

ECUADOR

1. General trends

Ecuador's GDP grew by 0.1% in 2019, following the previous year's expansion of 1.3%. This deceleration occurred as a result of the national strike in October and reflected the slowdown in all components of aggregate demand, particularly investment and private consumption. As part of the fiscal consolidation process, government spending contracted sharply. Exports suffered from a weaker growth in the oil sector, which was offset by the strong performance of aquaculture; imports, on the other hand, were impacted by subdued domestic consumption and slack demand for capital goods.

In the monetary and financial sector, liquidity was increased through disbursements by the International Monetary Fund (IMF) and by accessing financial markets, sometimes at high cost. Credit expanded and outpaced deposit growth.

The fiscal deficit widened owing to smaller oil revenues and reduced tax collection, despite a reduction in capital expenditure. Thus, the public debt, mostly external, increased in response to financing needs, and the weight of interest payments increased.

The foregoing was compounded by a deterioration in labour market indicators, specifically the rising rate of underemployment and a growing contingent of workers employed in the informal sector. The inflation rate remained negative, reflecting the slack demand for goods and services.

Against this backdrop, Ecuador faced an unprecedented health crisis in the first quarter of 2020. According to the National Institute of Public Health Research, 55,665 cases of coronavirus disease (COVID-19) had been recorded by 30 June 2020, and 4,502 individuals had died from the disease, making Ecuador one of the worst affected countries in Latin America and the Caribbean.¹ In the midst of an adjustment process within the framework agreed upon with IMF and an economy already suffering from the slump in oil prices, the pandemic triggered an economic and social crisis that aggravated a number of pre-existing difficulties: insufficient public savings, diminished oil revenues owing to the fall in the per-barrel price and damage to pipelines, limited fiscal space, lower tax revenues and difficulty in accessing international financial markets. In addition, the impact of the external sector and major uncertainty in the international domain complicate the prospects for economic recovery. In short, Ecuador faces a serious liquidity problem, in a process in which dollarization is being consolidated.

In this context, the Economic Commission for Latin America and the Caribbean (ECLAC) expects GDP to shrink by 9% in 2020. This forecast reflects already discernible trends of faltering demand, both in consumption and investment, and also on the supply side, owing to the number of production sectors affected. Heavy reliance on oil revenues constrains the fiscal space available to respond to the pandemic and revive the economy. Whether the ECLAC estimate will prove correct will depend on how long the current crisis lasts, as well as on the outcome of the measures the government has implemented, on the

¹ The government responded with a series of health measures to protect the population. After the state of emergency was decreed in March and extended until 15 June, activities were gradually resumed under a traffic light system (red, yellow and green), which established different provisions regarding curfew hours and the operations of land, institutional and maritime transport, and of restaurants and shopping centres, among other activities. Teleworking continues to be favoured where feasible. At airports, specifically, activities resumed as from 15 June.

reforms under way to support the social and production sectors and, ultimately, on access to financing through debt renegotiation, on oil price trends and on the strength of economic recovery in Ecuador's trading partners.²

2. Economic policy

(a) Fiscal policy

Total non-financial public sector (NFPS) expenditure in 2019 was 5.9% down on the previous year's level and equivalent to 36.0% of GDP. This resulted from a sharp 34.3% contraction in central government investment. Current expenditure rose by 2.1% on the back of higher interest payments (9.5%), which was offset by a 2.2% drop in purchases of goods and services and a 1.9% reduction in wages and salaries. Total income shrank by 5.5%, as a result of lower earnings from oil exports (-4.8%) and reduced tax revenues (-6.0%), the latter reflecting a 10.2% drop in income tax revenue. Thus, total NFPS income represented 33.4% of GDP.³

As a result, in 2019 the NFPS deficit amounted to US\$ 3.008 billion (2.8% of GDP), which was an improvement over the previous year's 3.1% shortfall. The primary deficit in 2019 came in at US\$ 109 million (0.1% of GDP), compared to US\$ 721 million in 2018 (0.7% of GDP).

