

Latam Daily: Chile Jobs Recovery Continues

- Chile: 111k jobs created in October, half in the formal sector

CHILE: 111K JOBS CREATED IN OCTOBER, HALF IN THE FORMAL SECTOR

On Tuesday, November 30, statistical agency INE released the unemployment rate for the quarter that ended in October, which fell to 8.1% (chart 1). The figure was below both market and our expectations (consensus: 8.2%). The decrease in the unemployment rate is explained by stronger job creation (1.3% m/m) as compared to the increase in the work force (1.0% m/m). Employment has increased in four consecutive three-month moving quarters.

With this result, the employment gap compared to the pre-pandemic level fell to 607k, of which 338k corresponds to formal jobs and 269k to informal jobs (chart 2). The employment rate increased to 53%, but remains far below the 58.2% before the COVID-19 pandemic.

By economic sector, job creation was led by commerce, which contributed 28k jobs. We also highlight the dynamism in the construction sector, which recovered its pre-COVID-19 level and recorded a strong performance in October.

We project that the October Imacec will increase y/y. According to the INE, manufacturing output grew 1.5% y/y (consensus: 1.8% y/y), while retail sales increased 22.7% y/y (Scotia: 25% y/y). In sum, we keep our forecast for the October's economic growth, which is consistent with a GDP expansion around 12.2% for 2021.

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Chart 1

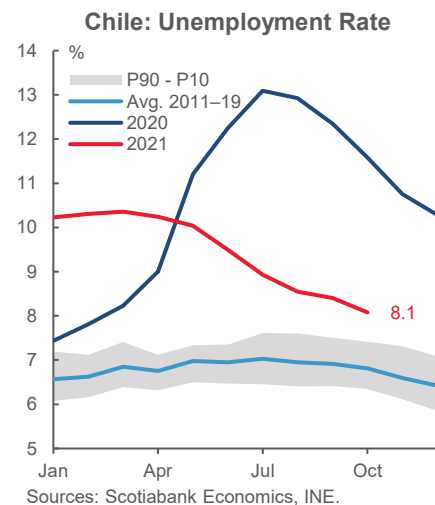
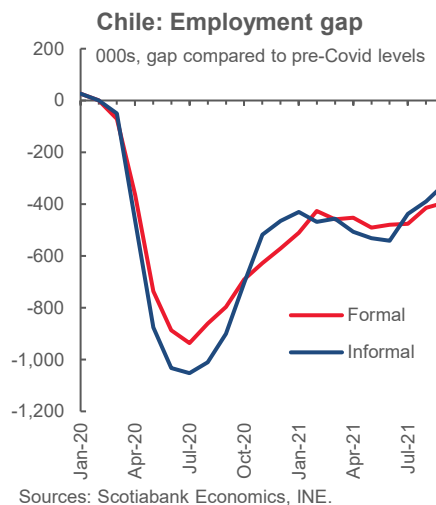


Chart 2



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