BRAZIL

1. General trends

The recession in the Brazilian economy deepened in 2015 and persisted into the first few months of 2016. GDP shrank by 3.8% in 2015, to post a year-on-year loss of 4.7% up to the first quarter of 2016. Consequently, unemployment surged from 6.5% in late 2014 to 11.2% in the three months from March to May 2016, with over 1.5 million jobs being shed in the formal sector. The public accounts were also hit, with revenue eroded by the recession while expenditure continued to grow owing to social spending commitments and debt interest payments. The nominal public sector deficit came in at 10.4% of GDP in 2015, with a primary deficit of 1.9% of GDP and interest payments equivalent to 8.5% of GDP. In the first five months of 2016, Brazil's fiscal performance continued to deteriorate and in the 12 months to May the accumulated primary deficit stood at 150.5 billion reais (2.5% of GDP). Congress authorized a primary deficit of up to 170.5 billion reais, or 2.2% of GDP, for 2016. The net public debt rose from 33.1% of GDP in December 2014 to 39.6% in May 2016.

Real labour income was down 2.5% in the three months from March to May, year-on-year, owing to higher inflation, which reached 9.3% in the 12 months to May 2016, and difficulties in wage bargaining. In the first quarter of 2016, 47% of all wage agreements involved increases below reported inflation, compared with fewer than 10% in the year-earlier period.

In the external sector, the merchandise trade balance turned positive again in 2015, with a surplus of US$ 17.67 billion that could grow to US$ 50 billion in 2016. This trend mainly reflects a sharp drop in imports (down 25.3%), combined with a 15.2% fall in exports in 2015. Consequently, the current-account deficit narrowed from US$ 104.2 billion in 2014 to US$ 58.9 billion in 2015; a shortfall of US$ 15 billion is projected for 2016.

The net flow of external financing also slackened, from US$ 100.6 billion in 2014 to US$ 56.7 billion in 2015, with direct investment down by 22.7% and portfolio investment shrinking by 55.6%. Having risen by 12.8% to US$ 352.8 billion in 2014, the external debt dropped to US$ 331.4 billion in 2015.

The recessionary climate was confirmed by a 14.1% fall in investment in 2015, together with a substantial reduction in household consumption (-4.0%). On the production side, industrial output fell by a record 8.0%, and services decreased by 4.4%.

These economic difficulties were associated with the political crisis owing to the loss of congressional support for the government and lawsuits brought against several parties and politicians on issues of corruption and electoral campaign financing. Mounting uncertainty exacerbated the recessionary trend of the Brazilian economy throughout 2015. Following the change of administration in May 2016, economic policy placed greater emphasis on controlling public expenditure and bringing down the public debt. This policy stance aimed to regain investor credibility, which had been damaged during 2015 by the loss of investment grade rating on Brazilian sovereign bonds, among other factors.

2. Economic policy

(a) Fiscal policy

In 2015, fiscal policy aimed to restore the public sector's capacity to generate a primary surplus, and thus reverse the primary deficit recorded in 2014 (0.6% of GDP). To that end, restrictions were placed on public spending, which grew at the federal government level by 2.1% in real terms in 2015, following a 5.4% rise in 2014; and initiatives were submitted to Congress to reduce tax expenditure and subsidies. In addition, energy and fuel prices were raised to boost the earnings of State-owned enterprises; and off-balance sheet debts relating to National Treasury operations with public banks, amounting to nearly 1% of GDP, were publicly acknowledged.

Nonetheless, tax revenue fell more sharply, mainly because of the lower level of economic activity and the impossibility of revoking the tax benefits granted in previous years. Federal government revenue shrank by 5.6% in real terms in 2015 compared with the 2014 level. That negative real trend affected the main taxes, with revenues from corporate income tax down 13.8%, those from industrialized products tax down 16.1% and those from personal income tax down 2.7%. Social security contributions diminished by 6.6% in real terms owing to the downturn in the labour market. The financial transactions tax was alone in recording significant real revenue growth (6.9%), following the introduction of higher rates. The reapplication of a positive rate of fuel tax —having been set at zero until May 2015— collected just 3.3 billion reais, less than 0.4% of total revenue.