To finance the deficit, the government drew on both external and domestic sources, which meant that the aggregate level of public debt ended 2019 at US\$ 57.336 billion, equivalent to 53.4% of GDP, as against 52.03% a year earlier. This balance was associated with US\$ 4.898 billion in debt repayments. Of the total public debt 72.4% is held externally. With regard to external financing, sovereign bonds were issued on international markets in September 2019 for US\$ 2 billion (US\$ 600 million maturing in 2025 at an interest rate of 7.85% and US\$ 1.4 billion maturing in 2030 at a rate of 9.50%). The domestic debt grew by 15.4% over the previous year to US\$ 15.844 billion.

Ecuador's financing needs are expected to reach a level of US\$ 13.5 billion in 2020. Preliminary figures show an upward trend in external and domestic public debt to respond to the liquidity problem and sustain the country's economic activity.⁴ Income sources were reduced because oil and tax revenues fell, and because the planned US\$ 2 billion sale of State assets did not take place. As a result, the fiscal deficit is expected to widen from US\$ 3.384 billion to about US\$ 8.653 billion, equivalent to 8.5% of GDP.

In response to the major need for financing, priorities include a renegotiation of external debt (US\$ 17 billion) and access to funding from multilateral institutions, of which some US\$ 1.8 billion had already been received by June 2020.⁵ In addition, credits totalling US\$ 2.4 billion should be forthcoming from the Industrial and Commercial Bank of China and the China Development Bank. As a way to reduce

² The Organic Law on Humanitarian Support to Combat the Health Crisis arising from COVID-19, which came into force on 22 June 2020, provides, inter alia, for the following measures: labour reform (reduction of working hours, private agreement between the parties and an emerging special employment contract); reduction of school fees for parents who are unemployed; prohibition on rate hikes for basic utilities, including telecommunications and Internet services; and the suspension of mortgage loan payments.

³ In 2020 the Tax Simplicity and Progressivity Act entered into force, through which a reform was introduced that is expected to generate additional tax revenues.

⁴ In the bill on the regulation of public finances, a new schedule was proposed to progressively reduce the public debt by 2032 and comply with the debt ceiling of 40% of GDP.

⁵ In particular, a new comprehensive programme is being prepared with IMF, which will replace the arrangement under the Extended Fund Facility which was approved for Ecuador in March 2019.

spending, the government also announced several measures, such as the liquidation of public enterprises, reduction of the wage bill and the merging of government agencies, which could generate public savings of US\$ 4 billion. In addition, the general State budget is to be downsized by US\$ 5 billion by 2020. To that end, cuts have already been made in central government (11.4%), education (15.0%) and health (7.0%), among others, representing a total reduction of US\$ 2.929 billion.

(b) Monetary and exchange-rate policy

At the end of 2019, total liquidity (M2) amounted to US\$ 57.967 billion, and the money supply (M1) stood at US\$ 26.197 billion, representing year-on-year increases of 0.4% and 8.0%, respectively. Variations in liquidity were caused by operations in the private sector (62.5%) and external sector (6.3%); and changes in the sources of liquidity reflected an increase in private-sector deposits held in other depository institutions (US\$ 1.284 billion). Most of these funds were used to meet public sector financing needs (US\$ 1.113 billion).

In December 2019, Ecuador's international reserves stood at US\$ 3.397 billion, representing a year-on-year increase of 27.0%. The factors behind this result were, inter alia, IMF disbursements and oil revenues, which offset the effects of net foreign-exchange outflows resulting from private-sector money transfers and demand for cash (US\$ 797 million).

In the financial system, loans granted in 2019 were up by US\$ 2.5 billion (nearly 11.0%), driven by a greater injection of liquidity and by the fact that an additional US\$ 1 billion was obtained from abroad (foreign banks, investment banks and investor funds). Credit for private consumption increased by 15.5%, while business lending rose by 4.0%; in addition, microcredit grew by 16.0%. Total deposits—demand, savings and time deposits—amounted to US\$ 31.6 billion, up by 8.3% year-on-year. Thus, credit expanded faster than deposits.

