

BRAZIL

1. General trends

Brazil's economic performance indicates that obstacles remain on the path back to growth. After declining in the past two years, by 3.8% in 2015 and 3.6% in 2016, GDP posted weak quarter-on-quarter growth of 1.0% in the first quarter of 2017, the first positive result since the fourth quarter of 2014.

Apart from goods and services exports, which edged up by 1.9%, all key components of supply and demand declined sharply in 2016 (for example, agriculture, investment and imports slumped 6.6%, 10.2% and 10.3%, respectively). However, the agricultural sector jumped by 13.4% in the first quarter of 2017 thanks to a record grain harvest, and the manufacturing and mineral extraction industries rose by 0.9% and 1.7%, respectively, both boosted by stronger product exports. The other sectors, meanwhile, continued to decline. Growth of 0.4% is projected for the full year.

In relation to macroeconomic variables, annual inflation dropped sharply, from 10.7% in 2015 to 6.3% in 2016, and 3.6% in the 12 months to May 2017, below the 4.5% target. Owing to this performance, the central bank lowered its benchmark rate (SELIC) from 13.75% at the end of 2016 to 10.25% in June 2017. Nonetheless, the real interest rate remained high, at around 7%, given that inflation fell more rapidly than the nominal interest rate.

The country's main economic challenges are achieving an upturn in investment—which continued to decline and was down by 1.6% in the first quarter of 2017, to a level similar to that seen in 2007—and an improvement in household consumption, which fell for the ninth quarter in a row. Weak demand is linked with uncertainty about future economic growth, owing either to political factors or to structural economic limitations, such as low levels of productivity and competitiveness and high public debt and the associated cost.

2. Economic policy

Economic policy was altered radically following the change of government in May 2016. Greater priority was given to curbing public debt and improving growth prospects through a combination of fiscal, labour and trade reforms, and deregulation. The government presented several initiatives linked to these themes and convinced Congress to approve the initial stages of reforms. However, fresh political uncertainty towards mid-2017 delayed votes on some of these reforms.

(a) Fiscal policy

Fiscal policy has been the main target of the economic measures introduced since 2015. However, public accounts are still weighed down by a large primary deficit—which does not include interest payments—stemming from the loss of revenue and tighter public spending. The non-financial public sector posted a primary deficit of 155.7 billion reais in 2016, representing 2.49% of GDP, which was larger than the 1.9% of GDP seen in 2015, and the highest level since the implementation of the Real Plan began in 1994. In the 12 months to May 2017, the primary deficit came to 2.7% of GDP. In November 2016, as a starting point for the new fiscal regime, Congress adopted a constitutional amendment that put a ceiling on the federal government's total primary spending growth equal to the previous year's inflation rate. The cap for 2017 is 7.2% for overall federal government spending (executive, legislative and judicial

powers, offices of the public prosecutor and public defender). Some exceptions were established, such as costs deriving from elections, emergencies and from State-owned companies, and a two-year transition period was stipulated for the health and education sectors. The rule governing the increase in federal primary spending can be revised after 10 years.

The following proposal was retirement and pension system reform, for workers in both the private and public sectors. With the decline in economic growth, increase in unemployment and subsequent fall in wages and contributions, the system's deficit rose sharply, from 1.43% of GDP in 2015 to 2.39% in 2016 and 2.65% in the first five months of 2017. The reform adopted by the Chamber of Deputies in May 2017 includes an increase in the minimum retirement age for men (to 65 years) and for women (to 62 years), an extension of the contribution period, a change in the formula for calculating benefits, tighter monitoring of access to pensions by the rural population and the alignment of benefits for public sector workers with those of private sector employees. As the implementation of this reform involves a constitutional amendment, it still requires a three-fifths majority in two rounds of voting by senators in order to be passed.

Another fiscal priority is the fragile financial situation of some key Brazilian States, particularly Rio de Janeiro, Rio Grande do Sul and Minas Gerais. Congress has approved a programme to refinance debt and new loans from the federal government to the States that commit to structural adjustment of their finances —particularly relating to employees' pension system rules— and to limits on staff expenditure and on subsidies and other incentives. State assemblies have still not adopted the necessary laws and regulations to facilitate these adjustments, and renegotiation costs could exceed 50 billion reais.

