

Chile's Economic Outlook: Challenges and Opportunities

World Bank Group/International Monetary Fund
Annual Meetings
October 2024

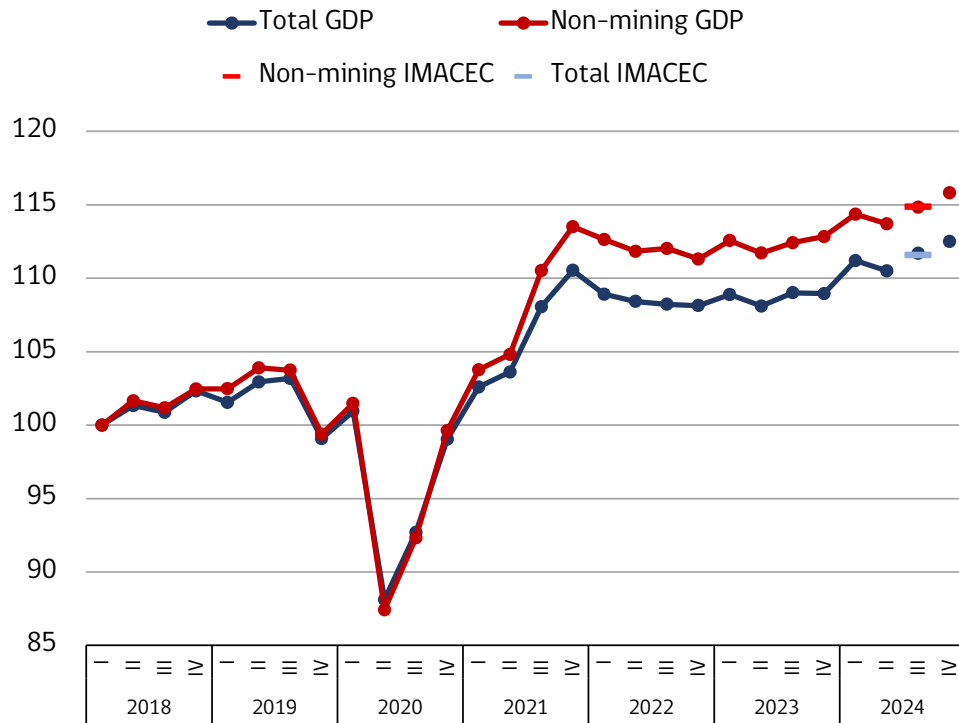
Macro in the shorter run

Statement 2023	Reasons for skepticism at the time
By the second half of the year, activity levels will exceed those of a year ago, with a growth close to zero for the year as a whole. GDP growth of 2.5% in 2024	Economic activity had declined in 2023Q2, most local analyst projected a contraction in 2023 and growth around 1.5% in 2024
After reaching nearly -10% of GDP the CA will approach -3% of GDP by end-2023	Domestic savings were still depressed because of pension fund withdrawals
Job creation would begin again	Unemployment rate had grown for more than a year since late 2022 due to COVID-19 crisis
Inflation will fall to around 4% by the end of 2023	The market expected inflation to end 2023 between 4.5-5.0% due to the impossibility of reducing the overheating triggered by a procyclical fiscal policy and pension fund withdrawals from end-2021
The execution of fiscal policy in 2023 and the forthcoming 2024 Budget will be fully compliant with the trajectory set in May 2022, keeping debt/GDP well below the 45% ceiling	Progress in Budget execution revealed a large deficit, with lithium earnings and income tax collection well below 2022 levels. The forthcoming constitutional referendum would generate political pressures to spend
Public investment will reach 4.1% of GDP, driven by investment in housing and resources derived from the mining royalty	As of September 2023, 51.5% of the investment budget was executed
Economic uncertainty would decline further since the Constitutional process would be resolved, one way or another by the end of the year	There was no guarantee that the appetite to replace the Constitution would end with the rejection of a second proposal. Besides, other sources of uncertainty remained

The first quarter was broadly favorable in terms of growth, with a moderate correction in the second quarter. The available figures for July and August indicate that the economy is well positioned to grow 2.6% this year

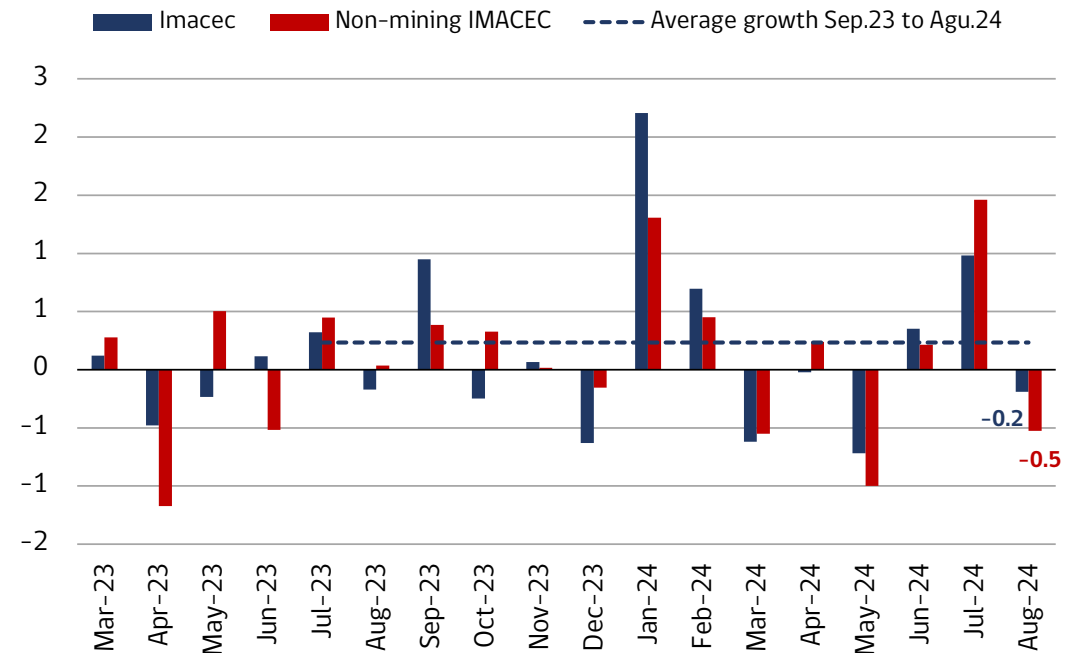
Gross domestic product (1)

(index 1Q2018=100, seasonally adjusted)



Monthly index of economic activity and non-mining activity growth

(% var. m/m, seasonally adjusted)



Note: (1) The total and non-mining GDP projections are from the PFR 3Q24.

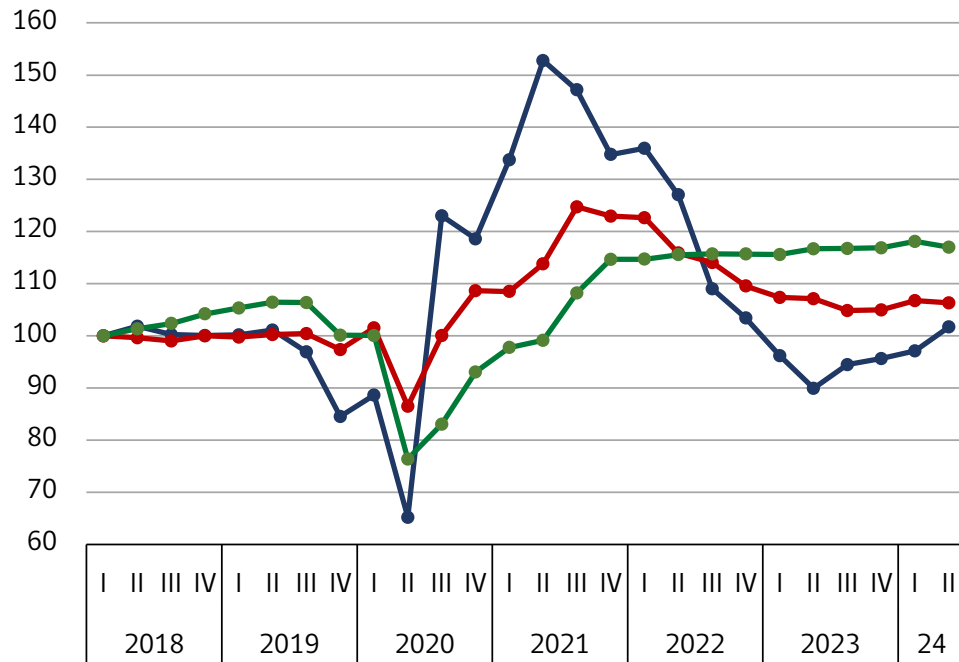
Source: Central Bank of Chile and Ministry of Finance.

On the expenditure side, the necessary adjustment in private consumption was observed, while investment registered a decline, particularly in machinery and equipment, resulting in a 1.1% contraction in gross fixed capital formation for the year overall

Components of Private Consumption

(index 1Q2018=100, seasonally adjusted)

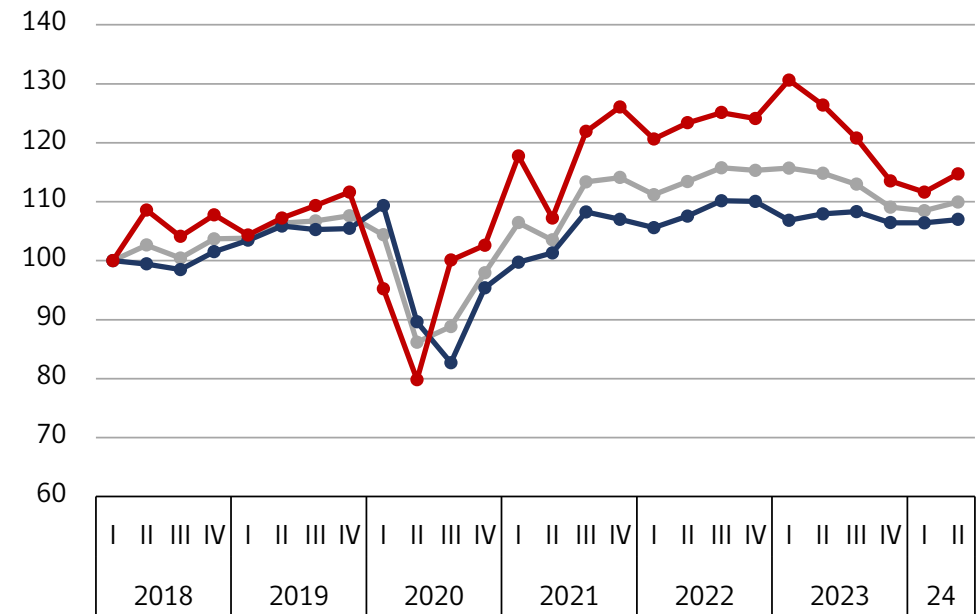
— Durables — Non durables — Services



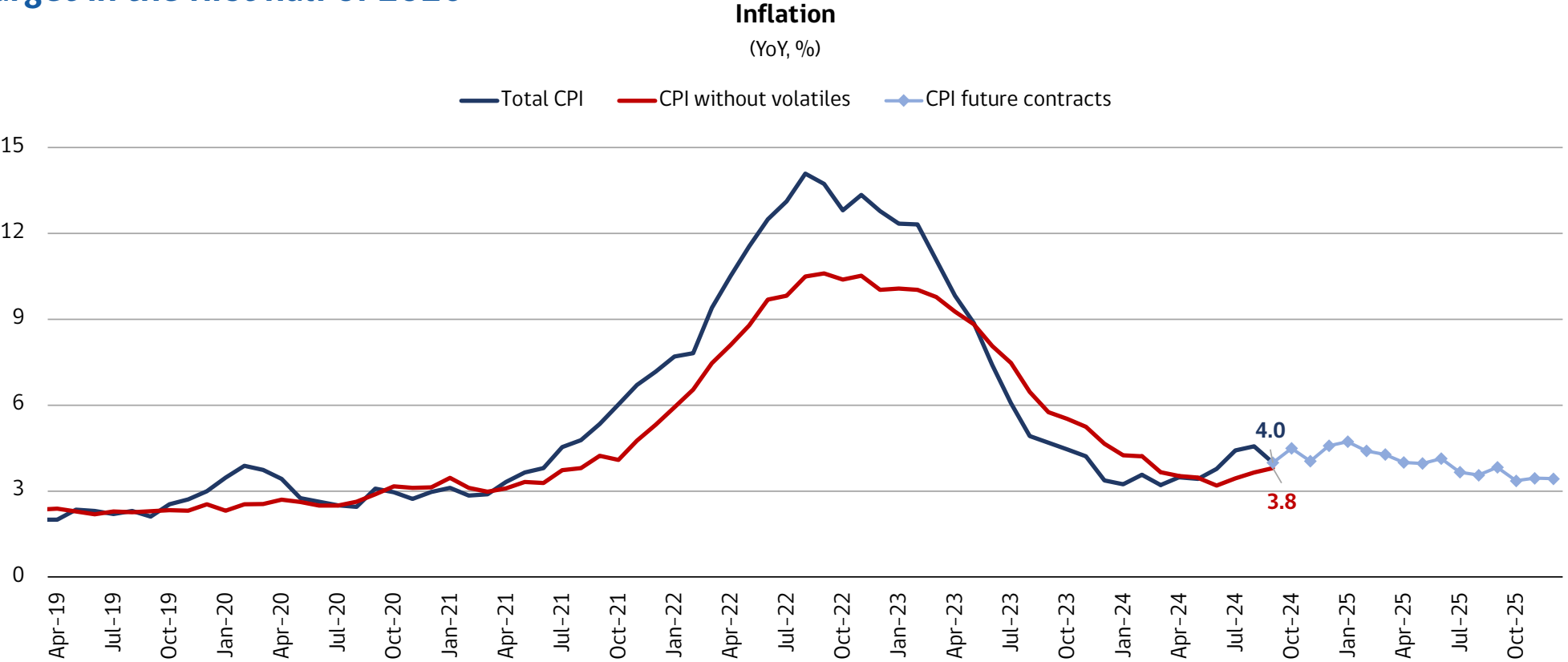
Gross fixed capital formation components

(index 1Q2018=100, seasonally adjusted)

— Gross fixed capital formation — Construction & other works — Machinery & equipment



Monetary and fiscal policies have contributed to stabilizing the economy. This is evident in the rapid decline of total and core inflation from the highs of 2022. However, inflation saw a temporary rise due to increased electricity prices, which are expected to decrease by mid-2025, allowing inflation to return to its target in the first half of 2026



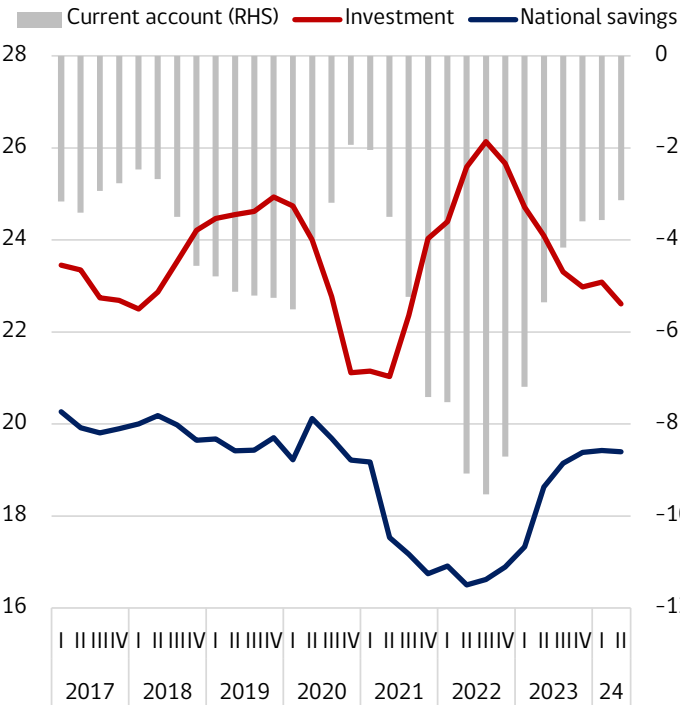
Note: The annual variation of CPI for 2024 is constructed from the 2023 reference series and spliced for 2022 with effective monthly variations (2018 Index).

