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# CAPITAL FLOWS TO LATIN AMERICA

First Quarter 2003

## CAPITAL FLOWS TO LATIN AMERICA
## 1st Quarter of 2003

The emerging markets debt class entered 2003 in sound shape. Similar to 2002, emerging markets debt finished the first quarter of 2003 as the top performer over all other fixed income asset classes, as well as equity markets. The downside risks for the global recovery, uncertainty about the length of the war with Iraq, and the deteriorating economic outlook in the US and Europe actually contributed to highlight the benefits of diversification into emerging markets.

The flow of funds into emerging debt markets was a major factor pushing spreads down during the quarter. These inflows were driven by disillusionment with equities following a prolonged bear market, the uncertain prospects for a rebound in corporate earnings as well as growth in output, and a search for high-yielding assets in face of low interest rates in major domestic government bond markets.

The inflows of new money into emerging markets debt during the quarter were also driven by the track record of emerging markets debt. According to many analysts, the emerging markets debt has generated higher risk-adjusted returns than any other asset class not only in 2002 and in the first quarter of 2003, but also over the past five years. Merrill Lynch, for example, goes further, and indicates that emerging markets debt has provided the highest annualized returns when compared to all other major US$-denominated asset classes over the past 11 years (both debt and equity).

All Latin American spreads tightened in the first quarter of 2003, with the exception of Venezuela. Latin America's access to international capital markets also improved significantly. New debt issuance reemerged in the final months of 2002, and accelerated its pace in the beginning of 2003. In January, new debt issuance considerably surpassed the previous two months rise. January's heavy emerging markets issuance carried over into February, although it stalled in March.

Several Central American countries tapped capital markets in the first quarter. Costa Rica, El Salvador and Panama placed a combined US$1.07 billion in debt in US markets in January and February. However, despite regaining access to international capital markets, and after largely escaping the downpour of downgrades aimed at South America in 2001 and 2002, credit rating agencies have taken aim at Central America. Most of the region's countries are suddenly in danger of downgrades, as rising foreign indebtedness, slowing economies and renewed political uncertainty weighed down their prospects (see Box 1). The downward pressure is coming even as neighboring Mexico saw its investment-grade credit rate put on review for upgrade earlier in the quarter by Moody's and much of Latin America is regaining its footing after Argentina's debt default at the end of 2001 .

There were positive signs in some of the key Latin American countries in difficulty during the first quarter of 2003. In particular, the new government in Brazil took decisive steps both in fiscal policy and structural reforms, leading to a strengthening in investor

confidence. Argentina bottomed out from its severe recession, although the country still faces big challenges in the second quarter. Latin America is now experiencing a moderate recovery, and there are signs of stronger growth in many countries, with the exception of Venezuela.

**BOX 1:**
**CREDIT RATING MOVEMENTS IN THE FIRST QUARTER OF 2003**

Standard & Poor's has been focused in Central America and the Caribbean since it downgraded Belize's credit rating to BB- at the end of December of 2002. In March it changed the outlook on BB-rated Panama to negative, and did the same to BB+-rated Costa Rica earlier in April. A negative outlook also hovers over Guatemala, Central America's largest economy. Moody's cut the outlook on Costa Rica to negative in April, while Fitch Ratings has negative outlooks on Panama and El Salvador.

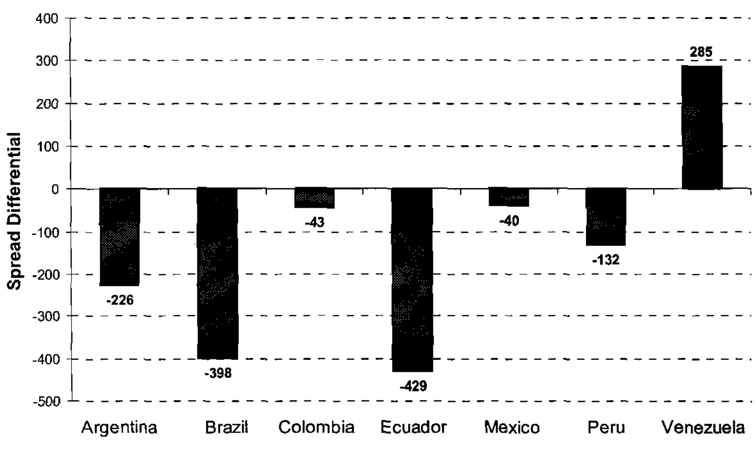
In Latin America, Venezuela was downgraded by Moody's in January, while Uruguay and Bolivia were downgraded by S&P in February. In March, Mexico had its outlook changed to positive by Moody's, and Fitch downgraded Uruguay over its debt swap announcement (appendix, table 1).

More recently, Moody's has changed its sovereign credit rating methodology to place greater emphasis on the risks posed by dollarized banking systems. As a consequence, since April several countries' ratings have been downgraded or the outlook has been changed. Other countries' ratings might follow with potentially detrimental consequences for their financing costs. Moody's is not alone in rethinking its assumptions. S&P's has also paid more attention to countries with highly dollarized banking systems, as a consequence of the collapse of Argentina's financial system and its spillover to Uruguay and Paraguay.

## I. Bond Markets and Debt Management

Emerging market spreads, as measured by the J.P. Morgan's benchmark EMBI+ index, were 95 basis points tighter at the end of the first quarter, and the Latin component was 138 basis points lower (appendix, table 2). Sovereign spreads tightened for most Latin American countries in the composite, with the exception of Venezuela, as risk aversion in global markets and Brazilian volatility decreased (Chart 1).

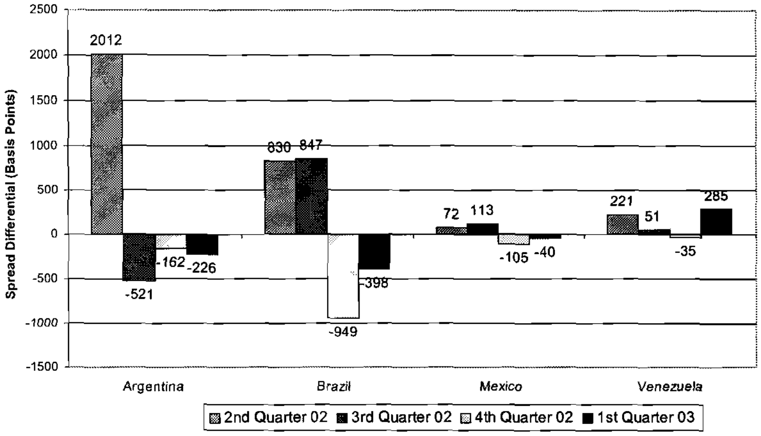
**Chart 1:**
**Spread Differentials Q1 2003**




Source: ECLAC, on the basis of data from JP Morgan.

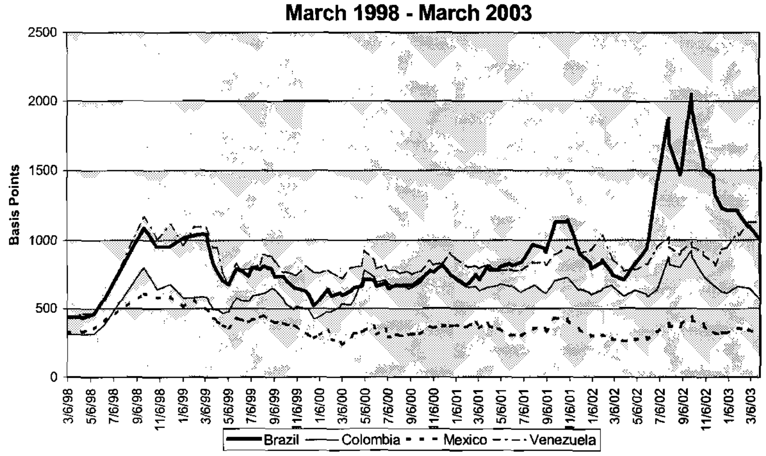
In response to the important steps taken by the new administration both in fiscal policy and structural reforms, Brazilian spreads narrowed by 398 basis points in the first quarter, after tightening 949 basis points in the fourth quarter, following the end of the electoral period. Spreads in Argentina, Colombia,

**Chart 2:**
**Quarterly Spread Differential**
**2002 and 2003**




Source: ECLAC, on the basis of data from JP Morgan.

