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**ECONOMIC SURVEY
OF LATIN AMERICA
1980**

PRELIMINAR SUMMARY

I. THE INTERNATIONAL SETTING

Before examining the economic situation in Latin America in 1980 it is desirable in order to provide a global framework for the subsequent analysis, to review briefly world economic trends during that year. The review will cover trends in economic growth, inflation, international trade and external financing in the industrialized countries, the centrally planned economies and the oil-exporting and non-oil-exporting developing countries.

Since the mid-1970s the world economy has evidenced a marked slowdown from the unprecedented growth and prosperity that was enjoyed in the two decades following World War II. While it is uncertain whether the downturn is due to cyclical or structural factors and whether it is of a temporary or permanent nature, it is nevertheless evident that the slowdown is more prolonged and severe than might have been expected by many when the open manifestation of world-wide problems first appeared in late 1973. Moreover, as will become clear from the ensuing analysis, events in 1979-1980 represent a second major setback for a world economy that had been displaying some signs of successful adjustment to the all too well-known economic shocks of 1973-1974.

1. Output

In 1980 the growth of world output slipped to only 2.2%, which is considerably below the growth rate of 3.8% achieved in 1979 and less than half of the recovery rate of 4.7% recorded in 1976-1978. Moreover, the slowdown was all-pervasive, as every major country group suffered a serious loss of dynamism in economic activity (see table 1). The most severe reduction in output growth was in the developed market economies (which basically represent the OECD area), as their joint Gross Domestic Product rose by only 1.5%, in contrast with nearly 4% the year before. The centrally planned economies also experienced a slippage in their growth rates with respect to the modest expansion of 1979. As for the developing countries, they suffered a serious setback to their growth aspirations, with output expanding by merely 1% less than the already modest rate of 4.8% recorded in 1979; indeed, growth was only slightly higher than that recorded in the deep recession of 1975.

The gravity of the world recession in 1980 can perhaps be better appreciated by viewing the data on world industrial production in table 2. Here it is seen that the volume of world industrial output grew by only 1.5% in 1980, the second worst performance of the decade (in 1975 output underwent an absolute decline). It can also be seen that in this same year (1980) the growth of industrial output in the developed market economies was virtually nil, while the expansion in the developing countries was a disappointing 1.8%. In 1975, when world industrial production plummeted in absolute terms, the centrally planned economies managed to insulate themselves from overall trends; this was clearly not the case in 1980, however, as the expansion of their industrial output was considerably less than half that of 1973-1974.

Turning to a slightly more detailed examination of the economic blocs, it is seen that the downturn in the OECD area was generalized, but not as severe as that which was experienced in 1974-1975 (see table 3). The worst performances were those of the United States and the United Kingdom, where output declined in absolute terms. The primary factor underlying these events was a roughly 140% increase in the average price of petroleum¹ in 1979-1980 that eroded the area's terms of trade and reduced income by an estimated 2.2%.² Slower growth of personal incomes adversely affected residential investment, which was also severely hurt by tight monetary policies introducing extraordinarily high domestic interest rates in many OECD countries (see table 4). Furthermore, fiscal restraint has become a watchword in many countries and thus trends in government consump-

¹The annual average official price of OPEC crude rose from 12.93 dollars in 1978 to 30.87 dollars in 1980. The bulk of the price rise took place in 1979, with the price stabilizing at around 32 dollars by mid-1980.

²See OECD, *Economic Outlook* No. 28, December 1980, p. 13.

tion introduced a procyclical contractionary effect. Non-residential investment also sagged in this depressed environment, but it is important to note that it did not collapse, as was the case in 1975, apparently due to the fact that investors were somewhat better conditioned to withstand the upheavals brought about by changing world oil prices.

Growth of the material product in the Soviet Union and the Eastern European countries is estimated to have been about 2.9% in 1980: slightly higher than the low rate of 2.5% recorded in 1979, but well below the average expansion of 6.3% achieved in 1971-1975. The Soviet Union—bolstered by favourable terms of trade, due in part to its petroleum exports—was actually able to significantly expand real output in 1980. This was not the case for the Eastern European countries, however, which generally encountered difficult situations with regard to external balances that necessitated a tight rein on economic activity (in the case of Hungary and Poland, output declined in absolute terms). It should also be added that the economic performance of this group of countries was hand capped for the second consecutive year by poor agricultural output: it is estimated that production declined by 3% in 1980, following a 2% drop in 1979.

In China there was a slowing down of production in industry and agriculture from a growth rate of more than 6% in 1979 to something less than 5% in 1980. Poor harvests were a major factor behind this performance, but there was also a noticeable slackening in the rate of growth of heavy industry.

It is evident that in 1980 the developing countries were unable to insulate themselves from the world recession as some of them did in 1975; as may be seen from table 5, only South and East Asian countries were able to accelerate growth with respect to 1979.

Countries that are net exporters of petroleum saw their growth rates slip from 5.5% in 1979 to 4% in 1980. A primary factor behind the less dynamic performance was the reduced petroleum production that was induced by the recession in the OECD and mild winter weather in the northern hemisphere.

The Iran-Iraq war was an additional factor. But it should also be mentioned that a number of oil producers have been deliberately aiming at more moderate growth rates in order to minimize the social and economic disturbances that can be associated with rapid growth; moreover, some countries are focussing their projects on social development which in the near term tends to produce less dramatic rates of economic expansion.

In 1980 growth sagged further for the net importers of energy (see again table 5) on account of adverse terms of trade and less favourable conditions for securing finance to support high growth rates. Some large countries such as Brazil and India were able to accelerate their growth rates in 1980 partly on account of sharp recoveries in agricultural production, but while some other countries also enjoyed better harvests, on a per capita basis there was no gain in agricultural output for this group of countries.³

2. Prices

Serious inflationary pressures continued to plague the world economy even in the face of a sharp economic slowdown in all geographic areas.

In the OECD area, prices rose, on an annual average basis, by 12.5% in 1980, which is a marked increase over the 9.8% rate of 1979 and roughly four times the rate of increase in prices that was recorded in the 1960s (see table 6). Among the major OECD countries, there was a uniform worsening of the inflationary situation: Japan saw its rate of inflation more than double in 1980, and that of the United Kingdom increased by more than a third, while the United States, which has traditionally enjoyed one of the most stable price structures in the world, had the 11th worst rate of inflation in the 24-nation OECD group.

Not surprisingly, one of the major elements behind the deterioration in price performance was adjustment to higher energy costs, but higher food prices also contributed to the inflationary spiral. It is noteworthy that wages were not a major inflationary factor, as wage demands have been

³ See GATT, *Press Release*, 10 March 1981, p. 7.

surprisingly restrained since 1978.⁴ It is also interesting to note that some of the worst inflationary performances were in countries with significantly appreciating exchange rates (see table 7), which would be consistent with the notion that domestic prices tend to be rigid downwards.

An interesting point is that for the first time in recent years inflation has also become a problem in some centrally planned economies. While in most of them official prices moved very little, this was accomplished only by official intervention in markets and growing fiscal subsidies. In other countries that have tended to rely somewhat more on market forces, e.g. Poland, Hungary and China, necessary price adjustments have been rather severe, i.e., 7% to 9% annually.

As for the developing countries, the economic shocks of 1979-1980 occurred when many countries were already grappling with serious internal stabilization problems, and events in these years only served to aggravate the situation. In 1980 inflation showed serious acceleration in all regional groups, although the countries of South and East Asia continued to stand out by their remarkably moderate rates of inflation as compared to other developing areas (see table 8).

The very high level of inflation in the developing countries is sufficient evidence of the domestic factors underlying inflationary pressures. However, the internal rate of price increases has also undoubtedly been affected by external events such as higher import prices for key goods, e.g., energy and manufactured items, and devaluations brought on by weakening external balances. Another significant factor has been "adjustment" inflation stemming from the fact that many developing countries are eliminating subsidies, freeing interest rates, etc., in order to achieve a more efficient allocation of resources in their domestic economies.

3. Trade

GATT has estimated that world merchandise trade reached nearly 2 000 billion dollars in 1980: an increase of 20%, compared to a rise of 25% in 1979. Moreover, almost all the rise was due to price increases, as volume was sluggish and rose by only 1%, one of the lowest rates of increase in the last 25 years and in sharp contrast with the 6% rise recorded in 1979. The less dynamic trade performance reflected a sharp absolute decline in the volume of petroleum exports and a fall in the growth rate of world trade in manufactures, from 5.5% in 1979 to roughly 3% in 1980. Growth of the volume of agricultural trade also decelerated to 4% from the 7% rate of expansion of 1980. If petroleum is excluded from consideration, world trade volume expanded by 4% in 1980.⁵

In the developed market economies, the value of exports and imports rose by 17% and 19%, respectively (see table 9). The growth of imports was due entirely to higher prices, as volume declined by nearly 2%, compared to an 8% rise in the previous year. Export growth also mostly reflected price trends, as the volume rose by only slightly more than 3%, compared with 6.5% in 1979. The deterioration in the terms of trade in 1980 was roughly 8%.

If one examines the OECD area, it becomes evident that the developing countries' imports played a significant role in helping to sustain overall growth rates. In 1980 the volume of OECD exports to OPEC countries rose by 20%, and exports to the non-oil developing countries grew by 4%; both rates exceeded those recorded for intra-OECD trade.⁶ GATT, focussing on trade in manufactured goods, has noted that in 1980 the oil exporters accounted for nearly 10% of the industrialized countries' exports, a new peak. On a net basis, the surplus on the trade in manufactured goods with the oil exporters was 82 billion dollars in 1980, 33% greater than the previous year. While it is estimated that the value of trade in manufactures between the industrialized countries and the non-oil developing countries slowed down somewhat from the 25% rate of growth recorded in 1979, trade flows with these countries continued to be the fastest growing ones for the industrialized countries.⁷

⁴ OECD, *op. cit.*, pp. 40-42.

⁵ See GATT, *op. cit.*, p. 1.

⁶ See OECD, *op. cit.*, p. 55.

⁷ See GATT, *op. cit.*, p. 11.

Within the centrally planned economies, trade performances varied considerably. The Eastern European countries, concerned about their external indebtedness with international commercial banks, pushed export volume up by roughly 3%, while completely containing the real growth of their imports. The Soviet Union however, as a net exporter of petroleum, enjoyed favourable terms of trade and was able to expand its import volume by about 5%, while exports rose in volume by only a little over 1%. China, for its part, was able to reduce its trade deficit largely by severe restrictions on imports.

The oil-exporting developing countries' exports rose by 42% in value in 1980 entirely on the basis of rising world petroleum prices; since the volume of exports declined quite sharply by an amount estimated at nearly 13%. The lower volume, of course, reflected the effects of sluggish world economic activity and general efforts to conserve energy. Unlike 1979, when import volume tended to stagnate, in 1980 these countries' imports showed renewed and vigorous growth; they rose by 30% in value, compared to 7% in 1979, while volume was up by around 15%. As already noted, the imports of the oil exporters in 1980 were an important factor in the trade performance of the industrialized countries, but a considerable amount of these imports also come from non-oil developing countries and were a significant factor in this latter group's efforts to sustain their export drive.

The non-oil developing countries expanded the value of their exports by almost a quarter in 1980, while their imports rose by nearly 30% (see again table 9). Export earnings were pushed up basically by higher prices, as volume expanded by only 3%. Prices for the primary commodities (excluding petroleum) of the developing countries displayed considerable dynamism in 1980 (see table 10), and it is estimated that for the year as a whole the rise in these prices was 17%, which compares favourably with the 12% increase in the price of manufactured goods exported by the developed countries.⁸ Of course, the actual impact of the prices depends on the commodity composition of exports: for instance, sugar exporters enjoyed a dramatic increase of over 150% in prices (due to production shortfalls in Cuba and the USSR), while coffee producers saw their export prices slacken in 1980. In any event, when petroleum imports are taken into account the non-oil-exporting developing countries suffered a serious deterioration of their terms of trade, leading to a 46% increase in this group's trade deficit in 1980 (see again table 9).

4. Current account balances and finance

It is clear from table 11 that the world economy suffered another major upheaval in current account balances and financial requirements in 1979-1980. Once again rising oil prices thrust the oil exporters into a very large current account surplus—which in real terms was nearly equivalent to the 1974 peak surplus—while the other major economic groups fell into serious deficit positions.

In some ways the current situation represents an improvement over 1974; for instance, in 1980 the industrialized countries (e.g., Germany and Japan) were assuming a relatively large share of the deficits, which could be deemed appropriate because they have the greatest capacity to finance them. Also on the positive side, the oil price shock apparently did not erode investors' confidence as much as was the case in 1974.

On the negative side, however, is the concern over the possibility that the oil producers may be much slower in shedding their surpluses than they were during 1974-1978, in part because of an awareness that uncontrolled imports and growth can have undesirable political and social consequences. Meanwhile, the non-oil developing countries have had to face a massive rise in the cost of energy at a time when many still have not fully recovered from the internal and external imbalances created by the events of 1974. Moreover, the situation of the oil-importing developing countries has been made more precarious by the fact that prolonged stagflation in the industrialized countries is putting increasing pressure on declining industries in the North and is generating new demands for protectionism. On the finance side there is the spectre of possible difficulties because commercial

⁸See GATT, *op. cit.*, p. 4.

banks – the chief financiers of the developing countries' deficits in 1974-1978 – are already very exposed in the heavily indebted Third World and are showing signs of reluctance to assume major responsibility in this, the second round of the recycling process.⁹ But perhaps the most distressing problem of all is that after more than six years of stagflation there appear to be few new ideas on how problems should be confronted for the purpose of restoring growth and prosperity to the world economy.

Notwithstanding the worsening of the deficit situation of the developing countries' external accounts, preliminary evidence suggests that there was a decline in borrowing from private international capital markets for the first time in a number of years (see tables 12 and 13).¹⁰ This can be attributed to factors on both the supply and demand sides.

On the supply side, as already mentioned, commercial bankers appear to have become reluctant to fully commit themselves to a new round of massive lending to developing countries and as a result they are apparently being more cautious and selective in extending loans. With regard to the demand side, many developing countries preferred to avoid the market in 1980 because lending conditions had become rather onerous. While spreads on eurocurrency credits – by far the most important source of funding – remained low in comparison with the crisis period of 1975-1976 (see table 14), the base interest rate (LIBOR), which is the most important determinant of interest cost, reached record levels during 1980, averaging 14.2% as compared to 12.0% in 1979 and 9.4% and 6.4% in 1978 and 1977, respectively.¹¹ There was also a noticeable tightening of maturity structures in 1980 (see table 15). In view of market conditions, many countries opted to finance their needs through greater deployment of international reserves, which had been accumulated in considerable amounts in earlier periods when the terms of credit were more attractive, and more use was made of official finance: for example, new IMF commitments to non-oil developing countries for balance of payments assistance rose from only 2.2 billion dollars in 1979 to 7.2 billion dollars in 1980.¹²

The trend towards more official finance appears to be part of a healthy adjustment in the structure of world financial flows. During the 1970s, commercial banks – fuelled as they were by deposits from the large surpluses of the oil-producing countries – greatly expanded their lending to LDCs and as a consequence they were able to dwarf the activities of official lenders such as the IMF and World Bank. However, commercial bank lending has tended to be concentrated in the group of upper-income developing countries such as those in Latin America, and it would be unreasonable to expect, the growth of lending to these countries to exceed the growth rate of the banks' capital base for an indefinite period.¹³

Thus, new lending from official institutions would seem to be an appropriate and timely way to restore some balance to international capital flows to developing countries, as well as to improve their maturity structure; furthermore, it would relieve some of the pressure on the banks and also provide for a more deliberate and co-ordinated international adjustment process. For this to happen, however,

⁹The commercial banks apparently feel that their capacity to maintain the vigorous rates of growth of lending that the world has become accustomed to will be constrained by prudential concerns and the limiting forces of capital/asset ratios. For an excellent discussion of this issue see Morgan Guaranty Trust Company, *World Financial Markets*, September 1980.

