2019

Preliminary Overview of the Economies
of Latin America and the Caribbean

UNITED NATIONS

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DEVELOPMENT WITH EQUALITY

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In the preparation of this edition, the Economic Development Division was assisted by the Statistics Division, the ECLAC subregional headquarters in Mexico City and Port of Spain, and the Commission's country offices in Bogotá, Brasilia, Buenos Aires, Montevideo and Washington, D.C.

The regional report was prepared with inputs provided by the following experts: Cecilia Vera, Claudia de Camino, Pablo Carvallo and José Antonio Sánchez (global economic trends and external sector), Esteban Pérez Caldentey (global liquidity), Claudio Aravena (economic activity), Ramón Pineda and Alejandra Acevedo (prices and monetary and exchange-rate policies), Jürgen Weller (employment and wages) and Jean Carpentier, Michael Hanni, Juan Pablo Jiménez, Noel Pérez, Swen Tellier (fiscal policy). Claudio Aravena, Pablo Carvallo, Albert Klein and Cecilia Vera were responsible for the economic projections, with the assistance of the ECLAC subregional headquarters and national offices. Sonia Albornoz was responsible for the statistical annex. Sonia Albornoz, Laurin Sponheuer and Carolina Zúñiga Juul collaborated as research assistants and in the preparation of statistical data and graphical presentation.

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Explanatory notes

- Three dots (…) indicate that data are missing, 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.
- A slash (/) between years (e.g., 2013/2014) indicates a 12-month period falling between the two years.
- Individual figures and percentages in tables may not always add up to the corresponding total due to rounding.

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Executive summary

This edition of the *Preliminary Overview of the Economies of Latin America and the Caribbean* is released amid an extremely complex economic and social context for the region. Latin America is showing a synchronized economic slowdown at the country and sector levels. In contrast to previous years, in 2019 growth in economic activity is slowing in 18 of the 20 countries of Latin America, and in 23 of the 33 countries of the Latin American and Caribbean region as a whole. The slackening of domestic demand has been accompanied by low aggregate external demand and more fragile international financial markets. Added to this scenario are the growing social demands and pressures to reduce inequality and improve social inclusion, which have emerged unusually forcefully in certain countries of the region.

The macroeconomic panorama of the last six years (2014–2019) shows a tendency towards slowing economic activity, with falls in per capita GDP, investment, per capita consumption and exports, and a sustained decline in the quality of employment.

In these circumstances, the economies of Latin America and the Caribbean are set to grow at an average rate of 0.1% in 2019. Although the growth projections for 2020 show an improvement with respect to 2019, they remain subdued, with the countries expected to grow at an average rate of 1.3%.

If this projection is borne out, the seven years from 2014 to 2020 will have been the slowest economic growth period in 40 years. This comes in a global context of low growth and increasing vulnerability, with no significant positive catalysts expected. Coordinated, expansionary domestic economic policies are therefore needed to boost countries' growth. The main economic policy challenge is preventing the region from falling into economic and social stagnation, while maintaining progress on macrofinancial stability and debt sustainability.

Despite the constraints on policy space today, most countries in the region —unlike in earlier periods— have historically low inflation and relatively large international reserves. Furthermore, most can still draw on international financial markets, amid historically low international interest rates. These conditions are amenable to the implementation of macroeconomic policies to stimulate aggregate demand.

Reactivating growth in Latin America and the Caribbean under the current economic conditions will require fiscal and monetary policy to play a stronger role throughout the economic cycle, with instruments that allow for better coordination between these two policy areas, to achieve common objectives. Evidently, the capacity and space that each country has to pursue such policies is determined by its specific macroeconomic and social conditions.

The role of fiscal policy should be approached in light of its three traditional functions: stabilization, provision of public goods, and redistribution. In this regard, an active fiscal policy should focus on economic reactivation and on reducing structural inequalities, while keeping public debt on a sustainable path. This will provide the fiscal sustainability needed for the increased public spending on investment and social policies required by the region.

Fiscal sustainability is closely linked to economic growth, productivity and, of course, to the strengthening of public revenues through higher tax bases and burdens. This can be achieved by making the tax structure more progressive; by strengthening personal income tax and property taxes; by reducing tax evasion (which amounts to around 6.3% of the region's GDP); by re-thinking tax expenditures (3.7% of the region's GDP), and by developing a new generation of taxes related to the digital economy, the environment and public health. Improvements in the quality, efficiency and effectiveness of spending are also fundamental to sustainability.

Turning to monetary policy, efforts must be coordinated with fiscal policy to stimulate economic activity, while also addressing exchange-rate volatility and managing any financial risks that may arise. To this end, monetary authorities must continue to strengthen the macroprudential instruments at their disposal.

A. The international context

As noted earlier, the challenge of reactivating economies has arisen in a global context of low economic growth. In 2019, the world will grow by just 2.5% —the lowest rate of expansion since the global financial and economic crisis— owing to the widespread slowdown in both developed and emerging economies. From the perspective of Latin America and the Caribbean, the slowdowns of its two main trading partners, the United States and China, is particularly significant. The countries of the region are exposed to lower growth rates in these two countries not only through their exports but also through commodity prices, as China and the United States are major players in the global markets for the commodities exported by the region.

What is more, the outlook for 2020 is no better. Global economic activity and global trade are weak, and the risks are skewed to the downside. Trade tensions have affected confidence and investment in some economies with sectors that are heavily exposed to international trade, putting growth at risk not only in the near term, but also in the medium term.

The projected growth rate of 2.5% for 2019 is forecast to be repeated in 2020, with a slight upturn in emerging economies other than China. The slowdown in developed economies is expected to extend to the United States which, despite being in the longest phase of expansion in its history, is set to grow by less than 2.0%.

World trade has been progressively weakening amid trade tensions that have persisted, despite some fluctuations. Between January and September 2019, the volume of global trade fell 0.4% compared to the same period in 2018. In 2020, the volume of world trade is expected to grow by 2.7%, with a marked downward bias should trade tensions continue.

The trend in commodity prices —a key factor for the economies of Latin America and the Caribbean— shows an across-the-board decline of around 5.0% in 2019. The downward trend is forecast to continue in 2020 for most of the commodities exported by the countries of the region.

In terms of international financial markets, global debt has risen to record levels, driven in part by the low interest rates of major central banks. In the second quarter of 2019, the level of debt was equivalent to 320% of global GDP. This increase in debt has occurred across the board in terms of both countries and sectors. Government debt in developed countries has climbed particularly significantly, as has non-financial corporate sector debt in emerging countries.

Apart from the absolute levels of indebtedness, the growing percentage of negative-yielding debt represents another risk for global financial stability.

B. The external sector

Latin America's current account deficit remains relatively steady at around 2.0%. While the deficit on the income account has widened, owing to lower income from returns on foreign direct investment (FDI) and higher interest payments on debt, this has been offset by growth in remittances. In addition, the surplus on the goods trade balance and the deficit on the services trade balance have remained constant at 0.4% and 1.0% of GDP, respectively, as a result of contractions in both exports and imports, amid weakening domestic activity and external demand.

The region's terms of trade are worsening in 2019, especially for countries that export hydrocarbons and mining products. This will hurt disposable income and the fiscal accounts of commodity-exporting economies. However, the Caribbean and Central America are benefiting from lower prices for energy, food and other commodities.

In the first half of 2019, Latin America —excluding Argentina— experienced an increase in financial flows as a result of a recovery in deposit and credit flows, which offset lower FDI and portfolio flows. However, if Argentina is included, total financial flows to the region fell by 7%.

In a context of low international interest rates, bond issues began to increase from the second quarter of 2019 onward. Debt issues expanded by 20% in the first 10 months of this year compared to the prior-year period, reaching a total of US$ 103 billion. The increase is attributable to the 83% rise in issuance by companies in the non-financial corporate sector and the 28% rise among banking entities. In contrast, sovereign bond issues have fallen slightly (-0.3%), owing to a high basis for comparison in 2018, while quasi-sovereign bond issues declined by 13%, and supranational issues dropped by 30% in the first 10 months of the year.

A number of countries that had not issued in 2018 —El Salvador, Guatemala and Jamaica— have returned to markets with sovereign issues and others —Ecuador and Peru— are attempting to improve their debt profile.

Overall, the region's sovereign risk has followed a downward trend in 2019, albeit with very varied performance between countries.

C. Economic activity

In the first half of 2019, Latin America's GDP ground to a halt, with growth coming down from 1.34% in year-earlier period to 0%. Of the 20 Latin American economies, 18 recorded a slowdown compared to the previous year, the exceptions being Colombia and Guatemala.

At the sector level, the slower growth is attributable to a contraction in several sectors—including manufacturing, construction and commerce—adding to the ongoing decline in mining over recent years. Domestic demand was slack throughout the region. Each of the components of demand —private consumption, government expenditure and investment— show negative annual variations, thus curtailing GDP growth. Only foreign trade contributed positively to GDP growth, primarily owing to a contraction in imports, as growth in exports was limited.

In terms of domestic demand, there was a significant decline in inventories, which have been shrinking since the first quarter of the year, at faster rates than in previous years. In the first half of 2019, the slump in inventories shaved 0.5 of a percentage point off GDP growth. In addition to the decline in inventories, gross fixed capital formation decreased by 1.5% in the first half of the year, accumulating three consecutive quarters of falls. This result is attributed to the drop in investment, both in construction and in machinery and equipment.

Consumption, both public and private, has been one of the hardest hit components of demand. The downturn in public consumption has come at a time when the governments of the region are tending towards fiscal adjustment, with a focus primarily on reining in fiscal accounts rather than using fiscal policy to boost GDP growth. As a result, public consumption, which contributed 0.5 of a percentage point to growth in recent years, subtracted 0.2 points from growth in the second quarter of 2019.

In subregional terms, both South America and Mexico and Central America show clear declines in growth rates in the early quarters of 2019 compared with the average growth rate of the prior year, despite the differing characteristics of these two subregional economies. While the economies of South America specialize in producing commodities —particularly oil, minerals and food— those of Mexico and Central America are mainly tied to the pace of growth in the United States.

In the second quarter of 2019, the economies of South America contracted on average by 0.26%, down from the 1.0% growth of the previous year. In the same period, the economies of Central America grew at a rate of 2.8%, 1.5 percentage points less than in the second quarter of 2018. Growth in Central America and Mexico combined came to 0.6% in the first half of 2019, well below the 2.2% recorded in the prior-year period. Similarly, growth in the English- and Dutch-speaking Caribbean slowed by 0.3 of a percentage point in 2019 from 1.8% in the previous year.

D. Employment and wages

In 2019, weak economic activity has brought a widespread deterioration in the labour market among the countries of the region, manifested in a worsening of a number of variables. On average, the national unemployment rate rose from 8.0% to 8.2%, adding around 1 million people to those out of work and bringing the total number of job-seekers in the region to 25.2 million.

The deterioration in the labour market can also be seen in the estimated expansion of 3.0% in own-account work for the region as a whole, as opposed to the 1.5% growth in wage employment. The number of wage earners increased slightly, but generally by less than the number of employed and non-wage earners, yet another indicator of deterioration in the composition of employment. Increases in hourly underemployment and informal labour have also been quite widespread among the countries of the region.

Although the gender gap with respect to the employment rate continued to narrow in 2019, a sharp increase in the female participation rate widened the gender gap in the unemployment rate. In addition, in a context of weak labour demand, there are signs that many of the new paid jobs found by women are of poor quality.

Average real wages for those in registered employment have increased slightly in most cases. This has not been true across the board, however. In Argentina, quickening inflation has resulted in a substantial decline in wages, and in Brazil the average real wage for those in registered employment has fallen slightly, despite lower inflation. In Mexico, meanwhile, the average real wage for those in registered employment has undergone the biggest rise since 2002, in part owing to a substantial hike in the minimum wage.

However, the prevailing policy in the region's countries has been to raise minimum wages only just above inflation. Thus, the median year-on-year increase in the real minimum wage in the countries, calculated for the first three quarters of the year, was only 0.8%, the same rate as in 2018, which marked a break from the more significant increases of the preceding decade.

Economic growth projections give no reason to expect high-quality job creation to pick up in 2020. While the situation varies from country to country, the overall picture is expected to be one of continuing deterioration in employment composition in terms of occupational categories, underemployment and informality. In countries with low and stable inflation, meanwhile, real wages for those in registered employment are expected to remain broadly unchanged. In many countries, the unemployment rate is also likely to increase. Measured as a weighted regional average, it is estimated that the unemployment rate could rise slightly from its 2019 level, reaching around 8.4%.

E. Macroeconomic policies

1. Fiscal policy

By end-2019, the primary balance of the central governments of the region is expected to average -0.2% of GDP, compared to -0.4% in 2018. This narrowing of the primary deficit reflects the contraction in primary expenditure. The overall result is forecast at around -2.8% of GDP.

Total public revenue in Latin America is projected to remain at around 18.1% of GDP, a similar level to 2018. However, these revenues could be affected by the slowdown in economic activity and lower prices for non-renewable natural resources.

Total public spending is also forecast to remain stable in the region in 2019, at around 20.9% of GDP. In terms of the components of expenditure, current primary expenditure and capital spending are both set to decline by 0.1 GDP percentage points compared to 2018. In addition, interest payments are projected to increase by 0.1 GDP points relative to 2018.

At the end of the second quarter of 2019, the gross public debt of the central governments of Latin America averaged 43.2% of GDP, 1.3 GDP points more than year-end 2018. Public debt has grown in both South and Central America, and at June 2019 it stood at around 45% and 41% of GDP, respectively. Meanwhile, the Caribbean countries continue to consolidate a downward trend in their gross public debt, which dropped from 71.7% of GDP in 2018 to 69% at the end of the first half of 2019.

Fiscal policy must look beyond short-term challenges, to address the region's structural problems, including insufficient capacity to mobilize resources for development, weak redistributive muscle, shortcomings in the provision of public goods and services, and a limited institutional framework for countercyclical measures. In addition, one of the most important challenges is to formulate fiscal policy that helps revive economic activity and meet social demands to reduce inequality.

2. Prices and monetary and exchange-rate policies

During the first 10 months of 2019, average inflation in Latin America and the Caribbean fell to historically low levels, easing by 1.2 percentage points to 2.4% in October 2019, down from 3.6% a year earlier.[1] This trend in the regional average reflects reductions in year-on-year inflation rates in 19 of the region's countries. Considering the different subregions, year-on-year inflation decreased by 1.0 percentage point in the South American economies, from 3.3% in October 2018 to 2.3% in October 2019. In Central America and Mexico, the year-on-year rate declined from 4.2% to 2.7% in the same period, while in the non-Spanish-speaking Caribbean economies it fell from 3.0% to 2.5%.

In terms of the components of the inflation index, the food products group recorded an increase from 2.8% in October 2018 to 3.3% in October 2019, while tradable goods inflation rose from 2.5% to 2.7% in the same period. Core inflation remained unchanged at 2.7%, whereas inflation in non-tradable goods and services eased to 2.1% in September 2019 from 4.3% a year earlier.

[1] The regional and subregional averages exclude Argentina, the Bolivarian Republic of Venezuela and Haiti, because they consistently have much higher inflation than the rest of the economies in the region. Including them would distort the representativeness of the regional inflation dynamic.

The declines in inflation, together with prolonged and widespread slowdowns in aggregate domestic demand in the region —especially in consumption and investment— led monetary authorities to adopt expansionary policies in the first 10 months of 2019.

The lower inflation so far this year provides additional space to implement expansionary monetary policies, although it also reflects the severity of the activity slowdown. Smaller depreciations and less currency volatility in the region in 2019, compared to the previous year's experience, have also allowed governments to adopt somewhat more aggressive demand stimulus policies. Nonetheless, the uptick in both variables in the second half of the year may presage additional risks in the future.

Monetary policy has tended to be expansionary, with reductions in policy rates in countries that use that variable as their main policy instrument. Among most of the region's economies whose main policy instrument consists of controlling the growth rates of monetary aggregates, base money growth accelerated in the first three quarters of 2019 relative to its end-2018 pace. Initiatives aimed at boosting aggregate demand intensified in the second half of 2019, since only four central banks had reduced their policy rates in the first six months of the year.

Despite this predominantly expansionary monetary policy, domestic credit to the private sector has tended to contract in the region in real terms, except in economies that use the interest rate as the main monetary policy instrument. In these countries, real lending to the private sector is still growing, but at an ever-slower pace. In economies that use monetary aggregates, the slowdown in this variable since the third quarter of 2017 has steepened and, in the third quarter of 2019, a contraction of 0.5% was recorded. In the non-Spanish-speaking Caribbean economies, domestic credit to the private sector recorded low but positive growth rates in 2018 and also in the first quarter of 2019, but has flatlined since the second quarter.

With regard to exchange rates, in the first 11 months of 2019, 13 (out of 18) of the region's currencies depreciated against the dollar in nominal terms. Annualized rates of depreciation were generally lower on average in 2019 than in 2018. Nonetheless, some currencies still depreciated by more than 5%. In 2019, the region's currencies were generally more stable, especially in the first half of the year, with less volatility in 11 of the 18 economies that have adjustable rates.

In the first 11 months of 2019, the region's international reserves shrank by US$ 6.3 billion, a drop of 0.7% relative to their end-2018 level. The rate of accumulation of international reserves varied significantly throughout 2019. In the first seven months of the year, the region's reserves grew by 4.5% (US$ 39.328 billion). Between July and November 2019, however, the reserve balance shrank by US$ 45.629 billion (-5.0%). This trend in reserves was driven mainly by larger interventions in the foreign-exchange markets in the second half of the year to ease pressures on exchange rates and external deficits.

F. Challenges and prospects for Latin America and the Caribbean in 2020

In 2019, the region has faced an unfavourable external scenario in terms of economic growth and world trade. The international scenario in 2020 is expected to remain similar to that of 2019, albeit with a bias towards increased uncertainty and vulnerability. Trade tensions remain, affecting levels of confidence and investment in some economies with sectors that are heavily exposed to international trade, putting growth at risk not only in the near term, but also in the medium term.

The prices of many commodities are expected to fall further in 2020. This will have a particularly strong effect on the economies of South America, which export these products, via a deterioration in their terms of trade and, as a knock-on effect, less disposable income and lower tax revenues from extractive activities. Added to this is the slowdown in their two main trading partners: the United States —which will grow less than 2% in 2020— and China, which will post a growth rate of under 6% in 2020, its lowest rate in 30 years.

In addition to the sluggishness associated with declining economic activity and global trade, 2020 will bring considerable uncertainty, given the ongoing risks on financial markets. The worldwide accumulation of debt, driven in part by major central banks' low interest rates, is outpacing the growth of global income and has reached record levels. This upswing has been seen across all sectors, and the significant portion of global debt that is denominated in foreign currency in emerging economies —and in Latin America— leaves such economies more exposed to changes in monetary policies in the major economies, which can have major impacts on the balance sheets of financial agents and their ability to service debt.

Apart from the absolute levels of indebtedness, another risk factor for the global economy stems from the growing percentage of negative-yielding debt (currently estimated at some US$ 17 trillion, or 20% of global GDP). This increases the vulnerability of global financial stability, as low or negative returns on "safe" assets push investors to seek higher returns, driving up demand for riskier assets. As a result, returns tend to level out, no longer properly reflecting assets' different risk profiles.

Geopolitical risks —and specifically the tensions between Hong Kong (Special Administrative Region of China) and China that have intensified in 2019— also remain a factor, as do processes currently under way whose implications for the world economy are not yet clear, such as Brexit and the unknown nature of future relations between the United Kingdom and the European Union.

The international outlook for 2020 is no better than it was in 2019, and it is not possible to rule out new bouts of greater volatility and deteriorating financing conditions, which may go hand in hand with a further slackening of economic activity in various regions, including Latin America and the Caribbean.

In addition, this weak economic growth has been accompanied by mounting social conflicts and social demands in some countries of the region. This has prompted cuts to their projected growth rates for year-end 2019 and for 2020.

Amid these difficult external conditions and a slowdown that encompasses 18 of the 20 economies of Latin America and 23 of the 33 economies of the Latin American and Caribbean region overall, in 2019 the region is expected to remain on a low-growth path, with GDP projected to edge up by just 0.1%. While the regional average growth projection for 2020 is somewhat higher, it remains subdued, at 1.3%.

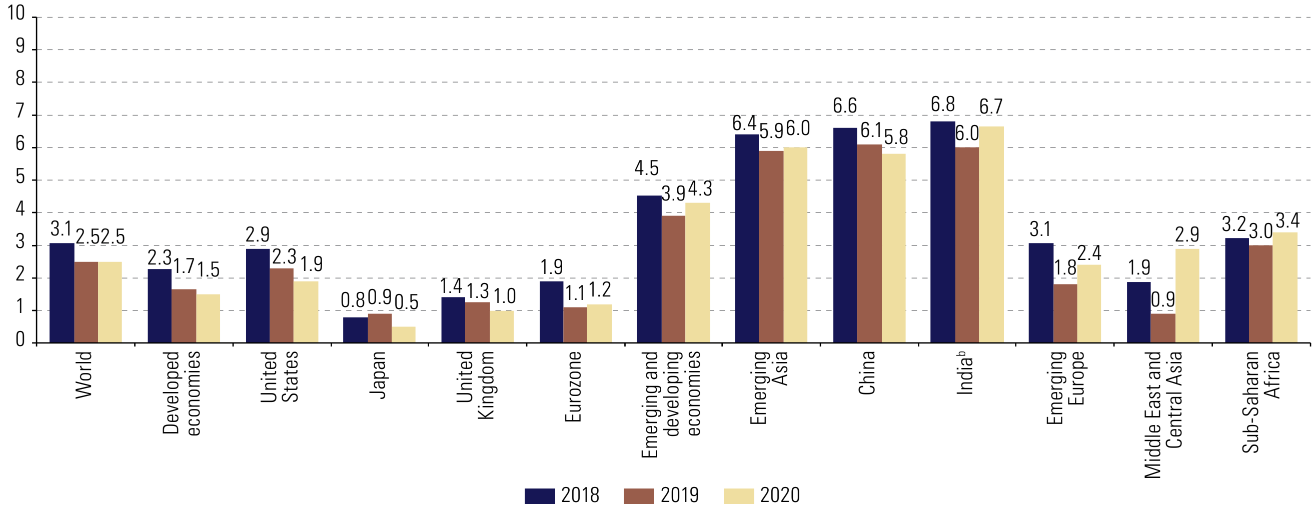
CHAPTER I

Global economic trends

This year the global economy will post the lowest growth rate since the global economic and financial crisis, and the outlook for 2020 is no better

After successive downward revisions in virtually all subregions, the global growth projection for 2019 is now 2.5%, which would be the lowest rate since the global economic and financial crisis. No recovery is forecast for 2020, the expectation being of a similar rate of global growth (see figure I.1).

Figure I.1
GDP growth rates, 2018–2020[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organization for Economic Cooperation and Development (OECD), *OECD Economic Outlook*, No. 106, Paris, OECD Publishing, 2019; International Monetary Fund (IMF), World Economic Outlook (WEO), October 2019 [online database] https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/index.aspx; European Commission, "European economic forecast: autumn 2019", *Institutional Paper*, No. 115, November 2019; United Nations, *World Economic Situation and Prospects 2020*, New York, 2019, forthcoming; and data from Capital Economics and the European Central Bank (ECB).

[a] The figures for 2019 and 2020 are projections.

[b] The figures for India cover the fiscal year, which begins in April and ends in March the following year.

The slowdown has been widespread in 2019, affecting both developed and emerging economies. The developed economies are expected to post growth of 1.7% this year, down from the 2.3% of 2018. The emerging economies are expected to grow by 3.9% in 2019, compared with 4.5% last year.

Growth in the developed economies is projected to continue slowing in 2020 (to a rate of just 1.5%), while the emerging economies should regain a little of their momentum (with growth of 4.3%), which would leave the average global growth rate similar to that of 2019.

The economic slowdown in the developed economies in 2020 will extend to the United States, which —despite still being in its longest expansionary phase ever— is expected to grow by less than 2% as the effects of the tax reform that stimulated the economy in 2018 and part of 2019 dissipates further. Japan's economy will also slow, with growth of just 0.5% in 2020, partly as a result of a weakening external sector and slacker consumption, the latter owing to the increase in the consumption tax that the government brought in on 1 October after twice postponing it to avoid adversely impacting activity levels. Economic activity is also expected to suffer in the United Kingdom in 2020, with growth of 1%, as a result of the prolonged uncertainty over the process of withdrawal from the European Union (Brexit), which has been affecting investment in the country.

Lastly, the eurozone is expected to grow by just 1.2% in 2020. Wage growth and a looser monetary policy should support private consumption, but uncertainty and weak external demand will continue to hurt investment and exports.[1]

If growth in the emerging economies accelerates in 2020 (the forecast is for 4.3%), it will be due not to greater general dynamism in these economies, but rather to a cyclical recovery in certain specific countries that bulk large in the world economy and have performed poorly during 2019. This will be supplemented by the expected continuation of loose monetary policy in economies where there is scope for it (the group of emerging economies in general has more leeway than the developed ones).

This is the case, for example, with India, which was affected in 2019 by problems in the non-bank financial system (with effects on investment and consumption) and should return to normal next year, growing by about 7 tenths of a point more than this year. It is also the case with the emerging economies of Europe (where the Russian Federation and Turkey will perform better in 2020), the Middle East and Central Asia, sub-Saharan Africa and some Latin American countries, such as Brazil and Mexico (see chapter VIII).

China is differently placed, since what is still a gradual slowdown began there almost a decade ago. Projected growth is 6.1% for 2019 and 5.8% for 2020. Recently released data show growth in the third quarter of 2019 (6% year on year) at its lowest in 30 years.

Looking beyond the average global growth rate, something that is important in terms of impact on the countries of Latin America is the fact that their two main trading partners, the United States and China, will experience a slowdown in both 2019 and 2020. The countries of Latin America and the Caribbean are exposed to slower growth in these two countries not only through the trade channel but also through commodity prices, as China and the United States are major players in global markets for the commodities exported by the region. This might mean lower commodity prices and the concomitant impact on the fiscal accounts and the terms of trade, which would ultimately affect the countries' disposable income.[2]

World trade has been progressively weakening amid trade tensions that have persisted with some fluctuations

After growing at a rate of 4.8% in 2017, the volume of world trade expanded more slowly in 2018, by just 3.4% (see figure I.2).

The volume of world trade fell in 2019 to September (latest figure available) in comparison with the same period in 2018 (-0.4%).

For 2020, the World Trade Organization (WTO) is forecasting an increase of 2.7% in the volume of world trade, with a considerable downward bias if trade tensions continue (WTO, 2019).

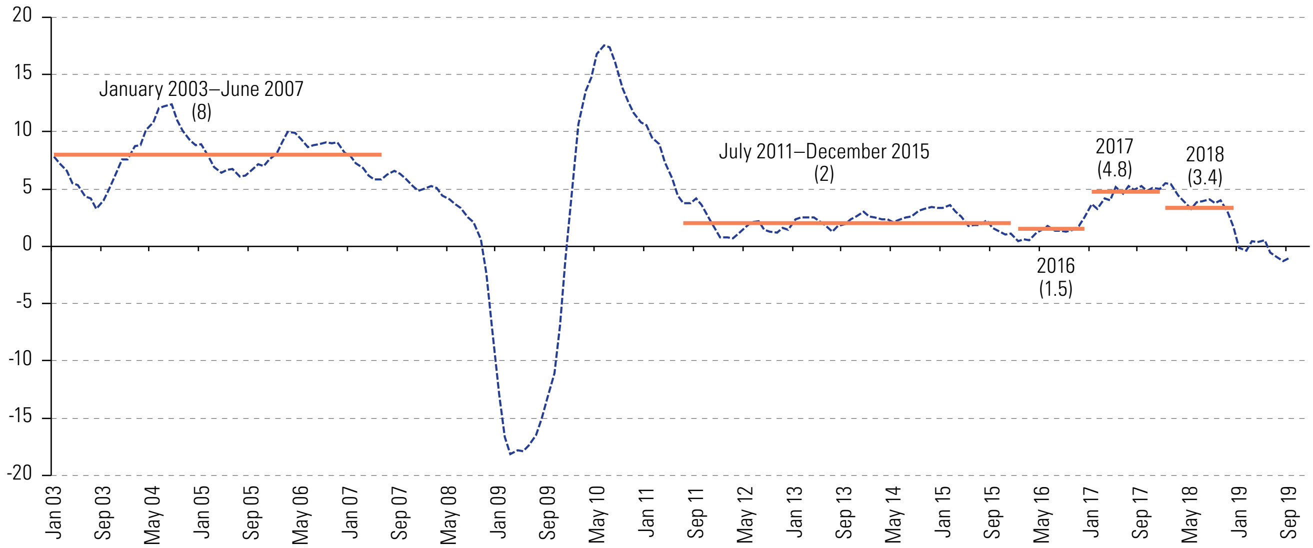
In terms of countries and regions, China, whose trade has been affected by the trade war, and the rest of the emerging Asian economies, which contributed most to the increase in trade volume in 2017 and 2018, have been the biggest contributors to its decline in 2019 (see figure I.3). Although the United States is still making a positive contribution to trade growth, this contribution has been almost nil and substantially less than in the previous two years.[3]

1 In addition, some countries (such as Germany) will be even worse affected if the United States imposes tariffs on imports of products such as those of the automotive sector.

2 See Pérez Caldentey and Vernengo (2019).

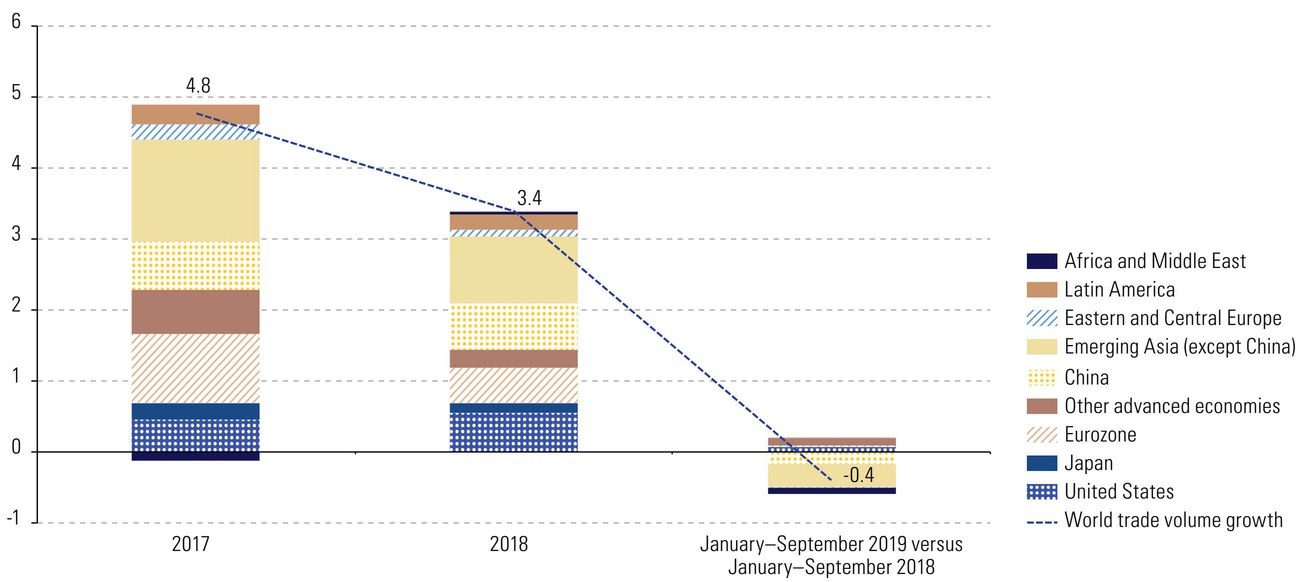
3 After growing by almost 5% in 2018, the volume of United States trade increased by just 0.5% in 2019 to September. In the case of China, after rising by almost 6% in 2018, it has fallen by 1.5% so far in 2019, while in the emerging Asian economies (other than China) the volume of trade has fallen from 5.4% in 2018 to 1.8% in 2019.

Figure I.2
Year-on-year rates of change in world trade volume, moving three-month averages, January 2003–September 2019
(Percentages, on the basis of a seasonally adjusted index)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Netherlands Bureau of Economic Policy Analysis (CPB), World Trade Monitor [online database] https://www.cpb.nl/en/worldtrademonitor.

Figure I.3
Contributions to world trade volume growth by region, 2017–2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Netherlands Bureau of Economic Policy Analysis (CPB), World Trade Monitor [online database] https://www.cpb.nl/en/worldtrademonitor.

Following a decline of 5% in 2019, the prices of many of the commodities exported by the region's countries are expected to drop again in 2020

Commodity prices have been 5.4% lower on average in 2019 than in 2018 (see table I.1). The biggest drop has been in energy products (the price of crude oil has fallen by 11.5% in 2019 from its average level in 2018), while agricultural product prices have fallen by 3.5% and those of metals and minerals by 1.3%.

Table I.1
Year-on-year changes in international commodity prices, 2016-2020
(Percentages, on the basis of annual average prices)

	2016	2017	2018	2019[a]	2020[a]
Agricultural products	4.1	0.5	0.9	-3.5	-0.6
Foods, tropical beverages and oilseeds	5.7	-0.6	-2.3	-4.4	-0.9
Foods	9.3	-0.1	-3.4	-1.0	0.3
Tropical beverages	0.6	-1.7	-10.1	-7.7	2.5
Oils and oilseeds	2.4	-1.0	1.5	-8.3	-3.4
Forestry and agricultural commodities	-2.3	4.9	13.4	-0.3	0.5
Minerals and metals	-0.7	23.3	4.2	-1.3	-1.7
Energy[b]	-16.3	23.5	25.6	-10.5	-3.3
Crude oil	-15.7	23.3	29.4	-11.5	-4.5
Total commodities	-4.3	14.6	9.9	-5.4	-1.9
Total commodities (excluding energy)	1.8	10.8	2.6	-2.4	-1.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, International Monetary Fund (IMF), Economist Intelligence Unit, Bloomberg, Energy Information Administration (EIA), Capital Economics and Central Bank of Chile, *Informe de política monetaria: septiembre 2019,* Santiago, 2019 (for copper prices).
[a] The 2019 figures are estimates using data to October and the 2020 figures are projections.
[b] Includes oil, natural gas and coal.

The prices of many of the commodities exported by Latin American and Caribbean countries are expected to fall again in 2020. Many economies in the region that export these commodities, especially those in South America, are being negatively affected by these declines, since they mean lower export prices and lower tax revenues from extractive activities.

For agricultural products, price levels in 2020 are expected to be only slightly lower than in 2019. However, a fall of almost 2% is expected in 2020 for metals and minerals, which have a large impact on some South American countries that are major exporters, as a result of reduced dynamism in the economies of large importers such as China. Within this category, the price of iron is expected to fall by 8% in 2020 after rising 18% in 2019 owing to production problems that have curtailed supply, while the price of copper is expected to fall by 3% in 2020 following a 9% drop in 2019.[4]

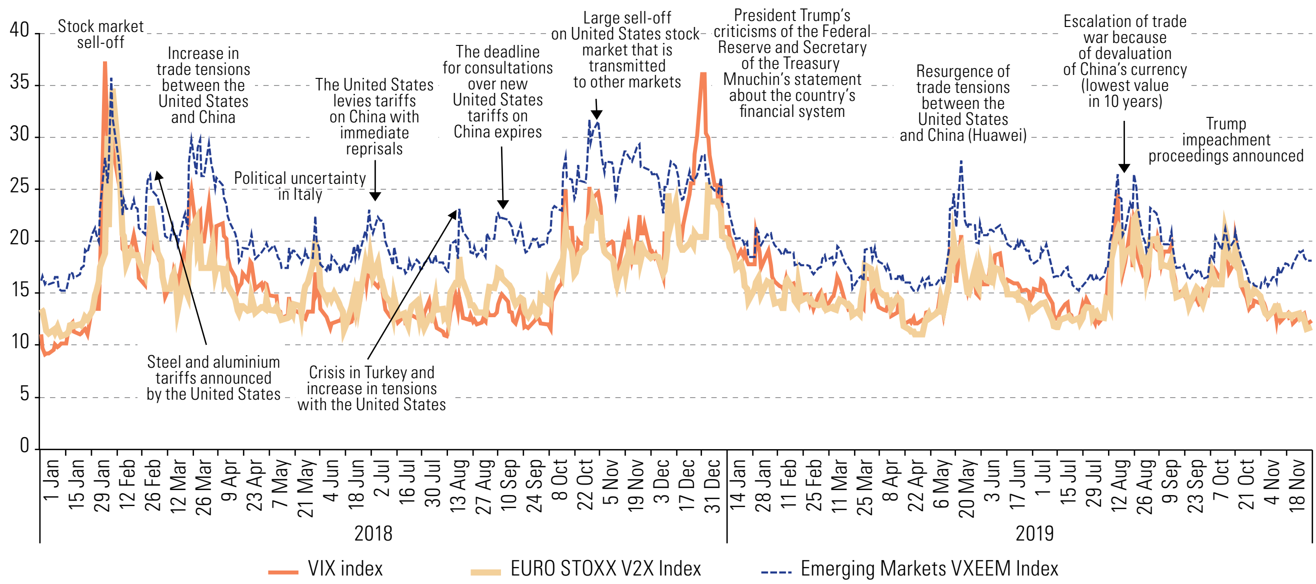
Gold, however, is expected to follow the opposite trend to industrial metals and continue its upward movement in 2020 because of demand for the metal as a safe haven asset (up 6% in 2020, after an increase of 10% in 2019). Lastly, a decline of 4.5% is expected for oil in 2020, following an average fall of 11.5% in 2019.

4 Iron prices have been driven up in 2019 by the effects of tropical cyclone Veronica in Australia and, in Brazil, the disruption of operations at the world's leading iron producer and exporter, Vale, by the collapse of one of its dams.

Global financial markets have been subject to great uncertainty in 2019, as reflected in a number of indicators

In 2019, there have been some periods of increase in the indices that measure financial volatility both in the United States (VIX index) and in the eurozone and emerging markets (V2X and VXEEM indices, respectively). These increases have been associated mainly with major developments in the trade and technology war between the United States and China, which was at its most fraught in May and August (see figure I.4). Financial volatility has moderated since late September, however, on perceptions of possible progress in negotiations to curb the escalation of the trade and technology war between China and the United States.[5]

Figure I.4
Financial market volatility indices, January 2018–November 2019
(VIX, V2X and VXEEM indices)



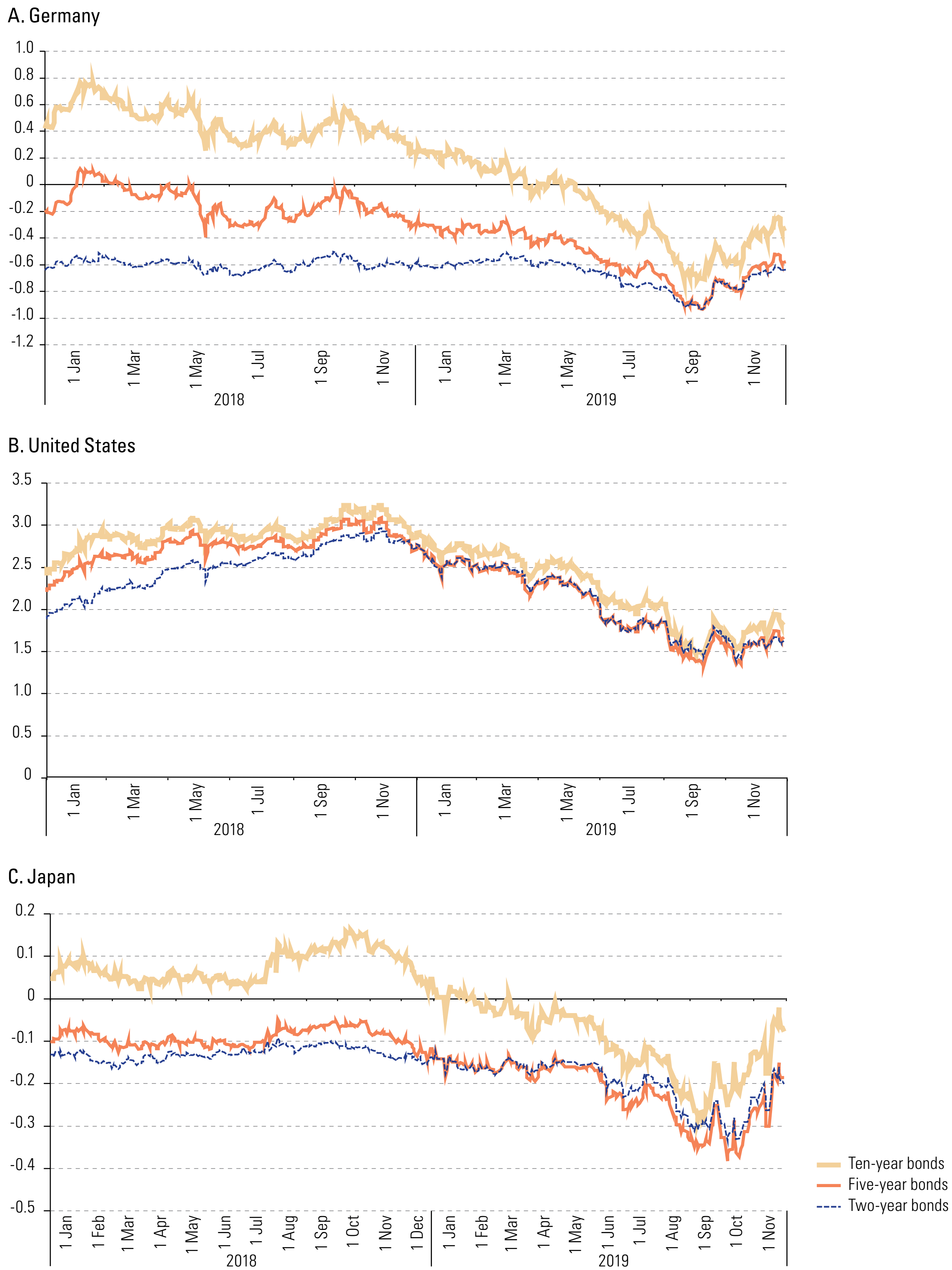
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: The VIX Index is prepared by the Chicago Board Options Exchange (CBOE) from S&P 500 call and put option prices, and measures expected volatility over the next 30 days. Following the same logic, the CBOE also produces the VXEEM index, which measures volatility in emerging markets, while Deutsche Börse and Goldman Sachs produce the V2X index, which does the same for the eurozone.

During the periods of great uncertainty and financial volatility in 2019, there was a sharp increase in demand for the long-term sovereign bonds of countries regarded as safe havens (i.e. those perceived as least risky). This led to a rise in the prices of these assets and hence a reduction in their rates of return. Yields on several developed countries' sovereign bonds turned negative at different maturities.[6] In the case of Germany, for example, sovereign bond yields are still negative for all maturities, while the same is true in Japan for maturities up to 10 years (see figure I.5) and in other, mainly developed countries (BIS, 2019).

[5] Emerging market volatility, as measured by the VXEEM index, has not moderated in this way. This is because the Chinese stock market makes up the majority of the index weighting and its prices are highly correlated with stock prices in Hong Kong (China), a region that is still going through a time of financial stress and volatility.

[6] An investor acquiring a bond with a negative yield and holding it until maturity would be accepting an assured loss. However, when investors' demand for safe assets is such that it continues to drive up their prices, that investor will be able to make a capital gain by selling the bond before maturity at a price higher than the purchase price.

Figure I.5
Germany, United States and Japan: two-, five- and ten-year sovereign bond yields
(Percentages)

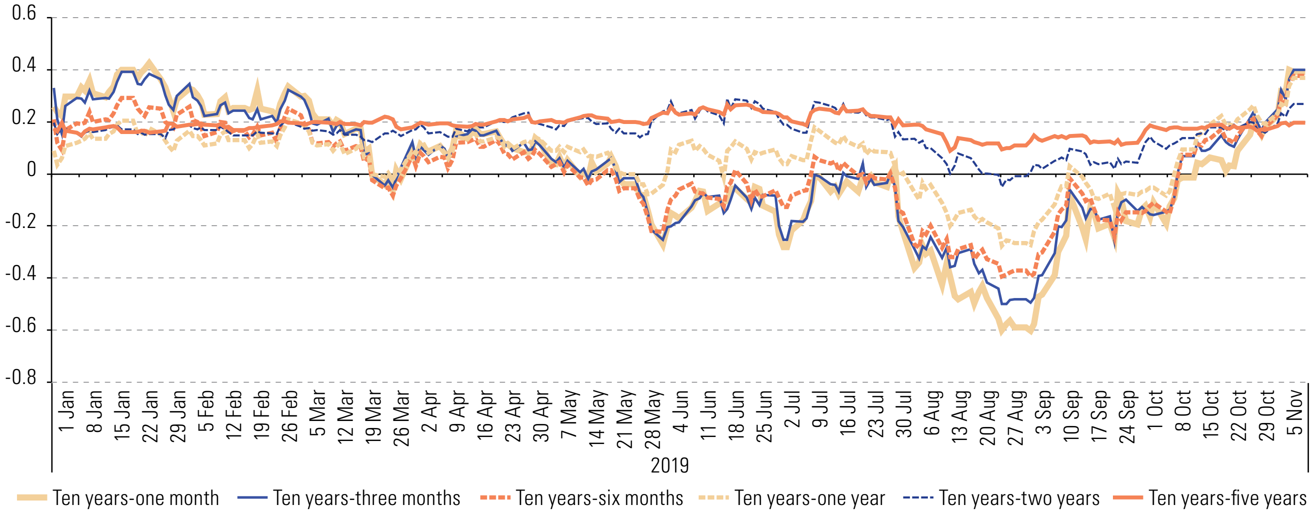


Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

The Bank for International Settlements (BIS) estimated in September 2019 that the amount of global debt traded with a negative yield was equivalent to 20% of world GDP, some US$ 17 trillion, a figure that has almost tripled since October 2018. Almost 90% of this debt is denominated in euros and yen.[7]

In the United States, bond yields did not turn negative in 2019, but increased demand for long-term assets led to an inversion of the yield curve. This came at the height of the tension caused by the trade and technology war and by uncertainty about the medium-term health of the United States economy, for example in August (see figure I.6). Past yield curve inversions have usually been associated with a subsequent recession, and this led a number of analysts to take this development as a possible sign of recession to come. Since late September, in line with the evolution of other financial indicators as discussed above, the United States yield curve has ceased to be inverted at the different maturities.

Figure I.6
United States: Treasury bond yield differentials at different maturities
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

Low or even negative returns on safe assets have prompted yield-seeking in the form of demand for riskier assets. This has been evident in 2019 from the behaviour of certain countries' government bonds (such as those of Greece, whose yields have also turned negative for some shorter maturities) and also from the increase in demand for high-yielding corporate bonds, which in some cases, paradoxically, has brought their yields down below zero.[8] Even a proportion of so-called junk bonds have come to trade at negative rates as demand for them has increased.

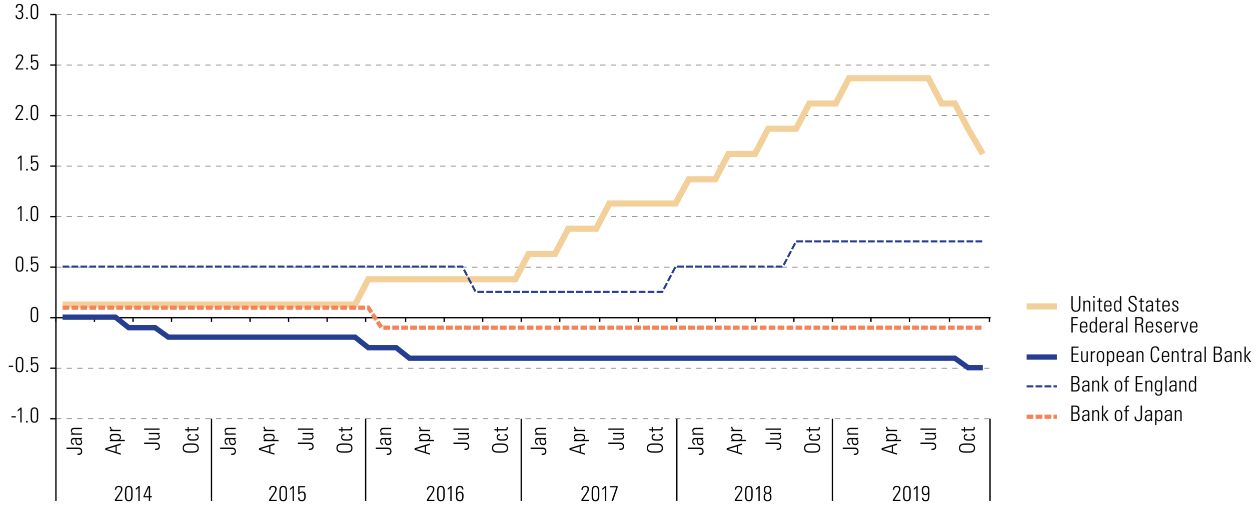
7 See BIS (2019). Most of this debt is sovereign and a minority is corporate.
8 See T. Stubbington, "Rise of sub-zero bond yields turns economic logic on its head", *Financial Times*, 18 November 2019 [online] https://www.ft.com/content/004ffbc2-f4e4-11e9-bbe1-4db3476c5ff0.

In 2019, the number of central banks adopting a looser monetary policy has increased and various authorities have announced fiscal injections to stimulate economies

Because economic activity has tended to weaken everywhere and inflation has remained moderate, many of the world's major central banks have loosened monetary policy during 2019.

The United States Federal Reserve cut its policy interest rate by 25 basis points in late July, a further 25 points in mid-September and another 25 points in late October, which made a total of 75 basis points and left the rate in a range of 1.5% to 1.75% (see figure I.7). The market expects the interest rate to remain in this range in 2020, with a probability of 70.5%.[9]

Figure I.7
Selected economies: monetary policy interest rates, January 2014–October 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

The European Central Bank (ECB) also reduced its reference rate by 10 basis points in September, to -0.5%, and restarted its asset purchase programme for a total of 20 billion euros per month, which is likely to increase to 30 billion euros from the second half of 2020.

For its part, the Bank of Japan has stated that it will continue with its quantitative easing policy consisting of the purchase of government securities. Furthermore, although it has held its reference rate steady at a negative level (-0.1%), it considers that it still has room to lower it to even further. However, the Bank of Japan must weigh the benefits and costs of such reductions, as negative rates for prolonged periods are having adverse effects on the profitability of financial institutions (see chapter II).

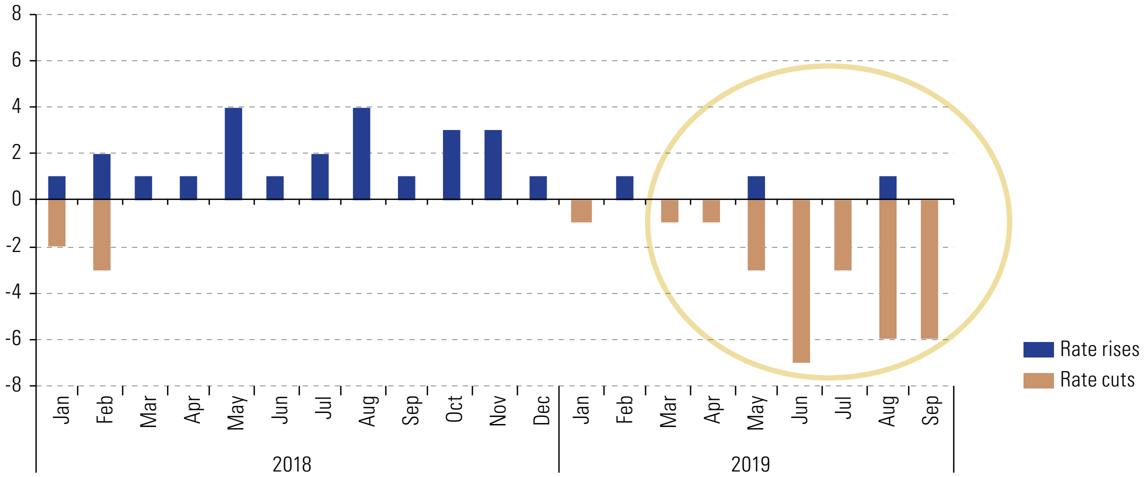
Central banks in many emerging economies have also loosened monetary policy in the face of a global growth slowdown and worse-than-expected national performance. Among others, Brazil, India and Mexico have cut their policy rates, while China has implemented various monetary easing policies in recent months. In addition to reducing reserve requirements for financial institutions as a way of injecting liquidity into the

[9] Probability data retrieved from Bloomberg on 18 November 2019.

market, in November the Bank of China lowered its "reverse repo" rate, i.e. the rate it charges banks for short-term liquidity, from 2.55% to 2.5%. While this is a small reduction, it marks the beginning of what is expected to be a cycle of further cuts to this rate. In addition, as a way of reducing borrowing costs for companies and thus reactivating the economy, it also lowered the one-year "loan prime rate". This serves as a benchmark for the rates at which banks lend to companies, and it was cut in August, September and November.

