ECONOMIC COMMISSION FOR LATIN AMERICA
AND THE CARIBBEAN

ECONOMIC SURVEY OF LATIN AMERICA AND THE CARIBBEAN 1993

VOLUME II

UNITED NATIONS

SANTIAGO, CHILE, 1995

LC/G.1833/Add.1-P
March 1995

Copyright © United Nations 1995
All rights reserved
Printed in Chile

Applications for the right to reproduce this work are welcomed and should be sent to the Secretary of the Publications Board, United Nations Headquarters, New York, N.Y. 10017, U.S.A. Member States and their governmental institutions may reproduce this work without prior authorization, but are requested to mention the source and inform the United Nations of such reproduction.

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

UNITED NATIONS PUBLICATION

Sales No.: E.94.II.G.2

ISSN 0257-2184
ISBN 92-1-121199-9

CONTENTS

ECONOMIC DEVELOPMENTS BY COUNTRY

Page

Argentina 9
Bolivia 39
Brazil 65
Colombia 101
Costa Rica 131
Cuba 157
Chile 163
Ecuador 193
El Salvador 215
Guatemala 241
Haiti 263
Honduras 277
Mexico 305
Nicaragua 337
Panama 363
Paraguay 387
Peru 413
Dominican Republic 443
Uruguay 465
Venezuela 491

ECONOMIC DEVELOPMENTS BY COUNTRY

Notes and explanation of symbols

The following symbols have been used in the tables in this Survey:

Three dots (...) indicate that data are not available or are not separately reported.
A dash (–) indicates that the amount is nil or negligible.
A blank space in a table means that the item in question is not applicable.
A minus sign (-) indicates a deficit or decrease, unless otherwise indicated.
A full stop (.) is used to indicate decimals.
A slash (/) indicates a crop year or fiscal year, e.g., 1969/1979.
Use of a hyphen (-) between years, e.g., 1960-1970, signifies an annual average for the calendar years involved, including the beginning and the end years.
References to "tons" mean metric tons, and to "dollars" United States dollars, unless otherwise stated.
Unless otherwise stated, references to annual growth rates of variation mean cumulative annual rates.
Figures and percentages in tables may not neccessarily add up to the corresponding totals, because of rounding.

ARGENTINA

1. General features of recent trends

In 1993 the Argentine economy again expanded substantially, this time by 6% while inflation fell to less than half, to a single-digit rate. Meanwhile, the deficit in the trade balance continued to widen, against a backdrop of massive capital inflows.

Although the rate of growth in 1993 was slower than in the preceding two years, it was enough for the duration and magnitude of the expansionary phase to reach levels unusual for the country in recent decades. Once again the momentum came from domestic spending, which continued to expand faster than output, even though domestic demand showed a marked slowdown. The gap in foreign trade in goods and services was even more pronounced than in 1992, despite a slower growth in import volumes and a rise in export volumes due to higher sales of industrial goods.

The drop in the rate of inflation to its lowest level in several decades was accompanied by virtually unchanged wholesale prices. As in previous years, the prices of services increased faster than goods prices.

The expansion of total domestic spending again seemed to be associated with a substantial injection of external resources. Capital inflows, while somewhat lower than in the preceding year, exceeded US$ 10 billion. Moreover, in 1993 the restructuring of public-sector debt to foreign commercial banks was finalized under the Brady Plan.

The counterpart of large capital inflows was a significant accumulation of reserves and, above all, an increase in the already considerable current-account deficit which climbed to US$ 7.5 billion. This increase reflected the growth of commercial transactions, since the drop in international interest rates reduced the financial-services deficit.

The geographical trend of foreign trade showed significant changes during the year. In particular, the importance of the Southern Common Market (MERCOSUR) area as an export destination sharply increased.

2. Economic policy

Economic policy continued along the lines set in the previous two years. The drop in inflation indicators and the persistence of an excess supply of foreign currency helped to consolidate the stabilization programme based on peso convertibility. The fiscal requirements of the programme were satisfied, mainly because of a sustained increase in tax collection; thus, over the year as a whole, the targets of the extended arrangements concluded with the International Monetary Fund (IMF) were fulfilled.

Notwithstanding a firm commitment to an overall balance in public accounts, the allocationary effects of specific policies had a substantial impact on fiscal management. During 1993 a pension-scheme reform was adopted and substantial modifications to the system of provincial finances were proposed. Moreover, privatization continued, a notable example being the privatization of Yacimientos Petrolíferos Fiscales (YPF). Against a general backdrop of foreign trade liberalization, the authorities made greater use of such instruments as countervailing measures in response to unfair competition and specific duties on certain imports, while at the same time reducing or

Figure 1
ARGENTINA: MAIN ECONOMIC INDICATORS

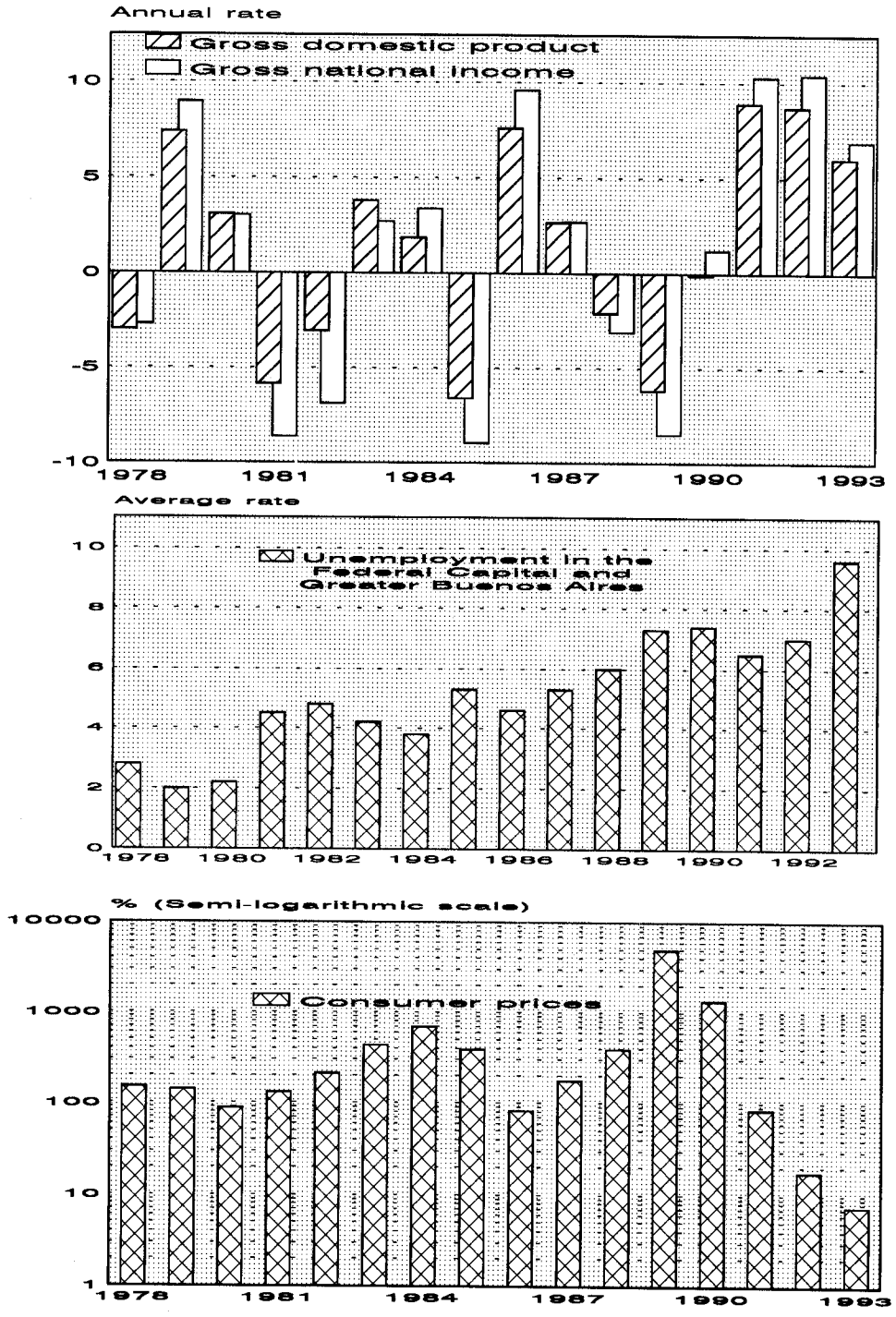
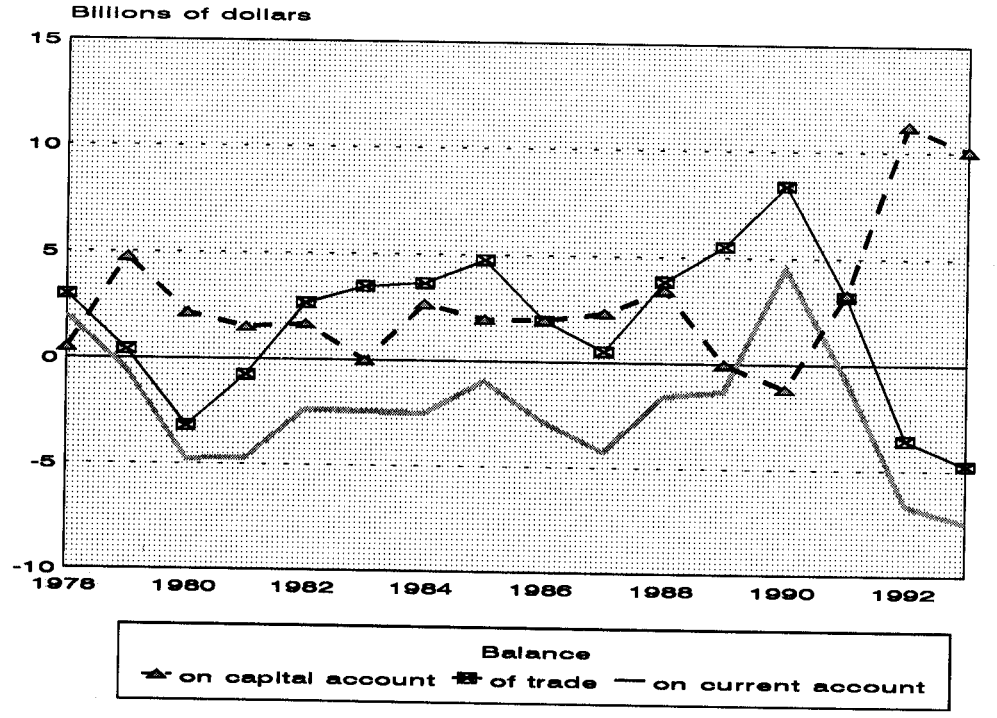
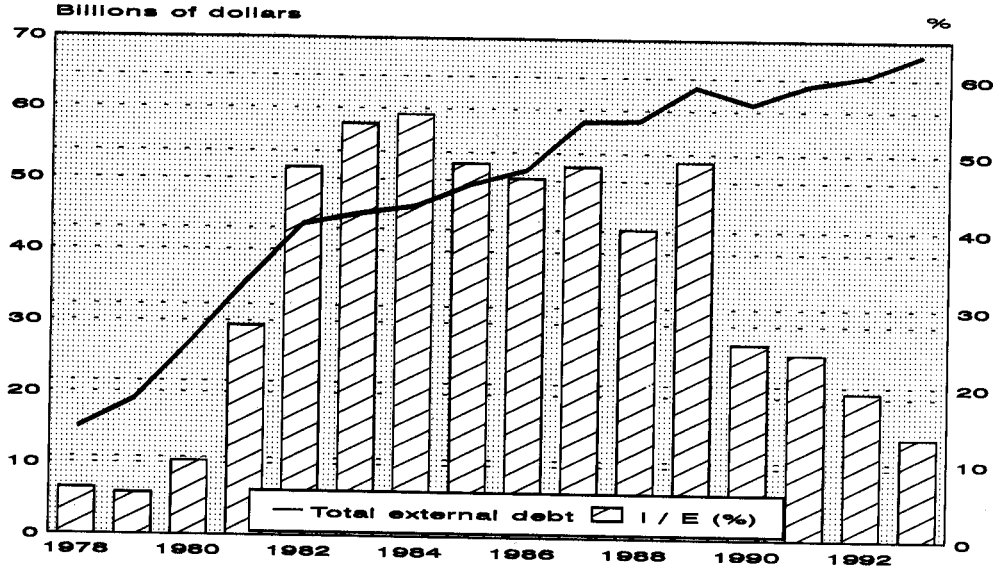


