



January 2023 Newsletter

Dear Madam, Sir,

The Belgian Chilean Chamber of Commerce is pleased to send this **monthly newsletter** to you, which includes some of the most relevant news related to Chile during January 2023.

For the next newsletters, we would like to add news, events and activities of our partners and members.

If you are interested, **please contact us through our e-mail: contact@chilechamber.be**

Annual Dinner 2023, in the presence of her Excellency Ambassador of the Republic of Chile



The Belgian Chilean Chamber of Commerce

*In the presence of
Her Excellency Gloria Navarro,
Ambassador of the Republic of Chile to the Kingdom of Belgium and the EU,
and*

*His Excellency Carl Decauwé,
Governor of the Province of West-Flanders,*

*has the pleasure to invite you
to the Annual Dinner
On Thursday the 9th of February at 19h30*

*R.S.V.P: contact@chilechamber.be
Before the 4th of February*

*Venue: Restaurant 't Patyntje
Gordunakadi 91
9000 Ghent*

*Members: 60€ p.p.
Non-members: 75€ p.p.
BE15 0689 3474 0830*

Chancellor Scholz visits Santiago de Chile



German Chancellor Olaf Scholz made the second stop of a tour of South America on Sunday when he arrived in Santiago, where he visited the Museum of Memory together with President Gabriel Boric and later both held a meeting at La Moneda Palace.

Scholz met with Chilean authorities, part of an agenda that also includes exchanges with businessmen. The talks with Boric covered a range of issues, including the war in Ukraine, climate change and the development of new renewable energy projects, in which Chile could become a world leader in the production of green hydrogen.

Cooperation agreements were also signed on technology and innovation, mining training, circular economy and energy.

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Minimum wage to increase to \$410,000 starting in January



The Government has confirmed that the minimum wage will increase to \$410,000 as of January 2023. The reason is that the variation of the Consumer Price Index (CPI) exceeded 7% in December 2023. As explained by the Executive, the measure will affect remunerations accrued from the first month of the year. This will benefit almost 1 million people.

The minimum wage has undergone a historic readjustment in two phases: from \$350 thousand to \$380 thousand in May, and then to \$400 thousand last August, thanks to Law No. 21,456.

The authorities also informed that this same law stipulated that, if the CPI exceeds 7% in twelve months, the amounts and brackets of the Family Allowance (AF) and the Single Family Allowance (SUF) will be readjusted in the same proportion, benefiting 2.1 million and 1.2 million taxpayers respectively (data as of the first half of 2022). Additionally, Law No. 21,456 established two new subsidies. One is related to the increase in the cost of living, called compensatory contribution for the increase in the value of the basic food basket; and the other consists of a temporary subsidy to micro, small and medium-sized enterprises (MSMEs), which seeks to support these firms due to the increase in the cost of salaries.

[1.2 billion for more than 100 companies: competition launched for self-consumption projects](#)



The Ministry of Energy, together with the European Union, has launched the "Put Energy in your Business" competition, which will distribute nearly \$1.2 billion among more than 100 companies to co-finance self-consumption projects.

This initiative is aimed at supporting micro, small, medium and large companies in the implementation of renewable energies for the self-generation of thermal or electrical energy through the co-financing of the initiative.

To see the people and projects that can apply, click on the link:



Codelco reports 10% drop in copper production in 2022



The National Copper Corporation (Codelco), among the world's leading copper producers, reported on Tuesday that it recorded a 162,000-tonne drop in its 2022 production, compared to the previous year, equivalent to a 10% decrease.

Codelco said in a statement that the "specific difficulties" that the state-owned company had last year, between structural failures and weather events, caused a setback in annual production.

The pandemic of the new coronavirus, the conflict in Ukraine and inflation, among other factors, have impacted the execution of projects worldwide in recent years.

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Dollar in Chile: price falls again and is below \$800



Although the price is oscillating, at the end of January the dollar in Chile is at \$798.05 pesos, after opening the day at \$816. According to *Diario Financiero*, the rise in the value of the dollar last week was in response to the US Federal Reserve's announcements and actions. The Fed said it would raise its benchmark interest rate by 50 basis points some time ago.

Despite this, the currency dropped in price due to China's looser exchange rate policy because of the Covid-19 pandemic.

Companies navigate in times of change: digital and cultural revolution forces them to attract new talent and bet on inclusion in search for legitimacy



"Navigating in times of change" was the slogan of the El Mostrador Semanal Summit. In this sense, the truth is that both democracy and the economy are undergoing transformations as the digital and social revolution takes hold, changing not only the way we work, but also how we relate to technology, money and the way we produce, against the backdrop of development and sustainability.

