MEXICO

1. General trends

Mexico's economy posted real growth of 2.5% in 2015, compared with 2.3% in 2014. This increase was driven by robust private consumption in the second half of the year, which offset negative export figures. Year-on-year inflation came to 2.1% in December (versus 4.1% in 2014), at the low end of the central bank's target range (between 2% and 4%). The national unemployment rate stood at 4.4% on average (versus 4.8% in 2014) and the public sector fiscal deficit came to 3.5% of GDP, higher than the previous year's figure (3.1% of GDP). The balance-of-payments current account deficit stood at 2.8% of GDP (versus 1.9% in 2014).

ECLAC estimates that economic growth in 2016 will slightly underperform the previous year, at 2.3%. Some of the factors directly responsible for this are the weak performance of the manufacturing sector in the United States (which is linked closely to Mexican exports), global economic instability, the decline in oil production in Mexico and the low price of Mexico's crude oil mix, which will cut into revenue and public spending, and slightly reduce domestic consumption momentum in the second half of the year.

Forecasts for 2016 include year-on-year inflation of 3% in December, with national unemployment at 4%, the fiscal deficit at around 3% of GDP and the balance-of-payments current account deficit representing 3.1% of GDP.

2. Economic policy

In 2015, economic policy remained focused on preserving the country's macroeconomic stability in an adverse economic climate owing mainly to the global economic slowdown and a steep fall in international oil prices, which hurt the country's public finances.

(a) Fiscal policy

Fiscal policy was slightly expansionary in 2015. The public sector fiscal deficit widened by four tenths of a percentage point compared with 2014, while the primary deficit stood at 1.3% of GDP (versus 1.1% in 2014). The strong performance of the domestic market and administrative improvements helped cushion the decline in oil revenues caused by falling production and international oil prices.

Public sector revenues rose by 4.3% in real terms compared with 2014. Non-oil income, which represented 80.2% of total revenues, rose by 20.7%. In this latter category, tax revenues jumped by 27.2%, partly owing to one-off effects such as the abolition of the tax consolidation regime and administrative improvements in procedures for withholding income tax on public sector wages, and from an increase of 31.3% in non-tax income.

Mexico benefited from oil hedging (insurance against falling oil prices) representing 107.512 billion pesos (equivalent to 0.6% of GDP). The higher tax take helped offset the 32.8% contraction in oil revenues (which represented 19.8% of total revenues in 2015, compared with 30.7% in 2014 and 35.4% in 2013).

On 30 January 2015, the Ministry of Finance and Public Credit announced spending cuts of 0.7% of GDP to the budget approved for the year. Nonetheless, net spending at the end of the year rose by about 0.7% of GDP. Total public sector spending and budgeted spending rose by 5.2% and 4.1% respectively, in real terms. These increases stemmed partly from the federal government’s capital injection in Petróleos Mexicanos (PEMEX), as provided under the Federal Budget and Fiscal Responsibility Act, to cover a portion of the company’s pension-related liabilities, and the creation of an investment fund for infrastructure programmes and projects with the Bank of Mexico’s operating surplus. In real terms, current and capital spending rose by 4.9% and 1.7%, respectively, while physical investment declined by 8.3%.

At the end of 2015, federal public sector net debt (which includes the net debt of the federal government, State-owned enterprises and the development bank) came to 43.2% of GDP, 4.6 percentage points higher than the prior-year level (38.6% of GDP), owing partly to exchange-rate adjustments (which contributed 1.8 percentage points to the increase). The historical balance of public sector financing requirements, the most comprehensive measure of the country’s debt, came to 45.7% of GDP (with domestic and external debt representing, respectively, 31.6 and 14.1 of these points), which was 4.3 percentage points higher than the year-earlier period.

Public sector budgetary revenues grew by 14.1% in the first five months of 2016 in real terms compared with the year-earlier period. Oil revenues fell by 11.7%, while non-oil revenues rose by 19.7%. Within this latter category, non-tax income jumped by 152.5%, owing mainly to the Bank of Mexico’s operational surplus, which came to 239.094 billion pesos. Tax revenues rose by 9.5% compared with the year-earlier period.

Net public spending in the first five months of 2016 grew by 0.1%, physical investment dropped by 18.8% and public sector financing costs rose by 17.7%, all in real terms. Between January and May 2016, the government generated a surplus of 72.758 billion pesos.

