

Latam Daily: Chile Impeachment Bill; Mexico Industrial Activity

- **Chile:** Deputies from opposition parties presented an impeachment accusation against President Piñera
- **Mexico:** Industrial activity moderated in August but performed above consensus, driven by construction

CHILE: DEPUTIES FROM OPPOSITION PARTIES PRESENTED AN IMPEACHMENT ACCUSATION AGAINST PRESIDENT PIÑERA

On Wednesday, October 13, a group of 15 deputies from opposition parties presented an impeachment accusation against President Piñera, based on possible crimes of bribery and tax evasion in the sale of Minera Dominga. The impeachment bill will move to a congressional vote in the lower chamber, to be held the second week of November, and would need a simple majority (78 deputies) to pass to the Senate, where it needs a two-thirds majority to be approved. For now, President Piñera will be notified during the next 3 days, and is required stay in the country during the process.

—Anibal Alarcón

MEXICO: INDUSTRIAL ACTIVITY MODERATED IN AUGUST BUT PERFORMED ABOVE CONSENSUS, DRIVEN BY CONSTRUCTION

According to data by statistical agency, INEGI, Mexico's industrial production in August moderated to 5.5% y/y compared to the 7.3% y/y observed in July (chart 1). Compared to the same month in 2019, production is still down by -3.8% y/y. During this year's January–August period, industrial production is up 9.4% YTD compared to the same period in 2020, but still -4.6% YTD down compared to the first eight months of 2019.

In a month-over-month comparison, industrial production in August moderated from 1.2% m/m to 0.4% m/m, measured with seasonally adjusted figures, above the -0.5% m/m consensus. The surprise came from construction, which accelerated from 0.9% m/m to 1.9% m/m. Manufacturing moderated from 1.6% m/m to 0.2% m/m. Utilities fell from 1.7% m/m to -2.5% m/m, yet mining softened its decline from -0.3% m/m to -0.1% m/m.

Overall, manufacturing led the way in the economy's recovery during the second half of 2020; however, lingering logistical problems and input shortages could persist for at least the remainder of 2021. Thus, manufacturing is expected to continue to grow at a slow pace in the coming months, subject to a high level of uncertainty regarding inputs disruptions, while construction continues its recovery to levels similar to those prior to the pandemic.

—Miguel Saldaña

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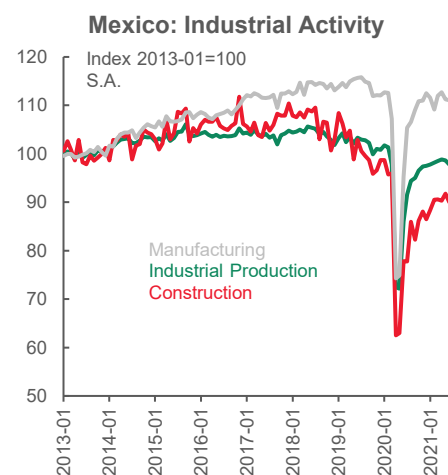
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Chart 1



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