

## MEXICO

### 1. General trends

Real GDP growth in Mexico in 2014 was 2.1%, up 0.7 percentage points on 2013. This increase stems from a good export performance, which was the main driver of economic growth. Year-on-year inflation stood at 4.1% (just above the central bank's target range of 3%-4%), and the fiscal deficit widened from 2.4% to 2.9% of GDP. The balance-of-payments current account deficit was 2.1% of GDP, a small improvement on the 2013 figure (2.4% of GDP).

ECLAC estimates that the Mexican economy will grow by around 2.4% in 2015, another modest growth rate, albeit slightly higher than the previous year. This forecast is based on the following factors: low economic growth during the first quarter of the year (0.4% over the fourth quarter of 2014, adjusted for seasonality); a projected contraction in public revenue and expenditure in the second half of 2015; a still-weak domestic market; and a moderate performance by the United States economy. Other projections for 2015 include an inflation rate of around 3%, a fiscal deficit of about 3% of GDP and a balance-of-payments current account deficit of around 2%.

### 2. Economic policy

Economic policy in 2014 sought to preserve macroeconomic stability in an adverse international climate, especially in light of low international oil prices and their impact on public finances.

#### (a) Fiscal policy

Fiscal policy was slightly expansionary in 2014. The fiscal deficit stood at 2.9% of GDP (as against 2.4% in 2013). Total real federal government revenues were up 2.7%, approximately half the growth seen in 2013 (6.1%). Tax receipts climbed by 11.3% on the back of an increase of 15.2% in the value added tax take, which offset the 7.5% contraction in 2013. Income tax receipts fell by 2.5% in real terms. As a result, the tax burden in 2014 equated to 10.6% of GDP, an increase of almost 1 percentage point on the year-earlier figure of 9.7% of GDP, thanks to the implementation of the fiscal reform adopted in 2013. If the fall in income from oil production—resulting from a decline in investment and in the price of Mexico's crude oil mix—is not reversed, public sector revenues could deteriorate in 2015 and 2016.

Total real public spending expanded by 4.9% in 2014, outstripping the 2013 increase of 4.1%, owing primarily to a 7.5% rise in current expenditure. Capital expenditure, which plays an important role in the country's economic growth, shrank by 4.9%, in contrast to a surge of 25.4% in 2013.

On 30 January 2015 the Ministry of Finance and Public Credit announced public spending cuts equivalent to 2.6% of total net expenditure and 0.7% of GDP. Current expenditure cuts will account for 65% of this reduction and capital spending cuts for 35%, with the latter to be more keenly felt in the second half of the year.

From January to May 2015, public sector revenues grew by 3.9% in real terms compared with the year-earlier period. Tax revenues jumped by 28.5%, with particularly strong real growth in receipts of the special tax on production and services (341.4%), income tax (24.5%) and the general import tax (21.0%). Such vigorous growth was attributable to Mexico's public finance reform, which led to the abolition of the tax consolidation regime and a more efficient process for deducting income tax from public sector wages. Owing principally to a fall of 97.1% in real terms in hydrocarbon duties, non-tax revenues were down by 30.8%, despite a one-off payment of 31.4 billion pesos from the Bank of Mexico corresponding to its operational surplus for the 2014 fiscal year, and 1.8 billion pesos received as payment for a concession for a new national television network. Non-recurring income therefore made up a sizeable proportion of non-tax revenues.

Net spending between January and May 2015 climbed by 8.5% in real terms compared with expenditure during the same period of 2014, as a stabilization fund contribution of 26.4 billion pesos was made by the Mexican Petroleum Fund for Stabilization and Development in January. Current expenditure rose by 7.9% in real terms compared with the year-earlier period, while spending on subsidies, transfers and current contributions soared by 19.2%. Bucking this trend, real-term outlays on personal services dipped by 1.5% during the same period. Spending on physical investment edged up by 0.3% in real terms compared with the same period of 2014.

The public deficit for the period January-May 2015 stood at 180.693 billion pesos, up from 79.233 billion recorded for the same period of 2014. According to the Ministry of Finance and Public Credit, this increase was largely explained by two temporary phenomena which will be offset in the course of the year: contributions to the stabilization funds in January and lower oil revenues, which do not take into account the oil hedging programme, whose benefits will be applied in December 2015 if the price for Mexico's crude oil mix averages less than US\$ 79 per barrel.

