

**Ministerio de Hacienda**

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# **Developments and prospects of the Chilean economy**

**New York**  
September 2022

**Mario Marcel | Minister of Finance**

# Introduction

- Chile is undergoing a broad transition in three overlapping dimensions:
  - Productive transition: a mining oil-dependent economy, evolving into a green-growth supplier and service hub
  - Political transition: from a hierarchical, centralized society, to an inclusive society with institutionalized distributed power
  - Economic transition: regaining equilibria after the Covid-19 crisis and disproportionate policy responses
- These features may be present in many other countries, but in Chile they became particularly acute due to a fast-growing middle class, enhanced transparency and stagnating productivity
- A large majority of the population wish for an institutionalized, ordered and effective change through a new Constitution
- Chile will continue being an open, market-based economy, and its future development will depend crucially on successfully completing these transitions
- Economic policy should be an enabler of change, securing the sustainability of structural reforms. This means well-functioning markets, economic stability and fiscal discipline

# Agenda

**1. Recent Macro Developments**

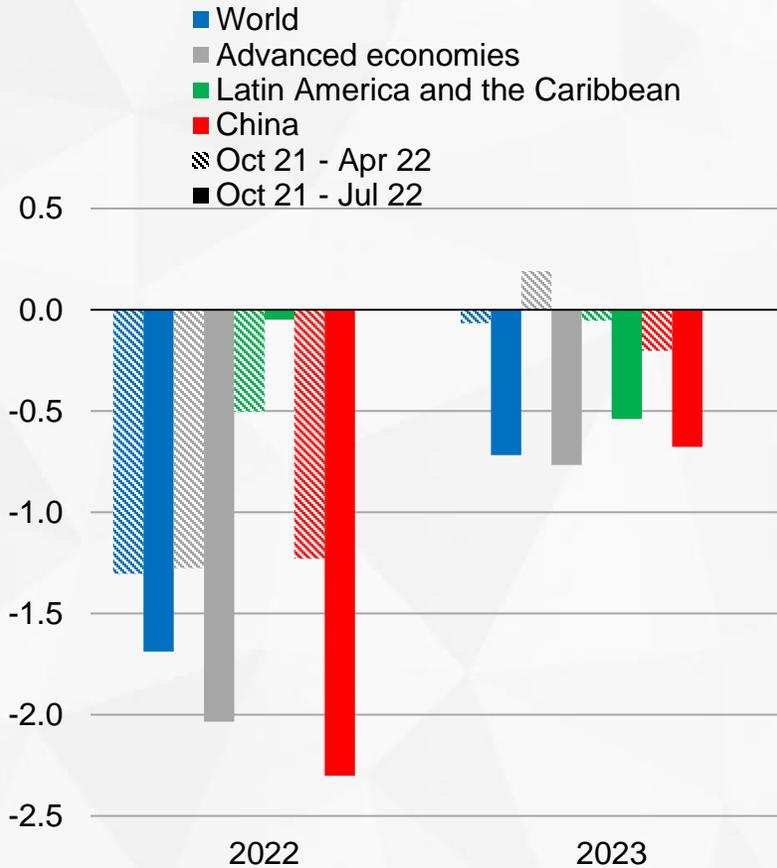
**2. Constitutional Process**

**3. Economic Challenges and Work Agenda**

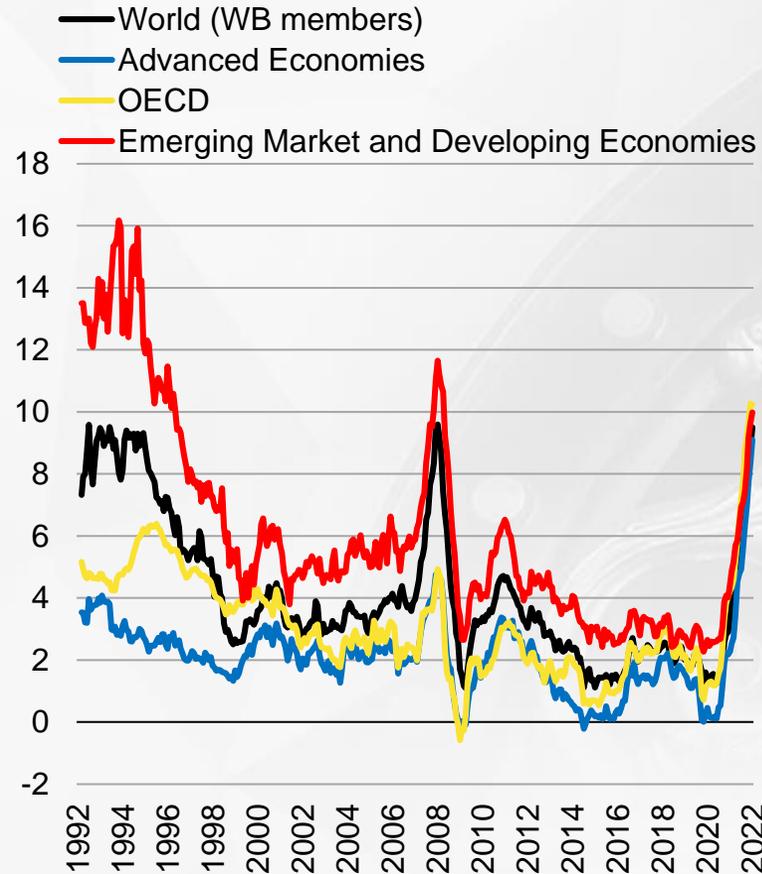
# Recent Economic Developments

# After the Covid-19 unprecedented crisis, the economic recovery has suffered several setbacks. High inflation has become a global phenomenon and a new global recession has become more likely

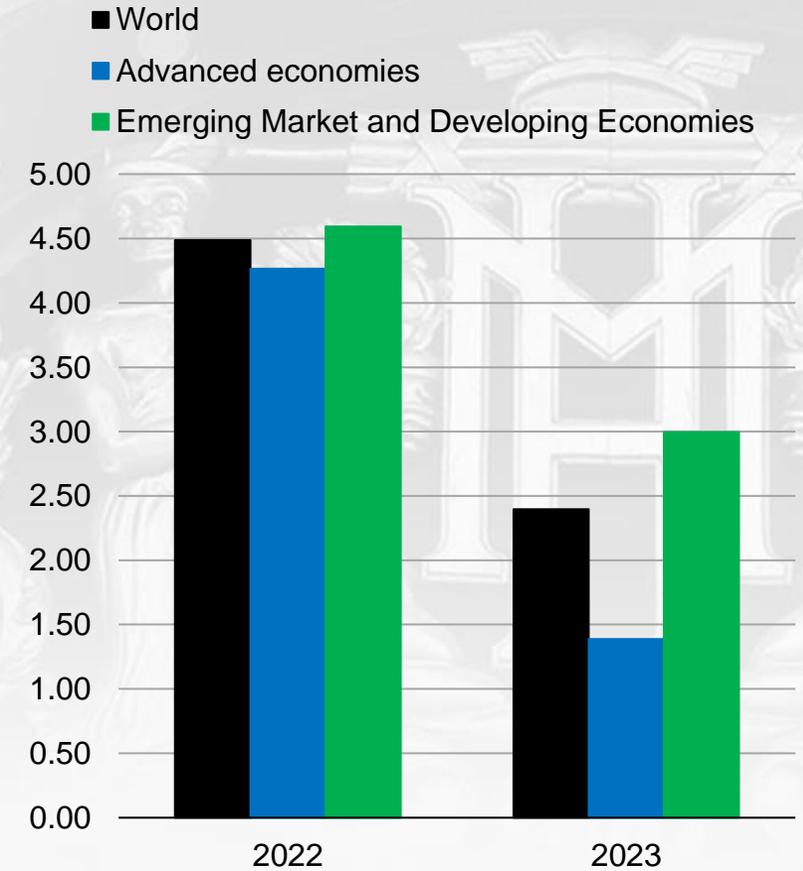
**IMF: Change in GDP forecasts**  
(change respect to WEO Oct-21, pp.)



**CPI**  
(YoY, percentage)



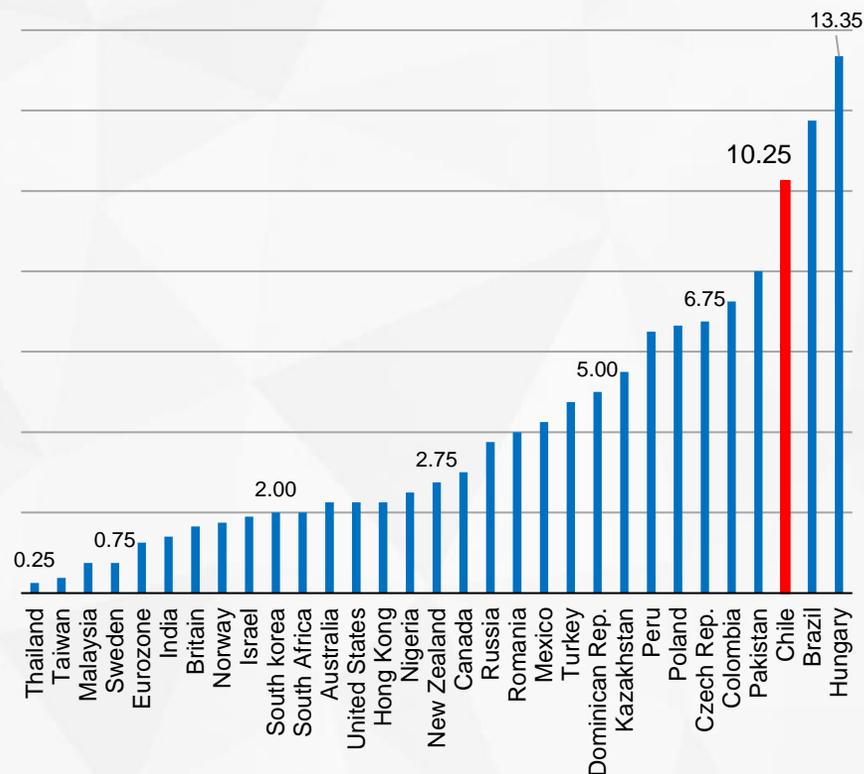
**IMF: Change in inflation forecasts**  
(WEO Oct-21 vs WEO Jul-22)



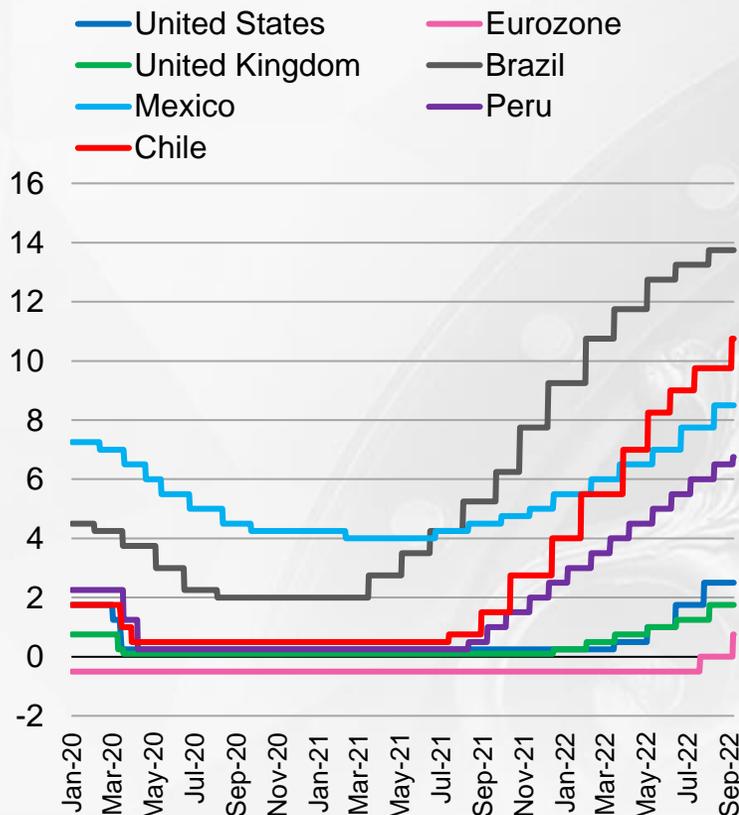
Source: IMF, OECD and World Bank.

# High inflation and fears that it will turn persistent, are putting pressure on policymakers. This, combined with higher probability of a global recession, have reversed the upward trend in commodity prices

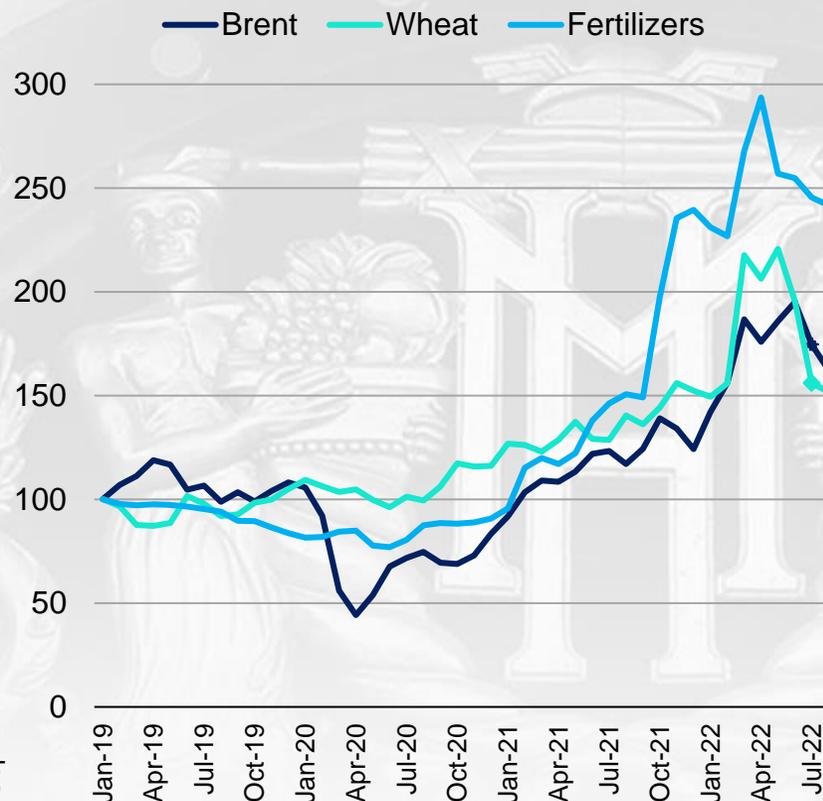
**Change in MPR since lowest value in 2020 (1)**  
(percentage points)



**Monetary Policy Rate**  
(percentage)



**Commodity prices**  
(index January-2019=100)



**Note:** (1) Change in rate since lowest level since January 2020.

**Source:** Bloomberg and World Bank.

## Economic slowdown fears have had a negative impact on copper prices



### Reasons behind the recent drop in copper price:

- Future increases in the US interest rate could halt economic growth.
- Covid-19 development in China and Zero-Covid policy deteriorates demand prospects.
- Rapid dollar appreciation.
- Global slowdown in the manufacturing sector.

### Reasons behind a positive outlook for copper price in the medium term:

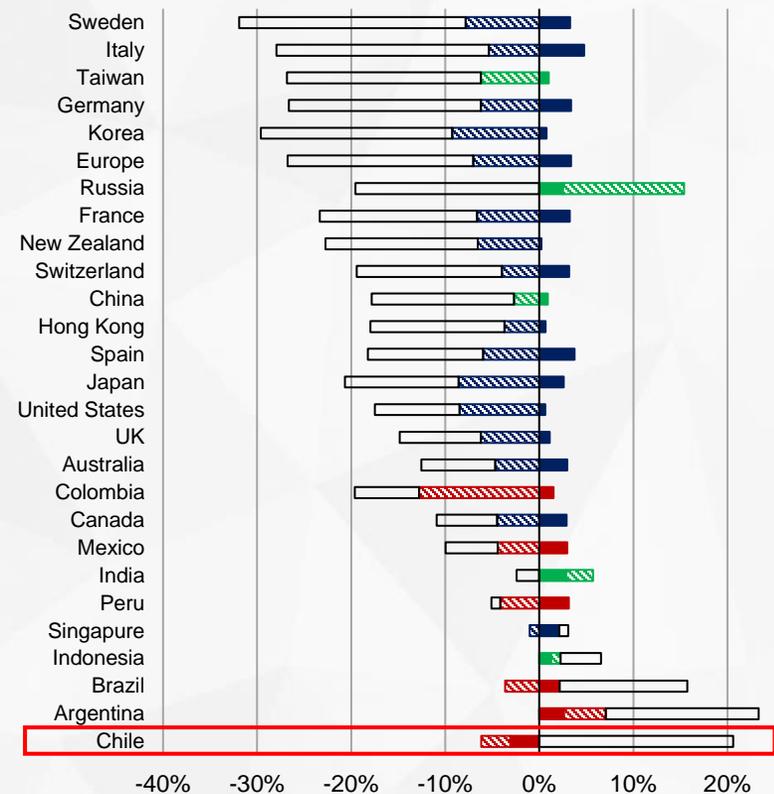
- Increased demand as a result of the green energy transition.
- Lower production performance and decrease in inventories.
- Lack of new large mining projects.