In December 2019, the real interest rate on loans was 8.78% and the deposit rate stood at 6.17%: between January and December, both rates rose by about 9.6%, thus maintaining the rate spread in real terms. In the 12 months to December 2019, the real exchange rate depreciated by 1.55%.

With respect to the current year, international reserves fell sharply by 39.0% per month in March, owing to the heavy demand for liquidity in the midst of the health crisis. This reduction also reflected external public debt service (US\$ 791.2 million), which was recorded under the expenditure heading of international reserve movements and included the payment of principal and interest on bonds maturing in 2020 (US\$ 342 million). The Central Bank of Ecuador (BCE) undertook two liquidity management operations: activation of a liquidity facility with an international counterparty (US\$ 300 million), which involved keeping 240,000 ounces of gold tied up abroad, and the importation of banknotes (US\$ 300 million). In June, BCE settled in advance an operation with Goldman Sachs Group Inc. in respect of a US\$ 370 million credit contracted in 2017; and it recovered a US\$ 500 million loan from the Ministry of Economy and Finance. In June, the real interest rate loans stood at 9.1%, one of its highest levels since 2015, with a year-on-year variation of 13.5%. Lastly, under pressure from the dollar, the real exchange rate appreciated to post a year-on-year variation of -4.4% in May.

3. The main variables

(a) The external sector

In 2019, Ecuador's current account showed signs of improvement and the deficit narrowed from US\$ 1.335 billion (1.24% of GDP) to US\$ 112 million (0.1% of GDP); however, the country remains a net importer of capital.

This performance was largely due to a recovery in the merchandise trade balance, which went from a deficit of US\$ 226 million in 2018 to a surplus of US\$ 1.025 billion in 2019, supported by a US\$ 2.738 billion surplus on the secondary income account. Remittances were up by 6.7% on their 2018 level, owing to larger flows from the United States and Spain, to account for 3.0% of GDP in 2019.

Merchandise trade posted a surplus of US\$ 820 million in 2019, owing to the fact that the oil trade balance improved by 1.4 percentage points to US\$ 4.52 billion and the non-oil trade deficit narrowed by 25 points (US\$ 3.7 billion) relative to the previous year's figure.

Exports grew by just 3.2%, having expanded by 13.3% in 2018. This slowdown was led by commodities, where sales of crude oil shrank by 1.6%, which was offset by increased sales of shrimp (22.0%). Exports of industrialized goods fell by 3.5% in 2019. Imports dropped by 2.8%, following their 16.1% rise in 2018. This is largely explained by reductions of 7.3% in raw materials and 2.1% in consumer goods. In contrast, the services account and the primary income account posted larger deficits than in 2018, of US\$ 736 million and US\$ 3.106 billion, respectively.

The capital and financial account recorded a surplus of US\$ 157 million in 2019, which implies reserve assets of US\$ 713 million. In particular, net foreign investment was US\$ 489 million less than in 2018, at US\$ 966 million. This investment was mainly channelled into the mining and quarrying sectors and manufacturing industry.

Between March and April 2020, exports contracted by 30.0% due to the 76.0% slump in oil sales. A complex internal situation in the oil sector, caused by the rupture of oil pipelines in April, led to a drop in production. This was compounded by pessimistic expectations for the price of West Texas Intermediate, although the agreement reached by the Organization of Petroleum Exporting Countries and its allies (OPEC+) seems to have contributed to an uptick in this price in June.

Imports shrank by 23.1% between March and April 2020, essentially owing to reductions of 32.0% in consumer goods and 32.7% in capital goods.⁶ The flow of remittances into Ecuador also dropped by 14.5% in the first three months of 2020 relative to the fourth quarter of the previous year.

