

- In December 2018, the Industrial Production Index (IPI) increased **1.0%** year on year.
- The Mining Production Index (IPMin) rose **1.3%** compared to the same month in the previous year.
- The Index of Production of Electricity, Gas, and Water (IPEGA) increased **0.8%** compared to December 2017.
- The Manufacturing Output Index (IPMan) increased **0.8%** year on year.

Development of the seasonally adjusted series

In December 2018, which had one working day more than December 2017, the seasonally adjusted series¹ corrected for the calendar effect of the Industrial Production Index (IPI) decreased 1.5% compared to the previous month and 0.1% year on year. In the cycle-trend series, an annualized increase of 1.8% was observed in the long-term development of this activity.

Development of the original series

In December 2018, the IPI grew 1.0% year on year. The growth was due to the increases in all three of its sectors. The IPMin contributed 0.579 percentage points (pp) to the variation of the index. The IPMan had an impact of 0.358, and the IPEGA contributed 0.089 pp.

In 2018, a cumulative increase of 2.9% was observed in the IPI. The increase can mainly be attributed to the cumulative rise of 3.8% in the IPMin during the year. The increase can also be attributed, to a lesser extent, to the cumulative rises in the IPMan (2.4%) and the IPEGA (1.1%).

ECONOMIC SECTORS

December 2018 Variations (%)

Industrial Production Index

12-month	Monthly SA*
1.0	-1.5

Mining Production Index

12-month	Monthly SA*
1.3	-5.0

Index of the Production of Electricity, Gas, and Water

12-month	Monthly SA*
0.8	1.1

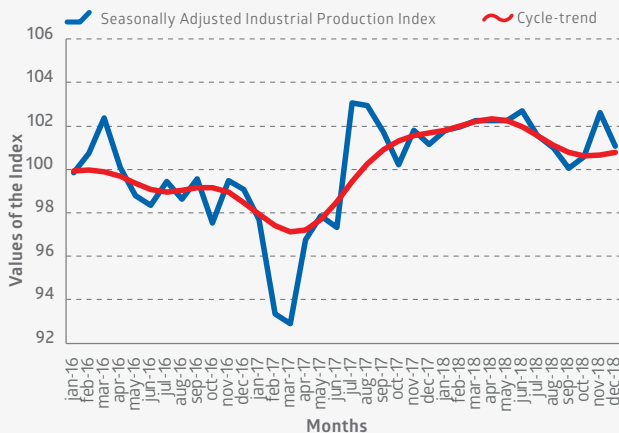
Manufacturing Output Index

12-month	Monthly SA*
0.8	0.5

(*) Seasonally adjusted

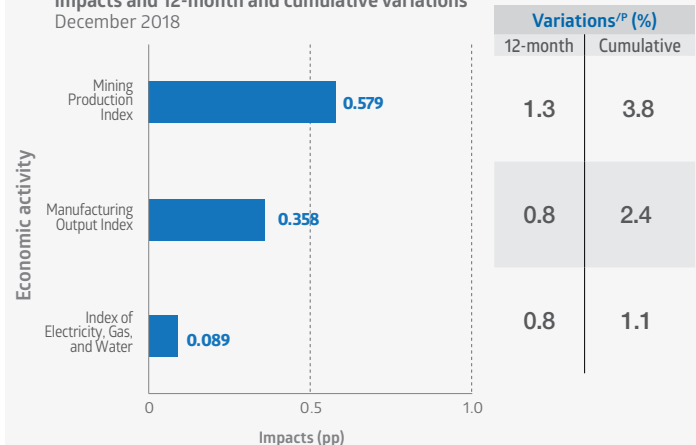
Development of the Industrial Production Index (IPI) base: annual average 2014=100

Seasonally adjusted index and cycle-trend*
(January 2016 – December 2018)



Industrial Production Index (IPI), by economic activity base: annual average 2014=100

Impacts and 12-month and cumulative variations
December 2018



/P: Provisional Figures

(1) For more details, see "Desestacionalización de las Series Económicas de corto plazo, año base 2014=100" [Seasonal Adjustment of the Short-term Economic Series, base year 2014=100], February 2017, available at www.ine.cl.

(*) The seasonally adjusted series and the cycle-trend are constructed using the X-13 ARIMA-SEATS methodology.

Mining Production Index

Base: annual average 2014=100

- In December 2018, the seasonally adjusted series of the Mining Production Index (IPMin) decreased 5.0% compared to the previous month.
- The original series increased 1.3% year on year.