Source: National Statistics Institute, Bloomberg and Central Bank of Chile.

National savings are returning to 2017-2019 levels, led by all sectors, while foreign investment peaked up to its highest level in almost a decade last year, current account deficit close to historical average

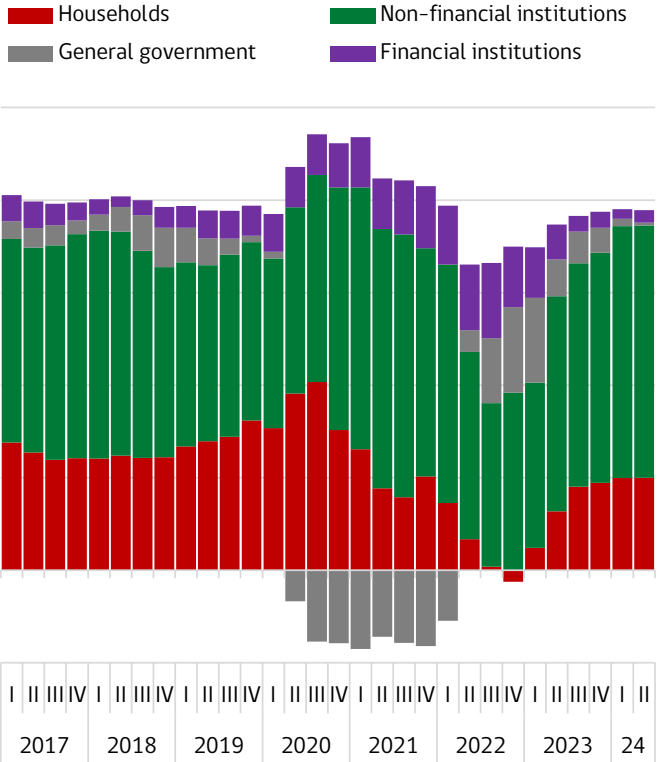
Current account, Investment and National Savings

(percent of GDP, annual moving average)



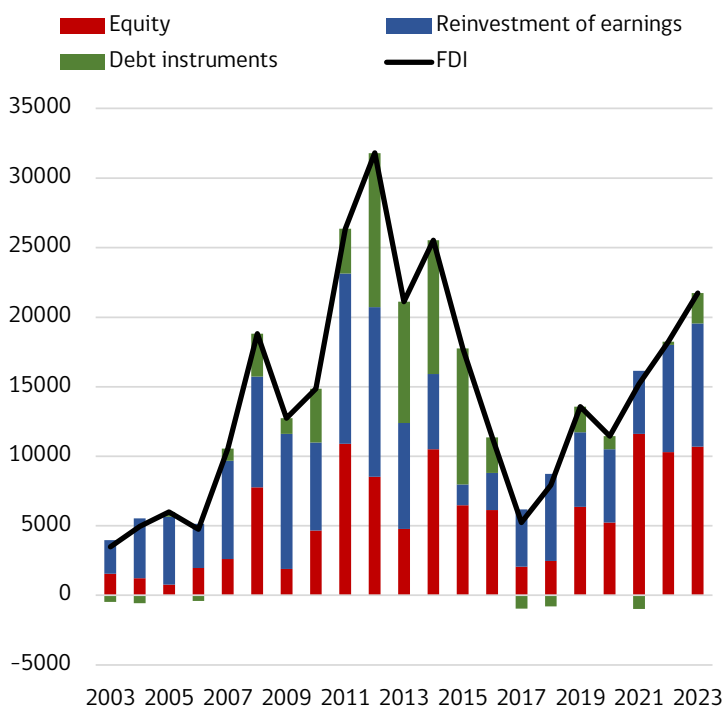
Gross saving by institutional sector

(% of GDP, annual moving average)



Foreign Direct Investment

(USD millions)



Source: Central Bank of Chile.

Growth forecast in 2025 will be possible for several reasons, including

➤ The positive impact on private consumption due to the expansion of total payroll



➤ Continued dynamism in exports, driven by Chile's greater price competitiveness



➤ The increase in copper prices, a crucial factor given Chile's reliance on copper exports



➤ Better investment prospects anticipated in the second half of the year



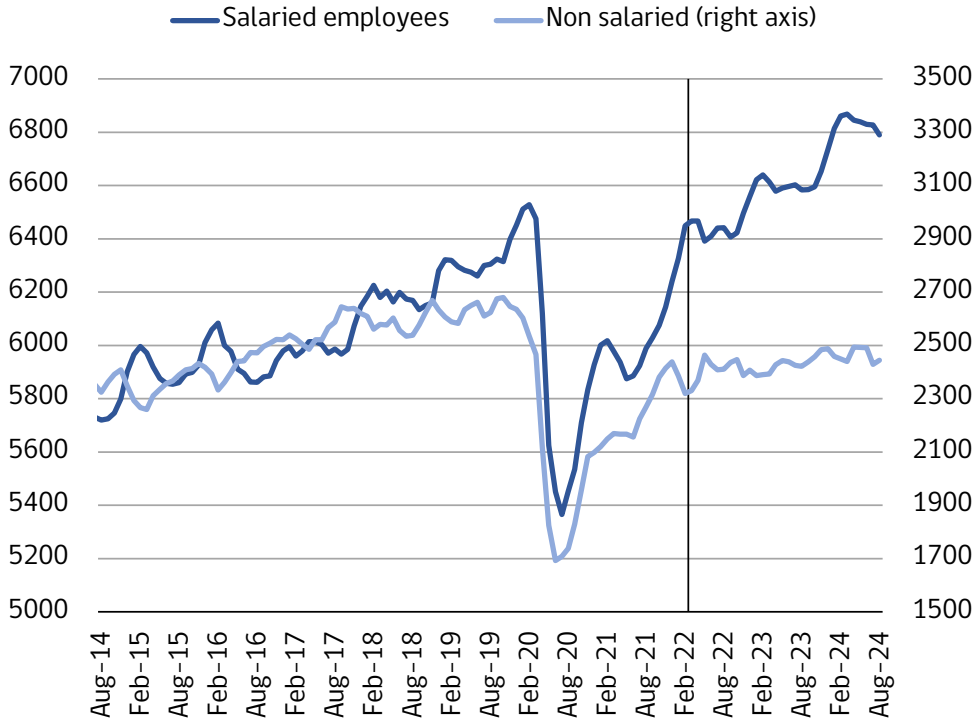
➤ Expected easing of financial conditions, influenced by changes in monetary policy both in Chile and globally



Salaried employment surpassed pre-pandemic levels and returned to historical occupation rates; gaps remain only for self-employed workers. Job creation and growth in earnings combine to a dynamic wage bill and support consumption

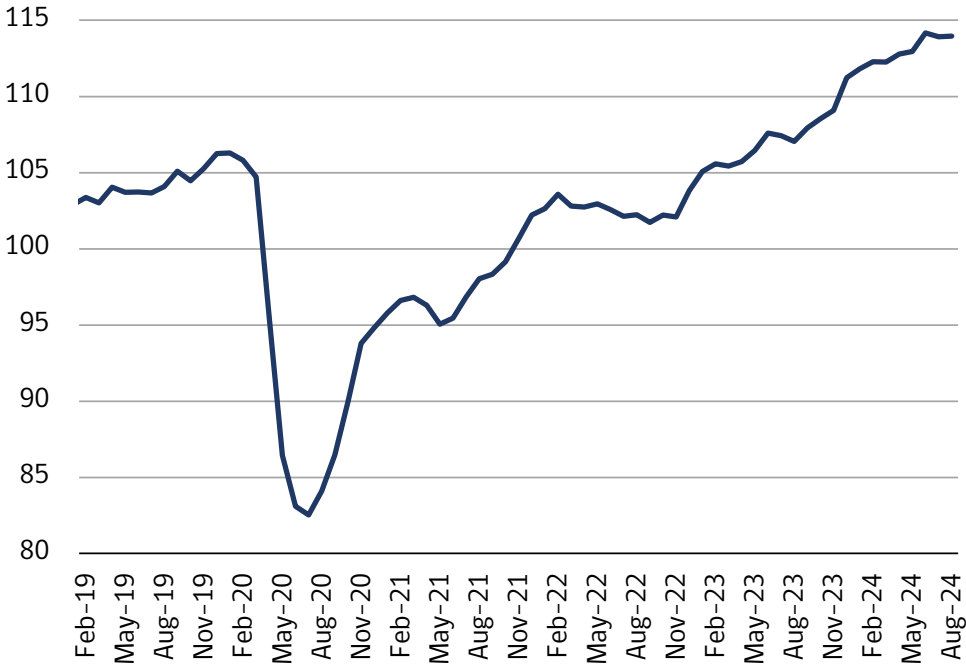
Occupied evolution (1)

(in thousands)



Total payroll

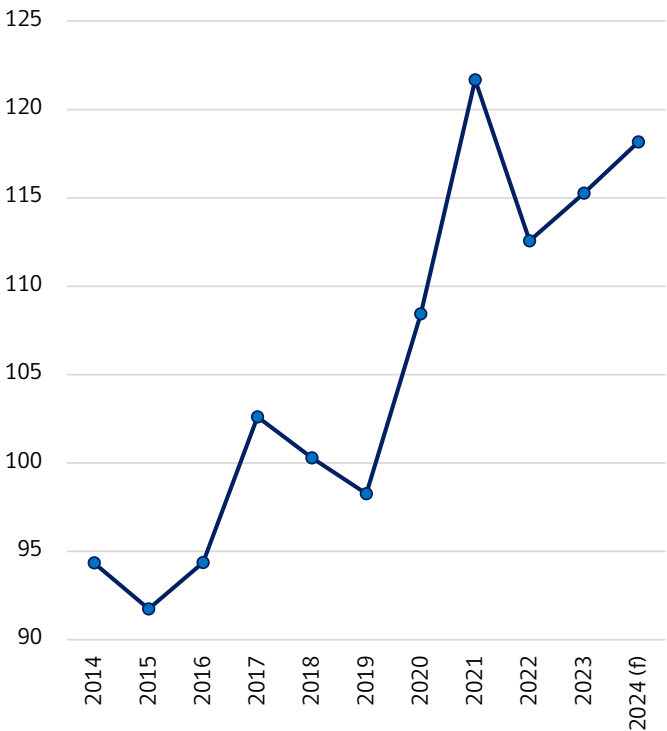
(index 2018=100, seasonally adjusted)



Note: (1) Non-salaried: Employers, Self-employed workers, Unpaid family members, Domestic service personnel.
Source: National Statistics Institute, Central Bank of Chile, and Ministry of Finance.

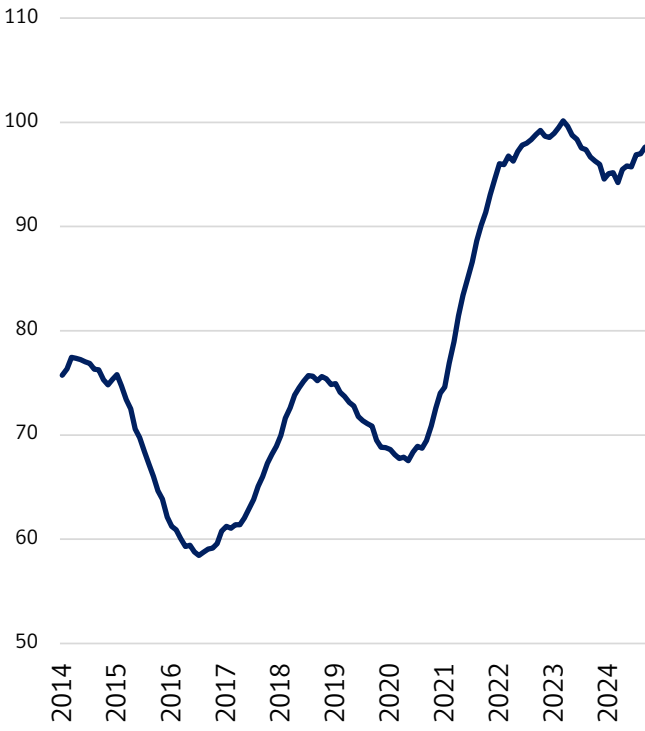
Foreign trade is adding dynamism to the Chilean economy despite global tensions. Trade agreement negotiations continue to progress, contributing to the diversification of trade

Terms of trade(1)
(base 2018=100)



Exports

(12-month sum, billions of dollars)



Recent trade agreements

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CTPP)

EU Trade Agreement Modernization

EFTA Modernization Agreement (Switzerland, Norway, Iceland, Liechtenstein)

Digital Economy Partnership Agreement (New Zealand and Singapore)

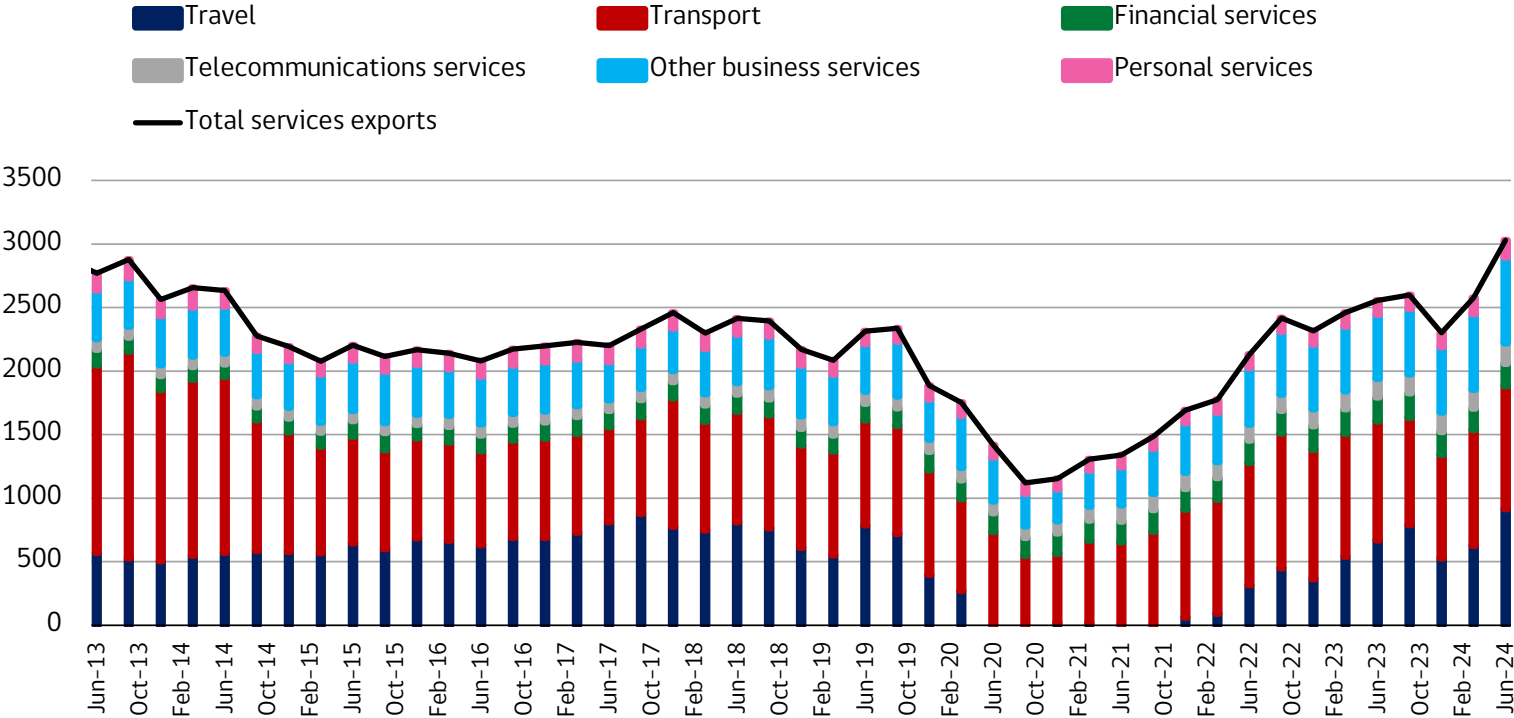
In progress: India, United Arab Emirates

Note: (1) f: forecast are from the PFR 3Q24.
Source: Central Bank of Chile and Ministry of Finance.

