMPLOYMENT RATE
(Great Santiago)

<u>SURVEY DATE</u>	<u>LABOR FORCE</u>		<u>EMPLOYED</u>				<u>UNEMPLOYED</u>		<u>UNEMPLOYMENT RATE</u> (%)
	<u>Thousand</u> <u>Persons</u>	<u>% Change</u> ^{1/}	<u>Thousand</u> <u>Persons</u>	<u>% Change</u> ^{1/}	<u>Thousand</u> <u>Persons</u>	<u>% Change</u> ^{1/}	<u>Thousand</u> <u>Persons</u>	<u>% Change</u> ^{1/}	
DEC.1983	1.547,9	-	318,6	-	823,5	-	316,4	-	20,4
MAR.1984	1.596,4	-	344,5	-	809,6	-	347,0	-	21,7
JUN.1984	1.545,5	-	322,6	-	848,1	-	284,5	-	18,4
SEP.1984	1.606,3	-	335,1	-	835,4	-	335,1	-	20,9
DEC.1984	1.575,6	1,8	357,9	12,3	871,7	5,9	250,9	-20,7	15,9
MAR.1985	1.618,8	1,4	377,7	9,6	852,3	5,3	291,5	-16,0	18,0
JUN.1985	1.569,7	1,6	362,6	12,4	848,4	0,04	253,7	-10,8	16,2
SEP.1985	1.611,8	0,3	367,7	9,7	864,4	3,5	280,5	-16,3	17,4
DEC.1985	1.664,1	5,6	407,9	14,0	925,2	6,1	230,0	-8,3	13,5
MAR.1986	1.702,8	5,2	411,4	8,9	933,8	9,6	247,7	-15,0	14,5
JUN.1986	1.625,3	3,5	387,3	6,8	891,9	5,1	250,2	-1,4	15,4

^{1/} With respect to same quarter of the previous year.

SOURCE: Encuestas de Ocupación y Desocupación Gran Santiago. Departamento de Economía, Universidad de Chile.

CHART N°4

CONSUMER AND WHOLESALE PRICE INDEXES

	CONSUMER PRICES				WHOLESALE PRICES			
	Index (1978 = 100)	% Change			Index (1974 = 100)	% Change		
		Month	Year	12 months		Month	Year	12 Months
1984 (Aver.)	323.66	-	23.0 ^{1/}	19.9	11.487,9	-	36,5 ^{1/}	24,3
1985 (Aver.)	423.03	-	26.4 ^{1/}	30.7	16.470,4	-	30,3 ^{1/}	43,4
1985 (Aver.Acum.June)	399.84	-	9.5	30.8	15.434,8	-	12,8	46,9
1986 (Aver.Acum.June)	487.95	-	5.7	22.0	18.728,8	-	5,1	21,3
<u>1985</u>								
Jan.	376.58	3.1	3.1	26.8	14.391,5	5,2	5,2	44,1
Feb.	384.15	2.0	5.2	29.6	14.826,9	3,0	8,3	45,9
Mar.	394.95	2.8	8.2	29.9	15.112,5	1,9	10,4	44,6
Apr.	403.96	2.3	10.6	30.9	15.610,8	3,3	14,1	47,4
May.	412.10	2.0	12.9	32.0	16.021,9	2,6	17,1	47,6
Jun.	427.28	3.7	17.0	35.1	16.644,6	3,9	21,6	51,4
Jul.	432.80	1.3	18.5	35.7	17.037,1	2,4	24,5	52,7
Aug.	436.64	0.9	19.6	36.5	17.156,2	0,7	25,4	52,2
Sep.	441.95	1.2	21.0	34.3	17.470,4	1,8	27,7	44,2
Oct.	448.61	1.5	22.9	26.0	17.720,6	1,4	29,5	35,7
Nov.	455.79	1.6	24.8	26.5	17.826,9	0,6	30,3	31,9
Dec.	461.57	1.3	26.4	26.4	17.825,6	0,0	30,3	30,3
<u>1986</u>								
Jan.	473.94	2.7	2.7	25.9	18.202,8	2,1	2,1	26,5
Feb.	478.23	0.9	3.6	24.5	18.515,3	1,7	3,9	24,9
Mar.	485.41	1.5	5.2	22.9	18.741,6	1,2	5,1	24,0
Apr.	492.15	1.4	6.6	21.8	18.954,3	1,1	6,3	21,4
May.	495.66	0.7	7.4	20.3	18.797,2	-0,8	5,5	17,3
Jun.	502.28	1.3	8.8	17.6	19.162,5	1,9	7,5	15,1

^{1/} Dec.-Dec. change.

SOURCE: INE

CHART N°5

BALANCE OF PAYMENTS FIRST SEMESTER 1986
(in millions of US\$)

	<u>Programmed</u> ^{1/}	<u>Actual</u>	<u>Difference</u> (actual less programmed)
I - <u>Current Account</u>	<u>-589.9</u>	<u>-409.0</u>	<u>180.9</u>
Trade Balance	484.6	707.1	222.5
Exports	2.057.3	2.113.0	55.7
- Copper	(847.9)	(866.7)	(18.8)
- Others	(1.209.4)	(1.246.3)	(36.9)
Imports	-1.572.7	-1.405.9	166.8
Non Financial Services	-193.1	-186.9	6.2
Financial Services	-911.5	-980.5	-69.0
Transfers	30.0	51.3	21.3
II - <u>Capital Account</u>	<u>245.0</u>	<u>-7.3</u>	<u>-252.3</u>
Foreign Investment	30.0	163.5	133.5
- DL 600, Art.14, Abroad Inv.	(30.0)	(23.3)	(-6.7)
- Capit.of External Credits	(0.0)	(35.6)	(35.6)
- Inv.with Foreign Debt Notes	(0.0)	(104.6)	(104.6)
Other Capitals	215.0	-170.8	-385.8
- Actual Amort.	-193.8	-178.5	15.3
- Extraordinary Amort. ^{2/}	0.0	-159.4	-159.4
- Medium and Long Term Disburs.	285.3	186.6	-98.7
- Use of Short Term Lines	27.7	-106.9	-134.6
- Other S.Term Trade Related F.	-5.6	-67.1	-61.5
- Assets	92.1	118.5	26.4
- Remainder to be Financed	362.0	361.0	-1.0
- Central Bank Short Term	-325.0	-325.0	0.0
III - <u>Errors and Omissions</u>	<u>0.0</u>	<u>144.5</u>	<u>144.5</u>
<u>Overall Balance</u>	<u>-344.9</u>	<u>-271.8</u>	<u>73.1</u>
<u>FMI Definition:</u>			
<u>Balance of Payments</u>	<u>-19.0</u>	<u>53.2</u>	<u>73.1</u>
- Valuation and other Adjustments	0.0	23.4	23.4
<u>Change in Net International Reserves</u>	<u>-19.9</u>	<u>76.6</u>	<u>96.5</u>

^{1/} Projection as of December 17, 1985.

^{2/} Considers purchases of foreign debt (Chapter 18), investment with external debt notes (Chapter 19), portfolio swaps and capitalization of loans.

CHART N°6

EXPORTS BY PRINCIPAL PRODUCTS
(First semester 1985 - 86)

PRODUCTS	UNITS	1° SEMESTER 1985		1° SEMESTER 1986	
		Amount	Value (US\$ mill.)	Amount	Value (US\$ mill)
A) <u>PRINCIPAL PRODUCTS</u>			1546.6		1670.5
COPPER	M.T.M.	618.32	810.2	648.03	866.7
NON - COPPER			736.4		803.8
- Iron Pellets	M.T.M.	879.62	22.5	958.13	23.1
- Iron Mineral	M.T.M.	846.17	11.2	770.34	9.3
- Sodium Nitrate	M.T.M.	216.80	21.3	198.46	19.3
- Potassium Nitrate	M.T.M.	73.54	11.2	81.30	13.2
- Iodine	T.M.	1481.00	16.6	1476.00	18.5
- Metallic Silver	M.Oz.Tr.	4810.00	37.0	6207.00	41.0
- Grapes	M.T.N.	230.21	205.6	224.05	198.5
- Apples	M.T.N.	187.17	61.7	274.46	91.4
- Pears	M.T.N.	29.85	12.9	41.88	18.5
- Fishmeal	M.T.M.	417.09	114.7	505.70	138.1
- Sawn Woods	M.M3	371.18	36.1	425.19	32.1
- Wood Trunks	M.M3	626.99	19.0	553.24	18.8
- Crude Woodpulp	M.T.M.	105.19	26.2	111.45	28.3
- Whitened and Pre-Whit. Woodpulp	M.T.M.	138.84	44.3	140.29	46.1
- Molybdenum	M.T.M.	7.90	62.7	10.45	63.9
- Metallic Gold	K.G.	2904.00	43.4	4098.00	43.8
B) <u>OTHERS</u>			336.8		442.5
TOTAL EXPORTS			1883.4		2113.0
(Total non-copper)			1073.2		1246.3

CHART N°7

CHANGE IN PRICES, QUANTITIES AND VALUES OF PRINCIPAL
EXPORT PRODUCTS
 (% Change Jan-Jun 86/85)

<u>PRODUCTS</u>	<u>UNITS</u>	<u>PRICES</u>	<u>QUANTITY</u>	<u>VALUES</u>
A) <u>PRINCIPAL PRODUCTS</u>		-1.22	9.34	8.01
COPPER	M.T.M.	2.07	4.81	6.97
NON-COPPER		-4.53	14.33	9.15
- Iron Pellets	M.T.M.	-5.75	8.93	2.67
- Iron Mineral	M.T.M.	-8.85	-8.90	-16.96
- Sodium Nitrate	M.T.M.	-1.53	-8.46	-9.86
- Potassium Nitrate	M.T.M.	6.62	10.54	17.86
- Iodine	T.M.	11.82	-0.34	11.45
- Grapes	M.Oz.Tr.	-14.13	29.04	10.81
- Apples	M.T.N.	-0.80	-2.68	-3.45
- Pears	M.T.N.	1.02	46.63	48.14
- Fishmeal	M.T.N.	2.21	40.30	43.41
- Sawn Woods	M.T.M.	-0.69	21.24	20.40
- Wood Trunks	M.M3	7.37	14.55	22.99
- Crude Woodpulp	M.M3	12.14	-11.76	-1.05
- Whitened and Pre-Whit Woodpulp	M.T.M.	1.95	5.95	8.02
- Molybdenum	M.T.M.	2.98	1.05	4.06
- Metallic Gold	M.T.M.	-22.93	32.23	1.91
	K.G.	-28.48	41.12	0.92
b) <u>OTHERS</u>				31.38
<u>TOTAL EXPORTS</u>				12.19
(Total non-copper)				16.13

CHART N°8

AVERAGE OBSERVED EXCHANGE RATE
(Chilean pesos per U.S. dollar)

	Ch.\$/US\$	Nominal			Index (1978=100)	Real ^{1/}		
		% Change				% Change		
		Month	Year	12 Months		Month	Year	12 Months
1985 (Aver.)	160,86	-	44,6*	63,4	132,1	-	21,5*	22,0
1985 (Aver.Acum.Jun)	143,75	-	13,9	61,5	122,8	-	2,0	16,6
1986 (Aver.Acum.Jun)	187,76	-	2,9	30,6	144,0**	-	-1,6	17,3
<u>1985</u>								
Jan.	128,98	2,2	2,2	46,9	117,8	2,2	-2,2	12,7
Feb.	131,84	2,2	4,5	49,6	116,7	-0,9	-3,1	9,6
Mar.	145,69	10,5	15,4	65,2	125,1	7,2	3,9	18,1
Apr.	148,76	2,1	17,8	68,0	126,7	1,3	5,2	20,4
May.	152,15	2,3	20,5	68,7	126,1	-0,5	4,7	20,0
Jun.	155,06	1,9	22,8	70,2	124,2	-1,5	3,2	18,6
Jul.	170,81	10,2	35,3	85,9	136,3	9,8	13,2	31,8
Aug.	176,49	3,3	39,8	90,4	140,8	3,3	17,0	35,8
Sep.	178,19	1,0	41,2	76,5	139,6	-0,9	16,0	26,8
Oct.	179,19	0,6	42,0	54,0	141,9	1,6	17,9	23,5
Nov.	180,68	0,8	43,1	51,1	143,8	1,3	19,4	23,3
Dec.	182,48	1,0	44,6	44,6	146,3	1,7	21,5	21,5
<u>1986</u>								
Jan.	184,80	1,3	1,3	43,3	143,6	-1,9	-1,9	21,8
Feb.	186,74	1,0	2,3	41,6	145,4**	1,3	-0,6	24,6
Mar.	189,22	1,3	3,7	29,9	145,9**	0,3	-0,3	16,6
Apr.	189,19	0,0	3,7	27,2	143,1**	-2,0	-2,2	18,9
May.	187,93	-0,7	3,0	23,5	143,4**	0,2	-2,0	13,7
Jun.	188,79	0,5	3,5	21,8	142,3**	-0,8	-2,7	14,6

^{1/} The real exchange rate is defined as the nominal exchange rate multiplied by the quotient between the relevant external inflation and the domestic C.P.I. The construction of the relevant external inflation indicator uses the wholesale price indexes expressed in U.S. dollars through the exchange rates of the respective countries with the above currency. Those price indexes in U.S. dollars are weighted by the relative importance of the imports that Chile carries out from each country considered, with respect to the total sample, which approximately covers a 62% of total Chilean imports during 1985.