On 17 February and 24 June 2016, the Ministry of Finance and Public Credit announced two public spending cuts for the full-year budget —the first at 132.363 billion pesos (equivalent to 0.7% of GDP) and the second at 31.715 billion pesos (equivalent to 0.2% of GDP)— in response to financial uncertainty stemming from “Brexit”, the outcome of the referendum on the United Kingdom’s departure from the European Union. Fiscal policy is expected to turn less expansionary over the year.

(b) Monetary policy

Monetary policy was slightly expansionary in 2015. The benchmark rate held steady at 3% from June 2014 to 16 December 2015. However, on 17 December 2015, the Bank of Mexico’s board of governors decided to raise it to 3.25%, owing mainly to the 25-basis-point increase in the United States Federal Reserve’s targeted range the previous day.

The nominal average lending rate applicable to credit cards and mortgage loans in 2015 came to 28.5% (25.1% in real terms, almost 1.5 percentage points higher than in 2014). Meanwhile, the deposit rate (defined as the cost of deposit-taking for full-service banks) was 3% in nominal terms (0.3% in real terms, slightly less than one percentage point higher than the previous year).

Commercial banks’ current lending to the private sector was up by 11.4% in real terms year-on-year in December 2015, owing mainly to robust domestic demand, moderate inflation and the positive effects of the 2014 financial reform. The three main loan segments —consumer, mortgage and corporate— picked up strongly in the second half of the year and posted real annual growth rates of 7.8%, 10% and 11.4%, respectively, in December.

On 17 February and 30 June 2016, the Bank of Mexico's board of governors increased the interbank overnight rate target by 50 basis points, to 4.25%, owing to the volatility in international financial markets. Further increases during 2016 have not been ruled out and, if confirmed, would reflect a slightly contractionary strategy.

In May 2016, commercial banks' current loan portfolio for the private sector showed growth of 10.9% year-on-year in real terms. Within this portfolio, consumer, mortgage and corporate loans rose year-on-year by 10.1%, 10.2% and 11.9%, respectively, in real terms.

The credit rating agencies Fitch, S&P and Moody's maintained "investment grade" sovereign bond ratings for Mexico until June 2016. However, Moody's had changed its rating outlook from stable to negative in April. It had also downgraded its rating on PEMEX from Baa1 to Baa3, one notch above speculative grade, and changed its outlook from stable to negative. The reasons for the changes included falling oil prices and production, a heavy tax burden and high financial leverage.

(c) Exchange-rate policy

The average FIX rate for 2015 fell 19.3% against the dollar in nominal terms, compared with the 2014 average (in real terms, it fell 16.2%), owing mainly to the strengthening of the dollar amid uncertainty about when the United States Federal Reserve would begin raising interest rates, weaker foreign-exchange inflows from oil revenues and global financial volatility.

Against this backdrop, the Bank of Mexico's foreign-exchange commission strengthened mechanisms to generate liquidity on the currency market by holding daily auctions of US$ 400 million (both with and without a minimum price) between 30 July 2015 and 17 February 2016. Afterwards, and on top of the announced public spending cuts and increase in the monetary policy rate target, the central bank decided to suspend dollar sales immediately, with discretionary interventions to avoid systematic speculative attacks.

International reserves began declining in 2015 as a result of these auctions, falling to US$ 176.723 billion at the end of December (equivalent to 15.5% of GDP and 5.4 months of exports), compared with US$ 193.045 billion a year earlier. Aside from international reserves, Mexico still has a flexible credit line of about US$ 88 billion with the International Monetary Fund (extended on 27 May 2016, until May 2018), which cost US$ 225 million in 2015.

The Mexican peso had depreciated by 7% against the dollar in nominal terms at 30 June 2016 compared with the end of 2015, owing mainly to the fluctuations in international oil prices, global financial uncertainty and the weak global economy. The central bank reported reserves of US$ 177.335 billion at 24 June 2016.

(d) Other policies

As part of the energy reform, the government completed three of the four phases of the first round of tenders for oil exploration and extraction in 2015. On 15 July, it awarded 2 of the 14 blocks being auctioned in the first phase in shallow-water exploration zones and extraction fields in the Gulf of

Mexico. In the second phase (30 September), it awarded three of five shallow-water blocks. And on 15 December, it completed the third phase involving onshore fields, which has been the most successful auction until now, as all 25 fields were awarded. This outcome was favoured by more flexible corporate guarantee and equity conditions, and is expected to increase oil production by about 200,000 barrels per day, while US$ 7 billion is set to be invested over the next 25 years. Moreover, between 18% and 93% of gross income from the awarded projects will go to the State.

