

2025 Chilean Elections Primer

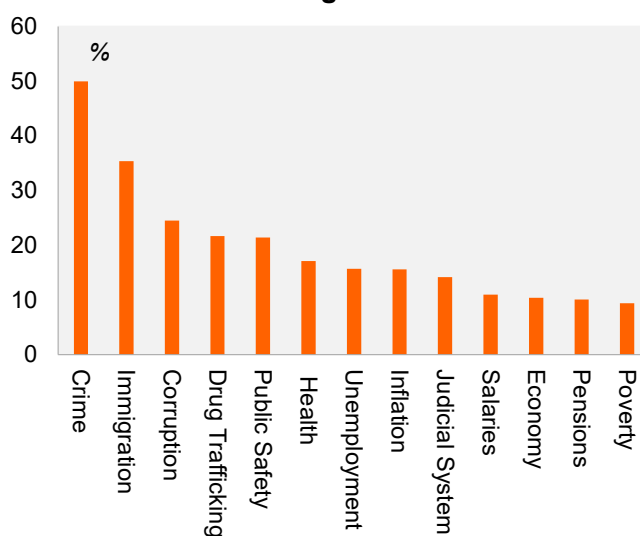
This is a primer on the upcoming legislative and presidential elections in Chile within the broader political context.

Context

Over the past few years, the electoral calendar in Chile has been unusually busy. The agenda has included the customary presidential, congressional and municipal elections, as well as the elections related to two constitutional processes and the introduction of regional governorships during that period. The electoral swings within the political spectrum were swift, albeit in the context of a return to mandatory voting in September 2022. Importantly, left and right-wing parties have alternated (quite peacefully) at the presidency in the country's presidential terms since 2009.

Polls consistently show that the public's main concerns are centered on public safety, including crime and drug trafficking, as well as immigration. Calls for a new constitution are not at the forefront of voters' concerns.

Crime takes center stage

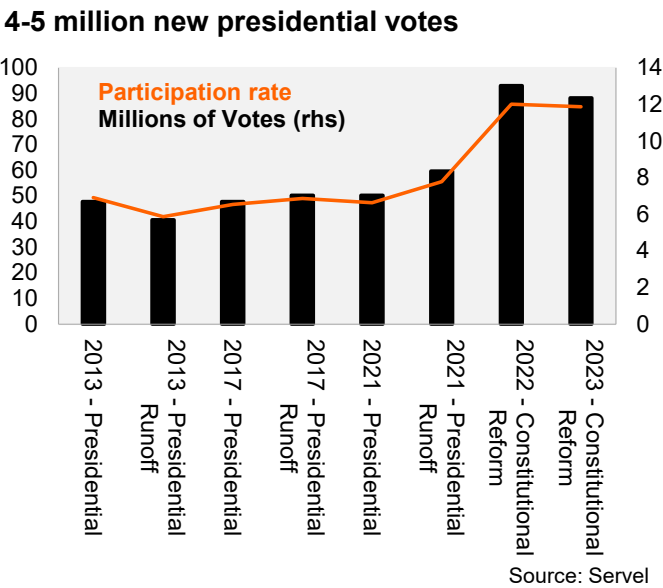


Source: Criteria, March 2025

This year's elections calendar

Chile is scheduled to hold congressional elections and the first round of the presidential election on Sunday, November 16. The presidency is won by a candidate with 50% +1 of valid votes. An eventual presidential runoff between the top two candidates would take place on Sunday, December 14; the country has seen runoffs in presidential election since 1993, when President Eduardo Frei Ruiz Tagle was elected. Chilean presidents cannot run for consecutive terms.

Elected officials will take office on March 11, 2026. After a 10-year hiatus, voting became mandatory once again in 2022, with fines to deter absenteeism boosting participation. Voting is paper based. Official results are delivered via the electoral service (SERVEL) website, usually starting at 6 pm on election day.



