

- In October 2018, the Industrial Production Index (IPI) increased **2.0%** year on year.
- The Mining Production Index (IPMin) fell **4.3%** compared to the same month in the previous year.
- The Index of Production of Electricity, Gas, and Water (IPEGA) increased **0.4%** compared to October 2017.
- The Manufacturing Output Index (IPMan) increased **9.1%** year on year.

Development of the seasonally adjusted series

In October 2018, which had two working days more than October 2017, the seasonally adjusted series¹ corrected for the calendar effect of the Industrial Production Index (IPI) increased 0.2% compared to the previous month and 0.3% year on year. In the cycle-trend series, an annualized decrease of 4.0% was observed in the long-term development of this activity.

Development of the original series

In September 2018, the IPI grew 2.0% year on year. The growth was due to the increases in two of its three sectors. The IPMan contributed 3.929 percentage points (pp) to the variation of the index, and the IPEGA contributed 0.040 pp. In contrast, the IPMin had an impact of -1.982 pp.

ECONOMIC SECTORS

October 2018
Variations (%)

Industrial Production Index

12-month	Monthly SA*
2.0	0.2

Mining Production Index

12-month	Monthly SA*
-4.3	-0.3

Index of the Production of Electricity, Gas, and Water

12-month	Monthly SA*
0.4	-0.5

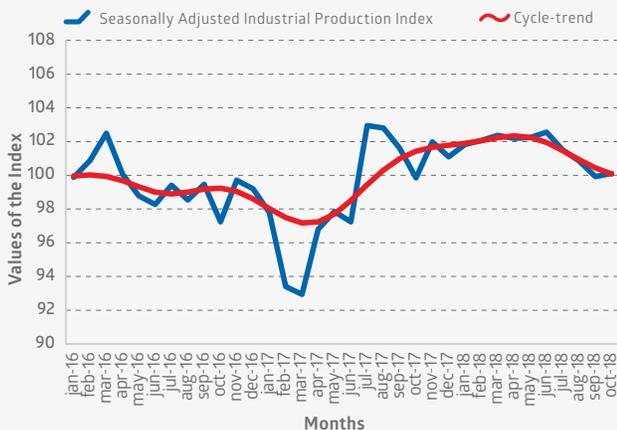
Manufacturing Output Index

12-month	Monthly SA*
9.1	3.3

(*) Seasonally adjusted

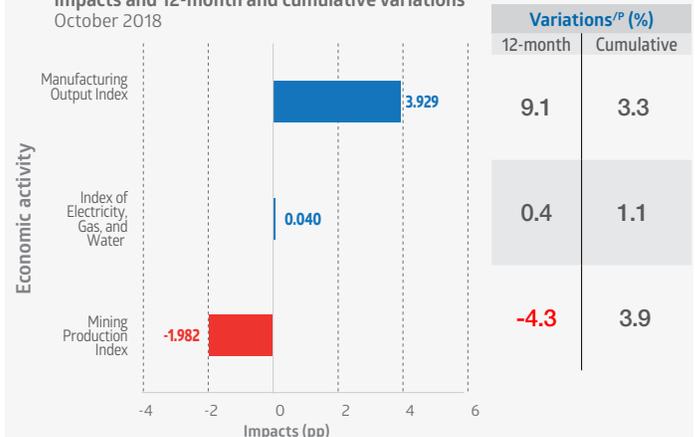
Development of the Industrial Production Index (IPI) base: annual average 2014=100

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



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

Impacts and 12-month and cumulative variations
October 2018



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(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 October 2018, the seasonally adjusted series of the Mining Production Index (IPMin) decreased **0.3%** compared to the previous month.
- The original series decreased **4.3%** year on year.

Development of the seasonally adjusted series

In October 2018, the seasonally adjusted series of the IPMin corrected for the calendar effect fell 0.3% compared to the previous month and fell 4.3% year on year.