^{2/} The estimated monthly discounts, on account of relevant external inflation, during the first semester of 1986 were:

Period of Time	Discount (%)
10/12/85 - 9/01/86	0.4
10/01/86 - 9/02/86	0.4
10/02/86 - 9/04/86	0.9
10/03/86 - 9/04/86	0.35
10/04/86 - 9/05/86	0.35
10/05/86 - 9/06/86	0.35
10/06/86 - 9/07/86	0.35

*/ Dec.-Dec. Variation

**/ Provisional

CHART N°9

PRIVATE MONETARY AGGREGATES
 (Averages in millions of 1977 Ch.\$)^{1/}

	CURRENCY				PRIVATE MONEY (M1)			
	Amount	% Change			Amount	% Change		
	(mill.1977\$)	Month	Year	12 Months	(mill.1977\$)	Month	Year	12 Months
<u>1983</u>								
Dec.	9.176	12.6	2.8	2.8	18.701	9.2	3.0	3.0
<u>1984</u>								
Dec.	8.746	14.4	-4.7	-4.7	16.348	6.2	-12.6	-12.6
<u>1985</u>								
Jan.	8.549	-2.3	-2.3	-5.6	18.234	11.5	11.5	-6.4
Feb.	8.920	4.3	1.9	-7.2	18.079	-0.9	10.5	-9.9
Mar.	9.122	2.3	4.2	-8.2	18.240	0.9	11.5	-12.2
Apr.	8.870	-2.8	1.3	-10.9	17.732	-2.8	8.4	-15.8
May.	8.586	-3.2	-1.9	-11.0	17.092	-3.6	4.5	-17.4
Jun.	8.326	-3.0	-4.9	-12.0	16.607	-2.8	1.5	-18.7
Jul.	8.165	-1.9	-6.7	-11.8	16.039	-3.4	-1.9	-18.3
Aug.	7.868	-3.6	-10.0	-11.9	15.531	-3.2	-5.0	-19.4
Sep.	8.476	7.7	-3.1	-7.8	16.729	7.7	2.3	-14.3
Oct.	7.948	-6.2	-9.1	-1.2	15.623	-6.6	-4.5	-8.5
Nov.	7.946	-0.03	-9.1	3.9	15.476	-0.9	-5.3	0.5
Dec.	8.926	12.3	2.0	2.1	16.596	7.2	1.5	1.5
<u>1986</u>								
Jan.	8.780	-1.6	-1.6	2.7	17.485	5.4	5.4	-4.1
Feb.	9.282	5.7	4.0	4.1	17.606	0.7	6.1	-2.6
Mar.	9.467	2.0	6.1	3.8	17.871	1.5	7.7	-2.0
Apr.	9.305	-1.7	4.3	4.9	17.912	0.2	7.9	1.0
May.	9.172	-1.4	2.8	6.8	16.877	-5.8	1.7	-1.3
Jun.	9.264	1.0	3.9	11.3	17.956	6.4	8.2	8.1

^{1/} The official C.P.I. is the deflator employed

CHART N°9 (cont.)

	Enlarged Private Money (M1A)				M7			
	Amount	% Change			Amount	% Change		
	(mill.1977\$)	Month	Year	12 Months	(mill.1977\$)	Month	Year	12 Months
<u>1983</u>								
Dec.	21.737	2.4	-1.2	-1.2	113.099	-1.0	-3.6	-3.6
<u>1984</u>								
Dec.	19.625	7.7	-9.7	-9.7	120.710	4.1	6.7	6.7
<u>1985</u>								
Jan.	21.616	10.1	10.1	-2.9	124.514	3.2	3.2	4.9
Feb.	21.069	-2.5	7.3	-8.2	124.500	-0.01	3.2	2.1
Mar.	21.196	0.6	8.0	-11.2	125.559	0.9	4.1	3.7
Apr.	20.851	-1.6	6.3	-14.4	126.031	0.4	4.5	6.3
May.	20.378	-2.3	3.8	-14.8	130.325	3.4	8.1	8.9
Jun.	20.031	-1.7	2.1	-13.8	128.124	-1.7	6.3	6.7
Jul.	19.483	-2.7	-0.7	-13.3	131.190	2.4	8.8	9.5
Aug.	19.226	-1.3	-2.0	-12.5	137.945	5.1	14.4	12.9
Sep.	20.891	8.7	6.5	-7.6	139.380	1.0	15.5	14.9
Oct.	19.510	-6.6	-0.5	-2.4	138.376	-0.7	14.7	20.0
Nov.	19.521	0.1	-0.4	7.1	139.436	0.8	15.6	20.3
Dec.	21.126	8.2	7.8	7.6	143.690	3.1	19.2	19.0
<u>1986</u>								
Jan.	22.061	4.4	4.4	2.1	144.072	0.3	0.3	15.7
Feb.	22.333	1.2	5.7	6.0	146.063	1.4	1.7	17.3
Mar.	22.935	2.7	8.5	8.2	149.513	2.4	4.1	19.1
Apr.	23.308	1.6	10.2	11.8	153.152	2.4	6.6	21.5
May.	22.801	-2.2	7.8	11.9	151.411	-1.1	5.5	16.2
Jun.	23.914	4.9	13.1	19.4	154.181	1.8	7.4	20.3

RELATIONS: C = Currency
M1 = C + Private Sector Current Accounts

M1A = M1 + Other sight and less than 30 days deposits that do not constitute current accounts.

M7 = M1A + Time Deposits + At Sight and Time Savings + Central Bank Instruments + Treasury Promissory Notes + Credit Instruments + Private Sector Deposits in Foreign Currency.

CHART N°10
INTEREST RATES (%)
Average of the Financial System

	Non-Indexed Short Term Rates (1)				Interest Rates		Fixed-Income Inst.
	Dep. 30-89 days		L. & D. 30-89 days		Indexed at 90-365 days (2)		Trad. at Stock Exch.
	Nominal	Real	Nominal	Real	Deposits	Loans & Disc.	(Real Annual Aver. IRR)
1983 (Aver.)	2,09	0,34	3,03	1,26	7,87	10,02	9,61
1984 (Aver.)	1,95	0,21	2,67	0,94	8,41	8,96	8,01
1985 (Aver.)	2,32	0,34	2,89	0,90	8,16	9,43	8,71
1985 (Aver. Acum. Jun.)	2,70	0,05	3,40	0,73	9,06	9,45	9,14
1986 (Aver. Acum. Jun.)	1,53	0,11	2,09	0,66	4,90	8,32	6,19
<u>1985</u>							
Jan.	1,92	-1,14	3,04	-0,07	10,77	9,94	9,39
Feb.	2,57	0,56	3,57	1,53	7,84	9,33	9,06
Mar.	2,74	-0,06	3,32	0,53	7,83	9,22	8,68
Apr.	3,42	1,09	3,94	1,60	9,06	9,36	9,40
May.	2,92	0,90	3,41	1,38	10,16	9,67	9,24
Jun.	2,65	-1,01	3,14	-0,54	8,73	9,20	9,06
Jul.	3,12	1,80	3,59	2,26	7,58	9,73	8,66
Aug.	1,79	0,89	2,28	1,38	7,88	9,99	8,74
Sep.	1,44	0,24	1,89	0,69	7,67	9,62	8,47
Oct.	1,71	0,21	2,09	0,59	7,39	9,31	8,25
Nov.	1,72	0,12	2,13	0,53	6,87	8,97	7,85
Dec.	1,92	0,62	2,34	1,04	6,22	8,87	7,70
<u>1986</u>							
Jan.	1,74	-0,93	2,23	-0,46	5,93	9,01	7,51
Feb.	2,01	1,10	2,75	1,83	5,37	8,63	7,05
Mar.	1,31	-0,19	1,92	0,41	5,12	8,47	6,06
Apr.	1,59	0,19	2,10	0,69	4,61	8,31	5,92
May.	1,49	0,78	1,99	1,28	4,45	7,94	5,47
Jun.	1,04	-0,26	1,58	0,28	3,92	7,58	5,14

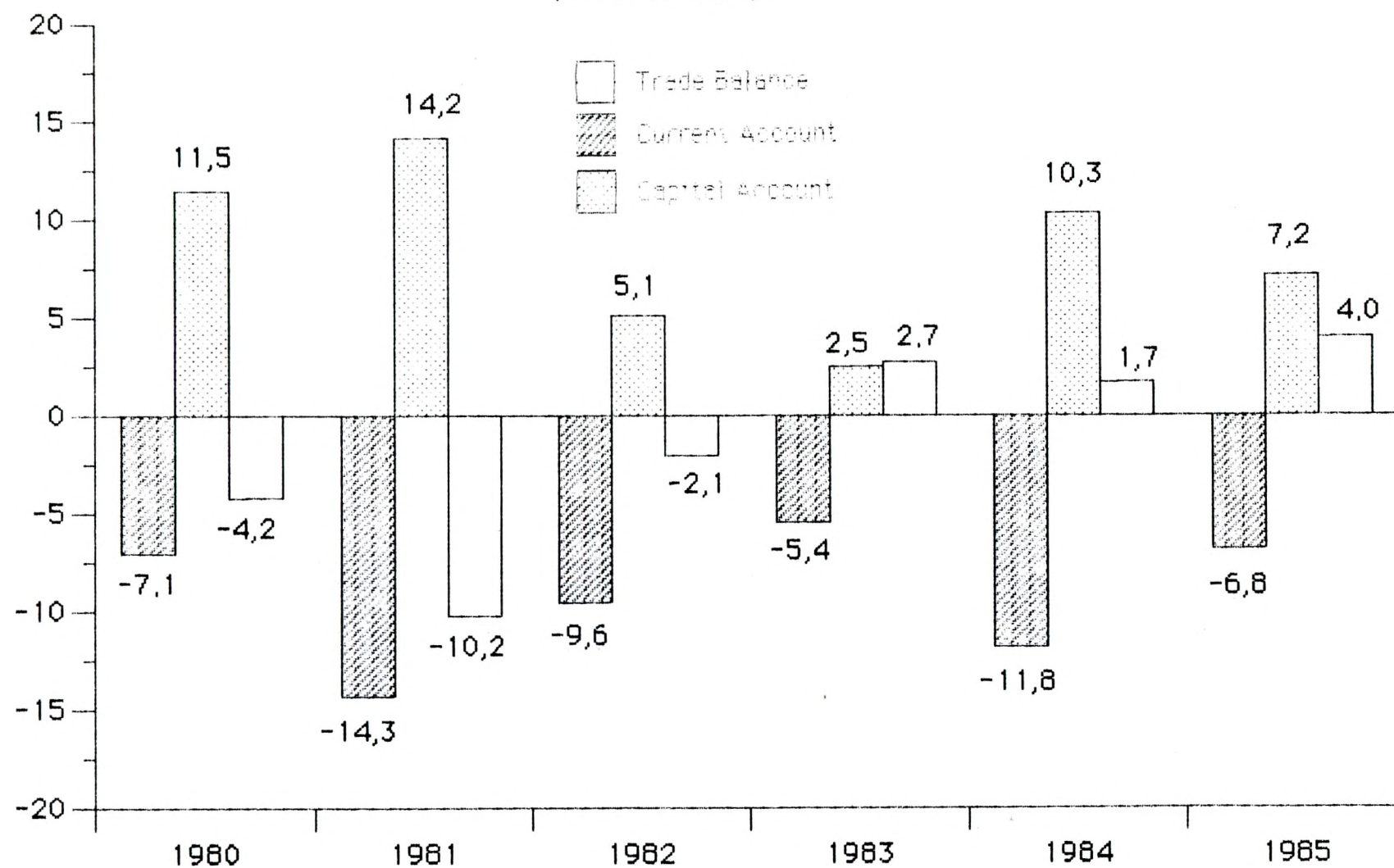
(1) Monthly Rates

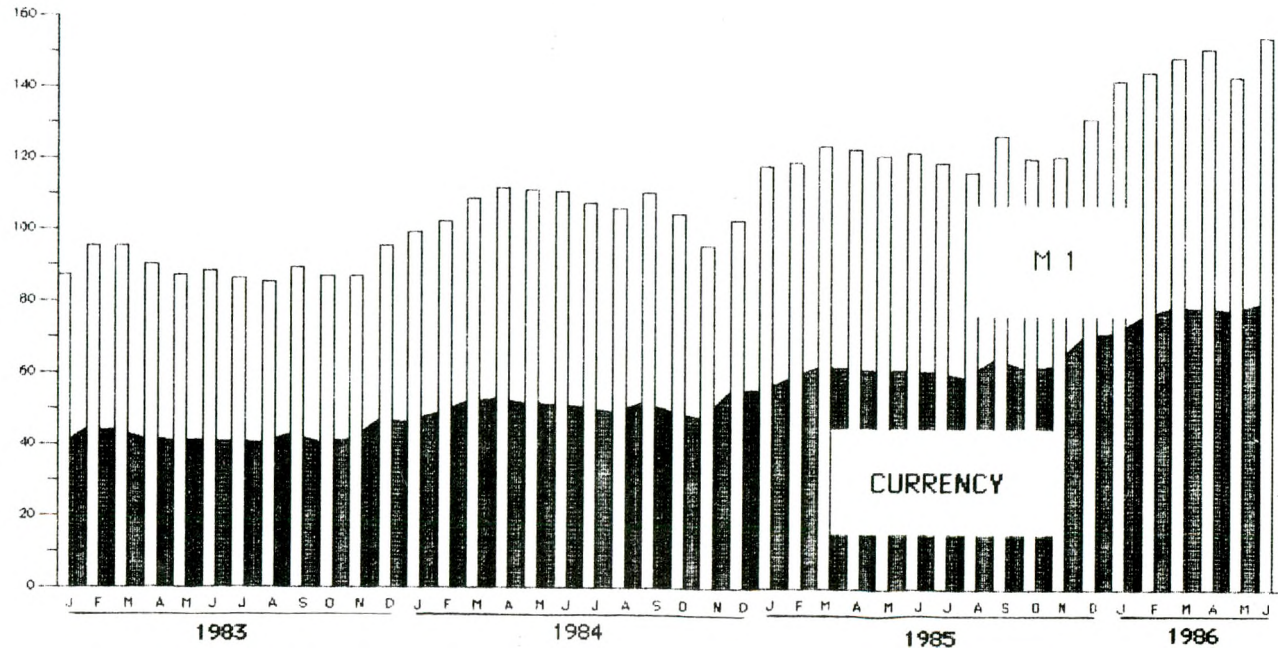
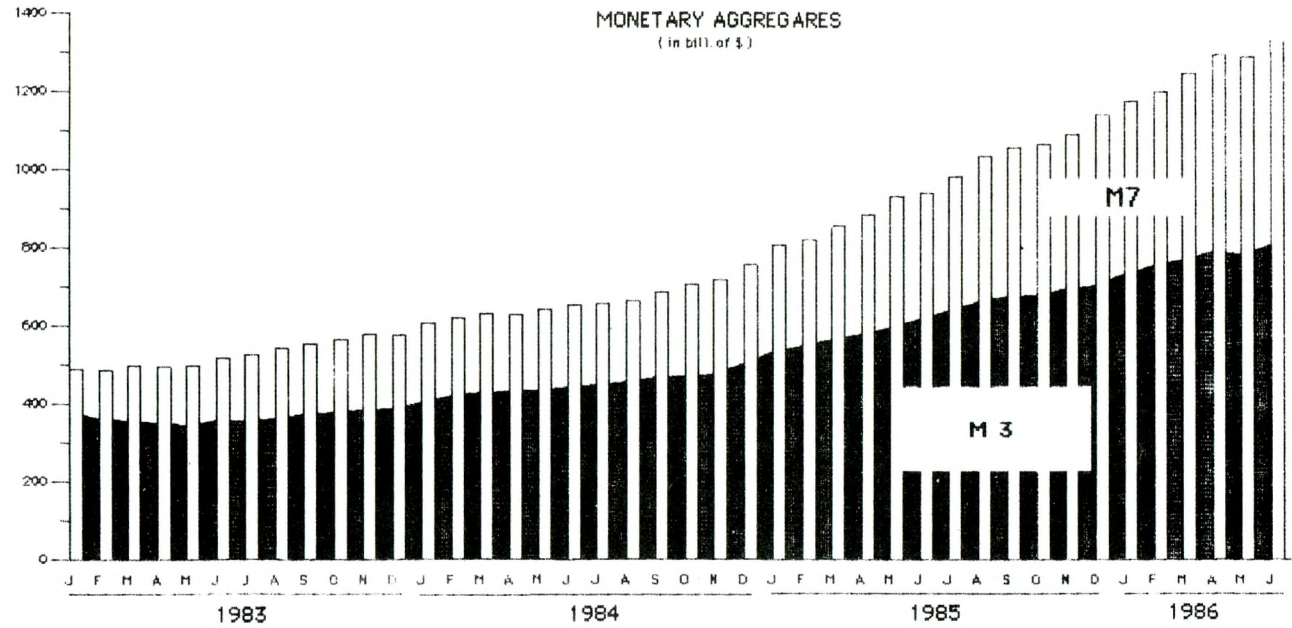
(2) Annual Real Rates

