2001

Current conditions and outlook

ECONOMIC SURVEY OF LATIN AMERICA AND THE CARIBBEAN 2000-2001

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The following symbols have been used in the tables shown in the Survey.

Three dots (…) indicate that data are not available or are not separately reported.
A dash (—) indicates that the amount is nil or negligible.
A full stop (.) is used to indicate decimals.
The word “dollars” refers to United States dollars unless otherwise specified.

Foreword

This publication corresponds to the first chapter of the *Economic Survey of Latin America and the Caribbean, 2000-2001*, and is being published simultaneously in Spanish and English. It provides an assessment of the region's economic performance during the first half of 2001 and of its prospects for the remainder of the year. An analysis is presented of the main aspects of the regional economy –its external sector, macroeconomic policy, levels of economic activity, inflation, employment, saving and investment– together with a statistical appendix containing 14 tables with data series through 2000.

Wide distribution of this document, which provides information on economic trends in the region during the first half of the year within the context of the previous year's performance, is intended to serve the purpose previously performed by the *Economic Panorama of Latin America*, a publication that was issued in September of each year between 1985 and 1996.

The full edition of the *Survey* is to be published in Spanish in August and in English in September. It will be accompanied by a CD-ROM containing tables on the individual countries and the region as a whole.

CURRENT CONDITIONS AND OUTLOOK

1. Introduction

With external conditions proving to be much less favourable than initially expected and with adverse developments in the region –including electricity supply problems in Brazil, weak domestic demand and political difficulties in other countries– the Latin American and Caribbean region is likely to find the year 2001 a disappointing one. GDP growth projections for the region as a whole have repeatedly been adjusted downward. By the start of the second semester, output was expected to expand by only about 2%, or just half the 4% rate achieved in 2000.[1] This meagre growth rate is likely to be accompanied by a continuing decline in inflation (the regional average for the first half of the year fell below 8%) but also by continuing high unemployment (around 8.5% of the region's workforce). The current account deficit is expected to rise from the preceding year's figure of US$ 47 billion (2.5% of GDP) to US$ 58 billion (3% of GDP), mainly because lower oil prices will reduce Venezuela's surplus. The deficit should be covered by capital inflows of around US$ 60 billion (see table 1).

The difficult external environment has two main components. Firstly, there is the slowdown in world economic growth, which is being led by a decline in the United States that has spread to Europe and the developing countries of Asia. At the same time, Japan is lapsing back into recession. Having been repeatedly revised downward, projections for world growth now stand at between 2% and 2.5%, as compared to 4% in 2000. The slackening of economic growth has been transmitted from one country to another through a sharp slowdown in world trade. As a result of all these factors, the Latin American and Caribbean economies are facing both weaker demand and lower prices for their export products.

Secondly, the international financial markets that are relevant to developing countries have not yet fully recovered from the Asian and Russian crises of 1997-1998. Since then, borrowing costs in emerging markets have remained high, maturities have generally been short and the supply of credit has been unstable. Since the latest bout of instability, furthermore, bank loans and equity investment have virtually dried up as a

1 Growth forecasts for the main economies in 2001 have been revised sharply downward by all sources, both private and public. The Economic Commission's current forecast of a 2% growth rate contrasts with the 2.7% to 3% projected in May 2001and the 3.8% estimate it issued in December 2000. See ECLAC, *Perspectivas de América Latina en el nuevo contexto internacional de 2001*, Estudios estadísticos y prospectivos series, No. 13 (LC/L.1554-P), Santiago, Chile, June 2001, and *Preliminary Overview of the Economies of Latin America and the Caribbean, 2000* (LC/G.2123-P), Santiago, Chile, December 2000.

Table 1

LATIN AMERICA AND THE CARIBBEAN: MAIN ECONOMIC INDICATORS

	1999	2000	2001[a]
Annual growth rates			
Economic activity and prices			
Gross domestic product	0.4	4.1	2.0
Per capita gross domestic product	-1.1	2.5	0.5
Consumer prices [b]	9.5	8.7	7.5
Percentages			
Open urban unemployment	8.8	8.5	8.5
Fiscal balance / GDP	-3.1	-2.4	-3.0
Total disbursed external debt / GDP [c]	42.7	37.5	39.0
External debt / exports of goods and services	217.9	176.0	178.0
Billions of dollars			
External sector			
Exports of goods and services	341	406	425
Imports of goods and services	361	418	446
Trade balance (goods and services)	-20	-12	-21
Current account balance	-56	-47	-58
Capital and financial account balance [d]	44	67	60

Source: ECLAC, on the basis of official figures.
[a] Preliminary estimates subject to revision. [b] December-December variation. [c] Estimates on the basis of figures in current dollars. [d] Includes errors and omissions.

source of new money, and bond markets are mainly being used to roll over debt. While all emerging markets have faced constraints, Latin America's access has been particularly limited in recent months because of investors' concerns about the situation in Argentina and the possible contagion of other economies in the region.

Despite the problems affecting financial markets, however, foreign direct investment continues to be a reliable source of capital for Latin America and the Caribbean. Although they will probably be somewhat lower than last year, net FDI inflows should still amount to around US$ 50 billion in 2001, with an increase in Mexico partly offsetting declines in Argentina and Brazil. Receipts from bond issues will once again be used primarily to roll over existing debt, but multilateral credits will increase. Overall, net autonomous capital flows to the region this year will roughly match the average for 1998-2000. In addition, compensatory credits will be used. Already, both Argentina and Brazil have announced that they will draw upon the financial packages that have been approved for their use. The end result of these trends is expected to be a virtually nil net transfer of external resources to the region for the third year running.

The principal effect that the world economy's sluggishness has had on the region's trade performance during the first half of the year has been a slowing of export growth. Since imports continue to expand at a relatively robust pace in a number of countries, the trade and current account deficits will widen. Countries whose exports are still growing fairly strongly include Brazil and some of its Mercosur partners; expansion also continues in Mexico, but at a much slower rate than last year. Elsewhere, external sales are either stalled or actually falling. Imports, by contrast, grew at double-digit rates during the first half in Brazil, Colombia, Ecuador and Paraguay, although they fell in relative or even absolute terms in all the other countries. It is likely that there will be a deceleration in imports during the second half of the year, and export earnings may also decline further.

Domestic macroeconomic conditions have tended to exacerbate the contraction triggered by the external sector. The principal variable in this respect has been monetary in nature, since credit has been in short supply, even where interest rates have been lowered. With the exception of Mexico, the currencies of countries with floating exchange rates have tended to decline against the dollar in real terms. In the other countries, exchange rate trends have been mixed. Owing to the strength of the dollar against other reserve currencies, however, the region as a whole has once again seen a decline in its average real effective exchange rate and in the competitiveness of its exports. In countries with substantial intraregional trade flows, this trend has been compounded by fluctuations in the currencies of their regional trading partners.

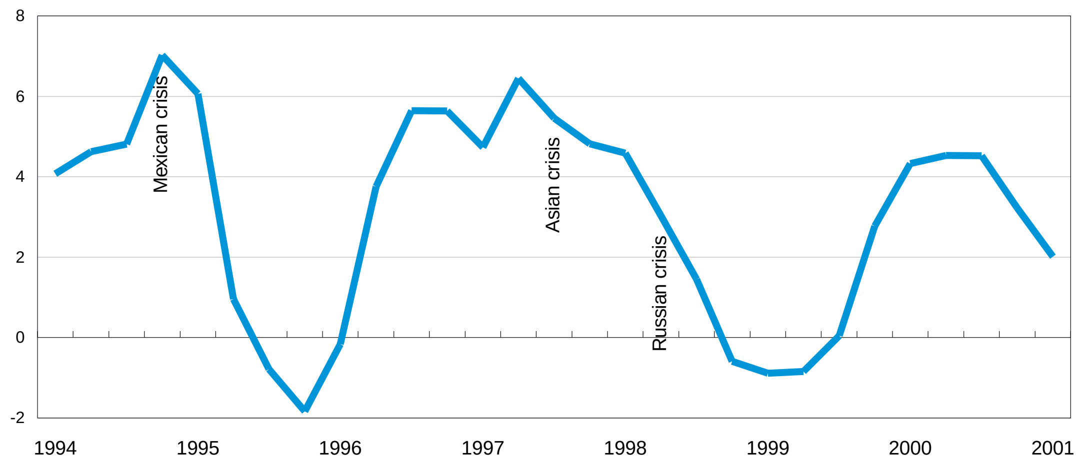
In contrast to other macroeconomic factors, fiscal policy has generally had a more favourable effect on domestic demand. In most of the countries, budget deficits will rise for endogenous reasons, since weaker growth and lower raw material prices have depressed tax revenues, while persistently high unemployment and interest rates have raised costs. The overall effect of these macroeconomic trends has been to dampen the growth of domestic demand for both investment and consumer goods. Continuing problems in the labour market, which will be discussed in a later section, are also inhibiting consumption and, consequently, investment.

This decline in growth is especially disappointing because at the beginning of the preceding year the region's economies appeared to be entering a new growth cycle after the recession of 1999. Indeed, as figure 1 shows, growth rates accelerated from the second quarter of 1999 through the first quarter of 2000. After

Figure 1

LATIN AMERICA AND THE CARIBBEAN: GROSS DOMESTIC PRODUCT[a]

(Percentage variation with respect to the same quarter of previous year)



Source: ECLAC, on the basis of official figures.

[a] Includes Agentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.

peaking at just over 4% in the latter quarter, however, they levelled off and then began to drop from the fourth quarter onward, with the decline carrying over into the first half of 2001. It is now hoped that growth will pick up somewhat in the second half of the year, but a more solid recovery will have to wait until 2002.

One of the most significant aspects of the year's growth performance has been the narrowing of the wide gap that opened up over the last five years between Mexico and Central America, on the one hand, and South America, on the other. During that period, the former group of countries, which have close ties to the strong United States economy, burgeoned thanks to the robust performance of their export sectors and especially their *maquila* industries. At the same time, many of the economies of South America were mired in a recession brought on by the international financial crisis of 1997-1998 from which many had yet to recover fully as of 2000. With the general international slowdown, and particularly that of the United States, the differential is now much smaller, and the two subregions will have very similar performance levels this year.

At the individual country level, the two largest economies have seen their growth rates slow substantially. The Dominican Republic, which has been the most dynamic economy in recent years, has also seen its growth rate decline. The most difficult conditions are found in Argentina, Peru and Uruguay, where growth will probably be flat or even negative. The highest rate of GDP growth is expected to be in Ecuador, but economic activity in that country will still be below its 1998 levels.

The employment situation will deteriorate somewhat, but just as job creation in 2000 did not match the overall recovery of output, neither will the current year's performance reflect the full extent of the slowdown. In fact, the employment rate for the first half of the year only slipped from 52.9% to 52.6%, although it is likely to decrease further in the second half. At the same time, the unemployment rate for the region as a whole actually fell in the first half of 2001 with respect to the same period in 2000 (from 9.0% to 8.5%) owing to a decline in the labour force participation rate. It should be noted, however, that these regional figures are heavily influenced by Brazil. The situation with regard to wages was mixed, but no major changes were seen in the very few countries reporting on this variable.

The one consistent achievement of recent years –the reduction of consumer price inflation– is likely to be sustained in 2001. In the first half of the year, the 12-month rate fell to 7.5% (from 8.7% for the same period in 2000). Inflation was either lower than it had been in 2000 or remained constant in 17 of the 22 countries with information available, and rose in only five. Overall, the drop in energy prices is helping to bring inflation down, as is the appreciation of most of the countries' real effective exchange rates. Low growth rates are also making it difficult for businesses to pass price rises on to consumers.

2. The external sector

Latin America's balance-of-payments current account deficit is expected to verge on US$ 58 billion –equivalent to 3% of GDP– in 2001, up from the previous year's figure of US$ 47 billion (see figure 2). This increase will be chiefly attributable to the fact that Venezuela's trade surplus is likely to shrink while Brazil's and Mexico's deficits will expand. Overall, the region's trade deficit will amount to some US$ 21 billion.

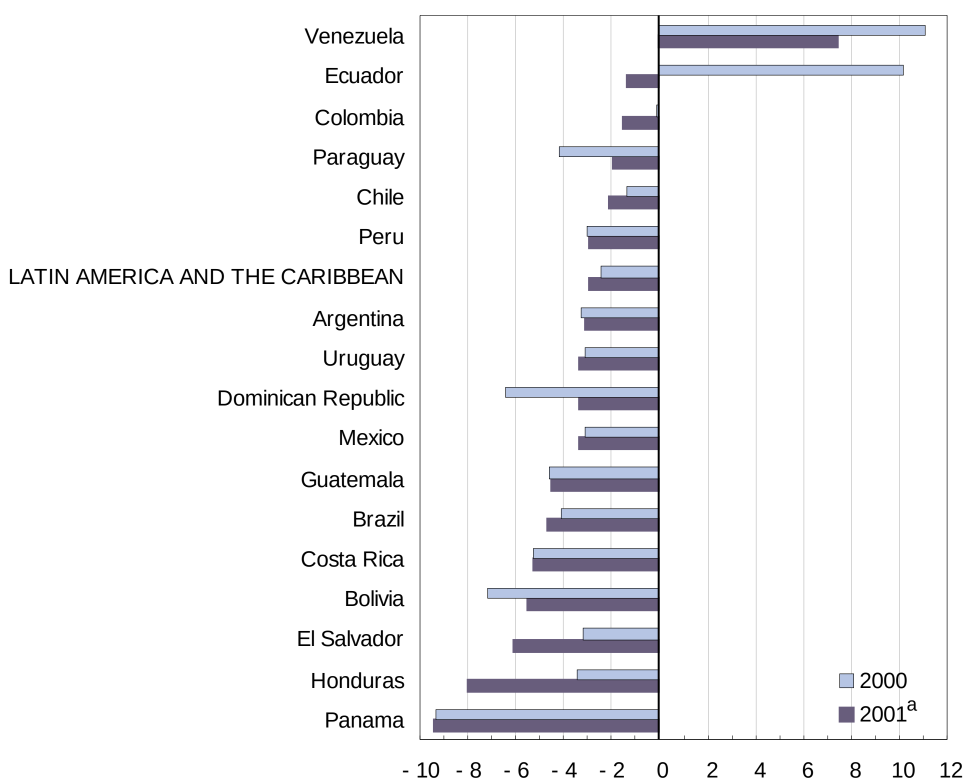
In 2001 the region will receive current transfers of about US$ 18 billion and net payments of interest and profits will be around US$ 55 billion, which is quite similar to the results for 2000. Projections for these factor services indicate that profit remittances will remain on the upward trend seen in recent years, but net interest payments on external debt will shrink slightly due to the reduction in international interest rates.[2]

If projected trends in the current and capital accounts are borne out, the net transfer of resources to the region will be almost nil. For the third year running, gross capital inflows will have to be allocated entirely to debt amortization and factor services.

