

Chile

Chile stock market drops after Piñera falls short in presidential poll

Centre-right candidate fails to secure outright victory, paving way for a run-off next month



Sebastián Piñera addresses supporters after taking the lead in the first round of Chile's presidential election © Reuters

NOVEMBER 20, 2017 Benedict Mander in Santiago

Chile's stock market fell almost 6 per cent on Monday after [Sebastián Piñera](#), the billionaire centre-right politician, fared worse than expected in the first round of presidential elections, paving the way for a fiercely contested run-off vote next month.

The former airline magnate, who was president from 2010 to 2014, [won 36.6 per cent](#) of the vote but fell short of the outright victory needed to avoid a run-off, set for December 17.

He will now face off against Alejandro Guillier, a former television anchor who represented the core of President Michelle Bachelet's divided centre-left coalition, who came second with 22.7 per cent.

"We have an open race now. Piñera did much worse than expected," said Patricio Navia, a political commentator, arguing that the left would have a majority in both houses of Congress. "Despite what the right is saying, last night was bad news."

Pundits heralded a new era for Chilean politics as new forces emerged after Ms Bachelet's electoral reform introducing proportional representation helped put an end to almost three decades of two-party dominance.

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Robert Funk, political scientist at the University of Chile

The big surprise was the strong showing for candidates to the left and right of the winning centrist candidates. Beatriz Sánchez, whose leftist party was formed by radical students who came to prominence during mass street protests in 2011, secured 20.3 per cent — more than double pollsters' predictions.

Far-right candidate José Antonio Kast did much better than expected, with almost 8 per cent of the vote, splitting the right and limiting Mr Piñera's victory in the first round.

Nothing underlined the disarray in the fractured ruling centre-left coalition — which has ruled [Chile](#) for most of the past three decades — more clearly than the poor performance of Carolina Goic. Representing the centrist Christian Democrats, who broke from Ms Bachelet's bloc this year, she trailed in fifth place with less than 6 per cent.

"People voted for new faces, but only on the right and left. The centre seems to lose space," said Robert Funk, a political scientist at the University of Chile, highlighting the level of polarisation displayed by Chile's voters. "That will make Piñera's job much more difficult."

But Javier Sajuria, a lecturer at Queen Mary, University of London, said Mr Piñera remained the favourite to win the run-off. He would pick up almost all of Mr Kast's votes, and Mr Guillier could not count on receiving Ms Sánchez's votes without alienating more moderate voters, he said.

"Whoever wins will deal with the most diverse Congress since 1990. There are more women, incumbents account for less than 50 per cent, and [Ms Sánchez's] Frente Amplio became the strongest leftwing bloc since [Salvador] Allende's Unidad Popular," he said, referring to the coalition overthrown by Pinochet's 1973 coup d'état.

Analysts pointed to similarities with the 2009 elections, when Mr Piñera became the first right-of-centre leader to win the presidency since the fall of General Augusto Pinochet's dictatorship in 1990. Including voters for Mr Kast, who expressed his unconditional support for Mr Piñera on Sunday, the right won the same share of the vote as in 2009 — about 44 per cent.

At the centre of Mr Piñera's campaign programme was a commitment to revitalise Chile's stagnant economy, returning to the average growth rate of about 5 per cent — buoyed by high commodity prices — seen during his first term. Annual growth has averaged less than 2 per cent since then, hit by a fall in copper prices and [depressed business confidence](#).

If Mr Piñera's win is confirmed and he joins Argentina's Mauricio Macri as a successful businessman-turned-president, it will be the second time that he has succeeded Ms Bachelet in power, following her first 2005-10 term.

It would also represent the latest shift to the right in Latin America, as a "pink tide" of leftist governments that came to power during the commodities boom since the turn of the century, recedes.

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