(3) Source: Informativo Bursátil, Bolsa de Comercio de Santiago.

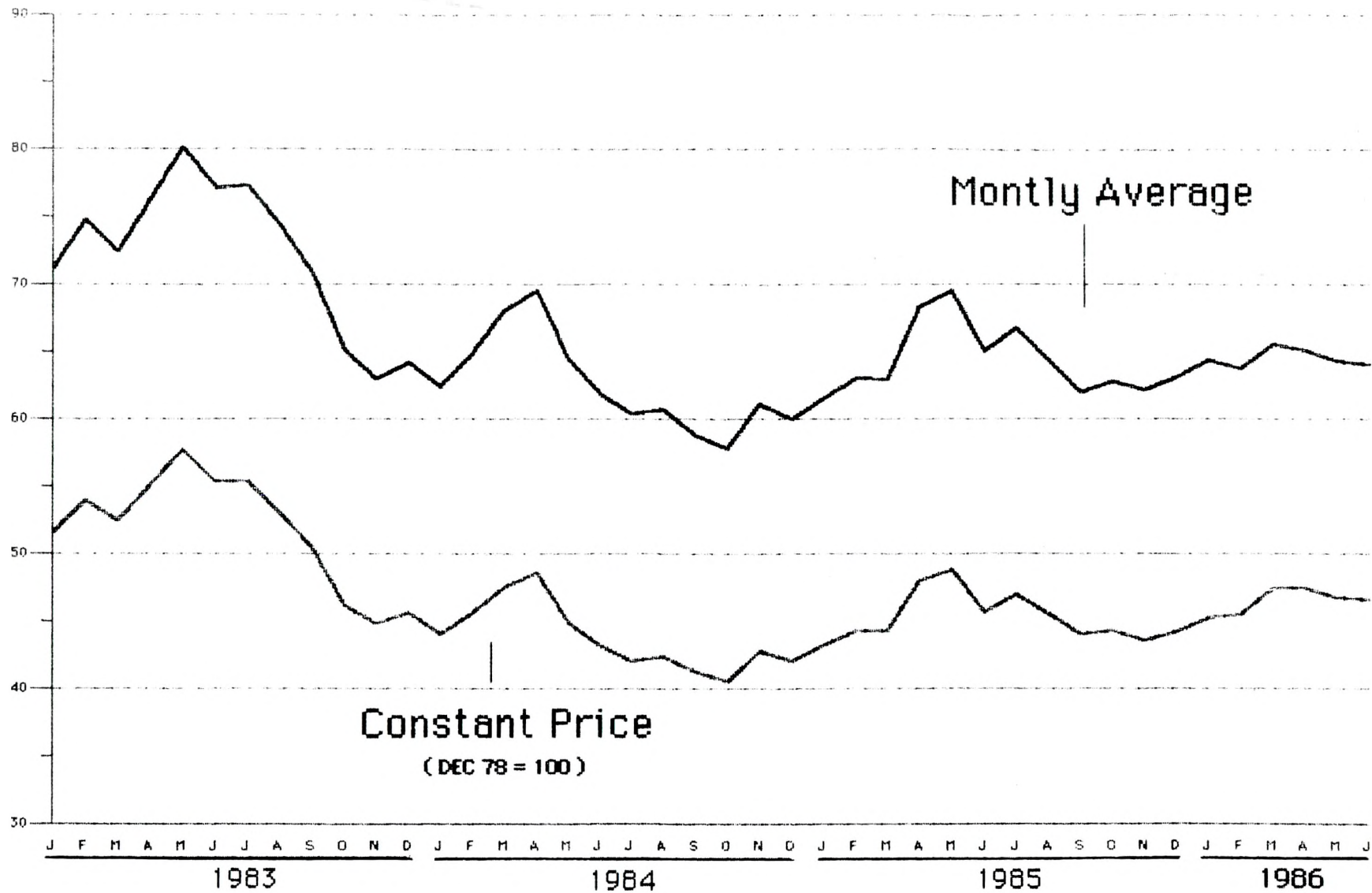
BALANCE OF PAYMENTS

(AS % OF GDP)



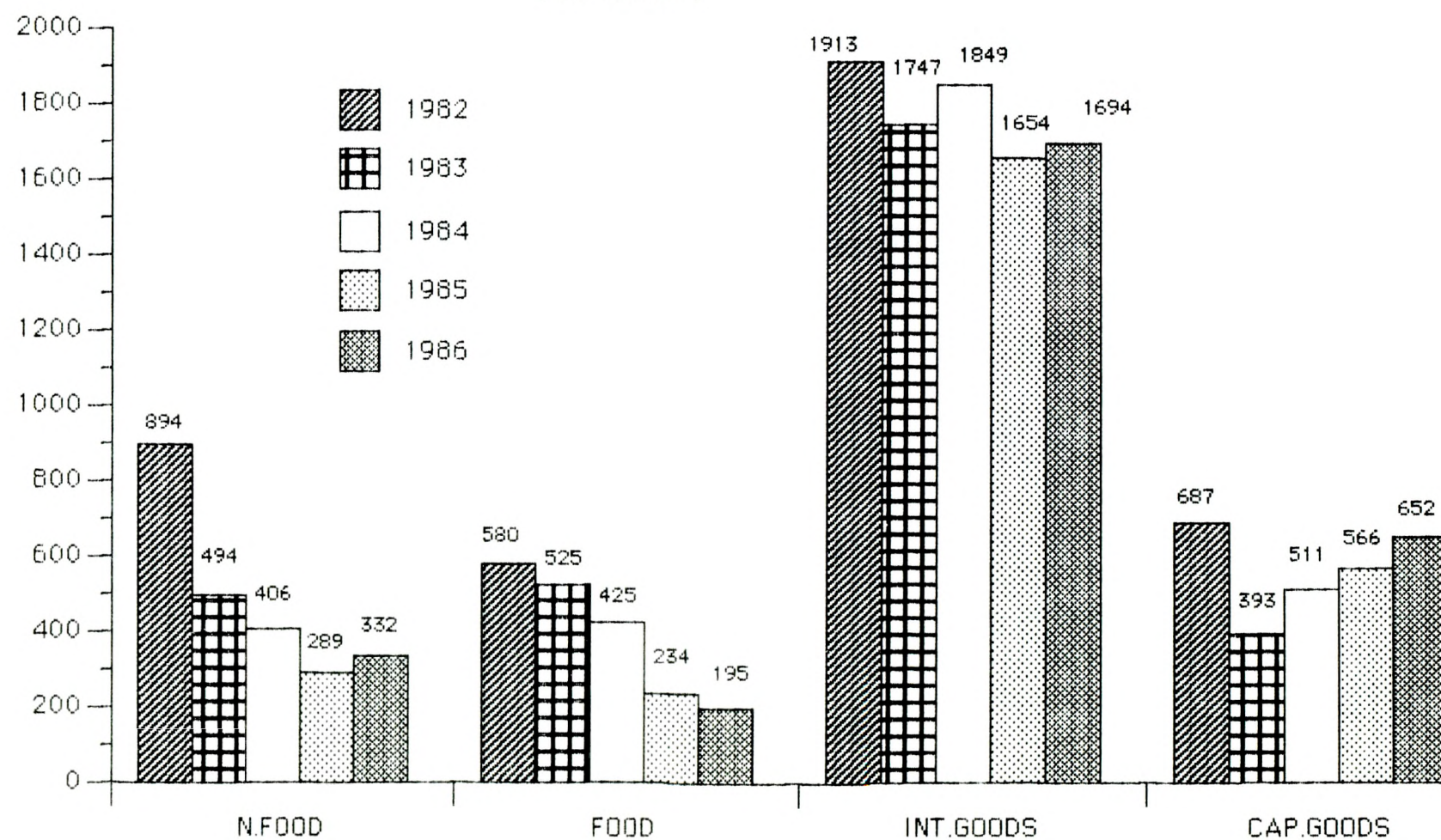


COPPER PRICE

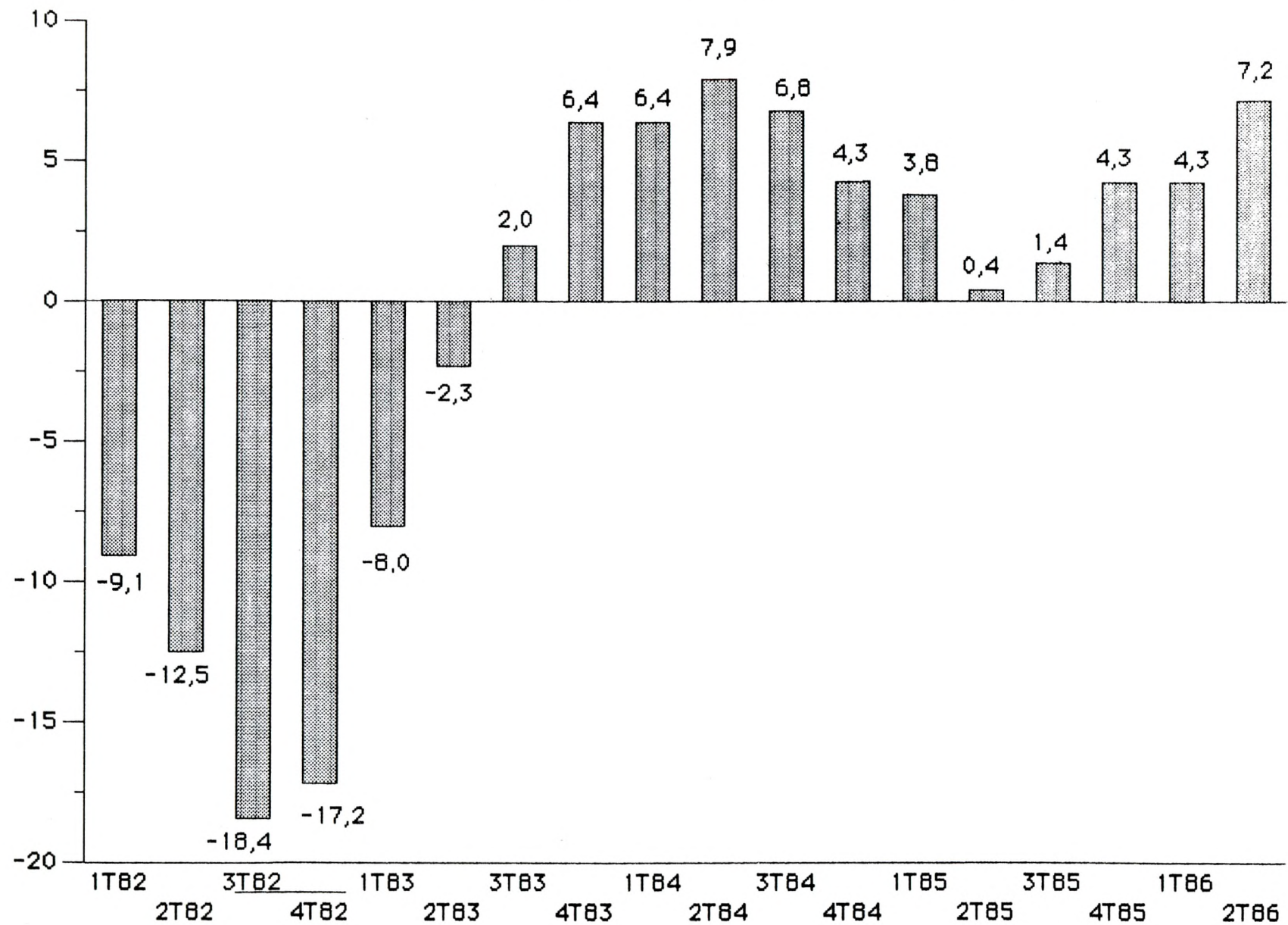


COMPOSITION OF IMPORTS 1982 - 1986 (*)