For the fourth phase of round one, due to be held in December 2016, the National Hydrocarbon Commission has approved auctions for deepwater and ultra-deepwater hydrocarbon exploration and extraction in 10 zones in the Gulf of Mexico. The authorities expect an investment of about US$ 44 billion in 25 years. Auctions for the first two phases of the second round are set to be held in the second half of 2016.

In February 2016, Mexico and 11 other countries (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore, Viet Nam and the United States) signed the Trans-Pacific Partnership Agreement, which will eliminate tariff barriers between these countries once it is ratified by each one, probably towards the end of the year.

In April 2016, the Mexican congress approved the Special Economic Zone Act, with which it aims to balance productivity at the regional level with the creation of new industrial development zones in less economically developed states. At the end of that month, it approved the Financial Discipline for States and Municipalities Act, which aims to ensure sustainable finances and imposes checks and balances on borrowing at these levels of government and in Mexico City.

3. The main variables

(a) The external sector

The value of goods exports declined by 4.1% year-on-year in 2015, contrasting with the 14.9% increase in volume. The sharp drop in oil exports (-45%) was not offset by the increase in non-oil exports (0.8%). Meanwhile, goods imports declined by 1.2% compared with 2014, the net result of a 1.4% increase in non-oil imports and a 19.7% drop in oil imports. On an annual basis, consumer and intermediate goods imports decreased by 3.5% and 1.6% respectively, while capital goods imports rose 5.2%.

The current account posted a deficit of US$ 31.874 billion in 2015 (2.8% of GDP), which was the country’s largest since 1998 (when the deficit stood at 3.2%). This included a US$ 14.524 billion deficit on the goods trade balance (much higher than the US$ 2.790 billion deficit in 2014), owing to the collapse in oil exports and stagnant manufacturing trade. The terms of trade fell 13.6%, almost three times the deterioration seen in 2014 (-5.1%).

Crude oil exports generated US$ 23.432 billion in 2015, while foreign-exchange inflows from remittances came to US$ 24.792 billion (these increased 4.8% and were equivalent to 2.2% of GDP). This was the first time since official figures began (1980) that inflows from remittances exceeded crude oil exports, mainly owing to the sharp decline in the price of Mexico’s crude oil mix (-49.3%). Moreover, employment rates improved for Mexican immigrants in the United States compared with the previous year, so more were able to send larger sums home to relatives in Mexico. Meanwhile, tourism generated income of US$ 17.457 billion.

Foreign direct investment (FDI), mainly from the United States (53.4% of the total), came to US$ 30.285 billion in 2015 (equivalent to 2.6% of GDP) and was 18% higher than in 2014 (US$ 25.675 billion). Considering outward FDI by Mexican residents, net FDI stood at US$ 18.158 billion, which funded 57% of the current account deficit.

From January to May 2016, total exports decreased by 5% year-on-year, owing to declines of 2.6% and 38.7%, respectively, in non-oil and oil exports. Within the non-oil exports category, those destined for the United States (83.3% of the total) fell 1% year-on-year, while those to the rest of the world fell by 9.6%. Total imports fell 2.9% in value owing to year-on-year declines of 1.5% in non-oil imports and 17.6% in oil imports. Consumer, intermediate and capital goods imports all decreased year-on-year, by 6.1%, 1.8% and 6.3%, respectively. As a result, the trade balance posted a deficit of US$ 6.592 billion during the first five months of the year (98.2% more than in the year-earlier period).

FDI flows stood at US$ 7.896 billion in the first quarter of 2016. Remittances to Mexico totalled US$ 8.389 billion in the first four months of the year, which was 8.5% higher than the year-earlier period. Foreign-exchange inflows from international tourism rose to US$ 6.778 billion, 7.4% up on the first four months of 2015. As a result, tourism became the country's fourth-largest source of income after automobile exports, FDI and remittances.

