



Chile News

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Budget Execution 1Q 2001

Global budget surplus of 0.5% of annual estimated GDP.

The Central Government released today the budget execution for the first quarter of the year 2001, which registers a global surplus of ch\$200,129 million, corresponding to 0.5% of annual estimated GDP. This figure is consistent with seasonal factors affecting fiscal revenues during the first quarter of the year, even though it is also affected by a less dynamic domestic demand and a lower copper price than projected.

The budget execution for the first quarter of 2001 is in line with the fiscal target for the current year, and confirms that the government has enough flexibility to manage the transitory shocks affecting the fiscal budget. This process has been characterized by the adjustment in the growth rate of expenses' components, giving priority to fiscal investment..

The increase in capital expenses responds to the government decision to recover the public investment level before the crisis, as well as the execution of infrastructure projects in order to help creating job positions. These two factors make the growth rate of government investment more than twice as much as the annual average rate for the period 1995-2000.

More information is available at Budget Department's web site: www.dipres.cl