**Chart 3:**
**Spreads on 30-year Benchmark Sovereign Latin Eurobonds**
**March 1998 - March 2003**




Source: ECLAC, on the basis of data from "Emerging Markets Debt Daily", Merrill

Mexico and Peru also followed the same pattern, narrowing further in the first quarter, after tightening in the last quarter of 2002. Venezuela was the only exception, with spreads widening during the quarter as the domestic situation continued to deteriorate (see Chart 2).

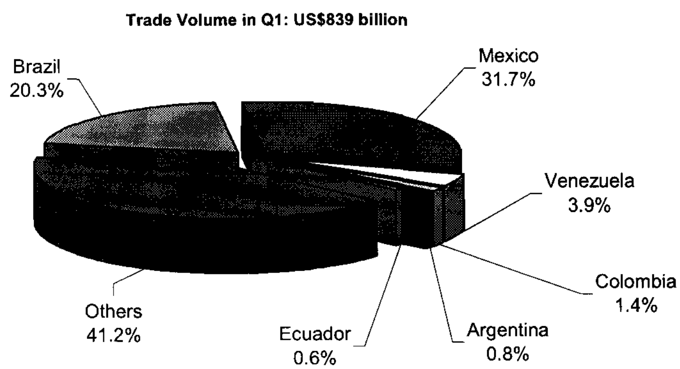
Latin American spreads started to decline after their peaks of October of 2002 and continued their descending course in the first quarter of 2003, reflecting the improvement in the global environment, the increase in investors' confidence, and their search for yield (appendix, table 3). As investors seemed willing to take on more credit risk in search of higher returns, Latin American bond spreads fell to levels last seen in late 1990s, when global growth was stronger. Spreads on the Brazilian 30-year bond, for example, no longer exceed their Russian peak levels, and are back to the levels seen after Brazil's currency devaluation of January 1999 started to be absorbed (Chart 3).

As sovereign spreads narrowed further, emerging market borrowers tapped the international debt markets for an increased volume of funds. Latin American bond issuers placed US$ 11.48 billion in international capital markets in the first quarter of 2003, which represented a 138% increase with respect to the US$4.83 billion issued in the fourth quarter, and a 29% increase with respect to the US$8.88 billion issued in the first quarter of 2002. The rise in Latin American issuance was highly concentrated. Almost two thirds of the expansion was the result of increased Brazilian borrowing alone.

Trading of Brazilian bonds in secondary markets also increased. According to the Emerging Markets Traders Association (EMTA), Brazilian debt trading volume stood at

US$170 billion in the first quarter of 2003 (a 34% rise on a quarter-on-quarter basis), as market confidence in the new administration increased. Investors became more tolerant with risk and more attracted to high-yielding assets as markets' fears of a looming default in Brazil receded. Analysts observed that the major theme of the first quarter bond trading was a reversal of the "flight to quality" that occurred in the previous quarter. The first quarter survey of the EMTA shows a decreased turnover in lower-yielding, higher-quality credits (such as Mexico, in Latin America) and increased debt-trading activity involving mainly the higher-yielding lower-quality credits (such as Brazil, Colombia, Ecuador and Venezuela). The EMTA report registered a turnover of US$839 billion in emerging markets debt, from US$768 billion in the fourth quarter (a 9% increase), and US$789 billion in the first quarter of 2002 (a 6% increase).

**Chart 4:**
**Emerging Markets Debt Trading Volume: Country Shares in Latina America**

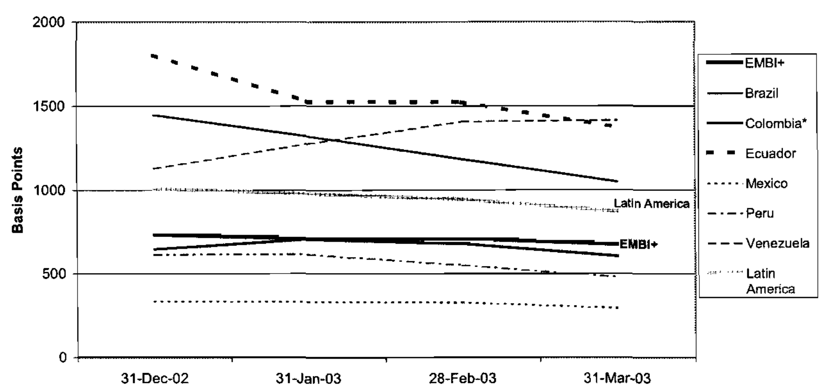



Source: EMTA

Brazilian volumes accounted for 20% of overall volume, and remained the second highest share overall, despite the fact that Brazilian turnover was higher than in the previous quarter. Mexico accounted for 32% of overall volume, and although Mexican debt remained the most frequently traded instrument, totaling US$266 billion of emerging markets total, Mexican volumes were down 15% compared to the fourth quarter volume. When compared to the first quarter of 2002, however, Mexican volumes increased 24%. Significant volume increases were also reported in trading of non-investment grade rated Venezuela (up 71% to US$33 billion from US$19 billion in the fourth quarter), Ecuador (up 66% to US$5 billion), and Colombia (a 25% increase to US$12 billion)(Chart 4).

## A. Spreads

**Chart 5:**
**Spreads on JP Morgan EMBI+ and Latin American Composites Q1 2003**



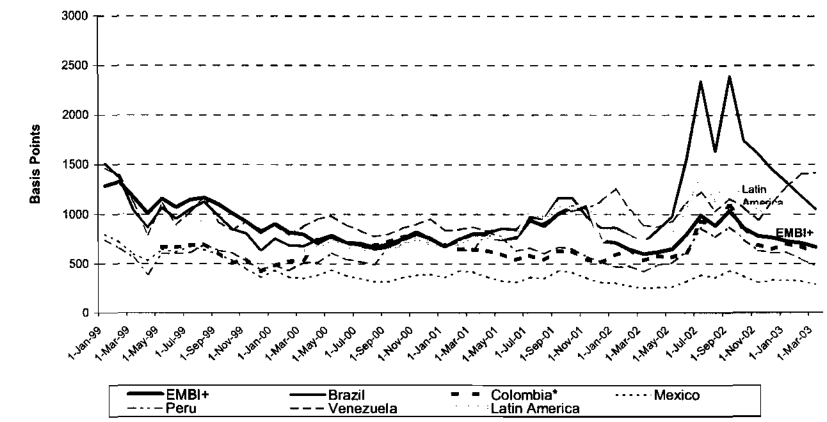

Source: ECLAC, on the basis of data from "Emerging Markets Bond Index Monitor", JP Morgan.

The J.P. Morgan EMBI+ spread closed the first quarter of 2003 94 basis points tighter, as the global pursuit for yield, in a context of accommodative monetary policies in the major financial centers, created a positive external

environment for emerging market bonds. Emerging market bond prices were buoyed by the combination of a favorable external environment with a significant change in investors' attitudes toward the new Brazilian administration. Higher-yielding emerging market credits (Brazil in particular) performed strongly.

The spread for the EMBI+ Latin component tightened further, with a decrease of 138 basis points. Spreads tightened for all Latin American countries in the sample, with the exception of Venezuela (Chart 5). Brazilian spreads are now below their peak of January 1999, after going way beyond these levels in the previous quarter. Spreads in Brazil more than halved since the height of the difficulties last year, narrowing from 2,395 basis points at the end of September 2002 to 1,048 at the end of March 2003 (Chart 6).

**Chart 6:**
**Spreads on JP Morgan EMBI+ and Latin American Composites**
**January 1999 to March 2002**




* The Colombia 7 5/8% due 07 and the Colombia 8 5/8% due 08 were added at the end of May 99.
Source: ECLAC, on the basis of data from "Emerging Markets Bond Index Monitor", JP Morgan.