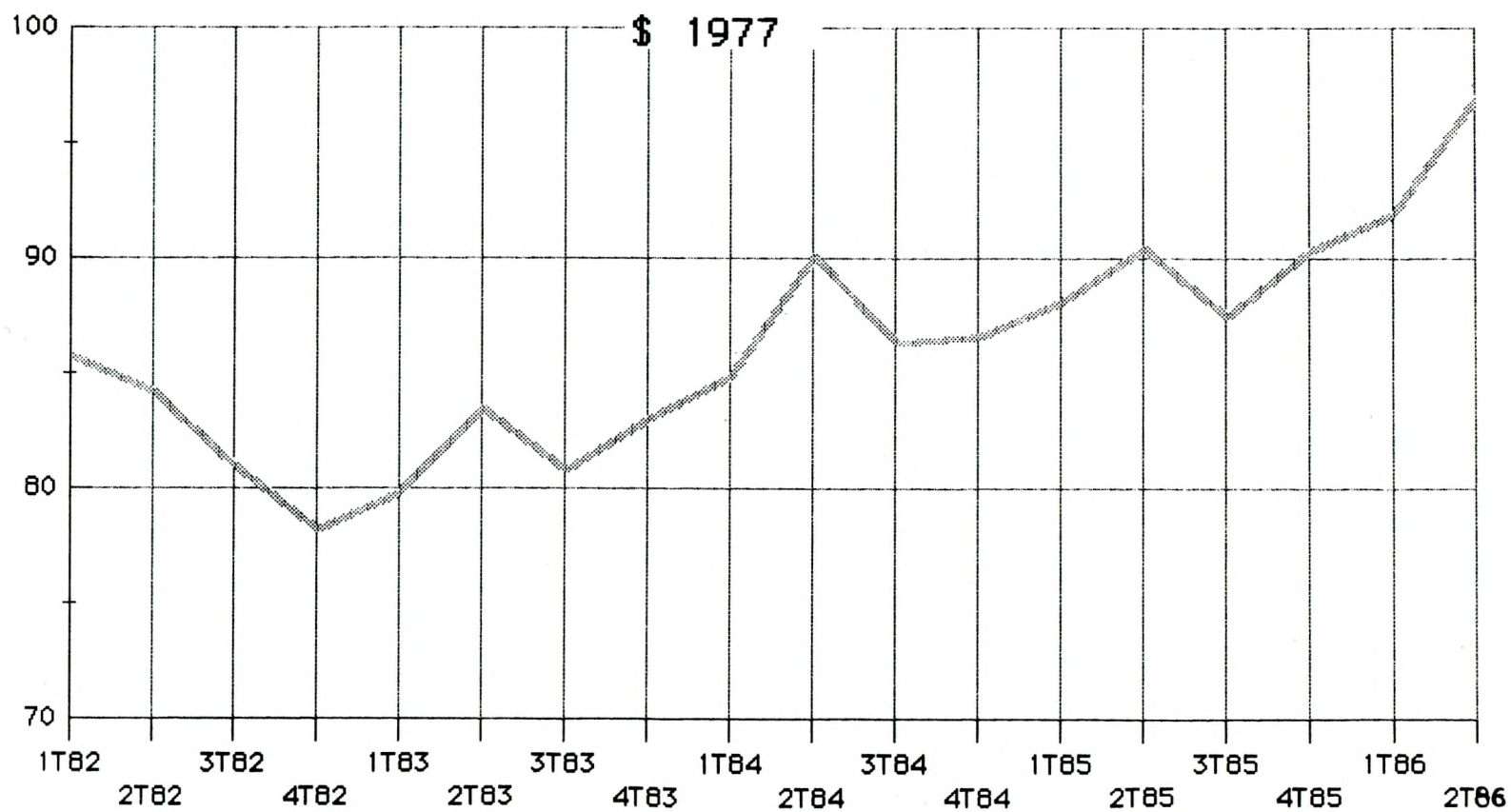
(cif values)



% CHANGE G.D.P 1982 - 2T. 1986



GROSS DOMESTIC PRODUCT 1982 - 2T 1986



T A B L E N° 1

CENTRAL BANK MONETARY PROGRAM: TARGETS AND PERFORMANCE: 1986
(stocks in billions of Chilean pesos)

	P E R F O R M A N C E					T A R G E T S A G R E E D W I T H I . M . F .			
	Dec.85	Mar.86	Jun.86	Sep.86	Dec.86	Mar.86	Jun.86	Sep.86	Dec.86
1. <u>NET INTERNATIONAL RESERVES</u>	<u>202.93</u>	<u>184.28</u>	<u>223.09</u>			<u>167.18</u>	<u>203.52</u>	<u>186.71</u>	<u>231.65</u>
(in mill. US\$)	(1.085.2)	(985.5)	(1.161.9)			(894.0)	(1.060.0)	(943.0)	(1.130.0)
2. <u>NET DOMESTIC ASSETS</u>	<u>545.01</u>	<u>595.89</u>	<u>615.65</u>			<u>616.0</u>	<u>636.0</u>	<u>694.0</u>	<u>730.0</u>
3. <u>FOREIGN MEDIUM AND LONG TERM</u> <u>LIABILITIES</u>	<u>659.70</u>	<u>687.37</u>	<u>744.02</u>						
(in mill. US\$)	(3.527.8)	(3.675.8)	(3.375.1)						
4. <u>LIABILITIES TO PRIVATE SECTOR</u>	<u>88.23</u>	<u>92.80</u>	<u>94.72</u>						
Rate of Exchange (peso/dollar)	187.0	187.0	192.0			187.0	192.0	198.0	205.0

Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing on Dec. 1985.

SOURCE: Banco Central de Chile

T A B L E N° 2

DIFFERENCES BETWEEN ACTUAL PERFORMANCE AND TARGET PERFORMANCE UNDER THE I.M.F. PROGRAM

	<u>Mar. 1986</u>	<u>Jun.1986</u>	<u>Sep.1986</u>	<u>Dec.1986</u>
<u>NET INTERNATIONAL RESERVES</u> (millions of US\$)				
1. Actual	985.5	1.161.9		
2. Target	894.0	1.060.0		
3. Differences (1-2)	91.5	101.9		
 II <u>NET DOMESTIC ASSETS</u> (millions of Ch.\$)				
1. Actual	595.89	615.65		
2. Target	616.00	636.00		
3. Differences (1-2)	-20.11	-20.35		
 III <u>NEW MEDIUM TERM LOANS FROM</u> (millions of US\$)				
<u>INTERNATIONAL BANKS</u>	<u>150.4</u> <u>1/</u>	<u>203.6</u> <u>2/</u>		
 IV <u>RATE OF EXCHANGE</u>				
(peso/dollar)	187.0	192.0		

Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing on Dec. 1985.

1/ Includes 115.7 millions dollars from International Banks and 34.8 millions dollars from World Bank Cofinancing.

2/ Includes 47.6 millions dollars from International Banks and 156.0 millions dollars from World Bank Cofinancing and SAL Program during the second quarter.

SOURCE: Banco Central de Chile

T A B L E N° 3

CENTRAL BANK: NET INTERNATIONAL RESERVES 1986
(millions of US\$ end of month)

	<u>Dec.85</u>	<u>Mar.86</u>	<u>Jun.86</u>
<u>NET INTERNATIONAL RESERVES</u>	<u>1.085,2</u>	<u>985,5</u>	<u>1.161,9</u>
1. <u>Assets</u>	<u>2.721,4</u>	<u>2.428,6</u>	<u>2.452,0</u>
Gold	74,7	74,8	74,9
SDR'S	0,3	0,6	2,8
I.M.F. Reserve Position	0,0	0,0	0,0
Foreign Exchange Assets	2.452,0	2.192,8	2.259,3
CCR	194,4	160,4	115,0
2. <u>Liabilities</u>	<u>1.636,2</u>	<u>1.443,1</u>	<u>1.290,1</u>
To I.M.F.	1.085,5	1.154,0	1.171,0
CCR	210,7	132,6	119,1
Short Term Deposits	325,0	150,0	0,0
Bridge Loan	0,0	0,0	0,0
Others <u>1/</u>	15,0	6,5	0,0

Corresponds to the I.M.F. net international reserve definition.

Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing on Dec. 1985.

1/ Provision for payments to Paris Club.

SOURCE: Banco Central de Chile.

T A B L E N° 4
NET INDEBTEDNESS OF THE NON-FINANCIAL PUBLIC SECTOR
 (billions of Chilean pesos)

	<u>Dec.1985</u>	<u>Mar.1986</u>	<u>Jun.1986</u>
1. Debt to the Domestic Financial System	174,43	173,99	165,76
2. Outstanding stock of financial instruments issued by the nonfinancial public sector and held by the nonfinancial private sector	80,10	103,04	105,71
3. Adjustments for Corfo-Indap	0,00	-1,37	-2,66
4. Other Adjustments	-62,53	-30,82	-69,47
5. Domestic Debt (1+2+3+4)	192,00	194,84	199,34
6. Foreign Debt	1.129,95	1.141,52	1.189,33
7. Total Debt (5+6)	1.321,95	1.336,36	1.388,67
8. Public Sector Deficit		14,41	32,37
<u>TARGET</u>		<u>23,20</u>	<u>44,30</u>
(Rate of exchange)	(187)	(187)	(192)

NOTES: Provisional figures.

TABLE N°4 - A

SHORT-TERM EXTERNAL INDEBTEDNESS OF THE NONFINANCIAL PUBLIC SECTOR AND BANCO DEL ESTADO
(In millions of US\$)

	<u>MAR.1986</u>	<u>JUN.1986</u>
A) SHORT-TERM EXTERNAL DEBT OF THE NONFINANCIAL PUBLIC SECTOR	792,1	717,8
B) NET INTERNATIONAL RESERVES OF THE BANCO DEL ESTADO	-84,5	-3,3
- Assets	18,7	20,5
- Liabilities	103,2	23,8
C) TOTAL	<u>876,6</u>	<u>721,1</u>
<u>TARGET</u>	<u>960,0</u>	<u>940,0</u>

SOURCE: BANCO CENTRAL DE CHILE

T A B L E N°5

CONTRACTING AND GUARANTEEING OF MEDIUM-AND LONG-TERM FOREIGN DEBT BY THE PUBLIC SECTOR
(in millions of US\$)

	<u>Mar. 1986</u>	<u>Jun.1986</u>
1. CONTRACTING AND GUARANTEEING		
More than 1 and up to 5 years	5,9	16,7
More than 1 and up to 10 years	7,6	29,5
2. REFINANCING AND RESCHEDULING	14,3	40,5
<u>TARGETS:</u>		
1. Contracting and Guaranteeing		
More than 1 and up to 5 years	200,0	200,0
More than 1 and up to 10 years	500,0	500,0
2. Refinancing and Rescheduling	170,0	170,0

SOURCE: Banco Central de Chile.

T A B L E N° 6

CHILE: BALANCE OF PAYMENTS 1985-1986
(in millions of US\$)

	<u>1985^{1/}</u>	<u>1986^{2/}</u>
<u>CURRENT ACCOUNT</u>	<u>-1.307.4</u>	<u>-1.195.9</u> ✓
Trade Balance	788.4	943.3 ✓
Exports	3.743.1	4.006.3 ✓
Copper	1.770.1	1.757.0
Others	1.973.0	2.249.3
Imports	-2.954.7	-3.063.0
Non Financial Services	-255.4	-392.9
Financial Services	-1.901.1	-1.820.3
Transfers	60.7	74.0
<u>CAPITAL ACCOUNT</u>	<u>1.397.3</u>	<u>1.078.7</u> ✓
Foreign Investment ^{3/}	111.7	222.3
Scheduled Amortizations	-2.246.6	-2.670.4
MLT Disbursements	631.6	626.0
Official and Multilateral Organizations	424.4	343.1
Suppliers' Credits	140.4	246.5
- To Public Sector	(66.4)	(105.9)
- To Private Sector	(74.0)	(140.6)
Other	66.8	36.4
Other Medium and Long Term Capital Flows ^{4/}	-148.1	-173.5
Net Flows of Short-Term Capital ^{5/}	364.6	170.2
- Use of Short-Term Lines	(-27.5)	(63.9)
- Other Short-Term		
Trade-Related Flows	(48.7)	(10.2)
- Net Change in Assets	(343.4)	(96.1)
Financial Program	2.666.1	2.904.1
- Refinancing of Scheduled Amortization Payments	(1.827.1)	(2.259.7)
- New Money from banks	(714.0)	(369.4)
- IBRD-SAL	(125.0)	(275.0)
<u>Errors and Omissions</u>	<u>-15.6</u>	<u>144.5</u>
<u>Overall Balance</u>	<u>56.3</u>	<u>27.3</u>
Valuation and Other Adjustments	-52.3	23.4
Change in Net International Reserves ^{6/}	4.0	50.7

1/ Provisional

2/ Provisional figures for the first semester, projected for the second as of August, 1986.

3/ Includes investment with external debt notes and capitalization of loans

4/ Considers net flows of medium and long term assets, and repayment of loans arising from: purchases of foreign debt, investment with external debt notes, portfolio swaps and capitalization of loans. 1986 figures omit purchases of foreign debt.

5/ Does not include short-term loans to the Central Bank

6/ Definition of Net International Reserves used in IMF program.

T A B L E N° 6 - A

FINANCIAL SERVICES
(millions of US\$)

	<u>1985</u> ^{1/}	<u>1986</u> ^{2/}
<u>INTEREST EXPENSE</u>	<u>1.943.0</u>	<u>1.866.1</u>
Medium and Long-Term	1.627.3	1.591.2
I.M.F.	75.3	85.2
Short-Term	240.4	189.7
<u>INTEREST INCOME</u>	<u>196.8</u>	<u>213.3</u>
Medium and Long-Term	7.3	4.5
Short-Term	189.5	208.8
Central Bank	(168.1)	(192.5)
<u>PROFITS AND DIVIDENDS</u>	<u>154.8</u> ^{3/}	<u>167.6</u>
<u>FINANCIAL SERVICES</u>	<u>1.901.1</u>	<u>1.820.3</u>

1/ Provisional.