In the cycle-trend series, an annualized monthly variation of -0.8% in the long-term development of this activity was recorded.

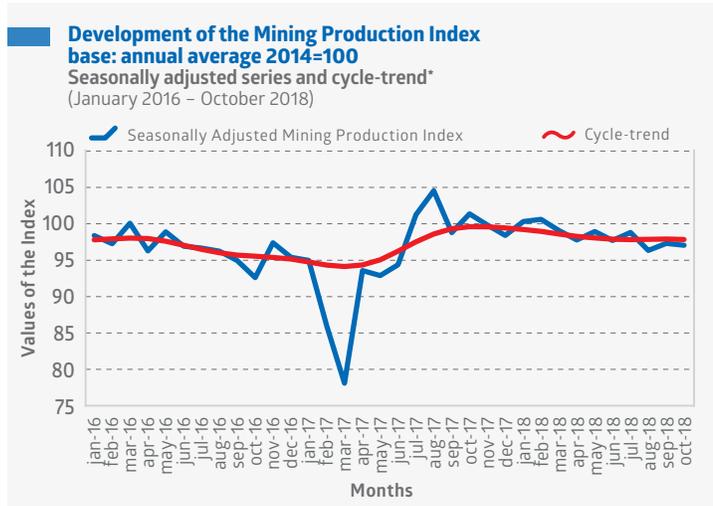
Development of the original series

In October 2018, the IPMin decreased 4.3% year on year as a result of the fall in the three types of mining included in the index. Division 04 and 07, mining of metal ores², decreased 4.6% and had an impact of -4.285 pp on the variation of the index. The decrease can be attributed to the fall of 4.2% in the mining and processing of copper (division 04), which resulted from a lower production of copper. The lower production in turn was due to maintenance in processing plants, to a lower level of processing, and to a lower grade of ore.

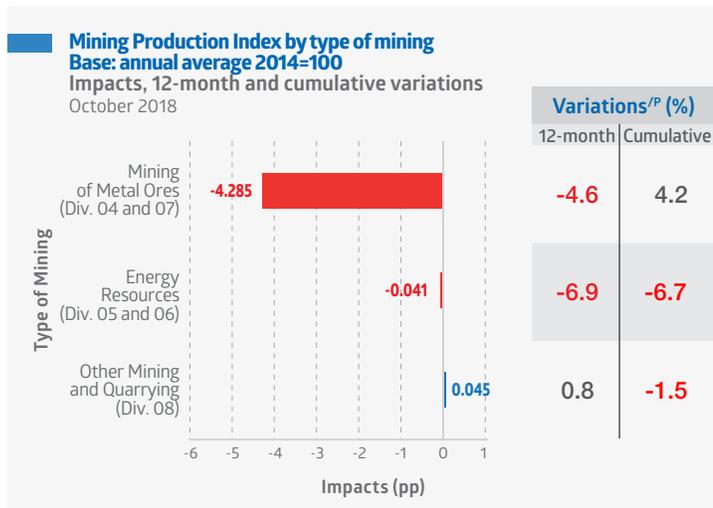
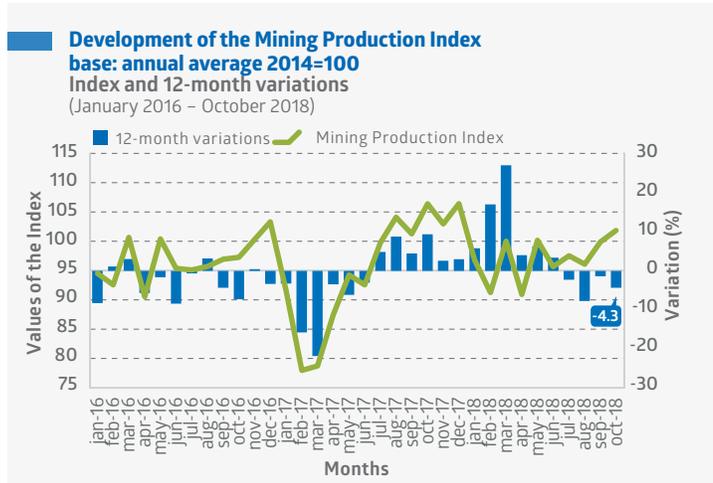
A twelve-month decrease of 6.9% was observed in energy resources³ (division 05 and 06). The combined impact of these two divisions (-0.041 pp) resulted from a lower production of petroleum and natural gas.