¹⁰Aside from the fact that data for 1980 are still of a very preliminary nature, the estimates for 1980 probably overstate the fall in borrowing because in this year there appears to have been more recourse to unpublished borrowing and individual as opposed to large syndicated credits.

¹¹Rate for 6-month Eurodollars calculated from data in various issues of Morgan Guaranty's *World Financial Markets*.

¹²See *IMF Survey*, February 9, 1981, pp. 38-39.

¹³After 1975 United States banks began to slow down their lending to LDCs, but even so, it has grown at a rate of 17% per annum in face of a 13% per annum expansion of the capital base. Meanwhile, over the same period non-United States banks have been expanding loans to these countries at a rate of 40% per annum, while the average capital base has risen at only 25% per annum. See Morgan Guaranty Trust, *op. cit.*, September 1980, p. 8.

official institutions must be more successful in directly tapping the OPEC surplus, more than 50% of which found its way into commercial bank deposits in 1979-1980.¹⁴ In 1980, both the IMF and the World Bank made proposals to augment their resources via borrowing agreements with OPEC countries: the IMF has recently reached an agreement to borrow 8 billion SDRs from the Government of Saudi Arabia over the next 2 years, with a tentative agreement for another 4 billion SDRs in the third year,¹⁵ while the World Bank is exploring support for a new energy affiliate which would imply additional resources of up to 12 billion dollars.¹⁶

II. MAIN TRENDS

The evolution of the Latin American economy in 1980, affected as it was by the adverse international situation, was clearly less favourable than in the previous year. Thus, the economic growth rate went down in most of the countries of the region, while balance-of-payments deficits increased, as did external indebtedness. At the same time, inflationary pressures persisted, so that the continued marked rises in price levels – hitherto characteristic only of a limited number of Latin American economies – came to form a generalized phenomenon in the region.

Some of these features assume a somewhat different nature, however, if considered from a longer time perspective and, above all, if the tendencies prevailing in the world economy during 1980 are taken into account.

Thus, although the economic growth rate of 5.7% recorded by Latin America in 1980 was somewhat less than the 6% attained in 1979, it was not only the highest recorded in 1980 in any major region of the Third World, but was also markedly higher than the growth rates of production achieved in the same year in both the centrally planned economies (3.1%) and in the group of industrialized countries (1.5%) (see tables 1 and 5). The annual growth of nearly 6% in the product achieved by Latin America in the last two years, when recessive tendencies once again predominated in the world economy and the world oil prices underwent a second major series of rises, was also much more than the rate of a little over 3% recorded in 1975, the year when the previous crisis in the world economy came to an end (see table 16).

Naturally, the maintenance of this relatively high economic growth rate contributed to the continued very rapid increase in the region's imports, and in turn this influenced the current account deficit of the balance of payments. This deficit was further increased by the enormous increase in interest payments due to the considerable rise in 1980 in interest rates in world financial markets and the rapid and persistent rise in the external debt of Latin America in the second half of the 1970s. Finally, in the case of the oil-importing countries the deficit on the external accounts was also affected by the big increase in the international prices of hydrocarbons. Thus, the current account deficit of this group of countries rose in 1980 to the unprecedented level of 23 700 million dollars: a figure two-thirds higher than that for the previous year and almost three times the deficit recorded in 1978. Although at the regional level this extraordinary increase in the current account imbalance was mitigated by the reduction in the deficit of the oil-exporting countries, even so the balance-of-payments current account deficit for Latin America as a whole in 1980 reached a historic peak of over 27 400 million dollars (see table 16).

Furthermore, in contrast with previous years, the increase in the balance-of-payments current account deficit in 1980 was not accompanied by a larger net flow of capital, since the net inflow of financial resources into the region – 25 900 million dollars – was almost identical with that in 1979, thus interrupting the marked and almost continuous upward trend it had displayed during the

¹⁴ See William J. Gasser, "The Global Payments Problems" *Quarterly Review* (Federal Reserve Bank of New York), Winter 1980-1981, Vol. 5, No 4, p. 32.

¹⁵ IMF, *Morning News*, March 30, 1981.

¹⁶ See World Bank, *Energy in the Developing Countries*, August 1980.

previous decade.¹⁷ Moreover, in contrast with what had happened in the period 1974-1979, the net capital received by Latin America in 1980 was not sufficient to cover the current account deficit, so that the region's balance-of-payments closed with a negative balance of a little over 1 500 million dollars, for the first time since 1962.

Furthermore, in 1980 the region's external indebtedness continued to grow rapidly. Thus, it is estimated that at the end of the year the public and State-guaranteed external debt of Latin America reached a total of approximately 125 billion dollars, while the gross total debt, which also includes the non-guaranteed bank debt, came to around 195 billion dollars: more than double its amount of barely four years before.

These external sector trends, although undoubtedly disturbing, were accompanied nevertheless by others of a favourable nature. Thus, during 1980 the value of Latin America's exports of goods once again grew at a markedly high rate (29%) which, although less than the extraordinarily high figure of over 34% achieved in 1979, was well over the rates recorded in each year of the 1970s except 1973 and 1974, when the value of the region's exports rose at an annual average rate of around 50%, primarily as the result of the radical increase in the world price of oil and the likewise considerable increases in those years in the prices of a number of other basic commodities on the world market.

What is perhaps more important is that the growth rate of Latin America's exports in 1980 once again easily exceeded that of world exports, both in value and in volume. Thus, while the value of world exports increased by 20% and their volume by barely 1%, the value of Latin American exports increased by 29% and their volume by 5.4%. Consequently, the relative share of Latin America in the total value of international trade in goods once again increased, recovering for the fifth year in succession part of the ground lost during its prolonged and systematic fall in the period 1961-1975.¹⁸

III. ECONOMIC GROWTH

1. The growth rate

As already noted, in 1980 the dynamism of Latin America's economic growth decreased slightly. Thus, the gross domestic product of the region increased by 5.7%, which is a little less than the figure for 1979 (6%). Even so, the growth rate achieved in 1980 easily exceeded the rate of around 4.8% per year recorded during the period 1976-1978 (see table 17).

Although the smaller growth rate of the total product of the region was due to the slower expansion in 1980 of the economic activity of fourteen of the twenty countries for which information is available, it reflected very especially the drop in the economic growth rate of Argentina, which is the third largest economy in the region.¹⁹ Thus, the gross domestic product of this country, after increasing by nearly 7% in 1979, grew by barely 1% in 1980 as a result of the drop in absolute terms in the value added by agriculture and the manufacturing sector and the abrupt reduction in the growth rate of commercial activity and basic services. Moreover, as a consequence of the very low economic growth rate achieved in 1980 and the slow and uneven evolution of global economic activity in the second half of the preceding decade, the per capita product of Argentina went down in

¹⁷In the course of the previous decade, the net inflow of capital grew more than fivefold from a little over 4 900 million dollars in 1970 to almost 26 billion dollars in 1979. During this period, the persistent upward course of the flow of capital to the region was only temporarily interrupted in 1976 because of the payments made by Venezuela in that year to foreign companies in order to nationalize its oil industry.

¹⁸Over this period, the proportion of world exports accounted for by the exports of Latin America fell practically every year, from a value of 7.4% in 1961 to barely 4.2% in 1975. Thanks to its subsequent recovery, however, it had risen to 5.1% by the end of 1980.

¹⁹In 1979, the gross domestic product of Argentina was equivalent to around 12% of the total gross domestic product of Latin America as a whole.

1980 for the fourth time in the last six years, and was practically equal in this year to the rate already achieved as long ago as 1974 (see table 18).

During 1980 there was also a decline in the economic growth rate of the countries of Central America, whose growth was affected simultaneously by the contraction of economic activity in the United States—which is the main export market for many of them—the rise in the world price of oil, and the climate of uncertainty created by the difficult and changing social and political conditions prevailing in some of them.

The only exception to the generalized decline in economic growth in Central America was in Nicaragua, where the gross domestic product increased by nearly 11%, thus partially recovering from the acute falls of 7% and 25% suffered in the previous two years as a result of the disruptions to economic activity caused by the violent civil war which came to an end in mid-1979 and the social and political events which preceded it.

In El Salvador, in contrast, the continuation and aggravation of the internal conflicts was a contributory factor to the decline in the product in absolute terms for the second year running, the decline in 1980 being much worse than that of the year before. The overall expansion of the Guatemalan economy, for its part, was barely sufficient to give a marginal increase in the per capita product, while this went down slightly in Costa Rica and fell by over 2% in Honduras, after four years in which it had risen at a high but steadily decreasing rate. The growth rate of economic activity also slowed down in Panama, falling from 5.7% in 1979 to 4.9% in 1980, but even so, as in the previous two years, it considerably exceeded the relatively slow increase in the population (see tables 17 and 18).

As had already happened in 1979, the global economic growth was not sufficient to avoid a drop in the per capita product in Bolivia and Venezuela, although in both countries, and especially in the latter, the real income increased more than the product because of the improvement for the second year running in the terms of trade. The evolution of the terms of trade also favoured Ecuador, where the product increased by 5.3%, i.e., at almost the same rate as in the previous two years, but a good deal less than the very high rate of around 8.3% per year attained on average during the period 1970-1977.

The expansion of economic activity was also slower in 1980 in Colombia and Peru. In the first of these countries the product increased by a little over 4%, that is to say, less than in any year of the 1970s, and in the latter country the economic growth rate declined from 3.4% in 1979 to 3.1% in 1980, the last-mentioned rate being barely above the increase in the population. The per capita product thus remained practically stagnant and this, together with its meagre growth in the previous year and its decline during the period 1976-1978, meant that in 1980 it was almost 6% lower than in 1975 and barely 3% higher than at the beginning of the 1970s.

In contrast, the economic growth rate rose in 1980 in Brazil, where the product increased by 8% thanks mainly to the more rapid expansion in that year of the agricultural sector and construction, the continued increase in industrial production, and the rapid expansion of basic services.

The most rapid economic expansion in the whole region, however, was once again recorded in Paraguay: the Latin American country which grew fastest and most consistently during the second half of the 1970s, and where the product registered a notable new increase of 11% in 1980. Although it was due to the rapid expansion of practically all the main sectors of the economy, the growth in 1980 was once again especially stimulated by the extraordinary growth of the construction sector, whose product rose by over 30% for the fourth consecutive year as a result of the continuation of work on the construction of the great hydroelectric power station at Itaipú (in combination with Brazil), the beginning of work on the Yacireta dam (in conjunction with Argentina) and the boom in residential construction. The impressive increase in construction activity was also the main force behind the also notable increase in fixed investment expenditure, which amounted in 1980 to over one-third of the domestic product: a proportion more than double that which was usual in Paraguay at the beginning of the past decade and also considerably higher than the fixed investment coefficients of the other Latin American economies, except for that of Venezuela.

In contrast, the rate of economic expansion went down in Uruguay, Chile and Mexico, the three economies which had recorded the highest growth rates after Paraguay in 1979. The decline in the growth rate of the product was, however, very different in the three countries. Thus, it was only slight in Mexico, where the rate dropped from 8% in 1979 to 7.4% in 1980; moderate in Chile, where the drop was from 8.2% to 6.5%, and abrupt in Uruguay, where the economic growth rate of 4.5% attained in 1980 was only a little over half the exceptionally high rate of 8.7% achieved the previous year. Despite these appreciable differences in the rate of overall economic expansion, however, because of the very different rates of population growth the increase in the per capita product was only a little less in Uruguay (3.9%) than in Mexico (4.3%), which in turn was below the rate for Chile (4.7%).

Finally, the changes in the growth rates of the economies of the Caribbean for which information is available were substantially different from each other. Thus, while in both Haiti and the Dominican Republic the gross domestic product rose by 5.2%, thus improving on the increases recorded the previous year in both countries, the material product of Cuba,²⁰ which had already grown at a very low rate (1.9%) in 1979, rose in 1980 by barely 1.4%.

This reduction in the growth rate of Cuban production was influenced by the declines of a little over 2% suffered in 1980 both by construction and by sugar cane agriculture, where production was affected by the spread of sugar cane rust in the previous year, and above all by the drop of 8.5% in sugar production, which also had a decisive influence on the scanty increase (0.9%) recorded in 1980 in manufacturing. In the Dominican Republic, for its part, the acceleration of the growth rate of the economy was due to the recovery in both public sector capital expenditure and in personal consumption and the steady increase in private investment, and was supported principally at the sectoral level by the growth of 5.5% in industrial production, the increase of around 7% in construction and basic services, and the still greater expansion of the rest of the service activities.

In the case of Haiti, a decisive influence in the greater economic dynamism, on the demand side, was the big increase in private investment and exports of goods and services—both of which rose by around 18%—and on the supply side, the fairly rapid increases recorded in 1980 by agriculture (4%), industry (6.5%), basic services (7%) and above all construction (8%).

2. Total supply and demand

In 1980, total supply of goods and services increased by 6.3%, which was almost the same as the rate recorded the previous year. The maintenance of the growth rate of total supply was due, however, entirely to the big expansion recorded for the fourth year running in the volume of imports, which almost completely made up for the effects of the decline in the growth rate of the product. Thus, as may be seen from table 19, after stagnating in real terms in 1975 and 1976 as a consequence of the restrictive policies adopted in many countries of the region in order to cope with the effects of the international economic recession and the considerable rise in the world price of oil, imports increased at very high rates of 8, 10 and nearly 11% in the following three years, undergoing a further and even greater increase of almost 12% in 1980.

Although this increase partly reflected the greater volume of imports recorded in most of the countries of the region, it was especially due to the unusually large increases in 1980 in the real imports of goods of Argentina, Mexico and Peru, where in all three cases these imports were more than a third bigger than those of the year before.

As a result of the rapid and persistent increase in the volume of imports, the import coefficient rose for the fourth consecutive year, reaching a level of 11.6% in 1980: the highest figure recorded in the last 22 years (see table 20).

In contrast, in 1980 there was a big drop in the growth rate of the volume of exports of goods and services. In the previous four years these had increased at an average rate of over 10%, thus

²⁰ Under the system of national accounts used in Cuba, the material product equals the sum of the value of the gross production of the agricultural, mining, manufacturing, construction and electricity sectors.

forming the most dynamic component of total demand, but in 1980 they increased by only a little over 5%, mainly because of the loss of dynamism of international demand and the reduction in the volumes of petroleum placed on the world market by all the oil-exporting countries of the region except Mexico. Despite the much lower rate at which real exports grew in 1980, the likewise slower growth rate of the domestic product in that year meant that the export coefficient only went down slightly and thus still remained higher than all the levels recorded in the period 1970-1978.

In contrast with the loss of dynamism of the volume of exports, in 1980 there was a marked increase in the growth rate of gross fixed capital investment. At 8.4%, this was higher than in the previous year, and this rate was only a little less than the very high level recorded in the first half of the past decade. Thus the investment coefficient, which had risen steadily between 1970 and 1975 but had almost completely stabilized during the following four years, reached a record level of nearly 23% in 1980 (see tables 19 and 20).

IV. THE EXTERNAL SECTOR

1. External trade

In 1980 the external trade of Latin America continued to increase with great dynamism for the fifth consecutive year. Thus, the total value of exports of goods and services rose by over 23% after having increased by 24% in 1979 and having grown at an average annual rate of almost 13% during the three years 1976-1978. As a result, its total value came to over 222 billion dollars in 1980, representing an increase of nearly 130% in the last five years. In contrast with what happened in 1979, the rapid expansion of external trade in 1980 was due mainly to the growth of imports, the value of which increased for the second year running by approximately 26% in contrast with the rise of a little over 21% recorded in the value of exports.

As a result of the faster growth of imports than of exports of goods and services, the trade deficit, which had gone down from 7 900 to 6 100 million dollars between 1978 and 1979, rose in 1980 to almost 10 200 million dollars. As in the previous year, however, this variation was the net result of the very different changes which took place in the external trade of the six oil-exporting countries —Venezuela, Mexico, Trinidad and Tobago, Ecuador, Peru and Bolivia— and the rest of the economies of the region. Thus, while the oil-exporting countries increased their trade surplus from 430 million dollars in 1979 to almost 3 400 million in 1980, thanks primarily to the considerable improvement recorded for the second year running in their terms of trade, the non-oil-exporting countries closed the year with a trade deficit of almost 13 600 million dollars, which was more than double the deficit they recorded in 1979 and six times that recorded in 1978.