Development of the seasonally adjusted series

In December 2018, the seasonally adjusted series of the IPMin corrected for the calendar effect fell 5.0% compared to the previous month but rose 1.5% year on year.

In the cycle-trend series, an annualized monthly variation of 3.2% in the long-term development of this activity was recorded.

Development of the original series

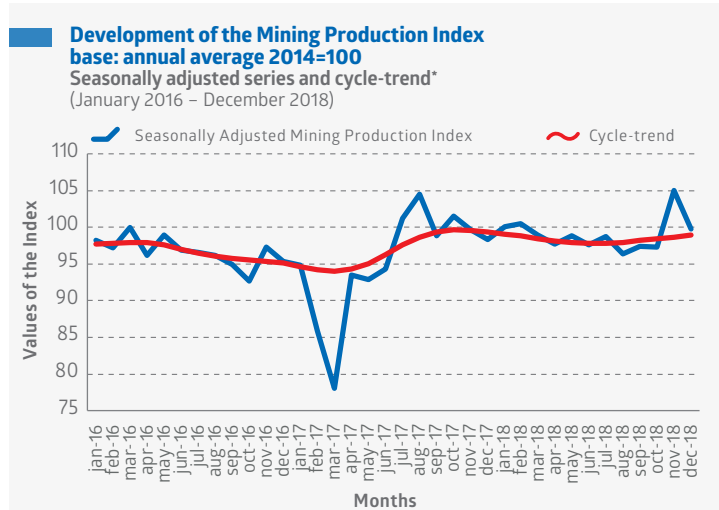
In December 2018, the IPMin increased 1.3% year on year as a result of the rise of 23.1% in division 08, other mining in quarrying², which had an impact of 0.779 pp on the variation of the index. The impact of division 08 can be attributed to greater production of ulexite and lithium carbonate.

Division 04 and 07, the mining of metal ores³, expanded 0.5% and had an impact of 0.526 pp on the variation of the IPMin as a result of the rise of 2.1% in division 04, the mining and processing of copper. The expansion can mainly be explained by an increase in copper production, which in turn was due to a higher level of processing and higher grade of ore observed in important companies of the sector. In contrast, division 07, mining of metal ores, decreased 32.2% as a result of a lower production of iron.

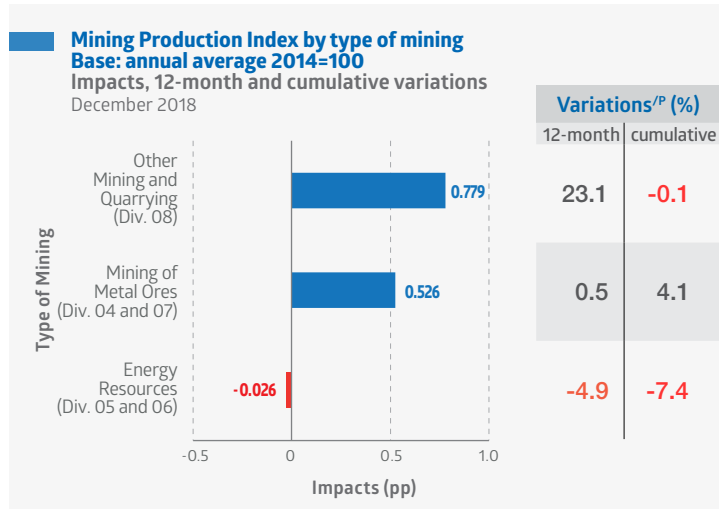
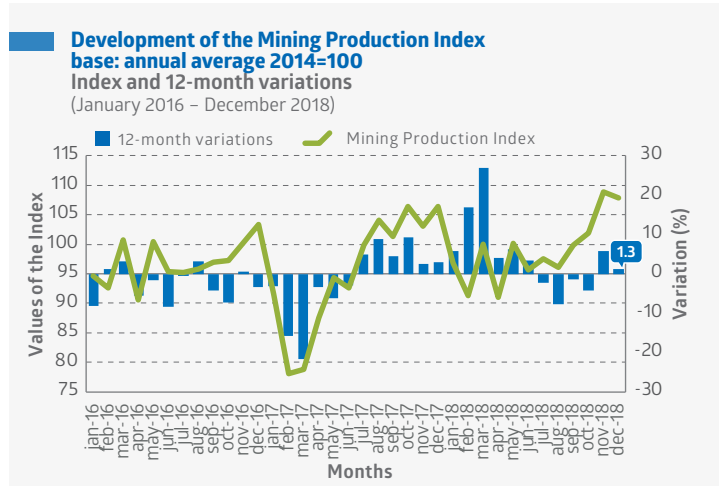
A twelve-month decrease of 4.9% was observed in energy resources⁴ (division 05 and 06). The combined impact of these two divisions (-0.026 pp) was due to lower production of coal and petroleum.