# In this context, financial conditions have deteriorated sharply

## Stock exchange indicators in USD

(% change)

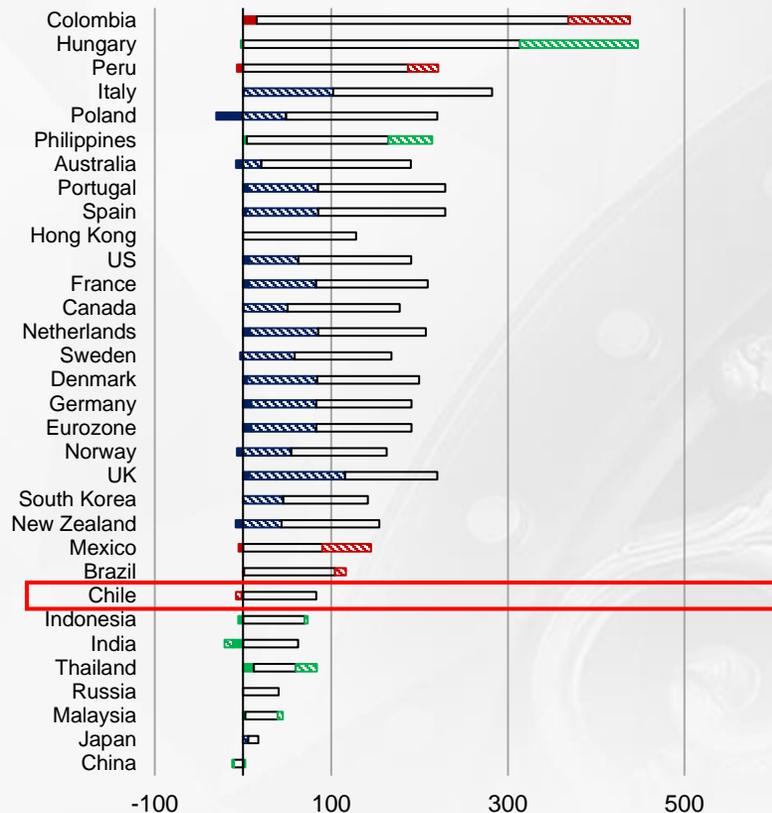
■ 7D ■ 30D □ YTD



## Yield on 10-year bonds

(basis points)

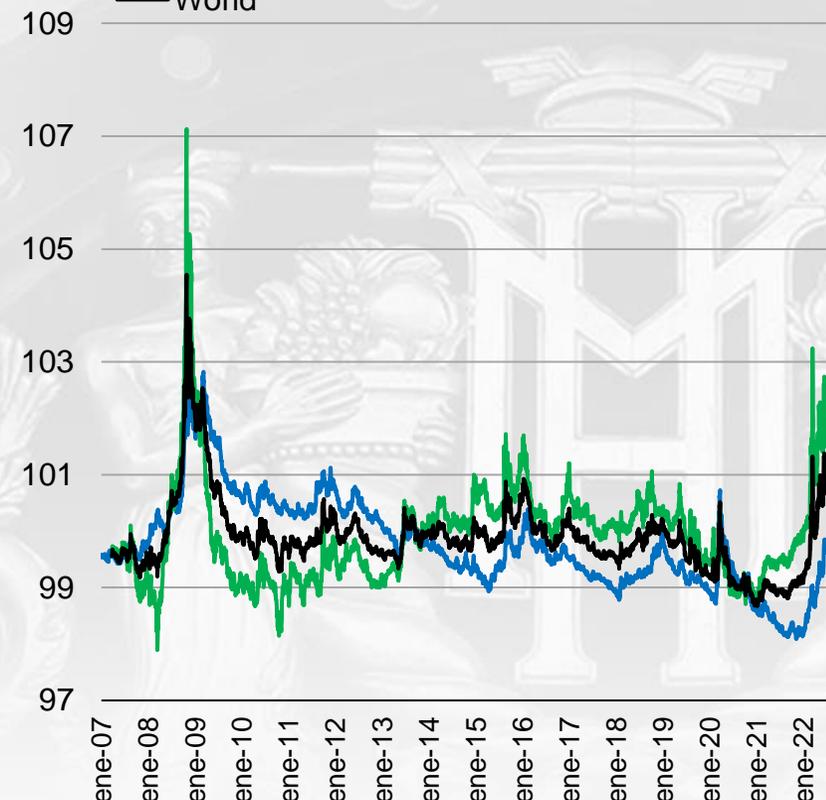
■ 7D ■ 30D □ YTD



## Financial conditions (1)

(index)

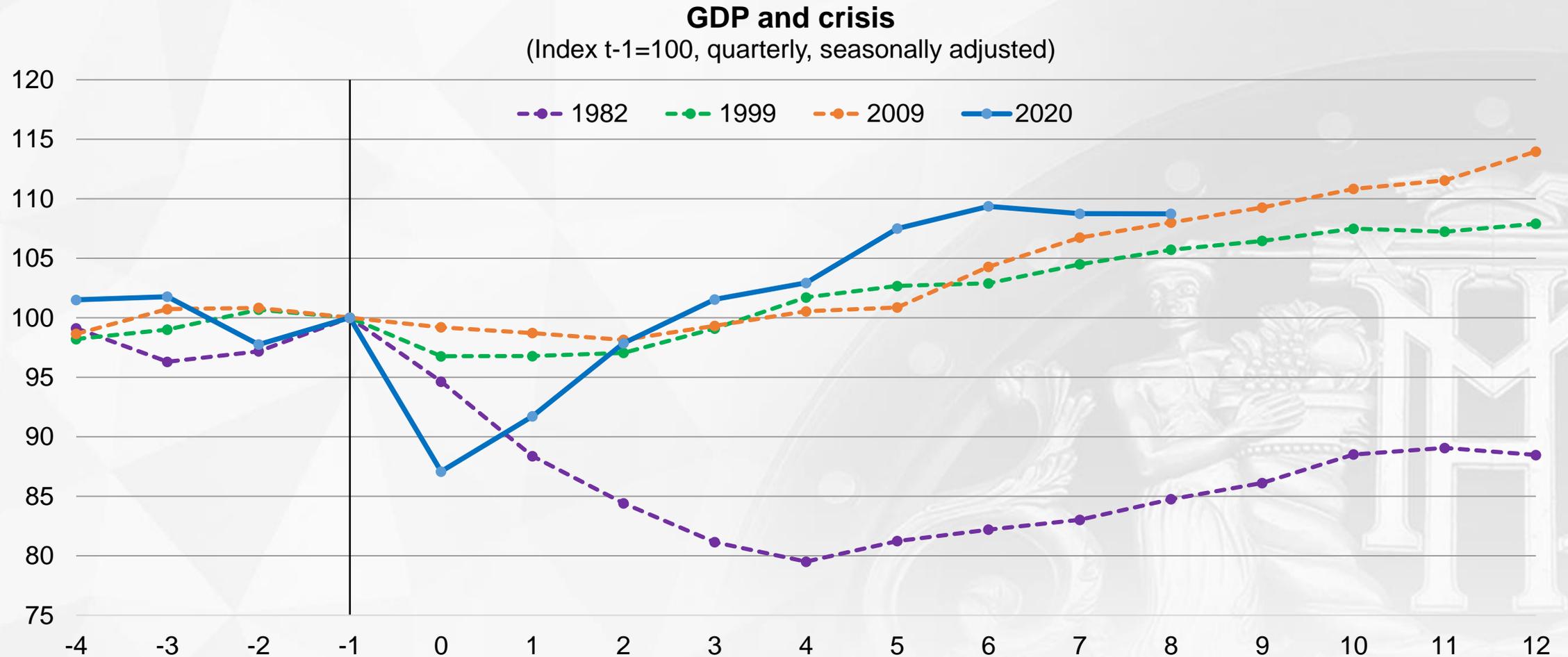
— Developed Markets — Emerging Markets — World



**Note:** Colors represent : ■ Advanced, ■ Emerging and ■ Latin America. Data actualized to September 13th. (1) A high value indicates worse financial conditions. Data actualized to September 12th.

**Source:** Bloomberg, Central Bank of Chile and Goldman Sachs.

# Chile recovered from the Covid-19 crisis faster than in previous episodes

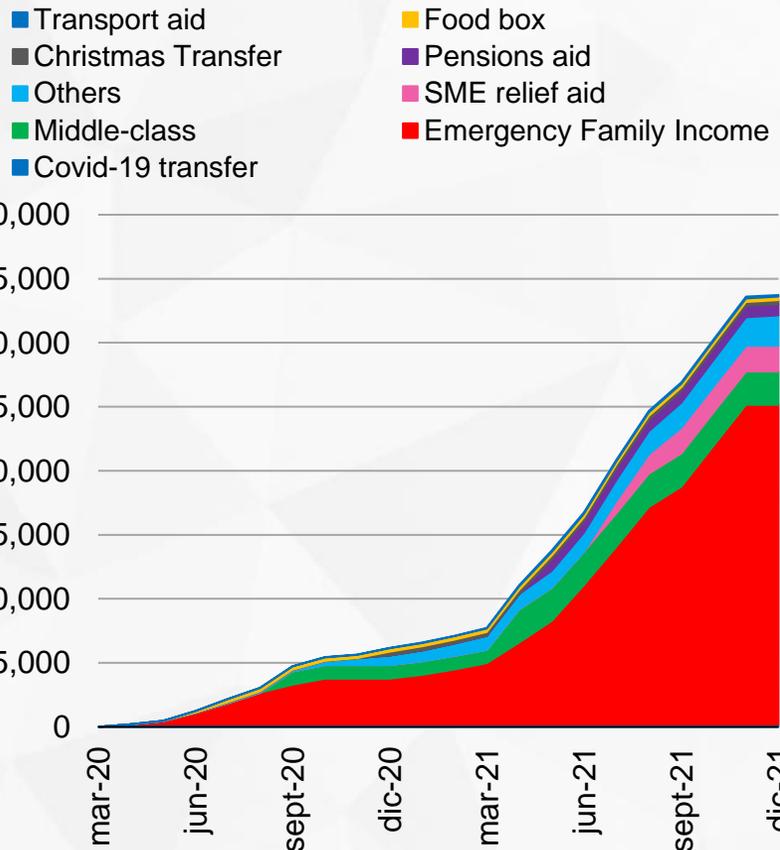


**Note:** T=0 in periods, 1981Q4, 1998Q4, 2008Q4 and 2020Q2. Seasonally adjusted official series were spliced for all periods except 1982-1983. For this period, the series of “Social and Economic Indicators 1960-1988” was seasonally adjusted.

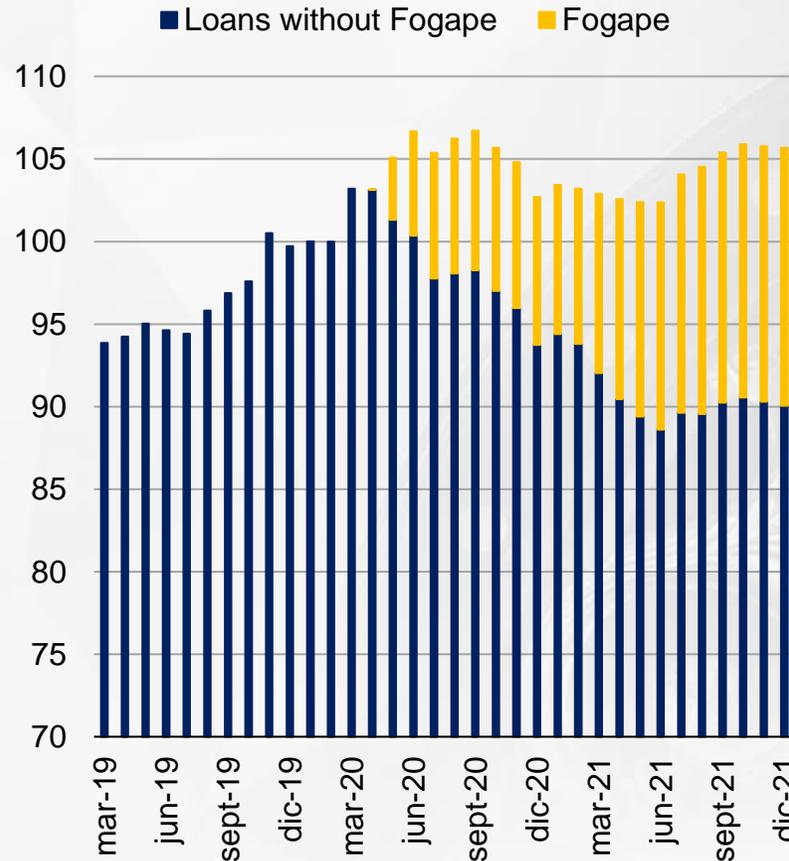
**Source:** Central Bank of Chile.

# Fiscal transfers, accommodative monetary policy, measures to incentive credit, and pension fund withdrawals largely explain a consumption-led recovery

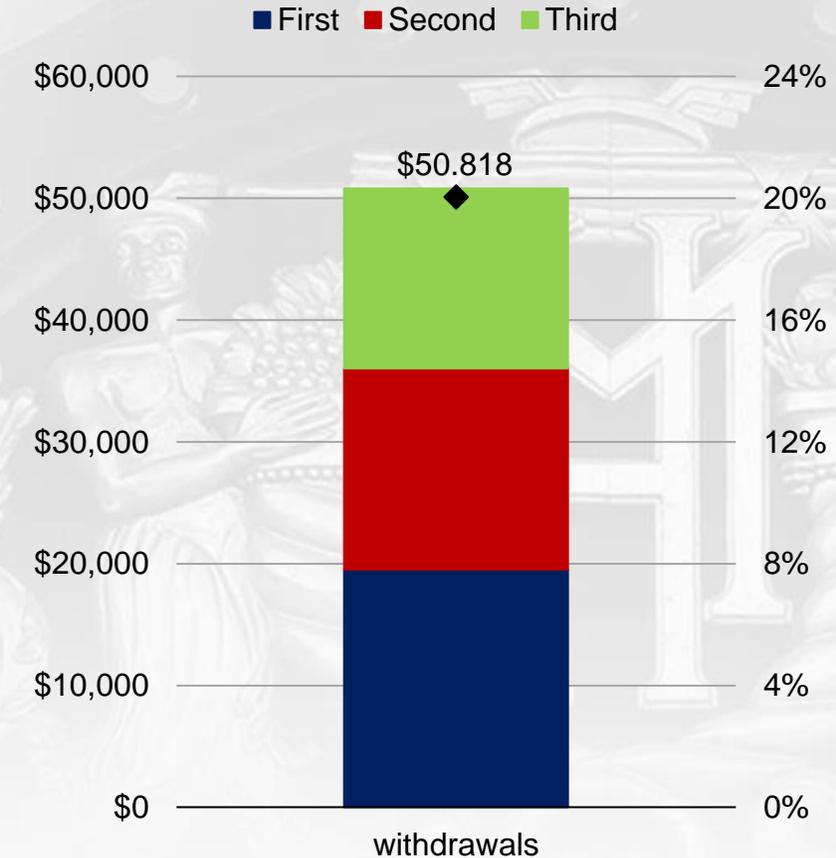
**Covid-19 Fiscal Measures**  
(USD millions)



**Real commercial loans balance**  
(index, feb-20=100)



**Pension funds withdrawals**  
(USD millions and % of 2020 GDP)

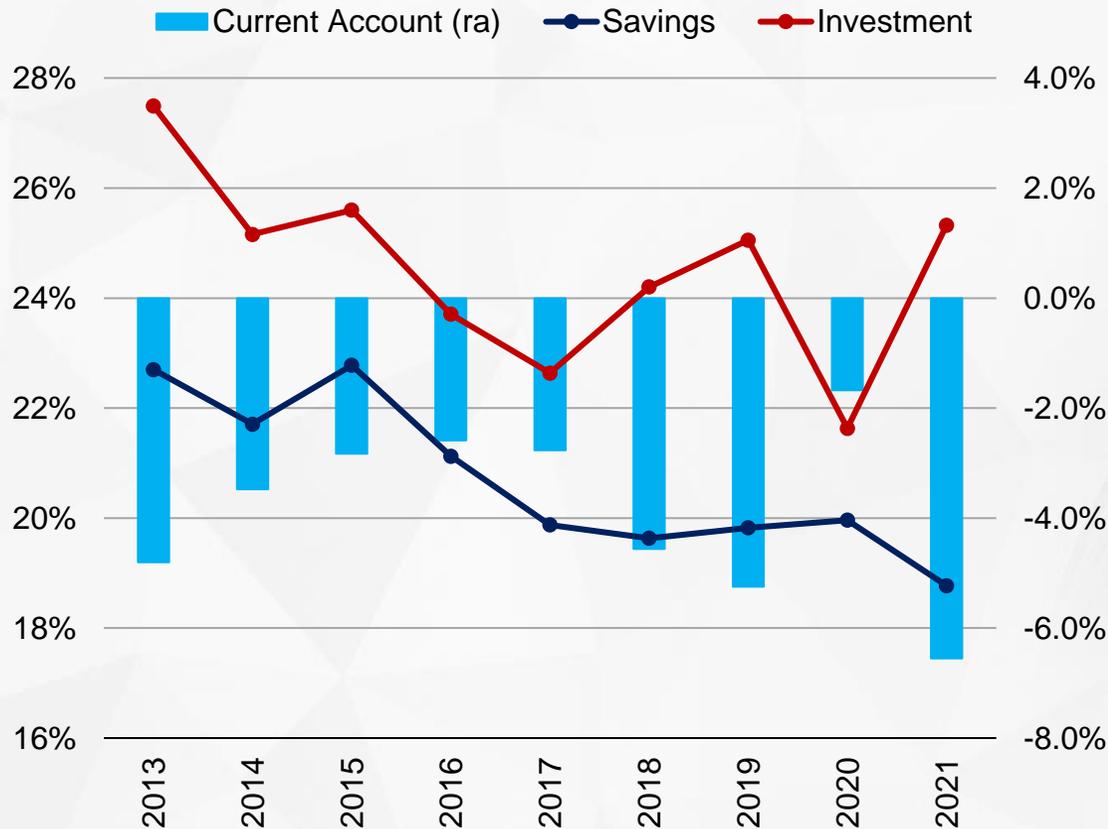


**Note:** Amounts in dollars, considering an exchange rate of 800 pesos per dollar. The amounts were updated to the March 25<sup>th</sup> Chilean Pension Supervisor report.

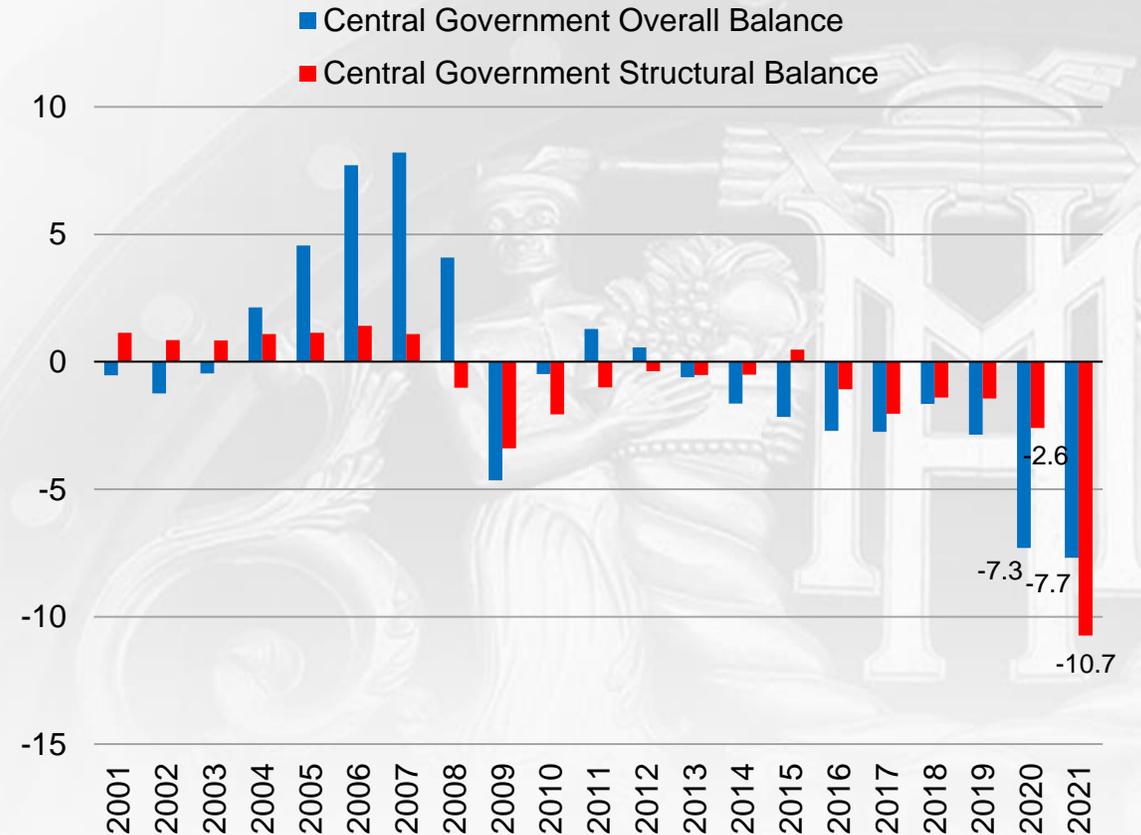
**Source:** Central Bank of Chile, Chilean Pension Supervisor, and Ministry of Finance.