(b) Economic activity

The 2.5% economic growth in 2015 stemmed from a gradual improvement in the domestic market, despite a moderate performance by the global economy. On the demand side, total consumption rose 3% year-on-year, including a 3.2% increase in private consumption based on higher disposable income owing to low inflation, improvement in the labour market, expansion of consumer credit and higher remittances from Mexicans abroad. Meanwhile, gross domestic investment rose by 3.3% owing chiefly to an increase in private investment in machinery and equipment, given that construction was weak. Primary activities expanded by 3.1% thanks to strong momentum in agriculture (up 4.1%), and the tertiary and secondary sectors grew by 3.3% and 1.0% respectively.

Seasonally adjusted GDP growth was 2.8% year-on-year in the first quarter of 2016. The primary, secondary and tertiary sectors expanded by 2.7%, 1.9% and 3.7% year-on-year. Nonetheless, the coincident and leading indicators for manufacturing and services are showing signs of a slowdown in the coming months. "Brexit"is expected to have a minimal direct economic impact on Mexico in the short term, but may have a greater indirect effect owing to its impact on the United States (Mexico's largest trading partner) and on global financial uncertainty.

(c) Prices, wages and employment

Inflation of 2.1% at the end of 2015 was half the level seen a year earlier and the lowest in 45 years, owing partly to the reduction in mobile phone rates and the prices of energy and some agricultural products, despite the significant decline in the exchange rate during the year. The core price index rose 2.4% year-on-year, while the non-core price index rose 1.3%. The producer price index (including final goods and services, but not oil) reflected inflation of 4.2% year-on-year in December 2015, compared with 3.7% in 2014.

The 2015 average national unemployment rate of 4.4% was four tenths of a percentage point down on the 2014 figure. Meanwhile, the participation rate (59.8%) and the average informal employment rate (57.9%) remained unchanged. However, the underemployment rate rose from 8.1% in 2014 to 8.3% in 2015.

The National Minimum Wage Commission set the general minimum wage at 70.10 pesos per day nationwide as from 1 October 2015, thereby eliminating wage stratification by economic zone. Data from the Ministry of Labour and Social Security indicate that the contractual wage at the federal level showed an increase of 1.4% in real terms in 2015, which had not happened since 2001.

Price inflation reached 2.6% year-on-year in May 2016, owing to a decline in electricity tariffs and the prices of some agricultural goods. Producer prices jumped, which could result in higher consumer prices at year end. Also in May, the unemployment rate stood at 4% and the underemployment rate at 8.3% of the employed population. The National Minimum Wage Commission announced a nominal increase of 4.2% in the minimum wage for 2016, to 73 pesos per day as from 1 January 2016. In May 2016, contractual wages rose by 1.3% year-on-year in real terms.

