

QUARTERLY ECONOMIC AND FINANCIAL REPORT OF CHILE



JUNE 1985

CONTENTS

<u>OVERVIEW</u>	Page 1
Graphs	4
Table 1 : Central Bank Monetary Program: Targets and Performances: 1985	10
Table 2 : Differences between actual performance and target performance under the I.M.F. Program	11
Table 3 : Central Bank: Net International Reserves 1985	12
Table 4 : Net Indebtedness of the Non-Financial Public Sector	13
Table 4 - A : Short-term external indebtedness of the Nonfinancial Public Sector and Banco del Estado	14
Table 5 : Contracting and Guaranteeing of medium - and long - term Foreign Debt by the Public Sector	15
Table 6 : Chile: Balance of Payments 1984 - 1985	16
Table 6 - A : Financial Services	17
Table 6 - B : Imports, 1984 - 1985	18
Table 6 - C : Volume and Value of Exports: 1984 - 85, by Principal Products	19
Table 7 : Chile: Balance of Payments by Quarters, 1985	20
Table 8 : Exports and Imports 1982 - June 1985	22
Table 9 : Net Inflows of Funds from Official Organizations and Suppliers, 1984 - 1985	23
Table 10 : Foreign Debt of Chile 1981 - 1985	25
Table 11 : Total Medium and Long Term External Debt at Dec. 31, 1982; Dec. 31, 1983 and Dec. 31, 1984	26
Table 12 : Schedule of Amortizations of Medium and Long Term External Debt, as of 31.12.84	27
Table 13 : Growth Rates of Gross Domestic Product by Sector	28
Table 13 - A : Gross Domestic Product Spending	29
Table 13 - B : Labor Force and Unemployment Nationwide	30
Table 14 : Public Finance	31
Table 15 : Public Sector Financial Operations, 1985, Estimated	32
Table 15 - A : Public Sector Financial Operations, 1984	33
Table 16 : Monetary Aggregates	34
Table 16 - A : Financial System: Deposits and Loans	35
Table 17 : Wages and Salaries Index, 1977 - 1985	36
Table 18 : Interest Rates	37
Table 19 : Reference and Preferential Rates of Exchange	38
Table 20 : Price Indexes	39

Table 21	: Financial System Indicators at 31.06.85	40
Table 21 - A	: Financial System Indicators at 31.03.85	41
Table 21 - B	: Financial System Indicators at 31.12.84	42
Table 22 - A	: Corporate Sector Financial Indicators: Profitability	43
Table 22 - B	: Corporate Sector Financial Indicators: Liquidity	44
Table 22 - C	: Corporate Sector Financial Indicators: Indebtedness	45
MAIN ECONOMIC MEASURES ADOPTED DURING		
APRIL, MAY AND JUNE 1985		46

AN OVERVIEW

According to various indicators, economic growth has apparently declined significantly in the second quarter of the present year, after showing a 3.4% growth during the first quarter over the same period of the previous year. The preliminary estimate of GAP for the second quarter shows a -0.1% change over the previous four quarters. This slowdown is due mainly to the adjustment in domestic expenditure which has taken place during this period, in compliance of the 1985 fiscal and monetary program.

As measured by the Consumer Price Index, inflation reached 8.2% in the second quarter, resulting in an accumulated inflation rate of 17% in the first semester. Price increases seem to be the lagged response to the dramatic devaluation of the peso (34.3%) during the last nine months. However, the absence of domestic pressures on prices allows us to envisage that, as soon as adjustment is completed, the inflation rate will reach levels consistent with a annual rate of about 20%. This projection is confirmed by a 1.3% inflation in July, the lowest recorded during the present year.

During the second quarter of the present year, the balance of trade showed a surplus of US\$ 228.7 million. Although below the initially projected surplus, it was substantially higher than the trade surplus of the same period of the previous year. The difference between the projected and the actual level is explained by a significant drop in the prices of our main export products, which averaged approximately 10.0% as compared to the first quarter of the previous year. Most important among them are: copper (-0.2%), pelletized iron (-13%), bulk iron (-6,1%), metallic silver (-23,4%), fishmeal (-32,5%), crude cellulose (-24,5%), bleached and semi- bleached cellulose (-20,2%), and logs (-10,5%). Nevertheless, the drop in prices has not resulted in an equivalent reduction of exports thanks to a substantial increase in volume, of approximately 4% during the first semester. Among non- copper exports, which show an overall 8,4% growth in volume terms, the following products stand out: Sodium Nitrate (25,5%), Potassium Nitrate (14,0%), Metallic Silver (6,7%), Grapes (27,9%), Pears (9,5%), Fishmeal (54,1%), Logs (43,4%) and Metallic Gold (15,9%).

It should be noted that during the first semester total imports (FOB) decreased by 8,6% in relation to the same period of the previous year. This contraction is explained by a 50,5% fall in imports of food purchases and a 5,9% drop in the imports of intermediate goods, and illustrates the effect of the exchange rate policy on import-substitution. Only the imports of capital goods showed a healthy growth rate of 11,5%.

Particularly steep has been the reduction in the level of imports in the second quarter. During that period, imports reached US\$ 726.4 million, whereas in the same period of 1984 they had reached US\$ 872.6 million, a 16.8% reduction. This behavior confirms that during the second quarter of the present year a substantial adjustment in domestic expenditure took place, so as to keep its level within the margins of the Macroeconomic Program for the present year.

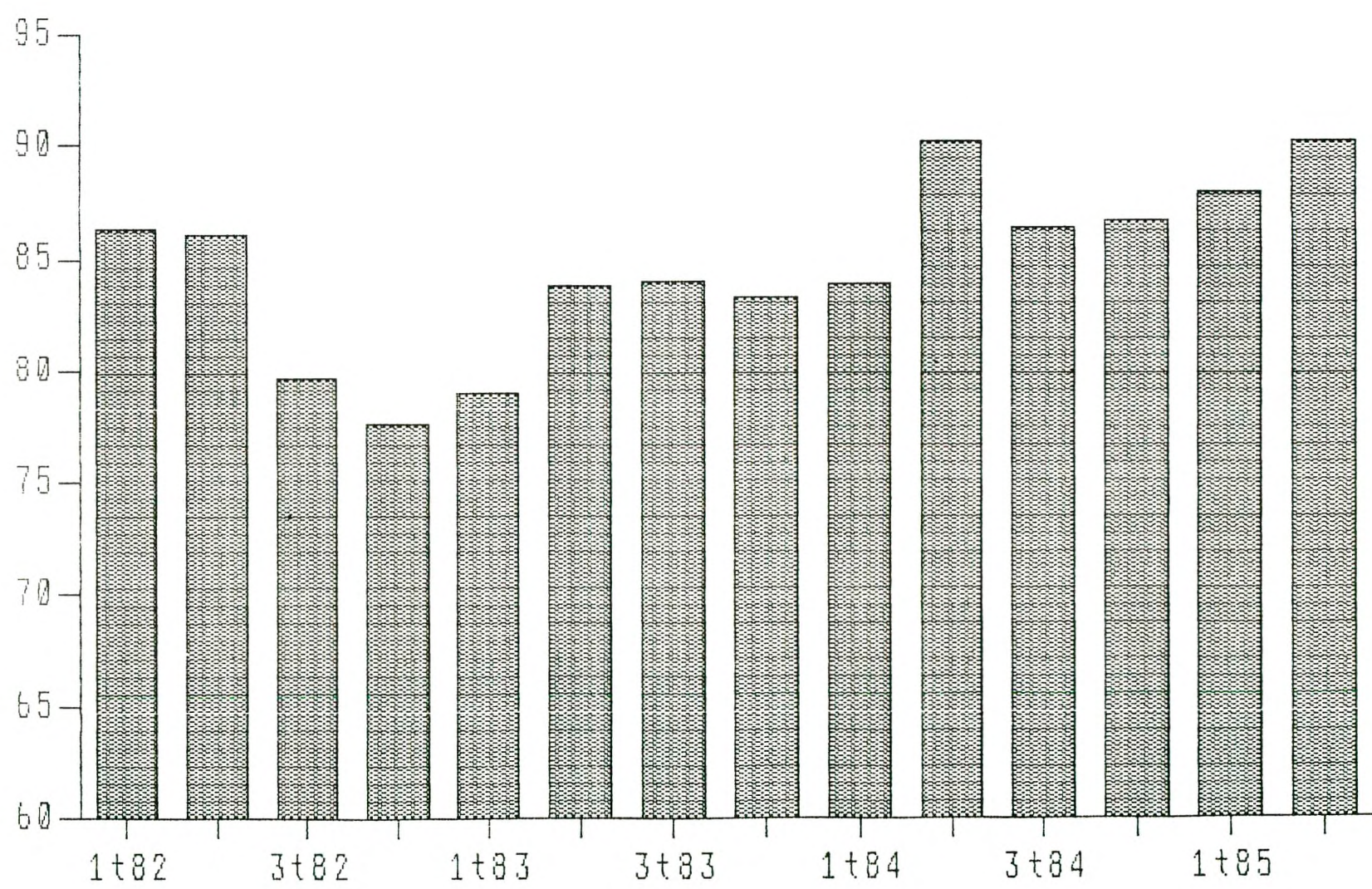
The drop in export prices makes it unlikely to meet the targeted US\$ 1 billion surplus in the trade balance. However, the decline in international interest rates, the interest expense saved because of the repricing and deferral of certain payments in accordance to the agreement with the Bank Advisory Committee, and an improvement in the non-factor services balance are expected to offset the negative impact of lower export prices, thus yielding a current account deficit well below the US\$ 1.4 billion targeted.

During the second quarter, the Chilean government reached an agreement with the Bank Advisory Committee for Chile, which represents creditor banks, regarding the financing of the country's macroeconomic program for 1985 and 1986. However, since no new money was received from this source during the first half of the year, it was necessary to use international reserves in order to service interest payments on our foreign debt. Thus, during the first semester, the balance of payments showed an accumulated US\$ 564.4 million deficit. Nevertheless, it should be pointed out that the loss of international reserves of the second quarter was, as in the first quarter, consistent with the compliance of I.M.F. targets.

