MEXICO

1. General trends

Mexico's GDP increased by 3.9% in 2012, the same rate as was posted in 2011. Domestic demand kept pace with the previous year (3.8%), while export growth (4.6% in real terms) was lower than in 2011 (7.5%) and accompanied by a slowdown in imports. The fiscal deficit at year-end was 2.6% of GDP (0.6% not including investment by Petróleos Mexicanos), compared with 2.5% in 2011. In December, annual headline inflation stood at 3.6%, in line with the Bank of Mexico target (of 3%, with a margin of one percentage point either side). The balance-of-payments current account showed a deficit of 1.0% of GDP, against 0.9% in 2011. Net federal public-sector debt was equivalent to 33.4% of GDP at the end of 2012, up two percentage points on the close of 2011.

Presidential and legislative elections were held in July 2012. Enrique Peña Nieto, the Institutional Revolutionary Party (PRI) candidate, was declared the winner of the presidential race and took office on 1 December. No single party gained an absolute majority of seats in the Chamber of Deputies or the Senate of the Republic, so in December 2012 the three main political parties signed the "Pact for Mexico", which sets out 95 commitments to promote a series of economic, political and social initiatives and reforms.

The pact has led to approval of various reforms in the administration's first six months in office, notably constitutional reforms in education, competition and telecommunications. Changes to the Federal Labour Law had already been adopted in November 2012 before the new administration assumed power. Discussion of financial, fiscal and energy reforms is expected over the remainder of the year.

ECLAC forecasts that the Mexican economy will cool in 2013, with growth of 2.8%. Domestic demand has shown signs of slackening in the first few months of the year, while exports declined in the first quarter, contributing to an annual GDP growth rate of just 0.8% over this period, the lowest quarterly rate since late 2009. However, an upturn in external demand is expected to yield greater economic growth in the second half of the year, with industrial output already up 3.3% year-on-year in April.

The signing of the pact and the reforms approved by the incoming administration created a wave of positive expectations, both inside and outside the country. It is expected that these reforms will begin to deliver significant results within two or three years.

In the first semester of the year, major inflows of international capital caused the exchange rate to appreciate during March, April and early May. The 2013 budget approved by Congress calls for reducing the fiscal deficit to the equivalent of 2% of GDP (0% not counting investment by Petróleos Mexicanos). Inflation picked up in the first few months of 2013, recording a year-on-year rate of 4.63% in May. The current account deficit is forecast to widen to 1.2% of GDP, owing to sluggish export growth.

2. Economic policy

(a) Fiscal policy

Public-sector revenue and oil revenue both rose by 3.2% in real terms in 2012, the latter on the back of rising international prices for the Mexican oil mix. Non-oil tax revenue crept up by just 1.4%, owing to the repeal of the tax on vehicle ownership or use, and to sagging real growth, below that of the economy, of its components: value added tax receipts rose 3.7% and the combined take from income tax, the flat-rate business tax and the cash-deposit tax grew by 1.7%. As a result, tax revenues as a percentage of GDP were slightly down on the previous year (9.8% in 2012, compared with 10.0% in 2011). This tax burden ratio is one of the lowest in Latin America, which, combined with Mexico's high dependence on oil revenue, illustrates the need for fiscal reform.

Government agencies and State-owned enterprises subject to direct budget control, excluding Petróleos Mexicanos, saw their revenue grow by 3.1% in real terms, thanks to higher electricity sales and social security contributions. Total public-sector revenue, including from taxation, oil, government agencies and State-owned enterprises, accounted for 22.7% of GDP.

Total public-sector spending expanded by 3.7% in real terms, with economic and social development spending rising by 4.8% and 3.1% respectively, and spending on personal services, by 3.5%. Public physical investment slowed considerably in the fourth quarter of the year, posting 0.5% annual growth.

For the fourth year in a row, the fiscal deficit remained above the 2% of GDP set by the Federal Budget and Fiscal Responsibility Law, but below 3%. The public-sector primary balance showed a narrow deficit equivalent to 0.61% of GDP (0.56% in 2011).

As in previous years, the main debt issuance channel was domestic. The domestic debt ratio increased by 2.4 percentage points (to 23.5% of GDP), while the external debt ratio slipped by 0.4 percentage points (to 9.9% of GDP). The share of federal government securities held by foreign investors continued to increase, stimulated by the interest-rate spread with the United States and by Mexico's sound macroeconomics. In late December 2012, 36.5% of the total was held by investors residing abroad, compared with 26.3% at year-end 2011.