(a) *Exports of goods*

As already mentioned, the value of Latin America's exports of goods increased by 29% in 1980 (see table 21). This significant increase —which followed the even larger increase recorded in 1979 and the substantially smaller but nevertheless significant increases achieved in the three years 1976-1978— was moreover of a generalized nature, as in the previous four years. Thus, in 1980 the value of exports rose in all the countries of the region with the exception of El Salvador —where it went down by around 5%— and Nicaragua, where the value of exports fell by over 20%, primarily as the result of the big drop in exports of meat and, above all, of the drop of 78% in sales of cotton, which has traditionally been the country's main export item and whose production was affected in 1980 by the delayed impact of the small area planted the previous year.

The generalized and rapid nature of the increase in the value of exports in the region was also manifested by the fact that —quite apart from Mexico and Trinidad and Tobago, which increased their external sales by 74% and 57% respectively, thanks largely to the rise in the world price of oil and also, in the case of Mexico, to a big increase in the volume exported— nine countries increased the value of their exports by between 21% and 36%, while six others increased this value by between 11% and 17% (see table 22).

Naturally, both the growth rates of external sales of goods and their determining factors were very different in the group made up of the six oil-exporting countries and the other economies of the region. Thus, while the former increased the value of their exports by the exceptionally large amount of 41%, the exports of the latter grew by 19%. This considerable difference in the rates of expansion of the value of external sales was entirely due, moreover, to the different paths followed by the unit values of the exports of each group, which rose by nearly 36% for the oil-exporting countries while they increased by only a little over 12% for the remaining economies of the region.

Thanks mainly to the very favourable evolution of the international prices of hydrocarbons, the external sales of the oil-exporting countries more than doubled in 1980 compared with the figure for only two years before, and were scarcely 4% lower than the exports made in that year by the other 17 economies of the region (see table 27 below). The rises in the international price of petroleum also enabled those countries—with the exception of Mexico, which as already noted greatly increased the volume of its exports—to obtain much higher income from their external sales in 1980 in spite of the fact that at the same time the volume of these sales went down. This reduction in volume was only slight (2%) in the case of Trinidad and Tobago, but it was substantial in Bolivia, Ecuador and Peru, where the volume of exports went down by between 6% and 10%, and was particularly marked in Venezuela, where the volume fell by nearly 19% (see table 22).

In the group made up of the remaining economies of the region, in contrast, the much smaller increase in the value of exports, although likewise primarily due to the increase in their average price, was strengthened in over half the cases by an increase in the volume of the exports. Thus, in this group of countries the volume of exports increased by nearly 6% which, although less than the very high increases recorded by the same countries in the previous four years, was nevertheless higher than the increase of 4% which it is estimated took place in 1980 in the volume of world exports of products other than petroleum.

(b) *Imports of goods*

In 1980 the value of Latin American imports of goods rose at a very high rate (31.5%) for the second year in succession. Although this exceptional increase was due mainly to the rise of over 18% in the average price of these imports, it was also due to the very marked expansion in their volume, which went up by 11%, thus exceeding the already very high rate of increase of the previous year and indeed that of any year in the 1970s except for the period 1973-1974, when the external trade of Latin America underwent very unusual growth (see table 21).

In contrast with the very uneven evolution of the value of their exports, both the oil-exporting and non-oil-exporting countries increased their external purchases at a very similar rate. Indeed, in 1980 as in 1979, although to a much smaller extent than in the latter year, the rate of increase of the value of imports of the non-oil-exporting countries (32%) was higher than that of the oil-exporting countries (31%).

Once again, however, the origin of these changes was very different. Whereas in the oil-exporting countries the increase in the value of their imports was due primarily to an increase of 16% in their volume, in the other economies of the region the main cause was the considerable rise in their unit value (24%).

Among the oil-exporting economies, the rapid growth of imports was due fundamentally to the very large expansion of the purchases made by Mexico and Peru. In the first of these countries, the value of imports increased by around 50% for the second year running and their volume grew by one-third, as had already occurred in 1979. Due to these unusually large increases and the also considerable growth which had been recorded in 1978, the value of Mexican imports more than trebled in the last three years, while over the same period their volume more than doubled (see table 23).

The expansion of imports in the case of Peru was even greater in 1980, since the value of that country's external purchases of goods increased by almost 56%, while their volume rose by 38%. Unlike the case of Mexico, however, in Peru the increase in imports recorded in 1980 came after considerably more moderate growth of external purchases in 1979, which in turn had been preceded by big drops in absolute terms in the volumes imported during the previous three years. Because of

this, even in 1980 the volume of Peruvian imports was almost 20% lower than in 1975 in spite of the increases recorded in the last two years.

In contrast with the strong and persistent expansion of the volume of imports in Mexico and the partial recovery of this item in Peru, imports of goods declined in real terms in Bolivia and Venezuela, as had already happened in 1979 too, and stagnated completely in Ecuador.

Although, as already mentioned, the value of imports grew considerably in all the non-oil-exporting economies except Guatemala and Costa Rica (where the increase was only around 6%) and El Salvador (where external purchases actually went down), the volume of imports rose sharply only in Guyana, Barbados, the Dominican Republic, Colombia, and above all Argentina and Nicaragua (see table 23).

In the last-named country, imports almost doubled in real terms because of the recovery of economic activity and need to make up for the drops in agricultural production. Even so, however, because of the enormous drop in imports in the previous two years, the volume imported in 1980 was still nearly 30% less than in 1977. In Argentina, on the other hand, the volume of imports rose by more than a third for the second year running, under the stimulus of the decline in the real exchange rate and the gradual reduction of tariffs, and in 1980 amounted to almost twice the level of only two years before.

In the other non-oil-exporting economies, the increase in the value of imports was due basically to the rise in their average prices, which went up considerably as a result of the acceleration of inflation in the industrialized economies and the big new increases in the world prices of oil in 1980.

The decisive influence of the latter was also to be seen in the big increases recorded once again in 1980 in the total cost of imports of crude oil and petroleum products and the further increase in the share of these imports in the total value of external purchases of goods. Thus, in 1980 the cost of petroleum imports rose by between 24% and 43% in Haiti, Panama, El Salvador, Guyana, Guatemala and the Dominican Republic; by around 50% in Paraguay, Honduras, Brazil and Uruguay; and by over 130% in Nicaragua. Since imports of oil had also increased by very large amounts the previous year, their value in 1980 was approximately double that recorded in 1978 in all the countries in this group except Colombia, Costa Rica, Guyana and Jamaica (see table 24).

Moreover, in 1980 the proportion of total imports represented by purchases of petroleum and petroleum products continued to increase. For the non-oil-exporting countries, this proportion was rather more than 26%, nearly four times the level of 1970 and one and a half times higher than the proportion recorded in 1973, which was the year before the first set of radical rises in hydrocarbon prices. Although this high level was strongly influenced by the extraordinarily large share (41%) which purchases of fuels accounted for in 1980 in the total imports of Brazil, it also reflected the growing incidence of purchases of oil in the imports of the Central American economies, the Caribbean countries, and Chile, Paraguay and Uruguay, in most of which the proportion of total imports represented by purchases of hydrocarbons was almost three times the percentages corresponding to 1973 (see table 24).

(c) *The purchasing power of exports and the terms of trade*

Thanks to the increase in the volume of exports and the further rise in the terms of trade, the purchasing power of Latin America's exports of goods increased by almost 9% in 1980. Thus, the purchasing power of the region's exports, after having suffered an abrupt fall in 1975, rapidly expanded in the following five years and almost doubled between 1970 and 1980 (see table 25).

However, not only was the rate of increase of the purchasing power of exports considerably lower in 1980 than in the previous year, but its evolution and determining factors were very different in the oil-exporting countries and the other economies of the region. Thus, while in the former the purchasing power of external sales of goods, which had already increased very sharply in 1979, rose by nearly 26% in 1980, in the latter it went down by 4% after having risen very slightly in the previous two years.

As in 1979, but to an even greater extent, the increase in the purchasing power of exports of the six oil-exporting countries was due mainly to the improvement of the terms of trade. Indeed, in

all of them except Mexico the rise in the terms of trade was the exclusive cause of the increase, since the volume of their exports went down.

For the group of oil-exporting countries as a whole, the external terms of trade rose by over 20%, thus attaining in 1980 a level more than twice as high as that of 1970 (see table 26). Naturally, the increase was even greater in countries like Venezuela and Trinidad and Tobago, which, unlike Mexico and Peru, had also benefited from the first wave of oil price rises, so that their terms of trade rose by around 400% over the last ten years.

In the oil-importing countries, in contrast, the purchasing power of their exports went down in spite of the fact that their external sales increased by almost 6% in real terms. Basically, this was due entirely to the considerable deterioration suffered by their terms of trade for the third year running. These terms dropped by over 9%, thus representing a total fall of 25% between 1970 and 1980, and furthermore, as in 1979, this drop in the external terms of trade was generalized, for in 1980 it affected all the oil-importing countries except Barbados (which benefited from the exceptional rise in the price of sugar in this year), Guyana and Jamaica (which were favoured by the substantial increases in the prices of bauxite and alumina and also benefited from the rise in sugar prices), and the Dominican Republic (which received both the advantages of the rise in sugar prices and those deriving from the notable increase in the prices of gold and silver). In contrast, because of the heavy incidence of oil purchases in the value of their imports, the terms of trade went down considerably in Brazil and Uruguay, so that the terms of trade index recorded a cumulative drop of nearly 40% in both countries between 1970 and 1980, and this index continued to go down in Chile, where it dropped in 1980 to a level equivalent to only a little over half of that corresponding to 1970.

2. The balance of payments

(a) *The trade and current account balances*

As a result of the slightly more rapid growth of imports of goods (31.5%) than of exports of merchandise, visible trade underwent a moderate turnaround in 1980, since after registering a small surplus of a little over 500 million dollars in 1979, it closed with a deficit of one billion dollars in 1980. Since at the same time the net outlays in respect of non-factor payments continued to increase rapidly, the trade deficit for Latin America as a whole increased from nearly 6 100 to nearly 10 200 million dollars (see table 27).

As in 1979, however, these overall changes represented the net result of the divergent paths observable in the external trade of the six oil-exporting countries and the other economies of the region.

Thus, in the former the growth rate of the value of exports of goods (41%) considerably exceeded that of imports (31%), as in the previous year. As a result, the trade balance—which had undergone a radical turnaround between 1978 and 1979 in changing from a deficit of over 5 600 million dollars to a surplus of a little over 400 million—generated a much larger surplus of nearly 3 400 million dollars in 1980.

In the non-oil-exporting countries, in contrast, the value of imports of goods rose in 1980 much faster (32%) than exports of goods (19%), as in the previous two years. As a result of this and of an increase of about one-third in net outlays in respect of non-factor service payments, the deficit on their trade in goods and services rose to the unprecedented level of almost 13 600 million dollars, which was more than double the deficit of the previous year and over six times that recorded in 1978 (see table 27).

Moreover, in 1980 net remittances of profits and interest continued to rise at a rapid rate, amounting to 17 700 million dollars for the region as a whole, which is double the amount of payments made under this heading only three years before and 70% higher than the trade deficit recorded in 1980. Consequently, the current account deficit of the region increased for the fourth year running, attaining a record level of 27 400 million dollars (see table 28). Although in absolute terms this amount was considerably greater than the deficits generated by balance-of-payments current-account operations in any previous year, it nevertheless represented a smaller proportion of

exports of goods and services than the deficit recorded in 1978 and, above all, that registered in 1975 (see table 29).

Once again, however, the overall figures conceal very divergent performances as between the oil-exporting countries on the one hand and the other economies of the region on the other. Thus, whereas in the former the current-account deficit went down for the second year running and was equivalent to only 40% of the deficit recorded in 1978, in the latter the deficit rose even more markedly than in previous years to the unprecedented level of nearly 23 700 million dollars, which is two-thirds higher than the deficit for 1979 and almost three times the deficit recorded barely two years before.

Furthermore, the current-account deficit of the non-oil-exporting countries in 1980 represented a much higher proportion of their exports of goods and services (47%) than in any of the preceding four years and even slightly exceeded the percentages recorded during the period of international crisis and of big increases in oil prices in the mid-1970s. In contrast, the proportion of exports represented by the joint deficit of the oil-exporting countries was not only much lower (7%), but was also the lowest recorded in the entire period 1970-1980 except for 1974, the year in which these countries achieved a considerable surplus because of the abrupt rise in the world price of hydrocarbons (see table 29).

Even these figures, however, do not fully reflect the diversity of the different national situations, especially within the group of oil-exporting countries. Thus, the appreciable reduction in the current-account deficit of these countries was due largely to the radical change observed in the balance-of-payments current-account operations of Venezuela which, after drastically reducing its current-account deficit of 5 700 million dollars in 1978 to less than 300 million dollars in 1979, achieved a surplus of over 2 600 million dollars in 1980. This sharp reversal of the balance-of-payments current-account operations was due to the extraordinary expansion of exports—whose value in 1980 amounted to nearly 18 500 million dollars (more than double the 1978 value) even though their volume went down by approximately 13% between these years—and the moderate increase in imports, which barely rose in value from 11 200 million dollars in 1978 to 11 900 million in 1980, while in real terms they actually went down by rather more than 10% (see tables 27 and 28).

In Mexico, in contrast, the current account deficit increased considerably once again to an amount which was over double that recorded barely two years before. This considerable increase in the deficit took place in spite of the enormous expansion over this period of time in exports of goods, whose value rose from nearly 6 450 million dollars in 1978 to almost 16 400 million in 1980, mainly because of the big increases in the volume and average price of the petroleum exported. This notable increase in the value of exports was, however, more than cancelled out by the joint effect of the increase in imports of goods—which, like exports of goods, rose by approximately 10 billion dollars between 1978 and 1980—and the very big rise in net payments of profits and interest, which almost doubled over this period, rising from a little under 2 800 million dollars in 1978 to nearly 5 400 million in 1980. Even so, despite the considerable increase in the absolute amount of the current account deficit, it still represented in 1980 around 24% of the value of exports of goods and services—a proportion similar to those recorded in the previous three years and only half the very high levels recorded in the mid-1970s. Moreover, the current account deficit of Mexico represented less than 4% of the gross domestic product in 1980—one of the lowest proportions registered in this year in Latin America.

In contrast, the considerable increase in the balance-of-payments current account deficit of the non-oil-exporting countries reflected a generalized trend, as the deficit went down only in Guatemala. At the same time, however, most of the absolute variation in the deficit was due, as always, to the changes in the current account situation of the relatively larger economies.

Among these, the most important change took place in Argentina, whose deficit rose from 470 million dollars in 1979 to 4 900 million in 1980, basically as a result of the very big expansion which took place for the second year running in the value of imports of goods (56%) and the increase of barely 2% in total exports of goods.

The increase in the current account deficit of Brazil, in contrast, was considerably more moderate, above all in relative terms, and was due almost entirely to the bigger net payments of

profits and interest and the increase in the deficit on invisible trade, since both exports and imports of goods rose by around 5 billion dollars during 1980.

The deficit of the non-oil-exporting countries was also accentuated by the big absolute increase in the current account deficit of Chile (which rose from a little under 1 200 million dollars in 1979 to almost 1 800 million in 1980) and the considerable turnaround registered in the current account operations of Colombia, which, after achieving a surplus of 530 million dollars in 1979, turned in a deficit of 350 million in 1980, and Nicaragua (where the surplus of 100 million dollars obtained the year before was replaced by a deficit of 440 million in 1980).

