
Macroeconomic indicators - Chilean industrial output dips in March

Saturday, 02 May, 2009

Bloomberg reported that Chile's industrial output contracted 7.1% YoY in March 2009 from the same month a year earlier on lower mining and forestry output. The drop reported by the National Statistics Institute was in line with the 7% median estimate of 14 economists surveyed by Bloomberg. The pace of the decline slowed from the 11.5% contraction February.

Mr Alfredo Coutino director for Latin America at Moody's Economy.com said that "Manufacturing is still in a deep recession and this is going to be reflected in coming months. I don't see positive signs. It doesn't look like the manufacturing sector has hit bottom yet. The domestic market is contracting and that is being reflected in increased unemployment. It is easy to see that unemployment will keep rising in coming months until activity hits bottom."

It may be noted that economic activity in Chile is contracting at the fastest pace in a decade as the shrinking global economy crimps demand for Chilean exports. Gross domestic product in Chile's trading partners may shrink 2.1% in 2009.

The unemployment rate rose to 9.2% in the three months through March 2009 from 8.5% a month earlier. Rising joblessness reflects a very abrupt loss of activity momentum. Chileans cut back on purchases of durable goods, such as washing machines and refrigerators as unemployment rose. Retail sales slumped 3.5% in March, after falling 3.1% in February and purchases of durable goods fell 12% from a year earlier.

According to finance ministry calculations, industrial output rose by 0.4% MoM in March from February on a seasonally adjusted basis. The monthly increase was the first since October 2008 and the biggest since June 2008. Industrial sales rose by 1.4% MoM from a month earlier.

Mining industry output fell by 6% on lower production of copper and molybdenum. Production of wood and forestry products fell 23% from March 2008. Less molybdenum contributed to a 33% slump in sales of metal products. Total industrial sales fell by 8.3% in March, more than the median forecast of a 7.8% decline in a Bloomberg survey of nine economists.

(Sourced from www.bloomberg.net)

For more news visit at www.steelguru.com