Other mining and quarrying⁴ (division 08) increased 0.8% year on year and had an impact of 0.045 pp on the variation of the IPMin. The impact was due to increased production of sodium chloride.

- Activities for production of metals include Division 04, mining and processing of copper, and Division 07, mining of metal ores.
- 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.
- These are activities for the production of minerals that are transformed into products applicable to various industrial and agricultural uses.



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



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Index of the Production of Electricity, Gas, and Water

Base: annual average 2014=100

- In October 2018, a monthly decrease of **0.5%** was observed in the seasonally adjusted series of the index of the production of electricity, gas, and water (IPEGA).
- The original series increased **0.4%** year on year.

Development of the seasonally adjusted series

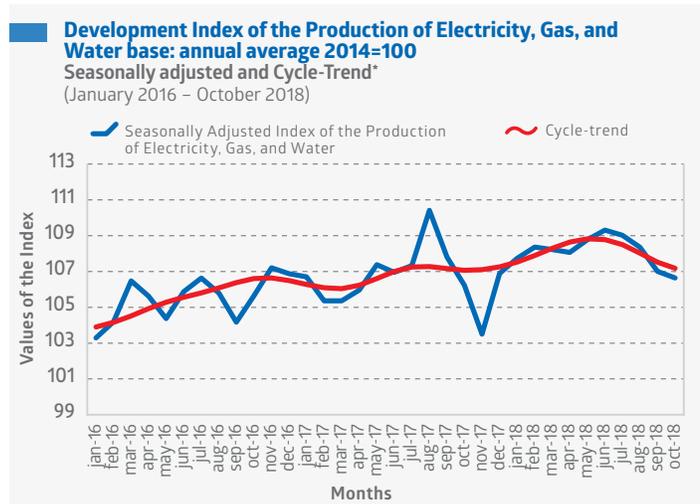
In October 2018, the seasonally adjusted series of the IPEGA corrected for calendar effect decreased 0.5% compared to the previous month but increased 0.1% year on year. In the cycle-trend series, an annualized monthly decrease of 4.2% in the long-term development of this activity was recorded.