The federal public sector's net debt in late 2014 was equivalent to 39.0% of GDP, up from 35.4% at the end of 2013. Debt was issued principally on the domestic market, which took the ratio of domestic debt from 25.2% to 27.0% of GDP. The external debt ratio increased by 1.8 percentage points to 12.0% of GDP. In May 2015, the federal public sector's net domestic debt stood at 4.764 trillion pesos, down 40.3 billion pesos on the balance recorded at year-end 2014. The federal public sector's net external debt amounted to US\$ 158.6 billion, up US\$ 13 billion on year-end 2014.

Nine debt issues totalling US\$ 11.024 billion were placed on the international markets by the federal government in 2014, including a 100-year bond in the amount of 1 billion pounds sterling (around US\$ 1.667 billion) for a yield of 5.75% at maturity. From January to May 2015 the federal government placed five debt issues amounting to US\$ 8.366 billion on the international markets, including a 100-year bond for 1.5 billion euros (around US\$ 1.68 billion) at an interest rate of 4.0%.

In February 2014, Moody's Investors Service upgraded its rating of Mexico's government bonds from Baa1 to A3 (investment grade) with a stable outlook, thanks to the country's adoption of structural reforms.

## **(b) Financial and monetary policy**

Monetary policy in 2014 focused on anchoring inflationary and interest-rate expectations and preventing sharp fluctuations in the yield curve. From October 2013 to mid-2014 the monetary policy rate was maintained at 3.5%. However, owing to slack economic growth and the fact that aggregate demand was unlikely to push up inflation, the board of governors of the Bank of Mexico decided to cut the

reference rate by 50 basis points, setting it at 3.0% in June 2014 and holding it at this level until June 2015.

Despite a weak performance during the first four months of 2015, the United States economy has begun to show signs of recovery. If the United States Federal Reserve's monetary policy normalizes in the second half of 2015, Mexico could raise its monetary policy rate, since higher external rates would likely exert pressure on the country's real exchange rate, inflation and interest rates.

The yield on 28-day treasury certificates (CETES), which are a reference for deposit rates in the financial system, was -0.9% on average in real terms over 2014 and closed December at -4.4%. On the lending side, the Bank of Mexico calculated the annual average nominal rate on household loans to be 10.8% (versus 11.8% in 2013), representing a decrease from 7.8% in 2013 to 6.7% in 2014 in real terms. Bank lending to the private sector expanded by 4.0% in nominal terms, with a rise of 5.8% and 6.4% in credit to consumers and industry, respectively. The Mexican stock exchange (IPyC) increased by 1.4%, expressed as an annual average.

### **(c) Exchange-rate policy**

Exchange-rate volatility was a constant feature of 2014, since the peso's value against other currencies, especially the United States dollar, was sensitive to falling international oil prices and to the possibility that these would remain low for an extended period of time, which would have serious negative consequences for fiscal revenues and for the current account balance.

Against this backdrop and with the aim of curbing volatility and encouraging the smooth operation of the foreign exchange market, the Foreign Exchange Commission set up two intervention mechanisms. The first, in place since 9 December 2014, consists of daily auctions of up to US\$ 200 million at a minimum exchange rate equivalent to the previous day's FIX rate plus 1.5%. The second, introduced in March 2015 and provisionally due to remain in operation until 29 September, consists of daily auctions of up to US\$ 52 million at no minimum price. In late December 2014, the interbank exchange rate was 14.8 pesos to the dollar, representing nominal depreciation of 12.7% compared with year-end 2013. The peso continued to depreciate in nominal terms during the first six months of 2015, owing to uncertainty regarding the normalization of the United States Federal Reserve's monetary policy cycle and the global impact of the economic and financial crisis in Greece.

International reserves totalled US\$ 193.045 billion in late 2014 (versus US\$ 176.579 billion at the end of 2013), equivalent to 17.2% of GDP and 5.8 months of import cover. In late June 2015, international reserves stood at US\$ 192.403 billion.

### **(d) Trade policy**

In 2014 and early 2015 Mexico held intensive talks with European Union countries with a view to opening negotiations on a new free trade agreement. According to the Mexican government, its aim in seeking to update the agreement signed in 2000 is to improve conditions of access of Mexican goods and services to the European market, to strengthen ties between Europe and North America, and to create a transatlantic free trade area.

In the first half of 2015, Mexico continued to participate in the Trans-Pacific Partnership negotiations. This agreement could create links between a dozen economies in the Asia and Pacific

region, thereby abolishing trade barriers and harmonizing regulations for two fifths of the world economy and a third of all world trade.

