

Minister of Finance and the Budget Office Director increase the frequency of macro-fiscal projections from two to four

The Minister of Finance, Felipe Larraín, and the Budget Office Director, Rodrigo Cerda, made an important announcement on further improvements to the institutional fiscal framework, specifically regarding fiscal and macroeconomic projections.

The Budget Office currently publishes macro and fiscal projections twice a year, in July and October of each year. As of this year, projections will be published four times a year. Specifically, the Public Financial Report (PFR) will be published quarterly, and the March report will include the information from the State Financial Management Assessment Report, which was published in July.

"Basically, we were up to nine months without updating our projections (between September and June), while all entities have been moving towards quarterly updates," said Minister Larraín. The current structure was set up since the PFR was known at the end of September or beginning of October with the entrance of the Budget Law of each year, and until the delivery of the Financial Management Assessment Report known between the end of June and the beginning of July of the following year. There used to be no official updates between both reports.

The new PFR will be presented soon in the Senate Finance Committee

The new PFR will contain a quarterly update of the fiscal outturn and projections for the current year, as well as updated medium-term projections. Additionally, when applicable, the closing information of the previous year and the information related to the budget bill of the following year and the respective financial program will be included.

"The delivery of information on a quarterly basis is, in our opinion, a significant step forward in fiscal transparency, accounting for new perspectives for fiscal revenues, such as the commitments that are the result of measures taken in the past and by the present administration and that remain towards the future. For example, the presentation of new bills, which should be included in the commitments," added the Minister.

The Budget Office Director added that, given that the new PFR will contain all the information subsequent to the Budget Law, it will consider the financial reports that were entered after the Budget Law, among them the report of the Pension Reform project.

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Additional Improvements in Transparency

The Budget Office Director, Rodrigo Cerda, also provided details of other advances in fiscal transparency.

"As of June 2018, the Budget Office published the quarterly Human Resources Report of the Public Sector, which also includes information on salaries of civil servants of the Central Government," he explained.

Rodrigo Cerda added that, in our efforts to further increase fiscal transparency and disseminate relevant and timely statistics, the Budget Office made available to the public, a new statistical product: The Quarterly State of Operations of the General Government.

"This data is part of the commitment with the International Monetary Fund in the adoption of the Data Disclosure Standards in terms of the government's institutional coverage and the publication gap," said the Budget Office Director.

Additional information on this news is available on the presentation, at the following link:
http://www.dipres.gob.cl/598/articles-186736_doc_pdf1.pdf