Meanwhile, real tax revenue continued to fall, owing to weaker activity. The federal treasury's total revenue was 3.1% lower in 2016 than in 2015, in real terms. There were declines of 25.9% in import duties, 20.0% in taxes on industrialized products and 10.9% in taxes on financial operations, such as lending and the buying and selling of foreign exchange. Real income from contributions to social security financing (COFINS) and to the social integration programme (PIS-PASEP) decreased by 7.2% and 7.5%, respectively, and net contributions to the pension system slumped by 5.9%. Exceptional income, such as dividends for State-owned firms, plummeted 78%, although this was partly offset by payments received for new hydroelectric power plant concessions at the end of 2015, which generated 22.6 billion reais. The income tax take rose by 4.2% in real terms, owing mainly to the capital repatriation programme, which generated additional revenue of 23.4 billion reais, and to the 16.3% improvement in companies' earnings.

The federal government's real income continued to decline in the first five months of 2017, though at a slower pace (down 1.7% compared with January-May 2016), as did the amounts collected from taxes relating to economic activity —imports (down 12.4%) and industrialized products (down 3.2%)— and contributions to the pension system (down 2.5%).

As regards expenditure, the federal government sought to reduce real discretionary spending even further in 2016. While the payment of pension benefits rose by 7.2% compared to 2015, current spending fell by 8.1%. Investment expenditure climbed by 7.0% in real terms, but represented just 5.2% of total public spending.

The implementation of the new regime in 2017 led to deeper cuts in federal government spending. As of May 2017, with respect to mandatory spending, the payment of pension benefits continued to grow, up by 7.2% in real terms, and staff expenditure climbed by 11.8% compared with the year-earlier period, while the other current expenditure items slumped 13.4% and investment posted a 48.4% decrease.

With a primary deficit and interest payments equivalent to 0.6% and 6.6% of GDP, respectively, the nominal public sector deficit came to 7.2% of GDP in the first five months of 2017, which was lower than the level seen in 2016, when it stood at 8.9%, and much lower than that of 2015 (10.2%). The persistence of the primary deficit and high interest payments weighed heavily on gross public debt. The central government's gross debt rose from 65.5% of GDP at the start of 2016 to 69.5% at the end of that year, and to 72.5% as of end-May 2017. If economic growth and tax revenue continue to decline and primary spending is curbed, estimates point to a sustained increase in gross public debt up to 2021, to levels exceeding 80% of GDP.

(b) Monetary policy and exchange-rate policies

Monetary policy also changed with the new stance adopted as of May 2016 by the central bank, which set an inflation target of 4.5% in 2017, with a tolerance band of two percentage points on either side. In line with this strategy, the benchmark rate (SELIC) remained unchanged at 14.25% until November 2016, despite the continued decline in activity and easing inflationary pressure owing to the end of adjustments in energy prices over the course of 2015. Thus, the real annual interest rate rose to more than 7% and remained at that level as the nominal rate diminished gradually, to 14.0% in November 2016, 13.75% in December 2016 and 12.25% in February 2017.

The interest rate continued to decline, to 11.25% in May 2017 and 10.25% in June 2017. Against the backdrop of a marked slowdown in inflation, in June 2017 the National Monetary Council set inflation targets of 4.25% for 2019 and 4.0% for 2020, with a narrower tolerance band of 1.5 percentage points.

Political volatility as well as the higher cost of loans and tighter access to credit all affected lending. In nominal terms, total loans contracted by 3.5% in 2016, by 1.3% between January and May 2017 and by 2.6% in the 12 months to May 2017. The value of new corporate loans fell by 18.3% in 2016 and by a further 9.9% in the first five months of 2017.

In addition to the high cost of debt, the change in official lending policies, such as those of the National Bank for Economic and Social Development (BNDES), made it harder to access new resources. Directed credit grew by 10% in 2015, but fell by 2.0% in 2016 and reflected a decrease of 0.4% between December 2016 and May 2017. New corporate loans declined by 30% in 2016 and by 23.5% in the 12 months to May 2017.

The new central bank management also modified the institution's strategy for the foreign-exchange market. The main change was the scaling back of swaps or derivatives in the market, which fell from more than US\$ 100 billion in some months in 2016 to less than US\$ 30 billion in May 2017. Exchange-rate trends can now follow the market, based on two main factors: the increasing and considerable growth in the trade surplus and the resulting reduction in the current account deficit, and capital flows into the country owing to stronger returns on Brazilian securities.

The exchange rate stood at 4 reais to the dollar in early 2016, when the political crisis worsened, and ended the year at 3.26 reais, representing appreciation of 18.5% versus the start of the year. This trend continued in the first months of 2017, and the exchange rate stood at 3.09 reais to the dollar in February. The resurgence of the political crisis in May 2017 resulted in an exchange rate close to 3.30 reais.