With the search for yield inspiring the rally in emerging debt markets, high-yielding credits were the greatest beneficiaries in the first quarter of 2003. Not only Brazil, but also Ecuador was a top performer, and Argentina performed strongly as well. In March 2003, at the end of the quarter, Ecuador, Brazil, Peru, Colombia, Argentina, Panama and Mexico, were among the top ten performers in the EMBI+. Venezuela, however, was a prominent exception to the pattern of strong relative performance by high-yielding credits, lagging the broader market by a significant margin, in spite of its high yields.[1]

The tightening of bond spreads since mid-October of 2002 was an unexpected consequence of the fall in interest rates. By the beginning of the first quarter of 2003, yields had descended so far that to many investors it seemed unlikely that they could decline further. As a consequence, usually conservative investors were attracted by higher-yielding corporate and emerging market bonds as a way of obtaining higher returns. Emerging market debt and corporate high-yield saw record inflows of funds in the first quarter of 2003. As mentioned earlier, these inflows were also driven by emerging market bonds' track record of strong risk-adjusted returns. Secondary bond markets, especially in Argentina, Brazil, Ecuador and Peru, rallied as crossover investors

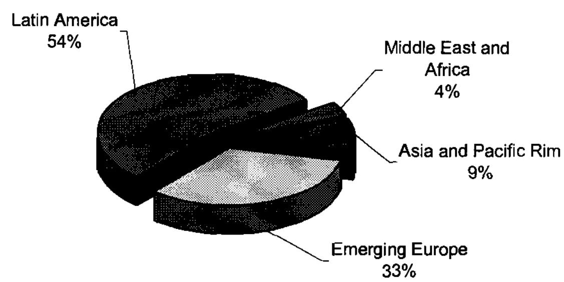
[1] While the EMBI+ posted a return of 2.02% in March 2003, Ecuador posted a return of 9.60%, Brazil 6.39%, Peru 4.84%, Colombia 3.92%, Argentina 3.74%, Panama 3.67% and Mexico 1.79%. Venezuela, on the other hand, posted a return of only 0.02%.

saw opportunities for higher returns in these markets, given that equities continued to fail to show a compelling performance.

## B. Issuance

Emerging market borrowers tapped the international debt markets for an increased volume of funds in the first quarter of 2003, as sovereign spreads narrowed further. Emerging markets saw a remarkably high level of issuance on a quarterly basis according to Merrill Lynch, having placed US$21.3 billion in the international capital markets in the first quarter of 2003, up from US$16.8 billion in the first quarter of 2002 and US$17.9 billion in the first quarter of 2001.

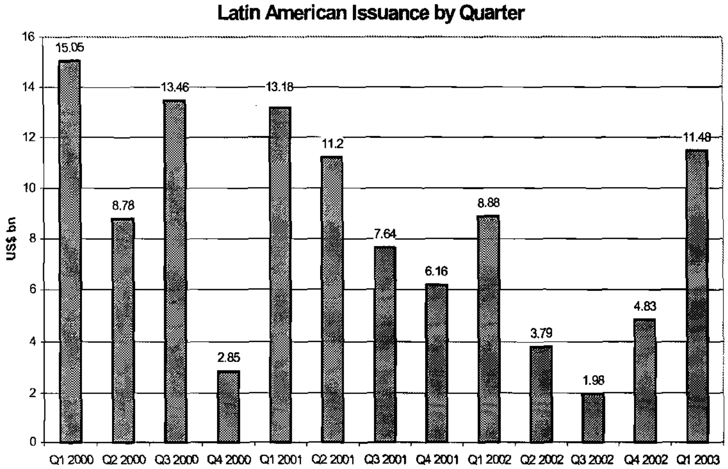
**Chart 7:**
**Emerging Markets Debt Issuance:**
**Regional Breakdown**
**2003 Q1**




**Note:** Total emerging markets debt issuance year-to-date is US $21.3

Source: ECLAC, on the basis of data from Merrill Lynch.

**Chart 8:**
**Latin American Issuance by Quarter**



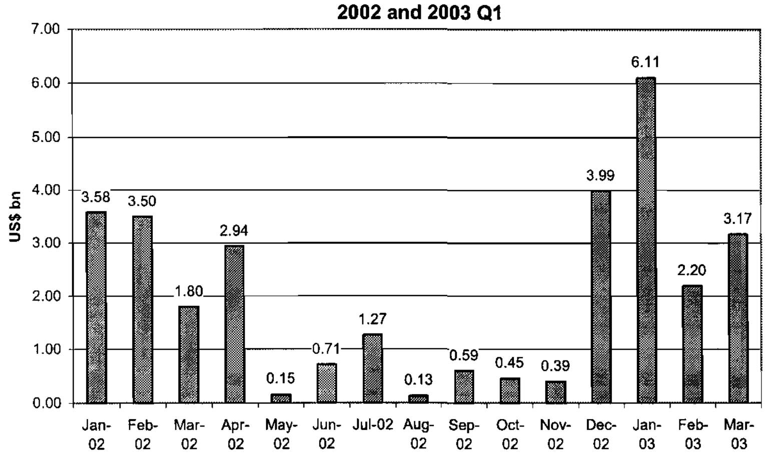

Source: ECLAC, on the basis of data from Merrill Lynch.

Total issuance in Latin America reached US$11.48 billion in the first quarter of 2003, accounting for 54% of the emerging markets total (Chart 7). On a quarterly basis, Latin American issuance was 138% higher than in the last quarter of 2002. It was also 29% higher than in the first quarter of 2002, but it was 13% lower than in the first quarter of 2001, and 24% lower than in the first quarter of 2000 (Chart 8).

Most of the emerging market and Latin American issuance in the quarter took place in January, and much of this activity was driven by refinancing of maturing debt. The pickup in net issuance in part reflected prefunding in advance of the war in Iraq. The war, and the uncertainties surrounding it, induced a slowdown in new debt issuance later in the quarter, in spite of investors' risk appetite and rising emerging market bond prices in secondary markets.

Issuance tends to be relatively higher in the first months of the year, due mostly to sovereign borrowers, but the exceptionally high level in January 2003, US$9.3 billion for emerging markets as a whole and US$6.1 billion for Latin America, suggests that the decreasing borrowing costs in emerging debt markets since October 2002 also

**Chart 9:**
**New Latin American Debt Issuance (Monthly)**
**2002 and 2003 Q1**




Source: ECLAC, on the basis of data from Merrill Lynch.

contributed. January was Latin America's strongest monthly external issuance since the beginning of 2002 (Chart 9).

The largest issue to be placed in the international debt securities market by an emerging market borrower in the first quarter of 2003 was a US$2 billion fixed rate bond issued by Mexico with a maturity of 10 years and priced at a spread of 246 basis points over the 10-year US Treasury yield (appendix, table 4). Taking advantage of improved market sentiment, Mexico issued US$4.7 billion in bonds in the first quarter of 2003, and was the largest issuer. Brazil placed US$ 2.9 billion in the first quarter and was the second largest emerging market issuer. Brazilian nationals borrowed heavily, taking advantage of the reduced risk aversion amongst global investors and increased investor confidence in the new administration. Other sovereigns to tap international capital markets in the first quarter were Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Panama, and Peru (appendix, tables 4, 7 and 10).

A significant development concerning emerging market borrowing in the first quarter of 2003 was the inclusion of collective action clauses (CACs) in sovereign bond issues (see Box 2). One Mexican bond in the first quarter of 2003 and two Mexican bonds and one Brazilian bond at the beginning of the second quarter were issued

**BOX 2:**
**The inclusion of Collective Action Causes in bond issuance**

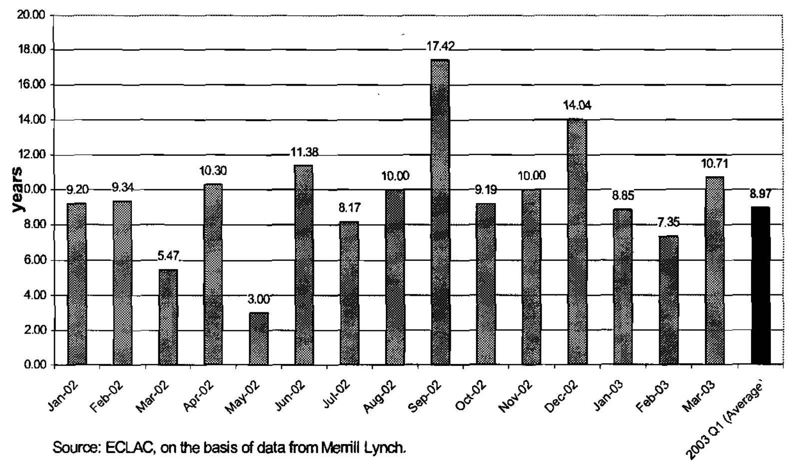
The issuance of bonds with CACs followed a debate on how to improve procedures for sovereign debt restructuring. Collective action clauses are provisions that allow a bond restructuring with the approval of a qualified majority of bondholders instead of their unanimous consent. Analysts view these provisions as an alternative to international bankruptcy proceedings for dealing with potential sovereign defaults. Issuers, at first, feared that the incorporation of such clauses could increase theirs spreads, or be an indication of the likelihood the issuer attached to the probability of default (see BIS Quarterly Review, June 2003, p.29).