Figure 1 (concluded)





Source: ECLAC, on the basis of official data.
Symbols: I = Net interest. E = Exports of goods and services.

eliminating duties on inflows of capital goods and various inputs.

a) **Fiscal policy**

Excluding capital income, which represented about 0.6% of gross domestic product (GDP), the national public-sector deficit shrank to 0.7% of GDP, less than half the previous year's figure. Once again, this result was due to a rise in income, which comfortably offset the increased expenditure. Thus, the Government's current resources approached 20% of GDP (2.2% more than in 1992 and 6.4% above 1990 levels), while current expenditure accounted for almost 19%, more than three percentage points higher than the low levels seen at the beginning of the 1990s.

In 1993, together with an improvement in the rate of tax compliance, there was an increased concentration of revenue in a few tax categories. Revenue value-added tax (VAT) again grew more than output, rising to more than 40% of total revenue. Likewise, the profits-tax yield posted a sharp percentage increase, while remaining fairly small in absolute terms, namely, 11% of total taxes collected by national agencies and one fourth of VAT revenue. On the other hand, the impact of taxes on specific products and transactions continued to diminish.

On the expenditure side, the rising trend in expenditures related to retirement and other pensions elevated these to 6% of GDP. Transfers from the Government to the provinces also increased within the framework of the revenue-sharing arrangements. On the other hand, personnel costs in the national public sector were reduced slightly, while investment by national entities shrank again to just 1% of output. Such investment was weakened by the privatization of companies which had traditionally accounted for a considerable proportion of public investment.

Social security and provincial finances gave rise to major policy decisions. The adoption, after extensive debate, of the pension-scheme reform was reflected in a substantial modification of both the mechanisms for financing the scheme and the methods for determining benefits. In addition to establishing a gradual increase in retirement ages, the reform divided the scheme into two systems designed to work in tandem. The system administered by the Government will be financed by employer contributions covering all employees and by the personal contributions of workers who choose to remain in this system in addition to resources deriving from the allocation of tax revenue. This system continues to cover the payment of benefits to current pensioners and to those who decide to pay into it in the future. The reform provided that pensions in the State-owned sector will be determined through a distribution system; the Government also retains responsibility for transferring a "basic benefit", calculated at a uniform rate and a "supplementary benefit", linked to the number of years worked, to persons who finance their retirement through the capitalization system. This system, which will be managed by independent administrators, will take in personal contributions from workers who choose it and will pay benefits in relation to the return on the funds paid in by each contributor.

The link between local and national government gave rise to fiscal decisions of far-reaching significance. The provincial states received a greater volume of funds from their own taxes and especially from the revenue-sharing arrangements administered by the federal Government. At the same time, provincial spending increased, partly, although apparently not exclusively, as a reflection of the transfer of the provision of services especially in education and health, from national to local governments, a process which has been going on for years. The finances of the provincial administrations showed varying results; in some cases acute difficulties were observed, which led to critical situations in provinces where the public sector has a strong presence in local economic activity.

The "fiscal covenant" signed by the federal Government and most of the provinces envisaged a substantial reform of the local tax systems and stipulated that its most important provisions will begin to be implemented in 1994. Under the agreement, the provincial taxes on gross income which are levied on the total volume of business activities, will be replaced by a retail sales tax. Moreover, it was decided to eliminate provincial taxes on energy inputs. For its part, the

Government proposes to reduce employer pension contributions for companies located in provinces signing the agreement, with graduated exemptions in accordance with the sector of activity and the region. By and large, these tax modifications are aimed at restructuring the tax burden for the purpose of lowering the costs of activities linked to foreign trade.

b) Monetary and foreign exchange policies

After the brief upset in the exchange market in November 1992, the authorities adopted measures to strengthen the characteristics of the convertibility system. In particular, the exchange-rate fluctuation band below the legal ceiling of one peso per dollar was narrowed. Following this episode, the accumulation of reserves resumed and interest rates headed downwards again, while currency purchases on the market by the Central Bank were lower than in 1992, such intervention operations, dictated by the convertibility plan, caused a significant expansion in the monetary base, which grew at a distinctly faster pace than domestic prices. Liquidity ratios in domestic currency continued to grow in line with a strengthening of expectations that very low rates of inflation would be maintained. Indeed, the increase of 34% in the money supply raised it above 4% of GDP, as compared with little more than 2% two years earlier. In any case, the share of dollar deposits within monetary aggregates continued to rise.

The increase in lending capacity translated into an appreciable rise in private-sector credit. By the end of the year private-sector credits and deposits denominated in foreign currency amounted to nearly 50% of the total. Financing conditions continued to be somewhat varied depending on the characteristics of the borrower and the operation, as revealed, in particular, by marked differences in the interest rates applied to transactions. However, financial markets operated smoothly, which turned out to be one of the determining factors in the evolution of economic activity in 1993. Bank interest rates fell during the year; on the basis of period averages, there was a notable decrease in nominal rates applied to loans denominated in pesos as compared with 1992. In addition, loan periods apparently continued to lengthen. The home-loan sector expanded in both dollars and national currency and, in a variety of cases, may have absorbed resources obtained by banks through the sale of bonds. In more general terms, the volume of debt placed directly on the market continued to grow, this represented an important source of funds for a group of large firms.

The Central Bank put into effect new regulations on minimum capital levels for banks in accordance with the estimated risk in each institution. Likewise, a "central risk agency" was set up to gather information on the financial system's debtors. Moreover, the Central Bank widened the margins on bank loan risk management by authorizing the securitization of loans, that is, the selling of securities representing groups of loans made by the banks on the open market.