Development of the original series

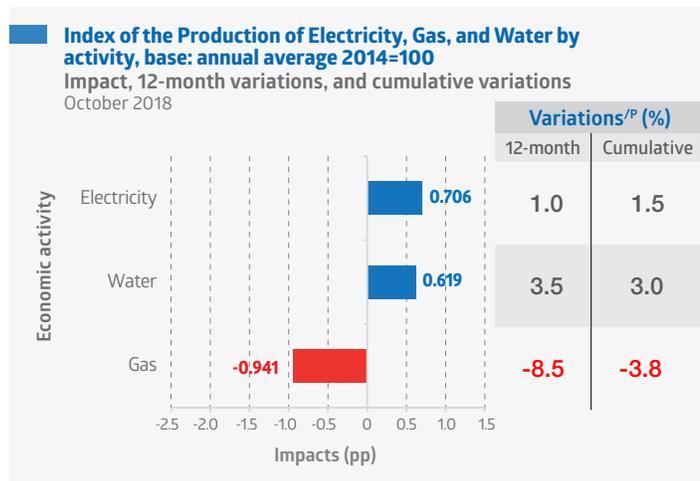
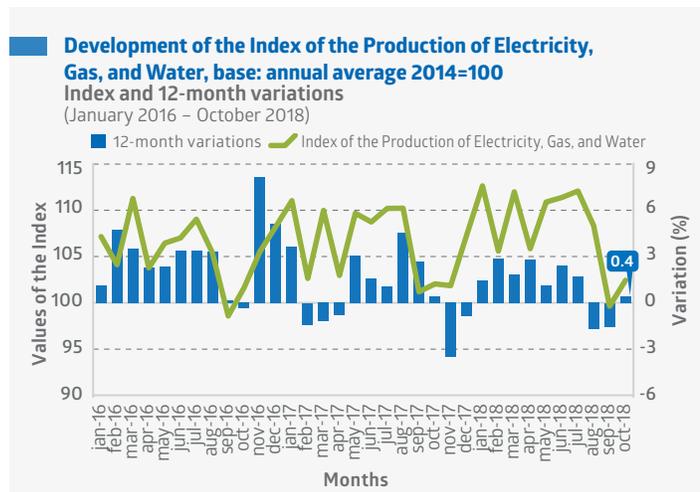
In October 2018, the IPEGA rose 0.4% year on year as a result of the increases in two of the three of the activities of the index. Electricity had the greatest positive impact (0.706 pp) on the variation of the index, rising 1.0%. The rise can be explained by increased electric power generation in solar and hydraulic generation facilities. In contrast, the distribution of electricity fell as a result of a decreased distribution to the sectors of manufacturing and commerce.

The distribution of drinking water had a positive impact (0.619 pp), rising 3.5% as a result of increased supply to residential clients. The increased supply can be explained by climatic factors.

In contrast, gas had the only negative impact (-0.941 pp) on the variation of the index. Its decrease (-8.5%) can be attributed to a fall in distribution of gas for electric power generation. In contrast, the regasification of natural gas increased year on year.



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



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Manufacturing Output Index

Base: annual average 2014=100

- In October 2018, the seasonally adjusted series of the manufacturing output index (IPMan) increased **3.3%** compared to the previous month.
- The original series increased **9.1%** in twelve months.

Development of the seasonally adjusted series

In October 2018, which had two working days more than October 2017, the seasonally adjusted series of the IPMan corrected for calendar effect increased 3.3% compared to the previous month and 4.7% year on year.

In the cycle-trend series, an annualized monthly decrease of 2.1% in the long-term development of this activity was recorded.

Development of the original series

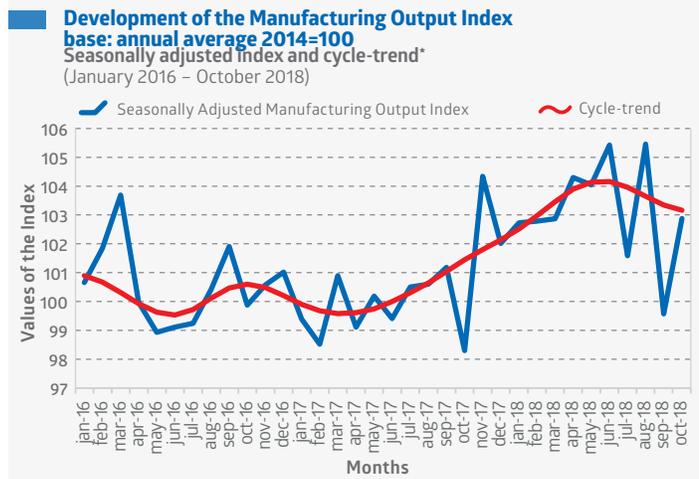
In October 2018, the IPMan increased 9.1% year on year. The increase can largely be explained by the year-on-year rise of 10.5% in division 10, manufacture of food products, which had an impact of 3.566 pp on the variation of the general index. The rise in division 10 was principally due to increased production of fresh or chilled pork, which was associated with an increased weight and quantity of slaughtered animals.

Following in impact was division 28, manufacture of machinery and equipment n.e.c.*, which increased 44.2% and had an impact of 1.324 pp on the variation of the index. These results were due to increased external demand for mining and quarrying machinery and for construction machinery.