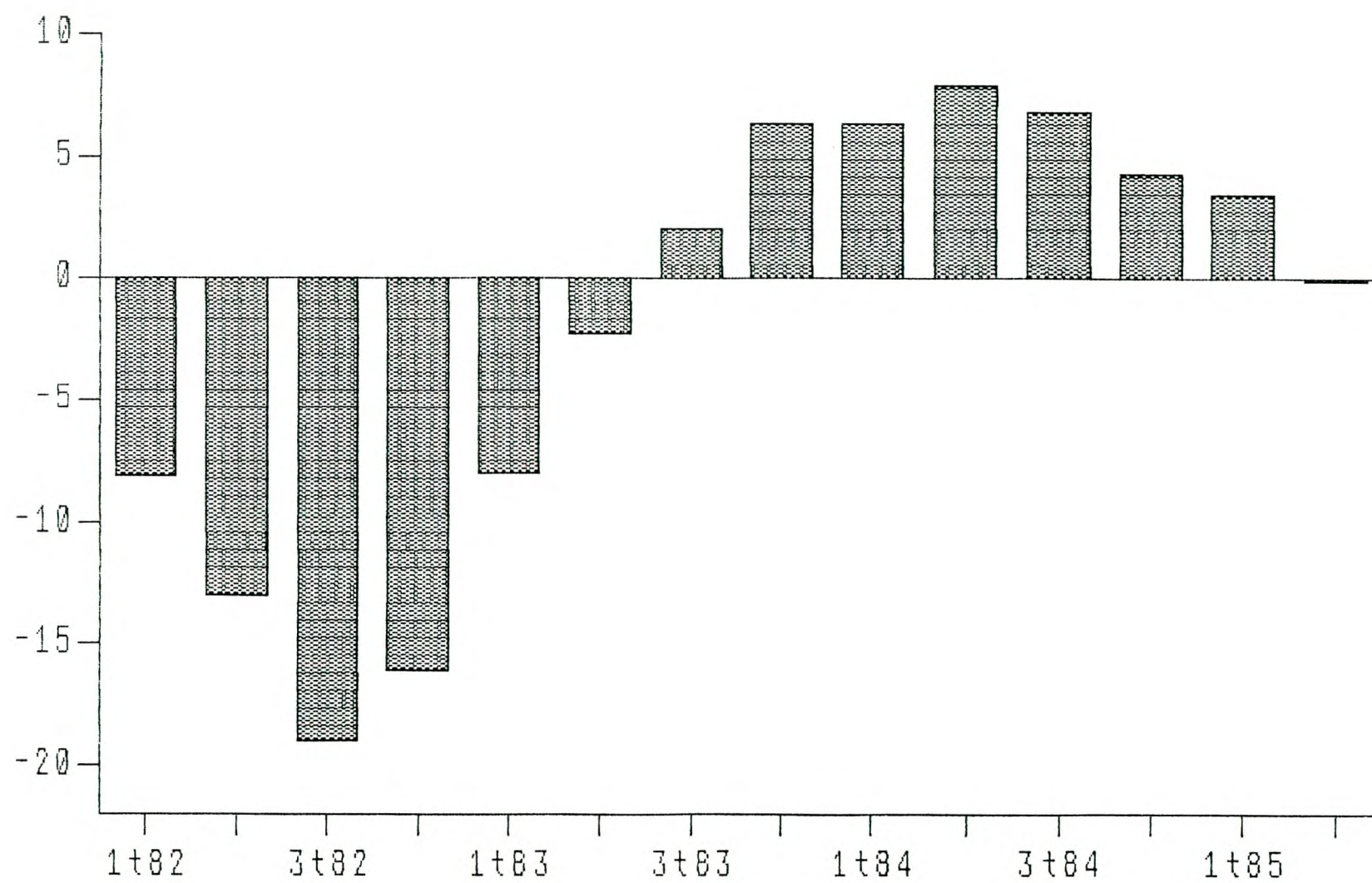
Charts 1, 2, 3, 4 and 5 show that during the second quarter of the present year the Chilean economy fully met the targets agreed with the I.M.F.

Finally, it is worth noting that import tariffs were reduced in June, from 30% to a uniform rate of 20%. This measure was accompanied by an 8.4% real devaluation of the peso, so as to keep constant the cost of imports. These combined measures are intended to create a favorable climate for the development of the export sector.

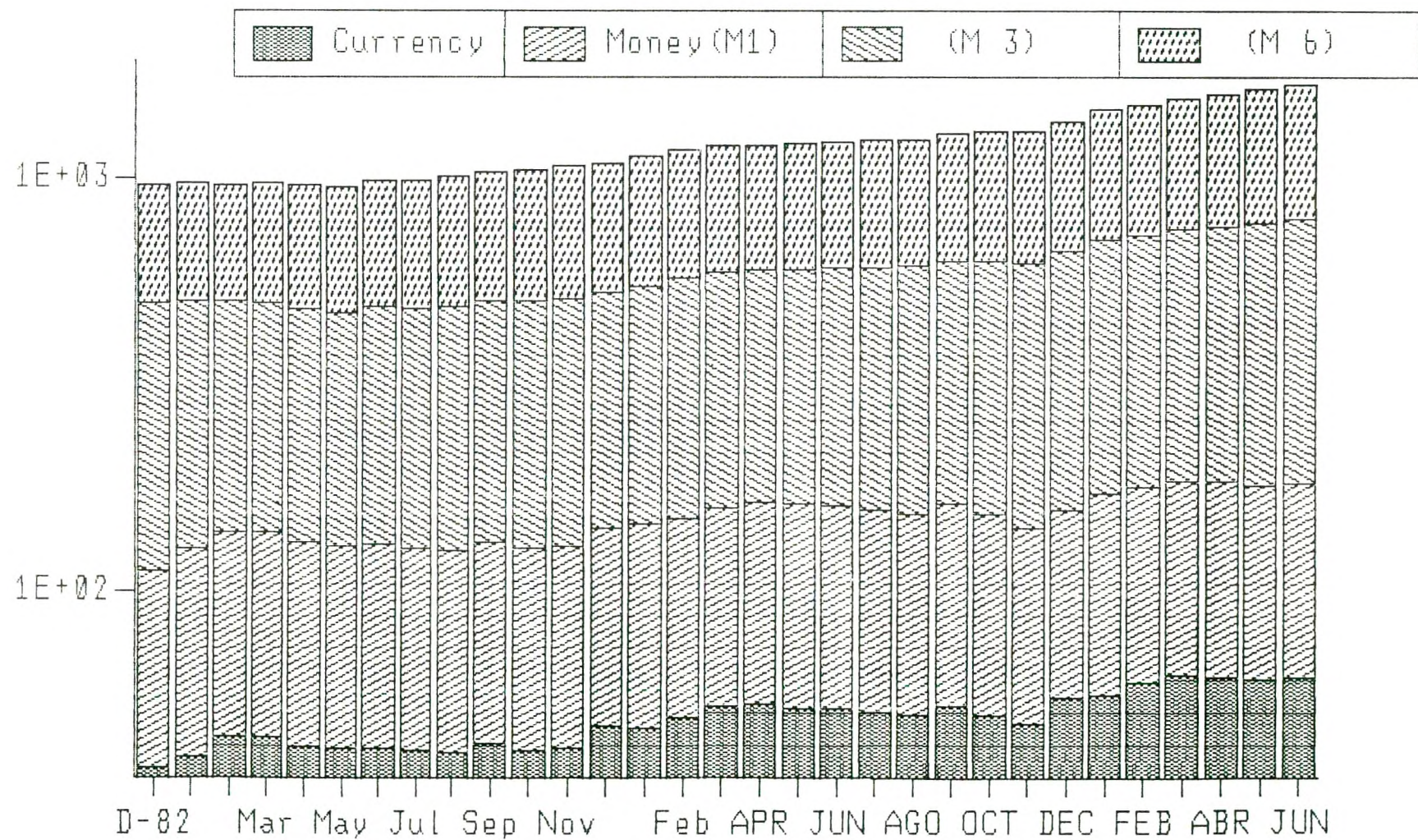
GROSS DOMESTIC PRODUCT 1982-1983-1984-2T85 \$ 1977