Share and bond prices improved in 1993. There were significant increases in the prices of public-sector bonds, especially those floated in 1992 in order to regularize the Government's debts to pensioners. The decrease in implicit bond yields, reflecting the market valuation of such securities, was associated with a distinct improvement in country risk indices, which measure the differential between the rate of return needed to keep dollar-denominated bonds issued by Argentina in a portfolio and the rate on foreign securities of a similar type. Share prices in December 1993 were 27% higher than 12 months before while still far below the highs seen in mid-1992. Among the rights issues in 1993, the one resulting from the privatization of the YPF oil company was especially noteworthy.

c) Trade policy

The maintenance of general policy lines notwithstanding the Government in 1993 made use of a variety of instruments related to the foreign trade system.

The use of countervailing measures in response to unfair foreign competition (anti-dumping measures) meant tariff increases on imports of various product categories (textiles and iron and steel, in particular), originating in countries whose sale prices were considered to be

undervalued. Quotas were set also for imports of some types of paper, and specific duties were imposed on various textile and clothing imports; minimum values were established for one group of chemical products for the purpose of tariff-setting. Moreover, the authorities eliminated duties on capital goods imports and reduced the statistical fee, which is a 10% levy on all imports without special exemption of a wide range of industrial and agricultural inputs. In addition, the temporary-entry scheme was expanded.

On the export side, some repayments were increased and various specialization and conversion programmes were designed, obliging participating firms to make sales abroad in exchange for the concession granted to them to import similar goods at a reduced tariff rate. In general, this set of policies was aimed at imposing certain limits on the entry of some products which compete with local production, while ensuring easier access to inputs and especially capital goods. In addition to general measures of a fiscal nature, specific steps were taken to directly stimulate certain groups of exports.

The MERCOSUR regional trade agreement continued to be a major component of foreign trade policy. During 1993 the anticipated programme of mutual tariff reductions was carried out and progress was made in the negotiations on the structure of the area's external tariffs. In addition, Argentina signed agreements with Brazil for the sale of cereals and fuels which when added to the shipments of motor-industry products associated with the special regime in that sector, contributed to a significant increase in exports to Brazil. Furthermore, the statistical duty on imports of various articles from Paraguay was reduced to 3%, restoring this duty to the levels prevailing prior to the general increase in 1992.

3. Trends in the main variables

a) Economic activity

While per capita GDP rose by almost 5%, owing to a growth in output of 6%, it was unable to regain the level reached in 1980.

Aggregate supply again expanded vigorously (7%), although at a much slower rate than in the previous two years. The cumulative increase in the past three years amounted to nearly 35%, owing to an expansion of more than 25% in GDP and a tripling of the volume of imports of goods and services. Furthermore, it was clear that in 1993 the trends in the major components of supply had become less divergent; while imports continued to grow faster than domestic output, their rate of growth moderated to 11%, as compared with an annual rate of more than 60% in the preceding two years. Thus, the greater availability of imported goods and services contributed nearly one fifth of the expansion in total supply, which approached 40% in 1992.

Once again, the most dynamic element of demand was investment, which grew by 14% to represent 21% of output. The increase in capital formation in 1993 was seen both in construction and in purchases of machinery and equipment. While the number and surface area of new building projects licensed in the metropolitan area decreased, residential construction absorbed a larger volume of financial resources, allowing building projects to be carried out at a healthy rate. The reappearance of home loans from private-sector sources caused a substantial change in the housing market. Another factor stimulating activity came from projects carried out by recently privatized firms in the public-services sector and by highway concessionaires.

The sale of domestically produced capital goods, apart from motor vehicles, does not seem to have been very successful. On the other hand, purchases of imported equipment again grew significantly, with values nearly seven times what they had been three years before investment activity in the basic-services sectors and the introduction of equipment to modernize production and management systems continued to be strong. Apart from the effects of a higher activity level and increased availability of credit, investment seems to have been stimulated by the removal of tariffs on capital goods imports and tax rebates on sales of domestic equipment.

Gross domestic savings at constant prices grew by 8% in 1993. In the past three years the favourable effect of lower factor payments abroad was partially offset by a deterioration in the terms of trade, as a result of which the national savings rate, after receding in 1991-1992, rebounded to represent 16% of GDP. Hence, the increased investment during the recovery period was financed mainly through greater external savings, which showed a turn-round of more than 7% of GDP, from -3% in 1990 to 4% in 1993, a high for the series starting in 1980. In 1993 a change in behaviour was detected with respect to the previous two years: the variation in the external savings rate contributed barely one fourth of the financing of the additional investment.

Total consumption increased significantly, although at a slower rate than in previous years. While in 1993 the demand for durable goods again increased faster than income on average, total consumption increased less rapidly.

The increased activity in 1993 was widespread among the large sectoral groups, with the exception of agriculture, which shrank by 1%. In aggregate terms, goods-producing sectors expanded by 4%; while this increase was significant –only twice during the 1980s were higher rates recorded– it represented a slowdown as compared with the previous biennium. In 1993 the contribution of these sectors to total GDP growth, which had reached 40% in 1992 and nearly 50% on average over the cycle in the previous decade, fell to 31%. Once again construction was the goods-producing sector with the strongest growth; however, in contrast to the other sectors in this group, sectoral value-added remained below the levels seen at the start of the previous decade. Meanwhile, manufacturing industry output continued to grow, although more moderately. Nevertheless, the cumulative growth of over 25% in the past three years raised sectoral output 9% above its 1980 levels.

Industrial activity was subject to a variety of influences; with some variations the growth of these influences served to extend trends which had bee visible in earlier years. While the expansion in this sector was somewhat slower than in the previous two years, the growth of domestic aggregate demand, especially in the market for consumer durables, continued to be one of its main driving forces. At the same time the effects of trade liberalization and regional integration again made themselves felt in a variety of ways depending on international developments in the sector concerned and the tariff treatment of goods and inputs. On the supply side incentives to reduce costs and raise productivity were seen again; for firms, the prices of capital inputs and goods declined in relation to labour costs. Furthermore, firms enjoyed a greater availability of financing in credit markets which, however, were characterized by segmentation. Thus, within a generally expansionary context, there were sometimes marked differences between development in different sectors and firms.

Output in the agricultural sector declined by around 1%. The 1992-1993 grain harvest was somewhat lower than in the previous season when volumes had been the highest of the series. In cattle-rearing stocks continued to rise, while beef consumption remained at comparatively low levels.

Mining sustained a rising trend. Oil drilling rose by 7%, extending the increase seen over recent years. Exploration activity increased also as did natural gas production. A large fuel supply satisfied domestic demand and gave rise to a substantial surplus in foreign trade in this group of goods.

Momentum from the services sector continued throughout 1993, with infrastructure services expanding by 8%, a dynamism seen not only in current activities but also in investment. Various services sustained growth rates above 7% despite the fact that trade growth (15%) fell to less than half due to slowdowns in goods production and total foreign trade flows. That was offset by a sustained increase in the volume of financial activities and, above all, by a sharp increase in personal, community and social services. Output recorded in this last group of sectors rose by 7%, by far the highest rate in the series which started in 1980, and clearly higher than in the past two years. This alone contributed more than one percentage point to output growth.

b) **Prices, wages and employment**

Inflation indicators were clearly heading downwards throughout 1993, nearly reaching zero values towards the end of the year. Only in May and June was the rate of increase in the CPI equal to or greater than 1%; during the second half of the year it fell to a monthly average of 0.3%. At the same time, the variability of aggregate price increases continued to diminish. In the case of the CPI, such variability was caused especially by fluctuations in fresh-food prices and the seasonality of some categories of services; in any case, such short-term movements in specific markets had a much weaker impact than usual, and what impact they had was short-lived, with no noticeable influence on expectations.

The lesser sensitivity of the general price level to transitory shocks highlighted the weakening of escalation mechanisms and suggested a fundamental change in the inflation pattern. Thus, relatively minor fluctuations in inflation rates from one month to the next had less and less influence on decision-making, in both the price- and wage-setting process and the formation of public expectations: in both cases, the time horizon clearly widened.

There was a widespread reduction in variations between the components of the CPI. After approaching 19% in 1992, the variation in food prices fell to less than half, while nominal clothing prices, a sector in which there was an abundant supply of imported products, fell by slightly more than 3%. Public-service charges rose by 4%, a figure considerably lower than in 1992. There was an appreciable slowdown in the prices of other services; nevertheless, they rose again to a higher-than-average level.

Economic fluctuations in Argentina have traditionally been accompanied by pronounced ups and downs in real wages, which tended to improve as inflation fell and the activity level rose. In the recent period this pattern has emerged again although this time with special features. The escape from hyperinflation at the beginning of the decade led to a marked recovery in purchasing power; following this initial impact there seem to have been widely differing trends. In some sectors nominal wages appear to have adjusted slowly, while in others wage increases have comfortably exceeded the increase in consumer prices. The available indicators suggest that in 1993 throughout the manufacturing industry, real wages varied little with respect to the preceding year, while nominal wages continued to rise much faster than prices in this sector.