If instead of the absolute increases in the current account deficits we consider the relation between these and the value of exports of goods and services, however, the conclusions which are to be drawn are different. Thus, as may be seen from table 29, the highest values of this coefficient in 1980 were not registered in Brazil or Argentina or in Chile or Colombia, but were concentrated in the relatively smaller economies such as Nicaragua, Paraguay, the Dominican Republic, Haiti and Costa Rica. Moreover, in all these countries, and also in Panama and Guyana, the proportion of exports represented by the current account deficit was much greater in 1980 than during the international crisis which took place in the period 1974-1975. Finally, in all these economies the current account deficit in 1980 was equivalent to very high proportions of the domestic product, ranging from 8% in Haiti to 17% in Nicaragua and Guyana, and was thus much higher than the figures of 1% for Colombia, a little over 3% for Argentina, 5% for Brazil, and a little over 6% for Chile.

(b) *The capital account*

In 1980 there was stagnation in the net flow of capital to Latin America, for after increasing steadily at a rapid rate during the 1970s this flow went down slightly from 26 billion dollars in 1979 to a little over 25.9 billion in 1980. The net total of investments and credits received by the region was also below the total current account deficit, and finally the Latin American balance of payments, which had always generated a surplus since 1963, closed in 1980 with a negative balance of 1 500 million dollars (see table 29).

These changes in the trends of capital movements and the balance of payments at the regional level only represent the final result of changes in opposing directions recorded in different countries, however.

Thus, the slight drop in the net financial resources received by Latin America as a whole was due primarily to the marked difference in the capital movements of Venezuela—which, after receiving nearly 1 300 million dollars in 1979, had an outflow of capital of over 3 300 million in 1980—and the considerable decline suffered by the net flow of financial resources to Argentina, which went down between these two years from 4 750 million dollars to a little over 2 200 million.

During 1980 there was also a reversal of the direction of movements of capital in Trinidad and Tobago and Guatemala, while there was a decline in the net amount of investments and loans received by Bolivia and Haiti.

The net inflow of capital increased in all the other countries of the region, however, and for these countries as a whole the total was approximately 7 500 million dollars more than in 1979.

This considerable increase was mainly due to the substantial absolute growth shown by capital movements to Mexico, Brazil and Chile and the rapid relative expansion observed in the case of Colombia and the Dominican Republic.

In Mexico, the net financial resources received rose strongly for the third year running, reaching a little over 7 billion dollars, which is almost four times the amount of the capital inflow three years before. The evolution was very similar in Chile, where the net inflow of capital was over 3 billion dollars in 1980: four times that of the net investments and credits received in 1977. In the case of Brazil, in contrast, although the net flow of capital in 1980 was greater than that received by Mexico, and although this also represented a considerable increase with respect to the resources received the previous year, it was still far from recovering the level reached in 1978, when this inflow reached its historic peak of almost 11 billion dollars (see table 28).

In contrast, in 1980 there was a marked increase in the net flow of investments and loans to Colombia and the Dominican Republic, and although the absolute levels —1 500 and 840 million dollars respectively— were considerably less than the figures for Brazil, Mexico and Chile, nevertheless in both countries they represented three times the amounts of barely two years before.

The abrupt turnaround of the region's balance of payments, which closed 1980 with a deficit of 1 500 million dollars after having registered a surplus of 6 650 million dollars in 1979, was also the end result of the very varied changes which occurred in the different countries of the region. Thus, this turnaround was due almost entirely to the change in the balance-of-payments situation of the non-oil-exporting economies, which turned in a deficit of 3 700 million dollars in 1980 after having generated a surplus of almost 3 800 million the year before. In contrast, the smaller surplus of the oil-exporting countries accounted for less than 9% of the deterioration in the balance of payments of the region between these two years.

The clearly different balance-of-payments results of the two groups of countries were also due to the opposite tendencies predominating in some of the economies within each group. Thus, the main cause of the reduction in the surplus of the group of six oil-exporting economies from approximately 2 950 million dollars in 1979 to a little under 2 200 million in 1980 was the abrupt turnaround observed for the second year running in the balance of payments of Venezuela, which, after passing from a deficit of 2 200 million dollars in 1978 to a surplus of over 1 billion dollars the following year, again closed with a deficit of 700 million dollars in 1980. The effects of this change, of the shift from a small surplus to a moderate deficit in Bolivia, and of the reduction of the surplus achieved in 1979 by Peru could not be completely compensated for by the considerable increase in Mexico's surplus and the increase of around 200 million dollars in the balance of payments of both Ecuador and Trinidad and Tobago.

As regards the non-oil-exporting countries, over nine-tenths of the deterioration of almost 7 500 million dollars suffered by the balance of payments of this group of countries between 1979 and 1980 was due to the turnaround in the balance of payments of Argentina. Basically as a result of the very rapid expansion of imports, the near stagnation of the value of exports and the reduction to less than half of the net inflow of capital, the surplus of almost 4 300 million dollars recorded by this country in 1979 was replaced by a deficit of nearly 2 700 million in 1980.

Even so, however, this deficit was less than that of almost 3 300 million dollars registered in this year by the balance of payments of Brazil, which thus suffered a loss of international reserves slightly greater than that which had already undergone in 1979.

In 1980 the balance of payments also closed with a deficit in Guyana, Haiti and all the economies of Central America except Costa Rica and Panama.

In contrast, the rest of the non-oil-exporting economies managed to secure overall surpluses on their balance of payments, but these only reached substantial levels in Chile and Colombia, whose surpluses were, together with that of Mexico, the largest in the region (see table 28).

These balance-of-payments results were naturally reflected in the international reserves position at the end of the year. For the region as a whole these reserves went down from 40.8 billion dollars at the end of 1979 to a little over 39 billion dollars in December 1980, thus interrupting the steady and rapid accumulation of reserves observed in previous years.

As may be seen from table 30, the biggest declines in absolute terms were those observed in the reserves of Argentina, Brazil and Venezuela. In the case of the first of these countries, the drop was from almost 9 400 million dollars in 1979 to a little over 6 700 million in 1980, but even so, because of their extraordinary increase in the previous three years, Argentina's reserves at the end of 1980 continued to be the largest of the whole region, and were also much larger than those which that country possessed at the end of 1978.

In Brazil, in contrast, the reserves went down by around 3 billion dollars for the second year running and thus fell to their lowest level of the past five years, equivalent to barely half the reserves existing at the end of 1978.

In Venezuela the reserves went down for the fourth time in the last five years, so that their level at the end of 1980 was lower than in any of the previous five years except 1978.

The sharpest falls in reserves in relative terms, however, were those registered in Haiti —where the reserves fell by more than 70%— and in Bolivia and El Salvador, where the drop was over 40%. As a result of these declines and of the uneven performance of the reserves in previous years, the international reserves of Bolivia and Haiti at the end of 1980 were only half what they had been in 1977, while those of El Salvador were only a little over one-third of the reserves existing at the end of that year.

The gross international reserves of Mexico and Peru, however, rose by around 57% during 1980, with the result that the Mexican reserves in December 1980 were almost double those of three years before, while the Peruvian reserves, which expanded by an exceptional amount in 1979, increased more than six times over the same period of time.

Similarly, the reserves increased for the fifth consecutive year in both Colombia and Chile. As a result, the Colombian reserves at the end of the year were the highest in Latin America after those of Argentina, Venezuela and Brazil, while the Chilean reserves reached a similar level to those of Mexico, having increased almost eightfold between 1977 and 1980 (see table 30).

3. The external debt

In 1980 the external indebtedness of Latin America continued to grow. According to preliminary calculations, it is estimated that the public and State-guaranteed private external debt of the region as a whole at the end of the year came to a total of approximately 12 500 million dollars: almost three times the total for barely five years before. Moreover, as in 1979, the rate of increase of the non-guaranteed bank debt was much greater in 1980 than that of the public and State-guaranteed debt, so that the total gross indebtedness once again underwent an appreciable increase and at the end of the year it was estimated to be around 195 billion dollars (see table 31).

In relative terms, however, the increases in the main components of the external debt, excluding non-guaranteed bank debt, were less in 1980 than in previous years. Thus, the growth rate of a little over 12% in the public and State-guaranteed external debt was the lowest of the last ten years, while the rate of nearly 17% registered by total gross indebtedness was the smallest since 1975, which is the first year for which information is available on this indicator. These growth rates were also considerably below the increase of 21% registered in 1980 in the value of exports of goods and services, thus repeating the situation of the year before, when these exports rose by 32% while public and State-guaranteed debt increased rather less than 18% and total gross indebtedness grew by 23.5%.

At the same time, however, since as already noted Latin America's gross international reserves went down in 1980, the rate of increase of the total net indebtedness (23%) was considerably higher in this year than that of gross indebtedness and also slightly exceeded the value of exports of goods and services. Thus, at the end of 1980 the total net debt came to 156 billion dollars, which was exactly four times the figure registered four years earlier (see table 31).

V. INFLATION

During 1980 inflation was once again very pronounced in Latin America. For the region as a whole, the weighted average variation in consumer prices was somewhat over 56%, slightly higher than the figure of 54% for 1979, and considerably higher than the rates of roughly 40% in the previous two years.²¹ As in 1979, the inflationary process was also quite widespread; of the 23 countries for which information is available only Guatemala, Haiti and Paraguay were able to hold their inflation rates below 10% (see table 32).

²¹ The weighting factor used to calculate the regional average is country population. As the rate of growth of prices was much higher in the larger countries, the simple average of regional inflation in 1980 was considerably lower (27.9%). Although this rate is lower than the 35.7% for 1979, it was higher than the figures for 1978 (25.7%) and 1977 (24.7%).

Nevertheless, the intensity and trends of inflation varied considerably in the different economies of the region. Thus, while consumer price rises fluctuated around 90% in Brazil and Argentina, and amounted to 61% in Peru and 43% in Uruguay, they ranged between 21% and 31% in Venezuela, Bolivia, Nicaragua, Colombia, Jamaica, Mexico and Chile and between 14% and 19% in most Central American and Caribbean countries. Furthermore, while the rate of inflation increased in 8 countries, it dropped in the remaining 15.

The significance and implications of the inflation rate also differed in each case. For example, in Argentina the rise of nearly 90% in prices, while enormous, represented a considerable drop from the rate of almost 140% in 1979, and meant that for the first time since 1974 the country had less than three-digit inflation.

The very similar rate recorded in Brazil, on the other hand, represented a new upsurge of the inflationary process; inflation in 1980 was more than double the average for 1975-1978. The great accentuation of the inflationary process in Brazil was even more evident in wholesale price trends. In 1980 the latter rose by 120%, well above the 80% rise in the previous year, and four times the average rate between 1975 and 1978.

The significance of the relatively similar inflation rates in Colombia, Jamaica, Mexico and Chile in 1980 was again very diverse, especially if in each case the rate of inflation is contrasted with that of the previous year, and above all when considered in a longer time span.

The highest inflation in these four countries was in Chile, where consumer prices rose by over 31%. However, this rise represented an appreciable drop from the 39% recorded in 1979, and also meant the continuation of the steady downward trend begun in 1974 and only interrupted in 1979 as a result of the combined effects of higher international oil prices, the rise in international inflation and the devaluation of the peso in the middle of that year.

The rise of nearly 27% in consumer prices in Colombia in 1980, on the other hand, was only slightly below the rate of nearly 30% in 1979; in practice, Colombian inflation continued to display the noteworthy stability it has shown since 1973 (see table 32).

In contrast with the cases of Chile and Colombia, the rise of nearly 30% in the Mexican price level in 1980 represented a considerable acceleration of the rate of inflation, both with respect to 1979 and especially in comparison with the far more moderate rates generally prevailing in Mexico until 1972.

The trends and extent of inflation in Jamaica during 1980 were similar to those in Mexico. Consumer prices rose by nearly 30%, a figure not only more than 10 percentage points above that of the previous year, but also the highest in the country's history, with the exception of the 46% recorded in 1978 mainly as a result of the large successive devaluations of the Jamaican dollar in that year.

The contrast between the inflation in 1980 and past levels was also noteworthy in Peru, and still more striking in Venezuela. In the latter country, the 22% rate in 1980, while only slightly above that of 1979, was almost triple the average annual rate of inflation during the period 1975-1978, and seven times above the rates usual in that country before 1974.

In turn, the 61% rise in consumer prices in Peru in 1980 meant that for the second consecutive year there was a slight drop in the rate of inflation, but also that inflation remained far above both price rises in the period 1973-1977, and especially trends in the early 1970s, when the average annual rate was barely 6%.

On the other hand, in Uruguay the 43% rise in 1980 not only represented a halving of the exceptionally high rate recorded in 1979, but also was one of the lowest rates in the last ten years. In the remaining economies of the region—in most of which inflation was traditionally very low until the 1970s, but rose sharply in 1973-1974 and again in 1979 on account of the higher world oil prices and the rise in inflation in the industrialized countries—the growth rate of consumer prices dropped moderately in 1980, but was again very high in historical terms, fluctuating between 14% and 19% (see table 32).

The only exceptions in this group were Bolivia and Nicaragua, both countries having an inflation rate of about 24%.

In Bolivia, this figure represented a sharp drop in comparison with the very high level in 1979, when consumer prices rose by over 45%, mainly as a result of the big devaluation of the peso in November after 7 years of exchange rate stability. Despite the considerable drop in the rate of inflation during 1980, it remained well above the rates recorded in all years of the previous decades with the exception of the rises of between 35% and 40% recorded in 1973 and 1974.

The rise of nearly 25% in consumer prices meant that the rate of inflation dropped even more markedly in Nicaragua, where consumer prices in 1979 had risen by the record rate of 70% as a result of the devaluation of over 40% in April and the upheavals resulting from the civil war which came to an end in the middle of that year. Despite this drop, the rate of growth of prices in 1980 remained considerably higher than prior to 1979.

Although the determinants of inflation, and their relative impact on the rate of growth of prices, varied considerably from country to country, it is evident that international inflation was once again one of the main causes of the strong inflationary process that affected the region in 1980.

The average prices of imports, which had already risen by nearly 16% in 1979, increased by over 18% in 1980, thus generating great pressure upon costs and the domestic price level (see table 33).

Naturally, as a result of the fresh large increases in world oil prices in the course of the year, the rise in the unit cost of imports was much higher in the oil-importing countries: nearly 24% in 1980. This increase, together with that of over 20% in the preceding year, meant that the average price of imports of those countries jumped by nearly 50% during 1979-1980.²²

However, on account of the heightened inflationary processes in most of the industrialized countries, with the ensuing effect upon the price of manufactures, imported inflation in 1980 had a more general effect on the Latin American economies, including those which are net oil exporters.

In addition, the inflationary effect of the rise in import prices was in some cases compounded by that of the rise in the prices of Latin American exports in 1980. Following a drop of about 4% in 1978 and a 21% rise in 1979, these rose by over 22% in 1980. Although this increase was much greater for the oil-exporting countries (36%) than for the other economies of the region (12%), in the latter too the average rise in export prices in 1980 was slightly higher than in the previous year, and therefore exerted additional upwards pressure on domestic prices.

²² Nevertheless, this rise was smaller than the 67% increase in these countries' average import prices during the first round of world oil price hikes during 1973-1974.

Table 1

WORLD GROSS DOMESTIC PRODUCT
(Annual growth rates)

	1971- 1980	1976- 1978	1979	1980 (a)
World	<u>4.1</u>	<u>4.7</u>	<u>3.8</u>	<u>2.2</u>
Centrally Planned Economies (b)	5.5	5.5	3.3	3.1
Developed Market Economies (c)	3.3	4.3	3.7	1.5
Developing Countries (d)	5.7	5.2	4.8	3.9

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

(b) The data are for Eastern Europe, USSR and China and represent the net material product.

(c) Including South Africa.

(d) Including Israel and Turkey.

Table 2

WORLD INDUSTRIAL PRODUCTION
(Growth rates)

	1973	1974	1975	1976	1977	1978	1979	1980(a)	Average 1968- 1978
World	<u>8.9</u>	<u>2.4</u>	<u>-3.4</u>	<u>8.1</u>	<u>4.6</u>	<u>4.2</u>	<u>4.4</u>	<u>1.5</u>	<u>7.1</u>
Centrally Planned Economies (b)	8.9	8.8	8.3	6.5	6.5	5.7	4.3	3.8	11.4
Developed Market Economies (c)	8.9	-	-7.2	8.4	3.7	4.1	5.0	0.4	5.3
Developing Countries	10.8	3.3	-4.4	9.1	5.8	2.0	2.4	1.8	8.4

Source: United Nations, Monthly Bulletin of Statistics, February 1981, and CEPAL estimates.