Table 1
MEXICO: MAIN ECONOMIC INDICATORS

	2007	2008	2009	2010	2011	2012	2013	2014	2015 a/
	Annual growth rates b/								
Gross domestic product	3.2	1.4	-4.7	5.2	3.9	4.0	1.4	2.2	2.5
Per capita gross domestic product	1.6	-0.3	-6.3	3.6	2.4	2.6	0.0	0.9	1.2
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	4.6	0.7	-3.9	3.4	-6.1	8.3	2.6	3.5	1.4
Mining and quarrying	-1.4	-3.7	-4.0	0.9	-0.4	0.9	-0.1	-1.5	-5.8
Manufacturing	1.0	-1.0	-8.4	8.5	4.6	4.1	1.2	4.1	2.8
Electricity, gas and water	6.3	1.3	1.3	4.5	6.9	2.1	0.5	8.2	4.1
Construction	4.7	3.8	-6.1	0.8	4.1	2.5	-4.8	2.0	2.6
Wholesale and retail commerce, restaurants and hotels	3.9	0.1	-12.1	10.5	8.7	4.8	2.2	3.1	4.7
Transport, storage and communications	8.1	1.8	-2.3	5.3	4.2	8.2	3.4	2.1	5.8
Financial institutions, insurance, real estate and business services	4.4	5.6	-0.7	5.1	4.3	3.7	3.2	1.2	2.0
Community, social and personal services	2.1	1.4	0.8	1.1	0.7	2.9	0.7	0.7	1.8
Gross domestic product, by type of expenditure									
Final consumption expenditure	3.0	2.1	-5.2	5.1	4.5	4.7	2.0	1.8	3.1
Government consumption	2.5	3.0	2.2	1.7	2.4	3.5	1.0	2.1	2.6
Private consumption	3.0	1.9	-6.5	5.7	4.8	4.9	2.1	1.8	3.2
Gross capital formation	3.7	6.2	-13.3	4.5	5.4	5.9	-2.0	3.0	3.3
Exports (goods and services)	3.6	-1.3	-11.8	20.5	8.2	5.8	2.4	7.0	9.0
Imports (goods and services)	5.9	4.4	-17.6	20.5	8.0	5.5	2.6	6.0	5.0
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	23.4	24.4	22.9	22.1	22.3	23.1	21.7	21.6	22.7
National saving	22.0	22.6	22.0	21.6	21.2	21.7	19.3	19.7	19.9
External saving	1.4	1.8	1.0	0.5	1.1	1.4	2.4	1.9	2.8
Balance of payments	**Millions of dollars**								
Current account balance	-14,485	-20,248	-8,523	-5,194	-13,357	-16,698	-30,409	-24,882	-31,874
Goods balance	-10,311	-17,615	-4,926	-2,943	-1,205	291	-909	-2,790	-14,524
Exports, f.o.b.	272,293	291,886	229,975	298,860	350,004	371,442	380,729	397,650	381,049
Imports, f.o.b.	282,604	309,501	234,901	301,803	351,209	371,151	381,638	400,440	395,573
Services trade balance	-7,661	-7,976	-10,218	-10,557	-14,793	-14,005	-10,983	-12,451	-9,448
Income balance	-22,918	-20,126	-14,971	-13,231	-20,333	-25,544	-40,170	-32,556	-32,209
Net current transfers	26,405	25,469	21,593	21,537	22,974	22,559	21,653	22,915	24,307
Capital and financial balance d/	26,179	35,496	16,910	49,917	54,708	57,298	70,516	60,631	32,582
Net foreign direct investment	24,151	27,921	8,296	11,382	11,013	-2,033	32,716	18,213	18,158
Other capital movements	2,028	7,575	8,614	38,536	43,695	59,331	37,799	42,419	14,424
Overall balance	10,856	8,078	4,528	20,615	28,180	17,524	17,789	16,329	-15,667
Variation in reserve assets e/	-10,856	-8,078	-4,528	-20,615	-28,180	-17,524	-17,789	-16,329	15,667
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	100.9	103.4	117.9	109.1	109.1	112.6	106.8	108.2	122.4
Terms of trade for goods (index: 2010=100)	103.3	104.6	92.9	100.0	106.8	102.9	102.8	97.6	92.6
Net resource transfer (millions of dollars)	2,423	8,201	-1,921	12,579	21,204	8,679	8,028	8,655	-16,002
Total gross external debt (millions of dollars)	124,995	123,626	160,427	193,971	209,766	225,973	259,535	285,754	297,896
Employment	**Average annual rates**								
Labour force participation rate g/	58.8	58.7	58.6	58.4	58.6	59.2	60.3	59.8	59.8
Open unemployment rate h/	4.8	4.9	5.9	5.9	5.6	5.4	5.4	5.3	4.7
Visible underemployment rate g/	7.2	6.8	8.8	8.7	8.6	8.5	8.3	8.1	8.4

Table 1 (concluded)