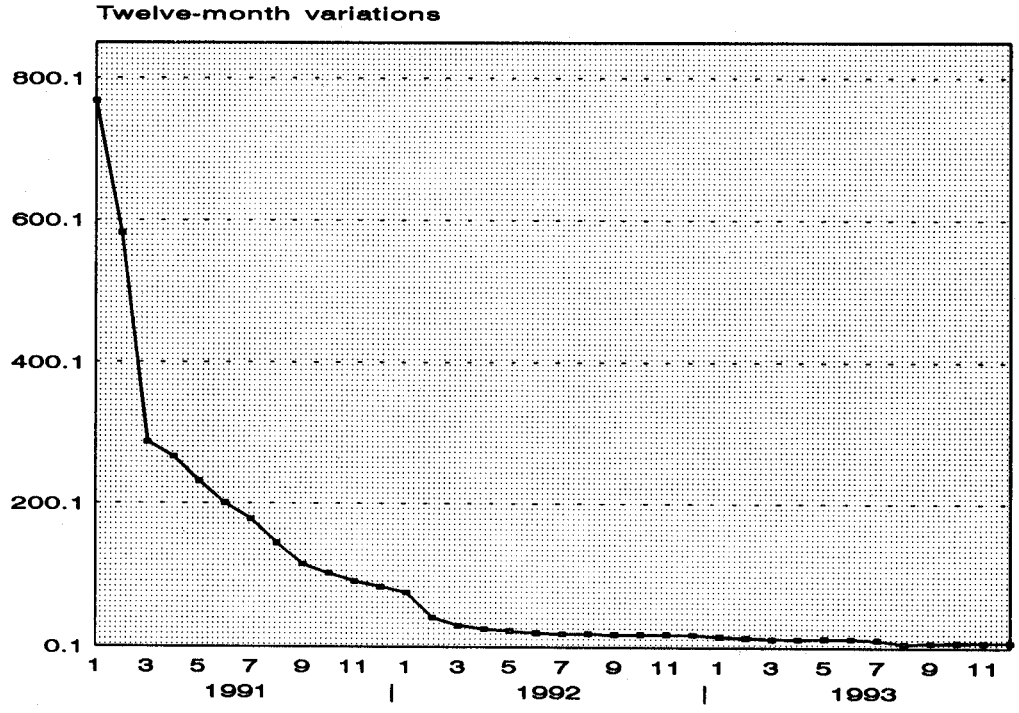
Apart from wage increases set through collective-bargaining agreements in each sector, there were distinct differences between firms with regard to remuneration patterns. In wage agreements the rule prohibiting the use of explicit indexation mechanisms remained in force, forcing wages to be defined in nominal terms. A lengthening of bargaining periods turned out to be significant, with 30% of agreements being made for periods of 12 months or more.

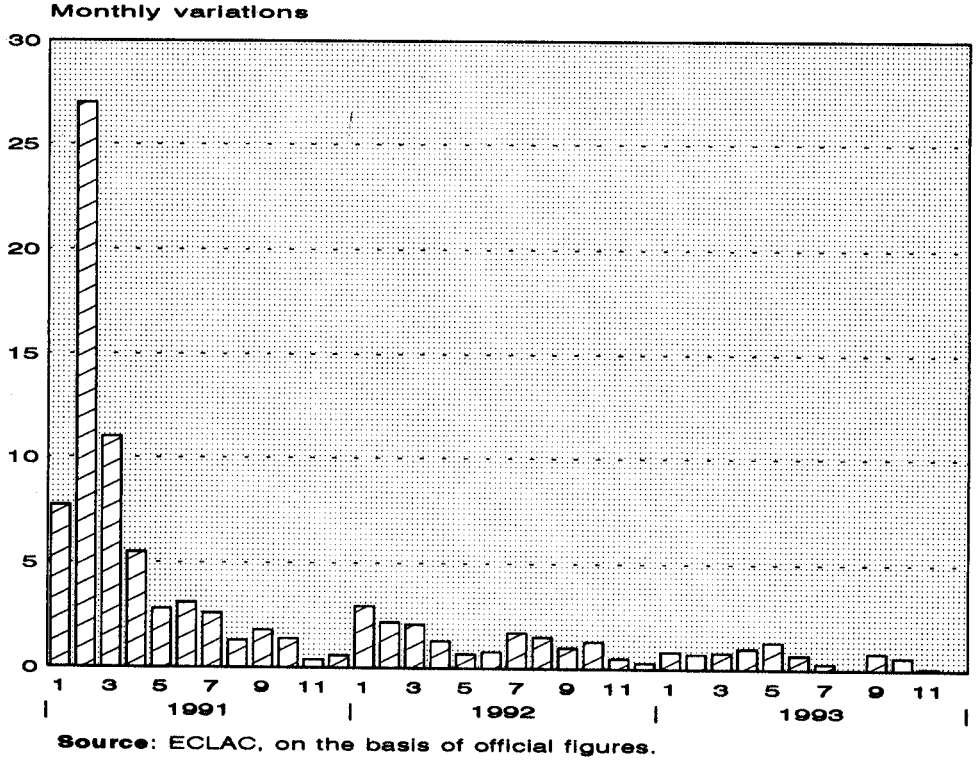
The total number of employed persons appears to have grown by about 0.6% from October 1992 to October 1993, an absorption concentrated in the services sectors. However, that was not sufficient to offset the expansion of the workforce. The increase in the labour participation rate was susceptible to conflicting interpretations: some saw it as a reflection of improved work opportunities, while others attributed it to a deterioration in the incomes of some households. In any case, the open unemployment rate climbed to a historic high, approaching 9.5% on average for the year, contrary to the usual pattern at a time of output growth.

While 1993 as a whole was marked by net job growth, it was slower than in the previous two years and was concentrated in the metropolitan area. In Greater Buenos Aires employment in the manufacturing industry seems to have diminished, while employment in retail trade and other services expanded. This group of activities accounted for more than 70% of employment the highest percentage recorded in the current series which began in 1980. On the other hand, industry's share of total employment in the region fell to a low of around 22%, a figure which could be biased, however, by the practice of subcontracting services previously performed within manufacturing firms.

At the same time, the labour participation rate continued to rise, reaching an average of 41% in

Figure 2
ARGENTINA: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

urban areas. In this case also such growth is attributable to the trend in Greater Buenos Aires, where in October 1993 the activity rate was more than 1.5% higher than the year before. On the other hand, in the urban conglomerates in remote parts of the country, the preceding year's increase was reversed. Since employment in all the areas surveyed increased more than the total population, while the workforce grew at an ever faster pace, there was a considerable increase in the unemployment figures. The unemployment rate (7% in 1992) averaged 9.6% between the two observation periods in the year, the highest figure in the series. The number of persons describing themselves as unemployed appears to have exceeded one million for the first time. The underemployment rate also rose: the number of persons working reduced hours who wished to work more represented slightly more than 9% of the active population (8.2% in 1992).

c) **The external sector**

During 1993 the effects of the turn-round in external financing conditions continued to be felt strongly. The net transfer of resources from abroad, i.e., the surplus of capital inflows over the deficit in profits and interest payments, totalled approximately US$ 7 billion, a figure slightly lower than that of the previous year, but one which contrasts with a negative flow in a similar amount three years earlier.

The current account produced a deficit of US$ 7.5 billion, almost US$ 900 million more than the already considerable gap reported in 1992. The increase was due to a worsening of the imbalance in real goods and services trade, and especially to a rise in goods imports, which led to a growing disequilibrium (US$ 2.5 billion) in visible goods trade despite an increase in exports. Real services showed a somewhat higher negative balance in 1992, e.g., travel costs, with a deficit of US$ 1.6 billion. The widening of the trade gap was partially offset by a reduced negative balance in financial services; despite a higher flow of profits and dividend payments, outflows due to interest payments fell significantly. This reflected a continuation of the downward trend in the burden of net financial services, which was reduced to less than US$ 3.3 billion, as compared with US$ 4.8 billion three years earlier. In view of the abundance of external financing, the current-account deficit was covered without difficulty and was accompanied by an accumulation of reserves approaching US$ 3 billion.

While the volume of capital inflows was comparable to that of 1992, their composition underwent significant changes. Privatization contributed more than US$ 5.6 billion, rising to account for more than half of total net capital movements. Of these operations, in which the sale of shares in the YPF oil company, played a predominant role, some US$ 2.5 billion entered in the form of currency and over US$ 3 billion through the recovery of securities, valued at market prices. The remainder of direct investments expanded by over US$ 600 million, mainly because of reinvestment of profits. In view of the slowdown in imports, the share of commercial credit in net financial inflows –29% in the previous year– fell below 10%, even though the amount of capital entering the country in that way exceeded US$ 1 billion.

Private-sector security placements generated a significant flow of funds, exceeding US$ 3 billion net, a figure 60% higher than that of 1992 and six and a half times the 1991 figure. Among the instruments issued, bonds, negotiable debt and commercial paper were the most important. The enterprises carrying out such transactions included banks and companies operating in the infrastructure services and fuels sectors, as well as some large industrial firms. Moreover, there was a substantial movement of resources from abroad towards the local capital market. It was estimated that at the end of 1993 the balance of non-resident financial investments effected through the market had risen to some US$ 11.7 billion (US$ 5.9 billion more than a year before), of which US$ 5 billion consisted of public-sector securities and the remainder of shares and private-sector debt. It is also likely that the return of assets which residents had been keeping abroad up to then continued.