Overall, out of a total of 20 monitored central banks, including those of the world's largest economies, 24 policy rate rises were seen in 2018 (and only 5 cuts), while in 2019 the trend has been the opposite, with 28 rate cuts (and 3 increases) up to September (see figure I.8).

Figure I.8
Number of monetary policy reference interest rate changes by 20 central banks in developed and developing countries[a]



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J. McKeown, "Further loosening to come, but to little effect", *Global Central Bank Watch*, Capital Economics, 11 November 2019.

[a] The 20 central banks are those of: Australia, Brazil, Canada, China, Denmark, India, Japan, Mexico, New Zealand, Norway, Poland, the Republic of Korea, the Russian Federation, South Africa, Sweden, Switzerland, Turkey, the United Kingdom, the United States and the eurozone.

In addition to the policy efforts made by central banks, some announcements have been made by authorities regarding fiscal injections to stimulate economies. This is taking place as part of a renewed debate on the more active role that fiscal policy should play at a time when the effectiveness of looser monetary policies is reaching its limit in several economies. In addition, very low interest rates are providing an opportunity for fiscal policy to be used more actively, with public investments in infrastructure and other areas that can enhance growth not only in the short term but also in the more medium term.[10]

[10] This is the case with Germany, which has implemented expansionary fiscal policy measures this year and is expected to continue to make use of its relatively comfortable fiscal situation in 2020. Also, among others, China has announced fiscal plans to invest in new infrastructure and the Republic of Korea envisages a major fiscal stimulus of 1.2% of GDP in 2020 within a framework of sound fiscal accounts.

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CHAPTER

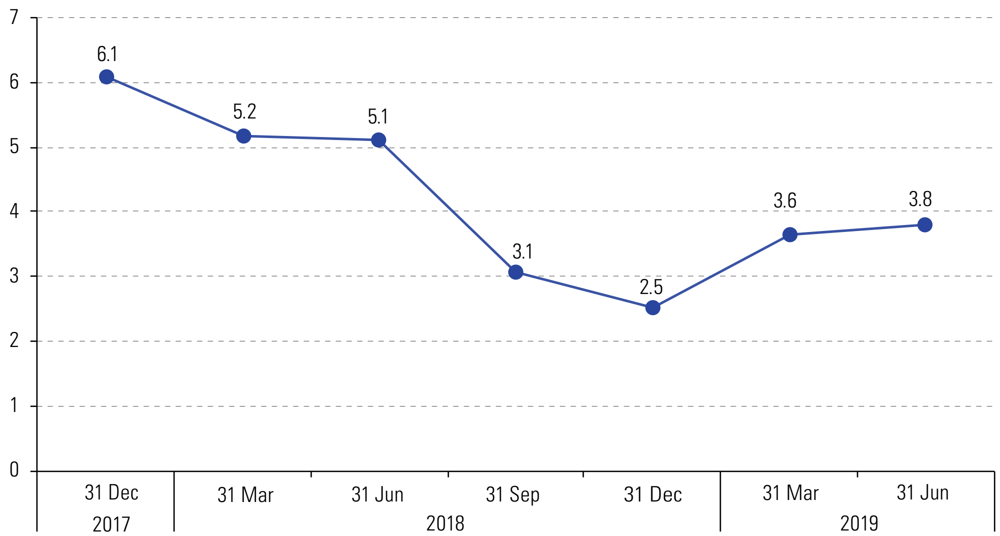
II

Global liquidity

Global liquidity continued to trend up in 2019 on the back of bank lending, but the international bond markets remained the principal source of financing

In the second quarter of 2019, the rate of change in global liquidity stood at 3.8%, up from 3.6% the previous quarter, continuing the upward trend that began at the end of 2018 (see figure II.1). Liquidity was driven by the United States (whose liquidity expanded by 4.1% in the second quarter of 2019), with the dollar accounting for 75% of global liquidity in 2019. However, euro liquidity, which accounted for close to 25% of the global total, grew by just 0.7%.

Figure II.1
Rate of change in global liquidity, December 2017–June 2019
(Percentages)



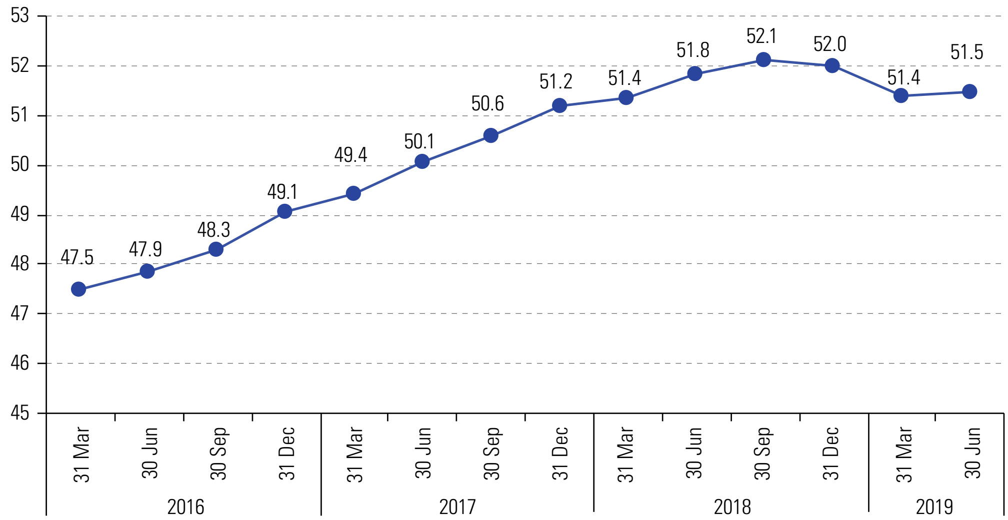
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the Bank for International Settlements (BIS), 2019.
Note: Liquidity comprises total lending by the banking systems of the United States, Europe and Japan and outstanding debt issues by those countries on international markets. The liquidity indicator was obtained by converting debt denominated in euros and yen to United States dollars, using the average exchange rate for the relevant quarter, weighted by the size of debt denominated in dollars, euros and yen.

Trends in dollar-denominated liquidity can be attributed to the recovery of the United States banking sector, reflecting the solid performance of that country's economy, currently in the longest growth run in its history. In the second quarter of 2019, the profitability (measured as return on equity) of all insured depository institutions in the United States stood at 12%, a record for the banking industry as a whole in more than 15 years. Similarly, the growth rate of assets —which tends to track growth in lending— reached 4.2%, the highest rate since 2015.

The expansion of bank credit has been severely limited by financial disintermediation because of the role that non-bank financial institutions (including mutual funds, insurance companies, pension funds and sovereign wealth funds) have assumed in lending. The estimated total assets of these institutions outweighed those of the banking system in 2018 (US$135 trillion and US$ 127 trillion, respectively) (McKinsey, 2018). These companies have replaced the banking system in financing through the banking and capital markets. Such institutions tend to obtain funding in short-term financial markets, which are sensitive to changes in perception and therefore susceptible to liquidity constraints.

While bank lending expanded more quickly than credit raised on the bond market (4.6% and 3%, respectively, in the second quarter of 2019), the latter continues to be the primary source of global liquidity, accounting for more than half of total lending (see figure II.2).

Figure II.2
Share of the bond markets in global liquidity, March 2016–June 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the Bank for International Settlements (BIS), 2019.

Note: The share of bonds in global liquidity was obtained by converting the liquidity inflows from the bond market denominated in euros and yen to United States dollars, using the average exchange rate for the relevant quarter, weighted by the size of debt denominated in dollars, euros and yen.

Global debt continues to rise, hitting a new record

The increase in global liquidity has gone hand in hand with an increase in global debt, which continues to climb, reaching a record US$ 251 trillion in the second half of 2019. This is equivalent to 320% of global GDP, suggesting that debt is growing faster than GDP and income.[1]

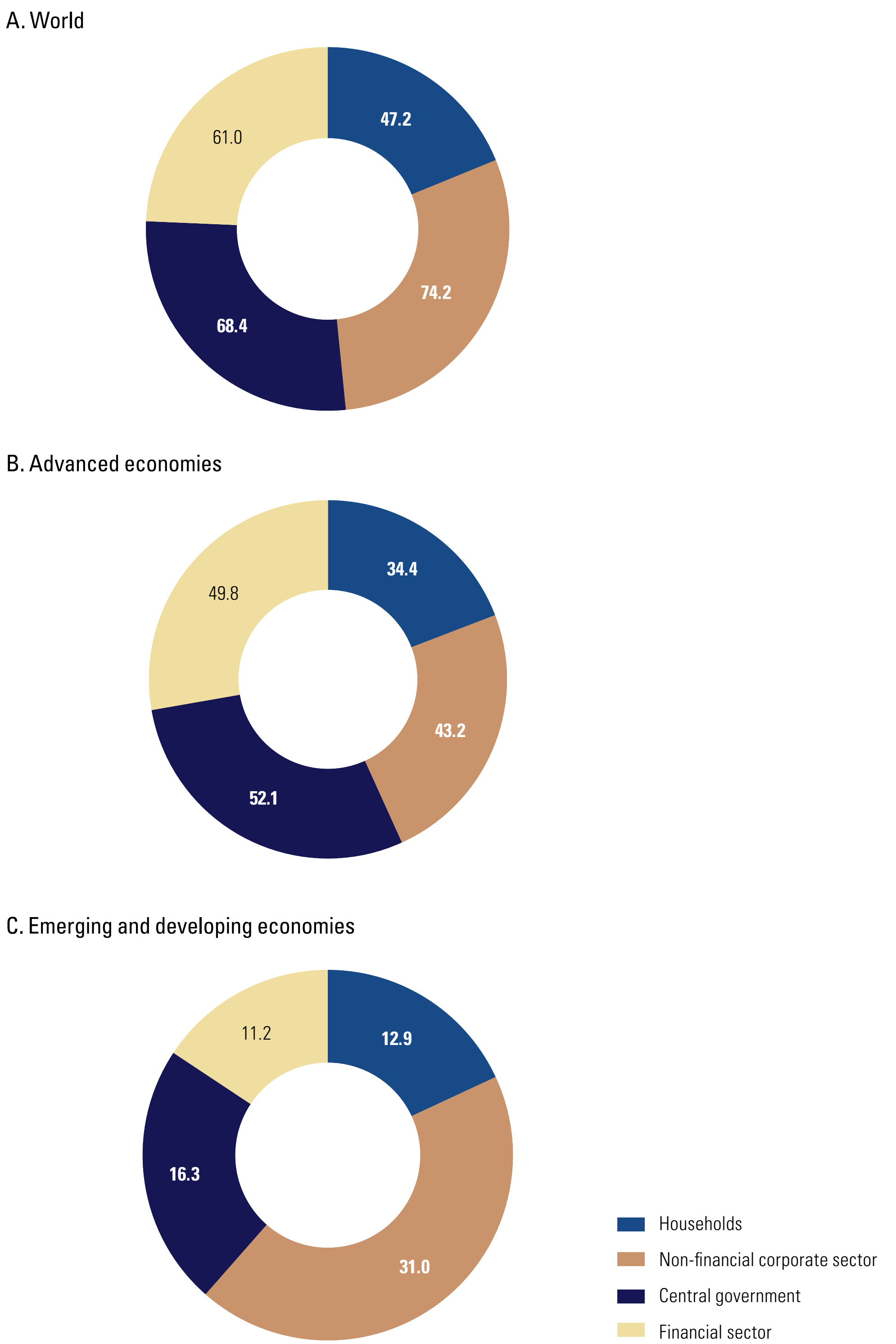
Debt is projected to exceed US$ 255 trillion by the end of 2019. Between the second quarter of 2018 and the same period of 2019, debt increased in all sectors, including households (from US$ 45.6 trillion to US$ 47.2 trillion), the non-financial corporate sector (from US$ 71.9 billion to US$ 74.2 billion), central government (from US$ 65.6 trillion to US$ 68.4 trillion) and the financial sector (from US$ 60.5 trillion and to US$ 61 trillion).

Government and non-financial corporate debt, which together account for 56% of total debt, contributed most to the increase in global debt. The breakdown of sectoral debt by advanced economies and emerging and developing economies shows that, in advanced economies, debt is concentrated in central government (US$ 52.1 trillion), followed by the financial sector (US$ 49.8 trillion) and the non-financial corporate sector (US$ 43.2 trillion), representing 29%, 27.7% and 24.1% of total debt in the second quarter of 2019. Finland, France and Japan are among the developed countries that have seen the steepest increase.

In emerging economies, the non-financial corporate sector continues to be the leading source of debt accumulation, accounting for US$ 31 trillion (43.4% of the total) in the second quarter of 2019, well above the US$ 16.3 trillion in central government debt, US$ 12.9 trillion in household debt and US$ 11.2 trillion in financial sector debt, which represented 22.8%, 18.1% and 15.7%, respectively, of total debt (see figure II.3).

1 For the world as a whole, GDP is equal to income.

Figure II.3
Global debt distribution by sector, 2019
(Trillions of dollars)



Source: Institute of International Finance (IIF), *Global Debt Monitor: High Debt may Exacerbate Climate Risk*, 14 November 2019.

A significant share of debt issues by emerging economies come from State enterprises. According to the Institute of International Finance (IIF) (2019), 50% of the debt of non-financial corporations in emerging and developing economies was issued by State-owned enterprises. This poses major challenges for fiscal policy and limits the space for deploying countercyclical fiscal policies in a context of low growth.

Another significant stylized fact is the increase in foreign-currency credit to the financial sector outside the United States and to the non-bank sector outside the United States, the eurozone and Japan. The financial sector outside the United States has accumulated dollar-denominated debt in excess of US$ 15 trillion. These institutions are usually financed through short-term instruments and are therefore vulnerable to changes in risk perceptions. However, they do not have access to a lender of last resort to provide emergency financing in the event of a credit squeeze.

The debt stock denominated in foreign currency accumulated by the non-bank sector outside the United States, the eurozone and Japan is estimated at 19% of global GDP. For emerging economies, the figure stands at 20% of their GDP. At the subregional level, the GDP share of foreign-currency debt is similar in Africa and the Middle East (19%), Asia (18%), Latin America (22%) and emerging Europe (21%).

A regional comparison shows that Asia has the highest debt-to-GDP ratio and that its debt has increased (from 261.8% to 267.1% of GDP between 2018 and 2019), on the back of household and government debt, which rose from 47.3% to 49.7% of GDP and from 50% to 52.7% of GDP, respectively, over the same period. The most indebted Asian economies include Hong Kong (Special Administrative Region of China), Singapore, the Republic of Korea and China, with figures of 477.2%, 470%, 320.3% and 303.9%, respectively, of GDP in the second quarter of 2019 (see table II.1).

China's high and increasing debt levels present significant risks. First, in a low-growth context —China posted its lowest growth rate in more than three decades in 2019, the third quarter being the weakest of the year— bond market defaults began to rise sharply in the first quarter of 2018 and this continued into 2019. Similarly, the impact of low growth on liquidity is reflected in the performance of the financial system.

The second risk factor for China is the rebound in 2019 of the shadow banking sector owing to the slowdown in economic growth, after it had declined in 2018. This sector accounted for 45% of bank loans in the second quarter of 2019 and 39% in the third quarter.

Data for selected Latin American countries (Argentina, Brazil, Chile, Colombia and Mexico) show that Chile and Brazil have the highest debt-to-GDP ratios, with debt amounting to 224.2.1% and 199.9% of GDP, respectively, in the second quarter of 2019 compared with 208.4% and 195.4% in the prior-year quarter. Chile is second only to China in terms of indebtedness among developing countries. Brazil's debt levels are largely due to government debt (88% of GDP in 2019), while Chile's are attributable mainly to the non-financial corporate sector (101% of GDP in 2019). The largest issuers of debt in Chile are the natural resources (copper and nitrates) and aviation sectors.

The breakdown of debt by currency (foreign or local) shows that just over 30% of non-financial corporate sector debt in Chile is issued in foreign currency (United States dollars), while the bulk of Brazil's government debt (96%) is denominated in reais. As in Brazil, government debt in other Latin American countries is denominated largely in local currency: this is the case in Chile (87.4%), Colombia (77.8%) and Mexico (82.7%). Argentina differs from this pattern, however, as 81% of government sector debt is denominated in foreign currency.

Table II.1
Selected regions and countries: total debt by sector, second quarter of 2018 and 2019
(Percentages of GDP)

Region	Households		Non-financial corporate sector		Central government		Financial sector		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Asia	47.3	49.7	122.2	122.2	50	52.7	42.3	42.5	261.8	267.1
Latin America	22.5	23.2	36.3	37.4	65.3	68.55	29.4	29.6	153.5	158.75
Europe	20.1	20	54	52.3	30.3	30.5	19.2	19	123.6	121.8
Africa and the Middle East	20.2	20.3	42.8	41.8	40	40.7	13.1	13.6	116.1	116.4
Asia (selected countries)										
China	50.7	53.8	156.2	155.3	48.2	52.3	41.7	42.5	296.8	303.9
Hong Kong (Special Administrative Region of China)	71.5	73.9	231.5	224	66.4	47.1	157.8	132.2	527.2	477.2
Malaysia	67.9	67.7	68.8	68.1	51.5	53.3	32.5	31.4	220.7	220.5
Republic of Korea	90.3	94.1	94.1	99.4	36.9	39.3	81.6	87.5	302.9	320.3
Singapore	55.2	54.2	108.3	117.8	110	113.8	195.9	184.2	469.4	470
Latin America (selected countries)										
Argentina	7.3	5	16.1	13.1	79.8	80.7	16.2	19.9	119.4	118.7
Brazil[a]	26.7	28.3	39.9	42.4	86.7	88	42.1	41.2	195.4	199.9
Chile	44	46.7	94.1	101.4	25	26.8	45.3	49.3	208.4	224.2
Colombia	26.8	26.7	35.1	35	51.6	49.2	5.4	5.5	118.9	116.4
Mexico	16.1	16.4	26.4	25.9	35.7	34.2	16.7	16.5	94.9	93.0

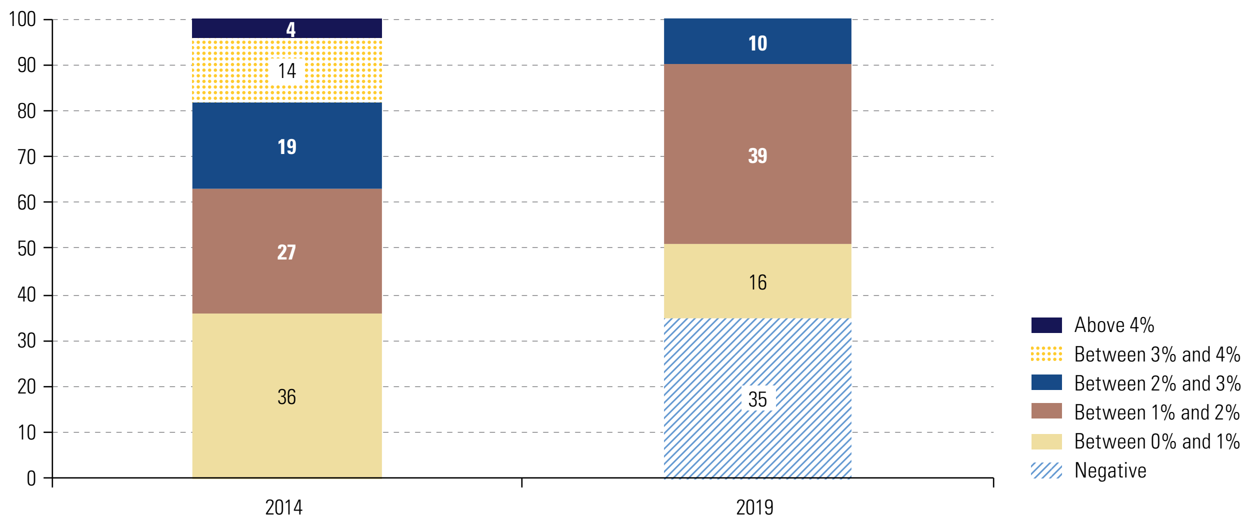
Source:ECLAC on the basis of official data; Institute of International Finance (IIF), *Global Debt Monitor: High Debt may Exacerbate Climate Risk*, 14 November 2019.
[a] Government debt in Brazil refers to the non-financial public sector.

Surge in negative-yield bonds may affect the financial sector

Negative-yielding bonds (i.e. bonds whose holders actually pay rather than receive a return) are currently worth around US$ 17 trillion. This pertains essentially to government bonds (US$ 16 trillion) and, to a lesser extent, corporate bonds (US$ 1 trillion). In a breakdown of bonds by yield, recent estimates for August 2019 show that negative-yielding bonds account for 35% of government bonds (20% of global GDP) (see figure II.4).

The breakdown by country and region shows that the largest holdings of negative-yielding bonds occur in Japan and Europe (including Sweden, Finland, Germany and the United Kingdom). In the United States, while yields have declined, they remain positive (see table II.2).

Figure II.4
Government bond yields, 2014 and 2019
(Percentages)



Source: K. Schenone, "Should you care about negative bond yields?", 29 August 2019 [online] https://www.blackrockblog.com/2019/08/29/negative-bond-yields/.

Table II.2
Selected countries: yields on 10-year government bonds and rate of variation in pension fund assets
(Percentages)

Country	Yields on 10-year government bonds			Rate of variation in pension fund assets
	June 2007	December 2018	October 2019	2017–2018
United States	5.10	2.83	1.71	-5.0
Sweden	4.44	0.47	-0.16	...
Finland	4.62	0.55	-0.35	-2.7
Switzerland	3.19	-0.15	-0.51	-0.7
Germany	4.56	0.19	-0.47	0.9
France	4.61	0.70	-0.28	4.3
United Kingdom	5.21	1.32	-0.59	-0.3
Japan	1.90	-0.01	-0.15	-1.1
Denmark	4.64	0.23	-0.59	1.2
Belgium	4.64	0.75	-0.16	-3.8
Netherlands	4.61	0.40	-0.31	-1.2

Source: Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED) [online database] https://fred.stlouisfed.org/, 2019 and Organization for Economic Cooperation and Development (OECD), *Pension Markets in Focus 2019* [online] http://www.oecd.org/daf/fin/private-pensions/Pension-Markets-in-Focus-2019.pdf.

Negative bond yields have a significant impact on the balance sheets of institutional investors such as pension funds and insurance companies, potentially jeopardizing the ability to generate the income needed to meet future obligations. For regulatory reasons, pension funds must ensure that their asset portfolios contain a certain proportion of liquid and safe assets, such as government bonds, that are less susceptible to market fluctuations. A 2018 worldwide study of public pension funds covering the period 2008–2016 found that domestic government bonds represented, on average, 28% of their total assets (Hentov and others, 2018, p. 5).

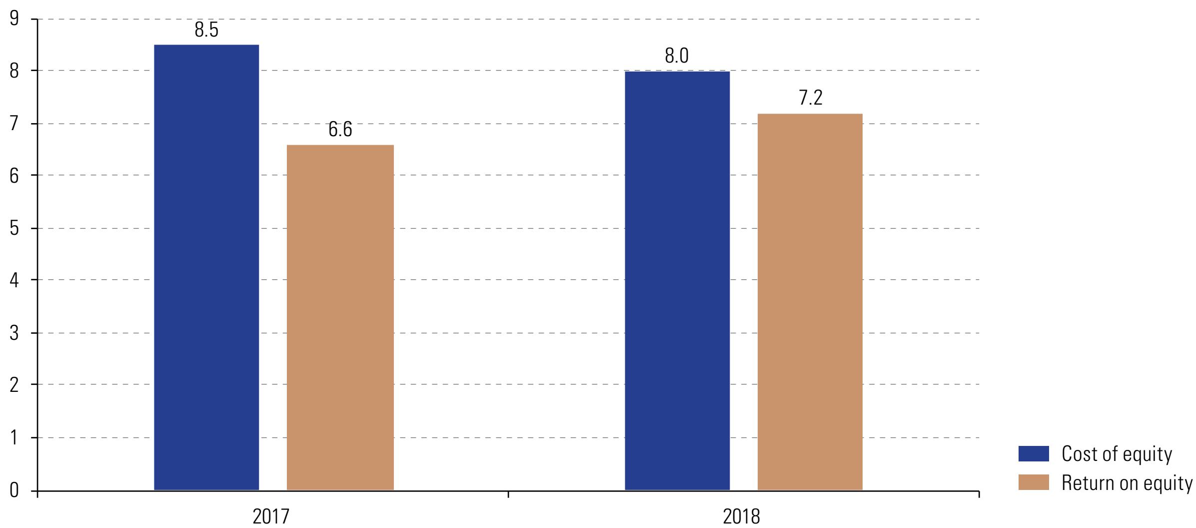
According to data from the Organization for Economic Cooperation and Development (OECD), the asset value and investment rate of return of pension funds declined in 2018, particularly in countries with negative yield government bonds (see table II.2). To prevent a mismatch in their balance sheets, some pension funds have been compelled to invest in securities that offer higher returns and therefore carry higher risk, including junk bonds. The downturn has led some of these traditionally conservative investors to assume a higher risk profile.

One alternative is to invest in government bonds with longer terms to maturity to avoid loss of capital upon maturity. However, this, too, carries greater risk. There is a positive correlation between the term of a bond and its risk, as the longer the term to maturity, the greater the impact of an interest rate change.

Because yield-seeking through bond portfolio diversification and lengthening evens out yields for any type and quality of bond, this tactic can lead to risk underestimation. Furthermore, the value of higher-risk and longer-term bonds is especially sensitive to changes in interest rates and therefore carries a greater risk of potential capital loss.

Low interest rates and negative yield also have a negative effect on banks' profitability, as seen in the eurozone. A representative sample of the 50 largest European banks showed that return on equity (ROE) (measured as post-tax profit to average total equity) and the cost of equity (calculated as the ratio between post-tax profits and average capital) stood at 6.6% and 8.5%, respectively in 2017, compared with 7.2% and 8% in 2018 (see figure II.5). The increase in profitability is not attributable to better banking performance but to lower litigation costs, reduced loan loss provisions and lower taxes.

Figure II.5
Return on equity and cost of equity in the eurozone, 2017–2018
(Percentages)



Source:Zab, *European Banking Study: Weathering the Perfect Storm*, 2019 [online] https://www.kreditwesen.de/sites/default/files/content/inserts/2019/zeb_european_banking_study_2019.pdf.
Note: The sample comprises the 50 largest commercial banks by total assets headquartered in Europe.

An analysis of the distribution of ROE and cost of equity at the bank level shows marked differences. The 25% of banks at one extreme of the sample showed ROE of at least 8%, while the 25% at the other extreme achieved ROE of less than 3%. Similarly, over 20% of European banks surveyed estimate their cost of equity to be above 10%, while around 10% of them estimate it at below 8% (de Guindos, 2019).

The situation in European banks raises concerns with regard to financial stability. For one, the gap between returns and cost of equity limits the generation of capital —and, consequently, of reserves to cope with unexpected shocks— as well as the ability to create credit. These factors are important in a context of low growth, such as that now prevailing in the eurozone. For another, banks may have incentives to venture into territory of greater risk which, given today's interconnectedness, may lead to potential systemic risks.

Global monetary and fiscal policy implications

There are a number of vulnerabilities in the global financial system and its current operating rationale significantly limits the scope and impact of countercyclical fiscal and monetary policies.

First, a large segment of financial intermediation (the financial system outside the United States and the non-banking financial sector operating outside the United States, the eurozone and Japan) depends on short-term financing, which can fluctuate in response to shifts in risk appetite and market perceptions. Second, the growing importance of the non-bank financial sector in financing in the most developed countries limits the depth and extent of financial intermediation in the banking sector. At the same time, global debt has built up to record levels, driven in part by the low interest rates of major central banks. The increase has occurred across all sectors (households, non-financial corporate sector, government, and non-financial sector), with a particularly large rise in government debt in developed countries and in the non-financial corporate sector in developing countries. Even so, there is a significant share of State-owned enterprise debt in non-financial corporate sector debt in emerging economies and Latin America.

Mounting public sector debt has placed considerable constraints on countercyclical fiscal policymaking. Moreover, the fact that a significant part of global debt in emerging economies, as well as in Latin America, is denominated in foreign currency means that changes in monetary policies elsewhere in the world can have major impacts (such as a mismatching effect) on the balance sheets of financial agents and their ability to service debt.

Quantitative easing policies have considerably narrowed the interest rate spectrum and driven government bond yields into negative territory in several eurozone countries. This has eroded the profitability of the non-bank financial sector (including pension funds) and commercial banking, resulting in more aggressive —and riskier— financial strategies.

A particular case in point is the demand for higher-risk, longer-maturity bonds, fuelled by negative rates of return on government securities, which has pushed up the prices and lowered the yield of these riskier bonds. Yields have thus become more homogeneous and are failing to accurately reflect the risk profile of the respective bonds. In addition, the riskiest and longest-term bonds are precisely the most sensitive to changes in interest rates.

Monetary policymakers are at an important crossroads. On the one hand, under current conditions, lowering interest rates may have little effect on the real economy; on the other hand, in a reversal of current conditions, higher interest rates could lead to significant loss of capital (due to high bond prices) and currency mismatches (owing to the high levels of foreign-currency debt).

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CHAPTER III

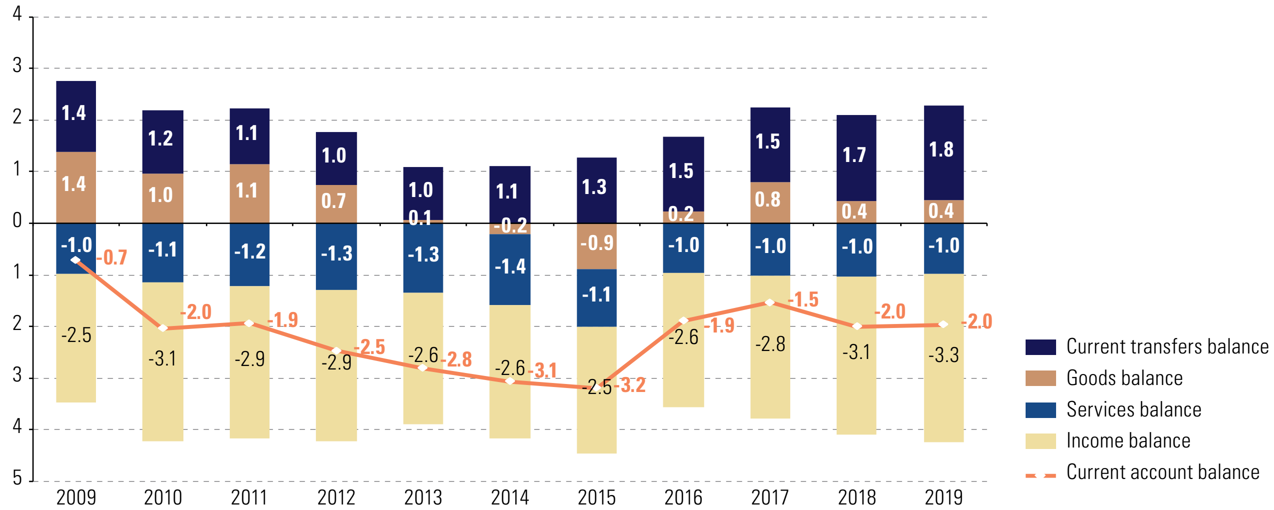
The external sector

- Lower income from outward foreign direct investment, coupled with rising interest payments, has widened the deficit on the income account, which has been offset by growth in remittances, so the current account deficit has remained stable in 2019
- Amid a slowdown in external and domestic demand, both exports and imports of goods contracted in 2019, leaving the trade surplus relatively stable
- The region's terms of trade are expected to worsen in 2019, especially for countries that export hydrocarbons and mining products
- The deficit on the services balance is expected to remain stable in 2019 in relation to GDP, although it will fall in nominal terms, amid slowing economic activity in the region
- The deficit on the income balance widened in 2019, owing to lower revenue from outward foreign investment and higher interest payments, which were not offset by a decline in the profits of inward foreign investment
- The surplus on the transfers balance, consisting mainly of remittances, has continued to grow strongly in 2019 and is approaching historic levels in relation to GDP
- Excluding Argentina, financial flows to Latin America have risen slightly thus far in 2019
- Bond issues on international markets have begun to rise in a context of low international interest rates as of the second quarter of 2019
- In keeping with the high levels of financial volatility seen in May and August 2019, the region's sovereign risk also showed large rises in those months, but eased thereafter
- Bibliography

Lower income from outward foreign direct investment, coupled with rising interest payments, has widened the deficit on the income account, which has been offset by growth in remittances, so the current account deficit has remained stable in 2019

In 2019 Latin America's current account deficit has remained at the same level as in 2018, 2.0% of GDP (see figure III.1).

Figure III.1
Latin America (19 countries):[a] balance-of-payments current account by component, 2009–2019[b]
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data.
[a] Does not include data for Cuba.
[b] The 2019 figures are projections.

On the one hand, the deficit on the income account widened to 3.3% of GDP in 2019, with lower income from direct investments abroad, in the case of Brazil, and higher interest payments, associated with greater levels of indebtedness in several of the region's economies. In addition, although the surplus on the goods trade balance and the deficit on the services trade balance have remained constant at 0.4% and 1.0% of GDP, respectively, these are the result of contractions in both exports and imports, amid weakening external demand and domestic activity. Meanwhile, steadily rising remittances from emigrants, which in 2019 broadened the transfers surplus to 1.8% of GDP, have helped to partially offset the worsening balance on the income account.[1]

This regional panorama is the outcome of uneven trends from one country to another. Of 19 Latin American countries, the current account balance improved in nominal terms in 11 and worsened in 8; however, all the countries faced the adverse effects of global slowdown (declines in global trade and in commodity prices), added, in some cases, to difficult domestic conditions. Among the countries where the current account balance improved are Argentina and Nicaragua, where the trade balance adjusted owing to a deterioration in domestic absorption, with a considerable contraction in import volumes. However, in another group of countries, mainly the exporters of raw

[1] The rest of the compensation effect comes from marginal improvements (decimals) in the goods and services balances.

materials, exports have contracted and the current account deficit has worsened. This is the case for the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Paraguay, Peru the Plurinational State of Bolivia.

Amid a slowdown in external and domestic demand, both exports and imports of goods contracted in 2019, leaving the trade surplus relatively stable

In 2019 the surplus on Latin America's goods trade account remained at the same level as in 2018 (0.4% of GDP). However, this overall trend masks very different patterns in the region's largest economies. On the one hand, developments in Brazil and in the hydrocarbon- and mineral-exporting countries (Bolivarian Republic of Venezuela, Chile, Colombia, Peru and Plurinational State of Bolivia) had the effect of worsening the regional trade surplus, because the fall in their exports eroded the trade balance. On the other hand, the improvement of the goods trade balances of Argentina, Mexico and, to a lesser degree, Central America operated in the other direction. In the case of Argentina, the improvement in the balance reflected a fall in imports, while in Mexico and Central America it was the result of stronger exports.

The region's exports contracted by 2.3% in 2019. The fall in commodity prices mentioned in chapter I (see table I.1) has translated into lower export prices (-2.8%) for most of the region's net exporters of commodities (see figure III.2). The worst affected countries have been the exporters of hydrocarbons and mining products, whose export prices have dropped by 7% and 5%, respectively, while exporters of agro-industrial products have seen a 3% fall in these prices. By volume, the region overall showed a slight rise in exports (0.6%), although not evenly among the subregions. The South American countries have faced slacker demand from their trading partners, in some cases in addition to supply squeezes, as in the Bolivarian Republic of Venezuela, where crude oil production collapsed, and in the Plurinational State of Bolivia, where natural gas production has declined.[2] Conversely, Mexico and most of the Central American countries increased their export volumes, by 5% and 1%, respectively, in 2019. The exports of this second group of countries are more tied to the United States market, which has remained strong; in addition, trade tensions between the United States and China have diverted trade, creating new opportunities for this subregion.[3]

On the import side, the slower growth seen in most of the Latin American economies since the third quarter of 2018 has led to a slight contraction in the region's import volumes (-0.9%) and this, coupled with the fall in prices (-1.5%), has translated into a drop of 2.4% in the total value of imports in 2019 (see figure III.3). An analysis by country shows that, although the commodity price fall produced a decrease in import prices in most countries in 2019, in some economies volumes too have shrunk; this is the case of Argentina and Nicaragua, where import volumes have fallen by 20% and 8%, respectively, as a result of domestic demand adjustments.

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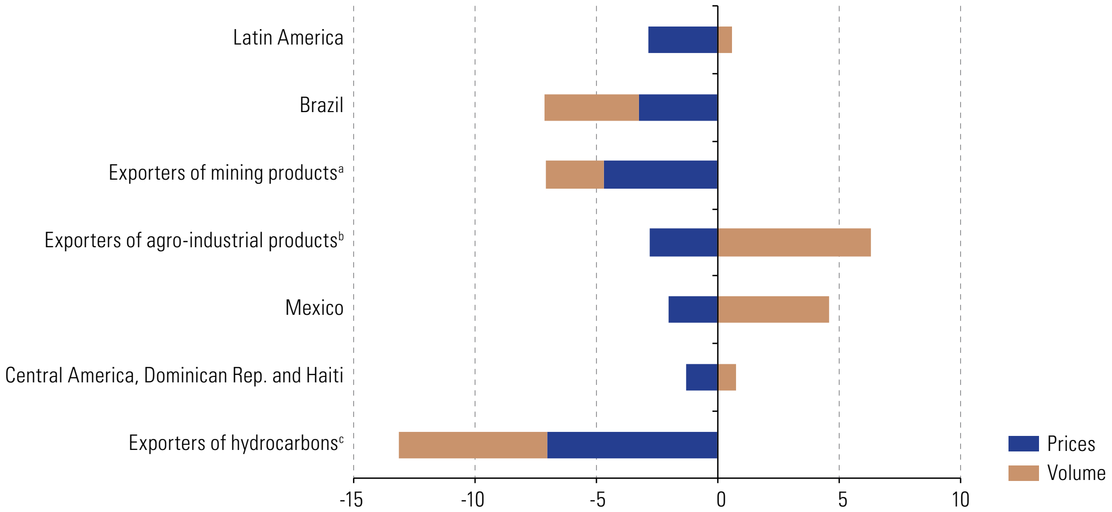
2 Oil production by the Bolivarian Republic of Venezuela has been declining since 2015, when it averaged 2.36 million barrels per day. In 2016 this fell by 6%, in 2017 by 12%, in 2018 by 28% and in the first five months of 2019 by 38.6% with respect to the prior-year period, to an average of 0.6 million barrels per day. The Plurinational State of Bolivia has seen a decrease in natural gas production since 2014; this trend steepened in the last quarter of 2018 and into 2019, with a year-on-year drop of 22% in the first seven months.

3 Mexico became established as the largest trading partner of the United States in 2019. See ECLAC (2019).

Figure III.2

Latin America and the Caribbean (selected countries and groupings): projected rate of change in goods exports, by volume and price, 2019

(Percentages)



Source:Economic Commission for Latin America and the Caribbean (ECLAC).

[a] Chile and Peru.

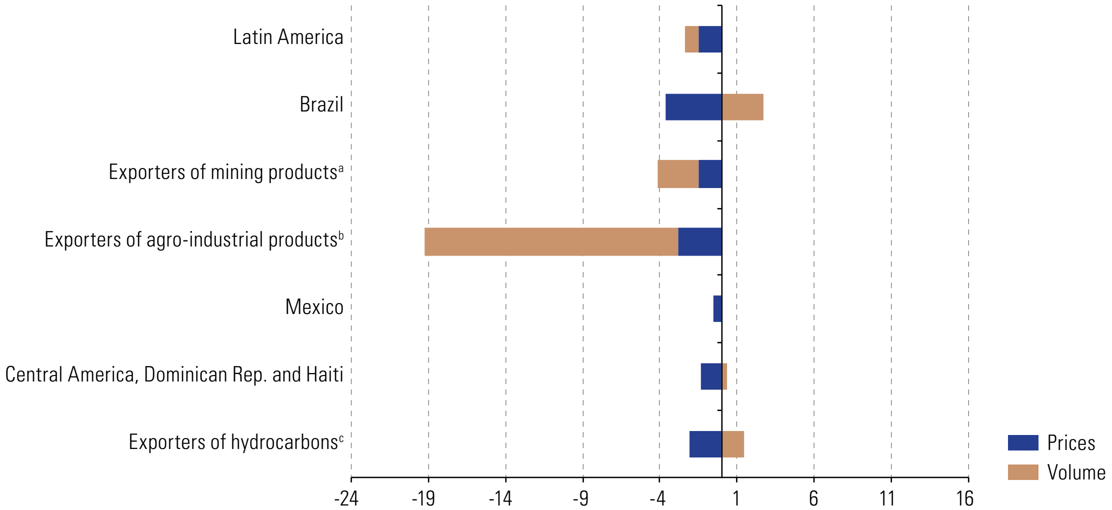
[b] Argentina, Paraguay and Uruguay.

[c] Bolivarian Republic of Venezuela, Colombia, Ecuador, Plurinational State of Bolivia, and Trinidad and Tobago.

Figure III.3

Latin America and the Caribbean (selected countries and groupings): projected rate of change in goods imports, by volume and price, 2019

(Percentages)



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data.

[a] Chile and Peru.

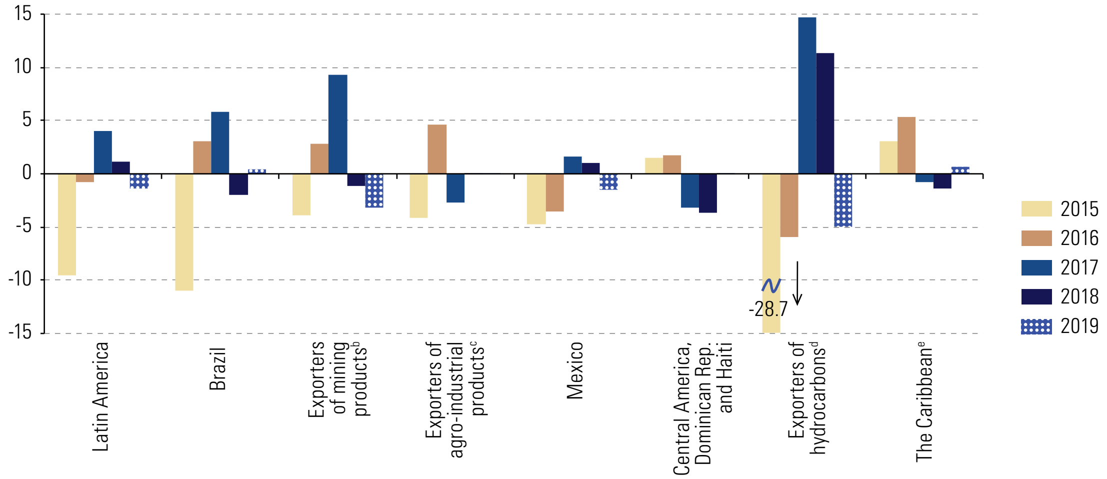
[b] Argentina, Paraguay and Uruguay.

[c] Bolivarian Republic of Venezuela, Colombia, Ecuador, Plurinational State of Bolivia, and Trinidad and Tobago.

The region's terms of trade are expected to worsen in 2019, especially for countries that export hydrocarbons and mining products

In 2019 the terms of trade worsened on average for Latin America and the Caribbean (see figure III.4), adversely affecting disposable income (Pérez Caldentey and Vernengo, 2019) and the fiscal accounts (ECLAC, 2016). As a result of the decline in export prices for energy products, industrial minerals (copper, zinc, tin and lead) and some key agricultural products (coffee, maize, soybean and soybean products), Latin America's terms of trade are expected to fall by 1.4%, thereby reversing the recovery seen in the two preceding years. The drop in commodity prices has particularly hurt those economies whose non-tax income relies on these products. In some countries, the deterioration in the terms of trade has been mitigated by lower import prices, because of drops in the prices of main inputs (oil and oil products, natural gas, steel and other industrial inputs).

Figure III.4
Latin America and the Caribbean (selected countries and groupings): rate of change in the terms of trade, 2015–2019[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data.
[a] The 2019 figures are projections.
[b] Chile and Peru.
[c] Argentina, Paraguay and Uruguay.
[d] Bolivarian Republic of Venezuela, Colombia, Ecuador, Plurinational State of Bolivia, and Trinidad and Tobago.
[e] Not including Trinidad and Tobago.

By country grouping, the worst affected by the terms-of-trade downturn are the hydrocarbon exporters (-5.0%), owing to price falls of 11.5% for oil and 15% for natural gas, and the exporters of mining products (-3.2%), as the worsening external conditions have hit the prices of industrial metals.

The evolution of the terms of trade has been neutral at 0.1% in the countries that export agro-industrial products and in the Central American economies, as in both cases import and export prices fell to an equivalent extent. The Caribbean countries (not including Trinidad and Tobago) are in the opposite situation, having seen a terms-of-trade improvement, albeit by a slight 0.7%, given the large share of energy inputs in their import basket.

The deficit on the services balance is expected to remain stable in 2019 in relation to GDP, although it will fall in nominal terms, amid slowing economic activity in the region

The services trade deficit is projected to remain at around 0.1% of GDP in 2019, although it will fall in absolute terms,[4] owing to the contraction in imports of services (consistently with the slowdown in the region's economic activity) and a rise in the tourism surplus with the rest of the world (as a result of lower spending by nationals of the region abroad, while spending by foreigners in the region continues to rise).

Exports of services were down (by 0.6%), amid slowing global economic activity. Although revenue from inbound tourism has risen, this has been offset by a fall in exports of other services. The figures available to the second quarter show that the lacklustre growth in international trade was reflected in zero growth (0%) in transport services in Panama, including Canal-related services. In relation to inbound tourism-related services —of which the region is a net exporter and which in 2018 represented over 45% of all services revenue[5]— figures from the World Tourism Organization (UNWTO, 2019) for the first half of 2019 show a year-on-year rise in tourist arrivals both in the Caribbean (11.3%)[6] and in Central America (1.4 %),[7] but a fall of 4.6% in South America.[8]

In relation to services imports, the deterioration of economic activity in the region contributed to a contraction of 1.7%, which occurred across all categories (transports, travel and other services). According to figures available to the second quarter of 2019, transport-related services (freight and insurance) were down by 2%, reflecting the fall in goods imports as regional activity slackened. Spending on outbound tourism was down (by 4%), owing to uncertainty over the growth in the larger economies (Brazil, Mexico and Argentina). Imports of other services also contracted (by 5%), mainly reflecting weak domestic activity in Argentina (where this category of imports shrank by 32% in the first half of 2019).

The deficit on the income balance widened in 2019, owing to lower revenue from outward foreign investment and higher interest payments, which were not offset by a decline in the profits of inward foreign investment

The deficit on the region's income balance widened from 3.1% of GDP in 2018 to 3.3% of GDP in 2019.

This performance was heavily influenced by Brazil, where income from outward foreign direct investment (FDI) shrank.[9] For the rest of the countries combined, the

4 Although the services deficit fell in absolute terms, it remained stable as a proportion of GDP because output measured in dollars contracted owing to the effect of currency depreciation in the region.

5 In 2018, tourism services revenue represented 36% of total services exports in South America, 60% in Central America and over 70% in the Caribbean.

6 Tourist arrivals rose significantly in the first half of 2019 in several Caribbean destinations owing to the recovery in infrastructure after the strong hurricanes at the end of 2017 and, in the case of the larger islands, such as Jamaica, to improvements in connectivity, which have boosted tourism. Tourist arrivals in Cuba were down in the second quarter, because of restrictions on travel from the United States; however, the 500th anniversary of Havana is expected to boost tourism over the rest of the year.

7 The first half-year performance of tourism in Central America was boosted by increased tourist arrivals for World Youth Day 2019 in Panama (6%), although this was offset by a decline in tourist arrivals in Nicaragua (-10.4%), amid political tensions.

8 The fall in Argentine outbound tourism has badly hurt some regional destinations in particular, such as Uruguay, Chile and Paraguay, whose tourist areas usually receive large flows of Argentine tourists; as a result, inbound tourism revenues in those three countries were down by 18% (at the second quarter of 2019), 11% (at the third quarter) and 9% (at the second quarter), respectively.

9 In the case of Brazil, balance-of-payments figures for the period January–September 2019 show income from outward FDI (dividends plus reinvested earnings) down by almost US$ 5 billion, and outflows of interest payments up by US$ 2.8 billion, which contributed to widening the country's income account deficit by US$ 7.544 billion in relation to the previous year.

income balance actually improved, because the fall in inward FDI earnings[10] outweighed the rise in interest payments.

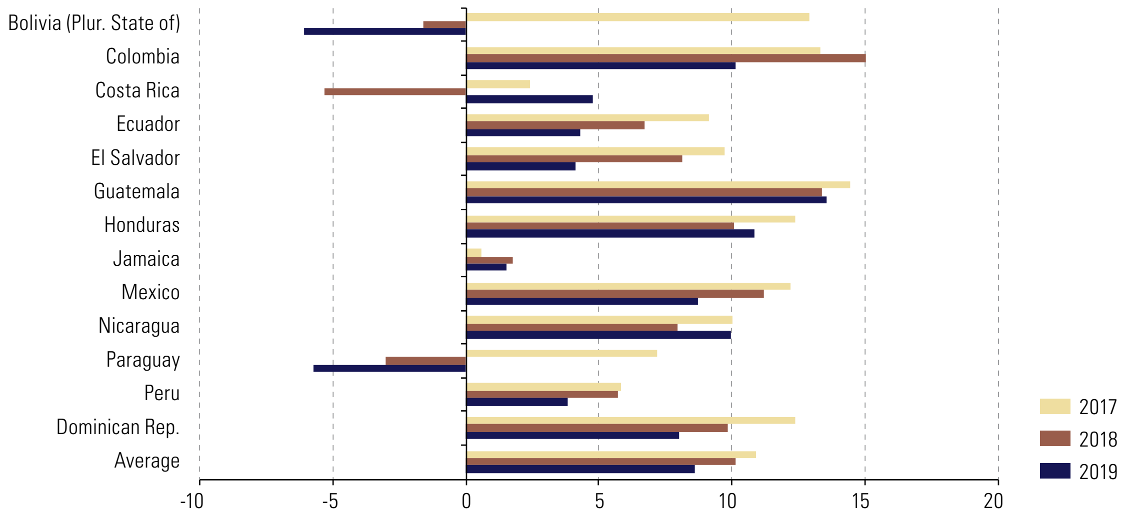
Generally speaking, profit remittances abroad declined in the case of the commodity-exporting countries, especially the exporters of mining products and hydrocarbons, reflecting lower profits of foreign firms in those countries as a result of the drop in commodity prices. In some cases, however, the effect of increased interest payments has been stronger, owing to the high indebtedness of several economies in the region.

The surplus on the transfers balance, consisting mainly of remittances, has continued to grow strongly in 2019 and is approaching historic levels in relation to GDP

The surplus on the transfers balance in Latin America was 1.8% of regional GDP in 2019, compared with 1.7% the year before, with a positive effect on disposable income and, thus, on the domestic consumption of the receiving economies. This took the surplus on the transfers account to its highest level in relation to GDP since the global financial crisis of 2008, as well as a record in absolute dollar terms (around US$ 93.7 billion). This reflects the consolidation of transfers as the main source of income on the current account, and is also a warning sign of the region's growing vulnerability to potential restrictive immigration policies in the main economies of origin of these flows.

The main component, flows of migrant remittances, rose by 9% in nominal terms in the main receiving countries, partly as a result of continued economic growth in the emitting economies (mainly the United States and Spain), although this flow has begun to show signs of slowing in more recent months, as these economies lose momentum. According to data available for 2019, remittances to Mexico —the region's largest recipient with over a third of all inflows— climbed by 9% in nominal terms over the year. Other economies with strongly rising emigrant remittances in 2019 are Guatemala (14%), Honduras (11%), Colombia (10%) and Nicaragua (10%) (see figure III.5).[11]

Figure III.5
Latin America and the Caribbean (selected countries): year-on-year variation in income from emigrant remittances, 2017–2019[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data.
[a] Figures for 2019 refer to the following periods: January–September in the case of Guatemala; January–August in the case of Colombia, the Dominican Republic, El Salvador, Honduras and Mexico; January–June in the case of Costa Rica, Ecuador, Jamaica, Nicaragua, Paraguay and Peru; and January–April in the case of the Plurinational State of Bolivia.