Figure 2

LATIN AMERICA AND THE CARIBBEAN: CURRENT ACCOUNT BALANCE

(As a percentage of GDP)



Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund.
[a] Projections.

2 It is estimated that a 1% reduction in the international interest rate will generate an immediate net annual saving of about US$ 1 billion for the region. Non-guaranteed short-term external liabilities and international reserves will be most affected in the short term.

Trade activity –particularly exports– cools off

The momentum gathered by the region's external trade activity in 2000 thanks to world and regional economic trends has slackened considerably in 2001. The figures for the early months of the year attest to this deterioration, which has thus far affected exports more than imports.

The world economic slowdown that was looming at the end of 2000 has now clearly arrived. The decline began in the United States –previously the main driver of world economic activity– and has been spreading to the rest of the world. As a result, projections for world growth in 2001 are between 2% and 2.5%, compared to 4% in 2000. The economic slowdown in the United States, whose growth projections for the year overall are between 1.25% and 2%, will have a major impact on the region, especially Mexico, Central America and the Caribbean. The European Union countries have also lowered their growth projections, as their economies are unlikely to expand by much more than 2%, if that. In Japan, the economy may well stagnate again or even shrink slightly. The other Asian economies will also be seriously affected by the harsher environment.

This outlook has already affected international commodity markets, particularly for raw materials. In the first semester of 2001, the dollar price index prepared by ECLAC for Latin American and Caribbean mineral and metal exports dropped almost 4% from its level in 2000. Price decreases were recorded for such commodities as copper (5%), tin (7%), zinc (12%) and steel products (9%). Aluminium prices stagnated, but lead prices regained part of the ground lost in 2000 and iron ore prices rose by 5%.

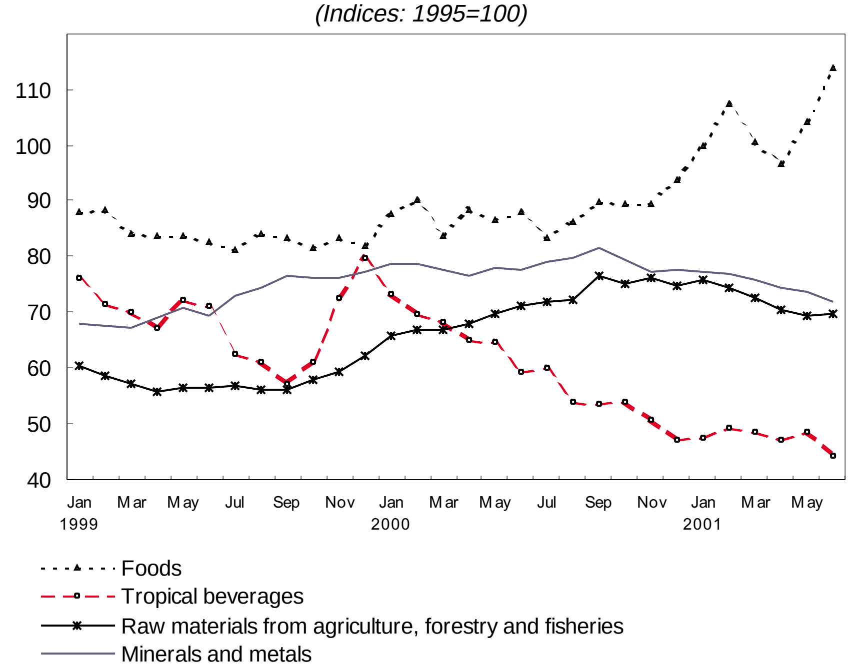
Coffee prices continued to plummet in the first semester of 2001, losing a quarter of the preceding year's average value. Cocoa prices, in contrast, rebounded from their previous plunge. The upward trend in oil prices was reversed, and first-semester prices were almost 15% lower than the previous year's average.

Only food prices remained impervious to the worldwide economic slowdown. Driven largely by supply-side factors, significant upturns were recorded in the prices of bananas (40%), sugar (17%) and wheat (12%), although prices for the latter two products were still well below the figures seen prior to the Asian crisis. Price rises, albeit smaller ones, were also recorded for shrimp, beef and maize. Thanks to these developments, the overall non-fuel commodity price index hardly fell at all during the period under review (see figure 3).

Figure 3

PRICE INDEXES OF LATIN AMERICAN AND CARIBBEAN NON-FUEL COMMODITY EXPORTS [a]

(Indices: 1995=100)



Source: ECLAC, on the basis of official figures.

[a] Indices weighted by the proportion of the region's exports represented by each product.

In the case of manufactured goods, the downward trend in dollar prices has been compounded by a slump in the volume of trade. Electronic products have proven to be highly sensitive to the business cycle, and United States demand for the types of electronics produced by *maquila* industries in Mexico and Costa Rica has consequently fallen off sharply.

Many of the region's countries posted lower export earnings in the early months of 2001 as a result of sluggish demand and lower prices for their export products. The countries in this group included several Central American nations (particularly Costa Rica, Guatemala and Nicaragua, which saw a drop of about 20%), as well as Ecuador and Venezuela (where the decrease was 6%).[3] Colombia, Cuba and Peru recorded meagre export growth, while Mexican exports gradually slowed to a rate of barely 3%.

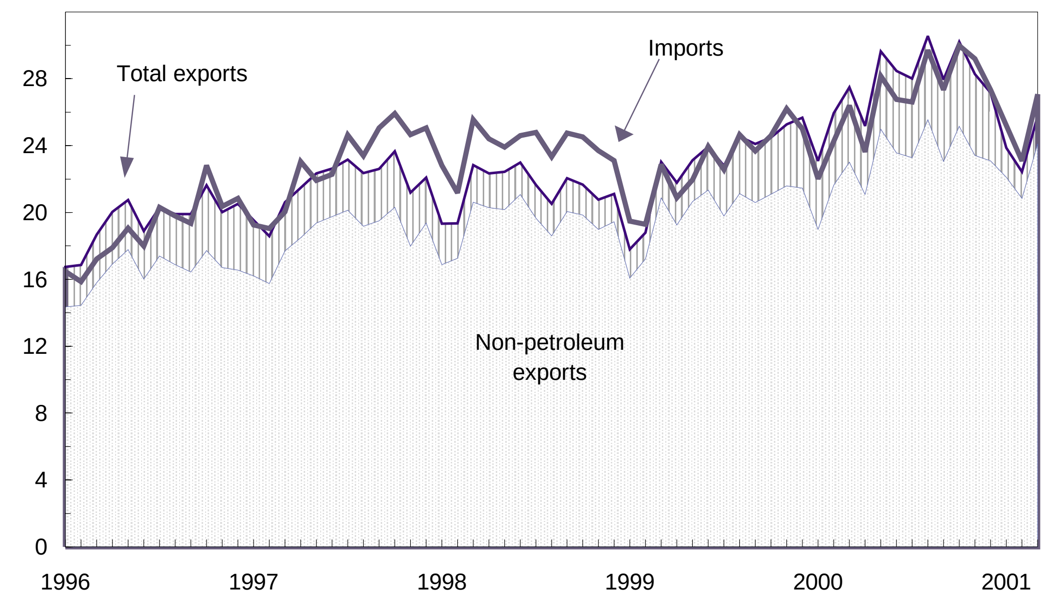
The main exception to this bleak export picture was Mercosur. The four member countries all turned in positive rates, although Argentina failed to match its 2000 figures. Brazil, in particular, was able to maintain its buoyant export trend, with growth of 12%. In fact, with an 18% increase in imports (the best performers being capital and durable consumer goods), Brazil has clearly been the driver of trade growth in Mercosur, whereas imports plunged in Argentina and Uruguay. The steep rise seen in Paraguay's imports (22%) is no doubt related to Brazilian demand, as Paraguayan exports also increased (13%); these results provide clear evidence of the importance for Paraguay of its re-exports to Brazil.

Outside Mercosur, imports declined in a number of Central American countries, slowed significantly in Mexico, Peru, El Salvador and Venezuela and were flat in Chile. Colombia's imports, by contrast, were up by 18% during the first four months of the year despite the economic slowdown and the depreciation of its currency, although they still fell short of the level reached prior to the 1999 recession. Ecuador (whose currency continued to appreciate strongly in real terms in the midst of an economic upswing) also saw import growth (see figure 4).

Figure 4

LATIN AMERICA AND THE CARIBBEAN: MERCHANDISE TRADE[a]

(Billions of dollars)



Source: ECLAC, on the basis of official figures.

[a] Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela, which together account for 93% of the region's trade.

3 Interestingly, however, with the exception of Venezuela, the exports of Andean Community countries to other members of the group retained much of the momentum gained in 2000. Intra-Community trade grew by 20% in the first four months of 2001.

Capital flows still subdued

Latin America is set to receive some US$ 60 billion in autonomous capital inflows in 2001, which is similar to the 1998-2000 average but still well below the 1997 figure. The main components of these flows will be foreign direct investment and, to a lesser extent, regular official financing, with other types of capital accounting for only a small percentage.

Capital inflows to most Latin American countries will be comparable to 1998-2000 levels. The regional average in 2001 will be heavily influenced by two trends: firstly, the increase in capital flows to Mexico, which has benefited from the reduction in United States interest rates and high real domestic rates; and, secondly, dwindling flows of private capital to Argentina, where the Government has faced serious difficulties in obtaining financing on international markets since September 2000. In June, the Argentine Government conducted a debt swap for US$ 30 billion, of which close to 30% corresponded to international issues. Although this operation has contributed little fresh financing and entails very high interest rates, it has nevertheless made it possible to considerably reduce debt payments in 2001-2002.

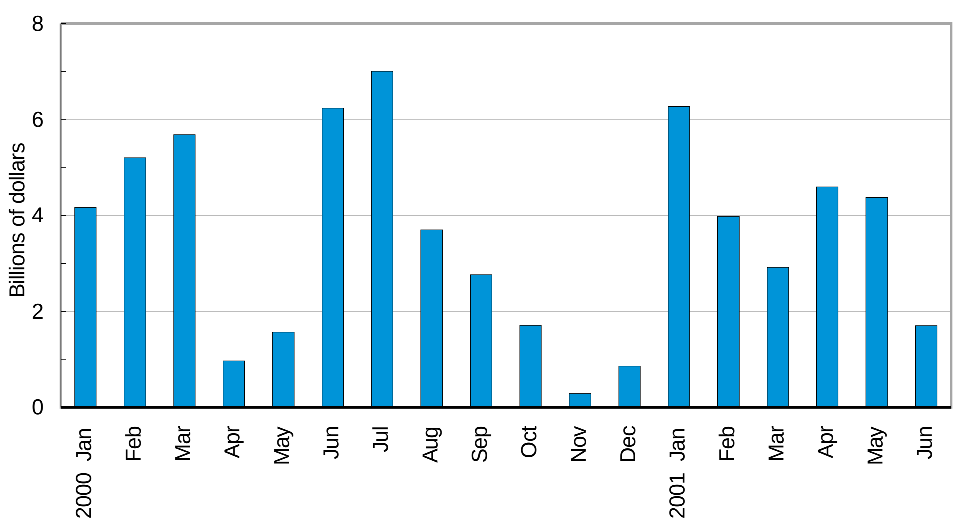
Argentina, Brazil and Ecuador will have compensatory official financing at their disposal, mainly from the International Monetary Fund (IMF); by the end of June, Argentina and Brazil had drawn US$ 5.3 and US$ 2 billion of these resources, respectively.

By mid-year almost all the region's governments had met the targets set for international public debt issues; the largest issues were made by Brazil, Colombia and Mexico. Private loan placements, in contrast, were small and limited mainly to Brazilian and Mexican agents. Although there was some improvement in 2000 and the first semester of 2001, external financing for the region remained unstable and experienced frequent bouts of volatility (see figure 5). The region's international reserve assets fluctuated considerably over the 12-month period ending in May 2001 and failed to regain the level recorded before the moratorium declared by Russia in August 1998.

Foreign direct investment will decline for the second year running, but will still amount to around US$ 50 billion. Increased flows to Mexico will compensate to a great extent for deteriorating flows to Brazil, which will drop to almost half their previous value. A number of countries have seen foreign direct investment lose momentum since 2000, which suggests that these flows are becoming more concentrated. Indeed, as in 2000, Brazil and Mexico together will account for almost two thirds of the regional total. The bond market was quite buoyant in the first semester of 2001 but, as in previous years, these funds are largely going to cover debt payments. The situation is quite similar in the case of international commercial bank lending, which, rather than contributing significant amounts of fresh financing to the region, is mainly being used to roll over existing credits.

Figure 5

LATIN AMERICA AND THE CARIBBEAN: INTERNATIONAL BOND ISSUES



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

External borrowing terms have not yet reverted to pre-Asian crisis levels. As of mid-year, the cost of external finance for the region stood at around 13% per annum (see figure 6). Argentina saw the worst deterioration in borrowing terms and conditions during the first semester (with rates rising from 12.5% to 15.5%), followed by Brazil (where the cost climbed from 12.5% to 13.5%); Colombia, in contrast, experienced the most substantial improvement (a drop in rates from 13% to 10.5%). Chile, Mexico and Uruguay continue to figure among the countries with the lowest borrowing costs (7%-8%).

Inflows of equity investment capital are significant for Argentina, Brazil, Chile and Mexico, and decreases in these flows are reflected in their stock markets. At the end of June 2001 the regional stock index showed a drop of 12% –though with some ups and downs– from its level of a year earlier. Equity capital inflows to the region declined somewhat in the early months of 2001, with the exception of Mexico.

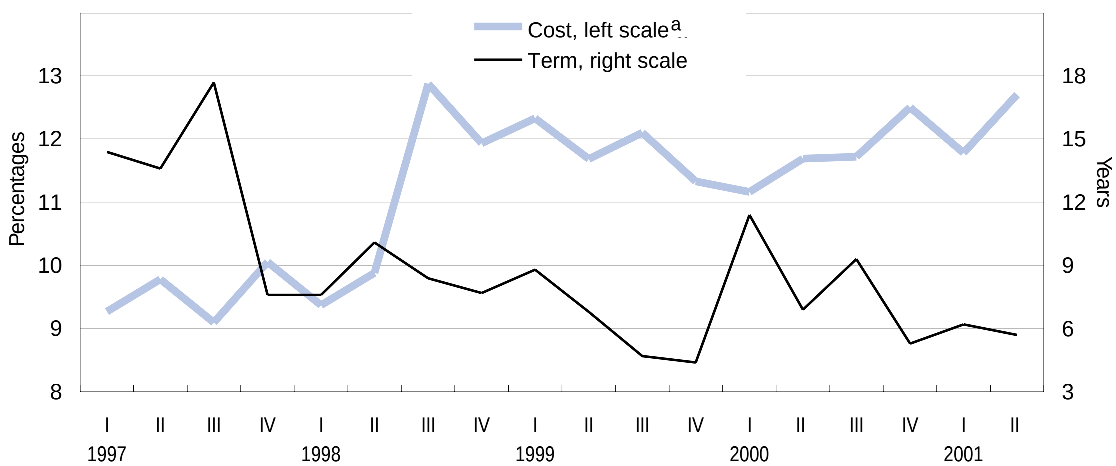
In line with the projected trends in the current and capital accounts on the balance of payments, net resource transfers to Latin America and the Caribbean will be almost nil for the third year running. This means that net capital inflows will go entirely to financing payments of factor services (interest payments and profit remittances).

