

### Overlook on Chile

As expected, voters have rejected a proposal for a new constitution. Most thought that the proposed constitution was too vague, too cumbersome and too left-leaning. The rejection will be welcomed by business, but a renewed effort at constitutional reform in 2022-2023 will generate continued policy uncertainty. In this adverse political environment, and bearing in mind the difficult global economic outlook, **Chile was likely to enter a technical recession late in 2022, with weakness extending into 2023 as business and consumer confidence remain low.** President, Gabriel Boric, will shift policy towards the center, but an evenly divided Congress will slow progress on his legislative agenda. In the medium term, we expect that growth will be below its historical average, on the assumption that the next constitution will not be disastrous for business, but will result in more regulations and a lasting knock to business confidence<sup>1</sup>. It is reflected in their statistics, Chilean GDP growth was projected to decline from 11.7 percent in 2021 to 2.1 percent in 2022 and turn negative at 1.3 percent in 2023, before returning to an estimated potential rate of 2.5 percent over the medium term<sup>2</sup>.

### Trend of Chilean Fastener Industry

#### The Import Sector

As it has been said, the industries are declining in Chile and it has affected the fastener industry in Chile as well. If we take the year 2017 as the basis, Chilean fastener import was 135.387 million US dollars, which increased by 20.4% to 162.949 million US dollars in 2018.

Chile's imported fastener value increased slowly in 2019 and it was 164.151 million US dollars, 0.7% higher than 2018. Due to the Covid-19 and Chile's economic problems, Chile's fastener import declined 15.4% in 2020. In 2021, Chile's fastener import was 138.905 million US dollars and its import experienced a 46.7% growth and reached over 203.812 million US dollars in 2022.

#### The Export Sector

Chile exported 9.889 million US dollars of fasteners in 2021, a growth of 6.5% compared to 2020. In 2020 the exported fastener value was 9.282 million US dollars. It should be noted that in 2020 the exported number declined 27.4% in comparison with 2019 and the value was 12.783 million US dollars. 2018 with the value of 9.173 million US dollars of exported fasteners was 39.4% lower than 2019 and 16.3% higher than 2017 with 7.885 million US dollars.



# Fastener Statistics and Analysis of Chile in 2022

## 2022智利扣件進出口分析



## Chile's Partners for Fasteners

### In Terms of Import

- **China was the largest exporter of fasteners to Chile.** In 2021, 42.8% of Chile's imports were contributed by China, which means that Chinese exports to Chile were equal to 87.236 million US dollars. China exported 0.9% of its whole exported fasteners to Chile.
- **USA was the 2nd largest exporter of fasteners to Chile.** In 2021, 27.3% of Chile's imports were contributed by the US, which means that US exports to Chile were equal to 55.621 million US dollars. The US exported 1.3% of its whole exported fasteners to Chile.
- **Taiwan was the 3rd largest exporter of fasteners to Chile.** In 2021, 5.7% of Chile's imports were contributed by Taiwan, which means that Taiwan's exports to Chile were equal to 11.644 million US dollars. Taiwan exported 0.2% of its whole exported fasteners to Chile.
- Other countries had 24.2% of Chile's imports.

### In Terms of Export

- **Peru was the main buyer of Chilean fasteners.** In 2021, Peru imported 4.263 million US dollars of fasteners from Chile, equivalent to 43.1 % of its total imports. Peru bought 2.7% of the exported fasteners from Chile.
- **USA was the 2nd largest buyer of Chilean fasteners.** In 2021, USA imported 1.255 million US dollars of fasteners from Chile, equivalent to 12.7 % of its total imports. USA bought 0.02% of the exported fasteners from Chile.
- **Brazil was the 3rd largest buyer of Chilean fasteners.** In 2021, Brazil imported 1.060 million US dollars of fasteners from Chile, equivalent to 10.7 % of its total imports. Brazil bought 0.1% of the exported fasteners from Chile.
- **Panama was the 4th largest buyer of Chilean fasteners.** In 2021, Panama imported 0.720 million US dollars of fasteners from Chile, equivalent to 7.3 % of its total imports. Panama bought 2.1% of the exported fasteners from Chile.
- **Ecuador was the 5th largest buyer of Chilean fasteners.** In 2021, Ecuador imported 0.668 million US dollars of fasteners from Chile, equivalent to 6.8 % of its total imports. Ecuador bought 1.6% of the exported fasteners from Chile.

- Other countries bought 19.4% of Chile's exported fasteners.

## The Fastener Situation in 2022

According to the statistics of the first 11 months of 2022, the global import of fasteners from Chile was 10.767 million US dollars, and this number for the end of 2022 was expected to reach 11.750 million US dollars. **Table 1** shows the detailed data (numbers are in thousand USD).

According to the statistics of the first 11 months of 2022, the global export of fasteners to Chile was 224.632 million US dollars, and this number for the end of 2022 was expected to reach 245 million US dollars. **Table 2** shows the detailed data (numbers are in thousand USD).

## Last Word<sup>3</sup>

Chile's economy recovered swiftly from the pandemic on the back of exceptionally strong policy support, which eventually led to a significant overheating of the economy. Inflation has risen amid buoyant private consumption, further aggravated by the Russian aggression on Ukraine. Monetary authorities have acted in a timely and decisive fashion to contain inflation, and the fiscal stimulus is being withdrawn. Significant underlying challenges will have to be addressed over the next years, including stagnant productivity and high inequalities. Strengthening competition, reducing regulatory barriers and spending more on research and innovation will be key priorities for boosting productivity and investment, while pressing social needs call for more attention to how incomes and opportunities are distributed. Around a third of the workforce is in informal work, which limits their access to social protection benefits. Ensuring a well-defined set of benefits for all, with no distinction between formal and informal workers, will be a key. Expanding the access to high-quality early childhood education would improve educational outcomes and allow more women to work. Environmental challenges and risks loom large, but also provide significant opportunities for the future. The current high fossil content of the energy matrix contrasts with Chile's strong potential in renewable energy generation. ■

Table 1. Chile's Export in 2022 (1,000 USD)	Jan.	Feb.	Mar.	Apr.	May	Jun.
	733	728	872	1,118	967	857
Table 2. Chile's Import in 2022 (1,000 USD)	Jul.	Aug.	Sep.	Oct.	Nov.	Jun.
	1,354	1,262	891	1,198	787	
Table 2. Chile's Import in 2022 (1,000 USD)	Jan.	Feb.	Mar.	Apr.	May	Jun.
	22,364	21,859	24,098	18,433	20,156	21,534
Table 2. Chile's Import in 2022 (1,000 USD)	Jul.	Aug.	Sep.	Oct.	Nov.	Jun.
	20,090	21,783	22,948	16,909	14,458	

1. <https://country.eiu.com/chile>  
 2. <https://www.imf.org/en/News/Articles/2022/10/28/chile-staff-concluding-statement-of-the-2022-article-iv-mission>  
 3. <https://www.oecd.org/economy/chile-economic-snapshot/>