The new administration has demonstrated its commitment to healthy public finances and limited recourse to public borrowing, in keeping with the aforementioned Federal Budget and Fiscal Responsibility Law. While this law has helped keep public debt at moderate levels, in principle it gives fiscal policy a procyclical slant.

In the first quarter of 2013, under the new federal administration, total public-sector spending was 10.1% lower in real terms than in the same period in 2012. This is partly because spending was subject to an implementation lag as often happens in the first year of a new administration. Total budgetary revenues increased by 2.4% in real terms, since the fall in non-tax revenues (7.7%) was offset by the rise in tax revenues (10.3%).

At the end of the first quarter of 2013, net federal public-sector debt was equivalent to 33.8% of GDP, in other words, 0.4 percentage points higher than the December 2012 figure. This increase was prompted by higher domestic debt, which went from 23.5% to 23.9% of GDP. The share of government securities held by investors residing abroad was 37.2% of the total. In January, the federal government issued debt on the international markets, maturing in 2044 and with the lowest cost of financing in recent history (4.19%).

(b) Monetary policy

In 2012, the Bank of Mexico continued to direct its actions towards price stability. The reference interest rate (the overnight interbank rate) remained at 4.5% throughout the year. Although there were inflationary pressures between June and November, the Bank of Mexico saw them as due to temporary external shocks and decided not to change the rate. At year-end, inflation was within the target range set by the bank.

The real annual average yield on 28-day Federal Treasury Certificates (CETES), which are the benchmark for the deposit rates offered by the financial system, was 0.12%, although returns were negative between June and October. Monetary policy has been expansionary. As regards nominal lending rates, the weighted average effective interest rate on credit cards edged down from 24.5% in December 2011 to 24.2% in December 2012, while the real rate was 19.9% at the close of both years.

Bank lending to the private sector posted annual nominal growth of 11% (compared with 16.3% in 2011). Consumer credit soared 19.8%, and agricultural activities jumped 22.9%. The Mexican Stock Exchange Index of Prices and Quotations (IPyC) was volatile throughout the year owing to the prevailing uncertainty in the international financial markets. The December average was 43,202 units (compared with 37,422 at the end of 2011), which represents a nominal annual increase of 15.4%.

Despite an upturn in inflation early in the year, on 8 March 2013 the Bank of Mexico adjusted the reference interest rate downward by 50 basis points, having held it at 4.5% since July 2009. This reduction reflected the prospect that inflation will converge with the official target of 3% in the medium term, the anticipated monetary easing in developed and emerging economies, the expected reduction in the public finance deficit in 2013 and risks in the economies of Mexico's main trading partners.

(c) Exchange-rate policy

Volatility in the foreign-exchange market continued in 2012. The interbank exchange rate closed December at 12.96 pesos per dollar, as compared with 13.94 pesos per dollar in late 2011 –a nominal appreciation of 7.6%. In real terms, the bilateral exchange rate appreciated by an average of 3.8% during 2012. The nominal exchange rate fluctuated between a high of 12.63 pesos per dollar in mid-March, and a low of 14.39 in early June. To ease upward pressure on the exchange rate, by November 2011 the Bank of Mexico had launched a system for selling up to US$ 400 million in daily auctions, at an exchange rate at least 2% above the previous business day's fix rate (peso depreciation). However, intervention was only needed on three occasions, for a total of US$ 646 million.

Renewal of the US$ 73.0 billion International Monetary Fund (IMF) flexible credit line was approved in November 2012. International reserves continued to build up, reaching US$ 163.592 billion at the end of December, compared with US$ 142.470 billion at the end of 2011.

The exchange rate has remained volatile in the first six months of 2013. Until mid-May there was a trend towards appreciation fuelled by capital inflows, despite the lower monetary policy reference rate. The arrival of a new administration and the forging of agreements which have already led to the approval of reforms generated significant interest in the Mexican economy among international investors.

In this context, on 9 April 2013 the Foreign Exchange Commission decided to suspend the daily minimum-price dollar auctions. International reserves added around US$ 4.0 billion in the first four months of the year and totalled US$ 167.135 billion in late April. On 9 May, one day after Fitch Ratings upgraded Mexico's credit rating (from BBB to BBB+), the interbank exchange rate hit a high of 11.96 pesos per dollar.