3. Macroeconomic policy and reforms

As the external environment became more hostile, a reduction was seen in the manoeuvring room that had become available to monetary policy-makers when exchange regimes were made more flexible in 1999 and 2000. The troubled situation in Argentina affected neighbouring countries and led to a depreciation of their currencies. Most of the smaller economies were untouched by speculative onslaughts, however, and the majority registered a real appreciation of their currencies. A more austere stance was adopted by monetary policy-makers, but in view of the mediocre level of domestic activity and lower fuel prices, an increase in fiscal deficits is being projected.

Figure 6

LATIN AMERICA AND THE CARIBBEAN: COST AND MATURITIES OF INTERNATIONAL BOND ISSUES



Source: ECLAC, on the basis of figures from J.P. Morgan and Merrill Lynch.

[a] Sum of the average spread for bond issues and yields of long-term United States Treasury bonds.

A continuing real effective revaluation within a more volatile exchange-rate environment

The complex international situation affected trends in regional foreign-exchange markets to varying degrees. This diversity, together with the persisting wide dispersion of national inflation rates and differences in the geographical distribution of trade, resulted in a wide range of real exchange movements in the first half of 2001.

Economies with a floating exchange rate generally experienced a steeper rate of real devaluation against the dollar (see figure 7). In this group of countries, which are currently the most influential ones in the region owing to the size of their economies, the largest increases in the real exchange rate against the dollar occurred in Brazil (an annualized rate of 18% during the first semester of 2001), Chile (14%), Colombia (9.5%) and Jamaica (8%). The Mexican peso, on the other hand, again showed a real appreciation amounting to an annual rate of about 3.5% over the first six months of 2001. The same figure was recorded in Guatemala.

With the exception of Ecuador, where the inflation differential with the United States is still very high and resulted in a 35% drop in the real exchange rate, no significant real movements were observed in the economies that have a fixed nominal exchange rate against the dollar. The real exchange rate for the United States dollar rose by 4% in Argentina, which experienced deflation, and declined by 2% in El Salvador. Trends were much more uneven in countries that are pursuing a managed devaluation, where the variations against the dollar varied from a real depreciation of 7% in Uruguay to a real appreciation of 5% in the Dominican Republic.

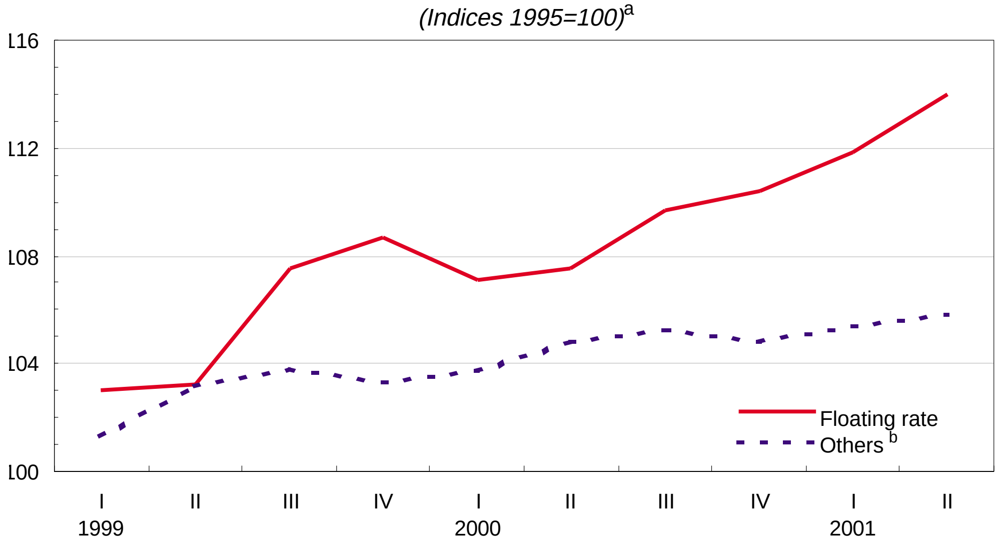
The trends of the different countries' real effective exchange rates, which measure the competitiveness of the exchange rate from the standpoint of international trade, reflected the wide range of exchange-rate movements against the dollar, the strength of this currency in relation to other reserve currencies and the depreciation observed in Brazil, which is an important trading partner for a number of South American economies. For the region as a whole, the sum of these trends resulted in a continuation of the real effective revaluation which had begun in the first months of 2000. This trend masks significant differences across countries, however (see figure 8).

Short-term trends in the countries' foreign exchange markets during the first six months of 2001 were heavily influenced by their degree of exposure to contagion from the Argentine crisis. Accordingly, pressure for a devaluation continued to be felt in the southern portion of the continent, while the situation remained calmer in the rest of the region, with the exception –for purely domestic reasons– of some Andean and Caribbean countries (such as Haiti and Jamaica).

Figure 7

LATIN AMERICA AND THE CARIBBEAN: QUARTERLY INDEX OF THE REAL BILATERAL EXCHANGE RATE FOR THE DOLLAR, 1999-2001

(Indices 1995=100)[a]



Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund.

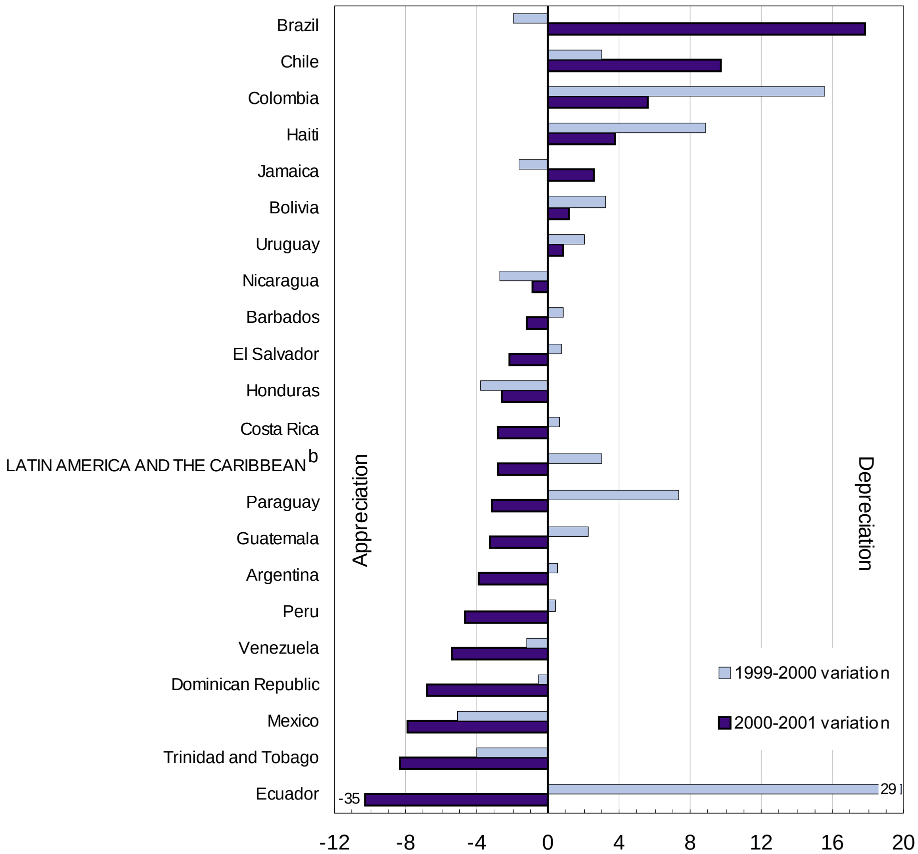
[a] An increase denotes a real devaluation.

[b] Countries with fixed or managed exchange rates; does not include Ecuador.

Figure 8

LATIN AMERICA AND THE CARIBBEAN: REAL EFFECTIVE EXCHANGE RATE

(Annual variation as of second quarter of each year) [a]



Source: ECLAC, on the basis of official figures.
[a] An increase denotes a real devaluation. [b] Simple average.

Faced with external liquidity difficulties, the Argentine authorities modified the convertibility system (see box 1) as part of a broader package of economic measures. A basket of currencies was established which will include the euro when it reaches parity with the dollar, and a temporary system was established under which an exchange-rate differential will be applied to trade operations. The financial market's reaction was reserved however, and there was a marked increase in the perceived level of sovereign risk. The increase in spreads was transmitted to Brazil, even though the forecasts being made in early 2001 regarding its growth prospects were still very favourable. When those prospects dimmed somewhat during the second quarter, the exchange rate for the real came under even stronger pressure, thus accelerating the rate of devaluation despite increases in domestic interest rates. Conditions in these two economies and the fairly lacklustre outlook at the international level also affected the other economies of the Southern Cone by boosting their nominal devaluation rates; thus, by the end of the first semester the cumulative annual rate of depreciation amounted to 16% in Chile and 11% in Paraguay and Uruguay.

In the Andean countries, domestic conditions were what influenced exchange rates the most. In Ecuador, where inflation remained high and was eroding the competitiveness of the real exchange rate, the authorities sought to consolidate the dollarization regime by taking steps to reinforce public finances and reduce the perceived level of country risk. The situation was much the same in Venezuela, where the rate of devaluation was slowed by an anti-inflationary policy which the authorities were able to implement thanks to the country's accumulated international reserves. In

Box 1

MACROECONOMIC POLICY MEASURES IN ARGENTINA IN THE FIRST HALF OF 2001

The Argentine Government is facing severe financial constraints owing to asset holders' reluctance to finance the fiscal deficit and the country's large debt payments. All told, these gross financing requirements were equivalent to about 12% of GDP in 2000. In order to ease this situation, an IMF-led financial assistance package was announced in December 2000 which provides for a number of new fiscal measures.

The effect of this announcement on expectations was short-lived, however. Against a background of growing financial turbulence, the country's economic authorities were replaced twice in a short space of time.

The team that took over at the end of March 2001 set about working to strengthen public revenues as soon as possible. A financial tax on credits and debits was established for this purpose. The programme that has been introduced with the aim of improving competitiveness by about 20% also has the medium-term goal of streamlining the tax system. Employers' social security contributions have been standardized and a plan is being implemented to consolidate those contributions and the financial tax with the VAT and income tax. This consolidation and the introduction of a regulation under which payments of over 1,000 pesos cannot be made in cash are expected to reduce tax evasion significantly.

Another package of tax measures seeks to encourage private consumption by raising the tax exemption limit and increasing personal deductions, offering a tax credit for salary increases of less than 1,500 pesos and raising the maximum deduction for mortgage interest payments.

A decision was also taken to use a currency basket, which is to include the euro as well as the dollar, for the determination of the exchange rate. This mechanism will not be applied to the economy as a whole until the euro reaches parity with the dollar, however. An increase of the external tariff to 35% for consumer goods was also negotiated with Mercosur.

As a new export promotion measure, an "exchange-rate bridging mechanism" was also created for foreign trade transactions (except for fuel) which allows agents to take advantage of the relative weakness of the euro immediately. An exchange rate of one peso to the dollar still applied to other transactions, including financial operations.

In addition, a debt swap involving approximately US$ 30 billion was carried out in early June to improve the country's maturity profile. The yield of the new securities that were issued amounts to approximately 15% per annum.

These measures were announced in the context of a complex domestic and external environment. Argentina's country risk, which had dropped below 900 basis points in the wake of the "mega-swap", was rising again and then surged to around 1,300 points at the

Colombia the exchange rate continued to devalue at a leisurely rate, but in Peru the central bank had to intervene for the first time since 1999 to control the sudden depreciations triggered by the uncertainty that arose during the run-up to the second round of presidential elections.

Despite its greater exposure to the risk associated with a recession in the United States, Mexico received abundant capital flows which strengthened its currency. In Central America, exchange rates were influenced by the decision taken in January by El Salvador to move towards a dollarization of its economy and the announcement by the Government of Guatemala that it would study the feasibility of implementing such an exchange-rate regime. In the Caribbean, complex domestic situations in Haiti and Jamaica sparked significant exchange-rate movements. In the other economies of this subregion that do not have a fixed exchange rate, the rate of devaluation was much slower.

Monetary policy is tightened

In 1999 and for most of 2000 a regional trend towards a relaxation of monetary austerity policies had been observed, but the first half of 2001 confirmed the signs of a reversal in this stance that had begun to appear late in 2000.

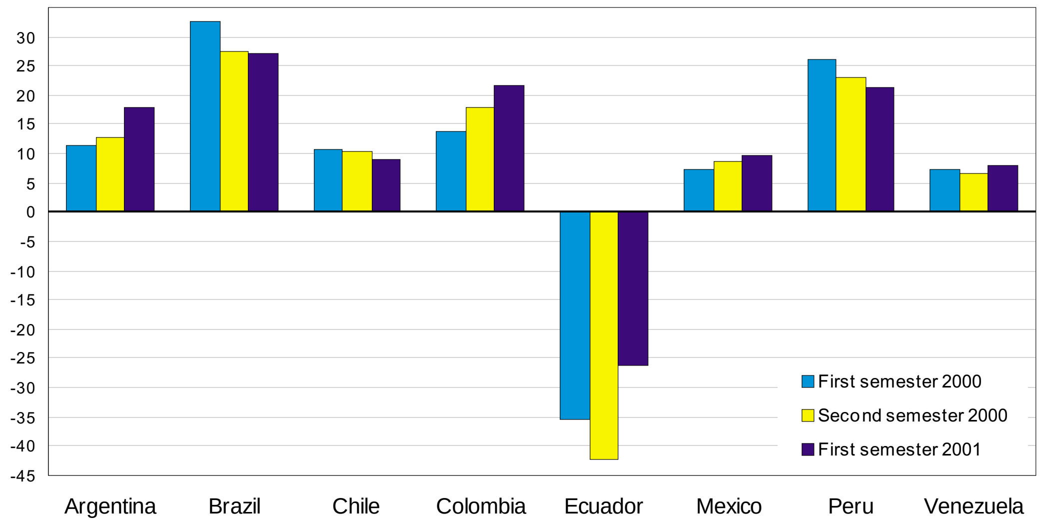
Real interest rates tended to rise in the region's three largest economies (see figure 9). The increase was mainly a reaction to the rise in nominal rates in Argentina and Brazil that was triggered by negative external factors. In the case of Mexico, there were also domestic factors involved, given the need to bring the high growth rate of domestic expenditure into line with the slowdown in foreign trade that appears to be in the offing. The downward trend in inflation augmented the effect of these nominal movements, thereby helping to increase the real cost of money further.