(a) Preliminary figures.

(b) Eastern Europe, USSR, and China.

(c) Including Israel and South Africa.

Table 3

OECD: GROSS NATIONAL PRODUCT
(Growth rates)

	1973	1974	1975	1976	1977	1978	1979	1980(a)	Average 1968- 1978
OECD	<u>6.3</u>	<u>0.7</u>	<u>-0.5</u>	<u>5.3</u>	<u>3.7</u>	<u>3.9</u>	<u>3.3</u>	<u>1.4</u>	<u>3.8</u>
France	<u>5.4</u>	<u>3.2</u>	<u>0.2</u>	<u>5.2</u>	<u>2.8</u>	<u>3.6</u>	<u>3.3</u>	<u>1.6</u>	<u>4.4</u>
Germany	<u>4.9</u>	<u>0.5</u>	<u>-1.8</u>	<u>5.2</u>	<u>3.0</u>	<u>3.3</u>	<u>4.5</u>	<u>1.8</u>	<u>3.5</u>
Japan	<u>10.0</u>	<u>-0.3</u>	<u>1.4</u>	<u>6.5</u>	<u>5.4</u>	<u>5.9</u>	<u>5.9</u>	<u>5.5</u>	<u>6.6</u>
United Kingdom	<u>7.5</u>	<u>-1.2</u>	<u>-0.8</u>	<u>4.2</u>	<u>1.0</u>	<u>3.6</u>	<u>1.5</u>	<u>-3.0</u>	<u>2.3</u>
United States	<u>5.4</u>	<u>-1.3</u>	<u>-1.0</u>	<u>5.6</u>	<u>5.1</u>	<u>4.4</u>	<u>2.3</u>	<u>-0.2</u>	<u>2.9</u>

Source: OECD, Economic Outlook No. 28, December 1980, and CEPAL, on the basis of official data.

(a) Preliminary figures.

Table 4

COMERCIAL BANK LENDING RATES TO PRIME BORROWERS IN SELECTED COUNTRIES
(Percentage rates at the end of December)

	1976	1977	1978	1979	1980
France	11.65	11.35	10.95	13.65	13.40
Germany	6.50	6.00	5.50	9.75	11.50
Japan	7.42	5.47	4.50	6.31	8.30
United Kingdom	15.50	8.00	13.50	18.00	15.00
United States	6.00	7.75	11.75	15.25	21.50

Source: Morgan Guaranty Trust Co., World Financial Markets, January 1980, p. 20, and February 1981, p. 18.

Table 5

DEVELOPING COUNTRIES: ANNUAL GROWTH RATES OF GROSS DOMMESTIC PRODUCT

	1971- 1980	1976- 1978	1978	1979	1980 (a)
Africa(b)	4.8	6.0	4.8	6.2	5.3
South and East Asia	5.6	6.8	7.1	2.9	4.7
Western Asia (c)	6.4	2.8	1.4	3.7	0.5
Latin America	5.8	4.8	4.7	6.0	5.7
Memorandum item					
Net energy exporters	5.8	5.0	4.1	5.5	4.0
Net energy importers	5.6	5.4	5.0	4.3	3.9

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

(b) Excluding South Africa.

(c) Including Israel and Turkey.

Table 6

OECD: CONSUMER PRICES
(Percentage annual average change)

	1961- 1970	1971 1976	1977	1978	1979	1980 (a)
OECD	3.3	8.5	8.9	7.9	9.8	12.5
France	4.0	9.0	9.4	9.1	10.8	13.3
Germany	2.7	5.9	3.7	2.7	4.1	5.5
Japan	5.8	11.2	8.1	3.8	3.6	8.0
United Kingdom	4.1	13.6	15.8	8.3	13.4	18.0
United States	2.8	6.6	6.5	7.7	11.3	13.5

Source: OECD, Economic Outlook, December 1980, No. 26, p. 47; IMF, International Financial Statistics; and CEPAL, on the basis of official data.

(a) Preliminary figures.

Table 7

SELECTED INDUSTRIALIZED COUNTRIES: REAL EFFECTIVE EXCHANGE RATES(a)
(1973=100)

	France	Germany	Japan	United Kingdom	United States
1973	100.0	100.0	100.0	100.0	100.0
1974	94.7	105.3	99.4	100.8	95.1
1975	102.6	100.4	87.9	104.3	98.6
1976	100.1	101.2	88.9	96.6	100.1
1977	96.6	102.7	93.7	101.7	99.9
1978	97.3	103.4	107.5	106.5	95.4
1979	99.2	104.2	96.2	118.9	95.6
1980	101.0	101.2	93.9	137.1	97.8

Source: Morgan Guaranty Trust Co., World Financial Markets (various issues).

(a) The index of the real effective exchange rate is based on the trade-weighted exchange rate adjusted for inflation differentials which are measured by the wholesale prices of non-food manufactures.

Table 8

DEVELOPING COUNTRIES: CHANGE IN CONSUMER PRICES
(Percentage annual average change)

Country group	1969- 1972	1973- 1979	1977	1978	1979	January-June	
						1979	1980
Developing countries (a)	8.9	19.4	21.3	18.3	24.4	23.2	41.6
Africa (b)	6.1	15.7	18.6	17.5	16.3	17.0	18.8
South and East Asia	6.6	12.6	8.7	6.4	11.7	9.4	13.5
West Asia (c)	6.5	21.1	24.2	24.3	31.5	32.2	84.4
Latin America and the Caribbean (d)	12.4	26.0	32.6	27.0	35.8	33.5	55.5

Source: IMF, International Financial Statistics (various issues) and CEPAL, on the basis of official data.

(a) Including Yugoslavia but excluding Argentina, Chile and Ghana.

(b) Excluding Ghana and South Africa.

(c) Including Israel and Turkey.

(d) Excluding Argentina and Chile.

Table 9

VALUE OF WORLD TRADE BY AREAS(a)

	Exports (FOB)				Import (CIF)			
	1979		1980(b)		1979		1980(b)	
	Billions of dollars		Growth rates		Billions of dollars		Growth rates	
World	1 638	1 985	25	21	1 689	2 050	25	21
Developed Market Economies (c)	1 046	1 228	22	17	1 151	1 375	28	19
Oil-exporting Developing countries	207	294	45	42	105	136	7	30
Non-oil Developing Countries	199	247	27	24	249	320	25	29
Centrally Planned Economies(d)	151	176	21	17	152	173	15	14

Source: GATT, Press Release, 10 March 1981.

(a) Note that due to different sources of information the country classifications used in this table are not entirely compatible with those employed in earlier tables of this world summary.

(b) Preliminary figures.

(c) Including South Africa.

(d) FOB.

Table 10
PRICES OF PRIMARY COMMODITIES
(1975=100)

	1973	1974	1975	1976	1977	1978	1979	Jan.-Sept.	
								1979	1980
Primary commodities	57	104	100	106	117	119	154	145	223
Developed Market Economies	82	103	100	102	106	115	134	131	155
Developing Market Economies	44	104	100	108	124	121	165	153	260
Food	87	111	100	105	120	121	136	133	157
Developed Market Economies	89	108	100	99	100	113	131	128	149
Developing Market Economies	83	119	100	118	165	138	148	143	176
Agricultural raw material	101	120	100	112	124	132	159	158	166
Developed Market Economies	100	113	100	109	119	124	149	149	153
Developing Market Economies	103	130	100	118	132	146	175	174	186
Non-ferrous metals	106	131	100	109	117	126	167	163	188
Developed Market Economies	100	123	100	108	117	126	165	161	186
Developing Market Economies	122	150	100	112	117	127	172	168	193
Primary commodities excluding petroleum	85	107	100	106	118	121	138	135	155
Developed Market Economies	85	103	100	102	105	115	132	130	148
Developing Market Economies	85	116	100	115	144	133	149	146	171

Source: United Nations, *Monthly Bulletin of Statistics*, February 1981.

Table 11
WORLD CURRENT ACCOUNT BALANCES(a)
(Billions of dollars)

	1974	1975	1976	1977	1978	1979	1980(b)
Industrial Countries	-20	2	-16	-23	15	-36	-74
Oil-exporting Developing Countries	60	27	37	29	5	68	115
Non-oil-exporting Developing Countries	-26	-30	-18	-13	-23	-36	-50
Centrally Planned Economies	-10	-18	-13	-9	-10	-3	-7

Source: GATT, Press Release, 10 March 1981; OECD, *Economic Outlook*, No 20, December 1980, and CEPAL, on the basis of official data.

(a) After official transfers. Due to different sources of information the country classifications used in this table are not entirely compatible with those employed in earlier tables of this world summary.

(b) Preliminary figures.

Table 12
PUBLICIZED EUROCURRENCY CREDITS
(Billions of dollars or equivalent)

	1975	1976	1977	1978	1979	1980(a)	Growth rates		
							1978	1979	1980
Total	20.6	28.7	34.2	73.7	70.2	66.2	115.5	-4.8	-5.7
Industrialized Countries	5.1	8.3	11.1	31.3	19.0	28.8	182.0	-39.3	51.6
Developing Countries (b)	12.5	17.3	20.2	38.3	43.2	34.5	89.6	12.8	-20.1
(Oil Exporters)	(0.3)	(1.6)	(3.3)	(2.7)	(0.7)	(0.4)	(-18.2)	(74.1)	(-42.9)
Centrally Planned Economies	2.7	2.4	2.7	3.7	7.5	2.3	37.0	102.7	-69.3
Other	0.3	0.7	0.2	0.4	0.5	0.6	100.0	25.0	20.0

Source: World Bank.

(a) Preliminary estimate.

(b) Note that the World Bank includes the Mediterranean region of Europe in this group.

Table 13

PUBLICIZED FOREIGN AND INTERNATIONAL BOND ISSUES
(Billions of dollars or equivalent)

	1975	1976	1977	1978	1979	1980(a)	Growth rates		
							1978	1979	1980
Total	22.8	34.3	36.1	37.5	37.8	37.1	3.9	0.8	-1.9
Industrialized Countries	16.1	23.2	22.8	22.6	24.6	23.7	-0.9	8.9	4.5
Developing Countries (b)	1.0	2.3	4.8	6.1	4.0	2.9	27.1	-34.4	-27.5
(Oil Exporters)	(-)	(-)	(0.1)	(0.1)	(-)	(-)	(-)	(-)	(-)
Centrally Planned Economies	0.1	0.1	0.3	-	-	-	-	-	-
Other	5.6	8.7	8.2	8.8	9.2	8.5	7.3	4.5	-7.6

Source: World Bank.

(a) Preliminary estimate.

(b) Note that the World Bank includes the Mediterranean region of Europe in this group.

Table 14

WEIGHTED SPREADS ON VARIABLE INTEREST
EUROCURRENCY CREDITS TO DEVELOPING COUNTRIES(a)
(Percentages)

Spreads	1975	1976	1977	1978	1979	1980(a)
Up to 0.500	-	-	-	1.3	10.6	16.5
0.501 - 0.750	-	-	0.2	14.9	42.1	40.6
0.751 - 1.000	-	-	18.8	30.5	26.9	22.6
1.001 - 1.250	1.9	8.2	13.7	21.7	13.3	10.4
1.251 - 1.500	35.8	26.4	15.4	16.9	4.0	7.0
1.501 - 1.750	36.1	29.9	32.2	6.7	1.9	1.7
1.751 - 2.000	23.0	27.6	14.0	5.3	0.8	0.6
2.001 - 2.250	2.6	6.5	3.0	1.7	0.1	0.1
2.251 - and over	0.2	1.2	2.6	0.3	0.1	0.2
Not known	0.3	0.1	0.2	0.8	0.2	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: World Bank.

(a) Note that the World Bank includes the Mediterranean region of Europe in this classification.

(b) Preliminary estimates.

Table 15

ORIGINAL MATURITIES ON EUROCURRENCY CREDITS TO DEVELOPING COUNTRIES(a)
(Percentage distribution)

Original maturity (years)	1975	1976	1977	1978	1979	1980(b)
Over 1 - 3.00	5.7	2.3	3.9	2.9	5.3	6.5
3.01 - 5.00	62.9	53.5	19.5	4.9	4.2	3.5
5.01 - 7.00	24.1	30.7	64.0	27.2	7.7	20.8
7.01 - 10.00	3.3	4.7	8.6	56.0	59.9	62.7
10.01 - 15.00	1.7	-	-	6.4	17.4	4.4
15.01 - 20.00	-	-	-	-	0.3	0.2
20.01 - 25.00	-	-	-	-	-	-
25.01 and over	-	-	-	-	-	-
Not known	2.2	8.9	4.0	2.5	5.2	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: World Bank.

(a) Note that the World Bank includes the Mediterranean region of Europe in this category.

(b) Preliminary estimates.

Table 16

LATIN AMERICA: MAIN ECONOMIC INDICATORS(a)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980(b)
<u>Basic economic indicators</u>											
Gross domestic product at market prices (billions of dollars at 1970 prices)	189	202	215	232	249	257	270	283	296	314	332
Population (millions of inhabitants)	266	273	280	288	295	303	311	319	327	335	343
Per capita gross domestic product (dollars at 1970 prices)	710	738	766	807	844	849	870	889	907	939	967
<u>Growth rates</u>											
<u>Short-run economic indicators</u>											
Gross domestic product	6.9	6.6	6.6	8.1	7.3	3.3	5.0	4.8	4.7	6.0	5.7
Per capita gross domestic product	4.1	3.9	3.8	5.3	4.6	0.7	2.4	2.2	2.1	3.4	3.1
Gross income	7.2	6.4	6.8	9.2	9.0	1.8	5.1	4.9	4.1	6.8	5.9
Terms of trade	3.3	-2.6	3.5	12.4	14.8	-12.2	1.6	3.9	-9.9	4.6	3.3
Current value of exports of goods and services	9.0	4.7	15.4	38.8	52.3	-4.8	14.3	17.6	10.9	32.1	21.3
Current value of imports of goods and services	14.4	10.4	12.6	28.5	62.2	9.0	4.3	14.3	16.6	26.0	25.5
Consumer prices (c)	12.2	13.5	20.9	36.3	40.0	57.6	61.5	40.4	38.7	53.8	56.2
<u>Millions of dollars</u>											
<u>External sector</u>											
Balance on trade in goods and services	-523	-1 618	-1 282	607	-2 049	-8 696	-4 736	-3 783	-7 915	-6 063	-10 180
Oil-exporting countries	135	363	129	1 191	5 298	-1 456	-1 620	-3 358	-5 651	431	3 395
Non-oil-exporting countries	-658	-1 981	-1 411	-584	-7 347	-7 240	-3 116	-425	-2 264	-6 494	-13 575
Balance on current account	-3 356	-4 751	-4 452	-3 652	-7 099	-14 201	-11 439	-11 834	-17 849	-19 346	-27 430
Oil-exporting countries (d)	-1 243	-1 234	-1 345	-930	2 630	-3 575	-4 289	-6 365	-9 577	-5 087	-3 750
Non-oil-exporting countries	-2 113	-3 517	-3 107	-2 722	-9 729	-10 626	-7 150	-5 469	-8 272	-14 259	-23 680
Overall balance of payments	1 558	497	2 830	4 047	3 704	964	2 660	5 012	5 545	6 651	-1 520
Oil-exporting countries	459	576	538	913	5 478	2 769	-735	751	-1 827	2 868	2 180
Non-oil-exporting countries	1 099	-79	2 292	3 134	-1 774	-1 805	3 395	4 261	7 372	3 783	-3 700
Public and State-guaranteed external debt	16 077	18 279	21 488	27 438	36 611	44 594	57 871	72 548	94 523	111 344	125 000

Source: CEPAL, on the basis of official data.