2/ Provisional figures for the first semester, projected for the second as of August, 1986.

T A B L E N° 6 - B

IMPORTS, 1985 - 1986
(millions of US\$)

	1985 ^{1/}	1986 ^{2/}
I. <u>NON-FOOD CONSUMER GOODS</u>	<u>287.8</u>	<u>331.7</u> ✓
A - Medical & Pharmaceutical	41.5	40.0
B - Tools	23.7	26.0
C - Industrialized non-food products	206.9	239.0
D - Automobiles	15.7	26.7
II. <u>FOODSTUFFS</u>	<u>234.3</u>	<u>194.7</u> ✓
A - <u>Consumer Goods</u>	<u>51.7</u>	<u>55.0</u> ✓
- Agricultural	9.2	9.0
- Industrialized food products	42.5	46.0
B - <u>Intermediate Goods</u>	<u>182.6</u>	<u>139.7</u> ✓
Agricultural-foodstuffs	82.0	65.0
Industrial origin raw materials (edible)	100.6	74.7
III. <u>INTERMEDIATE GOODS</u>	<u>1,654.3</u>	<u>1,694.0</u>
A - <u>Raw Materials</u>	<u>491.5</u>	<u>586.9</u> ✓
Agricultural origin-raw materials (non-edibles)	30.5	36.3
Industrial origin-raw materials (non-edibles)	461.0	550.6
B - <u>Equipment-spares and Intermediate Products</u>	<u>641.0</u>	<u>731.0</u> ✓
Intermediate Industrial Goods	370.1	422.0
Machinery & Equipment-spare Parts	195.4	223.0
Parts for Assembly of Vehicles	75.5	86.0
C - <u>Fuels & Lubricants</u>	<u>521.8</u>	<u>376.1</u>
- Crude Petroleum	445.7	283.7
- Other	76.1	92.4
IV. <u>TOTAL CURRENT GOODS</u>	<u>2,176.4</u>	<u>2,220.4</u> ✓
V. <u>CAPITAL GOODS</u>	<u>566.1</u>	<u>651.8</u>
A - Machinery & Equipment	430.5	496.0
B - Transportation Equipment	133.5	153.8
C - Other Capital Goods	2.1	2.0
VI. <u>SUB TOTAL</u>	<u>2,742.5</u>	<u>2,872.2</u>
<u>Other Imports</u>	<u>526.5</u>	<u>528.4</u>
VII. <u>TOTAL C.I.F.</u>	<u>3,269.0</u>	<u>3,400.6</u>
VIII <u>TOTAL F.O.B.</u>	<u>2,955.0</u>	<u>3,063.0</u>

^{1/} Provisional^{2/} Provisional figures for the first semester, projected for the second semester as of August, 1986.

T A B L E 6 - C

VOLUME AND VALUE OF EXPORTS: 1985 - 86, BY PRINCIPAL PRODUCTS
(millions of US\$)

PRODUCTS	UNITS	1 9 8 5 1/			1 9 8 6 2/		
		Q	\$	VALUE	Q	\$	VALUE
Copper	TM	1.353.000	1.308.3	1.770.1	1.369.000	1.283.4	1.757.0
Iron Ore Pellets	TM	2.730.000	23.9	65.2	3.150.000	24.0	75.7
Iron Ore	TM	2.094.000	12.0	25.1	2.165.000	12.3	26.7
Sodium Nitrate	TM	327.000	100.0	32.7	313.400	99.9	31.3
Potassium Nitrate	TM	113.500	155.1	17.6	119.500	160.7	19.2
Iodine	TM	3.016	11.472.0	34.6	3.032	12.631.9	38.3
Fishmeal	TM	1.112.600	247.5	275.4	1.000.000	290.0	290.0
Planks	M3	719.100	70.6	50.8	900.000	75.6	68.0
Pinewood	M3	1.257.300	31.3	39.4	1.150.000	35.0	40.3
Crude Cellulose	TM	220.800	244.6	54.0	250.000	270.0	67.5
White Cellulose	TM	280.400	270.0	75.7	300.000	332.0	99.6
Molybdenum Oxide	TM						
Iron Molybdenum	TM	18.800	7.5	140.9	19.000	6.2	117.8
SUB TOTAL				2.581.5			2.631.4
OTHERS				1.161.6			1.374.9
TOTAL				3.743.1			4.006.3

1/ Provisional

2/ Provisional figures for the first semester, projected for the second as of August, 1986.

Source: Banco Central de Chile

T A B L E N° 7

CHILE: BALANCE OF PAYMENTS BY QUARTERS, 1986^{1/}
(in millions of US\$)

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>YEAR</u>
<u>CURRENT ACCOUNT</u>	<u>-417.1</u>	<u>8.1</u>	<u>-594.8</u>	<u>-192.2</u>	<u>-1.195.9</u>
Trade Balance	299.2	407.9	98.9	137.3	943.2
Exports	972.0	1.141.0	931.0	962.3	4.006.3
Copper	397.0	469.7	413.6	476.7	1.757.0
Others	575.0	671.3	517.4	485.6	2.449.3
Imports	-672.8	-733.1	-832.1	-825.0	-3.063.0
Non Financial Services	-100.4	-86.5	-131.4	-74.6	-392.9
Financial Services	-636.3	-344.2	-573.3	-266.6	-1.820.3
Transfers	20.4	30.9	11.0	11.7	74.0
<u>CAPITAL ACCOUNT</u>	<u>155.9</u>	<u>161.8</u>	<u>410.9</u>	<u>350.2</u>	<u>1.078.7</u>
1. Foreign Investment ^{2/}	62.0	101.5	31.1	27.7	222.3
2. Amortization Payments	-590.1	-724.5	-604.7	-751.1	-2.670.4
3. MLT Disbursements	103.8	82.8	130.4	309.0	626.0
- Official and Multilateral Organizations	54.7	29.8	50.2	208.4	343.1
- Suppliers' Credits	45.0	46.2	68.9	86.4	246.5
- To Public Sector	(11.8)	(32.8)	(32.9)	(28.4)	(105.9)
- To Private Sector	(33.2)	(13.4)	(36.0)	(58.0)	(140.6)
- Other	4.1	6.8	11.3	14.2	36.4
4. Other Medium and Long Term Capital Flows ^{3/}	-70.1	-86.3	-17.1	0.0	-173.5
5. Net Flows of Short-Term Capital ^{4/}	-14.0	-44.5	313.6	5.2	260.2
- Use of Short-Term Lines	46.1	-153.0	220.2	-49.3	63.9
- Other Short-Term Trade-Related Flows	-131.2	64.1	84.5	-7.2	10.2
- Net Change in Assets	71.1	44.4	5.9	-25.3	96.1
6. Financial Program	664.3	832.8	560.6	846.4	2.904.1
- Refinancing of Scheduled Amortization Payments	511.8	624.3	476.2	647.4	2.259.7
- New Money from banks	152.5	83.5	84.4	49.0	369.4
- IRDB - SAL	0.0	125.0	0.0	150.0	275.0
ERRORS AND OMISSIONS	148.3	-3.8	0.0	0.0	144.5
<u>OVERALL BALANCE</u>	<u>-112.9</u>	<u>166.1</u>	<u>-183.9</u>	<u>158.0</u>	<u>27.3</u>
<u>Valuation and Other Adjustments</u>	<u>13.1</u>	<u>10.3</u>	<u>0.0</u>	<u>0.0</u>	<u>23.4</u>
<u>Change in Net International Reserves^{5/}</u> (increase: -)	<u>99.8</u>	<u>-176.4</u>	<u>183.9</u>	<u>-158.0</u>	<u>-50.7</u>
<u>Cumulative Balance of Payments</u>	<u>-112.9</u>	<u>53.2</u>	<u>-130.7</u>	<u>27.3</u>	

Cumulative Change in Net Interna

<u>tional Reserves</u> ^{5/} (increase: -)	<u>99.8</u>	<u>-76.6</u>	<u>107.3</u>	<u>-50.7</u>
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MEMORANDUM ITEM =

Change in Reserves, net of bank's^{5/}

new money and SAL (increase: -)	<u>252.3</u>	<u>32.1</u>	<u>268.3</u>	<u>41.0</u>	<u>593.7</u>
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1/ Provisional figures for the first semester, projected for the second as of August, 1986.

2/ Includes investment with external debt notes.

3/ Considers net flows of medium and long term assets and repayment of loans arising from: investment with external debt notes, portfolio swaps, and capitalization of loans.

4/ Excludes short-term loans to the Central Bank, which are included in "net international reserves".

5/ Definition of Net International Reserves used in IMF program.

T A B L E N° 8

EXPORTS AND IMPORTS 1984 - JUNE 1986
(millions of US\$)

	EXPORTS (F.O.B.)			IMPORTS (C.I.F.)					IMPORTS (F.O.B.)	TRADE BALANCE	
	Copper	Others	Total	Foodstuffs	Non Food Consumer Goods	Capital Goods	Intermediate Goods	Total		Monthly	Accumulated Year
1983											
1984	1.603.8	2.046.5	3.650.3	492.1	552.3	597.4	2.095.5	3.737.3	3.357.3	-	293.0
1985	1.770.1	1.973.0	3.743.1	280.2	454.3	640.3	1.893.7	3.268.5	2.954.7	-	788.4
Jan.	108.8	159.9	268.7	23.8	41.5	51.9	181.7	298.9	270.0	-1.3	-1.3
Feb.	114.8	154.8	269.6	13.1	30.5	57.6	137.2	238.4	215.4	54.2	52.9
Mar.	153.6	240.3	393.9	15.6	40.8	73.2	167.1	296.7	267.9	126.0	178.9
Apr.	134.7	229.8	364.5	17.9	39.4	47.4	157.2	261.9	236.6	127.9	306.8
May.	172.3	150.0	322.3	18.8	35.2	42.2	189.0	285.2	258.1	64.2	371.0
Jun.	126.0	138.4	264.4	21.4	31.4	47.9	150.2	250.9	227.8	36.6	407.6
Jul. (*)	124.9	175.6	300.5	23.7	35.9	49.4	144.9	253.9	229.0	71.5	479.1
Aug. (*)	155.2	162.0	317.2	31.5	39.9	57.5	171.8	300.7	272.4	44.8	523.9
Sep. (*)	146.1	127.6	273.7	27.0	35.3	43.0	142.6	247.9	223.1	50.6	574.5
Oct. (*)	177.8	158.2	336.0	25.8	44.6	53.2	151.7	275.3	248.9	87.1	661.6
Nov. (*)	169.1	124.4	293.5	37.4	41.5	54.2	154.4	287.5	261.4	32.1	693.7
Dec. (*)	186.8	152.0	338.8	24.2	38.3	62.8	145.9	271.2	244.1	94.7	788.4
1986											
Jan. (*)	123.1	164.3	287.4	9.6	41.9	66.0	169.2	286.7	260.0	27.4	27.4
Feb. (*)	123.7	190.3	314.0	5.7	37.0	45.7	142.3	230.7	208.6	105.4	132.8
Mar. (*)	150.2	220.4	370.6	12.3	38.9	44.2	132.5	227.9	204.2	166.4	299.2
Apr. (*)	165.2	295.1	460.3	10.9	45.7	73.9	155.0	285.5	256.7	203.6	502.8
May. (*)	155.9	206.8	362.7	8.7	44.4	52.9	156.6	262.6	236.6	126.1	628.9
Jun. (*)	148.6	169.4	318.0	10.5	45.0	61.7	148.9	266.1	239.8	78.2	707.1

(*) Provisional figures.

SOURCE: Banco Central de Chile.

T A B L E N° 9

NET INFLOWS OF FUNDS FROM OFFICIAL ORGANIZATIONS AND SUPPLIERS, 1984 - 1985
(millions of US\$)

	1 9 8 4 *			ESTIMATED 1 9 8 5 **		
	Disbursem.	Amortiz.	Net	Disbursem.	Amortiz.	Net
I OFFICIAL ORGANIZATIONS	431.1	137.1	294.0	424.4	104.0	320.4
IDB	300.8 ^{a/}	11.4	289.4	255.3 ^{g/}	15.9	239.4
IBRD	39.9 ^{a/}	21.9	18.0	108.1 ^{g/}	22.0	86.1
IDA	-	0.7	-0.7	-	0.7	-0.7
Eximbank (U.S.A.)	0.0	5.6	-5.6	-	1.7	-1.7
AID (U.S.A.)	-	16.3	-16.3	-	6.6	-6.6
CCC (U.S.A.)	90.4	36.7	53.7	61.0	19.1	41.9
KFW (W. Germany)	-	1.6	-1.6	-	1.1	-1.1
Bco. Central Argentina	-	14.8	-14.8	-	10.8	-10.8
Eximbank (Japan)	-	1.1	-1.1	-	0.3	-0.3
Banco Do Brasil	-	20.4	-20.4	-	19.1	-19.1
East Germany	-	0.2	-0.2	-	-	-
Bulgaria	-	0.2	-0.2	-	0.1	-0.1
EDC (Canada)	-	1.1	-1.1 ^{d/}	-	3.2	-3.2 ^{d/}
EFIC (Australia)	-	0.2	-0.2	-	-	-
Spanish Government	-	0.9	-0.9	-	0.1	-0.1
Credit Nacional (France)	-	1.1	-1.1	-	0.2	-0.2
NIO (Netherlands)	-	0.7	-0.7	-	0.8	-0.8
British Government	-	-	-	-	-	-
Bco. Comer. Exterior Mexico	-	0.7	-0.7	-	0.5	-0.5
Bco. Central Reserva Peru	-	0.1	-0.1	-	0.1	-0.1
IDC (South Africa)	-	0.3	-0.3	-	0.5	-0.5
USSR Government	-	-	-	-	-	-
Kontrollbank (Austria)	-	-	-	-	-	-
Eximbank (Korea)	-	-	-	-	-	-
China Government	-	1.1	-1.1	-	1.2	-1.2
II SUPPLIERS ^{b/}	176.0	252.9	-76.9	140.4	217.7	-77.3
Public Sector	61.6	71.3	-9.7	66.4	52.2	14.2
Private Sector	114.4	181.6	-67.2	74.0	165.5	-91.5
- Contracted Credits ^{e/}	60.8	56.8	4.0	42.3	54.6	-12.3
- Credits to be Contracted	53.6	124.8	-71.2	31.7	110.9	-79.2
T O T A L						
I Official Organizations	431.1	137.1	294.0	424.4	104.0	320.4
II Suppliers	176.0	252.9	-76.9	140.4	217.7	-77.3
Total (I + II)	607.1	390.0	217.1	564.8	321.7	243.1
III Rest of Banks and Others	99.6 ^{h/}	98.3 ^{c/}	1.3	66.8 ^{h/}	-97.8 ^{c/}	-31.0
GRAND TOTAL	706.7 ^{f/}	488.3	218.4	631.6 ^{i/}	419.5	212.1