Some countries, including Chile and Peru, continued to try to reactivate their domestic economies by lowering interest rates. It should be noted that both of these countries have ample international reserves which, in combination with a flexible exchange rate, afford them a certain degree of autonomy in managing their monetary policy. Despite the reduction in borrowing costs in these economies, no recovery was seen in credit to the private sector owing to the unfavourable expectations of producers and consumers.

Figure 9

LATIN AMERICA: ANNUALIZED REAL INTEREST RATES[a]

(Percentages, semester averages)



Source: ECLAC, on the basis of figures from the International Monetary Fund.
[a] Short-term lending rates, deflated by the consumer price index.

As a result of these movements in domestic interest rates and real exchange rates, the region's monetary conditions index fell by almost one percentage point during the first semester of 2001. This indicator, which measures the expansionary or restrictive effects on domestic and external demand of changes in real interest and exchange rates, had risen by 2.7% over the same period in 2000 (see figure 10). The increase in interest rates and the loss of exchange-rate competitiveness in relation to main trading partners are expected to dampen effective demand, while the depreciation against the United States dollar will lead to a deterioration in public and private debt indicators.

In general terms, domestic lending in the region will continue to deteriorate in 2001 and, given the halting growth rates posted for production activity, this could generate a vicious circle of contractions in domestic lending, rising default rates and a further widening of domestic financial spreads.

The fiscal deficit increases again

After exceeding 3% of GDP in 1999 as a consequence of the 1997-1998 crisis, weather-related disasters and the need to revitalize the region's economies, in 2000 the public-sector deficit was reduced to 2.3%. This improvement was based on higher government revenues, thanks to increases in international oil prices, and a higher level of economic activity. The situation appears to be taking a turn for the worse in 2001, however, and it is estimated that half of the countries of the region will have a higher public-sector deficit.

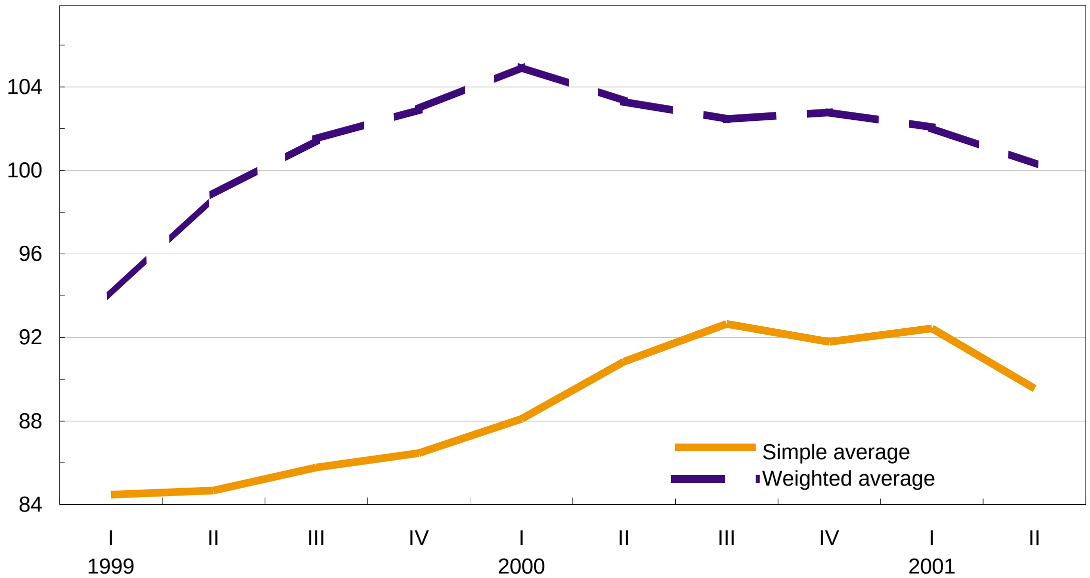
To a large extent, the mediocre external situation explains this development. The countries of the Central American isthmus expect that slacker demand for their products in the United States will curb economic activity and hurt government coffers. For example, El Salvador and Honduras foresee deficits of about 5% of GDP, while Nicaragua has budgeted its financing requirements at 10% of GDP (owing to a crisis in the coffee sector and plans to boost the currently low rate of activity by means of hefty public investments).

Most of the governments whose revenues are dependent upon commodity exports are also predicting a drop in receipts. Several of them are planning to offset the reduction in revenues, especially from oil, with tax increases and spending cuts.

Mexico is expecting to see an improvement in its public accounts, however, thanks to the steps taken by the government in the past few years to diversify its

Figure 10

LATIN AMERICA AND THE CARIBBEAN: INDEX OF MONETARY CONDITIONS, 1999-2001[a]



Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund.

[a] An increase in the index reflects more expansionary conditions.

sources of income and thus soften the impact of fluctuations in oil revenues. The Chilean Government is projecting a deficit of close to 1% of GDP owing to a downturn in proceeds from copper exports and a lower level of economic activity.

In the two largest economies of the Southern Cone, the fiscal situation is expected to remain fragile in 2001. As indicated in box 1, Argentina has been obliged to react to the prospect of an increase in its fiscal deficit and financial obligations at a time when the prevailing degree of uncertainty has spurred capital outflows. This has had an impact on Brazil, where the authorities have decided to apply a tight monetary policy to prevent a steeper depreciation. This, in turn, has hurt its public accounts as revenues have been eroded by the slowdown in economic activity and outflows have risen as a consequence of the high financial cost of domestic borrowing.

As a result, public financing requirements in the region as a whole, in dollar terms, will be higher than in 2000 (see figure 11). It is estimated that in 2001 there will be less access to external financing than in 2000, and the governments will once again have to seek domestic resources, which will result in higher interest rates. This, in turn, will counteract the expansionary effect of the larger fiscal deficit on domestic demand.

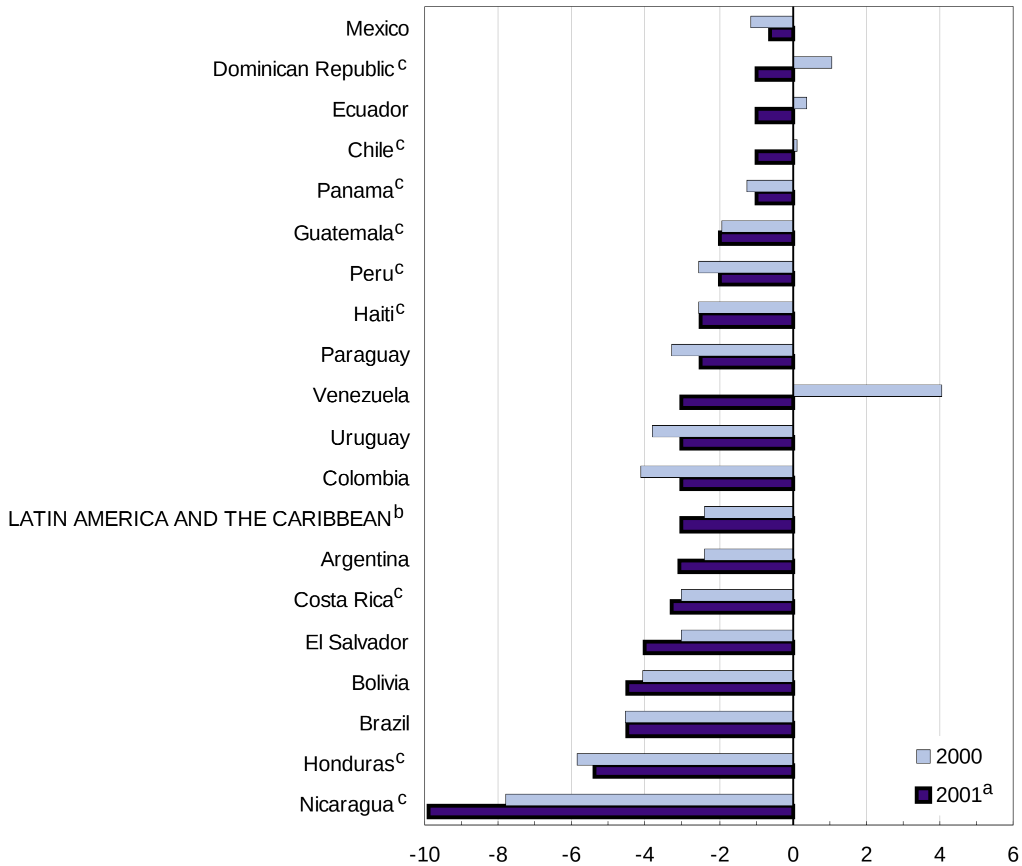
The pace of reform slows

The implementation of structural reforms in the region during early 2001 proceeded more slowly than in previous years. The main reason has no doubt been the worsening economic situation both in the region and in its main trading partners.

This deterioration of the economic environment may have been a factor in the postponement of several privatization operations in the region. As a result of these deferrals, privatization revenues in 2001 will fall short of the level posted in 2000 (US$ 18,000 million). The countries which once had ambitious plans for the year (Brazil, Colombia and Ecuador) have already suffered setbacks in this area.

A number of pieces of draft legislation submitted to various countries' law-making bodies have met with difficulties. Cases in point include a labour reform bill in Chile and a fiscal reform bill in Mexico. In Ecuador, amendments made with the aim of boosting fiscal revenues have turned out to be less far-reaching than those originally proposed. Tax reforms have been announced for the second semester in Bolivia and Chile, however, and Colombia has moved ahead with an extensive reform process which includes various bills designed to bolster its fiscal sustainability in the medium-term; one of these bills, which amends the

Figure 11
LATIN AMERICA AND THE CARIBBEAN: FISCAL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR
(As a percentage of GDP)



Source: ECLAC, on the basis of official figures.
[a] Targets and projections as of the end of the first semester.
[b] Simple average for 19 countries.
[c] Data for central government.

constitutional provisions dealing with transfers to subnational governments, was passed in June 2001.

Recent initiatives to promote competition include a bill that would consolidate regulatory bodies and consumer protection agencies in Brazil into a single entity in order to streamline procedures. In Ecuador a regulation was adopted which opens up the telecommunications sector to competition as of December 2001.

The financial consolidation process continued in the first half of 2001, as did government implementation of remedial measures. New debt relief measures were also announced, in particular for small and medium-sized enterprises.

In 2001 the countries of Latin America and the Caribbean continued their efforts to move towards greater regional integration, despite the unfavourable economic situation. Mercosur, in particular, had difficulties making further progress owing to the continuing recession in Argentina. In order to alleviate the situation, in March 2001 Argentina chose to apply a set of tariffs that differ from the Mercosur common external tariff. In May, Paraguay and Uruguay reiterated their interest in looking into the possibility of establishing a supranational tribunal for the settlement of trade disputes.

In July 2001 the Andean Community and Mercosur agreed to establish a mechanism for dialogue and political consensus-building. The aim of this initiative is to spur the integration of these two groups with a view to the formation of a South American free trade zone by January 2002.

Within the framework of the negotiations concerning the Free Trade Area of the Americas (FTAA), the Sixth Trade Ministerial Meeting was held in Buenos Aires in April 2001, where it was agreed that the Trade Negotiations Committee should intensify its efforts to reach an agreement. During the Third Summit of the Americas (Quebec, April 2001), the commitment was reaffirmed to complete the negotiations so that the FTAA can begin to operate in 2005. Progress towards this goal will depend on how much support is received from the new Administration in United States, however, as it is not yet certain that Congress will pass the necessary Trade Promotion Authority to replace the expired "fast track" authority.

4. Domestic economic performance

Growth in the regional economy slackens

After making a satisfactory recovery in 2000 from the crisis of the year before, the economies of Latin America and the Caribbean have been growing more slowly in 2001. Output in the region as a whole is expected to increase by 2% over the year, with per capita output rising 0.5%. These disappointing estimates, which are based on the poor results seen during the first half and the discouraging prospects for the rest of the year, are far below the minimum rate (GDP growth of 6%) required for significant improvements to be achieved in the living standards of Latin American and Caribbean society (see figure 12).

The poor performance of the region's largest economies is particularly striking. Growth in Mexico is expected to be just one third of the very high rate achieved in 2000 as the strong expansion seen over recent years in the United States, which buys almost 90% of Mexico's exports, winds down. This adverse situation will be partially offset, however, by continued buoyancy in oil prices. In Brazil, meanwhile, the promising recovery seen in 2000 and the first quarter of 2001 was cut short by a severe electricity crisis which coincided with a deterioration of the external environment. Argentina has not yet been able to emerge from a recession that is now in its fourth year, owing to the virtual evaporation of external financing and the difficulty the country is having in reducing its fiscal deficit.

In the Chilean economy, too, a nascent recovery has come to a halt despite the strength of the country's economic fundamentals, the measures taken to reduce interest rates, and an exchange rate that is highly favourable to exports. The economy of Peru, which is just emerging from a serious political crisis, is expected to continue performing poorly, with investment down sharply. Uruguay is likely to remain in recession, as the effects of the devaluation of the real and the deepening crisis in Argentina have been compounded by the severe problems in the agricultural sector caused by outbreaks of foot-and-mouth disease in various parts of the country. Serious political problems in Bolivia and Paraguay are expected to hold growth down to fairly low levels.

Few of the region's economies are expected to post satisfactory growth rates in 2001. The Dominican Republic, whose GDP has been expanding strongly for several years, should once again do well, although there too, growth is likely to be weakened by the same problems being experienced by the other countries. Ecuador should also grow relatively rapidly, thereby bolstering a recovery that began in 2000 with the dollarization of the economy and that has recently been buoyed by high oil prices. Nonetheless, a return to 1998 levels of economic activity is not expected. Cuba should continue to recover, despite difficulties in the sugar industry. Venezuela is expected to see moderate growth, but high oil prices and the country's high real exchange rate should provide the basis for a strong expansion of domestic demand, much of which will filter out of the country due to a sharp rise in imports. Consequently, non-oil activities should grow more quickly than overall output. In the countries of Central America, growth is likely to be somewhat below the trend of recent years. The exception is Costa Rica, where growth is once again expected to be very modest owing to the problems affecting the electronics industry. The outlook for the Caribbean countries is mixed, due both to the external environment and to complex domestic situations (Haiti, Jamaica).

Sluggish investment growth expected in 2001

The level of total gross investment growth seen in 2000 is probably not going unlikely to be repeated in 2001. The substantial decline in capital flows to a number of the region's countries, which is the result of low expectations among international investors, makes a return to the levels of investment seen up until 1998 unlikely.