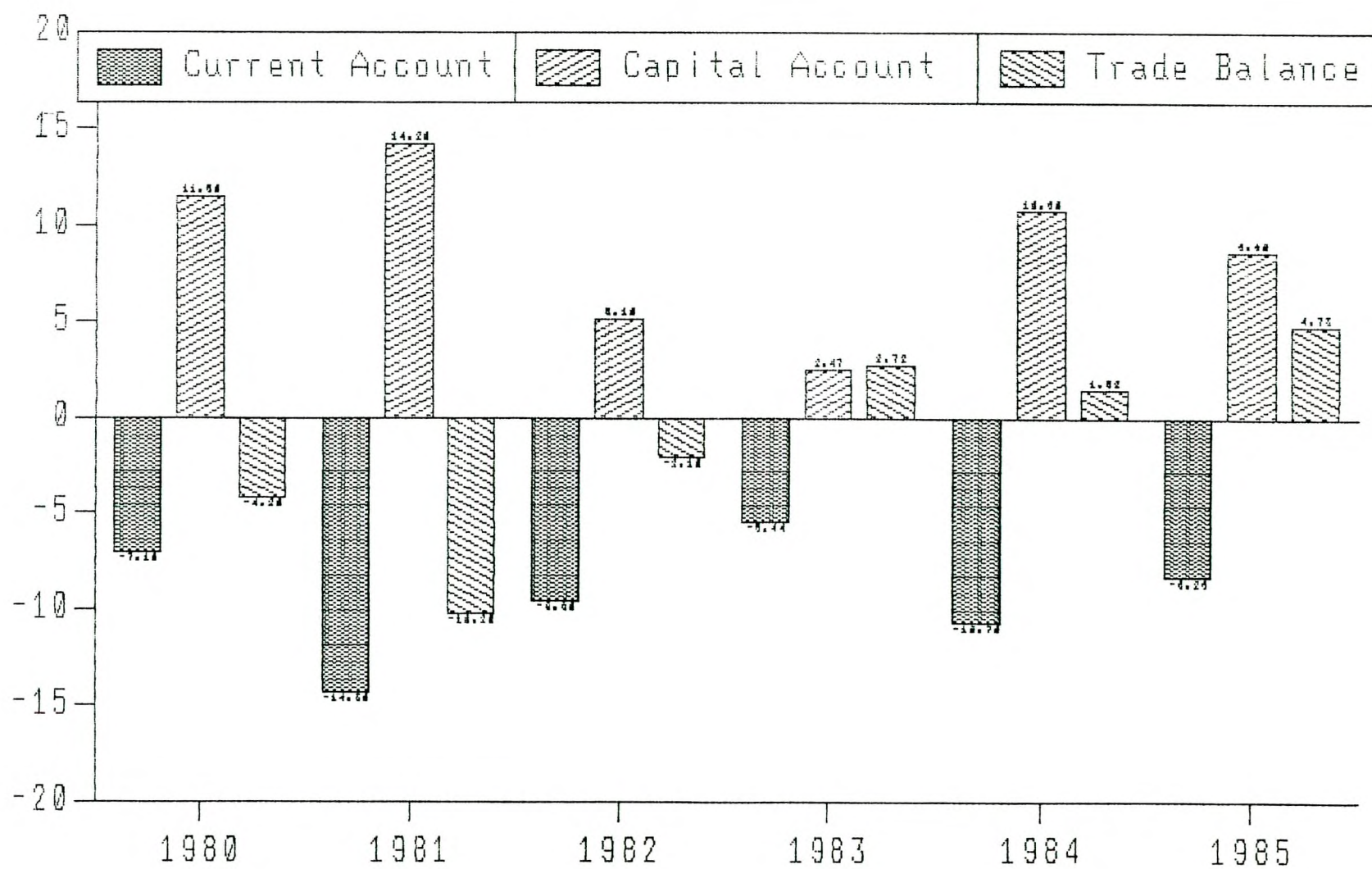
% CHANGE G.D.P. 1982-1983-1984-2T85



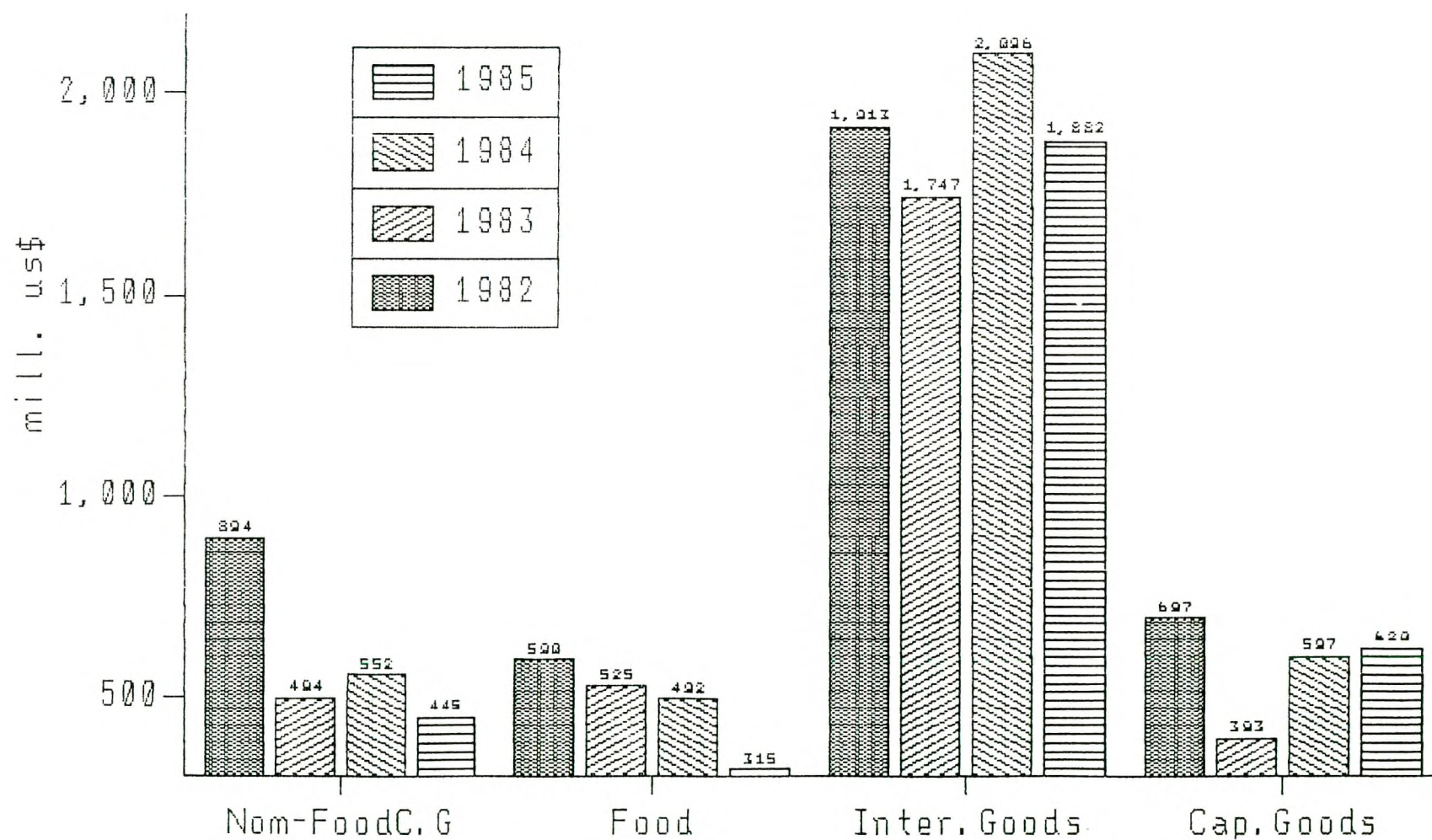
MONETARY AGGREGATES (in bill. of \$)



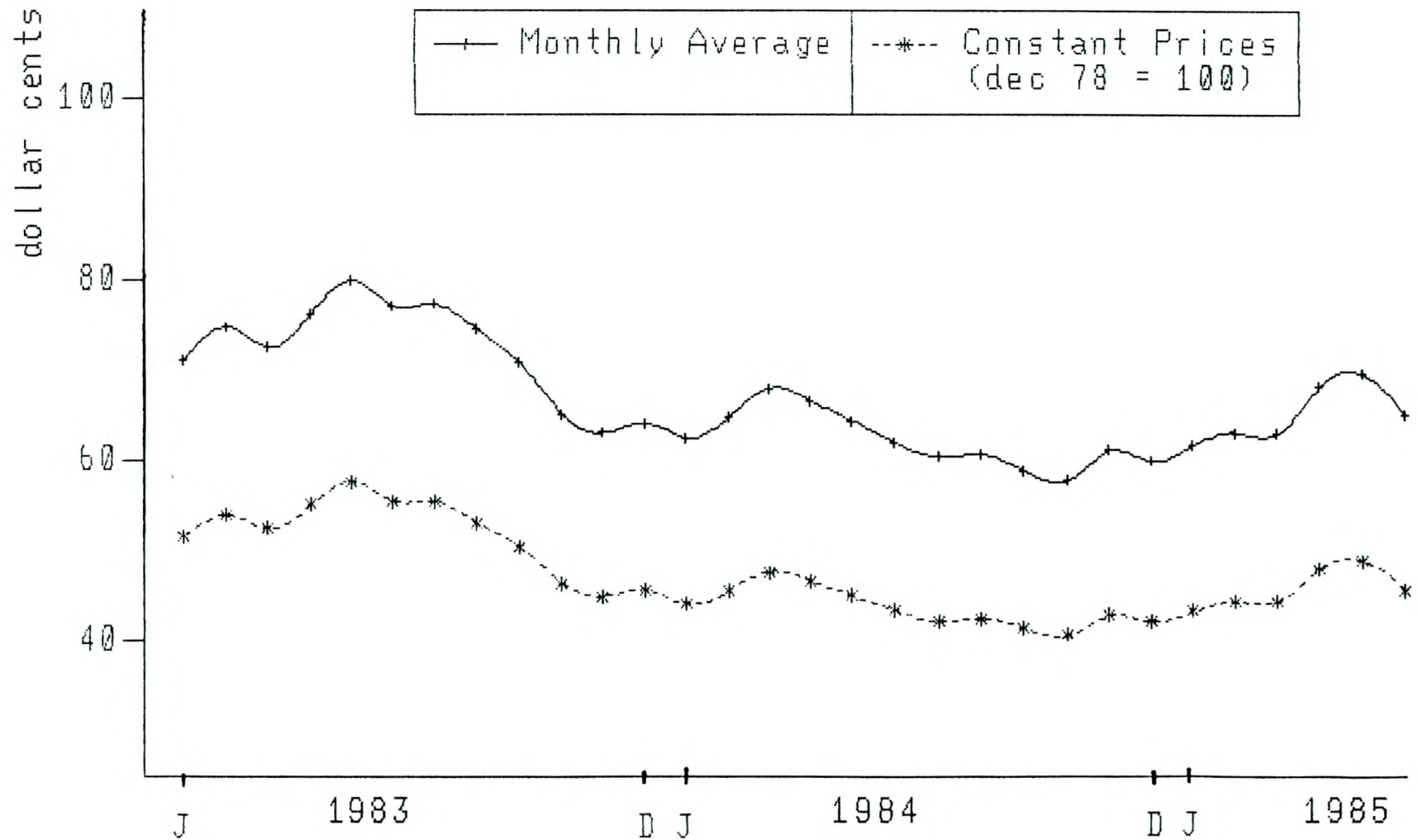
BALANCE OF PAYMENTS (as % of GDP)



COMPOSITION OF IMPORTS 1982-1983-1984-1985 (cif values)



COPPER PRICE



T A B L E N° 1

CENTRAL BANK MONETARY PROGRAM: TARGETS AND PERFORMANCE: 1985
(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.84	Mar.85	Jun.85	Sep.85	Dec.85	Mar.85	Jun.85	Sep.85	Dec.85
1. <u>NET INTERNATIONAL RESERVES</u>	<u>144.44</u>	<u>103.56</u>	<u>71.19</u>			<u>89.70</u>	<u>65.83</u>	<u>109.62</u>	<u>172.21</u>
(in mill. US\$)	(1.111.1)	(796.6)	(515.9)			(690.0)	(477.0)	(756.0)	(1.111.0)
2. <u>NET DOMESTIC ASSETS</u>	<u>271.22</u>	<u>315.27</u>	<u>367.77</u>			<u>326.5</u>	<u>374.0</u>	<u>421.7</u>	<u>463.6</u>
3. <u>FOREIGN MEDIUM AND LONG TERM</u> <u>LIABILITIES</u>	<u>343.27</u>	<u>342.82</u>	<u>362.98</u>						
(in mill. US\$)	(2.640.5)	(2.637.1)	(2.630.3)						
4. <u>LIABILITIES TO PRIVATE SECTOR</u>	<u>72.39</u>	<u>76.01</u>	<u>75.98</u>						
Rate of Exchange (peso/dollar)	130	130	138			130	138	145	155

Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing on Dec. 1984.

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. 1985</u>	<u>Jun.1985</u>
I <u>NET INTERNATIONAL RESERVES</u> (millions of US\$)		
1. Actual	796.6	515.9
2. Target	690.0	477.0
3. Differences (1-2)	106.6	38.9
II <u>NET DOMESTIC ASSETS</u> (millions of Ch.\$)		
1. Actual	315.27	367.77
2. Target	326.50	374.00
3. Differences (1-2)	-11.23	-6.23
III <u>NEW MEDIUM TERM LOANS FROM</u> (millions of US\$)		
<u>INTERNATIONAL BANKS</u>	2.042.2	2.042.2
IV <u>RATE OF EXCHANGE</u>		
(peso/dollar)	130	138

Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing on Dec. 1984.

SOURCE: Banco Central de Chile

T A B L E N° 3

CENTRAL BANK: NET INTERNATIONAL RESERVES 1985
(millions of US\$ end of month)

	<u>Dec.84</u>	<u>Mar.85</u>	<u>Jun.85</u>
<u>NET INTERNATIONAL RESERVES</u>	<u>1.111,1</u>	<u>796,6</u>	<u>515,9</u>
1. <u>Assets</u>	<u>2.586,3</u>	<u>2.218,0</u>	<u>1.911,5</u>
Gold	74,4	74,2	74,1
SDR'S	11,5	0,1	12,2
I.M.F. Reserve Position	0,0	-	-
Foreign Exchange Assets	2.292,6	2.013,3	1.729,1
CCR	207,8	130,4	96,1
2. <u>Liabilities</u>	<u>1.475,2</u>	<u>1.421,4</u>	<u>1.395,6</u>
To I.M.F.	780,7	780,7	780,6
CCR	214,5	140,7	115,0
Short Term Deposits	480,0	500,0	500,0
Bridge Loan	-	-	-

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. 1984.

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>Mar. 1985</u>	<u>Jun. 1985</u>	<u>Sep. 1985</u>	<u>Dec. 1985</u>
1. Debt to the Domestic Financial System	177,12	209,43		
2. Outstanding stock of financial instruments issued by the nonfinancial public sector and held by the nonfinancial private sector	62,57	62,87		
3. Adjustments for Corfo-Indap	-1.70	-4,60		
4. Other Adjustments	-10,30	-20,10		
5. Domestic Debt (1+2+3+4)	<u>227,69</u>	<u>247,60</u>		
6. Foreign Debt	<u>696,68</u>	<u>739,49</u>		
7. Total (5+6)	<u>924,37</u>	<u>987,09</u>		
<u>TARGET 1/</u>	<u>926,10</u>	<u>987,70</u>	<u>1.052,70</u>	<u>1.125,90</u>
(Rate of exchange)	(130)	(138)	(145)	(155)

NOTES: Provisional figures.

1/ These targets have been adjusted for revision in the base data for Dec. 31, 1984

TABLE N°4 - A

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

	<u>MAR.1985</u>	<u>JUN.1985</u>	<u>SEP.1985</u>	<u>DEC.1985</u>
A) SHORT-TERM EXTERNAL DEBT OF THE NONFINANCIAL PUBLIC SECTOR	797,8	774,2		
B) NET INTERNATIONAL RESERVES OF THE BANCO DEL ESTADO	- 101,3	-98,9		
- Assets	-17,3	-17,5		
- Liabilities	118,6	116,4		
C) TOTAL	899,1	873,1		
<u>TARGET</u>	910,0	910,0	910,0	890,0

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. 1985</u>	<u>Jun. 1985</u>	<u>Sep. 1985</u>	<u>Dec. 1985</u>
1. CONTRACTING AND GUARANTEEING				
More than 1 and up to 5 years	8,7	122,6		
More than 1 and up to 10 years	40,7	197,7		
2. REFINANCING AND RESCHEDULING	279,5	584,2		
<u>TARGETS:</u>				
1. Contracting and Guaranteeing				
More than 1 and up to 5 years	250,0	250,0	250,0	250,0
More than 1 and up to 10 years	650,0	650,0	650,0	650,0
2. Refinancing and Rescheduling	1.900,0	1.970,0	1.970,0	1.970,0

SOURCE: Banco Central de Chile.

