BRAZIL

1. General trends

In 2018 the Brazilian economy expanded by 1.1% for the second year running. This GDP growth performance was influenced by a series of political events that affected economic activity and decision-making throughout the year: postponement of the debate and approval of fiscal reforms, which could have eased pressure on the public accounts; the electoral process until late October 2018, with the uncertainty this generated regarding economic policy options for 2019; and a national strike by truck drivers that lasted more than two weeks and brought the flow of goods to a halt. The main production sectors registered minimal growth relative to 2017: agriculture, +0.3%; manufacturing industry, +0.6%; and services, +1.3%.

In the first few months of 2019, the economy did not recover as had been suggested by the positive expectations for the new government. First quarter GDP was 0.2% down on the last quarter of 2018, despite posting 0.5% growth year-on-year. Relative to the year-earlier period, there were contractions in agriculture (-0.3%), manufacturing industry (-0.6%) and construction (-2.0%). The Brumadinho mine disaster was the main factor explaining the 6.3% decline in extractive industry. On the demand side, following a 2.4% contraction in the fourth quarter of 2018, there was a further decrease of 1.7% in the first quarter of 2019. This, in conjunction with disappointing preliminary data for the second quarter, such as the stagnation of industry, with zero growth between April and May 2019, the delay in passing reforms in Congress, and a complex external scenario, downgraded Brazil’s GDP growth forecasts for 2019 to 0.8%.

Inflation picked up slightly in 2018 to 3.7%, from the previous year’s annual rate of 2.9%. In the 12 months to May 2019 the rate touched 4.7%, slightly above the 4.5% target set by the monetary council. The increase was due to hikes in energy and fuel prices in the first few months of 2019. Having confirmed that these increases were not recurrent, and given the stagnation of economic activity, the central bank has held the basic (SELIC) interest rate at 6.5% per year, set in March 2018, which is the lowest nominal interest rate since the inflation targeting system was implemented in 1999. In real terms, with inflation for 2019 forecast at 4.5%, a low interest rate of just over 2.0% could be maintained.

Meagre economic growth accentuates the structural challenges of creating jobs, increasing incomes and strengthening the public accounts. National unemployment remains high, posting monthly average rates of 12.3% in 2018 and 12.7% in 2017, and then 12.4% in the first five months of 2019. Average real wages rose by just 0.5% on average from January to May 2019, relative to the year-earlier period.

On the public accounts, federal tax revenues grew by just 0.6% in the first five months of 2019 in real terms relative to the year-earlier period. New infrastructure concessions, such as airports, generated exceptional income of more than 22.2 billion reais (R$) (about US$ 5.8 billion), thus increasing total income by 1.1% in real terms. Federal primary expenditures also dropped by

0.9% in real terms in the first five months of 2019 relative to a year earlier. Between January and May 2019, the federal government's primary deficit was equivalent to 0.43% of GDP, compared to 0.5% in the same months of 2018. The nominal public sector deficit, encompassing states, municipalities and State-owned enterprises, was 5.4% of GDP in 2019, slightly below the 5.8% of GDP recorded in the same period a year earlier.

In the external sector, imports grew by a substantial 21% in 2018, while exports expanded by just 10%. This caused the merchandise trade surplus to shrink to US$ 53 billion from the previous year's US$ 64 billion. As a result, the balance-of-payments current account deficit doubled from US$ 7.2 billion in 2017 to US$ 14.5 billion in 2018, equivalent to about 0.8% of GDP. The financial and capital accounts recorded a net outflow of US$ 9 billion in 2018, compared to just US$ 64 million in the previous year. This was financed with direct investments and loans, and by a US$ 2.9-billion draw-down of international reserves, which at end-2018 stood at US$ 374.715 billion. In terms of the overall balance of payments, the first five months of 2019 saw a repeat of the previous year's performance, with the merchandise trade balance slipping by 6.3%, as imports (up by 2.6%) again outpaced exports (0.5%). In terms of capital flows, foreign exchange continued to flow out of the economy (-US$ 5 billion) on both the capital and the financial accounts. In late June 2019, the free trade agreement was announced between the Southern Common Market (MERCOSUR) and the European Union, which, when implemented, could increase Brazilian exports by more than US$ 9 billion over the next 10 years.