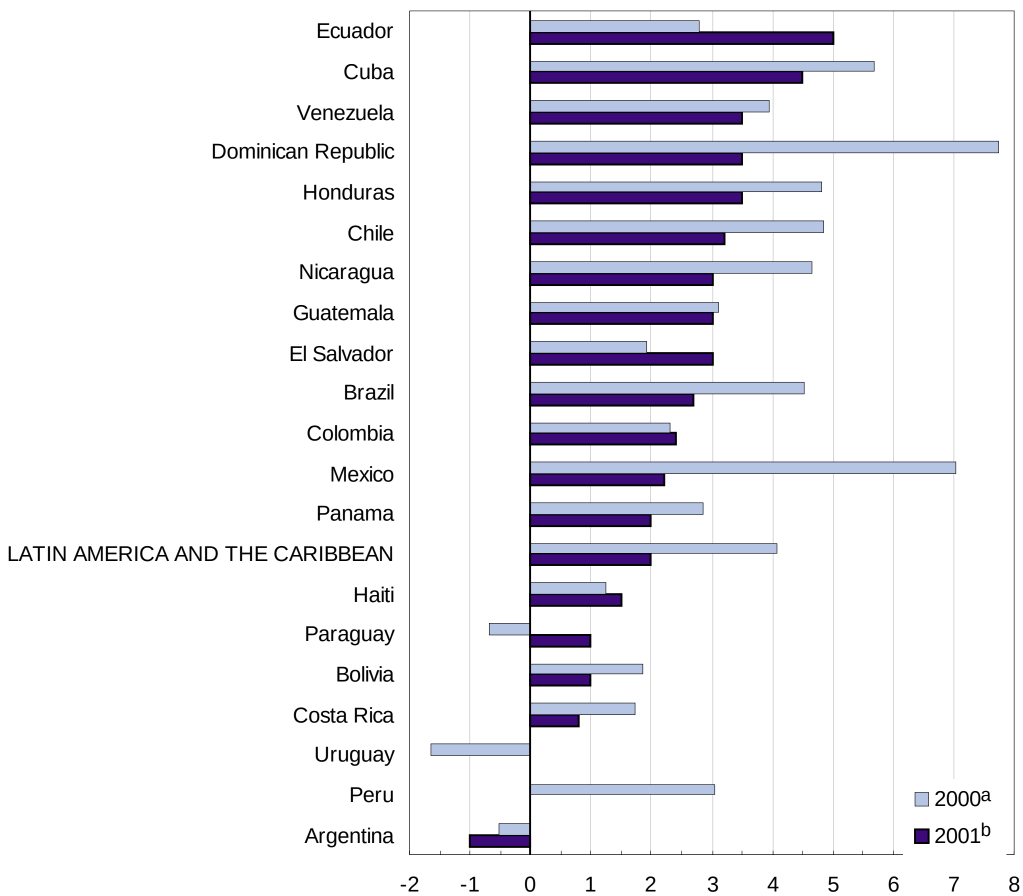
The decline in investment is expected to occur across the board. In the northern part of the region, the results will be very different from the high levels seen in 2000, particularly in Mexico, where investment rose by almost 9%. In 2001, conditions are very different; investment declined by 6% in the first quarter, mainly owing to inventory reductions, while fixed investment was virtually stagnant. In the Dominican Republic, investment is unlikely to hold up; this is particularly true of the construction industry, where investment contracted in the first quarter. In the other countries the outlook is fairly poor as well due to the modest level of economic growth that is expected.

The prospects for South America are not very encouraging either. Brazil and Chile saw substantial investment growth in the first quarter of 2001, but this situation was reversed in the second quarter. After sharp decreases in investment in previous years, Argentina, Peru and Uruguay continued to see poor results in the first quarter of 2001, and there are no signs of any improvement. The recovery that began in Colombia in 2000 may continue this year, thanks to the oil boom. Venezuela should not have any great difficulty in keeping investment levels up, particularly in the case of public investment, because of the abundant tax revenues generated by oil exports.

Figure 12

LATIN AMERICA AND THE CARIBBEAN: GROSS DOMESTIC PRODUCT

(Annual growth rates)



Source: ECLAC, on the basis of official figures.

[a] Preliminary estimates. [b] Projections.

Inflation falls again, but moderately

The inflation rate for the region as a whole declined slightly once again in the first half of 2001 to stand at an annual figure of just under 8%. Wholesale prices increased at a single-digit rate following sharp rises in 1999. The moderate level of inflation in the region is mainly attributable to the stability of most of the countries' exchange rates and to the end of the surge in oil prices. The continued application of prudent monetary policies has also helped to subdue inflation, as have the recessions being experienced in a number of countries (see figure 13).

The prospects for the second half of 2001 are somewhat bleaker in view of the increases in the exchange rate being seen in some countries, particularly Brazil but also, to a lesser extent, Chile, Paraguay and Uruguay. In all the other countries, however, the outlook for the rest of the year is good, as there is no sign of any threat to the current situation.

Price rises eased off in 10 of the 22 countries for which information is available, while inflation remained virtually unchanged in another seven. Inflation accelerated in five economies, most notably Brazil, where it rose by three percentage points over 2000 levels.

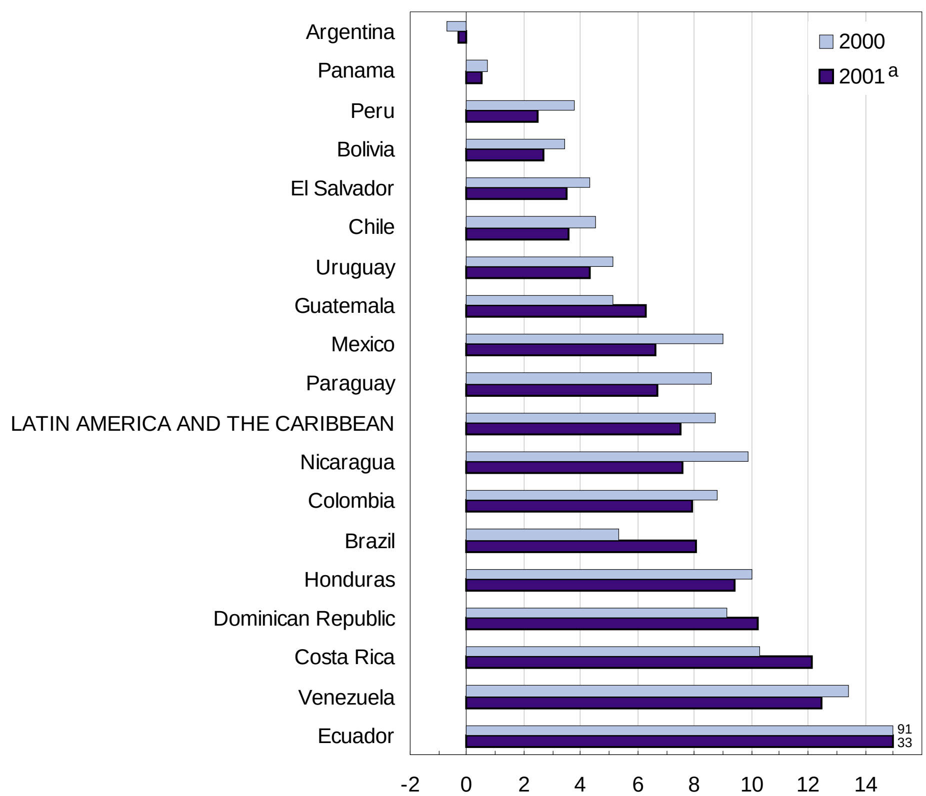
The best performance was turned in by Ecuador, where inflation fell significantly. The inflationary surge seen in 1999 and early 2000 was halted by the dollarization of the economy, after which the rate of price increases slowed sharply. This tendency is expected to continue in the second half of the year, as producer prices are rising much more slowly than consumer prices.

In Mexico the situation was also encouraging. There were clear signs that the country's stabilization process was firming up, and inflation fell back to 6% for the first time in several years. Inflation also fell in Nicaragua and Paraguay after a resurgence the previous year; this sound performance was largely the result of the turnaround in oil price trends on the international market.

Figure 13

LATIN AMERICA AND THE CARIBBEAN: CONSUMER PRICES

(Twelve-month variation)



Source: ECLAC, on the basis of official figures.

[a] To June 2001.

Argentina experienced actual deflation once again in the 12-month period ending in June, but it is possible that prices may pick up during the remainder of the year as a result of recent measures that have had the effect of raising the exchange rate for foreign trade operations. Barbados and Panama maintained their usual low rates of inflation, while Bolivia and Peru continued to make progress in bringing price rises under control. Inflation was moderate once again in Chile, El Salvador, Guatemala and Uruguay. Lower inflation in Colombia attested to the consolidation of the stabilization efforts pursued in recent years.

In Brazil, the sharp rise in the exchange rate seen in the first half of 2001 could stoke inflation during the rest of the year, although this may be counteracted by the lower economic growth expected from the second quarter onward and by a tighter monetary policy. In the Dominican Republic, on the other hand, higher 12-month inflation was largely the result of the inflationary spike witnessed in September 2000 when the new Administration adjusted fuel prices, which the previous authorities had allowed to lag behind in real terms. The rate of price increases subsequently fell off sharply, so for 2001 as a whole the country may well see single-digit inflation once again.

Inflation rose slightly in Costa Rica, while in Honduras it declined somewhat to just under 10%. Inflation continued to fall in Venezuela –a process that was strengthened by the improved exchange-rate situation– and by the end of the year will undoubtedly be somewhere around 10%. In Haiti, meanwhile, inflation stopped rising and then actually declined slightly, slipping to 16%. This was largely due to a substantial reduction in the rate of devaluation and to the stability of oil prices.

Slow growth hurts employment

The improvement seen in the region's labour market in 2000, particularly in terms of job creation but also, although to a lesser degree, unemployment, has generally come to a halt and is now being eroded by the slackening of economic activity in 2001.

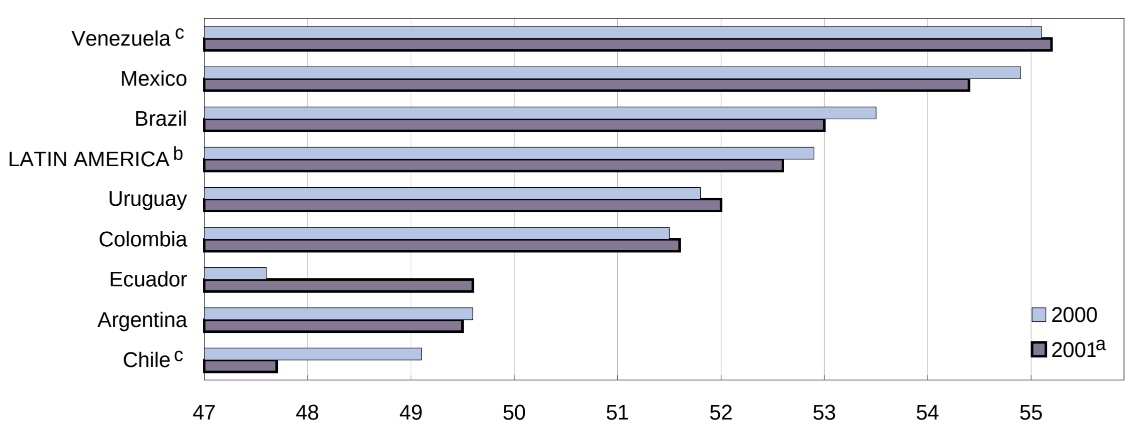
This deterioration was already evident in the early months of the year, when the employment rate in a group of eight countries fell to 52.6%, as against 52.9% in the first half of 2000. This development was largely due to the fall in this indicator in the region's largest economies, Brazil and Mexico. The employment rate also declined in Chile, while remaining virtually unchanged in Argentina, Colombia and Venezuela and rising in Ecuador and Uruguay (see figure 14).

Mexico is being affected by the cooling of the United States economy, which is stifling job creation in export activities. Job growth in the *maquila* sector, which was over 10% a year in the 1990s, has been weaker since late 2000, and in May the annual growth rate fell to 1.7% owing to an absolute decline in the number of people employed in the sector since February. Employment in the rest of the manufacturing sector was 2.3% lower in the first few months of 2001 than in the same period of

Figure 14

LATIN AMERICA AND THE CARIBBEAN: URBAN EMPLOYMENT RATE

(Employed persons as a percentage of the working-age population, first half of each year)



Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.
[b] Weighted average.
[c] Nationwide

2000, the result being a 0.8% decline in formal employment in manufacturing as a whole. Formal-sector jobs were also lost in construction. Robust job creation in some tertiary activities resulted in a slight overall increase in formal employment however, with an annual growth rate of 1.8% being recorded in the year to May.

In Brazil, the growth in formal employment seen during 2000 carried over into the early months of 2001, particularly in the manufacturing sector, where output continued expanding at high rates. Overall, however, new job creation slowed sharply, with employment growth in the six major metropolitan areas falling from a month-on-month rate of 3.6% in January to one of 0.2% in May. Consequently, the employment rate fell by half a percentage point between the first half of 2000 and the first half of 2001. Employment growth in the manufacturing sector remained stable at 2.1% between May 2000 and May 2001, but stagnated in the tertiary sector and fell in construction. Slower economic growth in the second half of the year is expected to have a further negative impact on job creation.

In Argentina, job creation remained slack during the early months of 2001 following a negative performance in 2000. In fact, the information available for Greater Buenos Aires indicates that formal employment fell by 0.4% between December 2000 and April 2001, for an annualized decline of 0.8%. The year-on-year fall was most marked in construction, manufacturing and basic services, with formal employment expanding in other service activities.

In Chile, formal job creation began to taper off in the fourth quarter of 2000, and by April 2001 employment had contracted by 0.8% with respect to the same month the year before. This decline affected both wage and non-wage employment, and in the March-May quarter of 2001 total employment was down by 1.7% over the same period of the previous year; as a result, the employment rate fell from 49.2% to 47.5%.

In Colombia, formal employment in the manufacturing sector began to pick up slightly in the second half of 2000, and in January-April 2001 it was 1.9% up on the same period of the preceding year. In general, however, the demand for labour remained weak, and between the first quarter of 2000 and the first quarter of 2001 wage employment fell from 52.5% to 51.1% of total employment. The seasonal decline in the employment rate between the second half of 2000 and the first half of 2001 was sharper than in other years, although the level remained relatively stable by comparison with the first half of 2000, while underemployment increased slightly.

Ecuador is recovering from a deep economic crisis whose effects included a decrease in formal employment and a sharp increase in unemployment. The employment rate began to rise again in the second half of 2000, climbing from 47.6% to 49.6% between January-May 2000 and the same period in 2001.