T A B L E N°6

CHILE: BALANCE OF PAYMENTS 1984-1985
(in millions of US\$)

	1984 ^{1/}	1985 ^{2/}
<u>CURRENT ACCOUNT</u>	<u>-2.060.0</u>	<u>-1.296.3</u>
Trade Balance	293.0	740.1
Exports	3.650.3	3.689.2
Copper	1.603.8	1.698.1
Others	2.046.5	1.991.1
Imports	-3.357.3	-2.949.1
Non Financial Services	-497.0	-296.3
Financial Services	-1.954.7	-1.799.5
Transfers	98.7	59.4
<u>CAPITAL ACCOUNT</u>	<u>1.797.8</u>	<u>1.346.1</u>
Foreign Investment	67.0	120.4
Scheduled Amortizations	-1.506.9	-2.293.0
MLT Disbursements	840.2	764.3
Official and Multilateral Organizations	448.9	513.0
Suppliers' Credits	261.1	212.2
- To Public Sector	(146.2)	(72.2)
- To Private Sector	(114.9)	(140.0)
Other	130.2	39.1
Other Medium and Long Term Capital Flows	8.7	-24.2
Net Flows of Short-Term Capital ^{3/}	589.4	125.5
- Use of Short-Term Lines	(292.3)	(-25.0)
- Other Short-Term		
Trade-Related Flows	(-6.4)	(-41.9)
- Net Change in Assets	(303.5)	(192.4)
Financial Program	1.799.4	2.653.1
- Refinancing of Scheduled Amortization Payments	(1.019.4)	(1.814.1)
- New Money from banks	(780.0)	(714.0)
- IBRD-SAL	(-)	(125.0)
<u>Errors and Omissions</u>	<u>99.5</u>	<u>-15.1</u>
<u>Overall Balance</u>	<u>-162.7</u>	<u>34.7</u>
Valuation and Other Adjustments	81.2	-34.7
Change in Net International Reserves ^{4/}	-81.5	0.0

1/ Provisional

2/ Projected

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

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

T A B L E N° 6 - A

FINANCIAL SERVICES
(millions of US\$)

	<u>1984</u> ^{1/}	<u>1985</u> ^{2/}
<u>INTEREST EXPENSE</u>	<u>2.158.1</u>	<u>2.016.5</u>
Medium and Long-Term	1.808.2	1.715.6 ^{3/}
I.M.F.	59.9	79.5
Short-Term	290.0	221.4
<u>INTEREST INCOME</u>	<u>315.9</u>	<u>197.6</u>
Medium and Long-Term	19.8	6.9
Short-Term	261.1	190.7
Central Bank	(240.0)	(163.2)
<u>PROFITS AND DIVIDENDS</u>	<u>112.5</u>	<u>120.8</u>
<u>FINANCIAL SERVICES BEFORE</u> <u>CHANGE IN INTEREST PAYMENT DATES</u>	<u>1.954.7</u>	<u>1.939.7</u>
<u>CHANGE IN INTEREST PAYMENT DATES</u>	<u>—</u>	<u>140.2</u>
<u>FINANCIAL SERVICES</u>	<u>1.954.7</u>	<u>1.799.5</u>

^{1/} Provisional.

^{2/} Projected.

^{3/} Considers an estimated shortfall of US\$ 23.8 mill.in corporate private sector interest payments during the second semester, in view of the evidence of 1984.

T A B L E N° 6 - B

IMPORTS, 1984 - 1985

(millions of US\$)

	<u>1984</u>	<u>1985</u> ^{1/}
I. <u>NON-FOOD CONSUMER GOODS</u>	<u>406</u>	<u>283</u>
A - Medical & Pharmaceutical	44	43
B - Tools	25	23
C - Industrialized non-food products	311	200
D - Automobiles	26	17
II. <u>FOODSTUFFS</u>	<u>425</u>	<u>283</u>
A - <u>Consumer Goods</u>	<u>114</u>	<u>55</u>
- Agricultural	12	15
- Industrialized food products	102	40
B - <u>Intermediate Goods</u>	<u>311</u>	<u>228</u>
Agricultural-foodstuffs	179	108
Industrial origin raw materials (edible)	132	120
III. <u>INTERMEDIATE GOODS</u>	<u>1.849</u>	<u>1.663</u>
A - <u>Raw Materials</u>	<u>532</u>	<u>502</u>
Agricultural origin-raw materials (non-edibles)	39	31
Industrial origin-raw materials (non-edibles)	493	471
B - <u>Equipment-spares and Intermediate Products</u>	<u>735</u>	<u>652</u>
Intermediate Industrial Goods	467	386
Machinery & Equipment-spare Parts	200	196
Parts for Assembly of Vehicles	68	70
C - <u>Fuels & Lubricants</u>	<u>582</u>	<u>509</u>
- Crude Petroleum	419	422
- Other	163	87
IV. <u>TOTAL CURRENT GOODS</u>	<u>2.680</u>	<u>2.229</u>
V. <u>CAPITAL GOODS</u>	<u>511</u>	<u>539</u>
A - Machinery & Equipment	414	441
B - Transportation Equipment	95	96
C - Other Capital Goods	2	2
VI. <u>SUB TOTAL</u>	<u>3.191</u>	<u>2.768</u>
<u>Other Imports</u>	<u>547</u>	<u>494</u>
VII. <u>TOTAL C.I.F.</u>	<u>3.738</u>	<u>3.262</u>
VIII <u>TOTAL F.O.B.</u>	<u>3.357</u>	<u>2.949</u>

^{1/} Projected

T A B L E 6 - C

VOLUME AND VALUE OF EXPORTS: 1984 - 85, BY PRINCIPAL PRODUCTS
(millions of US\$)

<u>PRODUCTS</u>	<u>UNITS</u>	<u>1 9 8 4</u>			<u>1 9 8 5 *</u>		
		<u>Q</u>	<u>\$</u>	<u>VALUE</u>	<u>Q</u>	<u>\$</u>	<u>VALUE</u>
Copper	TM	1.234.000	1.299.7	1.603.8	1.260.000	1.379.4	1.698.1
Iron Ore Pellets	TM	3.395.000	25.4	86.4	2.850.000	24.5	69.7
Iron Ore	TM	1.835.000	12.8	23.4	1.842.800	13.5	24.8
Sodium Nitrate	TM	277.634	101.5	28.2	331.000	117.5	38.9
Potassium Nitrate	TM	100.509	159.2	16.0	120.000	170.0	20.4
Iodine	TM	2.856	10.539.2	30.1	2.900	11.345.0	32.9
Fishmeal	TM	781.023	352.7	275.5	820.000	268.8	220.4
Planks	M3	864.044	78.6	67.9	700.000	78.0	54.6
Pinewood	M3	900.663	32.9	29.6	1.100.000	30.0	33.0
Crude Cellulose	TM	222.057	358.0	79.5	240.000	300.0	72.0
White Cellulose	TM	271.767	428.7	116.5	290.000	343.4	99.6
Molybdenum Oxide	TM						
Iron Molybdenum	TM	19.414	8.499.0	165.0	17.500	8.0	140.0
SUB TOTAL				2.521.9			2.504.4
OTHERS				1.128.4			1.184.8
TOTAL				3.650.3			3.689.2

* Projected

Source: Banco Central de Chile

CHILE: BALANCE OF PAYMENTS BY QUARTERS, 1985^{1/}
(in millions of US\$)

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>YEAR</u>
<u>CURRENT ACCOUNT</u>	-419.2	-338.8	-394.6	-143.8	-1.296.3
Trade Balance	175.4	228.7	143.6	192.4	740.1
Exports	932.2	951.2	893.9	911.9	3.689.2
Copper	377.2	433.0	430.2	457.7	1.698.1
Others	555.0	518.2	463.7	454.2	1.991.1
Imports	-756.8	-722.5	-750.3	-719.5	-2.949.1
Non Financial Services	-61.8	-77.5	-81.5	-75.6	-296.3
Financial Services	-541.6	-510.6	-471.8	-275.6	-1.799.5
Transfers	8.8	20.6	15.0	15.0	59.4
<u>CAPITAL ACCOUNT</u>	212.5	-3.9	640.1	497.3	1.346.1
1. Foreign Investment	20.0	35.4	30.0	35.0	120.4
2. Amortization Payments	-382.2	-515.0	-552.1	-843.7	-2.293.0
3. MLT Disbursements	124.0	89.3	245.3	305.7	764.3
- Official and Multilateral Organizations	50.0	42.2	185.3	235.5	513.0
- Suppliers' Credits	40.4	46.0	57.0	68.8	212.2
- To Public Sector	13.4	18.4	20.0	20.4	72.2
- To Private Sector	27.0	27.6	37.0	48.4	140.0
- Other	33.6	1.1	3.0	1.4	39.1
4. Other Medium and Long Term Capital Flows	4.2	-18.4	-5.0	-5.0	-24.2
5. Net Flows of Short-Term Capital ^{2/}	147.4	-0.7	52.4	-73.7	125.5
- Use of Short-Term Lines	-30.9	-23.1	38.0	-9.1	-25.0
- Other Short-Term Trade-Related Flows	9.0	-62.8	41.8	-29.9	-41.9
- Net Change in Assets	169.3	85.2	-27.4	-34.7	192.4
6. Financial Program	299.1	405.5	869.5	1.079.0	2.653.1
- Refinancing of Scheduled Amortization Payments	299.1	405.5	429.5	680.0	1.814.1
- New Money from banks	-	-	440.0	274.0	714.0
- IRDB - SAL	-	-	-	125.0	125.0
Errors and Omissions	-80.3	65.2	-	-	-15.1
<u>Overall Balance</u>	<u>-286.9</u>	<u>-277.5</u>	<u>-245.5</u>	<u>353.6</u>	<u>34.7</u>
<u>Valuation and Other Adjustments</u>	<u>-27.6</u>	<u>-3.2</u>	<u>-3.9</u>	<u>-</u>	<u>-34.7</u>
<u>Change in Net International Reserves^{3/} (increase: -)</u>	<u>314.5</u>	<u>280.7</u>	<u>-241.5</u>	<u>353.6</u>	<u>0.0</u>
<u>Cumulative Balance of Payments</u>	<u>-286.9</u>	<u>-564.4</u>	<u>-318.9</u>	<u>34.7</u>	

<u>Cumulative Change in Net Interna</u>				
<u>tional Reserves</u> ^{3/} (increase: -)				
	<u>314.5</u>	<u>595.2</u>	<u>353.6</u>	<u>0.0</u>
MEMORANDUM ITEM =				
Change in Reserves, net of bank's ^{3/}				
new money and SAL (increase: -)	<u>314.5</u>	<u>280.7</u>	<u>198.5</u>	<u>45.4</u>

1/ Provisional figures for the first two quarters, projected for the rest of the year.

2/ Does not include short-term loans to the Central Bank, which are incorporated in "net international reserves"

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

NOTE: Due to approximations, the sums may not be exactly equal to the totals.