Public-sector capital transactions were highly influenced by the bringing into force of the agreement with commercial bank creditors negotiated within the framework of the Brady Plan. The converted debt totalled approximately

US$ 27.5 billion, of which US$ 8.5 billion consisted of overdue interest payments. Debt principal was replaced by 30-year bonds, whose amortization, to be made by a single payment on expiry, was guaranteed by Government purchases of zero-coupon bonds; similar guarantees were set up for the repayment of accrued interest as at the date of the debt exchange. The acquisition of the guarantee bonds was partially financed in turn by credits from the IMF, the World Bank, the Inter-American Development Bank (IDB) and the Government of Japan. Loans granted for that purpose by international organizations represented two thirds of their net capital inflows in 1993, in contrast to the net amortization of the previous two years.

Conversion of the debt principal gave rise to the issuance of US$ 12.7 billion worth of bonds at par value and US$ 4.4 billion worth of discount bonds. The latter included a reduction of 35% on the amount converted with floating interest rates fixed according to LIBOR plus an extra 13/16%. For its part, the par bond, which was exchanged at face value for an equivalent amount of debt, will have an initial fixed interest rate of 4%, rising gradually to 6% in the seventh year and remaining there until expiry. In order to pay off accrued interest, a floating-rate bond was created (LIBOR + 13/16%), with a 12-year term and a three-year grace period before amortization begins. Apart from operations linked to the Brady Plan the Government floated securities in foreign markets in the form of bonds and Euronotes. At the same time, a considerable volume of debt was retired by means of amortizations, privatization of enterprises and the conversion provided for in the Brady Plan.

In 1993 the volume of goods exports increased by 7%; imports grew at a faster, but a distinctly more moderate rate than in the previous two years. Variations in external prices for trade flows in either direction were minor in 1993; accordingly the terms of trade remained at levels close to the minimum in recent decades, while the volume of exports and imports surpassed their previous highs.

The growth of total goods exports was concentrated in commodities not originating in the pampas and especially in non-traditional manufactured goods and fuels. Sales of agricultural goods declined by about 6%; that was because of a lower volume of shipments since, in general, prices rebounded. At the same time, there was an appreciable decline in the export value of the remaining agricultural products, which accumulated a loss of 30% during 1992-1993. Despite a drop in meat shipments due especially to a decline in United States demand for *corned-beef*, exports of all livestock products recovered by 13%. The volume of wool sales increased substantially, offsetting shrinking prices. Exports of leather, especially hides, also expanded strongly. Sales of fishery products continued to expand, more than doubling the figures of three years earlier.

The non-traditional exports group, including fuels expanded for the second year to about US$ 5.3 billion, coming to represent more than two fifths of the total. The increase of almost 20% recorded in 1993 made it possible to exceed the previous high, achieved in 1990, by 9%; however, if fuels and road vehicles and spare parts are excluded, the level of the remaining industrial exports, while growing by 15% as compared with 1992, was 8% lower than at the start of the 1990s.

Fuel sales rose again, this time by 13%, thus exceeding US$ 1.2 billion. The increase was due to larger shipments of crude oil, which expanded by more than 50%.

In 1993 the growth observed recently in exports of motor vehicles and spare parts, linked to the special regime applied to the sector and with the addition of Argentine and Brazilian firms, attained special prominence. Thus, sales abroad of road vehicles and spare parts amounted to US$ 660 million, more than double the 1991 figure and four times that of 1990.

Among 1993 imports, the strongest growth was in capital goods, where an increase of 31% accounted for nearly half the total change. Nevertheless, there were appreciable increases in purchases of intermediate goods (10%) and consumer goods (7%). The growth in imports of consumer goods bore little resemblance to the spectacular rates of growth of the previous two years. This suggests that the process of rapid incorporation of imported goods into local consumer markets, spurred by the lifting of

restrictions on their entry, has peaked. In any case, the jump in such imports is shown by the fact that their 1993 value was almost 19 times that of 1990, exceeding the value of all imported goods in that year. On the other hand, purchases of consumer goods accounted for nearly one fourth of the total value of imports, a substantially higher proportion than what was customary in earlier periods.

The increase in imports of intermediate goods was widespread, with the important exception of iron and steel products and non-ferrous metal manufactured goods. Iron and steel products fell by more than 20%; the rising demand for iron and steel products meant that local production occupied a larger share of total supply. Apart from textile inputs, imports of which remained at approximately the same levels as in the previous year, the value of other groups of intermediate imports rose significantly, from 12% to 25%. Such behaviour suggests that the substitution of national inputs for imported ones in a variety of activities has continued, although at a lesser pace than in recent years.

Fuel purchases diminished as oil drilling increased.

Imports of capital goods exceeded US$ 4 billion, almost one fourth of the total import value, easily outstripping all previous records. The rapid increase affected nearly all categories of machinery and equipment.

Table 1
ARGENTINA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Indexes (1980=100)				
Gross domestic product at market prices	96.9	99.5	97.4	91.4	91.3	99.4	108.0	114.6
Gross national income	90.2	92.6	89.7	82.1	83.1	91.7	101.2	108.1
Population (millions of inhabitants)	30.7	31.1	31.5	31.9	32.3	32.7	33.1	33.5
Per capita gross domestic product	89.0	90.2	87.2	80.8	79.7	85.8	92.1	96.6
Real effective exchange rate CPI [b]	170.6	208.5	221.0	243.7	170.3	142.3	131.4	121.9
Real effective exchange rate WPI [b]	152.1	190.7	173.5	171.5	165.6	175.2	188.9	183.8
				Ratios (percentages)				
Fiscal balance of the national public sector/GDP [c]	...	-5.0	-6.1	-3.8	-3.8	-1.6	-0.1	-0.1
Money (M_1)/GDP	3.7	3.2	2.2	2.2	1.8	2.4	3.4	4.2
Unemployment rate [d]	5.6	5.9	6.3	7.6	7.4	6.5	7.0	9.6
				Growth rates (percentages)				
Gross domestic product	7.6	2.7	-2.1	-6.2	-0.1	8.9	8.7	6.0
Per capita gross domestic product	6.2	1.3	-3.3	-7.4	-1.3	7.6	7.4	4.8
Gross national income	9.6	2.7	-3.1	-8.5	1.2	10.3	10.4	6.9
Consumer prices December to December	81.9	174.8	387.7	4 923.8	1 343.9	84.0	17.5	7.4
Real wages and salaries [e]	-0.3	-9.8	-3.3	-19.1	4.7	1.4	1.3	-1.3
Current value of exports of goods and services	-16.0	-3.5	36.9	5.5	25.8	-3.0	2.2	7.2
Current value of imports of goods and services	22.7	17.6	-4.2	-14.4	2.9	73.2	63.7	12.3
				Millions of dollars				
External sector								
Trade balance	1 947	511	3 837	5 505	8 359	3 211	-3 574	-4 761
Factor services	-4 808	-4 738	-5 409	-6 818	-4 805	-4 676	-3 852	-3 255
Balance on current account	-2 859	-4 235	-1 572	-1 305	4 552	-672	-6 677	-7 479
Balance on capital account	1 968	2 319	3 430	-43	-1 173	3 301	11 226	10 047
Variation in net international reserves	-984	-2 213	1 921	-1 322	3 092	1 978	4 250	2 893
Total medium- and long-term external debt	51 422	58 324	58 473	63 314	60 973	63 700	65 000	68 000

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Corresponds to the exchange rate applying to exports. [c] Includes the central Government and public enterprises. [d] Simple average of results of surveys for each year in the main urban areas. [e] Variation between annual averages of real wages for industrial workers.

Table 2

ARGENTINA: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	91.7	101.2	108.1	98.6	90.9	92.4	93.1
a) Gross domestic product	99.4	108.0	114.6	100.0	100.0	100.0	100.0
b) Terms-of-trade effect	...	...	...	-	-6.7	-5.9	-5.4
c) Net factor income from abroad	205.5	168.2	146.2	-1.4	-2.9	-2.2	-1.8
d) Net private transfers from abroad	2 438.3	2 288.3	1 687.0	-	0.5	0.4	0.3

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures given for 1993 are ECLAC estimates based on information from the Central Bank of the Argentine Republic.