However, from the second half of May, the exchange rate has trended towards depreciation, caused by the dollar strengthening on the international markets and news of weak growth in the Mexican economy in the first quarter of 2013.

(d) Other policies

In November 2012, before the new government took office, changes in the Federal Labour Law were approved to introduce new types of employment and an hourly wage system, as well as regulating outsourcing and modifying some aspects of union organization.

The Pact for Mexico, signed on 2 December 2012, contains accords in five areas: society of rights and freedoms; economic growth, employment and competitiveness; security and justice; transparency, accountability and combating corruption; and democratic governance. Under the pact, reforms in a number of areas were approved in the first few months of the year.

In February 2013, Congress passed the constitutional reform on education, aimed at strengthening supervision and assessment mechanisms to improve the quality of education.

April saw the approval of the constitutional reform of telecommunications and competition, which created the Federal Telecommunications Institute and is intended to encourage competition in free-to-air and pay television, radio, and fixed-line and mobile telephony. Among other aspects, the reform also creates better conditions for expanding infrastructure and for using it more effectively.

Other reforms passed in the first few months of the year include the Amparo Law (aimed at modernizing and updating the instruments needed to protect citizens from the government and coming into line with the recent constitutional reforms, among other objectives); and the Victims' Assistance Law (intended to protect and compensate the victims of crime and human rights violations).

In terms of trade agreements, in 2012 Mexico entered negotiations on the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP), which is expected to boost market diversification. In June 2012, the presidents of Mexico, Chile, Colombia and Peru signed an agreement to create the Pacific Alliance, laying the foundations for a regional integration process. In December, two weeks into the new administration's term of office, Mexico and Argentina reached an understanding to resume Economic Complementarity Agreement No. 55 (ACE 55), which had been suspended amid differences on the automobile sector.

3. The main variables

(a) The external sector

Goods export growth slowed significantly to 6.1%, compared with 17.1% in 2011, while services exports expanded at an annual rate of 3.4% (against 0.9% in 2011). Oil exports slid 5.9% over the year, owing to lower volumes. Manufactured goods exports were up 8.4% (compared with 13.4% in 2011), boosted by the automotive and auto parts industry (whose exports rose by 11.9%). The three main export sectors in 2012 were the automotive industry (making up 18% of total goods exports), electrical and electronics (17.9%) and oil (14.3%). The three main destination markets were the United States (which accounted for 77.6% of total exports), Canada (2.9%) and Spain (1.9%).

Imports also tailed off considerably, reporting 5.7% growth compared with 16.4% in 2011. Consumer goods imports stalled (rising by 4.8%, against 25% in 2011), while capital goods and intermediate goods grew by 10.1% and 5.3% respectively. The goods trade balance showed a surplus (US$ 350 million) for the first time in 12 years.

Family remittance income contracted by 1.2% over the year, owing to the weak United States economy and dwindling migration flows from Mexico. This broke the recovery trend seen in 2011 after the steep decline in remittances in 2009. The current account posted a deficit of US$ 11.410 billion, equivalent to 0.8% of GDP.

Inward foreign direct investment (FDI) in 2012 amounted to US$ 13.431 billion, 37.8% down on 2011. This can mostly be attributed to the placement of Grupo Financiero Santander México shares on the Mexico and New York stock exchanges in the amount of US$ 4.106 billion, which is recorded as a decrease in FDI in accordance with international accounting practices. Mexican companies invested US$ 25.302 billion abroad; more than double the 2011 figure.

In the first three months of 2013, goods exports slipped at a year-on-year rate of 1.6%, the first contraction since the Mexican economy emerged from the 2009 crisis. Oil exports were particularly affected (down 10.6%), while manufactured goods edged up slightly (0.6%). Imports recorded a year-on-year increase of 1.6%, pushing the trade balance from a surplus of US$ 1.765 billion into a deficit of US$ 1.114 billion. Family remittance income diminished even more sharply in the first quarter of the year, by a year-on-year rate of 10%. Inward FDI amounted to US$ 4.998 billion over the same period, compared with US$ 4.569 billion in the first few months of 2012.

(b) Economic growth

Agricultural production posted 12.6% annual growth in 2012, having recovered from the adverse weather events of 2011. Manufactured goods output, significantly boosted by the automotive industry, grew by 4.3%, while construction expanded at an annual rate of 3.3%. The services sector was up by 4.1%, with particular buoyancy in financial services and insurance (8.1%) and mass-media information services (8.6%).