Subnational governments (states and municipalities) suffered a substantial cut in revenue that reflected the shrinking of their own tax receipts, lower transfers from the federal government, and a drop in royalties from oil exploration. Revenue from the main state-level tax, the goods and services sales tax (ICMS), fell by 6.0% in real terms, and mandatory federal transfers declined by 5.8%. Royalties and other transfers to the states and municipalities posted a 7.5% nominal reduction in 2015 (almost 16% in real terms). In view of the established borrowing limits, the states started to delay payments, including wages, which created pressure for the renegotiation of their debts with the federal government.

In terms of public sector financing requirements, the nominal deficit recorded in 2015 was the highest since 1999, at 10.4% of GDP. Of this figure, interest payments accounted for 8.5 percentage points and the primary deficit 1.9 points.

In 2016 public finance difficulties persisted, with revenue continuing to decline in real terms (down 5.5% from January to April 2016 against the year-earlier period), compounded by problems in containing primary expenditure (which grew by 2.2% in the first four months of the year). Mandatory adjustment mechanisms, such as the payment of social security benefits in accordance with a floor set by the minimum wage, and growing liabilities in respect of unemployment insurance and subsidies, impose constraints on the structure of expenditure. In the first four months of 2016, the primary federal government balance posted a deficit of 0.3% of GDP, compared to a surplus of 0.8% in the same period in 2015.

In June 2016, the new economic authorities announced that the primary deficit could grow to a level of 170.5 billion reais, about 2.5% of GDP, given the recessionary outlook and mandatory and delayed expenditures. A constitutional amendment bill was presented to Congress with a view to limiting federal government primary expenditure by linking its maximum annual growth to the previous year's inflation rate. To meet that objective, the budget must balance real increases in certain expenditure items with reductions in others, thus requiring a degree of flexibility in its structure. The government also proposed to reform the social security system to align it with future demographic conditions and available resources. In the short term, initial steps were taken to eliminate tax expenditure and speed up the reduction of subsidies on loan operations conducted through official banks —whether for the business sector through the Brazilian National Bank for Economic and Social Development (BNDES), or for the housing sector through the *Minha Casa Minha Vida* (My house, My life) programme. The states and municipalities agreed to a six-month moratorium on debt repayments to the federal Government, with a graduated resumption of payments such that full instalments will only fall due in June 2018. It is estimated that this renegotiation will cost the federal government over 50 billion reais.

New attempts will be made to accelerate investment in infrastructure through a new cycle of concessions and privatizations based on more appropriate conditions for investors. Initially, it is intended to complete concession processes that have already been launched, such as those concerning the airports of Fortaleza and Florianópolis.

(b) Monetary policy

Monetary policy encountered stronger inflationary pressures in 2015, resulting from energy and fuel price hikes (of almost 50% and 15%, respectively) and the expansion of the public deficit. The central bank raised the SELIC benchmark interest rate, which rose in the course of the year from 11.75% to 14.25% by August; that rate remained unchanged as of June 2016. These increments had the effect of pushing interest rates higher in the economy; the average rate charged on un-earmarked loan operations rose from 24.2% in December 2014 to 29.8% a year later, and then to 30.6% in May 2016. In real terms, after a 3.0% contraction in 2015, total credit was 6.7% lower in April 2016 than in May of the previous year.

The liquidity shortage also showed through in a 4.9% nominal reduction in the means of payment in 2015 (-14.1% in demand deposits and -3.1% in the monetary base). There was an increase in “repo” operations, in which the central bank makes short-term trades in government bonds with the financial system, to control market liquidity. These operations amounted to over 1 billion reais, or roughly 16.6% of GDP.

(c) Exchange-rate policy

The real depreciated against the dollar throughout 2015, with the exchange rate rising by 47% year-on-year by late December, and 41.8% on average for the year. This sharp depreciation reflected domestic policy trends and growing uncertainties surrounding the Brazilian economy, which resulted in the loss of investment grade status on Brazil’s sovereign bonds and the withdrawal of funds that only invest in investment-grade securities. The central government tried to stem the volatility by engaging in swap operations, which amounted to over US$ 110 billion and generated cash losses for the central bank totalling 89.6 billion reais (about US$ 20 billion).

In the first few months of 2016, the exchange rate remained somewhat volatile, but with an overall reversal in trend as the real appreciated 15% against the dollar and the exchange rate eased back to around 3.35 reais in June, compared to 3.90 reais at year-end 2015. That pattern reflected both the growing trade surplus and greater confidence in the continuation of high domestic interest rates. The central bank reduced the volume of its swap operations by 51%, generating cash gains of 55 billion reais (about US$ 15 billion).