(a) The figures for the product, population and income correspond to the set of 21 countries given in table 17, excluding Jamaica and Cuba. Those for the external sector and prices refer to the set of 23 countries given in table 23.

(b) Preliminary figures.

(c) Variation from December to December, calculated by weighting the changes in the consumer price indexes of each country by the respective population in each year.

(d) In contrast with previous issues of the Economic Survey, in which Mexico and Peru appeared as non-oil-exporting countries, these two nations have been classified in this issue among the group of oil-exporting countries.

Table 17

LATIN AMERICA: EVOLUTION OF THE GROSS DOMESTIC PRODUCT
(Annual growth rates)

	1970-1974	1975	1976	1977	1978	1979	1980(a)
Argentina	4.1	-0.9	-0.2	6.0	-3.9	6.8	1.1
Bolivia	5.8	5.1	6.8	3.4	2.8	1.4	1.0
Brazil	11.5	5.7	9.0	4.7	6.0	6.4	8.0
Colombia	6.9	4.3	4.2	4.8	8.8	5.1	4.1
Costa Rica	7.1	2.1	5.5	8.9	5.7	4.3	1.7
Cuba (b)	8.7(c)	12.3	3.5	3.1	8.2	1.9	1.4
Chile	2.6	-14.4	3.8	9.7	8.3	8.2	6.5
Ecuador	8.6	6.8	9.3	7.5	5.4	5.4	5.3
El Salvador	4.9	5.6	4.0	5.9	4.4	-1.6	-9.9
Guatemala	6.4	1.9	7.4	7.8	5.0	4.5	3.4
Haiti	4.7	2.2	5.3	1.3	4.4	4.7	5.2
Honduras	3.5	-2.0	7.0	5.8	7.9	6.8	1.3
Jamaica	4.9	-2.6	-8.3	-2.0	-1.7	-2.0	...
Mexico	6.2	4.1	2.1	3.3	7.3	8.0	7.4
Nicaragua	5.3	2.2	5.0	6.3	-7.2	-24.8	10.7
Panama	5.2	0.6	-1.1	1.6	4.1	5.7	4.9
Paraguay	6.4	6.3	7.0	12.8	10.8	10.7	11.0
Peru	4.8	4.5	2.0	-0.1	-0.7	3.4	3.1
Dominican Republic	10.1	5.2	6.7	5.5	2.3	4.8	5.2
Uruguay	1.3	4.8	4.2	1.8	6.2	8.7	4.5
Venezuela	5.2	5.9	8.4	6.8	3.1	0.7	1.6
Total (d)	7.1	3.3	5.0	4.8	4.7	6.0	5.7

Source: CEPAL, on the basis of official data.

(a) Preliminary estimates, subject to revision.

(b) Growth rates refer to the material product, which is the sum of the value of gross output of the agricultural, mining, manufacturing, construction and electricity sectors.

(c) 1971-1974.

(d) Excluding Cuba and Jamaica.

Table 18

LATIN AMERICA: EVOLUTION OF PER CAPITA GROSS DOMESTIC PRODUCT AT MARKET PRICES

	Dollars at 1970 prices			Annual growth rates					
	1970	1975	1980 (a)	1970- 1974	1975	1976	1977	1978	1979 1980 (a)
Argentina	1 273	1 368	1 410	2.7	-2.2	-1.5	4.7	-5.1	5.5
Bolivia	317	370	378	3.2	2.4	4.2	0.8	0.2	-1.2
Brazil	528	777	956	8.6	3.1	6.3	2.1	3.5	3.9
Colombia	587	708	831	4.3	1.6	2.4	2.6	6.6	2.9
Costa Rica	740	875	996	4.4	-0.3	3.0	6.3	3.8	0.8
Chile	952	821	1 071	0.8	-15.8	2.0	7.8	6.5	6.4
Ecuador	415	542	640	5.7	3.7	6.0	4.3	2.2	2.2
El Salvador	422	476	431	1.8	2.5	1.0	2.8	1.4	-4.5
Guatemala	439	494	558	3.1	-1.1	4.1	4.6	1.9	1.3
Haiti	123	135	148	2.4	-0.1	2.8	-1.0	2.2	2.4
Honduras	313	296	338	0.5	-4.9	4.7	4.9	3.3	3.0
Mexico	921	1 032	1 167	2.8	0.9	-0.9	0.2	4.1	4.9
Nicaragua	431	480	349	2.1	-1.1	1.7	2.8	-10.2	-27.5
Panama	940	1 043	1 150	2.4	-2.0	-3.5	-0.8	1.7	3.2
Paraguay	383	452	630	3.2	2.9	3.6	9.1	7.2	7.1
Peru	646	707	666	2.0	1.8	-0.7	-2.7	-3.3	0.6
Dominican Republic	378	503	561	6.9	2.3	3.9	2.8	-0.4	2.2
Uruguay	1 091	1 159	1 442	0.6	4.5	3.8	1.3	5.6	7.9
Venezuela	1 205	1 278	1 312	1.7	2.2	4.6	3.1	-0.4	-2.7
Total	710	849	967	4.3	0.7	2.4	2.2	2.1	3.4

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

Table 19

LATIN AMERICA: TOTAL SUPPLY AND DEMAND
(Annual growth rates)(a)

	1970- 1974	1975	1976	1977	1978	1979	1980 (b)
Total supply	7.4	2.8	4.5	5.1	5.2	6.4	6.3
Gross domestic product	7.1	3.3	5.0	4.8	4.7	6.0	5.7
Imports of goods and services	10.8	-	-0.1	8.0	9.9	10.7	11.9
Total demand	7.4	2.8	4.5	5.1	5.2	6.4	6.3
Domestic demand	7.7	3.3	4.2	4.7	4.6	6.0	6.5
Gross fixed investment	8.9	9.2	4.1	4.1	6.2	5.3	8.4
Total consumption (c)	7.4	1.8	4.2	4.9	4.1	6.2	5.9
Exports of goods and services	4.1	-	8.7	9.1	12.8	10.2	5.1

Source: CEPAL, on the basis of official data.

(a) Calculated on the basis of constant values at 1970 prices.

(b) Preliminary figures.

(c) Including changes in stocks.

Table 20

**LATIN AMERICA: RELATIVE SHARES OF EXPENDITURE COMPONENTS AND
IMPORTS IN THE GROSS DOMESTIC PRODUCT**
(Percentages)

	Total consumption(a)	Gross fixed investment	Exports	Imports
1970	80.5	19.7	9.1	9.3
1971	80.5	20.0	8.6	9.1
1972	80.1	20.3	8.7	9.1
1973	79.9	20.7	8.9	9.5
1974	81.2	21.3	8.3	10.8
1975	80.0	22.5	7.8	10.3
1976	79.2	22.4	8.1	9.7
1977	79.4	22.2	8.4	10.0
1978	79.0	22.5	9.0	10.5
1979	79.2	22.4	9.4	11.0
1980(b)	79.4	22.9	9.3	11.7

Source: CEPAL, on the basis of official data.

(a) Includes changes in stocks.

(b) Preliminary figures.

Table 21

LATIN AMERICA: VARIATIONS IN EXPORTS AND IMPORTS OF GOODS
(Growth rates)

	Exports			Imports								
	Value	Volume	Unit value	Value	Volume	Unit value						
<u>Latin America</u>												
1970	9.1	1.1	7.9	14.3	9.6	4.4						
1971	3.1	0.9	2.1	11.1	5.9	5.0						
1972	15.9	6.3	9.1	13.9	8.1	5.4						
1973	42.7	8.1	32.0	31.1	11.8	17.3						
1974	57.7	-1.0	59.3	69.4	22.0	38.9						
1975	-7.1	-3.7	-3.6	8.0	-1.6	9.8						
1976	15.2	8.1	6.6	3.3	-1.6	4.9						
1977	18.7	7.3	10.7	13.9	6.9	6.5						
1978	7.9	12.0	-3.7	13.3	5.9	7.0						
1979	34.3	11.0	21.0	26.9	9.7	15.7						
1980(a)	29.0	5.4	22.3	31.5	11.0	18.4						
<u>Oil exporting countries</u>												
1970	8.0	5.0	2.9	10.2	5.3	4.7						
1971	15.4	-1.8	17.6	13.6	8.9	4.3						
1972	4.7	-0.1	4.8	13.8	7.4	5.9						
1973	49.8	8.2	38.5	17.6	0.7	16.9						
1974	134.6	-8.4	156.2	54.2	26.7	21.7						
1975	-18.3	(b)	-21.4	(b)	4.1	(b)	15.1	(b)				
1976	8.2	9.4	5.1	4.2	3.0	5.0	27.1	7.8	17.8	1.6	7.9	6.1
1977	4.5	11.9	-8.5	5.8	14.2	5.8	34.5	18.6	21.8	9.4	10.4	8.4
1978	-2.1	9.3	1.4	16.6	-3.5	-6.3	13.0	15.8	3.9	7.1	8.8	8.2
1979	49.8	51.4	3.9	12.0	44.1	35.2	1.4	18.8	-6.6	8.8	8.6	9.2
1980(a)	30.3	41.3	-14.1	4.2	51.7	35.6	10.1	30.6	-1.5	16.1	11.7	12.4
<u>Non-oil-exporting countries</u>												
1970	9.4	-	9.4	15.3	10.5	4.3						
1971	-0.6	1.7	-2.3	10.6	5.2	5.1						
1972	19.8	8.1	10.8	14.0	8.3	5.3						
1973	40.6	8.1	30.0	34.0	14.2	17.4						
1974	33.3	0.9	32.1	72.3	21.1	42.3						
1975	-1.0	(c)	0.6	(c)	-1.5	(c)	3.1	(c)	-5.7	(c)	9.4	(c)
1976	18.4	19.7	8.6	9.8	9.0	9.0	-2.1	0.4	-6.5	-4.3	4.7	4.6
1977	24.7	23.5	10.1	7.9	13.3	14.4	7.8	10.6	2.1	4.8	5.6	5.5
1978	11.4	7.0	13.6	10.2	-1.9	-2.9	13.4	11.4	6.7	4.9	6.3	6.2
1979	29.5	23.0	11.9	10.6	15.7	11.3	36.2	33.2	15.8	10.5	17.6	20.5
1980(a)	28.5	19.0	7.8	5.9	19.2	12.3	37.3	32.1	14.8	6.7	19.6	23.8

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

(b) From 1976 onwards, includes Mexico and Peru.

(c) From 1976 onwards, excludes Mexico and Peru.

Table 22

LATIN AMERICA: EVOLUTION OF EXPORTS OF GOODS
(Growth rates)

	Value			Volume			Unit value			Purchasing power of export		
	1978	1979	1980 (a)	1978	1979	1980 (a)	1978	1979	1980 (a)	1978	1979	1980 (a)
<u>Latin America</u>	7.9	34.3	29.0	12.0	11.0	5.4	-3.7	21.0	22.3	0.9	16.1	8.8
<u>Oil-exporting countries</u>	9.3	51.4	41.3	16.6	12.0	4.2	-6.3	35.2	35.6	1.0	38.7	25.7
Bolivia	-1.7	21.4	24.8	-11.7	2.3	-6.2	11.4	18.8	33.0	-10.6	1.8	11.5
Ecuador	9.2	42.0	15.2	17.2	-2.6	-7.1	-6.9	45.7	24.0	4.0	23.3	2.9
Mexico	40.0	46.1	74.0	34.3	15.6	24.3	4.2	26.5	40.0	29.6	30.9	51.2
Peru	12.0	79.7	11.1	17.7	20.8	-9.8	-4.8	48.7	23.2	3.6	53.5	-1.6
Trinidad and Tobago	8.3	27.3	56.7	6.5	-3.2	-2.1	1.7	31.6	60.0	-1.6	18.2	39.9
Venezuela	-5.1	56.3	29.9	-1.3	7.3	-18.8	-3.8	45.7	60.0	-13.8	44.9	16.1
<u>Non-oil-exporting countries</u>	7.0	23.0	19.0	10.2	10.6	5.9	-2.9	11.3	12.3	1.7	1.1	-3.9
Argentina	13.3	22.1	2.3	9.1	0.9	-14.0	3.8	21.0	19.0	10.5	-3.3	-12.6
Barbados	22.2	18.9	36.4	16.4	6.0	4.2	5.0	12.0	31.0	15.2	3.2	19.7
Brazil	4.4	22.4	32.1	12.2	12.1	22.4	-7.0	9.1	7.9	-2.5	0.4	-2.6
Colombia	17.5	27.4	7.3	37.4	34.1	3.2	-14.5	-5.0	4.0	7.7	12.8	-5.8
Costa Rica	4.4	7.6	7.5	10.3	2.8	7.7	-5.4	4.7	-0.2	1.4	-5.6	-9.6
Chile	12.4	55.9	22.7	7.2	19.1	7.7	4.9	30.9	14.0	4.0	27.6	4.1
El Salvador	-13.0	34.0	-4.8	2.3	25.3	-6.7	-15.0	7.0	2.0	-17.2	17.6	-19.4
Guatemala	-5.6	11.3	24.4	-6.7	9.6	9.5	1.2	1.6	13.6	-11.8	-5.6	2.8
Guyana	13.9	-1.0	33.1	2.4	-2.7	-11.9	11.2	2.0	51.0	8.6	-11.3	6.5
Haiti	14.2	-12.7	16.0	11.0	-14.6	3.7	3.1	2.0	12.0	6.9	-21.9	-5.6
Honduras	18.2	19.8	10.7	16.7	27.8	-3.7	1.3	-6.3	14.9	12.5	11.6	-5.4
Jamaica	4.5	2.5	21.5	2.5	-4.8	-9.4	2.0	7.8	34.0	-2.3	-7.7	-3.7
Nicaragua	1.4	-12.2	-20.6	6.7	-8.1	-30.5	-4.9	-4.5	14.2	-7.8	-23.3	-35.9
Panama	2.7	13.2	16.8	1.5	-14.0	-1.9	1.1	31.8	19.0	-3.1	-6.2	-5.8
Paraguay	8.0	9.7	1.6	18.5	2.7	-2.3	-8.9	6.8	4.0	4.9	-7.6	-13.3
Dominican Republic	-13.5	28.4	10.6	-10.8	12.1	-24.2	-3.0	14.6	46.0	-19.9	16.2	-8.5
Uruguay	12.2	14.9	30.7	5.5	-12.9	7.2	6.4	31.9	22.0	9.0	-6.9	-0.8

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

Table 23

LATIN AMERICA: EVOLUTION OF IMPORTS OF GOODS
(Growth rates)

	Value			Volume			Unit value		
	1978	1979	1980 (a)	1978	1979	1980 (a)	1978	1979	1980 (a)
<u>Latin America</u>	13.3	26.9	31.5	5.9	9.7	11.0	7.0	15.7	18.4
<u>Oil-exporting countries</u>	15.8	18.8	30.6	7.1	8.8	16.1	8.2	9.2	12.4
Bolivia	22.7	17.8	-11.9	11.6	-1.3	-21.4	10.0	19.4	12.0
Ecuador	25.3	23.1	12.5	19.4	6.9	0.5	4.9	15.1	12.0
Mexico	38.5	49.4	53.5	28.3	33.7	33.5	8.0	11.8	15.0
Peru	-26.1	21.9	55.8	-31.6	4.2	37.9	8.0	17.0	13.0
Trinidad and Tobago	19.6	6.9	27.0	8.6	-0.7	13.3	10.1	7.8	12.0
Venezuela	10.2	-3.5	9.7	0.2	-10.5	-2.0	10.0	7.8	12.0
<u>Non-oil-exporting countries</u>	11.4	33.2	32.1	4.9	10.5	6.7	6.2	20.5	23.8
Argentina	-8.2	73.6	56.4	-10.5	37.6	33.6	2.6	26.2	17.0
Barbados	14.9	31.6	29.3	8.4	14.5	13.4	6.0	15.1	14.0
Brazil	13.2	31.9	27.9	5.8	8.1	-5.5	7.0	22.0	35.4
Colombia	39.1	18.0	36.1	27.6	4.5	19.4	9.0	12.9	14.9
Costa Rica	13.5	21.2	5.4	7.1	6.3	-11.4	5.9	14.0	19.0
Chile	41.0	45.2	27.3	30.5	18.9	7.9	8.0	22.0	18.0
El Salvador	10.6	0.2	-5.8	5.4	-12.0	-20.1	5.0	14.0	18.0
Guatemala	18.1	9.4	6.3	10.3	-7.4	-12.2	7.1	18.0	21.0
Guyana	-11.6	16.5	41.9	-15.8	5.2	12.6	5.0	10.9	26.0
Haiti	6.3	7.5	21.7	-0.6	-3.6	-1.0	7.0	11.6	23.0
Honduras	19.0	19.1	22.0	13.4	10.9	4.2	4.9	7.3	17.0
Jamaica	12.5	17.7	11.0	5.1	6.0	-11.9	7.0	11.1	26.0
Nicaragua	-21.4	-41.0	142.3	-28.6	-48.6	95.4	10.0	14.6	24.0
Panama	8.8	28.2	26.7	2.7	6.1	2.2	6.0	20.8	24.0
Paraguay	19.9	33.6	12.7	16.6	12.4	-3.7	2.9	18.8	17.0
Dominican Republic	1.4	27.2	38.0	-6.1	15.1	14.1	8.0	10.5	21.0
Uruguay	4.4	58.6	32.3	1.4	28.6	0.3	3.0	23.3	32.0

Source: CEPAL, on the basis of official data.