[10] Because the balance of payments is calculated on an accrual basis, the drop in the inward FDI profits of foreign firms is automatically reflected as a fall in outflows on the income account.

[11] Data for 2019 are available up to August in the cases of Colombia, Honduras and Mexico, up to September in the case of Guatemala, and up to June in the case of Nicaragua.

Excluding Argentina, financial flows to Latin America have risen slightly thus far in 2019

According to the information available, not including Argentina, net financial flows into Latin America in the first half of 2019[12] totalled US$ 77 billion, a rise of 16% on the year-earlier period, reflecting a recovery in flows of other investment (mainly deposits and loans), despite lower flows of FDI. If Argentina is included, however, the region's total net inflows were US$ 71 billion, a fall of 7% with respect to the first half of 2018.

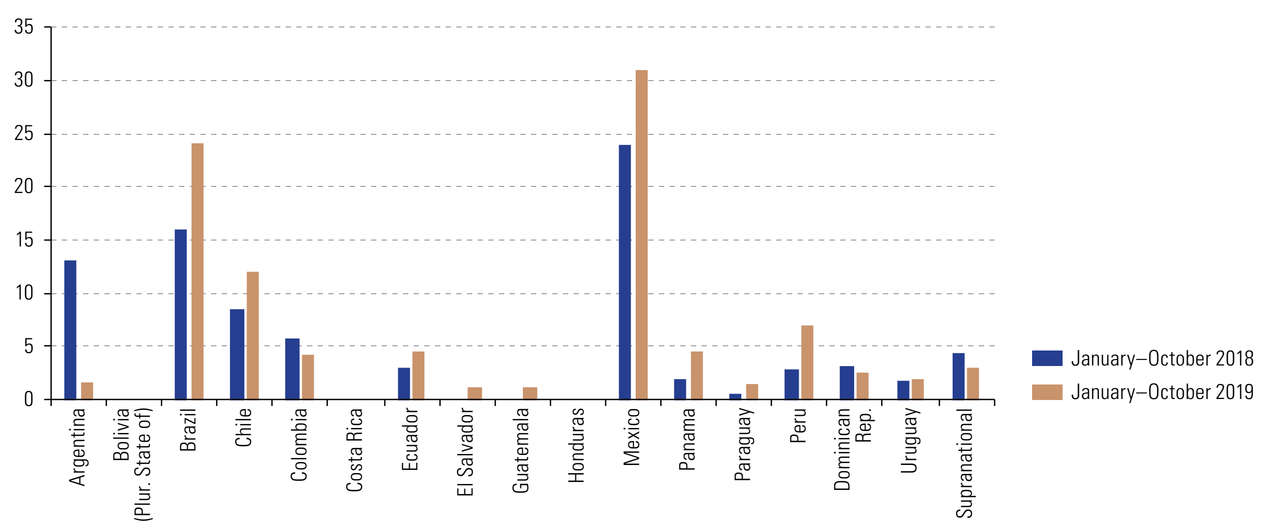
In the first half of 2019, net FDI flows were down by some US$ 13 billion, with no significant variation if Argentina is included. Net portfolio flows fell slightly (by US$ 500 million), a figure that does change drastically when Argentina is included, in which case the net contraction in these flows is US$ 16.7 billion in relation to the prior-year period. Lastly, other investment flows were the only category to show an increase, of almost US$ 24 billion (the amount is similar when Argentina is included), owing both to lower asset formation (mainly loans and deposits) abroad and to higher foreign borrowing.

Bond issues on international markets have begun to rise in a context of low international interest rates as of the second quarter of 2019

Debt issues on international financial markets by economies of the region expanded 20% year-on-year in the first 10 months of 2019, totalling US$ 103 billion.

Different dynamics were seen across the various countries (see figure III.6), notably in El Salvador, Guatemala and Jamaica, which returned to the markets with sovereign bond issues in 2019 after an absence in 2018.

Figure III.6
Latin America (16 countries): debt issues on international markets, cumulative amounts, January–October 2018 and January–October 2019
(Billions of dollars)



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from Latin Finance.

12 In the cases of Brazil and Chile the information includes up to the third quarter of 2019. These figures do not include data for the Bolivarian Republic of Venezuela, Nicaragua or the Plurinational State of Bolivia, as no information is available for the second quarter of 2019 for these countries.

Mexico increased its debt issues by 30% in 2019, mainly in the form of private sector and sovereign bonds. Mexico's State-owned oil company, Petróleos Mexicanos (Pemex), issued international bonds, in September 2019, for US$ 7.5 billion, in the largest operation of its history.[13]

In a context of low international interest rates, which allows countries to improve their debt profiles, the issue by the Government of Ecuador in June 2019, for US$ 1.125 billion, accounts for much of the 50% rise in the country's issues during the year. Panama, Peru and Paraguay also increased their debt issuance, all by over 100%, generally in the form of sovereign and quasi-sovereign bonds. Countries whose debt issues fell in the January–October period in 2019 included in particular Argentina, where issues shrank by 88% year-on-year, and in August the deepening of the crisis virtually closed the country's access to international debt markets.

By sector, the overall 20% rise in debt issues reflects an increase of 83% in those by non-bank private firms (the main sector, with 42% of total issues) and growth of 28% in issues by bank entities. Conversely, sovereign bond issues were down by 0.3%, owing to a high basis for comparison in 2018, as a result of a number of issues —totalling US$ 9 billion— by Argentina early that year. Quasi-sovereign bond issues were down by 13%, reflecting lower issues by Argentina, Brazil and Mexico, while supranational issues have fallen 30% in the first 10 months of the year.

A trend to watch in the debt market in 2019 is the ground being gained by green bonds. Between January and October, green bond issues came to US$ 4.623 billion, representing 4.5% of all issues in this period. These bonds, intended to finance environment-related projects, reflect six issues made in Brazil, Peru and Chile (the first country to issue green sovereign bonds). This is evidence of stronger orientation towards climate-related issues and testifies to an interest in investing in projects that emphasize environmental stewardship.

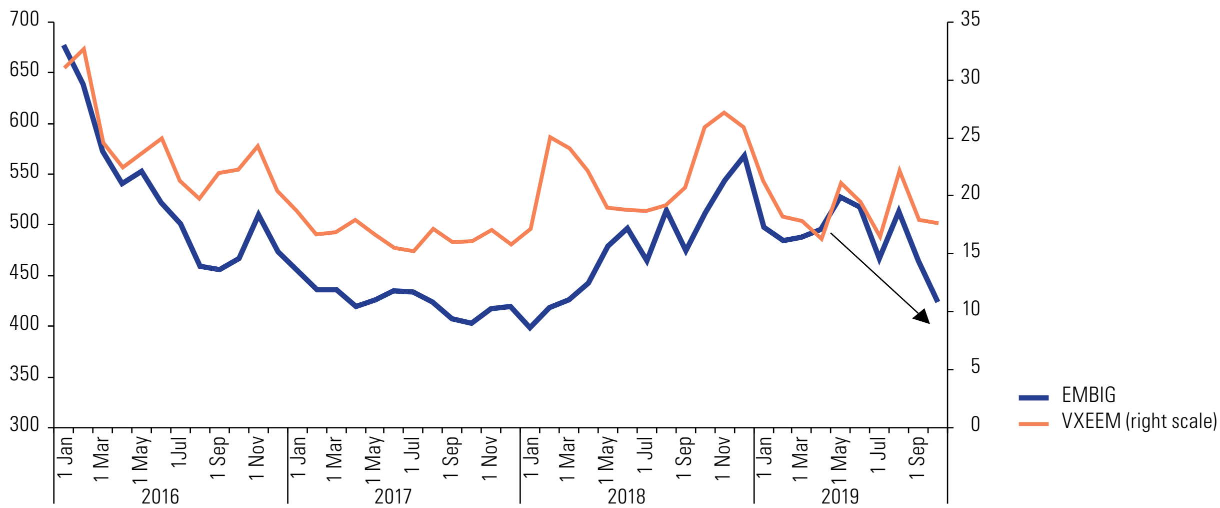
Lastly, a breakdown of bond issues by currency shows a marked preference for the United States dollar. Of all issues made between January and October 2019, in dollar equivalent, 85% —almost US$ 87.178 billion— were denominated in dollars. The rest was denominated mainly in euros (6% of total issues, equivalent to US$ 6.645 billion). Notable were issues made in Peruvian soles, for a total of US$ 3.640 billion (4% of the total issued), including sovereign and corporate bonds, and other small issues made in Brazilian reais and Colombian pesos, which help to reduce exposure to exchange-rate risk.

In keeping with the high levels of financial volatility seen in May and August 2019, the region's sovereign risk also showed large rises in those months, but eased thereafter

In December 2018 the region's sovereign risk stood at 568 basis points, the highest level since early 2016, as measured by the Emerging Markets Bond Index (EMBIG) for Latin America. It has trended down in the course of 2019, with interruptions during episodes when higher uncertainty and financial volatility at the global level had an impact on the index —as occurred in the months of May and August (see figure III.7). In general, sovereign risk in the Latin American countries has tracked volatility in global financial markets, and in financial emerging markets in particular (measured by the VXEEM index of emerging market volatility, presented in chapter I, which deals with global economic trends (see figure I.4)).

13 This transaction was part of plan announced by Pemex to prepay and refinance debt, as a way to reduce its high debt stock and improve its payment profile (see Government of Mexico, 2019).

Figure III.7
Latin America (13 countries): sovereign risk as measured by the Emerging Markets Bond Index (EMBIG) and the volatility in emerging markets index (VXEEM)
(Basis points)



	EMBIG at:				
	31 December 2015	31 December 2016	31 December 2017	31 December 2018	31 October 2019
Argentina	438	455	351	817	2 278
Bolivia (Plurinational State of)	250	83	203	378	321
Brazil	548	330	232	273	233
Chile	253	158	117	166	141
Colombia	317	225	173	228	182
Dominican Republic	421	407	275	371	339
Ecuador	1 266	647	459	826	789
Mexico	315	296	245	357	320
Panama	214	187	119	171	139
Paraguay	338	281	200	260	229
Peru	240	170	136	168	131
Uruguay	280	244	146	207	173
Venezuela (Bolivarian Republic of)	2 807	2 168	4 854	6 845	16 671
Latin America	**605**	**473**	**419**	**568**	**424**

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data from Latin Finance and Bloomberg.

As is usual in the region, the different countries show diverse situations. The Bolivarian Republic of Venezuela showed the highest country risk at the end of October, at over 15,000 basis points, followed by Argentina, with an index at around 2,200 basis points in the August–October quarter, reflecting the uncertainly associated with the country's political scenario and ability to meet its international payment obligations. A number of countries, including the Plurinational State of Bolivia and Chile, have seen their risk rating deteriorate in the past few weeks as a result of political and social tensions, while Ecuador's risk rating surged in November after the country's Congress failed to pass tax reform act.

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CHAPTER IV

Economic activity

Latin America's GDP stagnated in the first half of 2019

The sluggish growth in the region and the slowdown from 2018 are a result of a less favourable external circumstances and internal factors that have taken root in several economies

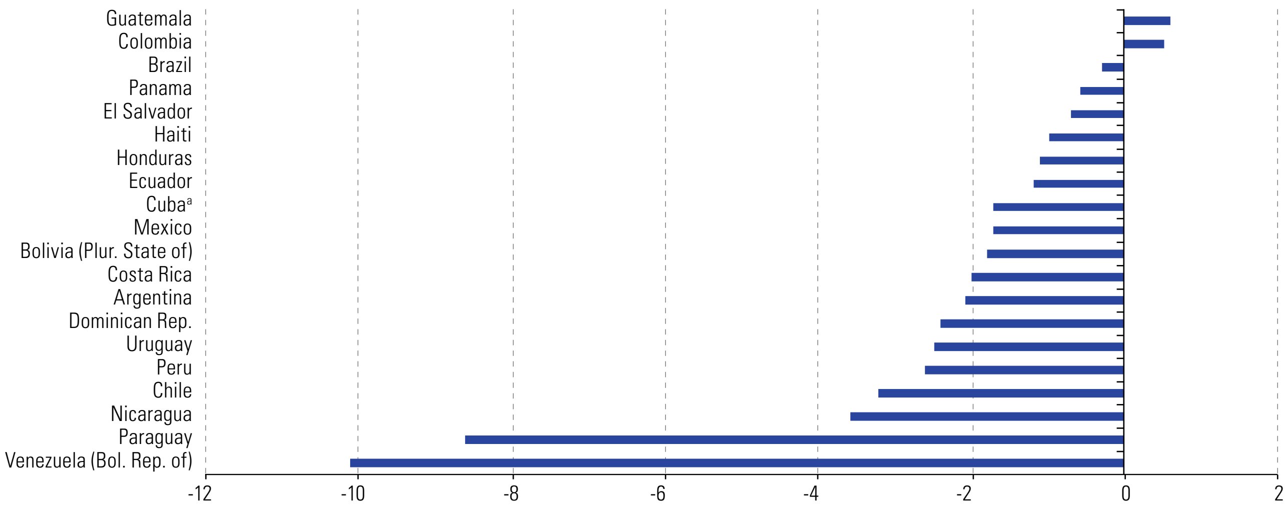
The stagnation of regional GDP is attributable to marked declines in all components of domestic demand

In addition to the ongoing slump in mining, declines in manufacturing, construction and commerce are behind the downturn in activity in the first half of the year

Latin America's GDP stagnated in the first half of 2019

In the first half of the year, growth slowed in 18 of the 20 Latin American economies. The exceptions to this predominant trend were Colombia and Guatemala (see figure IV.1). The recession was more intense than expected in Argentina, the Bolivarian Republic of Venezuela and Nicaragua, and gross domestic product (GDP) grew by less than 1% in Brazil, Cuba, Ecuador, Haiti, Mexico, Paraguay and Uruguay.

Figure IV.1
Latin America: acceleration of GDP growth, first half of 2018–first half of 2019
(Percentage points, on the basis of dollars at constant 2010 prices)



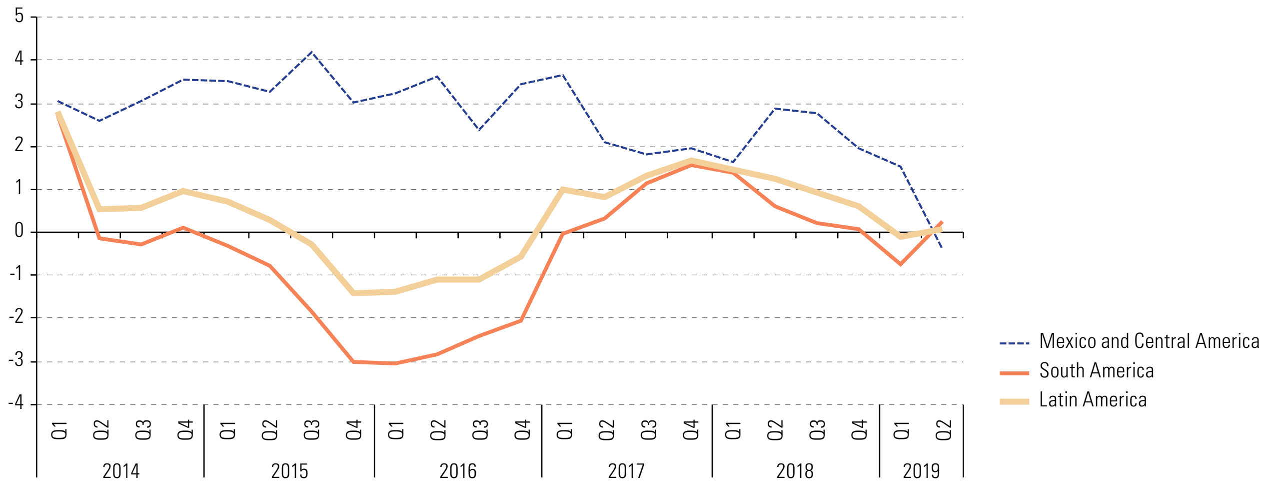
Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Cuba and Haiti calculated on the basis of annualized data.

In the first half of the year, Latin America's GDP stagnated, with zero growth, down from 1.34% in the prior-year period. In terms of activity, the slowdown is attributable to more sectors shrinking —manufacturing, construction and commerce— adding to the ongoing decline in mining over recent years. Domestic demand was slack throughout the region. Each of the components of demand —private consumption, government expenditure and investment— show negative annual variations, thus curtailing GDP growth. Only foreign trade contributed positively to GDP growth, primarily owing to a contraction in imports, as growth in exports was limited.

In subregional terms, both South America and Mexico and Central America show clear declines in growth rates in the early quarters of 2019 compared with the average growth rate of the prior year, despite the dissimilar characteristics of these economies (see figure IV.2). While the economies of South America specialize in producing commodities —particularly oil, minerals and foodstuffs— those of Mexico and Central America are mainly tied to the pace of growth in the United States.

In the second quarter of 2019, the economies of South America contracted on average by 0.26%, down from the 1% growth of the previous year. In the same period, the economies of Central America grew at a rate of 2.8%, one and a half percentage points less than in the second quarter of 2018. Growth in Central America and Mexico combined came to 0.6% in the first half of 2019, well below the 2.2% recorded in the prior-year period. Similarly, growth in the English- and Dutch-speaking Caribbean slowed by 0.3 percentage points in 2019 from 1.8% in the previous year.

Figure IV.2
Latin America: year-on-year GDP growth rates, 2014–2019
(Percentages, on the basis of dollars at constant 2010 prices)



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The sluggish growth in the region and the slowdown from 2018 are a result of a less favourable external circumstances and internal factors that have taken root in several economies

In Argentina, GDP contracted by 2.6% in the first half of 2019. This deterioration is expected to continue in the second half of the year, given the uncertainty generated by events such as the closure of the local sovereign debt market, the dollarization of portfolios and the outflow of dollar deposits from banks, which have led to the adoption of exchange control measures and rescheduling of public debt. In the Plurinational State of Bolivia, lower hydrocarbon production (a 23% fall in the case of natural gas) is behind the sharp slowdown in growth in the first half of the year (3.1%). In Brazil, although activity —particularly investment— grew slightly more than expected (1% annually) in the second quarter, consumption levels remain low. Moreover, the social security and structural reforms adopted are not expected to have a sufficient impact to boost growth in the second half of the year. In Chile, the decline in exports owing to lower agricultural and mining output and a weakening of domestic demand set the tone of the growth in the first half of 2019 (1.7%). In the second half of the year, economic activity is expected to slow as a result of the effects on the commerce and the transport sectors of the various demonstrations seen over the last quarter.

Meanwhile, Colombia's economy expanded by 3% in the first half of the year, with good performance in each of the components of expenditure, building on the expansion recorded in the year-earlier period. In Ecuador, the contraction in domestic demand was offset by an increase in the contribution of net exports, allowing for slight growth of 0.4% in the first half of the year. As in other countries in the region, there were protests in Ecuador over social discontent, which impacted economic activity for the rest of the year. Paraguay faced adverse climatic factors that affected its agricultural output (soybean), construction and power generation and resulted in an economic contraction of 2.6% in the first half of 2019, which is expected to be offset in the second half of the year. In Peru, GDP growth slackened to 1.8% in the first half of the year, well below the 4% seen in 2018. This slowdown in economic activity is explained mainly by the impact of passing events that affected primary production. Once the effects dissipate, the forecast higher public spending should allow for a moderate acceleration in the second half of the year. In Uruguay, activity contracted slightly in the first half of the year (-0.1%) —partly owing to the more adverse environment linked to trade relations with Argentina and Brazil— mainly affecting industry and commerce. Lastly, the GDP of the Bolivarian Republic of Venezuela shrank by 26.8% in the first quarter, with declines in all sectors of activity.

In Central America, growth rates in Costa Rica and Honduras fell in the first two quarters of the year, owing to slower consumption growth and a drop in investment. In the Dominican Republic, El Salvador and Guatemala, this was the result of a smaller rise in net exports and a weakening of domestic demand. In contrast, Guatemala and Panama maintained growth rates similar to those of 2018. In Guatemala this was the result of private consumption continuing to contribute to growth, while in Panama the construction, transport and financial services sectors all played a part. Lastly, in Mexico, GDP contracted by 0.8% in the second quarter, hit by a sharp drop in investment and, to a lesser extent, in consumption. The low rate of public budget execution and greater uncertainty caused by trade tensions have affected the country’s performance.

During the last quarter of 2019, social demands have led to demonstrations in a number of economies in the region, especially in South America. While the size and repercussions of these protests vary from country to country, there is no doubt that they could affect the path of economic activity in the short term. For almost a decade, the Economic Commission for Latin America and the Caribbean (ECLAC) has put equality at the centre of development. Now, it is once more apparent that urgent progress is needed to build welfare States, based on rights and equality, that give citizens access to comprehensive and universal systems of social protection and to essential public goods, such as quality health and education, housing and transport. To achieve this, social compacts must be formed to promote equality.

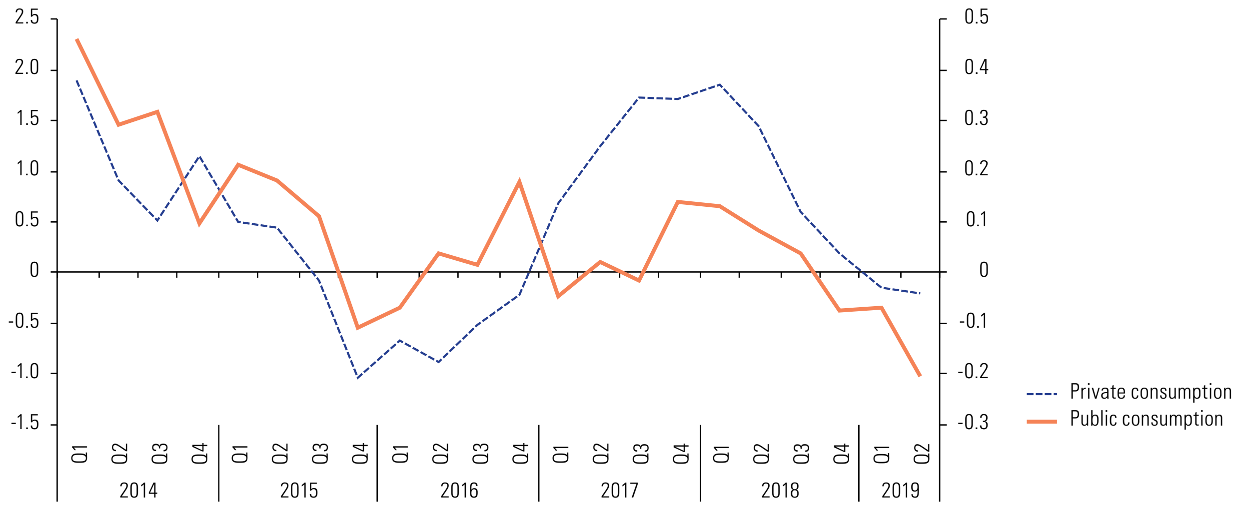
The stagnation of regional GDP is attributable to marked declines in all components of domestic demand

In terms of domestic demand, there was a significant reduction in inventories, which have been shrinking since the first quarter, at faster rates higher than in previous years. In the first half of 2019, the slump in inventories shaved half a percentage point off GDP growth. The downturn in inventories is difficult to explain, but it may be reasonably assumed that it reflects producers’ and importers’ reaction to greater global uncertainty caused by heightened trade tensions and repeated cuts to growth forecasts, meaning that they had potentially accumulated surplus stock based on outlooks that proved overoptimistic compared to actual demand.

In addition to the decline in inventories, gross fixed capital formation decreased by 1.5% in the first half of the year, accumulating three consecutive quarters of falls. This result is attributed to the drop in investments, both in construction and in machinery and equipment.

Consumption, both public and private, has been one of the hardest hit components of demand. The downturn in public consumption has come at a time when the governments of the region are tending towards fiscal adjustment, with a primary focus on reining in fiscal accounts rather than on boosting GDP growth through fiscal policy. While public consumption contributed half a percentage point to growth in previous years, in the second quarter of this year it shaved a fifth of a point off growth (see figure IV.3). In the second quarter, private consumption contracted by 0.4%. Available indicators and the performance of the related fundamentals both indicate that this path will be maintained. In the retail trade, sales of durable and non-durable consumer goods have continued to decline. Seasonally adjusted imports of consumer goods have fallen in recent months. Thus, both retail (linked to consumption) and wholesale (partly linked to investment) show slowing growth.

Figure IV.3
Latin America: contribution of private and public consumption to GDP growth, 2014–2019
(Percentages)

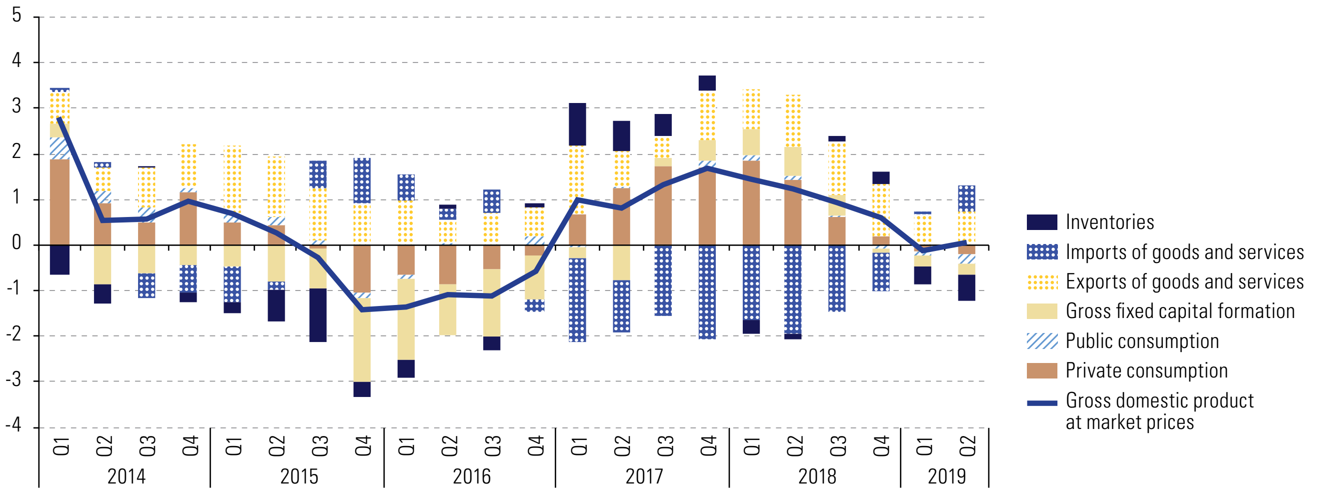


Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Labour market performance corroborates the outlook for consumption. The data for the most recent moving quarters show a deterioration in the employment market. Although employment has risen and the unemployment rate has fallen slightly, wage employment creation declined, and own-account work increased. The result has been a worsening of employment quality and a drop in average income. In addition, the structure of employment has changed, with jobs in the most productive sectors shifting to the least productive sectors. Other factors that may have affected consumption are the pattern in income owing to worsening terms of trade, the decrease in domestic credit and the rise in the cost of imported goods, as a result of currency depreciation in a number of countries.

With respect to foreign trade in goods and services, unlike in 2017 and 2018, net exports contributed positively to GDP growth in the first half of 2019. This result is misleading, however, as it is not attributable to higher export growth rates, but rather to a positive contribution from imports, which declined owing to the sharp downturn in domestic demand (see figure IV.4).

Figure IV.4
Latin America: GDP growth rate and contribution of expenditure components to growth, 2014–2019
(Percentages)

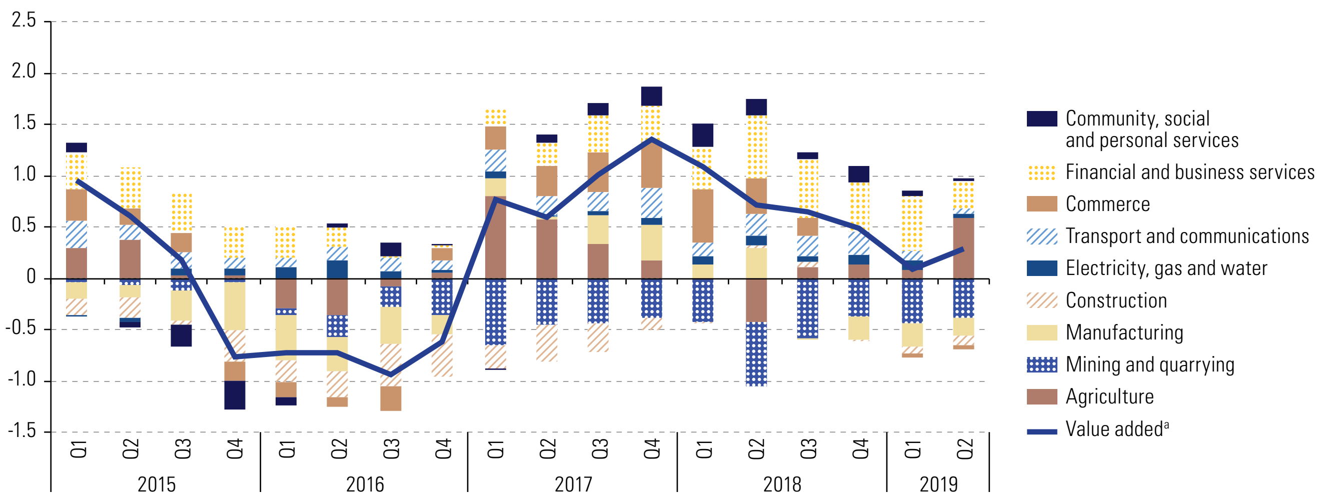


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

In addition to the ongoing slump in mining, declines in manufacturing, construction and commerce are behind the downturn in activity in the first half of the year[1]

In the first half of 2019, the slight increase in value added in the region was again spearheaded by financial and business services and, to a lesser extent, by transport and communications, electricity, gas and water, and community, social and personal services. There was also a strong upturn in agriculture in the second quarter, an isolated event caused by the low level of the comparable second quarter of 2018 in Argentina, when the sector shrank by 31% owing to drought (see figure IV.5).

Figure IV.5
Latin America: rate of change in value added and contribution to growth of value added by sector of economic activity, 2015–2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Value added=GDP-valuation adjustment.

[1] The sum of these four sectors is equivalent to 41% of the regional value added.

The downward trend in mining that began in 2015 generally continued uninterrupted and has even intensified in recent quarters (see figure IV.5). This negative performance stems primarily from the unbroken slumps in mining in the Bolivarian Republic of Venezuela and Mexico, which have lasted for 22 and 21 quarters, respectively. Added to this are the intermittent declines seen in the rest of the mining countries in the region, and in Argentina, Chile and Peru in recent quarters.

Over the past quarters there has also been a contraction in manufacturing and trade (accompanying the decline in private consumption), as well as in construction, which has contracted for three consecutive quarters, in parallel with the three quarters of falls in gross fixed capital formation.

CHAPTER V

Domestic prices

- Inflation was lower in 2019, both as a regional average and in most of the economies individually, which allowed for more expansionary monetary policies
- The inflation dynamic shifted down from April 2019 onwards
- For most of the region's economies, inflation as of October 2019 is at historically low levels
- The highest and fastest rising inflation rate was recorded in the food category, while the pace slackened among services

Inflation was lower in 2019, both as a regional average and in most of the economies individually, which allowed for more expansionary monetary policies

During the first 10 months of 2019, average year-on-year inflation in Latin America and the Caribbean eased by 1.2 percentage points, to 2.4% in October 2019 from 3.6% a year earlier (see table V.1).[1] This drop in the regional average reflects reductions in year-on-year inflation rates in 19 of the region's countries, including by more than 1.5 percentage points in Barbados, Belize, El Salvador, Guatemala, Mexico, Saint Lucia and Suriname. By contrast, 11 other economies saw their annualized inflation rate rise; but only Barbados and Saint Kitts and Nevis recorded increases of more than 1.2 percentage points.

Table V.1
Latin America and the Caribbean: 12-month variation in the consumer price index (CPI), December 2017–October 2019
(Percentages)

	December 2017	December 2018	October 2018	October 2019
Latin America and the Caribbean (excluding Argentina, Haiti and Venezuela (Bolivarian Republic of))	**3.6**	**3.2**	**3.6**	**2.4**
South America (excluding Argentina and Venezuela (Bolivarian Republic of))	**2.5**	**2.9**	**3.3**	**2.3**
Bolivia (Plurinational State of)	2.7	1.5	1.3	2.5
Brazil	2.9	3.7	4.6	2.5
Chile	2.3	2.6	2.9	2.7
Colombia	4.1	3.1	3.3	3.9
Ecuador	-0.2	0.3	0.3	0.5
Paraguay	4.5	3.2	4.1	2.4
Peru	1.4	2.2	1.8	1.9
Uruguay	6.6	8.0	8.0	8.3
Central America and Mexico (excluding Haiti)	**5.7**	**3.8**	**4.2**	**2.7**
Costa Rica	2.6	2.0	2.0	2.1
Cuba[a]	0.6	2.4	2.0	0.8
Dominican Republic	4.2	1.2	3.5	2.5
El Salvador	2.0	0.4	1.5	-0.9
Guatemala	5.7	2.3	4.3	2.2
Honduras	4.7	4.2	4.7	4.1
Mexico	6.8	6.8	4.9	3.0
Nicaragua[a]	5.8	3.4	4.8	6.1
Panama	0.5	-1.2	1.0	-0.7
The Caribbean	**3.7**	**2.0**	**3.0**	**2.5**
Antigua and Barbuda[b]	2.4	1.7	1.7	1.3
Bahamas[b]	1.8	2.0	3.7	2.9
Barbados[a]	6.6	0.6	0.2	5.5
Belize[a]	1.0	-0.1	0.8	-0.7
Dominica[c]	0.6	1.6	2.1	1.6
Grenada[b]	0.5	1.2	1.3	0.3
Guyana[c]	1.5	1.6	1.8	2.3
Jamaica[c]	5.2	2.4	4.7	3.4
Saint Kitts and Nevis[b]	0.8	-2.0	-1.7	-0.4
Saint Lucia[b]	2.0	2.1	2.5	0.6
Saint Vincent and the Grenadines[b]	3.0	1.4	2.3	0.9
Suriname	9.3	5.5	5.2	4.2
Trinidad and Tobago	1.3	1.0	1.0	1.1
Argentina	25.0	47.1	45.5	49.7
Haiti[a]	13.3	16.5	15.1	19.5
Venezuela (Bolivarian Republic of)[c]	862.6	130 060.2	64 133.8	39 113.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Regional and subregional averages weighted by population size, excluding data for Argentina, the Bolivarian Republic of Venezuela and Haiti.
[a] Data as of August 2019.
[b] Data as of June 2019.
[c] Data as of September 2019.

[1] The regional and subregional averages exclude Argentina, the Bolivarian Republic of Venezuela and Haiti, because they consistently have much higher inflation than the rest of the economies in the region. Including them would distort the representativeness of the regional inflation dynamic.

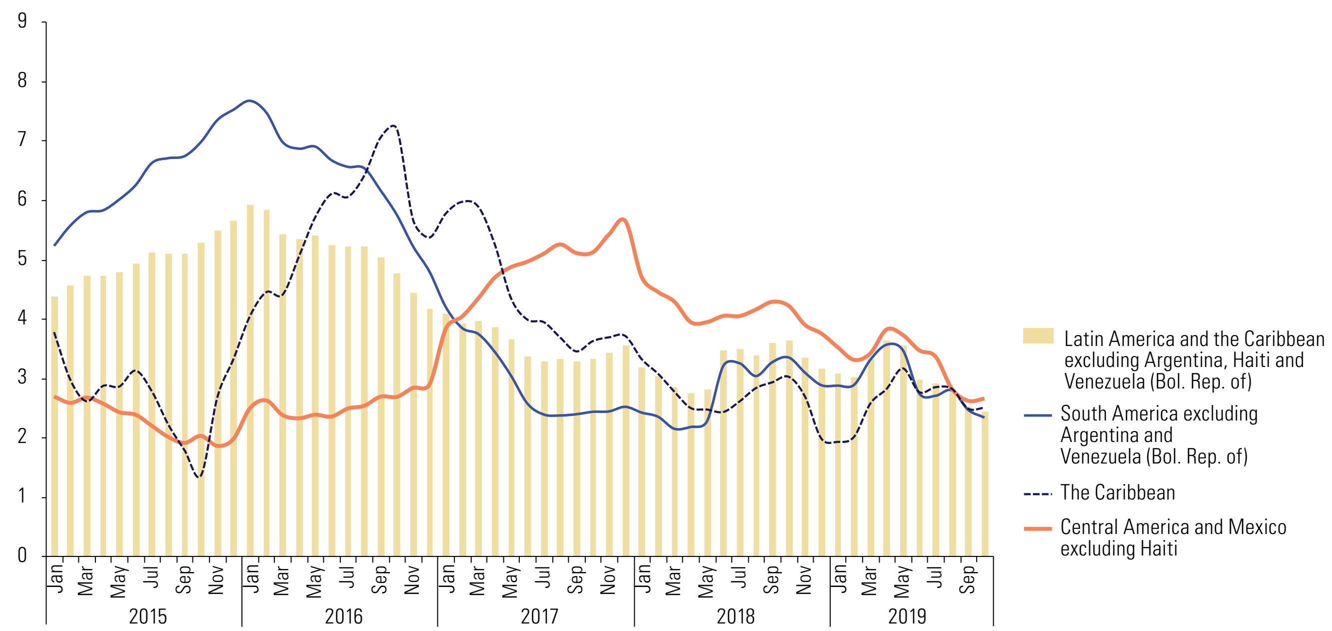
Considering the different subregions, year-on-year inflation decreased by 1.0 percentage points in the South American economies, from 3.3% in October 2018 to 2.3% in October 2019. In Central America and Mexico, the year-on-year rate fell from 4.2% to 2.7% in the same period, while in the non-Spanish-speaking Caribbean economies it came down from 3.0% to 2.5%.

Among countries not included in the regional and subregional averages (Argentina, the Bolivarian Republic of Venezuela and Haiti), inflation ticked up in two cases: in Argentina, the rate increased from 45.5% in October 2018 to 49.7% twelve months later; and, in Haiti, it rose from 15.1% to 19.5% in the same period. In the Bolivarian Republic of Venezuela, however, year-on-year inflation eased in the first 10 months of 2019, but it was still 39,113.8% in September.

The inflation dynamic shifted down from April 2019 onwards

For the purposes of analysis, April marks a clear turning point the path of inflation in 2019. As figure V.1 shows, monthly inflation, at both the regional and subregional levels, rose between December 2018 and April 2019 but has fallen since. In April 2019, the regional year-on-year inflation rate was 3.6%, with increases recorded in 20 countries. Since then, the region's annualized inflation rate has dropped by 1.1 percentage points, with lower rates in 21 countries. An intensification of the widespread slowdown in economic activity, in conjunction with differences in the dynamics of exchange rates and energy prices, help explain the heterogeneous behaviour of inflation during the year.

Figure V.1
Latin America and the Caribbean: 12-month variation in the consumer price index (CPI), weighted average, January 2015–October 2019
(Percentages)

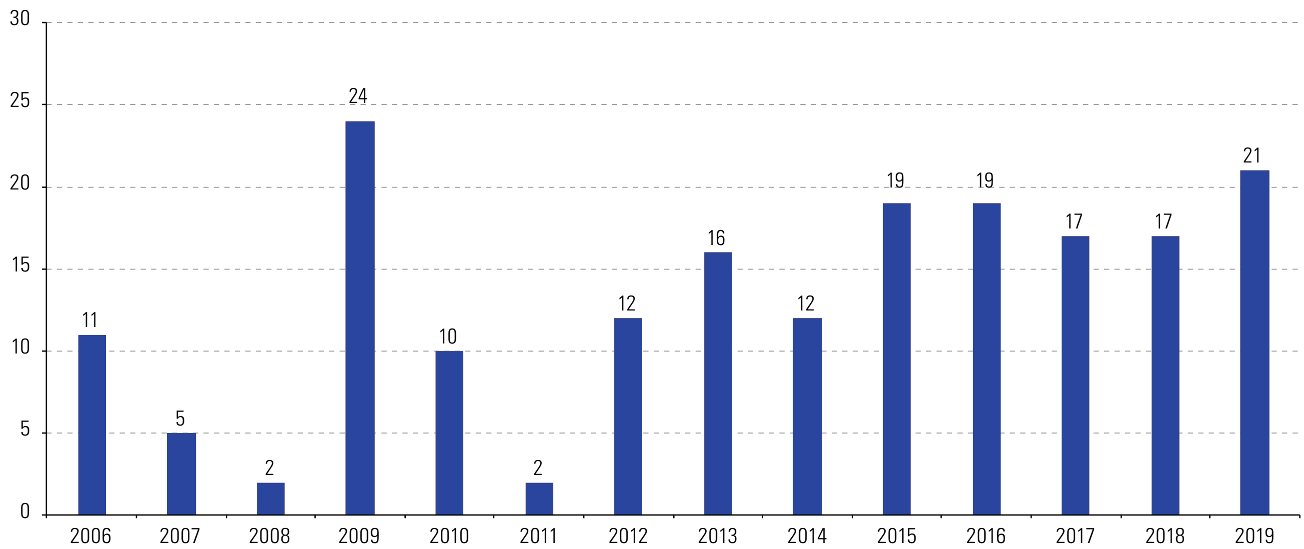


Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

For most of the region's economies, inflation as of October 2019 is at historically low levels

In October 2019, 21 economies had annual inflation rates of less than 3%, four more than a year earlier. This is the largest number of countries with inflation rates this low in the region since the 24 recorded in 2009 (see figure V.2 below).

Figure V.2
Latin America and the Caribbean: number of countries with a 12-month variation in the consumer price index (CPI) of less than 3%, 2006–2019[a]
(Number of countries)



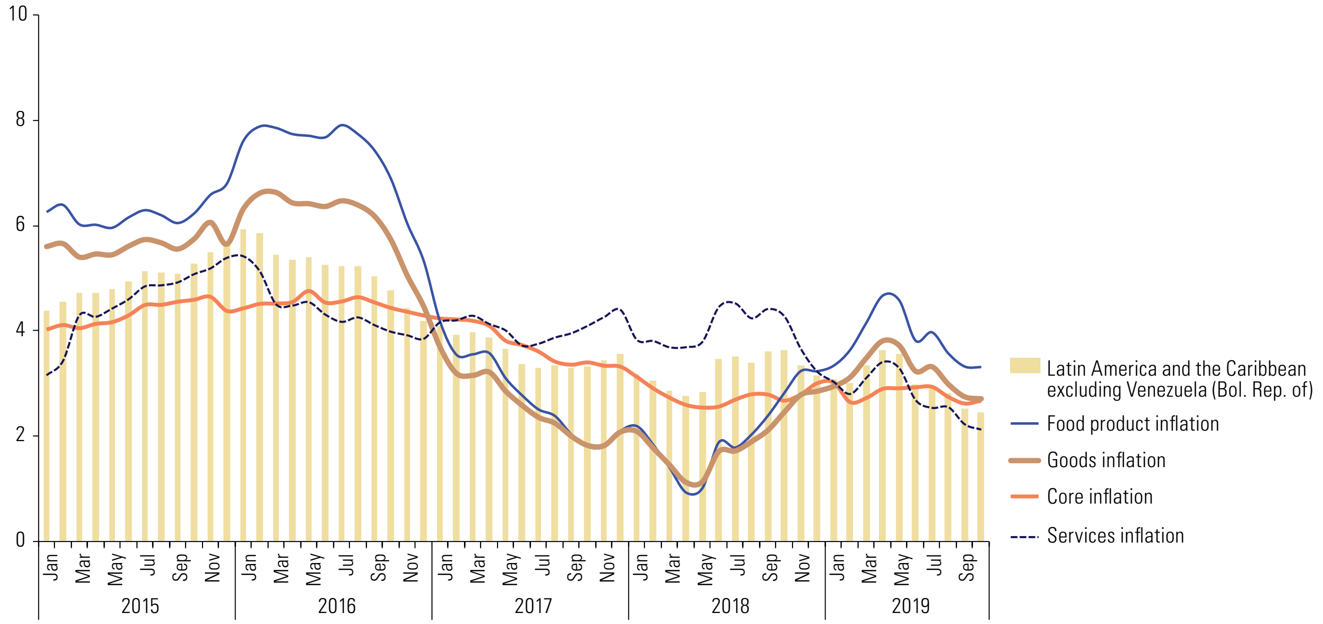
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The data for each year refer to the month of September.

The slackening pace of inflation observed in 2019 to date, and its low levels in most countries of the region, provide revealing and useful data. While they indicate the severity of the slowdown in regional economic activity, they have also made it possible to adopt expansionary monetary policies.

The highest and fastest rising inflation rate was recorded in the food category, while the pace slackened among services

Year-on-year inflation in the food products group increased from 2.8% in October 2018 to 3.3% in October 2019, while tradable goods inflation rose from 2.5% to 2.7% in the same period. Core inflation remained unchanged at 2.7%, whereas inflation in non-tradable goods and services eased to 2.1% in September 2019 from 4.3% a year earlier (see figure V.3).

Figure V.3
Latin America and the Caribbean: 12-month variation in the consumer price index (CPI) by categories of inflation, weighted average, January 2015–October 2019
(Percentages)



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

As in the case of the general index, the various components of the CPI diverged during the course of 2019, although rates have generally tended to decline since April. Between December 2018 and April 2019, food product inflation increased by 1.4 percentage points, before dropping back 1.3 points between April and October. Tradable goods inflation rose by 1 percentage point between December 2018 and April 2019, before declining by 1 percentage point between then and the following October. Services inflation rose by 0.2 percentage points between December 2018 and April 2019, and then fell by 1.2 points between May and October. Lastly, core inflation remained constant between December 2018 and April 2019, before decreasing by 1.2 points between then and October.

CHAPTER VI

Employment and wages

In 2019, weak economic activity has brought a further deterioration in the labour market at the regional level, manifested in a worsening of average employment quality and a small increase in open unemployment. The composition of employment by occupational category has worsened as a result of weak wage employment creation, especially where formal employment is concerned, and a rise in hourly underemployment and informality. At the same time, national unemployment rates have risen moderately in most of the countries, with the regional total rising from 8.0% to 8.2%, which comes on top of an increase of 1.8 percentage points since 2014. At the same time, real wages for those in registered employment are slightly higher overall, although they have not risen everywhere.

The employment rate has risen, but unemployment has not fallen

After falling sharply up to 2016, the employment rate gradually began to recover from 2017. There has been a moderate increase again in 2019, with the annual average rate estimated to have edged up to 57.5% from 57.4% in 2018. However, as will be seen later, this increase in the employed proportion of the working age population has not been driven by any revitalization of the demand for labour. Rather, it reflects the need of many households to generate money, even if it is in poor-quality occupations. The increase in the employment rate has thus been paralleled by a roughly proportionate rise in the participation rate, from 62.4% to an estimated 62.6%.[1]

At the regional level, therefore, the slight increase in employment has not produced a fall in the unemployment rate, which has instead gone up from 8.0% to 8.2%. The predominant pattern in the region has been of a small increase in unemployment, with the median rate for 18 countries up by 0.4 percentage points, reflecting a rise in 13 countries, a decrease in 4 and almost no change (+/- 0.1 percentage point) in 1 (see table A1.19 in the statistical annex). The sharpest increases in the unemployment rate have been in Costa Rica and Argentina (first half), while unemployment has fallen in three Caribbean countries (the Bahamas, Belize and Jamaica) and Brazil.

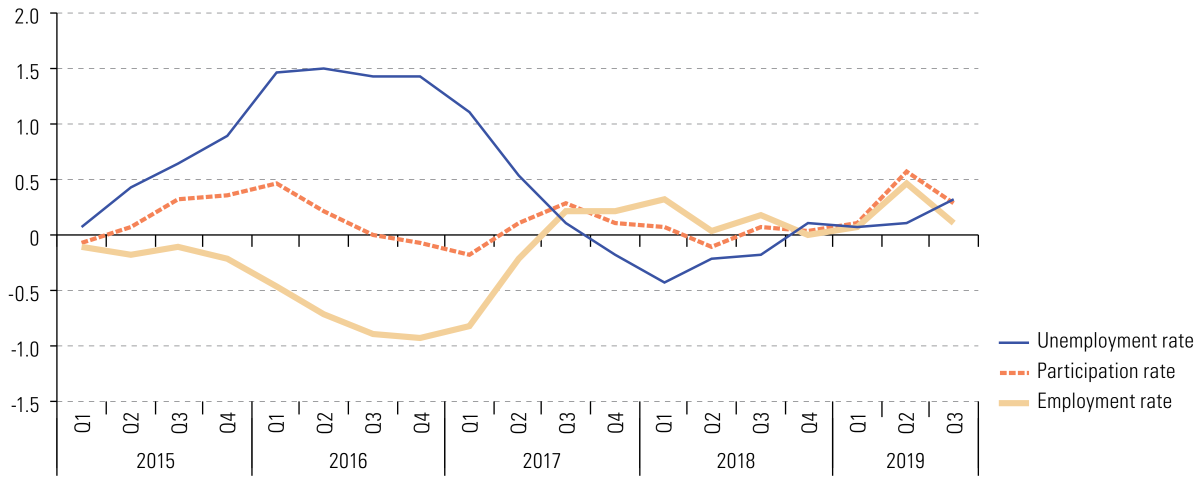
With the moderate increase in the unemployment rate and the expansion of the labour force, it is estimated that the number of unemployed in Latin America and the Caribbean must have risen by around 1 million, bringing the total number of people seeking work in the region to 25.2 million. Thus, the absolute number of unemployed (although not the unemployment rate) has reached a new high.

Data for a small group of countries that have quarterly information available indicate that unemployment held fairly steady during the first two quarters of the year, but with a rising trend that accelerated in the third quarter (see figure VI.1).

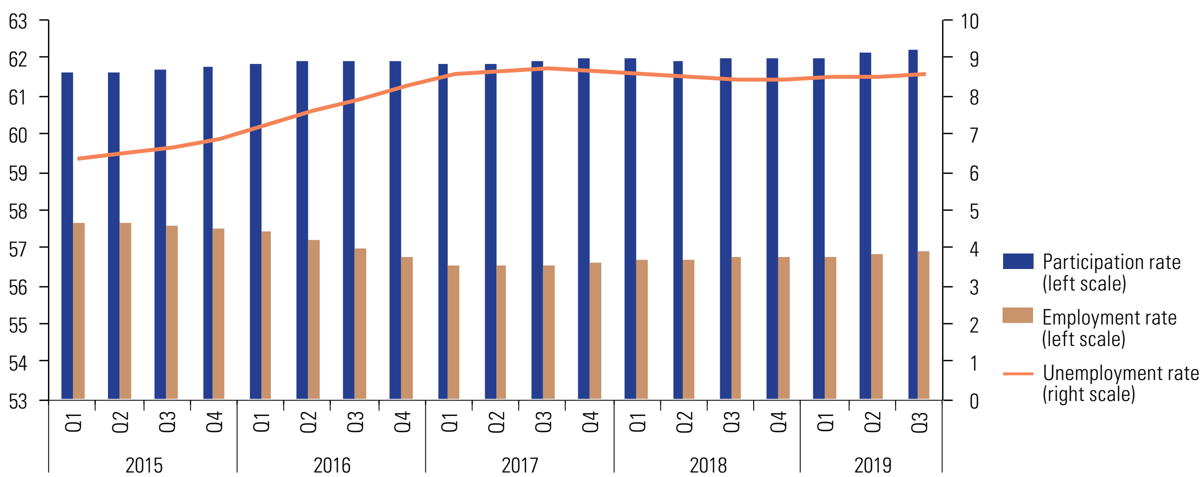
[1] See tables A1.18 and A1.20 of the statistical annex for the evolution of participation and employment. When urban rather than national rates are analysed, small increases are observed in the participation rate (up from 63.6% to 63.8%) and the employment rate (up from 57.8% to 57.9%).

Figure VI.1
Latin America and the Caribbean (weighted average of 12 countries):[a] participation, employment and unemployment rates, year-on-year changes and moving years, first quarter of 2015–third quarter of 2019[b]
(Percentages and percentage points)

A. Year-on-year changes
(percentage points)



B. Moving years
(percentages)



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru and Uruguay.
[b] The figures for the third quarter of 2019 are preliminary.