(c) Other policies

The government has sought to create more investment-friendly conditions. Congress changed the regulations requiring Petrobras to own a stake in all new oil and gas fields and passed laws allowing greater control over governance of State-owned companies to curb corruption and political influence. The government modified rules relating to concessions and withdrew Infraero, the State-owned airport operator, from new contracts. Under the new model, concessions were granted for the airports in Fortaleza, Salvador, Florianópolis and Porto Alegre, generating 3.7 billion reais, or US\$ 1.2 billion.

In 2016, Congress adopted a new law on outsourcing that allows services provided to companies, as well as their main activities, to be subcontracted. A more extensive reform of labour laws has already been adopted by the Chamber of Deputies and is being reviewed by the Senate. The proposed changes include increasing the flexibility of contract types and working hours, making union dues voluntary instead of mandatory and allowing collective agreements between employers and their employees to overrule labour code provisions, as long as these agreements respect constitutional rules governing vacation, leave and pensions, for example.

3. The main variables

(a) The external sector

Brazil's external accounts reflected lacklustre domestic demand and weak momentum in global trade in 2016. The goods trade balance posted a record surplus of US\$ 45.0 billion, owing to the decline in imports (down 19.1%) which more than offset the 3.0% dip in exports. The export total for 2016 (US\$ 184.5 billion) was 27.8% lower than the peak level in 2011, while imports in 2016 (US\$ 139.4 billion) were 42% weaker than in 2013. In the first five months of 2017, exports and imports rose by 19.6% and 9.4%, respectively, compared with the year-earlier period, which resulted in a record goods trade surplus of US\$ 29 billion.

Exports in 2016 were resilient thanks to the upturn in sales abroad of automobiles and other vehicles, which rose 18.8% to US\$ 24.1 billion. Food exports, which accounted for roughly 20% of the total, grew by 3.5%, while exports of oil and its derivatives fell by 12.8% in value terms.

Until May 2017, commodity exports posted an improvement compared with the year-earlier period, up by 28.3%, followed by semi-manufactured products (16.4%) and manufactured products (9.9%). Oil and gas exports more than doubled, up by 135% to US\$ 7.3 billion, while mining sector exports jumped by 83.2% to US\$ 9.4 billion and vehicle sales abroad climbed by 35.1% to US\$ 6.3 billion.

Imports declined overall in 2016. Among the main products, only the value of food and agricultural products increased (15.5%), but these items represented just 7% of the total. The weak economy led to a drop of 21.2% in imports of capital goods and of 38.4% in purchases of consumer durables.

The increase in the value of imports in the first five months of 2017 derived mainly from imports of intermediate and energy supplies, up by 14.1% and 25.1%, respectively, compared to the year-earlier period. Weak investment was reflected in the continued decrease in capital goods imports, which fell by 18.6%.

With respect to the balance of payments, current account financing pressure eased in 2016, as the corresponding deficit narrowed from 3.28% of GDP in 2015 to 1.30% in 2016, owing mainly to the larger

goods and services surplus. The services and income deficit also decreased. Capital and financial accounts saw larger FDI inflows in 2016, amounting to US\$ 78.9 billion (6.0%), which offset capital outflows triggered by Brazilian debt and equity sales by non-residents.

The growing trade surplus in 2017 has facilitated the financing of the deficit in the services and other income account (roughly US\$ 29.6 billion between January and May 2017), while the balance-of-payments current account deficit has been practically eliminated over the same period, and now stands at US\$ 616 million, or 0.07% of GDP. As of May 2017, in the capital and financial account, FDI inflows were stronger than the year-earlier period at US\$ 32.4 billion (8.5%). International reserves amounted to US\$ 377 billion, with an increase of US\$ 5.5 billion in terms of net availability compared with the end of 2016, owing to the reduction in the central bank's foreign-exchange repurchase agreements, which amounted to US\$ 1.2 billion in May 2017. In the first five months of 2017, Brazil's external debt decreased by US\$ 7 billion to a total of US\$ 314.3 billion.

(b) Economic activity

Since 2013, when GDP growth came to 3.0%, Brazil has seen continued per capita GDP declines, reflecting an accumulated decrease of 9.0% between 2013 and 2016. Domestic demand weakened overall in 2016, with declines in household consumption (4.2%), public consumption (0.6%) and gross fixed capital formation (10.2%).