The global bonds issued by Mexico and Brazil with CACs, however, were well received and no premium was included. The bonds to be issued under Uruguay's debt swap are also to include CACs. There are differences between the bonds issued by Mexico, Brazil, and the recently announced issuance of Uruguayan bonds. Mexico and Uruguay, for example, set the percentage of bondholders who have to consent at 75%. The Brazilian bond, however, adopted a higher percentage (of 85%).

with CACs. The Mexican bonds were the first emerging market bonds with CACs from a major borrower to be issued, while the Brazilian bond was the first non-investment grade bond with CACs[2].

In the first quarter of 2003, dollar-denominated debt represented 95% of the Latin American total. Sovereign bonds accounted for 79% (appendix, tables 4 to 12). Many governments have achieved their 2003 financing targets, although some have not, such as Brazil. Latin America's bond average maturity was 9 years, reflecting improved market sentiment and decreased risk aversion (Chart 10).

**Chart 10:**
**New Latin American Debt Issuance: Average Maturity**
**2002 and 2003 Q1**




Source: ECLAC, on the basis of data from Merrill Lynch.

## II. Portfolio Equity Flows into Latin America

Equity placements in emerging markets virtually dried up in the first quarter of 2003, amid ongoing concerns about global economic activity. Latin American stocks, up 3.4% on the Morgan Stanley's MSCI (Morgan Stanley Capital International) Index in the first quarter[3], struggled to catch up with their fixed-income counterparts, which posted an 11% return on J.P. Morgan's EMBI+.

Combined trading volume in Latin America's seven largest stock exchanges averaged US$225.1 million a day during the first quarter of 2003, compared to US$222.5 million in the fourth quarter, according to data provider Economatica. Latin American shares listed on the New York Stock Exchange, meanwhile, averaged US$237.21 million in daily turnover, up from US$200.5 million in the fourth quarter, based on NYSE data. The numbers provide evidence that Latin America, during the first quarter of 2003, started to recover from the political and economic turmoil that drove equity investors to other shores in the final months of 2002. The biggest reversal has been in Brazil, South America's main market, where the newly elected administration pushed solvency fears away by pledging to implement structural reforms and tightening fiscal policy.

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[2] The proceeds of the Mexican bonds issued in the beginning of the second quarter (US$2.5 billion on April 8), were to be used to buy back Mexico's remaining dollar-denominated Brady bonds, making it the first country in Latin America to do so.

[3] Up to April 10, 2003.

The sentiment shift was most pronounced in March, when Latin American stock prices rose 5.5% in dollar terms, according the Morgan Stanley's MSCI index, including a jump of 13% in Brazilian shares, as regional currencies recovered from sharp declines against the dollar in 2002. Stock market liquidity, however, remains a distant cry from the roaring 1990s. Despite price gains, total equity issuance was weak, reflecting market volatility, global economic uncertainties and lack of privatizations.

## III. Bank Lending

According to the latest available information on actual bank lending[4], the net flow of funds into emerging markets from banks in the BIS reporting area was negative in the fourth quarter of 2002. Claims on emerging markets fell to 6.5% of total claims, down from an average of 8% in 2001 and 10% in 1999. Claims on Latin America continued to contract.

All major Latin American countries experienced a reduction in credit. The net flow of funds to Latin America remained negative for the third consecutive quarter, at US$7.8 billion[5]. Total claims fell to US$272 billion, pushing the year-over-year rate of

**Table 1**

**Cross-border bank flows to Latin American economies**

Exchange rate adjusted changes in amounts outstanding, in billions of US dollars

| | Banks' Position* | 2000 Year | 2001 Year | 2002 Year | 2002 Q1 | 2002 Q2 | 2002 Q3 | 2002 Q4 | Stocks at end-Dec 2002 |
|---|---|---|---|---|---|---|---|---|---|
| Latin America | Claims | 14.0 | -3.5 | -26.9 | -2.4 | -4.7 | -11.4 | -8.5 | 272.0 |
| | Liabilities | 9.4 | -1.9 | -26.9 | -16.1 | -1.6 | -8.5 | -0.7 | 232.5 |
| Argentina | Claims | 1.2 | -5.8 | -11.8 | -4.3 | -0.8 | -4.5 | -2.3 | 31.2 |
| | Liabilities | 3.1 | -16.7 | -0.1 | -1.0 | 0.5 | 0.3 | 0.2 | 24.9 |
| Brazil | Claims | 9.5 | 0.9 | -11.3 | 1.0 | -2.4 | -3.5 | -6.4 | 87.5 |
| | Liabilities | -4.6 | 0.4 | -8.0 | 1.4 | -3.8 | -1.4 | -4.2 | 40.5 |
| Chile | Claims | 0.3 | 0.2 | 0.5 | -0.3 | -0.5 | -0.1 | 1.3 | 19.9 |
| | Liabilities | -1.5 | -1.0 | -1.1 | 0.2 | -0.8 | -0.8 | 0.3 | 14.1 |
| Mexico | Claims | -1.0 | 2.0 | 3.1 | 3.3 | 1.7 | -1.9 | -0.1 | 64.3 |
| | Liabilities | 6.9 | 8.8 | -11.4 | -14.1 | 1.3 | -0.3 | 1.7 | 52.1 |

Source: BIS Quarterly Review, March 2003.

* External on-balance sheet positions of banks in the BIS reporting area. Liabilities mainly comprise deposits.

An increase in claims represent an inflow into Latin American economies; an increase in liabilities an outflow.

contraction in claims to 10%. The rate of contraction in claims on the Latin American banking sector increased even more, to 18% year-over-year. Claims on banks fell by US$9 billion, the largest reduction for this sector since 1998.

The net outflow from Argentina was again the largest in the region, although smaller than that experienced in the third quarter. While liabilities vis-à-vis Argentina remained

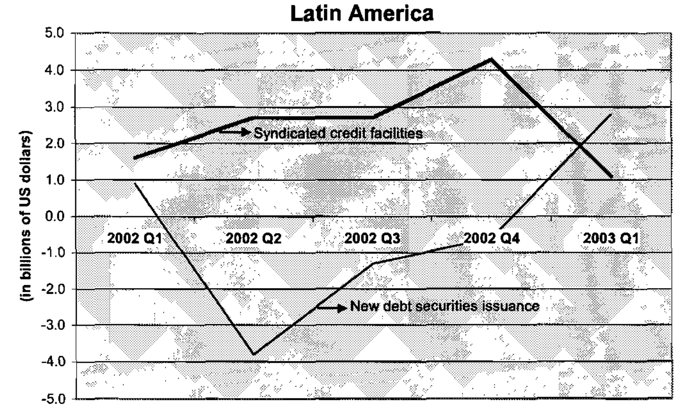
4 *BIS Quarterly Review*, June 2003.

5 There was an outflow of US$8.5 due to a decrease in claims, as well as an inflow of US$0.7 billion due to a decrease in liabilities (see Table 1).

stable, a sixth consecutive quarterly contraction in claims, primarily on the Argentina non-bank sector, led to an outflow of US$2.5 billion (Table 1).

Despite the improvement in investor sentiment towards Brazil in the fourth quarter, interbank activity led to the largest outflow of fund in five quarters. The year-on-year rate of contraction in claims on Brazil rose to 12%, almost double that in the previous quarter. Claims on non-banks remained stable, while claims on the banking sector fell by US$6.1 billion, the largest decrease since the second quarter of 2001.