T A B L E N° 8
EXPORTS AND IMPORTS 1982 - JUN. 1985
(millions of US\$)

	EXPORTS (F.O.B.)			IMPORTS (C.I.F.)					IMPORTS (F.O.B.)	TRADE BALANCE	
	Copper	Others	Total	Foodstuffs	Non Food Consumers Goods	Capital Goods	Intermed. Goods	Total		Monthly	Accumulated Year
<u>1982</u>	1.684.6	2.021.1	3.705.7	589.8	894.4	696.9	1.912.8	4.093.9	3.643.3	-	62.4
<u>1983</u>	1.871.0	1.955.6	3.826.6	525.3	494.1	393.4	1.747.1	3.159.9	2.817.8	-	1.008.8
<u>1984</u>	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
Jan.	134.3	148.3	282.6	32.7	34.6	41.7	177.3	286.3	257.8	24.8	24.8
Feb.	128.3	178.4	306.7	44.3	38.8	44.4	136.9	264.4	237.8	68.9	93.7
Mar.	139.6	243.9	383.5	30.2	44.5	40.3	164.4	279.4	249.9	133.6	227.3
Apr.	154.5	229.8	384.3	35.4	39.2	45.9	183.2	303.7	271.8	112.5	339.8
May	136.6	191.9	328.5	42.3	44.6	61.4	217.9	366.2	329.6	-1.1	338.7
Jun.	151.9	172.3	324.2	38.4	43.0	53.5	168.1	303.0	271.2	53.0	391.7
Jul.	134.0	174.2	308.2	60.2	49.0	46.2	159.4	314.8	283.0	25.2	416.9
Aug.	125.5	134.0	259.5	57.8	51.7	70.7	217.4	397.6	357.9	-98.4	318.5
Sep.	115.4	144.0	259.4	51.4	50.2	43.7	166.8	312.1	281.1	-21.7	296.8
Oct.	124.2	130.3	254.5	57.7	58.6	52.4	187.7	356.4	319.0	-64.5	232.3
Nov.	118.5	151.1	269.6	24.2	55.3	50.1	191.0	320.6	288.2	-18.6	213.7
Dec.	141.0	148.3	289.3	17.5	42.8	47.1	125.4	232.8	210.0	79.3	293.0
<u>1985</u>	810.2	1.073.2	1.883.4	110.6	218.8	320.2	986.2	1.635.8	1.479.3	-	404.1
Jan.	108.8	159.9	268.7	23.8	41.5	51.9	192.7	309.9	280.0	-11.3	-11.3
Feb.	114.8	154.8	269.6	13.1	30.5	57.6	126.2	227.4	204.2	65.4	54.1
Mar.	153.6	240.3	393.9	15.6	40.8	73.2	170.9	300.5	272.6	121.3	175.4
Apr.	134.7	229.8	364.5	17.9	39.4	47.4	157.2	261.9	236.6	127.9	303.3
May.	172.3	150.0	322.3	18.8	35.2	42.2	189.0	285.2	258.1	64.2	367.5
Jun.	126.0	138.4	264.4	21.4	31.4	47.9	150.2	250.9	227.8	36.6	404.1

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 *			1 9 8 5 **		
	Disbursem.	Amortiz.	Net	Disbursem.	Amortiz.	Net
I OFFICIAL ORGANIZATIONS	448.9	150.4	298.5	513.0	124.6	388.4
IDB	320.7 ^{a/}	10.9	309.8	295.0 ^{h/}	15.9	279.1
IBRD	37.8 ^{a/}	20.4	17.4	123.0 ^{h/j/}	22.0	101.0
IDA	-	0.7	-0.7	-	0.7	-0.7
Eximbank (U.S.A.)	0.0	6.1	-6.1	5.0	2.8	2.2
AID (U.S.A.)	-	17.5	-17.5	-	10.2	-10.2
CCC (U.S.A.)	90.4	43.9	46.5	90.0	33.7	56.3
KFW (W. Germany)	-	2.1	-2.1	-	1.4	-1.4
Bco. Central Argentina	-	16.8	-16.8	-	10.8	-10.8
Eximbank (Japan)	-	1.2	-1.2	-	0.7	-0.7
Banco Do Brasil	-	20.0	-20.1	-	19.1	-19.1
East Germany	-	0.3	-0.3	-	-	-
Bulgaria	-	0.4	-0.4	-	0.1	-0.1
EDC (Canada)	-	2.1	-2.1 ^{e/}	-	3.2	-3.2 ^{e/}
EFIC (Australia)	-	0.2	-0.2	-	-	-
Spanish Government	-	0.9	-0.9	-	0.3	-0.3
Credit Nacional (France)	-	1.8	-1.8	-	0.6	-0.6
NIO (Netherlands)	-	1.0	-1.0	-	0.8	-0.8
British Government	-	-	-	-	-	-
Bco. Comer. Exterior Mexico	-	0.9	-0.9	-	0.5	-0.5
Bco. Central Reserva Peru	-	0.1	-0.1	-	0.1	-0.1
IDC (South Africa)	-	0.6	-0.6	-	0.5	-0.5
USSR Government	-	-	-	-	-	-
Kontrollbank (Austria)	-	-	-	-	-	-
Eximbank (Korea)	-	-	-	-	-	-
China Government	-	1.4	-1.4	-	1.2	-1.2
II SUPPLIERS ^{b/}	261.1	171.0	90.1	212.2	167.0	45.2
Public Sector	146.2	70.3 ^{d/}	75.9	72.2	52.1	20.1
Private Sector	114.9 ^{f/}	100.7	14.2	140.0 ^{f/}	114.9	25.1
- Contracted Credits	-	100.7	-100.7	100.0	112.0	-12.0
- Credits to be Contracted	114.9	-	114.9	40.0	2.9	37.1
T O T A L						
I Official Organizations	448.9	150.4	298.5	513.0	124.6	388.4
II Suppliers	261.1	171.0	90.1	212.2	167.0	45.2
Total (I + II)	710.0	321.4	388.6	725.2	291.6	433.6
III Rest of Banks and Others	130.2 ^{i/}	166.1 ^{c/}	-35.9	39.1 ^{i/}	187.3 ^{c/}	-148.2
GRAND TOTAL	840.2 ^{g/}	487.5	352.7	764.3 ^{j/}	478.9	285.4

- * 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: Art. 15 D.L. N°600 and contracted credit with guarantees (Banks).
- d/ Includes US\$0.4 MM. to suppliers in 1984.
- e/ Includes US\$1.0 MM. Private Sector Art. 15.
- f/ Includes disbursement from Firms and Individuals (Financial Credits Art. 15, D.L. N°600 associated to foreign investment).
- g/ Excludes Central Bank Credit US\$ 780 MM from Banks.
- h/ Assumed are disbursements of new loans of the IDB & IBRD.
- i/ It refers mainly to new credits from banks with Official Guarantees and other contracted credits 1982 - 1983 - 1984 with foreign banks for specific projects.
- j/ Excludes BIRF - SAL estimated at (US\$ 125 MM), and New Money from Banks (US\$ 714 MM).

TABLE N° 10

FOREIGN DEBT OF CHILE 1981 - 1985 *
(Millions of US\$)

ITEM	12.31.81	12.31.82	12.31.83	Estimated 12.31.84	Estimated 03.31.85	Estimated 06.30.85
I. <u>TOTAL FOREIGN DEBT (II+III)</u>	<u>15.542</u>	<u>17.153</u>	<u>17.431</u>	<u>18.946</u>	<u>18.950</u>	<u>18.812</u>
Public Sector	5.465	6.660	8.394	12.387	12.497	12.551
(Banco del Estado) 5)	(397)	(778)	(877)	(1.394)	(1.399)	(1.384)
(Central Bank)	(528)	(837)	(2.378)	(3.704)	(3.756)	(3.811)
(Private Sector with Public Guarantee)	(69)	(62)	(413)	(2.130) ⁷⁾	(2.062) ⁷⁾	(2.058) ⁷⁾
Private Sector	10.077	10.493	9.037	6.559	6.453	6.261
(Banks) 2)	(6.629)	(6.703)	(5.596)	(3.415)	(3.376)	(3.365)
(Others, Non Banks) 1)2)	(3.448)	(3.790)	(3.441)	(3.144)	(3.077)	(2.896)
II. <u>MEDIUM AND LONG TERM</u>						
<u>FOREIGN DEBT</u>	<u>12.553</u>	<u>13.815</u>	<u>14.832</u>	<u>17.032</u> 6)	<u>17.049</u> 6)	<u>16.935</u> 6)
Public Sector	4.415	5.157	6.689	10.645	10.736	10.820
(Banco del Estado)	(393)	(507)	(609)	(1.280)	(1.280)	(1.268)
(Central Bank)	(528)	(637)	(2.078)	(3.224)	(3.256)	(3.311)
(Private Sector with Public Guarantee)	(69)	(62)	(61)	(1.718) ⁷⁾	(1.718) ⁷⁾	(1.718) ⁷⁾
Private Sector	8.138	8.658	8.143	6.387	6.313	6.115
(Banks)	(4.690)	(4.971)	(4.795)	(3.315)	(3.306)	(3.295)
(Others, Non Banks)	(3.448)	(3.687)	(3.348)	(3.072)	(3.007)	(2.820)
III. <u>SHORT TERM FOREIGN DEBT</u>	<u>2.989</u>	<u>3.338</u>	<u>2.599</u>	<u>1.914</u>	<u>1.901</u>	<u>1.877</u>
Public Sector	1.050	1.503	1.705	1.742 4)	1.761 4)	1.731 4)
(Banco del Estado) 5)	(4)	(271)	(268)	(114)	(119)	(116)
(Central Bank)	(-)	(200)	(300)	(480)	(500)	(500)
(Private Sector with Public Guarantee)	(-)	(-)	(352) ⁸⁾	(412) ⁸⁾	(344) ⁸⁾	(340) ⁸⁾
Private Sector	1.939	1.835	894	172	140	146
(Banks) 2)	(1.939)	(1.732)	(801)	(100)	(70)	(70)
(Others, Non Banks) 1)2)	(-)	(103)	(93)	(72)	(70)	(76)
IV. <u>CENTRAL BANK WITH</u>						
<u>I.M.F.</u>	<u>49</u>	<u>6</u>	<u>606</u>	<u>781</u>	<u>788</u>	<u>794</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 at 30.03.84 and at 30.06.84 (The agreements become effective only six months after being signed).

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

5) Since 03.31.84 foreign debt corresponding to BHC and BUF are included in this item.