Although the employment rate has declined in the region as a whole, no deterioration has been seen in unemployment indicators owing to slight declines in the labour force participation rates of Brazil and Mexico. According to the information available for eight countries, the unemployment rate fell from 9% to 8.5% between the first half of 2000 and the early months of 2001. Despite this favourable trend at the regional level, unemployment increased significantly in half of the countries for which information is available (Argentina, Chile, Colombia and Uruguay) and edged up in Mexico, while it remained unchanged in Venezuela and fell in Brazil and Ecuador (see figure 15).

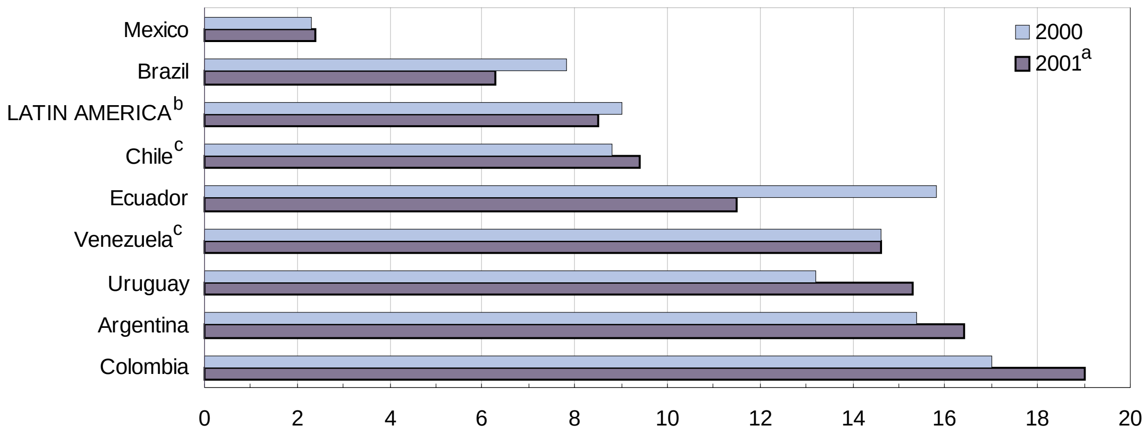
For the year as a whole, the drop in the employment rate is expected to be even sharper and the seasonal reduction in unemployment that is usually seen across the region in the second semester is not expected in 2001. Projections for the region as a whole therefore put the average unemployment rate for the year at 8.5%.

The sluggishness of the region’s labour markets is also affecting wages. A comparison of the early months of 2001 with the same period of 2000 shows small increases (between 1% and 1.5%) in Chile and Colombia and a decrease of about 1% in Argentina, Brazil and Uruguay. The only exception is Mexico, where wages rose by almost 5%. This rise, however, is largely due to increases registered in the course of 2000, and the annual rate of increase actually declined from 7.1% in January 2001 to 3.2% in April.

Figure 15

LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT

(Percentage of the economically active population, first half of each year)



Source: ECLAC on the basis of official figures.
[a] Preliminary figures. [b] Weighted average. [c] Nationwide.

Statistical appendix

Table A.1

LATIN AMERICA AND THE CARIBBEAN: MAIN ECONOMIC INDICATORS

	1992	1993	1994	1995	1996	1997	1998	1999	2000 [a]
	Indices 1995=100								
Gross domestic product	90.8	94.0	98.9	100.0	103.7	109.1	111.5	111.9	116.5
Per capita gross domestic product	95.6	97.2	100.6	100.0	102.0	105.5	106.2	104.9	107.5
	Annual growth rates								
Gross domestic product	3.0	3.5	5.2	1.1	3.7	5.2	2.3	0.4	4.1
Per capita gross domestic product	1.2	1.7	3.4	-0.6	2.0	3.5	0.6	-1.1	2.5
Consumer prices [b]	414.0	877.0	333.1	25.8	18.2	10.4	10.3	9.5	8.7
Terms of trade	-0.6	-0.4	4.9	1.2	1.4	2.0	-5.8	0.4	5.9
	Percentages								
Urban unemployment rate	6.5	6.5	6.6	7.5	7.9	7.5	8.1	8.8	8.5
	Percentages of gross domestic product [c]								
Balance of payments									
Trade balance (goods and services)	-1.2	-1.6	-1.8	-0.7	-0.6	-1.6	-2.8	-1.2	-0.7
Balance on current account	-2.7	-3.3	-3.3	-2.2	-2.1	-3.3	-4.5	-3.2	-2.4
Balance on capital and financial account [d]	3.9	4.5	2.7	1.8	3.7	4.4	3.5	2.5	3.4
Global balance	1.2	1.2	-0.6	-0.4	1.6	1.1	-0.9	-0.7	1.0
Total disbursed external debt	37.6	37.5	35.0	36.3	34.6	33.0	36.9	42.7	37.5

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] December-to-December variation. [c] Estimates based on figures expressed in dollars at current prices.
[d] Includes errors and omissions.

Table A.2

LATIN AMERICA AND THE CARIBBEAN: GROSS DOMESTIC PRODUCT

(Annual growth rates)

	1992	1993	1994	1995	1996	1997	1998	1999	2000[a]	1991 - 2000
Latin America and the Caribbean [b]	**3.0**	**3.5**	**5.2**	**1.1**	**3.7**	**5.2**	**2.3**	**0.4**	**4.1**	**3.2**
Subtotal (20 countries)	**3.0**	**3.5**	**5.2**	**1.1**	**3.7**	**5.2**	**2.3**	**0.3**	**4.1**	**3.2**
Argentina	9.6	5.9	5.8	-2.9	5.5	8.0	3.8	-3.4	-0.5	4.1
Bolivia	1.7	4.3	4.8	4.7	4.5	4.9	5.2	0.5	1.8	3.8
Brazil	-0.3	4.5	6.2	4.2	2.5	3.1	0.1	0.7	4.5	2.6
Chile	10.9	6.6	5.1	9.0	6.9	6.8	3.6	-0.1	4.9	6.1
Colombia	3.6	4.4	5.9	4.9	1.9	3.3	0.8	-3.8	2.3	2.5
Costa Rica	8.5	7.0	4.7	3.7	0.6	5.6	8.2	8.0	1.7	4.9
Cuba	-13.8	-16.0	2.0	3.4	8.7	3.3	1.3	6.8	5.7	-1.5
Ecuador	3.0	2.2	4.4	3.0	2.3	3.9	1.0	-9.5	2.8	1.7
El Salvador	7.3	6.4	6.0	6.2	1.8	4.2	3.5	3.4	1.9	4.3
Guatemala	4.9	4.0	4.1	5.0	3.0	4.4	5.1	3.6	3.1	4.1
Haiti	-13.8	-2.2	-8.3	5.0	2.8	1.5	3.2	2.6	1.3	-0.9
Honduras	5.8	7.1	-1.9	3.7	3.7	4.9	3.3	-1.5	4.8	3.2
Mexico	3.7	1.8	4.4	-6.1	5.4	6.8	5.1	3.7	7.0	3.6
Nicaragua	0.8	-0.4	4.0	4.4	5.1	5.4	4.1	7.4	4.7	3.5
Panama	8.2	5.3	3.1	1.9	2.7	4.7	4.6	3.2	2.8	4.5
Paraguay	1.7	4.0	3.0	4.5	1.1	2.4	-0.6	-0.1	-0.7	1.8
Peru	-0.4	4.8	12.8	8.6	2.5	6.8	-0.5	0.9	3.0	4.1
Dominican Republic	8.0	3.0	4.3	4.7	7.2	8.3	7.3	8.0	7.8	5.9
Uruguay	8.3	3.5	7.0	-2.3	5.0	5.4	4.3	-3.3	-1.7	2.9
Venezuela	7.0	-0.4	-3.7	5.9	-0.4	7.4	0.7	-5.8	4.0	2.4
Subtotal - Caribbean [b]	**0.7**	**0.5**	**3.1**	**2.8**	**2.9**	**1.9**	**2.6**	**4.1**	**3.3**	**2.3**
Antigua and Barbuda	0.9	5.0	6.2	-4.8	6.0	5.5	3.9	4.5	3.5	3.3
Barbados	-5.6	1.0	2.9	2.4	3.3	2.8	5.3	3.1	3.0	1.4
Belize	9.0	4.3	1.6	3.7	1.3	4.4	2.0	5.9	10.1	4.5
Dominica [c]	2.3	1.9	1.9	1.2	2.9	2.2	2.8	0.7	…	2.4
Grenada [c]	1.0	-1.1	3.4	3.1	3.0	4.3	7.6	8.1	…	3.8
Guyana	9.1	11.5	9.4	3.8	8.6	6.7	-2.2	3.9	3.0	6.2
Jamaica	2.5	1.8	1.9	1.8	-0.3	-2.2	-1.0	0.7	0.5	0.6
Saint Kitts and Nevis [c]	3.2	4.6	5.5	1.8	5.7	6.9	0.9	2.2	…	3.6
Saint Vincent and the Grenadines [c]	6.9	2.0	-2.3	7.8	1.2	3.5	5.8	4.0	…	3.7
Saint Lucia [c]	7.5	-1.3	4.6	2.1	0.8	-0.3	2.6	3.5	…	2.7
Suriname [c]	-1.8	-10.8	-0.9	4.1	13.2	6.1	1.9	-2.4	…	0.8
Trinidad and Tobago	-1.0	-1.2	4.2	4.2	4.4	4.0	5.3	7.8	5.0	3.6

Source: ECLAC, based on official figures converted into dollars at constant 1995 prices.
[a] Preliminary figures. [b] Refers only to those countries that provide data. [c] The last column refers to the period 1990-1999.

Table A.3

LATIN AMERICA AND THE CARIBBEAN: PER CAPITA GROSS DOMESTIC PRODUCT

(Annual growth rates)

	1992	1993	1994	1995	1996	1997	1998	1999	2000[a]	1991-2000
Latin America and the Caribbean [b]	**1.2**	**1.7**	**3.4**	**-0.6**	**2.0**	**3.5**	**0.6**	**-1.1**	**2.5**	**1.6**
Subtotal (20 countries) [b]	**1.2**	**1.8**	**3.4**	**-0.6**	**2.0**	**3.5**	**0.6**	**-1.2**	**2.5**	**1.5**
Argentina	8.2	4.5	4.4	-4.1	4.1	6.6	2.5	-4.6	-1.7	2.8
Bolivia	-0.7	1.7	2.3	2.2	2.0	2.4	2.8	-1.8	-0.4	1.3
Brazil	-1.8	3.0	4.7	2.7	1.1	1.7	-1.2	-0.7	3.2	1.2
Chile	9.1	4.8	3.4	7.4	5.4	5.3	2.2	-1.4	3.5	4.5
Colombia	1.6	2.4	3.8	2.9	0.0	1.3	-1.1	-5.6	0.5	0.5
Costa Rica	5.1	3.7	1.6	0.8	-2.0	2.9	5.6	5.5	-0.6	2.1
Cuba [c]	-14.4	-16.5	1.4	2.8	8.1	2.9	0.8	6.4	5.3	-2.0
Ecuador	0.7	-0.1	2.1	0.8	0.2	1.8	-0.9	-11.2	0.9	-0.4
El Salvador	5.1	4.2	3.7	4.0	-0.3	2.1	1.4	1.3	-0.1	2.2
Guatemala	2.2	1.3	1.4	2.2	0.3	1.7	2.4	0.9	0.4	1.4
Haiti	-15.4	-4.0	-9.9	3.1	0.9	-0.4	1.3	0.7	-0.6	-2.8
Honduras	2.7	4.0	-4.7	0.7	0.8	2.1	0.5	-4.1	2.1	0.3
Mexico	1.8	-0.1	2.6	-7.8	3.7	5.1	3.4	2.1	5.4	1.8
Nicaragua	-2.1	-3.3	0.9	1.5	2.2	2.6	1.3	4.5	1.9	0.6
Panama	6.2	3.4	1.3	0.1	0.9	2.9	2.9	1.6	1.3	2.7
Paraguay	-1.1	1.3	0.4	1.7	-1.6	-0.2	-3.2	-2.6	-3.2	-0.9
Peru	-2.1	3.0	10.9	6.8	0.7	4.9	-2.2	-0.8	1.3	2.3
Dominican Republic	5.9	1.0	2.4	2.8	5.3	6.5	5.5	6.2	6.1	4.0
Uruguay	7.5	2.8	6.2	-3.0	4.2	4.6	3.5	-4.0	-2.4	2.2
Venezuela	4.6	-2.7	-5.8	3.7	-2.5	5.2	-1.3	-7.7	2.0	0.2
Subtotal - Caribbean [b]	**-0.1**	**-0.2**	**2.3**	**2.0**	**2.2**	**1.2**	**1.9**	**3.4**	**2.6**	**1.6**
Antigua and Barbuda	0.3	4.3	5.5	-5.4	5.3	4.9	3.2	3.9	2.9	2.7
Barbados	-5.9	0.6	2.5	2.0	2.9	2.4	4.9	2.7	2.6	1.0
Belize	7.1	2.4	-0.2	1.8	-0.8	2.2	-0.2	3.6	7.7	2.4
Dominica [c]	2.3	1.9	1.9	1.2	2.9	2.2	2.8	0.7	…	2.4
Grenada [c]	0.8	-1.3	3.1	2.9	2.5	3.8	7.1	7.6	…	3.5
Guyana	8.8	11.1	9.1	3.5	8.1	6.2	-2.7	3.4	2.5	5.8
Jamaica	1.7	1.0	1.0	0.9	-1.1	-3.0	-1.9	-0.1	-0.3	-0.2
Saint Kitts and Nevis [c]	3.7	5.2	6.0	2.3	5.7	6.9	0.9	2.2	…	3.9
Saint Vincent and the Grenadines [c]	5.9	1.1	-3.2	6.8	0.3	2.6	4.9	3.1	…	2.7
Saint Lucia [c]	6.2	-2.5	3.4	0.8	-0.3	-1.5	1.4	2.4	…	1.4
Suriname [c]	-2.1	-11.1	-1.3	3.7	12.7	5.7	1.5	-2.8	…	0.4
Trinidad and Tobago	-1.8	-1.9	3.4	3.4	3.9	3.4	4.8	7.3	4.5	2.9

Source: ECLAC, based on official figures converted into dollars at constant 1995 prices.
[a] Preliminary figures. [b] Refers only to those countries that provide data. [c] The last column refers to the period 1990-1999.