**Chart 11:**
**Announced Syndicated Lending and Securities Issuance in Latin America**




* Net Issuance: Gross Issues - Repayments

Source: ECLAC, on the basis of data from the Bank for International Settlements (BIS).

Like Argentina and Brazil, Mexico also experienced a net outflow of funds for the second consecutive quarter, this time driven by increase in deposits with reporting area banks. Total claims on Mexico remained stable from the previous quarter, while liabilities grew by US$1.7 billion as banks in Mexico deposited funds in banks in the United States.

Syndicated loan commitments were low in the first quarter of 2003, as international banks continued to withdraw from the emerging markets. The Latin American overall volume of announced syndicated lending fell from US$4.3 billion in the final quarter of 2002 to a historical low of US$1.1 billion in the first quarter of 2003 (Chart 11). Mexican oil, engineering and transport firms were the largest borrowers (Table 2). [6]

**Table 2: Announced syndicated lending (in billions of US dollars)**

| | *Syndicated credit facilities* | | | | |
|---|---|---|---|---|---|
| | 2002Q1 | 2002Q2 | 2002Q3 | 2002Q4 | **2003Q1** |
| **Latin America** | **1.6** | **2.6** | **2.7** | **4.3** | **1.1** |
| Argentina | - | - | - | 0.6 | - |
| Brazil | 0.8 | 1.6 | 0.3 | 0.6 | - |
| Chile | 0.2 | - | 0.5 | 0.5 | 0.2 |
| Colombia | 0.5 | - | 0.5 | 0.2 | - |
| Mexico | 0.1 | 0.9 | 1.3 | 2.2 | 0.9 |
| Venezuela | - | - | - | - | - |

Source: BIS Quarterly Review, June 2003

6 Syndicated credits data are not necessarily a reliable proxy for future bank lending. The syndicated credits are gross announcements of loan facilities (i.e. loan commitments, which do not need to be drawn fully or immediately), while changes in amounts outstanding in the BIS data are driven mainly by net new lending (actual disbursements). See Blaise Gadanecz and Karsten von Kleist (202): "Do syndicated credits anticipate BIS consolidated banking data?", *BIS Quarterly Review*, March 2002, pp 65-74.

## IV. Prospects

In the first quarter of 2003, the global search for higher returns in a context of accommodative monetary policies in the major financial centers created a positive external environment for emerging market bonds. Low interest rates and low government bond yields in the United States, Europe and Japan reduced financing costs and encouraged a reduction in investors' cash positions, leading to abundant liquidity in international capital markets, which in turn contributed to the compression of bond spreads in both mature and emerging debt markets.

The favorable external environment coupled with a change in investors' attitude towards the new Brazilian administration buoyed emerging market bond prices. Emerging markets bonds also benefited from a track record of strong returns, as well as from investors' disillusionment with equities. Spreads on emerging market bonds narrowed significantly as a result, and the spread compression was led by high-yielding credits in Latin America, Brazilian spreads in particular. Capital flows into the secondary emerging bond markets in the first quarter of 2003 were strong, and there was also strong appetite for new issues. Funds also flew to local emerging markets as high-yielding currencies appreciated with respect to the US dollar.

Few market participants see much near-term risk to the current favorable outlook. However, the pace of spread compression has been rather fast compared with previous experiences, which raise fears that the recent gains may not be sustainable, given that emerging markets still face great challenges in carrying out structural reform and implementing prudent macroeconomic policies. Risks to the current scenario could arise from a deterioration in the external environment or from a reversal in a major emerging market economy.

Rising interest rates in mature markets and improved sentiment toward equity markets in the US and Europe could attract flows away from emerging market bonds and lead to more limited access to international capital markets and reduced issuances, as emerging market bonds would become less attractive. However, to the extent that these factors are a consequence of a pickup in global growth, followed by higher confidence and reduced uncertainty, demand for emerging market bonds could be strengthened instead.

**APPENDIX**

A. **Credit Ratings in Latin America**
B. **Latin American Spreads**
C. **New Latin American Debt Issuance**

## A. Credit Ratings

### Table 1:

**Credit Ratings in Latin America**

| | Moody's | | S&P | | Recent Moody's Actions | | Recent S&P Actions | |
|---|---|---|---|---|---|---|---|---|
| | Rating | View | Rating | View | Action | Date | Action | Date |
| Argentina | Ca | oo | SD | - | Dowgrade, O/L (-) | 20-Dec-01 | Downgrade | 6-Nov-01 |
| Barbados | Baa2 | - | A- | - | Upgrade, stable | 8-Feb-00 | Affirmed, stable | 2-May-02 |
| **Bolivia** | B1 | - | **B** | **oo** | Affirmed, stable | 28-Jun-02 | **Downgrade, O/L (-)** | **26-Feb-03** |
| Brazil | B2 | - | B+ | oo | Downgrade, stable | 12-Aug-02 | Affirmed, O/L (-) | 8-Aug-02 |
| **Chile** | Baa1 | - | **A-** | **o** | Affirmed, stable | 1-Mar-00 | **Affirmed, O/L (+)** | **8-Jan-03** |
| **Colombia** | Ba2 | oo | **BB** | **oo** | O/L changed to (-) | 27-Mar-02 | **Affirmed, O/L (-)** | **22-Jan-03** |
| Costa Rica | Ba1 | o | BB | - | O/L changed to (+) | 22-Mar-00 | O/L changed to stable | 2-Jan-02 |
| Cuba | Caa1 | - | nr | - | | | | |
| **Dominican Republic** | Ba2 | - | **BB-** | **-** | Upgrade, stable | 29-Aug-01 | **Affirmed, stable** | **15-Jan-03** |
| **Ecuador** | Caa2 | - | **CCC+** | **o** | Affirmed, stable | 10-Aug-00 | **O/L changed to (+)** | **5-Feb-03** |
| **El Salvador** | Baa3 | - | **BB+** | **-** | Affirmed, stable | 1-Mar-00 | **Affirmed, stable** | **25-Feb-03** |
| **Guatemala** | Ba2 | - | BB | oo | Affirmed, stable | 1-Mar-00 | O/L changed to (-) | 5-Nov-02 |
| Honduras | B2 | - | nr | - | Affirmed, stable | 2-Mar-00 | | |
| **Jamaica** | Ba3 | - | B+ | oo | Affirmed, stable | 18-May-00 | O/L changed to (-) | 19-Dec-02 |
| **Mexico** | **Baa2** | **o** | **BBB-** | - | **O/L changed to (+)** | **12-Mar-02** | **Affirmed, stable** | **27-Feb-03** |
| Nicaragua | B2 | - | nr | - | Affirmed, stable | 30-Mar-00 | | |
| Panama | Ba1 | - | BB | - | | | O/L changed to (-) | 10-Mar-03 |
| Paraguay | B2 | - | SD | oo | Affirmed, stable | 27-Aug-01 | | |
| **Peru** | Ba3 | - | **BB-** | **-** | Affirmed, stable | 28-Oct-02 | **Affirmed, stable** | **28-Mar-03** |
| **Trinidad & Tobago** | Baa3 | - | **BBB** | **-** | Affirmed, stable | 30-Aug-00 | **Upgrade, stable** | **2-Apr-03** |
| **Uruguay** | B3 | oo | **CCC** | **oo** | Downgrade, O/L (-) | 31-Jul-02 | **Downgrade, O/L (-)** | **11-Feb-03** |
| **Venezuela** | **Caa1** | - | **CCC+** | **oo** | **Downgrade** | **21-Jan-03** | **Affirmed, negative** | **9-Jan-03** |

***- stable outlook; o positive outlook; oo negative outlook***

Note: Moody's ratings are qualified by outlooks and reviews, while S&P ratings are qualified by outlooks and watches.

A review/watch is indicative of a likely short-term movement.

An outlook suggests that a review/watch or a long/intermediate-term movement is likely.