3. The main variables

(a) The external sector

The rapid adjustment of the current account was the key feature of Brazil's balance of payments position in 2015, as the deficit narrowed to US$ 58.9 billion, roughly 44% smaller than the US$ 104.2 billion shortfall recorded in 2014. The main contribution came from the trade component, which returned a US$ 17.6 billion surplus in 2015, as compared with a US$ 6.6 billion deficit a year earlier.

In 2015, Brazil's total foreign trade shrank by 20%, as exports slid by 15.2% to US$ 190.1 billion, and imports declined 25.3% to a total of US$ 172.4 billion. Falling commodity prices contributed to lower export values in iron ore (-45.5%), oil (-27.9%) and soybeans (-9.9%), among other products. Sales of industrialized products were also down by 8.1%. The total volume of Brazilian exports rose by about 8% in 2015, whereas prices fell by around 2%.

All of the main markets reduced their purchases of Brazilian products, with China, the country's leading export destination, trimming its purchases by 11.3%; the Southern Common Market (MERCOSUR) by 15.2%; the European Union by 18.3% and the United States by 9.7%.

Brazilian imports were also substantially lower in 2015, with imports of oil and fuel down by 44.3%, intermediate goods down 20.2%, capital goods down 20.2%, and consumer goods down 19.6%. The slacker pace of domestic activity and the depreciation of the real caused Brazil's purchases from China to fall by 16.8% and those from MERCOSUR by 28.3%; imports from the European Union and the United States fell by 26.6% and 23.3%, respectively.

The services trade deficit narrowed by almost a quarter to US$ 36.9 billion in 2015, with smaller deficits in transport (-34.2%), travel (-38.5%), and telecommunications (-20.5%) reflecting the lower level of activity and the depreciation of the real. In the case of primary income, net profit and dividend remittances decreased by 24.7%, from US$ 28.2 billion to US$ 21.3 billion. Net interest payments rose to US$ 21.5 billion.

On the capital and financial accounts, the 2015 outturn reported a net inflow of US$ 60.5 billion, down 47.4% on 2014 but still sufficient to finance the current-account deficit almost entirely. Reserves declined by US$ 1.8 billion, leaving a total of US$ 356.4 billion as of late December 2015.

Foreign direct investment retreated by 22.7% to US$ 75 billion in 2015, as a result of the prevailing recessionary climate. Similarly, purchases of Brazilian sovereign bonds fell by 71.5% after the loss of investment grade status.

In the first five months of 2016, the merchandise trade surplus came in at US$ 19.7 billion, thanks to exports of US$ 73.5 billion (down by 1.6% on the year-earlier figure) and imports of US$ 53.8 billion (down 30% year on year). The current-account deficit narrowed sharply to US$ 6.0 billion, 83.2% smaller than in the same period in 2015, while net capital flows dwindled to just US$ 2.3 billion, down by 93.4%. Direct investment inflows grew by 17.1% in relation to the year-earlier period, to total US$ 29.9 billion. Industry absorbed US$ 11.2 billion of that flow, led by the fuel and chemical sectors. These inflows offset portfolio investment outflows of US$ 11.8 billion and an US$ 18.5 billion increase in Brazilian assets abroad.

(b) Economic activity

GDP contracted by 3.8% in 2015, with the consequence that per capita GDP dropped by 4.6%. The recession was driven by a 9.7% drop in the output of the processing industry, financing constraints and lower earnings generally. This was accompanied by reductions of 8.9% in commerce, 7.6% in construction, and 4.8% in transport. Only mining and agriculture recorded positive output growth, of 4.9% and 1.8% respectively.

On the demand side, investment continued to decline, falling by 14.1% in 2015 after a 4.1% drop the previous year. Machinery and capital equipment purchases were down by 26.5% in 2015, while construction expenditure decreased by 8.5%. Weakening household consumption (down 4.0% year on year, the first fall since 2003) also contributed to the recessionary picture, while government consumption edged down by 1.0%. In the external sector, goods exports grew by 6.1% while imports slid by 14.3% over the year.

The pace of activity continued to slacken in the first quarter of 2016, dropping by 0.3% against the preceding quarter and by 4.7% year on year. The processing industry posted a further 0.3% contraction, while commerce shrank by 1.0% quarter over quarter. The recession has generated losses of over 10% in the processing industry and commerce over the past year.