Service exports began to recover in 2022, and by the second quarter of 2024, significant growth is observed in most sectors, especially in Travel and Other Business Services

Services Exports

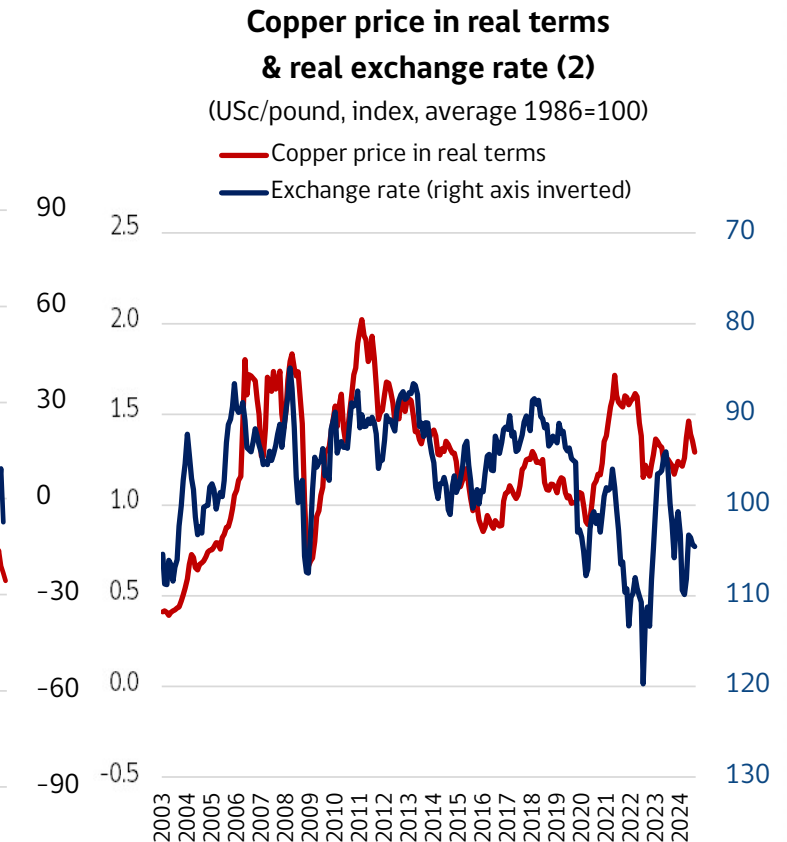
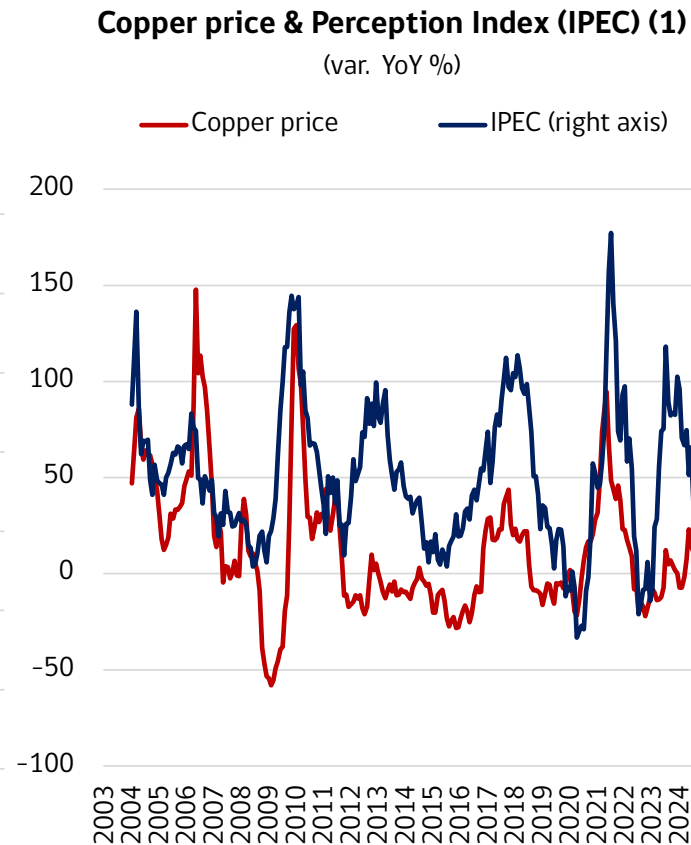
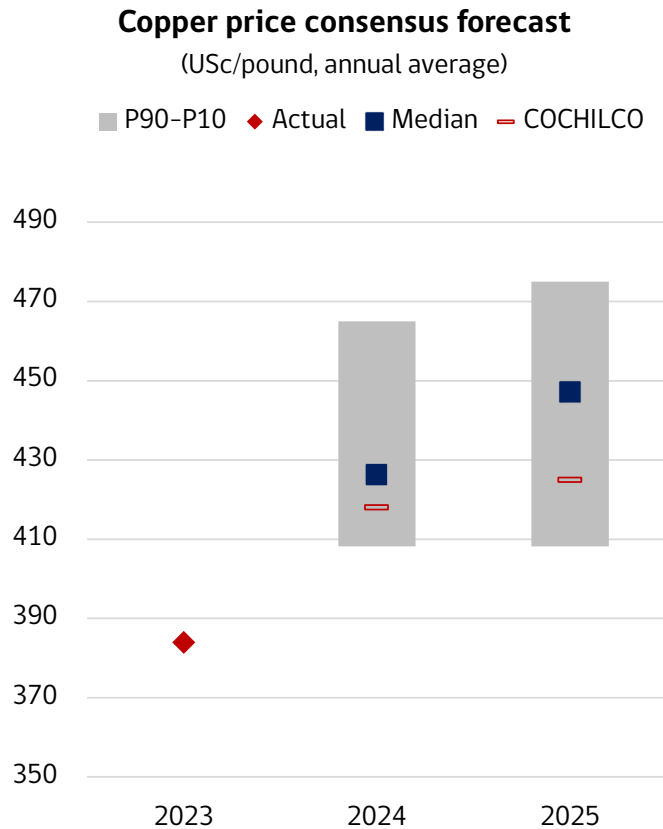
(millions of dollars, seasonally adjusted)



Service exports grew by 23.3% year-over-year in real terms in the second quarter of 2024

Note: Seasonally adjusted components with ARIMA X-13. Total corresponds to the sum of the components.
Source: Central Bank of Chile.

Markets anticipate strong copper prices in the next few years. This will support the performance of the local economy and the exchange rate



Note: (1) For IPEC, the total economic perception index is used. (2) Copper price in real terms was deflated using the United States CPI.
Source: Goldman Sachs, Larrain Vial, Central Bank of Chile, Chilean Copper Corporation (COCHILCO), Consensus Forecast and Ministry of Finance.

Following economic stabilization and the conclusion of the constitutional process, economic uncertainty has returned to pre-social unrest levels

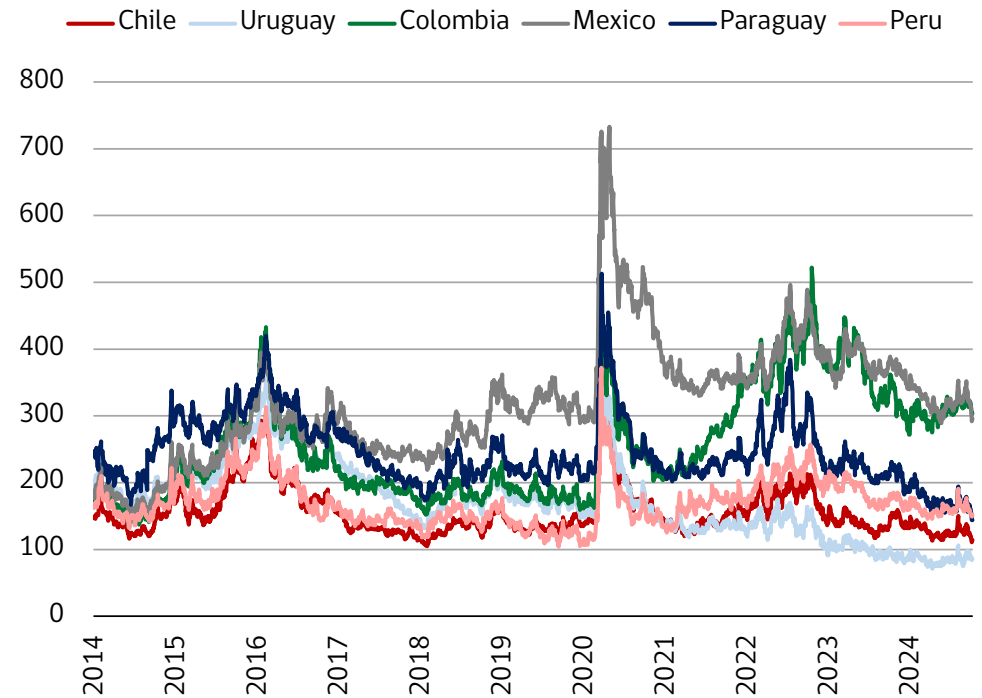
Chile: Economic Uncertainty Index (1)

(index)



EMBI Sovereign Spread

(basis points)



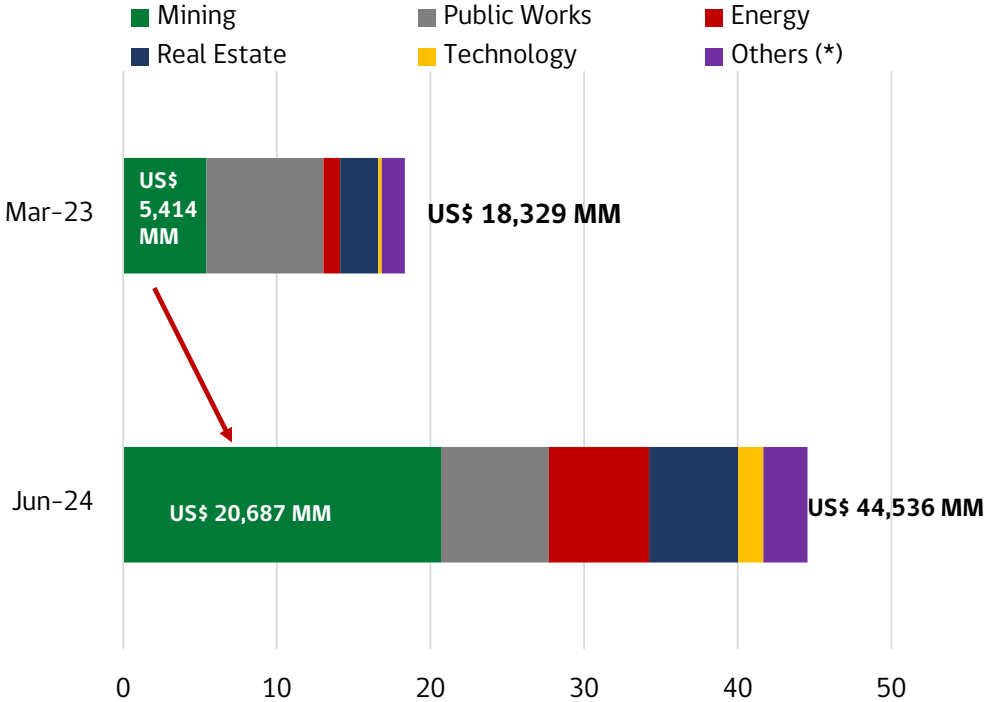
Note: (1) Index based on Becerra and Sagner (2020).

Source: Central Bank of Chile and Bloomberg.

Investment is key to sustained growth in the future. Private investment plans for 2024-2027 grew by nearly US\$25 billion since last year, with a significant rise anticipated for 2025

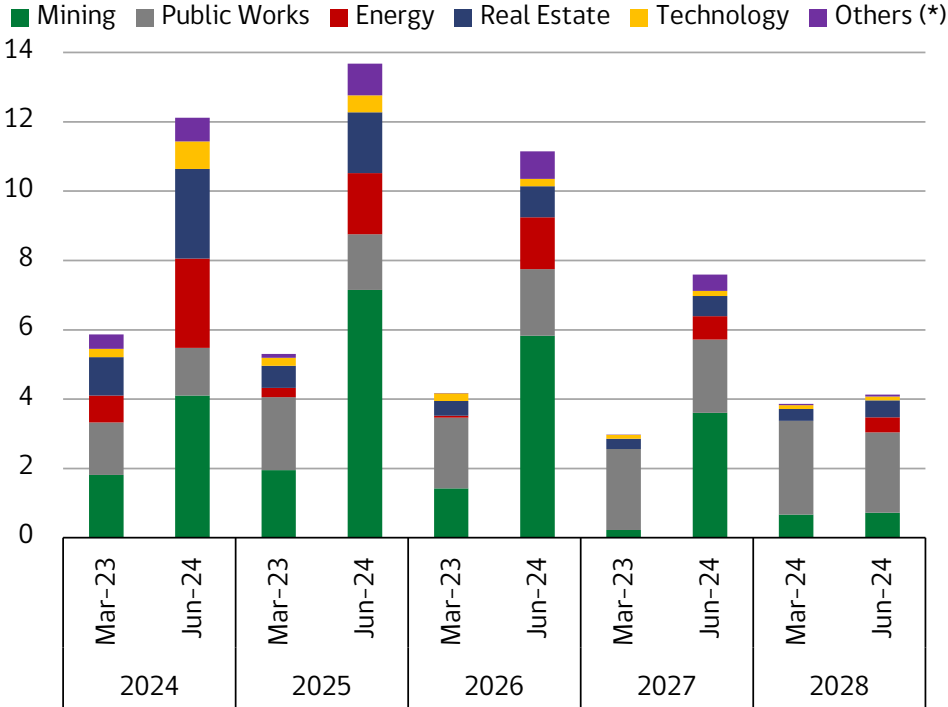
Capital Goods Corporation Survey, 2024-2027

(billions of dollars)



Estimated annual private investment from 2024 to 2028, by sector

(billions of dollars)

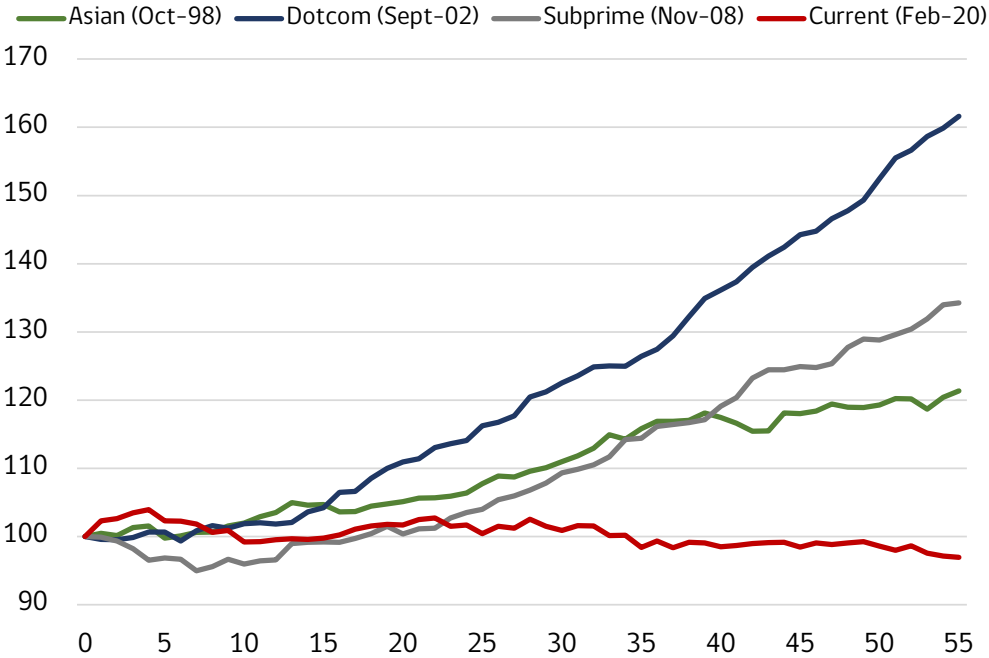


Note: (*) Forestry, industrial and port sectors.
Source: Capital Goods Corporation survey.