# The sharp expansion in private consumption, supported by massive fiscal transfers, created a classical twin-deficit scenario and heavy demand pressures on inflation

**Domestic savings and investment rates**  
(% GDP)

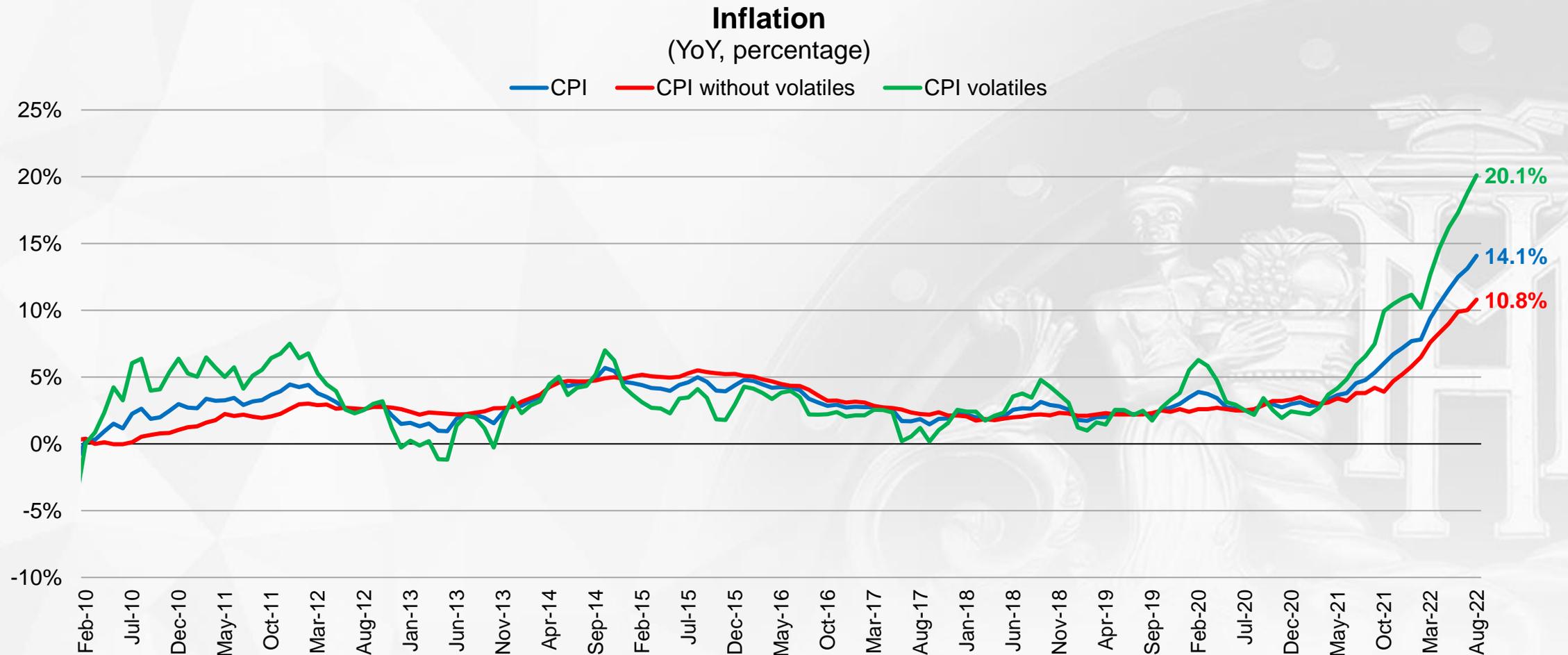


**Central Government Fiscal Balances**  
(% GDP)



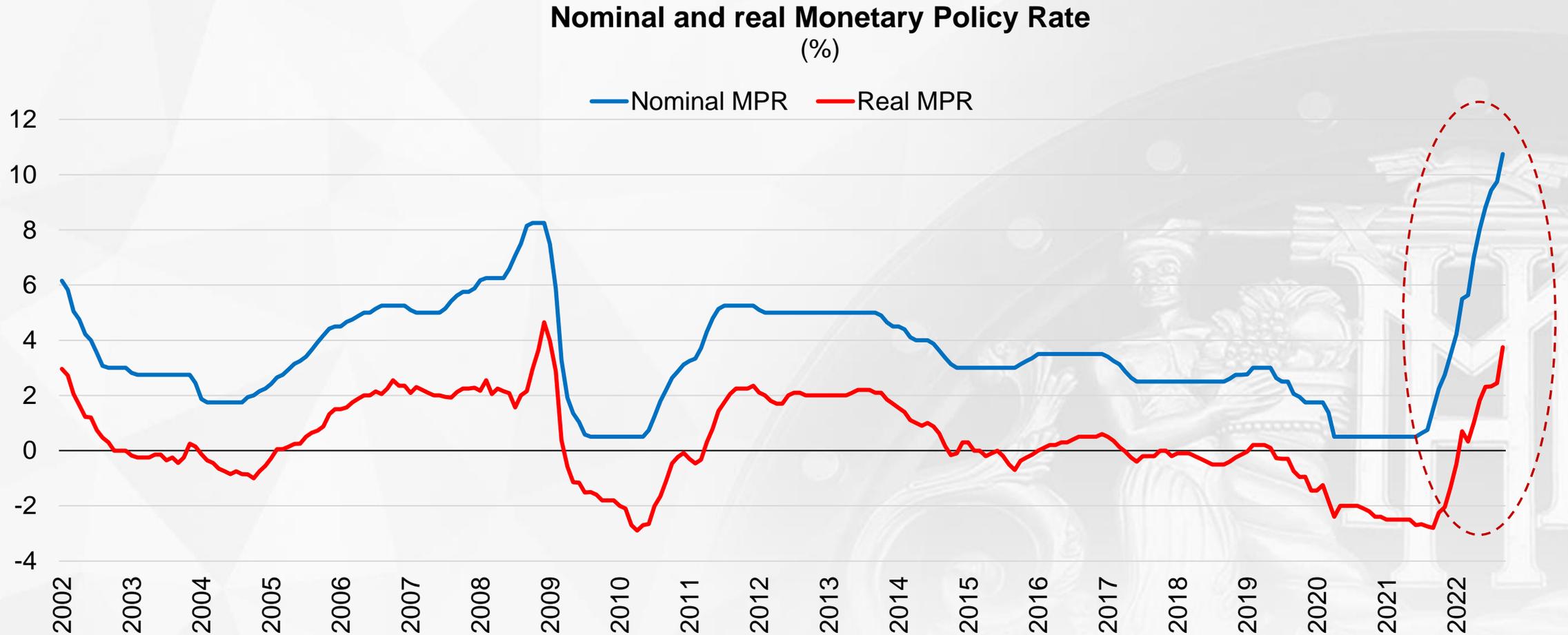
Source: Central Bank of Chile and Budget Office.

**Inflation has surpassed 14%, affected by post-pandemic bottlenecks, the increase in commodity prices, the overheating of the economy caused by high private consumption in 2021, and an acute exchange rate depreciation**



Source: Statistics National Institute and Central Bank of Chile.

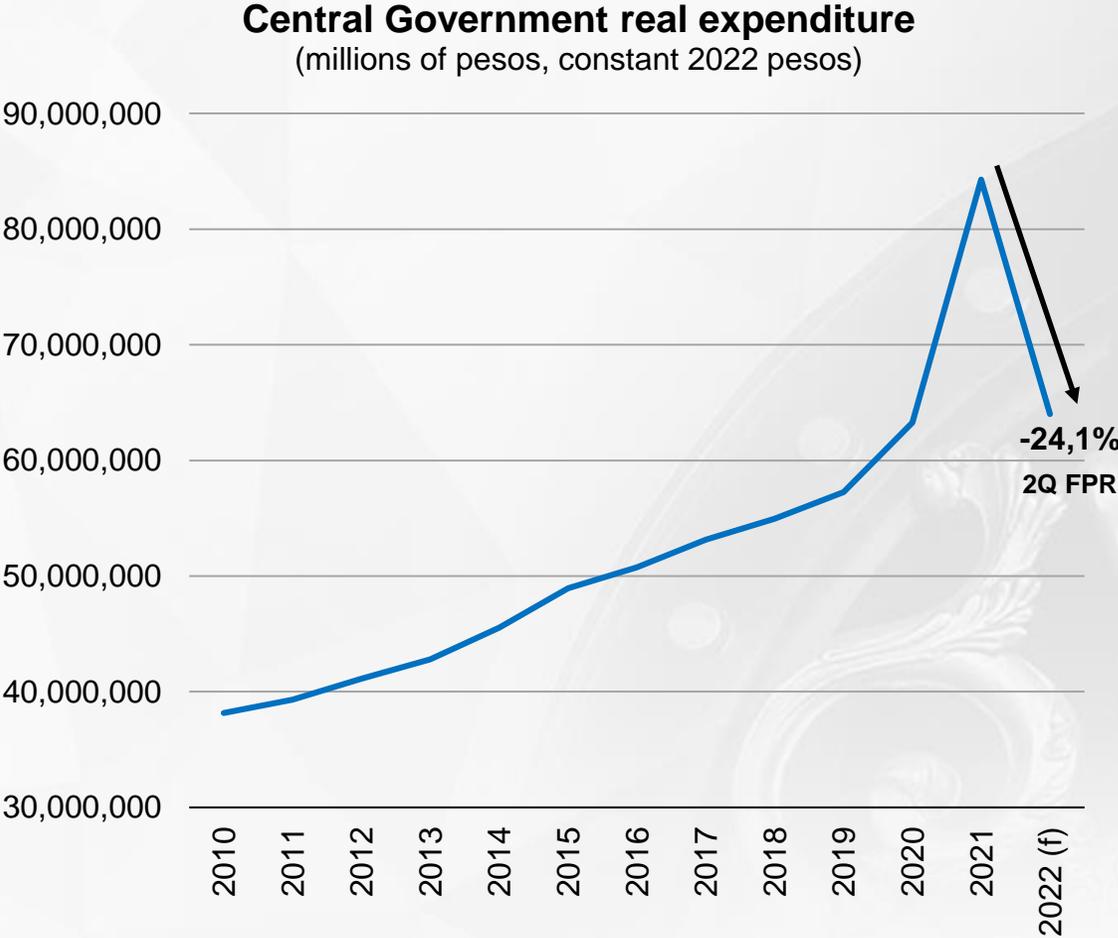
The monetary policy adjustment began in 2021. The Central Bank responded on time, rapidly increasing the Monetary Policy Rate (MPR), which would be near its peak level



**Note:** Nominal MPR is the month average. Real MPR consider expectations to eleven months from the Economics Expectations Survey of Central Bank of Chile. Real RPM of September 2022 is calculate using MPR defined in the Monetary Policy Meeting of September (10,75%).

**Source:** Central Bank of Chile.

# Fiscal policy consolidated sharply after overexpanding in 2021



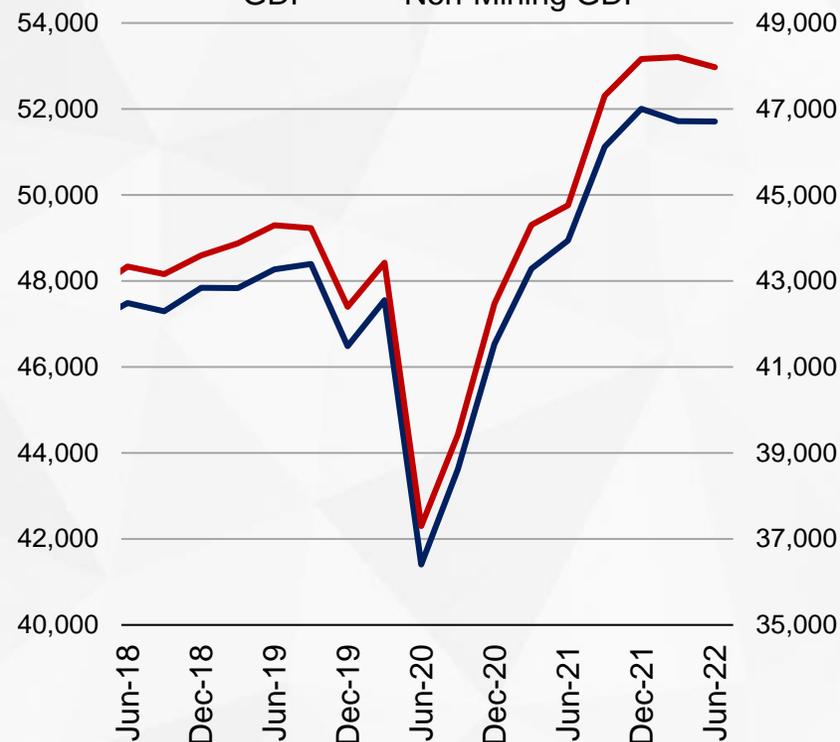
**Note:** (f): forecasts.  
**Source:** Budget Office, Ministry of Finance

# The economy is making the adjustment it needs. GDP stagnated in the second quarter, while domestic demand fell 0.9% q/q

## Gross Domestic Product

(billions of pesos, chained volume at previous year prices, quarterly, seasonally adjusted)

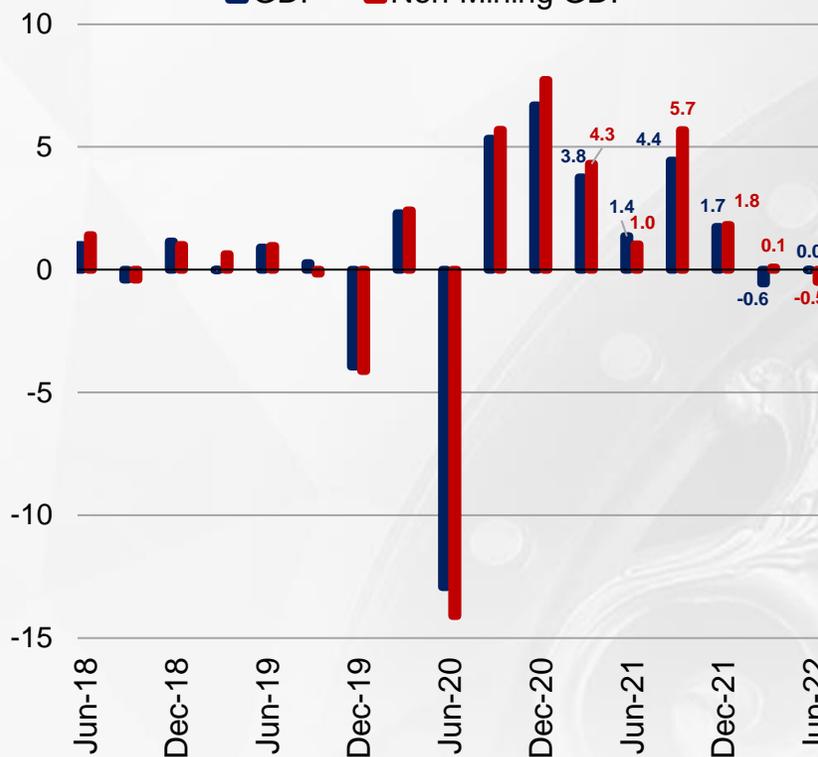
— GDP — Non-Mining GDP



## GDP growth

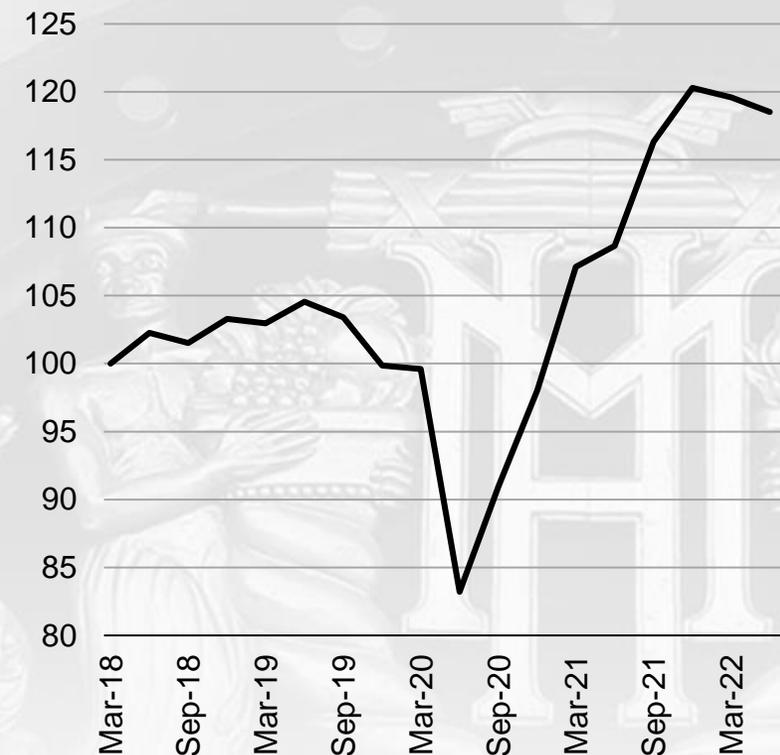
(QoQ % change, quarterly, seasonally adjusted)

■ GDP ■ Non-Mining GDP



## Domestic Demand

(index 2018Q1=100, seasonally adjusted)

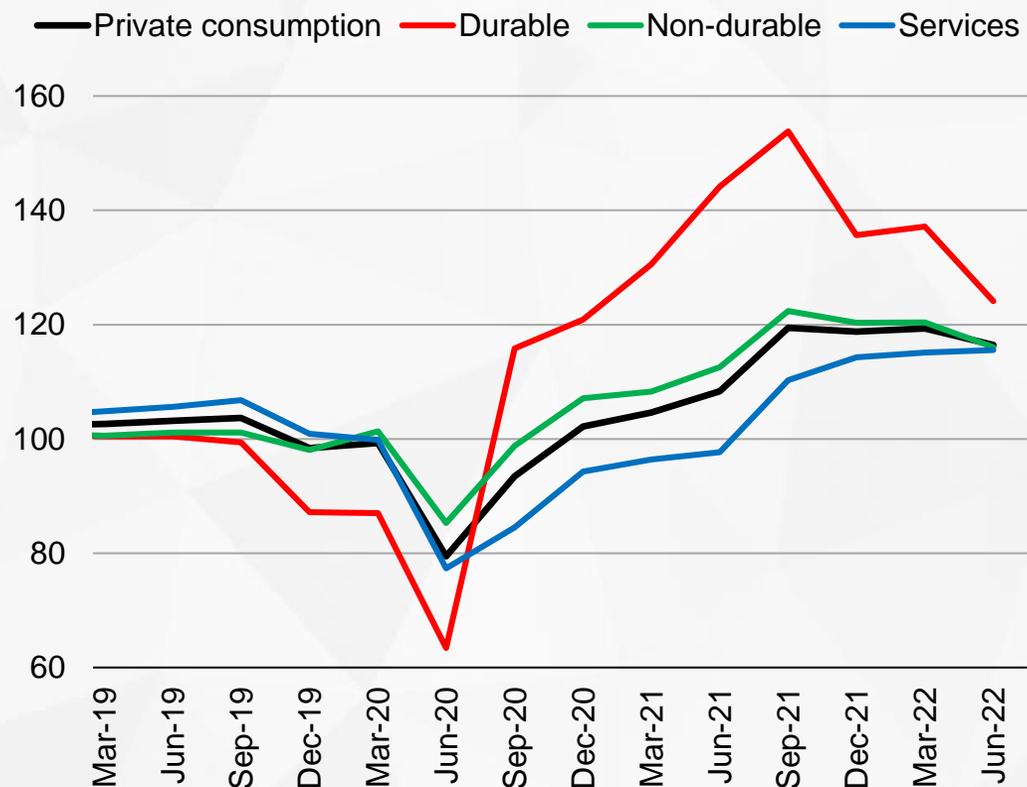


	YoY %			
	21Q3	21Q4	22Q1	22Q2
<b>GDP</b>	17,2	12,0	7,4	5,4
<b>Non-Mining</b>	19,9	13,6	9,3	7,0
<b>Mining</b>	-4,1	0,3	-3,9	-4,5

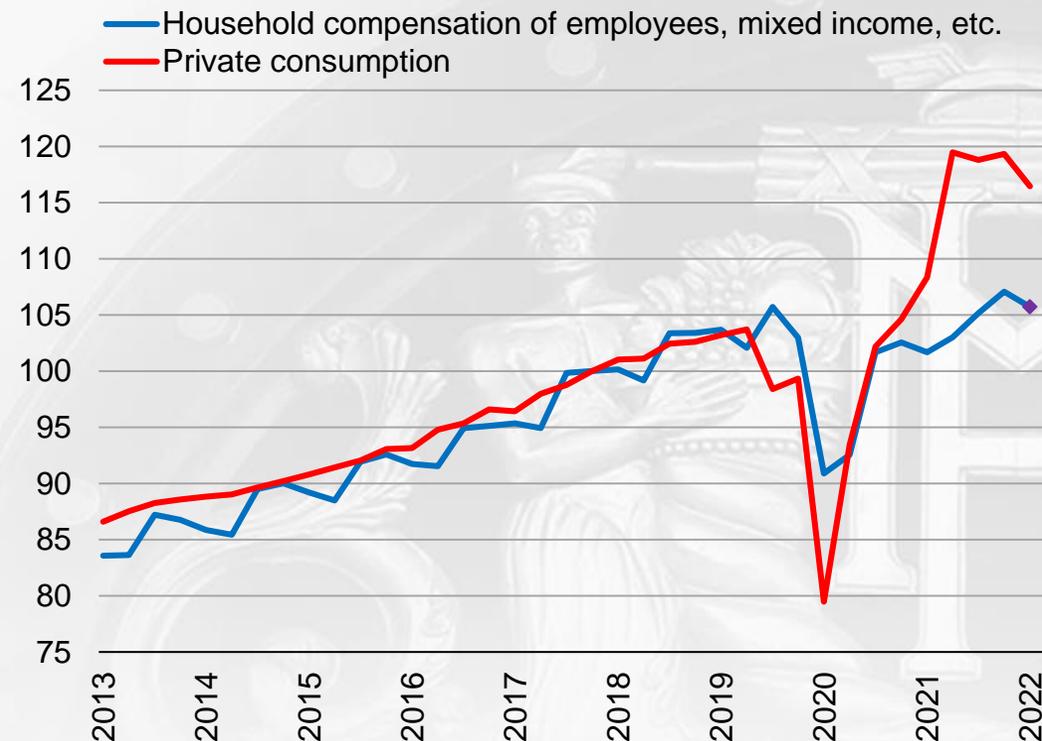
Source: Central Bank of Chile.