2. Economic policy

The new administration that took office in January 2019 is prioritizing tax reform and, especially, reform of the pension system. The government started by reducing the number of ministries from over 30 to 22. In February, it sent the National Congress a wide-ranging proposal for constitutional changes to the pension system covering the private sector, civil servants and the military. The proposed changes include the possibility of creating a mandatory individual capitalization system, as well as parametric changes, such as the introduction of a minimum retirement age, a longer contribution period, and restrictions and reduced benefits in the case of non-contributory and rural workers' pensions. In late June, the Special Commission of the Chamber of Deputies approved the new text of the pension reform, maintaining the main changes in the pension system but removing the issue of capitalization and changes in non-contributory and rural sector benefits. The plenary vote in the Chamber of Deputies is scheduled for August, and processing through the Federal Senate is expected to be completed towards the end of the third quarter.

Once the pension reform is approved, the government and Congress will resume talks on tax reform and other economic deregulation initiatives. At the same time, a new cycle of concessions and privatizations of public assets and companies is expected. Economic liberalization is another of the government's objectives, as has been demonstrated already by the signing of the pre-agreement between MERCOSUR and the European Union, and by the law that allows 100% foreign capital participation in airline companies.

(a) Fiscal policy

Public account deficits remained the major challenge for the Brazilian economic authorities. In 2018, the federal government posted a primary deficit (not including interest expenses) of R$ 120.3 billion, equivalent to 1.7% of GDP. While this was the fifth consecutive primary deficit, it was also the third deficit reduction since the 2.6% of GDP recorded in 2015 .

The smaller deficit stems mainly from growth in total income (3.6%), and a weaker expansion of primary expenditures (2%). In 2018, spending on investment, subsidies and other discretionary federal government programmes continued to decline, by 18%. Mandatory spending on welfare benefits grew by 0.8%, while payments to federal civil servants increased by 1.7% (all of the above expressed in real terms).

In 2018, federal tax revenues reported real increases of 21.6% in import duties and 12.4% in corporate income tax. Among social contributions, the Contribution for the Financing of Social Security (COFINS) and the Social Integration and Civil Servant and Training Programmes (PIS/PASEP), which are collected through sales tax, posted real growth of 6.8%. By contrast, contributions to the pension system have stalled, with real growth of just 0.06%.

In the first five months of 2019, the activity slowdown has eroded public income, with total tax revenue growing by 0.6% in real terms over the same period in 2018. Contributions to the social security system were down by 0.55%, while COFINS/PASEP contributions were up by 0.05% (both in real terms), jointly representing 49.7% of total federal government income.

Federal government expenditure was contained to an increase of just 0.6% relative to the first five months of 2018, while the growth of pension benefits was cut to 1.7%, and real personnel expenses grew by 0.8% (both in real terms) relative to the same period.

Between January and May 2019, the public sector primary deficit came in at 0.24% of GDP, while interest payments were equivalent to 5.2%. The nominal central government deficit edged down to 5.4% of GDP from 5.8% in the first five months of 2018. Maintaining the primary deficit, in conjunction with high interest payments, had an impact on the public debt. In late May 2019, the gross debt, excluding the portfolio of federal securities held with the central bank, stood at 79% of GDP —or 54.4% in net terms, considering mainly international reserves, which were equivalent to 24.6% of GDP.