In addition, the inevitable development of artificial intelligence (AI) accelerates this almost obligatory metamorphosis that both telecommunications companies and companies that play a key role in online shopping and mining are undergoing, not without new risks to face.

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December CPI rises 0.3%: inflation in 2022 ended at 12.8%.



The National Statistics Institute (INE) released the December Consumer Price Index (CPI) data, showing an increase of 0.3%, giving an annual inflation rate of 12.8%.

According to the agency, six of the 12 divisions that make up the CPI basket contributed positive incidences to the monthly variation in December. Among the divisions with price increases were food and non-alcoholic beverages (1.1%) and recreation and culture (2.1%).

It should be noted that, with December's result, inflation for the whole of 2022 accumulated 12.8%.

Among the products whose values were most affected were package tours (9.8%) and intercity bus transport services (10.4%).

On the other hand, airline tickets and liquefied gas saw their prices decrease, with 9.1% and 3.9%, respectively.

Study: 65% in Chile find it hard to "make ends meet" due to inflation

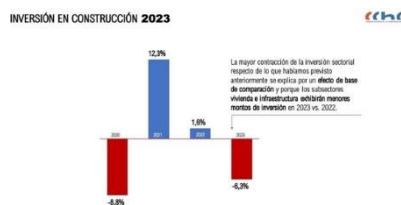


A study by Activa Research together with WIN (Worldwide Independent Network of Market Research) revealed that 65% of people in Chile said they had difficulties "making ends meet financially" due to the cost of living due to inflation.

According to the survey, 20% said they were "neither comfortable nor struggling", while only 11% said they were "living comfortably".

Globally, Chile was far from the average (48%), being only surpassed by the results reported in Greece (70%), Ireland (70%) and Lebanon (63%).

CChC projects 6.3% drop in construction investment in 2023: First decline since 2020



The Chilean Chamber of Construction (CChC) released the Mach 63 study, which revealed that construction investment in 2023 will experience a sharp contraction.

According to the construction guild, after an increase of 1.6% in 2022, this year investment in the sector will fall by 6.3% compared to the previous period. This is the first drop since 2020, when the indicator fell by

8.8% due to the effects of the coronavirus on the sector.

The agency proposes eight measures to reach "a great national agreement that creates the conditions for growth and sustainable development". To find out more, click on the link:

[Minister Marcel and the idea of a common currency for South America: "We are comfortable having our own monetary policy".](#)



The Argentine government issued a statement on Sunday, on the occasion of the visit of Brazilian President Luiz Inácio Lula da Silva, in which they indicated the intention of both countries to discuss a common South American currency.

Following this, the Minister of Finance, Mario Marcel, addressed the idea of a common currency for South America, which Argentina and Brazil intend to discuss. In this respect, the Secretary of State said that "we will have to observe" whether the initiative is good or bad, but pointed out that "we are comfortable having our own monetary policy".

"It is an issue that will have to be observed, to qualify whether it is a good idea or a bad idea. We have to have the details beyond the common currency", said Minister Marcel after being consulted by the press. However, he pointed out that "for the moment we are comfortable having our own fiscal and monetary policy, which have been particularly useful in reducing inflation this year".

At the same time, the Secretary of State explained that "international experience is not abundant in this respect, and that it is only present in the Eurozone".

There, "first there was trade and customs integration, and then came monetary integration, which implies not only having a common currency, but also a common Central Bank that defines a common monetary policy", Marcel explained.

House Finance Committee approves tax reform bill in particular and sends it to the Chamber of Deputies



The Finance Committee of the Chamber of Deputies approved the government's tax reform bill on Monday night. With this, the committee sent the initiative to the Chamber of Deputies.

During the day, the committee voted on the last three items remaining on the list: the adjustments to the benefits of DFL 2, the rules on the final beneficiaries of companies and the wealth tax.

The committee approved the last measure (also known as the super-rich tax) with seven votes in favour and four against. It establishes a wealth tax on natural persons with domicile or residence in Chile when their wealth exceeds 6,000 UTA in two brackets.

If the wealth is between 6,000 and 18,000 UTA, the tax will be 1%; and with a rate of 1.8% for those who exceed 18,000 UTA. This tax will be determined annually on 31 December and must be declared and paid in June of the following year.

INVESTCHILE



A public body that promotes Chile as a destination for foreign direct investment in the global market, connecting the interests of foreign investors with the business opportunities that the country offers. It provides specialised services, free of charge and in line with the country's economic development policies.

It develops all kinds of initiatives to inform, promote, coordinate and encourage the entry of Foreign Direct Investment (FDI) into the country.

It provides general information about Chile, its economic and social environment, its legal framework and its policies on foreign investment, providing specific information on how to start a business, as well as the procedures and regulations that every investor must adhere to in order to bring FDI into the country.