**Source: JP Morgan, Emerging Markets Outlook, April 4, 2003**

## B. Latin American Spreads

## Table 2:

**Sovereign Spreads on JP Morgan EMBI+ and Latin American Composites**

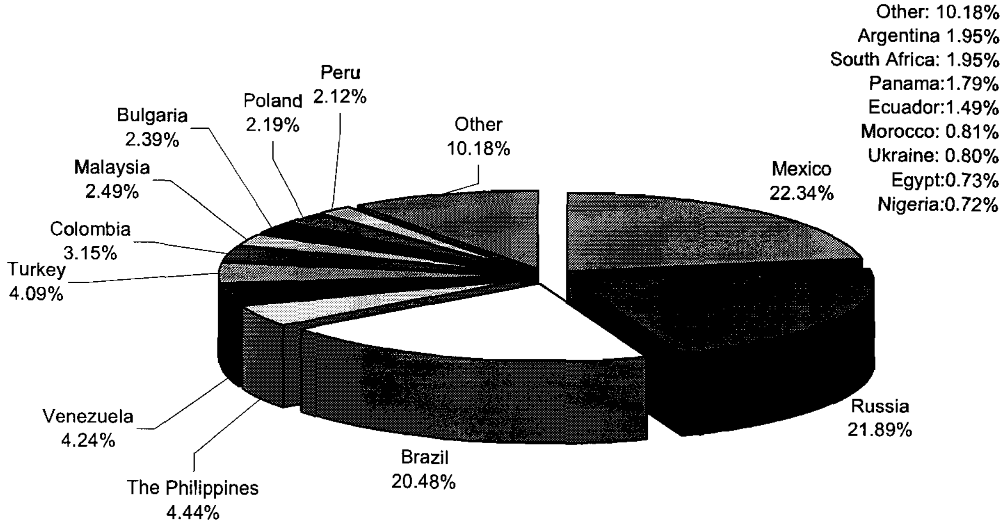
| | *EMBI+* | *Argentina* | *Brazil* | *Colombia** | *Ecuador* | *Mexico* | *Peru* | *Venezuela* | *Latin America* |
|---|---|---|---|---|---|---|---|---|---|
| 31-Jul-98 | 633 | 454 | 608 | n.a. | 1371 | 461 | 515 | 829 | 554 |
| 31-Aug-98 | 1524 | 1278 | 1421 | n.a. | 2077 | 941 | 941 | 2575 | 1328 |
| 30-Sep-98 | 1330 | 904 | 1326 | n.a. | 1903 | 911 | 911 | 1558 | 1111 |
| 31-Oct-98 | 1190 | 779 | 1192 | n.a. | 1484 | 819 | 755 | 1372 | 980 |
| 30-Nov-98 | 1070 | 664 | 975 | n.a. | 1221 | 737 | 610 | 1612 | 858 |
| 31-Dec-98 | 1151 | 707 | 1231 | n.a. | 1631 | 741 | 612 | 1283 | 941 |
| 31-Jan-99 | 1288 | 858 | 1507 | n.a. | 2055 | 801 | 743 | 1463 | 1106 |
| 28-Feb-99 | 1330 | 794 | 1376 | n.a. | 2405 | 722 | 663 | 1393 | 1028 |
| 31-Mar-99 | 1171 | 683 | 1041 | n.a. | 1973 | 600 | 562 | 1121 | 839 |
| 30-Apr-99 | 1010 | 596 | 873 | n.a. | 1553 | 532 | 396 | 789 | 709 |
| 28-May-99 | 1157 | 786 | 1066 | 671 | 1862 | 647 | 603 | 1108 | 880 |
| 30-Jun-99 | 1070 | 758 | 957 | 667 | 2113 | 623 | 609 | 896 | 832 |
| 30-Jul-99 | 1147 | 853 | 1053 | 691 | 2473 | 677 | 610 | 1024 | 919 |
| 31-Aug-99 | 1166 | 776 | 1124 | 700 | 3402 | 644 | 700 | 1174 | 931 |
| 30-Sep-99 | 1098 | 663 | 984 | 613 | 4764 | 596 | 635 | 925 | 823 |
| 29-Oct-99 | 1010 | 635 | 851 | 505 | 3705 | 535 | 613 | 836 | 743 |
| 30-Nov-99 | 927 | 650 | 806 | 549 | 3093 | 449 | 526 | 940 | 715 |
| 31-Dec-99 | 824 | 533 | 636 | 423 | 3353 | 363 | 443 | 844 | 597 |
| 31-Jan-00 | 904 | 594 | 758 | 482 | 4033 | 438 | 482 | 894 | 682 |
| 20-Feb-00 | 816 | 551 | 688 | 524 | 3227 | 364 | 432 | 792 | 616 |
| 31-Mar-00 | 798 | 568 | 679 | 547 | 3111 | 354 | 518 | 879 | 623 |
| 28-Apr-00 | 708 | 572 | 742 | 740 | 3350 | 385 | 512 | 952 | 654 |
| 31-May-00 | 784 | 702 | 792 | 739 | 4499 | 438 | 611 | 985 | 737 |
| 30-Jun-00 | 712 | 676 | 722 | 722 | 3926 | 381 | 546 | 895 | 679 |
| 31-Jul-00 | 680 | 650 | 712 | 662 | 2846 | 353 | 522 | 837 | 654 |
| 31-Aug-00 | 643 | 681 | 672 | 686 | 1340 | 321 | 496 | 780 | 618 |
| 29-Sep-00 | 677 | 675 | 705 | 722 | 1261 | 318 | 664 | 798 | 634 |
| 31-Oct-00 | 745 | 815 | 758 | 768 | 1331 | 365 | 759 | 860 | 707 |
| 30-Nov-00 | 805 | 879 | 829 | 818 | 1441 | 385 | 772 | 902 | 759 |
| 29-Dec-00 | 756 | 773 | 749 | 755 | 1415 | 392 | 687 | 958 | 706 |
| 31-Jan-01 | 674 | 663 | 677 | 697 | 1230 | 363 | 674 | 838 | 631 |
| 28-Feb-01 | 748 | 803 | 753 | 646 | 1268 | 428 | 637 | 850 | 710 |
| 30-Mar-01 | 784 | 960 | 811 | 645 | 1366 | 414 | 650 | 874 | 763 |
| 30-Apr-01 | 773 | 1039 | 812 | 634 | 1482 | 366 | 824 | 833 | 766 |
| 31-May-01 | 751 | 993 | 858 | 600 | 1366 | 326 | 774 | 852 | 761 |
| 29-Jun-01 | 766 | 1050 | 847 | 541 | 1303 | 310 | 632 | 847 | 803 |
| 31-Jul-01 | 940 | 1599 | 972 | 585 | 1454 | 360 | 661 | 925 | 1016 |
| 31-Aug-01 | 885 | 1430 | 954 | 540 | 1411 | 354 | 601 | 916 | 959 |
| 28-Sep-01 | 1005 | 1615 | 1165 | 626 | 1516 | 431 | 669 | 995 | 1103 |
| 31-Oct-01 | 1073 | 2162 | 1163 | 628 | 1558 | 412 | 651 | 1034 | 1055 |
| 30-Nov-01 | 1069 | 3372 | 976 | 545 | 1393 | 357 | 572 | 1055 | 1119 |
| 31-Dec-01 | 731 | 4372 | 863 | 514 | 1233 | 308 | 521 | 1130 | 711 |
| 31-Jan-02 | 713 | 4379 | 866 | 586 | 1144 | 304 | 468 | 1254 | 837 |
| 28-Feb-02 | 644 | 4276 | 785 | 651 | 1147 | 272 | 474 | 1046 | 765 |
| 28-Mar-02 | 598 | 5062 | 718 | 536 | 1037 | 251 | 419 | 890 | 713 |
| 30-Apr-02 | 619 | 5004 | 849 | 578 | 1000 | 255 | 492 | 873 | 763 |
| 31-May-02 | 650 | 5979 | 981 | 567 | 1184 | 265 | 512 | 933 | 829 |
| 28-Jun-02 | 799 | 7074 | 1548 | 613 | 1262 | 323 | 628 | 1111 | 1063 |
| 31-Jul-02 | 991 | 7008 | 2341 | 930 | 1780 | 390 | 865 | 1226 | 1350 |
| 30-Aug-02 | 886 | 6430 | 1630 | 898 | 1704 | 360 | 774 | 1028 | 1131 |
| 30-Sep-02 | 1041 | 6553 | 2395 | 1084 | 1975 | 436 | 880 | 1162 | 1399 |
| 31-Oct-02 | 862 | 6192 | 1742 | 841 | 1854 | 372 | 742 | 1068 | 1153 |
| 29-Nov-02 | 778 | 6240 | 1606 | 694 | 1696 | 311 | 636 | 943 | 1054 |
| 31-Dec-02 | 765 | 6391 | 1446 | 645 | 1801 | 331 | 610 | 1127 | 1007 |
| 31-Jan-03 | 730 | 6022 | 1319 | 703 | 1524 | 329 | 613 | 1275 | 977 |
| 28-Feb-03 | 707 | 6736 | 1182 | 676 | 1522 | 324 | 547 | 1406 | 943 |
| 31-Mar-03 | 671 | 6165 | 1048 | 602 | 1372 | 291 | 478 | 1412 | 869 |
| | *EMBI+* | *Argentina* | *Brazil* | *Colombia** | *Ecuador* | *Mexico* | *Peru* | *Venezuela* | *Latin America* |

Source: "Emerging Markets Bond Index Monitors"; JP Morgan

* The Colombia 7 5/8% due 07 and the Colombia 8 5/8% due 08 were added at the end of May 99.

