



Government informs 2022 budget execution

- *The result at the end of 2022 corresponds to the best fiscal result of the last eleven years. Since 2012, a fiscal surplus had not been observed. The effective balance of 2022 closed at 1.1% of GDP.*

Yesterday, the Minister of Finance, Mario Marcel, and the Budget Office Director, Javiera Martínez, released the summary of the 2022 budget execution.

The authorities highlighted the significant adjustment in public spending carried out by the Government of President Gabriel Boric, with a real drop of 23.1%, which becomes the largest historical effort of fiscal consolidation in the country.

In this way, the fiscal policy allowed a rebalancing of the macroeconomic figures, after the strong disbursement made in 2020 and 2021, with an increase in total spending of 11% and 33.3%, respectively.

Last year's fiscal adjustment was concentrated in current expenditures (-26.3% annual real), particularly in subsidies and donations, associated to a greater extent with the payment of the Universal Emergency Family Income (IFE) and the Middle Class Support (Bono Clase Media) in 2021, among others.

In connection to capital expenditures, it recorded an increase of 4.7% in 2022. Thus, including revenues, which registered a real increase of 6.3%, the effective balance of 2022 showed a surplus of 1.1% of GDP (CLP\$2,959,383 million), being the first positive result since 2012.

Additionally, it was reported that the gross debt closed 2022 at 37.3% of the estimated GDP, reflecting the process of fiscal consolidation and normalization of public debt promoted by the government. It should be noted that, after a slower execution of expenditures during the first months of 2022, it was possible to accelerate the execution rates of capital expenditures in the second half of the year, as a result of the measures implemented by the Government. The capital expenditure execution rate in the second half of 2022 was 57.5%, while the historical average for 2013-2021 period was 55.5%.

Thus, the execution of budget expenditures (considering the Temporary Emergency Fund) was 107.3%, with an increase in current expenditures of 111.9% and an execution of capital expenditures of 86.3%.