The decline in manufacturing output has been widespread. In May 2016, consumer durables production was 17.4% less than in May 2015, while capital goods were down by 11.4%, and intermediate goods by 8.1%. Over a longer time-span, the total production of Brazil's processing industry was 15.6% below the 2012 monthly average; capital goods output was 30.1% lower, and passenger vehicle production was down by 38.2%.

In the first quarter of 2016, the components of demand were signalling that Brazil has not yet returned to a growth path. Investment retreated by 2.7% compared with the previous quarter, and household consumption was down by 1.7%. Only goods and services exports posted positive growth (+4.1%) over the first four months of the year.

(c) Prices, wages and employment

The cumulative inflation rate (measured by the extended consumer price index, IPCA) was 10.7% in 2015, the highest rate since 2002. This inflationary spike reflected the policy of adjusting energy and fuel prices, which involved hikes of 50.4% in the price of energy for residential use, 22% for cooking gas, and 18.6% for gasoline. Inflation subsequently eased in the first five months of 2016; but remains high at 9.3% year on year, with a cumulative rate of 4.0%. Adverse climate conditions and the recovery of agricultural commodity prices have exerted upward pressure on the food price index, which could make it difficult for the economic authorities to bring inflation below the 6.5% ceiling of the target range in 2016. Nonetheless, the new central bank governor stated that the 2017 inflation rate could be close to the year-on-year target of 4.5%.

Another feature of 2015 and the early months of 2016 has been the deteriorating situation in the labour market. As from March 2016, unemployment in Brazil has been measured through the moving quarterly data published by the Continuous National Household Survey (*PNAD Contínua*). That monthly survey was first compiled in 2012; and in the quarter from October to December 2014, the unemployment rate was the lowest on record at 6.5%. By December 2015, the quarterly rate had risen to 9.5%; and in the three months to May 2016 it was 11.4%, the highest rate recorded since the start of the series.

In terms of employment, after the addition of 152,714 formal jobs in 2014, the labour market cooled and gave way to a cycle of net job losses, with 1,625,000 jobs shed in 2015. Of these, 606,000 were lost in the processing industry, 414,000 in construction, 317,000 in services and 246,000 in commerce. In the period to May 2016, the net job losses continued, with a further 458,511 jobs disappearing, including 226,000 in commerce and 105,000 in processing. Rising unemployment and higher inflation weighed on wages, with average labour income in the three months to May 2016 some 2.5% lower than in the same period in the previous year.