EMBI+ composition by market sector (end-March 2003): Brady, 33.97%; Benchmark Eurobonds, 65.22%; Loans, 0.81%.
by country: Brazil and Mexico account for 42.84% of the total weighting.
by region: Latin: 57.54%; Non-Latin: 42.56%.

## EMBI+ Composition (as of March 2003)



# Table 3:

| Spreads on 30-year Benchmark Latin Eurobonds June 1998 - March 2002 | | | | | |
|---|---|---|---|---|---|
| Country | Argentina | Brazil | Colombia | Mexico | Venezuela |
| Coupon | 9.750 | 10.125 | 8.375 | 11.500 | 9.250 |
| Maturity | 9/19/27 | 5/15/27 | 2/15/27 | 5/15/26 | 9/15/27 |
| | | | (Basis points) | | |
| 12-Jun-98 | 487 | 573 | 383 | 412 | 555 |
| 25-Sep-98 | 649 | 1089 | 803 | 611 | 1172 |
| 30-Oct-98 | 608 | 953 | 638 | 579 | 1011 |
| 4-Dec-98 | 584 | 954 | 676 | 583 | 1114 |
| 8-Jan-99 | 546 | 1015 | 575 | 514 | 963 |
| 5-Feb-99 | 637 | 1036 | 579 | 563 | 1096 |
| 4-Mar-99 | 608 | 1047 | 589 | 495 | 1092 |
| 31-Mar-99 | 597 | 826 | 497 | 434 | 949 |
| 8-Apr-99 | 551 | 768 | 496 | 410 | 951 |
| 23-Apr-99 | 541 | 701 | 466 | 380 | 752 |
| 7-May-99 | 512 | 674 | 478 | 362 | 670 |
| 28-May-99 | 660 | 790 | 580 | 429 | 828 |
| 9-Jun-99 | 648 | 783 | 560 | 422 | 786 |
| 30-Jun-99 | 675 | 737 | 553 | 403 | 786 |
| 9-Jul-99 | 771 | 799 | 591 | 417 | 802 |
| 30-Jul-99 | 685 | 789 | 600 | 434 | 821 |
| 9-Aug-99 | 719 | 810 | 608 | 450 | 896 |
| 30-Aug-99 | 638 | 792 | 648 | 413 | 884 |
| 8-Sep-99 | 566 | 734 | 638 | 400 | 848 |
| 30-Sep-99 | 531 | 737 | 564 | 394 | 763 |
| 8-Oct-99 | 511 | 705 | 534 | 384 | 770 |
| 29-Oct-99 | 524 | 651 | 494 | 377 | 749 |
| 5-Nov-99 | 519 | 644 | 514 | 367 | 741 |
| 30-Nov-99 | 529 | 625 | 495 | 321 | 811 |
| 6-Dec-99 | 510 | 601 | 501 | 308 | 803 |
| 22-Dec-99 | 431 | 521 | 423 | 282 | 766 |
| 6-Jan-00 | 444 | 560 | 440 | 304 | 756 |
| 28-Jan-00 | 483 | 640 | 477 | 344 | 782 |
| 7-Feb-00 | 450 | 591 | 477 | 279 | 763 |
| 29-Feb-00 | 458 | 613 | 509 | 254 | 729 |
| 6-Mar-00 | 456 | 595 | 533 | 233 | 721 |
| 30-Mar-00 | 510 | 631 | 525 | 292 | 796 |
| 6-Apr-00 | 538 | 651 | 568 | 316 | 804 |
| 28-Apr-00 | 540 | 665 | 700 | 327 | 812 |
| 5-May-00 | 558 | 713 | 783 | 340 | 929 |
| 30-May-00 | 650 | 706 | 733 | 373 | 860 |
| 6-Jun-00 | 639 | 665 | 692 | 306 | 792 |
| 30-Jun-00 | 641 | 680 | 706 | 350 | 813 |
| 6-Jul-00 | 611 | 645 | 681 | 286 | 778 |
| 28-Jul-00 | 634 | 673 | 655 | 311 | 784 |
| 7-Aug-00 | 658 | 666 | 679 | 300 | 756 |
| 30-Aug-00 | 668 | 673 | 642 | 310 | 772 |
| 8-Sep-00 | 641 | 668 | 651 | 313 | 749 |
| 29-Sep-00 | 629 | 707 | 688 | 318 | 774 |
| 2-Oct-00 | 634 | 716 | 685 | 317 | 771 |
| 27-Oct-00 | 726 | 775 | 789 | 368 | 850 |
| 6-Nov-00 | 783 | 770 | 770 | 357 | 820 |
| 30-Nov-00 | 735 | 821 | 805 | 378 | 836 |
| 1-Dec-00 | 728 | 812 | 800 | 371 | 833 |
| 21-Dec-00 | 681 | 748 | 742 | 371 | 904 |

| Spreads on 30-year Benchmark Latin Eurobonds June 1998 - March 2002 | | | | | |
|---|---|---|---|---|---|
| Country | Argentina | Brazil | Colombia | Mexico | Venezuela |
| Coupon | 9.750 | 10.125 | 8.375 | 11.500 | 9.250 |
| Maturity | 9/19/27 | 5/15/27 | 2/15/27 | 5/15/26 | 9/15/27 |
| | | | (Basis points) | | |
| 5-Jan-01 | 639 | 724 | 710 | 382 | 870 |
| 31-Jan-01 | 597 | 673 | 661 | 362 | 818 |
| 9-Feb-01 | 624 | 688 | 653 | 375 | 800 |
| 28-Feb-01 | 695 | 750 | 660 | 397 | 813 |
| 9-Mar-01 | 642 | 711 | 628 | 359 | 794 |
| 30-Mar-01 | 765 | 802 | 654 | 393 | 819 |
| 6-Apr-01 | 739 | 782 | 656 | 372 | 815 |
| 27-Apr-01 | 793 | 785 | 666 | 347 | 775 |
| 4-May-01 | 858 | 805 | 678 | 350 | 778 |
| 31-May-01 | 833 | 828 | 657 | 300 | 780 |
| 1-Jun-01 | 851 | 853 | 674 | 311 | 789 |
| 29-Jun-01 | 890 | 838 | 617 | 304 | 783 |
| 2-Jul-01 | 908 | 843 | 628 | 307 | 784 |
| 31-Jul-01 | 1345 | 968 | 666 | 353 | 838 |
| 1-Aug-01 | 1372 | 968 | 675 | 357 | 838 |
| 31-Aug-01 | 1207 | 942 | 611 | 356 | 835 |
| 4-Sep-01 | 1178 | 915 | 614 | 335 | 819 |
| 28-Sep-01 | 1328 | 1125 | 704 | 431 | 895 |
| 1-Oct-01 | 1378 | 1134 | 703 | 428 | 895 |
| 31-Oct-01 | 1836 | 1133 | 727 | 420 | 948 |
| 1-Nov-01 | 2006 | 1145 | 726 | 411 | 951 |
| 30-Nov-01 | 2448 | 938 | 634 | 354 | 918 |
| 3-Dec-01 | 2232 | 906 | 642 | 346 | 909 |
| 31-Dec-01 | 2900 | 837 | 614 | 302 | 923 |
| 2-Jan-02 | 2840 | 794 | 599 | 298 | 930 |
| 31-Jan-02 | 2801 | 837 | 634 | 308 | 1029 |
| 1-Feb-02 | 3051 | 858 | 644 | 306 | 1033 |
| 28-Feb-02 | 2955 | 762 | 671 | 281 | 883 |
| 1-Mar-02 | 2914 | 747 | 662 | 274 | 866 |
| 28-Mar-02 | 3682 | 712 | 597 | 268 | 796 |
| 1-Apr-02 | 3962 | 711 | 590 | 261 | 775 |
| 30-Apr-02 | 3533 | 827 | 631 | 269 | 783 |
| 1-May-02 | 3537 | 829 | 636 | 277 | 781 |
| 31-May-02 | 4105 | 930 | 606 | 288 | 826 |
| 3-Jun-02 | 4101 | 949 | 589 | 277 | 827 |
| 28-Jun-02 | 5011 | 1392 | 639 | 329 | 937 |
| 1-Jul-02 | 4866 | 1439 | 653 | 329 | 950 |
| 31-Jul-02 | - | 1873 | 882 | 394 | 1024 |
| 1-Aug-02 | - | 1694 | 822 | 369 | 955 |
| 30-Aug-02 | - | 1471 | 801 | 366 | 894 |
| 3-Sep-02 | - | 1525 | 822 | 391 | 918 |
| 30-Sep-02 | - | 2048 | 926 | 436 | 985 |
| 1-Oct-02 | - | 1936 | 876 | 411 | 950 |
| 31-Oct-02 | - | 1555 | 745 | 387 | 919 |
| 1-Nov-02 | - | 1515 | 736 | 376 | 896 |
| 27-Nov-02 | - | 1460 | 668 | 327 | 844 |
| 2-Dec-02 | - | 1333 | 658 | 316 | 818 |
| 20-Dec-02 | - | 1234 | 619 | 321 | 932 |
| 2-Jan-03 | - | 1219 | 611 | 320 | 947 |
| 31-Jan-03 | - | 1215 | 662 | 357 | 1051 |
| 3-Feb-03 | - | 1192 | 657 | 355 | 1036 |
| 28-Feb-03 | - | 1096 | 644 | 343 | 1125 |
| 3-Mar-03 | - | 1099 | 648 | 339 | 1129 |
| 31-Mar-03 | - | 1005 | 566 | 313 | 1135 |