(b) Economic activity

In 2019, Ecuador's real GDP grew by just 0.1% overall, with contractions of 0.3% and 1.0% recorded in the third and fourth quarters, respectively, relative to the year-earlier periods. As a result, real per capita GDP was 1.36% lower than in 2018 at US\$ 4,164.

⁶ In 2020, all of the refined oil required by Ecuador is expected to come from imports, owing to the suspension of refinery activities in the country, the consequent break-up of the fuel imports monopoly and the replacement of gasoline and diesel subsidies by a price band system.

Central government final consumption expenditure fell by 2.4% in 2019 as a whole, following 3.5% growth in 2018. Gross fixed capital formation also slipped sharply by 3.4% in 2019, having grown by 2.0% in the previous year; and this could have adverse implications in the long term. Meanwhile, household final consumption continued to slow, growing at an annual rate of 1.5%, compared to the year-earlier 2.1%. In the case of external demand, as noted above, exports were somewhat lacklustre, contributing 1.44 percentage points to the annual variation in GDP in 2019, while household consumption was the next largest contributor with 0.93 points. Gross fixed capital formation, on the other hand, had a negative impact, subtracting 0.8 percentage points from the overall growth rate.

The production sectors that made the largest positive contributions to GDP growth were electricity and water supply (0.27 percentage points), oil and mining (0.21 points) and professional activities (0.18 points). The construction sector had the greatest negative impact (0.44 percentage points). In terms of gross value added (GVA), the best performing production sectors that in 2019 were the following: aquaculture and shrimp (12.1%), electricity and water (9.4%) and financial services (5.0%). In contrast, oil refining (-20.4%) and construction (-5.2%) both declined.

The latest BCE forecasts see investment contracting further (between 13.4% and 15.3%), owing to the reduction in public investment and capital goods imports. Household consumption is expected to drop by between 7.4% and 10.4% owing to the loss of employment income in the private sector, compounded by layoffs and wage cuts in the public sector,⁷ reduced hours worked and lower remittances, which are expected to shrink by 22.0%.

Exports are also expected to contract by between 3.9% and 5.2%, while imports are set to fall further on the back of weak domestic demand, by between 15.3% and 17.4%, depending on the extent to which the dollar appreciates.

The IPT jobs index shows that the slump in sales and the production standstill have affected all sectors, with staff layoffs making manufacturing industries, transport and storage, and trade (retail and wholesale) the relatively worst hit.⁸

(c) Prices, wages and employment

Although the unemployment rate remained broadly unchanged at 3.8% in the year to December 2019, the full-time employment rate (*tasa de empleo adecuado*) fell by 1.79 points from 40.64% to 38.85%. As indicated by the gender gap of 14.2 percentage points, women were affected more than men. Underemployment (17.79%) and unpaid employment (10.92%) grew by 1.3 percentage points and 0.97 points, respectively.

If underemployment, unpaid work and other less-than-full-time employment are added together, there were 248,341 more people working in precarious conditions than in 2018. Lastly, 46.7% of employed persons are in the informal sector, which is slightly higher than the 46.2% recorded in December 2018. It should be noted that 60.1% of employees had no social security affiliation or coverage in December 2019, compared to 58.2% a year earlier—a 1.9 percentage point increase.

⁷ Figures from the National Institute of Statistics and Censuses (INEC) show that 17% of wage-earning jobs were in the public sector in 2019.

⁸ The IPT indicator, constructed by INEC, makes it possible to measure the number of persons employed, both employees and day labourers, in a certain number of firms in the manufacturing, commerce and service sectors, in a given period. The indicator shows that the number of persons employed decreased by 6.04% in the year to April 2020.

In December 2019, the average monthly wage earned by Ecuadorian workers was US\$ 325.7, which is US\$ 68.3 less than the unified basic wage of US\$ 394 and only covers 64.0% of the cost of the vital basket (US\$ 506.97).