Table A.4

LATIN AMERICA AND THE CARIBBEAN: FINANCING OF GROSS DOMESTIC INVESTMENT [a]

(As percentages of GDP)

	1992	1993	1994	1995	1996	1997	1998	1999	2000[b]
Domestic saving	19.5	19.1	19.4	20.5	20.4	20.6	19.3	19.0	19.3
Factor income	-2.4	-2.5	-2.2	-2.4	-2.3	-2.4	-2.5	-2.9	-2.7
Transfers	0.9	0.8	0.8	0.9	0.8	0.8	0.9	1.1	1.0
Gross national saving	18.1	17.4	18.0	19.0	18.9	19.0	17.7	17.1	17.7
Public	3.7	2.7	2.8	0.5	0.4	-0.1	-0.5	-1.3	1.3
Private	14.9	13.2	13.6	18.8	18.9	19.2	18.2	19.2	18.2
External saving	2.8	3.3	3.3	2.1	2.1	3.3	4.2	3.0	2.3
Gross capital formation	20.8	20.7	21.3	20.8	20.5	21.7	21.4	20.1	19.9

Source: ECLAC, on the basis of official figures converted into dollars at current prices.
[a] Based on coefficients calculated using figures expressed in local currency which were then converted into dollars at current prices. [b] Preliminary figures.

Table A.5

LATIN AMERICA AND THE CARIBBEAN: GROSS FIXED CAPITAL FORMATION

(As percentages of GDP)

	1992	1993	1994	1995	1996	1997	1998	1999	2000[a]
Latin America and the Caribbean	**19.0**	**19.3**	**20.3**	**19.1**	**19.4**	**20.9**	**21.0**	**19.9**	**19.6**
Argentina	17.1	18.6	20.0	17.9	18.5	20.1	20.7	18.7	17.2
Bolivia	16.6	16.3	14.3	15.5	16.6	20.2	24.9	21.1	19.6
Brazil	18.7	18.6	20.0	20.5	20.3	21.5	21.2	20.0	19.6
Chile	19.5	21.7	21.6	23.9	24.5	25.4	25.5	21.5	21.2
Colombia [b]	15.9	20.7	23.8	22.9	22.2	21.1	19.3	15.1	14.8
Costa Rica	18.5	19.4	18.9	18.7	17.1	18.7	21.7	19.6	18.4
Cuba	12.7	10.8	7.6	7.8	9.8	9.8	10.3	9.8	10.2
Ecuador	18.9	18.6	18.5	18.6	18.5	18.5	19.4	14.5	15.5
El Salvador	15.3	16.6	17.6	18.7	16.3	16.9	17.7	17.1	17.7
Guatemala	14.4	15.0	14.1	14.5	13.7	16.2	18.5	18.9	18.0
Haiti [b]	8.0	7.6	7.7	13.8	13.2	12.8	13.4	13.9	13.9
Honduras	22.5	28.5	29.0	24.0	24.6	27.1	29.0	31.3	28.4
Mexico	21.8	20.8	21.6	16.2	17.9	20.5	21.2	22.0	22.6
Nicaragua	21.2	19.9	22.1	23.9	24.7	28.0	30.1	39.0	32.8
Panama	17.9	24.0	24.6	26.0	24.6	24.7	27.3	33.4	31.1
Paraguay	22.2	22.1	22.4	23.1	22.8	22.0	21.1	20.3	20.3
Peru	17.1	18.1	21.5	24.1	22.8	24.6	24.4	21.5	19.8
Dominican Republic	25.0	25.9	24.1	21.7	21.6	23.9	29.1	30.0	29.9
Uruguay	12.7	14.1	14.0	13.5	14.0	14.5	15.0	14.6	13.1
Venezuela	21.4	20.2	17.1	16.5	15.3	18.0	17.3	15.4	15.1

Source: ECLAC, on the basis of official figures converted into dollars at constant 1995 prices.
[a] Preliminary figures. [b] Includes changes in inventories.

Table A.6

LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT

(Average annual rates)

	1980	1985	1990	1993	1994	1995	1996	1997	1998	1999	2000[a]
Latin America and the Caribbean [b]	**6.2**	**7.3**	**5.8**	**6.5**	**6.6**	**7.5**	**7.9**	**7.5**	**8.1**	**8.8**	**8.5**
Simple average (22 countries)	**...**	**...**	**...**	**10.0**	**9.5**	**10.1**	**10.5**	**9.9**	**9.7**	**10.6**	**10.8**
Argentina											
Urban areas [c]	2.6	6.1	7.4	9.6	11.5	17.5	17.2	14.9	12.9	14.3	15.1
Barbados											
Nationwide total [d]	...	...	14.7	24.3	21.9	19.7	15.6	14.5	12.3	10.4	9.2
Bolivia											
Departmental capitals	...	5.8	7.3	5.8	3.1	3.6	3.8	4.4	6.1	8.0	7.6
Brazil											
Six metropolitan areas	6.3	5.3	4.3	5.4	5.1	4.6	5.4	5.7	7.6	7.6	7.1
Chile											
Nationwide total [e]	10.4	15.3	7.8	6.5	7.8	7.4	6.4	6.1	6.4	9.8	9.2
Colombia [d]											
Seven metropolitan areas	10.0	13.9	10.5	8.6	8.9	8.8	11.2	12.4	15.3	19.4	20.2
Costa Rica											
Total urban areas	6.0	6.7	5.4	4.0	4.3	5.7	6.6	5.9	5.4	6.2	5.3
Cuba											
Nationwide total	...	...	...	6.2	6.7	7.9	7.6	7.0	6.6	6.0	5.5
Ecuador [d]											
Total, urban areas [f]	5.7	10.4	6.1	8.9	7.8	7.7	10.4	9.3	11.5	15.1	14.1
El Salvador											
Total, urban areas	...	...	10.0	8.1	7.0	7.0	7.5	7.5	7.6	6.9	6.5
Guatemala [g]											
Nationwide total	2.2	12.1	6.3	2.6	3.5	3.9	5.2	5.1	3.8	...	...
Honduras											
Total, urban areas	8.8	11.7	7.8	7.0	4.0	5.6	6.5	5.8	5.2	5.3	...
Jamaica [d]											
Nationwide total	...	...	15.3	16.3	15.4	16.2	16.0	16.5	15.5	15.7	15.5
Mexico											
Urban areas [c]	4.5	4.4	2.7	3.4	3.7	6.2	5.5	3.7	3.2	2.5	2.2
Nicaragua											
Nationwide total	...	3.2	7.6	17.8	17.1	16.9	16.0	14.3	13.2	10.7	9.8
Panama [d]											
Metropolitan region	9.9	15.6	20.0	15.6	16.0	16.6	16.9	15.5	15.2	14.0	15.2
Paraguay											
Total, urban areas [h]	4.1	5.2	6.6	5.1	4.4	5.3	8.2	7.1	6.6	9.4	10.7
Peru											
Lima metropolitan area	7.1	10.1	8.3	9.9	8.8	8.2	8.0	9.2	8.5	9.2	8.5
Dominican Republic [d]											
Nationwide total	...	...	...	19.9	16.0	15.8	16.5	15.9	14.3	13.8	13.9
Trinidad and Tobago											
Nationwide total [d]	...	...	20.1	19.8	18.4	17.2	16.2	15.0	14.2	13.1	12.5
Uruguay											
Total, urban areas [i]	7.4	13.1	8.5	8.3	9.2	10.3	11.9	11.5	10.1	11.3	13.6
Venezuela											
Nationwide total	6.0	13.1	10.4	6.6	8.7	10.3	11.8	11.4	11.3	14.9	14.0

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Does not include the Caribbean until 1990. [c] Represents a large and growing number of urban areas. [d] Includes hidden unemployment. [e] The figure shown for 1985 actually corresponds to 1984. [f] The figures shown for 1999 and 2000 correspond to Cuenca, Guayaquil and Quito. [g] Official estimates. [h] Until 1993, the figures given correspond to the Asunción Metropolitan area. [i] The figures shown for 1980 and 1985 correspond to Montevideo.

Table A.7

LATIN AMERICA AND THE CARIBBEAN: CONSUMER PRICES

(December-to-December percentage variations)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001[a]
Latin America and the Caribbean	**414.0**	**877.0**	**333.1**	**25.8**	**18.2**	**10.4**	**10.3**	**9.5**	**8.7**	**7.5**
Argentina	17.5	7.4	3.9	1.6	0.1	0.3	0.7	-1.8	-0.7	-0.3
Barbados	3.3	-1.0	2.1	2.8	1.8	3.6	1.7	2.9	3.8	2.6
Bolivia	10.5	9.3	8.5	10.6	9.9	6.7	4.4	3.1	3.4	2.7
Brazil	1 149.1	2 489.1	929.3	22.0	9.1	4.3	2.5	8.4	5.3	8.1
Chile	12.7	12.2	8.9	8.2	6.6	6.0	4.7	2.3	4.5	3.6
Colombia	25.1	22.6	22.6	19.5	21.6	17.7	16.7	9.1	8.8	7.9
Costa Rica	17.0	9.0	19.9	22.6	13.9	11.2	12.4	10.0	10.3	12.1
Ecuador	60.2	31.0	25.3	22.8	25.6	30.6	43.4	60.7	91.0	33.1
El Salvador	20.0	12.1	8.9	11.4	7.4	1.9	4.2	-1.0	4.3	3.5
Guatemala	14.2	11.6	11.6	8.6	10.9	7.1	7.5	4.9	5.1	6.5
Haiti	16.1	44.4	32.2	24.8	14.7	15.6	7.4	9.7	19.0	16.9[b]
Honduras	6.5	13.0	28.9	26.8	25.3	12.8	15.7	10.9	10.0	9.4
Jamaica	40.2	30.1	26.9	25.5	15.8	9.2	7.9	7.0	6.1	6.2[b]
Mexico	11.9	8.0	7.1	52.1	27.7	15.7	18.6	12.3	9.0	6.6
Nicaragua	3.5	19.5	12.4	10.9	12.1	7.3	18.5	7.2	9.9	7.6
Panama	1.6	0.9	1.4	0.8	2.3	-0.5	1.4	1.5	0.7	0.5[b]
Paraguay	17.8	20.4	18.3	10.5	8.2	6.2	14.6	5.4	8.6	6.7
Peru	56.7	39.5	15.4	10.2	11.8	6.5	6.0	3.8	3.8	2.5
Dominican Republic	5.2	2.8	14.3	9.2	4.0	8.4	7.8	5.1	9.1	10.2
Trinidad and Tobago	8.5	13.4	5.5	3.8	4.3	3.5	5.6	3.4	5.6	4.8[b]
Uruguay	59.0	52.9	44.1	35.4	24.3	15.2	8.7	4.2	5.1	4.3
Venezuela	31.9	45.9	70.8	56.6	103.2	37.6	29.9	20.1	13.4	12.5

Source: ECLAC, on the basis of figures from public institutions in the relevant countries.

[a] Variation between July 2000 and June 2001. [b] Variation between May 2000 and the April 2001.

Table A.8

LATIN AMERICA AND THE CARIBBEAN: NON FINANCIAL PUBLIC-SECTOR ACCOUNTS [a]

(Percentage of GDP)

	Total revenue		Current revenue		Tax revenue		Total expenditure		Current expenditure		Interest payments		Fiscal result	
	1999	2000[b]	1999	2000[b]	1999	2000[b]	1999	2000[b]	1999	2000[b]	1999	2000[b]	1999	2000[b]
Latin America and the Caribbean	**22.5**	**23.2**	**20.4**	**21.1**	**14.7**	**14.8**	**25.6**	**25.5**	**19.1**	**19.4**	**2.8**	**2.8**	**-3.1**	**-2.3**
Argentina	20.2	19.6	19.2	19.5	17.6	18.1	21.9	22.0	20.8	21.0	2.9	3.4	-1.7	-2.4
Bolivia	31.6	32.7	30.5	31.1	13.1	13.4	35.4	36.7	28.3	29.7	1.2	1.5	-3.8	-4.1
Brazil	34.4	38.2	27.6	30.6	26.6	29.8	44.4	42.7	40.4	38.9	6.7	4.7	-10.0	-4.6
Chile [c]	23.0	24.1	22.5	23.7	16.9	17.5	24.4	24.0	20.0	20.0	0.4	0.5	-1.5	0.1
Colombia	31.3	30.7	28.8	28.5	17.8	18.1	36.4	34.8	27.4	25.8	5.2	5.4	-5.1	-4.1
Costa Rica [c]	13.0	12.9	12.5	12.7	12.4	12.6	15.3	15.9	13.9	14.3	3.8	3.7	-2.3	-3.0
Ecuador	25.3	28.3	25.3	28.3	10.2	12.3	30.0	27.9	22.8	22.3	8.5	7.6	-4.7	0.4
El Salvador	15.0	15.6	14.7	14.8	10.2	10.2	17.8	18.7	14.5	15.4	1.4	1.5	-2.8	-3.0
Guatemala [c]	11.0	10.9	10.9	10.8	9.8	10.1	13.8	12.8	8.6	9.1	1.3	1.2	-2.8	-1.9
Haiti [c]	9.3	8.0	9.0	8.0	9.0	8.0	11.7	10.6	9.5	8.2	0.8	0.5	-2.4	-2.6
Honduras [c]	19.6	18.0	19.3	18.0	17.7	16.6	23.6	23.8	15.8	16.6	2.2	1.6	-4.0	-5.9
Mexico	20.8	21.8	14.7	15.9 [c]	11.4	10.6 [c]	22.0	22.9	15.0	15.7 [c]	3.2	3.3 [c]	-1.2	-1.1
Nicaragua	43.8	39.4	34.8	31.9	30.2	29.8	47.6	45.7	26.2	26.3	2.8	3.4 [c]	-3.8	-6.2
Panama [c]	20.1	19.7	20.0	19.5	12.7	11.3	20.8	21.0	18.4	19.3	5.0	5.6	-0.7	-1.3
Paraguay	25.0	28.6	24.7	27.4	11.1	11.4 [c]	28.3	31.8	16.7	19.3	0.8	1.2 [c]	-3.3	-3.3
Peru [c]	14.7	15.0	14.4	14.6	12.4	12.0	17.8	17.5	14.5	14.8	2.1	2.2	-3.1	-2.5
Dominican Republic [c]	15.8	16.0	15.3	14.8	14.5	13.7	16.2	14.9	11.2	11.3	0.5	0.7	-0.5	1.1
Uruguay	30.0	30.3	19.2	19.4 [c]	15.4	15.5 [c]	33.5	34.1	20.6	21.6 [c]	1.7	2.1 [c]	-3.5	-3.8
Venezuela	23.8	31.1	23.5	30.9	10.3	9.5 [c]	24.9	27.0	17.3	19.2	3.2	3.0	-1.1	4.1

Source: ECLAC, on the basis of official figures.

[a] Calculated on the basis of figures expressed in the local currency at current prices. [b] Preliminary figures. [c] Central government statistics.