Table 1

BRAZIL: MAIN ECONOMIC INDICATORS

	2007	2008	2009	2010	2011	2012	2013	2014	2015 a/
	Annual growth rates b/								
Gross domestic product									
	6.1	5.1	-0.1	7.5	3.9	1.9	3.0	0.1	-3.8
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing									
Mining and quarrying	3.2	5.8	-3.7	6.7	5.6	-3.1	8.4	2.1	1.8
Manufacturing	2.9	4.1	-2.1	14.9	3.3	-2.1	-3.0	8.6	4.9
Electricity, gas and water	6.1	4.1	-9.3	9.2	2.2	-2.4	3.0	-3.9	-9.7
Construction	9.2	4.9	7.0	13.1	8.2	3.2	4.5	-0.9	-7.6
Wholesale and retail commerce, restaurants and hotels	6.1	2.6	0.7	6.3	5.6	0.7	1.6	-2.6	-1.4
Transport, storage and communications	8.3	5.3	-2.3	11.1	2.3	2.4	3.4	-1.2	-8.9
Financial institutions, insurance, real estate and business services	15.1	13.2	8.8	30.6	12.8	9.6	8.9	3.4	-3.4
Community, social and personal services	7.9	8.2	5.5	5.9	4.9	2.6	1.9	0.4	-1.4
	2.2	0.6	3.4	2.2	1.9	1.3	2.2	-0.1	0.0
Gross domestic product, by type of expenditure									
Final consumption expenditure									
Government consumption	5.8	5.3	4.1	5.7	4.1	3.2	3.0	1.3	-3.3
Private consumption	4.1	2.0	2.9	3.9	2.2	2.3	1.5	1.2	-1.0
Gross capital formation	6.4	6.5	4.5	6.2	4.7	3.5	3.5	1.3	-4.0
Exports (goods and services)	13.0	12.4	-14.0	26.7	5.6	-2.6	5.8	-4.4	-17.5
Imports (goods and services)	6.2	0.4	-9.2	11.7	4.8	0.3	2.4	-1.1	6.1
	19.6	17.0	-7.6	33.6	9.4	0.7	7.2	-1.0	-14.3
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	19.8	21.6	18.8	21.8	21.8	21.4	21.7	20.9	17.7
National saving	19.9	20.0	17.3	18.4	18.9	18.4	18.7	16.6	14.4
External saving	-0.1	1.7	1.5	3.4	2.9	3.0	3.0	4.3	3.3
Balance of payments	**Millions of dollars**								
Current account balance	1,551	-28,192	-24,302	-75,824	-77,032	-74,218	-74,839	-104,181	-58,882
Goods balance	40,032	24,836	25,290	18,491	27,625	17,420	389	-6,629	17,670
Exports, f.o.b.	160,649	197,942	152,995	201,324	255,506	242,283	241,577	224,098	190,092
Imports, f.o.b.	120,617	173,107	127,705	182,833	227,881	224,864	241,189	230,727	172,422
Services trade balance	-13,219	-16,690	-19,245	-30,156	-37,166	-40,168	-46,372	-48,107	-36,919
Income balance	-29,291	-40,562	-33,684	-67,055	-70,475	-54,308	-32,538	-52,170	-42,357
Net current transfers	4,029	4,224	3,338	2,896	2,984	2,838	3,683	2,725	2,724
Capital and financial balance d/	85,934	31,161	70,953	124,925	135,669	93,118	68,912	115,014	60,451
Net foreign direct investment	27,518	24,601	36,033	61,689	85,091	81,399	54,240	70,855	61,576
Other capital movements	58,415	6,560	34,920	63,236	50,578	11,719	14,673	44,159	-1,125
Overall balance	87,484	2,969	46,651	49,101	58,637	18,900	-5,926	10,833	1,569
Variation in reserve assets e/	-87,484	-2,969	-46,651	-49,101	-58,637	-18,900	5,926	-10,833	-1,569
Other financing	0	0	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	82.8	80.4	82.3	72.0	69.2	77.7	83.1	85.8	106.9
Terms of trade for goods (index: 2010=100)	85.3	88.5	86.2	100.0	107.8	101.5	99.4	96.1	85.5
Net resource transfer (millions of dollars)	56,642	-9,401	37,269	57,870	65,194	38,810	36,374	62,844	18,094
Total gross external debt (millions of dollars)	193,159	198,492	198,136	256,804	298,204	327,590	312,517	352,684	334,636
Employment g/	**Average annual rates**								
Labour force participation rate	56.9	57.0	62.1	…	60.0	61.4	61.3	61.0	61.3
Open unemployment rate	9.3	7.9	8.1	6.7	6.0	8.2	8.0	7.8	9.3
Visible underemployment rate	3.6	3.1	3.1	2.7	2.3	2.0	1.8	1.5	1.8

Table 1 (concluded)

	2007	2008	2009	2010	2011	2012	2013	2014	2015 a/
Prices	**Annual percentages**								
Variation in consumer prices									
(December-December)	4.5	5.9	4.3	5.9	6.5	5.8	5.9	6.4	10.7
Variation in wholesale prices									
(December-December)	9.2	10.8	-4.4	13.9	4.3	8.6	5.1	2.1	11.2
Variation in nominal exchange rate									
(annual average)	-10.5	-5.7	8.9	-12.0	-4.9	16.7	10.5	9.1	41.5
Variation in average real wage	1.0	2.0	2.3	1.5	1.4	3.4	2.4	0.9	0.5
Nominal deposit rate h/	7.7	7.9	6.9	6.9	7.5	6.5	6.4	7.1	8.1
Nominal lending rate i/	51.0	54.1	47.5	42.9	44.7	39.6	38.8	44.6	49.1
Central government	**Percentajes of GDP**								
Total revenue	22.7	23.0	22.1	23.6	22.6	22.3	22.2	21.5	21.1
Tax revenue	20.8	20.7	19.4	19.4	20.2	19.7	19.7	19.2	19.2
Total expenditure	24.5	23.7	25.5	25.2	25.0	24.1	24.8	26.6	30.3
Current expenditure	23.3	22.6	24.3	22.7	23.6	22.6	23.3	24.9	28.4
Interest	4.0	3.5	4.6	3.7	4.6	3.7	4.1	4.8	7.3
Capital expenditure	1.2	1.1	1.2	2.5	1.5	1.5	1.5	1.7	2.0
Primary balance	2.1	2.8	1.2	2.0	2.2	1.9	1.5	-0.3	-1.9
Overall balance	-1.8	-0.7	-3.4	-1.6	-2.4	-1.8	-2.6	-5.1	-9.2
General government public debt	57.2	57.5	59.6	52.0	50.8	55.3	56.7	58.9	66.5
Domestic	52.9	52.7	56.2	49.2	48.4	55.8	53.6	55.5	62.1
External	4.3	4.8	3.4	2.8	2.5	2.9	3.1	3.4	4.4
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	87.3	85.9	90.5	93.4	95.2	101.3	100.3	105.1	108.7
To the public sector	39.1	32.2	36.0	33.1	29.3	30.6	27.8	29.3	31.9
To the private sector	40.7	45.8	47.5	52.8	58.1	62.6	64.4	67.1	67.9
Others	7.5	8.0	7.0	7.6	7.8	8.0	8.1	8.7	8.9
Monetary base	5.4	4.7	5.0	5.3	4.9	4.9	4.7	4.6	4.3
M2	28.6	34.4	34.9	35.0	37.0	36.7	36.8	37.8	38.7

