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# Latam Daily: Chile's Labour Market Recovery Continues

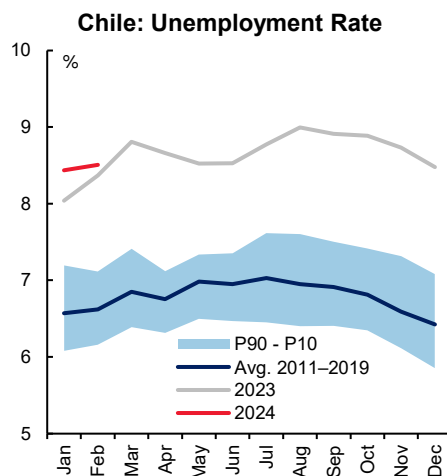
## CHILE: JOB CREATION CONTINUES, THIS TIME WITH AN INCREASED ROLE OF THE PUBLIC SECTOR

- **Labour market continues to recover with sustained increase in salaried employment**

Our assessment of a fragile but recovering labour market remains unchanged. The unemployment rate rose to 8.5% in the quarter that ended in February, a figure that positively surprised expectations. The labour force increased by 47k people while 36k jobs were created, of which 42k were in formal sectors and companies. While the March figures could again show an increase in the unemployment rate, the labour market has shown resilience and capacity to create jobs in recent months. We still estimate that there is a gap of about 300k jobs to recover with respect to the long-term trend.

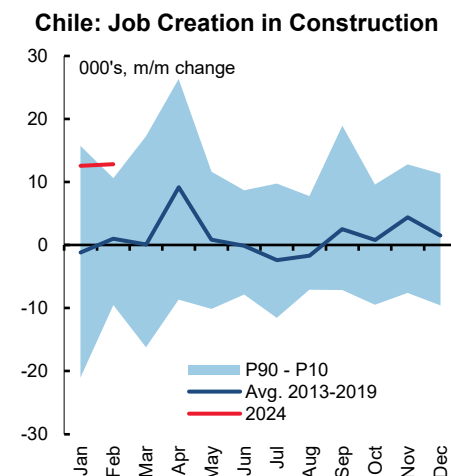
Strong salaried job creation is driven again by the private sector but with greater support from the public sector. Again, the economy was able to create a large number of salaried jobs, mainly in the private sector (+34k) although this time supported by strong job creation in the public sector (+12k), unlike previous months. The increase in public jobs was concentrated in the health sector, in line with the higher demand we have observed in emergency services due to respiratory diseases. Regarding the private sector, the recovery of the construction and professional services sectors is once again noteworthy, giving signs that investment (probably public) is being executed at a faster pace.

**Chart 1**



Sources: Scotiabank Economics, INE.

**Chart 2**



Sources: Scotiabank Economics, INE.

—Aníbal Alarcón

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