**Household consumption has continued to slowdown. In 2Q22 it contracted 2.4% QoQ, mainly due to a sharp drop in durable goods consumption (-9.5% QoQ).**

**Private Consumption**  
(index, 2018Q1=100, seasonally adjusted)



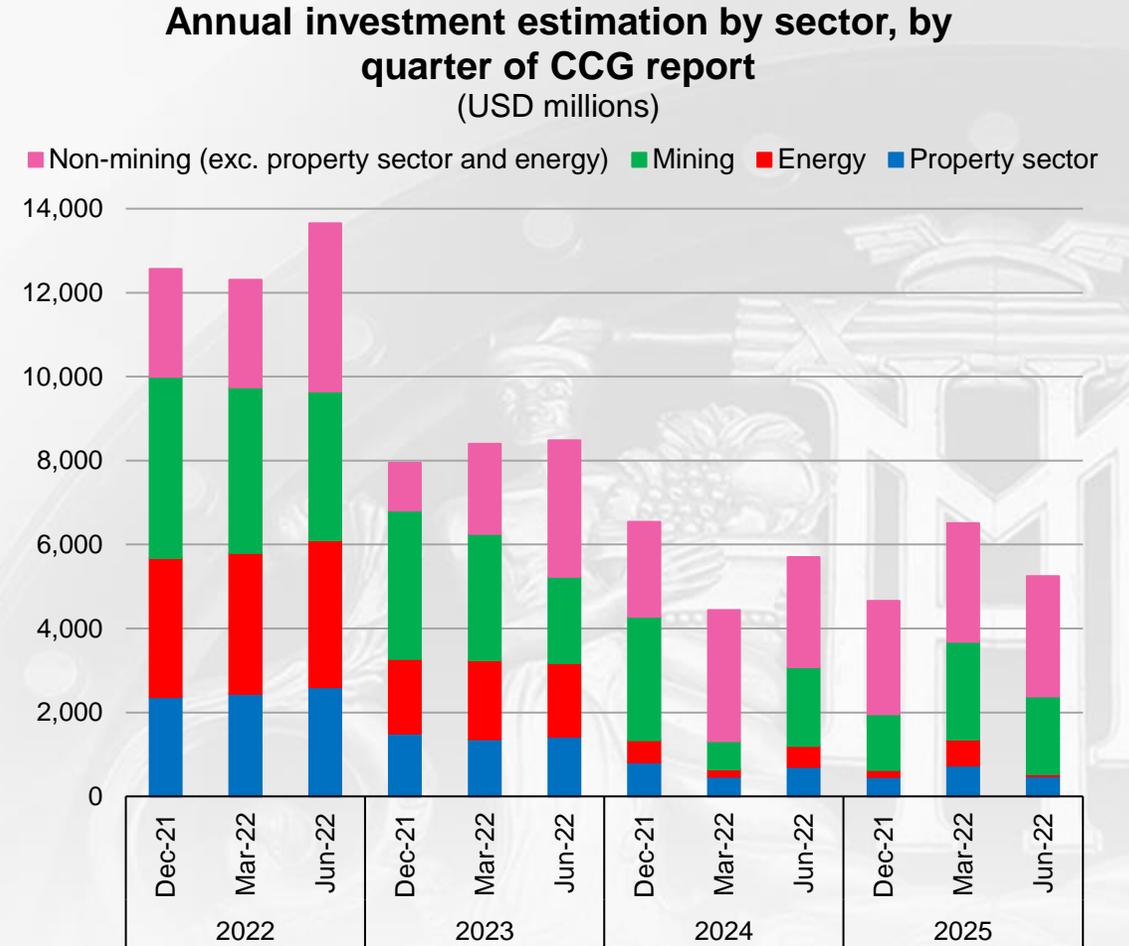
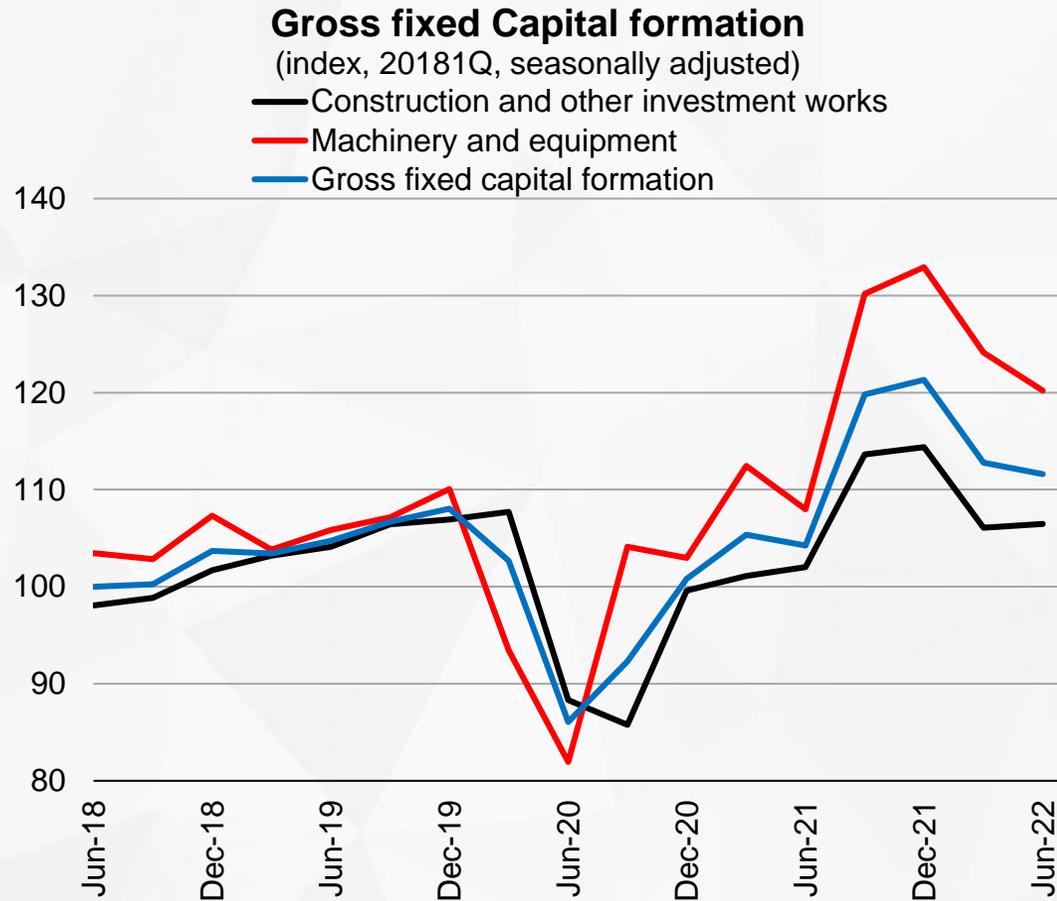
**Households income from production and Private Consumption**  
(index, mar.18=100)



**Note:** Household compensation of employees includes remunerations, mixed income and gross surplus. Deflated by Unidad de Fomento (UF). 2022Q1 value estimated.

**Source:** Central Bank of Chile.

# Investment fell in the first half of 2022 and leading indicators suggest a bleaker outlook



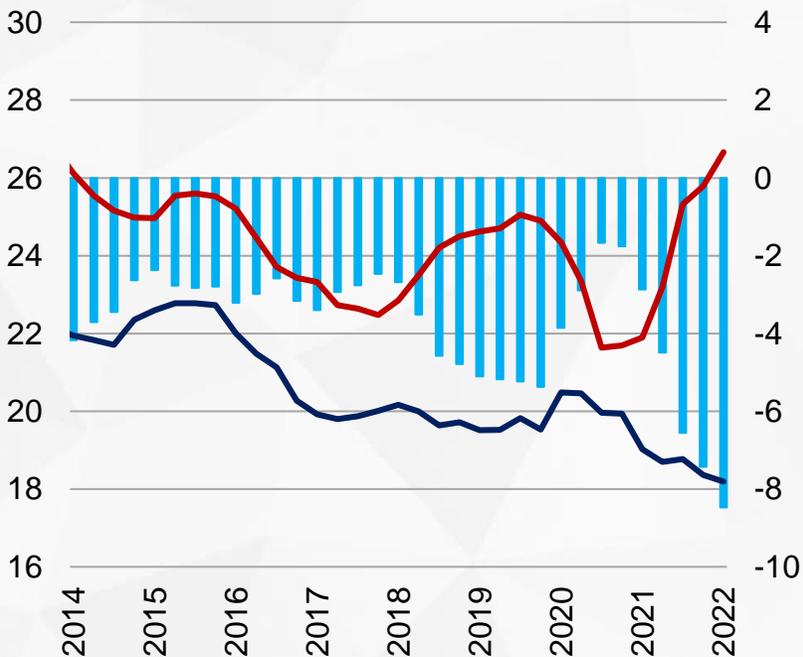
Source: Central Bank of Chile and Corporation of capital goods (CCG).

The current account continued to widen, due to a high level of imports, higher prices of energy imports and a service deficit. As domestic demand normalize, it will narrow again

### Current account, National Saving and investment

(% of GDP, annual moving average)

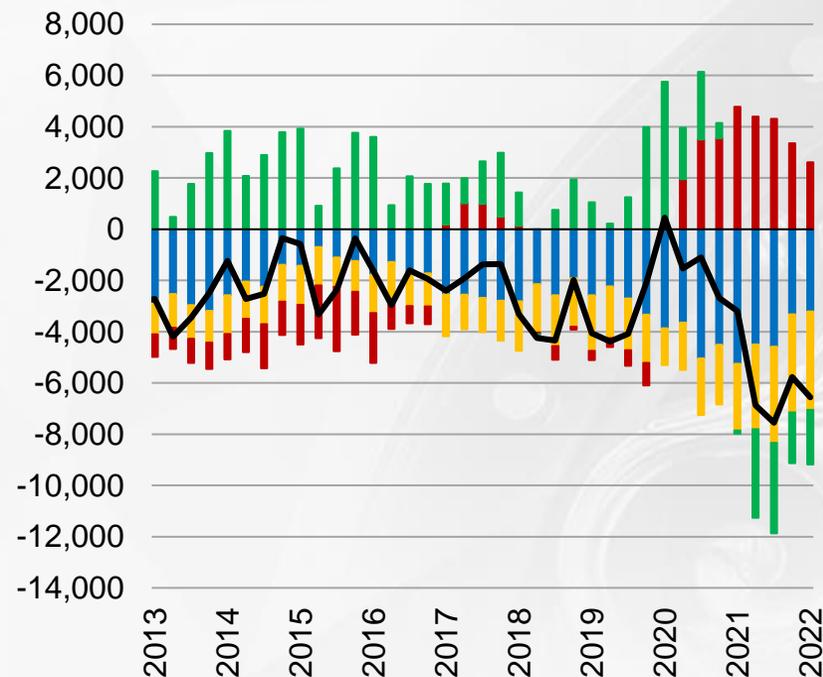
- Current account (right)
- Investment
- Saving



### Current account by components (1)

(USD millions, quarterly)

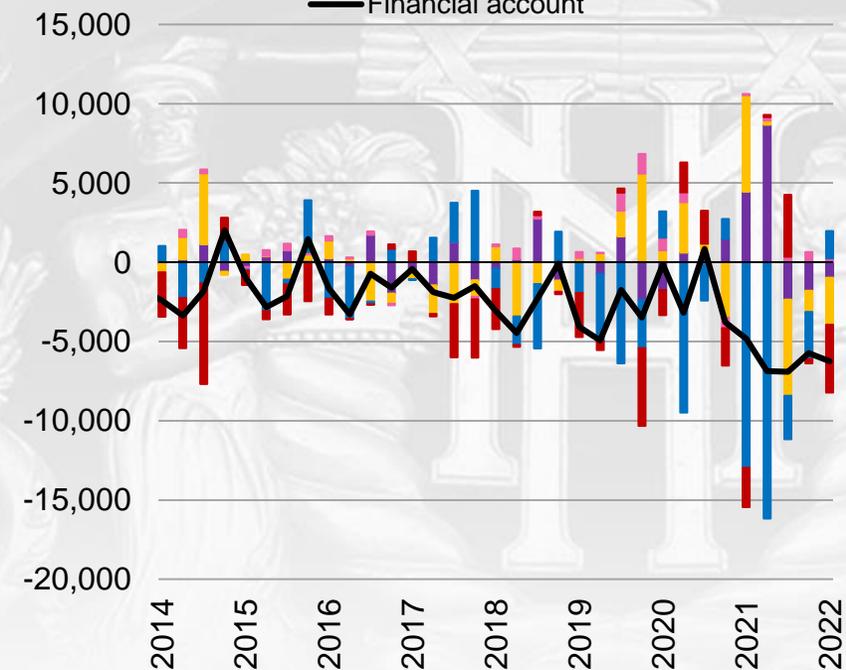
- Goods trade balance: quantities
- Goods trade balance: prices
- Service trade balance
- Renta y Transferencias



### Financial account by components

(USD millions, quarterly)

- Direct investment
- Portfolio investment
- Derivative financial instruments
- Other investment
- Reserve assets
- Financial account



**Note:** (1) The value of exports and imports of goods is deflated by their price indices, which use the year 2018=100 as a reference. For the calculation of the balance of goods in terms of quantity, imports of goods (FOB) are adjusted with CIF prices.

**Source:** Central Bank of Chile.

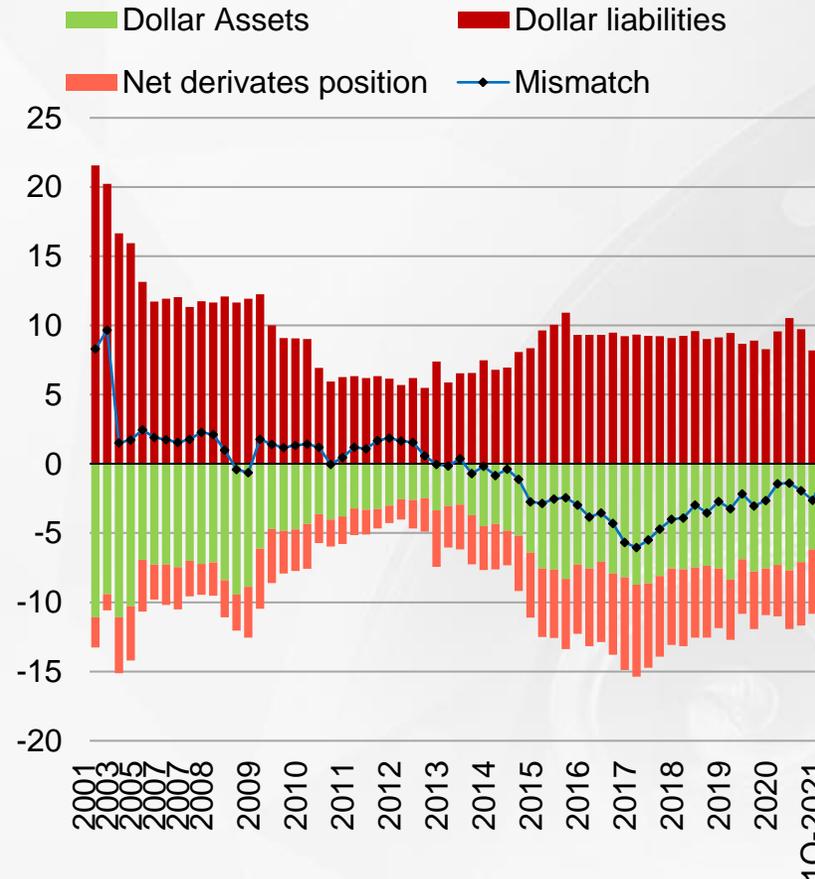
# The worsening of the current account has influenced in the exchange rate depreciation.