In 2018, the cumulative variation of the IPMin was 3.8%. The variation can mainly be explained by the cumulative increase in mining of metal ores. The most important activity in this division was mining and processing of copper, which increased 4.9% compared to the year 2017.

- (2) These are activities for the production of minerals that are transformed into products applicable to various industrial and agricultural uses.
- (3) Activities for production of metals include division 04, mining and processing of copper, and division 07, mining of metal ores.
- (4) These are activities for the production of solid, liquid, or gaseous substances from which energy can be obtained. They include division 05, mining of coal and lignite, and division 06, extraction of crude petroleum and natural gas.



(*) The seasonally adjusted series and cycle-trend are constructed using the X-13 ARIMA-SEATS methodology.



/P: Provisional figures

Index of the Production of Electricity, Gas, and Water

Base: Annual Average 2014=100

- In December 2018, a monthly increase of **1.1%** was observed in the seasonally adjusted series of the index of the production of electricity, gas, and water (IPEGA).
- The original series increased **0.8%** year on year.

Development of the seasonally adjusted series

In December 2018, the seasonally adjusted series of the IPEGA corrected for calendar effect increased 1.1% compared to the previous month and 0.4% year on year. In the cycle-trend series, an annualized monthly increase of 4.3% in the long-term development of this activity was recorded.

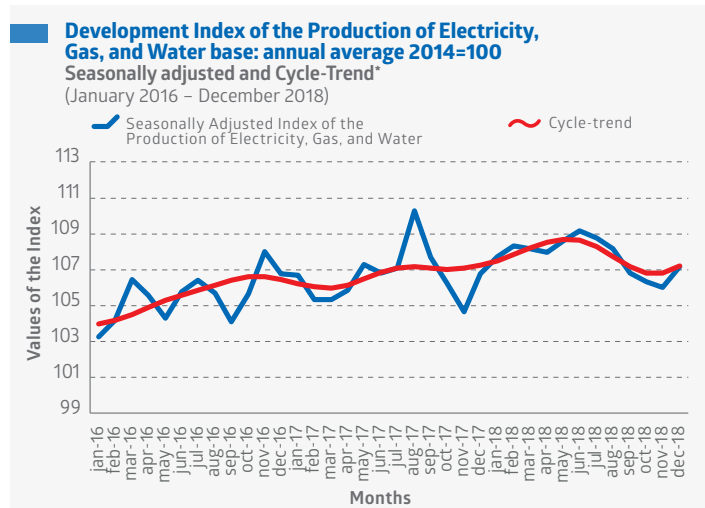
Development of the original series

In December 2018, the IPEGA rose 0.8% year on year as a result of the increases in two of the three of the activities of the index. Gas had the greatest positive impact (2.530 pp) on the variation of the index, rising 33.3%. The rise can be explained by increased distribution of gas for electric power generation. In addition, regasification of liquefied natural gas rose as a result of increased demand.

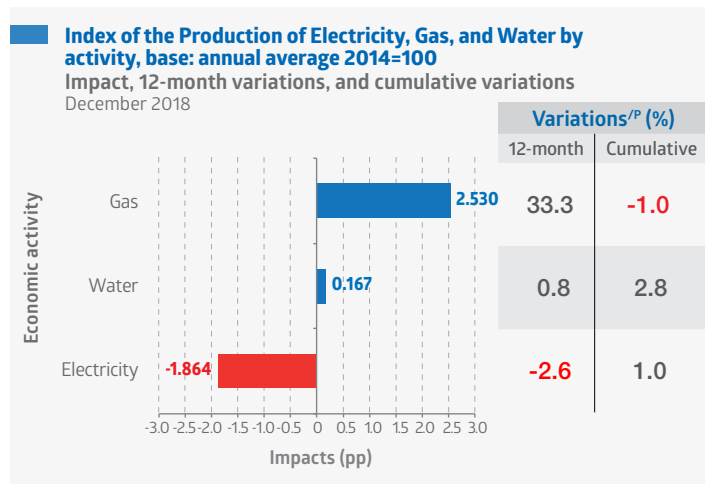
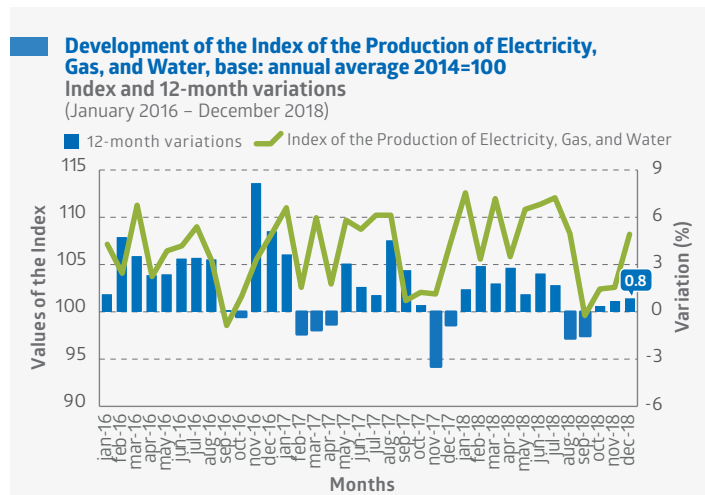
The distribution of drinking water had the second greatest positive impact (0.167 pp), rising 0.8% as a result of increased supply to residential clients. The increased supply can be explained by climatic factors.