Due to adjustment needs both in Chile and globally, the local economy has had to operate under extraordinarily restrictive financial conditions, which have particularly impacted domestic demand and investment

Real total lending

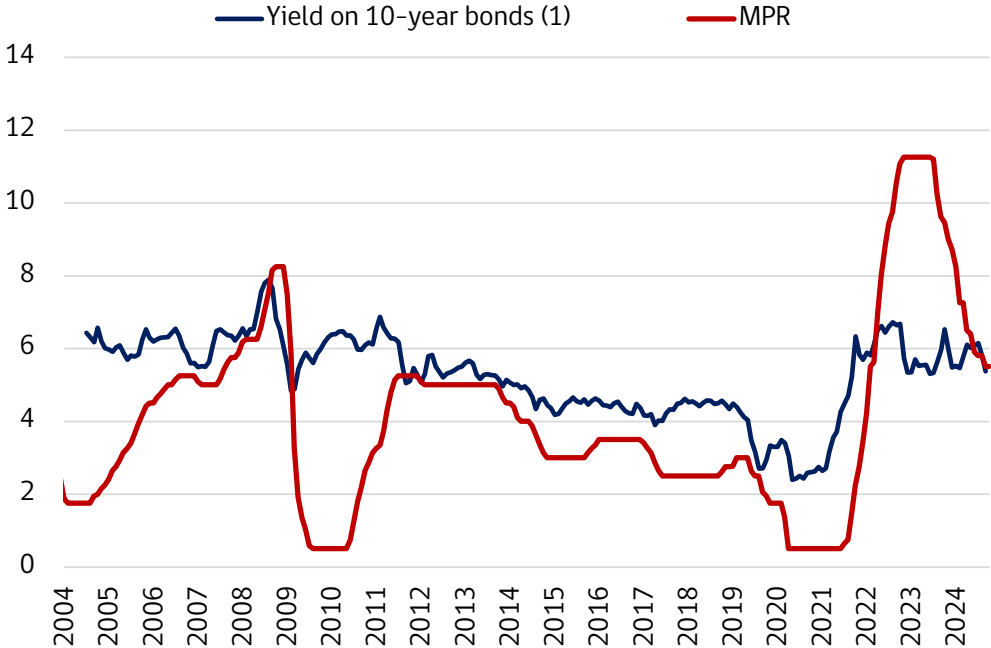
(index, level in the month previous to the shock = 100)



Source: Central Bank of Chile.

Lending rates

(annual % in pesos, month average)



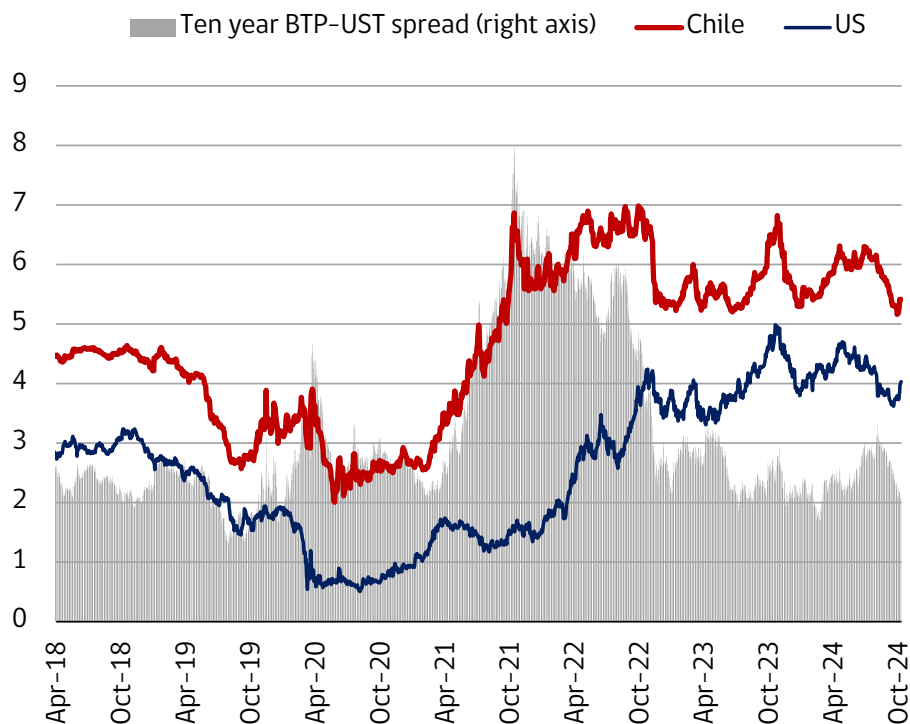
Note: (1) BTP a 10 years
Source: Central Bank of Chile.

The last 4 years have been the longest period of stagnation in the stock of real total lending since the 1980s

Local long-term rates have followed the dynamics of their international peers, remaining at high levels in historical perspective. Coupled with real estate market developments this is holding back recovery in the construction sector

Yield on 10-year bonds

(%, basis points)



Mortgage interest rate (1)

(% indexes in UF, monthly average)



Note: (1) UF (Unidad de Fomento) corresponds to an inflation index-linked unit of account.

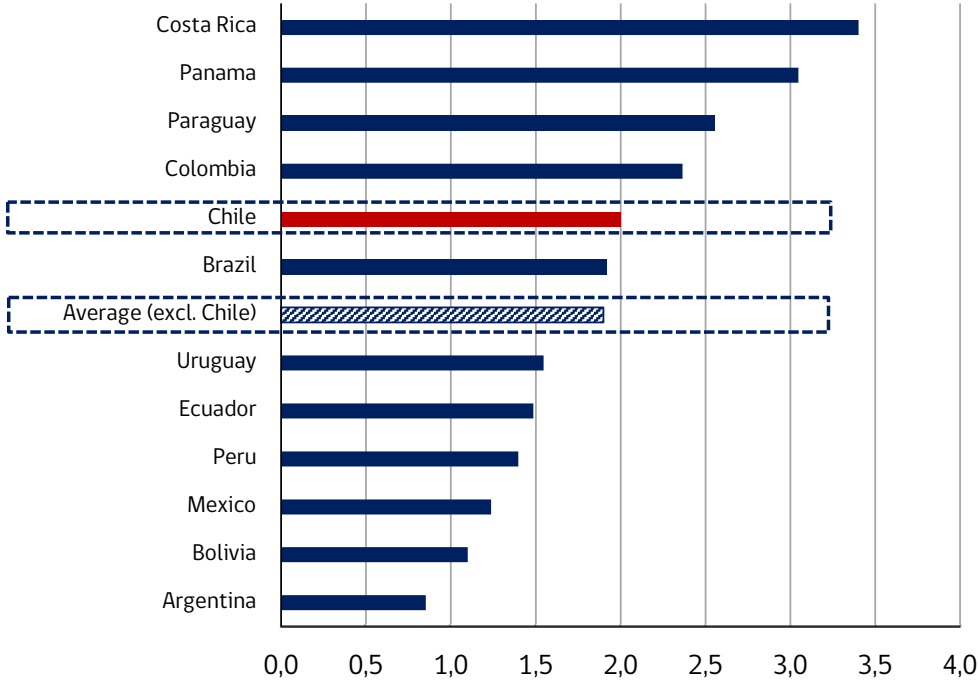
Source: Central Bank of Chile, Bloomberg and Ministry of Finance.

This outlook will be accompanied by a robust performance of the export sector and the expansion of investment

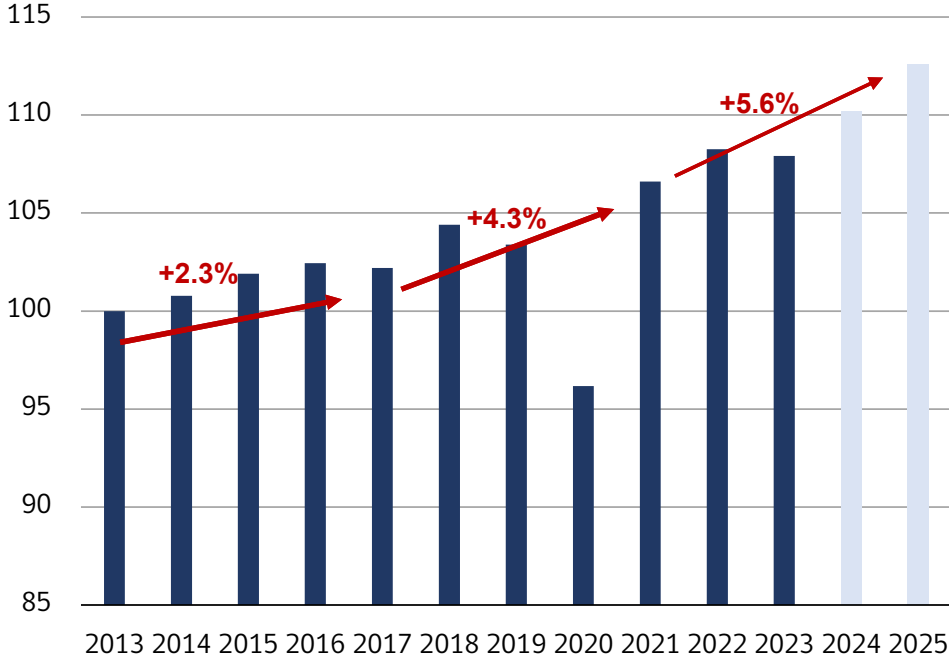
	2024 forecast	2025 forecast
GDP (YoY percent var.)	2.6	2.7
Mining GDP	6.0	3.5
Non mining GDP	2.2	2.5
Domestic demand (YoY percent var.)	1.5	3.4
Gross fixed capital formation	0.0	5.9
Total consumption	2.0	3.1
Exports of Goods and Services (YoY percent var.)	5.9	4.1
Imports of Goods and Services (YoY percent var.)	2.1	6.5
Current account (% of GDP)	-2.5	-2.3
CPI (YoY var., % average)	3.9	4.2
Exchange rate (\$/USD, average, nominal value)	928	887

If these projections materialize, Chile's average annual growth from before the pandemic until now would exceed the Latin American average for the same period. Additionally, per capita income growth for 2022–2025 is expected to surpass that of the previous two four-year periods

Average Annual GDP Growth 2019–2025
(%)

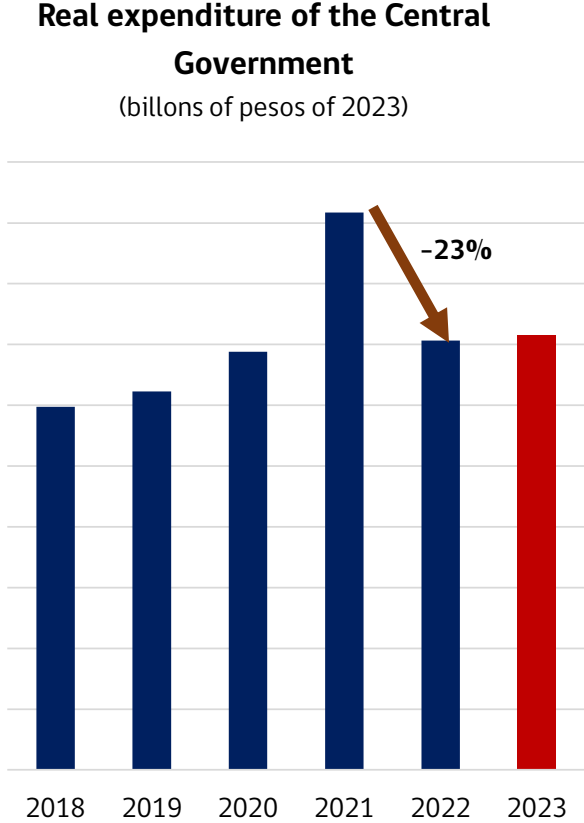
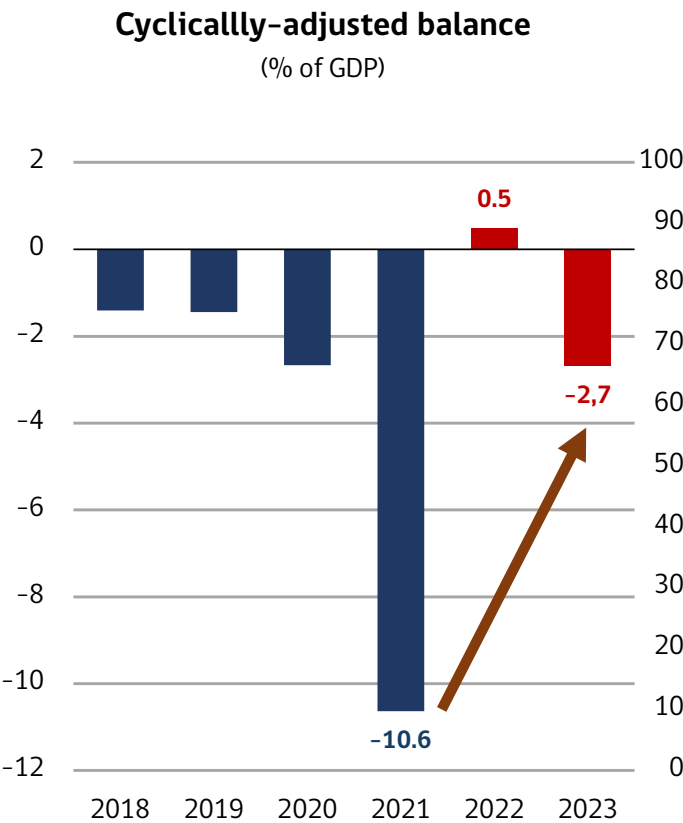


GDP per capita (2)
(index 2013=100)



Nota: (1) For Chile, the 2024 estimate from the 3Q24 Public Finance Report (PFR). (2) GDP at volume, using previous year's prices, based on CELADE's mid-year population estimates and projections for 2024. The average growth for the first period considers the variation from 2017 relative to 2013, for the second period from 2021 relative to 2017, and for the third period from 2025 relative to 2021.
Fuente: *World Economic Outlook*, International Monetary Fund, CELADE -Population Division of ECLAC. 2024 Review and United Nations, Department of Economic and Social Affairs, Population Division (2024). *World Population Prospects 2024*, Online Edition and Ministry of Finance.