Table 3

ARGENTINA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**95.5**	**107.0**	**114.4**	**111.3**	**111.1**	**-0.1**	**11.3**	**12.1**	**6.9**
Gross domestic product at market prices	99.4	108.0	114.6	100.0	100.0	-0.1	8.9	8.7	6.0
Imports of goods and services [c]	60.3	98.0	113.1	11.3	11.1	0.6	64.3	62.6	15.5
Total demand	**95.5**	**107.0**	**114.4**	**111.3**	**111.1**	**-0.1**	**11.3**	**12.1**	**6.9**
Domestic demand	88.4	101.1	108.3	102.7	97.2	-3.4	14.9	14.3	7.2
Gross domestic investment	60.8	79.6	90.5	25.1	19.8	-9.9	25.1	30.9	13.7
Total consumption	97.3	108.0	114.1	77.7	77.3	-2.1	13.0	11.0	5.6
Exports of goods and services [c]	180.4	178.6	187.8	8.5	14.0	20.0	-6.0	-1.0	5.2

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Ut to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures given for 1993 are ECLAC estimates based on information from the Central Bank of the Argentine Republic. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 4

ARGENTINA: FINANCING OF GROSS DOMESTIC INVESTMENT

(As a percentage of GDP) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	16.4	18.4	18.4	14.8	13.3	15.3	18.5	19.8
Gross domestic savings	22.2	23.3	26.4	25.2	26.7	24.0	22.3	22.7
Terms-of-trade effect [c]	-4.1	-4.6	-5.2	-6.5	-7.5	-6.7	-5.9	-5.4
Net factor income from abroad [c]	-4.1	-3.6	-3.9	-4.9	-3.4	-2.9	-2.2	-1.8
Net private transfers from abroad [c]	-	-	-	-	0.7	0.5	0.4	0.3
Gross national savings	13.9	15.1	17.2	13.9	16.5	14.9	14.7	15.7
External savings	2.5	3.2	1.1	0.9	-3.2	0.4	3.7	4.1

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures given for 1993 are ECLAC estimated based on information from the Central Bank of the Argentine Republic. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 5

ARGENTINA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**99.4**	**108.0**	**114.6**	**100.0**	**100.0**	**-0.1**	**8.9**	**8.7**	**6.0**
Goods	**94.0**	**101.3**	**105.9**	**45.4**	**41.9**	**1.4**	**10.8**	**7.8**	**4.5**
Agriculture	122.1	122.2	121.0	6.3	6.7	11.3	4.0	0.1	-1.0
Mining	102.7	111.1	117.7	1.2	1.3	5.6	-5.8	8.2	6.0
Manufacturing	97.2	104.4	109.1	29.3	27.9	2.0	11.9	7.3	4.5
Construction	60.9	74.2	82.2	8.6	6.2	-15.7	21.3	21.7	10.9
Basic services	**124.0**	**135.6**	**146.6**	**6.3**	**8.0**	**-0.5**	**3.7**	**9.4**	**8.1**
Electricity, gas and water	134.1	141.3	156.8	1.8	2.5	8.7	2.3	5.4	11.0
Transport, storage and communications	119.8	133.2	142.4	4.4	5.5	-4.3	4.4	11.2	6.9
Other services	**102.2**	**109.6**	**117.5**	**47.9**	**49.1**	**-0.1**	**7.0**	**7.2**	**7.2**
Commerce, restaurants and hotels	92.5	101.0	105.6	16.4	15.1	1.8	16.5	9.2	4.5
Financial institutions, insurance, real estate and business services	105.5	119.5	131.4	13.8	15.8	-2.3	10.0	13.2	10.0
Community, social and personal services	108.7	109.7	117.6	17.7	18.1	0.1	-1.4	1.0	7.2

Source: ECLAC, on the basis of official figures.
[a] The original figures have been reweighted according to the market structure at current 1980 prices. Consequently, the figures shown here do not necessarily coincide with those published by the countries based on their calculations at constant prices.
[b] Preliminary figures.

Table 6

ARGENTINA: AREA SOWN AND CROP PRODUCTION

(Crop year)

	Area sown (millions of hectares)			Production (millions of tons)			
	1991/ 1992	1992/ 1993	1993/ 1994[a]	Average 1983/1984 1987/1988	1991/ 1992	1992/ 1993	1993/ 1994[a]
Cereals	**11.3**	**11.1**	**11.1**	**27.1**	**24.6**	**25.2**	**24.9**
Wheat	4.7	4.5	4.5	10.6	9.9	9.7	9.9
Sorghum	0.8	0.8	0.8	4.7	2.8	2.8	2.8
Maize	2.7	3.0	3.0	10.4	10.7	11.4	10.9
Oilseeds	**8.3**	**7.8**	**7.5**	**11.2**	**15.2**	**14.2**	14.7
Linseed	0.4	0.2	0.2	0.6	0.3	0.2	0.2
Sunflower	2.7	2.2	2.2	3.0	3.4	2.8	3.0
Soya	5.0	5.3	5.0	7.4	11.3	11.0	11.3
Total annual crops	**19.6**	**18.9**	**18.6**	**38.3**	**39.8**	**39.4**	**39.6**

Source: Ministry of Agriculture and Fisheries.
[a] Preliminary figures.

Table 7

ARGENTINA: CATTLE INDUSTRY INDICATORS

	Stocks	Total slaughtering	Slaughtering rate (percentage)[a]	Yield (kilograms of dressed meat per head)	Percentage of cows and heifers in slaughtering for graded cuts (percentage)[b]	Per capita consumption (kilograms per year)	Steer prices in terms of:	
	Millions of head						Industrial prices[c]	Wheat prices[d]
July-June								
1983	53.8	11.4	21.2	214.9	29.7	69.1	100.0	100.0
1984	54.4	12.2	22.4	209.0	32.2	76.5	100.2	107.7
1985	54.7	14.1	25.8	202.7	46.2	84.7	68.5	80.2
1986	53.5	14.8	26.3	203.9	45.6	89.0	97.0	109.8
1987	51.0	12.9	24.5	210.3	43.4	81.5	119.0	123.8
1988	50.3	12.2	23.8	216.3	39.5	77.7	94.1	83.6
1989	49.5	12.6	24.4	210.0	42.6	76.1	91.1	84.7
1990[e]	50.3	12.4	24.7	216.0	40.6	71.3	71.8	87.3
1991[e]	51.2	12.6	24.6	212.4	42.1	72.4	82.9	138.8
1992[e]	53.0	11.8	22.3	212.6	41.5	65.7	99.8	123.2
1993[e]	...	11.9	22.1	...	41.9	65.7	85.6	94.9

Source: National Meat Board (JNC), Ministry of Agriculture and Fisheries of Argentina and ECLAC, on the basis of official figures.
[a] Slaughtering in the relevant period as a percentage of stocks as of 1 July. [b] Slaughtering for graded cuts: slaugtering conducted under the supervision of the National Meat Board, which represents between 75% and 80% of total registered commercial slaughtering. [c] Steer prices are the average quotations on the Liniers market. [d] Kilograms of wheat needed to produce one kilogram of steer on the hoof. Wheat prices are the average quotation of the Grain Exchange. Steer prices are the average quotation on the Liniers market. [e] Preliminary figures and projections. Total slaughtering since 1992 was estimated by extrapolating the figures for slaughtering for graded cuts.

Table 8
ARGENTINA: MINING PRODUCTION INDICATORS

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Gross domestic product (indexes 1980=100)	**102.7**	**111.1**	**117.7**	**5.6**	**-5.8**	**8.2**	**6.0**
Output of some fossil fuels							
Petroleum (millions of m^3)	28.4	32.2	34.5	5.1	1.5	13.4	7.1
Marketable coal (thousands of tons)	291.7	202.3	...	-45.8	5.5	-30.6	...
Injected natural gas (billions of m^3)	24.6	25.0	29.2	-3.8	7.1	1.6	16.6

Source: Central Bank of the Argentine Republic and Ministry of Energy.
[a] Preliminary figures.

Table 9
ARGENTINA: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Gross domestic product (indexes 1980=100)	**97.2**	**104.4**	**109.1**	**2.0**	**11.9**	**7.3**	**4.5**
Production of some major manufactures							
Pig iron (thousands of tons)[b]	2 322	1 989	2 154	-13.0	-20.0	-14.3	8.3
Ingot steel (thousands of tons)	2 973	2 669	2 827	-6.4	-18.0	-10.2	5.9
Finished hot-rolled products[c] (thousands of tons)	2 562	2 312	2 749	-8.3	-8.8	-9.8	18.9
Cold-rolled flat products[d] (thousands of tons)	665	704	823	-19.6	-6.3	5.9	16.9
Primary aluminium (thousands of tons)	168	153	171	1.2	1.2	-8.9	11.8
Cement (thousands of tons)[e]	4 386	5 019	5 636	-19.4	22.5	14.4	12.3
Paper (thousands of tons)	989	977	793	3.3	4.0	-1.2	-18.8
Sulfuric acid (thousands of tons)	235	222	194	-1.0	16.3	-5.5	-12.6
Motor vehicles (thousands of units)	139	262	342	-21.9	39.0	88.5	30.5
Tractors (units)[e]	3 595	4 076	4 003	-6.7	-20.9	13.4	-1.8

Source: Central Bank of the Argentine Republic, Centro de Industriales Siderúrgicos (CIS), Asociación de Fábricas de Automotores and Asociación de Fábricas Argentinas de Tractores, S.A.
[a] Preliminary figures. [b] Includes sponge iron. [c] Includes production for cold re-rolling. [d] These figures should not be added to the production of hot-rolled products. [e] Sales on the local market and exports.