Electricity decreased 2.6% and had an impact of -1.864 pp on the variation of the IPEGA. The decrease can be attributed to a fall in distribution to manufacturing and commerce and to a fall in electric power generation, mainly of the groups coal/coal-petcoke and hydraulic generation.

In 2018, a cumulative expansion of 1.1% was observed in the IPEGA. The expansion can mainly be attributed to the cumulative increases in the generation and distribution of electricity (1.0%) and in the distribution of drinking water (2.8%).



(*) The seasonally adjusted series and cycle-trend are constructed using the X-13 ARIMA-SEATS methodology.



/P: Provisional figures

Manufacturing Output Index

Base: Annual Average 2014=100

- In December 2018, the seasonally adjusted series of the manufacturing output index (IPMan) increased **0.5%** compared to the previous month.
- The original series increased **0.8%** in twelve months.

Development of the seasonally adjusted series

In December 2018, which had one working day more than December 2017, the seasonally adjusted series of the IPMan corrected for calendar effect increased 0.5% compared to the previous month and 0.6% year on year.

In the cycle-trend series, an annualized monthly increase of 1.1% in the long-term development of this activity was recorded.

Development of the original series

In December 2018, the IPMan increased 0.8% year on year. The decrease can largely be explained by the year-on-year rise of 21.7% in division 28, manufacture of machinery and equipment n.e.c.* which had an impact of 0.680 pp on the variation of the general index. The results can be attributed to increased demand for lifting and handling equipment.

Following in impact was division 17, manufacture of paper and paper products, which increased 8.1% and contributed 0.586 pp to the variation of the IPMan. The increase in division 17 can be explained by a low base of comparison, which was associated with a strike by forestry-transportation workers in December 2017.

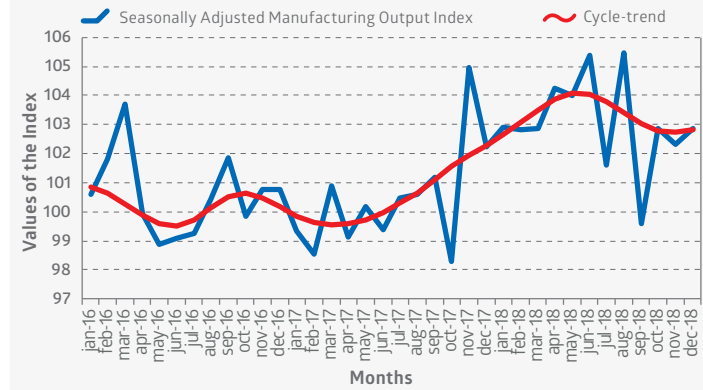
Following in negative influence was division 29, manufacture of motor vehicles, trailers, and semi-trailers, which decreased 31.0% and had an impact of -0.489 pp on the variation of the general index. The results can be attributed to the closure of an important company of the sector.

Division 31, manufacture of furniture, decreased 18.2% and had an impact of -0.352 pp as a result of the stoppage of a production plant in December.

In 2018, a cumulative increase of 2.4% was observed in the IPMan. The increase can largely be attributed to cumulative rises in division 10, manufacture of food products, and division 20, manufacture of chemicals and chemical products. These divisions increased 4.0% and 5.5%, respectively.