Presidency: the President is elected to a four-year term, without the possibility of immediate reelection, as mentioned above. Initiating an impeachment process requires a majority vote in the Lower House and two-thirds support in the Senate to convict.

Congress: all 155 Lower House seats are up for election for a four-year term; in the Senate, 23 of the 50 seats are up for election for an eight-year term (the remaining 27 seats were filled in 2022).

The presidential polls

From a market perspective, fostering growth and enhancing security seems to be at the top of the agenda of all current presidential candidates.

However, it is still early in the election cycle. At this point in the previous cycle, the two leading candidates in the CADEM poll – Joaquín Lavín (right) and Daniel Jadue (Communist party) – had not been elected in their respective primaries, while the eventual winner, President Gabriel Boric, was not even polling.

According to a broad set of polls, center-right candidate, Evelyn Matthei (71), has been leading the voter preferences for several years. Matthei is the presidential candidate for the center-right *Chile Vamos* coalition. She is a former presidential candidate, senator, deputy, Minister of Labor during former President Piñera’s first administration, and Mayor of Providencia, Santiago from 2016 to 2024.

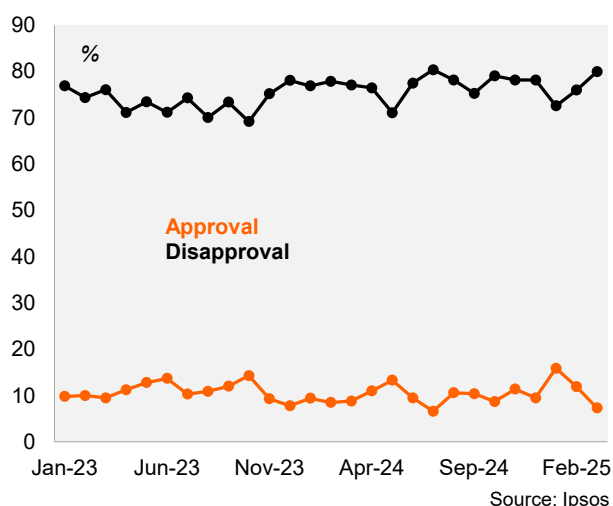
On the right, former two-time presidential candidate for the Republican party, José Antonio Kast, is polling in the double digits, while Congressman Johannes Kaiser has quickly gained traction, even leading voter preferences ahead of Matthei in some polls. Both candidates have mainly campaigned prioritizing security, immigration control and a smaller state, among other things. It is unclear whether these candidates could both go straight through to the first-round election.

Many pieces are still in play in the governing coalition, with Carolina Tohá (former Minister of the Interior for the Boric administration) having announced her candidacy. Other parties in the governing coalition, including the Socialist party, the *Frente Amplio*, and the Communist party have yet to announce their candidates. Although former two-time president, Michelle Bachelet, stated it was time for the new generations to join the race, she could enter the race as an independent until August 18. The bar to run as an independent is relatively low, requiring just over 35 thousand signatures of support. There are currently more than 200 independent candidates competing to reach the threshold.

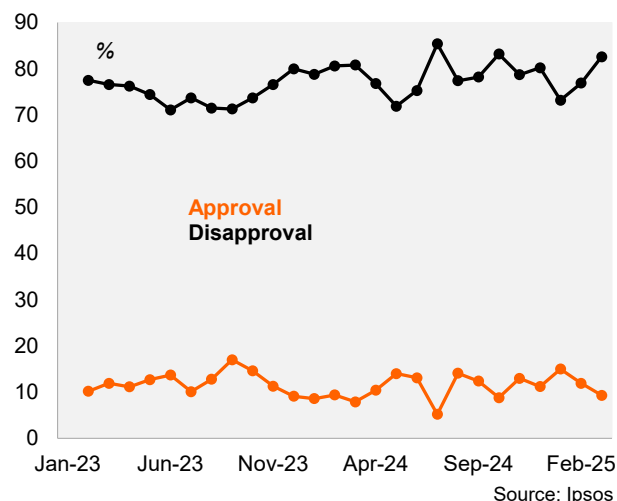
Odds of an outsider becoming president

The polls indicate that established politicians – some more experienced than others – are well positioned for the presidency. However, they also suggest that approval of political institutions is very low, raising questions about the possibility of an outsider being elected to the presidency in Chile.

