

"QUARTERLY ECONOMIC AND FINANCIAL REPORT OF CHILE"

DECEMBER, 1987

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The Annual Performance of the Economy: General Overview

Economic Growth

The Chilean economy's GDP grew by 5.7 percent in 1987, thus reaching a level of output which is 3.8% higher than the one in 1981, the latter having been the previous peak observed in real output. The leading productive activities in this recovery process have been those whose production is, related to the exportable sector: mining activities, a share of the Industrial Sector, Agriculture and Fishing. Altogether, the GDP for these five sectors represent 38% of the economy's total GDP in 1987; in 1981, such share was 36 percent. Among these sectors, the persistent recovery experienced by the Industrial Sector since 1983 has been remarkable. In 1987, the GDP for the Manufacturing Industry grew by 5.5%, yielding a level of output in this activity which is 3.1 percent above its pre-depression one (1981).

Those activities whose production is typically oriented towards the domestic market, showed an important growth in 1987: Construction (10.6%), Transportation and Communication Services (10.1%) and Wholesale and Retail Trade (7.5%).

Aggregate Demand

Gross capital formation experienced a growth rate of 16.3 percent in 1987. This real growth in investment doubles the corresponding rate for last year. As a result, the economy ended 1987 with a share of gross domestic investment in total GDP of 16.9%, which is 2.3 percentage points above the one for last year.

Preliminary estimates regarding the distribution of investment between the private and public sectors yield the following growth rates for 1987:

30% for the private sector, and 3% for the public sector. Such growth in private investment has been financed with both domestic and foreign sources of funds. The bulk of these investment projects are taking place in activities oriented towards the world market. Such behavior in private capital accumulation in some sense underlies the above mentioned growth pattern in exportable activities.

Private consumption, on the other hand, has grown at an annual rate of approximately 1.6% during 1983-1986, a rate roughly similar to the population growth rate. Given the significant reduction in per capita consumption during the recession (1982-83), this variable still lags its pre-recession levels. During the last two years, however, real private expenditure in consumption has grown at rates near 5 per cent, which are the highest ones observed after the recession. In 1987 private consumption grew 4.8% according to preliminary estimates. Overall, this variable is showing a smooth upward trend, aiming at recuperating the per capita levels prevailing at the beginning of the current decade. The speed of this recovery process has been in some sense constrained by the requirement of substituting foreign saving by domestic saving, as a corollary of the foreign debt crisis.

Government expenditure in consumption continued the decreasing pattern observed since 1985. During 1987, it decreased by 2.1%. Such behavior is consistent with both a persistent reduction in the overall deficit of the Public Sector, and a change in the composition of real government expenditures, against consumption expenditures and towards real investment. Such fiscal policy behavior responds, on the one hand, to the overall constraints agreed with the IMF for the Public Sector's deficit, and, on the other, to the need to supplement private sector's saving in order to reach total domestic saving rates compatible with the economy's foreign resources constraint and with policy growth targets for the economy.

The Public Sector's consolidated deficit, as a share of total GDP, has declined from 4.4% in 1984, to 1.9% in 1986 and 0.8% for 1987. Among the elements that contributed to the latter reduction -aside from the before mentioned decline in government consumption- it is possible to mention the increase in the government's real tax revenues due to the significant rise in imports during 1987, and the higher operational surplus of Codelco (Chile's main copper corporation, state-owned), driven by the higher world prices of copper, particularly during the last quarter of 1987.

Inflation and Real Wages

The domestic inflation rate, as measured by the percent rise in the CPI, was 21.5% in 1987. Such figure, although similar to the average annual inflation rates that have prevailed for the last five years in Chile, was somewhat higher than the one for last year (17.4%), as well as in terms of ex-ante policy projections for this variable. There were, however, some exogenous elements that contributed to this higher than expected inflation rate. Among them, it is possible to mention the following:

- a) the rise in the world price of petroleum (last year, the price declined);
- b) the devaluation of the US dollar in the world financial markets, which further pushed upwards the cost of some Chilean imports; and
- c) abnormal weather conditions in major agricultural zones within the country, which reduced the supply of foodproducts.

Also the indexation rule followed by Chile's exchange rate policy makes harder to achieve quick reductions in inflation rates, since it feeds back into the firms' production costs and thereby into prices of final goods. Thus, independently of current monetary policy considerations, current inflation

rates are affected by past inflation rates, through the exchange rate indexation mechanism. Such exchange rate policy, however, is regarded as a necessary tool for stimulating the profitability of exportable activities vis a vis activities oriented towards the domestic market. The latter is, of course, consistent with the Structural Adjustment program being applied.

During 1986, real wages increased by 2 percent, whereas in 1987 a slight reduction in real wages was observed. The latter is basically due to the higher inflation rates that prevailed during 1987.

Balance of Payments

The Chilean economy's overall balance of payments yielded a satisfactory result for 1987, albeit the unexpected high increase in real imports throughout the year. The following summarizes the key target and actual figures:

<u>Objectives for 1987</u>	<u>Actual figures for 1987</u>
Balance of Trade + US\$ 955 millions	+ US\$ 1,229 millions
Current Account - US\$ 950 millions	- US\$ 811 millions

Accordingly, the balance of payments objectives, compatible with the Macroeconomic Program agreed with the I.M.F., were fulfilled. Overall, the Chilean economy ended 1987 with a Balance of Payments surplus of US\$45 millions, which allowed to satisfy the previously established target on the Central Bank's international reserves. The stock of international reserves in 1987 yields a figure (approximately 2 billion dollars) which is roughly equivalent to six months of imports.

Exports in 1987 grew by 24.4%, reaching a level slightly above 5.2 billion dollars (Table 6). This result was determined to an important

extent by the significant increase in the world price of copper during the last quarter of the year, when it reached an average level of approximately a dollar per pound. It is important to mention that a policy decision has been taken regarding the utilization of extra foreign governmental resources due to unexpected (and transitory) increases in the world price of copper. Specifically, a rule has been established, according to which a share of the extra foreign resources generated via copper exports, are going to be saved using them as a "buffer stock", increasing the Central Bank's international reserves.

It is also worth mentioning the increase observed in non-copper exports during 1987: 22.4 percent. Both prices and production increases underly such expansion in non-copper exports: the former increased by 9.9 percent, whereas the latter did so in 11.4 percent. This tendency to diversify exportable production towards non-mining activities, which has been developing during the last years, is related to the strategy of structural adjustment of the Chilean economy promoted by the economic policy. Among the economic incentives that help understand this structural change in production within the Chilean economy, is the persistent increase in the relative price of exportables in terms of nontraded goods, as enhanced by both the exchange rate policy rule and the behavior of world prices of exportables.

Imports (fob value) in 1987 grew by 28.9%, reaching a level of approximately 4 billion dollars. The bulk of such rise in imports corresponds to quantum rather than to price increases. These real increments in imports may be decomposed into the following growth rates:

- a) capital goods: 38.9
- b) intermediates: 16.3
- c) consumption goods: 12.9

Out of these three categories, capital goods outstand in terms of real growth. Underlying these imports of capital goods are some specific investment projects undertaken by the private sector.

It is important to note that, leaving aside investment in construction (the bulk of which is mainly related to a single sector of the economy), most of the economy's fixed capital investment (traditionally, between 75% and 85% in Chile) corresponds to imported capital goods. Typically, these capital goods are not locally produced. Hence, a necessary ingredient for a persistent growth path in the Chilean economy, is precisely the fact that imports of capital goods (and some imported intermediates, technologically interrelated with such capital goods) ought to grow steadily - although not necessarily at the same rates observed for 1987. In this sense, here is a crucial linkage between the Chilean economy's current foreign resources (balance of payments) constraint and its feasible sustained growth rates attainable.

Foreign Debt

We next present some summarized data regarding the evolution of the Chilean economy's annual stock of foreign debt, since 1983 on.

The Behavior of Foreign Debt in Chile

(in millions of US dollars)

	<u>Medium and Long Term</u>	<u>Short Term</u>	<u>Total Debt</u>
1983	14,832	2,599	17,431
1984	16,963	1,914	18,877
1985	17,650	1,668	19,318
1986	17,814	1,574	19,388
1987	17,191	1,908	19,099

Note: These figures exclude Chilean liabilities with the IMF and some short term trade related (exports and imports) debt (basically, liabilities of the non-financial private sector).

According to these figures, the Chilean economy ended 1987 with a total foreign debt of approximately 19 billion dollars.

The outstanding element in 1987 is the behavior of medium and long term debt. In fact, and preceded by a steady increase in that debt, a reduction was observed for 1987: the stock fell by approximately 620 million dollars. Underlying such decrease -which represents 3.5% of medium term debt- are the different mechanisms of foreign debt conversions, related to the operations pursuant to Chapters XVIII and XIX of the Chilean Foreign Exchange Law. The reduction in the stock of medium and long term debt could have been much more than 620 million dollars, if one considers that two elements contributed to raise such stock: the net flow of new loans (744 million dollars) and the effect of the devaluation of the US dollar relative to other major currencies (which contributed to increase in 530 million dollars such dollar denominated stock of debt).

Also, an increase of 330 million dollars was observed in short-term debt. This essentially reflects the use of short-term credit lines by the Central Bank in order to offset a temporary shortfall in bank financing, which -as agreed in 1987- is going to take the form of interest relief during 1988 because of the retiming of interest payments. These short term credits are going to be paid in 1988 out of this long term financing.

The foreign interest rates, relevant for the Chilean foreign debt, increased during 1987. Thus, the average LIBOR (six-month-term) rose from an annual average of 6.7% in 1986 to 7.3% in 1987. Albeit such rise in foreign interest rates (80% of medium-long term debt is stated at floating interest rates, approximately), the reduction in the stock led to lower interest payments, as can be seen in the following table.

Interest Payments on Total Chilean Foreign Debt

	I N T E R E S T P A Y M E N T S			AS A SHARE OF EXPORTS		
	(millions of US dollars)			OF GOODS AND SERVICES (X)		
				(Percentages)		
	On Short Term Debt*	On Medium and Long Term Debt	On Total Debt*	(1)/X	(2)/X	(3)/X
	(1)	(2)	(3)			
1983	455	1,346	1,801	9.6	28.3	37.9
1984	392	1,766	2,158	8.4	37.8	46.2
1985	321	1,622	1,943	6.9	34.9	41.8
1986	319	1,621	1,940	6.0	30.5	36.5
1987	277	1,387	1,664	4.2	21.2	25.4

(*) Includes Chilean debt with the IMF

Both the reduction in interest payments and the increase in exports of goods and services in 1987, meant a significant reduction in the share of interest payments on medium and long term foreign debt, in terms of the economy's total exports of goods and services: from 30.5% on 1986 to 21.2% on 1987. As can be appreciated in the above table, interest payments on short term debt declined too.

Overall, a slight reduction in the total stock of foreign debt (equivalent to 1.5% of such stock) was obtained in 1987. Such decline may be decomposed into a decrease in medium term debt and a simultaneous increase in short term debt which did not entirely offset the former.

When expressed in terms of the Chilean economy's exports of goods and services, the before mentioned figures on the stock of medium and long term debt, yield a reduction from a level of 3.35 on 1986 to 2.63 for 1987.

Money and Interest Rates

We next present a brief description for the overall behavior of the monetary base in Chile, during the last two years.

Quarterly Nominal Flows of the Monetary Base: Main Sources and Uses

(billions, Chilean pesos)

	1 9 8 6				1 9 8 7			
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
<u>TOTAL</u>	<u>11,2</u>	<u>7,0</u>	<u>9,6</u>	<u>13,4</u>	<u>4,7</u>	<u>8,3</u>	<u>2,3</u>	<u>20,8</u>
A. <u>Sources</u>								
1. Foreign Exchange Operations	-52,0	45,9	66,7	33,5	18,4	24,9	113,4	181,8
2. Domestic Credit	63,2	-38,9	-57,1	-20,1	-13,7	-16,6	-111,1	-161,0
B. <u>Uses</u>								
1. Currency Outstanding	8,2	1,0	5,8	11,4	4,1	1,7	2,3	11,7
2. Banks' Reserves	3,0	6,0	3,8	2,0	0,6	6,6	0,0	9,1
<u>MEMO:</u>								
(1) Real Average Stock of Base Money (in pesos of December, 1978)	24,6	25,5	25,7	26,4	27,4	27,3	26,7	26,7
(2) Growth Rate of (1) (preceding quarter)	8.0%	3.8%	0.6%	2.8%	3.8%	-0.3%	-2.3%	0.2%

The above table allows us to establish two main broad features that have characterized the behavior of the monetary base during the last two years. On the one hand, total real growth in base money has been quite reduced throughout the period. Such pattern has been particularly pronounced during 1987. Second, in terms of the composition of the flow of monetary base, the Central Bank's foreign exchange operations have represented the expansionary source, whereas domestic credit has been acting as the contractionary medium.

Quarterly Real Growth Rates in Monetary Aggregates

(based on average stocks; figures are percentages
in terms of preceding quarter)

	1 9 8 6				1 9 8 7			
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
M ₁ A	11.9	4.0	3.4	3.7	7.3	-3.5	-4.5	-1.3
M ₂ A	3.3	-1.6	4.1	1.8	6.1	3.2	1.2	4.7
M ₃	3.2	2.0	3.8	2.2	4.3	3.1	1.7	3.6

Notes:

M₁A = Currency outstanding plus private sector's non-interest bearing bank deposits

M₂A = M₁A plus private sector's time deposits

M₃ = M₁A plus total interest bearing private bank deposits.

The data above display two main features. First, during 1987, real M₁A has shown a declining trend. Such pattern coincides with a similar one (although less pronounced) in real high power money. Second -and possibly interrelated- more broadly defined private monetary aggregates (such as M₂A and M₃) showed real growth rates during 1987, higher (on average) than those for M₁A, a scenario which was not observed the previous year.

Since the annual average inflation rate did not change much during these two years (19.5% in 1986 versus 19.7% in 1987), and neither did the economy's growth rate (5.7% for both 1986 and 1987), the behavior of interest rates may represent one of the elements that contributed to the before mentioned path of private monetary aggregates.