At the end of 2019, the monthly variation in the inflation rate was -0.01%, which meant that the year-on-year variation and the cumulative rate were the same at -0.07%. Among the 12 categories of consumption included in the monthly inflation figures, prices fell by most among food and non-alcoholic beverages (-0.05%) and restaurants and hotels (-0.006%), whereas recreation and culture (0.03%), transport (0.01%) and health (0.01%) all saw price rises, with a greater annual incidence than in December 2018. In 2019 there were eight months in which the inflation rate was negative, since demand retreated following the October mobilizations, and also because of changes in the labour market and in incomes.⁹

Although no labour statistics are yet available for 2020,¹⁰ preliminary estimates suggest that formal employment will deteriorate sharply and that over 180,000 people will be laid off by mid-June, with the private sector being the worst affected. Data from early June show that around 200,000 people have disaffiliated from social security, which heightens the risk that social benefits will not be covered in the short and medium terms. Lastly, in the 12 months to May 2020, the items with greatest impact on the consumer price index included food and non-alcoholic beverages (where prices rose by 0.53%), restaurants and hotels (0.16%) and health (0.14%), probably as a result of the pandemic.

⁹ In 2000, Ecuador implemented a dollarization regime that led to a deflationary process that could help make the country more competitive.

¹⁰ Owing to the health emergency, INEC has not yet published figures on the labour market situation as it normally would have done.