The main sex-differentiated employment variables present an unequal evolution. As figure VI.2 shows for the group of 17 countries, the female labour market participation rate at the national level increased sharply in the first three quarters of 2019, while the male rate contracted. Much the same happened with employment rates. Thus, the long-term trend of a gradual narrowing of the gap between men and women in terms of participation and employment rates has continued in 2019.[2] This evolution is observed both in the weighted average of changes at the national level and in the median, so that it reflects a fairly pervasive trend.

2 See ECLAC/ILO (2019b) for a recent review of the evolution of women's labour market participation in the region and a discussion of the factors that play an important role in this.

Box VI.1
Measuring the open unemployment rate: a change in methodology

The Economic Commission for Latin America and the Caribbean (ECLAC) has traditionally concentrated on information with urban coverage for analysing the evolution of open unemployment. There were two main reasons for this: (i) household surveys (the main instrument for measuring labour markets) originally covered only urban areas, and sometimes only some of these (the capital, major cities); and (ii) open unemployment has been mainly an urban phenomenon that has not featured much in rural areas; as a result, the open unemployment rate as an indicator of the economic situation was more useful in urban areas.

In recent years and decades, the national institutions responsible for measuring the labour market have extended the coverage of their measurements. Of the countries in the region that carry them out regularly, only Argentina does not include rural areas. Accordingly, this reason for excluding open unemployment from the analysis for the national total no longer applies.

The second reason for excluding open unemployment in rural areas from the measurement was more structural in nature and more complex. The countries of the region can be differentiated by the structure of their labour markets: in countries with a large proportion of the population living in rural areas and a high proportion of the employed working in the agricultural sector, there is a marked difference between urban and rural labour markets. Specifically, the latter are determined in these countries by the production dynamics of the agricultural sector, where labour demand tends to be highly seasonal. Rural dwellers are aware of these dynamics and in phases of low labour demand engage in own-account activities or leave the labour market but do not seek employment because the likelihood of finding a paid job is extremely low, which means that they do not meet the "seeking work" criterion that is necessary by definition to identify a person as openly unemployed. Thus, for example, in countries such as Guatemala and Peru, the rural open unemployment rate averaged 1.3% and 0.8%, respectively, in 2018.

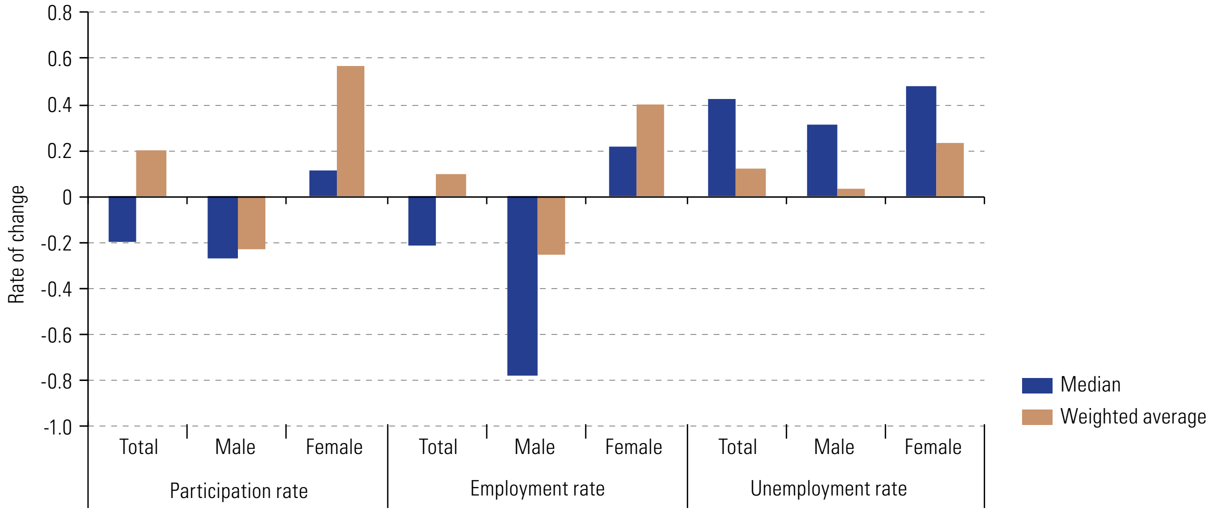
This situation tends to change with urbanization and the diversification of the rural production structure. Urban labour markets are becoming increasingly important as a source of income because of internal migration, but these trends also affect people who remain in rural areas, for various reasons. First, even in phases of the agricultural year in which demand for agricultural labour is low, in a more diversified production structure a job search holds out better prospects of success than formerly owing to the expansion of non-agricultural rural employment; second, the appearance or expansion of urban areas means that many rural areas are closer to new urban job opportunities, making daily commuting an additional option for rural dwellers living near an urban centre.

In more urbanized countries, consequently, the gap between urban and rural unemployment rates is tending to narrow. In Chile, for example, this rate averaged 7.3% in urban areas and 4.6% in rural areas in 2018. The integration of urban and rural labour markets may be even stronger in countries with a high population density: the unemployment rate was actually higher in rural areas of El Salvador than in urban areas in 2018 (6.9% and 6.1%, respectively).

The historical characteristics of rural labour markets still apply in several countries of the region, where open unemployment rates are a weak indicator of the situation in these markets. However, in view of increasing integration between urban and rural labour markets and the fact that approximately 80% of the region's population live in urban areas (and these dominate national figures), this and future editions of the *Preliminary Overview of the Economies of Latin America and the Caribbean* will present national unemployment rates. The regional open unemployment rate for the region as a whole in 2019 is estimated at 8.2% (9.3% for urban areas and 2.8% for rural areas). In any event, open unemployment rates in urban areas will continue to be analysed separately, given their greater robustness as an indicator of the economic situation.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Figure VI.2
Latin America and the Caribbean (17 countries):[a] year-on-year changes in national participation, employment and unemployment rates by sex, medians and weighted averages for the first to the third quarters of 2019
(Percentage points)



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru and Uruguay.

In many cases, much of the increase in women's employment has occurred in low-quality jobs. For example, women's hourly underemployment in Brazil was up by 0.7 percentage points on average in the first three quarters of 2019 relative to the year-earlier period (the increase for men was 0.3 percentage points). In Mexico, another country that has registered a large increase in female employment, 57.5% of new jobs for women consisted of own-account work or unpaid family work, whereas the figure for men was only 16.5%.

In addition, both the weighted average and the median change in unemployment rates at the national level show the rate rising by more for women than for men, thereby widening the gap between the two sexes.

A further deterioration in the composition of employment

The increase in the employment rate has not been the result of a significant upturn in demand for labour. For the seventh year running, wage employment, whose creation reflects this demand, has expanded by less than own-account work, most of which reflects the earning needs of lower-income households. As a weighted average of the countries with information available, [3] wage employment increased by 1.5% between the first three quarters of 2018 and the same period in 2019, while own-account work grew by 3.0%. Thus, wage employment appears to have increased by only 5.6% between 2012 and 2019, while own-account work increased by 18.4%. Given that wage employment tends to be of better quality on average than own-account work, this implies a serious deterioration in average employment quality in the region.[4]

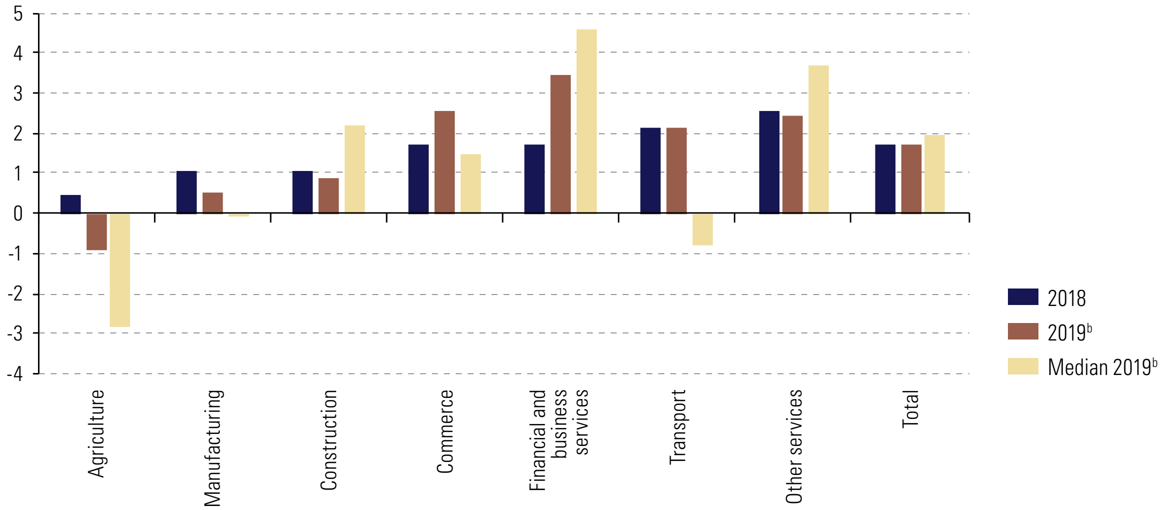
3 The countries for which information is available are Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Honduras, Mexico, Panama, Paraguay and Peru.

4 One component that seems to be contributing to the increase in own-account activities is work organized by digital platforms. The characteristics of these activities generally differ from those of own-account work, but suitable measurement and labour and social regulation instruments have not yet been developed. Although the labour relations established by these platforms are heterogeneous, it can be said that the most prevalent models entrench informal and insecure working conditions (ECLAC/ILO, 2019a).

Another category of employment that has increased in most of the countries is domestic service, with the weighted average for the countries with data available having expanded by 1.7%. Given that the vast majority of domestic workers are women, it may be inferred that some of the expansion in the female employment rate reflects an increase in employment in this category.

Lastly, unpaid family work has contracted in most of the countries, which may be attributed to a decline in employment in the agricultural sector (see figure VI.3).

Figure VI.3
Latin America and the Caribbean (13 countries):[a] year-on-year changes in employment by branch of activity, weighted averages for 2018 and weighted averages and median for the first to third quarters of 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Jamaica, Mexico, Panama, Paraguay and Peru.
[b] The data are for year-on-year changes in the averages for the first three quarters.

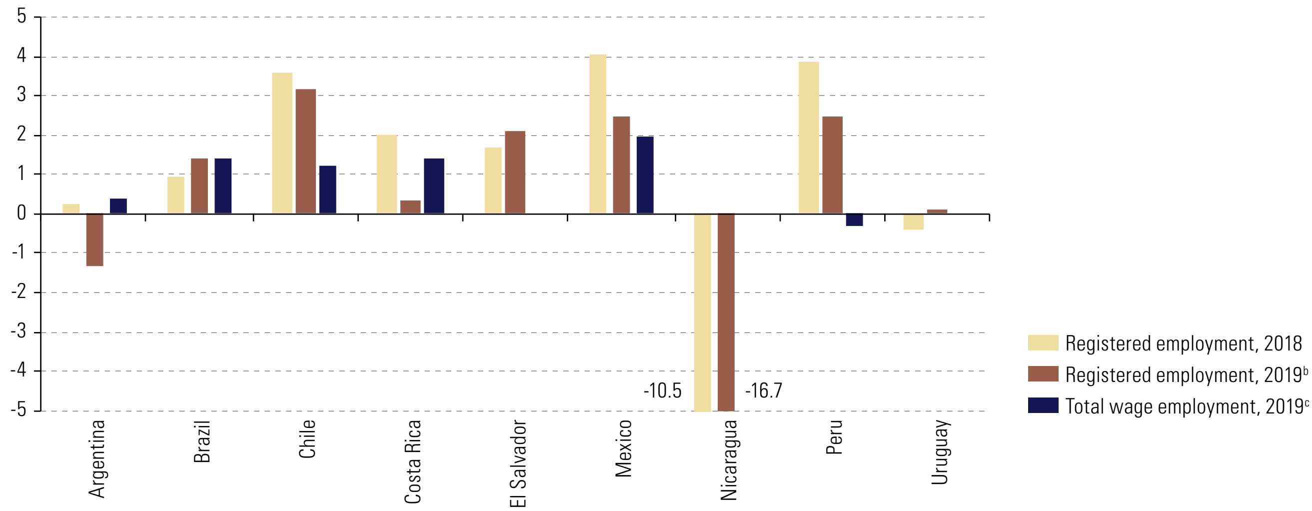
Employment in the agricultural sector has declined in 9 of the 12 countries for which information is available, the only exceptions being Brazil (with a very small increase of 0.3%), Ecuador and Peru. This continues the recent trend, since agricultural employment was already falling by 0.4% annually between 2013 and 2018. This evolution is significant, given that employment in this sector has historically behaved countercyclically in Latin America and the Caribbean, and would thus be expected to increase in the current phase of low growth and weak generation of non-agricultural employment. Although there is no evidence for the cause of this change in trend, the situation may indicate that the campesino economy, which had been at the core of the countercyclical behaviour mentioned, no longer has the same capacity to partially offset weak non-agricultural job creation.

At the regional level, manufacturing employment picked up somewhat in 2017 and 2018 after a very weak performance between 2012 and 2016. This upturn has slackened in 2019, as indicated by the decline in the weighted average and stagnation in the median of the countries' manufacturing employment growth rates. Job creation in construction has also slowed. By contrast, the long-term predominance of the tertiary sector in new job creation has continued, with job creation accelerating in several of the branches of activity in this sector.

Employment quality indicators have been stagnating or deteriorating

The median rate of registered employment growth (presented here as a proxy indicator of high-quality jobs) has fallen off slightly in 2019 compared to 2018. A median rate of just over 1% shows that the progress with employment quality achieved between the mid-2000s and the mid-2010s as a result of the generation of new registered jobs and the formalization of existing informal jobs has now come to a standstill (see figure VI.4).

Figure VI.4
Latin America (9 countries): year-on-year changes in registered employment and wage employment,[a] 2018 and 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The data are for employees paying into social security systems. In the case of Brazil, they cover private sector employees as reported by firms to the General Register of the Employed and Unemployed.
[b] The year-on-year change in registered employment in 2019 is calculated from the averages of January and February for Nicaragua, January to August for El Salvador, and January to September for Argentina, Brazil, Chile, Costa Rica, Mexico, Peru and Uruguay.
[c] The year-on-year change in total wage employment is calculated from the averages of the first three quarters of 2019 everywhere except Argentina, where the first half is taken. There is no information for El Salvador, Nicaragua or Uruguay.

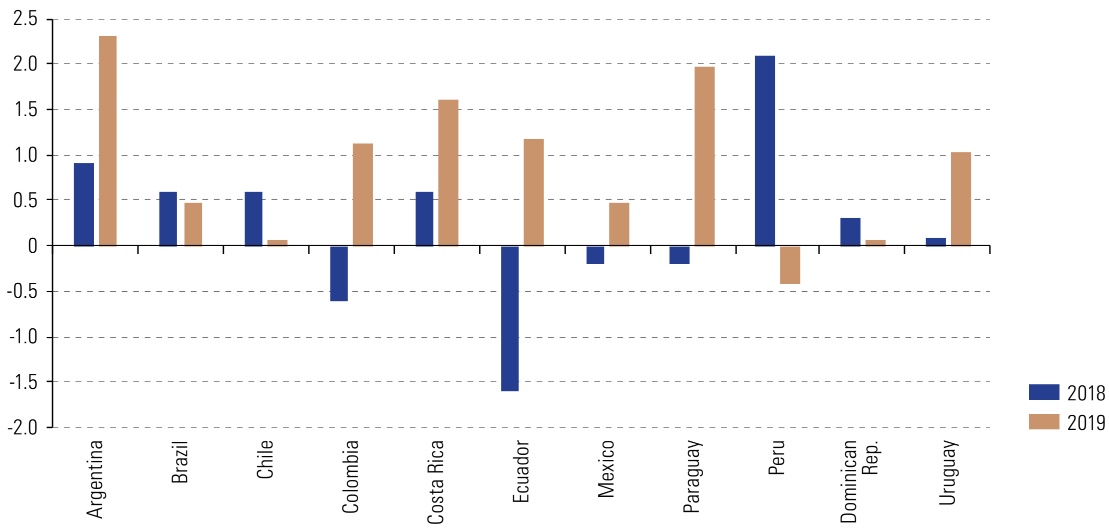
The median result is due to a mixed evolution at the country level. Registered employment growth has slowed in Argentina, Chile, Costa Rica, Mexico, Nicaragua[5] and Peru. However, growth in Chile, Mexico and Peru, at rates exceeding 2%, is still above the regional median. By contrast, growth in this type of employment has picked up slightly in Brazil, El Salvador and Uruguay, albeit at still-modest rates.

Comparing the growth of registered wage employment with that of overall wage employment reveals two situations. In Chile, Mexico and Peru, registered employment is increasing by more than total wage employment, indicating that formalization policies in these countries are still having some success. In Argentina and Costa Rica, on the other hand, registered wage employment is growing by less than wage employment overall (and in Brazil it is growing at the same rate), which indicates that many new wage-paying jobs are informal.[6]

[5] The information on Nicaragua covers only the period January–February, as no later figures are available.
[6] There is no information for El Salvador, Nicaragua or Uruguay.

The increase in hourly underemployment, representing the proportion of employed persons who work less than a nationally established minimum number of hours, wish to work more and are in a position to do so, is another indicator of the deterioration in working conditions over the course of 2019. As may be seen in figure VI.5, hourly underemployment increased in 8 of 11 countries with data available. It held steady in two countries (+/- 0.1 percentage points) and fell in only one.[7] Median hourly underemployment in these countries increased by 1.0 percentage point.

Figure VI.5
Latin America (11 countries): year-on-year changes in hourly underemployment rates, 2018 and 2019[a b]
(Percentage points)

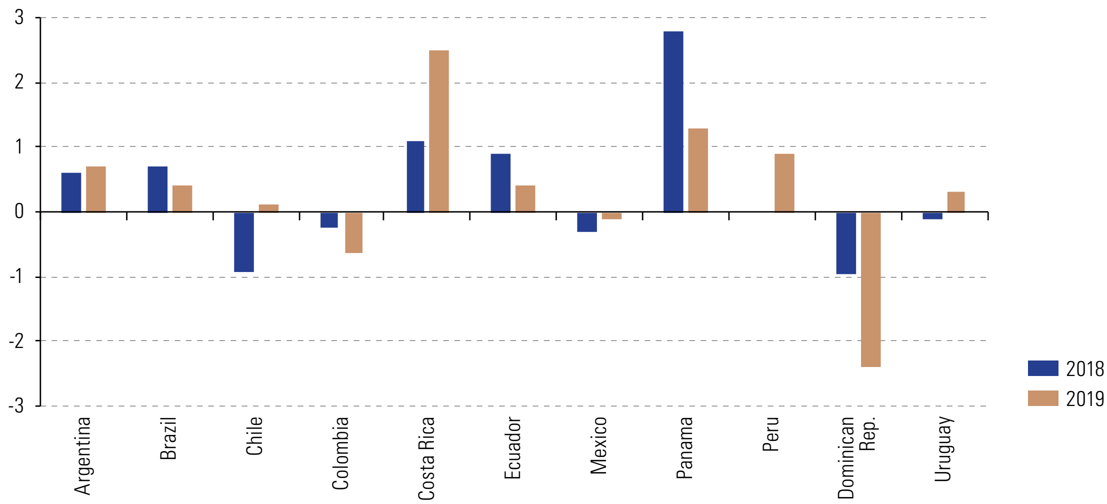


Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The information on hourly underemployment varies with the definitions applied in the different countries and is not comparable between them.
[a] The 2019 figures are averages for the first three quarters everywhere except Argentina, where they are for the first half.

Lastly, informal work has tended to rise in 2019 compared to 2018. As can be seen in figure VI.6, this indicator of low-quality employment has risen in 7 of 11 countries with information on labour informality, held steady in 2 and fallen in another 2. The median rate of informal employment in these countries has increased by 0.4 percentage points. The case of Mexico is interesting, as there a slight drop in informal employment has coincided with an increase in the informal sector's share of employment, something that is explained by weak economic growth. This again highlights the progress made by formalization programmes in the country.

[7] The data in figure VI.5 that show a reduction in hourly underemployment in Peru are for Metropolitan Lima. Overall urban underemployment (hourly and income underemployment) in Peru increased by 1.0 percentage point between the periods October 2017 to September 2018 and October 2018 to September 2019.

Figure VI.6
Latin America (10 countries): year-on-year changes in informal employment rates, 2018 and 2019[a]
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The information on labour informality varies with the definitions applied in the different countries and is not comparable between them.
[a] The 2019 figures are averages for the first three quarters everywhere except Argentina, where they are for the first half.

Real wages for those in registered employment have increased slightly overall

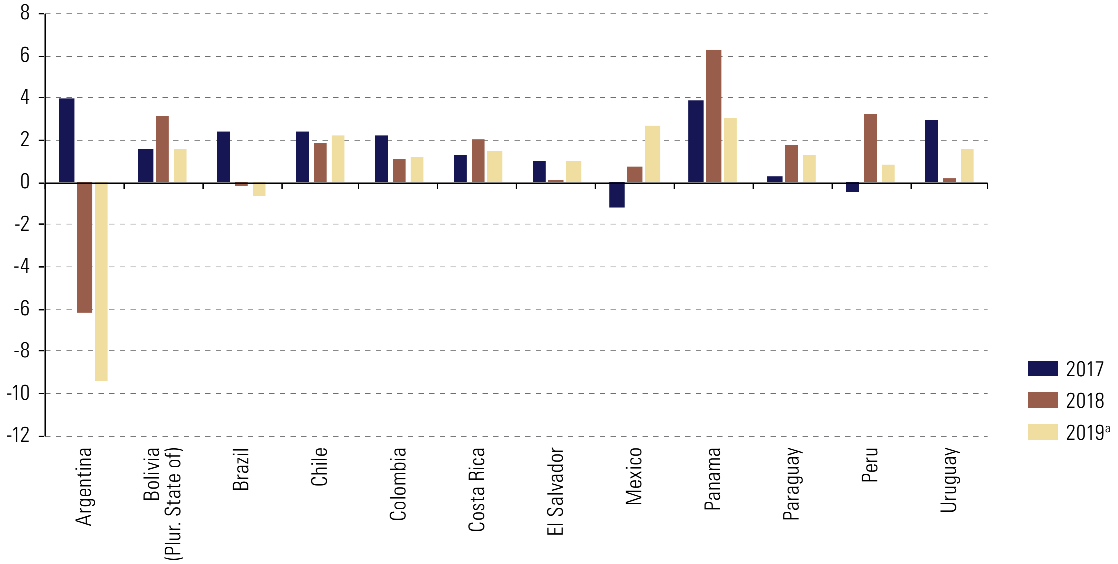
Average real wages for those in registered employment have continued to increase slightly in most cases. This has not been true across the board, however. In Argentina, quickening inflation has resulted in a substantial decline, and in Brazil the average real wage for those in registered employment has fallen slightly, despite lower inflation (see figure VI.7).

In Mexico, meanwhile, the average real wage for those in registered employment has shown the biggest rise since 2002, in part due to a substantial hike in the minimum wage. This rise (12.0% in real terms between January–October 2018 and January–October 2019) is an exception in a year when the prevailing policy in the region's countries has been to raise minimum wages only just above inflation. Thus, the median year-on-year increase calculated for the countries in the first three quarters of the year was only 0.8%. This maintained the dominant pattern of 2018, when the median increase in real minimum wages was also 0.8%. The trend that had prevailed until then was thus interrupted in those two years: between 2005 and 2015, these medians averaged 2.3% and the minimum wage increased by more than the average wage overall (see figure VI.8).

The policy of increasing minimum wages by more than average wages helped to reduce the region's high wage inequality during the period (ECLAC, 2014, pp. 148-156; Kugler, 2019).

Figure VI.7

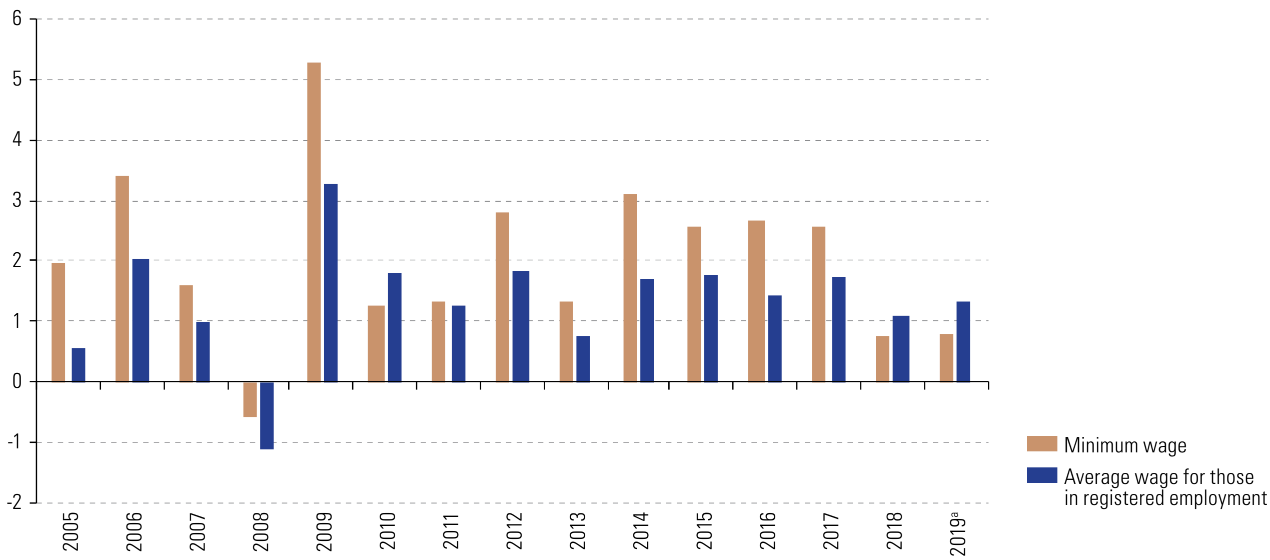
Latin America (12 countries): year-on-year changes in real wages for those in registered employment, 2017-2019[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures for year-on-year changes in wages in 2019 refer to March in the Plurinational State of Bolivia; June in Paraguay; the January to September average in Brazil, Chile, Colombia, Mexico, Peru and Uruguay; the January to August average in Argentina and El Salvador; the January to June average in Panama; and the average for January and February in Nicaragua.

Figure VI.8

Latin America: year-on-year changes in minimum and average wages for those in registered employment, median rates for countries with information available, 2005–2019



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] January to September.

The employment trends prevailing in 2019 are not expected to change in 2020

To sum up, in a context of weak economic growth at the regional level, the employment data show a quite widespread deterioration. Although the employment rate has increased in 2019, indicators such as the composition of employment by occupational category, registered employment, hourly underemployment and informality show a clear deterioration or slackening relative to previous advances. These data show that the increase in employment has been due more to the earnings needs of households than to dynamic labour demand. The open unemployment rate has also increased in most of the countries. Small increases in average real wages for those in registered employment have been the norm, although not universally. In addition, the deterioration in the composition of employment has meant that these workers account for a smaller proportion of all those employed.

Economic growth projections give no reason to expect high-quality job creation to pick up in 2020. While the situation varies from country to country, the overall picture is expected to be one of continuing deterioration in employment composition in terms of occupational categories, underemployment and informality. In countries with low and stable inflation, meanwhile, real wages for those in registered employment are expected to remain broadly unchanged. In many countries, the unemployment rate is also likely to increase. Measured as a weighted regional average, it is estimated that the unemployment rate could rise slightly from its 2019 level, reaching around 8.4%.

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CHAPTER VII

Macroeconomic policies

A. Fiscal policy

Fiscal policy management continues to prioritize deficit reduction, but has become more complex owing to the current regional context

Public debt edges up in Latin America, while in the Caribbean it continues to trend down

Public spending holds relatively stable

Public revenues are projected to be stable, but could be affected by the slowdown in economic activity and lower prices for natural resources

B. Monetary and exchange-rate policies

As mitigating the slowdown in domestic aggregate demand is the monetary authorities' chief objective, monetary policy interest rates have hit historical lows

Although the behaviour of lending rates has varied across the region, credit to the private sector is tending to contract

The region's currencies tended to depreciate against the dollar in 2019, despite less exchange-rate volatility than in 2018

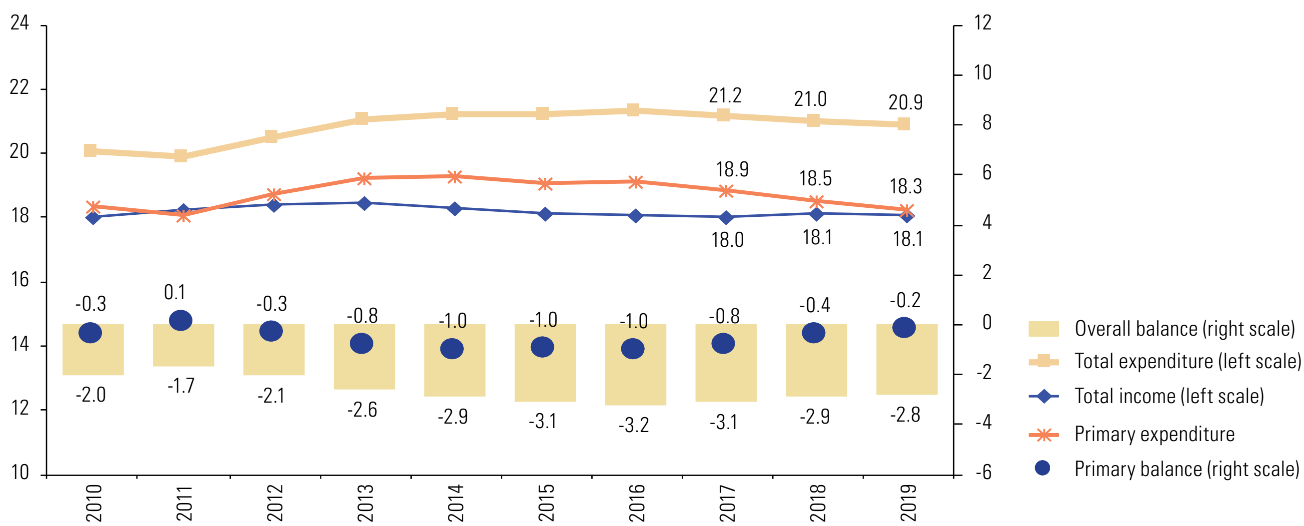
International reserves are down in nominal terms but remain stable relative to GDP

A. Fiscal policy

Fiscal policy management continues to prioritize deficit reduction, but has become more complex owing to the current regional context

The latest projections for end-2019 see fiscal consolidation continuing in Latin America. As shown in figure VII.1, the primary balance of the central governments of the region —as a proxy for the fiscal effort— is expected to average -0.2% of GDP at year-end, compared to -0.4% in 2018. The narrowing of the deficit reflects the contraction of primary expenditure (total expenditure excluding interest payments), which in 2019 is forecast to reach 18.3% of GDP, compared to the year-earlier figure of 18.5%. Total revenues, on the other hand, are likely to remain stable relative to GDP around the previous year's level of 18.1%. However, revenues could shrink owing to the progressive deceleration —and in some cases outright contraction— of the tax intake seen over the course of the year, compounded by the impact of falling prices among non-renewable natural resources, particularly in the second half-year. Total expenditure is expected to decrease by less than primary expenditure, owing to higher interest payments, given rising levels of public indebtedness.

Figure VII.1
Latin America (16 countries):[a] central government fiscal indicators, 2010–2019[b]
(Percentages of GDP)

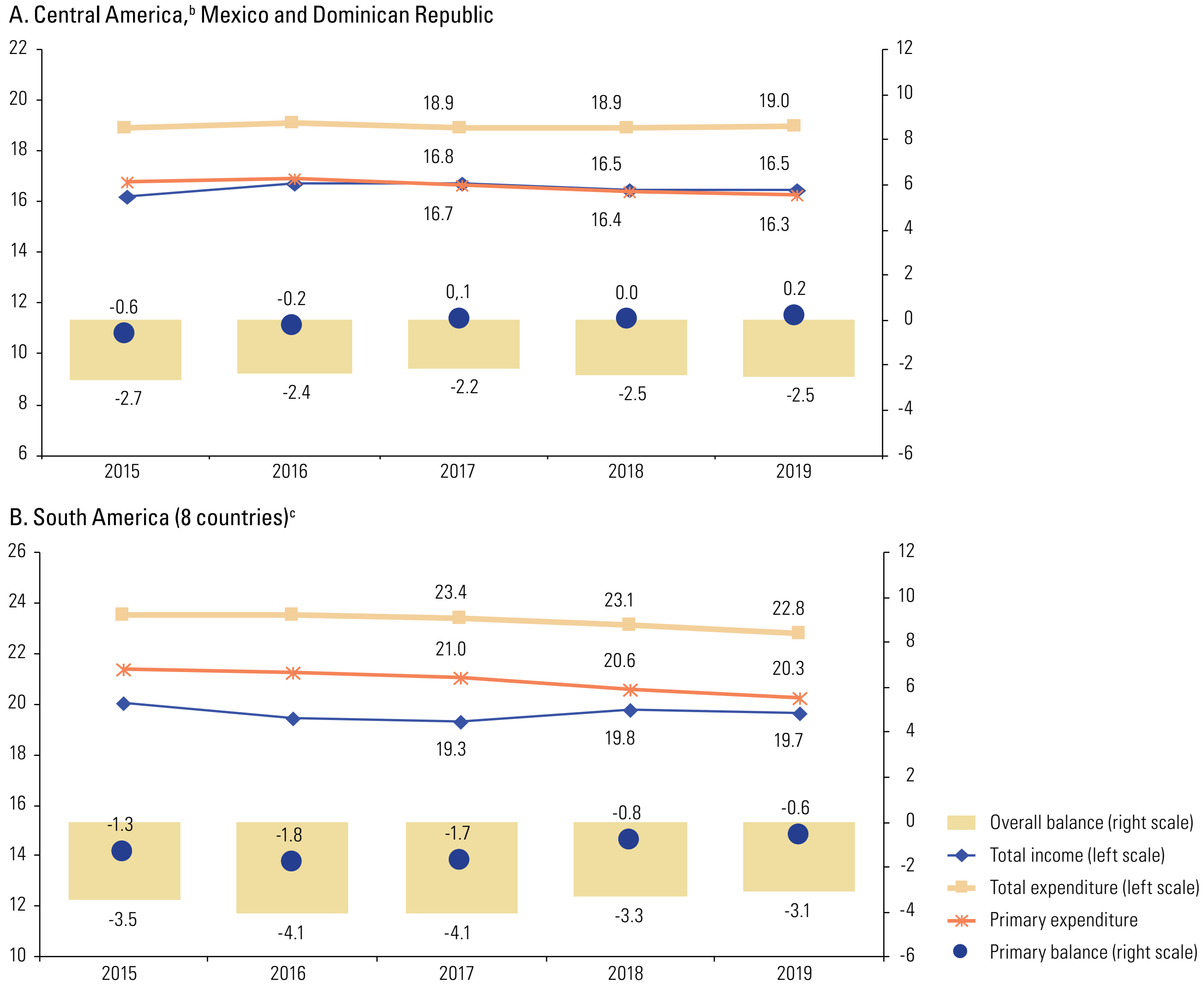


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and general government, respectively.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[b] The figures for 2010–2018 are actual values, while those for 2019 are official estimates or projections derived from the 2020 budget figures.

Despite the trend of the primary balance, the overall deficit is expected to narrow slightly to an average of 2.8% of GDP, owing to higher interest payments. The persistence of large overall deficits of around 3% of GDP has fuelled significant demands for financing via increased public borrowing.

Considering the Latin American subregions, although primary deficit reductions are to some extent synchronized, the other main fiscal indicators are trending differently. In the countries of Central America, the Dominican Republic and Mexico, the primary surplus is expected to increase to 0.2% of GDP, two tenths of a percentage point up from the previous year (see figure VII.2). The Dominican Republic, El Salvador, Honduras and Mexico are all expected to post primary surpluses of between 1.0% and 2.7% of GDP. The narrowing of the average primary balance for the countries in this group mainly reflects lower primary expenditure, which is expected to come in at 16.3% of GDP, as against 16.4% in 2018. Total revenues are expected to stabilize at 16.5% of GDP, after slipping between 2017 and 2018. Nonetheless, the expected increase in interest payments could boost total expenditure to 19.0% of GDP in 2019, compared to the previous year's figure of 18.9%.

Figure VII.2
Latin America: central government fiscal indicators, by subregion, 2015–2019[a]
(Percentages of GDP)

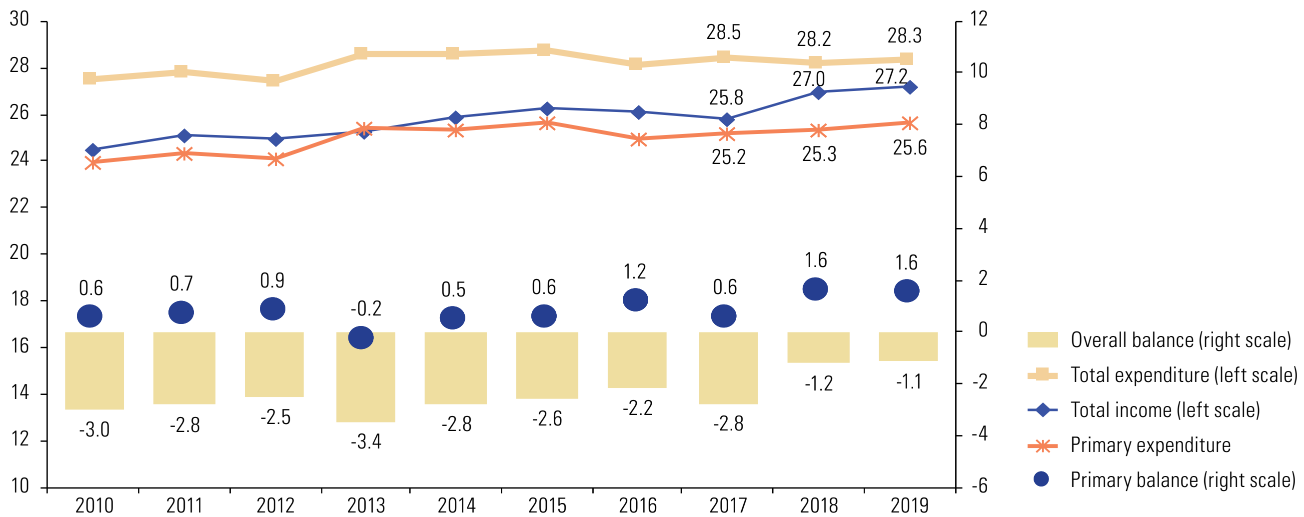


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. In the cases of Argentina, Mexico and Peru the figures refer the national public administration, the federal public sector and the general government, respectively.
[a] The figures for 2015 to 2018 are actual values, while those for 2019 are official estimates or projections derived from the 2020 budget figures.
[b] Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
[c] Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.

The primary deficit is also projected to narrow in South America, as a result of a cut in primary expenditure, to reach 0.6% of GDP, compared to 0.8% in 2018 (see figure VII.2). Total revenues are also expected to fall slightly to 19.7% of GDP in 2019, compared to the year-earlier 19.8%, reflecting developments in monthly revenues and income obtained from non-renewable natural resources. Total expenditures, on the other hand, are set to contract for the third consecutive year, owing to a combination of primary expenditure cuts and stability in interest payments. As a result, the overall deficit is set to narrow to 3.1% of GDP, from the previous year's 3.3%.

In the Caribbean, fiscal policy continues to be constrained by measures to reduce the high level of debt. The primary balance is forecast to remain in surplus at the 2018 level (1.6% of GDP), while the overall balance will be in deficit by 1.1% of GDP, compared with a deficit of 1.2% in 2018 (see figure VII.3). At the same time, primary expenditure is expected to increase to 25.6% of GDP, up from 25.3% in the previous year. Total revenues are set to rise by 0.2 GDP points, to 27.2% of GDP.

Figure VII.3
The Caribbean (12 countries):[a] central government fiscal indicators, 2010–2019[b]
(Percentages of GDP)



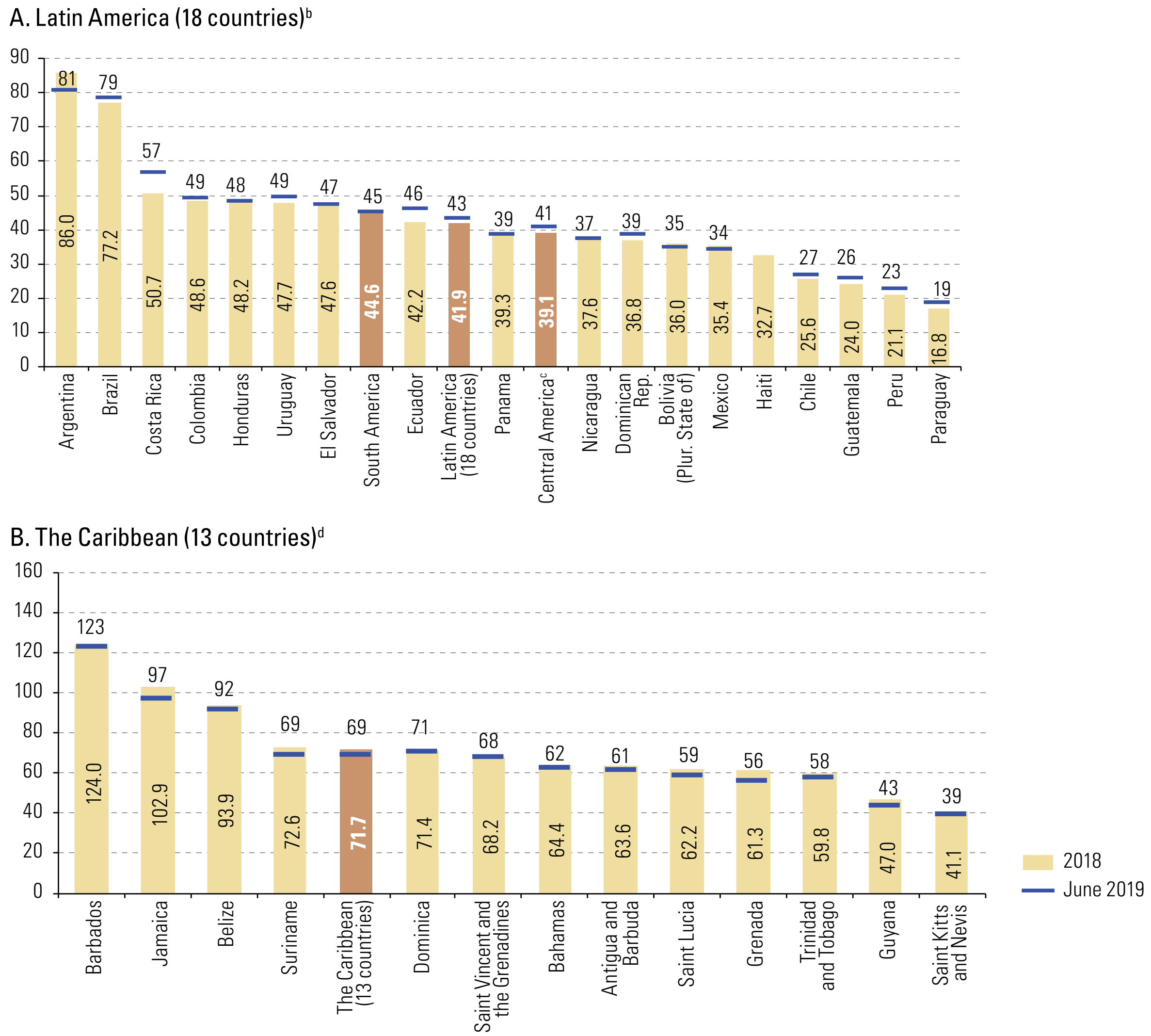
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages.
[a] Excludes Dominica.
[b] Figures from 2010 to 2018 are actual values, while those from 2019 are official estimates or projections derived from amounts accumulated over the 12 months to June 2019.

In this context, fiscal policy management is rendered more complex by the economic and social situation in the region. On the one hand, there is increasing need for active fiscal policies to help revive economic activity. On the other, pressures are mounting for public spending to address the social demands associated with reducing inequality. At the same time, however, fiscal space is limited by the structural challenges facing the region's fiscal policy, including insufficient capacity to mobilize resources for development, weak redistributive muscle, shortcomings in the provision of public goods and services, and a limited institutional framework for countercyclical measures. Against this backdrop, the region also needs to make progress in developing measures to maintain public finance stability.

Public debt edges up in Latin America, while in the Caribbean it continues to trend down

At the end of the second quarter of 2019, the gross public debt of the central governments of Latin America averaged 43.2% of GDP, 1.3 percentage points of GDP more than a year earlier. Public debt has grown in both South and Central America, and as of June 2019 it stood at around 45% and 41% of GDP, respectively. Argentina and Brazil have the region's highest debt-to-GDP ratios, at 80.7% and 78.7% of GDP, respectively. Meanwhile, the Caribbean countries continue to consolidate a downward trend in their gross public debt, which had dropped from 71.7% of GDP in 2018 to 69% at the end of the first half of 2019 (see figure VII.4). During this period all the countries of this subregion reduced their debt-to-GDP ratio, with the largest contractions observed in Jamaica (5.9 points of GDP), Grenada (5.2 points of GDP), Guyana (3.7 points of GDP) and Suriname (3.6 points of GDP).

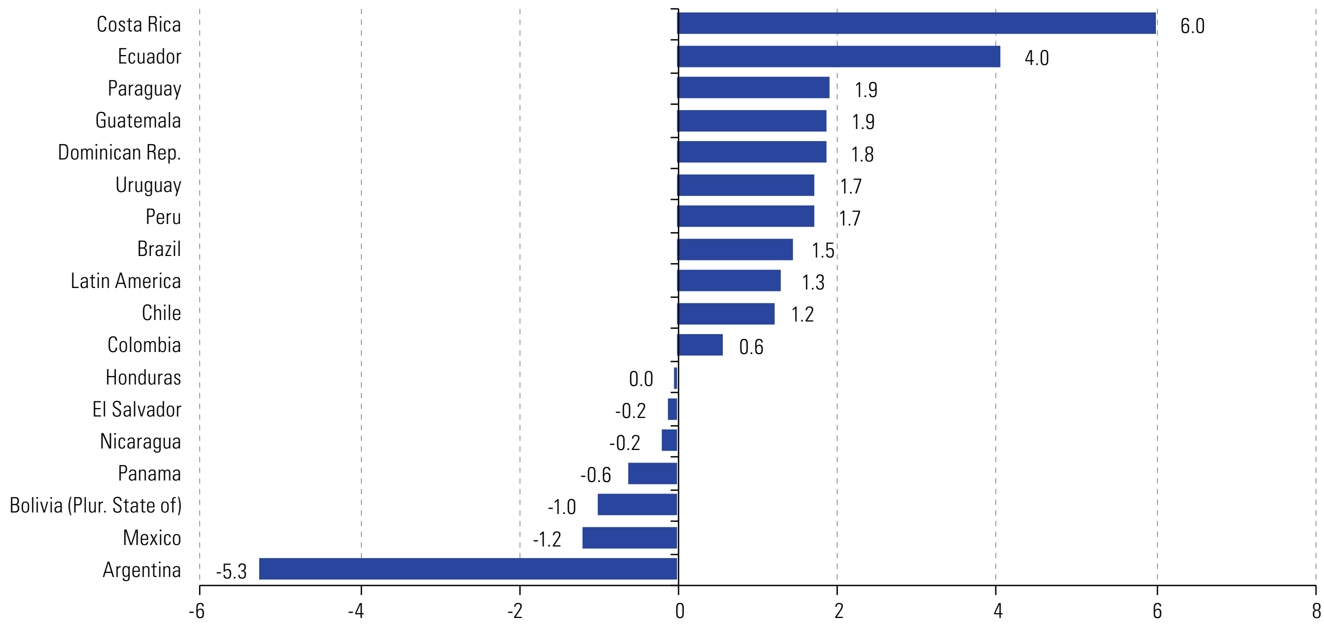
Figure VII.4
Latin America and the Caribbean: central government gross public debt, 2018–2019[a]
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures to June 2019, except for Nicaragua (figures to March 2019).
[b] Coverage refers to the general government in the case of Brazil and to the General Treasury of the Nation in the case of the Plurinational State of Bolivia.
[c] Data for Central America include Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua and Panama.
[d] The figures for Belize, Guyana and Jamaica refer to the public sector.

The rising debt trend in Latin America is driven by a group of countries comprising Brazil, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Paraguay, Peru, and Uruguay (see figure VII.5). In all these countries the debt-to-GDP ratio is rising, whereas in others, such as Argentina, Mexico, Panama, Nicaragua and the Plurinational State of Bolivia, this ratio is now falling after climbing between 2017 and 2018. In the case of Argentina, a decline of 5.3 GDP points in gross public debt between the fourth quarter of 2018 and the second quarter of 2019 reflects the trend growth of nominal GDP in a context of high inflation.

Figure VII.5
Latin America (17 countries): change in central government gross public debt,[a] 2018–2019[b]
(Percentages of GDP)



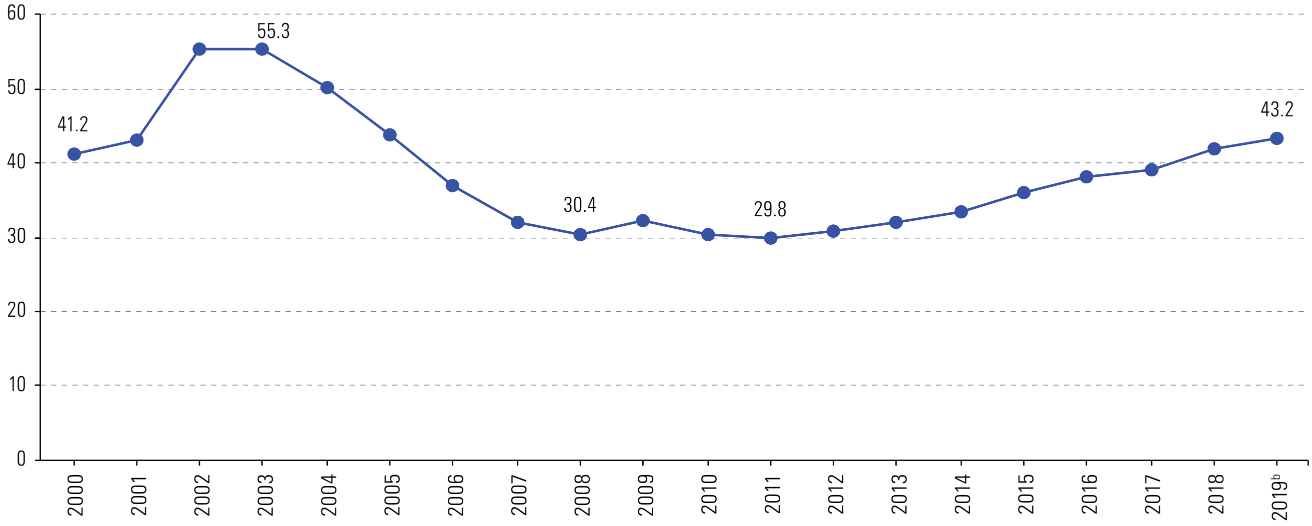
Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Coverage refers to general government in the case of Brazil and to the General Treasury of the Nation in the case of the Plurinational State of Bolivia.
[b] Figures as of June 2019, except for Nicaragua (figures to March 2019).

Trends between end-2018 and June 2019 have contributed to the continuous rise —by 13.4 percentage points of GDP— in the level of debt in Latin America since 2011, when gross public debt had fallen to a low of 29.8% of GDP (see figure VII.6). By contrast, the Caribbean countries are holding steady on downward path in gross public debt begun in 2018.