Quarterly Behavior of Interest Rates in Chile

(%)

	1 9 8 6				1 9 8 7			
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
A. <u>Deposit Rates</u>								
A.1 Nominal monthly rate, 30-89 days term	1.69	1.37	1.17	1.61	1.91	1.93	1.58	2.15
A.2 Real (indexed) rate, 90-365 days term	5.47	4.33	3.43	3.30	3.61	4.12	4.44	4.81
B. <u>Loan Rates</u>								
B.1 Nominal monthly rate, 30-89 days term	2.30	1.89	1.67	2.00	2.29	2.46	2.06	2.70
B.2 Real (indexed) rate, 90-365 days term	8.70	7.94	7.32	6.81	6.84	7.02	7.39	7.79

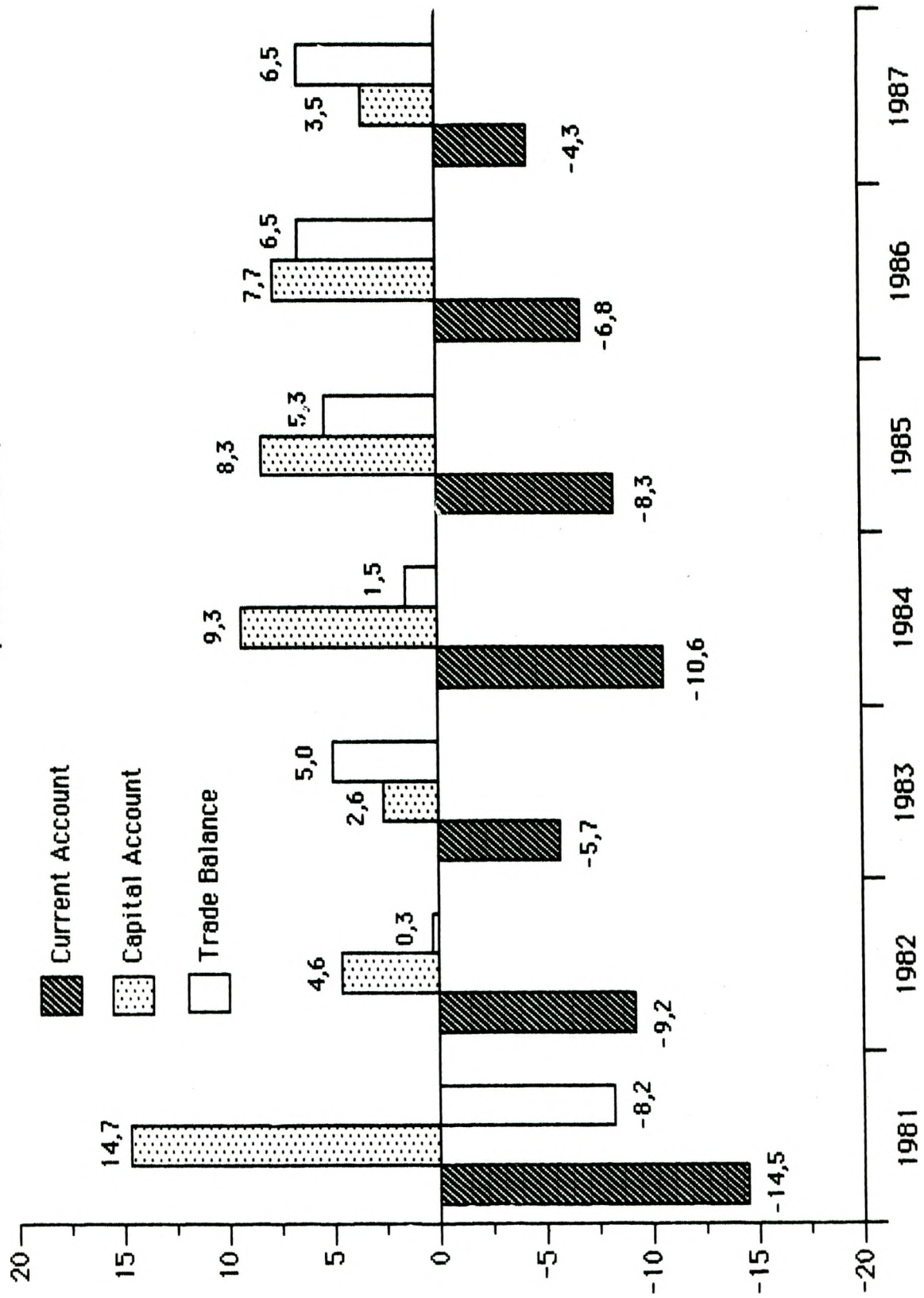
Notes:

- Quarterly figures are based on weighted average monthly rates for all financial intermediaries.
- Real (indexed) interest rates are stated on a per year basis, and represent an annual spread over and above the inflation rate.

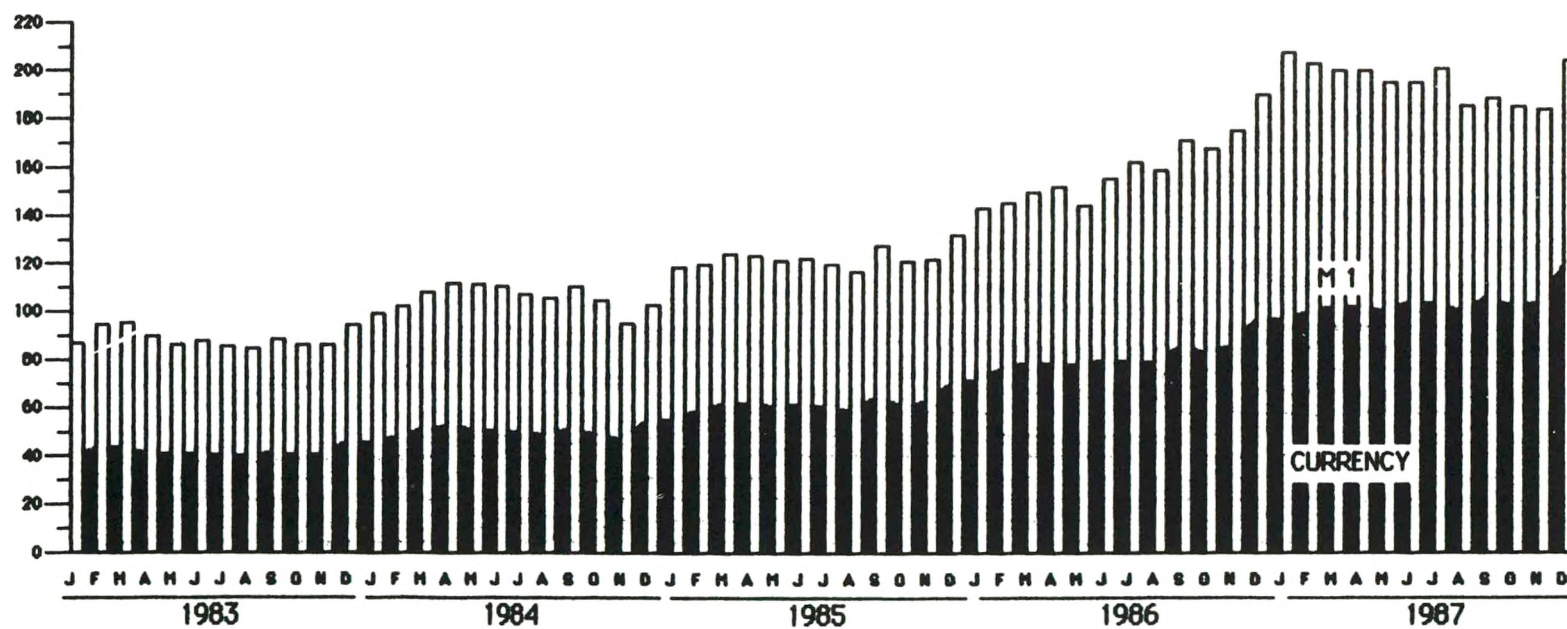
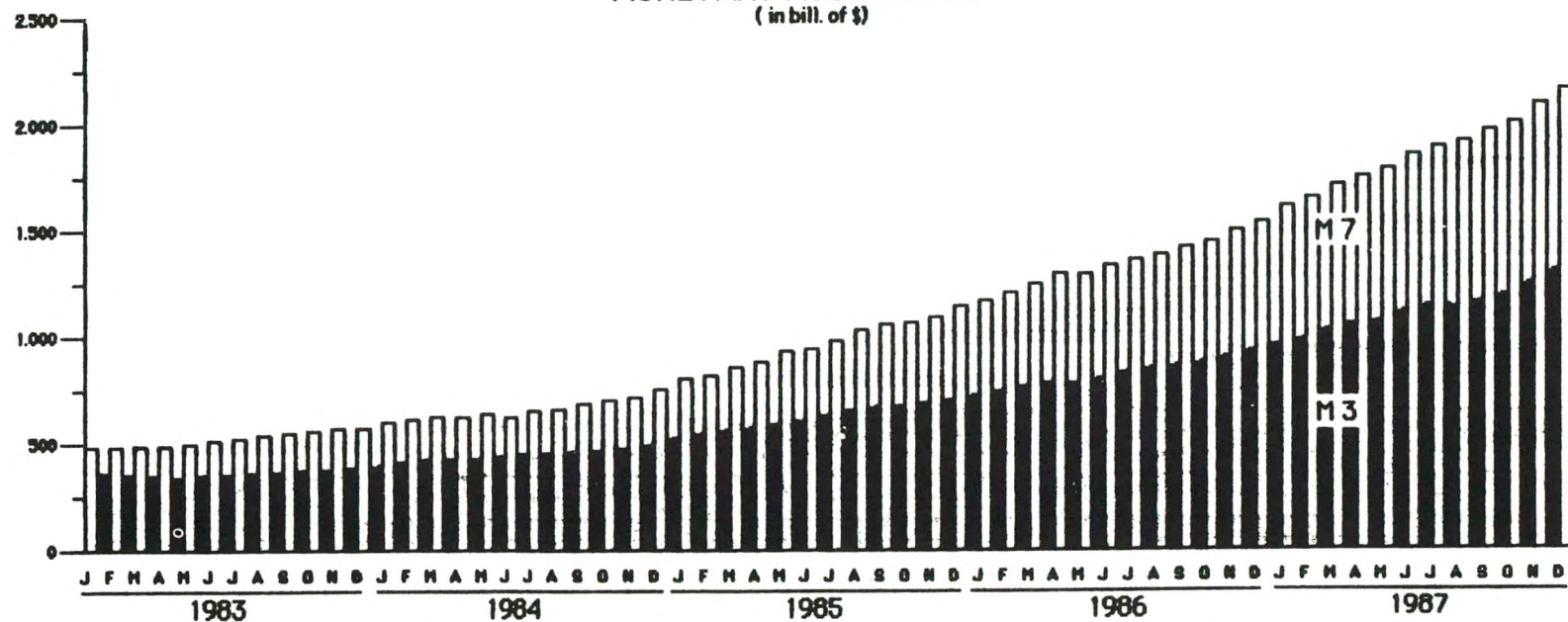
As can be inferred from these data on interest rates, deposit rates -both nominal and real- were, on average, higher during 1987 than for 1986. Thus, it may be the case that a shift on private sector's real demand for monetary assets, towards interest bearing deposits and against M₁A, is underlying the before mentioned path observed in real private monetary aggregates throughout the last two years.

BALANCE OF PAYMENTS

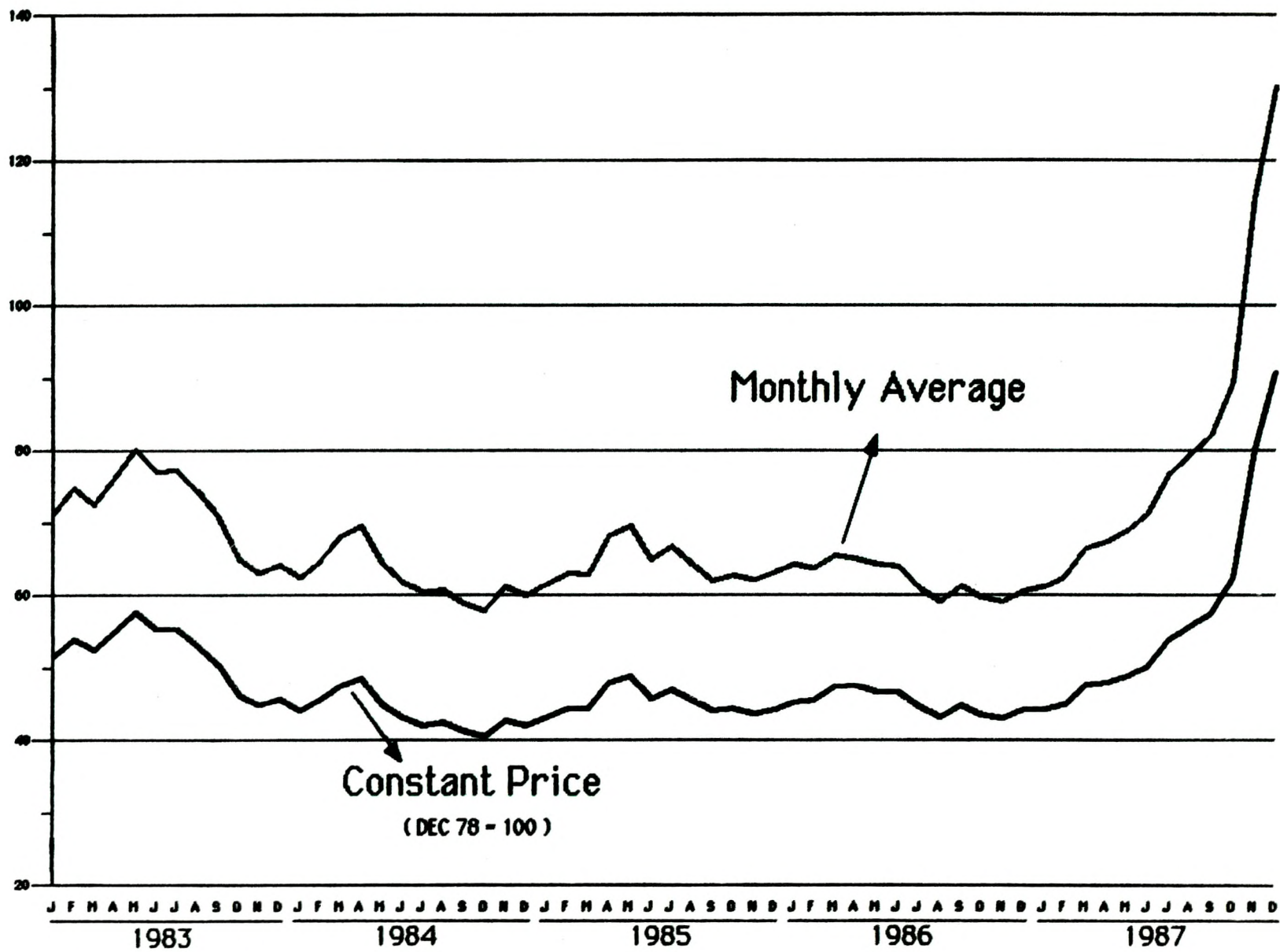
(AS % OF GDP)