### 3. The main variables

#### (a) The external sector

The value of exports rose by 4.6% in 2014 over 2013, which represented a greater increase than the previous year (2.5%). Oil exports were down by 13.2%, as both volumes and prices declined. Non-oil exports increased by 7.3% and manufacturing exports were up by 7.2%, driven largely by robust growth in automotive exports. According to the Mexican Automotive Industry Association (AMIA), vehicle exports grew by 9.1% in 2014. External demand was thus the main driver of the country's economic growth.

Export growth was fuelled by an annual expansion in volume terms of 9.5%, while the 4.4% drop in unit prices was the sharpest contraction seen since 2009. This produced a significant decline in the terms of trade (-5.1%). The United States remains the main export destination and accounted for 80.2% of Mexican exports in 2014, versus 78.8% in 2013.

Goods imports experienced annual growth of 4.9%, as against 2.8% in 2013. Capital goods imports posted low growth for the second year running (1.3% in 2013 and 1.5% in 2014), while imports of consumer and intermediate goods rose by 1.7% and 6.0%, respectively, in 2014. The goods balance deficit increased to US\$ 2.573 billion. The value of services exports increased by 4.6% while services imports grew by 8.7%. The goods and services balance therefore posted a deficit equivalent to 1.3% of GDP, 0.2 percentage points wider than in 2013.

The income balance deficit shrank by 11.6% in 2014, while the current transfers balance increased by 8.0% and ran a surplus. Income from family remittances swelled by 8% to US\$ 23.645 billion. As a result, the balance-of-payments current account deficit narrowed from 2.4% of GDP in 2013 to 2.1% of GDP in 2014.

Foreign direct investment totalled US\$ 22.568 billion in 2014, down from US\$ 44.199 billion in 2013. This steep decline is largely explained by a one-off transaction that took place in 2013, when the Belgian-owned multinational Anheuser-Busch InBev acquired the brewery Grupo Modelo for the net sum of US\$ 13.250 billion.

During the first five months of 2015, total exports fell by 2.8% year-on-year while imports decreased by 1.2%, producing a goods trade balance deficit of US\$ 3.303 billion, much wider than the deficit of US\$ 684 million recorded for the same period of 2014. In Family remittances amounted to US\$ 9.928 billion in the year to May, representing year-on-year growth of 3.6%. First-quarter foreign direct investment totalled US\$ 7.573 billion, a drop of 33.6% on the year-earlier period.

#### (b) Economic activity

Economic activity expanded at a moderate pace in 2014, owing to a slowdown in consumption, weaker investment levels associated with a low use of installed production capacity, and falling international oil and mineral prices.

The GDP growth rate was modest throughout the four quarters of 2014 and stood at 2.1% at the end of the year, which was nevertheless higher than the rate of 1.4% recorded in 2013. Domestic demand expanded by 2.5% (as against 1.1% in 2013), owing to greater gross fixed capital formation (3.9%) and moderate growth in consumption, as in 2013 (2.1%). In particular, public consumption was up 2.4%, versus 1.4% in 2013. Nonetheless, the minimal increase in the wage bill led to a slight slowdown in private consumption with regard to the previous year (2.1% in 2014 compared with 2.2% in 2013).

In the first few months of 2015, the Mexican economy did not grow as strongly as expected by the government and by economic analysts in general. ECLAC projects economic growth of 2.4% for 2015, on the basis of the following factors: low economic growth in the first quarter (0.4%, adjusted for seasonality); a projected fall in public revenues owing to lower oil prices and reduced production of Mexico's crude oil mix; a still-weak domestic market, characterized by low wages, modest consumption and weak investment (these last two elements were affected by a sluggish recovery in the construction industry and delays in the implementation of the energy reform due to low international energy prices); and, lastly, a moderate performance by the United States economy, owing to adverse weather conditions, which dampened demand for Mexican goods and services during the first part of the year.

### **(c) Prices, wages and employment**

Consumer prices rose by 4.1% to December 2014, compared with 4.0% in 2013, owing chiefly to higher prices for foods, beverages and tobacco (6.5%), while the pace of growth in housing prices slowed from 3.8% in 2013 to 2.0% in 2014. Core inflation stood at 3.2% at the end of 2014, up from 2.8% in 2013. Wholesale prices rose by 3.7% in 2014 (as against 1.7% the previous year).