This recession has resulted in a sharp drop in activity in several sectors. Considering seasonal factors, quarterly growth in industry in the first quarter of 2017 was equivalent to the level seen in the third quarter of 2009, and in services, to that seen in the third quarter of 2011. With respect to domestic demand, household consumption returned to the level seen in the second quarter of 2011 and imports, to that of the fourth quarter of 2009, while public consumption returned to 2012 levels.

The performance in the first quarter of 2017 indicates that exogenous factors will contribute to growth of 1.0% compared with the previous quarter. The record grain harvest and the increase in livestock production raised the agricultural sector's growth to 13.4%, while industry and services posted declines of 1.7% and 1.9%, respectively.

Exports grew by 4.8% compared with the previous quarter, while household consumption and investment continued to contract, by 1.9% and 3.7%, respectively.

In the first quarter of 2017, investment was equivalent to 15.7% of GDP, the lowest first-quarter level this century. In light of the stable balance-of-payments current account, almost all of this investment was financed by domestic saving, which rose to 15.6% of GDP, compared with just 13.9% of GDP in the first quarter of 2016.

(c) Prices, wages and employment

The rising trend since 2013 in inflation (on the basis of the extended national consumer price index or IPCA) was reversed in 2016. At the end of 2016, the cumulative variation was 6.3%, after reaching 10.7% in 2015. This result stemmed mainly from the end of the cycle of energy and fuel price adjustments implemented by State-owned companies. Over the course of the year the new agricultural harvest also had an impact, reducing food price variations; wholesale food prices reflected a variation of 31.3% in the 12 months to June 2016, which fell to 9.91% in December 2016. Other favourable effects were currency

appreciation, which made imports cheaper, and less pressure from prices for services, which started 2016 at a cumulative rate of roughly 8.0% and ended the year at 6.5%.

Inflation continued to fall in 2017. In the 12 months to May, the IPCA recorded a rate of 3.6% and the general price index-domestic supply (IGP-DI) reflected a level of 1.0%. Wholesale prices (wholesale price index-domestic supply, or IPA-DI) saw deflation of 0.07% over the period. Central bank projections for the private sector already point to annual inflation of 3.4% in 2017, which is lower than the target of 4.5%.

Unemployment continued to increase, from 10.9% in the first quarter of 2016 to 13.7% in the first quarter of 2017, with the total number of unemployed amounting to almost 14 million. Formal employment remained more or less stable, with a decrease of just 933 jobs between January and April 2017.

Lower inflation kept real labour income steady (up 2.2% between February and April 2017 compared with the year-earlier period) and the lower nominal interest rate encouraged agents, companies and consumers to continue reducing their financial liabilities. The government's decision to ease access to accounts in the public severance indemnity fund is expected to generate income of roughly US\$ 10 billion for households until August 2017.