MONETARY AGGREGATES (in bill. of \$)

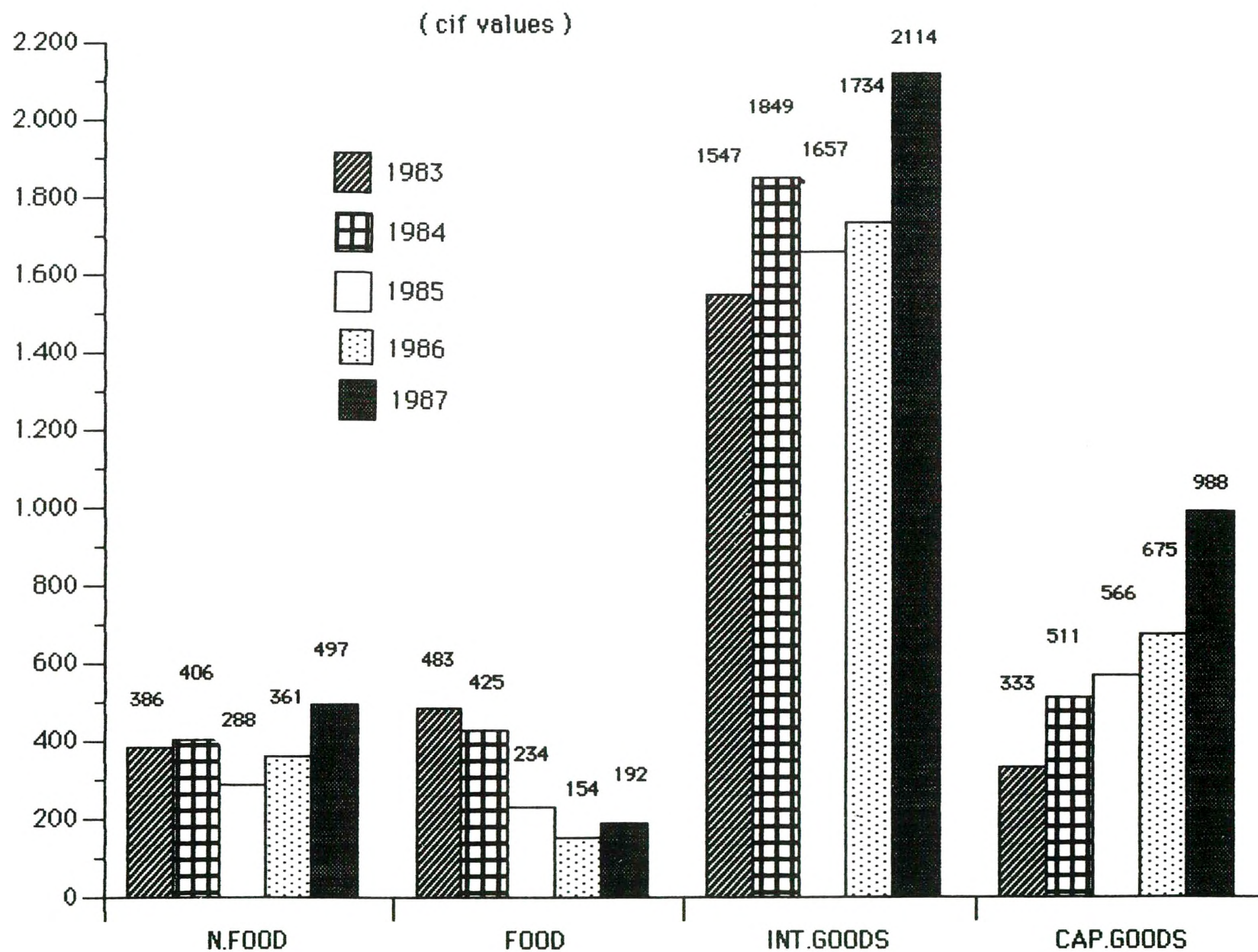


COPPER PRICE

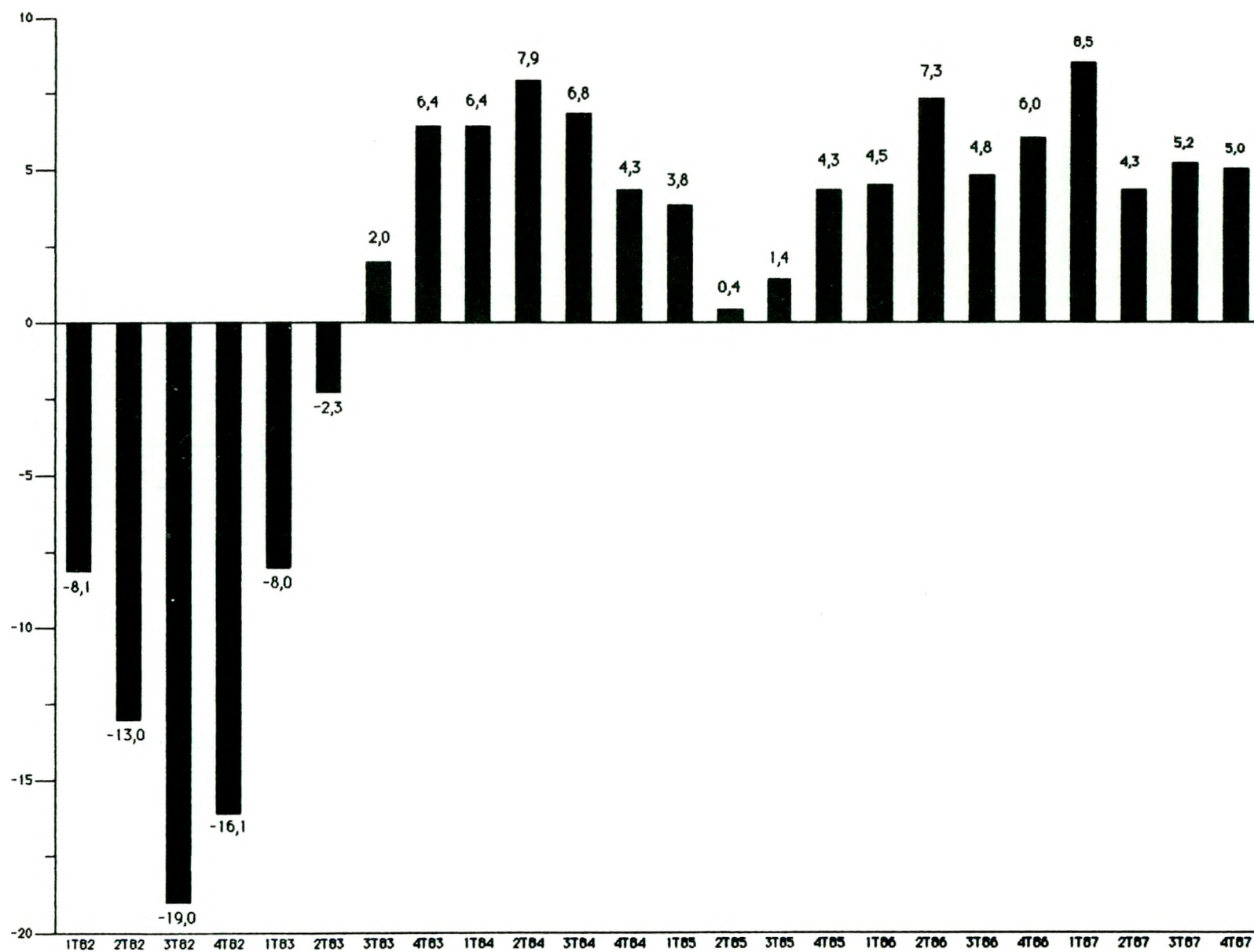


COMPOSITION OF IMPORTS 1983 - 1987

16

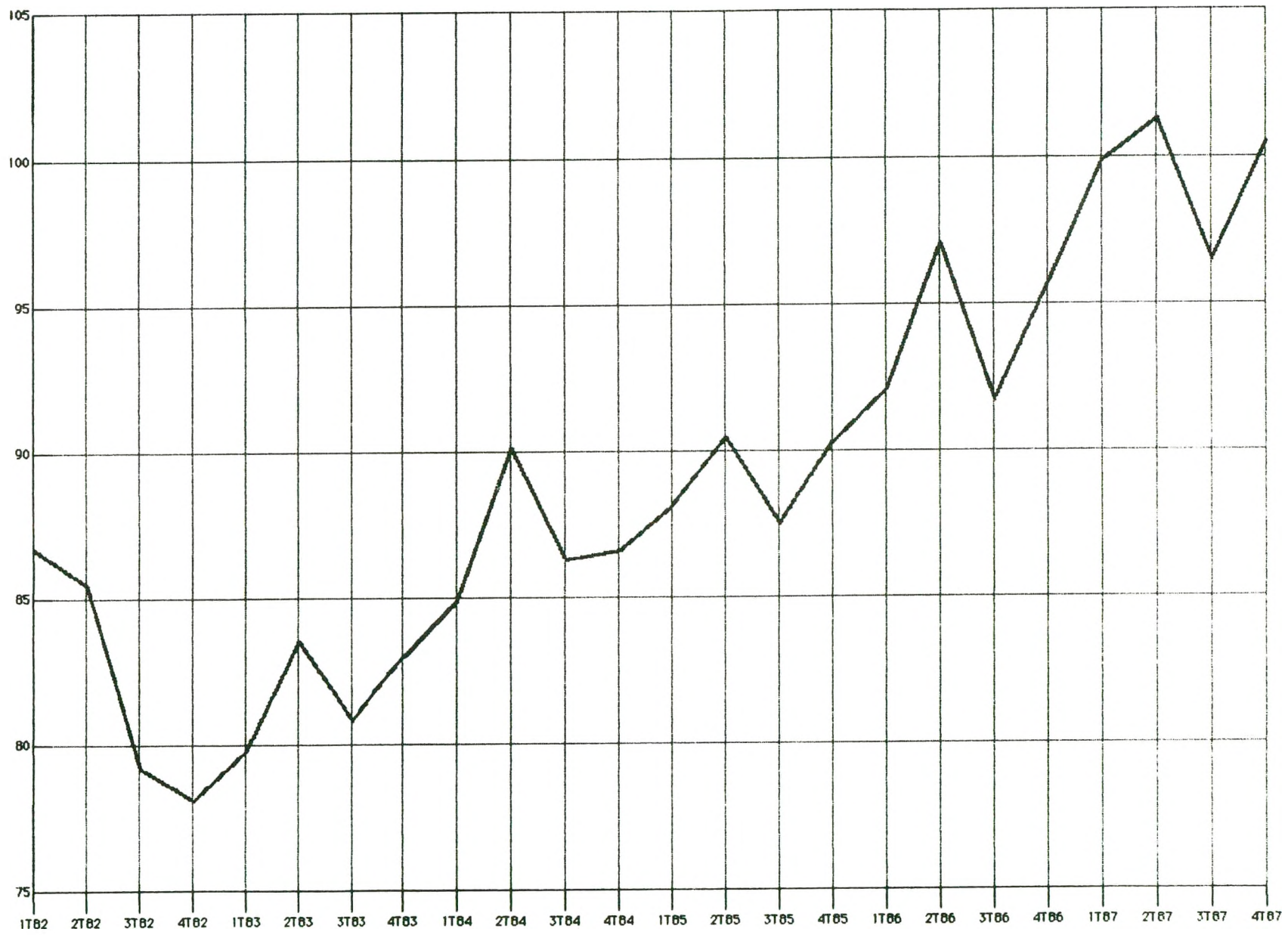


% CHANGE G.D.P 1982 - 1987



GROSS DOMESTIC PRODUCT 1982 - 1987

\$ 1977



T A B L E N o . 1

CENTRAL BANK MONETARY PROGRAM: TARGETS AND PERFORMANCE 1987

(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. 86	Mar. 87	Jun. 87	Sep. 87	Dec. 87	Dec. 86	Mar. 87	Jun. 87	Sep. 87	Dec. 87
1. <u>NET INTERNATIONAL RESERVES</u>	<u>253.95</u>	<u>202.32</u>	<u>232.97</u>	<u>192.94</u>	<u>237.12</u>	<u>231.65</u>	<u>173.67</u>	<u>211.63</u>	<u>157.62</u>	<u>198.90</u>
(in mill. US\$)	(1,238.8)	(977.4)	(1,104.1)	(869.1)	(1,053.87)	(1,130.0)	(839.0)	(1,003.0)	(710.0)	(884.0)
2. <u>NET DOMESTIC ASSETS</u>	<u>713.27</u>	<u>791.29</u>	<u>802.10</u>	<u>884.21</u>	<u>915.90</u>	<u>730.0</u>	<u>824.0</u>	<u>828.0</u>	<u>923.0</u>	<u>951.0</u>
3. <u>FOREIGN MEDIUM AND LONG TERM LIABILITIES</u>	<u>849.60</u>	<u>877.78</u>	<u>915.61</u>	<u>961.12</u>	<u>1,007.85</u>					
(in mill. US\$)	(4,144.4)	(4,240.48)	(4,339.3)	(4,329.4)	(4,479.33)					
4. <u>LIABILITIES TO PRIVATE SECTOR</u>	<u>117.61</u>	<u>115.83</u>	<u>119.46</u>	<u>116.03</u>	<u>145.17</u>					
Rate of Exchange (peso/dollar)	205.0	207.0	211.0	222.0	225.0	205.0	207.0	211.0	222.0	225.0

Note: Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing during 1986, and to those prevailing on Dec. 86 during 1987.

Source: Banco Central de Chile.

T A B L E No. 2

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

	Dec.86	Mar.87	Jun.87	Sep.87	Dec.87
I. <u>INTERNATIONAL RESERVES</u> (millions of US\$)					
1. Actual	1,238.8	977.4	1,104.1	869.1	1,053.9
2. Target	1,130.0	839.0	1,003.0	710.0	884.0
3. Differences (1-2)	108.8	138.4	101.1	159.1	169.9
II. <u>NET DOMESTIC ASSETS</u> (millions of Chilean \$)					
1. Actual	713.27	791.29	802.10	884.21	915.90
2. Target	730.00	824.00	828.00	923.00	951.00
3. Differences (1-2)	-16.73	-32.71	-25.91	-38.79	-35.10
III. <u>NEW MEDIUM TERM LOANS FROM INTERNATIONAL BANKS</u> (millions of US\$)	193.0 ^{4/}	0.0	100.0 ^{5/}	0.0	125.0 ^{5/}
IV. <u>RATE OF EXCHANGE</u> (peso/dollar)	205.0	207.0	211.0	222.0	225.0

Note: Exchange rates between U.S. dollar and other foreign currencies correspond to the ones prevailing on Dec. 1985 during 1986, and the ones prevailing on Dec. 1986 during 1987.