- * Preliminary.
- ** Includes amortization due to disbursements 1985.
- a/ According to IDB - IBRD statements.
- b/ Figures of supplier credit with official guarantees are not available.
- c/ Includes Renegotiations, Nationalizations, Firms and Individuals (Financial Credits) and contracted credit with guarantees (Banks).
- d/ Includes US\$1.1 MM. as of 31/12/84 and 1.6 as of 31/12/85 Private Sector Art. 15.
- e/ Its refers to disbursement and amortization from Credits Art. 15, and D.L. N°600 associated to foreign investment.
- f/ Excludes Central Bank Credit US\$ 780 MM from Banks.
- g/ Assumed are disbursements of new loans of the IDB & IBRD.
- h/ It refers mainly to new credits from banks with Official Guarantees and other contracted credits 1982 - 1983 - 1984 with foreign banks for specific projects.
- i/ Excludes BIRF - SAL estimated at (US\$ 125 MM), and New Money from Banks (US\$ 714 MM).

TABLE N° 10
FOREIGN DEBT OF CHILE 1981 - JUNE 1986 *
(Millions of US\$)

ITEM	12.31.81	12.31.82	12.31.83	12.31.84	Estimated 12.31.85	Estimated 03.31.86	Estimated 06.30.86
I. <u>TOTAL FOREIGN DEBT (II+III)</u>	<u>15.542</u>	<u>17.153</u>	<u>17.431</u>	<u>18.877</u>	<u>19.321</u>	<u>19.256</u>	<u>19.041</u>
<u>Public Sector</u>	<u>5.465</u>	<u>6.660</u>	<u>8.394</u>	<u>12.347</u>	<u>13.729</u>	<u>13.805</u>	<u>13.797</u>
(Banco del Estado) 5)	(397)	(778)	(877)	(1.86)	(1.396)	(1.383)	(1.291)
(Central Bank)	(528)	(837)	(2.378)	(3.673)	(4.436)	(4.313)	(4.270)
(Private Sector with Public Guarantee)	(69)	(62)	(413)	(2.130) ⁷⁾	(1.991) ⁷⁾	(2.016) ⁷⁾	(1.997) ⁷⁾
<u>Private Sector</u>	<u>10.077</u>	<u>10.493</u>	<u>9.037</u>	<u>6.534</u>	<u>5.592</u>	<u>5.451</u>	<u>5.244</u>
(Banks) 2)	(6.629)	(6.703)	(5.596)	(3.469)	(3.139)	(3.067)	(2.980)
(Others, Non Banks) 1)2)	(3.448)	(3.790)	(3.441)	(3.065)	(2.453)	(2.384)	(2.264)
II. <u>MEDIUM AND LONG TERM FOREIGN DEBT</u> 6)	<u>12.553</u>	<u>13.815</u>	<u>14.832</u>	<u>16.963</u>	<u>17.653</u>	<u>17.725</u>	<u>17.802</u>
<u>Public Sector</u>	<u>4.415</u>	<u>5.157</u>	<u>6.689</u>	<u>10.601</u>	<u>12.165</u>	<u>12.386</u>	<u>12.697</u>
(Banco del Estado)	(393)	(507)	(609)	(1.272)	(1.277)	(1.280)	(1.267)
(Central Bank)	(528)	(637)	(2.078)	(3.193)	(4.111)	(4.163)	(4.270)
(Private Sector with Public Guarantee)	(69)	(62)	(61)	(1.718) ⁷⁾	(1.644) ⁷⁾	(1.642) ⁷⁾	(1.638) ⁷⁾
<u>Private Sector</u>	<u>8.138</u>	<u>8.658</u>	<u>8.143</u>	<u>6.362</u>	<u>5.488</u>	<u>5.339</u>	<u>5.105</u>
(Banks)	(4.690)	(4.971)	(4.795)	(3.369)	(3.044)	(2.973)	(2.858)
(Others, Non Banks)	(3.448)	(3.687)	(3.348)	(2.993)	(2.444)	(2.366)	(2.247)
III. <u>SHORT TERM FOREIGN DEBT</u>	<u>2.989</u>	<u>3.338</u>	<u>2.599</u>	<u>1.914</u>	<u>1.668</u>	<u>1.531</u>	<u>1.239</u>
<u>Public Sector</u>	<u>1.050</u>	<u>1.503</u>	<u>1.705</u>	<u>1.742</u> 4)	<u>1.564</u> 4)	<u>1.419</u> 4)	<u>1.100</u> 4)
(Banco del Estado) 5)	(4)	(271)	(268)	(114)	(119)	(103)	(24)
(Central Bank)	(-)	(200)	(300)	(480)	(325)	(150)	(-)
(Private Sector with Public Guarantee)	(-)	(-)	(352) ⁸⁾	(412) ⁸⁾	(347) ⁸⁾	(374) ⁸⁾	(359) ⁸⁾
<u>Private Sector</u>	<u>1.939</u>	<u>1.835</u>	<u>894</u>	<u>172</u>	<u>104</u>	<u>112</u>	<u>139</u>
(Banks) 2)	(1.939)	(1.732)	(801)	(100)	(95)	(94)	(122)
(Others, Non Banks) 1)2)	(-)	(103)	(93)	(72)	(9)	(18)	(17)
IV. <u>CENTRAL BANK WITH I.M.F.</u>	<u>49</u>	<u>6</u>	<u>606</u>	<u>782</u>	<u>1.055</u>	<u>1.199</u>	<u>1.258</u>

* End of month parities.

1) Excludes short term loans for foreign trade operations. Includes short term credits.

2) Includes short term credits, (Articles 14 and 15) since June 1982.

3) Given that the rescheduling agreements for 83/84 were signed on 25 January 1984, the financial short term foreign debt which shall be rescheduled at medium and long term, is included in the short term for 1983 (The agreements become effective only six months after being signed).

4) Includes short term Private debt guaranteed by Public Sector. Corresponding to Financial Private Sector.

5) Since 1984 foreign debt corresponding to BHC and BUF are included in this item.

6) Since 1984 it includes short term financial debt rescheduling at medium and long term, previously considered short term.

7) Includes rescheduling agreements 83/84 of Private Financial Sector Guaranteed by Public Sector; previously considered in Private Sector Debt. (US\$ 1.656.2 MM as of 12.31.84., and US\$ 1.608.4 MM as of 12.31.85, and US\$ 1.075,3 as of 03.31.86 and US\$ 1.600.7 as of 06.30.86).

8) It refers to commercial lines short term of Private Financial Sector Guarantee by Public Sector by agreement.

T A B L E N°11
TOTAL MEDIUM AND LONG TERM EXTERNAL DEBT
At Dec. 31, 1983, Dec. 31, 1984 and Estimated Dec. 31, 1985
(millions of US\$)
(According to Principal Foreign Creditors)

	STOCKS (12.31.83)	STOCKS (12.31.84)	ESTIMATED STOCKS (12.31.85)
I - PUBLIC SECTOR (1)	6.689.3	10.601.1	12.164.6
1. Multinational Organizations	645.1	935.4	1.412.1
- Non Financial Public Sector	616.6	908.9	1.348.1
- Financial Public Sector	28.5	26.5	64.0
2. Foreign Governments	789.5	604.9	523.4
- Non Financial Public Sector	602.3	553.5	143.0
- Financial Public Sector	187.2	51.4	115.4
3. Private Banks and Financial Institutions	4.864.4	8.722.3	9.925.4
- Non Financial Public Sector	2.402.5	2.635.1	3.077.1
- Financial Public Sector	2.461.9	4.386.4	5.208.8
- Private Sector with Public Guarantee	-	1.700.8 (3)	(1.639.3)(3)
4. Foreign Suppliers	263.9	243.4	197.6
- Non Financial Public Sector	262.6	243.4	197.6
- Financial Public Sector	1.3	-	-
5. Nationalizations	40.4	20.4	13.6
6. Official Renegotiations	1.3	1.2	1.5
7. Renegotiation Special Agreements	3.4	1.1	-
- Non Financial Public Sector	3.4	1.1	-
- Financial Public Sector	-	-	-
8. Bonds	81.3	72.4	91.0
II - PRIVATE SECTOR	8.142.2	6.362.1	5.488.6
1. Banks and Financial Institutions	4.795.2	3.368.7	3.044.6
- With Foreign Banks and Financial Institutions	4.635.2	3.228.7	2.904.6
- Bonds (C D's and FRN's)	160.0	140.0	140.0
2. Non Banking Private Sector	3.347.0	2.993.4	2.444.0
- With Foreign Banks and Financial Institutions	2.577.6	2.275.1	1.777.8
- With Other Creditors (2)	769.4	718.3(4)	666.2(4)
III - TOTAL (I + II)	14.831.5	16.963.2	17.653.2
- With Foreign Banks and Financial Institutions	12.077.2	14.226.1	14.607.8
- With Other Creditors(5)	2.754.3	2.737.1	3.045.4

(1) Includes "Banco del Estado".

(2) Includes: supplier credits, non-bank credits associated to foreign investment (D.L. N°600), and others (labelled Art. 14, Art. 15).

(3) Includes US\$1.656.7 MM as of 12.31.84 and US\$ 1.608.4 as of 12.31.85 corresponding to Financial Institutions's rescheduling agreements 83/84

(4) Includes US\$9.6 MM as of 12.31.84 and US\$ 8.0 MM as of 12.31.85 with foreign Governments' Institutions. (FDC).

(5) Includes Public and Private Bonds.

T A B L E N° 12

ESTIMATED SCHEDULE OF AMORTIZATIONS OF MEDIUM AND LONG TERM EXTERNAL DEBT, AS OF 30.06.86
(millions of US\$)

ITEM	1985	1986	1987	1988	1989	1990
1. Public and Private Debt	2.246.6	2.723.0	2.239.9	1.692.3	1.193.3	640.8
2. Rescheduled Debt (Public and Financial Private Sector 1983-84)	-	-	-	980.3	985.7	985.7
3. New Money 1984 and 1985/86	-	-	201.6	403.3	454.2	535.6
4. Rescheduled Debt (Public and Financial Private Sector 1985-1987)	-1.827.1	-2.262.9	-2.030.3	-	18.2	56.4
- With Foreign Governments	(-80.0)	(-65.5)	(-)	(-)	(18.2)	(36.4)
- With Private Banks and Financial Institutions	(-1.747.1)	(-2.197.4)	(-2.030.3)	(-)	(-)	(20.0)
5. T O T A L	419.5	460.1	411.2	3.075.9	2.651.4	2.218.5

TABLE N° 13
GROWTH RATES OF GROSS DOMESTIC PRODUCT BY SECTOR^{1/}
(percentage change in 12 month)

SECTOR	1 9 8 4					1 9 8 5					1 9 8 6				
	I	II	III	IV	TOTAL % 84/83	I	II	III	IV	TOTAL % 85/84*	I	II	III	IV	TOTAL
✓ Agriculture	10.4	12.1	3.8	-2.0	7.1	7.5	6.5	1.7	4.4	5.6	12.4	7.7			
✓ Fishing	-1.5	15.5	20.5	12.5	11.5	34.9	-18.9	3.6	11.2	5.6	-22.9	51.4			
✓ Mining	8.0	11.0	1.1	-1.4	4.4	-3.7	-3.6	9.0	7.2	2.2	5.6	9.1			
✓ Industry	10.9	9.7	10.2	8.5	9.8	2.8	-1.2	-0.5	3.7	1.2	1.7	9.6			
Elect., Gas and Water	8.1	8.4	5.1	6.4	7.0	3.7	-0.7	4.7	6.6	3.5	6.8	8.0			
✓ Construcction	7.6	-0.7	-0.4	11.1	4.2	16.7	11.4	18.8	17.6	16.1	8.0	3.5			
✓ Commerce	-0.2	6.3	9.7	4.0	5.0	5.0	0.9	-1.1	2.3	1.7	3.0	6.1			
Transport	5.2	7.5	7.4	4.0	6.0	3.5	3.7	3.4	11.4	5.0	5.8	7.4			
Others ^{2/}	5.4	6.7	6.3	3.4	5.4	1.6	-1.2	-1.3	1.1	0.0	3.3	4.6			
TOTAL G.D.P.	6.4	7.9	6.8	4.3	6.3	3.8	0.4	1.4	4.3	2.4	4.3	7.2			

^{1/} Over the same period of the previous year.

^{2/} Includes Financial Services, Personal Services, Housing, Public Administration, Import Duties and Banking Charges.

(*) Estimated.

SOURCE: Central Bank of Chile - National Accounts.