Table 1
BRAZIL: MAIN ECONOMIC INDICATORS

	2008	2009	2010	2011	2012	2013	2014	2015	2016 a/
	Annual growth rates b/								
Gross domestic product	5.1	-0.1	7.5	4.0	1.9	3.0	0.5	-3.8	-3.6
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	5.8	-3.7	6.7	5.6	-3.1	8.4	2.8	3.6	-6.6
Mining and quarrying	4.1	-2.1	14.9	3.5	-1.9	-3.2	9.1	4.8	-2.9
Manufacturing	4.1	-9.3	9.2	2.2	-2.4	3.0	-4.7	-10.4	-5.2
Electricity, gas and water	4.9	7.0	13.1	8.2	3.2	4.5	-2.1	-6.5	-5.2
Construction	2.6	0.7	6.3	5.6	0.7	1.6	-1.9	-1.5	4.7
Wholesale and retail commerce, restaurants and hotels	5.3	-2.3	11.1	2.3	2.4	3.4	0.6	-8.7	-6.3
Transport, storage and communications	13.2	8.8	30.6	12.8	9.6	8.9	3.4	-3.6	-5.0
Financial institutions, insurance, real estate and business services	8.2	5.5	5.9	5.3	2.7	1.7	0.8	-1.4	-2.9
Community, social and personal services	0.6	3.4	2.2	1.9	1.3	2.2	0.1	-0.1	-0.1
Gross domestic product, by type of expenditure									
Final consumption expenditure	5.3	4.1	5.7	4.2	3.2	3.0	1.9	-3.3	-3.4
Government consumption	2.0	2.9	3.9	2.2	2.3	1.5	0.8	-1.1	-0.6
Private consumption	6.5	4.5	6.2	4.8	3.5	3.5	2.3	-3.9	-4.2
Gross capital formation	12.4	-14.0	26.7	5.7	-2.6	5.7	-5.4	-17.1	-12.3
Exports (goods and services)	0.4	-9.2	11.7	4.8	0.3	2.4	-1.1	6.3	1.9
Imports (goods and services)	17.0	-7.6	33.6	9.4	0.7	7.2	-1.9	-14.1	-10.3
	Percentajes of GDP								
Investment and saving c/									
Gross capital formation	21.6	18.8	21.8	21.8	21.4	21.7	20.5	17.6	15.4
National saving	20.0	17.3	18.4	18.9	18.4	18.7	16.3	14.3	14.1
External saving	1.7	1.5	3.4	2.9	3.0	3.0	4.2	3.3	1.3
	Millions of dollars								
Balance of payments									
Current account balance	-28 192	-24 302	-75 824	-77 032	-74 218	-74 839	-104 181	-59 434	-23 530
Goods balance	24 836	25 290	18 491	27 625	17 420	389	-6 629	17 670	45 037
Exports, f.o.b.	197 942	152 995	201 324	255 506	242 283	241 577	224 098	190 092	184 453
Imports, f.o.b.	173 107	127 705	182 833	227 881	224 864	241 189	230 727	172 422	139 416
Services trade balance	-16 690	-19 245	-30 156	-37 166	-40 168	-46 372	-48 107	-36 918	-30 447
Income balance	-40 562	-33 684	-67 055	-70 475	-54 308	-32 538	-52 170	-42 910	-41 080
Net current transfers	4 224	3 338	2 896	2 984	2 838	3 683	2 725	2 724	2 960
Capital and financial balance d/	31 161	70 953	124 925	135 669	93 118	68 912	115 014	61 003	32 767
Net foreign direct investment	24 601	36 033	61 689	85 091	81 399	54 240	70 855	61 175	71 113
Other capital movements	6 560	34 920	63 236	50 578	11 719	14 673	44 159	-172	-38 346
Overall balance	2 969	46 651	49 101	58 637	18 900	-5 926	10 833	1 569	9 237
Variation in reserve assets e/	-2 969	-46 651	-49 101	-58 637	-18 900	5 926	-10 833	-1 569	-9 237
Other financing	0	0	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	80.4	82.3	72.0	69.2	77.6	83.0	85.4	106.1	101.6
Terms of trade for goods (index: 2010=100)	88.5	86.2	100.0	107.8	101.5	99.4	96.1	85.5	88.1
Net resource transfer (millions of dollars)	-9 401	37 269	57 870	65 194	38 810	36 374	62 844	18 094	-8 313
Total gross external debt (millions of dollars)	198 492	198 136	256 804	298 204	327 590	312 517	352 684	334 745	321 297
	Average annual rates								
Employment									
Labour force participation rate g/	57.0	62.1	...	60.0	61.4	61.3	61.0	61.3	61.4
Open unemployment rate h/	7.9	8.1	6.7	6.0	8.2	8.0	7.8	9.3	13.0

Table 1 (concluded)