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

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

3/ Includes 47.1 million dollars from International Banks and 35.8 million dollars from World Bank Cofinancing and SAL Program during the third quarter.

4/ Includes 44.6 million dollars from International Banks and 148.4 million dollars from World Bank Cofinancing and SAL Program during the fourth quarter.

5/ Includes 100.0 million dollars from World Bank SAL Program during the second quarter and 125.0 million dollars during the fourth quarter.

Source: Banco Central de Chile.

T A B L E No. 3

CENTRAL BANK : NET INTERNATIONAL RESERVES 1986

(millions of US\$ end of month)

	Sep.86	Dec.86	Mar.87	Jun.87	Sep.87	Dec.87
<u>NET INTERNATIONAL RESERVES</u>	<u>996.1</u>	<u>1,238.8</u>	<u>977.4</u>	<u>1,104.1</u>	<u>869.1</u>	<u>1,053.9</u>
1. <u>Assets</u>	<u>2,226.2</u>	<u>2,617.4</u>	<u>2,465.7</u>	<u>2,627.3</u>	<u>2,372.1</u>	<u>2,801.3</u>
Gold	75.1	76.3	75.8	76.4	76.7	76.8
SDR'S	1.8	0.8	1.2	0.4	0.4	35.1
I.M.F. Reserve Position	0.0	-2.2	0.0	0.0	0.0	0.0
Foreign Exchange Assets	2,042.5	2,270.3	2,172.3	2,393.3	2,203.8	2,364.8
CCR	106.8	272.2	216.4	157.2	91.3	324.7
2. <u>Liabilities</u>	<u>1,230.1</u>	<u>1,378.6</u>	<u>1,488.3</u>	<u>1,523.1</u>	<u>1,503.1</u>	<u>1,747.5</u>
To I.M.F.	1,182.3	1,192.5	1,320.3	1,323.4	1,292.4	1,259.7
CCR	47.8	186.1	168.0	119.7	60.6	262.8
Short Term Deposits	0.0	0.0	0.0	80.0	150.0	225.0
Bridge Loan	0.0	0.0	0.0	0.0	0.0	0.0
Others (1)	0.0	0.0	0.0	0.0	0.0	0.0

Note: 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 during 1986, and ones prevailing on Dec. 1986 during 1987.

(1) Provision for payments to Paris Club.

Source: Banco Central de Chile.

T A B L E No. 4

NET INDEBTEDNESS OF THE NON-FINANCIAL PUBLIC SECTOR

(billions of Chilean pesos)

	Mar.86	Jun.86	Sep.86	Dec.86	Mar.87	Jun.87	Sep.87
1. Debt to the Domestic Financial System	173.99	163.48	176.87	150.64	164.97	126.49	128.21
2. Outstanding stock of financial instruments issued by the nonfinancial public sector and held by the nonfinancial private sector	108.12	111.32	103.14	107.46	108.14	116.45	101.44
3. Adjustments for Corfo-Indap	-2.26	-2.68	-2.43	-3.85	-0.71	0.63	1.23
4. Other Adjustments	-80.82	-83.49	-78.15	-80.30	-81.25	-74.60	-65.88
5. Domestic Debt (1+2+3+4)	199.03	188.63	199.43	173.95	191.15	168.97	165.00
6. Foreign Debt	1,141.31	1,188.66	1,251.54	1,335.76	1,391.38	1,433.62	1,520.35
7. Total Debt (5+6)	1,340.34	1,377.29	1,450.97	1,509.71	1,582.53	1,602.59	1,685.35
8. Public Sector Deficit	13.32	20.74	52.78	62.06	23.41	13.64	12.61
<u>TARGET</u>	<u>23.20</u>	<u>44.30</u>	<u>59.30</u>	<u>67.57</u>	<u>23.80</u>	<u>32.50</u>	<u>59.00</u>
(Rate of exchange)	(187)	(192)	(198)	(205)	(207)	(211)	(222)

Note: Provisional figures.

T A B L E No. 4-A

SHORT-TERM EXTERNAL INDEBTEDNESS OF THE NONFINANCIAL PUBLIC SECTOR AND BANCO DEL ESTADO

(In millions of US\$)

	Jun. 86	Sep. 86	Dec. 86	Mar. 87	Jun. 87	Sep. 87	Dec. 87
A) SHORT-TERM EXTERNAL DEBT OF THE NONFINANCIAL PUBLIC SECTOR	717.8	777.8	794.6	837.1	799.8	792.8	801.4
B) NET INTERNATIONAL RESERVES OF THE BANCO DEL ESTADO	-3.3	-30.4	-105.9	-38.3	-73.1	-40.2	-9.9
- Assets	20.5	13.1	10.8	9.0	12.6	48.6	17.2
- Liabilities	23.8	43.5	116.7	47.3	85.7	88.8	27.1
C) TOTAL	<u>721.1</u>	<u>808.2</u>	<u>900.5</u>	<u>875.4</u>	<u>872.9</u>	<u>833.0</u>	<u>811.3</u>
<u>TARGET</u>	<u>940.0</u>	<u>1,010.0</u>	<u>990.0</u>	<u>1,055.0</u>	<u>1,055.0</u>	<u>1,055.0</u>	<u>1,055.0</u>

Source: Banco Central de Chile.

T A B L E No. 5

CONTRACTING AND GUARANTEEING OF MEDIUM-AND LONG-TERM FOREIGN DEBT BY THE PUBLIC SECTOR

(In millions of US\$)

	Jun.86	Sep.86	Dec.86	Mar.87	Jun.87	Sep.87	Dec.87
1. CONTRACTING AND GUARANTEEING							
More than 1 and up to 5 years	16.7	20.6	33.3	7.9	8.8	30.0	41.5
More than 1 and up to 10 years	29.5	36.5	101.9	21.0	482.2 1/	03.6 1/	515.8 1/
2. REFINANCING AND RESCHEDULING							
<u>TARGETS</u>							
1. CONTRACTING AND GUARANTEEING							
More than 1 and up to 5 years	200.0	200.0	200.0	190.0	190.0	190.0	190.0
More than 1 and up to 10 years	500.0	500.0	500.0	600.0	1,200.0	1,200.0	1,200.0
2. REFINANCING AND RESCHEDULING	170.0	170.0	170.0	0.0	26.6 2/	26.6 2/	88.7 2/

1/ It includes remitting for US\$ 447 millions.

2/ Club of Paris. It corresponds to the effective agreements signed with the countries.

Source: Banco Central de Chile.

T A B L E No. 6

CHILE: BALANCE OF PAYMENTS 1986-1987

(Millions of US\$)

	1986 <u>1/</u>	1987 <u>1/</u>
<u>CURRENT ACCOUNT</u>	<u>-1,136.7</u>	<u>-811.0</u>
Trade Balance	1,099.7	1,229.4
Exports	4,198.8	5,223.7
-Copper	(1,757.1)	(2,234.7)
-Others	(2,441.7)	(2,989.0)
Imports	-3,099.1	-3,994.3
Non Financial Services <u>2/</u>	-433.6	-456.8
Financial Services	-1,887.3	-1,699.4
Transfers	84.5	115.8
<u>CAPITAL ACCOUNT</u>	<u>1,290.3</u>	<u>671.6</u>
Foreign Investment <u>3/</u>	319.3	923.5
Amortization Payments <u>4/</u>	-431.3	-310.2
Extraordinary Amortizations <u>5/</u>	-287.2	-826.1
MLT Disbursements	573.4	830.4
Official and Multilateral Organizations	(232.2)	(310.9)
Suppliers' Credits	(282.9)	(450.4)
- To Public Sector	[129.3]	[142.9]
- To Private Sector	[153.6]	[307.5]
Other	(58.3)	(69.1)
Net Flows of Short-Term Capital <u>6/</u>	470.8	-170.1
Use of Trade Lines	(241.9)	(139.3)
Other Trade Related Flows	(119.9)	(-99.1)
Net Change in Assets, valuation adjustments, errors and omissions <u>7/</u>	(109.0)	(-210.3)
Financial Program	645.3	224.1
New Money from banks	(370.3)	(0.0)
IBRD-SAL	(275.0)	(224.1)
<u>CHANGE IN NET INTERNATIONAL RESERVES <u>8/</u></u>	<u>153.6</u>	<u>-139.4</u>

1/ Provisional.2/ Includes reported fees paid to agents by exporters, and estimated fees received by residents for services performed in connection with imports.3/ Includes investment with external debt notes and capitalization of loans through Chapter XIX and D.L. 600, which were US\$ 261.9 million in 1986, and which were US\$ 826.0 million in 1987.4/ Amortization payments after the 1985-1987 rescheduling of bank and Paris Club debt.5/ Considers repayment of loans arising from debt to equity swaps through D.L.600, Chapter XIX, and others. Figures omit Chapter XVIII6/ Excludes short-term loans to the Central Bank, which are subtracted from reserves.7/ Includes counterparts to extraordinary amortizations arising from debt to equity swaps through portfolio swaps. (US\$ 25.3 million in 1986, and US\$ 0.1 million in 1987).8/ Definition of Net International Reserves used in IMF program.

Source: Banco Central de Chile

T A B L E No. 6-A

FINANCIAL SERVICES

(Millions of US\$)

	1986 <u>1/</u>	1987 <u>1/</u>
1. <u>INTEREST PAYMENTS</u>	<u>-1,940.0</u>	<u>-1,664.3</u>
Medium and Long-Term	-1,645.7	-1,387.4
I.M.F.	-94.4	-97.2
Short-Term	-199.9	-179.7
2. <u>INTEREST RECEIPTS</u>	<u>220.6</u>	<u>178.0</u>
Medium and Long-Term	3.6	1.4
Short-Term	217.0	176.6
Central Bank	(201.3)	(151.6)
3. <u>PROFITS AND DIVIDENDS</u>	<u>-167.9</u>	<u>-213.1</u>
<u>NET FINANCIAL SERVICES (1-2+3)</u>	<u>-1,887.3</u>	<u>-1,699.4</u>

1/ Provisional.

T A B L E No. 6-B

IMPORTS, 1986 - 1987

(Millions of US\$)

	1986 <u>1/</u>	1987 <u>1/</u>
I. <u>NON FOOD CONSUMER GOODS</u>	360.7	497.2
A - Medical & Pharmaceutical	40.3	50.2
B - Tools	29.7	38.2
C - Industrialized non-food products	258.3	323.6
D - Automobiles	32.4	85.2
II. <u>FOODSTUFFS</u>	154.4	191.5
A - <u>Consumer Goods</u>	55.7	81.3
- Agricultural	(10.7)	(13.0)
- Industrialized food products	(45.0)	(68.3)
B - <u>Intermediate Goods</u>	98.7	110.2
- Agricultural-foodstuffs	(42.1)	(39.5)
- Industrial origin raw materials (edible)	(56.6)	(70.7)
III. <u>INTERMEDIATE GOODS</u>	1,734.3	2,113.7
A - <u>Raw Materials</u>	573.3	713.7
- Agricultural origin-raw materials (non-edibles)	(37.5)	(44.4)
- Industrial origin-raw materials (non-edibles)	(535.8)	(669.3)
B - <u>Equipment-spares and Intermediate Products</u>	768.4	944.0
- Intermediate Industrial Goods	(471.2)	(576.3)
- Machinery & Equipment-spare Parts	(238.1)	(278.3)
- Parts for Assembly of Vehicles	(59.1)	(89.4)
C - <u>Fuels & Lubricants</u>	392.6	456.0
- Crude Petroleum	(276.2)	(374.8)
- Other	(116.4)	(81.2)
IV. <u>TOTAL CURRENT GOODS</u>	2,249.4	2,802.4
V. <u>CAPITAL GOODS</u>	675.0	986.7
A - Machinery & Equipment	518.3	718.3
B - Transportation Equipment	154.4	264.7
C - Other Capital Goods	2.3	3.7
VI. <u>SUB TOTAL</u>	2,924.4	3,789.1
<u>Other Imports</u>	511.9	607.2
VII. <u>TOTAL C.I.F.</u>	3,436.3	4,396.3
VIII. <u>TOTAL F.O.B.</u>	3,099.1	3,994.3

1/ Provisional

Source: Banco Central de Chile.

T A B L E No. 6-C

VOLUME AND VALUE OF EXPORTS: 1986-1987, BY PRINCIPAL PRODUCTS

(Millions of US\$)

PRODUCTS	UNITS	1 9 8 6 1/			1 9 8 7 1/		
		VOLUME	PRICE	VALUE	VOLUME	PRICE	VALUE
Copper	MT	1,369,260	1,283.2	1,757.1	1,368,200	1,633.3	2,234.7
Iron Ore Pellets	MT	2,818,000	23.4	65.9	3,626,000	22.3	80.9
Iron Ore	MT	1,833,000	12.3	22.6	1,758,000	11.4	20.0
Sodium Nitrate	MT	359,180	100.2	36.0	299,800	114.4	34.3
Potassium Nitrate	MT	108,220	160.8	17.4	94,000	161.7	15.2
Iodine	MT	3,042	12,853.4	39.1	3,102	15,893.0	49.3
Fishmeal	MT	1,090,000	289.1	315.1	1,109,900	326.7	362.6
Sawed wood	M3	832,800	76.4	63.6	983,700	86.9	85.5
Pinewood	M3	1,023,100	33.9	34.7	1,270,100	39.4	50.1
Crude Cellulose	MT	281,000	291.5	81.9	232,100	437.3	101.5
White Cellulose	MT	284,200	389.5	110.7	295,000	553.9	163.4
Molybdenum Oxide & Iron Molibdenum	MT	20,720	6,472.0	134.1	20,200	6,712.9	135.6
SUB TOTAL				2,678.2			3,333.1
Others				1,520.6			1,890.6
TOTAL				4,198.8			5,223.7

1/ Provisional figures.

Source: Banco Central de Chile.