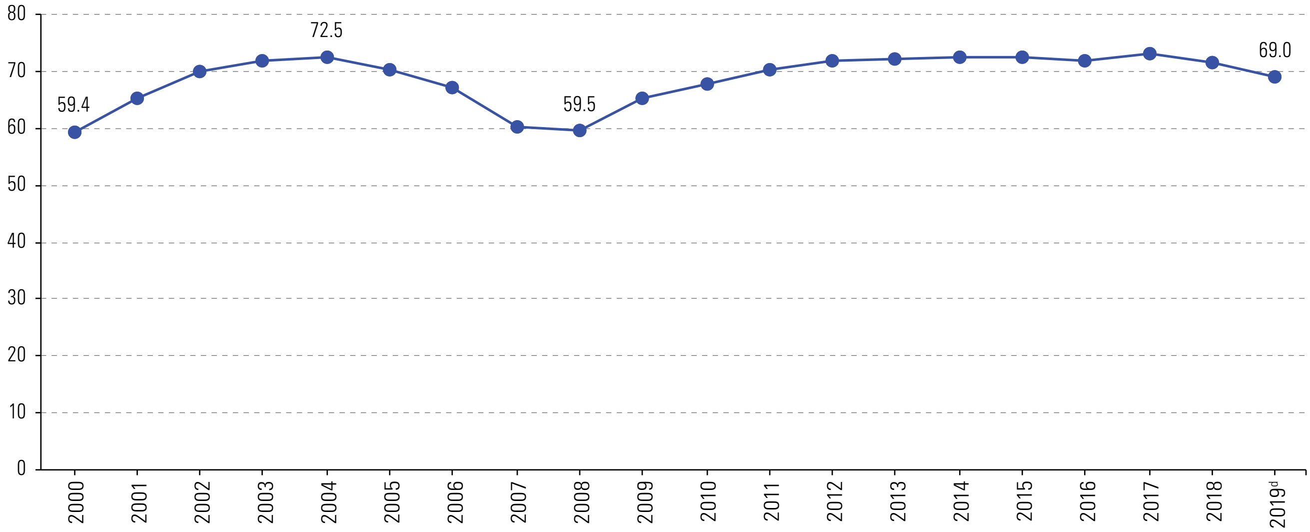
The behaviour of gross public debt over the course of the year has been marked by a rising quarterly trend, particularly in the second half of the year (see figure VII.7). This partly reflects an acceleration in the execution of public expenditure towards the end of the year, which could generate greater demands for financing since the revenue flow does not pick up in line with expenditure. However, this effect could be mitigated if governments adjust spending levels to meet the global and primary balance targets.

Figure VII.6
Latin America and the Caribbean: central government gross public debt, 2018–2019
(Percentages of GDP)

A. Latin America (18 countries)[a]

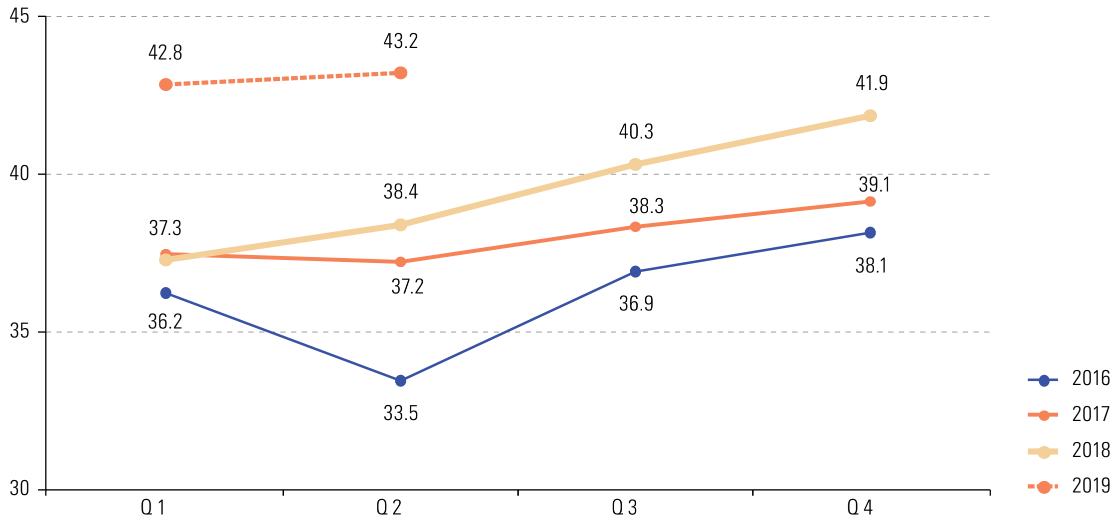


B. The Caribbean (13 countries)[c]



Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The data refer to general government in the case of Brazil and to the General Treasury of the Nation in the case of the Plurinational State of Bolivia.
[b] Figures as of June 2019, except for Nicaragua (figures to March 2019).
[c] The figures for Belize, Guyana and Jamaica refer to the public sector
[d] Figures as of June 2019.

Figure VII.7
Latin America: central government gross public debt, first quarter 2016–second quarter 2019
(Percentages of GDP)

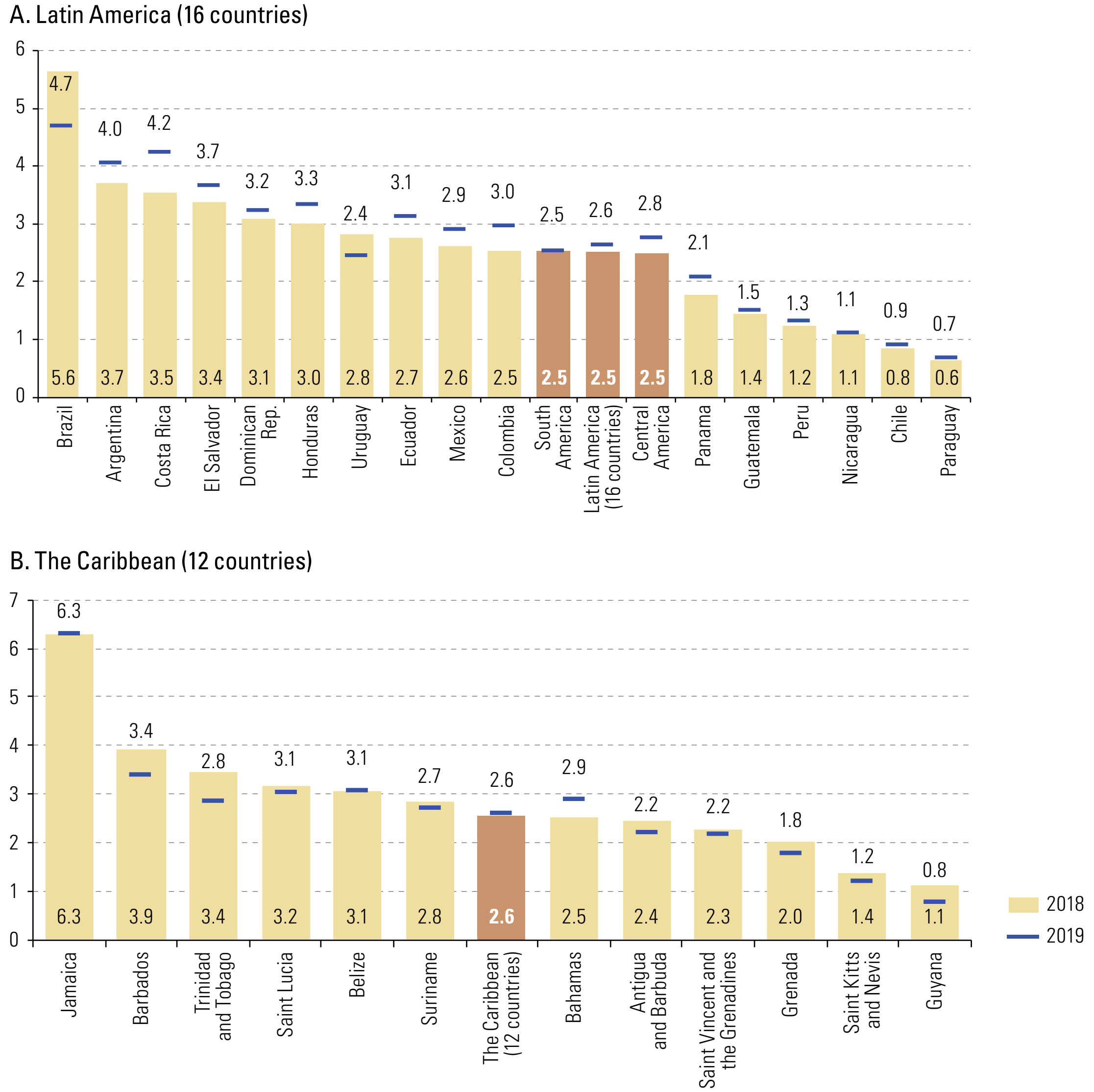


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

In keeping with growing indebtedness in Latin America, interest payments are expected to rise from 2.5% to 2.6% of GDP between 2018 and 2019 (see figure VII.8). Of the 16 countries in this group, only Brazil and Uruguay are expected to see their debt interest payments decline relative to GDP. The countries likely to record the greatest increases in interest payments are Costa Rica (+0.7 percentage points of GDP), Colombia (+0.5 percentage points), Ecuador (+0.4 points) and Argentina (+0.3 points). Despite these trends, Brazil, Argentina and Costa Rica remain the three Latin American countries with the highest interest payments, representing 4.7%, 4.0% and 4.2% of their GDP, respectively.

In the Caribbean, interest payments are forecast to decline by a tenth of a percentage point, from 2.8% to 2.7% of GDP between 2018 and 2019. Suriname (-0.6 percentage points of GDP), Barbados (-0.5 points) and Guyana (-0.3 points) are expected to record the largest reductions. Jamaica remains the country in which interest payments account for the largest GDP share (6.3%), followed by Barbados (3.4%), Saint Lucia (3.1%) and Trinidad and Tobago (3.1%).

Figure VII.8
Latin America and the Caribbean: central government interest payments, 2018–2019[a]
(Percentages of GDP)

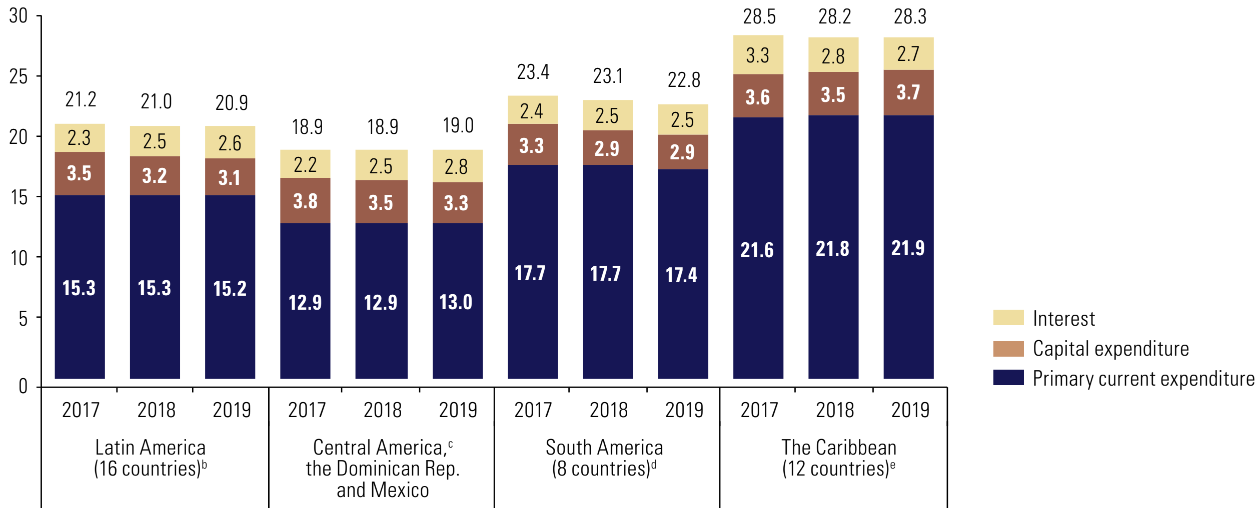


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures to 2019 according to budgets.

Public spending holds relatively stable

Although, on average, public spending has held relatively stable in the region, a disaggregated analysis shows that containing public outlays remains the main pillar of fiscal consolidation in some of the region's countries. As shown in figure VII.9, the projected slight reduction in total public spending in Latin America —which in 2019 is expected to come in at 20.9% of GDP, compared to 21.0% in 2018— is due to the reduction forecast in South American countries. Total expenditure is set to decrease by over one percentage point of GDP in Argentina and Brazil. In the latter case, as noted above, this reduction mostly reflects a decrease in interest payments. In contrast, total expenditure is forecast to increase by 0.1 GDP point in the group consisting of Central America, the Dominican Republic and Mexico.

Figure VII.9
Latin America and the Caribbean: composition of public expenditure by subcomponent, 2017–2019[a]
(Percentages of GDP)

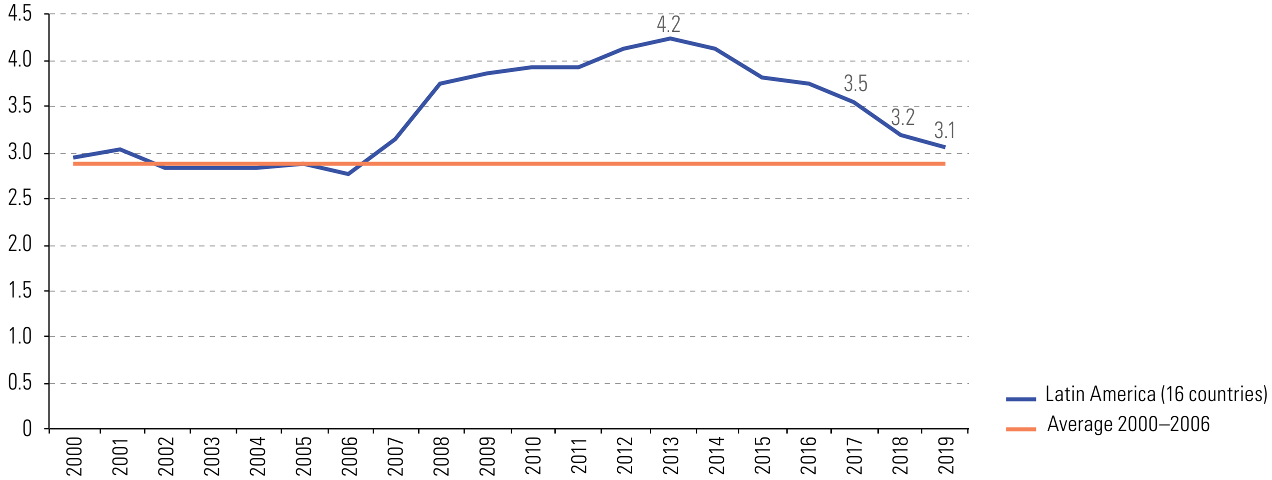


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. In the cases of Argentina, Mexico and Peru the figures refer to the national public administration, the federal public sector and general government, respectively.
[a] The figures for 2017 and 2018 are actual values, while those for 2019 are official estimates or projections derived from the 2020 budget figures.
[b] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[c] Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
[d] Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.
[e] Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

Secondly, the trends of primary current expenditure are divergent. As in the previous case, in Latin America as a whole it is expected to edge down from 15.3% of GDP in 2018 to 15.2% in 2019 — owing to a slight reduction in South America to 17.4% of GDP from the previous year's 17.7%, which was the lowest level since 2014. This mainly reflects expenditure cuts in Argentina (by more than 1 percentage point of GDP) and in Brazil (by 0.3 points) as a result of cuts in subsidies and other transfers. By contrast, Central America, the Dominican Republic and Mexico display varying trends, with reductions in El Salvador, Honduras and Mexico, and increases in Guatemala and Panama.

Thirdly, capital expenditure is projected to retreat in 2019, both in absolute terms, as noted above, and relative to GDP. In Latin America as a whole, capital expenditure is expected to represent 3.1% of GDP, its lowest level since 2007 and only slightly above the 2000–2006 average of 2.9% of GDP (see figure VII.10). In this case, capital expenditures in Central America, the Dominican Republic and Mexico are set to fall to 3.3% of GDP, compared to 3.5% in 2018 and 3.8% in 2017. In particular, capital expenditure is expected to fall by 0.7 percentage points of GDP in Honduras, reflecting lower spending on investment and capital transfers, and by 0.3 points in Mexico.

Figure VII.10
Latin America (16 countries):[a] central government capital expenditures, 2000–2019[b]
(Percentages of GDP)



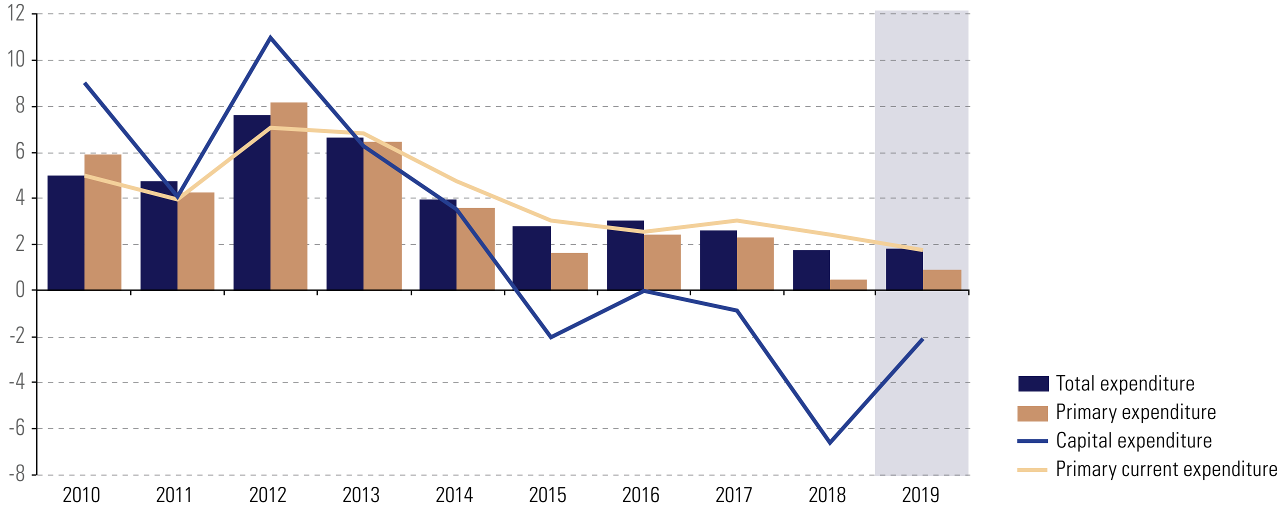
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[b] The figures for 2019 are official estimates or projections derived from the 2020 budget figures.

The pattern in the Caribbean differs from the projection for Latin America. As figure VII.9 shows, total expenditure is expected to rise slightly in 2019 to 28.3% of GDP, compared to the previous year's 28.2%. This mainly reflects an expected rise in capital spending to 3.7% of GDP compared to 3.5% in 2018. Current primary expenditure is also projected to grow on average, but with wide variations between countries: significant increases in the Bahamas, Barbados, Guyana, Jamaica and Trinidad and Tobago, being offset by decreases in Grenada, Saint Lucia and Suriname.

The trend of public expenditure can also be analysed through the real variation of its components. As shown in figure VII.11, the real year-on-year increase in total central government expenditure in Latin America is expected to be less than 2% on average in 2019. To curtail the growth of total outgoings in the face of rising interest payments, governments have adopted measures to freeze primary expenditure growth. This is expected to vary by 0.9% year-on-year, owing mainly to a contraction in capital spending. The growth of primary current expenditure (comprising operating expenses and transfers, among other items) is expected to slow to 1.8% year-on-year, the lowest rate since 2003.

Over the course of the year, several countries, including Chile and Mexico, announced economic stimulus packages that include measures to boost investment and the social agenda, among other aims. In Jamaica, the primary surplus target was downgraded from 7% to 6.5% of GDP, in order to increase social spending and invest in infrastructure. Nonetheless, these types of measures are not expected to become widespread in 2020. Government intentions, as reflected in draft budgets, do not indicate further growth in public spending. Despite this general objective, however, some countries, including El Salvador and Paraguay, are taking steps to retarget public spending to boost social programmes and other investments.

Figure VII.11
Latin America (16 countries):[a] real year-on-year variation in central government public expenditure, by subcomponent, 2010–2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Figures are simple averages.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico (federal public sector), Nicaragua, Panama, Paraguay, Peru (general government) and Uruguay.

Public revenues are projected to be stable, but could be affected by the slowdown in economic activity and lower prices for natural resources

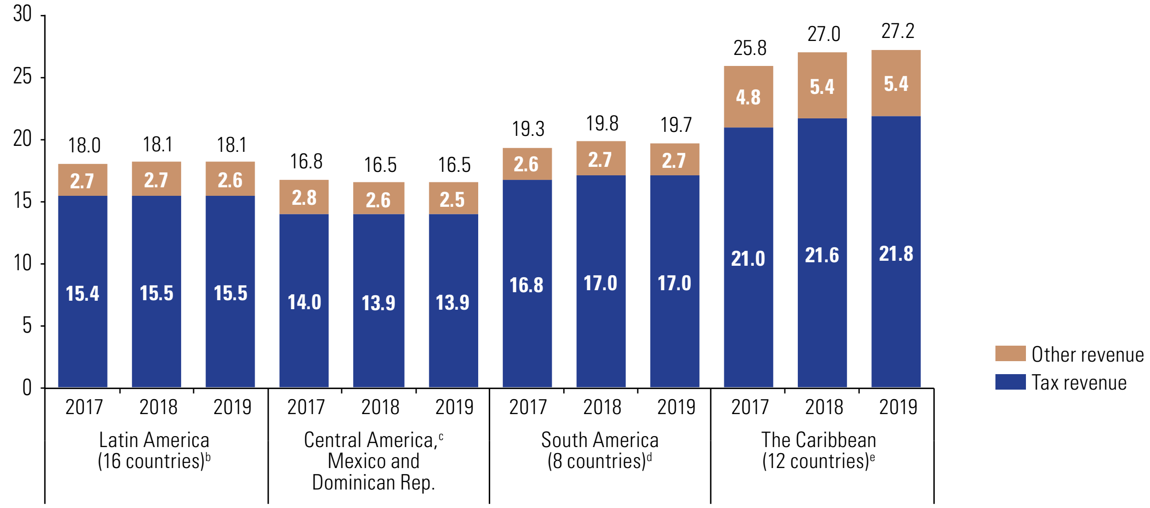
Although the macroeconomic context has weakened progressively during the year, as reflected in the slowdown in economic activity and the fall in prices of non-renewable natural resources, the latest projections suggest that total public revenue in Latin America will remain relatively stable in 2019 around 18.1% of GDP (see figure VII.12). Similarly, no significant changes are expected in the level of public revenue in Central America, the Dominican Republic and Mexico (16.5% of GDP), or in South America (around 19.7% of GDP, due to the effect of rounding). However, this result partly reflects the implementation of a number of tax reforms and measures, as well as an influx of exceptional revenues during the year.

Tax revenues are expected to remain stable at 15.5% of GDP in Latin America as a whole, since on average, tax receipts for the year to August are the same as in the year-earlier period (see table VII.1). Although the tax burden is relatively stable, the growth of revenue from value added tax (VAT) (closely related to trends in activity, private consumption and imports) and from income tax (ISR) has slowed abruptly in real terms year-on-year (from 6.3% in 2018 to 1.0% in 2019 in the case of VAT, and from 4.5% to 1.6% in the case of ISR).

Figure VII.12

Latin America and the Caribbean: composition of public revenues by subcomponent, 2017–2019[a]

(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Note: Simple averages. In the cases of Argentina, Mexico and Peru the figures refer to the national public administration, the federal public sector and general government, respectively.

[a] The figures for 2017 and 2018 are actual values, while those for 2019 are official estimates or projections derived from the 2020 budget figures.

[b] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

[c] Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

[d] Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.

[e] Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

Table VII.1

Latin America (12 countries): tax burden and year-on-year real variation in revenue from value-added tax (VAT) and income tax (ISR), 2018–2019[a]

(Percentages of GDP and percentages)

Country	Tax revenue *(percentages of GDP)*		VAT		ISR	
	2018	2019	2018	2019	2018	2019
South America						
Argentina	9.2	9.1	12.8	-9.1	5.6	0.4
Brazil	13.4	13.4	5.2	0.5	2.5	6.1
Chile	12.7	12.7	3.6	-0.2	5.2	1.2
Colombia	7.2	7.5	6.0	7.4	-0.9	4.7
Ecuador	8.1	8.2	6.3	0.5	10.7	-6.2
Peru	9.5	9.5	10.5	2.4	19.1	1.9
Uruguay	17.8	17.3	0.2	-0.6	5.6	-2.3
Average	**11.1**	**11.1**	**6.4**	**0.1**	**6.8**	**0.8**
Central America, the Dominican Republic and Mexico						
Costa Rica	8.1	8.3	-1.0	2.1	0.8	4.4
Dominican Republic	8.8	8.9	11.2	8.7	6.9	9.4
El Salvador	12.7	12.4	10.8	0.7	2.9	1.7
Guatemala	7.0	6.8	2.3	1.9	-5.2	-2.3
Mexico	8.8	9.0	7.1	-2.9	1.1	-0.4
Average	**9.1**	**9.1**	**6.1**	**2.1**	**1.3**	**2.6**
Latin America (12 countries) (average)	**10.3**	**10.3**	**6.3**	**1.0**	**4.5**	**1.6**

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Note: The VAT figures given for Brazil include receipts from the federal tax on processed products and the state sales taxes on merchandise and services.

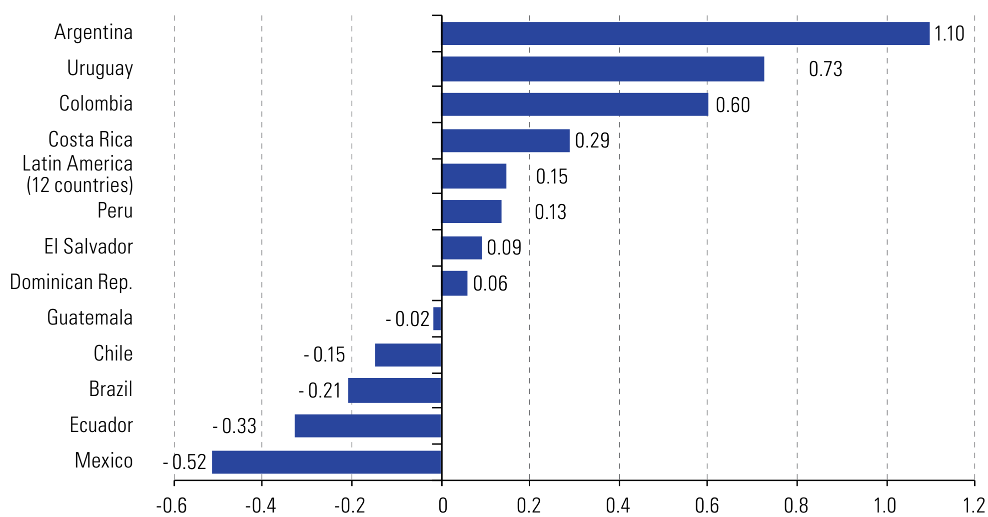
[a] The figures for tax revenues refer to January–August, except in the case of Ecuador, where the period is January–July.

Considering the subregions that comprise Latin America, tax revenue relative to GDP has also been relatively stable in 2019. However, different situations are revealed when the countries in each subregion are considered separately. In South America, the tax burden in Colombia has increased during the year to August, to 7.5% of GDP compared to 7.2% in the year-earlier period. This is partly due to the changes introduced —particularly with respect to income tax withholding— under the Financing Law of 2018 (Law No. 1943). By contrast, the tax burden in Uruguay eased, as weaker economic growth generated lower VAT and income tax revenue.

A similar scenario applies in Central America, the Dominican Republic and Mexico, where the tax burden has remained stable despite a sharp slowdown in the growth of revenue from the main taxes. In Costa Rica tax revenue increased following implementation of the tax reform passed in 2018. In Mexico, total revenues increased in the first eight months of the year, owing mainly to a rise in receipts from the special tax on production and services (IEPS) applied to the sale of gasoline and diesel, as the government withdrew its interventions to smooth variations in the price of these goods.

Other revenues (non-tax income, capital income and grants) in Latin America are expected to decrease slightly in 2009 to a level of 2.6% of GDP, compared to 2.7% in the previous year. As shown in figure VII.13, however, in the year to August the trends varied across countries. Argentina, Colombia, Costa Rica and Uruguay all saw increases; in the case of Argentina, this mainly reflected transfers received by the Central Bank of the Argentine Republic (BCRA). The increase in Colombia is explained by growth in Ecopetrol's financial surpluses and by the transfer of profits from Banco de la República as from 2019. The increase in Uruguay is explained by the transfer to the Social Security Trust Fund (FSS) of funds accumulated by the "cincuentones", together with surpluses generated by the Energy Stabilization Fund.

Figure VII.13
Latin America (12 countries): year-on-year change in other central government revenues, 2018–2019[a]
(Percentage points of GDP on the basis of cumulative results for January–August of each year)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. In the cases of Argentina, Mexico and Peru the figures refer to the national public administration, the federal public sector and general government, respectively.
[a] The figures for Colombia and Ecuador refer to January–June and January–July, respectively.

In addition, Brazil, Chile, Ecuador and Mexico also display reductions resulting from lower revenues from the exploitation of non-renewable natural resources. In Brazil, the reduction is due to the high base of comparison with the previous year, when the country received exceptional revenues related to new contracts signed during the recent round of oil auctions. In Chile, lower revenues from the National Copper Corporation (CODELCO) reduced the "Other revenues" category. In Ecuador, revenues related to oil exports were down, and in Mexico oil revenues fell, both for Petróleos Mexicanos (PEMEX) itself and in terms of the revenues received by the federal government.

In the Caribbean, total revenues are expected to continue to grow in 2019, although by less than in 2018. The increase in total revenues, to 27.2% of GDP compared to the previous year's 27.0%, reflects the trend of tax revenues. In the Bahamas, Guyana and Trinidad and Tobago, in particular, the tax burden could rise by more than one percentage point (in the latter country boosted by a tax amnesty).

B. Monetary and exchange-rate policies

As mitigating the slowdown in domestic aggregate demand is the monetary authorities' chief objective, monetary policy interest rates have hit historical lows

The region's monetary authorities still face latent dilemmas between stimulating aggregate demand and avoiding increased macrofinancial instability, but the prolonged and generalized slowdown in domestic aggregate demand across the region, especially in consumption and investment, led them to prioritize expansionary policies in the first 10 months of 2019. Moreover, lower inflation so far this year provides additional space to implement expansionary policies, although it also reflects the severity of the activity slowdown. Smaller depreciations and less currency volatility in the region in 2019, compared to the previous year's experience, also make conditions more conducive to somewhat more aggressive demand stimulus policies. Nonetheless, the uptick in both variables in the second half of the year may presage additional risks in the future, especially given the uncertainty generated by electoral scenarios and the demonstrations that have been taking place across the region.

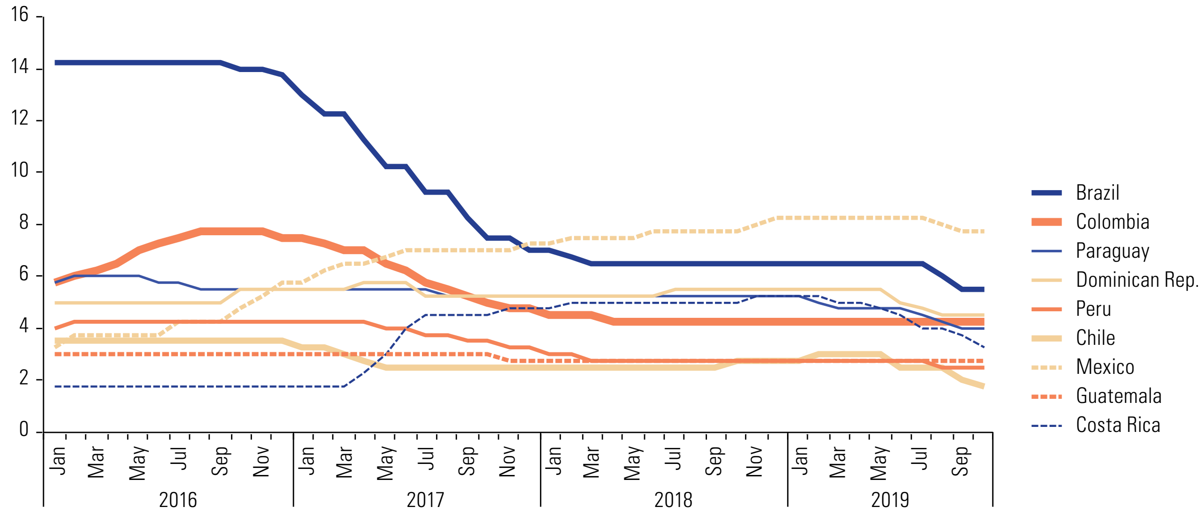
Monetary policy rates were lowered in 7 of the 10 economies that use this variable as the main monetary policy instrument, and there were no changes in two others: Colombia and Guatemala (see figure VII.14). Honduras, in contrast, was the only country where the central bank raised the policy rate, in January 2019, and it has held it stable ever since.

This rate-cutting dynamic intensified in the second half of 2019, since only four central banks had reduced their policy rates in the first six months of the year. In six of the seven rate-cutting countries, policy rates were lowered more than once; and in seven economies the October 2019 levels are at a five-year low.

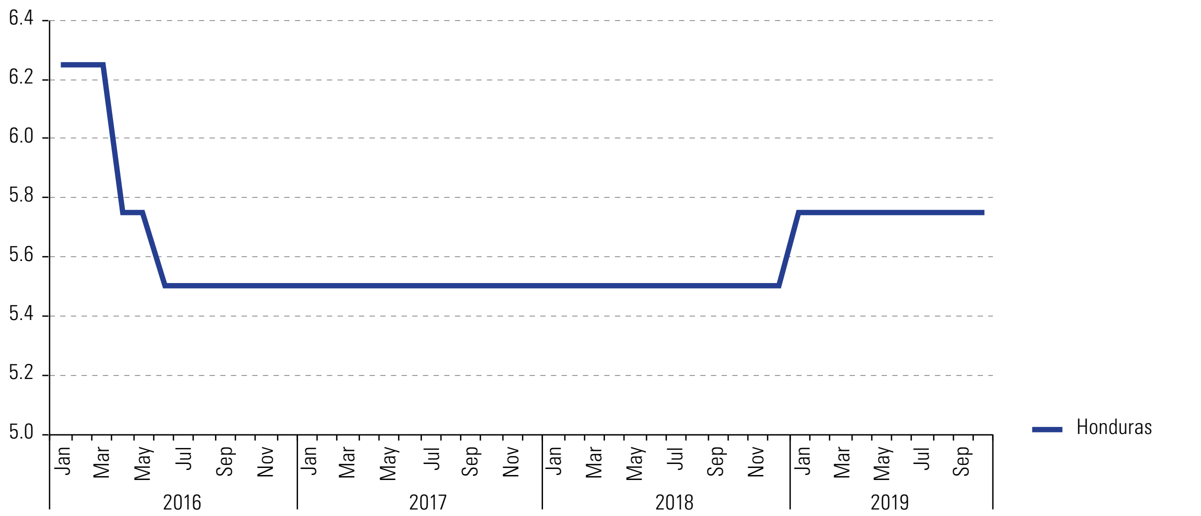
Among region's economies whose main policy instrument is control of growth of monetary aggregates (Haiti, Plurinational State of Bolivia and Uruguay, the dollarized economies —Ecuador, El Salvador and Panama— and the economies of the non-Spanish-speaking Caribbean), most have also adopted measures to stimulate demand; and, as a result, base money growth accelerated in the first three quarters of 2019 relative to its end-2018 pace (see figure VII.15). Although they are presented as a single group, the non-Spanish-speaking Caribbean economies have varying degrees of freedom to expand their monetary aggregates, depending on their exchange-rate regime. While Guyana, Jamaica, Suriname and Trinidad and Tobago have more freedom because they have floating exchange rates, other economies, such as those of the Eastern Caribbean, are more constrained because they operate under a currency board scheme.

Figure VII.14
Latin America (selected countries): monetary policy interest rate in countries that use this as their main policy instrument, January 2016–October 2019
(Percentages)

A. Countries that maintained or lowered the rate

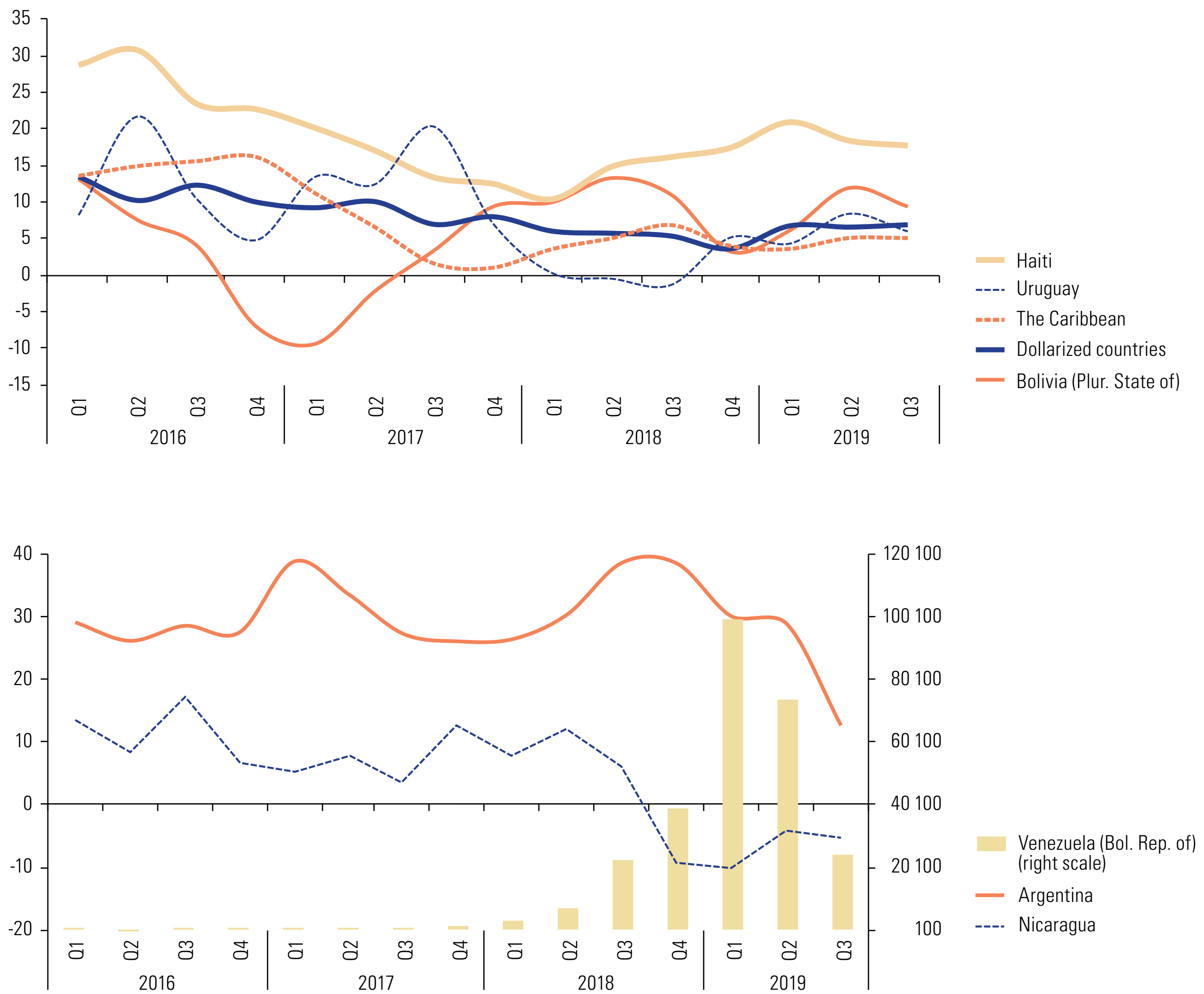


B. Countries that raised the rate



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Figure VII.15
Latin America and the Caribbean (selected countries): trend of the monetary base in countries that use monetary aggregates as the main monetary policy instrument, first quarter 2016–third quarter 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

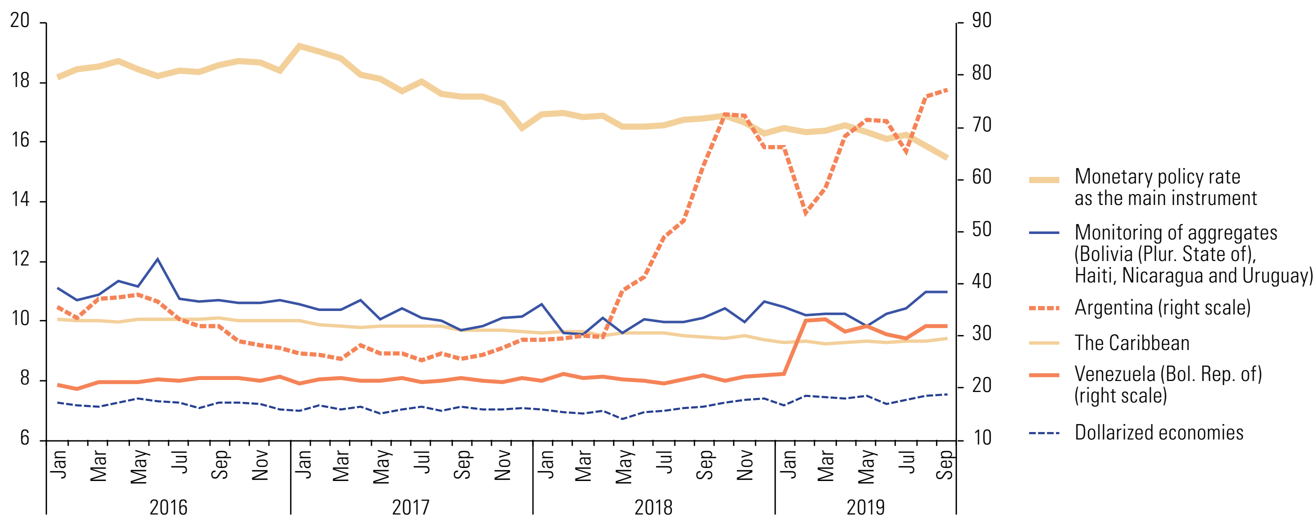
In the cases of Argentina, the Bolivarian Republic of Venezuela and Nicaragua, the monetary base trended differently from those of other countries in the region, with slower growth in the Argentine and Venezuelan cases and outright contraction in Nicaragua. The slacker demand for money, owing to weaker economic activity and political and electoral uncertainty, has boosted demand for foreign exchange. As a result, the reduction in international reserves has been one of the main drivers of the base money contraction in these economies in 2019.

Although the behaviour of lending rates has varied across the region, credit to the private sector is tending to contract

Despite the authorities' efforts to increase liquidity in most of the Latin American and Caribbean economies in 2019, lending rates vary considerably throughout the region.

Figure VII.16 reports the trend of nominal lending rates in the region's economies, showing falls for the group of countries that use the monetary policy rate as their main instrument (-0.82 percentage points). In the non-Spanish-speaking Caribbean countries and the dollarized economies, rates have hardly varied (increases of 0.10 and 0.11 percentage points, respectively), while in countries that use monetary aggregates as their main policy tool, lending rates have tended to rise: by 0.31 percentage points in the group comprising Haiti, Nicaragua, the Plurinational State of Bolivia and Uruguay, by 11.0 percentage points in Argentina and by 9.58 points in the Bolivarian Republic of Venezuela.

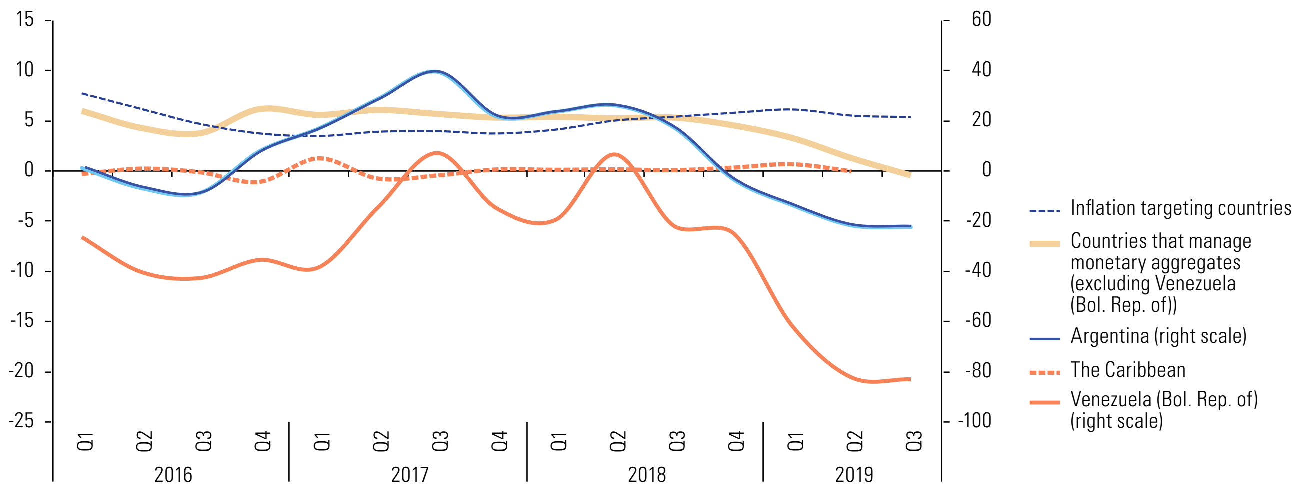
Figure VII.16
Latin America and the Caribbean (selected country groupings): average lending rates, January 2016–September 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Domestic credit to the private sector is tending to contract in the region in real terms, except in economies that use the interest rate as the main monetary policy instrument. In these countries, real lending to the private sector is still growing, but at an ever slower pace. Figure VII.17 shows that this variable grew steadily between the fourth quarter of 2016 and the first quarter of 2019 in the economies that use monetary policy rates as their main policy tool. Since then, however, credit growth has slackened from 6.1% in the first quarter of 2019 to 5.4% in the third quarter. In economies that control monetary aggregates, the slowdown in the growth of this variable since the third quarter of 2017 has intensified, and, in the third quarter of the year, credit to the private sector contracted by 0.5%. In Argentina and the Bolivarian Republic of Venezuela, the contraction in lending to the private sector gathered pace in 2019, and in the third quarter of the year it was down by 22.2% in Argentina and by 82.8% in the Bolivarian Republic of Venezuela. In the non-Spanish-speaking Caribbean economies, domestic credit to the private sector recorded low but positive growth rates in 2018 and also in the first quarter of 2019, but has flatlined since the second quarter.

Figure VII.17
Latin America and the Caribbean (selected countries): trend of real domestic credit to the private sector, average year-on-year growth rates, first quarter 2016–third quarter 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The region's currencies tended to depreciate against the dollar in 2019, despite less exchange-rate volatility than in 2018

In the first 11 months of 2019, the dollar exchange rates of 13 (out of 18) of the region's currencies trended up in nominal terms, although year-on-year rates of depreciation were lower on average in 2019 than in 2018. Nonetheless, some currencies still depreciated by more than 5%. In 2019, the region's currencies were generally more stable, especially in the first half of the year, with less volatility in 11 of the 18 economies that have adjustable rates.

As with other variables analysed in this document, both the rate of depreciation and exchange-rate volatility vary across subregions. The currencies of the South American economies weakened by an average of 15.5%, with Argentina, Chile and Uruguay posting double-digit depreciations. The currencies of the Central American economies depreciated by an average of 5.2%, and by over 25% in the case of Haiti. In the non-Spanish-speaking Caribbean, the average depreciation was 2.1%, with the Jamaican currency losing 9.04%. Five economies —Costa Rica, Guatemala, Guyana, Mexico and Trinidad and Tobago— recorded nominal appreciations, while the Mexican peso was the only currency in the region to strengthen in both 2018 and 2019.

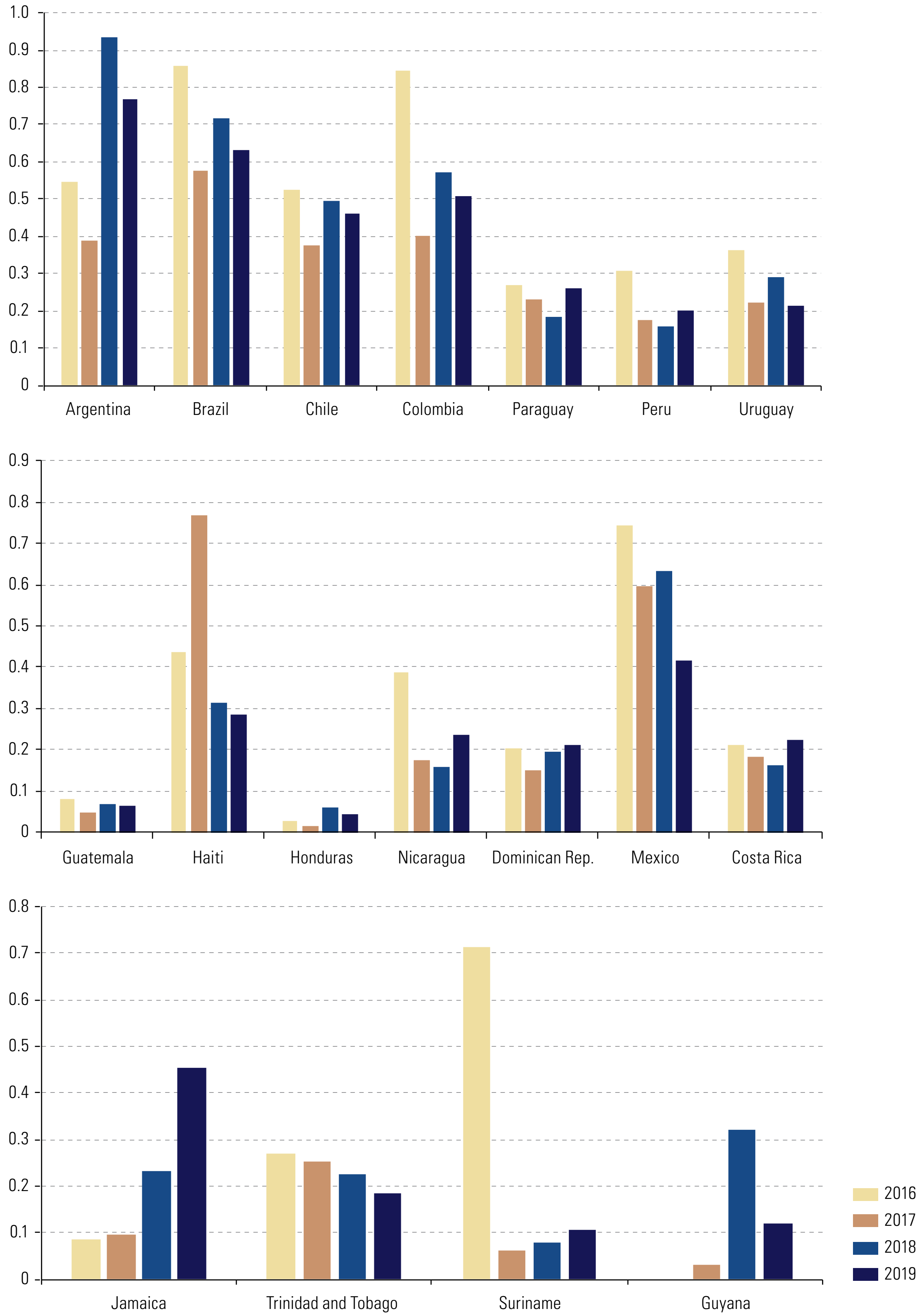
As figure VII.18 shows, while the South American economies showed the greatest volatility in exchange rates in 2019, they also showed the largest decline in volatility, except Paraguay and Peru, where exchange rates became more volatile. The Central American currencies were more stable than those in the south; and, although the indicators were similar to those of 2018, these economies also saw volatility ease in 2019. In the non-Spanish-speaking Caribbean countries, volatility levels remained broadly constant in Trinidad and Tobago and Suriname, with a bias downward in the first case and upward in the second, but there were significant variations in the cases of Jamaica (up) and in Guyana (down).

In the Bolivarian Republic of Venezuela, the process of making the official exchange rate more flexible was consolidated in 2019, by eliminating the exchange controls that had been in place since 2013. Auctions are now held at the foreign-exchange desk of the Central Bank of Venezuela to determine the exchange rate. With the new currency regime in place, the spread between the official exchange rate and the parallel market rate has all but disappeared. The official rate posted a cumulative depreciation of 3,567% from December 2018 to November 2019.

In terms of the real effective exchange rate, 13 of the region's currencies appreciated between September 2019 and September 2018. In South America, domestic currencies strengthened in Argentina, the Bolivarian Republic of Venezuela, Brazil, Peru and the Plurinational State of Bolivia. In Central America, the currencies of Costa Rica, Guatemala, Honduras and Nicaragua all gained in value; while, in the non-Spanish-speaking Caribbean, Barbados, Dominica, Jamaica and Trinidad and Tobago also saw their currencies appreciate in real terms.

By contrast, nine economies saw real depreciations in this period. In South America, the currencies of Chile, Colombia, Ecuador, Paraguay and Uruguay all lost value, while in Central America those of El Salvador, Panama and the Dominican Republic also weakened. The Mexican peso also depreciated in real terms between September 2018 and September 2019.