## The currency risk exposure of the Chilean economy is low

**Exchange rate**  
(pesos per dollar)



**Corporate Currency Mismatch (1)**  
(percent of total assets, pesos)



### Households

- Households do not hold USD liabilities

### Government

- Government is regularly in FX surplus due to the importance of copper revenues

### Corporate

- The level of corporate exchange mismatch has remained negative —net asset position in dollars.
- Higher external bond issuance comes from companies whose functional currency is the dollar

### Banks

- Banks maintain an active management of their foreign exchange position, generally staying hedge, which mitigates currency risks

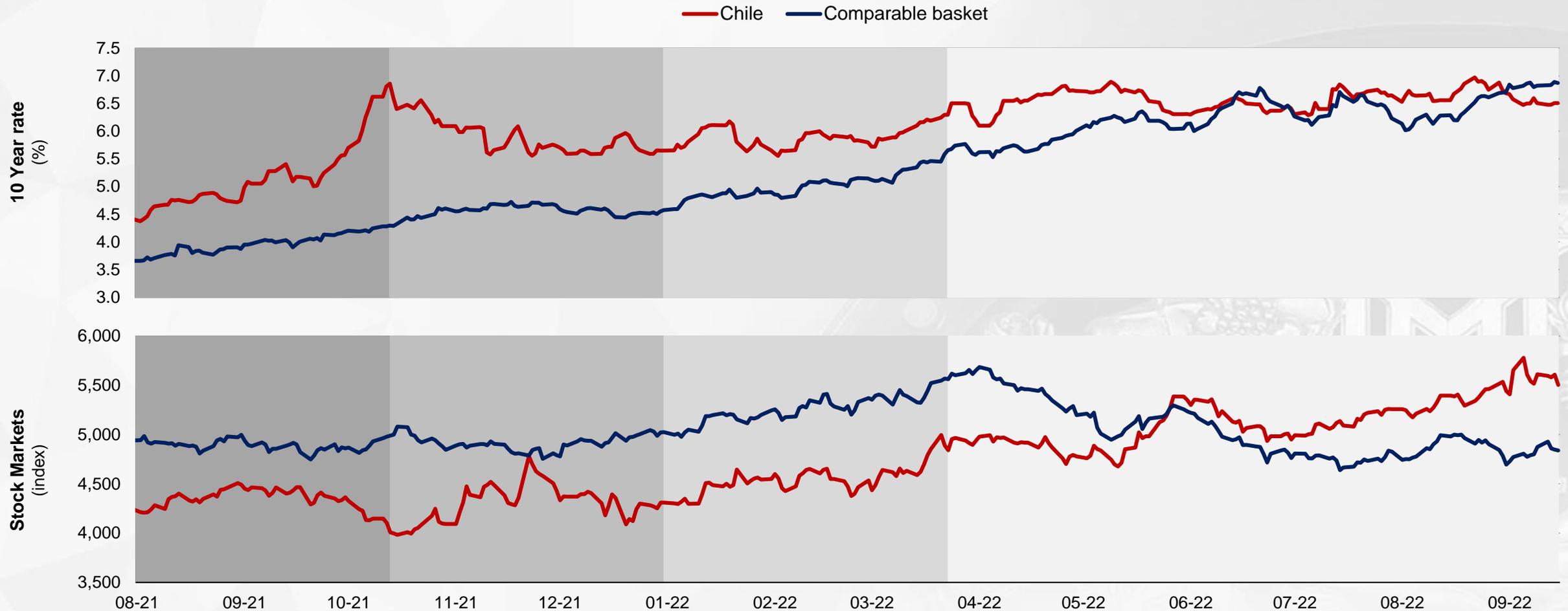
### Insurance companies

- Insurers have sources of liquidity (via debt or sale/collateralization of liquid assets) to meet the additional demands generated by potential increases in the exchange rate.

**Note:** (1) Mismatch refers to dollar liabilities minus dollar assets, minus net derivatives position, as percent of total assets.

**Source:** Central Bank of Chile and CMF.

# While global interest rates have raised and stock markets have declined, Chilean long-term rates have remained steady, and the market has had a positive performance



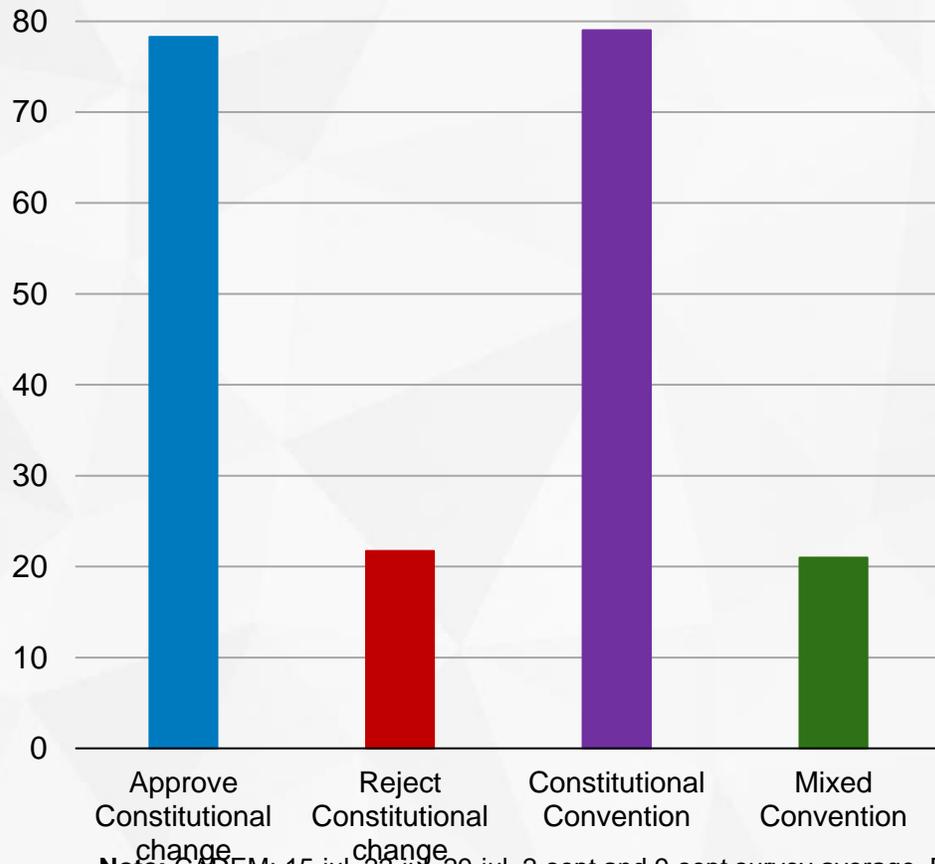
**Note:** The basket of comparable economies considers Latin American and commodity exporters countries (Brazil, Colombia, Mexico, New Zealand, and Peru). Weights are the coefficients of a cointegrating relationship with Chile's variables. Data up to September 15<sup>th</sup>.

**Source:** Bloomberg, Central Bank of Chile and Ministry of Finance.

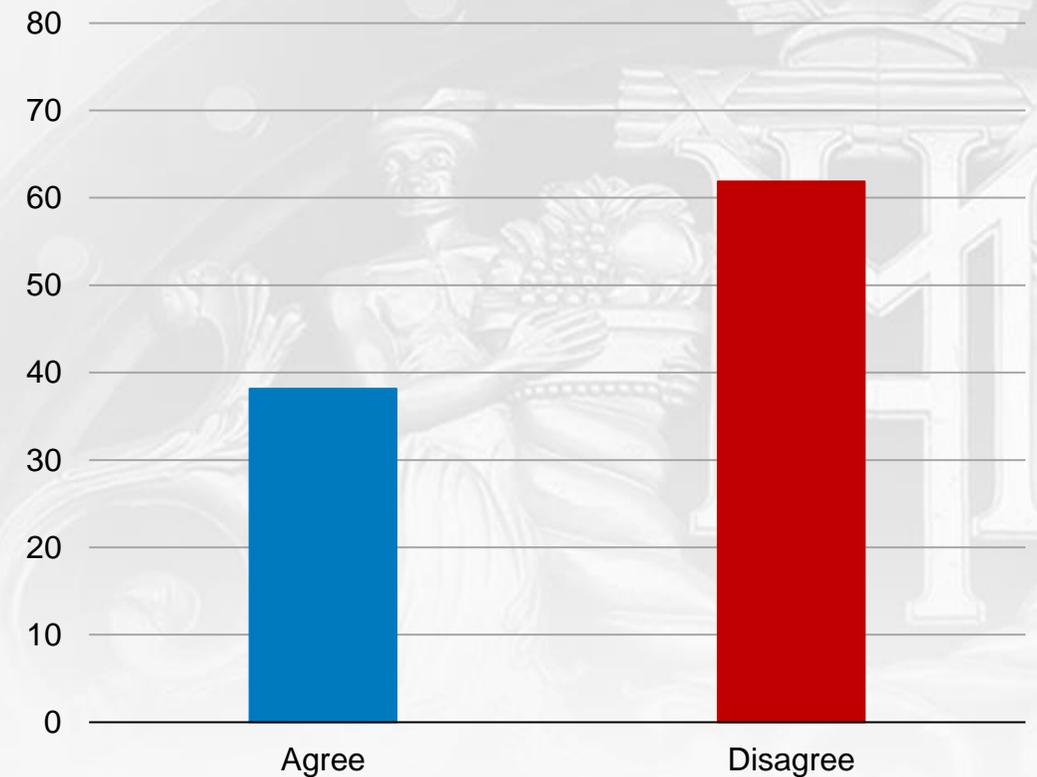
# Constitutional Process

The process of rewriting a New Constitution is going through an orderly and democratic process. Even though a concrete proposal was rejected in a national referendum in early September, another process to draft a New Constitution is starting.

**Entry Referendum:**  
Do you want a New Constitution?  
(percentage)



**Exit Referendum:**  
Do you approve the text of the New Constitution proposed by the Constitutional Convention?  
(percentage)

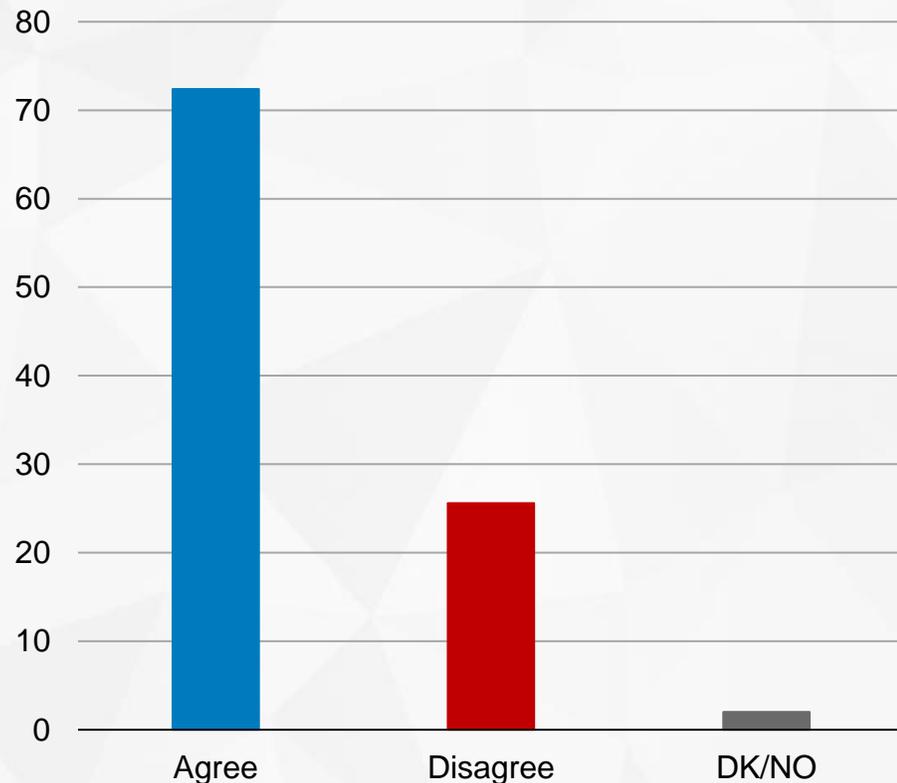


**Note:** CADEM: 15-jul, 22-jul, 29-jul, 2-sept and 9-sept survey average. Before 9-sept, question was preceded by the condition "if the Reject option wins...".

**Source:** Chilean Electoral Service, CADEM.

## The Congress is already working to reach an agreement on the next steps of the constitutional reform process.

**Survey: Do you agree or disagree with starting a new process for Chile to have a new Constitution?**  
(percentage, survey average\*)

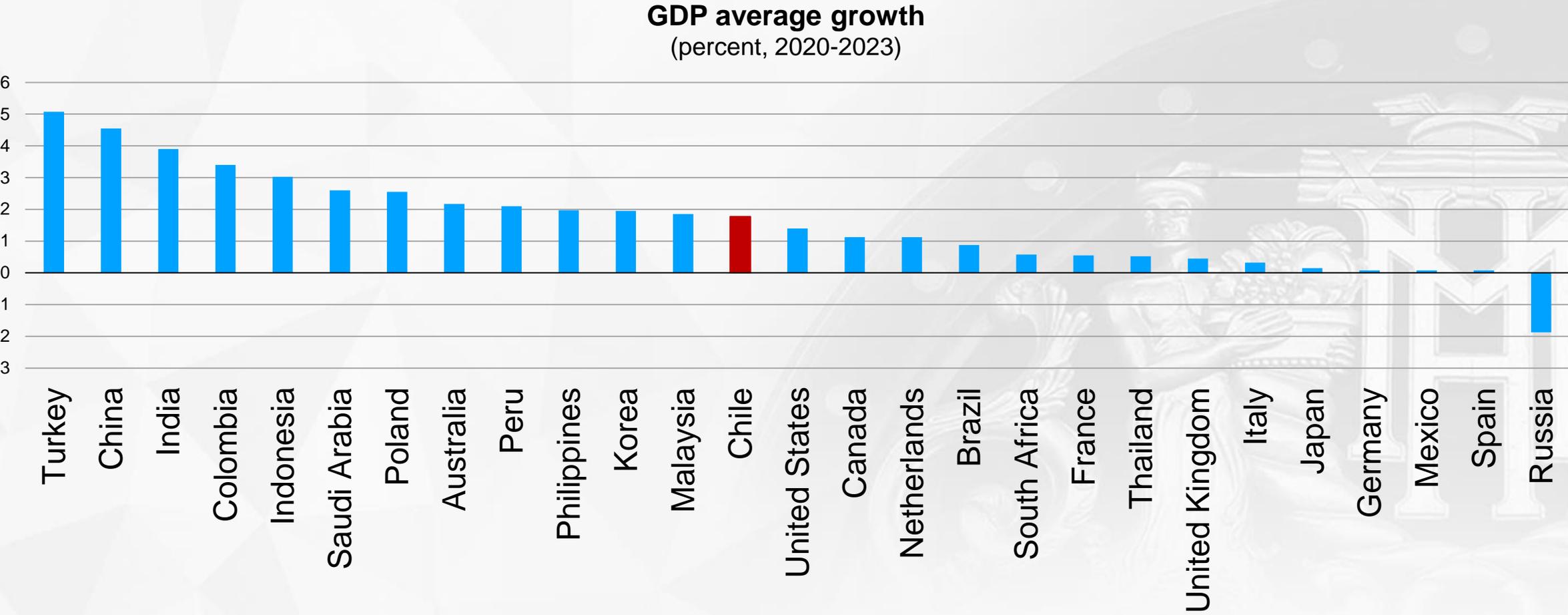


### What values gathered by the rejected draft will continue to dominate?

- Social Rights State
- Gender parity
- Environmental protection
- Extension of citizen rights
- Recognition and respect for diversity
- Decentralization
- Rebalance between the role of the State and the private sector
- Constitutional recognition of Native Peoples
- Fiscal responsibility and Central Bank's autonomy

# Economic Challenges

With this, the average growth of the Chilean economy during 2020-2023 would be in the median of a long list of countries.



Source: International Monetary Fund. World Economic Outlook, July 22

# Economic Challenges

**I** Continue stabilizing the economy

**II** Extend and continue the Reforms Agenda

**III** Pro-Investment and Productivity Agenda

**IV** Raise Chile's potential growth and new opportunities

# To strengthen Chile's fiscal framework, the government presented a draft bill that improves the Fiscal Responsibility Law

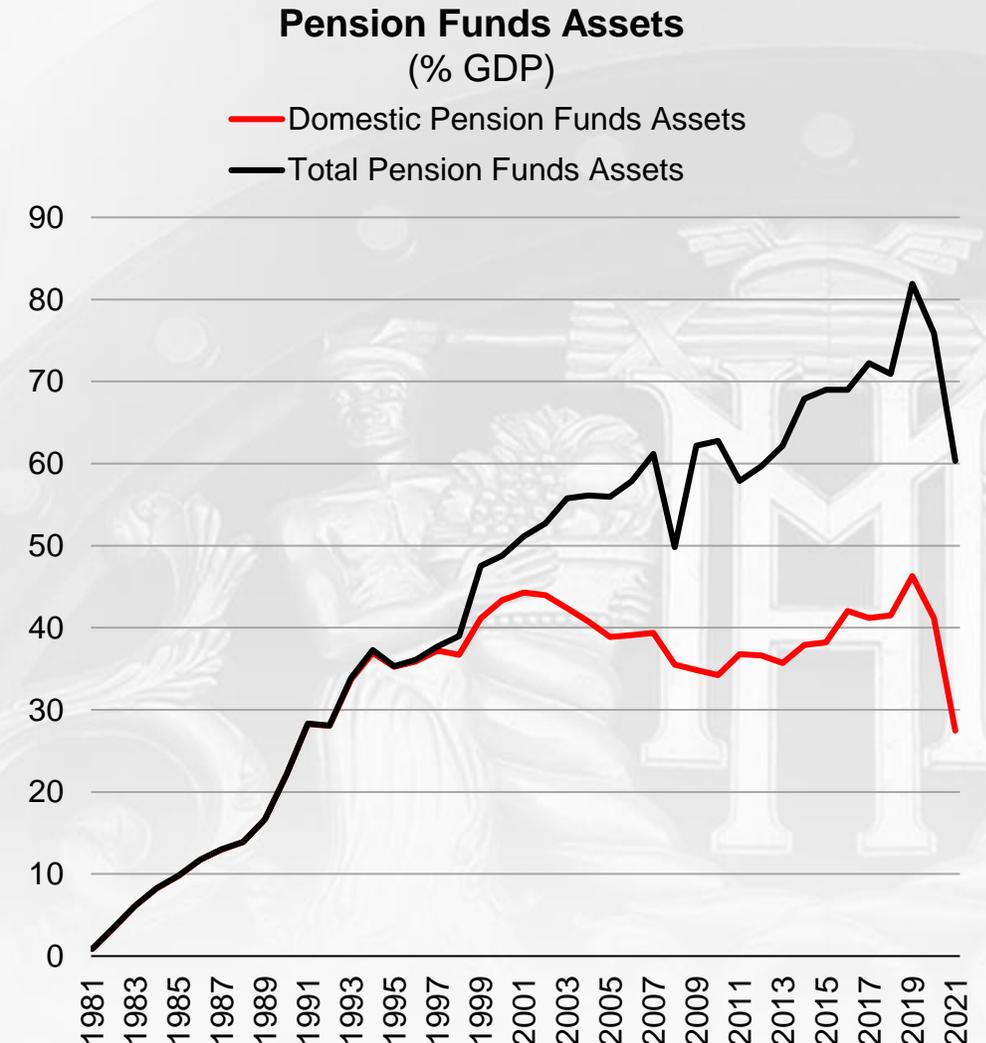
Some of the main topics of the proposal:

- **A dual-fiscal rule:** The structural fiscal balance rule is complemented with a debt anchor.
- **Well-defined escape clauses starting from 2026:** for extraordinary and transitory events in cases such as i) natural disasters, ii) when the conditions of the law that creates the automatic emergency family income are met, and iii) events that significantly deteriorate macroeconomic conditions.
- **Clear path for returning to the rule in the event of a departure.**
- **Accountability.**
- The creation of a **Fund for Natural Disasters (FODEN)** and an **automatic emergency family income** in case of lockdowns.
- **The Economic and Social Stabilization Fund's (FEES) main objective is detailed,** and some specifications on its accumulation and use rules.
- **Financial reports' improvements.**
- **Market makers program.**
- **Strengthen the role of the Autonomous Fiscal Council.**

# The Chilean capital market lost more than 20% of GDP as a result of Pension funds withdrawals, but initiatives are being promoted to rebuild it. The pension reform will contribute significantly to this.

