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## Latam Daily: Chile and Mexico Unemployment Falls

- **Chile:** Unemployment rate fell to 8.4% in the quarter ending in October
- **Mexico:** Unemployment falls to 2.6%, while labour informality continues to rise at 55.7%

### CHILE: UNEMPLOYMENT RATE FELL TO 8.4% IN THE QUARTER ENDING IN OCTOBER

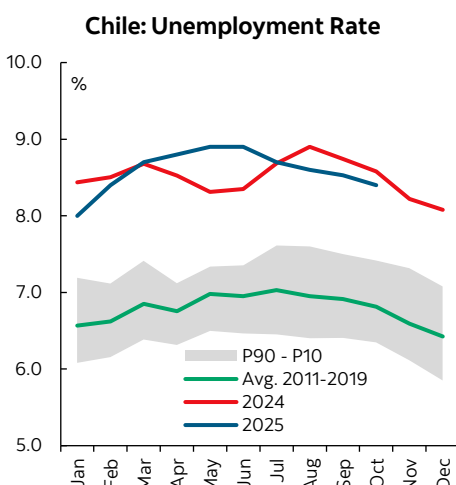
The unemployment rate declined to 8.4% in the quarter ending in October (chart 1), surprising market expectations of 8.5%. However, job creation slowed sharply to just 9k, while the labour force barely grew compared to the previous quarter (+1k).

Across economic sectors, figures remain heterogeneous, with notable declines observed in construction (-20k; chart 2) and public administration (-19k), beyond seasonal patterns. Particularly concerning is the employment trend in construction, which destroyed jobs well outside of historical norms for this quarter, marking its steepest drop in the past two years (since October 2023).

On a positive note, private salaried employment recovered (+33k) after last month's decline. However, this improvement was fully offset by a sharp contraction in self-employment (-34k). Bottom line: labour market weakness persists, with limited job creation and significant losses in key sectors.

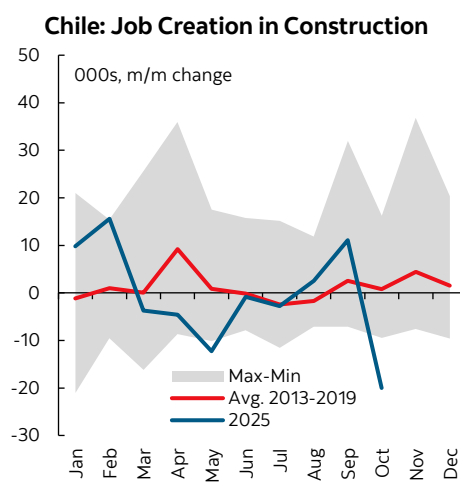
The seasonally adjusted unemployment rate remains at 8.4%, within the range estimated by the Central Bank for the NAIRU (between 8 and 8.5%). This metric is relevant for assessing the role of monetary policy in job creation. For now, there is no clear evidence that monetary policy needs to play an active role in boosting employment.

Chart 1



Sources: Scotiabank Economics, INE.

Chart 2



Sources: Scotiabank Economics, INE.

—Aníbal Alarcón

### MEXICO: UNEMPLOYMENT FALLS TO 2.6%, WHILE LABOUR INFORMALITY CONTINUES TO RISE AT 55.7%

In October, the unemployment rate dropped from 3.0% to 2.6%, equivalent to 1,631,093 people, while the economic participation rate rose marginally, from 59.8% to 59.9%, totaling 62.5 million people in the labour market (chart 3). On the other hand, the underemployment rate and the labour informality rate continue to rise, reaching 7.5%

(compared to 7.3% in September) and 55.7% (compared to 54.9% last month), respectively (chart 4). Both these figures, along with the number of jobs affiliated with the IMSS, suggest a slowdown in the labour market, showing slow annual progress that could affect factors such as private consumption.

Chart 3

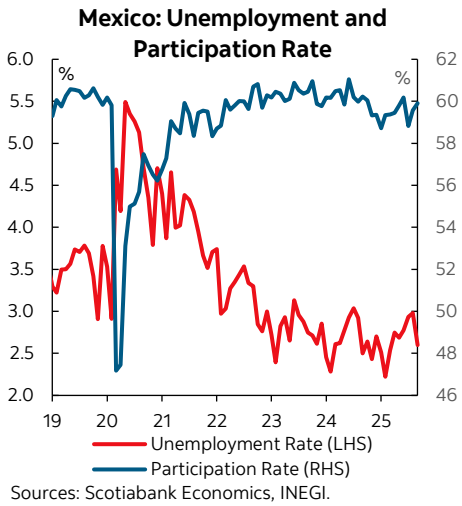
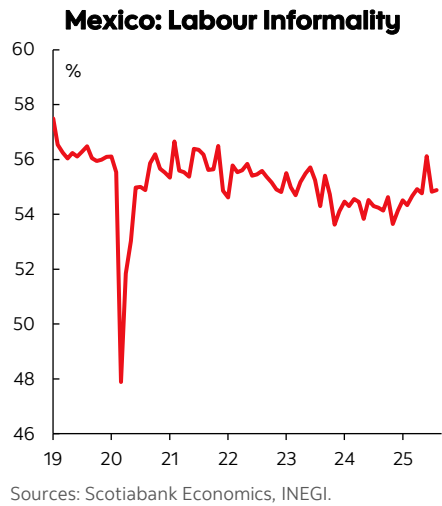


Chart 4



—Rodolfo Mitchell, Miguel Saldaña & Martha Cordova

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