TABLE N° 7

CHILE: BALANCE OF PAYMENTS BY QUARTERS 1987 ^{1/}

(Millions of US\$)

	I	II	III	IV	YEAR
CURRENT ACCOUNT	-476.4	-99.5	-375.6	140.5	-811.0
1. Trade Balance	184.1	337.1	234.7	473.5	1,229.4
Exports	1,124.4	1,282.8	1,307.1	1,509.4	5,223.7
- Copper	(396.2)	(469.2)	(561.4)	(807.9)	(2,234.7)
- Others	(728.2)	(813.6)	(745.7)	(701.5)	(2,989.0)
Imports	-940.3	-945.7	-1,072.4	-1,035.9	-3,994.3
2. Non Financial Services ^{2/}	-111.7	-155.8	-107.9	-81.4	-456.8
3. Financial Services	-568.9	-320.3	-526.2	-284.0	-1,699.4
4. Transfers	20.1	39.5	23.8	32.4	115.8
CAPITAL ACCOUNT	260.5	226.2	140.6	44.3	671.6
1. Foreign Investment ^{3/}	245.2	182.4	103.0	392.9	923.5
2. Amortization Payments ^{4/}	-77.8	-68.4	-81.9	-82.1	-310.2
3. Extraordinary Amortizations ^{5/}	-209.6	-137.7	-82.8	-396.0	-826.1
4. MLT Disbursements	190.8	155.8	211.2	272.6	830.4
Official and Multilateral Organizations	(50.4)	(47.0)	(95.8)	(117.7)	(310.9)
Suppliers' Credits	(112.7)	(94.2)	(101.8)	(141.7)	(450.4)
- To Public Sector	[34.1]	[30.2]	[22.1]	[56.5]	[142.9]
- To Private Sector	[78.6]	[64.0]	[79.7]	[85.2]	[307.5]
Other	(27.7)	(14.6)	(13.6)	(13.2)	(69.1)
5. Net Flows of Short-Term Capital ^{6/}	111.9	-5.9	-8.9	-267.2	-170.1
Use of Short-Term Lines	(44.4)	(56.0)	(175.7)	(-136.8)	(139.3)
Other Short-Term Trade-Related Flows	(-5.5)	(21.0)	(92.4)	(-207.0)	(-99.1)
Net Change in Assets, valuation adjustments, error and omissions ^{7/}	(73.0)	(-82.9)	(-277.0)	(76.6)	(-210.3)
6. Financial Program	0.0	100.0	0.0	124.1	224.1
New Money from banks	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
IRDB - SAL	(0.0)	(100.0)	(0.0)	(124.1)	(224.1)
Change in Net International Reserves ^{8/} (increase : +)	-215.9	126.7	-235.0	184.8	-139.4
Use of short-term credits by the Central Bank	0.0	80.0	70.0	75.0	225.0
Change in Gross International Reserves	-215.9	206.7	-165.0	259.8	85.6
MEMORANDUM ITEM = Change in Net Reserves, net of bank's new money and SAL (increase: +)	-215.9	26.7	-235.0	60.7	-363.5

^{1/} Provisional.^{2/} Includes reported fees paid to agents by exporters, and estimated fees received by residents for services performed in connection with imports.^{3/} Includes investment with external debt notes and capitalization of loans through Chapter XIX and D.L. 600, which were US\$ 261.9 million in 1986, and which are estimated at US\$ 502.8 million in 1987.^{4/} Amortization payments after the 1985-1987 rescheduling of bank and Paris Club debt.^{5/} Considers repayment of loans arising from debt to equity swaps through D.L.600, Chapter XIX, and others. Figures omit Chapter XVIII^{6/} Excludes short-term loans to the Central Bank, which are subtracted from reserves.^{7/} Includes counterparts to extraordinary amortizations arising from debt to equity swaps through portfolio swaps. (US\$ 25.3 million in 1986, and US\$ 0.1 million in 1987).^{8/} Definition of Net International Reserves used in IMF program.

Source: Banco Central de Chile

T A B L E No. 8

EXPORTS AND IMPORTS: 1985 - 1987

(Millions of US\$)

	EXPORTS (F.O.B.)			IMPORTS (C.I.F)					IMPORTS (F.O.B.)	TRADE BALANCE	
	Copper	Other	Total	Foodstuffs	Non Food Consumer Goods	Capital Goods	Intermed. Goods	Total		Monthly	Accumulated Year
<u>1985</u>	1,788.7	2,015.4	3,804.1	271.4	457.5	646.1	1,893.3	3,268.3	2,954.5	-	849.6
<u>1986</u>	1,757.1	2,441.7	4,198.8	168.9	585.1	731.9	1,950.4	3,436.3	3,099.1	-	1,099.7
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	45.6	142.3	230.6	208.6	105.4	132.8
Mar.	150.2	220.4	370.6	12.3	38.9	44.1	132.5	227.8	204.2	166.4	299.2
Apr.	165.2	295.1	460.3	10.9	45.4	70.3	153.7	280.3	252.0	208.3	507.5
May	155.9	206.8	362.7	8.6	44.3	52.1	155.5	260.5	234.7	128.0	635.5
Jun.	148.6	172.4	321.0	9.9	44.7	57.8	145.6	258.0	232.5	88.5	724.0
Jul.	142.4	230.1	372.5	10.7	49.9	76.0	195.1	331.7	299.2	73.3	797.3
Aug.	141.1	210.0	351.1	18.0	52.5	65.0	172.1	307.6	278.1	73.0	870.3
Sep.	149.0	171.2	320.2	15.9	56.1	57.0	188.5	317.5	285.4	34.8	905.1
Oct.	162.0	204.1	366.1	27.9	62.8	62.1	167.3	320.1	288.6	77.5	982.6
Nov.	143.3	170.7	314.0	23.0	58.6	69.9	171.3	322.8	291.2	22.8	1,005.4
Dec.	152.6	206.3	358.9	16.4	53.0	66.0	157.3	292.7	264.6	94.3	1,099.7
<u>1987</u>											
Jan.	141.9	195.2	334.8	17.3	49.7	90.3	175.5	332.8	300.9	33.9	33.9
Feb.	117.8	245.7	366.9	12.3	51.6	64.1	202.3	330.3	300.9	66.0	99.9
Mar.	136.5	280.1	422.7	13.1	61.4	90.1	209.0	373.6	338.5	84.2	184.1
Apr.	156.5	340.5	497.0	15.0	57.2	78.6	179.4	330.2	298.2	198.8	382.9
May	148.3	259.9	408.2	16.7	55.4	108.1	180.3	360.5	329.1	79.1	462.0
Jun.	164.4	213.2	377.6	20.0	53.8	82.0	195.3	351.1	318.4	59.2	521.2
Jul.	193.8	285.4	479.2	13.7	59.1	99.5	234.0	406.3	366.5	112.7	633.9
Aug.	178.3	233.1	411.4	16.8	60.3	97.3	237.4	411.8	376.8	34.6	668.5
Sep.	189.3	227.2	416.5	21.4	56.8	98.0	187.5	363.7	329.1	87.4	755.9
Oct.	212.2	225.5	437.7	23.5	62.4	85.7	209.0	380.6	347.9	89.8	845.7
Nov.	227.8	206.6	434.4	25.5	65.5	111.6	204.9	407.5	372.5	61.9	907.6
Dec.	367.9	269.4	637.3	14.2	57.8	95.3	180.6	347.9	315.5	321.8	1,229.4

Source: Banco Central de Chile

T A B L E No. 9

NET INFLOWS OF FUNDS FROM OFFICIAL ORGANIZATIONS AND SUPPLIERS, 1986-1987
(Millions of US\$)

	1 9 8 6			1 9 8 7 1/		
	Disbursements	Amortizations	Net	Disbursements	Amortizations**	Net
I. OFFICIAL AND MULTILATERAL ORGANIZATIONS 2/	233.4	123.3	110.1	369.2	116.5	252.7
1) MULTINATIONAL ORGANIZATIONS	206.3	51.3	155.0	356.4	91.0 e/	265.4
-IDB	118.5 a/	30.8	87.7	207.1	58.4	148.7
-IBRD	83.3 a/	19.8	63.5	149.3	31.7	117.6
-IDA	4.5 a/	0.7	3.8	-	0.9	-0.9
2) GOVERNMENTAL ORGANIZATIONS	27.1	72.0	-44.9	12.8	25.5	-12.7
a) Direct Loan	4.9	28.4	-23.5	12.8	24.4	-11.6
-Eximbank (U.S.A.)	-	1.2	-1.2	-	0.2	-0.2
-AID (U.S.A.)	-	3.3	-3.3	-	3.8	-3.8
-KFW (W.Germany)	1.2	1.2	0.0	0.0	0.2	-0.2
-Banco Central Argentina	-	7.8	-7.8	-	6.0	-6.0
-Eximbank (Japan)	-	0.6	-0.6	-	0.1	-0.1
-Banco Do Brasil	-	12.5	-12.5	-	11.2	-11.2
-EDC (Canada)	1.0	0.7	0.3	12.8	2.5	10.3
-EFIC (Australia)	-	0.0	0.0	-	-	-
-Credit National (France)	-	0.4	-0.4	-	0.1	-0.1
-Bco. Comer. Exterior Mexico	-	0.4	-0.4	-	-	-
-IDC (South Africa)	2.7	0.3	2.4	-	0.3	-0.3
b) Other Loan With Official Guarantee	22.2	43.6	-21.4	-	1.1	-1.1
-Bco. USA (GAR. CCC)	22.2	43.6	-21.4	-	1.1	-1.1
II. SUPPLIERS b/	252.1	150.4	101.7	388.0	118.3	269.7
Public Sector	124.4	52.3	72.1	142.9	46.9	9.6
Private Sector	127.7	98.1	29.6	245.1	71.4	173.7
- Contracted Credits c/	98.2	36.3	61.9	243.1	69.4	173.7
- Credits to be Contracted	29.5	61.8	-32.3	2.0	2.0	0.0
TOTAL						
I. OFFICIAL AND MULTILATERAL ORGANIZATIONS 2/	233.4	123.3	110.1	369.2	116.5	252.7
II. SUPPLIERS	252.1	150.4	101.7	388.0	118.3	269.7
Total (I + II)	485.5	273.7	211.8	757.2	234.8	522.4
III. REST OF BANKS f/	72.8	146.3	-73.5	85.4	75.4	10.0
GRAND TOTAL d/	558.3	420.0	138.3	842.6	310.2	532.4

1/ Preliminary.

2/ Includes Private Sector.

** Includes amortizations originated by 1986 disbursements.

a/ According to Central Bank of Chile statements.

b/ Figures of supplier credits with official guarantees are not available. Includes Nationalization and other creditors.

c/ It refers to disbursement and amortizations of Loans entered through Art.15, and D.L. N° 600

d/ Excludes Central Bank Credit of US\$ 785 MM from Banks, US\$ 300 MM Co-financing, and IBRD-SAL.

e/ Excludes IBRD-SAL.

f/ It refers mainly to new loans with Official Guarantees from banks and other credits contracted with foreign banks for specific projects.

Source: Banco Central de Chile.

T A B L E No. 10

FOREIGN DEBT OF CHILE 1982-DECEMBER 1987 (*)

(Millions of US\$)

ITEM	1982	1983	1984	1985	1986	PRELIMINARY		
						06.30.87	09.30.87	12.31.87
I. <u>TOTAL EXTERN DEBT</u> (II + III)	<u>17,153</u>	<u>17,431</u>	<u>18,877</u>	<u>19,318</u>	<u>19,388</u>	<u>19,372</u>	<u>19,355</u>	<u>19,099</u>
<u>PUBLIC SECTOR</u>	<u>6,660</u>	<u>9,795</u>	<u>12,343</u>	<u>14,079</u>	<u>15,763</u>	<u>16,400</u>	<u>16,349</u>	<u>16,380</u>
Public Financial Sector	1,615	3,254	5,058	5,713	5,725	5,903	5,894	6,001
(Banco del Estado)	(778)	(877)	(1,386)	(1,356)	(1,296)	(1,259)	(1,215)	(1,078)
(Central Bank)	(837)	(2,377)	(3,672)	(4,357)	(4,429)	(4,644)	(6,867)	(4,923)
Public non Financial Sector	4,983	4,726	5,155	6,018	6,630	6,805	6,867	7,103
(Treasury)	(1,133)	(1,129)	(1,276)	(1,990)	(2,614)	(2,688)	(2,767)	2,993
(Others)	(3,850)	(3,597)	(3,879)	(4,028)	(4,016)	(4,117)	(4,100)	4,110
Private Sector with Public Guarantee	62	1,815	2,130	2,348	3,408	3,692	3,588	3,276
<u>PRIVATE SECTOR</u>	<u>10,493</u>	<u>7,636</u>	<u>6,534</u>	<u>5,239</u>	<u>3,625</u>	<u>2,972</u>	<u>3,006</u>	<u>2,719</u>
(Banks and Financial Institutions)	(6,703)	(4,195)	(3,469)	(2,786)	(1,463)	(883)	(863)	(737)
(Corporate and Private Debtors) (1)	(3,790)	(3,441)	(3,065)	(2,453)	(2,162)	(2,089)	(2,143)	1,982
II. <u>MEDIUM AND LONG TERM EXTERNAL DEBT</u>	<u>13,815</u>	<u>14,832</u>	<u>16,963</u>	<u>17,650</u>	<u>17,814</u>	<u>17,639</u>	<u>17,400</u>	<u>17,191</u>
<u>PUBLIC SECTOR</u>	<u>5,157</u>	<u>8,090</u>	<u>10,601</u>	<u>12,515</u>	<u>14,379</u>	<u>14,950</u>	<u>14,773</u>	<u>14,725</u>
Public Financial Sector	1,144	2,686	4,464	5,269	5,608	5,737	5,655	5,749
(Banco del Estado)	(507)	(609)	(1,272)	(1,237)	(1,179)	(1,173)	(1,126)	(1,051)
(Central Bank)	(637)	(2,077)	(3,192)	(4,032)	(4,429)	(4,564)	(4,529)	(4,698)
Public non Financial Sector	3,951	3,941	4,419	5,245	5,836	6,005	6,074	6,302
(Treasury)	(1,109)	(1,105)	(1,276)	(1,990)	(2,614)	(2,688)	(2,767)	(2,993)
(Others)	(2,842)	(2,836)	(3,143)	(3,255)	(3,222)	(3,317)	(3,307)	(3,309)
Private Sector with Public Guarantee	62	1,463	1,718	2,001	2,935	3,208	3,044	2,674
<u>PRIVATE SECTOR</u>	<u>8,658</u>	<u>6,742</u>	<u>6,362</u>	<u>5,135</u>	<u>3,435</u>	<u>2,689</u>	<u>2,627</u>	<u>2,466</u>
(Banks and Financial Institutions)	(4,971)	(3,394)	(3,369)	(2,691)	(1,296)	(680)	(649)	(502)
(Corporate and Private Debtors) (1)	(3,687)	(3,348)	(2,993)	(2,444)	(2,139)	(2,009)	(1,978)	(1,964)
III. <u>SHORT TERM EXTERNAL DEBT</u>	<u>3,338</u>	<u>2,599</u>	<u>1,914</u>	<u>1,668</u>	<u>1,574</u>	<u>1,733</u>	<u>1,955</u>	<u>1,908</u>
<u>PUBLIC SECTOR</u>	<u>1,503</u>	<u>1,705</u>	<u>1,742</u>	<u>1,564</u>	<u>1,384</u>	<u>1,450</u>	<u>1,576</u>	<u>1,655</u>
Public Financial Sector	471	568	594	444	117	166	239	252
(Banco del Estado)	(271)	(268)	(114)	(119)	(117)	(86)	(89)	(27)
(Central Bank)	(200)	(300)	(480)	(325)	(0)	(80)	(150)	(225)
(Public non Financial Sector)	(1,032)	(785)	(736)	(773)	(794)	(800)	(793)	(801)
(Treasury)	(24)	(24)	(0)	(0)	(0)	(0)	(0)	(0)
(Others)	(1,008)	(761)	(736)	(773)	(794)	(800)	(793)	(801)
Private Sector with Public Guarantee	0	352	412	347	473	484	544	602
<u>PRIVATE SECTOR</u>	<u>1,835</u>	<u>894</u>	<u>172</u>	<u>104</u>	<u>190</u>	<u>283</u>	<u>379</u>	<u>253</u>
(Banks and Financial Institutions)	(1,732)	(801)	(100)	(95)	(167)	(203)	(214)	(235)
(Corporate and Private Debtors) (1)	(103)	(93)	(72)	(9)	(23)	(80)	(165)	(18)
IV. <u>CENTRAL BANK WITH I.M.F.</u>	<u>6</u>	<u>606</u>	<u>782</u>	<u>1,085</u>	<u>1,328</u>	<u>1,386</u>	<u>1,355</u>	<u>1,452</u>

(*) Excludes External Debt Repayable in Local currency.

