

Chile's Bachelet set to return to power

Michelle Bachelet, the centre-left candidate who was Chile's first woman president from 2006-2010, is favourite to win Sunday's general election. In an ambitious programme, she plans to raise corporation tax to fund education overhaul



TAX REFORM

- Bachelet pledges to raise corporate tax rate from 20% to 25% over four years. Increased revenue would be equivalent to 3% of GDP – around \$8.5bn at current levels



- Cut top rate of personal income tax from 40% to 35%
- Eliminate Taxable Profits Fund (FUT) – mechanism that allows companies to gain tax exemptions on part of their profits

NEW CONSTITUTION

- Replace 1980 constitution drawn up under General **Augusto Pinochet**

- Reduce number of votes needed to pass laws and introduce new electoral system, more representative of voting patterns



SOCIAL POLICIES

- Improve access to free higher education, ending state subsistence of for-profit schools, and open more nurseries. **Education reform will cost reallocation of 1.5% to 2% of GDP per year**

- Legalise abortion in cases of rape, or risks to mother or child's health

- Spend \$4bn on new hospitals, health centres and subsidise cost of some medicines

ENERGY POLICIES

- Bachelet's programme makes no mention of any plan to change mining royalties – **Chile is world's No. 1 copper producer**