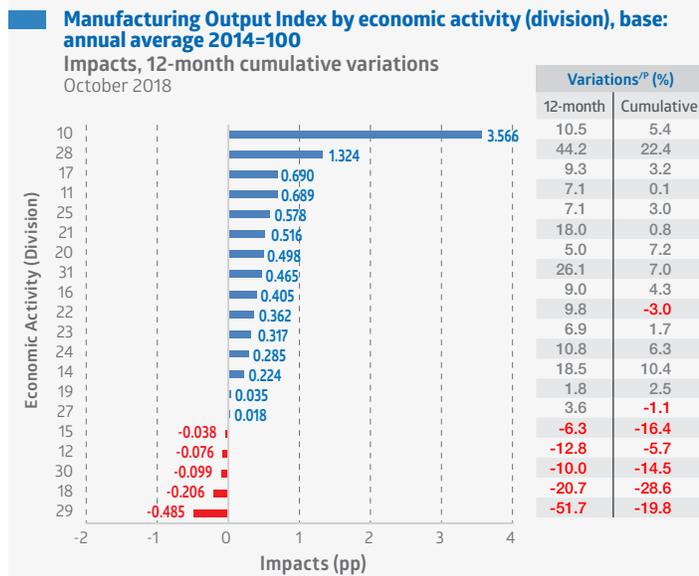
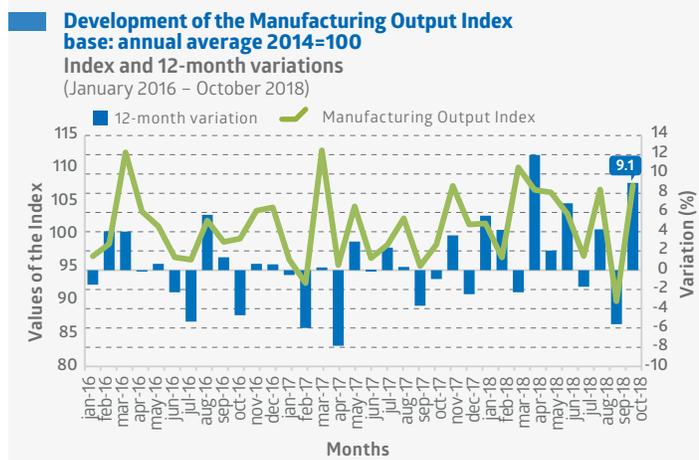
The principal negative influence on the variation of the index was from division 29, manufacture of motor vehicles, trailers, and semi-trailers, which decreased 51.7% and had an impact of -0.485 pp on the variation of the general index. The results can be attributed to the closure of an important company of the sector.

Following in negative impact on the index was division 18, printing and reproduction of recorded media, which decreased 20.7% and had an impact of -0.206 pp. The negative influence of this division can be attributed to a low base of comparison, which was associated with election campaigns in 2017.

(**) Not elsewhere classified



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



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Descriptions by Division of the Manufacturing Output Index (IPMan)

Division*	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 CIIU4.CL 2012 classification.

(**) Not elsewhere classified

Rectifications of the period

The principal rectifications of the period were the following:

Index	Date	Group	Description
IPEGA	sep-18	352	Manufacture of gas; distribution of gaseous fuels through mains
	oct-17	351	Electric power generation, transmission, and distribution
IPMan	sep-18	101	Processing and preserving of meat
		103	Processing and preserving of fruit and vegetables
		210	Manufacture of pharmaceuticals, medicinal, chemical, and botanical products
	nov-17	210	Manufacture of pharmaceuticals, medicinal, chemical, and botanical products
	oct-17	102	Processing and preserving of fish, crustaceans, and molluscs
		210	Manufacture of pharmaceuticals, medicinal, chemical, and botanical products
281		Manufacture of general-purpose machinery	