Source: "Emerging Markets Debt Daily", Merrill Lynch.

## C. New Latin American Debt Issuance:

### Table 4:

New Latin American Debt Issuance
First Quarter of 2003
Jan-03

| Country | Issuer | Amount (million) | Maturity |
|---|---|---|---|
| Brazil | Banco Bradesco SA | US $250 | 14-Oct-03 |
| Chile | Republic of Chile | US $1000 | 15-Jan-13 |
| Brazil | Unibanco - Uniao de Bancos Brasileiros | US $100 | 16-Jan-04 |
| Brazil | Banco Safra | US $200 | 16-Jul-03 |
| Brazil | Banco Votorantim | US $150 | 11-Dec-03 |
| Mexico | United Mexican States | US $2000 | 16-Jan-13 |
| Brazil | Banco Itau SA | US $200 | 17-Dec-03 |
| Brazil | Banco ABN Amro Real SA | US $100 | 23-Jan-23 |
| Dominican Republic | Dominican Republic | US $600 | 23-Jan-13 |
| Mexico | Pemex | GBP £250 | 18-Dec-13 |
| Colombia | Republic of Colombia | US $500 | 28-Jan-33 |
| Brazil | Banco do Brasil | US $100 | 28-Jan-04 |
| Brazil | Banco ABN Amro Real SA | US $50 | 23-Dec-03 |
| Costa Rica | Republic of Costa Rica | US $250 | 31-Jan-13 |
| Costa Rica | Republic of Costa Rica | US $200 | 31-Jan-08 |
| **Total in US$** | | **6109.20** | |

### Table 5:

**Currency Breakdown**
(% of Latin America's Total)

| Currency | Jan-03 |
|---|---|
| Dollar | 93% |
| Euro | 0% |
| Yen | 0% |
| GBP | 7% |

Source: ECLAC, on the basis of data from Merrill Lynch.

### Table 6:

**Issuer Type Breakdown**
(% of Latin America's Total)

| Issuer Type | Jan-03 |
|---|---|
| Sovereign* | 82.8% |
| Corporate** | 17.2% |

Source: ECLAC, on the basis of data from Merrill Lynch.
*Also includes state owned enterprises, city and regional governments (sovereign-supported and sub-sovereigr
**Also includes bank issuance.

## Table 7:

**New Latin American Debt Issuance**
**First Quarter of 2003**
**Feb-03**

| Country | Issuer | Amount (million) | Maturity |
|---|---|---|---|
| Brazil | Unibanco - Uniao de Bancos Brasileiros | US $54 | 4-Aug-03 |
| Peru | Republic of Peru | US $500 | 6-Feb-15 |
| Mexico | Pemex | US $750 | 15-Aug-08 |
| Brazil | Banco Bradesco SA | US $75 | 12-Aug-08 |
| Brazil | BankBoston BCO Multiplo | US $75 | 12-Nov-03 |
| Brazil | Banco Bradesco SA | US $150 | 19-Dec-03 |
| Brazil | Banco Votorantim | US $54 | 19-Aug-03 |
| Brazil | Unibanco - Uniao de Bancos Brasileiros | US $100 | 26-Nov-03 |
| Brazil | Banco ABN Amro Real SA | US $50 | 27-Aug-04 |
| Brazil | Banespa (Banco do Estado Sao ) | US $50 | 20-Feb-04 |
| Brazil | Banco Itau SA | US $65 | 19-Aug-03 |
| Panama | Republic of Panama | US$ 275 | 30-Sep-27 |
| **Total in US$** | | **US$2,198** | |

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".

## Table 8:

**Currency Breakdown**
(% of Latin America's Total)

| Currency | Feb-03 |
|---|---|
| Dollar | 94% |
| Euro | 6% |
| Yen | 0% |

Source: ECLAC, on the basis of data from Merrill Lynch.

## Table 9:

**Issuer Type Breakdown**
(% of Latin America's Total)

| Issuer Type | Feb-03 |
|---|---|
| Sovereign* | 69.38% |
| Corporate** | 30.62% |

Source: ECLAC, on the basis of data from Merrill Lynch.
*Also includes state owned enterpris
city and regional governments
(sovereign-supported and sub-sover
**Also includes bank issuance.

## Table 10:

**New Latin American Debt Issuance**
**First Quarter of 2003**
**Mar-03**

| Country | Issuer | Amount US (million) | Maturity |
|---|---|---|---|
| Mexico | United Mexican States | $1,000.00 | 3-Mar-15 |
| El Salvador | Republic of El Salvador | $348.50 | 24-Jan-23 |
| Peru | Republic of Peru | $250.00 | 6-Feb-15 |
| Brazil | Banco ABN Amro Real SA | $150.00 | 12-Sep-03 |
| Brazil | Unibanco - Uniao de Bancos Brasileiros | $125.00 | 17-Sep-03 |
| Brazil | Banco Safra | $250.00 | 2-Dec-03 |
| Mexico | Pemex | $500.00 | 1-Feb-22 |
| Brazil | Banco ABN Amro Real SA | $150.00 | 31-Dec-03 |
| Brazil | Petrobras | $400.00 | 1-Apr-08 |
| **Total in US$** | | **$3,174** | |

Source: ECLAC, on the basis of data from Merrill Lynch, "Emerging Markets Daily".

## Table 11:

**Currency Breakdown**
(% of Latin America's Total)

| Currency | Mar-03 |
|---|---|
| Dollar | 100% |
| Euro | 0% |
| Yen | 0% |

Source: ECLAC, on the basis of data from Merrill Lynch.

## Table 12:

**Issuer Type Breakdown**
(% of Latin America's Total)

| Issuer Type | Mar-03 |
|---|---|
| Sovereign* | 78.7% |
| Corporate** | 21.3% |

Source: ECLAC, on the basis of data from Merrill Lynch.
*Also includes state owned enterprises, city and regional governments (sovereign-supported and sub-sovereigr
**Also includes bank issuance.