Growth in domestic demand was driven by gross fixed capital formation (up 5.9%), while consumption slowed (up 3.1%, against 4.0% in 2011). Public investment surged in the first three quarters (9.4%) but lost momentum in the fourth (to rise by only 2.8%).

Faltering economic growth in the second semester of 2012 (3.2%, against 4.7% in the first semester) weakened even further in the first quarter of 2013. In year-on-year terms, secondary activities contracted by 1.5%, with a 1.6% decline in manufacturing, while primary activities gained 2.8% and tertiary activities posted 1.9% growth.

(c) Prices, wages and employment

Annual headline inflation eased in the fourth quarter of 2012, after peaking at 4.8% in September, and closed the year at 3.6%. The consumer price index came under particular pressure from agricultural product prices, which rose at a year-on-year rate of 15.6% in October, largely as a result of supply constraints.

National unemployment fell to an average of 5.0% over the year (compared with 5.2% in 2011), despite the employment rate edging down from 55.6% to 55.3%. The rate of underemployment remained unchanged at 8.5% in 2012. The percentage of the population working in the informal sector averaged 28.8%, much like the 2011 figure of 28.7%. There were 16.1 million workers registered with the Mexican Social Security Institute (IMSS) at the end of December 2012, compared with 15.4 million at the end of 2011.

The real average minimum wage fell by 0.6% in 2012, compared with the 2011 average. The manufacturing real wage registered an annual average decrease of the same magnitude. The nominal minimum wage was adjusted in January, as it is each year, with a 4.2% increase.

The first five months of 2013 saw inflation tick up to 4.63% in May, largely driven by a surging non-core consumer price index (at a year-on-year pace of 10.6%), particularly for agricultural products (up by 15.3%).

The national unemployment rate was 4.9% in the first quarter of 2013, unchanged from the same period in 2012, as a result of minor contractions in both the employment and the participation rate. The number of workers registered with the IMSS increased by 285,930 in the first four months of 2013. The uptick in inflation pushed the real minimum wage down by 0.3% year on year in March.