(a) Preliminary figures.

Table 24

OIL-IMPORTING COUNTRIES: IMPORTS OF CRUDE OIL AND PETROLEUM PRODUCTS(a)

	Millions of dollars CIF						Percentage of total imports					
	1970	1973	1974	1978	1979	1980	1970	1973	1974	1978	1979	1980
Argentina	59	116	385	247	818	654	3.5	5.2	10.5	6.4	12.2	6.2
Barbados	6	11	31	61	102	130	5.1	6.5	15.2	19.5	24.1	23.6
Brazil	286	984	3 226	4 631	6 932	10 394	10.0	14.1	22.8	30.8	35.0	41.3
Colombia	9	4	4	374	665	394	1.1	0.4	0.3	12.8	19.8	9.8
Costa Rica	12	30	63	116	185	165	3.8	6.6	8.8	9.8	13.0	14.1
Chile	54	69	246	479	889	960	5.8	6.3	12.9	16.0	21.1	17.8
El Salvador	5	21	52	80	123(b)	159(c)	2.3	5.6	9.3	7.8	11.9	16.3
Guatemala	16	30	92	168	234	322	5.4	7.0	13.1	13.1	15.6	19.9
Guyana	11	22	45	65	76	102	8.2	12.6	17.7	23.3	23.6	26.8
Haiti	3	4	12	37	41	51	5.6	4.8	9.6	17.5	17.6	18.0
Honduras	15	26	63	74	113	170(d)	6.8	9.9	16.1	10.6	13.6	16.8
Jamaica	33	71	194	213	259	280	6.3	10.7	20.7	23.2	25.6	25.0
Nicaragua	12	24	61	89	75	174(d)	6.1	7.3	10.9	14.9	18.6	19.8
Panama	66	89	274	228	330(c)	421(c)	18.5	18.2	34.3	24.2	27.8	28.0
Paraguay	11	13	50	84	105	156	14.4	10.7	25.3	21.9	20.2	26.4
Dominican Republic	19	48	116	194	279	398	6.2	9.8	15.0	19.0	22.5	23.2
Uruguay	33	48	151	218	302	455	14.2	16.1	30.3	28.2	25.0	28.4
Total	660	1 610	5 065	7 358	11 526	15 385	6.9	10.2	18.1	21.4	25.4	26.3

Source: Yearbook of International Trade Statistics, 1970 to 1978.

(a) The series covers items corresponding to Division 33 of the SITC (Rev. 1) and therefore excludes natural gas (Division 34).

(b) Central American Monetary Council, Centroamerica, Balance de pagos, 1979.

(c) Figures estimated on the basis of the growth in oil imports.

(d) CEPAL, on the basis of official data.

Table 25

LATIN AMERICA: PURCHASING POWER OF EXPORTS OF GOODS
(1970=100)

	Latin America		Oil-exporting countries		Non-oil-exporting countries	
	Index	Percentage variation	Index	Percentage variation	Index	Percentage variation
1970	100.0	6.5	100.0	3.1	100.0	5.0
1971	98.2	-1.8	110.6	10.6	94.6	-5.4
1972	108.1	10.1	109.4	-1.1	107.6	13.7
1973	131.3	21.5	140.2	28.2	128.9	19.8
1974	149.1	13.6	270.3	192.8	120.7	-6.4
1975	126.3	-15.3	192.2	(a) -28.9	109.4	(b) -9.4
1976	138.6	9.7	216.7	160.5 12.7	3.1 123.6	124.5 13.0
1977	154.5	11.5	182.5	165.7 -15.8	3.2 146.1	145.8 18.2
1978	155.8	0.9	164.1	167.4 -10.1	1.0 153.0	148.3 4.7
1979	180.9	16.1	226.3	232.2 37.9	38.7 168.5	150.0 10.1
1980(c)	196.8	8.8	264.0	291.8 16.7	25.7 181.0	144.2 7.4
						-3.9

Source: CEPAL, on the basis of official data.

(a) From 1976 onwards, includes Mexico and Peru.

(b) From 1976 onwards, excludes Mexico and Peru.

(c) Preliminary information.

Table 26

LATIN AMERICA: TERMS OF TRADE
(1970=100)

	Latin America		Oil-exporting countries				Non-oil-exporting countries			
	Index	Percentage variation	Index		Percentage variation		Index		Percentage variation	
1970	100.0	3.3	100.0		-1.7		100.0		4.9	
1971	97.3	-2.7	112.7		12.7		93.0		-7.0	
1972	100.7	3.5	111.5		-1.1		97.9		5.3	
1973	113.2	12.4	132.1		18.5		108.4		10.7	
1974	129.9	14.8	278.1		110.5		100.6		-7.2	
1975	114.1	-12.2	251.6	(a)	-9.5	(a)	90.6	(b)	-9.9	(b)
1976	115.9	1.6	240.0	179.1	-4.6	-1.1	94.3	89.6	4.1	3.1
1977	120.4	3.9	248.3	175.0	3.5	-2.3	101.2	97.2	7.3	8.5
1978	108.4	-9.9	220.3	151.6	-11.3	-13.4	93.3	89.8	-7.8	-7.6
1979	113.4	4.6	292.4	187.7	32.7	23.8	91.8	82.1	-1.6	-8.6
1980(c)	117.1	3.3	397.0	226.4	35.8	20.6	91.4	74.5	-0.4	-9.3

Source: CEPAL, on the basis of official data.

(a) From 1976 onwards, includes Mexico and Peru.

(b) From 1976 onwards, excludes Mexico and Peru.

(c) Preliminary information.

Table 27

LATIN AMERICA: TRADE BALANCE
(Millions of dollars)

	Exports of goods, FOB			Imports of goods, FOB			Balance on trade in goods			Balance on services(b)			Trade balance		
	1978	1979	1980(a)	1978	1979	1980(a)	1978	1979	1980(a)	1978	1979	1980(a)	1978	1979	1980(a)
Latin America	52 855	70 964	91 260	55 772	70 437	92 272	-2 917	527	-1 010	-4 998	-6 590	-9 165	-7 915	-6 063	-10 175
Oil-exporting countries	20 904	31 653	44 690	24 183	28 590	37 420	-3 279	3 068	7 270	-2 372	-2 637	-3 875	-5 651	431	3 395
Bolivia	640	777	970	790	931	820	-150	-154	150	-148	-183	-225	-298	-337	-75
Ecuador	1 529	2 171	2 500	1 704	2 097	2 360	-175	74	140	-312	-326	-370	-487	-252	-230
Mexico	6 443	9 416	16 380	7 786	11 632	17 860	-1 343	-2 216	-1 480	1 333	1 306	730	-10	-910	-750
Peru	1 933	3 474	3 860	1 600	1 951	3 040	333	1 523	820	-11	33	-195	322	1 556	625
Trinidad and Tobago	1 273	1 621	2 540	1 068	1 142	1 450	205	479	1 090	-16	-101	-140	189	378	950
Venezuela	9 086	14 199	18 440	11 235	10 837	11 890	-2 149	3 362	6 550	-3 218	-3 366	-3 675	-5 367	-4	2 875
Non-oil-exporting countries	31 951	39 306	46 570	31 589	41 847	54 850	362	-2 541	-8 280	-2 626	-3 953	-5 290	-2 264	-6 494	-13 570
Argentina	6 405	7 818	8 000	3 482	6 044	9 450	2 923	1 774	-1 450	-446	-1 377	-2 000	2 477	397	-3 450
Barbados	111	132	180	288	379	490	-177	-247	-310	162	217	235	-15	-30	-75
Brazil	12 450	15 235	20 130	13 607	17 942	22 960	-1 157	-2 707	-2 830	-1 719	-2 318	-2 720	-2 875	-5 025	-5 550
Colombia	3 188	4 062	4 360	2 753	3 248	4 420	435	814	-60	-106	-99	-130	329	715	-190
Costa Rica	864	930	1 000	1 049	1 271	1 340	-185	-341	-340	-84	-110	-105	-269	-451	-445
Chile	2 460	3 835	4 710	2 886	4 190	5 330	-426	-355	-620	-243	-239	-315	-669	-594	-935
El Salvador	847	1 135	1 080	953	955	900	-106	180	180	-128	-180	-175	-234	-	5
Guatemala	1 098	1 222	1 520	1 282	1 402	1 490	-184	-180	30	-163	-139	-250	-347	-319	-220
Guyana	296	293	390	254	296	420	42	-3	-30	-43	-81	-100	-1	-84	-130
Haiti	158	138	160	214	230	280	-56	-92	-120	-41	-40	-40	-97	-132	-160
Honduras	626	750	830	654	779	950	-28	-29	-120	-61	-72	-90	-89	-101	-210
Jamaica	795	815	990	750	883	980	45	-68	10	22	48	-50	67	-20	-40
Nicaragua	646	567	450	553	326	790	93	241	-340	-34	-67	-60	59	174	-400
Panama	295	334	390	862	1 105	1 400	-567	-771	-1 010	409	520	600	-158	-251	-410
Paraguay	350	384	390	432	577	650	-82	-193	-260	18	-5	-45	-64	-198	-305
Dominican Republic	676	868	960	860	1 094	1 510	-184	-226	-550	-137	-83	-120	-321	-309	-670
Uruguay	686	788	1 030	710	1 126	1 490	-24	-338	-460	-33	72	75	-57	-266	-385

Source: 1978-1979, International Monetary Fund; 1980, CEPAL estimates on the basis of official data;
1978-1980, Chile, Central Bank; 1979, Ecuador, Central Bank; 1979, El Salvador, Central American
Monetary Council; 1979, Guyana and Nicaragua, CEPAL estimates.

(a) Preliminary figures.

(b) Excluding profits and interest.

Table 28

LATIN AMERICA: BALANCE OF PAYMENTS
(Millions of dollars)

	Trade balance			Net payments of profits and interest			Balance on current account (b)			Capital movements (c)			Overall balance (d)		
	1978	1979	1980(a)	1978	1979	1980(a)	1978	1979	1980(a)	1978	1979	1980(a)	1978	1979	1980(a)
Latin America	-7 915	-6 063	-10 175	-10 303	-13 650	-17 730	-17 849	-19 346	-27 430	23 394	25 997	25 910	5 545	6 651	-1 520
Oil-exporting countries	-5 651	431	3 395	-3 742	-5 320	-6 980	-9 577	-5 087	-3 750	7 750	7 955	5 930	-1 827	2 868	2 180
Bolivia	-298	-337	-75	-114	-181	-240	-406	-506	-305	256	533	175	-150	27	-130
Ecuador	-487	-252	-230	-255	-395	-580	-730	-647	-810	700	715	1 155	-30	68	345
Mexico	-10	-910	-750	-2 784	-3 855	-5 380	-2 612	-4 561	-5 880	2 967	4 937	7 030	355	376	1 150
Peru	322	1 556	625	-576	-967	-830	-252	590	-200	251	455	1 080	-1	1 045	880
Trinidad and Tobago	189	378	950	-51	-45	-85	122	304	835	87	29	-195	209	333	640
Venezuela	-5 367	-4	2 875	38	123	135	-5 699	-267	2 610	3 489	1 286	-3 315	-2 210	1 019	-705
Non-oil-exporting countries	-2 264	-6 494	-13 570	-6 561	-8 330	-10 750	-8 272	-14 259	-23 680	15 644	18 042	19 980	7 372	3 783	-3 700
Argentina	2 477	397	-3 450	-677	-904	-1 500	1 848	-472	-4 900	110	4 756	2 230	1 958	4 284	-2 670
Barbados	-15	-30	-75	-6	-11	-10	-6	-24	-70	26	38	55	20	14	15
Brazil	-2 875	-5 025	-5 550	-4 232	-5 459	-6 780	-7 038	-10 470	-12 240	10 996	7 536	8 960	3 958	-2 934	-3 280
Colombia	329	715	-190	-260	-243	-250	126	525	-350	404	972	1 500	530	1 497	1 150
Costa Rica	-269	-451	-445	-109	-141	-185	-362	-574	-610	366	474	645	4	-100	35
Chile	-669	-594	-935	-489	-675	-915	-1 088	-1 189	-1 785	1 792	2 319	3 030	704	1 130	1 245
El Salvador	-234	-	5	-65	-67	-85	-254	-30	-40	298	-98	-30	44	-128	-70
Guatemala	-347	-319	-220	-32	-13	-45	-265	-209	-150	288	157	-100	23	-52	-250
Guyana	-1	-84	-130	-21	-30	-35	-28	-119	-170	44	64	135	16	-55	-35
Haiti	-97	-132	-160	-15	-14	-15	-82	-114	-135	85	131	125	3	17	-10
Honduras	-89	-101	-210	-86	-115	-140	-170	-211	-340	167	234	265	-3	23	-75
Jamaica	67	-20	-40	-179	-202	-260	-97	-152	-250	41	-15	340	-56	-167	90
Nicaragua	59	174	-400	-94	-72	-40	-34	103	-440	-70	-90	270	-104	13	-170
Panama	-158	-251	-410	-50	-80	-75	-242	-369	-525	316	349	545	74	-20	20
Paraguay	-64	-198	-305	-61	-71	-90	-124	-266	-395	279	422	560	155	156	165
Dominican Republic	-321	-309	-670	-108	-175	-230	-323	-366	-800	285	373	840	-38	7	40
Uruguay	-57	-266	-385	-77	-58	-95	-133	-322	-480	217	420	580	84	98	100

Source: 1978-1979, International Monetary Fund; 1980, CEPAL estimates on the basis of official data; 1978-1980, Chile, Central Bank; 1979, Ecuador, Central Bank; 1979, El Salvador, Central American Monetary Council; Guyana 1979 and Nicaragua 1979, CEPAL estimates.

(a) Preliminary figures.

(b) Including net unrequited private transfer payments.

(c) Including net errors and omissions and counterpart items.

(d) Corresponds to variations in international reserves (- indicates reduction).