The unprecedented fiscal adjustment of nearly 10% of GDP in 2022 was largely achieved with discipline and rigor in spending management. In 2023 there was an execution of 100.0% of the budgeted expenditure, an effective deficit of 2.4% of GDP and a structural balance of -2.7% of GDP



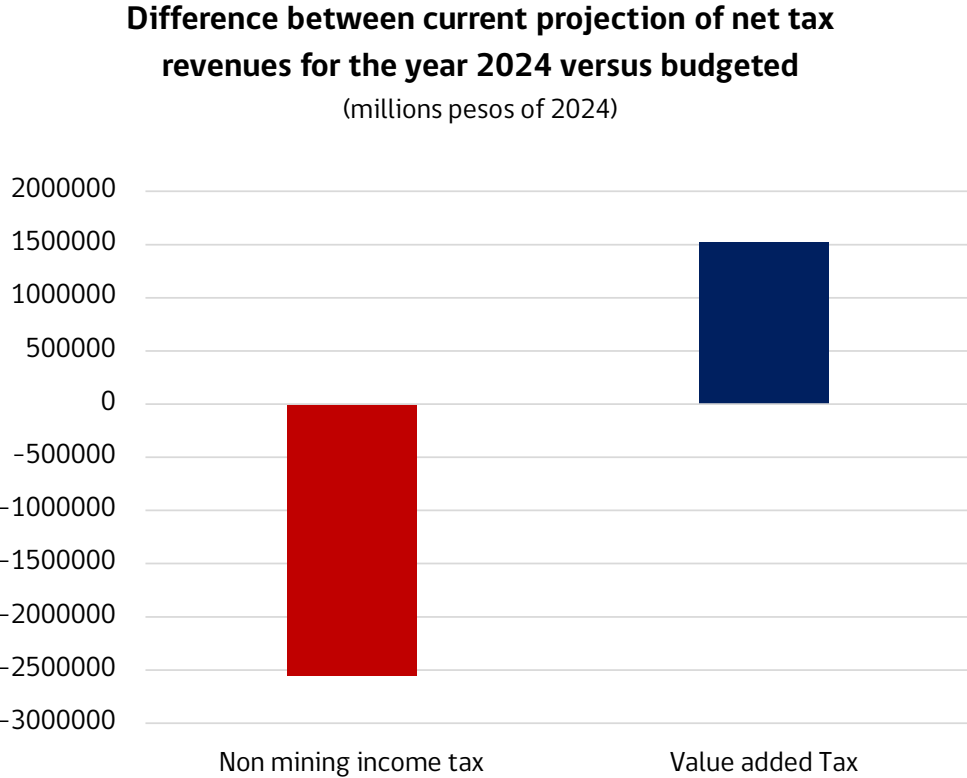
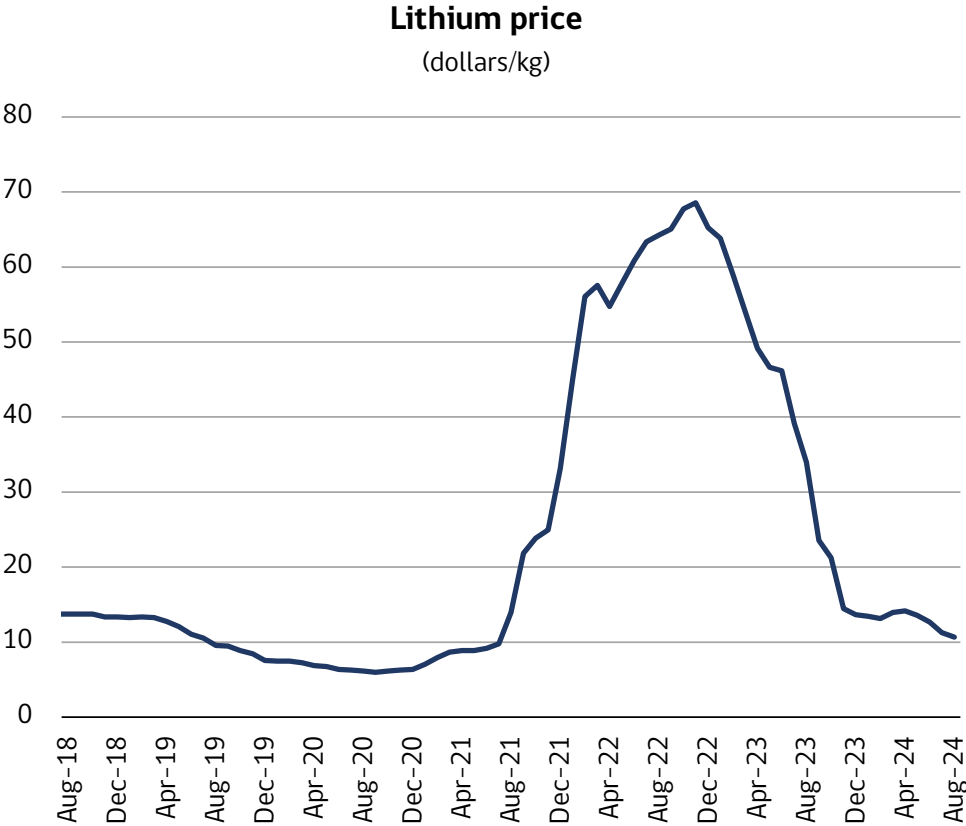
Main fiscal variables at the end of 2023

2023	Initial projection (PFR 3Q22)	Updated projection (PFR 3Q23)	End of 2023
Structural Revenue (YoY % var.)	-8.0	-9.3	-11.4
Effective Balance (% of GDP)	-2.7	-2.3	-2.4
Structural Balance (% of GDP)	-2.6 ⁽¹⁾	-2.6	-2.7
Gross Debt (% of GDP)	38.7	38.2	39.4

100%
execution of public budget expenditure

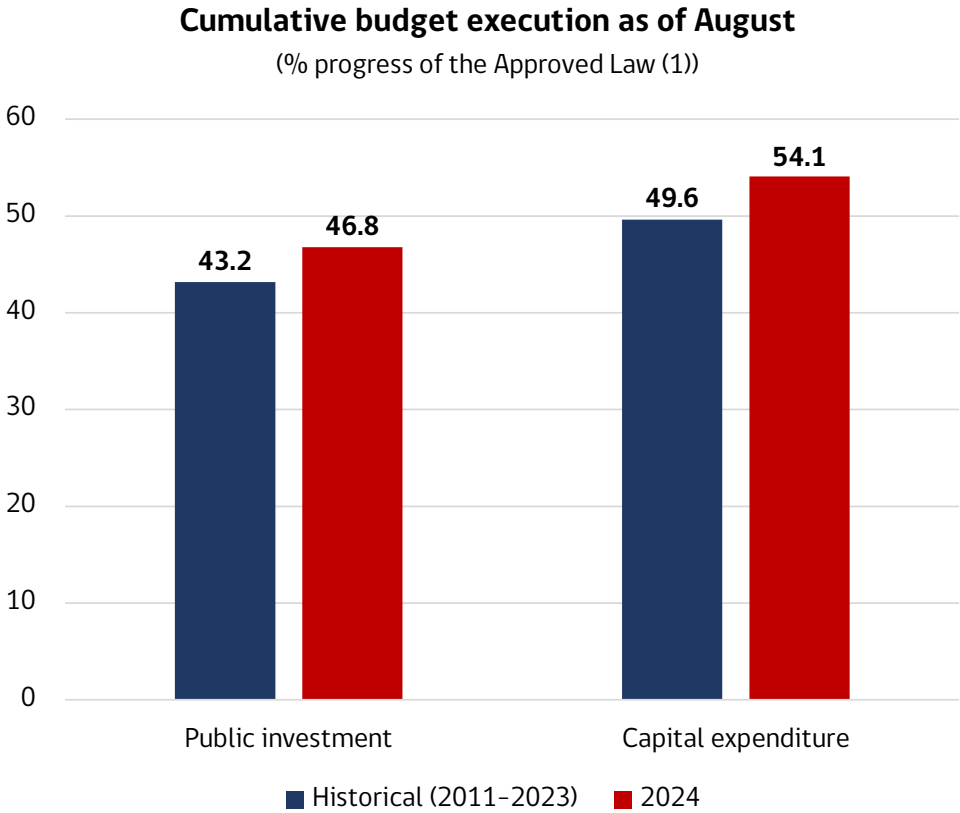
Note: (1) Corresponds to the Target Projection contained in the 1Q22 PFR that supported the Fiscal Policy Decree of June 2022, which established the trajectory of the Structural Balance goals for 2023-2026.
Source: Budget Office.

In 2024, the result of the Income Operation was significantly lower than budgeted, and the price of lithium experienced further declines. These effects have been partially offset by a more dynamic VAT collection, although it has not been sufficient, forcing significant adjustments in expenditures



Source: Central Bank of Chile, Ministry of Finance.

These adjustments have sought to preserve public investment, with capital expenditure during the first 8 months showing a much stronger performance than in previous years, executing 54.1% of the budgeted amount, compared to previous figures of around 49.6% by the same date



To date, public investment has increased

25.9%
YoY

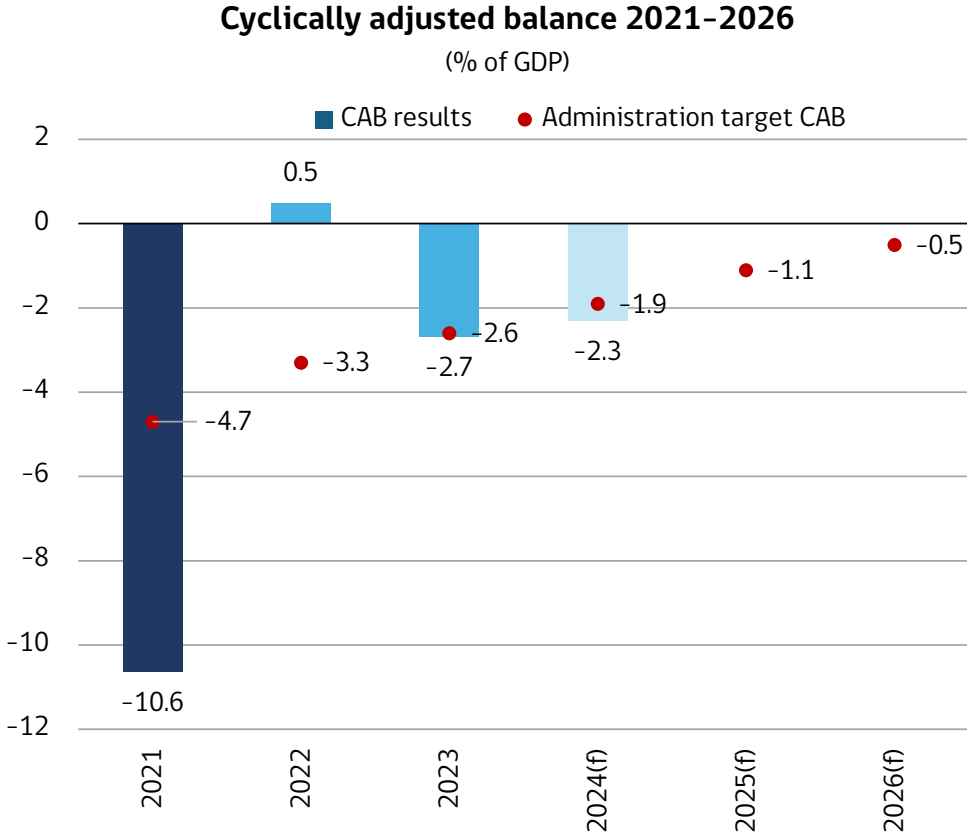
To date, capital expenditure has increased

15.7%
YoY

Note (1) For the years 2021 and 2022, the Approved Law + FET is considered.
Source Budget Office.

The 2025 Budget Bill will fully meet the fiscal policy targets, reducing the effective and cyclically adjusted deficits to 1.0% of GDP and 1.1% of GDP, respectively

2025	PFR 3Q24
Overall balance (% of GDP)	-1.0
Structural balance (% of GDP)	-1.1
Expenditures (compared to 2024 Budgets Law) (% annual real var.)	2.7
Expenditures (compared to executed expenditure in 2024) (% annual real var.)	3,8

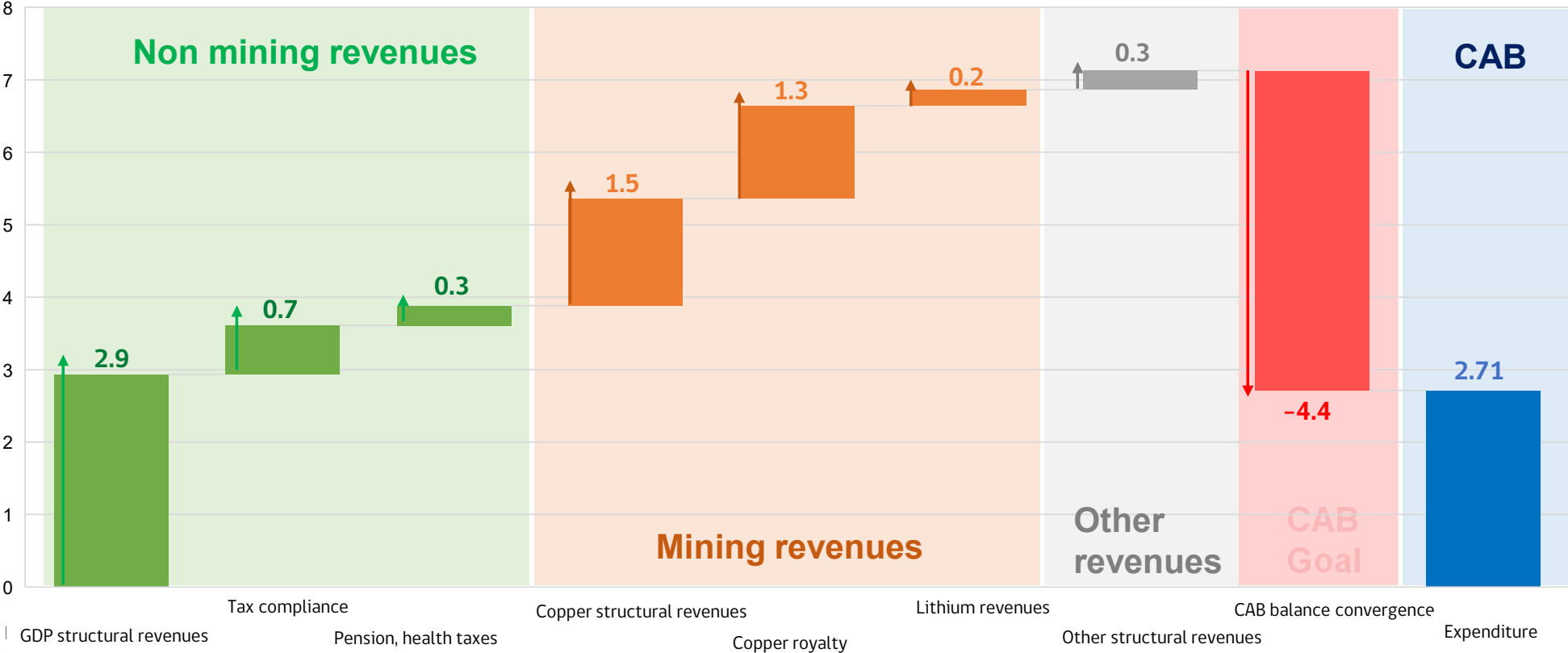


Source: Budget Office.

Note: *2024 corresponds to CAB estimate of the PFR 3Q24. Current year.
Source: Budget Office.