Figure VII.18
Latin America and the Caribbean (18 countries): nominal exchange-rate volatility, average absolute value of daily variations, 2016–2018
(Percentages)

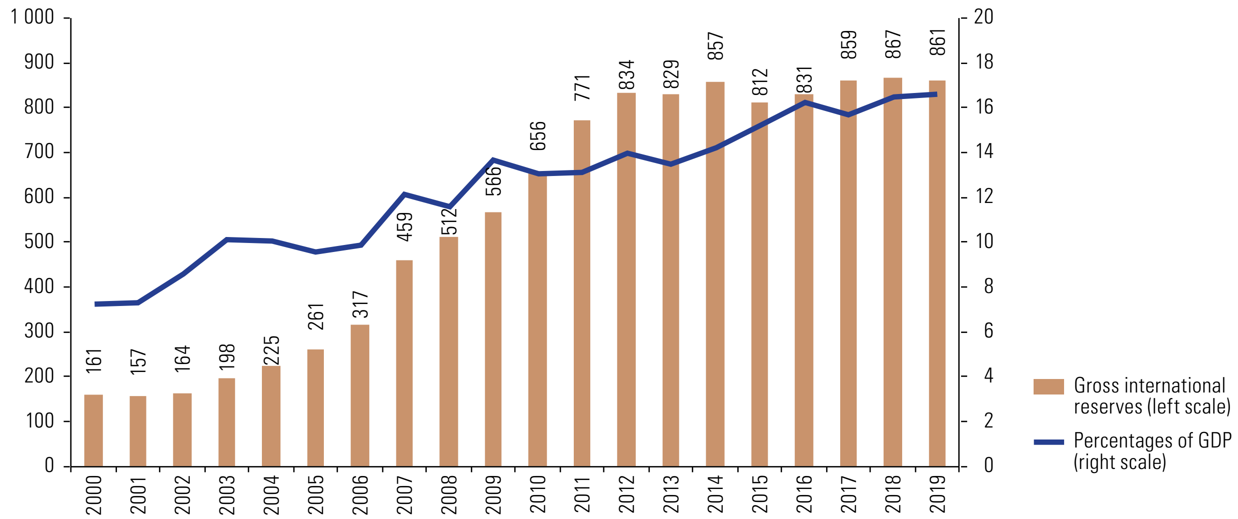


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

International reserves are down in nominal terms but remain stable relative to GDP

Figure VII.19 shows that the region's international reserves shrank by US$ 6.3 billion in the first 11 months of 2019 (by 0.7% relative to their end-2018 level). The rate of accumulation of international reserves varied significantly throughout 2019. In the first seven months of the year, the region's reserves grew by 4.5% (US$ 39.328 billion). Between July and November 2019, however, the reserve balance shrank by US$ 45.629 billion (-5.0%).

Figure VII.19
Latin America and the Caribbean: trend of gross international reserves, 2000–2019
(Billions of dollars and percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

As of November 2019, the balance of international reserves had fallen in 14 of the region's economies since the end of 2018, with Antigua and Barbuda, Argentina, Belize and the Plurinational State of Bolivia all experiencing double-digit reductions. In absolute terms, however, the sharpest falls occurred in Argentina, Brazil, the Plurinational State of Bolivia and Uruguay, all of them losing in excess of US$ 1 billion. This trend in reserves was driven mainly by larger interventions in the foreign-exchange markets to ease pressures on exchange rates and external account deficits. In the case of Argentina, the funds transferred to the Central Bank of the Argentine Republic by the International Monetary Fund (IMF) were also a significant factor. Between June 2018 and July 2019, the central bank received the equivalent of US$ 44.041 billion, equivalent to the country's reserves balance at November 2019.

International reserves grew in 18 countries in 2019, with the Bahamas, Barbados, Ecuador, El Salvador and Panama recording the largest relative increases of more than 20%. In absolute terms, Colombia, Mexico and Peru accumulated the most, with increases in excess of US$ 4 billion.

In 2019, the reserves-to-GDP ratio has remained stable —edging just 0.1 of a percentage point above the 2018 level of 16.5%— reflecting the combination of the loss of reserves in the year to date and a reduction in the region's nominal GDP. This indicator deteriorated in 13 countries, dropping by 5 percentage points or more in Antigua and Barbuda, Dominica, the Plurinational State of Bolivia and Saint Kitts and Nevis.

CHAPTER VIII

Challenges and prospects for Latin America and the Caribbean in 2020

The international context will continue to pose challenges for Latin America and the Caribbean in 2020, as the outlook is no brighter than it was in 2019

Following successive downward revisions of the growth rates for virtually all the regions of the world, global economic growth for 2019 is estimated at 2.5% —the lowest rate to be recorded since the worldwide financial and economic crisis— and the outlook for 2020 is no better. World economic activity and global trade are weak, and risks are skewed to the downside. Trade tensions have shaken economic actors' confidence and depressed investment in some economies that have a high degree of international trade exposure, thereby endangering not only current growth but medium-term growth as well.

Factors having a strong impact on the countries of Latin America and the Caribbean include the slowdown in the economies of their two main trading partners: the United States, which will have grown less than 2% as the effect of the tax reform package that boosted the economy in 2018 and during part of 2019, wanes; and China, which will post a growth rate of under 6% in 2020 —its lowest rate in the past 30 years. The effect of these two economies' slackening pace of growth is being felt by the countries of the region not only via trade but also in the form of lower prices for raw materials, since both China and the United States are major buyers on the world markets for the region's commodity exports.

The prices of many commodities are expected to fall further in 2020. This will have a particularly strong effect on the economies of South America, which export these products, via a deterioration in their terms of trade and, as a knock-on effect, less disposable income and lower tax revenues from extractive activities.

Against the backdrop of this sharp, widespread downturn, the effectiveness of monetary and fiscal policies as tools for reactivating the economy is subject to various constraints in differing contexts. The usefulness of monetary policy for this purpose is, in particular, coming to an end in a number of developed economies, and in those where reference rates are already in negative territory, it is becoming increasingly important to weigh the benefits and costs of further reductions. Prolonged periods of negative rates are eroding the profitability of banking and non-banking financial institutions and putting these economies' overall financial stability at risk. This has once again fuelled debate about the possibility of giving fiscal policy a more active role in situations where such extremely low interest rates are opening up an opportunity to provide funding on more advantageous terms and conditions for public investment in infrastructure and other areas that can boost growth, not only in the short run but in the medium term as well. Nevertheless, fiscal policy's ability to jump-start economic activity in various developed and developing nations is constrained by their hefty public debts and fiscal deficits.

In addition to the sluggishness associated with slumping economic activity and global trade, the year 2020 will be a time of considerable uncertainty given the risks that continue to be faced on various fronts.

The accumulation of debt on international financial markets, driven in part by major central banks' low interest rates, is outpacing the growth of global income and has reached record levels. In the second quarter of 2019, the global debt stock hit US$ 251 trillion, or 320% of world GDP.[1] This upswing has been seen across all sectors (households, the non-financial corporate sector, government and the financial market), but it has been especially steep in the case of government debt in developed countries and the debt of the non-financial corporate sector in emerging economies.

[1] Institute of International Finance (IIF), "Global Debt Monitor - November 2019" [online] https://www.iif.com/Research/Capital-Flows-and-Debt/Global-Debt-Monitor.

These levels of indebtedness and the fact that a sizeable portion of the debt of the emerging economies, including those of Latin America, is denominated in foreign currencies heighten these economies' exposure to changes in monetary policy in the world's major economies, which, in turn, can have a significant effect (via, for example, currency mismatches) on financial agents' balance sheets and their financial capacity.

While, in the short run, the United States Federal Reserve, the European Central Bank and the Bank of Japan are expected to maintain an expansionary monetary policy, the possibility of repeated episodes of heightened volatility and a deterioration in financing conditions for emerging markets, including those of Latin America and the Caribbean, cannot be ruled out.

In China, high debt levels, in conjunction with potential risks for both the official and the shadow financial system, have the authorities on the alert, and they have also had to proceed with caution in order to avoid triggering a sharper slowdown in the economy. Generally speaking, the resolution of the mounting financial risks faced by China in recent years has been very slow in coming. In its latest financial stability report, issued in late 2018, the People's Bank of China estimated that, at year's end, 13.5% of the country's nearly 4,380 financial institutions, mostly rural and smaller institutions, were rated as "high risk".[2] The shadow banking sector expanded in 2019, after having shrunk in 2018.

Apart from the absolute levels of indebtedness, another risk factor for the global economy stems from the growing percentage of negative-yielding debt. In September 2019, the Bank for International Settlements estimated the total level of negative-yielding bonds at some US$ 17 trillion, or 20% of global GDP, which represented a threefold increase over the figure for October 2018. Nearly 90% of this value was denominated in euros or yen.

In line with mounting concern about the soundness of the world economy, trade tensions and the other risk factors mentioned earlier, the demand for the long-term sovereign bonds of what are considered to be "safe-haven" countries —that is, those viewed as being safer or more secure— surged during the year. This triggered reductions in bond yields to the point where they turned negative in a number of countries (e.g. Germany and Japan) and for various maturities.

The negative repercussions of these trends for global financial stability are transmitted through various channels. One of those channels is a reduction in the profitability of non-bank financial institutions such as insurers and pension funds, which need to invest in secure, liquid long-term assets to counterbalance their claims.[3] Another arises when low or even negative yields from secure assets trigger a search for higher yields that generates a demand for higher-risk assets. Cases in point in 2019 have included the public bonds of countries such as Greece —where yields for some shorter-term instruments have also slipped into negative territory—[4] and the growing demand for high-yield corporate bonds, whose yields have, despite their name, dropped below zero in some cases. Even some junk bonds are trading at negative rates in the face of increased demand. As a result, yields have tended to converge and thus no longer are providing an accurate reading of the various assets' risk profiles.

2 See Reuters, "China central bank warns high financial risks amid rising economic headwinds", 25 November 2019 [online] https://www.reuters.com/article/us-china-economy-pboc/china-central-bank-warns-high-financial-risks-amid-rising-economic-headwinds-idUSKBN1XZ151. Early in 2019, government intervention in the Baoshang Bank and the bail-out of the Bank of Jinzhou and Hengfeng Bank sparked renewed concern about the soundness of hundreds of small financial institutions in the country.

3 In these cases, negative bond yields are realized upon their maturity, at which point the profitability of these institutions is negatively impacted.

4 See T. Stubbington, "Rise of sub-zero bond yields turns economic logic on its head", *Financial Times*, 18 November 2019 [online] https://www.ft.com/content/004ffbc2-f4e4-11e9-bbe1-4db3476c5ff0.

In sum, the international outlook for 2020 is no better than it was in 2019, and risk factors generated by the external sector will continue to make themselves felt in the region.

Geopolitical risks —and specifically the tensions between Hong Kong (Special Administrative Region of China) and China that have broken out in 2019— also remain a factor, as do processes currently under way whose implications for the world economy are not yet clear, such as Brexit and the unknown nature of future relations between the United Kingdom and the European Union.

In the light of all the above, it is not possible to rule out new bouts of greater volatility and deteriorating financing conditions, which may go hand in hand with a further slackening of economic activity in various regions, including Latin America and the Caribbean.

The economic performance of the countries of the region will thus be determined, to some extent, by the effectiveness of the domestic monetary and fiscal policy tools that they can deploy in order to navigate this complex international landscape.

On the monetary policy front, authorities in the region continue to grapple with the trade-offs between stimulating aggregate demand and averting a build-up of macroeconomic instability, although the protracted and widespread slowdown in aggregate domestic demand has prompted the central banks of some economies to relax their monetary policy stance. Low inflation during the first half of 2019, coupled with less exchange-rate volatility, gave the authorities more scope for lowering interest rates. In 2020, however, the uptick in both of these variables that began in the second half of 2019 —owing to the uncertainty spawned by upcoming elections and social conflict in a number of countries— could leave less leeway for expansionary monetary policies.

The manoeuvring room for fiscal policy has also narrowed. In fact, a number of countries in the region that are running large fiscal deficits or have high levels of public debt have instead opted to embark on fiscal consolidation processes in a bid to improve their primary balance and thus stabilize their public debt. An additional constraint on fiscal space in the coming year stems from the fact that fiscal revenues could be hurt by the more sluggish pace of economic activity and lower commodity prices. Against this backdrop, a reduction in tax receipts could translate into a sharper cutback in public expenditure or a larger deficit in countries subject to these factors. The growth of quasi-sovereign debt (the debt of State-run or State-owned corporations) is also reducing the scope for countercyclical fiscal policy in some countries of the region (see the discussion of international liquidity in chapter II).

Finally, a number of countries in the region have been overtaken by mounting social conflicts and, in some instances, political crises. This has prompted downward revisions of their projected growth rates for the close of 2019 and for 2020. The updated projections prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) for 2020 are shown below.

Low growth rates will remain widespread in Latin America and the Caribbean in 2020

The Latin American and Caribbean region is expected to remain on a low-growth path in 2020, with GDP projected to edge up by just 1.3%, which would be the region's seventh consecutive year on a low-growth curve. This has translated into declining average per capita income levels and will have given rise to a 3.7% drop in the region's per capita GDP for 2014–2020, or an average annual decrease of –0.5%.

This low-growth scenario encompasses most of the Latin American economies, with 15 out of 20 posting economic growth rates below the average for 2014–2018 and 3 of them recording negative growth rates (Argentina, the Bolivarian Republic of Venezuela and Nicaragua) (see table VIII.1). This growth slump is attributable both to a less favourable external environment and to a steep drop in domestic demand in various economies.

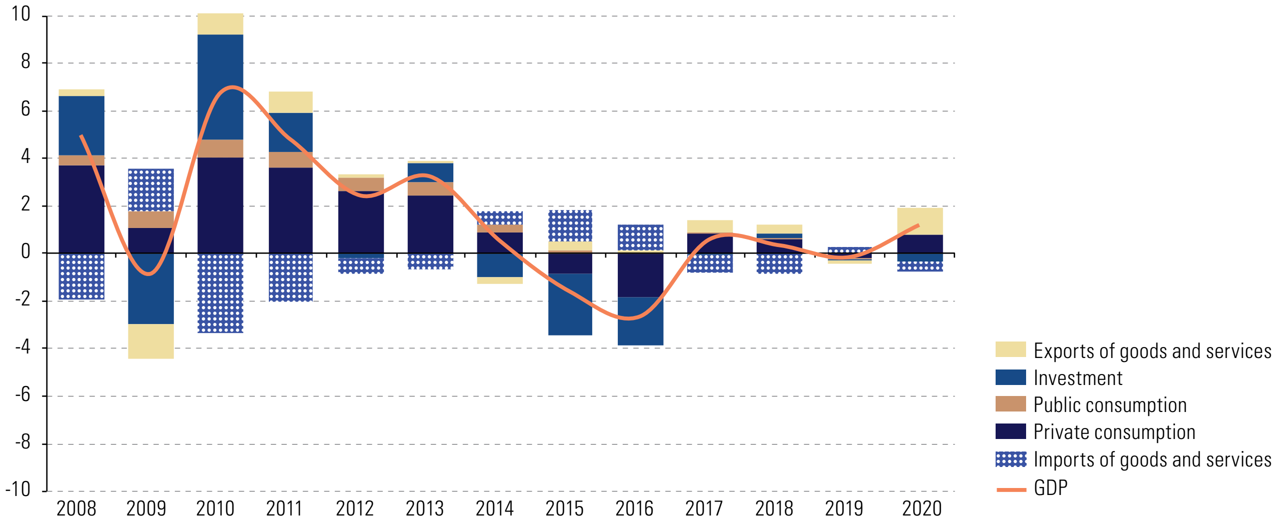
Table VIII.1
Latin America and the Caribbean: annual GDP growth rates, 2016–2020
(Percentages, on the basis of dollars at constant 2010 prices)

Country	2016	2017	2018	2019[a]	2020[b]
Argentina	-2.1	2.7	-2.5	-3.0	-1.3
Bolivia (Plurinational State of)	4.3	4.2	4.2	3.0	3.0
Brazil	-3.3	1.3	1.3	1.0	1.7
Chile	1.7	1.3	4.0	0.8	1.0
Colombia	2.1	1.4	2.6	3.2	3.5
Ecuador	-1.2	2.4	1.4	-0.2	0.1
Paraguay	4.3	5.0	3.7	0.2	3.0
Peru	4.0	2.5	4.0	2.3	3.2
Uruguay	1.7	2.6	1.6	0.3	1.5
Venezuela (Bolivarian Republic of)	-17.0	-15.7	-19.6	-25.5	-14.0
Costa Rica	4.3	3.4	2.7	1.8	1.9
Cuba	0.5	1.8	2.2	0.5	0.5
Dominican Republic	6.7	4.7	7.0	4.8	4.7
El Salvador	2.5	2.3	2.5	2.2	2.3
Guatemala	3.1	2.8	3.2	3.3	3.2
Haiti	1.5	1.2	1.5	-0.7	0.3
Honduras	3.9	4.8	3.8	2.9	2.9
Nicaragua	4.6	4.7	-3.8	-5.3	-1.4
Panama	5.0	5.3	3.7	3.5	3.8
Mexico	2.9	2.1	2.0	0.0	1.3
Latin America	**-1.0**	**1.2**	**1.0**	**0.1**	**1.3**
Antigua and Barbuda	5.5	3.2	7.4	6.2	6.5
Bahamas	0.4	0.1	1.6	0.9	-0.6
Barbados	2.3	-0.2	-0.6	0.0	1.3
Belize	-0.6	1.4	3.0	2.1	1.9
Dominica	2.8	-8.8	4.0	9.0	4.9
Grenada	3.7	4.4	4.1	3.3	4.0
Guyana	3.4	2.2	4.1	4.5	85.6
Jamaica	1.4	1.0	1.7	1.7	1.6
Saint Kitts and Nevis	1.8	0.9	2.4	3.0	3.5
Saint Lucia	3.9	3.3	1.5	2.0	3.2
Saint Vincent and the Grenadines	1.9	1.0	2.2	2.5	2.4
Suriname	-5.6	1.8	2.6	2.1	1.7
Trinidad and Tobago	-6.3	-2.3	-0.3	0.4	1.5
The Caribbean	**-1.7**	**-0.1**	**1.3**	**1.4**	**5.6**
Latin America and the Caribbean	**-1.1**	**1.2**	**1.0**	**0.1**	**1.3**
Central America	**3.7**	**3.5**	**3.5**	**2.4**	**2.6**
South America	**-2.6**	**0.8**	**0.5**	**-0.1**	**1.2**

Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Estimates.
[b] Projections.

Economic activity in the South American subregion is expected to quicken its pace from –0.1% in 2019 to 1.2% in 2020. In terms of the growth contribution made by the various spending components, in 2020 the only portion of domestic demand to contribute positively will be private consumption, adding its effect to exports of goods and services, whose increase is attributable to the low basis of comparison afforded by the figures for 2019, since no upswing in external demand is expected (see figure VIII.1).

Figure VIII.1
South America: GDP growth rates and the contribution of the components of expenditure to growth, 2008–2020[a]
(Percentages)



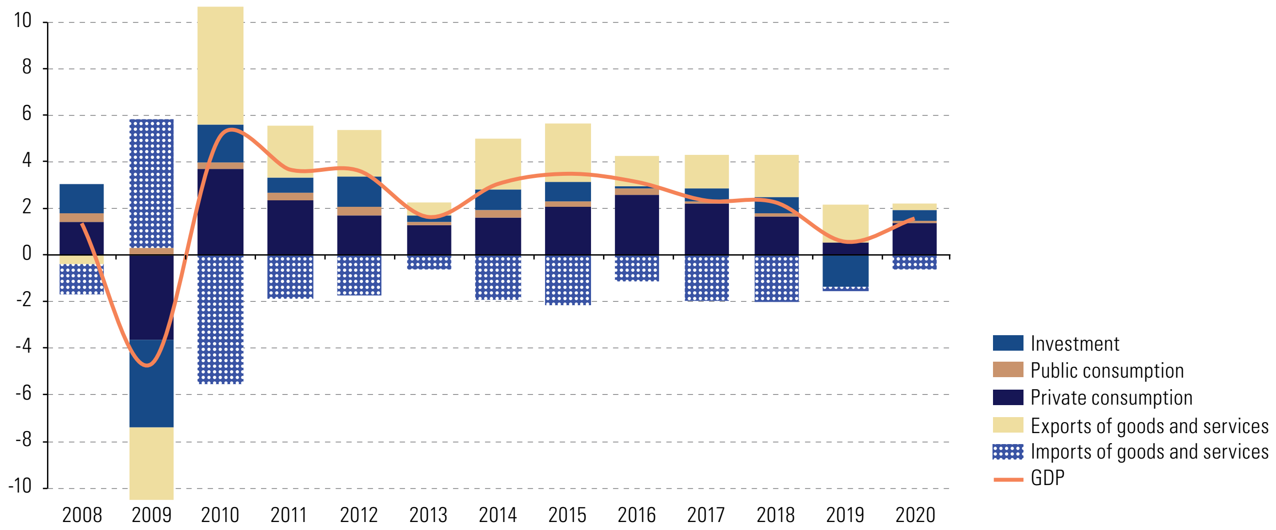
Source:Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures shown for 2019 are estimates; those given for 2020 are projections.

The growth rate for the Central American subregion[5] is projected to rise by two tenths of a percentage point in 2020 (2.6%), with these economies thus maintaining a rate of expansion quite similar to the one recorded in 2019, except that the contraction of activity in Nicaragua will be milder. Meanwhile, Mexico's growth rate for 2020 is expected to be 1.3%, in contrast with the zero growth seen in 2019.

For Central America and Mexico as a group, a greater expansion of domestic demand is expected, with both private consumption and investment playing a larger part than before in driving that growth. The contribution of exports of goods and services will be smaller, however, as a result of the more sluggish United States economy and the slower growth of world trade (see figure VIII.2). Finally, the English- and Dutch-speaking Caribbean economies' growth rates will jump by more than 4 percentage points over their 2019 level to 5.6%. This is in large part due to the surge in growth expected for Guyana as oil production starts up in 2020.

[5] Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Panama.

Figure VIII.2
Central America and Mexico: GDP growth and the contributions of the components of expenditure, 2008–2020[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures shown for 2019 are estimates; those given for 2020 are projections. The data are for Costa Rica, Dominican Republic, Guatemala, Honduras, Mexico and Nicaragua.

Statistical annex

Table A1.1
Latin America and the Caribbean: main economic indicators

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
					Annual growth rates					
Gross domestic product[b]	6.2	4.5	2.8	2.9	1.2	-0.2	-1.0	1.2	1.0	0.1
Per capita gross domestic product [b]	5.0	3.3	1.6	1.7	0.1	-1.3	-2.1	0.2	0.0	-0.9
Consumer prices [c]	4.5	4.9	4.0	4.1	4.4	5.7	4.2	3.6	3.2	2.4[d]
					Percentages					
Urban open unemployment	6.9	6.4	6.4	6.3	6.1	6.6	7.9	8.2	8.0	8.2
Total gross external debt/GDP[e f]	23.9	23.0	25.4	27.3	30.5	35.1	38.0	37.1	40.0	…
Total gross external debt/exports of goods and services[ef]	118.7	108.3	117.5	128.2	145.0	169.0	180.3	172.1	167.4	…
					Millions of dollars					
Balance of payments[e]										
Current account balance	-99 691	-113 151	-147 003	-170 240	-183 336	-170 477	-100 268	-87 392	-105 801	…
Exports of goods f.o.b.	892 266	1 107 530	1 128 505	1 119 395	1 087 849	927 575	896 227	996 651	1 080 978	…
Imports of goods f.o.b.	847 298	1 041 619	1 087 409	1 116 699	1 104 569	981 357	894 210	962 805	1 061 082	…
Services trade balance	-52 123	-69 191	-75 069	-79 801	-77 325	-54 606	-44 884	-50 511	-52 581	…
Income balance	-155 869	-175 201	-176 885	-157 880	-157 394	-131 532	-133 636	-152 018	-159 948	…
Net current transfers	63 334	65 331	63 854	64 745	68 102	69 443	76 235	81 292	86 832	…
Capital and financial balance[g]	185 486	219 354	203 856	185 998	220 746	142 640	119 115	106 399	91 402	…
Net foreign direct investment	107 763	148 893	159 339	150 475	137 369	131 756	126 390	118 881	131 632	…
Other capital movements	77 795	70 474	44 619	36 443	84 506	11 158	-6 874	-12 653	-53 330	…
Overall balance	85 795	106 203	56 853	15 758	37 409	-27 801	19 556	19 016	-14 432	…
Variation in reserve assets[h]	-87 213	-106 472	-57 943	-16 179	-37 814	27 054	-19 398	-18 945	14 427	…
Other financing	1 418	254	1 081	422	445	717	-146	534	28 572	…
Net transfer of resources	30 843	44 406	27 058	28 029	64 190	11 825	-14 667	-45 077	-39 974	…
International reserves	656 132	771 021	834 208	829 117	857 148	811 779	830 960	859 335	867 118	858 995
					Percentages of GDP					
Fiscal sector[i]										
Overall balance	-2.0	-1.7	-2.1	-2.6	-2.9	-3.1	-3.2	-3.1	-2.9	-2.8
Primary balance	-0.3	0.1	-0.3	-0.8	-1.0	-1.0	-1.0	-0.8	-0.4	-0.2
Total revenue	18.0	18.2	18.4	18.4	18.3	18.1	18.1	18.0	18.1	18.1
Tax revenue	17.0	17.2	17.3	17.4	17.3	17.3	15.5	15.4	15.5	15.5
Total expenditure	20.1	19.9	20.5	21.1	21.2	21.2	21.3	21.2	21.0	20.9
Capital expenditure	3.9	3.9	4.1	4.2	4.1	3.8	3.8	3.5	3.2	3.1
Central government public debt[j]	30.4	29.8	30.8	31.9	33.5	36.1	38.1	39.1	41.9	43.2
Public debt of the non-financial public sector[j]	30.4	32.0	33.1	34.3	36.3	39.2	41.4	42.6	45.2	47.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Based on official figures expressed in dollars at constant 2010 prices.
[c] December variation. Weighted average, does not include Argentina, Haiti and Venezuela (Bolivarian Republic of).
[d] Twelve-month variation to October 2019.
[e] Estimates based on figures denominated in dollars at current prices.
[f] Simple averages for 19 countries. Does not include Cuba.
[g] Includes errors and omissions.
[h] A minus sign (-) indicates an increase in reserve assets.
[i] Coverage corresponds to the central government. Simple averages for 17 countries. Does not include Bolivia (Plurinational State of), Cuba and Venezuela (Bolivarian Republic of).
[j] Simple averages for 18 countries. Does not include Cuba and Venezuela (Bolivarian Republic of).

Table A1.2
Latin America and the Caribbean: annual growth rates in gross domestic product
(Constant prices)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America and the Caribbean [b]	**6.2**	**4.5**	**2.8**	**2.9**	**1.2**	**-0.2**	**-1.0**	**1.2**	**1.0**	**0.1**
Latin America	**6.3**	**4.5**	**2.8**	**2.9**	**1.2**	**-0.2**	**-1.0**	**1.2**	**1.0**	**0.1**
Argentina	10.1	6.0	-1.0	2.4	-2.5	2.7	-2.1	2.7	-2.5	-3.0
Bolivia (Plurinational State of)	4.1	5.2	5.1	6.8	5.5	4.9	4.3	4.2	4.2	3.0
Brazil	7.5	4.0	1.9	3.0	0.5	-3.5	-3.3	1.3	1.3	1.0
Chile	5.8	6.1	5.3	4.0	1.8	2.3	1.7	1.3	4.0	0.8
Colombia	4.3	7.4	3.9	4.6	4.7	3.0	2.1	1.4	2.6	3.2
Costa Rica	5.0	4.3	4.8	2.3	3.5	3.6	4.2	3.4	2.7	1.8
Cuba	2.4	2.8	3.0	2.8	1.0	4.4	0.5	1.8	2.2	0.5
Dominican Republic	8.3	3.1	2.7	4.9	7.1	6.9	6.7	4.7	7.0	4.8
Ecuador	3.5	7.9	5.6	4.9	3.8	0.1	-1.2	2.4	1.4	-0.2
El Salvador	2.1	3.8	2.8	2.2	1.7	2.4	2.5	2.3	2.5	2.2
Guatemala	2.9	4.2	3.0	3.7	4.2	4.1	3.1	2.8	3.1	3.3
Haiti	-5.5	5.5	2.9	4.2	2.8	1.2	1.5	1.2	1.5	-0.7
Honduras	3.7	3.8	4.1	2.8	3.1	3.8	3.9	4.8	3.7	2.9
Mexico	5.1	3.7	3.6	1.4	2.8	3.3	2.9	2.1	2.0	0.0
Nicaragua	4.4	6.3	6.5	4.9	4.8	4.8	4.6	4.7	-3.8	-5.3
Panama	5.8	11.3	9.8	6.9	5.1	5.7	5.0	5.3	3.7	3.5
Paraguay	11.1	4.2	-0.5	8.4	4.9	3.1	4.3	5.0	3.7	0.2
Peru	8.3	6.3	6.1	5.9	2.4	3.3	4.0	2.5	4.0	2.3
Uruguay	7.8	5.2	3.5	4.6	3.2	0.4	1.7	2.6	1.6	0.3
Venezuela (Bolivarian Republic of)	-1.5	4.2	5.6	1.3	-3.9	-6.2	-17.0	-15.7	-19.6	-25.5
The Caribbean	**1.3**	**1.0**	**0.8**	**0.8**	**0.5**	**1.2**	**-1.7**	**-0.1**	**1.3**	**1.4**
Antigua and Barbuda	-7.8	-2.0	3.4	-0.6	3.8	3.8	5.5	3.2	7.4	6.2
Bahamas	1.5	0.6	0.0	-3.0	0.7	0.6	0.4	0.1	1.6	0.9
Barbados	-2.2	-0.8	-0.1	-1.4	-0.2	2.2	2.3	-0.2	-0.6	0.0
Belize	3.4	2.2	2.9	0.9	3.7	3.4	-0.6	1.4	3.0	2.1
Dominica	0.7	-0.2	-1.1	-1.0	4.5	-2.7	2.8	-8.8	4.0	9.0
Grenada	-0.5	0.8	-1.2	2.4	7.3	6.5	3.7	4.4	4.1	3.3
Guyana	4.1	5.2	5.3	5.0	3.9	3.1	3.4	2.2	4.1	4.5
Jamaica	-1.5	1.7	-0.6	0.5	0.7	0.9	1.4	1.0	1.7	1.7
Saint Kitts and Nevis	1.5	3.2	-4.4	6.4	7.2	1.6	1.8	0.9	2.4	3.0
Saint Lucia	0.3	4.1	-0.3	-2.0	0.0	0.3	3.9	3.3	1.5	2.0
Saint Vincent and the Grenadines	-3.4	-0.4	1.4	1.8	1.2	1.3	1.9	1.0	2.2	2.5
Suriname	5.2	5.8	2.7	2.9	0.3	-3.4	-5.6	1.8	2.6	2.1
Trinidad and Tobago	3.3	-0.3	1.3	2.2	-0.9	1.8	-6.3	-2.3	-0.2	0.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Based on official figures expressed in dollars at constant 2010 prices.

Table A1.3
Latin America and the Caribbean: per capita gross domestic product
(Annual growth rates)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America and the Caribbean [b]	**5.0**	**3.3**	**1.6**	**1.7**	**0.1**	**-1.3**	**-2.1**	**0.2**	**0.0**	**-0.9**
Latin America	**5.0**	**3.3**	**1.6**	**1.7**	**0.1**	**-1.3**	**-2.1**	**0.2**	**0.0**	**-0.9**
Argentina	9.0	4.9	-2.1	1.3	-3.5	1.7	-3.0	1.7	-3.4	-3.9
Bolivia (Plurinational State of)	2.4	3.5	3.4	5.1	3.8	3.2	2.7	2.6	2.7	1.5
Brazil	6.4	2.9	0.9	2.0	-0.4	-4.4	-4.1	0.5	0.5	0.3
Chile	4.8	5.1	4.3	3.1	0.9	1.4	0.8	0.5	3.2	0.0
Colombia	3.2	6.2	2.8	3.5	3.7	2.0	1.2	0.5	1.8	2.4
Costa Rica	3.6	3.0	3.6	1.1	2.4	2.6	3.2	2.4	1.7	0.9
Cuba	2.3	2.7	2.8	2.6	0.9	4.3	0.5	1.8	2.3	0.6
Dominican Republic	6.9	1.8	1.4	3.6	5.8	5.7	5.4	3.5	5.8	3.7
Ecuador	1.8	6.2	4.0	3.3	2.2	-1.4	-2.7	0.9	-0.1	-1.3
El Salvador	1.7	3.4	2.4	1.8	1.3	2.0	2.1	1.9	2.1	1.8
Guatemala	0.6	1.9	0.8	1.5	2.1	2.1	1.1	0.9	1.3	1.5
Haiti	-6.9	4.0	1.4	2.8	1.4	-0.1	0.1	-0.1	0.2	-1.9
Honduras	1.8	2.0	2.3	1.1	1.4	2.2	2.4	3.3	2.4	1.6
Mexico	3.5	2.2	2.2	0.0	1.4	1.9	1.6	0.8	0.7	-1.2
Nicaragua	3.1	5.0	5.2	3.7	3.6	3.6	3.4	3.6	-4.8	-6.3
Panama	4.0	9.5	8.0	5.2	3.4	4.1	3.3	3.7	2.1	2.0
Paraguay	9.7	2.8	-1.9	7.0	3.5	1.8	3.0	3.7	2.4	-1.0
Peru	7.0	4.9	4.7	4.4	1.0	1.9	2.7	1.3	2.7	1.1
Uruguay	7.5	4.8	3.2	4.3	2.9	0.0	1.3	2.2	1.2	-0.1
Venezuela (Bolivarian Republic of)	-2.9	2.7	4.2	0.0	-5.1	-7.4	-18.1	-16.7	-20.6	-26.3
The Caribbean	**0.6**	**0.4**	**0.1**	**0.2**	**-0.1**	**0.6**	**-2.2**	**-0.7**	**0.8**	**0.9**
Antigua and Barbuda	-8.9	-3.0	2.2	-1.7	2.7	2.7	4.4	2.1	6.3	4.6
Bahamas	-0.1	-1.0	-1.5	-4.3	-0.6	-0.6	-0.7	-1.0	0.6	-0.1
Barbados	-2.6	-1.2	-0.4	-1.7	-0.5	1.9	2.0	-0.4	-0.8	-0.2
Belize	0.9	-0.2	0.7	-1.4	1.5	1.3	-2.7	-0.7	0.9	0.1
Dominica	0.4	-0.6	-1.5	-1.5	3.9	-3.2	2.2	-9.3	3.5	8.5
Grenada	-0.9	0.4	-1.5	1.9	6.9	6.0	3.3	3.9	3.6	2.8
Guyana	4.0	4.8	4.7	4.3	3.2	2.4	2.7	1.6	3.5	3.9
Jamaica	-1.9	1.3	-1.0	0.1	0.3	0.6	1.0	0.7	1.4	1.4
Saint Kitts and Nevis	0.4	2.1	-5.5	5.3	6.1	0.6	0.9	0.0	1.5	2.1
Saint Lucia	-0.6	3.4	-0.9	-2.5	-0.4	-0.2	3.4	2.8	1.1	1.6
Saint Vincent and the Grenadines	-3.4	-0.4	1.4	1.8	1.2	1.2	1.7	0.8	1.9	2.2
Suriname	4.1	4.8	1.6	1.9	-0.7	-4.3	-6.4	0.9	1.7	1.2
Trinidad and Tobago	2.8	-0.8	0.8	1.7	-1.4	1.4	-6.6	-2.6	-0.5	0.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Based on official figures expressed in dollars at constant 2010 prices.

Table A1.4

Latin America and the Caribbean: gross fixed capital formation[a]

(Percentages of GDP)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[b]
Latin America and the Caribbean	**20.0**	**20.8**	**20.9**	**20.9**	**20.3**	**19.2**	**18.0**	**17.6**	**17.7**	**17.3**
Argentina	16.6	18.4	17.3	17.3	16.5	16.7	16.0	17.5	16.9	13.8
Bahamas	26.2	27.6	30.1	27.6	30.8	24.9	25.4	28.0	24.9	...
Belize	15.5	15.0	14.6	18.0	18.3	22.2	23.8	20.6	20.2	...
Bolivia (Plurinational State of)	16.6	19.5	19.0	19.9	20.7	20.7	20.6	22.1	21.9	20.6
Brazil	20.5	21.1	20.9	21.4	20.4	18.2	16.6	16.0	16.5	16.8
Chile	21.6	23.6	24.9	24.8	23.1	22.6	21.9	21.0	21.2	21.2
Colombia	21.0	22.5	22.3	22.6	23.7	23.7	22.5	22.7	22.4	22.7
Costa Rica	19.7	19.5	20.4	19.9	19.8	19.7	19.8	18.6	18.7	17.6
Dominican Republic	25.2	23.9	23.1	21.5	22.0	24.4	25.7	24.5	26.0	26.5
Ecuador	24.6	26.1	27.3	28.7	28.3	26.5	24.5	25.2	25.4	24.8
El Salvador	14.8	15.7	15.7	16.3	14.5	15.4	15.6	15.7	16.3	17.7
Guatemala	14.8	15.2	15.3	15.0	15.0	15.3	15.2	15.3	15.3	15.5
Honduras	21.6	24.3	24.2	23.1	22.5	24.4	...	...	...	...
Mexico	21.6	22.5	22.7	21.7	21.7	22.1	21.7	20.9	20.6	19.7
Nicaragua	21.2	24.3	27.5	27.6	27.3	30.4	29.5	28.0	23.4	21.9
Paraguay	21.3	21.0	19.3	19.2	19.6	18.7	18.3	18.4	18.0	17.1
Peru	23.5	24.3	26.3	26.2	25.1	22.5	20.7	20.5	20.6	21.0
Uruguay	19.1	19.4	22.1	22.0	21.8	19.7	19.1	15.7	15.0	14.5
Venezuela (Bolivarian Republic of)	18.7	18.7	21.9	19.6	17.0	14.4	9.5	6.2	4.8	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Based on official figures expressed in dollars at constant 2010 prices.

[b] Preliminary figures.

Table A1.5

Latin America and the Caribbean: balance of payments

(Millions of dollars)

	Exports of goods f.o.b.			Exports of services			Imports of goods f.o.b.			Imports of services		
	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]
Latin America and the Caribbean	**996 651**	**1 080 978**	**…**	**165 709**	**161 884**	**…**	**962 805**	**1 061 082**	**…**	**216 219**	**214 465**	**…**
Latin America	**989 741**	**1 076 687**	**1 051 861**	**153 771**	**157 124**	**156 153**	**946 911**	**1 054 136**	**1 029 105**	**209 088**	**210 903**	**207 400**
Argentina	58 639	61 638	65 274	14 752	14 717	14 275	64 101	62 505	48 129	24 901	23 998	21 363
Bolivia (Plurinational State of)	8 105	8 895	8 539	1 439	1 464	1 537	8 621	9 354	9 542	3 118	3 153	2 996
Brazil	218 069	239 537	222 769	34 478	35 440	34 022	154 109	186 490	184 625	72 406	71 174	69 038
Chile	68 859	75 452	70 170	10 195	10 273	9 862	61 500	70 783	67 244	13 590	14 269	14 555
Colombia	39 777	44 440	42 520	8 461	9 572	9 668	44 247	49 583	51 566	12 438	13 338	13 605
Costa Rica	10 808	11 474	11 852	8 719	9 122	9 680	15 150	15 863	15 546	3 706	3 801	4 143
Dominican Republic	10 135	10 908	11 235	8 857	9 284	9 614	17 734	20 209	20 613	3 307	3 399	3 636
Ecuador	19 618	22 123	22 565	2 191	2 540	2 625	19 307	22 386	22 386	3 294	3 250	3 380
El Salvador	4 667	4 735	4 735	2 557	2 798	2 994	9 512	10 671	10 991	1 824	1 997	2 057
Guatemala	11 100	11 064	11 064	2 854	2 888	2 888	17 110	18 307	18 271	3 267	3 525	3 615
Haiti	992	1 078	1 241	566	701	450	3 618	4 484	4 365	1 072	1 187	989
Honduras	8 647	8 669	8 608	1 318	1 323	1 308	11 333	12 205	11 961	1 907	2 129	2 342
Mexico	409 806	451 054	462 330	27 643	28 768	29 343	420 790	464 850	462 526	37 511	37 691	36 937
Nicaragua	4 143	4 169	3 981	1 558	1 343	1 182	6 549	5 802	5 245	1 029	929	882
Panama	12 470	13 356	12 421	13 898	12 923	12 664	22 291	23 969	23 250	4 666	4 819	5 092
Paraguay	13 396	13 819	12 767	937	946	889	11 524	12 917	12 142	1 210	1 280	1 241
Peru	45 422	49 066	45 681	7 394	7 365	8 027	38 722	41 870	40 823	8 828	9 897	10 391
Uruguay	11 059	11 536	11 882	5 019	4 862	4 375	8 668	9 107	8 378	3 759	4 009	4 009
Venezuela (Bolivarian Republic of)	34 030	33 677	22 227	959	798	748	12 023	12 782	11 504	7 256	7 056	7 127
The Caribbean	**6 910**	**4 291**	**…**	**11 938**	**4 761**	**…**	**15 894**	**6 945**	**…**	**7 131**	**3 562**	**…**
Antigua and Barbuda	37	38	40	953	1 114	1 157	494	604	616	477	511	529
Bahamas	570	…	…	2 839	…	…	3 108	…	…	1 866	…	…
Barbados	803	…	…	1 297	…	…	1 833	…	…	-223	…	…
Belize	458	451	…	581	626	…	846	896	…	241	231	…
Dominica	22	21	21	191	141	148	174	266	271	148	166	143
Grenada	41	43	44	537	607	650	370	401	426	229	243	258
Guyana	1 437	1 400	…	206	197	…	1 427	2 018	…	790	1 019	…
Jamaica	1 306	…	…	3 523	…	…	5 149	…	…	2 363	…	…
Saint Kitts and Nevis	29	34	28	479	572	587	332	350	367	210	244	256
Saint Lucia	135	140	146	942	1 077	1 103	576	600	625	375	398	412
Saint Vincent and the Grenadines	44	40	41	250	276	291	291	311	334	137	140	144
Suriname	2 028	2 124	…	139	151	…	1 293	1 499	…	518	610	…
Trinidad and Tobago	…	…	…	…	…	…	…	…	…	…	…	…

Table A1.5 (continued)

	Goods and services balance			Income balance			Current transfers balance			Current account balance		
	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]
Latin America and the Caribbean	**-16 665**	**-32 686**	**…**	**-152 018**	**-159 948**	**…**	**81 292**	**86 832**	**…**	**-87 392**	**-105 801**	**…**
Latin America	**-12 488**	**-31 229**	**-28 491**	**-149 921**	**-158 816**	**-167 389**	**78 931**	**86 182**	**93 779**	**-83 478**	**-103 862**	**-102 100**
Argentina	-15 611	-10 149	10 057	-16 388	-18 629	-20 613	401	1 300	1 106	-31 598	-27 479	-9 451
Bolivia (Plurinational State of)	-2 195	-2 149	-2 461	-1 060	-1 016	-1 195	1 385	1 251	1 196	-1 871	-1 914	-2 461
Brazil	26 032	17 313	3 128	-43 170	-39 231	-47 000	2 123	-28	1 947	-15 015	-21 946	-41 925
Chile	3 965	673	-1 766	-11 379	-12 241	-10 000	1 450	2 411	1 611	-5 965	-9 157	-10 155
Colombia	-8 447	-8 908	-12 983	-8 405	-11 772	-10 862	6 611	7 643	8 407	-10 241	-13 037	-15 438
Costa Rica	670	932	1 844	-2 890	-3 262	-3 500	503	463	496	-1 717	-1 866	-1 160
Dominican Republic	-2 050	-3 416	-3 400	-3 802	-3 845	-4 300	5 711	6 101	6 467	-141	-1 160	-1 233
Ecuador	-792	-974	-576	-2 365	-2 923	-2 901	2 665	2 409	2 639	-492	-1 488	-838
El Salvador	-4 111	-5 136	-5 320	-1 388	-1 472	-1 400	5 034	5 366	5 546	-465	-1 242	-1 174
Guatemala	-6 423	-7 881	-7 934	-1 363	-1 378	-1 400	8 975	9 924	11 016	1 189	665	1 681
Haiti	-3 132	-3 892	-3 663	54	50	49	2 832	3 469	3 512	-246	-373	-102
Honduras	-3 275	-4 343	-4 387	-1 261	-1 855	-1 860	4 493	4 934	5 427	-44	-1 263	-820
Mexico	-20 852	-22 720	-7 789	-29 376	-32 161	-35 000	30 116	32 885	36 009	-20 112	-21 996	-6 781
Nicaragua	-1 878	-1 219	-964	-364	-310	-360	1 567	1 611	1 709	-675	83	385
Panama	-590	-2 510	-3 256	-3 043	-4 213	-3 814	-124	-70	-95	-3 757	-6 792	-7 165
Paraguay	1 599	568	272	-1 207	-1 361	-1 250	823	801	777	1 214	9	-201
Peru	5 266	4 665	2 494	-11 523	-11 814	-10 800	3 589	3 556	3 662	-2 669	-3 594	-4 644
Uruguay	3 650	3 281	3 870	-3 423	-3 412	-3 449	192	206	202	419	76	623
Venezuela (Bolivarian Republic of)	15 686	14 635	4 345	-7 567	-7 973	-7 733	587	1 951	2 146	8 706	8 613	-1 242
The Caribbean	**-4 177**	**-1 456**	**…**	**-2 097**	**-1 132**	**…**	**2 361**	**650**	**…**	**-3 914**	**-1 939**	**…**
Antigua and Barbuda	20	37	52	-100	-96	-102	-50	-54	-57	-130	-113	-106
Bahamas	-1 565	…	…	-360	…	…	-55	…	…	-1 981	…	…
Barbados	490	…	…	-242	…	…	-436	…	…	-189	…	…
Belize	-48	-50	…	-155	-181	…	72	76	…	-131	-155	…
Dominica	-109	-269	-245	-12	1	2	54	43	36	-66	-225	-207
Grenada	-20	5	10	-105	-111	-114	-10	-10	-11	-135	-116	-116
Guyana	-573	-1 440	…	-83	-99	…	265	468	…	-391	-1 072	…
Jamaica	-2 684	…	…	-421	…	…	2 392	…	…	-713	…	…
Saint Kitts and Nevis	-34	11	-8	-50	-56	-55	-26	-28	-30	-110	-72	-94
Saint Lucia	125	219	212	-108	-124	-128	10	8	7	27	103	91
Saint Vincent and the Grenadines	-133	-135	-145	-6	-8	-8	44	44	45	-95	-99	-108
Suriname	355	167	…	-457	-459	…	100	103	…	-2	-189	…
Trinidad and Tobago	…	…	…	…	…	…	…	…	…	…	…	…

Table A1.5 (concluded)

	Capital and financial balance[b]			Overall balance			Reserve assets (variation)[c]			Other financing		
	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]
Latin America and the Caribbean	**106 399**	**91 402**	**...**	**19 016**	**-14 432**	**...**	**-18 945**	**14 427**	**...**	**534**	**28 572**	**...**
Latin America	**101 623**	**89 428**	**89 446**	**18 154**	**-14 435**	**-12 654**	**-18 154**	**14 435**	**12 654**	**550**	**28 572**	**...**
Argentina	46 154	10 426	-13 082	14 556	-17 052	-22 533	-14 556	17 052	22 533	0	28 329	...
Bolivia (Plurinational State of)	1 638	685	-189	-232	-1 230	-2 650	232	1 230	2 650	0	...	...
Brazil	20 107	24 874	28 925	5 093	2 928	-13 000	-5 093	-2 928	13 000	0	...	...
Chile	3 215	10 554	8 306	-2 750	1 397	-1 849	2 750	-1 397	1 849	0	...	...
Colombia	10 786	14 224	19 911	545	1 187	4 473	-545	-1 187	-4 473	0	...	...
Costa Rica	1 298	2 256	1 432	-419	390	272	419	-390	-272	0	...	...
Dominican Republic	861	1 994	1 098	728	835	-135	-728	-835	135	3	14	...
Ecuador	-1 367	1 396	2 496	-1 859	-92	1 658	1 859	92	-1 658	51	317	...
El Salvador	773	1 244	2 341	308	2	1 166	-308	-2	-1 166	0	...	...
Guatemala	1 377	292	79	2 566	957	1 760	-2 566	-957	-1 760	0	...	...
Haiti	273	322	-73	27	-51	-175	-27	51	175	175	84	...
Honduras	928	1 309	1 028	885	46	208	-885	-46	-208	-1	4	...
Mexico	15 347	22 479	16 491	-4 765	483	9 710	4 765	-483	-9 710	0	...	...
Nicaragua	975	-596	-404	300	-513	-18	-300	513	18	0	...	...
Panama	2 465	6 337	8 170	-1 293	-455	1 005	1 293	455	-1 005	322	-177	...
Paraguay	-337	-192	-13	877	-183	-213	-877	183	213	0	...	...
Peru	4 297	-36	13 964	1 629	-3 629	9 320	-1 629	3 629	-9 320	0	...	...
Uruguay	2 030	-484	-1 418	2 449	-408	-795	-2 449	408	795	0	...	...
Venezuela (Bolivarian Republic of)	-9 196	-7 658	385	-490	955	-857	490	-955	857	...	...	...
The Caribbean	**4 776**	**1 974**	**...**	**862**	**3**	**...**	**-791**	**-7**	**...**	**-16**	**0**	**...**
Antigua and Barbuda	112	129	136	-18	15	30	16	-15	-30	0	0	0
Bahamas	2 485	...	...	504	...	...	-504	...	...	0	...	...
Barbados	52	...	...	-137	...	...	137	...	...	...	...	...
Belize	64	138	...	-67	-17	...	67	17	...	0	...	...
Dominica	56	196	185	-10	-29	-21	10	21	14	0	0	0
Grenada	115	141	141	-20	24	26	9	-35	-39	0	...	...
Guyana	378	1 016	...	-13	-56	...	13	56	...	...	...	...
Jamaica	1 197	...	...	484	0	0	-468	...	...	-16	...	...
Saint Kitts and Nevis	151	69	113	42	-3	19	-44	2	-21	0	0	0
Saint Lucia	58	-123	-112	85	-20	-21	-15	36	-7	0	0	0
Saint Vincent and the Grenadines	85	87	119	-10	-13	11	10	12	-11	...	...	...
Suriname	23	322	...	21	101	...	-21	-101	...	0	...	...
Trinidad and Tobago	...	...	...	...	...	...	...	...	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Estimates.

[b] Includes errors and omissions.

[c] A minus sign (-) indicates an increase in reserve assets.