(b) Monetary policy

In March 2018, the benchmark interest rate (SELIC) was lowered to 6.5%; and this rate still held at the end of June 2019, as the central bank remained cautious in response to global economic volatility. The hike in interest rates in the United States and the domestic situation — change of government and public finance difficulties— were contributing factors in the central bank’s decision not to continue lowering interest rates. Nonetheless, the central bank has been challenged on this decision, given the weakness of economic activity in 2018 and throughout the first few months of 2019.

Credit trends in 2018 saw a reduction in directed credit, especially loan operations by the Brazilian National Economic and Social Development Bank (BNDES), and an expansion of undirected credit. Overall, lending grew by 5.5% in 2018, with directed credit declining by 1.0% and undirected lending increasing by 10.7%. In the first five months of 2019, directed lending shrank by 1.6%, while undirected credit growth slowed by 3.0.

(c) Exchange-rate policy

In 2018, the foreign-exchange market was unsettled by the uncertainty generated by the elections and by the prospects for changes in the incoming government's economic policy. The real/dollar exchange rate (R$/US$) rose from R$ 3.25 in the first few months of 2018 to R$ 4.13 in September, prior to the elections. After the election results were known, the rate dropped to levels close to R$ 3.80 by the end of the year. Once the new government had taken office on 1 January 2019, the exchange rate moved in line with expectations regarding the results of the pension reform, and settled at R$ 3.85. At the most critical moments, the central bank intervened through foreign-currency sales with a repurchase agreement (*linhas de venda*) and swap operations. At the end of June 2019, the latter amounted to US$ 68.8 billion and repo sales were close to US$ 9 billion.

The low domestic inflation rate and the higher nominal exchange rate generated a real depreciation of 15.5% in 2018 relative to the average rate in 2017. In the first few months of 2019, the real exchange rate remained stable, thereby boosting export growth and discouraging imports.

3. The main variables

(a) The external sector

In 2018, Brazil's balance of payments produced similar results to those of the previous year. Merchandise trade reported a surplus of US$ 53.587 billion, 16% less in current dollars than the previous year's record surplus of US$ 64 billion. This was mainly due to the growth of imports, which totalled US$ 184.447 billion, or 21% more than in 2017, while exports grew by 10%. In the first six months of 2019, Brazil's foreign trade stagnated, with a 3.5% drop in the value of exports while imports remained stable, resulting in a merchandise trade surplus of US$ 26.075 billion, 13.1% less than in the year-earlier period.

In the six months to June 2018, all the main categories of products exported by Brazil performed weakly. Exports of manufactured goods were down by 6.2% relative to the same period in 2017, totalling US$ 38.4 billion, while foreign sales of semi-manufactured products fell by 3.1%, and the value of commodity exports increased by 3.3%. In 2019, oil exports consolidated their position as Brazil's second largest export product, surpassing iron ore sales to reach a level of US$ 11.98 billion, 18.5% higher than in the year-earlier period. The Argentine crisis has had a major impact on Brazil's car exports, which shrank by 35.6%. In terms of markets, Brazilian sales to the United States grew by 12.1% in the six months, compared to the same period in 2018. Nonetheless, the results were negative in the key markets: in the case of the European Union there was a reduction of 14.1%; and for MERCOSUR, especially Argentina, Brazilian exports retreated by 32.7%. In China, the largest importer of Brazilian products, sales grew by just 0.8%.

On the import side, the first six months of 2019 saw a slight increase in purchases of capital goods (up 4.5%) and intermediate products (1.1%) compared to the same period in 2018. The weakening of economic activity caused a 7.2% drop in purchases of consumer goods and a 1.1% reduction in fuel imports.

In 2018, the current account deficit widened to US$ 14.5 billion, double the previous year's figure. The adverse impact of the smaller trade surplus was mitigated by a reduction in foreign interest payments (18.5%), which represented a saving of US$ 4.5 billion in the year. The financial and capital account recorded an outflow of US$ 9.7 billion, as foreign investors withdrew US$ 8.4 billion from the equity and fixed-income markets.