The increase in spending over trend non-mining GDP growth is mainly due to higher copper revenues from mining royalties and higher long-term prices, as well as the recent approval of tax compliance

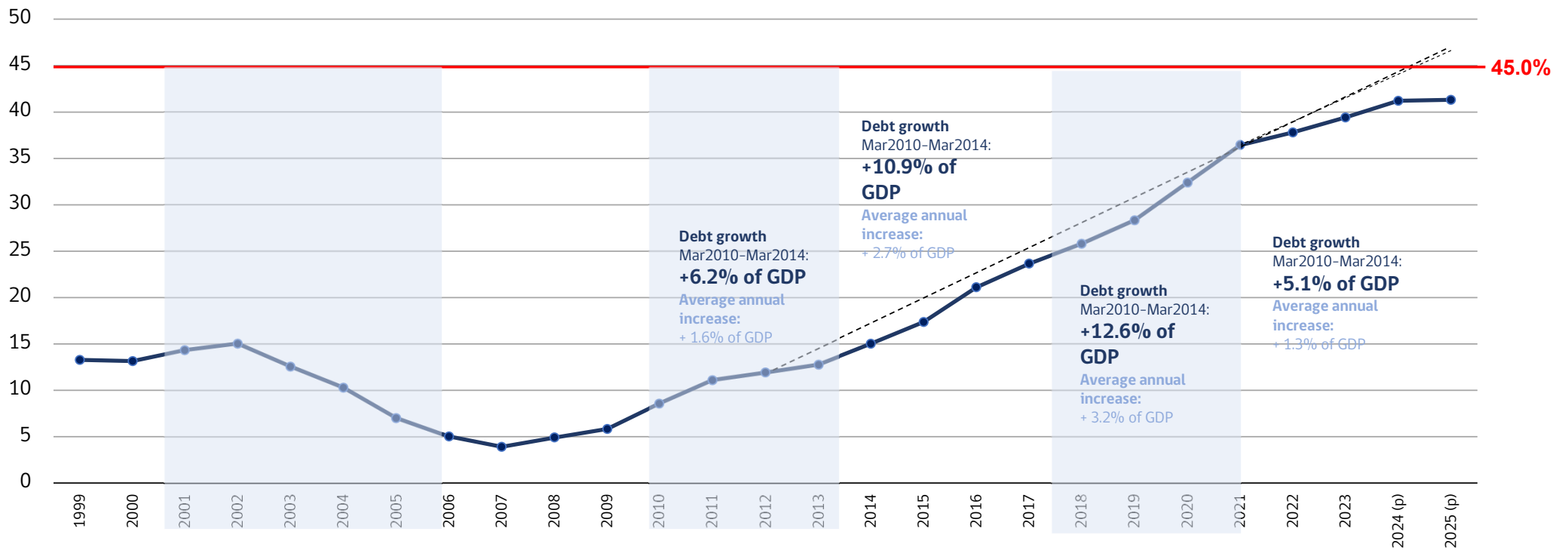
2025 Expenditure: Result of the application of the CAB balance methodology
(incidence in real annual variation)



Source: Budget Office.

Evolution of Gross Debt

(% of GDP, December 31st of each year)



Note: (1) (p): projection.

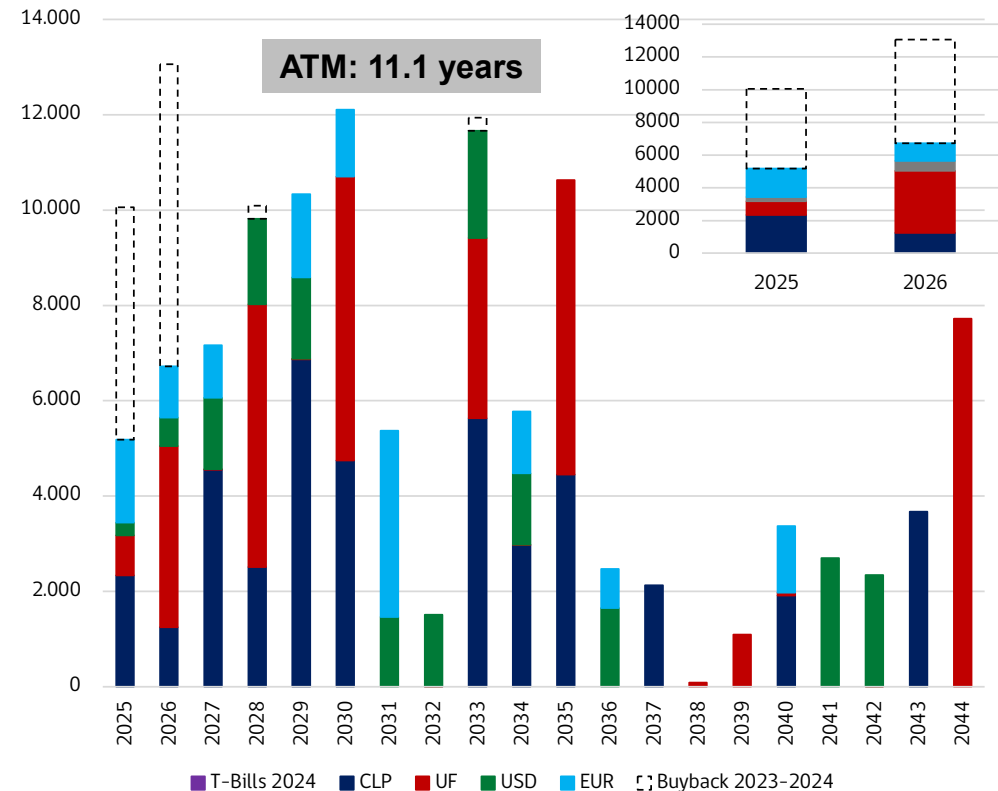
Source: Budget Office.

The government has successfully implemented a buyback operation, significantly reducing debt maturities in the coming years

- The Debt Office has implemented a buyback and exchange plan during the last quarter of 2023 and throughout 2024, aimed at reducing bond maturities in the coming years.
- Bondholders with upcoming maturities are offered the option to exchange these bonds for cash or for other bonds with maturities in later years.
- As of the end of September 2024, a total of US\$4.9 billion and US\$6.3 billion worth of bonds maturing in 2025 and 2026, respectively, had been repurchased.
- Maturities for 2025 now total approximately US\$4.9 billion, significantly reducing financing needs for the upcoming year.

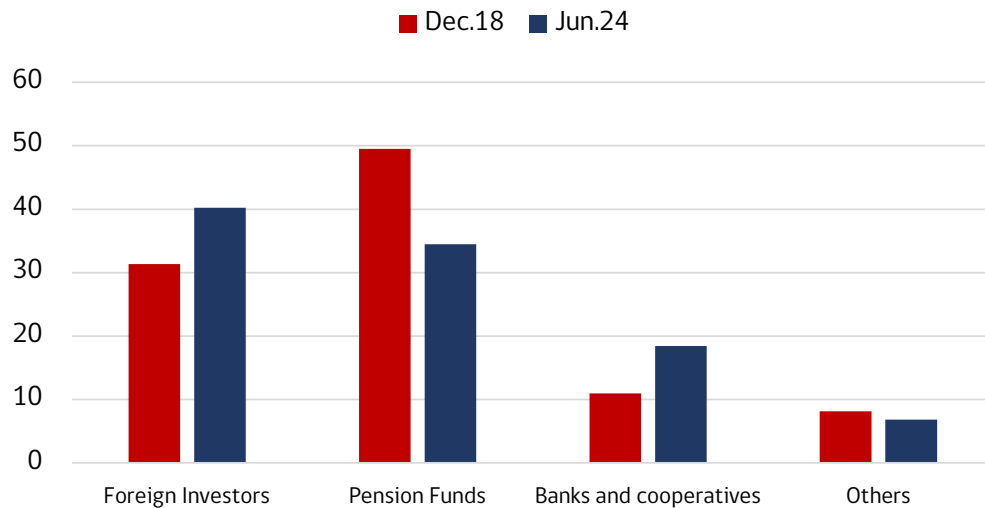
Maturity Profile of Republic of Chile's Sovereign Bonds

(millions of dollars)

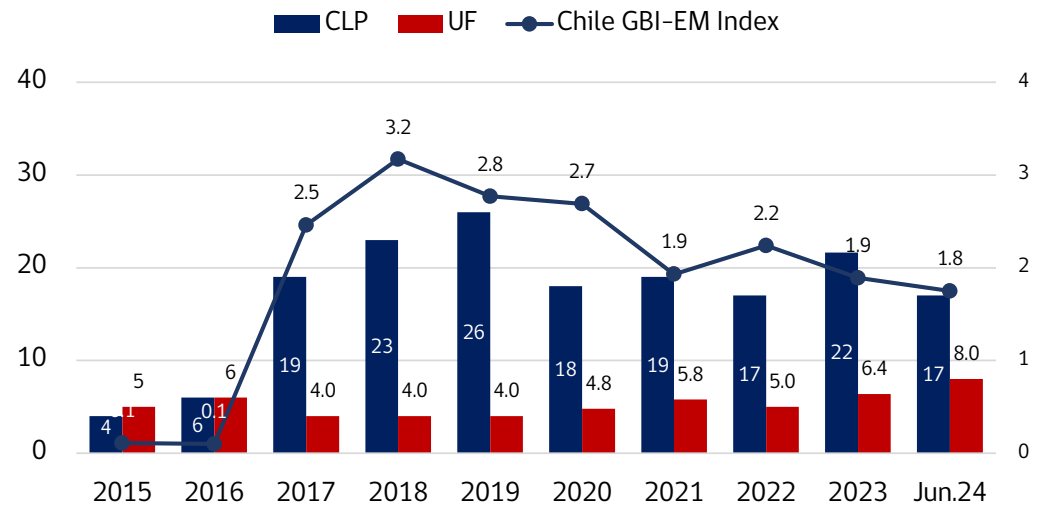


Benefits of the Chilean Debt Management strategy: larger and more diversified investor base, benchmark points in all currencies and greenium

Holdings of Sovereign Local and External Bonds by Type of Investor (%)



Holdings of Non-Residents in Local Bonds by currency (CLP/UF) and Chile's participation in the GBI-EM Index (1) (%)



- The government's financing strategy has included the participation of foreigners through Book-Building issuances, with very active involvement in the transactions.
- Their allocations in the most recent transactions have averaged 40%.
- In October 2023, for the first time, a bond was issued in UF under this modality, allowing foreigners to enter this curve.

Note: (1) UF (Unidad de Fomento) corresponds to an inflation index-linked unit of account.

Source: Ministry of Finance.

Statement 2023	Actual performance
<ul style="list-style-type: none"> ➤ By the second half of 2023, activity levels will exceed those of a year ago, with a growth close to zero for the year as a whole ➤ GDP growth of 2.5% in 2024 	<ul style="list-style-type: none"> ➤ In the second half of 2023, economic activity was 0.5% higher than 12 months ago ➤ Over the year, the economy grew by 0.2% ➤ The current Ministry of Finance projection is a growth of 2.6% in 2024
After reaching nearly -10% of GDP the CA will approach -3% of GDP by end-2023	The current account had a deficit of 3.6% of GDP in 2023
Job creation would begin again	Job creation registers an accumulated annual growth of 230 thousand jobs by August 2024
Inflation will fall to around 4% by the end of 2023	Inflation reached 3.4% in December 2023
The execution of fiscal policy in 2023 and the forthcoming 2024 Budget will be fully compliant with the trajectory set in May 2022, keeping debt/GDP well below the 45% ceiling	<ul style="list-style-type: none"> ➤ These goals were fully met in 2023, with 100.0% of the budgeted expenditure being executed ➤ According to the Budget Office forecast, public debt at the end of 2024 will be 41.2% of GDP
Public investment will reach 4.1% of GDP, driven by investment in housing and resources derived from the mining royalty	Capital expenditure in the first 8 months of the year has performed much better than in previous years, with 54.1% of the budget being spent (49.6% at the same date in previous years)
Economic uncertainty would decline further since the Constitutional process would be resolved, one way or another by the end of the year	Economic uncertainty returned to its historical levels during the second quarter of 2024. However, since mid-2023, financial conditions have been determined mainly by external factors, being more affected by the Federal Reserve's monetary policy expectations



**» Opportunities and Challenges:
An agenda to promote sustainable
and inclusive growth in the future**

The final document of the Fiscal Pact contains 36 initiatives to boost growth, 12 proposals for State reforms, spending priorities in 4 areas (pensions, health, care and public safety), 12 principles for a modern tax system, 30 proposals to reduce tax compliance gaps and a series of monitoring and evaluation mechanisms



Boosting growth through investment, productivity, and formalization of the economy

36
initiatives



Reform commitments to strengthen transparency, efficiency, and quality of service in the State

12
reforms



Needs and spending priorities in favor of the needs expressed by the citizens

4
sectors



Principles for a modern tax system in Chile

12
principles



Tax compliance enforcement and income tax reform

30
measures



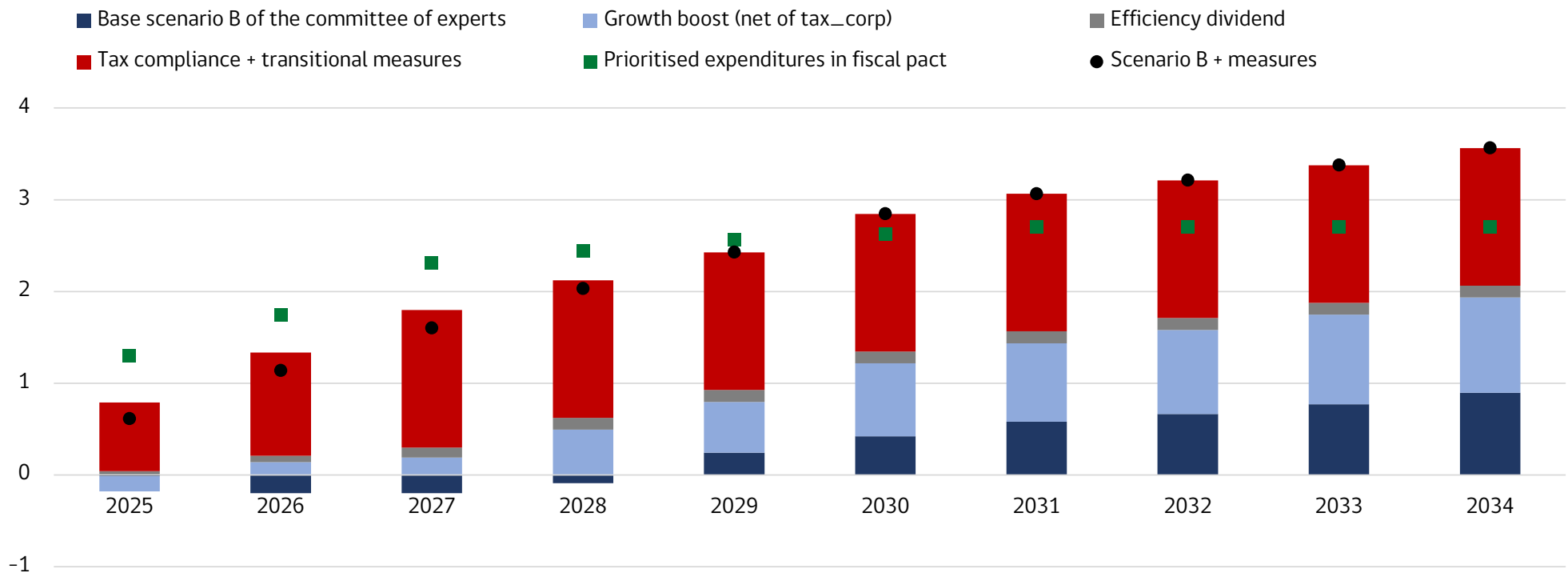
Institutional mechanisms for monitoring, tracking, and evaluating the Fiscal Pact

10
years

The combined effect of the pro-growth and state reform initiatives would allow the financing gap of the four spending measures to be reduced in 0.3% of GDP, The combined effect of the pro-growth and state reform initiatives