Table A.9

LATIN AMERICA AND THE CARIBBEAN: EXPORTS AND IMPORTS OF GOODS, FOB [a]

(Rate of variation in index, 1995 = 100)

	Exports			Imports		
	Value	Unit value	Volume	Value	Unit value	Volume
1990	10.2	4.4	5.5	12.9	3.7	9.0
1991	0.7	-3.2	4.0	17.7	-4.0	22.6
1992	8.0	0.6	7.4	22.8	1.3	21.2
1993	9.9	-2.1	12.3	11.7	-1.8	13.8
1994	16.2	6.5	9.2	18.8	1.5	17.0
1995	21.2	8.3	11.8	12.0	7.1	4.6
1996	11.6	1.0	10.4	10.9	-0.4	11.4
1997	11.3	-0.9	12.3	18.6	-2.8	22.1
1998	-1.2	-9.0	8.5	6.2	-3.4	9.9
1999	5.8	-1.1	7.0	-3.7	-1.5	-2.2
2000 [b]	20.1	8.1	11.1	16.3	2.1	14.0

Source: ECLAC, on the basis of figures from the International Monetary Fund.
[a] Covers 17 Spanish-speaking countries, plus Brazil and Haiti. [b] Preliminary figures.

Table A.10

LATIN AMERICA AND THE CARIBBEAN: EXPORTS OF GOODS, FOB

(Rate of variation in index, 1995 = 100)[a]

	Value			Unit value			Volume		
	1998	1999	2000[b]	1998	1999	2000[b]	1998	1999	2000[b]
Latin America and the Caribbean	**-1.3**	**5.8**	**20.1**	**-9.0**	**-1.1**	**8.1**	**8.5**	**7.0**	**11.0**
Argentina	0.1	-11.8	12.7	-9.0	-9.0	10.5	9.9	-3.1	2.0
Bolivia	-5.4	-4.8	14.5	-9.3	-3.5	4.0	4.3	-1.3	10.1
Brazil	-3.8	-6.2	14.7	-8.0	-12.0	1.8	4.6	6.6	12.7
Chile	-11.1	5.4	16.2	-17.0	-3.2	10.1	7.2	8.7	5.6
Colombia	-4.8	4.8	13.2	-12.9	2.8	14.0	9.3	2.0	-0.7
Costa Rica	31.3	19.5	-11.0	-1.9	-4.0	-5.0	33.8	24.5	-6.4
Ecuador	-20.1	5.9	8.9	-15.5	3.5	20.0	-5.5	2.3	-9.2
El Salvador	1.3	1.7	19.0	0.4	-7.2	-1.0	0.8	9.5	20.2
Guatemala	9.4	-2.3	10.3	-2.6	-8.0	1.0	12.3	6.2	9.2
Haiti	45.8	16.4	-6.1	7.5	-4.3	-2.0	35.5	21.8	-4.3
Honduras	11.4	-13.6	15.2	-2.8	-8.0	-1.0	14.6	-6.0	16.3
Mexico	6.4	16.1	22.0	-5.0	1.5	5.0	11.9	14.5	16.2
Nicaragua	0.8	-3.5	14.2	-1.1	-9.0	2.0	1.8	6.1	11.9
Panama	-4.8	-16.5	8.5	0.8	1.0	-1.0	-5.6	-17.3	9.5
Paraguay	6.6	-24.6	-15.8	-0.7	-7.5	-1.1	7.3	-18.6	-14.8
Peru	-15.7	6.2	14.5	-17.1	-10.0	2.0	1.7	17.9	12.3
Dominican Republic	7.9	3.1	11.6	-5.5	-1.2	0.7	14.2	4.3	10.8
Uruguay	1.2	-19.1	3.9	0.2	-12.1	-2.8	1.1	-8.0	7.0
Venezuela	-25.8	18.5	63.5	-29.0	31.9	47.0	4.5	-10.2	11.2

Source: ECLAC, on the basis of figures from the International Monetary Fund and national sources.
[a] The indices shown here for export values, unit values and volumes do no necessarily coincide with indices for these variables calculated on the basis of national accounts due to differences in methodologies and coverage. [b] Preliminary figures.

Table A.11

LATIN AMERICA AND THE CARIBBEAN: IMPORTS OF GOODS, FOB

(Rate of variation in index, 1995 = 100) [a]

	Value			Unit			Value		
	1998	1999	2000[b]	1998	1999	2000[b]	1998	1999	2000[b]
Latin America and the Caribbean	**18.7**	**6.1**	**-4.1**	**-2.9**	**-3.4**	**-1.5**	**22.2**	**9.8**	**-2.7**
Argentina	28.1	3.1	-18.0	-5.9	-4.6	-4.0	36.2	8.1	-14.6
Bolivia	20.2	6.9	-12.5	-4.4	-4.6	-3.4	25.7	12.0	-9.4
Brazil	12.3	-3.5	-14.7	-4.0	-6.0	-2.5	17.0	2.7	-12.6
Chile	10.5	-4.8	-19.6	-4.5	-5.9	-3.5	15.7	1.2	-16.6
Colombia	12.8	-5.2	-26.8	0.9	-5.1	-4.0	11.8	-0.1	-23.8
Costa Rica	16.9	26.2	0.9	-2.0	-5.0	-3.0	19.3	32.9	4.0
Ecuador	26.8	11.4	-49.9	-0.6	-5.0	-3.0	27.6	17.3	-48.3
El Salvador	16.2	5.6	2.8	1.9	3.0	-2.0	14.0	2.5	5.0
Guatemala	23.0	23.2	-2.3	-8.1	-2.0	-0.5	33.9	25.8	-1.7
Haiti	12.3	14.5	14.4	-4.5	5.4	-3.0	17.6	8.6	17.9
Honduras	15.9	14.7	9.4	-4.0	-4.9	-1.5	20.8	20.6	11.0
Mexico	22.7	14.2	13.3	-1.3	-1.6	-0.4	24.4	16.0	13.8
Nicaragua	41.3	4.1	21.6	7.8	-5.1	-2.0	31.1	9.7	24.1
Panama	13.7	4.6	-14.3	-0.5	0.9	-1.5	14.3	3.7	-13.0
Paraguay	-4.5	-5.9	-27.8	-0.1	7.4	-2.5	-4.4	-12.4	-26.0
Peru	8.5	-4.1	-18.1	-5.0	-4.6	-3.1	14.2	0.5	-15.5
Dominican Republic	15.4	14.9	8.1	-3.0	-6.5	-2.0	18.9	22.9	10.3
Uruguay	11.6	2.9	-11.9	-1.6	-6.3	-4.5	13.4	9.9	-7.8
Venezuela	37.6	8.3	-20.7	-5.0	-1.5	-1.4	44.9	10.0	-19.5

Source: ECLAC, on the basis of figures from the International Monetary Fund and national sources.
[a] The indices shown here for import values, unit values and volumes do no necessarily coincide with indices for these variables calculated on the basis of national accounts due to differences in methodologies and coverage. [b] Preliminary figures.

Table A.12

LATIN AMERICA AND THE CARIBBEAN: TERMS OF TRADE FOR GOODS, FOB/FOB

(Indices 1995 = 100)

	1992	1993	1994	1995	1996	1997	1998	1999	2000[a]
Latin America and the Caribbean	**94.6**	**94.2**	**98.8**	**100.0**	**101.4**	**103.4**	**97.4**	**97.8**	**103.6**
Argentina	100.7	104.8	105.6	100.0	108.5	108.9	103.9	98.5	108.8
Bolivia	92.0	88.3	102.5	100.0	111.7	115.6	109.9	109.8	112.0
Brazil	74.2	79.9	91.5	100.0	101.0	106.8	104.6	94.4	91.5
Chile	81.2	74.2	84.1	100.0	80.7	83.0	73.3	73.5	73.6
Colombia	87.4	91.0	104.9	100.0	103.8	104.4	95.8	102.6	115.8
Costa Rica	81.0	84.5	93.9	100.0	94.9	100.6	103.9	102.8	95.8
Ecuador	116.3	106.4	108.9	100.0	109.6	111.9	99.6	106.2	123.8
El Salvador	61.1	63.7	81.0	100.0	93.6	94.1	91.7	86.9	82.7
Guatemala	81.6	84.3	89.9	100.0	87.7	94.8	94.3	87.2	84.7
Haiti	92.9	94.1	96.8	100.0	90.6	94.8	96.7	95.3	88.1
Honduras	82.2	90.3	92.1	100.0	92.8	115.4	118.0	110.2	103.8
Mexico	105.0	104.9	103.3	100.0	102.8	104.0	100.4	102.3	107.4
Nicaragua	71.9	81.3	95.5	100.0	88.1	83.9	87.4	81.1	77.3
Panama	104.0	106.8	110.1	100.0	101.3	103.4	103.3	105.9	99.8
Paraguay	79.4	87.2	105.1	100.0	100.0	99.9	92.4	87.7	84.2
Peru	95.0	89.1	95.7	100.0	96.5	103.2	89.7	83.3	80.9
Dominican Republic	96.2	90.7	95.6	100.0	97.7	102.0	103.1	104.0	102.0
Uruguay	96.2	94.6	94.7	100.0	96.7	96.4	103.1	94.9	86.2
Venezuela	108.0	100.9	100.0	100.0	115.6	110.8	79.9	107.0	157.4

Source: ECLAC, on the basis of figures from the International Monetary Fund and national sources.
[a] Preliminary figures.

Table A.13

LATIN AMERICA AND THE CARIBBEAN: BALANCE OF PAYMENTS

(As percentage of gross domestic product) [a]

	Trade balance (goods and services)		Balance on current account		Balance on capital and financial accounts [b]		Overall balance	
	1999	2000[c]	1999	2000[c]	1999	2000[c]	1999	2000[c]
Latin America and the Caribbean	**-1.2**	**-0.7**	**-3.2**	**-2.4**	**2.5**	**3.4**	**-0.7**	**1.0**
Argentina	-1.7	-0.6	-4.4	-3.3	5.1	2.9	0.7	-0.4
Bolivia	-8.2	-7.8	-6.7	-7.2	6.2	4.3	-0.5	-2.9
Brazil	-1.6	-1.4	-4.8	-4.1	1.6	5.4	-3.2	1.4
Chile	2.0	1.2	-0.1	-1.4	-1.0	1.7	-1.1	0.3
Colombia	0.6	1.6	0.0	-0.2	-0.3	1.2	-0.4	1.0
Costa Rica	6.4	1.8	-4.6	-5.3	7.7	4.3	3.1	-1.0
Ecuador	8.7	8.9	7.0	10.2	-13.5	-8.6	-6.5	1.6
El Salvador	-12.2	-14.9	-2.0	-3.2	3.6	2.8	1.6	-0.4
Guatemala	-8.5	-8.1	-5.5	-4.6	4.9	8.1	-0.7	3.4
Haiti	-16.4	-19.6	0.2	-1.0	0.4	-0.2	0.5	-1.2
Honduras	-14.2	-13.7	-3.7	-3.4	7.7	3.3	4.0	-0.1
Mexico	-1.5	-1.8	-3.0	-3.1	3.9	4.3	0.9	1.2
Nicaragua	-54.0	-43.3	-49.4	-38.3	45.3	30.2	-4.1	-8.1
Panama	-8.4	-5.7	-14.4	-9.3	12.8	6.0	-1.5	-3.3
Paraguay	-3.8	-7.2	-1.1	-4.2	-2.9	-0.6	-4.0	-4.8
Peru	-2.3	-1.9	-3.5	-3.0	2.0	2.8	-1.5	-0.2
Dominican Republic	-7.5	-10.8	-2.5	-6.4	3.4	5.1	0.9	-1.3
Uruguay	-2.2	-2.3	-2.6	-3.1	2.7	3.9	0.1	0.9
Venezuela	5.0	12.2	3.6	11.1	-2.6	-6.3	1.0	4.8

Source: ECLAC, on the basis of figures from the International Monetary Fund and official sources.
[a] Estimates based on figures expressed in dollars at current prices. [b] Includes errors and omissions. [c] Preliminary figures.

Table A.14

LATIN AMERICA AND THE CARIBBEAN: GROSS DISBURSED EXTERNAL DEBT [a]

(Millions of dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	2000[b]
Latin America and the Caribbean	**484 194**	**528 030**	**564 821**	**617 947**	**638 878**	**664 150**	**744 905**	**759 328**	**737 700**
Argentina	62 766	72 209	85 656	98 547	109 756	125 091	141 943	145 955	147 667
Bolivia [c]	3 784	3 777	4 216	4 523	4 366	4 234	4 390	4 327	4 249
Brazil	135 949	145 726	148 295	159 256	179 935	199 998	241 644	241 468	236 151
Chile	18 964	19 665	21 768	21 736	22 979	26 701	31 691	34 167	36 837
Colombia	17 277	18 908	21 855	24 928	29 513	32 036	33 895	33 626	33 264
Costa Rica	4 056	4 011	4 133	4 209	3 663	3 489	3 744	3 950	4 050
Cuba	6 400	8 785	9 083	10 504	10 465	10 146	11 200	11 040	11 100
Ecuador	12 795	13 631	14 589	13 934	14 586	15 099	16 400	16 282	13 564
El Salvador [c]	2 343	1 976	2 056	2 168	2 517	2 689	2 646	2 789	2 795
Guatemala	2 520	2 347	2 895	2 947	3 026	3 197	3 618	3 831	3 929
Guyana	2 054	2 062	2 004	2 058	1 537	1 514	1 500	1 196	1 250
Haiti [c]	873	866	875	898	914	1 025	1 100	1 166	1 170
Honduras	3 538	3 850	4 040	4 243	4 121	4 073	4 404	4 723	4 665
Jamaica	3 678	3 687	3 652	3 452	3 232	3 278	3 300	3 050	3 200
Mexico [d]	116 500	130 500	139 800	165 600	157 200	149 028	160 258	166 381	148 780
Nicaragua [c]	10 792	10 987	11 695	10 248	6 094	6 001	6 287	6 549	6 660
Panama [c]	3 548	5 264	5 505	5 891	5 070	5 051	5 180	5 568	5 604
Paraguay	1 279	1 254	1 271	1 579	1 614	1 660	1 817	2 373	2 491
Peru	26 612	27 447	30 191	33 378	33 805	28 642	29 477	27 966	27 745
Dominican Republic	4 413	4 562	3 946	3 999	3 807	3 572	3 537	3 636	3 676
Trinidad and Tobago	2 215	2 102	2 064	1 905	1 876	1 541	1 430	1 511	1 550
Uruguay [c]	3 392	3 578	4 251	4 426	4 682	4 754	5 195	5 178	5 759
Venezuela	38 447	40 836	40 981	37 519	34 120	31 330	30 250	32 596	31 545

Source: ECLAC, on the basis of official figures.
[a] Includes debt owed to the International Monetary Fund. [b] Preliminary figures. [c] External public debt. [d] Public debt does not include investment by non-resident in government securities.