	2007	2008	2009	2010	2011	2012	2013	2014	2015 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	3.8	6.5	3.6	4.4	3.8	3.6	4.0	4.1	2.1
Variation in industrial producer prices (December-December)	5.4	7.8	4.1	4.7	8.8	0.4	1.5	1.8	3.0
Variation in nominal exchange rate (annual average)	0.2	2.1	21.1	-6.5	-1.5	5.7	-3.0	4.3	19.2
Variation in average real wage	1.5	0.2	-1.0	-0.9	0.8	0.2	-0.1	0.4	1.5
Nominal deposit rate i/	6.0	6.7	5.1	4.2	4.2	4.2	3.9	3.2	3.0
Nominal lending rate j/	...	...	...	...	29.9	28.6	27.9	28.6	28.5
Federal government	**Percentajes of GDP**								
Total revenue	15.0	16.7	16.6	15.7	16.0	15.7	16.8	16.8	17.5
Tax revenue	8.8	8.1	9.4	9.5	8.9	8.4	9.7	10.5	13.0
Total expenditure	16.9	18.3	18.7	18.4	18.5	18.4	19.3	19.6	20.6
Current expenditure	14.0	14.8	16.1	15.7	15.8	15.9	16.1	16.8	17.3
Interest	1.4	1.4	1.7	1.5	1.5	1.6	1.6	1.7	1.7
Capital expenditure	2.9	3.5	2.6	2.6	2.7	2.5	3.1	2.9	3.3
Primary balance k/	-0.5	-0.2	-0.5	-1.2	-1.0	-1.1	-0.8	-1.1	-1.3
Overall balance k/	-1.9	-1.6	-2.2	-2.7	-2.5	-2.6	-2.4	-2.8	-3.0
Federal government public debt	20.6	24.0	27.2	27.2	27.5	28.2	29.8	31.8	35.0
Domestic	16.6	19.4	22.0	21.8	21.7	22.7	24.2	25.4	27.3
External	4.0	4.6	5.2	5.3	5.8	5.6	5.6	6.4	7.7
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	37.0	37.0	43.2	44.5	44.9	46.7	49.6	50.3	54.2
To the public sector	15.4	16.2	20.4	20.1	19.2	19.2	18.9	19.2	20.2
To the private sector	21.6	20.8	22.8	24.3	25.8	27.6	30.7	31.1	34.0
Monetary base	4.3	4.7	0.2	5.2	5.3	5.4	5.7	6.2	6.8
Money (M1)	10.9	11.1	12.2	12.8	13.4	13.6	14.4	15.3	16.6
M2	19.4	21.1	22.3	22.1	22.3	22.5	23.7	24.6	26.3
Foreign-currency deposits	1.2	1.2	1.4	1.2	1.2	1.3	1.4	1.8	2.3

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

	2014				2015				2016	
	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/	2.3	1.8	2.3	2.6	2.6	2.3	2.7	2.4	2.6	...
Gross international reserves (millions of dollars)	184,078	190,658	193,199	196,476	198,383	196,360	187,476	175,800	178,146	180,735 c/
Real effective exchange rate (index: 2005=100) d/	107.9	107.3	107.6	110.1	115.3	119.6	127.4	127.4	135.1	136.3 c/
Open unemployment rate e/	5.3	5.4	5.8	4.9	4.6	4.8	5.0	4.5	4.4	...
Employment rate e/	56.9	56.9	56.8	56.9	56.7	57.1	57.2	57.9	56.8	...
Consumer prices (12-month percentage variation)	3.8	3.8	4.2	4.1	3.1	2.9	2.5	2.1	2.6	2.6 c/
Wholesale prices (12-month percentage variation)	1.7	2.0	1.8	1.8	1.7	2.4	2.9	3.0	4.0	5.8
Average nominal exchange rate (pesos per dollar)	13.2	13.0	13.1	13.9	15.0	15.3	16.5	16.8	18.0	18.1
Nominal interest rates (average annualized percentages)										
Deposit rate f/	3.5	3.4	3.1	3.0	3.0	3.0	3.0	3.0	3.2	3.5
Lending rate g/	28.5	28.4	28.9	28.7	28.6	28.6	28.5	28.3	28.3	...
Interbank rate	3.8	3.7	3.3	3.3	3.3	3.3	3.3	3.4	3.8	4.1
Monetary policy rates	3.5	3.3	3.0	3.0	3.0	3.0	3.0	3.1	3.6	3.9
Sovereign bond spread, Embi + (basis points to end of period) h/	156	139	166	182	192	194	247	232	227	213
Risk premiia on five-year credit default swap (basis points to end of period)	87	68	87	103	126	131	176	170	162	159
International bond issues (millions of dollars)	14,713	12,047	3,807	7,025	13,945	11,589	825	4,016	16,291	4,180
Stock price index (national index to end of period, 31 December 2005 = 100)	227	240	253	242	246	253	239	241	258	258
Domestic credit (variation from same quarter of preceding year)	9.4	9.9	11.0	9.2	11.5	11.4	12.8	13.7	15.4	13.1 i/
Non-performing loans as a percentage of total credit	3.4	3.4	3.4	3.3	3.1	3.0	2.9	2.8	2.6	2.5 i/

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/ Cost of term deposits in the multibanking system.
g/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve. Includes only stock certificates.
h/ Measured by J.P.Morgan.
i/ Figures as of April.

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