Financing needs

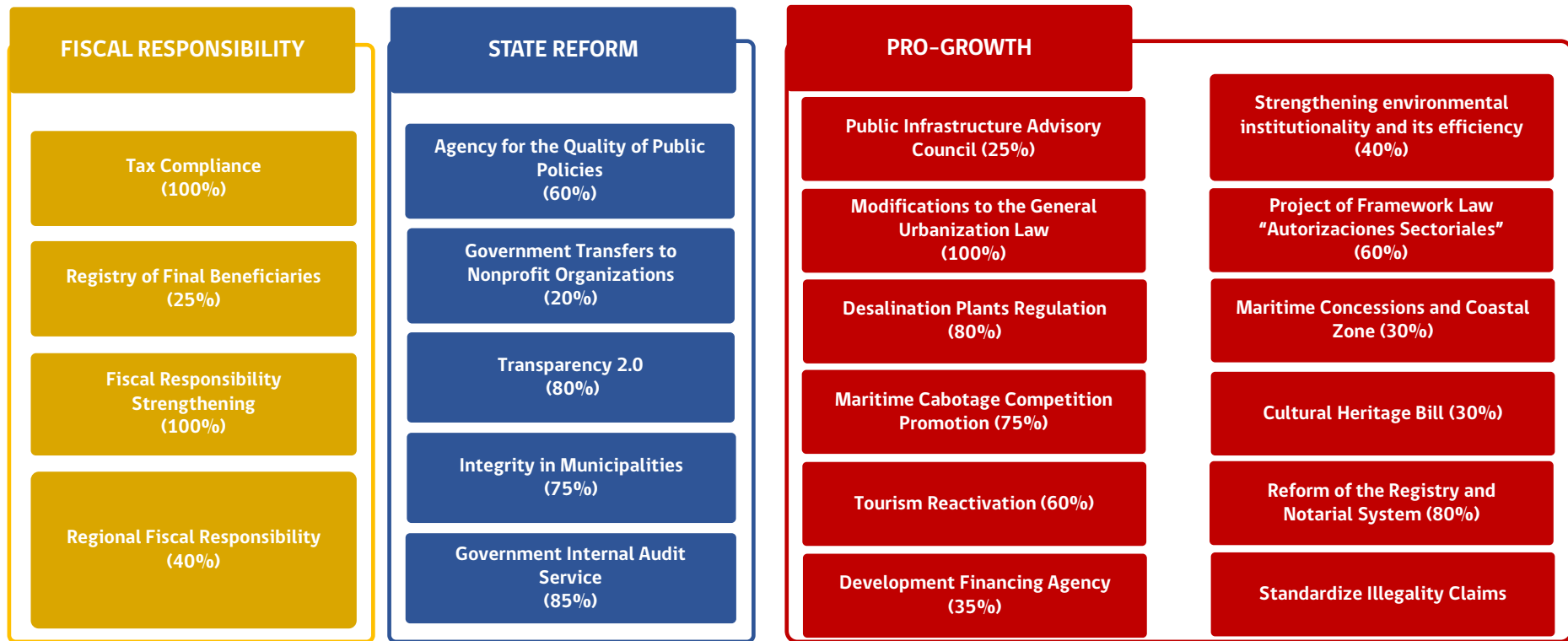
(% of GDP)



Note: The GDP of Scenario B of the Committee of Experts is considered.

Source: Ministry of Finance.

Under the Fiscal Pact, a work agenda was drawn up that is currently in full implementation. In legislative matters, 21 bills were identified, which were subsequently subject to an agreement with both tables of the National Congress to proceed with faster processing



Note: Only projects in the legislative process were included. The progress of Fast Track projects is measured based on a tiered progression system, with percentages assigned according to the processing status, which includes from initial entry (20%) to approval in the third procedure (100%).

Likewise, along with the legislative agenda, progress has been made through administrative and regulatory channels on an agenda to strengthen the productive base, with specific goals in six key sectors with existing or emerging comparative advantages



Clean and sustainable mining



Lithium mining



Renewable energy



Green hydrogen industry



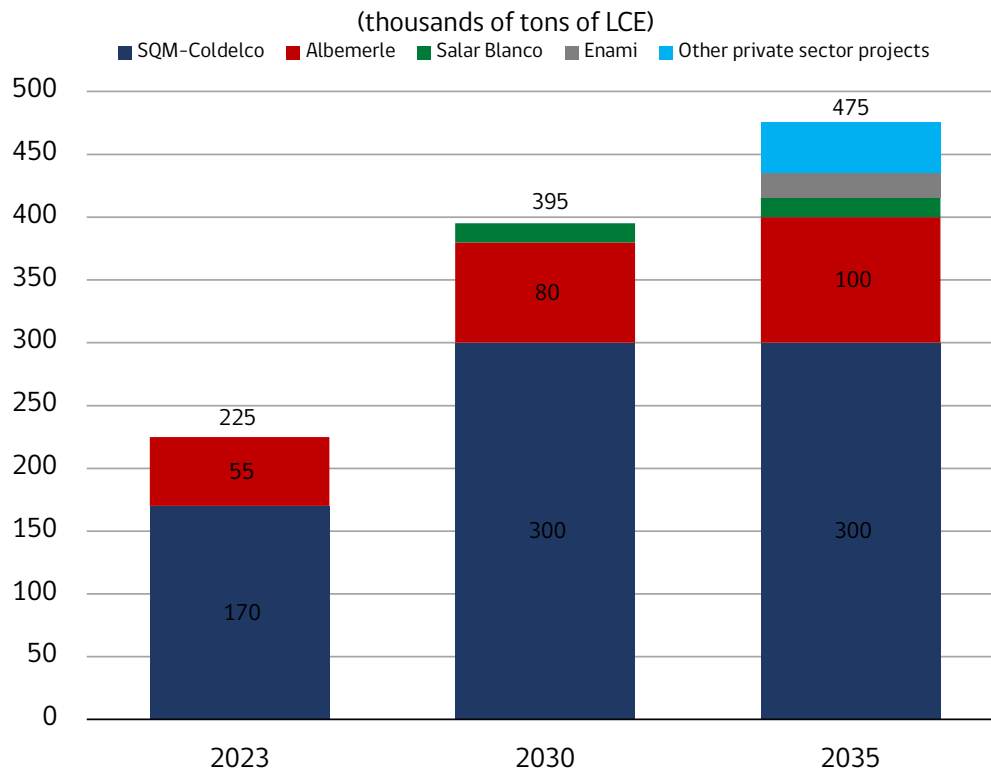
Digital economy



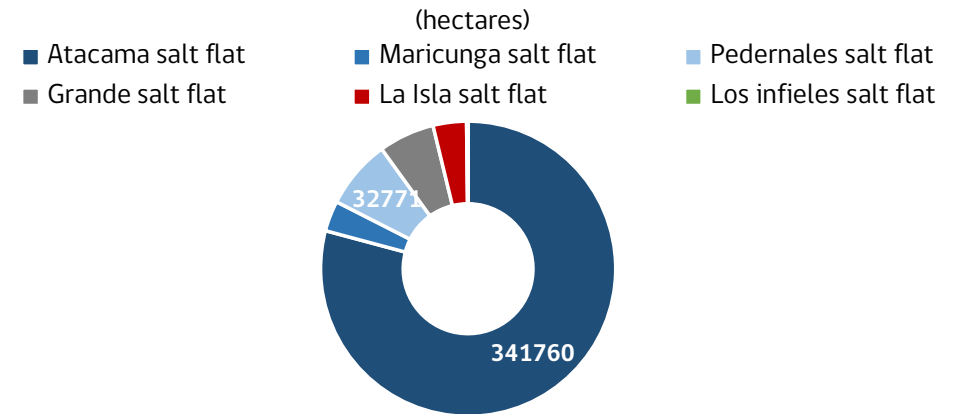
Tourism

Regarding lithium, significant progress has been made in implementing the strategy announced in April 2023, including the Codelco-SQM agreement, the projects led by Codelco and Enami outside the Salar de Atacama, and the initiation of the process to assign Special Lithium Operation Contracts (CEOL) to private operators in six salt systems in the coming months

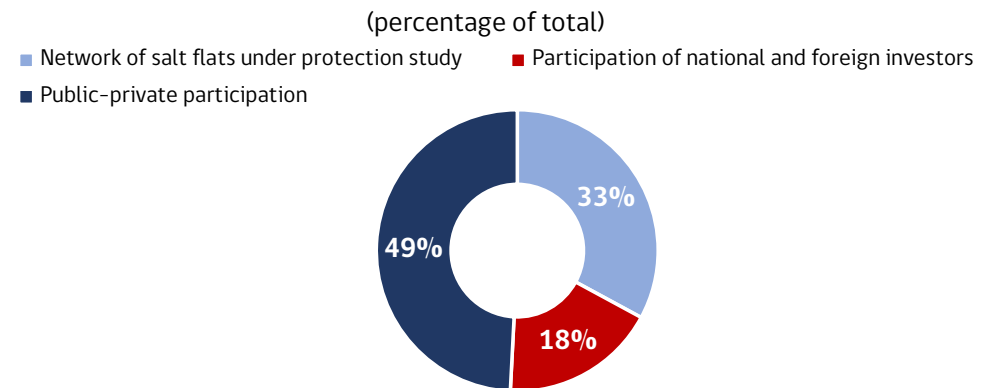
Conservative projection of lithium production by 2035



Public-private partnership salt flats



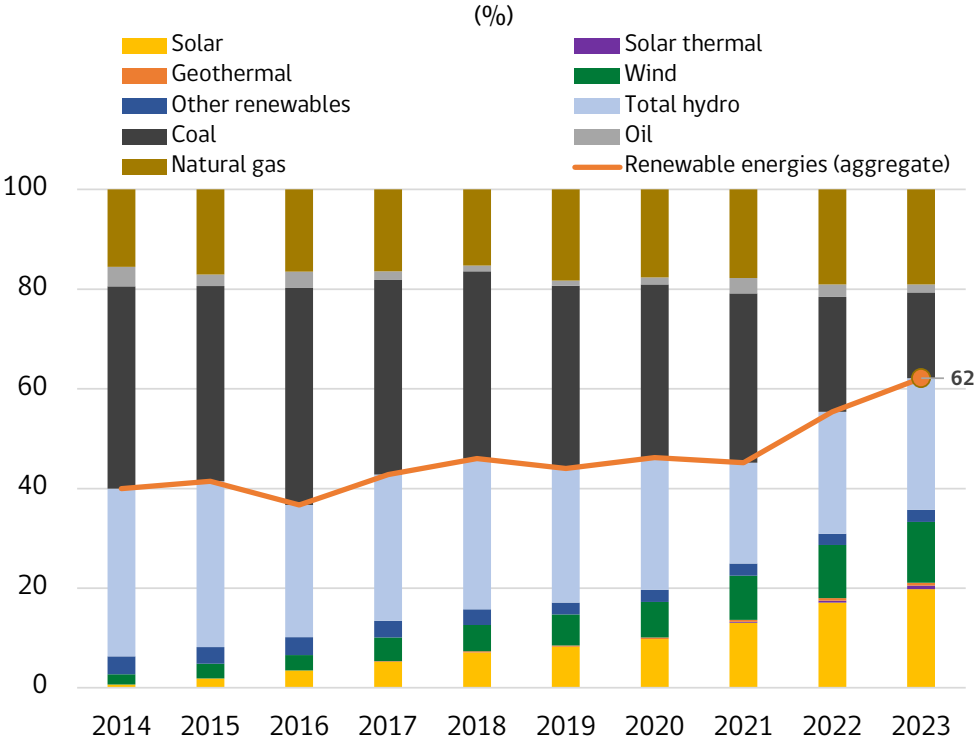
Territorial distribution of saline systems



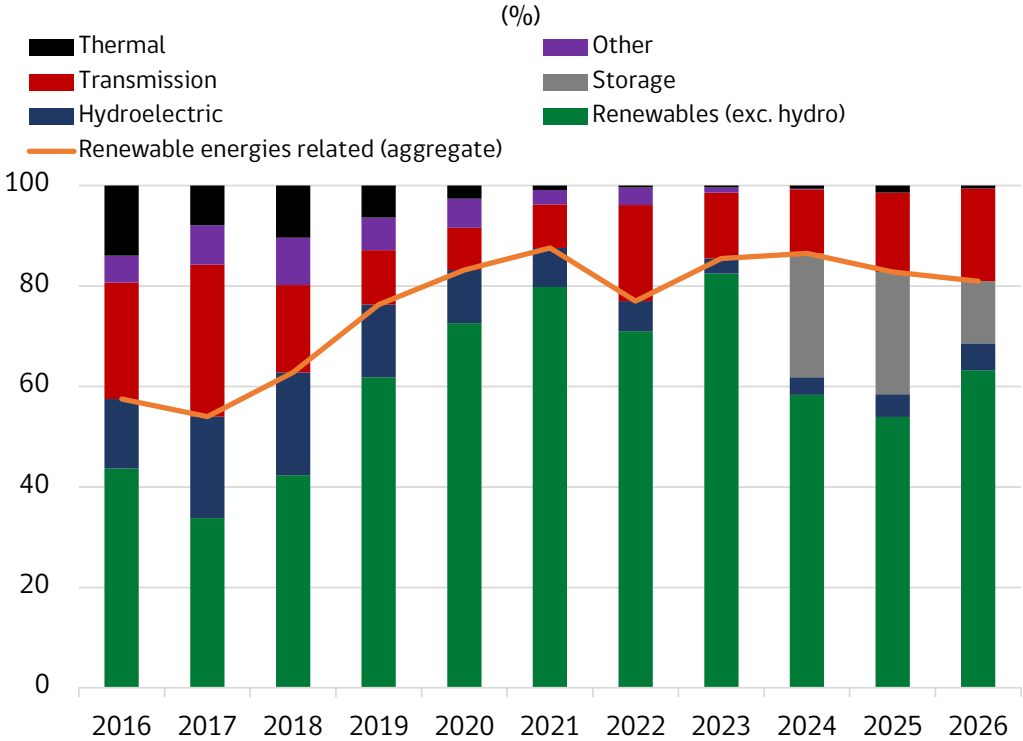
Source: Mining Ministry.

Renewable energy already accounts for more than 60% of the electricity generation matrix, and projects under development will raise this proportion to 85% by 2030

Electricity generation by technology and NCRE participation



Private investment forecast in energy projects by typology - 2Q2024 (1)



Note: (1) Figures for year 2024-2026 are based on the 2Q2024 Capital Goods Corporation survey, and figures for previous years are based on the fourth quarter survey of each year.
Source: Capital Goods Corporation survey and Generadoras Chile.

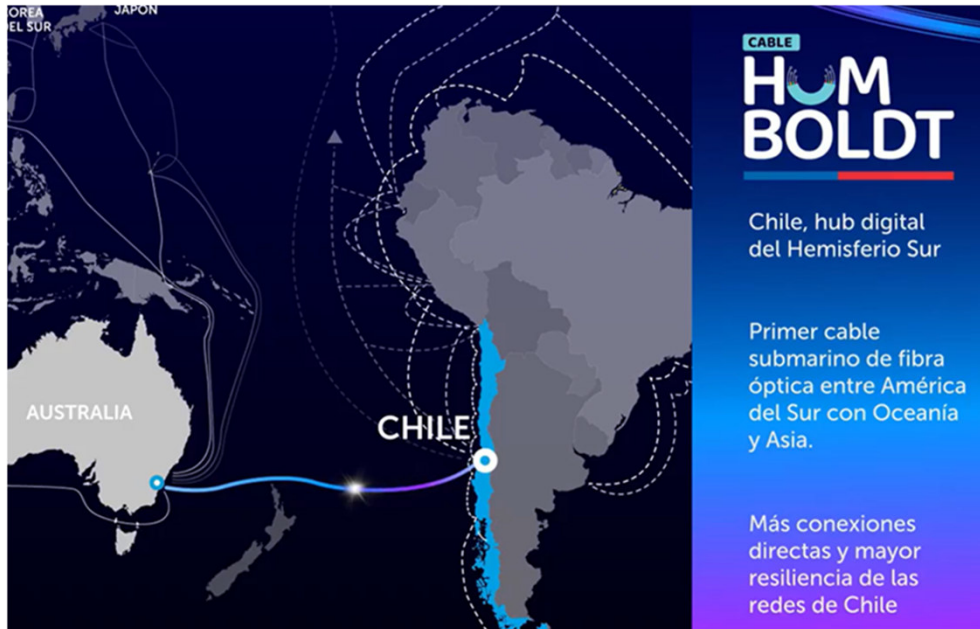
The generation of renewable energy, for its part, constitutes the basis for the production of Green Hydrogen, which already has more than 70 projects under study in Chile. Of these, the registry of the Capital Goods Corporation has recently incorporated two new projects



In the digital economy, 28 data center projects have been identified, in addition to the 22 that are already in operation. Together with the submarine cable that will connect Asia-Pacific through Chile, it will allow the country to consolidate itself as a provider of digital services for the Americas

Data Centers National Plan

There are **22 operative** data centers in Chile and **28 new** arrivals are expected at a national level



SANTIAGO

1st
In the world

Optical fiber connectivity

The density and quality of fiber are the main drivers for locating a data center.