In annualized terms, inflation retreated to 2.9% in May 2015, its lowest level since records began 45 years ago. Core inflation was 2.3%. In light of the fact that domestic demand is weak and exchange-rate variations have not fed into price pressures in recent months, inflation is expected to end 2015 very close to the floor of the target range (3.0%).

In association with lacklustre economic growth, the annual average national employment rate dipped from 60.3% in 2013 to 59.8% in 2014. Owing to a similar contraction in labour market participation, the national unemployment rate remained stable (4.8%, versus 4.9% in 2013). The proportion of the economically active population employed in the informal sector decreased by 0.9 percentage points to 27.4%. No change was recorded in underemployment (8.4%). The number of workers registered with the Mexican Social Security Institute (IMSS) increased by 4.3% in 2014 (versus 2.9% in 2013). By the end of 2014, the number of workers registered with the Institute had reached 17.2 million, up from 16.5 million at the end of 2013. Some of this increase is likely to be due to the success of the Employment Formalization Programme, spearheaded by the Ministry of Labour and Social Security (STPS), and although it does not reflect job creation, it does indicate a significant improvement for workers.

Between January and May 2015, the national employment rate dropped; nevertheless, owing to a sharp fall in labour market participation, the national unemployment rate retreated to 4.4%, down from 4.9% in the year-earlier period. From May 2014 to May 2015, the number of workers registered with IMSS rose by 4.2%, slowing slightly from 4.3% at the end of 2014.

The real minimum wage rose by 0.2% in 2014, while the real manufacturing wage increased by 0.7%. In early 2015, the minimum wage was up by a nominal 4.2%, which translated into a real increase

of 1.1%, and the average manufacturing wage rose by 2.9% in nominal terms, representing a decrease of 0.2% in real terms. Employers, unions and the government agreed to set up a wage convergence process for the three wage zones. From 1 April 2015, the general minimum wage was raised to 68.28 pesos a day in geographical area B (1.83 pesos a day more than in 2014), but remained unchanged at 70.10 pesos a day in geographical area A. The National Minimum Wage Commission expects there to be a single minimum wage for the whole country by October 2015.