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 2010 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/ Six metropolitan areas.
h/ Savings rate. Nominal yield, first business day.
i/ Interest rate on total consumer credit.

Table 2
BRAZIL: MAIN QUARTERLY INDICATORS

	2014				2015				2016	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	2.8	4.1	2.8	2.4	3.2	-0.8	-1.1	-0.7	-2.0	...
Gross international reserves (millions of dollars)	362,514	369,662	377,154	371,603	362,353	366,596	365,927	358,237	358,191	362,824 c/
Real effective exchange rate (index: 2005=100) d/	87.8	82.2	83.2	90.0	94.9	100.1	113.1	119.3	114.6	105.5 c/
Open unemployment rate e/	7.2	6.8	6.8	6.5	7.9	8.3	8.9	9.0	10.9	...
Employment rate e/	56.8	56.9	56.8	56.9	56.2	56.2	56.0	55.9	54.7	...
Consumer prices (12-month percentage variation)	6.2	6.5	6.7	6.4	8.1	8.9	9.5	10.7	9.4	9.3 c/
Wholesale prices (12-month percentage variation)	7.7	6.0	1.9	2.1	0.7	4.3	8.1	11.2	13.0	12.5 c/
Average nominal exchange rate (reais per dollar)	2.36	2.23	2.28	2.55	2.87	3.07	3.55	3.84	3.90	3.50
Average real wage (variation from same quarter of preceding year)	2.7	2.6	-0.8	-0.2	0.4	0.8	1.6	-0.3	-0.9	...
Nominal interest rates (average annualized percentages)										
Deposit rate f/	7.0	6.8	7.2	7.3	7.2	7.9	8.8	8.5	8.1	8.0 c/
Lending rate g/	43.3	44.9	44.9	45.4	46.6	48.5	49.9	51.4	51.9	53.9 c/
Interbank rate	10.3	10.8	10.8	11.2	12.1	13.1	14.0	14.1	14.1	14.1
Monetary policy rates	10.7	11.0	11.0	11.4	12.4	13.4	14.3	14.3	14.3	14.3
Sovereign bond spread, Embi + (basis points to end of period) h/	228	208	239	259	322	304	442	523	409	350
Risk premiia on five-year credit default swap (basis points to end of period)	170	144	176	201	283	260	480	495	366	317
International bond issues (millions of dollars)	20,542	13,959	9,160	1,703	-	7,188	-	0	1,500	10,047
Stock price index (national index to end of period, 31 December 2005 = 100)	151	159	162	149	153	159	135	130	150	154
Domestic credit (variation from same quarter of preceding year)	7.2	7.9	11.0	11.7	11.8	9.6	7.0	7.8	9.0	10.2 c/
Non-performing loans as a percentage of total credit	2.9	2.9	3.0	2.8	2.8	3.0	3.1	3.3	3.5	3.7 c/

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 2010 prices.
c/ Figures as of May.
d/ Quarterly average, weighted by the value of goods exports and imports.
e/ Nationwide total.
f/Savings rate. Nominal yield, first business day.
g/ Interest rate on total consumer credit.
h/ Measured by J.P.Morgan.

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