SANTIAGO

2nd
In Latin America

Market opportunities

Well-established markets with access to key cloud services.

CHILE

3rd
In the world

Upload and download speed

Chile ranks third globally for its high-speed internet access.

In Tourism, the flow of foreign visitors increased by 55% YoY in the winter months, which will increase with the approval of the measures to stimulate foreign tourism contained in the legislative agenda of the Fiscal Pact

1

Increase in public resources for international tourism promotion

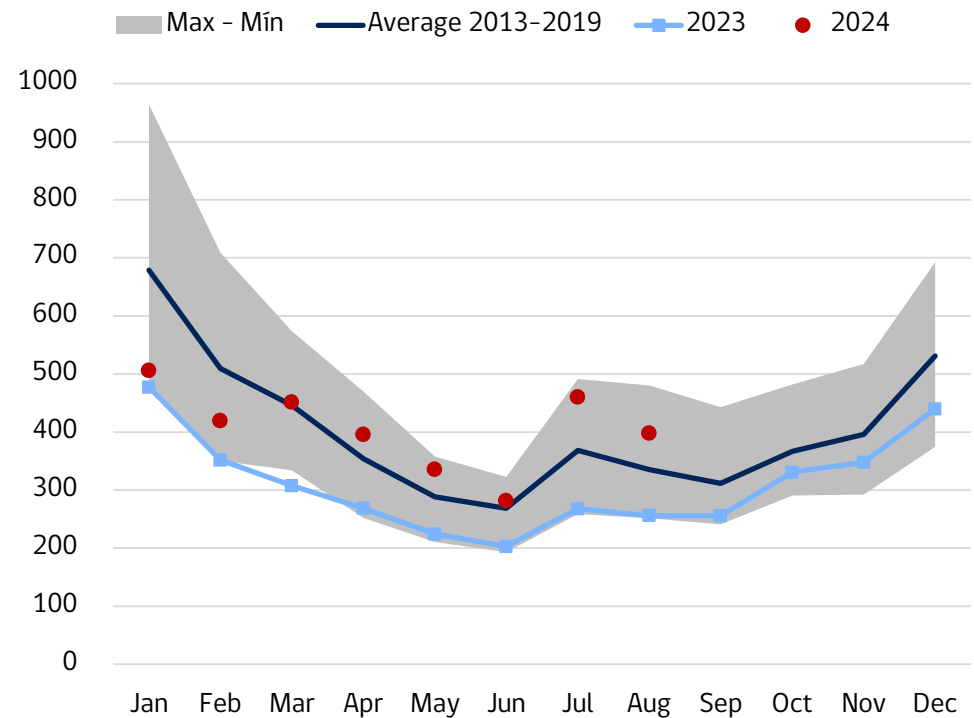
2

VAT refund to foreign tourists for purchasing personal property in national territory

3

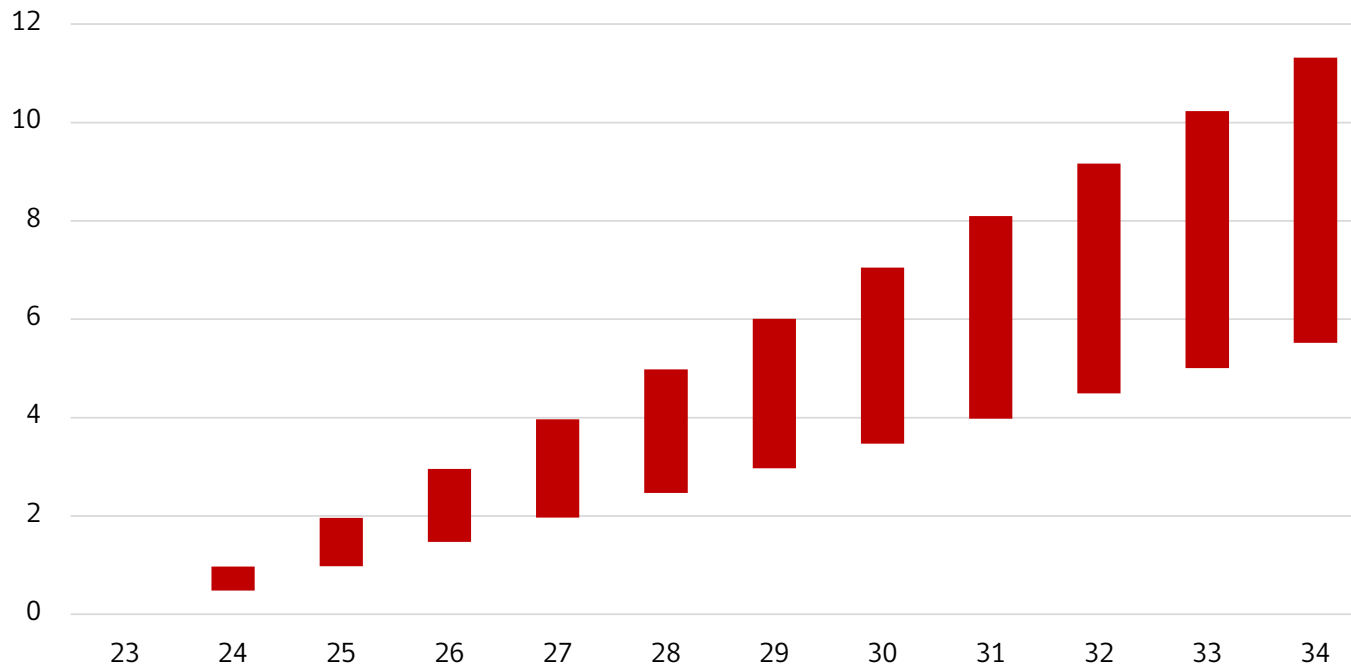
VAT refund for foreign companies that carry out audiovisual projects in the national territory

Arrivals of foreigners to the country
(in thousands)



The government's decision to move decisively forward with the Fiscal Pact agenda translates into a public policy response to boost growth, competitiveness, and the formalization of the economy. This will raise the potential future growth by a margin of half a point to a full point per year, increasing the creation of formal jobs

GDP growth from leveraging opportunities versus baseline scenario
(%)



- Reduction of the corporate income tax rate
- Increase in female labor participation
- One-third reduction in the timeframes for granting investment permits
- Development of lithium and copper
- Green hydrogen industry and its derivatives
- Digital economy and tourism

Progress is being made toward increasing growth potential in a more sustainable and inclusive manner

Note: Calculated based on the estimates from the Marfan Committee along with the impact of closing the female labor participation gap, growth in the digital economy, and further development of lithium and copper.
Source: Commission of Experts on Fiscal Space and Trend Growth: "Fiscal space that can generate economic growth in the 2024-2034 period, considering measures to stimulate investment, productivity, and productive diversification." Available at: biblio.hacienda.cl/pacto-fiscal, Ministry of Finance.



Ministerio de
Hacienda

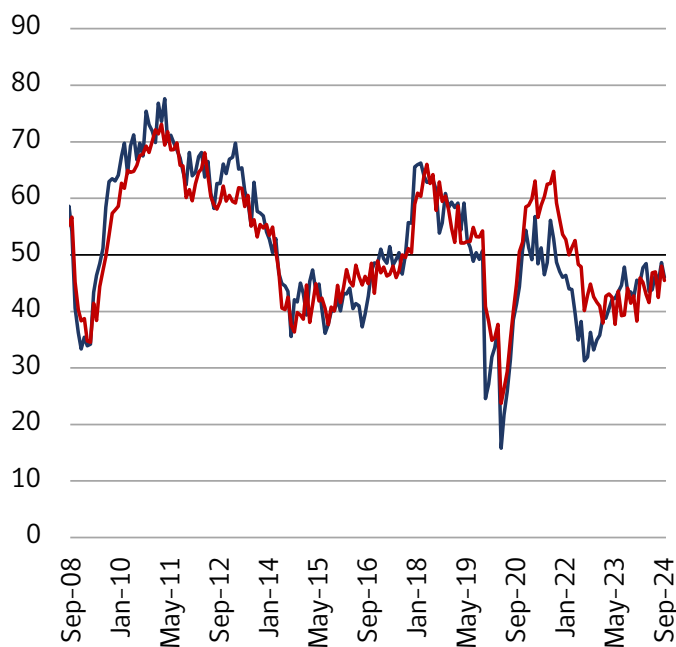
Gobierno de Chile

Business investment expectations remain somewhat below neutral levels. However, the appreciation of the exchange rate and the improvement in the stock market would suggest an increase in the tradable component of investment

IMCE: Outlook investment (1)

(index 50=neutral)

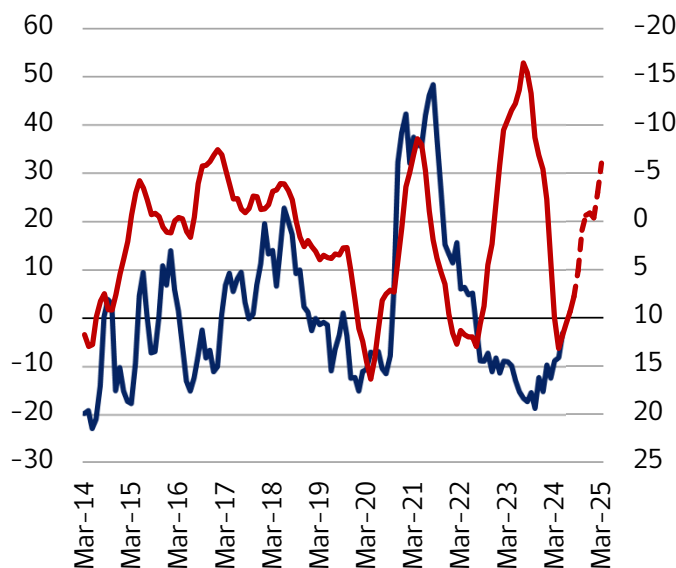
— Trade — Manufacturing



Imports of capital goods & Real exchange rate (2)

(quarterly moving average, YoY, %)

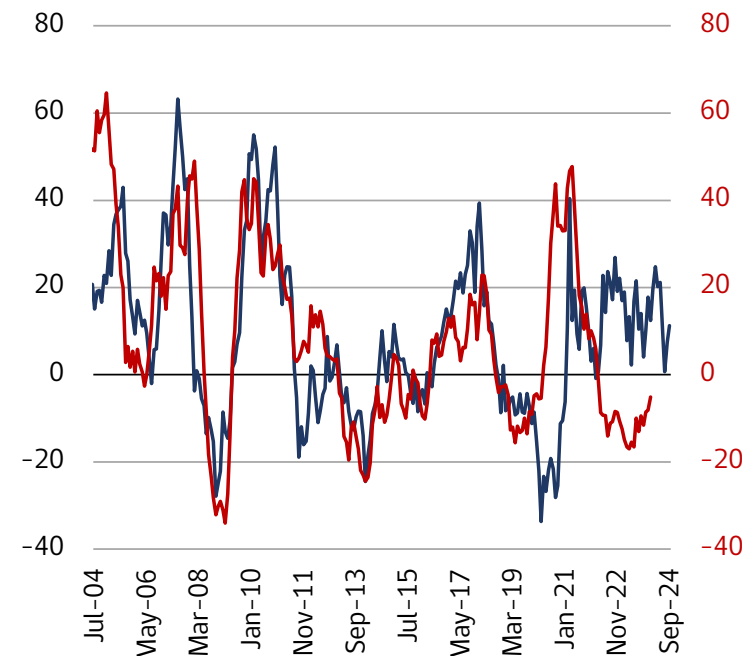
— Capital goods (lag 4 months)
— Real exchange rate (right axis)



IPSA & Imports of capital goods (3)

(quarterly moving average, YoY, %)

— IPSA — Imports of capital goods (t-9) (right axis)



Note: (1) IMCE: Monthly Business Confidence Index. (2) Real exchange rate from September 2024 to March 2025 is a forecast of the Ministry of Finance. (3) Imports of capital goods exclude other transport vehicles.
Source Central Bank of Chile, Icare and Ministry of Finance.

The Government has developed an agenda to mitigate the impact of financial market constraints on the most lagging and vulnerable sectors and to increase competition in the provision of financial services



Implementación Sistema de Finanzas Abiertas
Kevin Cowan
Setiembre 2023

Open Finance System



Programa de Garantías de Apoyo a la Vivienda

Expansion and strengthening of State Guarantee programs (FOGAPE Chile Support, FOGAES Construction y FOGAES Housing Support)



Implementación de la Ley Fintec
ICARE

Claudia Sotelo
Jefa del Centro de Innovación Financiera
Comisión para el Mercado Financiero

Financial Innovation Law (Fintec)

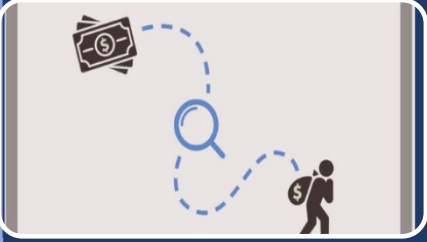


Conoce tu Deuda
El portal para descargar el nuevo

Prevention of over-indebtedness (minimum credit card payment, FOGAES for individuals, debt awareness platform)



Resilience of the financial system and its infrastructure



Review of the Fraud Law

The Government has developed an agenda to mitigate the impact of financial market constraints on the most lagging and vulnerable sectors and to increase competition in the provision of financial services

Consumer protection and financial inclusion

- ❑ **“Conoce tu Deuda”** (“Know Your Debt”) platform.
- ❑ **Consolidated Debt Registry.**
- ❑ **State guarantees** to support SMEs and lagging sector:
 - FOGAPE Chile Support (2023)
 - FOGAES Construction (2023)
 - FOGAPE Housing Support (2023)
 - Construction Support Guarantee Program (2024)
 - Housing Support Guarantee Program (2024)

Financial system regulations to enhance resilience

- ❑ **Basel III Implementation Progress:**
 - Capital Conservation Buffer: Full 2.5% level to be reached.
 - Capital Structure Adjustment: Replacement of Tier 2 with Additional Tier 1 to reach 1.5%.
 - Systemically Important Banks: Additional charge to reach 75% of the total.
 - Capital Discount: Increase to 65%.
 - Pillar 2 Requirements: 25% constituted by June 30, 2023.
- ❑ **Law No. 21,641 on financial resilience**
 - FMC Supervision: Expanded to include savings and credit cooperatives.
 - Liquidity Access: Enhanced tools for cooperatives to access Central Bank liquidity.
 - Chilean Peso: Efforts towards internationalization.
 - Regulatory Changes: Focus on developing the REPO market.

Reforms to increase competition and strengthen the financial system

- ❑ **Fintech Law**
- ❑ **Open Finance**
- ❑ **Structural Strengthening Proposals:**
 - Risk-based supervision for insurance companies
 - Bank Resolution & Deposit Insurance: A preliminary bill is being drafted in coordination with the Ministry of Finance, Financial Market Commission, and Central Bank of Chile.

Pension Reform Project Protocol (January 2025)

Prevent poverty risk in old age, ensure income during retirement, reward consistent contributions, and mitigate unmanageable risks.

Priority issues to be addressed

- Increasing pension savings (Contribution, informality, active life)
- Clearly define the parameters of the PGU; objective and clear
- Increasing competition and profitability (Industrial market organization)
- Raising the return on funds (Management)
- Increasing current and future pensions (sustainable Social Security)
- Closing gender gaps in pensions (permanent mechanism)
- Recognizing the value of employee and employer contributions
- Strengthening of pension institutions