Includes Reductions owing to External Debt Conversion (Art. 18, 19 and others).

(1) Excludes Short Term Credits to Non-Banks for Operation in Foreign Trade.

Source: Banco Central de Chile.

by
 1. 103 by 336
 2. 101 by 401
 3. 101 by 401

T A B L E No. 11

TOTAL MEDIUM AND LONG TERM EXTERNAL DEBT (*)
(According to Principal Foreign Creditors)

(Millions of US\$)

ITEM	1982	1983	1984	1985	1986	PRELIMINARY		
						06.30.87	09.30.87	12.31.87
1. <u>MULTINATIONAL ORGANIZATIONS</u>	444.4	645.1	946.3	1,444.3	1,928.4	2,107.7	2,168.8	2,493.1
Public Sector	444.4	645.1	935.4	1,425.3	1,904.9	2,086.1	2,147.2	2,418.1
- Financial	30.4	28.5	26.5	64.0	63.3	62.6	62.2	104.1
- Non Financial	414.0	616.6	908.9	1,361.3	1,841.6	2,023.5	2,085.0	2,314.0
Private Sector	0.0	0.0	10.9	19.0	23.5	21.6	21.6	75.0
- Financial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Non Financial	0.0	0.0	10.9	19.0	23.5	21.6	21.6	75.0
2. <u>GOVERNMENTAL ORGANIZATIONS</u>	833.6	801.5	615.7	637.7	769.6	677.6	706.7	722.0
Public Sector	820.4	790.8	606.1	629.6	755.0	653.6	681.8	696.7
- Financial	102.1	187.2	51.4	35.1	23.2	20.2	18.2	16.2
- Non Financial	718.3	603.6	554.7	594.5	731.8	633.4	663.6	660.5
Private Sector	13.2	10.7	9.6	8.1	14.6	24.0	24.9	25.3
- Financial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Non Financial	13.2	10.7	9.6	8.1	14.6	24.0	24.9	25.3
3. <u>PRIVATE BANKS AND FINANCIAL INSTITUTIONS</u>	11,245.7	12,318.5	14,438.5	14,714.3	14,127.7	13,683.7	13,278.1	12,667.5
Public Sector	3,490.0	6,346.8	8,794.7	10,245.9	11,363.6	11,772.2	11,500.7	11,112.0
- Financial	1,003.2	2,461.9	4,386.4	5,201.8	5,521.6	5,654.1	5,574.0	5,628.5
- Non Financial (1)	2,486.8	2,483.8	2,707.5	3,049.0	2,913.2	2,914.4	2,886.9	2,814.0
- Private Sector with Public Guarantee	0.0	1,401.1	1,700.8	1,995.1	2,928.8	3,203.7	3,039.8	2,669.5
Private Sector	7,755.7	5,971.7	5,643.8	4,468.4	2,764.1	1,911.5	1,777.4	1,555.5
- Financial (1)	4,971.0	3,394.1	3,368.7	2,690.6	1,296.0	680.2	649.1	501.6
- Non Financial	2,784.7	2,577.6	2,275.1	1,777.8	1,468.1	1,231.3	1,128.3	1,053.9
4. <u>SUPPLIERS</u>	845.2	634.1	517.5	381.4	524.5	578.6	640.8	738.6
Public Sector	402.0	307.7	264.9	214.5	355.4	437.9	442.6	497.8
- Financial	2.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0
- Non Financial (1)	399.7	306.4	264.9	214.5	394.2	433.6	438.8	493.4
- Private Sector with Public Guarantee	0.0	0.0	0.0	0.0	6.2	4.3	3.8	4.4
Private Sector	443.2	326.4	252.6	166.9	169.1	140.7	198.2	240.8
- Financial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Non Financial	443.2	326.4	252.6	166.9	169.1	140.7	198.2	240.8
5. <u>CORPORATE AND PRIVATE CREDITORS</u>	445.7	432.3	445.2	472.2	463.3	591.3	605.2	569.5
Private Sector	445.7	432.3	445.2	472.2	463.3	591.3	605.2	569.5
- Financial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Non Financial	445.7	432.3	445.2	472.2	463.3	591.3	605.2	569.5
MEDIUM AND LONG TERM DEBT	13,814.6	14,831.5	16,963.2	17,649.9	17,813.5	17,638.9	17,399.6	17,190.7

(*) Excludes IMF credits and Debt Repayable in Local currency.

Includes Reductions owing to External Debt Conversion (Art. 18, 19 and others).

(1) Includes Public and Private Sector Bonds, respectively.

Source: Banco Central de Chile.

T A B L E N o . 1 2

SCHEDULE OF AMORTIZATIONS OF MEDIUM AND LONG TERM EXTERNAL DEBT, AS OF 12.31.87 ^{3/}

(Millions of US\$)

ITEM	1986	1987	1988	1989	1990	1991	1992
1. Public and Private Debt	2,062.1	1,926.8	1,629.7	1,151.2	831.4	861.7	426.0
2. Rescheduled Debt (Public and Financial Private Sector 1983-1984) ^{1/}	-	-	-	-	-	-	-
3. New Money 1983, 1984 and 1985, 1986	-	-	-	-	-	1,095.2	1,095.2
4. Rescheduled Debt (Public and Financial Private Sector 1985-1987/1988-1991)	-1,642.1	-1,616.6	-1,191.3	-534.4	-257.2	-259.6	72.3
With Foreign Governments	(-65.5)	(-85.0)	(-75.0)	(35.0)	(36.5)	(54.4)	(72.3)
With Private Banks and Financial Institutions ^{1/}	(-1,576.6) ^{2/}	(-1,531.6) ^{2/}	(-1,116.3) ^{2/}	(-569.4) ^{2/}	(-293.7) ^{2/}	(-314.0) ^{2/}	-
TOTAL	420.0	310.2	438.4	616.8	574.2	1,697.3	1,593.5

^{1/} Amortizations refer to the amounts refinanced by the Public Sector and Domestic Financial Sector^{2/} It refers to the total to be refinanced with the Creditor Banks.^{3/} Includes 1988-91 Program negotiated with creditor Banks on February 1987 . And the Paris Club Agreement 1987-1988

Source: Banco Central de Chile.

T A B L E No. 13

GROWTH RATES OF GROSS DOMESTIC PRODUCT BY SECTOR 1/

(Percentage change in 12 months)

SECTOR	1 9 8 5 (*)					1 9 8 6 (*)					1987 (*)				
	I	II	III	IV	TOTAL	I	II	III	IV	TOTAL	I	II	III	IV	TOTAL
Agriculture	7.5	6.5	1.7	4.4	5.6	13.9	6.1	6.8	6.5	8.7	5.9	2.8	5.0	4.4	4.5
Fishing	34.9	-18.9	3.6	11.2	5.6	-18.7	55.9	-6.8	18.7	10.0	28.4	-17.9	-28.1	-10.6	-8.0
Mining	-3.7	-3.6	9.0	7.2	2.2	4.6	10.5	-2.4	-5.6	1.5	0.2	-3.3	-1.2	4.5	0.0
Industry	2.8	-1.2	-0.5	3.7	1.2	2.2	8.6	8.4	12.3	8.0	10.8	2.5	5.6	3.8	5.5
Elect., Gas and Water	3.7	-0.7	4.7	6.6	3.5	6.4	8.3	5.9	5.4	6.5	5.3	4.2	3.5	2.4	3.8
Construction	16.7	11.4	18.8	17.6	16.1	7.4	3.5	-5.3	-0.1	1.3	4.1	11.2	19.2	8.5	10.6
Commerce	5.0	0.9	-1.1	2.3	1.7	3.5	7.3	4.3	6.7	5.5	11.1	5.6	6.6	7.1	7.5
Transport	3.5	3.7	3.4	11.4	5.5	6.3	7.7	10.0	8.2	8.1	12.6	11.3	7.1	9.7	10.1
Others <u>2/</u>	1.6	-1.2	-1.3	1.1	0.0	2.9	5.3	5.6	5.1	4.7	8.8	6.1	4.3	4.0	5.8
TOTAL G.D.P.	3.8	0.4	1.4	4.3	2.4	4.5	7.3	4.8	6.0	5.7	8.5	4.3	5.2	5.0	5.7

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: Banco Central de Chile

T A B L E No. 13-A

GROSS DOMESTIC PRODUCT SPENDING

(Rate Annual Variation)

ITEM	1981	1982*	1983*	1984**	1985**	1986**	1987**
Overall Household Consumption and Private Non-Profit Institutions	10.7	-12.1	-3.4	1.3	-1.1	4.9	4.8
Overall Government Consumption Spending	-3.1	-1.3	-0.6	1.5	-0.3	-2.1	-2.1
Inventory Variation	-	-	-	-	-	-	-
Gross Composition of Fixed Capital	16.8	-33.9	-14.9	9.0	14.8	6.4	16.3
Exports of Goods and Services	-9.0	4.7	0.6	6.8	6.9	10.6	8.8
Minus: Imports of Goods and Services	15.7	-36.3	-15.1	16.5	-11.0	9.2	17.0
Gross Domestic Product Spending	5.5	-14.1	-0.7	6.3	2.4	5.7	5.7

(*) Provisional figures.

(**) Estimated figures.

Source: Banco Central de Chile.

T A B L E No. 13-B

LABOR FORCE AND UNEMPLOYMENT NATIONWIDE

(Thousand persons)

ECONOMIC ACTIVITY	UNEMPLOYMENT			EMPLOYMENT			LABOR FORCE		
	Oct.-Dec.86	Oct.-Dec.87	%	Oct.-Dec.86	Oct.-Dec.87	%	Oct.-Dec.86	Oct.-Dec.87	%
<u>TOTAL</u>	<u>374.3</u>	<u>343.6</u>	<u>-8.2</u>	<u>3,895.7</u>	<u>4,010.8</u>	<u>3.0</u>	<u>4,270.0</u>	<u>4,354.4</u>	<u>2.0</u>
Agriculture	23.3	24.7	6.0	801.4	836.8	4.4	824.7	861.5	4.5
Mining	3.7	4.5	21.6	84.1	81.5	-3.1	87.8	86.0	-2.1
Industry	50.0	52.8	5.6	530.9	606.9	14.3	580.9	659.7	13.6
Electricity, Gas and Water	1.3	1.4	7.7	24.3	24.6	1.2	25.6	26.0	1.6
Construction	41.5	34.5	-16.9	184.1	208.4	13.2	225.6	242.9	7.7
Commerce	56.9	46.5	-18.3	650.1	690.1	6.2	707.0	736.6	4.2
Transport and Communications	14.7	19.4	32.0	230.2	252.8	9.8	244.9	272.2	11.1
Financial Sectors	8.8	10.9	23.9	155.9	176.6	13.5	164.7	187.5	13.8
Other Services	104.7	90.0	-14.0	1,233.9	1,132.4	-8.2	1,338.6	1,222.4	-8.7
Unspecified Act.	0.3	0.2	-33.3	0.8	0.7	-12.5	1.1	0.9	-18.2
Seeking employment for the first time	69.1	58.7	-15.1	-	-	-	69.1	58.7	-15.1

Note: The statistics on 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 on the XV Population and IV Housing Census which has been adjusted to the more recent changes in the administrative political division.

Source: Instituto Nacional de Estadísticas

T A B L E N° 14

PUBLIC FINANCE

CONSOLIDATED IN DOMESTIC AND FOREIGN CURRENCY

(Millions of Chilean pesos)

	1980	1981	1982	1983	1984	1985 (*)	1986 (*)
<u>FISCAL SPENDING</u>	<u>246,295.1</u>	<u>318,191.1</u>	<u>352,089.5</u>	<u>451,317.9</u>	<u>567,095.2</u>	<u>880,137.0</u>	<u>1,021,597.9</u>
- Fiscal Spending Excluding Debt Service	219,162.8	299,620.3	326,980.4	401,935.4	496,105.4	683,213.4	848,897.5
<u>FISCAL REVENUES</u>	<u>278,666.6</u>	<u>340,328.7</u>	<u>323,032.2</u>	<u>391,452.4</u>	<u>482,913.0</u>	<u>701,283.7</u>	<u>916,008.2</u>
<u>FISCAL DEFICIT</u>	<u>-32,371.5</u>	<u>-22,137.6</u>	<u>29,057.3</u>	<u>59,865.5</u>	<u>84,182.2</u>	<u>178,853.3</u>	<u>105,589.7</u>
- Deficit/Fiscal Spending (%)	-13.1	-7.0	8.3	13.3	14.8	20.3	10.3
- Deficit Excluding Debt Service/ Spending Excluding Debt Service	27.2	-13.6	1.2	2.6	2.7	-2.6	-7.9
- Deficit/Fiscal Spending Excluding Debt Service (%)	-14.8	-7.4	8.9	14.9	17.0	26.2	12.4
- Social Spending/ Fiscal Spending Excluding Debt Service (%)	50.4	54.7	59.4	59.7	61.0	58.6	57.0
- Social Spending/Fiscal Spending (%)	44.6	51.3	55.3	54.2	54.4	46.8	48.9
- Fiscal Deficit/GNP (%)	-3.0	-1.7	2.3	3.8	4.5	6.9	3.3
- Fiscal Deficit Excluding Debt Service/GNP (%)	-5.5	-3.2	0.3	0.7	0.7	-0.7	-2.1

Note: The definition of "fiscal sector" is different from that of the "non-financial public sector" of Table N°4, where the actual performance and targets agreed upon with the IMF are shown. The "fiscal sector" includes all the resources controlled by the Treasury, i.e., those of centralized services plus allocations to decentralized institutions. The term "Deficit" also differs in that the definition presented in this table includes amortizations payments on domestic and foreign public sector debt.