Several ongoing initiatives will promote further progress towards deeper, more stable, and inclusive capital markets:

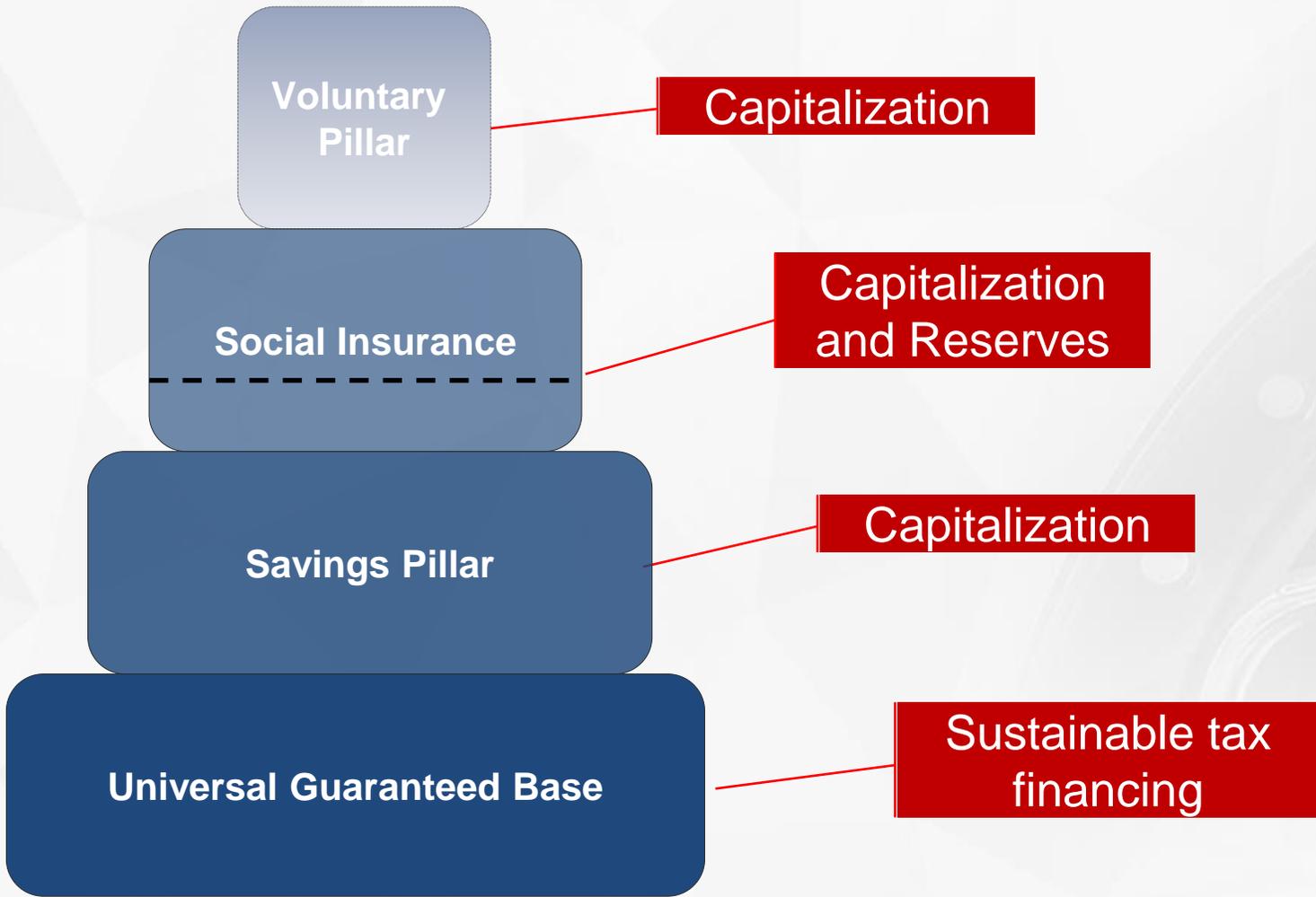
- Financial Innovation Bill. (**Fintech**)
- Internationalization of the CLP (**simplified RUT**).
- **Resilience** of the financial system and its infrastructure. (allow the Central Bank to grant liquidity to non-bank financial players)
- Risk-based **supervision on insurance companies**.
- Consolidated **debt registry**.
- Legal protection and treatment of personal data, creation of Agency for the **Protection of Personal Data**.
- **Market makers program** for government bond issuances



**Note:** The red line shows the pension system's assets average between January 2010 and September 2019.

**Source:** Chile's Pension Supervisor (SAFP) and Financial Market Commission (CMF).

# Pension Reform bill will include a number of mechanisms to rebuild long-term domestic capital markets



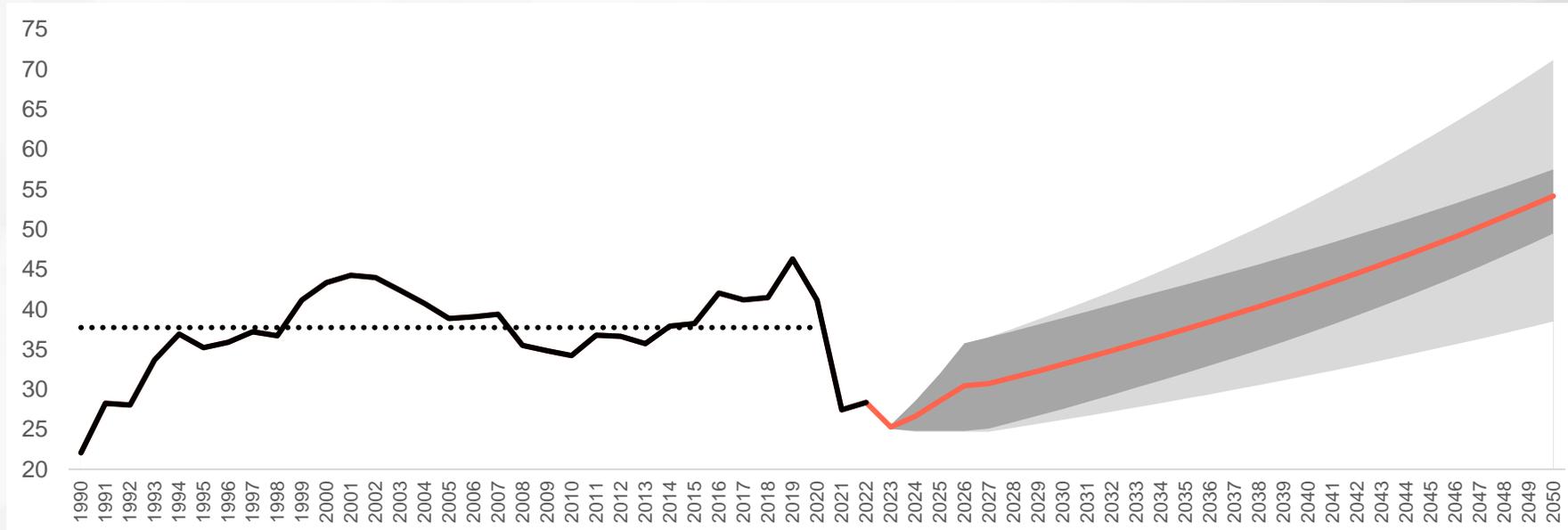
Pension reform is intended to change the architecture of the current system.

It will be supported by

- (i) a **universal** guaranteed base;
- (ii) a **savings pillar** via capitalization, with a quotation increase of 6%;
- (iii) **social security**; and
- (iv) **voluntary** savings via capitalization.

# Recovering the long-term private savings' base in the economy

Domestic assets of Pension System  
(% GDP)



Note: Simulations assuming different scenarios of increases in pension contributions, growth, domestic investment, decrease in contribution gaps, etc

Source: Ministry of Finance.

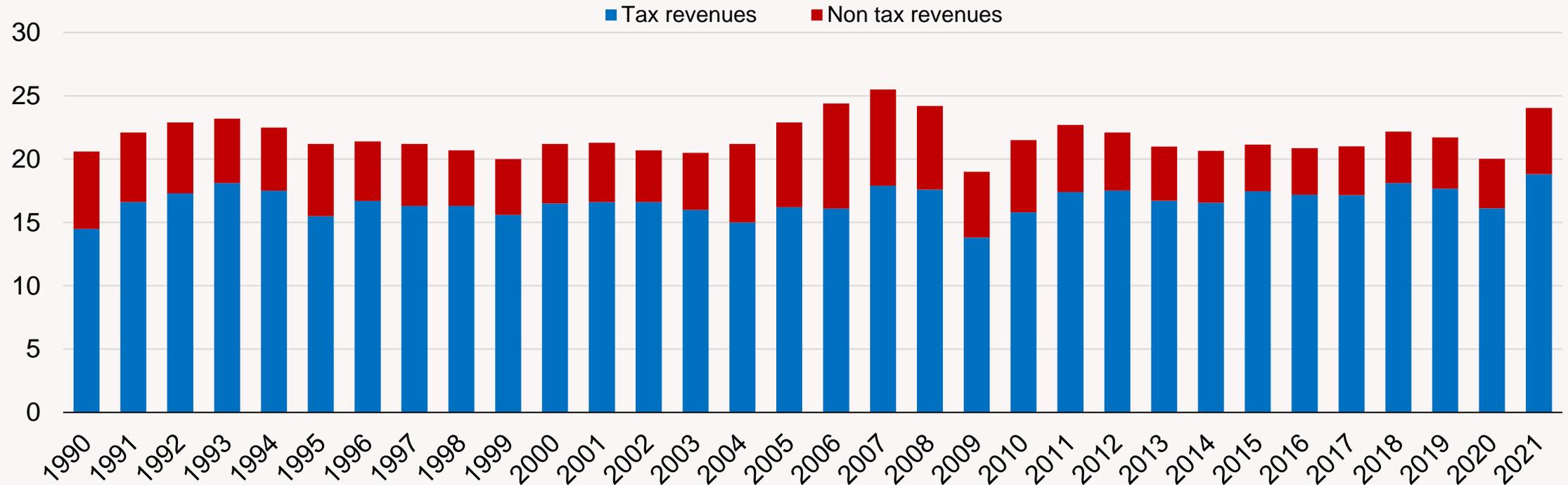
The pension system may contribute by:

- Capitalizing workers' contributions
- Reserve accumulation in the social security of defined benefit pillar, from employers' contributions
- Increasing density of contributions
- Reducing under-declaration and raising wage top

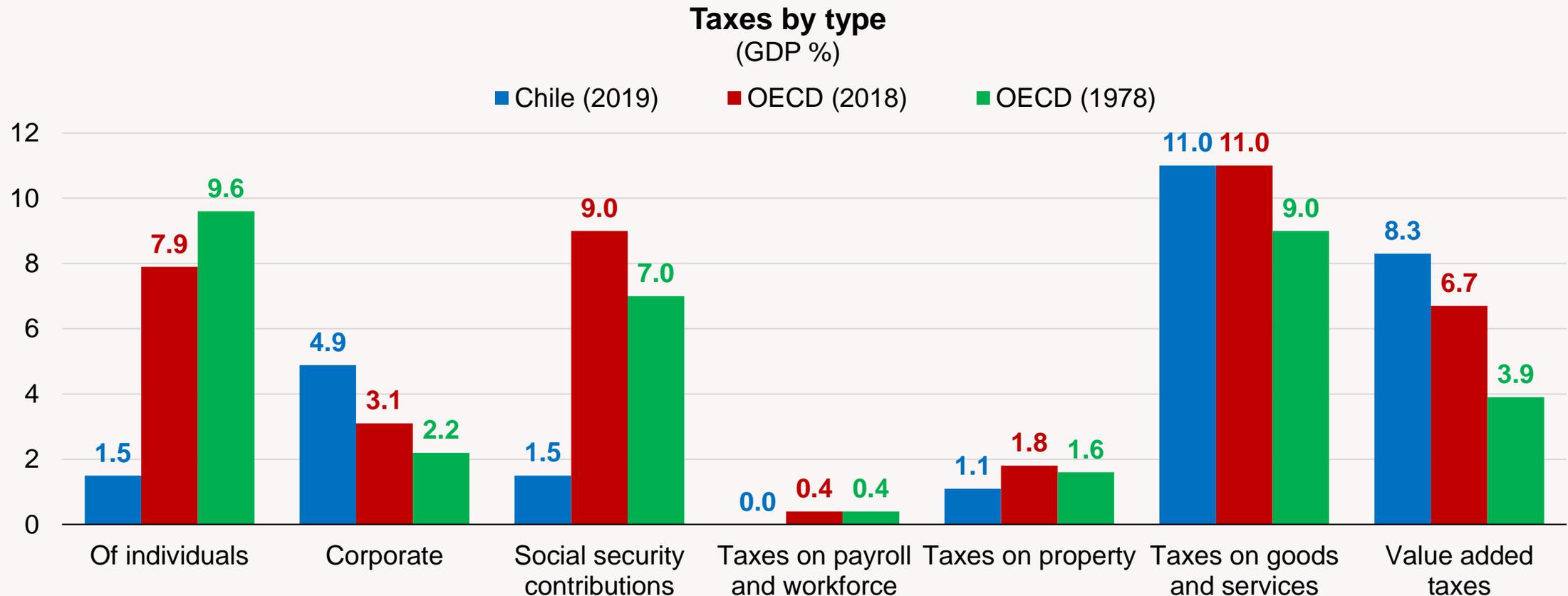
# Tax Reform: A New Fiscal Pact

# Tax burden in Chile is comparatively low and has changed very little over the last 30 years

Central Government operating income  
(GDP %)



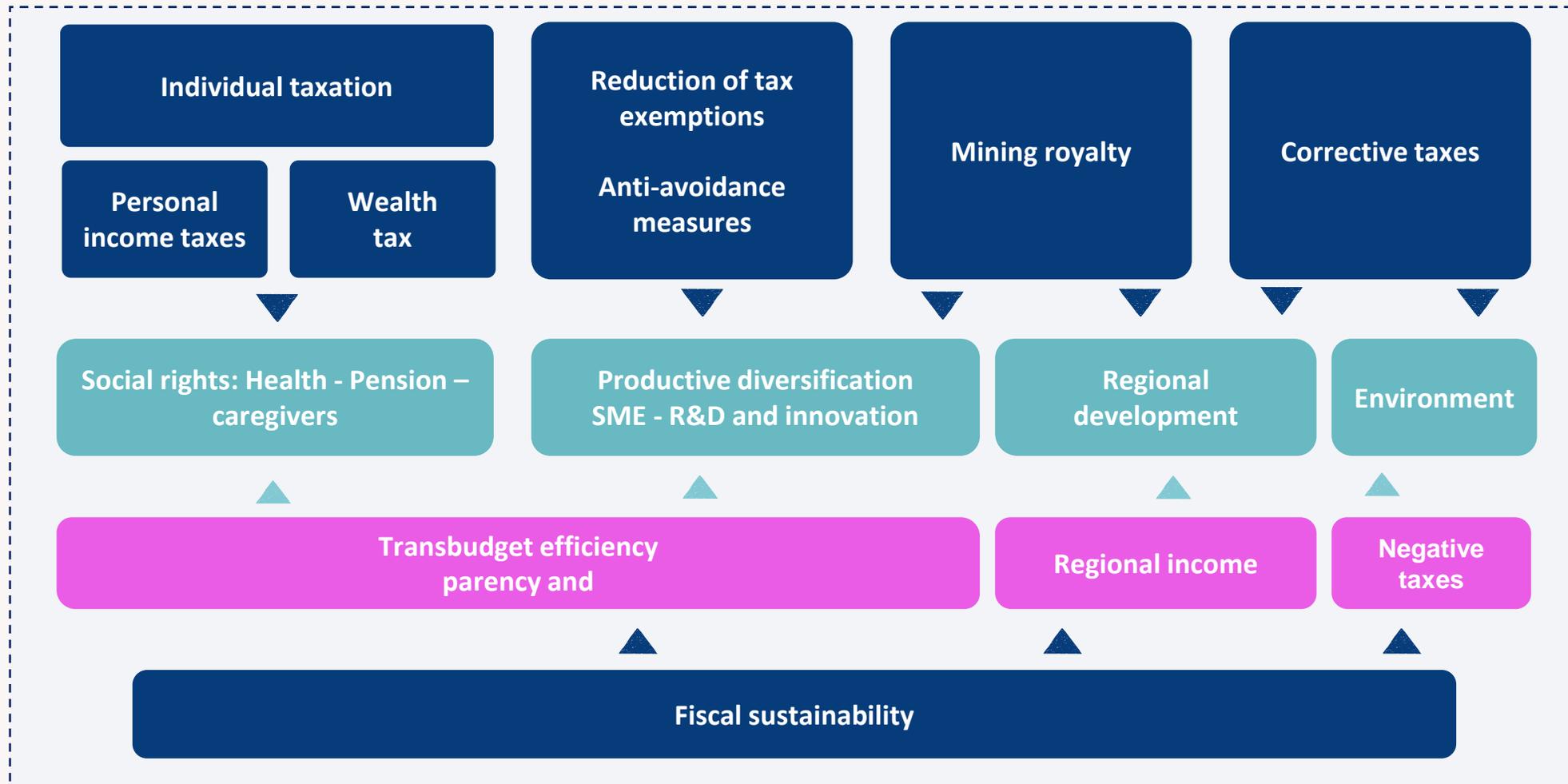
Chile's tax structure is atypical in comparison with OECD countries. There are large gaps on personal income taxes, property tax, and social security contributions.