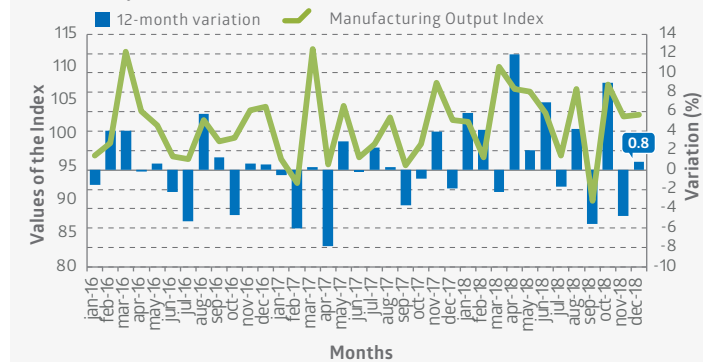
(*) Not elsewhere classified

Development of the Manufacturing Output Index
base: Annual Average 2014=100
Seasonally adjusted index and cycle-trend*
(January 2016 – December 2018)

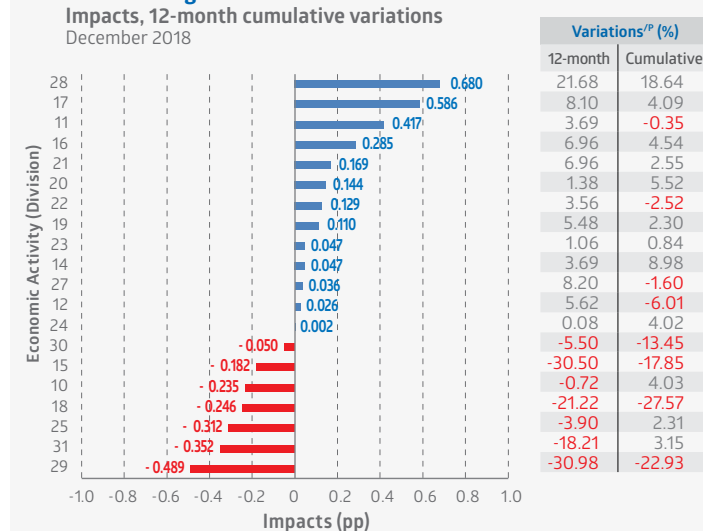


(*) The seasonally adjusted series and cycle-trend are constructed using the X-13 ARIMA-SEATS methodology.

Development of the Manufacturing Output Index
base: Annual Average 2014=100
Index and 12-month variations
(January 2016 – December 2018)



Manufacturing Output Index by economic activity (division), base: annual average 2014=100



/P: Provisional figures

Descriptions by Division of the Manufacturing Output Index (IPMan)

Divison*	Description
10	Manufacture of food products
11	Manufacture of alcoholic and nonalcoholic beverages
12	Manufacture of tobacco products
14	Manufacture of wearing apparel
15	Manufacture of leather and related products
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
17	Manufacture of paper and paper products
18	Printing and reproduction of recorded media
19	Manufacture of coke and refined petroleum products
20	Manufacture of chemicals and chemical products
21	Manufacture of pharmaceuticals, medicinal, chemical, and botanical products
22	Manufacture of rubber and plastics products
23	Manufacture of other non-metallic mineral products
24	Manufacture of basic metals
25	Manufacture of fabricated metal products, except machinery and equipment
27	Manufacture of electrical equipment
28	Manufacture of machinery and equipment n.e.c.**
29	Manufacture of motor vehicles, trailers, and semi-trailers
30	Manufacture of other transport equipment
31	Manufacture of furniture

(*) Divisions are a grouping of homogeneous activities that belong to the same sector according to the CIU4.CL 2012 classification.

(**) Not elsewhere classified

Rectifications of the period

The principal rectifications of the period were the following:

Index	Date	Group	Description
IPMin	nov-18	040	Mining and processing of copper
		051	Mining of hard coal
IPEGA	dec-17	351	Electric power generation, transmission, and distribution
	nov-18	352	Manufacture of gas; distribution of gaseous fuels through mains
IPMan	dec-17	102	Processing and preserving of fish, crustaceans, and mollusks
		105	Manufacture of dairy products
		210	Manufacture of pharmaceuticals, medicinal, chemical, and botanical products
	jan-18	181	Printing and service activities related to printing
		210	Manufacture of pharmaceuticals, medicinal, chemical, and botanical products
	nov-18	107	Manufacture of other food products
		110	Manufacture of beverages
281		Manufacture of general-purpose machinery	