In the first five months of 2019, Brazil's external accounts reflected the subdued state of economic activity. The services account deficit narrowed by 6.7% relative to the same period in 2018, while interest payments decreased by 7.4%, and profit and dividend remittances fell by 2.3%. Foreign-exchange outflows on the financial account, amounting to US$ 5.042 billion, were maintained, mostly owing to an increase in Brazilian investments abroad. These totalled US$ 9.083 billion in the first five months of 2019, compared to US$ 2.740 billion in the year-earlier period. The current account for 2019 through May posted a deficit of US$ 7.456 billion, equivalent to 1% of GDP.

Brazil's international reserves grew to US$ 386.162 billion in May 2019, up by US$ 11.447 billion since the end of the previous year. The country's external debt increased by just US$ 1.864 billion in the first five months of 2019, to US$ 322.76 billion. Inter-company loan operations totalled US$ 240 billion.

(b) Economic activity

In 2018, GDP grew by 1.1%, just as it had done in the previous year. This result reflected a weak expansion in the agriculture sector, where output increased by 0.3%, having grown by 13% in 2017. Manufacturing industry grew by 1.3%, continuing the expansion that had begun in the previous year. Demand was driven mainly by capital formation (up 4.1%) —exclusively by expenditures on machinery and equipment, which increased by 15.4%. In contrast, the construction sector shrank by 3.4%. Household consumption expanded by 1.9%, but has yet to regain its 2015 level, as a result of the recessionary conditions the Brazilian economy has been experiencing.

Results for the first quarter of 2019 frustrated expectations of a more consolidated recovery. Gross capital formation, which in the last quarter of 2018 had fallen by 2.7% relative to the previous quarter, recorded a further reduction of 1.7%. Exports also retreated by 1.9% in the first three months of 2019. On the production side, output was 0.5% lower in agriculture and down by 0.7% in manufacturing industry.

The new government intends to increase investment, enhance the sustainability of the public accounts through pension system reform, promote privatization processes and public-private partnership concessions, sign trade agreements to open the economy further, and foster the deregulation of economic activity. The passing of the pension reform in the Chamber of Deputies and the signing of the free trade agreement with the European Union are the first steps taken in that direction.

(c) Prices, wages and employment

According to the Extended National Consumer Price Index (IPCA), prices registered a cumulative increase of 3.75% in 2018, having risen by 2.95% in the previous year. Unlike in 2017, there were upward pressures on the prices of food and manufactured products, especially owing to the greater variation in the exchange rate. However, after the truckers' strike that took place in May 2018, Petrobras' price adjustment rule (which was calculated on a daily basis) was altered to cover a longer time span. A federal government subsidy mechanism was also established to avoid further fluctuations. Thanks to the fall in international fuel prices in the second half of 2018, it was possible to keep these increases under control.

The inflation rate continued to trend upwards until April 2019, with the IPCA rising by 4.94% over the previous 12 months, exceeding the 4.5% target set by the central bank. The impact of the agricultural harvest and the subdued pace of economic activity enabled the year-on-year rate to fall to 3.37% in June 2019, when the monthly variation was just 0.01%. Wholesale prices increased sharply, however, by 8% in the case of manufactures and by 5% in agricultural products in the 12 months to June 2019.

In 2018 the unemployment rate rose to an annual average of 12.3%, reaching 13.1% in March. This level was maintained in 2019, with the average slightly above 12.4%. Even after the labour reform approved by the National Congress in 2016, it has been difficult to bring the unemployment rate down.

According to the General Registry of the Employed and Unemployed (CAGED), 529,000 new formal jobs were created in 2018, while 17,000 jobs were lost, following net job losses of 1.3 million in 2016 and 1.5 million in 2015. The services and trade sectors contributed 94.5% of the new jobs. In 2018, 4,190 jobs were shed in public administration in the third year of government job cuts. Between January and May 2019, 351,000 net jobs were created in the formal sector, including 80,000 new manufacturing jobs.