6) 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., 1.657.3 as of 03.31.85, and 1.659.3 as of 06.30.85)

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, 1982, Dec. 31, 1983 and Dec. 31, 1984
(millions of US\$)
(According to Principal Foreign Creditors)

	STOCKS (12.31.82)	STOCKS (12.31.83)	ESTIMATED STOCKS (12.31.84)
I - <u>PUBLIC SECTOR</u> (1)	<u>5.156.8</u>	<u>6.689.3</u>	<u>10.645.3</u>
1. <u>Multinational Organizations</u>	<u>444.4</u>	<u>645.1</u>	<u>935.4</u>
- Non Financial Public Sector	414.0	616.6	908.9
- Financial Public Sector	30.4	28.5	26.5
2. <u>Foreign Governments</u>	<u>769.5</u>	<u>789.5</u>	<u>748.9</u>
- Non Financial Public Sector	667.4	602.3	539.9
- Financial Public Sector	102.1	187.2	209.0
3. <u>Private Banks and Financial Institutions</u>	<u>3.403.4</u>	<u>4.864.4</u>	<u>8.543.8</u>
- Non Financial Public Sector	2.400.2	2.402.5	2.574.8
- Financial Public Sector	1.003.2	2.461.9	4.268.2
- Private Sector with Public Guarantee	-	-	1.700.8 (3)
4. <u>Foreign Suppliers</u>	<u>318.1</u>	<u>263.9</u>	<u>324.4</u>
- Non Financial Public Sector	315.8	262.6	324.4
- Financial Public Sector	2.3	1.3	-
5. <u>Nationalizations</u>	<u>75.1</u>	<u>40.4</u>	<u>19.4</u>
6. <u>Official Renegotiations</u>	<u>50.9</u>	<u>1.3</u>	<u>1.1</u>
7. <u>Renegotiation Special Agreements</u>	<u>8.8</u>	<u>3.4</u>	<u>1.1</u>
- Non Financial Public Sector	6.2	3.4	1.1
- Financial Public Sector	2.6	-	-
8. <u>Bonds</u>	<u>86.6</u>	<u>81.3</u>	<u>71.2</u>
II - <u>PRIVATE SECTOR</u>	<u>8.657.8</u>	<u>8.142.2</u>	<u>6.386.8</u>
1. <u>Banks and Financial Institutions</u>	<u>4.971.0</u>	<u>4.795.2</u>	<u>3.315.3</u>
- With Foreign Banks and Financial Institutions	4.811.0	4.635.2	3.175.3
- Bonds (C D's and FRN's)	160.0	160.0	140.0
2. <u>Non Banking Private Sector</u>	<u>3.686.8</u>	<u>3.347.0</u>	<u>3.071.5</u>
- With Foreign Banks and Financial Institutions	2.784.7	2.577.6	2.299.1
- With Other Creditors (2)	902.1	769.4	772.4(4)
III - <u>TOTAL</u> (I + II)	<u>13.814.6</u>	<u>14.831.5</u>	<u>17.032.1</u>
- With Foreign Banks and Financial Institutions	10.999.1	12.077.2	14.018.2
- With Other Creditors	2.815.5	2.754.3	3.013.9

(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 corresponding to Financial Institutions's rescheduling agreements 83/84

(4) Includes US\$9.6 MM with foreign Governments' institutions.

T A B L E N° 12

SCHEDULE OF AMORTIZATIONS OF MEDIUM AND LONG TERM EXTERNAL DEBT, AS OF 31.12.84
(millions of US\$)

ITEM	1985	1986	1987	1988	1989	1990
1. Public and Private Debt	2.293.0	2.774.4	2.360.6	1.674.6	1.086.3	459.7
2. Rescheduled Debt (Public and Financial Private Sector 1983-84)	-	-	-	998.5	998.5	998.5
3. New Money 1983 and 1984	-	-	199.8	399.5	456.2	482.2
 T O T A L	 2.293.0	 2.774.4	 2.560.4	 3.072.6	 2.541.0	 1.940.4

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

SECTOR	1 9 8 3					1 9 8 4					1 9 8 5				
	I	II	III	IV	TOTAL	I	II	III	IV	TOTAL % 84/83	I	II	III	IV	TOTAL*
Agriculture	-1.8	-6.9	1.6	-5.7	-3.6	10.4	12.1	3.8	-2.0	7.1	10.8	6.5			5.4
Fishing	5.7	17.9	-9.7	29.3	8.8	-1.5	15.5	20.5	12.5	11.5	26.6	-21.1			1.9
Mining	1.3	-10.7	-4.4	7.0	-1.9	8.0	11.0	1.1	-1.4	4.4	-2.9	-3.7			0.9
Industry	-4.5	5.7	3.7	7.4	3.1	10.9	9.7	10.2	8.5	9.8	2.8	-1.2			1.6
Elect., Gas and Water	2.8	4.0	5.2	5.3	4.4	8.1	8.4	5.1	6.4	7.0	3.7	-0.7			2.9
Construcction	-23.4	-2.4	4.3	5.0	-5.0	7.6	-0.7	-0.4	11.1	4.2	10.0	12.0			12.0
Commerce	-17.4	-6.7	0.4	12.6	-3.5	-0.2	6.3	9.7	4.0	5.0	4.9	0.4			2.3
Transport	-3.5	-4.3	0.6	1.6	-1.5	5.2	7.5	7.4	4.0	6.0	4.9	2.9			3.4
Others ^{2/}	-7.8	-1.6	3.8	5.8	-0.1	5.4	6.7	6.3	3.4	5.4	1.2	-2.3			-0.5
TOTAL G.D.P.	-8.0	-2.3	2.0	6.4	-0.7	6.4	7.9	6.8	4.3	6.3	3.4	-0.1			2.0

^{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**
Overall Household Consumption and Private Non-Profit Institutions	6.8	10.7	-12.1	-3.4	1.3
Overall Government Consumption Spending	-8.1	-3.1	-1.3	-0.6	1.5
Inventory Variation	-	-	-	-	-
Gross Composition of Fixed Capital	21.9	16.8	-33.9	-14.9	9.0
Exports of Goods and Services	14.3	-9.0	4.7	0.6	6.8
Minus: Imports of Goods and Services	18.7	15.7	-36.3	-15.1	16.5
Gross Domestic Product Spending	7.8	5.5	-14.1	-0.7	6.3

(*) 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.84</u>	<u>Apr./Jun.85</u>	<u>%</u>	<u>Apr./Jun.84</u>	<u>Apr./Jun.85</u>	<u>%</u>	<u>Apr./Jun.84</u>	<u>Apr./Jun.85</u>	<u>%</u>
<u>TOTAL</u>	<u>600,5</u>	<u>494,0</u>	<u>-17,7</u>	<u>3.109,8</u>	<u>3.346,6</u>	<u>7,6</u>	<u>3.710,3</u>	<u>3.840,6</u>	<u>3,5</u>
Agriculture	54,0	38,8	-28,1	463,8	499,9	7,8	517,8	538,7	4,0
Mining	5,9	5,0	-15,3	59,9	65,7	9,7	65,8	70,7	7,4
Industry	81,0	62,4	-23,0	422,6	453,7	7,4	503,6	516,1	2,5
Electricity, Gas and Water	3,4	1,5	-55,9	24,0	29,5	22,9	27,4	31,0	13,1
Construction	52,3	41,9	-19,9	111,5	126,9	13,8	163,8	168,8	3,1
Commerce	78,6	65,0	-17,3	578,5	621,5	7,4	657,1	686,5	4,5
Transport and Communications	37,0	26,5	-28,4	187,7	206,4	10,0	224,7	232,9	3,6
Financial Sectors	16,3	17,0	4,3	106,5	123,0	15,5	122,8	140,0	14,0
Other Services	144,5	122,9	-14,9	1.153,9	1.218,7	5,6	1.298,4	1.341,6	3,3
Unspecified Act.	0,3	0,4	33,3	1,4	1,3	-7,1	1,7	1,7	0,0
Seeking employment for the first time	127,2	112,6	-11,5	-	-	-	127,2	112,6	-11,5

SOURCE: National Bureau of Statistics.

T A B L E N° 14
PUBLIC FINANCE
(millions of 1976 US\$)

	1978	1979	1980	1981	1982	1983	1984*
<u>FISCAL SPENDING</u>	<u>2.787.6</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>
- Fiscal Spending Excluding Debt Service	2.369.7	2.449.8	2.794.1	3.373.3	3.289.5	3.164.0	3.357.2
<u>FISCAL REVENUES</u>	<u>2.688.4</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>FISCAL DEFICIT</u>	<u>99.2</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>
- Deficit/Fiscal Spending (%)	3.6	-7.2	-13.3	-6.7	8.2	13.2	13.9
- Deficit/Fiscal Spending Excluding Debt Service (%)	4.2	-8.5	-15.1	-7.1	8.8	14.5	15.6
- Social Spending/ Fiscal Spending Excluding Debt Service (%)	50.2	47.9	50.4	54.7	59.4	59.7	61.0
- Social Spending/Fiscal Spending (%)	42.7	40.5	44.6	51.3	55.3	54.2	54.4
- Fiscal Deficit/GNP (%)	0.8	-1.7	-3.1	-1.7	2.3	3.8	4.0

(*) Provisional

SOURCE: Dirección de Presupuesto, Ministerio de Hacienda

T A B L E N° 15

PUBLIC SECTOR FINANCIAL OPERATIONS, 1985, ESTIMATED
(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	769.729	354.327	217.386	263.287	1604.729	220.651	1384.079
Current Expenditures	745.485	191.926	164.159	149.242	1250.812	650	1250.162
Transfers	-	133.908	27.166	80.459	241.534	220.001	21.533
Current Account							
Surplus or (Deficit)	24.244	28.493	26.061	33.586	112.384		112.384
Capital Revenues	68.108	1.900	1.993	8.598	80.600	7.040	73.560
Capital Expenditures	150.683	25.642	34.864	47.112	258.301	7.040	251.261
Overall Surplus or (Deficit)	-58.330	4.751	-6.810	-4.929	-65.317	-	-65.317
Financing	58.330	-4.751	6.810	4.929	65.317		65.317
Net External	27.107	2.152	9.579	-949	37.889		37.889
- Borrowings	40.941	32.138	26.584	184.524	284.187		284.187
- Amortizations	-13.833	-29.986	-17.005	-185.473	-246.298		-246.298
Net Internal	31.223	-6.903	-2.769	5.878	27.428		27.428

SOURCE: Dirección de Presupuestos

T A B L E N° 15 - A

PUBLIC SECTOR, FINANCIAL OPERATIONS 1984 *

(Millions of Pesos)

ITEM	General Govern- ment	Public Enter- prises	CORFO Corpo- rations	CODELCO	Total Public Sector, Gross	Adjust- ments	Total Public Sector, Net
1. Current Revenues	542.919	235.717	161.260	167.554	1107.450	143.787	963.663
Current Expenditures	557.870	133.979	116.149	110.316	918.315	746	917.569
Transfers	-	85.176	17.031	54.679	156.886	142.133	14.753
Current Account							
Surplus or (Deficit)	-14.951	16.561	28.080	2.560	32.249	908	31.341
Capital Revenues	59.799	3.958	1.318	4.255	69.330	7.135	62.196
Capital Expenditures	98.185	15.829	34.224	26.775	175.013	8.043	166.970
Overall Surplus or (Deficit)	-53.338	4.690	-4.826	-19.960	-73.433		-73.433
Financing	53.338	-4.690	4.826	19.960	73.433		73.433
Net External	13.172	-4.993	21.671	17.154	47.005		47.005
- Borrowings	22.923	33.279	37.432	118.349	211.984		211.984
- Amortizations	-9.751	-38.272	-15.761	-101.195	-164.979		-164.979
Net Internal	40.165	302	-16.845	2.805	26.428		26.428

* Provisional.