Table 1  
MEXICO: MAIN ECONOMIC INDICATORS

	2006	2007	2008	2009	2010	2011	2012	2013	2014 a/
	<b>Annual growth rates b/</b>								
Gross domestic product	5.0	3.2	1.4	-4.7	5.2	3.9	4.0	1.4	2.1
Per capita gross domestic product	3.7	1.9	0.1	-5.9	4.0	2.7	2.8	0.3	1.0
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	6.1	4.6	0.7	-3.9	3.4	-6.1	8.3	2.6	3.6
Mining and quarrying	-0.7	-1.4	-3.7	-4.0	0.9	-0.4	0.9	-0.1	-2.4
Manufacturing	4.5	1.0	-1.0	-8.4	8.5	4.6	4.0	1.1	3.8
Electricity, gas and water	12.1	6.3	1.3	1.3	4.5	6.9	2.1	0.5	1.8
Construction	8.7	4.7	3.8	-6.1	0.8	4.1	2.5	-4.8	1.9
Wholesale and retail commerce, restaurants and hotels	6.2	3.9	0.1	-12.1	10.5	8.7	4.8	2.3	3.3
Transport, storage and communications	7.2	8.1	1.8	-2.3	5.3	4.2	8.2	3.5	2.0
Financial institutions, insurance, real estate and business services	5.4	4.4	5.6	-0.7	5.1	4.3	3.7	3.1	2.0
Community, social and personal services	2.7	2.1	1.4	0.8	1.1	0.7	2.9	1.1	1.5
Gross domestic product, by type of expenditure									
Final consumption expenditure	5.2	3.0	2.1	-5.2	5.1	4.5	4.7	2.1	2.1
Government consumption	3.4	2.5	3.0	2.2	1.7	2.4	3.5	1.4	2.4
Private consumption	5.5	3.0	1.9	-6.5	5.7	4.8	4.9	2.2	2.1
Gross capital formation	11.1	3.7	6.2	-13.3	4.5	5.4	5.9	-2.0	3.9
Exports (goods and services)	7.7	3.6	-1.3	-11.8	20.5	8.2	5.8	2.2	7.4
Imports (goods and services)	10.2	5.9	4.4	-17.6	20.5	8.0	5.5	2.5	5.7
Investment and saving c/	<b>Percentajes of GDP</b>								
Gross capital formation	23.5	23.4	24.4	22.9	22.1	22.3	23.1	21.7	21.8
National saving	22.7	22.0	22.6	22.0	21.6	21.2	21.8	19.3	19.7
External saving	0.8	1.4	1.8	0.9	0.5	1.1	1.3	2.4	2.0
Balance of payments	<b>Millions of dollars</b>								
Current account balance	-7,810	-14,675	-20,194	-8,328	-5,023	-13,305	-15,877	-30,446	-26,453
Goods balance	-6,312	-10,311	-17,615	-4,926	-2,943	-1,205	291	-909	-2,573
Exports, f.o.b.	250,319	272,293	291,886	229,975	298,860	350,004	371,442	380,729	397,866
Imports, f.o.b.	256,631	282,604	309,501	234,901	301,803	351,209	371,151	381,638	400,440
Services trade balance	-7,733	-7,661	-7,976	-10,218	-10,557	-14,793	-14,563	-12,012	-13,874
Income balance	-19,714	-23,109	-20,071	-14,777	-13,059	-20,281	-24,164	-38,767	-32,919
Net current transfers	25,949	26,405	25,469	21,593	21,537	22,974	22,559	21,243	22,913
Capital and financial balance d/	11,650	23,805	34,992	16,784	49,884	54,103	53,566	68,210	59,418
Net foreign direct investment	15,224	24,064	27,453	8,075	11,033	10,740	-3,519	31,488	17,594
Other capital movements	-3,573	-259	7,539	8,709	38,851	43,363	57,085	36,722	41,824
Overall balance	2,206	10,856	8,078	4,528	20,615	28,180	17,524	17,789	16,329
Variation in reserve assets e/	-2,206	-10,856	-8,078	-4,528	-20,615	-28,180	-17,524	-17,789	-16,329
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	100.0	100.9	103.4	117.9	109.0	109.1	112.6	106.8	108.2
Terms of trade for goods (index: 2010=100)	102.9	103.8	104.6	92.9	100.0	107.2	105.0	104.9	99.6
Net resource transfer (millions of dollars)	-9,698	2,423	8,201	-1,921	12,579	21,204	9,237	9,468	9,862
Total gross external debt (millions of dollars)	119,788	125,494	124,007	160,787	193,950	208,972	223,733	254,747	279,861
Employment	<b>Average annual rates</b>								
Labour force participation rate g/	58.8	58.8	58.7	58.6	58.4	58.6	59.2	60.3	59.8
Open unemployment rate h/	4.6	4.8	4.9	6.7	6.4	5.9	5.8	5.7	5.8
Visible underemployment rate g/	6.8	7.2	6.8	8.8	8.7	8.6	8.5	8.3	8.1

Table 1 (concluded)

	2006	2007	2008	2009	2010	2011	2012	2013	2014 a/
<b>Prices</b>	<b>Annual percentages</b>								
Variation in consumer prices (December-December)	4.1	3.8	6.5	3.6	4.4	3.8	3.6	4.0	4.1
Variation in industrial producer prices (December-December)	7.3	5.4	7.8	4.1	4.7	8.8	0.4	1.5	1.8
Variation in nominal exchange rate (annual average)	0.1	0.2	2.1	21.1	-6.5	-1.5	5.7	-3.0	4.3
Variation in average real wage	1.6	1.5	0.2	-1.0	-0.9	0.8	0.2	-0.1	0.4
Nominal deposit rate i/	6.1	6.0	6.7	5.1	4.2	4.2	4.2	3.9	3.2
Nominal lending rate j/	7.5	7.6	8.7	7.1	5.3	4.9	4.7	4.3	3.6
<b>Federal government</b>	<b>Percentages of GDP</b>								
Total revenue	14.8	15.0	16.7	16.6	15.7	16.0	15.7	16.8	16.9
Tax revenue	8.5	8.8	8.1	9.4	9.5	8.9	8.4	9.7	10.6
Total expenditure	16.5	16.9	18.3	18.7	18.4	18.5	18.4	19.3	19.8
Current expenditure	13.9	14.0	14.8	16.1	15.7	15.8	15.9	16.1	16.9
Interest	1.5	1.4	1.4	1.7	1.5	1.5	1.6	1.6	1.6
Capital expenditure	2.6	2.9	3.5	2.6	2.6	2.7	2.5	3.1	2.9
Primary balance k/	-0.3	-0.5	-0.2	-0.5	-1.2	-1.0	-1.1	-0.8	-1.2
Overall balance k/	-1.7	-1.9	-1.6	-2.2	-2.7	-2.5	-2.6	-2.4	-2.9
Federal government public debt	20.2	20.6	24.0	27.2	27.2	27.5	28.2	29.8	32.0
Domestic	15.9	16.6	19.4	22.0	21.8	21.7	22.7	24.2	25.5
External	4.3	4.0	4.6	5.2	5.3	5.8	5.6	5.6	6.5
<b>Money and credit</b>	<b>Percentages of GDP, end-of-year stocks</b>								
Domestic credit	34.4	37.0	37.0	43.2	44.5	44.9	46.7	49.6	50.5
To the public sector	15.0	15.4	16.2	20.4	20.1	19.2	19.2	18.9	19.2
To the private sector	19.4	21.6	20.8	22.8	24.3	25.8	27.6	30.6	31.2
Monetary base	4.3	4.3	4.7	5.2	5.2	5.3	5.4	5.7	6.2
Money (M1)	10.6	10.9	11.1	12.2	12.8	13.4	13.6	14.4	15.4
M2	18.6	19.4	21.1	22.3	22.1	22.3	22.5	23.7	24.7
Foreign-currency deposits	1.3	1.2	1.2	1.4	1.2	1.2	1.3	1.4	1.8