(*) Provisional figures.

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 Corpora- tions	CODELCO	Total Public Sector, Gross	Adjust- ments	Total Public Sector, Net
Current Revenues	914,926	392,975	380,865	374,579	2,063,345	260,144	1,803,201
Current Expenditures	862,106	246,679	286,006	200,025	1,594,816	761	1,594,054
Transfers	0	129,522	51,143	114,219	294,884	259,383	35,502
Current Account Surplus (Deficit)	52,819	16,774	43,716	60,335	173,645	0	173,645
Capital Revenues	111,516	5,172	9,680	1,863	128,231	1,513	126,718
Capital Expenditures	196,682	31,663	46,836	73,234	348,415	1,513	346,902
Overall Surplus (Deficit)	-32,347	-9,717	6,561	-11,036	-46,538	0	-46,538
Financing	32,347	9,717	-6,561	11,036	46,538		46,538

(*) Provisional figures.

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	82,455
<u>1985</u>									
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	925,363	90,852	128,723
Jun.	79,809	74,878	154,687	409,284	563,971	808,672	947,047	89,441	128,734
Jul.	79,386	82,325	161,711	436,430	598,141	835,515	968,980	81,884	127,989
Aug.	79,015	79,513	158,528	444,830	603,358	850,157	974,522	69,155	127,954
Sep.	85,578	84,902	170,480	436,838	607,318	863,473	991,905	73,523	138,370
Oct.	82,880	84,540	167,420	453,045	620,465	876,256	994,811	61,672	133,572
Nov.	85,288	88,954	174,242	467,981	642,223	908,180	1,043,281	80,724	137,174
Dec.	97,286	92,003	189,289	466,183	655,472	933,234	1,094,549	113,064	151,818
<u>1987</u>									
Jan.	96,481	109,988	206,469	484,026	690,495	959,745	1,125,857	120,293	151,771
Feb.	99,510	102,440	201,950	509,726	711,676	987,284	1,143,676	105,844	152,958
Mar.	101,439	98,185	199,624	548,767	748,391	1,037,987	1,179,999	88,647	156,540
Apr.	101,552	98,123	199,675	558,850	758,525	1,058,984	1,217,227	96,367	160,316
May	100,222	94,306	194,528	568,993	763,521	1,067,519	1,258,826	127,308	159,562
Jun.	103,768	90,876	194,644	604,491	799,135	1,116,879	1,311,285	130,189	164,781
Jul.	103,096	97,062	200,158	617,257	817,415	1,143,199	1,338,813	134,442	167,847
Aug.	100,188	84,644	184,832	620,292	805,124	1,132,893	1,315,205	117,231	159,013
Sep.	106,117	81,795	187,912	638,774	826,686	1,164,411	1,343,425	114,071	167,082
Oct.	102,469	82,227	184,696	666,206	850,902	1,196,587	1,386,212	126,151	164,655
Nov.	103,562	79,999	183,561	717,347	900,908	1,254,142	1,449,658	127,072	170,549
Dec.	118,741	84,880	203,621	743,700	947,321	1,314,582	1,514,455	133,550	187,869

(*) M3 = M2 + Savings Accounts + Other Demand dep.

(**) M3A = Private and Public Money and Quasimoney.

Source: Banco Central de Chile.

T A B L E N° 16 - A
FINANCIAL SYSTEM: DEPOSITS AND LOANS (*)

(Monthly Average)

DATE	LOCAL CURRENCY DEPOSITS		FOREIGN CURRENCY DEPOSITS		EFFECTIVE LOANS (1)	
	Demand Dep. (Mill.\$)	Time Dep.	Demand Dep. (Mill. US\$)	Time Dep.	Local Curr. (Mill. \$)	Foreign Curr. (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.	194,438	465,147	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.	229,666	629,884	137.8	372.1	1,055,655	2,208
Nov.	237,949	643,778	143.3	386.0	1,081,353	2,217
Dec.	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	2,062
Feb.	263,553	682,343	130.6	443.5	1,135,123	2,045
Mar.	279,577	687,395	134.4	495.5	1,134,759	2,037
Apr.	286,762	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
Jul.	293,005	744,707	136.9	508.9	1,139,689	1,932
Aug.	305,920	765,318	132.9	522.1	1,154,368	1,967
Sep.	332,445	763,571	133.1	666.1	1,172,785	2,009
Oct.	303,829	785,793	135.4	538.6	1,190,177	2,047
Nov.	322,829	808,628	142.1	548.6	1,223,238	2,045
Dec.	364,806	805,983	163.0	557.3	1,256,271	2,033
<u>1987</u>						
Jan.	380,267	815,013	176.8	566.1	1,265,599	2,029
Feb.	361,434	849,736	162.3	575.6	1,288,475	2,043
Mar.	374,711	903,516	149.9	580.7	1,323,711	2,026
Apr.	408,781	934,666	155.8	587.6	1,355,008	2,024
May	431,962	953,278	179.8	589.7	1,392,224	2,039
Jun.	433,610	1,000,584	177.4	597.3	1,424,009	2,067
Jul.	419,596	1,018,432	162.4	624.2	1,445,640	2,110
Aug.	412,627	1,025,190	161.2	641.4	1,464,110	2,140
Sep.	436,643	1,046,038	170.8	652.9	1,483,631	2,133
Oct.	449,398	1,073,385	152.6	663.1	1,510,673	2,112
Nov.	455,001	1,134,782	149.1	681.6	1,536,926	2,145
Dec.	496,064	1,159,364	167.5	708.8	1,586,518	2,073

(*) Includes deposits and loans to private and public sector.

(1) Includes loans with the system's own resources and loans with Central Bank resources.

Source: Banco Central de Chile

T A B L E N° 17

WAGES AND SALARIES INDEX, 1977 - December 1987
(Base: Dec. 82 = 100)

DATE	INDEX	ANNUAL % CHANGE	REAL INDEX (*)	ANNUAL % CHANGE
1977 Aver.	19.23	116.4	72.24	21.5
1978 "	30.71	59.7	82.56	14.3
1979 "	45.38	47.8	91.59	10.9
1980 "	66.65	46.9	99.47	8.6
1981 "	86.86	30.3	108.39	9.0
1982 "	95.28	9.7	108.71	0.3
1983 "	108.33	13.7	96.81	-10.9
1984 "	129.97	20.0	97.05	0.2
1985 "	162.60	25.1	92.72	-4.5
1986 "	198.30	22.0	94.56	2.0
1987 "	237.27	19.7	94.40	-0.2
<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	93.06	-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	93.84	-1.8
Feb.	185.44	22.8	93.48	-1.4
Mar.	187.88	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.	197.03	23.0	94.57	4.7
Jul.	199.95	22.2	95.03	4.3
Aug.	201.53	21.8	95.18	4.2
Sep.	203.31	20.6	94.57	2.3
Oct.	205.68	20.4	94.24	2.7
Nov.	211.23	21.5	95.44	3.8
Dec.	215.46	19.8	95.89	2.1
<u>1987</u>				
Jan.	218.95	18.7	95.55	1.8
Feb.	221.04	19.2	94.82	1.4
Mar.	222.53	18.5	93.92	0.7
Apr.	226.14	18.0	93.24	-0.7
May	229.47	17.0	93.20	-2.3
Jun.	233.92	18.7	94.35	-0.2
Jul.	237.63	18.8	94.26	-0.8
Aug.	240.10	19.1	93.90	-1.3
Sep.	247.19	21.6	94.87	0.3
Oct.	251.78	22.4	94.35	0.1
Nov.	255.40	20.9	93.90	-1.6
Dec.	263.07	22.1	96.40	0.5

(*) Deflated by C.P.I.

Source: Instituto Nacional de Estadísticas

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)
1982						
Dec.	4.60	3.40	5.50	4.30	3.86	2.66
1983						
Dec.	1.86	1.26	2.64	2.04	1.73	1.13
1984						
Dec.	2.98	1.58	4.21	2.81	2.67	1.25
1985						
Jan.	1.92	-1.18	3.03	-0.07	1.51	-1.59
Feb.	2.57	0.57	3.56	1.56	2.03	0.03
Mar.	2.74	-0.06	3.32	0.52	2.40	-0.40
Apr.	3.42	1.12	3.94	1.64	2.71	0.41
May	2.92	0.92	3.41	1.41	2.66	0.66
Jun.	2.65	-1.05	3.14	-0.56	2.36	-1.34
Jul.	3.12	1.82	3.59	2.29	2.57	1.27
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	0.00
Nov.	1.72	0.12	2.13	0.53	1.41	-0.19
Dec.	1.92	0.62	2.34	1.04	1.49	0.19
1986						
Jan.	1.74	-0.96	2.23	-0.47	1.38	-1.32
Feb.	2.01	1.11	2.75	1.85	1.67	0.77
Mar.	1.31	-0.19	1.92	0.42	1.11	-0.39
Apr.	1.59	0.19	2.10	0.70	1.61	0.21
May	1.49	0.79	1.99	1.29	1.57	0.87
Jun.	1.04	-0.26	1.58	0.28	1.00	-0.30
Jul.	1.41	0.41	1.84	0.84	1.32	0.32
Aug.	1.18	0.58	1.69	1.09	1.16	0.56
Sep.	0.91	-0.59	1.47	-0.03	0.98	-0.52
Oct.	1.57	0.07	1.93	0.43	1.43	-0.07
Nov.	1.64	0.24	2.03	0.63	1.43	0.01
Dec.	1.61	0.11	2.03	0.53	1.42	-0.08
1987						
Jan.	1.74	-0.26	2.16	0.16	1.40	-0.60
Feb.	2.10	0.40	2.55	0.85	1.90	0.20
Mar.	1.88	0.28	2.37	0.77	1.62	0.02
Apr.	1.83	-0.57	2.33	-0.07	1.51	-0.89
May	2.23	0.73	2.78	1.28	2.11	0.61
Jun.	1.72	1.02	2.27	1.57	1.70	1.00
Jul.	1.11	-0.58	1.68	-0.02	1.15	-0.55
Aug.	1.85	0.45	2.26	0.86	1.83	0.43
Sep.	1.77	-0.13	2.25	0.35	1.68	-0.22
Oct.	2.13	-0.26	2.64	0.23	1.87	-0.50
Nov.	2.45	0.54	2.97	1.05	2.18	0.2
Dec.	1.88	1.58	2.48	2.17	2.09	1.7

(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	57.51
<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	-
Jul.	190.36	191.92	-
Aug.	194.46	193.57	-
Sep.	198.32	194.73	-
Oct.	199.73	195.80	-
Nov.	201.95	198.06	-
Dec.	203.67	200.39	-
<u>1987</u>			
Jan.	204.54	202.65	-
Feb.	206.01	205.25	-
Mar.	207.82	208.61	-
Apr.	211.49	211.48	-
May	212.54	214.63	-
Jun.	218.18	218.32	-
Jul.	224.13	220.35	-
Aug.	224.58	221.66	-
Sep.	225.15	224.25	-
Oct.	229.27	226.82	-
Nov.	233.83	229.85	-
Dec.	235.34	232.47	-

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

Source: Banco Central de Chile

T A B L E N° 20

PRICE INDEXES

DATE	WHOLESALE PRICES		CONSUMER PRICES	
	INDEX (Dec. 74=100)	Monthly Var.	INDEX (Dec. 78=100)	Monthly Var.
<u>1984</u>				
Dec.	13,685.64	36.5 (1)	365.12	23.0 (1)
<u>1985</u>				
Dec.	17,825.57	30.3 (1)	461.57	26.4 (1)
<u>1986</u>				
Dec.	21,077.17	18.2 (1)	541.68	17.4 (1)
<u>1987</u>				
Dec.	24,675.56	17.1 (1)	657.88	21.5 (1)
<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
Jul.	19,828.32	3.5	507.27	1.0
Aug.	20,406.60	2.9	510.47	0.6
Sep.	20,647.92	1.2	518.29	1.5
Oct.	21,252.39	2.9	526.16	1.5
Nov.	21,181.01	-0.3	533.56	1.4
Dec.	21,077.17	-0.5	541.68	1.5
<u>1987</u>				
Jan.	20,901.13	-0.8	552.45	2.0
Feb.	21,084.69	0.9	562.01	1.7
Mar.	21,677.89	2.8	571.23	1.6
Apr.	22,378.74	3.2	584.70	2.4
May	22,788.58	1.8	593.55	1.5
Jun.	23,105.82	1.4	597.70	0.7
Jul.	23,920.60	3.5	607.74	1.7
Aug.	24,557.51	2.7	616.43	1.4
Sep.	25,148.82	2.4	628.16	1.9
Oct.	25,920.53	3.1	643.31	2.4
Nov.	26,128.41	0.8	655.73	1.9
Dec.	24,675.56	-5.6	657.88	0.3

(1) December to December variations.

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

T A B L E N° 21

FINANCIAL SYSTEM INDICATORS

(Percent)

At.: 12.31.87

ITEM	PRIVATE CHILEAN BANKS	Foreign Banks in Chile	Banco del Estado	Financ. Instit.	Total System
A - CAPITAL ADEQUANCY					
1. <u>Physical Fixed Assets</u> Capital	49.0	31.5	12.8	49.3	35.8
2. <u>Past due Loans</u> (Cart.Ven.) Capital	21.8	6.9	19.2	12.6	17.5
3. <u>Debt</u> Capital	12.5	5.8	8.4	10.9	9.9
4. <u>Loans Sold to Central Bank</u> Capital	389.5	10.1	0.0	55.3	198.1
B - ASSET QUALITY					
1. <u>Past due Loans</u> Total Loans	1.7	1.9	4.2	1.2	2.1
2. <u>Loans Loss Res. (Prov.)</u> Total Loans	5.2	4.2	7.2	3.4	5.3
3. <u>Loans Sold to Central Bank</u> Total Loans	30.7	2.8	0.0	5.3	23.4
C - LIABILITY STRUCTURE					
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	10.9	17.6	12.3	9.2	12.0
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	22.5	33.3	33.3	58.8	26.4
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	34.0	26.2	33.6	0.1	32.5
D - MANAGEMENT					
1. <u>Administration Expenses</u> Total Loans and Fin. Inv.	0.6	1.0	0.3	2.5	0.6
2. <u>Remuneration Expenses</u> Total Loans and Fin. Inv.	1.1	1.5	1.8	4.0	1.3
3. <u>Fixed Expenses</u> Operating Profits	41.7	46.2	40.2	61.1	42.6
E - INCOME					
1. <u>Net Profits</u> Capital	1.3	5.6	8.7	24.3	4.4
2. <u>Net Prof-Other net Inc.</u> Capital	-3.9	3.0	5.6	19.4	0.4
3. <u>Net Profits</u>	0.1	0.7	0.8	1.6	0.3

Source: Superintendencia de Bancos e Instituciones Financieras.