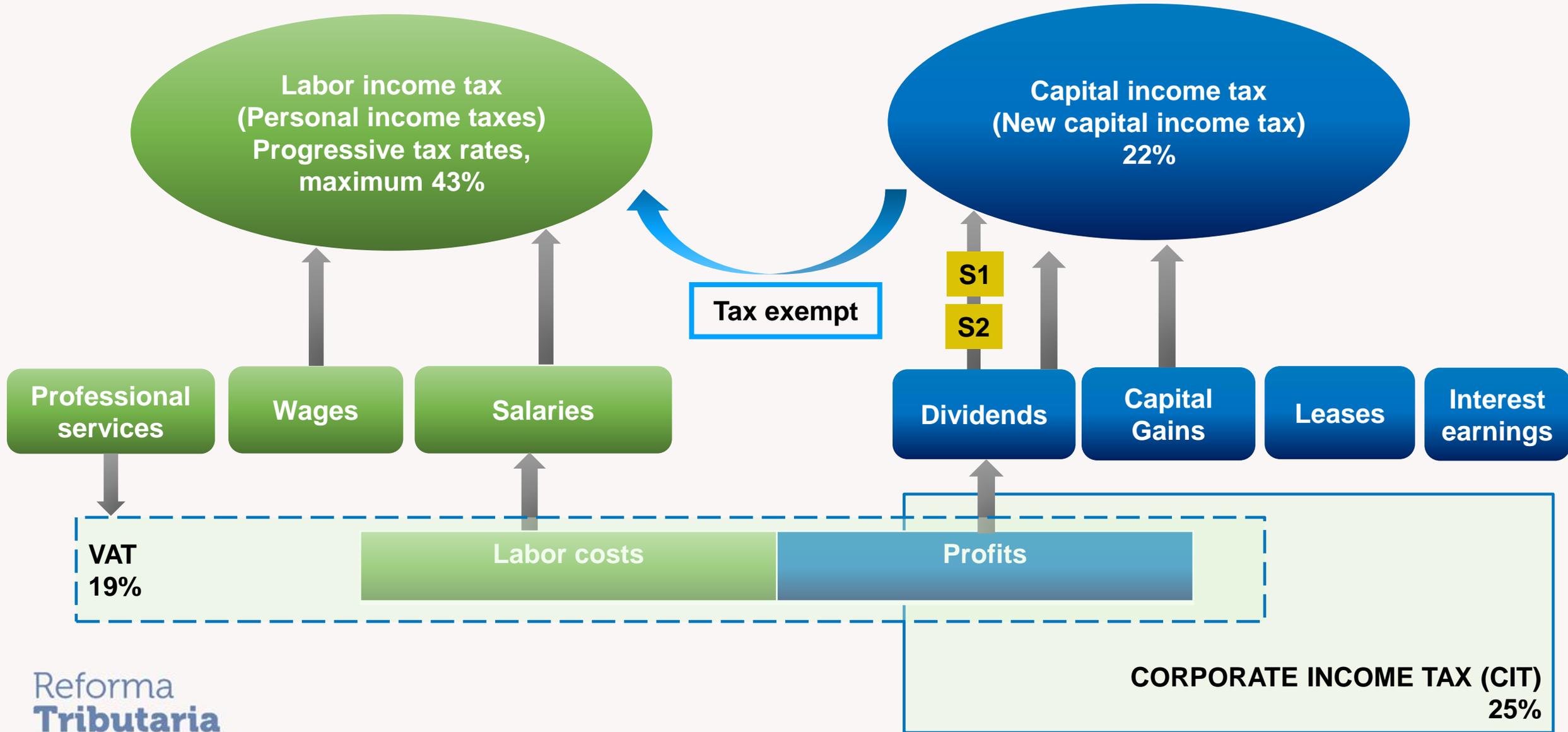
# A new fiscal pact: Tax Reform objectives

<b>Tax revenue</b>	<ul style="list-style-type: none"><li>• Increase tax-to-GDP ratio by 4.1 percentage points</li></ul>
<b>Fair Distribution</b>	<ul style="list-style-type: none"><li>• Raise the progressivity of the tax system</li><li>• Reducing tax loopholes and opportunities for aggressive tax planning</li></ul>
<b>Tax revenue legitimacy</b>	<ul style="list-style-type: none"><li>• Good use of resources</li><li>• Transparency in the use of resources</li></ul>
<b>Tax Modernization</b>	<ul style="list-style-type: none"><li>• Incorporate global trends in taxation</li><li>• Taking into account the globalization of taxpayers</li><li>• Financial development</li></ul>
<b>Efficiency</b>	<ul style="list-style-type: none"><li>• Simplify and reduce compliance costs</li><li>• Reduce incentives for aggressive tax planning with avoidance purpose</li></ul>

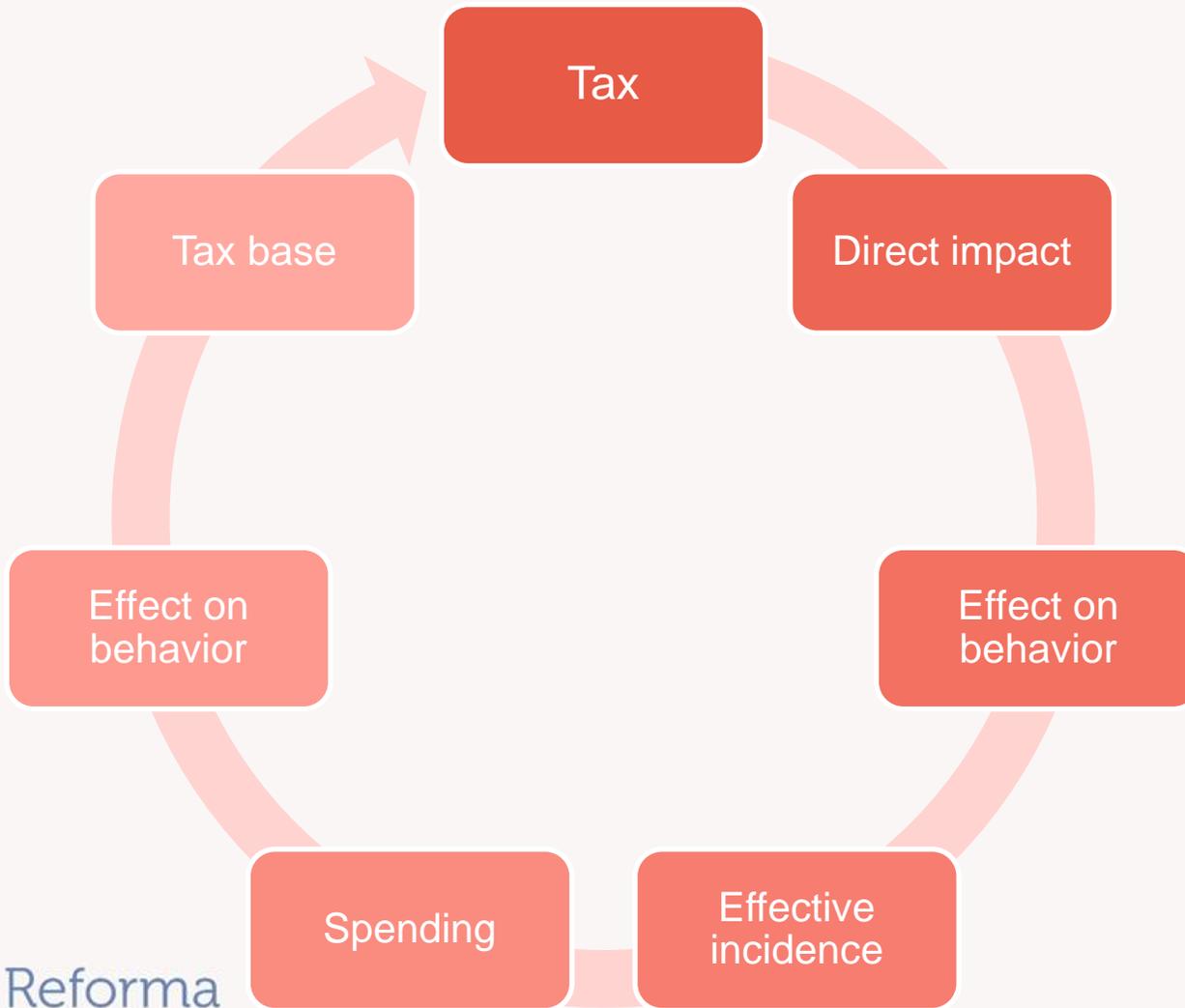
# Tax Reform Structure



# Restructuring Income Tax



# Economic impact must consider both the revenue and the spending side



Tax policy	Total effect on GDP per capita – Long run (%)
Corporate tax	-0,84%
Wealth tax	-0,82%
Personal Income tax	-1,04%
Reduce tax evasion and tax avoidance	0%
<b>Total</b>	<b>-2,7%</b>

Tax expenditure	Total effect on GDP per capita – Long run (%)
Increase R&D expenditure	3,2%
Family benefits in kind	0,7%
Education	0,3%
Pensions	0,3%
<b>Total</b>	<b>4,5%</b>

Nota: In the case of higher health spending and PGU, the macroeconomic impact is not evaluated. Although there is evidence that higher health spending can have a positive impact on economic growth through increased life expectancy, labor productivity and human capital accumulation (Bedir, 2016), the empirical evidence shows mixed results and we take a conservative stance.

## The Executive has been working with different stakeholders to reach a consensus on elements to be improved underscoring a flexible and pragmatic approach towards passing a good legislation:

- 27 changes were introduced to the draft bill:
  - **Investment incentives:** 4
  - **Anti-avoidance:** 8
  - **New income tax system:** 8
  - **SMEs regime:** 4
  - **Wealth tax:** 3
  - Some future changes are still under discussion and drafting (investment funds, VAT on real estate and adjustments to the text).
- In parallel, changes to the Mining Royalty are under work (based on talks with Parliament advisors and industry actors).

## Pro-Investment Agenda: with the purpose of stimulating private and public investment, the government has proposed a Pro-Investment Agenda that will accelerate and promote the investment processes in the country

- **Investment is essential for our country to transform its current productive matrix**, from one vulnerable to the impact of climate change and with low rates of innovation and productivity, to one that integrates the necessary balances with the environment, which fosters growth of sustainable productive sectors, supplies decent work and promotes more equitable development.
- This agenda is in line with the diagnostic provided by national and international institutions, and **includes various proposals presented by business associations in meetings** held over the last few months with the Government.
- The lines of work of this agenda bring together management efforts, public resources and some regulatory and normative changes that are directly aimed at **quickly reactivating and unlocking investment in Chile**, in order to see most of its effects during the next year.



## The “Invirtamos en Chile” Plan includes six lines of action

# PLAN *Invirtamos en Chile*



Tax Incentives for Private Investment

Access to financing improvements

Proposals to Improve Public Investment

Foreign Investment Promotion

Improvements to the Efficiency of Procedures in Regulations and Permits

Public-Private Partnerships for Investment

It is estimated that the materialization of this agenda will allow **total investment to be boosted by at least 5 percentage points during 2023**, with additional spillovers into 2024 and create 50,000 to 70,000 new jobs.

# Some of the 28 measures

## 1. Tax Incentives for Private Investment

- Create a tax incentive for investment projects with a multiplier and green effect.
- Apply temporary semi-instantaneous depreciation mechanism during 2023.
- Lower the Ad-Valorem rate for new and expansion copper projects.
- Extend the reduction in the first category tax for SMEs for two years:

## 2. Access to financing improvements

- State guarantee in financing 10% of the mortgage credit down payment for the acquisition of a first new home.

## 3. Proposals to Improve Public Investment

- Increase public investment in 2023 and improve administrative processes.
- Recovery of unfinished public works.
- Expansion of polynomial readjustment coverage.
- Accelerate the construction of high standard bike lanes.

## 4. Foreign Investment Promotion

- Reopening of investment attaché offices abroad.

## 5. Improvements to the Efficiency of Procedures in Regulations and Permits

- Fund for the strengthening of critical services in the processing of projects.

## 6. Public-Private Partnerships for Investment



## Productivity Agenda: Since the beginning of June, the government established a Productivity roundtable, which has systematically reviewed improvement options

Trade Facilitation

Investment streamlining

Productive SMEs

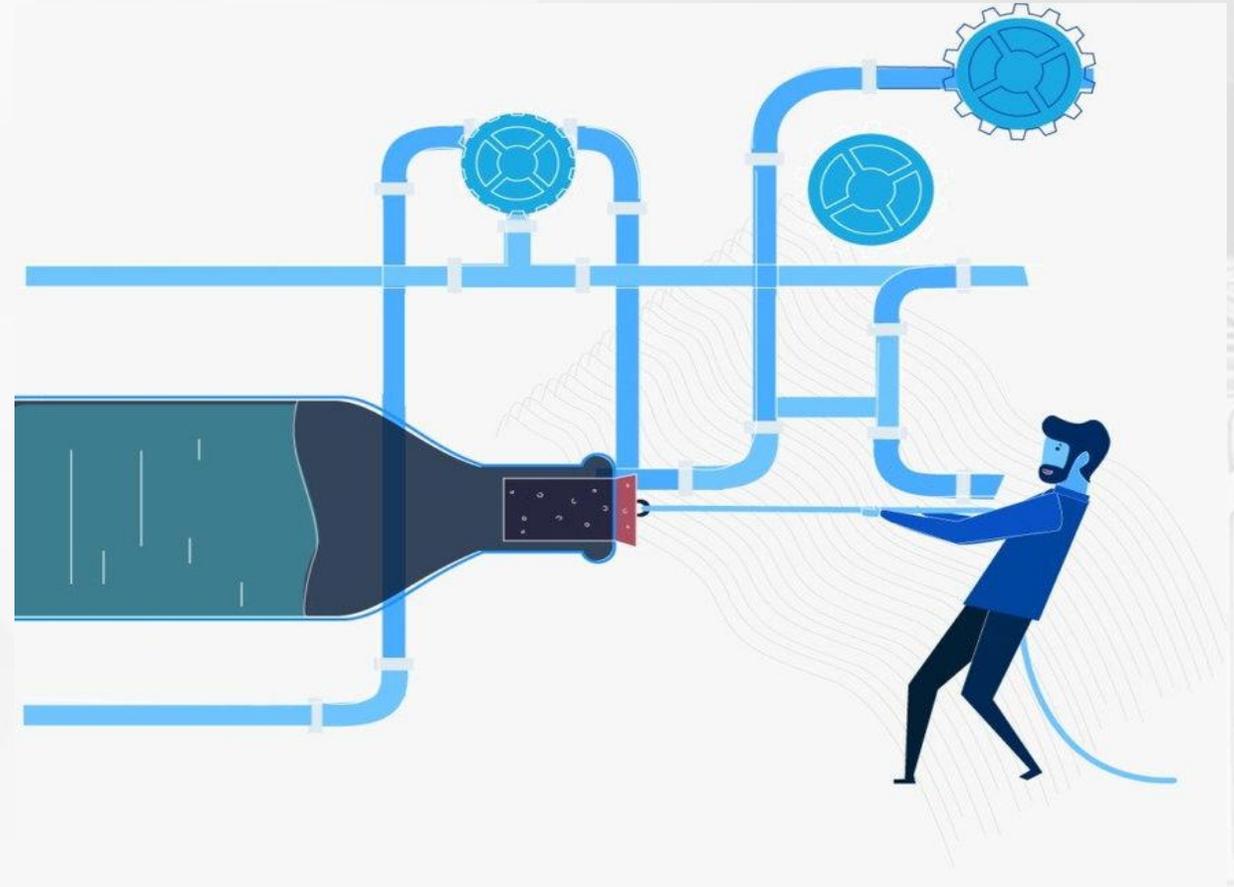
Financial Markets

Primary Health

Public trust - Notaries

Other SMEs gaps

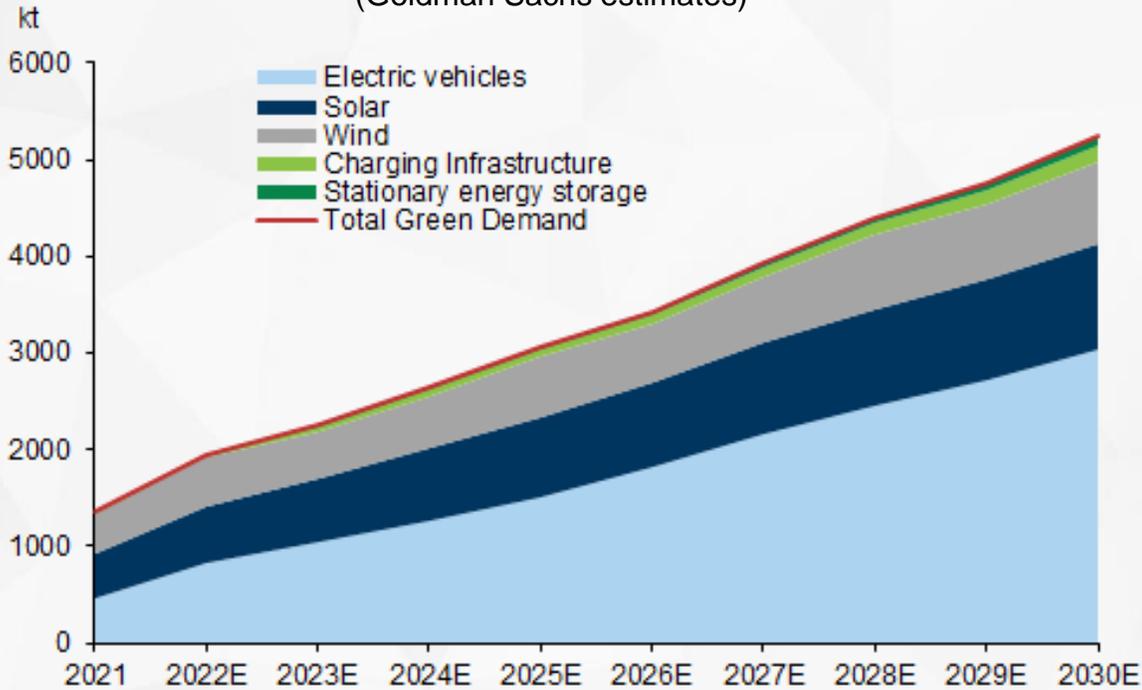
Informality/training



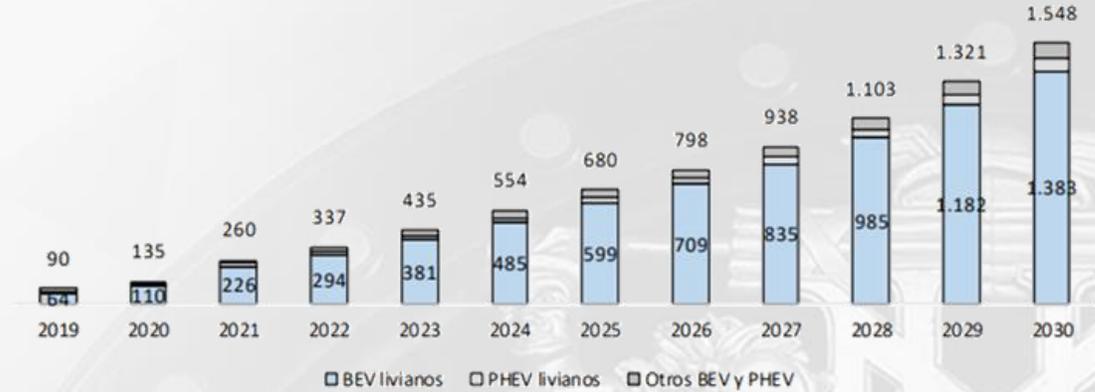
At the end of the cycle, administrative, regulatory and legislative **proposals will be prepared to increase productivity.**

# The potential of green growth: A greener global economy has direct benefits from an increased demand for Chilean commodities

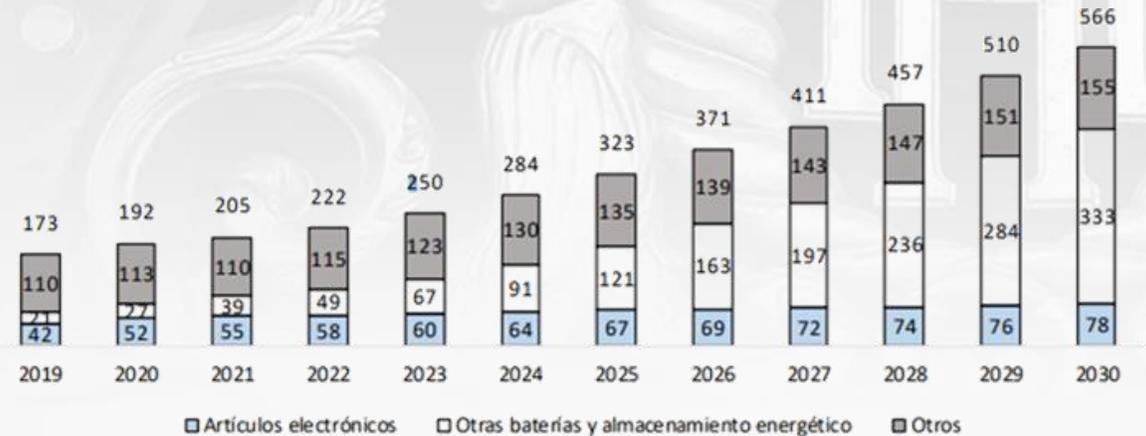
**Copper demand from “green factor”**  
(Goldman Sachs estimates)