In early July, the pension reform was approved at the first round of voting in the Chamber of Deputies. In addition to parametric changes and the introduction of a minimum retirement age, it proposed changes to non-contributory benefits and in the rural sector, as well as the possibility of implementing a mandatory individual capitalization system. After lengthy negotiations, the Chamber approved a minimum retirement age of 62 for women and 65 for men, for most workers except for teachers and the federal police. Nonetheless, it rejected the proposals for changes in rural sector non-contributory benefits, and it restricted the changes to federal civil servants, but not state and municipal officials. Another point established by the approved bill was the introduction of five optional transition rules for workers close to retirement age. The proposal to introduce a capitalization system was withdrawn. The original proposal envisaged savings of R$ 1 trillion (about US$ 260 billion) over 10 years.

The average real wage increased by 0.5% in 2018 and by 0.6% year-on-year in May 2019. The paucity of this increase is explained by sluggish performance of the labour market. According to the Inter-Union Department of Statistics and Socioeconomic Research (DIEESE) there were 1,453 strikes in 2018 —7.4% fewer than in 2017 and 31.3% less than the 2,114 recorded in 2016.

Table 1

BRAZIL: MAIN ECONOMIC INDICATORS

	2010	2011	2012	2013	2014	2015	2016	2017	2018 a/
	Annual growth rates b/								
Gross domestic product	7.5	4.0	1.9	3.0	0.5	-3.5	-3.3	1.1	1.1
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	6.7	5.6	-3.1	8.4	2.8	3.3	-5.2	12.5	0.1
Mining and quarrying	14.9	3.5	-1.9	-3.2	9.1	5.7	-1.2	4.2	1.0
Manufacturing	9.2	2.2	-2.4	3.0	-4.7	-8.5	-4.8	1.7	1.3
Electricity, gas and water	6.3	5.6	0.7	1.6	-1.9	-0.4	6.5	1.0	2.3
Construction	13.1	8.2	3.2	4.5	-2.1	-9.0	-10.0	-7.5	-2.5
Wholesale and retail commerce, restaurants and hotels	11.1	2.3	2.4	3.4	0.6	-7.3	-6.7	2.1	2.3
Transport, storage and communications	11.2	4.3	2.0	2.6	1.5	-4.3	-5.6	1.2	2.2
Financial institutions, insurance, real estate and business services	9.3	6.2	1.5	1.8	-0.6	-1.2	-3.4	-1.6	0.4
Community, social and personal services	2.2	1.9	1.3	2.2	0.1	0.2	0.3	-0.2	0.2
Gross domestic product, by type of expenditure									
Final consumption expenditure	5.7	4.2	3.2	3.0	1.9	-2.8	-2.9	0.8	1.5
Government consumption	3.9	2.2	2.3	1.5	0.8	-1.4	0.2	-0.9	0.0
Private consumption	6.2	4.8	3.5	3.5	2.3	-3.2	-3.9	1.4	1.9
Gross capital formation	26.7	5.7	-2.6	5.7	-5.4	-18.1	-12.2	1.7	2.0
Exports (goods and services)	11.7	4.8	0.7	1.8	-1.6	6.8	0.9	5.2	4.1
Imports (goods and services)	33.6	9.4	1.1	6.7	-2.3	-14.2	-10.3	5.0	8.5
Investment and saving c/	**Percentages of GDP**								
Gross capital formation	21.8	21.8	21.4	21.7	20.5	17.4	15.0	15.0	15.4
National saving	18.2	18.9	18.0	18.5	16.4	14.4	13.6	14.7	14.6
External saving	3.6	2.9	3.4	3.2	4.1	3.0	1.3	0.4	0.8
Balance of payments	**Millions of dollars**								
Current account balance	-79 014	-76 288	-83 800	-79 792	-101 431	-54 472	-24 009	-7 235	-14 510
Goods balance	18 491	27 625	17 420	389	-6 629	17 655	45 037	64 028	53 587
Exports, f.o.b.	201 324	255 506	242 283	241 577	224 098	190 077	184 453	217 243	239 034
Imports, f.o.b.	182 833	227 881	224 864	241 189	230 727	172 422	139 416	153 215	185 447
Services trade balance	-30 156	-37 166	-40 168	-46 372	-48 107	-36 915	-30 447	-33 850	-33 951
Income balance	-70 245	-69 731	-63 889	-37 492	-49 420	-37 963	-41 544	-40 045	-36 668
Net current transfers	2 896	2 984	2 838	3 683	2 725	2 751	2 944	2 632	2 522
Capital and financial balance d/	128 115	134 925	102 700	73 866	112 264	56 041	33 247	12 328	17 438
Net foreign direct investment	55 627	86 360	90 485	59 568	67 107	57 200	58 684	50 905	74 259
Other capital movements	72 488	48 565	12 214	14 298	45 157	-1 159	-25 438	-38 578	-56 820
Overall balance	49 101	58 637	18 900	-5 926	10 833	1 569	9 237	5 093	2 928
Variation in reserve assets e/	-49 101	-58 637	-18 900	5 926	-10 833	-1 569	-9 237	-5 093	-2 928
Other financing	0	0	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	71.9	69.2	77.6	83.0	85.4	106.2	101.8	94.3	100.4
Terms of trade for goods (index: 2010=100) g/	100.0	107.8	101.5	99.4	96.1	85.5	88.1	93.2	92.1
Net resource transfer (millions of dollars)	57 870	65 194	38 810	36 374	62 844	18 078	-8 297	-27 717	-19 230
Total gross external debt (millions of dollars)	452 780	516 030	570 831	621 439	712 655	665 101	676 647	667 103	665 777
Employment	**Average annual rates**								
Labour force participation rate h/	…	60.0	61.4	61.3	61.0	61.3	61.4	61.7	61.6
Open unemployment rate i/	6.7	6.0	8.2	8.0	7.8	9.3	13.0	14.5	14.2