Table 1
ECUADOR: MAIN ECONOMIC INDICATORS

	2011	2012	2013	2014	2015	2016	2017	2018	2019 a/
	Tasas de variación anual b/								
Producto interno bruto total	7.9	5.6	4.9	3.8	0.1	-1.2	2.4	1.3	0.1
Producto interno bruto por habitante	6.2	4.1	3.4	2.2	-1.5	-2.9	0.6	0.0	1.0
Producto interno bruto sectorial									
Agricultura, ganadería, caza, silvicultura y pesca	7.9	0.8	6.7	7.6	2.9	0.9	5.5	0.1	1.8
Explotación de minas y canteras	2.8	2.6	2.9	6.6	-2.1	1.5	-2.8	-5.9	2.4
Industrias manufactureras	6.4	4.1	2.2	0.2	-0.8	-0.9	3.6	0.6	-0.1
Electricidad, gas y agua	27.1	17.9	11.5	6.5	9.0	0.5	9.6	3.5	9.4
Construcción	17.6	12.2	7.4	4.7	-0.8	-5.8	-4.4	0.6	-5.2
Comercio al por mayor y al por menor, restaurantes y hoteles	5.8	4.6	6.5	3.3	-1.1	-3.5	5.5	2.3	-0.4
Transporte, almacenamiento y comunicaciones	7.7	7.0	8.9	3.5	2.6	0.6	0.4	4.4	1.3
Establecimientos financieros, seguros, bienes inmuebles y servicios prestados a las empresas	6.5	5.0	1.6	5.1	0.5	-1.9	-1.1	3.0	2.4
Servicios comunales, sociales y personales	7.1	6.6	4.9	4.1	2.5	0.5	2.2	2.0	-0.9
Producto interno bruto por tipo de gasto									
Gasto de consumo final	5.7	4.2	5.0	3.5	0.3	-2.0	3.6	2.4	0.7
Consumo del gobierno	8.7	11.1	10.3	6.7	2.1	-0.2	3.2	3.5	-2.4
Consumo privado	5.1	2.9	3.9	2.7	-0.1	-2.4	3.7	2.1	1.5
Formación bruta de capital	11.5	4.2	9.5	3.4	-9.2	-11.5	-11.7	1.7	-6.0
Exportaciones de bienes y servicios	5.7	5.5	2.6	6.2	-0.6	1.4	0.7	1.2	5.2
Importaciones de bienes y servicios	3.6	0.8	7.0	4.8	-8.2	-9.6	12.2	4.4	1.6
Inversión y ahorro c/	Porcentajes de PIB								
Formación bruta de capital	28.1	27.8	28.5	28.3	26.9	25.0	26.3	26.7	25.0
Ahorro nacional	26.9	27.5	26.9	28.9	24.2	24.8	27.0	25.7	...
Ahorro externo	1.3	0.3	1.6	-0.6	2.7	0.2	-0.7	1.1	...
Balanza de pagos	Millones de dólares								
Balanza de cuenta corriente	-400	-144	-933	-669	-2 221	1 116	-150	-1 335	-112
Balanza de bienes	-303	50	-529	-63	-1 650	1 567	281	-226	1 025
Exportaciones FOB	23 082	24 569	25 587	26 596	19 049	17 413	19 576	22 133	22 774
Importaciones FOB	23 385	24 519	26 115	26 660	20 699	15 846	19 295	22 359	21 749
Balanza de servicios	-1 563	-1 394	-1 420	-1 171	-805	-972	-740	-689	-763
Balanza de renta	-1 257	-1 279	-1 361	-1 543	-1 729	-1 812	-2 318	-2 829	-3 113
Balanza de transferencias corrientes	2 722	2 480	2 376	2 108	1 963	2 333	2 627	2 409	2 739
Balanzas de capital y financiera d/	672	-438	2 779	244	732	718	-2 155	1 506	827
Inversión extranjera directa neta	646	567	727	777	1 331	756	625	1 456	938
Otros movimientos de capital	26	-1 006	2 052	-532	-599	-38	-2 780	50	-111
Balanza global	272	-582	1 846	-424	-1 489	1 834	-2 305	171	715
Variación en activos de reserva e/	-336	475	-1 878	411	1 453	-1 834	2 305	-171	-715
Otro financiamiento	64	107	32	13	36	0	0	0	0
Otros indicadores del sector externo									
Tipo de cambio real efectivo (índice 2005=100) f/	102.1	98.1	96.4	92.4	82.8	81.0	83.5	85.1	83.4
Relación de precios del intercambio de bienes (índice 2010=100)	114.2	113.7	114.5	107.6	78.5	74.9	81.3	88.7	86.2
Transferencia neta de recursos (millones de dólares)	-522	-1 611	1 450	-1 286	-961	-1 094	-4 473	-1 323	-2 286
Deuda externa bruta total (millones de dólares)	15 210	15 913	18 788	24 112	27 933	34 181	40 318	44 232	52 503
Empleo g/	Tasas anuales medias								
Tasa de participación	62.5	61.7	62.1	63.2	66.2	68.2	68.8	67.0	66.6
Tasa de desempleo h/	3.4	3.2	3.0	3.4	3.6	4.5	3.8	3.5	3.8
Tasa de subempleo visible	9.1	7.9	9.9	10.6	11.7	15.7	17.0	15.4	16.6