**Lithium demand for electric vehicles forecast**  
(kt LCE, 2019-2030)



**Lithium demand not associated with electric cars forecast**  
(kt LCE, 2019-2030)

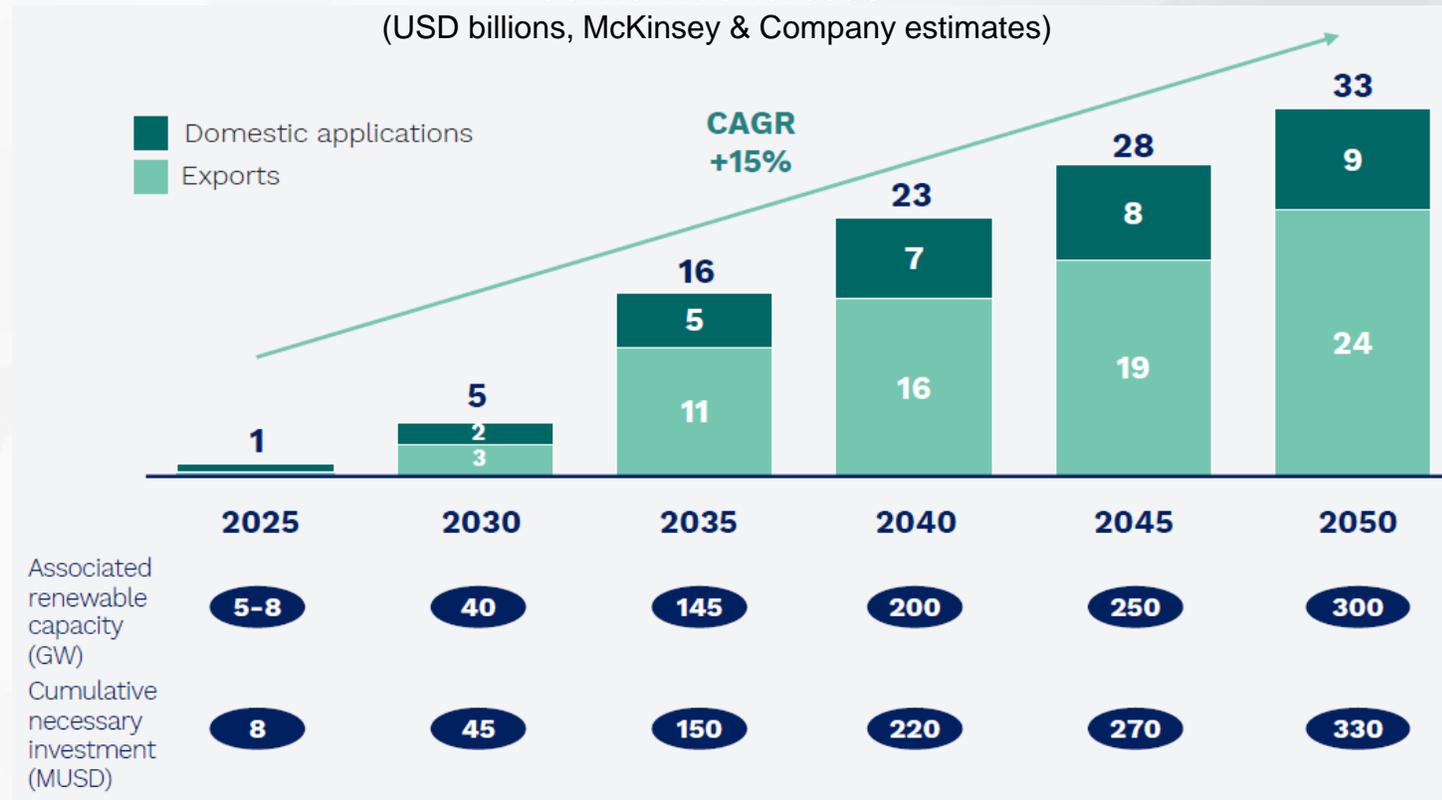


Source: Goldman Sachs Global Investment Research, Cochilco.

# The competitiveness of Chile in renewable energy production and the global need for clean energy carriers will open the door for Green Hydrogen to match the size of the Chilean mining sector

## Chilean markets for Green Hydrogen and its derivatives forecast

(USD billions, McKinsey & Company estimates)

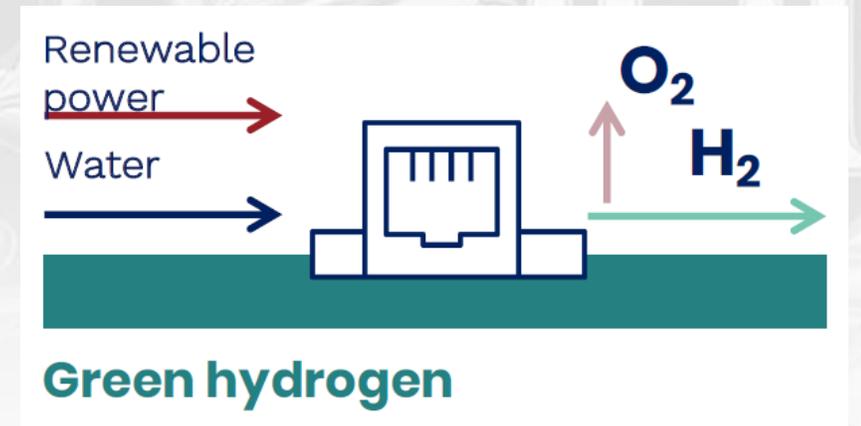


# The Green Hydrogen Industry development project is an emblematic case that reveals various aspects of the coming productive transition

- **Chile has privileged conditions** worldwide for energy production:
  - Sunlight reception, rare earths, wind potential
  - Potential to produce renewable energy at a **much lower cost** than in other countries.
  - Projections of significant growth in the capacity to generate this type of energy, especially **solar (concentration) and wind power**
- **State-level priority:** Interministerial Committee (11 ministries and Corfo), with the aim of developing the industry.
- **National strategy** includes recognition of territoriality and sustainability, environmental assessment, planning of common infrastructure, engine of innovation and incorporation of technologies
- **Energy Independence:** Transition from an economy that imports fossil fuels, to one capable of producing, being self-sufficient, and eventually exporting Green Hydrogen, a source of green energy.
- **Public-private alliances**, and the role of multilaterals, for development, accompaniment and financing. Support for companies that in turn support “green”, as part of a coordination with the industry and local demand. Strategic alliances with potential buyer countries and technology providers



## NATIONAL GREEN HYDROGEN STRATEGY



# The 2023 Budget Law will include a budget program to allocate tax revenues from lithium to the development of Green Hydrogen and sustainable productive diversification

## Guiding Challenges

1

### Fair Decarbonization

- ✓ Green Hydrogen Industry

2

### Resilience to the climate crisis and its socio-environmental impact

- ✓ R+D+i for climate adaptation
- ✓ Territorial strategies

3

### Sustainable productive diversification

- ✓ Diversify export basket.



**Note:** Governance Model under development, regarding its dependency relationships.

PROYECTO DE LEY DE PRESUPUESTOS AÑO 2023 MINISTERIO DE ECONOMÍA, FOMENTO Y TURISMO Corporación de Fomento de la Producción Fondo Nuevo Modelo de Desarrollo Productivo				PARTIDA : 07
				CAPÍTULO : 06
				PROGRAMA : 07
Sub-Título	Ítem Asig.	Denominaciones	Glosa N°	Moneda Nacional Miles de \$
05		INGRESOS		
	02	TRANSFERENCIAS CORRIENTES		
		Del Gobierno Central		
	028	Aporte No Reembolsable FAT KFW Nama Autoconsumo		
	147	<u>CORFO - Nuevo Modelo Desarrollo Productivo</u>		
21		GASTOS		
22		GASTOS EN PERSONAL		
23		BIENES Y SERVICIOS DE CONSUMO		
		PRESTACIONES DE SEGURIDAD SOCIAL		
	01	Prestaciones Previsionales		
24		TRANSFERENCIAS CORRIENTES		
	01	Al Sector Privado		
	018	Programa Formación para la Competitividad		
	090	Programas de Fomento		
	107	Programas Estratégicos de Desarrollo		
	110	Instituto Nacional de Normalización		
	111	Instituto de Fomento Pesquero		
	118	Emprendimiento		
	121	Transferencia Tecnológica		
	122	Programa de Apoyo a la Competitividad		
	02	Al Gobierno Central		
	009	Comité Innova Chile		
	034	Subsecretaría del Medio Ambiente		
	035	Subsecretaría de Ciencia, Tecnología, Conocimiento e Innovación		
	036	Subsecretaría de Economía y Empresas de Menor Tamaño		
	039	Fondo de Innovación, Ciencia y Tecnología		
	041	Fondo de Innovación para la Competitividad - Emprendimiento		
	045	Subs. Energía P06 - Transición Energética Justa		
	03	A Otras Entidades Públicas		
	068	Aplicación Fondo Cobertura de Riesgos		
	070	Comité Agencia de Fomento de la Producción Sustentable		
	418	Recursos de Asignación Complementaria		
	999	Comité Hidrógeno Verde		

Take advantage of additional income from lithium

Articulate and complement the regular programs of the public institutions that will participate

Chile is committed to confront Climate Change, with relevant changes in the energy matrix that will lead renewable sources, including hydroelectric generation, to surpass hydrocarbons during the next five-year period. In ten years, Chile would stop depending on imported hydrocarbons entirely

### Regulatory Framework

- **Framework Law on Climate Change** : setting goals, institutions and tools.
- **Energy Efficiency Law**: focus on the industrial, mining and transport sectors, in order to reduce emissions by 2% per year.

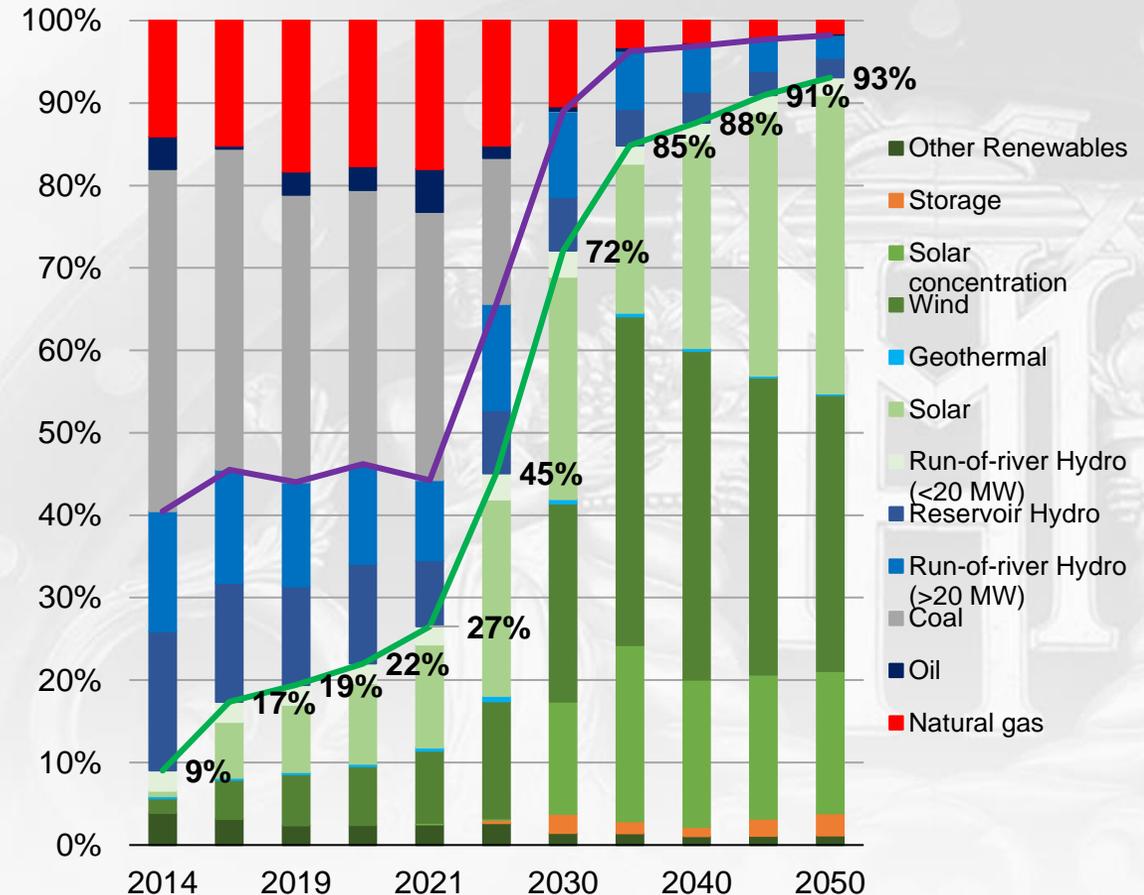
### Objectives and Goals

- **NDC 2020.**
- Chile committed to a gross carbon budget of no more than 1,100 MtCO<sub>2</sub>eq for the period 2020-2030, reaching a peak in 2050, and a level of 95 MtCO<sub>2</sub>eq in 2030.
- Others: reduce at least 25% of carbon emissions by 2030; sustainable management and recovery of 1,100 hectares of native forest by 2030; creation of marine protected areas.
- **Long-Term Climate Strategy, with goals to 2050.**

### Public Policies

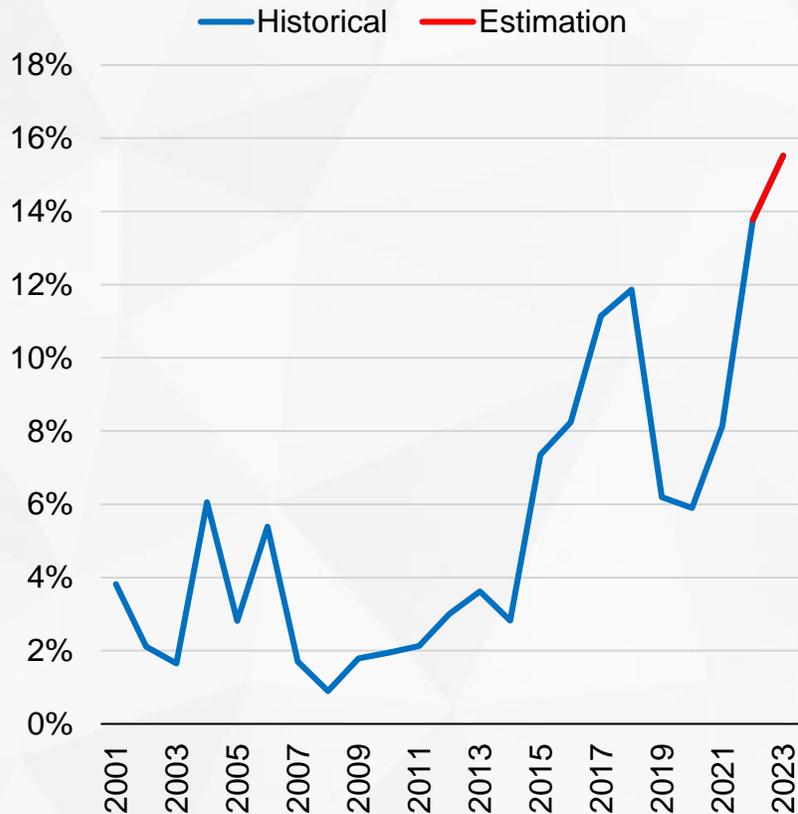
- **Long-Term Energy Planning**: every five years, in order to foresee long-term scenarios (30 years).
- **Electromobility Law.**
- **National Green Hydrogen (H<sub>2</sub>V) Strategy**:
  - (i) Domestic consumption.
  - (ii) Transportation and export.

Energy matrix and NCRE participation

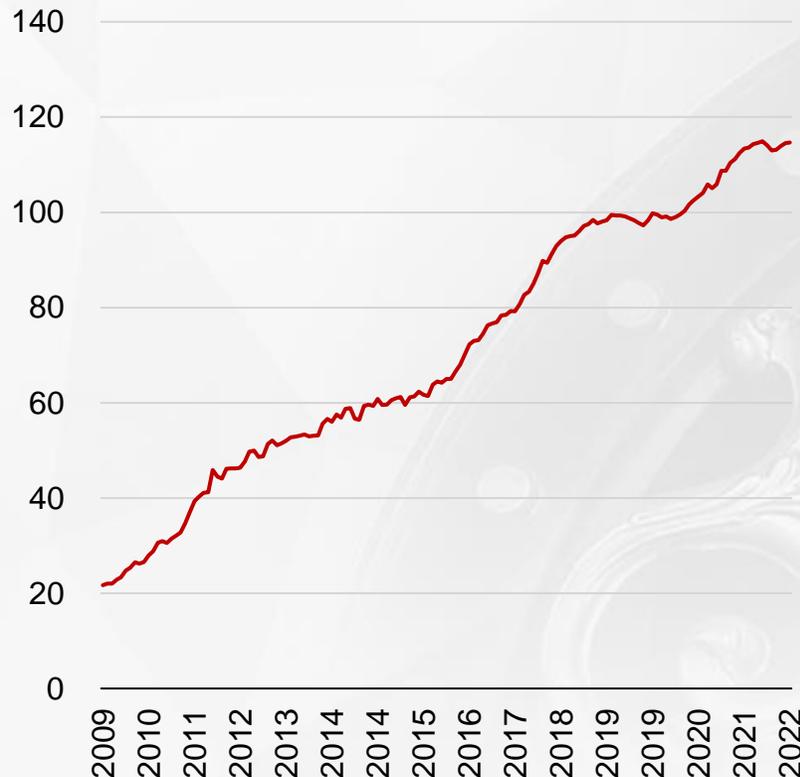


# Regarding the development of the digital economy, private investment projects related to the technology area have increased, mainly data centers and 5G

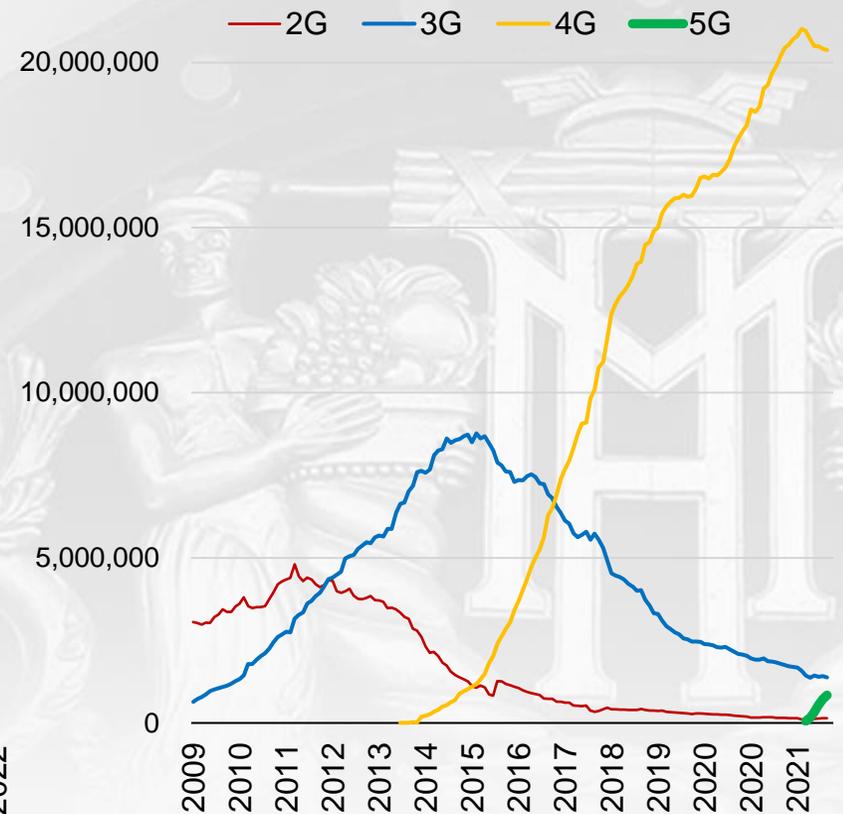
**Technological sector participation on private investment (1)**  
(% of total investment)



**Internet access service: Total of mobile connections**  
(Total penetration every 100 hab.)



**Internet access service: Mobiles connections by technology**  
(number)



**Note:** (1) forecast was corrected to pesos of June 2022.

**Source:** Register of private investment of June 2022 of Capital Goods Corporation and Subsecretary of Telecommunications.

# Developments and prospects of the Chilean economy

**New York**  
September 2022

**Mario Marcel | Minister of Finance**