Table 1 (concluded)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Prices	**Annual percentages**								
Variation in consumer prices									
(December-December)	5.9	6.5	5.8	5.9	6.4	10.7	6.3	2.9	3.7
Variation in wholesale prices									
(December-December)	13.9	4.3	8.6	5.1	2.1	11.2	7.6	-3.2	9.4
Variation in nominal exchange rate									
(annual average)	-12.0	-4.9	16.7	10.5	9.1	41.5	4.6	-8.4	14.5
Variation in average real wage	1.5	1.4	3.4	2.4	0.9	0.5	-1.2	2.4	-0.2
Nominal deposit rate j/	6.9	7.5	6.5	6.4	7.1	8.1	8.3	6.8	6.2
Nominal lending rate k/	42.9	44.7	39.9	39.1	45.0	49.5	53.7	49.9	45.1
Central government	**Percentages of GDP**								
Total revenue	23.6	22.6	22.3	22.1	21.1	20.8	21.0	21.1	21.8
Tax revenue	20.3	21.2	20.4	20.5	19.9	19.7	19.8	19.6	20.5
Total expenditure	25.3	25.0	24.1	24.8	26.2	29.9	28.6	28.8	29.1
Current expenditure	24.0	23.7	22.7	23.3	24.6	28.0	27.2	27.8	28.1
Interest	3.7	4.6	3.6	4.1	4.7	7.1	5.2	5.9	5.6
Capital expenditure	1.3	1.4	1.4	1.4	1.6	1.8	1.4	1.0	1.0
Primary balance	2.0	2.1	1.8	1.4	-0.3	-1.9	-2.5	-1.8	-1.7
Overall balance	-1.6	-2.5	-1.8	-2.6	-5.0	-9.1	-7.6	-7.7	-7.3
General government public debt	52.0	50.8	55.2	56.7	58.9	66.5	70.0	74.0	77.2
Domestic	49.2	48.3	55.8	53.6	55.5	62.1	66.3	70.5	67.4
External	2.8	2.5	2.9	3.1	3.4	4.4	3.7	3.5	9.8
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	93.4	95.2	101.1	100.1	103.5	107.1	111.2	111.4	114.3
To the public sector	33.1	29.2	30.6	27.7	28.8	31.5	40.6	46.4	48.7
To the private sector	52.8	58.1	62.5	64.2	66.0	66.8	62.2	59.8	61.9
Others	7.6	7.8	8.0	8.1	8.6	8.8	8.4	5.1	3.7
Monetary base	5.3	4.9	4.8	4.7	4.6	4.3	4.3	4.5	4.4
M2	33.7	33.3	31.3	29.7	28.0	27.0	27.6	29.7	32.6