T A B L E N° 13 - A

GROSS DOMESTIC PRODUCT SPENDING
(Rate Annual Variation)

ITEM	1980	1981	1982*	1983*	1984**	1985**
Overall Household Consumption and Private Non-Profit Institutions	6.8	10.7	-12.1	-3.4	1.3	-1.1
Overall Government Consumption Spending	-8.1	-3.1	-1.3	-0.6	1.5	-0.3
Inventory Variation	-	-	-	-	-	-
Gross Composition of Fixed Capital	21.9	16.8	-33.9	-14.9	9.0	14.8
Exports of Goods and Services	14.3	-9.0	4.7	0.6	6.8	6.9
Minus: Imports of Goods and Services	18.7	15.7	-36.3	-15.1	16.5	-11.0
Gross Domestic Product Spending	7.8	5.5	-14.1	-0.7	6.3	2.4

(*) Provisional figures

(**) Estimated figures

TABLE N°13 - B

LABOR FORCE AND UNEMPLOYMENT NATIONWIDE
(Thousands of people)

<u>BY ECONOMIC ACTIVITY</u>	<u>UNEMPLOYMENT BY ECON. ACT.</u>			<u>EMPLOYMENT BY ECON. ACT.</u>			<u>LABOR FORCE BY ECON. ACT.</u>		
	<u>Apr./Jun.85</u>	<u>Apr./Jun.86</u>	<u>%Δ</u>	<u>Apr./Jun.85</u>	<u>Apr./Jun.86</u>	<u>%Δ</u>	<u>Apr./Jun.85</u>	<u>Apr./Jun.86</u>	<u>%Δ</u>
✓ <u>TOTAL</u>	494,0	461,1	-6,7	3.346,6	3.743,2	11,9	3.840,6	4.204,3	9,5
✓ Agriculture	38,8	53,7	38,4	499,9	729,1	45,8	538,7	782,8	45,3
✓ Mining	5,0	5,6	12,0	65,7	81,7	24,4	70,7	87,3	23,5
✓ Industry	62,4	51,9	-16,8	453,7	503,3	10,9	516,1	555,2	7,6
✓ Electricity, Gas and Water	1,5	0,5	-66,7	29,5	25,1	-14,9	31,0	25,6	-17,4
✓ Construction	41,9	53,6	27,9	126,9	159,5	25,7	168,8	213,1	26,2
✓ Commerce	65,0	55,5	-14,6	621,5	634,7	2,1	686,5	690,2	0,5
✓ Transport and Communications	26,5	22,5	-15,1	206,4	233,1	12,9	232,9	255,6	9,7
✓ Financial Sectors	17,0	11,5	-32,3	123,0	149,3	21,4	140,0	160,8	14,9
✓ <u>Other Services</u>	122,9	107,8	-12,3	1.218,7	1.226,7	0,7	1.341,6	1.334,5	-0,5
Unspecified Act.	0,4	0,7	75,0	1,3	0,7	-46,2	1,7	1,4	-17,6
Seeking employment for the first time	112,6	97,8	-13,1	-	-	-	112,6	97,8	-13,1

SOURCE: National Bureau of Statistics.

- (1) The statistics about labor force and unemployment, since november 1986, differ from those published previously because they are originated from a new sample design (Sample from the Integrated Program of Household Inquiry - PIDEH), based in the XV Population and IV Housing Census which has been adjusted to the more recent changes in the administrative political division.

T A B L E N° 14

PUBLIC FINANCE
(millions of 1976 US\$)

	1979	1980	1981	1982	1983	1984	1985
<u>FISCAL SPENDING</u>	<u>2.895.7</u>	<u>3.158.3</u>	<u>3.601.8</u>	<u>3.527.7</u>	<u>3.484.8</u>	<u>3.765.8</u>	<u>4.342.9</u>
- Fiscal Spending Excluding Debt Service	2.449.8	2.794.1	3.373.3	3.289.5	3.164.0	3.357.2	3.471.1
<u>FISCAL REVENUES</u>	<u>3.104.0</u>	<u>3.578.8</u>	<u>3.841.9</u>	<u>3.239.3</u>	<u>3.024.8</u>	<u>3.241.2</u>	<u>3.503.7</u>
<u>FISCAL DEFICIT</u>	<u>-208.3</u>	<u>-420.5</u>	<u>-240.1</u>	<u>288.4</u>	<u>460.0</u>	<u>524.6</u>	<u>839.2</u>
- Deficit/Fiscal Spending (%)	-7.2	-13.3	-6.7	8.2	13.2	13.9	19.3
- Deficit/Fiscal Spending Excluding Debt Service (%)	-8.5	-15.1	-7.1	8.8	14.5	15.6	24.2
- Social Spending/ Fiscal Spending Excluding Debt Service (%)	47.9	50.4	54.7	59.4	59.7	61.0	58.6
- Social Spending/Fiscal Spending (%)	40.5	44.6	51.3	55.3	54.2	54.4	46.8
- Fiscal Deficit/GNP (%)	-1.7	-3.1	-1.7	2.3	3.8	4.0	6.3

SOURCE: Dirección de Presupuesto, Ministerio de Hacienda

T A B L E N° 15

PUBLIC SECTOR, FINANCIAL OPERATIONS, 1986^{*}
(Millions of Pesos)

	General Govern- ment	Public Enter- prises	CORFO Corpo- rations	CODELCO	Total Public Sector, Gross	Adjust- ments	Total Public Sector, Net
Current Revenues	878.573	402.919	354.226	389.159	2.025.237	288.234	1.737.003
Current Expenditures	839.062	234.048	273.587	190.393	1.537.090	0	1.537.090
Transfers	0	155.433	44.204	123.119	322.756	288.234	34.522
Current Account							
Surplus or (Deficit)	39.511	13.437	36.435	76.007	165.390	0	165.390
Capital Revenues	83.663	4.143	9.892	14.526	112.224	12.100	100.124
Capital Expenditures	200.341	35.915	52.255	60.922	349.434	12.100	337.334
Overall Surplus or (Deficit)	-77.167	-18.335	-5.929	29.610	-71.820	0	-71.820
Financing	77.167	18.335	5.929	-29.610	71.820		71.820
Net External	1.065.575	5.627	5.433	15.086	132.721		132.721
- Borrowings	131.761	42.062	46.415	239.283	459.521		459.521
- Amortizations	-25.185	-36.435	-40.981	-224.198	-326.800		-326.800
Net Internal	-29.408	12.708	495	-44.696	-60.901		-60.901

* Projected as of May 1986.

SOURCE: Dirección de Presupuestos, Ministerio de Hacienda.

T A B L E N° 16

MONETARY AGGREGATES

(Monthly average, in millions of Chilean pesos)

DATE	Bills & Coins in Circulation C	Demand Deposits D1	Private Money M1	Time Deposits Dp	M1 + DP M2	M3 *	M3A **	Public Money Dg	Monetary Base E
<u>1982</u>									
Dec.	36.908	38.140	75.048	245.376	320.424	384.134	449.025	39.452	61.746
<u>1983</u>									
Dec.	46.703	48.476	95.179	194.553	289.732	385.274	454.628	43.507	70.137
<u>1984</u>									
Dec.	54.772	47.602	102.374	278.251	380.625	502.294	575.601	46.181	82.445
<u>1985</u>									
Jan.	55.210	62.557	117.770	287.733	405.504	533.602	617.570	55.813	86.489
Feb.	58.770	60.347	119.518	299.369	418.487	548.264	629.361	51.509	89.573
Mar.	61.790	61.769	123.558	307.872	431.480	564.900	645.992	51.698	92.910
Apr.	61.457	61.394	122.852	316.227	439.079	577.380	659.345	47.545	92.729
May	60.688	60.119	120.808	330.367	451.174	593.761	687.939	59.952	94.071
Jun.	61.015	60.683	121.698	344.191	465.890	615.605	707.541	58.635	95.396
Jul.	60.609	58.448	119.057	363.390	482.447	639.990	727.650	54.220	94.495
Aug.	58.926	57.383	116.309	380.488	496.798	662.189	749.673	52.521	94.713
Sep.	64.248	62.560	126.808	376.505	503.313	675.391	767.486	57.563	102.511
Oct.	61.157	59.050	120.207	383.915	504.122	676.909	777.786	65.183	99.709
Nov.	62.119	58.862	120.981	393.866	514.847	694.343	805.353	73.966	100.471
Dec.	70.666	60.715	131.381	394.252	525.633	703.911	807.887	68.256	110.538
<u>1986</u>									
Jan.	71.367	70.762	142.129	404.250	546.379	732.176	839.978	67.169	113.793
Feb.	76.136	68.271	144.407	414.174	558.581	752.494	862.066	66.279	117.736
Mar.	78.815	69.969	148.784	413.330	562.114	768.324	874.958	66.360	121.703
Apr.	78.543	72.650	151.193	409.883	561.076	790.248	902.009	64.051	122.659
May.	77.976	65.498	143.474	404.837	548.311	783.727	925.367	90.852	128.723
Jun.	79.809	74.878	154.687	409.606	564.293	808.990	947.047	89.441	128.734

NOTES : * M3 = M2 + Savings Accounts + Other Demand Dep.

** M3A = Private and Public Money and Quasimoney

(*) Provisional figures.

T A B L E N° 16 - A

FINANCIAL SYSTEM: DEPOSITS AND LOANS
(Monthly Average)

DATE	<u>LOCAL CURRENCY DEPOSITS</u>		<u>FOREIGN CURRENCY DEPOSITS</u>		<u>EFFECTIVE LOANS 1/</u>	
	<u>Demand Dep.</u>	<u>Time Dep.</u>	<u>Demand Dep.</u>	<u>Time Dep.</u>	<u>Local Curr.</u>	<u>Foreign Curr.</u>
	(Mill. \$)		(Mill. US\$)		(Mill. \$)	(Mill. US\$)
<u>1983</u>						
Dec.	143.660	342.368	131.9	187.3	539.387	4.140
<u>1984</u>						
Dec.	171.916	448.963	142.9	203.2	776.974	3.172
<u>1985</u>						
Jan.	194.437	465.144	145.4	217.6	845.307	3.078
Feb.	183.735	486.013	141.0	234.5	874.593	2.977
Mar.	191.616	498.663	150.6	245.9	904.060	2.913
Apr.	192.414	518.751	151.9	271.7	950.982	2.805
May.	208.784	542.921	153.6	293.5	965.174	2.648
Jun.	212.908	565.274	149.3	308.5	982.175	2.663
Jul.	205.456	596.448	145.6	319.7	980.231	2.209
Aug.	210.532	623.382	148.4	363.2	1.004.014	2.228
Sep.	230.735	620.515	151.2	346.7	1.036.483	2.211
Oct.	229.668	629.883	137.8	372.1	1.055.655	2.209
Nov.	237.949	643.778	143.3	386.0	1.081.353	2.217
Dic.	247.315	638.378	141.2	410.0	1.104.429	2.156
<u>1986</u>						
Jan.	263.916	660.675	133.6	443.5	1.104.883	2.049
Feb.	263.553	682.343	130.6	474.7	1.135.123	2.045
Mar.	279.577	687.395	134.4	495.5	1.134.759	2.037
Apr.	286.772	709.245	145.3	512.5	1.153.621	2.010
May.	331.643	701.037	143.9	518.4	1.149.828	1.997
Jun.	324.230	713.806	144.5	507.4	1.142.684	1.950

SOURCE: Banco Central de Chile

Includes deposits and loans to private and public sector.

1/ Include loans with own resource. Loans with resource of Central Bank.

T A B L E N° 17

WAGES AND SALARIES INDEX, 1977 - May. 1986

(Base: Dec. 82 = 100)

DATE	INDEX	ANNUAL % CHANGE	REAL INDEX *	ANNUAL % CHANGE
1977 Aver.	19.23	116.4	72.59	12.7
1978 "	30.71	59.7	82.75	14.0
1979 "	45.38	47.8	91.67	10.8
1980 "	66.65	46.9	99.65	8.7
1981 "	86.86	30.3	108.49	8.9
1982 "	95.28	9.7	108.25	-0.2
1983 "	108.33	13.7	96.72	-10.7
1984 "	129.98	20.1	97.05	0.2
1985 "	162.60	25.1	92.72	-4.5
<u>1985</u>				
Jan.	149.28	21.0	95.57	-4.6
Feb.	151.04	21.8	94.79	-6.0
Mar.	152.45	22.2	93.05	-5.9
Apr.	156.74	23.3	93.54	-5.8
May.	159.31	24.3	93.20	-5.8
Jun.	160.15	23.9	90.36	-8.3
Jul.	163.61	25.9	91.13	-7.2
Aug.	165.51	25.9	91.38	-7.8
Sep.	168.65	28.3	92.00	-4.5
Oct.	170.83	27.9	91.80	1.5
Nov.	173.80	26.8	91.93	0.2
Dec.	179.81	28.8	93.92	1.9
<u>1986</u>				
Jan.	184.49	23.6	93.85	-1.8
Feb.	185.44	22.8	93.48	-1.4
Mar.	187.80	23.2	93.27	0.2
Apr.	191.61	22.2	93.86	0.3
May.	196.09	23.1	95.37	2.3
Jun.	197.07	23.0	94.60	4.7

(*)Deflated by C.P.I.

SOURCE: Instituto Nacional de Estadísticas, I.N.E.

T A B L E N° 18

INTEREST RATES
(monthly rates in Banking System)

DATE	SHORT TERM DEPOSITS ^{1/}		SHORT TERM LOANS ^{1/}		P. D. B. C. ^{2/}	
	NOMINAL	REAL 3/	NOMINAL	REAL 3/	NOMINAL	REAL 3/
<u>1982</u>						
Dec.	4.59	3.35	5.47	4.22	3.89	2.66
<u>1983</u>						
Dec.	1.86	1.26	2.64	2.03	1.73	1.13
<u>1984</u>						
Dec.	2.98	1.56	4.21	2.77	2.67	1.25
<u>1985</u>						
Jan.	1.92	-1.14	3.04	-0.07	1.51	-1.54
Feb.	2.57	0.56	3.57	1.53	2.03	0.03
Mar.	2.74	-0.06	3.32	0.53	2.40	-0.39
Apr.	3.42	1.09	3.94	1.60	2.71	0.40
May.	2.92	0.90	3.41	1.38	2.66	0.65
Jun.	2.65	-1.01	3.14	-0.54	2.36	-1.29
Jul.	3.12	1.80	3.59	2.26	2.56	1.25
Aug.	1.79	0.89	2.28	1.38	1.72	0.82
Sep.	1.44	0.24	1.89	0.69	1.31	0.11
Oct.	1.71	0.21	2.09	0.59	1.50	0.0
Nov.	1.72	0.12	2.13	0.53	1.41	-0.18
Dec.	1.92	0.62	2.34	1.04	1.49	0.19
<u>1986</u>						
Jan.	1.74	-0.96	2.23	-0.47	1.38	-1.28
Feb.	2.01	1.11	2.75	1.85	1.67	0.77
Mar.	1.31	-0.19	1.92	0.42	1.11	-0.38
Apr.	1.59	0.19	2.10	0.70	1.61	0.21
May.	1.49	0.79	1.99	1.29	1.57	0.86
Jun.	1.04	-0.26	1.58	0.28	1.00	-0.30

NOTES: 1/ Short term (30-89 days) deposits and loans in the Commercial Banking System.