	2008	2009	2010	2011	2012	2013	2014	2015	2016 a/
Prices	Annual percentages								
Variation in consumer prices (December-December)	5.9	4.3	5.9	6.5	5.8	5.9	6.4	10.7	6.3
Variation in wholesale prices (December-December)	10.8	-4.4	13.9	4.3	8.6	5.1	2.1	11.2	7.4
Variation in nominal exchange rate (annual average)	-5.7	8.9	-12.0	-4.9	16.7	10.5	9.1	41.5	4.6
Variation in average real wage	2.0	2.3	1.5	1.4	3.4	2.4	0.9	0.5	-1.2
Nominal deposit rate i/	7.9	6.9	6.9	7.5	6.5	6.4	7.1	8.1	8.3
Nominal lending rate j/	54.1	47.5	42.9	44.7	39.6	38.8	44.6	49.1	53.7
Central government	Percentajes of GDP								
Total revenue	23.0	22.1	23.6	22.6	22.3	22.1	21.1	20.8	21.0
Tax revenue	21.5	20.2	20.3	21.2	20.5	20.5	19.9	19.7	19.8
Total expenditure	24.2	25.5	25.3	25.0	24.1	24.8	26.2	29.9	28.6
Current expenditure	22.7	24.4	24.0	23.7	22.7	23.3	24.6	28.0	27.2
Interest	3.5	4.6	3.7	4.6	3.6	4.1	4.7	7.1	5.2
Capital expenditure	1.5	1.1	1.3	1.4	1.4	1.4	1.6	1.8	1.4
Primary balance	2.3	1.2	2.0	2.1	1.8	1.4	-0.3	-1.9	-2.5
Overall balance	-1.2	-3.4	-1.6	-2.5	-1.8	-2.6	-5.0	-9.0	-7.6
General government public debt	57.5	59.6	52.0	50.8	55.3	56.7	58.9	66.5	69.9
Domestic	52.7	56.2	49.2	48.4	55.8	53.6	55.5	62.1	66.2
External	4.8	3.4	2.8	2.5	2.9	3.1	3.4	4.4	3.6
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	85.9	90.5	93.4	95.2	101.1	100.1	103.5	107.0	111.2
To the public sector	32.2	36.0	33.1	29.2	30.6	27.7	28.8	31.4	40.6
To the private sector	45.8	47.5	52.8	58.1	62.5	64.2	66.0	66.8	62.2
Others	8.0	7.0	7.6	7.8	8.0	8.1	8.6	8.8	8.4
Monetary base	4.7	5.0	5.3	4.9	4.8	4.7	4.6	4.3	4.3
M2	34.4	34.9	35.0	37.0	36.7	36.7	37.2	38.1	37.8

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/ Nationwide total. New measurements have been used since 2012; the data are not comparable with the previous series.

h/ Twenty metropolitan regions. Up to 2011, six metropolitan areas.

i/ Savings rate. Nominal yield, first business day.

j/ Interest rate on total consumer credit.

Table 2
BRAZIL: MAIN QUARTERLY INDICATORS

	2015				2016				2017	
	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/	-1.8	-3.0	-4.5	-5.8	-5.4	-3.6	-2.9	-2.5	-0.4	...
Gross international reserves (millions of dollars)	362 353	366 596	365 927	358 237	358 191	363 267	369 766	366 033	368 933	375 718 c/
Real effective exchange rate (index: 2005=100) d/	94.4	99.5	112.3	118.3	113.9	103.3	94.6	94.6	90.0	92.1 c/
Open unemployment rate e/	7.9	8.3	8.9	9.0	10.9	11.3	11.8	12.0	13.7	...
Employment rate e/	56.2	56.2	56.0	55.9	54.7	54.6	54.0	54.0	53.1	...
Consumer prices (12-month percentage variation)	8.1	8.9	9.5	10.7	9.4	8.8	8.5	6.3	4.6	3.6 c/
Wholesale prices (12-month percentage variation)	0.7	4.3	8.1	11.20	13.0	14.0	12.0	7.41	5.0	1.6 c/
Average nominal exchange rate (reais per dollar)	2.9	3.1	3.5	3.8	3.9	3.5	3.2	3.3	3.1	3.2
Average real wage (variation from same quarter of preceding year)	0.2	2.0	0.6	-0.8	-0.7	-3.8	-1.1	0.9	0.1	...
Nominal interest rates (average annualized percentages)										
Deposit rate f/	7.2	7.9	8.8	8.5	8.1	8.3	8.6	8.3	7.7	6.2 g/
Lending rate h/	46.6	48.5	49.9	51.4	52.4	54.0	53.9	54.4	53.6	50.2 g/
Interbank rate	12.1	13.1	14.0	14.1	14.1	14.1	14.1	13.8	12.7	11.4 c/
Monetary policy rates	12.4	13.4	14.3	14.3	14.3	14.3	14.3	13.9	12.5	10.6
Sovereign bond spread, Embi + (basis points to end of period) i/	322	304	442	523	409	350	319	328	270	284 c/
Risk premiia on five-year credit default swap (basis points to end of period)	283	260	480	495	366	317	273	281	226	242
International bond issues (millions of dollars)	-	7 188	-	-	1 500	10 047	8 934	-	9 950	5 700 c/
Stock price index (national index to end of period, 31 December 2005 = 100)	153	159	135	130	150	154	174	180	194	188
Domestic credit (variation from same quarter of preceding year)	11.8	9.6	7.0	7.8	9.0	10.2	10.4	8.4	10.2	6.3 g/
Non-performing loans as a percentage of total credit	2.8	3.0	3.1	3.3	3.5	3.6	3.7	3.8	3.8	3.9 g/

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/ Figures as of April.

h/ Interest rate on total consumer credit.

i/ Measured by J.P.Morgan.