SOURCE: Dirección de Presupuestos

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>									
Jan.	46.127	53.059	99.186	207.240	306.426	401.702	470.098	44.743	69.750
Feb.	48.906	53.153	102.059	219.533	321.592	418.691	483.874	42.615	72.618
Mar.	51.833	56.524	108.357	220.381	328.738	428.313	494.012	43.949	76.546
Apr.	52.670	58.784	111.454	214.426	325.540	430.534	495.405	41.711	77.470
May.	51.656	59.192	110.848	213.878	324.726	434.204	509.458	50.867	78.279
Jun.	51.291	59.453	110.744	218.988	329.732	441.384	511.972	45.002	76.542
Jul.	50.644	56.772	107.416	226.175	333.591	447.117	598.860	42.918	76.354
Aug.	48.985	56.766	105.751	235.189	340.940	454.509	526.909	44.062	74.758
Sep.	51.902	58.345	110.247	240.477	350.724	466.962	537.123	42.409	78.693
Oct.	49.347	54.936	104.283	249.929	354.212	470.140	541.272	45.565	75.646
Nov.	47.235	47.884	95.119	264.260	359.379	475.360	548.509	45.001	73.367
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	119.118	299.369	418.487	548.264	629.361	51.509	89.573
Mar.	61.790	61.769	123.558	307.872	431.430	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

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

** M3A = Private and Public Money and Quasimoney

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>L O A N S</u>	
	<u>Demand Dep.</u> (Mill. \$)	<u>Time Dep.</u>	<u>Demand Dep.</u> (Mill. US\$)	<u>Time Dep.</u>	<u>Local Curr.</u> (Mill. \$)	<u>Foreign Curr.</u> (Mill. US\$)
<u>1981</u>						
Dec.	146.460	288.564	183.7	189.9	449.666	6.694.0
<u>1982</u>						
Dec.	123.257	321.332	141.7	252.6	439.444	5.679.5
<u>1983</u>						
Jan.	130.642	301.891	133.8	236.6	439.602	5.561.9
Feb.	122.864	280.595	125.7	191.8	417.959	5.157.0
Mar.	122.717	275.263	139.7	169.2	439.286	5.060.1
Apr.	130.976	276.263	143.4	152.5	446.467	4.994.2
May.	137.275	271.870	130.1	157.8	455.383	4.969.9
Jun.	122.055	281.664	126.6	164.7	465.619	4.860.4
Jul.	124.818	287.112	115.6	164.3	472.262	4.718.1
Aug.	126.130	295.447	122.8	155.8	486.613	4.632.9
Sep.	126.446	305.416	130.9	167.2	485.748	4.438.0
Oct.	130.403	319.249	138.7	180.8	490.754	4.379.7
Nov.	132.942	334.231	139.0	186.5	491.714	4.186.2
Dec.	143.660	342.368	131.9	187.3	502.931	4.065.3
<u>1984</u>						
Jan.	146.041	354.100	129.1	184.9	514.980	3.980.8
Feb.	145.727	366.532	131.7	200.9	521.111	3.953.4
Mar.	155.787	370.323	138.0	215.2	525.240	3.914.7
Apr.	159.119	368.473	138.9	203.5	534.535	3.834.3
May	169.796	373.856	146.4	198.8	540.400	3.746.0
Jun.	158.328	386.603	158.9	191.3	534.689	3.577.2
Jul.	155.081	397.303	148.5	192.1	540.568	3.570.5
Aug.	154.224	405.632	149.4	201.5	549.284	3.576.2
Sep.	164.893	407.859	142.3	211.0	579.393	3.406.2
Oct.	164.294	414.130	139.7	220.9	605.672	3.333.5
Nov.	156.539	433.180	149.6	215.7	638.027	3.213.2
Dec.	171.916	448.963	142.9	203.2	706.686	2.874.7
<u>1985</u>						
Jan.	194.437	465.144	145.4	217.6	778.053	2.873.1
Feb.	183.735	486.013	141.0	234.5	807.303	2.766.0
Mar.	191.616	498.663	150.6	245.9	835.837	2.702.0
Apr.	192.414	518.751	151.9	271.7	882.764	2.592.4
May.	208.784	542.921	153.6	293.5	898.927	2.430.3
Jun.	212.908	565.274	149.3	308.5	918.482	2.442.5

SOURCE: Banco Central de Chile

Includes deposits and loans to private and public sector.

T A B L E N° 17

WAGES AND SALARIES INDEX, 1977 - 1985

(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
<u>1984</u>				
Jan.	123.34	22.2	100.13	0.9
Feb.	124.01	23.1	100.83	2.0
Mar.	124.71	22.4	98.90	0.8
Apr.	127.11	23.1	99.32	2.9
May	128.19	21.2	98.97	1.4
Jun.	129.22	20.6	98.51	1.2
Jul.	129.91	18.1	98.17	0.1
Aug.	131.49	18.2	99.12	2.7
Sep.	131.47	17.5	96.30	1.4
Oct.	133.60	17.4	90.45	-4.0
Nov.	137.05	18.7	91.72	-2.8
Dec.	139.58	18.3	92.16	-3.8
<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

(*)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>						
Jan.	1.58	1.48	2.35	2.25	1.43	1.33
Feb.	1.15	1.35	2.12	2.32	0.94	1.14
Mar.	0.93	-1.53	1.70	-0.78	0.72	-1.78
Apr.	1.27	-0.22	2.18	0.67	1.22	-0.28
May	1.41	0.21	2.23	1.03	1.37	0.17
Jun.	1.40	0.10	2.12	0.81	1.33	0.03
Jul.	1.47	0.56	2.11	1.21	1.42	0.52
Aug.	1.43	1.13	2.01	1.71	1.36	1.06
Sep.	1.19	-1.66	2.12	-0.76	1.38	-1.48
Oct.	3.29	-4.54	3.98	-3.90	2.82	-4.97
Nov.	5.62	4.37	5.30	4.05	3.94	2.71
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

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

2/ Discount rate on "Pagares 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>			
Jan.	87.82	87.81	73.16
Feb.	88.12	88.10	73.52
Mar.	88.20	88.18	73.56
Apr.	88.55	88.65	73.92
May	90.19	90.20	75.51
Jun.	91.13	91.14	76.61
Jul.	91.89	91.90	77.56
Aug.	92.69	92.62	78.49
Sep.	100.94	102.82	79.08
Oct.	116.39	115.82	79.87
Nov.	119.58	119.05	83.17
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

SOURCE: Banco Central de Chile

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>				
Jan.	9.985.46	-0.4 ^{1/}	296.96	0.1 ^{1/}
Feb.	10.164.00	1.8	296.49	-0.2
Mar.	10.453.78	2.9	304.01	2.5
Apr.	10.593.95	1.3	308.55	1.5
May	10.858.23	2.5	312.25	1.2
Jun.	10.992.63	1.2	316.22	1.3
Jul.	11.160.38	1.5	319.01	0.9
Aug.	11.269.10	1.0	319.82	0.3
Sep.	12.114.17	7.5	329.14	2.9
Oct.	13.064.22	7.8	356.09	8.2
Nov.	13.513.72	3.4	360.23	1.2
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

1/ Monthly variations

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

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

At.: 31.06.85

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	95.5	92.2	99.7	51.7	17.0	59.3	66.5
2. <u>Past due Loans</u> (Cart.Ven.) Capital	63.7	92.4	27.8	15.0	10.7	6.4	39.9
3. <u>Debt</u> Capital	15.5	16.9	14.2	6.7	9.6	7.6	12.1
4. <u>Loans Sold to Central Bank</u> Capital	373.3	518.0	192.2	26.1	0.0	124.1	208.4
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	4.3	6.2	1.9	2.9	1.5	0.8	3.7
2. <u>Loans Loss Res.</u> (Prov.) Total Loans	7.1	8.3	5.7	5.6	14.4	3.1	8.1
3. <u>Loans Sold to Central Bank</u> Total Loans	25.0	34.6	12.9	5.1	0.0	16.3	19.1
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	6.8	5.3	8.6	12.2	10.8	4.1	8.1
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	17.7	14.5	21.5	38.8	21.5	63.1	21.1
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	45.7	48.3	42.6	35.9	47.4	1.7	44.5
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin.Inv.	0.3	0.2	0.4	0.6	0.1	1.0	0.3
2. <u>Remuneration Expenses</u> Total Loans and Fin.Inv.	0.5	0.4	0.6	0.9	0.8	1.4	0.6
3. <u>Fixed Expenses</u> Operating Profits	135.4	160.3	91.5	58.6	89.9	78.4	111.6
E - INCOME							
1. <u>Net Profits</u> Capital	(3.8)	(7.1)	0.2	12.9	5.0	5.0	1.7
2. <u>Net Prof-Other net Inc.</u> Capital	(50.0)	(86.2)	(4.8)	8.7	1.5	0.9	(25.0)
3. <u>Net Profits</u> Total Assets	(0.1)	(0.2)	0.0	0.7	0.3	0.5	0.1

SOURCE: Superintendencia de Bancos e Instituciones Financieras

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

At.: 31.03.85

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	96.9	88.9	106.7	51.2	20.0	58.5	68.1
2. <u>Past due Loans</u> (Cart.Ven.) Capital	154.3	258.2	26.3	13.6	12.5	11.9	89.5
3. <u>Debt</u> Capital	16.1	18.3	14.0	6.3	9.6	7.6	12.3
4. <u>Loans Sold to Central Bank</u> Capital	166.7	156.5	179.3	28.9	0.0	71.6	97.1
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	11.0	18.8	1.8	2.8	1.8	1.6	8.6
2. <u>Loans Loss Res.(Prov.)</u> Total Loans	9.1	13.1	4.4	4.9	15.8	2.7	9.8
3. <u>Loans Sold to Central Bank</u> Total Loans	11.9	11.4	12.4	5.9	0.0	9.6	9.3
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	6.6	4.9	8.8	13.7	11.0	3.6	8.1
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	15.9	12.8	20.0	35.3	21.8	64.2	19.5
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	44.5	45.9	42.7	35.3	48.9	1.9	44.0
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin.Inv.	0.2	0.1	0.2	0.3	0.1	0.6	0.2
2. <u>Remuneration Expenses</u> Total Loans and Fin.Inv.	0.3	0.2	0.3	0.5	0.4	0.7	0.3
3. <u>Fixed Expenses</u> Operating Profits	427.1	(2.517.7)	83.9	48.5	83.4	84.0	171.9
E - INCOME							
1. <u>Net Profits</u> Capital	(30.1)	(53.5)	(1.2)	8.8	2.5	1.7	(14.0)
2. <u>Net Prof-Other net Inc.</u> Capital	(33.3)	(58.3)	(2.5)	7.7	1.5	(0.4)	(16.3)
3. <u>Net Profits</u> Total Assets	(1.0)	(1.8)	(0.0)	0.5	0.1	0.2	(0.6)

SOURCE: Superintendencia de Bancos e Instituciones Financieras

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

At.: 31.12.84

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	102.6	96.9	109.7	57.5	19.1	59.5	72.5
2. <u>Past due Loans</u> (Cart.Ven.) Capital	142.1	236.3	24.3	16.3	12.8	10.6	84.7
3. <u>Debt</u> Capital	16.8	18.1	15.4	7.6	9.2	8.1	12.9
4. <u>Loans Sold to Central Bank</u> Capital	170.4	158.2	185.6	35.0	0.0	76.6	101.6
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	10.2	17.4	1.7	2.9	1.9	1.4	8.1
2. <u>Loans Loss Res.(Prov.)</u> Total Loans	8.8	12.5	4.4	4.7	13.3	2.7	9.1
3. <u>Loans Sold to Central Bank</u> Total Loans	12.2	11.6	12.9	6.3	0.0	10.2	9.7
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	8.1	6.8	9.8	14.4	13.1	6.0	9.6
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	14.8	11.3	19.3	34.5	22.3	63.0	18.7
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	43.5	44.7	42.1	34.5	46.9	2.6	42.8
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin.Inv.	0.6	0.4	0.8	1.1	0.2	2.0	0.6
2. <u>Remuneration Expenses</u> Total Loans and Fin.Inv.	1.0	0.8	1.3	1.9	1.7	2.7	1.3
3. <u>Fixed Expenses</u> Operating Profits	493.2	(1.311.7)	108.2	57.5	95.3	88.3	198.1
E - INCOME							
1. <u>Net Profits</u> Capital	(79.1)	(142.7)	(0.3)	17.6	9.7	0.9	(38.3)
2. <u>Net Prof-Other net Inc.</u> Capital	(99.3)	(165.2)	(16.9)	11.4	5.9	(10.9)	(51.7)
3. <u>Net Profits</u> Total Assets	(2.6)	(4.9)	(0.0)	1.0	0.6	0.1	(1.6)

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	<u>Net Profits Before</u> <u>Taxes and Financial</u> <u>Costs</u>	<u>Net Profits Before Taxes,</u> <u>Financial Costs and</u> <u>Inflation Adjustment</u>
	(%)	(%)	(%)	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
Mar. 83	-36.92	-5.19	-2.60	-1.15	-0.99
Jun. 83	-11.96	-4.63	-2.31	0.58	0.92
Sep. 83	-5.33	-3.05	-1.55	1.93	2.23
Dec. 83	-3.79	-2.91	-1.51	2.66	3.57
Mar. 84	0.70	0.14	0.08	1.06	1.28
Jun. 84	5.27	1.92	1.01	3.08	3.23
Sep. 84	-0.18	-0.10	-0.05	3.20	4.56
Dec. 84	1.93	1.45	0.73	5.41	6.79
Mar. 85	1.19	0.23	0.11	1.24	1.86

SOURCE: Superintendencia de Valores y Seguros

NOTE : Figures for Jun. 1985 not - available.