2/ Discount rate on "Pagarés Descontables del Banco Central" in the secondary market.

3/ To express interest rates in real terms, the monthly inflation rate (Consumer Price Index) is discounted from the nominal rate.

SOURCE: Banco Central de Chile

T A B L E N° 19

REFERENCE AND PREFERENTIAL RATES OF EXCHANGE
(Chilean pesos/US\$, monthly average)

DATE	OBSERVED	REFERENTIAL	PREFERENTIAL
<u>1982</u>			
Dec.	72.39	71.54	57.52
<u>1983</u>			
Dec.	87.07	87.07	72.33
<u>1984</u>			
Dec.	126.23	126.16	88.28
<u>1985</u>			
Jan.	128.98	128.38	89.62
Feb.	131.84	131.62	91.20
Mar.	145.69	145.50	93.76
Apr.	148.76	148.24	95.86
May	152.15	151.71	98.41
Jun.	155.06	155.49	100.60
Jul.	170.81	170.52	-1/
Aug.	176.49	173.16	-
Sep.	178.19	174.74	-
Oct.	179.19	175.95	-
Nov.	180.68	177.49	-
Dec.	182.48	179.21	-
<u>1986</u>			
Jan.	184.80	181.17	-
Feb.	186.74	183.15	-
Mar.	189.22	185.81	-
Apr.	189.19	187.19	-
May.	187.93	189.26	-
Jun.	188.79	190.89	-

SOURCE: Banco Central de Chile

1/ The Executive Committee of the Central Bank of Chile, in Sesion N°1657 of June, 27, 1985, revoked as of July, 1, 1985, Agreement N°1466 dated September, 3, 1982 of the Executive Committee.

T A B L E N° 20

PRICE INDEXES

DATE	<u>WHOLESALE PRICES</u>		<u>CONSUMER PRICES</u>	
	INDEX (dec.74=100)	% Var.	INDEX (dec.78=100)	% Var.
<u>1983</u>				
Dec.	10.029.65	25.2	296.75	23.1
<u>1984</u>				
Dec.	13.685.64	1.3	365.12	1.4
<u>1985</u>				
Jan.	14.391.50	5.2	376.58	3.1
Feb.	14.826.90	3.0	384.15	2.0
Mar.	15.112.46	1.9	394.95	2.8
Apr.	15.610.84	3.3	403.96	2.3
May	16.021.90	2.6	412.10	2.0
Jun.	16.644.57	3.9	427.28	3.7
Jul.	17.037.13	2.4	432.80	1.3
Aug.	17.156.23	0.7	436.64	0.9
Sep.	17.470.35	1.8	441.95	1.2
Oct.	17.720.55	1.4	448.61	1.5
Nov.	17.826.92	0.6	455.79	1.6
Dec.	17.825.57	0.0	461.57	1.3
<u>1986</u>				
Jan.	18.202.77	2.1	473.94	2.7
Feb.	18.515.28	1.7	478.23	0.9
Mar.	18.741.58	1.2	485.41	1.5
Apr.	18.954.28	1.1	492.15	1.4
May.	18.797.23	-0.8	495.66	0.7
Jun.	19.162.47	1.9	502.28	1.3

1/ Monthly variations

SOURCE: Instituto Nacional de Estadísticas, I.N.E.

T A B L E N° 21
FINANCIAL SYSTEM INDICATORS
(in percent)

At.: 31.06.86

ITEM	Private Chilean Banks	Interv. Banks	Non-Interv. Banks	Foreign Banks in Chile	Banco del Estado	Financ. Instit.	Total System
A - CAPITAL ADEQUACY							
1. <u>Physical Fixed Assets</u> Capital	55.2	34.4	89.8	45.7	15.1	38.6	44.2
2. <u>Past due Loans</u> (Cart.Ven.) Capital	37.9	32.2	47.2	10.2	29.0	12.0	29.9
3. <u>Debt</u> Capital	12.8	11.6	14.5	6.8	12.1	9.7	11.4
4. <u>Loans Sold to Central Bank</u> Capital	415.4	541.0	205.7	19.4	0.0	88.1	238.4
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	2.9	2.8	2.9	2.2	4.2	1.2	3.0
2. <u>Loans Loss Res.</u> (Prov.) Total Loans	6.5	7.8	4.8	5.1	13.2	4.0	7.3
3. <u>Loans Sold to Central Bank</u> Total Loans	31.2	46.6	12.8	4.2	0.0	8.6	23.7
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	8.4	6.1	11.1	14.5	9.0	6.3	9.2
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	15.4	13.0	18.1	34.2	24.1	52.8	19.8
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	39.6	44.0	34.7	29.3	39.6	0.9	38.1
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin.Inv.	0.3	0.2	0.4	0.6	0.1	1.2	0.3
2. <u>Remuneration Expenses</u> Total Loans and Fin.Inv.	0.5	0.4	0.7	0.8	0.8	1.8	0.6
3. <u>Fixed Expenses</u> Operating Profits	42.9	29.8	60.3	50.2	40.9	53.6	43.8
E - INCOME							
1. <u>Net Profits</u> Capital	(1.0)	0.0	(2.6)	4.7	5.5	9.7	1.8
2. <u>Net Prof-Other net Inc.</u> Capital	0.4	5.4	(7.8)	3.4	(2.5)	7.7	0.5
3. <u>Net Profits</u> Total Assets	(0.4)	0.0	(0.1)	0.4	0.3	0.6	0.1

SOURCE: Superintendencia de Bancos e Instituciones Financieras.

TABLE 21 - A
FINANCIAL SYSTEM INDICATORS
(in percent)

At.: 31.03.86

ITEM	Private Chilean Banks	Interv. Banks	Non-Interv. Banks	Foreign Banks in Chile	Banco del Estado	Financ. Instit.	Total System
<u>A - CAPITAL ADEQUACY</u>							
1. <u>Physical Fixed Assets</u> Capital	48.1	29.8	88.8	47.2	14.9	57.7	41.2
2. <u>Past due Loans</u> (Cart,Ven.) Capital	42.3	40.5	46.3	9.9	19.6	40.2	31.8
3. <u>Debt</u> Capital	11.4	9.6	15.0	7.1	12.2	7.8	10.8
4. <u>Loans Sold to Central Bank</u> Capital	309.0	362.8	189.8	19.6	0.0	111.0	190.4
<u>B - ASSET QUALITY</u>							
1. <u>Past due Loans</u> Total Loans	3.8	4.5	2.9	2.0	2.8	4.8	3.5
2. <u>Loans Loss Res.</u> (Prov.) Total Loans	5.2	5.8	4.6	5.0	12.9	2.8	6.4
3. <u>Loans Sold to Central Bank</u> Total Loans	27.6	40.6	11.7	4.0	0.0	13.1	20.8
<u>C - LIABILITY STRUCTURE</u>							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	7.5	5.8	9.6	12.7	10.2	5.3	8.7
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	16.0	13.1	19.4	33.3	22.9	46.9	19.8
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	40.0	43.6	35.8	29.2	41.4	1.3	38.6
<u>D - MANAGEMENT</u>							
1. <u>Administration Expenses</u> Total Loans and Fin.Inv.	0.1	0.1	0.2	0.3	0.1	0.6	0.1
2. <u>Remuneration Expenses</u> Total Loans and Fin.Inv.	0.3	0.3	0.4	0.4	0.4	0.9	0.3
3. <u>Fixed Expenses</u> Operating Profits	73.1	94.1	62.1	48.5	35.2	64.8	56.5
<u>E - INCOME</u>							
1. <u>Net Profits</u> Capital	(2.3)	(2.6)	(1.6)	2.0	2.6	(0.9)	(0.5)
2. <u>Net Prof-Other net Inc.</u> Capital	(6.0)	(7.2)	(3.6)	1.3	1.2	(1.4)	(3.2)
3. <u>Net Profits</u> Total Assets	(0.1)	(0.1)	(0.1)	0.2	0.1	(0.1)	(0.0)

SOURCE: Superintendencia de Bancos e Instituciones Financieras.

T A B L E N° 21 - B
FINANCIAL SYSTEM INDICATORS
(in percent)

At.: 31.12.85

ITEM	Private Chilean Banks	Interv. Banks	Non-Interv. Banks	Foreign Banks in Chile	Banco del Estado	Financ. Instit.	Total System
A - CAPITAL ADEQUACY							
1. <u>Physical Fixed Assets</u> Capital	54.3	37.4	84.9	51.6	13.3	52.0	44.5
2. <u>Past due Loans</u> (Cart.Ven.) Capital	36.5	38.8	32.4	9.6	15.7	25.2	27.0
3. <u>Debt</u> Capital	10.9	12.8	8.2	15.0	11.5	8.2	11.7
4. <u>Loans Sold to Central Bank</u> Capital	338.5	423.3	184.7	22.2	0.0	105.0	204.2
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	3.0	3.7	2.1	1.9	2.2	3.2	2.8
2. <u>Loans Loss Res.(Prov.)</u> Total Loans	6.1	7.4	4.6	5.2	12.9	2.1	7.1
3. <u>Loans Sold to Central Bank</u> Total Loans	27.8	40.7	12.0	4.4	0.0	13.3	20.9
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	8.4	6.3	11.1	13.4	8.4	4.5	8.9
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	16.0	12.2	21.0	31.6	18.7	57.9	18.8
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	42.0	43.0	40.8	29.5	36.9	1.3	39.0
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin.Inv.	0.6	0.4	0.8	1.2	0.2	2.2	0.6
2. <u>Remuneration Expenses</u> Total Loans and Fin.Inv.	1.0	0.8	1.4	1.3	1.4	3.2	1.2
3. <u>Fixed Expenses</u> Operating Profits	36.6	30.8	42.1	36.0	27.5	69.9	35.0
E - INCOME							
1. <u>Net Profits</u> Capital	(0.8)	(0.4)	(1.5)	24.6	9.7	4.0	6.0
2. <u>Net Prof-Other net Inc.</u> Capital	(46.9)	(61.7)	(20.0)	17.2	20.9	(0.9)	(19.9)
3. <u>Net Profits</u> Total Assets	(0.0)	(0.0)	(0.1)	2.1	0.6	0.4	0.3

SOURCE: Superintendencia de Bancos e Instituciones Financieras.

T A B L E N° 22 - A

CORPORATE SECTOR FINANCIAL INDICATORS: PROFITABILITY

DATE	Net Profit Margin	<u>Net Profits</u> Net Worth	<u>Net Profits</u> Total Assets	Net Profits Before Taxes and Financial Costs	Net Profits Before Taxes, Financial Costs and Inflation Adjustment
	(%)	(%)	(%)	Total Assets (%)	Total Assets (%)
Dec. 80	4.87	4.38	2.74	7.29	5.60
Dec. 81	-1.27	-1.00	-0.59	5.73	5.38
Dec. 82	-32.83	-17.99	-9.02	-3.23	1.63
Dec. 83	-3.79	-2.91	-1.51	2.66	3.57
Dec. 84	1.93	1.45	0.73	5.41	6.79
Mar. 85	1.19	0.23	0.11	1.24	1.86
Jun. 85	-21.79	-9.65	-4.38	-2.30	-0.34
Sep. 85	-3.09	-2.01	-0.92	2.14	4.29
Dec. 85	-1.48	-1.27	-0.60	2.80	5.10
Mar. 86	1.13	0.25	0.12	1.61	2.54
Jun. 86	9.86	4.33	2.12	4.34	5.04

SOURCE: Superintendencia de Valores y Seguros

T A B L E N° 22 - B

CORPORATE SECTOR FINANCIAL INDICATORS: LIQUIDITY

DATE	Current Ratio	Acid-Test Ratio	<u>Receivables</u> Sales (%)	Average Collection Period Ratio (days)
Dec. 80	1.40	0.91	18.5	67.63
Dec. 81	1.25	0.84	17.1	62.56
Dec. 82	1.10	0.85	15.0	54.71
Dec. 83	0.99	0.69	11.7	42.54
Dec. 84	1.02	0.70	12.4	45.11
Mar. 85	1.00	0.70	12.1	44.16
Jun. 85	1.07	0.75	11.2	41.01
Sep. 85	1.09	0.80	11.8	43.04
Dec. 85	1.37	1.00	11.8	42.92
Mar. 86	1.38	1.03	10.8	39.39
Jun. 86	1.33	0.98	12.2	22.19

T A B L E N° 22 - C

CORPORATE SECTOR FINANCIAL INDICATORS: INDEBTEDNESS

DATE	Total Debt/Capital	<u>Total Debt</u> Total Assets (%)	<u>Long Term Debt</u> Capital (%)
Dec. 80	0.60	37.62	28.65
Dec. 81	0.68	40.65	36.71
Dec. 82	1.00	49.88	68.55
Dec. 83	0.93	48.25	59.02
Dec. 84	0.99	49.86	62.67
Mar. 85	1.05	51.32	65.17
Jun. 85	1.20	54.59	77.05
Sep. 85	1.20	54.51	77.29
Dec. 85	1.11	52.60	79.83
Mar. 86	1.01	50.27	73.29
Jun. 86	1.05	51.28	76.04