Table 10

ARGENTINA: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-2 859**	**-4 235**	**-1 572**	**-1 305**	**4 552**	**-672**	**-6 677**	**-7 479**
Trade balance	1 947	511	3 837	5 505	8 359	3 211	-3 574	-4 761
Exports of goods and services	8 433	8 140	11 143	11 759	14 796	14 357	14 668	15 724
Goods f.o.b.	6 852	6 360	9 134	9 573	12 354	11 978	12 235	13 090
Real services [b]	1 581	1 780	2 009	2 186	2 442	2 379	2 433	2 634
Transport and insurance	744	872	966	1 016	1 157	1 164	1 169	1 185
Travel	562	615	634	790	903	782	782	837
Imports of goods and services	6 486	7 629	7 306	6 254	6 437	11 146	18 242	20 485
Goods f.o.b.	4 406	5 343	4 892	3 864	3 726	7 555	13 685	15 545
Real services [b]	2 080	2 286	2 414	2 390	2 711	3 591	4 557	4 940
Transport and insurance	745	954	922	856	937	1 351	1 872	1 978
Travel	888	890	975	1 014	1 171	1 739	2 211	2 445
Factor services	-4 808	-4 738	-5 409	-6 818	-4 805	-4 676	-3 852	-3 255
Profits	-482	-558	-660	-664	-635	-805	-845	-986
Interest received	357	218	211	265	1 852	1 744	1 369	1 473
Interest paid	-4 291	-4 145	-4 678	-6 023	-5 617	-5 199	-4 185	-3 562
Labour and property	-392	-253	-282	-396	-405	-416	-191	-180
Unrequited private transfer payments	2	-8	-	8	998	793	749	537
Balance on capital account	**1 968**	**2 319**	**3 430**	**-43**	**-1 173**	**3 301**	**11 226**	**10 047**
Unrequited official transfer payments	-	-	-	-	-	-	-	-89
Long-term capital	2 275	2 459	1 228	4 747	1 206	4 048	3 784	13 040
Direct investment	574	-19	1 147	1 028	1 836	2 439	4 179	6 239
Portfolio investment	-365	-96	-656	2 618	-1 309	473	-417	18 697
Other long-term capital	2 066	2 574	737	1 101	679	1 136	22	-11 896
Official sector [c]	2 459	2 586	825	1 389	333	1 166	353	-653
Loans received	2 904	2 329	1 131	1 830	1 137	1 854	1 321	3 974
Amortization payments	-158	-206	-264	-341	-715	-719	-888	-4 522
Commercial banks [c]	-3	-49	23	56	100	-31	-60	-2 499
Loans received	13	48	76	101	152	29	1	-2
Amortization payments	-16	-97	-53	-45	-52	-60	-61	-2 497
Other sectors [c]	-390	37	-111	-344	246	1	-271	-8 744
Loans received	766	616	648	768	696	576	636	507
Amortization payments	-1 031	-511	-649	-434	-433	-460	-831	-9 246
Short-term capital	-609	-29	2 367	-4 541	-3 094	-415	7 306	-2 991
Official sector	-913	305	2 770	1 260	1 982	2 146	1 275	-9 232
Commercial banks	-20	16	-	-	-	-	-	-
Other sectors	324	-350	-403	-5 801	-5 076	-2 561	6 031	6 241
Errors and omissions (net)	302	-112	-165	-249	715	-341	137	87
Global balance [d]	**-891**	**-1 916**	**1 858**	**-1 348**	**3 379**	**2 629**	**4 549**	**2 568**
Total variation in reserves (- sign indicates an increase)	984	2 213	-1 921	1 322	-3 092	-1 978	-4 250	-2 893
Monetary gold	-	-	-	-	54	35	-96	-
Special drawing rights	-	-	-	-	-297	104	-182	-78
IMF reserve position	-	-	-	-	-	-	-	-
Foreign exchange assets	555	1 101	-1 746	1 900	-2 832	-1 517	-3 803	-4 021
Other assets	-	-	-	-	-	-	-	-
Use made of IMF credit	429	1 112	-175	-578	-17	-600	-169	1 206

Source: 1986-1992: ECLAC, on the basis of figures from the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures from the Central Bank of the Argentine Republic.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.

[d] Equals the total variation in reserves (of opposite sign), plus counterpart items.

Table 11
ARGENTINA: EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Millions of dollars				
Total external debt [b]	**51 422**	**58 324**	**58 473**	**63 314**	**60 973**	**63 700**	**65 000**	**68 000**
Public	44 726	51 793	53 265	58 397	...	...	...	...
Private	6 696	6 531	5 038	4 917	...	...	...	...
Gross interest	**4 291**	**4 145**	**4 678**	**6 023**	**5 617**	**5 199**	**4 185**	**3 562**
				As percentage of exports of goods and services				
Total external debt	609.8	716.5	524.8	538.4	412.1	443.7	443.1	432.5
Net interest [c]	46.7	48.2	40.1	49.0	25.4	24.1	19.2	13.3

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Debt actually incurred. Figures include principal and arrears. [c] Corresponds to net balance-of-payments interest.

Table 12

ARGENTINA: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rates [a]			Indexes of real effective exchange rate [d] (1985=100) calculated on the basis of:				Indexes of real adjusted free or parallel exchange rate [g]
				CPI [e]		WPI [f]		
	Exports [b]	Imports [c]	Free or parallel	Exports	Imports	Exports	Imports	
1978	0.008	0.008	...	108.5	84.5	107.4	82.8	...
1979	0.013	0.013	...	79.7	61.6	86.7	66.4	...
1980	0.019	0.018	0.018	62.0	46.5	79.3	59.6	26.6
1981	0.045	0.044	0.059	74.5	57.1	91.0	70.1	46.8
1982	0.193	0.217	0.326	115.5	101.8	103.1	91.0	103.7
1983	0.907	1.056	1.473	109.6	102.1	98.0	91.5	109.2
1984	0.006	0.007	0.009	95.2	90.6	91.6	87.6	97.3
1985	0.049	0.060	0.070	100.0	100.1	100.0	100.0	100.0
1986	0.083	0.094	0.106	105.8	95.3	120.6	107.8	81.1
1987	0.203	0.214	0.274	129.3	105.6	151.2	121.9	93.9
1988	0.886	0.985	1.086	137.0	119.1	137.6	118.4	87.4
1989	0.029	0.040	0.046	151.1	162.2	136.0	144.5	122.6
1990	0.415	0.487	0.475	105.6	96.4	131.3	117.7	56.5
1991	0.917	0.954	0.954	88.2	69.7	138.9	106.8	42.4
1992	0.996	1.003	0.991	81.5	61.5	149.8	109.9	36.1
1993	1.040	1.066	1.000	77.1	60.6	148.9	113.2	32.6
1992								
I	0.989	0.992	0.990	83.2	62.4	148.4	108.2	38.1
II	0.989	0.991	0.990	81.8	61.7	148.1	108.2	36.8
III	0.989	0.991	0.990	81.8	61.2	151.8	110.3	35.7
IV	1.018	1.037	0.992	79.1	60.8	151.0	112.8	33.8
1993								
I	1.040	1.066	1.000	78.3	61.2	150.2	113.6	33.4
II	1.040	1.066	1.000	77.9	61.2	151.7	115.2	32.7
III	1.040	1.066	1.000	76.7	60.5	148.1	113.1	32.3
IV	1.040	1.066	1.000	75.7	59.6	145.7	110.9	32.2

Source: ECLAC, on the basis of figures from the Central Bank of the Argentine Republic and the International Monetary Fund (IMF), *International Financial Statistics* (several issues).

[a] 1978-1983: pesos per million dollars; 1985-1988: pesos per thousand dollars; 1989-present: pesos per dollar.

[b] Corresponds to the average weighted exchange rate for payments for agricultural and industrial exports (weightings were calculated based on the 1983 export structure). Includes the effect of duties and/or drawbacks. [c] Average exchange rate for imports. From November 1992 onwards, includes the effect of the increase of from 5% to 10% in the statistitcal duty.

[d] Represents and average of the indexes of the real exchange rate for the peso in relation to the currencies of Argentina's main trading partners, weighted by the relative significance of exports or imports, as appropriate, to or from those countries. Weightings correspond to the average for the period 1989-1992. For further information on the methodology and sources used, see the technical appendix to the *Economic Survey of Latin America,* 1981 (E/CEPAL/G.1248), Santiago, Chile. United Nations publication, Sales No. E.83.II.G.2. [e] The consumer price index was used in the calculations for all countries. [f] The wholesale price index was used in the calculations for Argentina and for all other countries whenever possible; in cases where this information was unavailable, the consumer price index was used. [g] Index of the free or parallel exchange rate for Argentina's currency in relation to the United States dollar, deflated by the Argentine consumer price index and adjusted by the United States consumer price index.