Table A1.6
Latin America and the Caribbean: international trade of goods
(Indices: 2010=100)

	Exports of goods f.o.b.								
	Value			Volume			Unit value		
	2017	2018	2019[a]	2017	2018	2019[a]	2017	2018	2019[a]
Latin America	**113.2**	**123.1**	**120.3**	**124.2**	**127.4**	**128.1**	**91.1**	**96.6**	**93.9**
Argentina	85.8	90.2	95.6	89.8	89.2	97.2	95.6	101.1	98.3
Bolivia (Plurinational State of)	126.6	138.9	133.4	124.7	121.7	120.4	101.5	114.2	110.7
Brazil	108.3	119.0	110.7	124.5	130.0	125.0	87.0	91.5	88.5
Chile	96.8	106.1	98.7	108.8	115.3	112.3	89.0	92.0	87.9
Colombia	97.6	109.0	104.3	144.4	140.1	145.7	67.6	77.8	71.6
Costa Rica	144.2	153.1	158.2	152.3	159.4	164.0	94.7	96.0	96.4
Dominican Republic	148.7	160.0	164.8	160.2	167.4	173.3	92.8	95.6	95.1
Ecuador	108.2	122.0	124.4	125.0	122.4	133.4	86.6	99.6	93.2
El Salvador	134.4	136.3	136.3	128.8	128.3	131.2	104.3	106.3	103.9
Guatemala	130.0	129.6	129.6	145.9	146.4	149.7	89.1	88.6	86.6
Haiti	176.1	191.4	220.3	169.3	180.4	211.2	104.0	106.1	104.3
Honduras	138.0	138.4	137.4	158.3	160.5	163.5	87.2	86.2	84.0
Mexico	137.1	150.9	154.7	140.5	147.9	154.7	97.6	102.0	100.0
Nicaragua	152.0	152.9	146.0	147.5	149.7	141.4	103.0	102.1	103.3
Panama	98.4	105.4	98.0	99.3	104.4	98.7	99.0	100.9	99.3
Paraguay	127.9	131.9	121.9	135.5	135.2	128.4	94.4	97.6	95.0
Peru	126.9	137.0	127.6	131.4	133.5	130.8	96.5	102.7	97.6
Uruguay	137.7	143.6	148.0	136.2	140.6	149.3	101.1	102.2	99.1
Venezuela (Bolivarian Republic of)	50.9	50.3	33.2	71.8	57.4	40.8	70.8	87.7	81.5
	Imports of goods f.o.b.								
	Value			**Volume**			**Unit value**		
	2017	**2018**	**2019[a]**	**2017**	**2018**	**2019[a]**	**2017**	**2018**	**2019[a]**
Latin America	**114.6**	**127.5**	**124.5**	**114.7**	**121.9**	**120.8**	**99.8**	**104.6**	**103.1**
Argentina	118.4	115.4	88.9	128.3	119.7	95.4	92.3	96.4	93.1
Bolivia (Plurinational State of)	154.2	167.3	170.7	116.8	121.6	124.4	132.0	137.7	137.2
Brazil	84.3	102.0	101.0	90.3	101.7	104.5	93.3	100.3	96.6
Chile	111.4	128.2	121.8	125.8	137.2	132.4	88.5	93.5	92.0
Colombia	115.2	129.1	134.3	136.0	144.6	154.1	84.7	89.3	87.2
Costa Rica	137.2	143.7	140.8	137.6	138.4	137.0	99.7	103.8	102.8
Dominican Republic	116.6	132.9	135.5	119.5	128.6	133.2	97.6	103.4	101.7
Ecuador	98.3	114.0	114.0	94.8	106.4	107.1	103.7	107.1	106.4
El Salvador	126.9	142.4	146.6	129.2	137.9	143.8	98.2	103.2	102.0
Guatemala	133.6	143.0	142.7	149.2	153.6	155.0	89.6	93.1	92.0
Haiti	120.2	149.0	145.0	100.4	116.3	114.0	119.8	128.1	127.3
Honduras	127.2	137.0	134.3	123.6	125.9	124.2	103.0	108.9	108.1
Mexico	139.4	154.0	153.3	130.3	139.1	139.1	107.0	110.8	110.2
Nicaragua	145.1	128.6	116.2	155.4	130.2	120.2	93.4	98.8	96.7
Panama	129.5	139.2	135.0	120.2	125.0	123.5	107.7	111.3	109.3
Paraguay	120.1	134.7	126.6	116.4	125.9	119.6	103.2	106.9	105.9
Peru	134.4	145.3	141.7	129.9	131.9	130.8	103.4	110.1	108.3
Uruguay	101.3	106.4	97.9	117.3	116.1	110.7	86.3	91.6	88.4
Venezuela (Bolivarian Republic of)	28.8	30.6	27.6	26.4	27.5	24.5	109.3	111.6	112.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Economic Development Division, calculations for *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2019.
[a] Estimates.

Table A1.7

Latin America: terms of trade for goods f.o.b./f.o.b.

(Indices: 2010=100)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America	**100.0**	**108.0**	**104.4**	**102.1**	**97.8**	**88.4**	**87.7**	**91.3**	**92.4**	**91.1**
Argentina	100.0	110.3	114.8	107.5	105.3	100.6	106.7	103.6	104.9	105.5
Bolivia (Plurinational State of)	100.0	118.1	112.3	100.4	95.1	76.9	66.5	76.9	82.9	80.7
Brazil	100.0	107.8	101.5	99.4	96.1	85.5	88.1	93.2	91.3	91.6
Chile	100.0	101.8	94.6	91.7	89.6	87.5	91.2	100.5	98.5	95.6
Colombia	100.0	114.7	108.4	100.6	91.6	68.9	68.2	79.8	87.1	82.1
Costa Rica	100.0	96.3	95.8	96.1	97.0	97.3	97.0	95.0	92.5	93.8
Dominican Republic	100.0	94.7	93.8	91.5	93.3	97.9	98.9	95.1	92.5	93.5
Ecuador	100.0	112.4	112.1	113.2	106.7	80.0	75.7	83.5	93.1	87.6
El Salvador	100.0	97.5	97.1	94.5	96.7	105.6	108.6	106.2	103.0	101.9
Guatemala	100.0	99.1	93.7	91.8	92.3	97.2	105.0	99.5	95.2	94.0
Haiti	100.0	83.0	86.0	80.6	83.1	87.4	86.4	86.9	82.8	82.0
Honduras	100.0	108.4	94.6	88.6	90.4	84.6	87.4	84.7	79.2	77.7
Mexico	100.0	106.8	102.9	102.8	97.6	93.0	89.7	91.2	92.1	90.7
Nicaragua	100.0	106.6	106.5	98.2	100.1	113.3	115.1	110.3	103.4	106.8
Panama	100.0	97.8	98.2	97.7	99.7	97.1	94.1	92.0	90.7	90.8
Paraguay	100.0	102.4	103.4	102.8	103.3	95.5	94.6	91.5	91.2	89.7
Peru	100.0	107.9	105.3	99.0	93.3	87.5	87.1	93.3	93.2	90.0
Uruguay	100.0	102.4	106.3	108.1	112.3	114.5	117.6	117.2	111.5	112.1
Venezuela (Bolivarian Republic of)	100.0	120.2	121.4	118.9	111.8	65.9	55.3	64.8	78.6	72.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Economic Development Division, calculations for *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2019.

[a] Estimates.

Table A1.8

Latin America and the Caribbean (selected countries): remittances from emigrant workers

(Millions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Bolivia (Plurinational State of)	939	1 012	1 094	1 182	1 164	1 178	1 233	1 392	1 370	439[b]
Brazil	2 518	2 550	2 191	2 124	2128	2 459	2 365	2 300	2 565	1 172[c]
Colombia	3 996	4 064	3 970	4 401	4093	4 635	4 851	5 498	6 325	4 440[d]
Costa Rica	505	487	527	561	559	518	515	527	499	248[e]
Dominican Republic	3 683	4 008	4 045	4 262	4571	4 961	5 261	5 912	6 494	4 699[d]
Ecuador	2 591	2 672	2 467	2 450	2 462	2 378	2 602	2 840	3 031	1 546[e]
El Salvador	3 455	3 627	3 887	3 944	4139	4 257	4 544	4 985	5 391	3 700[d]
Guatemala	4 127	4 378	4 783	5 105	5544	6 285	7 160	8 192	9 288	7 748
Honduras	2 526	2 750	2 842	3 093	3437	3 727	3 949	4 438	4 884	3 573[d]
Jamaica	1 906	2 025	2 037	2 065	2157	2 226	2 291	2 305	2 346	1 159[e]
Mexico	21 304	22 803	22 438	22 303	23647	24 785	26 993	30 291	33 677	23 899[d]
Nicaragua	823	912	1 014	1 078	1136	1 193	1 264	1 391	1 501	797[e]
Paraguay	274	451	528	519	422	461	547	587	569	273[e]
Peru	2 534	2 697	2 788	2 707	2 637	2 725	2 884	3 051	3 225	1 645[e]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Figures as of September.

[b] Figures as of April.

[c] Figures as of May.

[d] Figures as of August.

[e] Figures as of June.

Table A1.9

Latin America and the Caribbean: net resource transfer[a]

(Millions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[b]
Latin America and the Caribbean	**30 843**	**44 406**	**27 058**	**28 029**	**64 190**	**11 825**	**-14 667**	**-45 077**	**-39 974**	**…**
Latin America	**33 862**	**47 735**	**30 690**	**30 908**	**64 441**	**12 890**	**-16 685**	**-47 740**	**-40 816**	**…**
Argentina	-8 767	-15 841	-14 921	-11 864	-1 240	611	17 224	29 766	20 126	…
Bolivia (Plurinational State of)	-707	923	-1 888	-1 840	-1 336	-811	-1 760	578	-331	…
Brazil	57 870	65 194	38 810	36 374	62 844	18 078	-8 076	-23 062	-14 357	…
Chile	-15 522	3 006	-2 493	-486	-3 796	-1 459	-1 026	-8 164	-1 687	…
Colombia	647	-1 945	1 760	5 224	11 678	13 252	6 973	2 381	2 453	…
Costa Rica	589	979	3 065	1 064	226	185	-1 429	-1 592	-1 005	…
Cuba	...	...	...	...	...	...	...	...	...	…
Dominican Republic	2 161	2 420	933	735	-882	-1 249	-1 659	-2 930	-1 837	…
Ecuador	-625	-522	-1 611	1 450	-1 286	-961	-1 404	-3 681	-1 210	…
El Salvador	-302	79	1 020	201	145	-225	-244	-615	-228	…
Guatemala	142	313	693	989	-105	-827	-1 139	14	-1 086	…
Haiti	969	573	784	625	718	165	273	502	456	…
Honduras	546	521	32	894	225	-144	-874	-334	-542	…
Mexico	13 166	21 504	9 500	10 815	9 071	-15 581	-5 179	-14 029	-9 681	…
Nicaragua	749	980	802	967	812	979	457	611	-905	…
Panama	1 223	2 854	673	1 585	4 134	171	1 684	-257	1 947	…
Paraguay	-1 036	-603	-1 184	-1 127	-279	-1 775	-1 794	-1 545	-1 552	…
Peru	3 531	-5 495	7 738	1 214	-2 999	1 714	-3 749	-7 226	-11 850	…
Uruguay	-1 131	2 248	1 657	1 990	-428	-3 573	-5 104	-1 393	-3 896	…
Venezuela (Bolivarian Republic of)	-19 642	-29 453	-14 681	-17 901	-13 062	4 339	-9 856	-16 763	-15 631	…
The Caribbean	**-3 019**	**-3 329**	**-3 632**	**-2 879**	**-250**	**-1 066**	**2 018**	**2 662**	**842**	**…**
Antigua and Barbuda	146	88	140	191	30	-45	-83	13	33	…
Bahamas	627	992	1 162	1 096	1 499	829	780	2 125	…	…
Barbados	96	150	139	-38	188	-13	-154	-191	...	…
Belize	-107	-60	-30	72	78	-24	-4	-91	-43	…
Dominica	70	67	81	23	37	47	130	44	197	…
Grenada	154	177	157	223	59	14	16	11	29	…
Guyana	101	341	311	568	471	236	2	295	917	…
Jamaica	871	1 326	400	860	1 472	430	-88	760	...	…
Saint Kitts and Nevis	142	129	52	50	-43	-25	86	101	13	…
Saint Lucia	195	231	158	84	-11	-148	-17	-50	-247	…
Saint Vincent and the Grenadines	221	163	208	247	185	113	115	79	78	…
Suriname	-720	-569	-175	-83	196	471	-637	-434	-136	…
Trinidad and Tobago	-4 816	-6 364	-6 236	-6 173	-4 411	-2 950	1 872	...	...	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] The net resource transfer is calculated as total net capital income minus the income balance (net payments of profits and interest). Total net capital income is the balance on the capital and financial accounts plus errors and omissions, plus loans and the use of IMF credit plus exceptional financing. Negative figures indicate resources transferred outside the country.

[b] Preliminary figures.

Table A1.10

Latin America and the Caribbean: net foreign direct investment[a]

(Millions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[b]
Latin America and the Caribbean	**107 763**	**148 893**	**159 339**	**150 475**	**137 369**	**131 756**	**126 390**	**118 881**	**131 632**	**...**
Latin America	**105 263**	**147 034**	**158 761**	**149 624**	**135 273**	**129 646**	**124 720**	**116 370**	**130 050**	**...**
Argentina	10 368	9 352	14 269	8 932	3 145	10 884	1 474	10 361	10 071	...
Bolivia (Plurinational State of)	672	859	1 060	1 750	690	556	246	633	405	...
Brazil	55 627	86 360	90 485	59 568	67 107	57 200	59 601	47 545	62 121	...
Chile	6 559	3 898	9 736	10 937	10 936	5 125	5 141	680	4 134	...
Colombia	947	6 227	15 646	8 558	12 270	7 506	9 330	10 147	6 413	...
Costa Rica	1 589	2 328	1 803	2 401	2 818	2 541	2 127	2 583	2 183	...
Dominican Republic	2 024	2 277	3 142	1 991	2 209	2 205	2 407	3 571	2 535	...
Ecuador	166	646	567	727	772	1 323	769	619	1 410	...
El Salvador	-226	218	466	179	306	396	348	889	840	...
Guatemala	782	1 009	1 205	1 262	1 282	1 104	1 068	1 001	785	...
Haiti	178	119	156	162	99	106	105	375	105	...
Honduras	971	1 012	851	992	1 315	952	900	1 003	890	...
Mexico	12 857	12 302	-1 003	33 591	25 059	25 259	30 418	29 593	26 701	...
Nicaragua	475	929	704	665	790	905	833	707	284	...
Panama	2 363	2 956	3 254	3 612	4 130	3 966	4 652	4 314	5 104	...
Paraguay	462	581	697	245	412	308	425	526	481	...
Peru	8 018	7 340	11 867	9 334	2 823	8 125	5 583	6 360	6 469	...
Uruguay	2 349	2 511	2 175	2 792	2 512	815	-735	-2 236	-1 107	...
Venezuela (Bolivarian Republic of)	-918	6 110	1 679	1 928	-3 401	370	27	-2 302	225	...
The Caribbean	**2 500**	**1 859**	**579**	**851**	**2 096**	**2 110**	**1 670**	**2 511**	**1 582**	**...**
Antigua and Barbuda	97	65	133	95	40	100	59	159	165	154
Bahamas	872	667	526	382	251	76	74	595	...	...
Barbados	329	83	565	-62	...	...	...	...	...	...
Belize	95	95	193	92	138	59	31	25	119	...
Dominica	43	35	59	23	16	23	40	24	13	33
Grenada	60	43	31	113	97	134	97	139	152	123
Guyana	198	247	278	201	238	117	137	327	1 180	...
Jamaica	169	144	411	631	584	921	564	857	...	...
Saint Kitts and Nevis	116	110	108	136	151	134	120	38	94	90
Saint Lucia	121	81	74	92	56	130	135	48	16	48
Saint Vincent and the Grenadines	97	86	115	160	118	111	87	143	96	97
Suriname	-248	218	166	186	-283	101	173	154	-253	...
Trinidad and Tobago	549	-13	-2 080	-1 197	689	205	153	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Corresponds to direct investment in the reporting economy after deduction of outward direct investment by residents of that country. Includes reinvestment of profits.

[b] Preliminary figures.

Table A1.11
Latin America and the Caribbean: gross external debt
(Millions of dollars, end-of-period stocks)

		2010	2011	2012	2013	2014	2015	2016	2017	2018[a]
Latin America and the Caribbean[b]		**1 214 859**	**1 362 211**	**1 509 879**	**1 644 095**	**1 823 003**	**1 848 313**	**1 918 689**	**2 021 510**	**2 097 079**
Latin America		**1 197 564**	**1 343 644**	**1 491 410**	**1 624 400**	**1 802 350**	**1 825 805**	**1 894 299**	**1 995 853**	**2 071 274**
Argentina	Total	144 653	156 300	156 478	155 489	158 742	167 412	181 170	234 549	277 921
Bolivia (Plurinational State of)	Total	6 050	6 553	6 954	8 078	8 842	9 796	10 703	12 687	12 382
Brazil	Total	452 780	516 030	570 831	621 439	712 655	665 101	676 647	667 103	665 777
Chile	Total	86 570	100 973	122 668	136 351	152 135	160 904	166 974	181 513	184 440
Colombia	Total	64 792	75 622	78 784	92 073	101 404	111 927	120 414	124 481	132 025
Costa Rica	Total	9 527	11 286	15 381	19 629	21 671	24 030	25 565	27 159	28 655
Dominican Republic	Public	11 057	12 761	13 888	16 132	17 280	16 928	18 170	19 124	21 860
Ecuador	Total	13 914	15 210	15 913	18 744	24 115	27 813	34 181	40 397	44 296
El Salvador	Total	11 399	11 858	13 353	14 035	14 800	15 217	16 376	16 474	16 661
Guatemala	Total	12 026	14 021	15 339	17 826	20 031	20 885	21 651	23 153	22 574
Haiti	Public	353	727	1 126	1 503	1 875	1 993	2 019	2 107	2 124
Honduras	Total	3 785	4 208	4 861	6 709	7 184	7 456	7 499	8 600	9 019
Mexico	Total	194 766	210 535	225 267	258 752	285 412	296 396	314 200	333 392	342 020
Nicaragua	Public	7 286	8 126	8 957	9 677	10 132	10 543	11 028	11 516	11 667
Panama	Public	10 439	10 858	10 782	12 231	14 352	15 648	16 689	18 390	20 575
Paraguay	Total	3 713	3 970	4 563	4 780	5 839	6 197	6 540	7 585	8 288
Peru	Total	43 674	47 977	59 376	60 823	69 215	73 274	74 645	76 499	77 787
Uruguay	Total	18 425	18 345	36 104	37 767	40 898	43 311	39 970	41 157	41 994
Venezuela (Bolivarian Republic of)	Total	102 354	118 285	130 785	132 362	135 767	150 976	149 859	149 967	151 209
The Caribbean	**Public**	**17 295**	**18 567**	**18 469**	**19 695**	**20 653**	**22 509**	**24 390**	**25 657**	**25 805**
Antigua and Barbuda	Public	432	473	443	577	560	573	562	584	637
Bahamas	Public	916	1 045	1 465	1 616	2 095	2 176	2 373	3 234	3 172
Barbados	Public	1 366	1 385	1 322	1 434	1 462	1 462	1 443	1 413	1 485
Belize	Public	1 021	1 032	1 029	1 083	1 127	1 177	1 203	1 256	1 267
Dominica	Public	232	242	263	275	287	285	270	267	253
Grenada	Public	528	585	537	618	634	613	602	533	561
Guyana	Public	1 043	1 206	1 358	1 246	1 216	1 143	1 162	1 248	1 322
Jamaica	Public	8 390	8 626	8 256	8 310	8 659	10 314	10 244	10 103	9 937
Saint Kitts and Nevis	Public	296	389	345	345	284	214	199	156	149
Saint Lucia	Public	393	464	481	485	526	509	529	598	597
Saint Vincent and the Grenadines	Public	313	328	329	354	387	399	477	387	387
Suriname	Public	334	601	707	878	942	1 156	1 870	2 046	2 060
Trinidad and Tobago	Public	2 032	2 191	1 934	2 474	2 473	2 489	3 454	3 831	3 978

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Includes debt owed to the International Monetary Fund.

Table A1.12
Latin America and the Caribbean: sovereign spreads on EMBI+ and EMBI global
(Basis points to end of period)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America	**EMBI +**	**305**	**410**	**317**	**410**	**491**	**584**	**483**	**466**	**608**	**565**
Argentina	EMBI +	496	925	991	808	719	438	455	351	817	2 278
Belize	EMBI Global	617	1 391	2 245	807	819	822	1 837	771	858	886
Bolivia (Plurinational State of)	EMBI Global	…	…	…	289	277	250	83	203	378	321
Brazil	EMBI +	189	223	142	224	259	523	328	240	276	240
Chile	EMBI Global	115	172	116	148	169	253	158	117	166	141
Colombia	EMBI +	172	195	112	166	196	321	227	174	231	182
Dominican Republic	EMBI Global	322	597	343	349	381	421	407	275	371	339
Ecuador	EMBI Global	913	846	826	530	883	1 266	647	459	826	789
El Salvador	EMBI Global	302	478	396	389	414	634	536	383	515	448
Jamaica	EMBI Global	427	637	711	641	485	469	375	304	346	319
Mexico	EMBI +	149	187	126	155	182	232	232	189	241	199
Panama	EMBI +	162	201	129	199	189	218	186	112	170	131
Paraguay	EMBI Global	…	…	…	240	291	338	281	200	260	229
Peru	EMBI +	163	216	114	159	181	246	175	111	141	105
Uruguay	EMBI Global	188	213	127	194	208	280	244	146	207	173
Venezuela (Bolivarian Republic of)	EMBI +	1 044	1 197	773	1 093	2 295	2 658	2 138	5 780	6 799	16 406

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from JPMorgan, Emerging Markets Bond Index Monitor.
[a] Figures as of October.

Table A1.13
Latin America and the Caribbean: sovereign risk premiums on five-year credit default swaps
(Basis points to end of period)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Argentina	602	922	1442	1 654	2 987	5 393	419	232	794	899
Brazil	111	162	108	194	201	495	281	162	208	125
Chile	84	132	72	80	94	129	83	49	63	56
Colombia	113	156	96	119	141	243	164	105	157	90
Mexico	114	154	98	92	103	170	156	106	155	92
Panama	99	150	98	111	109	182	127	67	85	55
Peru	113	172	97	133	115	188	108	72	94	56
Venezuela (Bolivarian Republic of)	1 016	928	647	1 150	3 155	4 868	3 750	15 047	8 281	5 381

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Bloomberg.
[a] Figures as of November.

Table A1.14

Latin America and the Caribbean: international bond issues[a]

(Millions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[b]
Total	**90 183**	**91 687**	**114 241**	**123 332**	**133 056**	**78 606**	**129 364**	**144 202**	**93 358**	**99 735**
National issues	**88 657**	**90 272**	**111 757**	**121 518**	**129 743**	**75 436**	**124 528**	**140 355**	**88 082**	**98 685**
Argentina	3 146	2 449	663	1 025	1 941	3 586	33 783	27 676	13 367	1 600
Bahamas	-	-	-	-	300	-	-	750	-	-
Barbados	390	-	-	-	2 500	-	-	-	-	-
Bolivia (Plurinational State of)	-	-	500	500	-	-	-	-	-	-
Brazil	39 305	38 369	50 255	37 262	45 364	7 188	20 481	32 066	18 979	23 546
Chile	6 750	6 049	9 443	11 540	13 768	7 650	5 336	14 449	8 635	12 094
Colombia	1 912	6 411	7 459	10 012	9 200	6 400	4 061	7 842	5 786	4 243
Costa Rica	-	250	1 250	3 000	1 000	1 000	500	300	-	-
Dominican Republic	1 034	750	750	1 800	1 500	3 500	1 870	2 017	3 118	2 500
Ecuador	-	-	-	-	2 000	1 500	2 750	5 800	3 000	4 525
El Salvador	450	654	800	310	800	300	-	951	-	1 097
Guatemala	-	150	1 400	1 300	1 100	-	700	1 330	-	1 200
Honduras	20	-	-	1 000	-	-	-	850	-	-
Jamaica	1 075	694	1 750	1 800	1 800	2 925	364	869	-	1 415
Mexico	26 882	22 276	28 147	41 729	37 592	30 075	41 539	29 222	23 879	31 016
Panama	-	897	1 100	1 350	1 935	1 700	2 200	3 321	2 636	4 500
Paraguay	-	100	500	500	1 000	280	600	500	530	1 532
Peru	4 693	2 155	7 240	5 840	5 944	6 407	1 960	9 062	5 876	7 011
Suriname	-	-	-	-	-	-	636	-	-	-
Trinidad and Tobago	-	175	-	550	-	-	1 600	-	525	500
Uruguay	-	1 693	500	2 000	2 000	2 605	1 147	2 350	1 750	1 905
Venezuela (Bolivarian Republic of)	3 000	7 200	-	-	-	-	5 000	-	-	-
Supranational issues	**1 526**	**1 415**	**2 484**	**1 814**	**3 313**	**3 171**	**4 837**	**3 847**	**5 276**	**1 050**
Central American Bank for Economic Integration (CABEI)	151	-	250	520	505	521	887	382	772	198
Caribbean Development Bank (CDB)	-	175	-	-	-	-	-	-	-	-
Foreign Trade Bank of Latin America (BLADEX)	-	-	400	-	-	-	73	-	-	-
Development Bank of Latin America (CAF)	1 375	1 240	1 834	1 294	2 808	2 650	3 376	3 465	4 503	852
Inter-American Investment Corporation	-	-	-	-	-	-	500	-	-	-

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Merrill Lynch, J.P. Morgan and Latin Finance.

[a] Includes sovereign, bank and corporate bonds.

[b] Figures as of October.

Table A1.15

Latin America and the Caribbean: stock exchange indices

(National indices to end of period, 31 December 2005=100)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Argentina	228	160	185	349	556	757	1 096	1 948	1 963	2 235
Brazil	207	170	182	154	149	130	180	228	263	324
Chile	251	213	219	188	196	187	211	283	260	231
Colombia	163	133	155	137	122	90	106	121	117	140
Costa Rica	37	43	45	78	88	80	114	116	92	77
Ecuador	126	128	135	148	168	161	150	185	203	193
Jamaica	82	91	88	77	73	144	184	276	363	480
Mexico	217	208	246	240	242	241	256	277	234	241
Peru	487	406	430	328	308	205	324	416	403	418
Trinidad and Tobago	78	95	100	111	108	109	113	119	122	134
Venezuela (Bolivarian Republic of)	325	585	2 355	13 685	19 295	72 940	158 525	6 315 000	8 026 300 000	349 474 400 000

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Bloomberg.

[a] Figures as of November.

Table A1.16
Latin America and the Caribbean: gross international reserves
(Millions of dollars, end-of-period stocks)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America and the Caribbean	**656 132**	**771 021**	**834 208**	**829 117**	**857 148**	**811 779**	**830 960**	**859 335**	**867 118**	**858 995**
Latin America	**640 130**	**753 915**	**818 328**	**812 889**	**838 882**	**794 866**	**814 069**	**842 692**	**851 371**	**844 595**
Argentina	52 145	46 376	43 290	30 599	31 443	25 563	38 772	55 055	65 806	43 474
Bolivia (Plurinational State of)	9 730	12 019	13 927	14 430	15 123	13 056	10 081	10 261	8 946	6 941[b]
Brazil	288 575	352 012	373 147	358 808	363 551	356 464	365 016	373 972	374 715	367 746
Chile	26 977	39 210	39 954	40 002	39 957	38 459	39 883	38 708	38 909	39 770[c]
Colombia	28 464	32 303	37 474	43 639	47 328	46 740	46 683	47 637	48 402	53 091[b]
Costa Rica	4 627	4 756	6 857	7 331	7 211	7 834	7 574	7 150	7 501	7 713
Dominican Republic	3 765	4 098	3 559	4 701	4 862	5 266	6 047	6 781	7 628	7 492[b]
Ecuador[d]	2 622	2 958	2 483	4 361	3 949	2 496	4 259	2 451	2 677	4 175
El Salvador	2 882	2 503	3 175	2 745	2 693	2 787	3 238	3 567	3 569	5 463[b]
Guatemala[d]	5 954	6 188	6 694	7 273	7 333	7 751	9 160	11 770	12 756	14 631[b]
Haiti	1 284	1 344	1 337	1 690	1 163	977	1 105	1 258	1 309	1 358[e]
Honduras	2 775	2 880	2 629	3 113	3 570	3 874	4 100	5 012	5 073	5 272[c]
Mexico	120 587	149 209	167 050	180 200	195 682	177 597	178 025	175 450	176 384	183 464[b]
Nicaragua	1 708	1 793	1 778	1 874	2 147	2 353	2 296	2 593	2 080	2 062[c]
Panama	2 561	2 234	2 441	2 775	3 994	3 911	4 511	3 531	2 932	3 936[f]
Paraguay	4 168	4 984	4 994	5 871	6 891	6 200	7 144	8 146	8 010	7 827
Peru	44 150	48 859	64 049	65 710	62 353	61 537	61 746	63 731	60 288	67 686
Uruguay	7 656	10 302	13 605	16 290	17 555	15 634	13 436	15 959	15 557	14 444
Venezuela (Bolivarian Republic of)	29 500	29 889	29 887	21 478	22 077	16 367	10 992	9 662	8 830	8 051
The Caribbean	**16 003**	**17 105**	**15 880**	**16 228**	**18 266**	**16 913**	**16 892**	**16 643**	**15 748**	**14 400**
Antigua and Barbuda[d]	136	147	161	202	297	356	330	314	328	...
Bahamas	861	892	812	740	787	808	902	1 408	1 197	1 557[c]
Barbados	589	588	631	521	471	484	320	206	500	613[c]
Belize	216	242	289	402	483	432	371	306	287	253[c]
Dominica[d]	66	75	92	85	100	125	221	211	189	...
Granada[d]	103	106	104	135	158	189	201	195	231	...
Guyana	780	798	862	777	666	599	616	584	528	528[c]
Jamaica	2 979	2 820	1 981	1 818	2 473	2 914	3 291	3 781	3 532	3 657[b]
Saint Kitts and Nevis[d]	157	233	252	291	318	280	313	357	355	...
Saint Lucia[d]	184	192	208	168	235	298	289	307	275	...
Saint Vincent and the Grenadines[d]	111	88	109	133	156	165	191	180	168	...
Suriname	639	941	1 008	779	625	330	381	424	581	688[b]
Trinidad and Tobago[d]	9 181	9 983	9 371	10 176	11 497	9 933	9 466	8 370	7 575	7 103[b]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a Latest data available to November.
b Figures as of October.
c Figures as of September.
d Net international reserves.
e Figures as of July.
f Figures as of August.

Table A1.17
Latin America and the Caribbean: real effective exchange rates[a b]
(Indices: 2005=100, average values for the period)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[c d]
Latin America and the Caribbean	**86.1**	**84.4**	**82.8**	**82.6**	**83.5**	**84.4**	**85.4**	**84.2**	**86.0**	**86.5**
Barbados	89.2	90.3	89.3	89.3	87.9	84.4	82.9	80.7	79.9	77.6
Bolivia (Plurinational State of)	89.7	89.8	87.0	81.5	74.5	65.0	61.8	63.8	60.5	57.5
Brazil	71.9	69.2	77.6	83.0	84.4	102.8	97.9	89.4	99.7	100.2
Chile	96.2	95.2	94.0	95.2	105.0	108.5	107.2	103.6	101.7	104.9
Colombia	79.2	79.5	76.5	80.0	83.0	99.5	102.4	97.7	96.1	100.2
Costa Rica	82.4	79.7	76.6	74.1	77.1	72.6	73.9	77.6	78.9	79.1
Dominica	105.8	109.3	108.7	110.5	111.5	110.3	109.7	111.1	112.8	111.7
Dominican Republic	108.6	110.3	112.2	115.7	115.1	110.7	110.8	114.2	117.0	116.6
Ecuador	99.4	102.1	98.1	96.4	92.4	82.8	81.0	83.5	85.1	83.4
El Salvador	101.1	102.4	103.1	104.0	103.8	100.7	100.1	101.9	102.4	102.0
Guatemala	93.5	89.5	88.3	87.2	83.1	77.0	72.5	68.6	69.1	68.2
Honduras	86.1	85.4	83.8	84.8	82.6	81.8	83.0	84.4	84.1	82.9
Jamaica	97.6	96.2	95.2	99.7	98.1	87.5	91.5	92.6	88.5	83.4
Mexico	109.0	109.1	112.6	106.8	107.8	121.5	139.8	136.7	135.8	132.1
Nicaragua	99.8	105.9	103.8	100.3	98.9	91.1	91.4	95.3	95.5	92.9
Panama	102.7	103.9	94.4	92.2	88.8	85.0	84.0	85.3	86.9	86.8
Paraguay	80.0	71.7	73.0	68.3	65.9	66.7	69.2	71.0	67.2	68.4
Peru	94.4	96.6	90.1	90.4	92.5	94.1	95.3	92.1	93.6	91.5
Trinidad and Tobago	78.8	79.4	73.7	70.7	66.9	60.6	61.2	63.0	63.9	63.1
Uruguay	79.7	77.9	76.3	70.7	71.6	69.7	69.2	65.3	63.4	64.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures

[a] A country's overall real effective exchange rate index is calculated by weighting its real bilateral exchange rate indices with each of its trading partners by each partner's share in the country's total trade flows in terms of exports and imports. The extraregional real effective exchange rate index excludes trade with other Latin American and Caribbean countries.

[b] A currency depreciates in real effective terms when this index rises and appreciates when it falls.

[c] Preliminary figures.

[d] Figures as of September.

Table A1.18

Latin America and the Caribbean: participation rate[a]

(Average annual rates)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2018	2019
											January–September	
Latin America and the Caribbean[b]		**62.4**	**62.3**	**62.4**	**62.2**	**62.0**	**61.9**	**62.0**	**62.3**	**62.4**	**…**	**…**
Argentina[c]	Urban areas	58.9	59.5	59.3	58.9	58.3	57.7[c]	57.5[d]	57.8	58.5	58.4	59.2[e]
Bahamas	Nationwide total	…	72.3	74.6	73.2	73.7	74.3	77.1	80.5	82.8	…	…
Barbados	Nationwide total	66.6	67.6	66.2	66.7	63.9	65.1	66.5	65.3	64.8	64.2	62.6[e]
Belize	Nationwide total	…	…	65.8	64.0	63.6	63.2	64.0	64.1	65.5	65.5	68.9
Bolivia (Plurinational State of)[f]	Nationwide total	…	65.8	61.2	63.4	65.9	61.0	66.0	67.4	70.8	…	…
Brazil[g]	Nationwide total[j]	…	60.0	61.4	61.3	61.0	61.3	61.4	61.7	61.6	61.6	62.0
Chile	Nationwide total	58.5	59.8	59.5	59.6	59.8	59.7	59.5	59.7	59.7	59.7	59.4
Colombia	Nationwide total	62.7	63.7	64.5	64.2	64.2	64.7	64.5	64.4	64.0	63.8	63.1
Costa Rica[g]	Nationwide total	59.1	60.7	62.8	62.3	62.5	61.2	58.4	58.8	60.7	59.9	62.4
Cuba	Nationwide total	74.9	76.1	74.2	72.9	71.9	67.1	65.2	63.4	63.8	…	…
Dominican Republic[h]	Nationwide total	62.9	64.2	65.1	64.7	65.0	61.8	62.3	62.2	63.6	63.3	65.0[e]
Ecuador	Nationwide total[i]	63.7	62.5	63.0	62.9	63.2	66.2	68.2	68.6	67.0	67.5	67.0
El Salvador	Nationwide total	62.5	62.7	63.2	63.6	62.8	62.1	62.2	61.9	61.3	…	…
Guatemala	Nationwide total	…	61.8	65.4	60.6	60.9	60.7	60.8	61.0	60.6	60.2	59.6[i]
Honduras	Nationwide total	53.6	51.9	50.8	53.7	56.0	58.3	57.5	59.0	60.4	60.4	57.3
Jamaica	Nationwide total	62.4	62.3	61.9	63.0	62.8	63.1	64.8	65.1	64.1	64.1	64.7
Mexico	Nationwide total	58.4	58.6	59.2	60.3	59.8	59.8	59.7	59.3	59.6	59.5	60.0
Nicaragua	Nationwide total	71.2	75.6	76.8	75.8	74.0	72.4	73.6	73.5	71.7	…	…
Panama	Nationwide total	63.5	61.9	63.4	64.1	64.0	64.2	64.4	64.0	65.4	65.4	66.5[j]
Paraguay[k]	Nationwide total	60.8	61.1	64.4	63.3	62.3	62.1	62.6	71.0	71.9	71.9	72.2
Peru	Nationwide total	74.1	73.9	73.6	73.2	72.3	71.6	72.2	72.4	72.3	72.2	72.2
Trinidad and Tobago	Nationwide total	62.1	61.3	61.8	61.3	61.9	60.6	59.7	59.2	58.7[e]	…	…
Uruguay	Nationwide total	62.9	64.8	64.0	63.6	64.7	63.8	63.4	62.9	62.4	62.2	62.0
Venezuela (Bolivarian Republic of)	Nationwide total	64.6	64.4	63.9	64.3	65.1	63.7	64.0	66.3	…	…	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Employed or unemployed population as a percentage of the working-age population.

[b] The regional series are weighted averages of national data and include adjustments for lack of information and changes in methodology. The data relating to the different countries are not comparable owing to differences in coverage and in the definition of the working-age population.

[c] The figure correspond to the average from the first to the third quarter.

[d] The figure correspond to the average from second to fourth quarter.

[e] The figures in the last two columns correspond to the average for the first and second quarters.

[f] New measurements have been used since 2016; the data are not comparable with the previous series.

[g] New measurements have been used since 2012; the data are not comparable with the previous series.

[h] New measurements have been used since 2015; the data are not comparable with the previous series.

[i] The figures in the last two columns correspond to the measurements for May and June, and for May, respectively.

[j] The figures in the last two columns correspond to the measurement for August.

[k] New measurements have been used since 2017; the data are not comparable with the previous series.

Table A1.19
Latin America and the Caribbean: open unemployment[a]
(Average annual rates)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[b]
Latin America and the Caribbean[c]		**6.9**	**6.4**	**6.5**	**6.3**	**6.1**	**6.6**	**7.9**	**8.1**	**8.0**	**8.2**
Argentina	Urban areas	7.7	7.2	7.2	7.1	7.3	6.5[d]	8.5[e]	8.4	9.2	10.4[f]
Bahamas[g]	Nationwide total	…	15.9	14.4	15.8	14.6	13.4	12.2	10.0	10.3	9.5[h]
Barbados[g]	Nationwide total	10.8	11.2	11.6	11.6	12.3	11.3	9.7	10.0	10.1	11.0[f]
Belize[g]	Nationwide total	12.5	…	15.3	12.9	11.6	10.1	9.5	9.3	9.4	9.1
Bolivia (Plurinational State of)[i]	Nationwide total	…	2.7	2.3	2.9	2.3	3.5	3.5	3.6	3.49	…
Brazil[j]	Nationwide total	…	6.7	7.3	7.1	6.8	8.5	11.5	12.7	12.3	12.0
Chile	Nationwide total	8.2	7.1	6.4	5.9	6.4	6.2	6.5	6.7	7.0	7.5
Colombia[g]	Nationwide total	11.8	10.8	10.4	9.6	9.1	8.9	9.2	9.4	9.7	10.6
Colombia[k]	Nationwide total	11.0	10.1	9.7	9.0	8.5	8.3	8.6	8.8	9.1	10.0
Costa Rica[j]	Nationwide total	7.3	7.7	10.2	9.4	9.6	9.6	9.5	9.1	10.3	11.5[d]
Cuba	Nationwide total	2.5	3.2	3.5	3.3	2.7	2.5	2.0	1.7	1.7	…
Dominican Republic[l]	Nationwide total	5.2	6.1	6.7	7.4	6.7	7.3	7.1	5.5	5.7	6.1[f]
Ecuador[g]	Nationwide total	5.6	4.6	4.1	4.0	4.3	4.3	5.4	4.4	4.1	4.7
Ecuador[k]	Nationwide total	4.0	3.4	3.2	3.0	3.4	3.6	4.5	3.8	3.5	4.1
El Salvador	Nationwide total	7.0	6.6	6.1	5.9	7.0	7.0	7.0	7.0	6.3	…
Guatemala	Nationwide total	…	4.1	2.9	3.1	2.9	2.6	2.7	2.5	2.4	2.6[h]
Honduras	Nationwide total	3.9	4.3	3.6	3.9	5.3	7.3	7.4	6.7	5.7	5.7
Jamaica[g]	Nationwide total	12.4	12.6	13.9	15.2	13.7	13.5	13.2	11.7	9.1	7.9[d]
Jamaica[k]	Nationwide total	8.0	8.4	9.3	10.3	9.5	9.8	9.0	7.7	5.6	5.1[d]
Mexico	Nationwide total	5.3	5.2	4.9	4.9	4.8	4.3	3.9	3.4	3.3	3.6
Nicaragua	Nationwide total	7.8	5.9	5.9	5.8	6.6	5.9	4.5	3.7	5.4	…
Panama[g]	Nationwide total	6.5	4.5	4.1	4.1	4.8	5.1	5.5	6.1	6.0	7.1[m]
Panama[k]	Nationwide total	4.8	3.0	3.1	3.2	3.5	3.9	4.4	4.9	4.9	5.8[m]
Paraguay[n]	Nationwide total	5.7	5.5	4.6	5.0	6.0	5.4	6.0	6.1	6.2	6.9[d]
Peru	Nationwide total	4.1	4.0	3.7	4.0	3.7	3.5	4.2	4.1	3.9	4.2[d]
Trinidad and Tobago[g]	Nationwide total	5.9	5.1	5.0	3.6	3.3	3.5	4.0	4.8	3.8[f]	…
Uruguay	Nationwide total	6.9	6.3	6.5	6.5	6.6	7.5	7.8	7.9	8.3	8.9
Venezuela (Bolivarian Republic of)[g]	Nationwide total	8.7	8.3	8.1	7.8	7.2	7.0	7.3	7.2	…	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household surveys.
a Unemployed population as a percentage of the economically active population.
b Estimate based on data from January to September.
c Weighted average adjusted for lack of information and differences and changes in methodology. The data relating to the different countries are not comparable owing to differences in coverage and in the definition of the working age population.
d The figure correspond to the average from the first to the third quarter.
e The figure correspond to the average to the second and the fourth quarter.
f Figures as of first semester.
g Includes hidden unemployement.
h Figures as of May.
i New measurements have been used since 2016; the data are not comparable with the previous series.
j New measurements have been used since 2012; the data are not comparable with the previous series.
k Includes an adjustment to the figures for the economically active population to exclude hidden unemployment.
l New measurements have been used since 2015; the data are not comparable with the previous series.
m Figures as of August.
n New measurements have been used since 2017; the data are not comparable with the previous series.

Table A1.20

Latin America and the Caribbean: employment rate[a]

(Average annual rates)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2018	2019
											January–September	
Latin America and the Caribbean[b]		**57.9**	**58.1**	**58.4**	**58.3**	**58.2**	**57.8**	**57.2**	**57.3**	**57.5**	**…**	**…**
Argentina	Urban areas	54.4	55.2	55.0	54.7	54.0	53.9[c]	52.6[d]	52.9	53.1	53.0	53.0[e]
Bahamas	Nationwide total	…	60.6	64.1	61.6	62.8	64.3	67.7	72.5	74.2	…	…
Barbados	Nationwide total	59.4	60.0	58.5	58.9	56.0	57.7	60.0	58.8	58.3	58.5	55.7[e]
Belize	Nationwide total	…	…	55.7	55.7	56.3	56.8	57.9	58.1	59.0	59.0	62.0
Bolivia (Plurinational State of)[f]	Nationwide total	…	64.2	59.7	61.5	64.3	58.9 |	63.8	64.9	68.4	…	…
Brazil[g]	Nationwide total	…	56.0 |	56.9	56.9	56.8	56.1	54.3	53.9	54.1	53.9	54.4
Chile	Nationwide total	53.7	55.5	55.7	56	56.0	56.0	55.6	55.7	55.5	55.5	55.3
Colombia	Nationwide total	55.4	56.8	57.9	58	58.4	59.0	58.5	58.4	57.8	57.5	56.3
Costa Rica[g]	Nationwide total	54.8	56.0 |	56.4	56.4	56.5	55.4	52.8	53.5	54.4	54.1	55.2
Cuba	Nationwide total	73.0	73.6	71.6	70.5	70.0	65.4	63.8	62.4	62.7	…	…
Dominican Republic[h]	Nationwide total	53.8	54.6	55.4	54.9	55.5 |	57.3	57.9	58.7	60.0	59.8	61.0
Ecuador	Nationwide total	60.1	59.6	60.4	60.3	60.4	63.3	64.6	65.5	64.3	64.7	63.9
El Salvador	Nationwide total	58.1	58.6	59.4	59.9	58.4	57.8	57.9	57.6	57.4	…	…
Guatemala	Nationwide total	...	59.2	63.5	58.7	59.1	59.2	59.2	59.4	59.1	58.6	57.8[i]
Honduras	Nationwide total	51.5	49.7	48.9	51.6	53.1	54.0	53.2	55.1	57.0	57.0	54.1
Jamaica	Nationwide total	54.6	54.4	53.3	53.4	54.2	54.6	56.2	57.5	58.2	58.2	59.6
Mexico	Nationwide total	55.3	55.5	56.3	56.2	56.9	57.2	57.4	57.3	57.6	57.5	57.8
Nicaragua	Nationwide total	65.6	71.2	72.3	71.5	69.1	68.1	70.2	70.8	67.8	…	…
Panama	Nationwide total	59.4	59.1	60.8	61.5	60.9	60.9	60.8	60.1	61.5	61.5	61.8[j]
Paraguay[k]	Nationwide total	57.3	57.7	61.5	60.1	58.6	58.7	58.9 |	66.7	67.4	67.2	67.2
Peru	Nationwide total	71.1	70.9	70.8	70.3	69.6	68.9	69.2	69.5	69.5	69.1	69.1
Trinidad and Tobago	Nationwide total	58.4	58.2	58.8	59.1	59.9	58.5	57.4	56.3	56.5[e]	…	…
Uruguay	Nationwide total	58.4	60.7	59.9	59.5	60.4	59.0	58.4	57.9	57.2	56.9	56.4
Venezuela (República Bolivariana de)	Nationwide total	59.0	59.0	58.7	59.3	60.4	59.2	59.3	61.5	…	…	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Employed population as a percentage of the working-age population.

[b] The regional series are weighted averages of national data and include adjustment for lack of information and changes in methodology.The data relating to the different countries are not comparable owing to differences in coverage and in the definition of the working age population.

[c] The figure corresponds to the average from the first to the third quarter.

[d] The figure corresponds to the average from the second to fourth quarter.

[e] The figures in the last two columns correspond to the average for the first and second quarters.

[f] New measurements have been used since 2016; the data are not comparable with the previous series.

[g] New measurements have been used since 2012; the data are not comparable with the previous series.

[h] New measurements have been used since 2015; the data are not comparable with the previous series.

[i] The figures in the last two columns correspond to the mesurements for May and June, and for May, respectively.

[j] The figures in the last two columns correspond to the measurement for August.

[k] New measurements have been used since 2017; the data are not comparable with the previous series.

Table A1.21
Latin America: real average wages[a]
(Index: 2010=100)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[b]
Bolivia (Plurinational State of)[c]	100.0	98.2	99.3	100.3	101.8	107.7	109.5	111.3	114.8	116.6[d]
Brazil[e]	100.0	101.4	104.9	107.4	108.4	108.9	107.6	110.2	110.6	109.9
Chile[f]	100.0	102.5	105.8	109.9	111.9	113.9	115.4	118.2	120.5	123.0
Colombia[g]	100.0	100.3	101.3	104.0	104.5	105.7	103.4	106.8	108.0	109.1
Costa Rica[h]	100.0	105.7	107.1	108.5	110.7	115.2	119.7	121.2	123.7	125.1
Cuba	100.0	100.2	100.7	101.2	124.0	143.2	154.9	162.2	160.5	...
El Salvador[h]	100.0	97.1	97.3	97.8	98.5	100.9	102.3	106.0	108.7	110.0[i]
Guatemala[h]	100.0	100.4	104.4	104.3	106.8	110.4	108.2	107.2	107.9	...
Mexico[h]	100.0	101.1	101.2	101.3	101.7	103.2	104.1	102.9	103.9	106.9
Nicaragua[h]	100.0	100.1	100.5	100.7	102.4	105.1	107.5	109.1	114.4	...
Panama	100.0	100.1	103.5	103.8	109.5	113.1	118.0	121.0	127.2	131.0[j]
Paraguay	100.0	102.8	103.5	105.7	107.0	107.5	108.2	108.5	109.5	110.9[k]
Peru[l]	100.0	108.4	111.0	114.7	117.9	117.5	122.2	121.7	126.7	127.6
Uruguay	100.0	104.0	108.4	111.7	115.4	117.3	119.1	122.6	122.7	124.8
Venezuela (Bolivarian Republic of)	100.0	103.0	109.1	104.3	...	...	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures deflated by the official consumer price index of each country.
[b] Estimate based on data from January to September.
[c] Private sector average wage index.
[d] Estimate based on the interannual variation to March.
[e] Private sector workers covered by social and labour legislation.
[f] General index of hourly remuneration.
[g] Manufacturing.
[h] Average wage declared by workers registered with and paying into social security.
[i] Estimate based on interannual growth of average for January–August.
[j] Estimate based on interannual growth of average for January–June.
[k] Estimate based on the interannual variation to June.
[l] Average income in the formal sector. Until 2015, formal private sector workers in Lima metropolitan area.