Table 29

LATIN AMERICA: RELATION BETWEEN BALANCE OF PAYMENTS CURRENT ACCOUNT DEFICIT
AND VALUE OF EXPORTS OF GOODS AND SERVICES(a)
(Percentages)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980(b)
Latin America	24.9	20.2	11.9	15.2	32.0	22.6	19.9	27.1	22.2	26.0
Oil-exporting countries	14.8	14.5	7.4	-11.6	17.8	19.5	26.4	34.7	12.7	6.8
Bolivia	22.7	24.1	10.4	-17.3	33.0	16.0	25.0	56.5	58.1	28.4
Ecuador	61.9	23.3	1.9	-1.8	21.5	2.0	23.5	42.8	26.6	29.0
Mexico	27.1	24.8	30.0	46.6	65.3	48.5	23.2	22.9	28.8	24.2
Peru	6.5	5.6	22.4	40.8	93.1	71.5	46.0	10.5	-14.5	4.4
Trinidad and Tobago	27.2	27.4	5.1	-23.9	-23.1	-15.7	-11.1	-7.7	-15.5	-28.4
Venezuela	0.3	2.9	-17.2	-50.6	-23.5	-3.3	30.8	58.1	1.8	-13.5
Non-oil-exporting countries	32.6	24.3	15.1	40.8	43.9	24.9	15.5	21.6	30.3	46.7
Argentina	18.1	9.6	-18.8	-2.6	36.5	-14.2	-19.6	-24.6	5.1	49.5
Barbados	34.3	36.9	37.9	6.8	13.2	20.3	12.2	1.7	5.4	12.8
Brazil	50.4	39.2	32.4	87.4	73.0	59.5	38.9	50.9	62.6	55.1
Colombia	49.6	17.7	5.0	20.3	5.8	-6.9	-12.7	3.2	-10.6	6.6
Costa Rica	41.4	29.8	26.7	49.4	36.3	28.4	23.5	35.6	52.6	51.5
Chile	17.9	48.3	20.1	7.8	33.1	-6.4	21.5	34.7	25.3	30.9
El Salvador	5.6	-2.7	11.5	26.2	16.0	1.3	-2.3	25.7	2.3	3.3
Guatemala	14.2	2.8	-1.7	14.5	8.3	8.3	2.5	20.3	14.2	8.5
Guyana	4.2	8.5	40.3	2.7	5.7	47.4	34.7	9.1	38.8	35.6
Haiti	3.1	1.6	12.8	38.0	38.7	38.6	40.6	40.0	58.7	56.3
Honduras	12.1	6.8	12.9	36.9	36.2	25.3	23.9	24.7	25.5	37.0
Jamaica	30.7	30.9	38.0	8.1	26.2	32.9	7.5	8.6	12.6	17.6
Nicaragua	21.2	-5.9	30.2	61.1	43.8	7.8	26.5	4.7	-16.6	84.5
Panama	21.5	25.9	25.0	33.0	22.4	24.4	20.4	25.6	32.9	40.3
Paraguay	29.2	8.5	13.4	27.1	44.3	30.0	15.3	26.7	48.5	69.5
Dominican Republic	45.2	12.2	19.5	33.4	7.7	29.5	29.2	39.2	32.4	65.2
Uruguay	28.5	-13.4	-4.4	27.2	35.9	11.8	20.4	14.6	26.9	31.2

Source: CEPAL, on the basis of official data.

(a) Minus sign indicates a surplus on the balance of payments current account.

(b) Preliminary estimate.

Table 30

LATIN AMERICA: EVOLUTION OF GROSS INTERNATIONAL RESERVES(a)
(Millions of dollars)

	Balances at end of December					Growth rates				
	1976	1977	1978	1979	1980	1976	1977	1978	1979	1980
Latin America	22 378	26 943	33 821	40 790	39 017	28.4	20.4	25.5	20.6	-4.3
Oil-exporting countries	11 243	12 057	10 878	13 876	16 064	-1.2	7.2	-9.8	27.6	15.8
Bolivia	151	211	170	178	106	8.3	39.7	-19.4	4.7	-40.4
Ecuador	477	623	636	722	1 013	88.5	30.6	2.1	13.5	40.3
Mexico	1 188	1 649	1 842	2 033	3 183(b)	-14.1	38.8	11.7	10.4	56.6
Peru	289	357	390	1 521	2 401(b)	-32.2	23.5	9.2	290.0	57.9
Trinidad and Tobago	1 014	1 482	1 805	2 138	2 780	35.0	46.2	21.8	18.4	30.0
Venezuela	8 124	7 735	6 035	7 284	6 581	-3.3	-4.8	-22.0	20.7	-9.7
Non-oil-exporting countries	11 135	14 886	22 943	26 914	22 953	83.4	33.7	54.1	17.3	-14.7
Argentina	1 445	3 154	4 966	9 388	6 719	401.7	118.3	57.5	89.0	-28.4
Barbados	28	37	60	66	79	-30.0	32.1	62.2	10.0	19.7
Brazil	6 488	7 192	11 826	8 966	5 686(b)	63.0	10.9	64.4	-24.2	-36.6
Colombia	1 101	1 747	2 366	3 844	4 831	131.8	58.7	35.4	62.5	25.7
Costa Rica	95	190	194	119	154	93.9	100.0	2.1	-38.7	29.4
Chile	405	427	1 090	1 938	3 123	623.2	5.4	155.3	77.8	61.1
El Salvador	185	211	268	140	78	72.9	14.1	27.0	-47.8	-44.3
Guatemala	491	669	742	696	445	72.9	36.3	10.9	-6.2	-36.1
Guyana	28	23	58	18	13	-73.0	-17.9	152.2	-69.0	-27.8
Haiti	28	34	39	55	16	133.3	21.4	14.7	41.0	-70.9
Honduras	131	180	184	209	150	35.1	37.4	2.2	13.6	-28.2
Jamaica	32	48	59	63	105	-74.6	50.0	22.9	6.8	66.7
Nicaragua	146	148	51	64	...	19.7	1.4	-65.5	25.5	...
Panama	79	71	150	119	117	132.3	-10.1	111.3	-20.7	-1.7
Paraguay	158	268	449	609	762	37.4	69.6	67.5	35.6	25.1
Dominican Republic	124	180	154	239	202	9.7	45.2	-14.4	55.2	-15.5
Uruguay	171	307	287	381	473	134.2	79.5	-6.5	32.8	24.1

Source: International Monetary Fund, *International Financial Statistics*, April 1981.

(a) Excluding gold.

(b) CEPAL estimates on the basis of official data.

Table 31

LATIN AMERICA: TOTAL EXTERNAL DEBT(a)
(Billions of dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980(b)
Public and State-guaranteed external debt	16.1	18.3	21.5	27.4	36.6	44.6	57.9	72.5	94.5	111.3	125.0
Non-guaranteed bank debt	...	...	...	...	18.8	25.2	32.6	34.6	39.4	54.3	70.0
Gross total debt(c)	...	...	...	...	55.9	70.7	92.4	109.0	135.3	167.2	195.0
Gross international reserves (d)	4.3	5.2	8.6	13.0	17.0	17.4	22.4	26.9	33.8	40.8	39.0
Net total debt	...	...	...	...	38.9	53.3	70.0	82.7	101.5	126.4	156.0

Source: World Bank, *World Debt Tables*, 15 November 1980. Bank for International Settlements, *Annual Report*, June 1980; International Monetary Fund, *International Financial Statistics*, April 1981, and CEPAL estimates.

(a) Outstanding effectively disbursed debt.

(b) Preliminary estimate, subject to revision.

(c) Including debt with IMF.

(d) Excluding gold.

Table 32

LATIN AMERICA: VARIATIONS IN CONSUMER PRICES
(Variations December to December)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
<u>Latin America(a)</u>	<u>12.2</u>	<u>13.5</u>	<u>20.9</u>	<u>36.3</u>	<u>40.0</u>	<u>57.6</u>	<u>61.5</u>	<u>40.4</u>	<u>38.7</u>	<u>53.8</u>	<u>56.2</u>
<u>Countries with high inflation</u>	<u>14.4</u>	<u>15.6</u>	<u>24.1</u>	<u>41.5</u>	<u>44.9</u>	<u>69.3</u>	<u>74.8</u>	<u>48.4</u>	<u>45.9</u>	<u>61.9</u>	<u>66.3</u>
Argentina	21.6	39.1	64.2	43.9	40.1	334.9	347.5	160.4	169.8	139.7	87.6
Brazil	17.7	18.1	14.0	13.7	33.8	31.2	44.8	43.1	38.1	76.0	95.3(b)
Colombia	3.5	14.1	14.0	25.0	26.9	17.9	25.9	29.3	17.8	29.8	26.5
Chile	34.9	22.1	163.4	508.1	375.9	340.7	174.3	63.5	30.3	38.9	31.2
Mexico	7.8	-0.8	5.6	21.3	20.6	11.3	27.2	20.7	16.2	20.0	29.8
Peru	5.7	7.7	4.3	13.8	19.2	24.0	44.7	32.4	73.7	66.7	60.8
Uruguay	19.3	35.6	94.7	77.5	107.2	66.8	39.9	57.3	46.0	83.1	42.8
<u>Countries with moderate inflation</u>	<u>2.8</u>	<u>4.6</u>	<u>7.2</u>	<u>15.0</u>	<u>19.8</u>	<u>10.2</u>	<u>7.8</u>	<u>8.3</u>	<u>9.7</u>	<u>22.1</u>	<u>16.7</u>
Barbados	9.2	10.1	10.4	26.0	36.6	12.3	3.9	9.9	11.3	16.8	16.1
Bolivia	3.8	3.3	23.6	34.8	39.0	6.0	5.5	10.5	13.5	45.5	23.9
Costa Rica	4.3	1.9	6.9	15.9	30.6	20.5	4.4	5.3	8.1	13.2	17.8
Ecuador	8.0	6.8	6.9	20.6	21.2	13.2	13.1	9.8	11.8	9.0	14.5
El Salvador	1.0	-0.6	5.2	7.9	21.0	15.1	5.2	14.9	14.6	14.8	18.6
Guatemala	1.0	0.3	1.1	17.5	27.5	0.8	18.9	7.4	9.1	13.7	9.1
Guyana	2.4	1.4	7.1	15.2	11.6	5.5	9.2	9.0	20.0	19.4	15.7(e)
Haiti	-0.7	13.3	7.3	20.8	19.5	19.9	-0.1	-1.4	5.5	15.4	6.3(d)
Honduras	1.4	1.5	6.8	5.1	13.0	7.8	-5.6	7.7	5.4	18.9	15.0
Jamaica	7.5	5.2	9.3	9.6	20.6	15.7	8.3	14.1	49.4	18.1	29.5(e)
Nicaragua						1.9	6.2	10.2	4.3	70.3	24.8
Panama	2.5	1.0	6.7	9.7	16.7	1.4	4.8	4.8	5.0	10.0	14.4
Paraguay	2.3	6.3	9.5	14.1	22.0	8.7	3.4	9.4	16.8	35.7	8.9
Dominican Republic	-1.3	10.6	8.0	17.2	10.5	16.5	7.0	8.5	1.8	26.2	15.0(e)
Trinidad and Tobago	3.3	5.0	8.0	24.4	18.6	13.4	12.0	11.4	8.8	19.5	16.6
Venezuela	3.4	3.0	3.5	5.1	11.6	8.0	6.9	8.1	7.0	20.7	21.6

Source: International Monetary Fund, International Financial Statistics, April 1981 and official data supplied by the countries.

- (a) The totals for Latin America and the subtotals for the groups of countries correspond to the mean variations for the countries, weighted by the respective populations.
 (b) Corresponds to the variation in consumer prices for the whole country.
 (c) Variation between June 1979 and June 1980.
 (d) Variation between September 1979 and September 1980.
 (e) Variation between November 1979 and November 1980.

Table 33

LATIN AMERICA: PRICES OF IMPORTS AND EXPORTS OF GOODS
(Growth rates)

	Imports							Exports						
	1974	1975	1976	1977	1978	1979	1980	1974	1975	1976	1977	1978	1979	1980
<u>Latin America</u>	<u>41.1</u>	<u>9.4</u>	<u>5.4</u>	<u>6.2</u>	<u>7.0</u>	<u>15.7</u>	<u>18.4</u>	<u>62.3</u>	<u>-3.9</u>	<u>7.1</u>	<u>9.0</u>	<u>-3.7</u>	<u>21.0</u>	<u>22.3</u>
<u>Countries with</u>														
<u>high inflation</u>	<u>42.2</u>	<u>8.9</u>	<u>4.5</u>	<u>5.1</u>	<u>6.3</u>	<u>18.5</u>	<u>19.9</u>	<u>28.1</u>	<u>-6.9</u>	<u>11.2</u>	<u>9.7</u>	<u>-1.0</u>	<u>17.8</u>	<u>19.0</u>
Argentina	46.9	14.1	4.7	12.0	2.6	26.2	17.0	28.2	-8.5	-7.3	-2.7	3.8	21.0	19.0
Brazil	52.9	6.8	6.2	2.8	7.0	22.0	35.4	30.0	0.3	15.4	11.6	-7.0	9.1	7.9
Colombia	32.4	10.9	1.1	10.0	9.0	12.9	14.0	19.9	-5.8	46.6	59.4	-14.5	-5.0	4.0
Chile	32.5	20.2	2.0	10.9	8.0	22.0	18.0	40.0	-27.3	9.5	-0.5	4.9	30.9	14.0
Mexico	30.1	9.0	4.0	3.0	8.0	11.5	15.0	42.3	3.3	13.0	10.0	4.2	26.5	40.0
Peru	24.0	12.0	2.0	6.5	8.0	17.0	13.0	46.7	-9.8	-0.1	3.1	-4.8	48.7	23.2
Uruguay	85.3	7.5	5.9	10.0	3.0	23.3	32.0	-2.2	13.6	1.2	9.2	6.4	31.9	22.0
<u>Countries with</u>														
<u>moderate inflation</u>	<u>38.3</u>	<u>10.9</u>	<u>7.1</u>	<u>7.6</u>	<u>8.2</u>	<u>12.9</u>	<u>12.6</u>	<u>116.6</u>	<u>2.8</u>	<u>3.7</u>	<u>12.9</u>	<u>-3.5</u>	<u>29.7</u>	<u>37.8</u>
Barbados	32.7	11.9	3.0	7.0	6.0	15.1	14.0	77.1	39.0	-40.0	-0.1	5.0	12.0	31.0
Bolivia	24.3	13.0	4.1	11.0	10.0	19.4	12.0	98.4	-10.2	6.3	17.4	11.4	18.8	33.0
Costa Rica	37.0	9.5	-4.9	5.3	5.9	14.0	19.0	20.0	13.7	13.1	27.8	-5.4	4.7	-0.2
Ecuador	9.9	10.3	1.7	10.0	4.9	15.1	12.0	128.3	-8.6	14.6	19.5	-6.9	45.7	24.0
El Salvador	42.1	10.5	0.5	12.0	5.0	14.0	18.0	24.3	2.8	37.6	35.0	-15.0	7.0	2.0
Guatemala	42.6	12.9	7.3	9.3	7.1	18.0	21.0	20.7	11.2	16.0	34.9	7.2	1.6	13.6
Guyana	40.0	21.5	2.0	6.0	5.0	10.9	26.0	87.3	24.5	-16.7	7.5	11.2	2.0	51.0
Haiti	30.0	12.0	7.0	8.0	7.0	11.6	23.0	35.8	19.1	38.9	64.1	3.1	2.0	12.0
Honduras	28.1	13.0	8.1	10.9	4.9	7.3	17.0	31.3	7.3	17.1	25.0	1.3	-6.3	14.9
Jamaica	39.2	13.0	2.9	6.0	7.0	11.1	26.0	80.5	33.6	-10.1	6.0	2.0	7.8	34.0
Nicaragua	31.8	15.0	3.4	6.3	10.0	14.6	24.0	26.1	-7.1	26.1	41.6	-4.9	-4.5	14.2
Panama	52.8	14.9	6.1	5.0	6.0	20.8	24.0	58.8	12.5	-16.6	3.0	1.1	31.8	19.0
Paraguay	47.5	12.5	-4.4	6.8	2.9	18.8	17.0	30.1	0.2	-0.3	34.8	-8.9	6.8	4.0
Dominican Republic	27.9	13.0	5.0	6.0	8.0	10.5	21.0	44.8	58.5	-29.6	10.2	-3.0	14.6	46.0
Trinidad and Tobago	121.7	11.4	5.0	7.0	10.1	7.8	12.0	198.5	9.5	6.0	6.0	1.7	31.6	60.0
Venezuela	24.2	16.0	9.0	10.2	10.0	7.8	12.0	166.7	6.8	6.0	11.4	-3.8	45.7	60.0

Source: CEPAL, on the basis of official data.