Approval of Congress



Approval of the judiciary



The primaries

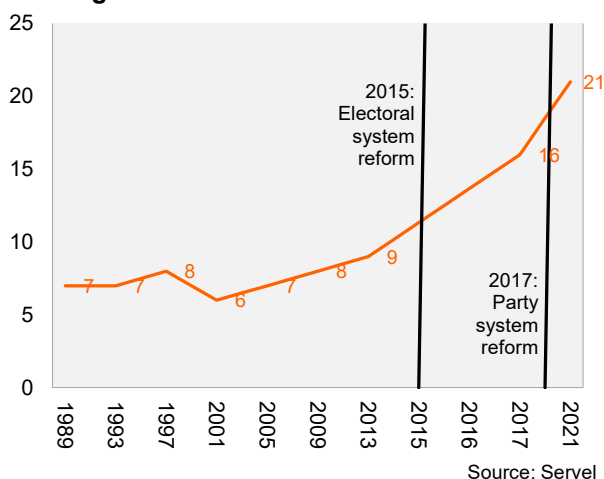
The presidential primaries among the coalitions are scheduled for June 29. Voting is voluntary and the results are binding for the first round of the presidential election. Candidates for the primaries must be registered by April 30. More information is available [here](#).

Potential scenario for Congress

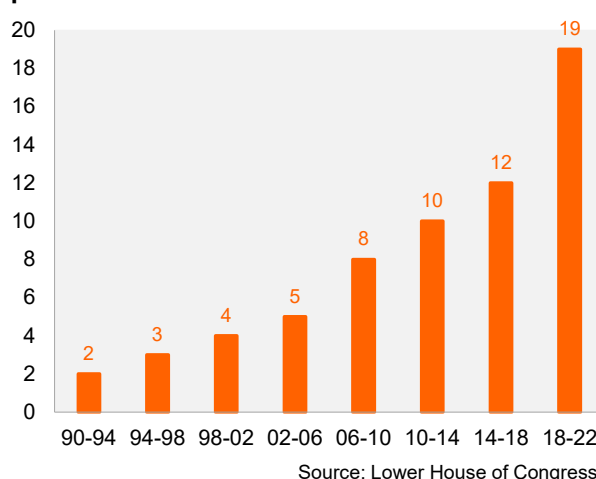
Unholster's Decide Chile, a data analytics firm, simulated parliamentary outcome scenarios based on the possible configuration of both the right- and left-wing coalition electoral lists. Based on the 2024 municipal election results, and allocating the party vote to respective electoral lists, the study indicates that the political right has the advantage. If both the political left and right coalesced behind one respective electoral list, the political right would have a comfortable majority in both chambers. However, in a more likely scenario of a divided right and two electoral lists against a solid block on the left, the political right would still achieve a majority in the Senate but fail to control the Lower House.

Regardless of this year's election results, however, increasing polarization and fragmentation of Chile's political system is likely to continue to generate headwinds for broad-based structural reforms. Efforts to reform the political system have failed to gain traction in Congress.

Rising number of parties in the lower chamber of Congress...



... Along with increased resignations from parties



Is there a blackout period on polls?

A legal blackout period on the publication of polls begins 15 days prior to the elections.

Fiscal space for the next administration

According to Chile's fiscal institutional framework, during the first 90 days of its term, each incoming administration must publish a decree that includes the annual structural balance targets and a medium-term gross public debt anchor (as a share of GDP) that encompasses at least its four-year term.

The Public Finance Report published by the MoF in February includes an illustrative scenario for 2026-29 in which gross public debt remains stable at roughly 42% of GDP, along with a glidepath toward a structural balance by 2029. Note that this scenario considers average real expenditure growth of 1.2% YoY for the period, well below the 4.9% ten-year average. All in all, we believe that the next administration will need to implement a structural annual spending adjustment of at least 0.5% of GDP.