Table 1
MEXICO: MAIN ECONOMIC INDICATORS

	2004	2005	2006	2007	2008	2009	2010	2011	2012 a/
	Annual growth rates b/								
Gross domestic product	4.1	3.3	5.1	3.4	1.2	-6.0	5.3	3.9	3.9
Per capita gross domestic product	2.8	2.0	3.7	2.1	0.0	-7.1	4.1	2.7	2.7
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishin	2.9	-0.7	3.8	5.2	2.0	-4.4	4.1	-1.5	6.7
Mining and quarrying	1.3	-0.3	1.4	-0.2	-1.7	-2.9	1.2	-1.0	1.2
Manufacturing	3.9	3.5	5.8	1.9	-0.6	-9.9	9.6	4.9	4.3
Electricity, gas and water	4.0	2.0	12.2	3.7	-2.3	1.8	10.4	6.6	3.2
Construction	5.3	3.9	7.8	4.4	3.1	-7.3	-0.6	4.6	3.3
Wholesale and retail commerce, restaurants and hotels	6.4	4.0	5.7	4.7	0.9	-13.3	10.4	8.4	5.2
Transport, storage and communications	7.5	5.4	7.6	6.0	2.5	-3.4	5.7	4.0	5.8
Financial institutions, insurance, real estate and business services	4.9	5.6	6.1	4.9	4.9	-2.1	3.8	4.8	3.8
Community, social and personal services	0.4	2.0	2.2	2.4	0.5	1.0	1.4	0.9	2.4
Gross domestic product, by type of expenditure									
Final consumption expenditure	4.4	4.5	5.1	3.9	1.6	-5.8	4.6	4.0	3.2
Government consumption	-4.6	2.1	1.3	3.5	2.5	4.4	3.1	0.7	1.5
Private consumption	5.1	4.6	5.4	3.9	1.6	-6.6	4.7	4.3	3.3
Gross capital formation	2.7	1.4	7.5	3.7	2.7	-14.8	6.6	2.9	11.3
Exports (goods and services)	11.5	6.8	10.9	5.8	0.5	-13.5	21.6	7.5	4.6
Imports (goods and services)	10.7	8.5	12.6	7.1	2.6	-18.4	19.6	7.1	4.1
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	24.7	24.1	25.9	26.3	26.7	23.5	23.7	24.8	24.5
National saving	24.1	23.4	25.5	25.4	25.3	22.9	23.4	23.9	23.6
External saving	0.7	0.7	0.5	0.9	1.4	0.6	0.2	0.9	1.0
Balance of payments	**Millions of dollars**								
Current account balance	-5 239	-5 861	-4 487	-9 289	-15 663	-5 116	-2 519	-10 347	-11 410
Goods balance	-8 843	-7 710	-6 312	-10 311	-17 615	-4 926	-2 884	-1 171	350
Exports, f.o.b.	188 294	214 633	250 319	272 293	291 886	229 975	298 860	349 946	371 378
Imports, f.o.b.	197 137	222 343	256 631	282 604	309 501	234 901	301 744	351 116	371 028
Services trade balance	-5 842	-5 250	-6 433	-6 327	-7 141	-8 579	-10 721	-14 908	-14 421
Income balance	-9 316	-15 038	-17 691	-19 046	-16 370	-13 143	-10 451	-17 242	-19 902
Net current transfers	18 763	22 137	25 949	26 396	25 462	21 531	21 537	22 974	22 563
Capital and financial balance d/	10 405	15 765	6 694	20 144	23 742	9 645	23 134	38 527	28 881
Net foreign direct investment	20 389	17 899	14 248	23 057	25 731	8 940	6 819	9 465	-11 872
Other capital movements	-9 984	-2 134	-7 554	-2 913	-1 989	705	16 315	29 062	40 753
Overall balance	5 166	9 904	2 206	10 856	8 078	4 528	20 615	28 180	17 471
Variation in reserve assets e/	-5 166	-9 904	-2 206	-10 856	-8 078	-4 528	-20 615	-28 180	-17 471
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	103.7	100.0	100.0	100.9	103.3	117.9	108.9	108.9	112.2
Terms of trade for goods (index: 2005=100)	98.1	100.0	100.5	101.4	102.2	90.8	97.7	104.7	102.6
Net resource transfer (millions of dollars)	1 089	727	-10 998	1 098	7 372	-3 498	12 683	21 285	8 979
Total gross external debt (millions of dollars)	130 925	128 248	119 084	128 090	129 424	165 932	197 727	209 743	229 032
Employment	**Average annual rates**								
Labour force participation rate g/	57.7	57.9	58.8	58.8	58.7	58.6	58.4	58.6	59.2
Open unemployment rate h/	5.3	4.7	4.6	4.8	4.9	6.7	6.4	6.0	5.9
Visible underemployment rate g/	...	7.5	6.8	7.2	6.8	8.8	8.7	8.6	8.6

Table 1 (concluded)

	2004	2005	2006	2007	2008	2009	2010	2011	2012 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	5.2	3.3	4.1	3.8	6.5	3.6	4.4	3.8	3.6
Variation in industrial producer prices (December-December)	8.0	3.4	7.3	5.4	7.8	4.1	4.7	8.8	0.4
Variation in nominal exchange rate (annual average)	4.6	-3.5	0.1	0.2	2.1	21.1	-6.5	-1.5	5.7
Variation in average real wage	1.7	1.9	1.6	1.5	0.2	-1.0	-0.9	0.8	0.2
Nominal deposit rate i/	5.4	7.6	6.1	6.0	6.7	5.1	4.2	4.2	4.2
Nominal lending rate j/	7.4	9.7	7.5	7.6	8.7	7.1	5.3	4.9	4.7
Federal government	**Percentajes of GDP**								
Total revenue	14.8	15.3	15.1	15.2	16.9	16.8	16.0	16.2	15.9
Tax revenue	9.0	8.8	8.6	8.9	8.2	9.5	9.7	9.0	8.5
Total expenditure	16.0	16.4	16.8	17.1	18.5	19.0	18.7	18.7	18.5
Current expenditure	13.9	13.9	14.2	14.2	15.0	16.4	16.0	16.0	16.0
Interest	1.5	1.6	1.5	1.4	1.4	1.7	1.6	1.6	1.6
Capital expenditure	2.2	2.5	2.7	2.9	3.5	2.6	2.7	2.7	2.5
Primary balance k/	0.3	0.5	-0.3	-0.5	-0.2	-0.5	-1.2	-1.0	-1.1
Overall balance k/	-1.2	-1.1	-1.7	-1.9	-1.6	-2.2	-2.8	-2.5	-2.7
Federal government public debt	20.7	20.3	20.6	20.9	24.4	28.1	27.6	28.3	28.8
Domestic	12.8	13.5	16.2	16.8	19.8	22.7	22.2	22.3	23.1
External	7.9	6.8	4.4	4.1	4.6	5.3	5.4	6.0	5.7
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	31.8	32.2	35.0	37.3	37.3	43.8	45.3	45.5	47.3
To the public sector	16.6	15.6	15.3	15.5	16.3	20.7	20.5	19.4	19.5
To the private sector	15.2	16.6	19.7	21.8	21.0	23.2	24.8	26.1	27.8
Monetary base	4.0	4.1	4.3	4.4	4.8	5.3	5.3	5.3	5.5
Money (M1)	18.9	21.0	20.2	20.8	22.5	24.1	23.7	23.8	24.1
M2	17.6	19.6	18.9	19.6	21.3	22.7	22.5	22.6	22.7
Foreign-currency deposits	1.3	1.4	1.3	1.2	1.3	1.5	1.3	1.3	1.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2003 prices.
c/ Based on values calculated in national currency and expressed in current dollars.
d/ Includes errors and omissions.
e/ A minus sign (-) indicates an increase in reserve assets.
f/ Annual average, weighted by the value of goods exports and imports.
g/ Nationwide total.
h/ Urban areas.
i/ Cost of term deposits in the multibanking system.
j/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve. Includes only stock certificates.
k/ Does not Include non-budgeted expenditure.