T A B L E N° 21 - A

FINANCIAL SYSTEM INDICATORS

(Percent)

At.: 09.30.87

ITEM	PRIVATE CHILEAN BANKS				Foreign Banks in Chile	Banco del Estado	Financ. Instit.	Total System
	Total	Interv. Banks	Non-Interv. Banks					
A - CAPITAL ADEQUACY								
1. <u>Physical Fixed Assets</u> Capital	56.3	39.4	81.6	46.8	13.6	55.9	43.3	
2. <u>Past due Loans</u> (Cart.Ven.) Capital	27.3	26.7	28.2	8.5	27.4	14.2	23.4	
3. <u>Debt</u> Capital	12.6	11.2	14.7	7.5	9.0	9.9	10.6	
4. <u>Loans Sold to Central Bank</u> Capital	464.2	623.8	226.1	14.9	0.0	68.2	248.5	
B - ASSET QUALITY								
1. <u>Past due Loans</u> Total Loans	1.9	2.0	1.7	1.6	5.3	1.2	2.3	
2. <u>Loans Loss Res. (Prov.)</u> Total Loans	5.2	5.8	4.4	4.6	8.7	3.1	5.6	
3. <u>Loans Sold to Central Bank</u> Total Loans	31.6	46.3	13.7	2.8	0.0	6.0	24.1	
C - LIABILITY STRUCTURE								
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	9.0	6.6	12.0	13.2	11.0	5.5	9.9	
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	20.2	16.8	24.1	34.1	30.8	60.3	24.5	
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	36.5	41.3	30.9	29.4	37.3	0.1	35.3	
D - MANAGEMENT								
1. <u>Administration Expenses</u> Total Loans and Fin. Inv.	0.4	0.3	0.6	0.8	0.2	2.0	0.4	
2. <u>Remuneration Expenses</u> Total Loans and Fin. Inv.	0.8	0.7	1.1	1.2	1.4	3.2	1.0	
3. <u>Fixed Expenses</u> Operating Profits	43.7	39.3	48.0	46.7	41.9	61.3	44.3	
E - INCOME								
1. <u>Net Profits</u> Capital	1.0	0.0	2.5	5.5	4.8	23.3	3.1	
2. <u>Net Prof-Other net Inc.</u> Capital	(0.9)	(1.5)	0.0	3.4	1.6	19.2	0.9	
3. <u>Net Profits</u> Total Assets	0.0	0.0	0.1	0.4	0.4	1.4	0.2	

Source: Superintendencia de Bancos e Instituciones Financieras.

T A B L E N° 21-B

FINANCIAL SYSTEM INDICATORS

(Percent)

At.: 06.30.87

ITEM	PRIVATE CHILEAN BANKS				Banco del Estado	Financ. Instit.	Total System
	Total	Interv. Banks	Non-Interv. Banks	Foreign Banks in Chile			
A - CAPITAL ADEQUACY							
1. <u>Physical Fixed Assets</u> Capital	51.0	34.5	75.6	43.7	11.5	56.7	39.3
2. <u>Past due Loans</u> (Cart.Ven.) Capital	30.5	32.3	27.7	7.6	24.9	15.3	24.3
3. <u>Debt</u> Capital	12.5	11.2	14.4	7.5	9.6	10.8	10.7
4. <u>Loans Sold to Central Bank</u> Capital	421.0	563.4	208.5	12.9	0.0	65.3	225.5
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	2.2	2.6	1.8	1.5	4.7	1.3	2.5
2. <u>Loans Loss Res. (Prov.)</u> Total Loans	5.2	6.0	4.3	4.2	8.4	2.9	5.5
3. <u>Loans Sold to Central Bank</u> Total Loans	30.6	45.0	13.4	2.5	0.0	5.5	23.0
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	9.9	7.0	13.2	16.0	12.6	6.7	11.2
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	19.5	17.1	22.3	34.9	26.4	60.8	23.4
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	36.9	41.5	31.6	28.1	38.7	0.6	35.7
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin. Inv.	0.3	0.2	0.4	0.6	0.1	1.3	0.3
2. <u>Remuneration Expenses</u> Total Loans and Fin. Inv.	0.6	0.4	0.7	0.8	0.8	2.1	0.7
3. <u>Fixed Expenses</u> Operating Profits	43.7	39.3	48.0	46.1	40.5	62.3	43.9
E - INCOME							
1. <u>Net Profits</u> Capital	0.5	0.0	1.3	3.4	3.1	15.7	1.9
2. <u>Net Prof-Other net Inc.</u> Capital	(1.2)	(1.2)	(1.2)	1.6	0.7	13.4	0.0
3. <u>Net Profits</u> Total Assets	0.0	0.0	0.1	0.3	0.2	0.9	0.1

Source: Superintendencia de Bancos e Instituciones Financieras.

T A B L E N° 21-C

FINANCIAL SYSTEM INDICATORS

(Percent)

At.: 03.31.87

ITEM	PRIVATE CHILEAN BANKS				Banco del Estado	Financ. Instit.	Total System
	Total	Interv. Banks	Non-Interv. Banks	Foreign Banks in Chile			
A - CAPITAL ADEQUACY							
1. <u>Physical Fixed Assets</u> Capital	47.5	32.0	70.9	40.2	10.9	50.9	36.5
2. <u>Past due Loans</u> (Cart.Ven.) Capital	29.9	32.1	26.5	8.3	23.6	13.4	23.6
3. <u>Debt</u> Capital	12.3	11.0	14.3	7.2	9.0	10.9	10.4
4. <u>Loans Sold to Central Bank</u> Capital	412.0	548.4	205.6	12.4	0.0	67.3	218.8
B - ASSET QUALITY							
1. <u>Past due Loans</u> Total Loans	2.3	2.7	1.8	1.8	4.7	1.2	2.6
2. <u>Loans Loss Res. (Prov.)</u> Total Loans	5.0	5.8	4.0	4.3	8.3	2.6	5.3
3. <u>Loans Sold to Central Bank</u> Total Loans	31.7	46.4	13.9	2.6	0.0	5.8	23.8
C - LIABILITY STRUCTURE							
1. <u>Demand Deposits</u> Total Liabilities Except Capital and Resv.	8.5	6.0	11.5	14.6	10.2	4.8	9.6
2. <u>Time Deposits</u> Total Liabilities Except Capital and Resv.	19.2	16.4	22.5	37.3	24.8	63.6	23.2
3. <u>Total Foreign Liabilities</u> Total Liabilities Except Capital and Resv.	38.0	42.8	32.5	28.5	41.2	0.6	37.0
D - MANAGEMENT							
1. <u>Administration Expenses</u> Total Loans and Fin. Inv.	0.1	0.1	0.2	0.3	0.1	0.7	0.2
2. <u>Remuneration Expenses</u> Total Loans and Fin. Inv.	0.3	0.2	0.4	0.4	0.5	1.1	0.3
3. <u>Fixed Expenses</u> Operating Profits	44.4	39.6	49.2	48.0	38.7	64.2	44.2
E - INCOME							
1. <u>Net Profits</u> Capital	0.3	0.0	0.7	0.9	2.4	6.7	1.0
2. <u>Net Prof-Other net Inc.</u> Capital	(0.5)	(0.6)	(0.3)	0.4	1.9	5.9	0.4
3. <u>Net Profits</u> Total Assets	0.0	0.0	0.0	0.1	0.2	0.4	0.1

Source: Superintendencia de Bancos e Instituciones Financieras.

T A B L E N° 22 - A

CORPORATE SECTOR FINANCIAL INDICATORS: PROFITABILITY

DATE	Net Profit Margin	Net Profits Net Worth	Net Profits Total Assets	Net Profits Before Taxes and Financial Cost Total Assets	Net Profits Before Taxes Financial Cost and Inflation Adjustment 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
<u>1985</u>					
Mar.	1.19	0.23	0.11	1.24	1.86
Jun.	-21.79	-9.65	-4.38	-2.30	-0.34
Sep.	-3.09	-2.01	-0.92	2.14	4.29
Dec.	-1.48	-1.27	-0.60	2.80	5.10
<u>1986</u>					
Mar.	1.13	0.25	0.12	1.61	2.54
Jun.	9.86	4.33	2.12	4.34	5.04
Sep.	9.67	6.01	2.90	6.22	7.58
Dec.	11.18	8.96	4.39	8.06	9.29
<u>1987</u>					
Mar.	16.16	2.96	1.52	2.29	2.39
Jun.	16.05	5.92	3.25	4.76	5.08
Sep.	18.09	9.70	5.54	7.76	8.06
Dec.	18.82	13.89	8.26	11.44	12.85

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	17.2	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
<u>1985</u>				
Mar.	1.00	0.70	12.1	44.16
Jun.	1.07	0.75	11.2	41.01
Sep.	1.09	0.80	11.8	43.04
Dec.	1.37	1.00	11.8	42.92
<u>1986</u>				
Mar.	1.38	1.03	10.8	39.39
Jun.	1.33	0.98	12.2	44.53
Sep.	1.32	0.98	13.0	47.48
Dec.	1.25	0.94	13.6	49.53
<u>1987</u>				
Mar.	1.22	0.91	13.7	49.94
Jun.	1.15	0.85	13.4	48.82
Sep.	1.19	0.85	13.6	49.72
Dec.	1.32	0.98	14.1	51.55

Source: Superintendencia de Valores y Seguros

CORPORATE SECTOR FINANCIAL INDICATORS: INDEBTEDNESS

DATE	Total Debt / Capital	Total Debt Total Assets (%)	Long Term Debt 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
<u>1985</u>			
Mar.	1.05	51.32	65.17
Jun.	1.20	54.59	77.05
Sep.	1.20	54.51	77.29
Dec.	1.11	52.60	79.83
<u>1986</u>			
Mar.	1.01	50.27	73.29
Jun.	1.05	51.28	76.04
Sep.	1.08	51.92	79.19
Dec.	1.04	51.01	75.22
<u>1987</u>			
Mar.	0.95	48.78	66.44
Jun.	0.93	48.08	63.01
Sep.	0.75	42.85	48.89
Dec.	0.68	40.49	43.18

Source: Superintendencia de Valores y Seguros

MAIN ECONOMIC MEASURES ADOPTED
DURING OCTOBER, NOVEMBER AND DECEMBER, 1987

OCTOBER

- 10 The ordinary interest rate that will be in force during the period starting on October 10, 1987 until the day prior to its next publication in the Official Gazette, was determined. The values established were the following:

	Yearly Rates
- Non-indexed transactions in national currency	
Less than 90 days	27.12%
90 days or over	31.68%
- Indexed transactions in national currency	7.26%
- Transactions in USDollars or expressed in foreign currency	10.47%

(Certificate N° 1987/10 of the Superintendency of Banks and Financial Institutions, published in the Official Gazette on October 10, 1987).

NOVEMBER

11 The ordinary interest rate that will be in force during the period starting on November 11, 1987 until the day prior to its next publication on the Official Gazette was determined. The values established were the following:

	Yearly Rates
- Non-indexed transactions in national currency	
Less than 90 days	31.68%
90 days or over	35.76%
- Indexed transactions in national currency	7.38%
- Transactions in USDollars or expressed in foreign currency	10.97%

(Certificate N° 1987/11 of the Superintendency of Banks and Financial Institutions, published in the Official Gazette on November 11, 1987).

28 The Public Sector Budget Law for the year 1988 was approved. The above mentioned law establishes revenues and disbursements equal to \$ 1,333,547 million and US\$ 694 million.

The Fiscal Sector Budget amounts to \$ 999.384 million and US\$ 513 million.

(Law N° 18,669 of the Ministry of Finance, published in the Official Gazette on November 28, 1987).

DECEMBER

- 05 The Minister of Finance or the Ambassador of Chile in the United States was authorized to contract, on behalf of the Republic of Chile, a loan of up to US\$ 250,000,000 with the International Bank for Reconstruction and Development (IBRD).

The purpose of this loan is to finance a structural adjustment project through the assignment of resources to public entities to finance short term obligations related to the acquisition of goods.

- 12 The ordinary interest rate that will be in force during the period starting on December 12, 1987 until the day prior to its next publication in the Official Gazette, was determined. The values established were the following:

	Yearly Rates
- Non-indexed transactions in national currency	
Less than 90 days	35.64%
90 days or over	37.08%
- Indexed transactions in national currency	7.18%
- Transactions in USDollars or expressed in foreign currency	10.22%

(Certificate N° 1987/12 of the Superintendency of Banks and Financial Institutions, published in Official Gazette on December 12, 1987).

- 23 A decree was issued to give instructions for the operation of the "Fund for the guaranteed of non-traditional exports", that will be destined to guarantee the loans granted by private and public financial institutions, and by the Technical Cooperation Service to non-traditional exporters to cover their non-traditional exports.

The Fund's patrimony will be formed by a fiscal contribution equal to 300,000 Unidades de Fomento and by the fees collected for granting the guarantee, among others.

Non-traditional exporters who wish to have access to the Fund's guarantee should not register uncleared bounced documents, nor unpaid expired direct or indirect obligations with the financial system during the last five years.

Likewise, they must present an affidavit stating the existence of outstanding loans covered by the Fund and submit a general balance sheet verified by the institution granting the loan.

The Fund will be administered by Banco del Estado de Chile, which will have, besides, a legal representative.

The loans granted will be expressed in national or foreign currency and may not exceed US\$ 150,000 or its equivalent in national currency for each non-traditional exporter.

Likewise, the term of the loans guaranteed by the Fund may not exceed one year.

As far as the collection of the guarantee of the Fund is concerned, the right to claim it will be directly related to the fulfillment of all the established requirements, once the guarantee has been made effective.

Concerning the fee that will be paid by the users of the guaranteed loans, it will be determined by the Administrator of the Fund and may not exceed an annual 2% of the outstanding guaranteed capital.