Table 1 (concluded)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prices	Annual percentages								
Variation in consumer prices (December-December)	5.4	4.2	2.7	3.7	3.4	1.1	-0.2	0.3	-0.1
Variation in producer prices (December-December)	3.1	2.0	3.1	3.1	-0.7	1.7	1.3	-1.1	1.9
Variation in minimum real wage	5.2	5.2	2.7	0.4	1.2	-2.2	3.1	1.1	0.8
Nominal deposit rate i/	4.6	4.5	4.5	4.9	5.3	5.7	4.9	5.1	5.9
Nominal lending rate j/	8.3	8.2	8.2	8.1	8.3	8.7	7.9	7.7	8.6
Central government	Percentages of GDP								
Total revenue	21.7	22.2	21.4	20.0	20.5	18.6	17.4	18.8	23.0
Tax revenue	12.3	13.9	14.4	14.2	15.7	14.0	13.5	14.3	13.5
Total expenditure	23.3	24.2	27.2	26.3	24.3	24.1	23.3	22.5	28.0
Current expenditure	13.1	13.6	15.0	14.7	14.6	14.5	15.0	16.1	22.7
Interest	0.8	0.9	1.2	1.4	1.8	1.9	2.4	2.8	3.1
Capital expenditure	10.1	10.5	12.2	11.6	9.7	9.6	8.3	6.4	5.2
Primary balance	-0.7	-1.0	-4.5	-4.9	-2.1	-3.6	-3.5	-0.9	-1.9
Overall balance	-1.6	-2.0	-5.7	-6.3	-3.8	-5.6	-5.9	-3.6	-5.0
Central government public debt	17.3	20.1	22.9	27.5	30.9	35.7	41.3	42.2	47.8
Domestic	5.7	8.8	10.4	12.3	12.6	12.5	14.2	12.5	13.4
External	11.6	11.2	12.5	15.2	18.3	23.2	27.1	29.7	34.3
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	23.6	25.8	27.6	29.8	29.9	34.4	36.4	38.9	43.0
To the public sector	-3.1	-1.7	-0.5	1.1	1.5	4.5	3.0	1.7	1.5
To the private sector	26.7	27.6	28.2	28.7	28.4	29.9	33.4	37.2	41.5
Monetary base	10.6	11.4	13.4	14.5	16.7	21.3	21.3	21.2	21.2
M2	32.5	34.4	35.9	38.3	38.4	44.5	46.9	48.2	52.1

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

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2007 prices.

c/ Estimates based on figures denominated in dollars at current prices.

d/ Includes errors and omissions.

e/ A minus sign (-) indicates an increase in reserve assets.

f/ Annual average, weighted by the value of goods exports and imports.

g/ Nationwide total.

h/ Open unemployment rate includes an adjustment for workforce figures due to exclusion of hidden unemployment.

i/ Weighted average of the system effective deposit rates.

j/ Effective benchmark lending rate for the corporate commercial segment.

Table 2
ECUADOR: MAIN QUARTERLY INDICATORS

	2018				2019				2020	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	1.5	1.5	1.5	0.7	1.1	0.5	-0.3	-1.0	-2.4	...
Gross international reserves (millions of dollars)	5 327	3 726	2 957	2 596	3 630	3 889	4 237	3 558	2 946	2 976
Real effective exchange rate (index: 2005=100) c/	86.9	86.6	84.1	83.0	83.2	83.9	83.1	83.3	83.0	79.7 d/
Consumer prices (12-month percentage variation)	-0.2	-0.7	0.2	0.3	-0.1	0.6	-0.1	-0.1	0.2	0.2
Wholesale prices (12-month percentage variation)	2.6	2.4	0.8	-1.1	-0.9	0.0	0.6	1.9	1.6	-1.3 e/
Nominal interest rates (average annualized percentages)										
Deposit rate f/	5.0	5.0	5.2	5.3	5.7	5.8	5.9	6.1	6.2	6.6 d/
Lending rate g/	7.5	7.2	7.7	8.5	8.5	8.4	8.6	8.8	8.8	8.7 d/
Interbank rate	0.9	1.0	1.3	1.3	1.3	1.3	1.4	1.3	1.8	1.3 d/
Sovereign bond spread, Embi + (basis points to end of period) h/	544	761	622	826	592	580	677	826	4 553	3 373
International bond issues (millions of dollars)	3 000	-	-	-	-	-	1 097	-	-	-
Stock price index (national index to end of period, 31 December 2005 = 100)	188	196	204	203	201	201	194	195	202	196
Domestic credit (variation from same quarter of preceding year)	3.1	10.1	13.7	14.7	15.6	9.3	8.9	10.0	12.4	10.3 d/

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

/ Preliminary figures.

b/ Based on figures in local currency at constant 2007 prices.

c/ Quarterly average, weighted by the value of goods exports and imports.

d/ Figures as of May.

e/ Figures as of April.

f/ Weighted average of the system effective deposit rates.

g/ Effective benchmark lending rate for the corporate commercial segment.

h/ Measured by J.P.Morgan.