Table 2

MEXICO: MAIN QUARTERLY INDICATORS

	2011				2012				2013	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	4.3	2.9	4.4	3.9	4.9	4.5	3.2	3.2	0.8	...
Goods exports, f.o.b. (millions of dollars)	81 801	89 283	88 088	90 204	89 609	94 309	91 235	95 552	88 325	65 696 c/
Goods imports, c.i.f. (millions of dollars)	79 893	88 044	91 968	90 939	87 906	92 941	92 416	97 489	89 347	67 393 c/
Gross international reserves (millions of dollars)	128 261	133 894	141 088	149 209	155 949	162 721	165 590	167 050	171 298	170 097 c/
Real effective exchange rate (index: 2005=100) d/	104.2	104.0	109.4	118.0	110.9	116.5	112.1	109.4	105.6	101.9 c/
Open unemployment rate e/	6.0	5.9	6.3	5.6	5.8	5.9	6.0	5.8	5.8	...
Employment rate e/	55.9	56.5	56.8	57.6	56.8	57.6	57.8	57.3	56.4	...
Consumer prices (12-month percentage variation)	3.0	3.3	3.1	3.8	3.7	4.3	4.8	3.6	4.3	4.6 c/
Wholesale prices (12-month percentage variation)	5.4	6.0	7.6	8.8	5.9	6.4	4.0	0.4	1.1	0.4 f/
Average nominal exchange rate (pesos per dollar)	12.06	11.72	12.33	13.65	12.97	13.54	13.16	12.95	12.64	12.49
Nominal interest rates (annualized percentages)										
Deposit rate g/	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	3.9
Lending rate h/	5.1	5.0	4.8	4.8	4.7	4.7	4.7	4.7	4.6	4.4 c/
Interbank rate	4.8	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.7	4.3
Monetary policy rates	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.3	4.3
Sovereign bond spread, Embi + (basis points to end of period) i/	135	123	238	187	159	171	142	126	158	194
Risk premiia on five-year credit default swap (basis points to end of period)	105	107	197	154	118	140	101	98	97	131
International bond issues (millions of dollars)	6 700	4 685	6 044	3 597	9 520	3 055	9 147	6 425	5 547	5 852 c/
Stock price index (national index to end of period, 31 December 2005 = 100)	210	205	188	208	222	226	230	246	248	228
Domestic credit (variation from same quarter of preceding year)	11.3	12.3	11.4	10.4	11.1	11.1	10.3	10.6	10.4	11.0 f/
Non-performing loans as a percentage of total credit	2.2	2.4	2.6	2.2	2.3	2.3	2.3	2.3	2.4	2.5 f/

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2003 prices.
c/ Figures as of May.
d/ Quarterly average, weighted by the value of goods exports and imports.
e/ Urban areas.
f/ Figures as of April.
g/ Cost of term deposits in the multibanking system.
h/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve. Includes only stock certificates.
i/ Measured by J.P.Morgan.

.