Official Medium-Term Forecasts

		2026	2027	2028	2029
GDP		2.25	2.18	2.11	1.95
Revenues	% YoY, real	4.0	3.2	3.2	2.0
Expenditures		1.0	1.9	1.3	0.7
Nominal Fiscal Balance		-0.3	-0.3	-0.3	0.2
Structural Balance	% of GDP	-0.5	-0.5	-0.5	0
Gross Public Debt		42.2	42.1	42.0	40.6

Source: Budget Office, Public Finance Report February 2025

The next administration's economic team

The president's sphere of influence in economic policy begins with the cabinet, the Budget Director, and the Director of the Tax Authority – appointments that do not require congressional approval. The president must also appoint the president of the financial market regulator (*Comisión para el Mercado Financiero*) and nominate members of the Autonomous Fiscal Council (for confirmation by the Senate). Other key roles include BancoEstado, Codelco and other state-owned enterprises.

Central Bank Governor Rosanna Costa will end her five-year term at the helm of the institution during the next four-year mandate, in February 2027, but still has two years remaining in her 10-year appointment. The president is also expected to nominate the replacement for central bank board member Alberto Naudon, whose term ends in 2028. These nominations must be ratified by the Senate.

Key Dates in 2025

April 30:	Deadline to register for presidential primaries
June 29:	Presidential primaries
August 18:	Deadline to register for the presidential election
September 17:	Media campaigns begin
November 1:	Blackout period on polls begins
November 16:	Presidential and Congressional elections
December 14:	Presidential runoff
March 11, 2026:	New President and Congress take office

Andrés Pérez M.
Vittorio Peretti
Andrea Tellechea Garcia

Macro Research – Itaú
Mario Mesquita – Chief Economist

To access our reports and forecast visit our website:
<https://www.itaubba.com.br/itaubba-pt/macroeconomic-analysis>



Relevant Information

1. This report has been prepared and released by the Macro Research Department of Itaú Unibanco S.A. ("Itaú Unibanco"). This report is not a product of the Equity Research Department of Itaú Unibanco or Itaú Corretora de Valores S.A. and shall not be construed as a research report ("relatório de análise") for the purposes of Article 1 of the CVM Instruction NR. 20, dated 2021.
2. The exclusive purpose of this report is to provide macroeconomics information and it does not constitute and shall not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial product, or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was released and it has been obtained from public sources believed to be reliable. However, Itaú Unibanco does not make any explicit or implied representation or warranty as to the completeness, reliability or accuracy of such information, nor does this report intend to be a complete statement or summary of the markets or developments referred to herein. Itaú Unibanco has no obligation whatsoever to update, modify or amend this report and inform the reader accordingly.
3. The opinions contained herein reflect exclusively the personal views of the analyst responsible for this report and were prepared independently and autonomously, including in relation to Itaú Unibanco, Itaú Corretora de Valores S.A. and any other companies within their economic group.
4. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú Unibanco. Additional information on the financial products mentioned in this report may be available upon request. Itaú Unibanco and/or any other company within its economic group is not and shall not be liable for any investment decisions (or otherwise) based on the information provided herein.

Additional Note: This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein. By accessing the material, you represent and confirm that you understand the risks related to the financial instruments described in this material and the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential for your exclusive use.

For inquiries, suggestions, complaints, criticisms and compliments, talk to Itaú's CSCC: 0800 728 0728. Or contact us through our portal <https://www.itaú.com.br/atenda-itaú/para-você/>. If you are not satisfied with the proposed solution, please contact the Itaú Corporate Ombudsman: 0800 570 0011 (on weekdays from 9 AM to 6 PM) or our PO Box 67.600, São Paulo-SP, Zip Code 03162-971. Hearing impaired, every day, 24h, 0800 722 1722.