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/ Economic Development Division, calculations for Economic Survey of Latin America and the Caribbean, 2019.
h/ Nationwide total. New measurements have been used since 2012; the data are not comparable with the previous series.
i/ Twenty metropolitan regions. Up to 2011, six metropolitan areas.
j/ Savings rate. Nominal yield, first business day.
k/ Interest rate on total consumer credit.

Table 2

BRAZIL: MAIN QUARTERLY INDICATORS

	2017				2018				2019	
	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/	0.1	0.6	1.4	2.2	1.2	0.9	1.3	1.1	0.5	...
Gross international reserves (millions of dollars)	368 933	376 204	381 372	378 460	377 438	380 676	380 525	378 242	379 866	384 981 c/
Real effective exchange rate (index: 2005=100) d/	90.3	92.6	94.6	98.1	95.1	101.4	105.1	100.0	98.2	101.3 c/
Open unemployment rate e/	13.7	13.0	12.4	11.8	13.1	12.4	11.9	11.6	11.6	...
Employment rate e/	53.1	53.7	54.1	54.5	53.6	53.7	54.4	54.5	53.9	...
Consumer prices (12-month percentage variation)	4.6	3.0	2.5	2.9	2.7	4.4	4.5	3.7	4.6	4.7 c/
Wholesale prices (12-month percentage variation)	4.9	-3.2	-3.9	-2.55	-1.2	8.7	13.3	9.43	10.3	9.2 c/
Average nominal exchange rate (reais per dollar)	3.1	3.2	3.2	3.3	3.2	3.6	4.0	3.8	3.8	3.9 c/
Average real wage (variation from same quarter of preceding year)	0.1	3.6	2.4	3.6	0.8	0.3	0.4	-2.2	0.2	...
Nominal interest rates (average annualized percentages)										
Deposit rate f/	7.7	6.7	6.7	6.2	6.2	6.2	6.2	6.2	6.2	6.2 c/
Lending rate g/	53.6	49.7	49.5	46.9	46.6	44.9	44.8	44.2	44.8	45.2 c/
Interbank rate	12.7	10.9	9.2	7.5	6.7	6.4	6.4	6.4	6.4	6.4 c/
Monetary policy rates	12.5	10.6	8.9	7.3	6.8	6.5	6.5	6.5	6.5	6.5 c/
Sovereign bond spread, Embi + (basis points to end of period) h/	270	289	247	240	248	332	293	276	253	274 c/
Risk premiia on five-year credit default swap (basis points to end of period)	226	242	196	162	164	270	262	210	174	151
International bond issues (millions of dollars)	9 950	6 050	4 125	11 941	10 800	3 129	1 500	3 550	7 700	6 051
Stock price index (national index to end of period, 31 December 2005 = 100)	194	188	222	228	255	217	237	263	285	302
Domestic credit (variation from same quarter of preceding year)	10.4	5.9	7.1	6.7	3.1	2.8	1.6	4.9	5.7	7.6 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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