



Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at February 1st, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

Chile

Country/Region	General measures	Measures for construction
CHILE		
Lockdown	<p>Chile ordered a mandatory total quarantine for the capital Santiago's seven million people (14 May) after authorities reported a 60% spike in coronavirus infections in 24 hours.</p> <p>The announcement follows a government request to the IMF for a flexible line of credit amounting to around US\$23.8 billion for the next two years. The credit line would help kickstart the economy.</p> <p>A state of emergency declared in March 2020 to impose containment measures, has been extended until the end of 2020. Containment measures have however been lifted gradually since July 2020 (cf. OECD) (December 2020).</p>	<p>Infrastructure work continued to operate taking into account the necessary distancing and hygiene measures. In this regard, about 380 construction sites have been paralyzed in the Metropolitan Region, mainly in the communes under total quarantine, according to figures from the Chilean Chamber of Construction (CCHC).</p> <p>The mining sector has been operating at 50-60% of its full capacity. The Building and Housing sector has been the most affected by the Covid-19 pandemic.</p> <p>The CChC proposed a protocol of action to maintain the health of the personnel who collaborate in construction projects:</p> <ul style="list-style-type: none"> • Preventive isolation of the person suspected or confirmed to be infected; • Guidance on what an employer should do in the event of a suspected/confirmed case of Coronavirus; • Guidance on what the employer should do for the proper handling of people who have been in contact with a confirmed Coronavirus worker.

Economic outlook	<p>Chile is set for a gradual recovery over the next two years, with activity returning to its pre-pandemic levels in late 2022. GDP growth is expected to be 4.2% during 2021, after a contraction of 6% in 2020.</p> <p>Private consumption is expected to be the main driver of the recovery, initially sustained by measures implemented by the government to support households (cf. OECD) (December 2020).</p> <p>The Bank of Chile also announced that the Monthly Economic Activity Index (IMACEC) fell by 14.1% in April, compared with the same month a year earlier, signaling that the economic impact of Covid-19 will be much worse during the second quarter of 2020 (17 July).</p> <p>Indeed, after the social protests in late 2019, the Covid-19 outbreak has pushed the economy into its deepest recession since 1982 (cf. OECD) (December 2020).</p>	<p>The Chilean Chamber of Construction (CChC) said the country's construction sector is facing a significant downturn this year because of the Covid-19 outbreak. The industry was already struggling following the social unrest in October 2019.</p> <p>CChC is forecasting a 9% fall in infrastructure and a 13.2% decrease in housing. The Chamber called on companies in the sector to intensify prevention measures on sites, in order to protect workers, employment and to avoid new stoppages. More than 350 projects have been suspended (7 April).</p> <p>GlobalData expects Chile's construction industry to contract by -4.5% this year, down from the previous projection of -3.0% in April's update, and that with the arrival of the southern hemisphere winter, Chile is bracing for a peak in cases. Especially lockdown restrictions in Santiago have forced many construction projects, especially in the housing market, to be temporarily halted (17 July).</p>
Employment	<p>Employment has reached a historic low after almost 25% of labor force lost their jobs. Around 10% of firms are using the job retention scheme, which, as of December 2020, covers 17% of all dependent workers (cf. OECD) (December 2020).</p>	<p>The unemployment rate in the construction sector could exceed 12% by the end of 2020, equivalent to about 75,000 fewer jobs, according to CCHC estimates.</p> <p>The creation of 600,000 direct and indirect jobs over a three-year period (240,000 in 2020 and 360,000 in 2021 and 2022) is a central objective of the "Employment and Reactivation Plan" of the Chilean Chamber of Construction (CChC).</p>
Recovery	<p>The Government announced to mobilize fiscal resources of up to US\$11.75 billion, transforming itself into a package of economic and social measures, such as:</p> <ul style="list-style-type: none"> • Reinforce the Health System Budget; • Employment protection allowing for the reduction of working hours; 	<p>Investment Plan</p> <p>Chile's construction chamber (CChC) has proposed a US\$22.6 billion investment plan to reactivate the country's infrastructure sector amidst the Covid-19 pandemic. Of the US\$22.6 billion, US\$12.3 billion are private investments. CChC's plan is divided into US\$9.6 billion for housing development and US\$13 billion for infrastructure projects. With respect to the infrastructure projects, CChC suggest executing 665 projects that are in the government's portfolio but have yet to start works. Of these, 331 are road projects, 224 are water projects,</p>

	<ul style="list-style-type: none"> • Suspension of provisional monthly payments of income tax for companies for the next 3 months (providing up to US\$2.4 billion for the next 3 months); • Postponement of VAT payment for the next 3 months for all companies with sales under UF 350,000 (US\$11805,000) • Deferred payments of contributions for companies; • Relief measures for the treatment of tax debts for SMEs and people with lower incomes; • All the expenses of the companies associated to face the sanitary contingency will be accepted as a tax expenditure. 	<p>five are energy and mining initiatives and 105 are hospital infrastructure works. CChC estimated that the country's construction sector will not fully recover until 2022 (cf. Construction Europe) (17 June).</p> <p>In September, the Chilean government has been inviting bids for 165 projects as part of its plans to reactivate the economy and generate employment.</p> <p>The programme is the second call for tenders as part of the government's 'step by step' plan for economic recovery. The new batch of 165 public tenders involves a total investment of almost US\$400m.</p> <p>The minister for public works, Alfredo Moreno, explained that there are works, consultancies and services in all regions of the country to build new roads, water systems, parks and all kinds of works. The first major call for bids for works under the '<i>Paso a Paso Chile se Recupera</i>' plan took place last month and involved the publication of 150 bids (11 September).</p>
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Other Overviews

The OECD LAC Regional Programme (including Argentina, Brazil, **Chile**, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay), provides an update of the situation, that can be downloaded hereunder (cf. OECD) (20 November):

- Concerning [selected Health measures implemented in response to the Covid-19 crisis in LAC](#)
- Concerning [vaccine strategies in response to the Covid-19 crisis in selected LAC countries](#)
- Concerning [selected Social policy measures implemented in response to the Covid-19 crisis](#)