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Latam Daily: Chile's Monthly GDP; Colombia's Next Finance Minister

- **Chile: We project GDP expansion of 5.5% y/y in May**
- **Colombia: José Antonio Ocampo named next Finance Minister**

CHILE: WE PROJECT GDP EXPANSION OF 5.5% Y/Y IN MAY

On Thursday, June 30, the statistical agency (INE) released manufacturing production data for May along with mining output and retail sales for the same period. All three indicators are key inputs to estimate monthly GDP, which the BCCh will release July 1. According to INE, manufacturing production grew 3.5% y/y, which was below the market consensus (4.5%) and Scotiabank's expectations (5.0%). For its part, retail sales fell 5.6% y/y, worse than our forecast of a null increase y/y, owing to the dismal performance of electronic goods, which fell 26% y/y. Compared to the previous month, retail sales expanded 0.8%, which is consistent with a slight m/m expansion of commerce GDP. Mining production increased 4.8% m/m in seasonally adjusted terms but was down on a year-over-year basis (-0.3% y/y). This outcome was better than our expectations and consistent with a similar magnitude m/m increase in mining GDP, driven by an excellent performance of the lithium industry.

Based on these indicators, we forecast a monthly GDP expansion of 5.5% for May (+0.4% m/m), mainly driven by services, while mining GDP continues to fall y/y.

—Anibal Alarcón

COLOMBIA: JOSÉ ANTONIO OCAMPO NAMED NEXT FINANCE MINISTER

President-elect, Gustavo Petro announced José Antonio Ocampo as Finance Minister, indicating that Minister Ocampo will be in charge of leading tax reform and preparing a National Development Plan before December 2022.

Ocampo is one of the most recognized economists in Colombia, with ample experience in the public sector. He was educated at Notre Dame University and holds a Ph.D. in Economics from Yale. Ocampo was previously Finance Minister in 1994. He also has experience as Agriculture Minister and Director of National Planning Department (Departamento Nacional de Planeación—DNP). Between 2017 and 2020 he was on BanRep's Board. On the international front, Ocampo was executive secretary in CEPAL.

Before being named minister he was professor at Columbia University. In a [recent article](#) Ocampo recognized that fiscal challenges are great.

We think the announcement is market positive as Ocampo is among the more orthodox of potential candidates for Finance Minister. He is expected to defend institutions, respect the independence of the central bank and the fiscal rule. And he is in favour of fiscal reforms that would ensure compatibility with the social program of the president-elect.

—Sergio Olarte, Maria (Tatiana) Mejía & Jackeline Piraján

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