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	18.53	67.63
Dec. 81	1.25	0.84	17.14	62.56
Dec. 82	1.10	0.85	14.99	54.71
Mar. 83	0.99	0.75	60.61	53.94
Jun. 83	0.89	0.60	24.58	44.24
Sep. 83	0.89	0.61	15.90	43.41
Dec. 83	0.99	0.69	11.65	42.54
Mar. 84	1.34	0.88	47.32	43.18
Jun. 84	1.08	0.71	22.86	41.73
Sep. 84	1.01	0.68	16.43	44.98
Dec. 84	1.02	0.70	12.36	45.11
Mar. 85	1.00	0.70	48.39	44.16

NOTE: Figures for Jun. 1985 not - available.

T A B L E N° 22 - C

CORPORATE SECTOR FINANCIAL INDICATORS: INDEBTEDNESS

DATE	Total Debt/Capital	$\frac{\text{Total Debt}}{\text{Total Assets}}$ (%)	$\frac{\text{Long Term Debt}}{\text{Capital}}$ (%)
Dec. 80	0.60	37.62	28.65
Dec. 81	0.68	40.65	36.71
Dec. 82	1.00	49.88	68.55
Mar. 83	0.99	49.86	66.34
Jun. 83	1.01	50.13	60.17
Sep. 83	0.97	49.29	59.57
Dec. 83	0.93	48.25	59.02
Mar. 84	0.88	46.90	58.44
Jun. 84	0.90	47.37	59.69
Sep. 84	1.02	50.50	65.75
Dec. 84	0.99	49.86	62.67
Mar. 85	1.05	51.32	65.17

NOTE: Figures for Jun. 1985 not - available.

CRONOLOGY OF THE MAIN ECONOMIC MEASURES
ADOPTED DURING APRIL, MAY and JUNE, 1985

APRIL

- 18 It is extended till July 31, 1985, the term to carry out foreign currency sales on a repurchase agreement, proceeding from credits in dollars admitted on authority of Chapter XIV of the International Exchange Norms Summary.
- 12 It has been determined the current interest rate in force as of this date until May 10, for banks and financial corporations.
- 26 It is established a tariff surtax of 5% on Custom House values on the following items and for a period of 180 days:
- Domestic refrigerators, including items provided with freezer and preservation departments;
 - Floor polishers, also those combined with vacuum cleaners;
 - Blenders of one or several velocities;
 - Merchandise included on tariff positions 73.25.01.01 and 73.25.89.00.
- 26 The Line of Credit for Inexpensive Housing Construction is modified:
- The maximum amount of credit to be granted in this respect is extended to 1.8 million Development Units.

MAY

- 09 All social insurance pensions are readjusted at a percentage equivalent to variations accumulated in the Consumer Price Index observed during November and December, 1984.
- Likewise, the automatic readjustment of pension system is suspended during 1985, granting on January 1, 1986, a readjustment for the equivalent amount of Consumer Price Index variations cumulated at that time as of the date of readjustment that is now being granted.

- It is established that persons collecting unemployment subsidy shall earn working days not lower than 30 hours a week to fulfill those duties that the mayor of the respective town shall allot them.

At the same time, the amount of unemployment subsidy is modified, being set up to following table:

i) First 90 days:	\$ 6.000 a month
ii) Between 91 and 180 days	\$ 4.000 a month
iii) Between 181 and 360 days	\$ 3.000 a month.

- The additional tax imposed on luxury articles is raised from 30% to 50%. Moreover, other items are added to the luxury list: caviar, fireworks, rifles air guns, excepting those employed in underwater hunting and missiles and ammunitions.

Taxes on manufactured tobacco are raised from 26% to 46% and taxes on whisky raised from 50% to 70%.

- As of 1986 all income tax allowances on family expenses are suppressed.
- The country's town councils are authorized, during 1985, transferences to town councils located in earthquake or catastrophic zones, the resources disposed by the President of the Republic and to grant gifts in kind to injured communities.

11 It is determined the current interest that will prevail as of this date up to June 12.

14 It is decided to grant authority on delegate liquidators to accelerate the settlement process before proceeding to the corresponding transference to the Central Bank. At the same time, the Central Bank is authorized to acquire assets through assumption of liabilities of banks subjected to provisional administration, in the case their liquidation is finally decided or when it be resolved, with the approval of the Superintendency of Banks, their merger with another banking or financial enterprise.

It is determined that creditors of the aforementioned entities shall have access to the system of reprogramming of debts.

15 The Central Bank is authorized to act as agent of the State and on its account to place promisory notes issued by the Treasury General of the Republic.

15 Natural or juridical persons, residents or non residents in this country, are authorized to operate without access to the currency market, the purchase of certificates, stated and payable in foreign currency when they fulfill the following conditions:

- a) Documents have to constitute proof that there exists an obligation payable abroad with original or postponed maturity terms are above 365 days; and
- b) Titles have been undersigned on their capacity of direct creditor by the State, by the Central Bank, by "public sector entities" or by banking enterprises or financial corporations authorized to operate in the country.

Neither the State, Central Bank and public sector entities shall have capacity to acquire securities of Foreign Debt, with the exception of CORFO.

The purchase of securities can only be undertaken with the exclusive object of:

- a) Sell them, immediately, in cash and in Chilean currency, to CORFO or to banking entities or financial concerns, authorized to operate in the country in foreign currency who consent to their purchase.

The price obtained by these sales will be allotted entirely and simultaneously with the sale to the payment of debts whether of the State itself or of third persons, extant as of December 31, 1984, with the persons indicated in the paragraph above, or to acquire specific assets owned by those same persons.

- b) Their transference, entire and simultaneously, in payment of debts or assets, when the mentioned entities consent to the operation.
- c) To collect the security and to allot the proceeds, simultaneously, to any of the objectives indicated in the second paragraph of letter a).

The operations above mentioned may only be performed through one of the banking enterprises authorized to transact in foreign exchange in the country.

The Foreign Debt titles, object of the restructure 1983-1984 and those corresponding to credits in "new money" of those same years may not be acquired, accepted as payment or as advance payment by none of their debtors.

Investments with Titles of the Foreign Debt

The Foreign Debt Titles commented above, may be purchased with the object of carrying out investments in Chile, as long as they comply to the following conditions:

- Investors have to be juridical or natural persons, Chilean or foreign, resident and domiciled abroad.
- They be concerned to certificates of Foreign Debt with the registered existence of an obligation payable abroad and a maturity term above one year.
- They should not be concerned to Foreign Debt certificates that have been subject to restructuration during 1983 and 1984, nor those derived from "credit agreements for US\$ 1.300 million and US\$ 780 millions" subscribed by the Central Bank in those same years ("new money")
- That the certificates where the said obligations are registered have been subscribed by the State in its capacity of direct debtor, by the Central Bank, by "public sector entities" or by banking enterprises or financial corporations authorized to operate in the country.

- That the bearer of the title and the corresponding debtor agree to modify the currency in which to pay the document, in order that it may be made in pesos -chilean currency- and may as well be expressed for this purpose the obligation in Developing Units according to the current exchange rate; and
- That the debtor give up access to the foreign currency market to which he has a right owing to said obligation.

Investments can only be made with resources provided in Chilean currency originated from payments made by the debtor of the securities or, with the proceeds of the sale in cash of securities that the holder may make to the authorized banking enterprises or financial corporations.

The interested investors will first require the permit issued by the Central Bank who, when granting it, will specify the time limit to fulfill the investment and, will allow access to the foreign exchange market for remittance abroad of his capital and net profits the investments yielded.

Principal may not be transferred before a lapse of ten years, numbered as from the date the investment has been executed and its profits may not be remitted before a lapse of four years has passed, numbered as from the same date. These profits may be remitted as from the fifth year, in installments that should not exceed 25% of said net gains. Profits obtained as from the fifth year can be remitted without restraint.

27 Regulations concerning purchase of portfolios to financial institutions are modified, being added the following requirements:

- The ceding institutions may request on the dates of the respective maturities access to the differential established in Agreement 1466-03 for those discounts agreed upon, specified or readjustable in foreign currency, included in the ceded portfolio, holding right to such differential, provided they refer to credits considered irretrievable by the Superintendence of Banks and Financial institutions.

- Financial institutions may substitute ceded credits, agreed upon, specified or readjustable in foreign currency for new credits in Chilean currency, granted to the same debtor, which shall continue to be sold to the Central Bank of Chile.
- The institutions who have sold credits in agreement with Agreement 1555-07 and its alterations, may acquire from the Central Bank of Chile "Certificates of Deposit specified in dollars of the United States of America", up to the amount of the portion of the ceded portfolio, that remains sold.

The financial institutions shall assign to the purchase of these certificates the "Preferential dollar Promisory Notes" and the "Promisory Notes Expressed in Development Units".

JUNE

- 13 It is determined the current interest rate that will prevail between this date and July 12th.
- 19 The maximum value of the titles of debt payable, specified or readjustable in foreign currency, denominated "Acquisition of Foreign Debt Titles" may not exceed 10% of the capital paid and reserves of the corresponding institution.

The maximum value of titles of debt specified or readjustable in foreign currency that banking enterprises and financial societies maintain in their hands in the capacity of investment denominated "Investment with Foreign Debt Titles" may not exceed beyond 30% of the paid capital and reserves of the respective financial institution.

- 25 It is determined that financial institutions may cede to other financial institutions reprogrammed portfolios according to the chapters "Complementary System of Debt Reprogramming", "Reprogramming System of the Productive Sector" and "Reprogramming System of N° 1581-91 Agreement of Consumer Credits" provided all the established regulations are fulfilled.

- 28 The State of Chile grants its guarantee for the maximum outstanding amount at any moment of US\$ 2.500.000.000, or its equivalent in other foreign currency, plus interests and commissions, for the obligations derived from short term financing in foreign currency, granted by foreign financial institutions to the entities mentioned in Article 2, letter a) of Law N° 18.233, between July 1st, 1985 and December 31, 1985.
- 29 It is reduced to 20% the ad valorem duty on merchandise figuring in the present schedule of custom duties with and ad valorem duty of 30%.
- 29 Amortizations of foreign credits contracted by persons and/or enterprises of the Non Financial Chilean Private Sector whose maturities occur as of June 30, 1985, are postponed for a term not lower than 180 days.
- 29 The Chilean peso is devaluated with relation to the dollar by 8,4%, thus, the new rate of exchange of the United States of America dollar shall be \$ 168.90.