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2008 prices.

c/ Based on values calculated in national currency and expressed in current dollars.

d/ Includes errors and omissions.

e/ A minus sign (-) indicates an increase in reserve assets.

f/ Annual average, weighted by the value of goods exports and imports.

g/ Nationwide total.

h/ Urban areas.

i/ Cost of term deposits in the multibanking system.

j/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve.

Includes only stock certificates.

k/ Does not include non-budgeted expenditure.



Table 2  
MEXICO: MAIN QUARTERLY INDICATORS

	2013				2014				2015	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	1.0	1.8	1.6	1.1	2.0	1.7	2.2	2.6	2.5	...
Gross international reserves (millions of dollars)	171,431	170,566	173,778	178,851	184,078	190,658	193,200	196,476	198,383	197,388 c/
Real effective exchange rate (index: 2005=100) d/	106.2	104.7	108.3	107.9	107.9	107.3	107.6	110.1	115.3	118.7 c/
Open unemployment rate e/	5.7	6.0	5.9	5.3	5.8	6.1	6.3	5.2	5.0	...
Employment rate e/	57.4	58.4	58.1	58.8	57.5	57.4	57.2	57.3	57.5	...
Consumer prices (12-month percentage variation)	3.7	4.5	3.4	3.7	4.2	3.6	4.1	4.2	3.1	3.0 c/
Wholesale prices (12-month percentage variation)	0.7	0.4	0.8	1.1	1.6	2.3	2.1	1.8	1.2	2.0 c/
Average nominal exchange rate (pesos per dollar)	12.6	12.5	12.9	13.0	13.2	13.0	13.1	13.9	15.0	15.3
Nominal interest rates (average annualized percentages)										
Deposit rate g/	4.2	3.9	3.8	3.6	3.5	3.4	3.1	3.0	3.0	3.0 f/
Lending rate h/	4.6	4.3	4.2	3.8	3.9	3.7	3.3	3.3	3.4	3.5 c/
Interbank rate	4.7	4.3	4.2	3.9	3.8	3.7	3.3	3.3	3.3	3.3 f/
Monetary policy rates	4.3	4.0	3.9	3.6	3.5	3.3	3.0	3.0	3.0	3.0 c/
Sovereign bond spread, Embi + (basis points to end of period) i/	158	194	181	155	156	139	166	182	192	194
Risk premiia on five-year credit default swap (basis points to end of period)	97	131	122	92	87	68	87	103	126	131
International bond issues (millions of dollars)	5,547	5,852	19,700	10,630	14,713	12,047	3,807	7,025	13,945	11,589
Stock price index (national index to end of period, 31 December 2005 = 100)	248	228	226	240	227	240	253	242	246	253
Domestic credit (variation from same quarter of preceding year)	10.2	9.3	8.2	9.8	9.4	9.9	11.0	9.2	11.6	11.7 f/
Non-performing loans as a percentage of total credit	2.6	3.0	3.3	3.4	3.4	3.4	3.4	3.3	3.1	3.1 f/

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2008 prices.

c/ Figures as of May.

d/ Quarterly average, weighted by the value of goods exports and imports.

e/ Urban areas.

f/ Figures as of April.

g/ Cost of term deposits in the multibanking system.

h/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve. Includes only stock certificates.

i/ Measured by J.P.Morgan.