Table A1.22
Latin America and the Caribbean: monetary indicators
(Percentage variation of the average balances with respect to the year-earlier period)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America											
Argentina	Monetary base	25.1	37.1	34.9	30.2	19.7	33.2	27.9	31.0	33.7	21.9
	Money (M1)	24.1	32.4	33.3	29.5	26.1	31.6	20.2	29.4	23.6	9.9[b]
	M2	27.6	36.9	32.4	30.9	23.1	33.2	23.9	28.0	37.8	28.1[b]
	Foreign-currency deposits	35.9	8.7	-22.6	-6.1	51.7	38.5	172.5	96.1	81.6	93.0[b]
Bolivia (Plurinational State of)	Monetary base	32.4	11.6	18.2	10.8	9.5	19.2	3.9	0.1	8.7	9.1[c]
	Money (M1)	24.1	27.2	18.3	13.5	15.4	9.4	9.6	2.0	6.4	1.9[c]
	M2	34.6	34.0	31.3	22.6	18.8	18.4	12.5	7.7	10.8	5.1[c]
	Foreign-currency deposits	4.7	-12.8	-5.0	-4.1	-3.4	3.7	-1.0	-2.7	-4.2	-0.6[c]
Brazil	Monetary base	17.5	11.0	9.4	5.5	7.2	3.0	3.2	6.2	6.3	3.2[d]
	Money (M1)	17.5	6.5	6.2	11.1	5.1	-1.1	0.2	4.4	8.3	4.6[d]
	M2	9.9	14.3	6.6	3.7	4.6	-0.9	3.7	12.2	12.5	9.7[d]
Chile	Monetary base	13.8	14.8	13.7	16.3	5.3	9.6	11.4	7.1	6.0	7.8[d]
	Money (M1)	27.7	10.9	9.1	10.1	12.1	14.3	6.4	8.7	11.8	11.1
	M2	6.3	16.0	18.3	10.3	7.7	11.3	9.8	4.9	9.8	7.3
	Foreign-currency deposits	8.5	11.8	8.9	18.7	29.0	18.7	8.0	-2.8	3.5	12.5
Colombia	Monetary base	12.4	15.1	9.5	12.5	16.7	15.0	8.8	1.3	7.3	10.5[d]
	Money (M1)	14.7	16.2	6.7	14.3	14.8	10.4	3.9	1.1	6.7	10.7[d]
	M2	6.9	14.8	16.9	17.5	12.9	10.2	10.5	5.7	5.6	7.1[d]
Costa Rica	Monetary base	10.0	11.7	12.1	14.1	11.7	11.1	10.1	7.5	4.1	-0.1[d]
	Money (M1)	11.0	17.7	8.4	13.2	12.3	9.6	17.8	1.7	4.4	5.6[b]
	M2	3.5	10.8	13.1	13.6	14.0	8.9	4.1	0.5	-1.4	0.8[b]
	Foreign-currency deposits	-3.2	-6.5	-0.6	0.8	15.9	0.8	1.4	11.6	2.4	7.9[b]
Dominican Republic	Monetary base	6.4	5.8	9.0	3.9	3.3	22.1	9.1	1.7	-1.4	10.8[d]
	Money (M1)	17.5	4.9	7.3	12.1	13.6	12.9	13.9	6.2	13.6	8.4[d]
	M2	13.5	8.8	12.1	8.0	11.2	10.7	12.2	7.5	8.1	6.3[d]
	Foreign-currency deposits	18.9	17.8	18.4	16.1	11.5	11.9	8.9	9.9	12.8	12.5[d]
Ecuador	Monetary base	24.1	9.9	16.1	23.3	17.5	16.9	22.8	12.9	4.6	2.8[c]
	Money (M1)	16.1	15.5	14.0	14.8	14.4	10.6	10.4	13.1	5.6	3.2[c]
	M2	18.6	20.0	17.8	13.4	14.5	6.7	6.6	13.5	8.3	5.8[c]
El Salvador	Monetary base	0.4	-1.3	1.8	4.8	2.8	1.2	3.5	9.3	5.5	8.1[d]
	Money (M1)	19.8	10.4	4.4	2.9	4.0	4.9	3.9	6.5	5.8	5.4[d]
	M2	4.2	1.4	1.5	2.5	1.3	2.9	5.6	7.1	7.3	6.1[d]
Guatemala	Monetary base	8.0	10.1	5.8	9.2	5.8	12.1	9.7	11.3	8.8	10.4[d]
	Money (M1)	7.2	9.1	5.8	6.9	5.2	11.9	6.1	7.7	8.1	11.0[d]
	M2	8.4	10.7	9.3	9.7	8.1	11.5	7.9	8.4	8.8	10.0[d]
	Foreign-currency deposits	11.6	4.9	3.2	11.2	9.4	6.0	4.2	-1.9	6.8	6.2[d]
Haiti	Monetary base	34.1	18.1	9.2	0.4	-1.0	15.4	26.2	15.6	14.7	19.4[c]
	Money (M1)	26.9	14.4	8.7	11.1	8.7	12.7	6.0	16.6	22.3	12.8[c]
	M2	17.4	11.5	5.7	9.4	8.4	12.5	8.5	13.5	18.1	13.3[c]
	Foreign-currency deposits	22.5	18.4	6.9	8.2	8.5	18.5	27.7	18.2	5.4	28.4[c]
Honduras	Monetary base	-13.8	10.7	11.3	4.0	9.7	16.6	14.9	18.8	8.2	6.4[b]
	Money (M1)	5.2	17.7	2.1	-5.0	8.4	18.9	10.2	18.2	6.9	6.2[b]
	M2	4.7	17.2	8.7	3.6	9.1	12.7	10.9	18.3	10.0	8.5[b]
	Foreign-currency deposits	5.4	7.8	15.3	12.6	7.3	11.3	8.3	16.3	4.9	5.0[b]

Table A1.22 (continued)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Mexico	Monetary base	9.7	9.5	13.9	6.3	13.5	20.1	15.9	10.9	10.2	4.2[d]
	Money (M1)	11.0	16.2	13.7	7.5	13.9	16.1	11.9	10.0	10.0	5.9[d]
	M2	4.9	12.6	11.2	6.7	11.1	11.7	10.6	9.5	11.3	6.7[d]
	Foreign-currency deposits	1.0	3.7	17.5	12.5	26.1	39.7	30.2	29.6	5.0	-6.4[d]
Nicaragua	Monetary base	24.0	20.5	18.3	6.3	12.9	17.4	11.3	7.4	3.7	-6.5[d]
	Money (M1)	21.4	24.7	17.7	8.5	16.4	21.0	9.5	8.8	0.1	-10.4[b]
	M2	21.4	24.7	17.7	8.5	16.4	21.0	9.5	8.8	0.1	-10.4[b]
	Foreign-currency deposits	28.7	9.2	20.5	13.9	19.5	16.5	14.0	11.6	-5.5	-18.9[b]
Panama	Monetary base	7.5	27.1	12.7	16.0	-1.2	28.5	7.9	3.2	5.2	9.1[b]
	Money (M1)	19.2	21.5	17.1	6.8	15.1	-0.4	0.2	0.5	1.1	-2.1[b]
	M2	11.3	9.9	10.8	6.3	13.3	4.8	6.1	5.4	3.0	2.3[b]
Paraguay	Monetary base	5.2	5.0	11.8	5.1	8.3	11.3	2.7	11.1	13.3	3.5[d]
	Money (M1)	28.7	7.8	8.6	15.6	9.6	11.6	3.1	14.2	10.1	3.4[d]
	M2	26.4	14.0	13.7	17.4	10.6	11.2	3.9	13.2	10.8	6.4[d]
	Foreign-currency deposits	16.4	13.5	14.9	15.8	29.3	22.3	13.9	1.8	4.0	8.3[d]
Peru	Monetary base	24.2	31.3	31.2	21.1	-8.6	-0.9	3.3	5.5	8.1	5.8[d]
	Money (M1)	27.3	18.5	17.1	13.7	6.4	6.6	5.1	7.9	13.5	10.5[d]
	M2	26.0	21.4	22.7	18.3	8.0	5.2	7.8	11.0	13.2	10.8[d]
	Foreign-currency deposits	-0.6	14.9	-0.2	9.3	15.2	20.8	9.6	-4.7	6.4	4.9[d]
Uruguay	Monetary base	12.9	23.1	21.8	15.3	11.0	11.5	10.9	13.2	0.9	6.5
	Money (M1)	24.6	19.6	18.4	11.7	6.1	7.1	2.2	13.1	5.5	7.3[d]
	M2	25.8	26.0	17.4	12.4	8.7	9.4	11.1	15.4	10.7	9.6[d]
	Foreign-currency deposits	2.3	10.7	19.6	14.8	25.8	26.6	17.2	-6.9	6.7	15.8[d]
Venezuela (Bolivarian Republic of)	Monetary base	24.5	27.0	40.8	61.1	86.5	95.2	144.2	873.1	30 129.5	33 670.6[d]
	Money (M1)	27.5	44.8	62.0	66.1	69.5	85.1	116.6	551.7	37 111.7	22 593.9[d]
	M2	18.0	37.6	57.5	65.4	69.1	84.9	116.4	544.9	36 973.8	22 607.4[d]
The Caribbean											
Antigua and Barbuda	Monetary base	0.8	19.2	29.5	9.5	22.7	19.6	12.5	-17.1	5.3	-2.0[e]
	Money (M1)	-7.3	-6.6	-2.1	3.1	11.5	4.4	12.0	12.6	8.8	12.0[e]
	M2	-3.1	-1.1	1.7	2.8	3.5	2.5	0.1	5.1	4.8	3.3[e]
	Foreign-currency deposits	-45.2	5.8	-12.8	0.9	20.0	17.0	17.3	18.3	32.9	10.0[e]
Bahamas	Monetary base	2.5	26.8	-7.8	2.2	13.8	-1.8	24.7	9.9	7.6	-12.6[e]
	Money (M1)	2.8	6.2	8.6	5.6	8.4	18.7	9.0	13.6	6.3	4.4[e]
	M2	2.8	2.3	1.1	-0.6	0.1	1.5	2.7	4.9	1.2	0.4[e]
	Foreign-currency deposits	0.1	-2.7	11.6	15.8	-1.5	-19.9	1.2	32.2	29.7	28.4[e]
Barbados	Monetary base	3.4	7.4	-0.8	10.5	5.8	31.5	24.2	12.4	1.3	12.6[d]
	Money (M1)	...	...	...	3.7	7.5	8.8	6.1	4.1	0.6	2.4[b]
Belize	Monetary base	-1.2	8.2	17.5	19.2	18.8	24.6	12.6	-11.9	-9.7	-1.9[b]
	Money (M1)	-0.9	9.1	24.0	13.7	14.0	14.6	10.3	-4.9	6.5	4.5[b]
Dominica	Monetary base	10.0	7.4	18.2	-0.1	14.6	22.9	40.7	25.4	-1.0	-30.1[e]
	Money (M1)	-1.5	-2.1	9.8	2.5	2.2	7.8	18.1	13.2	42.9	-14.6[e]
	M2	3.8	3.2	7.0	4.5	6.5	4.3	6.0	7.5	17.4	-7.6[e]
	Foreign-currency deposits	30.2	38.8	25.4	-6.1	13.5	1.3	3.2	-20.6	-7.7	21.3[e]
Grenada	Monetary base	6.6	7.0	4.6	6.1	19.7	10.2	5.6	1.7	2.1	9.4[e]
	Money (M1)	3.8	-7.3	2.9	5.4	24.1	20.6	11.1	3.0	11.0	9.0[e]
	M2	3.4	0.4	1.8	3.0	5.2	3.7	1.7	0.9	4.2	3.7[e]
	Foreign-currency deposits	-3.9	-5.5	5.5	-18.8	7.8	17.4	35.9	10.2	0.5	25.8[e]
Guyana	Monetary base	17.7	17.4	15.2	6.6	2.5	14.3	13.5	6.2	10.5	9.7[d]
	Money (M1)	12.9	21.9	16.1	6.7	10.1	7.9	7.1	9.0	8.9	15.0[d]

Table A1.22 (concluded)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Jamaica	Monetary base	-14.1	-9.3	8.3	16.8	31.2	6.9	10.5	14.4	16.6	20.3[e]
	Money (M1)	7.0	7.8	4.7	5.9	5.0	15.7	21.8	11.2	20.0	16.8[f]
	M2	6.1	5.6	3.3	6.4	2.6	9.9	15.2	24.1	18.4	14.4[f]
	Foreign-currency deposits	-0.9	-4.8	6.8	28.5	9.2	13.6	19.4	21.0	10.5	12.0[f]
Saint Kitts and Nevis	Monetary base	-5.0	35.9	15.4	22.8	11.5	-13.3	15.8	2.3	3.5	1.0[e]
	Money (M1)	17.0	31.3	17.3	10.8	1.5	10.8	-0.7	-7.9	-1.4	13.3[e]
	M2	9.5	12.7	8.6	4.5	6.4	5.9	0.2	-4.2	1.3	4.0[e]
	Foreign-currency deposits	-8.8	4.5	15.1	18.4	46.4	16.3	-6.3	-5.9	-12.9	-8.7[e]
Saint Lucia	Monetary base	3.0	16.4	2.7	7.8	9.6	28.5	3.3	-4.9	5.9	-8.6[e]
	Money (M1)	-4.3	4.0	3.2	2.2	7.1	3.0	6.5	8.3	9.0	9.9[e]
	M2	0.2	4.9	3.7	3.5	-1.0	1.6	3.1	1.3	2.0	4.2[e]
	Foreign-currency deposits	-13.2	16.4	14.0	-10.1	45.0	20.1	11.1	5.5	-10.5	4.4[e]
Saint Vincent and the Grenadines	Monetary base	13.2	-0.3	11.8	26.8	19.5	15.6	8.9	2.4	-2.2	10.3[e]
	Money (M1)	-0.5	-3.9	-0.4	9.6	5.8	8.6	10.0	4.6	0.2	8.6[e]
	M2	2.2	1.9	1.2	8.6	8.1	5.6	4.6	3.6	0.4	4.6[e]
	Foreign-currency deposits	-7.7	30.8	-7.3	28.9	15.8	17.6	6.4	-7.4	-7.9	24.6[e]
Suriname	Monetary base	13.0	3.2	27.0	13.8	-7.2	-6.2	30.3	23.9	24.4	61.6[d]
	Money (M1)	16.7	5.3	17.0	11.3	5.4	-4.5	15.0	14.1	14.8	29.1[d]
	M2	18.2	7.0	20.0	17.7	8.1	-2.4	12.4	11.7	15.1	26.1[d]
	Foreign-currency deposits	7.9	39.1	13.6	10.8	11.4	9.9	85.5	20.3	5.8	-2.2[d]
Trinidad and Tobago	Monetary base	24.7	14.1	15.4	19.5	8.0	-7.9	-7.3	-8.4	-2.6	-3.9[b]
	Money (M1)	25.5	17.2	15.4	19.2	19.8	0.0	1.2	-1.9	0.1	0.4[b]
	M2	17.9	8.4	12.0	11.8	11.6	3.8	2.8	-1.4	0.1	2.1[b]
	Foreign-currency deposits	7.9	-4.0	4.7	12.6	-5.7	1.6	7.3	0.4	-1.3	3.9[b]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of October.
[b] Figures as of August.
[c] Figures as of July.
[d] Figures as of September.
[e] Figures as of June.
[f] Figures as of May.

Table A1.23
Latin America and the Caribbean: domestic credit
(Percentage variation with respect to the year-earlier period)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America										
Argentina	51.3	59.5	33.0	42.2	24.4	35.2	25.0	35.0	41.4	37.8[b]
Bolivia (Plurinational State of)	13.0	18.8	22.7	21.6	17.6	16.7	18.5	16.9	13.7	11.9[c]
Brazil	18.0	17.6	16.8	11.9	9.5	9.0	9.5	7.5	3.1	9.2
Chile	-0.1	12.1	15.1	9.3	7.6	20.0	8.8	5.5	10.2	7.8[b]
Colombia	25.9	19.0	15.7	13.8	12.2	16.6	8.4	9.8	9.3	9.4[d]
Costa Rica	11.6	12.5	13.7	12.0	19.5	13.1	13.5	11.0	5.9	4.2[b]
Dominican Republic	7.1	9.9	12.1	12.4	11.6	15.0	14.5	8.6	9.4	11.5
Ecuador	33.6	31.5	21.5	16.7	16.2	10.1	5.6	12.0	10.4	11.9[d]
El Salvador	2.3	3.4	9.6	5.5	9.5	7.3	8.1	4.5	7.7	7.4
Guatemala	5.6	15.2	11.3	12.6	12.0	12.0	6.0	2.2	3.2	3.0
Haiti	-23.0	-17.1	11.4	70.0	30.4	18.2	10.2	11.7	23.4	26.8[d]
Honduras	14.1	6.7	19.3	9.0	7.0	7.8	7.7	19.3	14.2	11.5[b]
Mexico	9.6	11.0	10.9	9.4	9.9	12.6	14.1	8.0	10.1	8.5[b]
Nicaragua	-4.7	-6.2	21.0	20.8	11.6	11.8	14.2	15.7	0.3	-17.7[b]
Panama	14.4	15.5	19.7	13.0	15.9	5.8	10.4	10.3	8.9	4.2[e]
Paraguay	36.3	25.5	28.4	20.8	12.0	26.0	5.9	-1.1	12.2	16.6
Peru	24.7	29.0	10.4	8.5	43.0	21.2	12.8	11.3	37.7	6.3
Uruguay	3.9	24.7	19.4	16.5	18.6	12.9	33.4	4.1	-3.7	23.0
Venezuela (Bolivarian Republic of)[f]	13.7	36.0	56.1	61.9	63.8	74.5	100.1	302.9	231 191.5	42 912.8
The Caribbean										
Antigua and Barbuda	0.6	-3.8	-3.0	-4.9	-0.4	-5.9	-10.5	5.1	-1.7	5.6[e]
Bahamas	3.4	0.8	4.0	1.9	0.0	0.7	0.7	1.9	-3.5	0.7[e]
Barbados	...	...	...	3.8	-0.9	2.7	5.8	4.7	-1.6	-17.0[b]
Belize	-0.4	-1.6	0.4	-2.6	-0.6	8.9	18.5	2.5	6.2	6.1[b]
Dominica	12.5	13.7	7.6	7.7	1.7	-1.8	-24.3	-24.6	24.4	50.3[e]
Granada	3.9	2.6	5.0	-2.1	-9.0	-10.2	-11.2	-6.7	-5.5	-11.2[e]
Guyana	-0.8	34.5	40.1	26.3	16.0	11.3	11.3	9.3	19.0	14.6
Jamaica	-3.4	-4.1	11.7	16.0	14.2	-2.2	4.7	5.6	11.7	30.9[g]
Saint Kitts and Nevis	6.4	3.1	-6.8	-25.0	-18.7	-79.9	-78.8	105.8	-0.1	-18.2[e]
Saint Lucia	-0.3	2.9	6.6	5.4	-3.1	-12.2	-6.1	-8.0	-6.5	-1.8[e]
Saint Vincent and the Grenadines	1.5	-7.2	-1.0	6.5	3.5	5.4	0.3	0.1	3.0	0.1[e]
Suriname	21.4	20.8	10.3	23.5	21.5	23.5	33.8	13.3	-3.0	16.3
Trinidad and Tobago	36.6	9.3	7.9	-20.4	-23.8	3.2	36.6	13.5	12.7	14.5[b]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of September.
[b] Figures as of August.
[c] Figures as of March.
[d] Figures as of July.
[e] Figures as of June.
[f] Credit granted by the commercial and universal banks.
[g] Figures as of May.

Table A1.24
Latin America and the Caribbean: monetary policy rates
(Average rates)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America										
Argentina	12.3	11.8	12.8	14.6	26.7	27.0	28.8	26.4	44.4	65.8
Bolivia (Plurinational State of)	3.0	4.0	4.0	4.1	5.1	2.7	2.5	2.4	2.4	2.5[b]
Brazil	9.9	11.8	8.5	8.4	11.0	13.6	14.2	9.8	6.6	6.3
Chile	1.5	4.8	5.0	4.9	3.7	3.1	3.5	2.7	2.6	2.6
Colombia	3.2	4.0	4.9	3.4	3.9	4.7	7.1	6.0	4.3	4.3[b]
Costa Rica	8.1	5.6	5.0	4.4	4.9	3.5	1.8	3.5	5.0	4.5
Dominican Republic	4.2	6.4	5.8	5.3	6.3	5.4	5.1	5.4	5.4	5.1
Guatemala	4.5	4.9	5.2	5.1	4.6	3.3	3.0	3.0	2.8	2.8
Haiti	5.0	3.2	3.0	3.0	4.8	12.3	14.7	12.0	12.0	17.0
Honduras	4.5	4.8	6.6	7.0	7.0	6.5	5.7	5.5	5.5	5.8
Mexico	4.5	4.5	4.5	3.9	3.2	3.0	4.2	6.8	7.7	8.1
Paraguay	2.2	7.7	6.0	5.5	6.7	6.1	5.7	5.4	5.3	4.6
Peru	2.1	4.0	4.3	4.2	3.8	3.4	4.2	3.8	2.8	2.7
Uruguay[c]	6.3	7.5	8.8	9.3	…	…	…	…	…	…
Venezuela (Bolivarian Republic of)	6.3	6.4	6.4	6.2	6.4	6.2	6.5	6.4	6.2	16.4[b]
The Caribbean										
Antigua and Barbuda	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Bahamas	5.3	4.8	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0[b]
Barbados	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0[d]
Belize	18.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0[e]
Dominica	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Grenada	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Guyana	6.4	5.4	5.4	5.0	5.0	5.0	5.0	5.0	5.0	5.0[b]
Jamaica	9.0	6.6	6.3	5.8	5.8	5.5	5.1	4.2	2.3	1.0
Saint Kitts and Nevis	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Saint Lucia	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Saint Vincent and the Grenadines	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Trinidad and Tobago	4.7	3.2	2.9	2.8	2.8	4.1	4.8	4.8	4.9	5.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of October.
[b] Figures as of September.
[c] As of June 2013, the interest rate was no longer used as an instrument of monetary policy.
[d] Figures as of April.
[e] Figures as of August.

Table A1.25

Latin America and the Caribbean: representative lending rates

(Average rates)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America										
Argentina[b]	15.2	17.7	19.3	21.6	29.3	28.2	33.3	26.8	47.7	67.5[c]
Bolivia (Plurinational State of)[d]	5.2	6.3	6.7	7.0	6.5	6.4	6.2	6.0	6.4	6.3[c]
Brazil[e]	42.9	44.7	39.9	39.1	45.0	49.5	53.7	49.9	45.1	44.2[c]
Chile[f]	11.8	12.4	13.5	13.2	10.8	9.3	10.4	11.5	10.6	8.9
Colombia[g]	12.4	12.8	13.7	12.2	12.1	12.1	14.7	13.7	12.1	12.0[c]
Costa Rica[h]	19.8	18.1	19.7	17.4	16.6	15.9	14.7	14.5	15.6	13.4
Dominican Republic[h]	...	...	15.5	13.6	13.9	14.9	15.1	13.9	12.5	12.6[c]
Ecuador[i]	9.0	8.3	8.2	8.2	8.1	8.3	8.7	7.9	7.7	8.5
El Salvador[j]	7.6	6.0	5.6	5.7	6.0	6.2	6.4	6.5	6.5	6.6[c]
Guatemala[h]	13.3	13.4	13.5	13.6	13.8	13.2	13.1	13.1	12.9	12.8[c]
Haiti[k]	20.7	19.8	19.4	18.9	18.6	18.8	19.7	18.0	17.7	18.3[c]
Honduras[h]	18.9	18.6	18.4	20.1	20.6	20.7	19.3	19.3	17.8	17.3[l]
Mexico[m]	12.3	12.4	13.1	13.0	12.3	11.5	11.7	12.8	13.2	13.5[c]
Nicaragua[n]	13.3	10.8	12.0	15.0	13.5	12.0	11.4	10.9	10.9	12.7[l]
Panama[o]	7.3	7.5	7.7	7.4	6.9	6.5	6.6	6.8	6.9	7.1[l]
Paraguay[p]	12.5	16.9	16.6	16.6	15.7	14.4	15.6	14.3	12.9	12.8[c]
Peru[q]	19.0	18.7	19.2	18.1	15.7	16.1	16.5	16.8	14.5	14.5[c]
Uruguay[r]	12.0	11.0	12.0	13.3	17.2	17.0	17.6	15.4	14.2	13.5[s]
Venezuela (Bolivarian Republic of)[t]	18.2	17.5	16.4	15.7	17.1	19.9	21.4	21.5	21.9	30.6[c]
The Caribbean										
Antigua and Barbuda[u]	10.2	10.1	9.4	9.4	9.6	8.7	9.2	9.0	8.8	9.0[v]
Bahamas[w]	11.0	11.0	10.9	11.2	11.8	12.3	12.5	11.8	11.4	11.1[c]
Barbados[u]	8.3	8.1	7.2	7.0	7.0	6.9	6.7	6.6	6.7	6.6[v]
Belize[x]	13.9	13.3	12.3	11.5	10.9	10.3	9.8	9.5	9.1	9.1[l]
Dominica[u]	9.4	8.7	8.9	9.0	8.8	8.6	8.2	8.0	7.7	8.0[v]
Granada[u]	10.3	10.4	9.5	9.1	9.1	8.8	8.4	8.2	7.7	7.0[v]
Guyana[y]	15.2	14.7	14.0	12.1	11.1	10.8	10.7	10.6	10.4	8.9[c]
Jamaica[z]	20.4	20.0	18.6	17.7	17.2	17.0	16.5	14.9	14.1	13.6[c]
Saint Kitts and Nevis[u]	8.5	9.2	8.5	8.4	8.8	8.5	8.5	8.5	8.2	8.0[v]
Saint Lucia[u]	9.5	9.2	8.6	8.4	8.4	8.5	8.2	8.1	8.0	8.0[v]
Saint Vincent and the Grenadines[u]	9.0	9.0	9.3	9.2	9.3	9.3	9.1	8.7	8.4	8.0[v]
Suriname[z]	11.7	11.8	11.7	12.0	12.3	12.6	13.5	14.4	14.3	14.9[l]
Trinidad and Tobago[y]	9.5	8.1	8.0	7.8	7.7	8.3	9.1	9.1	9.1	9.3[c]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a Figures as of October.
b Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.
c Figures as of September.
d Nominal local-currency rate for 61–90 day operations.
e Interest rate on total consumer credit.
f Non-adjustable 90–360 day operations.
g Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.
h Weighted average of the system lending rates in local currency.
i Effective benchmark lending rate for the corporate commercial segment.
j Basic lending rate for up to one year.
k Average of minimum and maximum lending rates.
l Figures as of August.
m Average interest rate for credit cards from commercial banks and the TAC rate (Total Annual Cost).
n Weighted average of short-term lending rates in local currency.
o Interest rate on one-year trade credit.
p Commercial lending rate, local currency.
q Market lending rate, average of credit operations that have a current balance to date.
r Business credit, 30–367 days.
s Figures as of July.
t Average rate for loan operations for the six major commercial banks.
u Weighted average of lending rates.
v Figures as of June.
w Weighted average of lending and overdraft rates.
x Rate for personal and business loans, residential and other construction loans; weighted average.
y Basic prime lending rate.
z Average of lending rates.

Table A1.26
Latin America and the Caribbean: consumer prices
(12-month percentage variation)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America and the Caribbean[b]	**4.5**	**4.9**	**4.0**	**4.1**	**4.4**	**5.7**	**4.2**	**3.6**	**3.2**	**2.4**
Latin America										
Argentina[c]	10.9	9.5	10.8	10.9	23.9	27.5	38.5	25.0	47.1	49.7
Bolivia (Plurinational State of)	7.2	6.9	4.5	6.5	5.2	3.0	4.0	2.7	1.5	2.5
Brazil	5.9	6.5	5.8	5.9	6.4	10.7	6.3	2.9	3.7	2.5
Chile	3.0	4.4	1.5	2.8	4.8	4.4	2.7	2.3	2.6	2.7
Colombia	3.2	3.7	2.4	1.9	3.7	6.8	5.7	4.1	3.1	3.9
Costa Rica	5.8	4.7	4.5	3.7	5.1	-0.8	0.8	2.6	2.0	2.1
Cuba[d]	1.5	1.3	2.0	0.0	2.1	2.4	-3.0	0.6	2.4	0.8[e]
Dominican Republic	6.3	7.8	3.9	3.9	1.6	2.3	1.7	4.2	1.2	2.5
Ecuador	3.3	5.4	4.2	2.7	3.7	3.4	1.1	-0.2	0.3	0.5
El Salvador	2.1	5.1	0.8	0.8	0.5	1.0	-0.9	2.0	0.4	-0.9
Guatemala	5.4	6.2	3.4	4.4	2.9	3.1	4.2	5.7	2.3	2.2
Haiti	6.2	8.3	7.6	3.4	6.4	12.5	14.3	13.3	16.5	19.5[e]
Honduras	6.5	5.6	5.4	4.9	5.8	2.4	3.3	4.7	4.2	4.1
Mexico	4.4	3.8	3.6	4.0	4.1	2.1	3.4	6.8	4.8	3.0
Nicaragua	9.1	8.6	7.1	5.4	6.4	2.9	3.1	5.8	3.4	6.1[e]
Panama	4.9	6.3	4.6	3.7	1.0	0.3	1.5	0.5	0.2	-0.7
Paraguay	7.2	4.9	4.0	3.7	4.2	3.1	3.9	4.5	3.2	2.4
Peru	2.1	4.7	2.6	2.9	3.2	4.4	3.2	1.4	2.2	1.9
Uruguay	6.9	8.6	7.5	8.5	8.3	9.4	8.1	6.6	8.0	8.3
Venezuela (Bolivarian Republic of)	27.2	27.6	20.1	56.2	68.5	180.9	274.4	862.6	130 060.2	39 113.8[f]
The Caribbean										
Antigua and Barbuda	2.9	4.0	1.8	1.1	1.3	0.9	-1.1	2.4	1.7	1.3[g]
Bahamas	1.4	3.2	0.7	0.8	0.2	2.0	0.8	1.8	2.0	2.9[g]
Barbados	6.5	9.6	2.4	1.1	2.3	-2.3	3.8	6.6	0.6	5.5[e]
Belize	0.0	2.6	0.8	1.6	-0.2	-0.6	1.1	1.0	-0.1	-0.7[e]
Dominica	2.3	1.3	3.4	-0.4	0.5	-0.7	0.7	-1.5	2.8	1.6[f]
Granada	4.2	3.5	1.8	-1.2	-0.6	1.1	0.9	0.5	1.4	0.3[g]
Guyana	4.5	3.3	3.4	0.9	1.2	-1.8	1.4	1.5	1.6	2.3[f]
Jamaica	11.7	6.0	8.0	9.7	6.2	3.7	1.7	5.2	2.4	3.4[f]
Saint Kitts and Nevis	4.3	2.0	0.5	0.6	-0.5	-2.4	0.0	0.8	-0.8	-0.4[g]
Saint Lucia	4.2	4.8	5.0	-0.7	3.7	-2.6	-2.8	2.0	1.6	0.6[g]
Saint Vincent and the Grenadines	0.9	4.7	1.0	0.0	0.1	-2.1	1.0	3.0	1.4	0.9[g]
Suriname	10.3	15.3	4.4	0.6	3.9	25.2	49.2	9.3	5.4	4.2
Trinidad and Tobago	13.4	5.3	7.2	5.6	8.5	1.5	3.1	1.3	1.0	1.1[f]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Twelve-month variation to October 2019.
[b] Weighted average; does not include Argentina, Haiti and Venezuela (Bolivarian Republic of).
[c] As from 2017, the data are spliced with those for Greater Buenos Aires, in order to effect an interannual comparison.
[d] Refers to national-currency markets.
[e] Twelve-month variation to August 2019.
[f] Twelve-month variation to September 2019.
[g] Twelve-month variation to June 2019.

Table A1.27
Latin America and the Caribbean: fiscal balances
(Percentages of GDP)

	Primary balance				Overall balance			
	2016	2017	2018	2019[a]	2016	2017	2018	2019[a]
Latin America and the Caribbean[b]	**-0.1**	**-0.2**	**0.5**	**0.6**	**-2.8**	**-3.0**	**-2.2**	**-2.1**
Latin America[c]	**-1.0**	**-0.8**	**-0.4**	**-0.2**	**-3.2**	**-3.1**	**-2.9**	**-2.8**
Argentina	-2.1	-2.8	-1.9	0.1	-5.7	-5.8	-5.6	-3.9
Bolivia (Plurinational State of)[d]	-2.8	-4.4	-5.2	0.0	-3.4	-5.0	-6.0	…
Brazil	-2.5	-1.8	-1.7	-1.7	-7.6	-7.7	-7.3	-6.4
Chile	-2.0	-1.9	-0.8	-1.3	-2.7	-2.7	-1.6	-2.2
Colombia	-1.6	-1.1	-0.6	0.6	-4.0	-3.7	-3.1	-2.4
Costa Rica	-2.4	-3.0	-2.3	-2.2	-5.2	-6.1	-5.9	-6.4
Dominican Republic	0.5	0.0	1.1	1.0	-2.3	-2.2	-1.9	-2.2
Ecuador	-3.6	-3.5	-0.9	-1.6	-5.6	-5.9	-3.6	-4.7
El Salvador	1.9	3.0	2.3	2.7	-0.9	-0.1	-1.1	-0.9
Guatemala	0.4	0.1	-0.3	-1.0	-1.1	-1.3	-1.8	-2.5
Haiti[e]	0.9	0.7	-2.4	…	0.6	0.4	-2.7	…
Honduras	-0.3	0.0	0.9	1.4	-2.7	-2.7	-2.1	-2.0
Mexico[f]	-0.1	1.4	0.6	1.0	-2.5	-1.1	-2.0	-1.9
Nicaragua	0.4	0.5	-0.9	-0.9	-0.6	-0.6	-2.0	-2.0
Panama	-2.1	-1.4	-1.1	-0.2	-3.8	-3.1	-2.9	-2.3
Paraguay	-0.5	-0.5	-0.6	-0.6	-1.1	-1.1	-1.2	-1.2
Peru[d]	-1.1	-1.7	-0.8	-0.5	-2.1	-2.8	-2.0	-1.8
Uruguay	-1.0	-0.3	0.7	0.3	-3.7	-3.0	-2.1	-2.1
The Caribbean[g]	**1.2**	**0.6**	**1.6**	**1.6**	**-2.2**	**-2.8**	**-1.2**	**-1.1**
Antigua and Barbuda	2.2	0.1	0.1	-1.9	-0.4	-2.4	-2.3	-4.2
Bahamas[h]	-0.3	-3.3	-0.8	0.6	-2.6	-5.6	-3.4	-2.0
Barbados[i j]	2.4	3.3	3.6	4.2	-5.8	-4.8	-0.3	0.8
Belize[i]	-1.8	1.4	2.2	2.1	-4.2	-1.3	-0.3	-0.7
Dominica	15.6	-3.6	…	…	13.9	-5.2	…	…
Grenada	4.7	5.8	6.2	6.9	1.8	3.2	4.2	5.1
Guyana	-3.4	-3.4	-2.4	-4.1	-4.4	-4.5	-3.6	-4.9
Jamaica[j]	7.6	7.5	7.5	5.8	-0.2	0.5	1.2	-0.6
Saint Kitts and Nevis	6.4	3.4	8.1	10.4	4.8	1.9	6.7	9.2
Saint Lucia	2.8	1.9	2.2	2.7	-0.5	-1.2	-0.9	-0.3
Saint Vincent and the Grenadines	4.3	1.2	1.2	-0.4	2.2	-1.2	-1.0	-2.6
Suriname[e]	-7.5	-4.4	-7.6	-8.0	-11.2	-8.7	-11.1	-10.9
Trinidad and Tobago[k]	-2.8	-6.1	-0.6	0.6	-5.4	-9.1	-3.6	-2.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures established on the basis of information from official budgets and estimates.
[b] Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Dominica, Haiti or Venezuela (Bolivarian Republic of).
[c] Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Haiti or Venezuela (Bolivarian Republic of).
[d] General government.
[e] Cash basis. Includes statistical discrepancy.
[f] Federal public sector.
[g] Simple averages. Does not include Dominica.
[h] Fiscal years, from 1 July to 30 June.
[i] Fiscal years, from 1 April to 31 March.
[j] Non-financial public sector.
[k] Fiscal years, from 1 October to 30 September.

Table A1.28

Latin America and the Caribbean: central government revenues composition

(Percentages of GDP)

	Total revenue				Tax revenue			
	2016	2017	2018	2019[a]	2016	2017	2018	2019[a]
Latin America and the Caribbean[b]	**21.6**	**21.4**	**21.9**	**22.0**	**17.7**	**17.8**	**18.1**	**18.2**
Latin America[c]	**18.1**	**18.0**	**18.1**	**18.1**	**15.5**	**15.4**	**15.5**	**15.5**
Argentina	20.2	18.3	17.0	17.2	17.1	15.7	14.5	14.6
Bolivia (Plurinational State of)[d]	31.3	29.3	28.0	...	21.6	19.7	17.8	...
Brazil	21.0	21.1	21.8	21.4	19.8	19.6	20.5	20.3
Chile	20.8	20.9	22.0	21.5	18.6	18.5	19.4	19.2
Colombia	14.9	15.7	15.3	16.4	13.6	13.8	13.8	14.1
Costa Rica	14.7	14.4	14.3	14.4	13.9	13.5	13.4	13.5
Dominican Republic	14.0	14.2	14.2	14.5	13.0	13.2	13.2	13.6
Ecuador	18.6	17.4	18.7	17.9	14.0	13.5	14.2	14.3
El Salvador	18.2	19.2	19.3	19.4	17.2	17.7	18.0	18.0
Guatemala	11.0	10.8	10.6	10.8	10.8	10.5	10.3	10.5
Haiti	14.4	13.8	13.2	...	13.7	13.6	12.6	...
Honduras	20.0	20.3	20.3	19.9	18.3	18.3	18.5	18.0
Mexico[e]	24.1	22.6	21.7	21.4	13.5	13.0	13.0	13.1
Nicaragua	18.5	18.7	17.4	17.3	16.2	16.5	15.6	15.5
Panama	13.3	13.9	13.9	14.1	9.7	9.2	9.2	9.2
Paraguay	13.9	14.2	13.6	13.8	10.5	11.0	10.5	10.9
Peru[d]	18.8	18.3	19.4	19.8	16.3	15.5	16.7	17.0
Uruguay	27.8	28.8	30.6	29.5	25.3	26.4	26.8	25.9
The Caribbean[f]	**26.1**	**25.8**	**27.0**	**27.2**	**20.7**	**21.0**	**21.6**	**21.8**
Antigua and Barbuda	24.0	19.7	19.6	17.7	16.2	15.7	15.5	14.6
Bahamas[g]	16.3	17.1	16.6	19.1	14.2	15.2	14.9	17.4
Barbados[h i]	30.4	30.2	30.6	31.9	27.5	28.2	28.7	29.2
Belize[h]	28.9	29.6	30.2	30.7	25.4	25.8	26.9	27.3
Dominica	49.7	47.3	...	...	22.6	24.4	...	...
Grenada	26.2	25.6	25.8	24.9	21.5	22.0	22.0	22.0
Guyana	25.6	28.2	29.6	30.7	21.0	23.3	25.8	27.6
Jamaica[h]	27.9	29.0	30.6	30.3	25.6	25.7	26.4	26.3
Saint Kitts and Nevis	33.3	31.5	39.5	42.0	19.3	18.6	19.2	18.8
Saint Lucia	22.8	22.6	23.0	22.0	21.2	20.1	20.2	19.3
Saint Vincent and the Grenadines	30.8	29.8	28.2	27.2	24.1	24.5	23.2	22.6
Suriname[j]	17.3	22.2	22.3	20.4	12.9	15.5	15.5	14.9
Trinidad and Tobago[k]	30.2	24.2	27.6	29.2	20.0	17.2	20.5	21.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Preliminary figures established on the basis of information from official budgets and estimates.
[b] Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Dominica, Haiti or Venezuela (Bolivarian Republic of).
[c] Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Haiti or Venezuela (Bolivarian Republic of).
[d] General government.
[e] Federal public sector.
[f] Simple averages. Does not include Dominica.
[g] Fiscal years, from 1 July to 30 June.
[h] Fiscal years, from 1 April to 31 March.
[i] Non-financial public sector.
[j] Cash basis.
[k] Fiscal years, from 1 October to 30 September.

Table A1.29

Latin America and the Caribbean: central government expenditure composition

(Percentages of GDP)

	Total expenditure				Interest payments on public debt				Capital expenditure			
	2016	2017	2018	2019[a]	2016	2017	2018	2019[a]	2016	2017	2018	2019[a]
Latin America and the Caribbean[b]	**24.3**	**24.3**	**24.1**	**24.1**	**2.7**	**2.7**	**2.7**	**2.7**	**3.7**	**3.6**	**3.3**	**3.3**
Latin America[c]	**21.3**	**21.2**	**21.0**	**20.9**	**2.2**	**2.3**	**2.5**	**2.6**	**3.8**	**3.5**	**3.2**	**3.1**
Argentina	25.9	24.1	22.6	21.1	3.6	3.0	3.7	4.0	2.1	1.9	1.3	0.9
Bolivia (Plurinational State of) [d]	34.6	34.3	34.0	...	0.6	0.7	...	...	12.1	12.0	...	...
Brazil	28.6	28.8	29.1	27.8	5.2	5.9	5.6	4.7	1.4	1.0	1.0	0.9
Chile	23.5	23.7	23.6	23.7	0.7	0.8	0.8	0.9	4.0	3.8	3.7	3.6
Colombia	18.9	19.3	18.4	18.8	2.5	2.6	2.5	3.0	2.3	2.1	1.5	1.6
Costa Rica	19.9	20.5	20.2	20.8	2.8	3.1	3.5	4.2	1.8	2.0	1.4	1.4
Dominican Republic	16.3	16.4	16.2	16.7	2.8	2.3	3.1	3.2	2.7	3.3	2.5	2.7
Ecuador	24.1	23.3	22.3	22.6	1.9	2.4	2.7	3.1	9.6	8.3	6.4	6.7
El Salvador	19.0	19.2	20.3	20.3	2.8	3.1	3.4	3.7	2.9	2.7	3.0	3.0
Guatemala	12.1	12.1	12.3	13.3	1.5	1.4	1.4	1.5	2.1	2.2	2.4	2.8
Haiti	13.2	12.7	13.9	0.0	0.3	0.3	0.3	0.0	1.2	1.1	1.9	0.0
Honduras	22.8	23.0	22.4	21.8	2.6	2.7	3.0	3.3	5.0	5.3	5.3	4.6
Mexico[e]	26.6	23.7	23.8	23.3	2.4	2.4	2.6	2.9	5.9	3.6	3.1	2.8
Nicaragua	19.1	19.2	19.4	19.3	1.0	1.1	1.1	1.1	4.5	4.8	4.6	4.5
Panama	17.1	17.1	16.7	16.4	1.7	1.7	1.8	2.1	6.5	6.1	5.7	4.5
Paraguay	15.0	15.3	14.8	15.0	0.6	0.6	0.6	0.7	3.2	3.6	3.0	2.9
Peru[d]	21.0	21.1	21.4	21.6	1.1	1.1	1.2	1.3	4.7	4.7	4.9	4.7
Uruguay	31.5	31.8	32.7	31.6	2.7	2.7	2.8	2.4	1.4	1.3	1.5	1.4
The Caribbean[f]	**28.1**	**28.5**	**28.2**	**28.3**	**3.2**	**3.3**	**2.8**	**2.7**	**3.7**	**3.6**	**3.5**	**3.7**
Antigua and Barbuda	24.4	22.1	21.9	21.9	2.6	2.5	2.4	2.2	3.9	1.5	1.8	1.7
Bahamas[g]	18.9	22.7	19.9	21.1	2.3	2.2	2.6	2.6	2.0	3.2	2.2	1.9
Barbados[h i]	36.2	35.0	30.9	31.2	8.2	8.1	3.9	3.4	2.5	1.8	2.0	2.0
Belize[h]	33.1	30.9	30.5	31.5	2.5	2.7	2.5	2.9	7.0	4.1	4.1	4.5
Dominica	35.8	52.5	...	...	1.7	1.7	...	...	10.3	19.4	...	...
Grenada	24.4	22.4	21.6	19.9	2.9	2.6	2.0	1.8	4.7	2.6	2.8	2.3
Guyana	30.0	32.7	33.2	35.6	0.9	1.1	1.1	0.8	6.4	8.0	7.2	8.5
Jamaica[h]	28.1	28.6	29.4	30.9	7.8	7.0	6.3	6.3	2.3	2.4	3.2	3.3
Saint Kitts and Nevis	28.5	29.6	32.8	32.8	1.6	1.5	1.4	1.2	3.5	5.2	6.7	7.2
Saint Lucia	23.3	23.8	23.9	22.3	3.3	3.1	3.2	3.1	3.1	4.4	2.8	2.7
Saint Vincent and the Grenadines	28.6	31.0	29.2	29.8	2.1	2.4	2.3	2.2	3.8	4.2	3.1	4.0
Suriname[j]	26.7	29.6	33.3	31.2	1.9	3.0	3.4	2.8	2.8	3.7	4.2	4.1
Trinidad and Tobago[k]	35.6	33.3	31.2	31.7	2.5	3.0	3.1	3.1	2.9	2.3	2.2	2.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a Preliminary figures established on the basis of information from official budgets and estimates.

b Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Dominica, Haiti or Venezuela (Bolivarian Republic of).

c Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Haiti or Venezuela (Bolivarian Republic of).

d General government.

e Federal public sector.

f Simple averages. Does not include Dominica.

g Fiscal years, from 1 July to 30 June.

h Fiscal years, from 1 April to 31 March.

i Non-financial public sector.

j Cash basis.

k Fiscal years, from 1 October to 30 September.

Bolivia (Plurinational State of), Cuba, Dominica, Haiti or Venezuela (Bolivarian Republic of).

Table A1.30
Latin America and the Caribbean: central government gross public debt
(Percentages of GDP)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America and the Caribbean[b]	**45.9**	**46.8**	**48.0**	**48.8**	**49.8**	**51.4**	**52.3**	**53.5**	**54.4**	**54.4**
Latin America[b]	**30.4**	**29.8**	**30.8**	**31.9**	**33.5**	**36.1**	**38.1**	**39.1**	**41.9**	**43.2**
Argentina	43.5	38.9	40.4	43.5	44.7	52.6	53.1	56.6	86.0	80.7
Bolivia (Plurinational State of)	34.6	34.5	29.1	28.4	27.7	29.5	31.4	34.4	36.0	35.0
Brazil[c]	52.0	51.3	53.7	51.5	56.3	65.5	69.9	74.1	77.2	78.7
Chile	8.6	11.0	11.9	12.8	15.1	17.4	21.3	23.6	25.6	26.8
Colombia	38.7	34.8	32.7	35.3	38.4	43.2	43.9	44.9	48.6	49.2
Costa Rica	28.4	29.6	33.9	35.7	38.3	40.7	44.1	48.4	50.7	56.7
Dominican Republic	27.2	28.3	31.5	36.8	35.3	33.3	34.5	36.1	36.8	38.7
Ecuador	17.8	17.7	20.2	23.9	27.6	32.3	39.8	40.9	42.2	46.3
El Salvador	49.4	47.6	50.9	48.7	49.2	49.2	49.1	48.3	47.6	47.5
Guatemala	24.0	23.6	24.1	24.6	24.8	24.3	24.2	23.8	24.0	25.9
Haiti[d]	22.8	23.9	28.0	30.5	35.1	39.7	40.8	35.1	32.7	n.d
Honduras	30.4	32.7	34.9	43.6	44.3	44.1	45.3	47.6	48.2	48.2
Mexico[e]	27.0	27.7	28.2	30.8	32.6	35.0	37.0	35.3	35.4	34.2
Nicaragua	33.2	31.8	31.2	30.8	30.2	29.9	30.5	33.9	37.6	37.3
Panama	39.6	36.4	34.8	34.4	36.2	37.1	37.0	37.3	39.3	38.7
Paraguay	9.1	6.9	9.5	9.7	12.1	13.3	15.1	15.8	16.8	18.7
Peru	20.7	20.5	18.7	16.7	17.1	18.6	21.0	21.1	21.1	22.8
Uruguay	39.9	38.7	40.5	37.2	37.9	43.6	48.4	47.3	47.7	49.4
Venezuela (Bolivarian Republic of)	29.0	25.1	27.5	32.9	28.5	31.7	31.1	34.9	…	…
The Caribbean[f]	**67.4**	**70.4**	**71.9**	**72.2**	**72.5**	**72.5**	**72.0**	**73.3**	**71.7**	**69.0**
Antigua and Barbuda	74.2	77.1	72.2	77.9	82.3	69.9	66.5	65.1	63.6	61.1
Bahamas	40.7	43.3	46.5	52.5	57.5	56.6	59.6	64.8	64.4	62.3
Barbados	93.0	96.8	106.3	116.2	121.9	129.6	138.4	136.9	124.0	122.6
Belize	72.3	81.6	77.4	79.4	77.7	80.9	87.3	95.0	93.9	91.5
Dominica	56.7	54.6	64.6	63.8	64.3	64.7	57.0	58.6	71.4	70.6
Grenada	84.2	89.7	93.0	94.5	89.6	82.7	75.7	65.7	61.3	56.1
Guyana[g]	68.0	66.6	63.4	57.8	51.8	48.1	45.7	47.1	47.0	43.3
Jamaica[g]	131.7	130.8	128.7	128.4	128.5	123.5	118.9	109.8	102.9	97.0
Saint Kitts and Nevis	90.2	104.9	99.8	71.4	59.9	50.6	48.5	47.8	41.1	39.1
Saint Lucia	48.6	53.3	61.5	64.0	65.6	63.3	63.7	61.0	62.2	58.7
Saint Vincent and the Grenadines	55.5	58.5	57.1	59.1	61.5	67.7	66.2	67.8	68.2	67.6
Suriname	27.5	26.8	27.3	35.6	33.3	52.3	49.0	74.8	72.6	69.0
Trinidad and Tobago	34.1	31.0	36.4	37.5	48.2	52.8	59.8	58.3	59.8	57.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Simple averages. Does not include Venezuela (Bolivarian Republic of).
[c] General government.
[d] Data to September 2013. Does not include public sector liabilities owed to commercial banks.
[e] Federal government.
[f] Simple averages.
[g] Public sector.

Table A1.31
Latin America and the Caribbean: non-financial public sector gross public debt
(Percentages of GDP)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019[a]
Latin America and the Caribbean[b]	**50.3**	**51.8**	**53.1**	**54.3**	**55.0**	**56.6**	**57.7**	**58.6**	**59.1**	**59.9**
Latin America[b]	**30.4**	**32.0**	**33.1**	**34.3**	**36.3**	**39.2**	**41.4**	**42.6**	**45.2**	**47.4**
Argentina	43.5	38.9	40.4	43.5	44.7	52.6	53.1	56.6	86.0	80.7
Bolivia (Plurinational State of) [c]	34.6	34.9	31.5	30.8	29.9	31.6	33.8	38.4	38.7	37.6
Brazil[d]	52.0	51.3	53.7	51.5	56.3	65.5	69.9	74.1	77.2	78.7
Chile	8.6	17.6	18.9	20.5	24.2	27.6	30.7	31.9	35.0	n.d
Colombia	38.7	40.2	38.2	41.9	47.5	54.9	54.9	54.4	57.5	58.0
Costa Rica	28.4	36.8	41.0	43.8	46.6	48.9	51.9	58.0	60.6	66.0
Dominican Republic	27.2	28.5	32.2	37.0	35.4	33.9	35.3	36.9	37.6	39.3
Ecuador	17.8	18.7	21.2	25.0	29.7	34.3	42.3	44.1	45.1	50.6
El Salvador	49.4	50.3	53.3	51.3	51.8	52.2	52.2	52.3	51.4	51.1
Guatemala	24.0	23.9	24.4	24.8	24.9	24.4	24.3	23.9	24.1	25.9
Haiti[e f]	22.8	23.9	28.0	30.5	35.1	39.7	40.8	36.6	31.8	...
Honduras	30.4	32.9	35.1	43.8	44.5	44.5	46.0	48.7	49.4	49.3
Mexico[g]	27.0	34.6	34.8	37.9	41.3	45.4	49.4	47.0	46.9	44.9
Nicaragua	33.2	32.6	32.0	31.5	30.7	30.4	31.8	34.3	38.0	37.8
Panama	39.6	36.9	35.3	34.9	36.5	37.4	37.4	37.5	39.5	38.8
Paraguay[h]	9.1	8.1	10.7	10.8	13.5	15.1	17.3	18.2	19.6	21.6
Peru	20.7	22.5	18.8	16.8	17.4	19.8	22.1	22.8	23.2	24.8
Uruguay	39.9	43.4	45.7	41.4	42.8	48.0	52.5	51.1	51.4	53.0
Venezuela (Bolivarian Republic of)[f]	29.0	25.1	27.5	32.9	28.5	31.7	...	...	...	
The Caribbean[i]	**77.8**	**79.1**	**80.7**	**81.9**	**81.0**	**80.8**	**80.2**	**80.8**	**78.5**	**75.3**
Antigua and Barbuda	84.0	92.2	86.9	100.1	98.1	85.5	81.0	80.7	77.8	74.3
Bahamas[f]	50.9	45.7	50.3	65.4	71.4	69.7	72.9	78.1	78.1	75.3
Barbados	105.2	109.6	120.3	131.5	137.0	144.2	151.2	148.4	124.9	123.2
Belize	72.3	81.6	77.4	79.4	77.7	80.9	87.3	95.0	93.9	91.5
Dominica	69.0	67.5	77.6	76.4	76.9	75.0	67.7	69.9	83.0	81.3
Grenada	93.5	100.8	103.3	103.6	96.9	88.6	80.0	69.6	64.8	58.1
Guyana	68.0	66.6	63.4	57.8	51.8	48.1	45.7	47.1	47.0	43.3
Jamaica	131.7	130.8	128.7	128.4	128.5	123.5	118.9	109.8	102.9	97.0
Saint Kitts and Nevis	133.4	128.8	126.2	92.3	71.7	62.8	59.8	59.6	56.9	55.0
Saint Lucia	56.1	60.0	67.2	68.9	69.5	66.6	66.2	65.1	66.1	62.3
Saint Vincent and the Grenadines	67.3	69.9	68.6	71.4	73.1	79.2	82.5	74.8	74.1	72.7
Suriname[f]	27.5	26.8	27.3	35.6	33.3	52.3	49.0	74.8	72.6	69.0
Trinidad and Tobago	52.9	48.1	52.2	53.8	66.5	73.5	80.1	77.0	78.5	75.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Simple averages. Does not include Venezuela (Bolivarian Republic of).
[c] Refers to the external debt of the non-financial public-sector and central-government domestic debt.
[d] General government.
[e] Data to September 2013. Does not include public sector liabilities owed to commercial banks.
[f] Central government.
[g] Federal public sector.
[h] Domestic debt includes liabilities owed to the central bank only.
[i] Simple averages.

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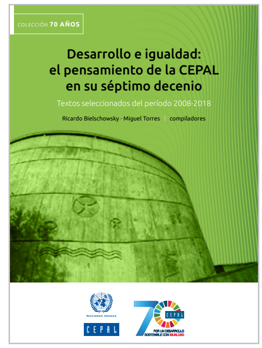

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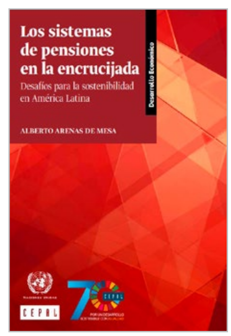

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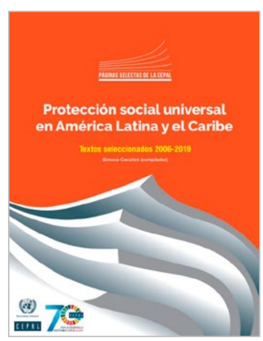

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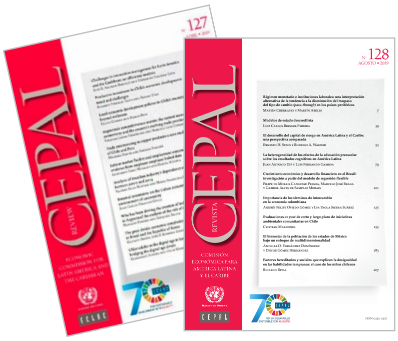

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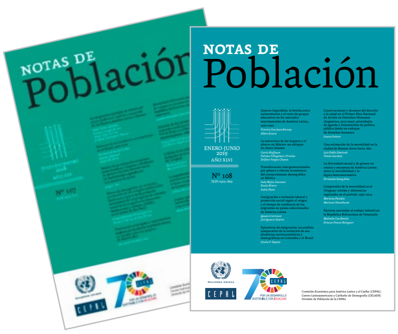

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