Table 13
ARGENTINA: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Growth rates				
Exports f.o.b.								
Value	-18.4	-7.2	43.6	4.8	29.1	-3.0	2.1	7.0
Volume	-12.7	-4.2	25.3	-3.1	36.3	-4.0	0.5	4.9
Unit value	-6.6	-3.1	14.7	8.2	-5.3	1.0	1.7	2.0
Imports f.o.b.								
Value	25.2	21.3	-8.4	-21.0	-3.6	102.8	81.1	13.6
Volume	20.5	9.1	-15.8	-25.5	-3.1	84.6	77.4	18.0
Unit value	3.9	11.1	8.7	6.1	-0.5	9.8	2.1	-3.7
Terms of trade (f.o.b./c.i.f.)	-9.4	-13.2	5.1	2.2	-5.1	-8.4	-0.5	5.6
				Indexes (1980=100)				
Purchasing power of exports	90.9	75.5	99.5	98.5	127.3	111.9	111.9	124.0
Volume of exports	125.1	119.8	150.0	145.4	198.1	190.2	191.1	200.5
Volume of imports	50.3	54.8	46.2	34.4	33.3	61.5	109.2	128.8
Terms of trade (f.o.b./c.i.f.)	72.7	63.0	66.3	67.7	64.3	58.8	58.5	61.9

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 14

ARGENTINA: VALUE AND COMPOSITION OF EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**11 978**	**12 240**	**13 090**	**100.0**	**100.0**	**100.0**	**29.0**	**-3.0**	**2.2**	**6.9**
Agricultural products	7 805	7 820	7 790	65.2	63.9	59.5	29.8	4.1	0.2	-0.4
Livestock products	1 746	1 550	1 750	14.6	12.7	13.4	19.8	-1.7	-11.2	12.9
Meat	924	810	800	7.7	6.6	6.1	19.9	6.0	-12.3	-1.2
Wool, animal hair and horsehair	157	140	150	1.3	1.1	1.1	23.2	-28.0	-10.8	7.1
Hides and skins	504	460	600	4.2	3.8	4.6	29.2	5.4	-8.7	30.4
Other livestock products	161	140	200	1.3	1.1	1.5	0.0	-23.0	-13.0	42.9
Crop-farming products	5 645	5 760	5 390	47.1	47.1	41.2	34.7	4.3	2.0	-6.4
Cereals	1 150	1 610	1 520	9.6	13.2	11.6	35.2	-20.7	40.0	-5.6
Oilseeds and oils	3 302	3 130	2 990	27.6	25.6	22.8	26.5	16.8	-5.2	-4.5
Other crop-farming products	1 193	1 020	880	10.0	8.3	6.7	60.0	5.5	-14.5	-13.7
Fishery product	414	510	650	3.5	4.2	5.0	12.8	34.0	23.2	27.5
Non-traditional industrial products	4 173	4 420	5 300	34.8	36.1	40.5	27.8	-14.1	5.9	19.9
Fuels	766	1 080	1 220	6.4	8.8	9.3	195.7	-20.5	41.0	13.0
Other	3 407	3 340	4 080	28.4	27.3	31.2	12.1	-12.5	-2.0	22.2

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 15

ARGENTINA: MAIN AGRICULTURAL EXPORTS

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Cooked and frozen meats	...	89	93	...	...	...	4.5
Corned beef	54	40	33	23.5	-10.3	-25.3	-17.9
Greasy wool [b]	22	18	28	48.1	-20.4	-17.9	54.1
Scoured and carbonized wool	10	15	18	42.9	-49.0	45.1	18.2
Wheat	5 464	6 072	5 776	35.4	-6.6	11.1	-4.9
Maize	3 764	6 093	4 871	54.3	28.8	61.9	-20.1
Sorghum	1 188	1 146	952	194.3	5.4	-3.5	-16.9
Soya	4 336	3 117	2 428	627.5	33.0	-28.1	-22.1
Sunflower oil	751	1 056	765	49.8	-42.4	40.6	-27.6
Soya oil	1 008	1 320	1 370	57.3	-19.1	31.0	3.8
Sunflower by-products	1 475	1 375	1 182	10.3	3.9	-6.8	-14.0
Soya by-products	5 803	6 501	6 621	11.3	12.5	12.0	1.8
Sugar	200	181	61	-9.7	42.9	-9.5	-66.3

Source: ECLAC, on the basis of official figures from the Ministry of Agriculture and Fisheries, Central Bank of the Argentine Republic, National Meat Board and the Argentine Wool Federation.
[a] Preliminary figures. [b] Includes a sample of the main products.

Table 16
ARGENTINA: VALUE AND COMPOSITION OF IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**8 275**	**14 872**	**16 786**	**100.0**	**100.0**	**100.0**	**-3.6**	**103.0**	**79.7**	**12.9**
Capital goods	**1 430**	**3 070**	**4 010**	**17.3**	**20.6**	**23.9**	**-14.4**	**140.3**	**114.7**	**30.6**
Fuels and lubricants	470	435	411	5.7	2.9	2.4	-10.2	41.1	-7.4	-5.5
Intermediate goods	**4 660**	**7 487**	**8 200**	**56.3**	**50.3**	**48.9**	**-0.3**	**59.2**	**60.7**	**9.5**
Chemical, plastic and rubber products	1 750	2 030	2 280	21.1	13.6	13.6	2.7	40.0	16.0	12.3
Paper and pulp	230	410	515	2.8	2.8	3.1	26.7	202.6	78.3	25.6
Metals and manufactures, electrical equipment and components, spare parts for machinery and transport equipment	1 920	3 765	3 960	23.2	25.3	23.6	-9.9	74.9	96.1	5.2
Other intermediate goods	760	1 282	1 445	9.2	8.6	8.6	10.5	56.4	68.7	12.7
Consumer goods	**1 715**	**3 880**	**4 165**	**20.7**	**26.1**	**24.8**	**11.6**	**672.5**	**126.2**	**7.3**

Source: ECLAC, on the basis of figures from the Central Bank of the Argentine Republic.
[a] Preliminary figures.

Table 17
ARGENTINA: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993
	Variation from December to December							
Consumer price index	81.9	174.8	387.7	4 923.8	1 343.9	84.0	17.5	7.4
Food	86.0	169.7	406.3	4 778.9	1 206.6	84.6	18.6	8.0
Clothing	70.4	161.2	364.2	5 428.6	1 031.0	71.7	4.3	-3.3
Other goods and services	80.8	181.4	377.4	4 945.9	1 511.5	85.8	19.1	8.2
Wholesale price index	57.9	181.6	431.6	5 386.4	798.4	56.7	3.2	0.1
Imported products	53.5	215.8	412.8	5 961.0	406.1	69.4	4.4	-5.4
Domestic products	58.4	178.4	433.7	5 323.0	846.8	55.9	3.1	0.5
Agricultural	74.4	153.5	455.3	5 526.3	659.8	62.2	9.9	0.1
Manufactured	55.8	182.8	430.3	5 289.1	879.2	55.1	2.1	0.6
	Variation between annual averages							
Consumer price index	90.1	131.3	343.0	3 079.5	2 314.0	171.7	24.9	10.6
Food	98.1	132.8	338.0	3 050.5	2 129.4	161.1	30.2	10.3
Clothing	88.2	107.9	323.9	3 567.8	1 880.5	151.3	10.7	-0.9
Other goods and services	84.1	134.6	350.6	3 012.2	2 541.8	184.0	23.3	11.7
Wholesale price index	63.9	122.9	412.5	3 432.6	1 606.9	110.5	6.0	1.6
Imported products	60.2	130.7	438.8	3 748.3	1 097.4	87.8	0.4	0.2
Domestic products	64.2	122.1	409.7	3 397.1	1 669.9	112.4	6.4	1.7
Agricultural	111.5	116.2	378.4	3 485.6	1 492.0	95.1	18.0	5.8
Manufactured	57.9	123.1	415.2	3 382.7	1 699.5	114.9	4.9	1.1

Source: ECLAC, on the basis of figures from the National Institute of Statistics and Censuses.

Table 18

ARGENTINA: MAIN ECONOMIC VARIABLES (NOMINAL VALUES) [a]

	Wholesale price index				Consumer price index	Average standard industrial wage	Public service charges[b]	Average trade exchange rate[c]	M_1 (seasonally adjusted)[d]	M_{2e}
	Total	Agricultural	Domestical non-agricultural	Imports						
1988	14.9	15.4	14.9	14.6	14.1	14.3	14.6	12.8	12.6	15.1
1989	39.6	39.9	39.4	40.8	38.6	37.3	38.0	42.1	38.0	34.2
1990	20.1	18.4	20.9	14.5	24.9	24.7	23.2	14.1	21.5	16.9
1991	3.8	4.1	3.7	4.5	5.2	4.6	3.4	6.2	8.6	6.2
I	15.1	8.0	15.4	22.1	14.9	9.5	11.5	23.3	15.9	7.4
II	1.2	8.9	0.5	-1.8	3.8	4.7	2.0	2.4	7.8	6.0
III	0.1	1.7	-0.1	-0.4	1.9	0.5	-0.1	-	3.1	4.3
IV	-0.4	-1.8	-0.2	-0.2	0.8	2.2	0.7	0.7	8.0	7.3
1992[f]	0.3	0.8	0.2	0.4	1.4	1.1	...	0.4	3.4[g]	3.4[g]
I	0.8	3.7	0.4	-0.3	2.4	1.2	...	-	10.8	2.6
II	0.3	-2.3	0.7	-	0.9	1.4	...	-	-0.9	5.7
III	0.7	4.6	0.2	0.6	1.4	0.3	...	-	-1.3	2.2
IV	-0.8	-2.6	-0.6	1.1	0.7	0.7	...	1.8	5.1[g]	5.6[g]
1993[f]	-	-	0.1	-0.5	0.6	0.5	...	-	2.7	...
I	0.3	0.4	0.4	-0.8	0.8	0.7	...	0.2	9.1	1.6
II	0.4	1.4	0.3	-0.4	1.0	2.1	...	-	-1.8	3.2
III	0.1	1.1	-	-0.2	0.4	0.9	...	-	-0.2	2.3
IV	-0.8	-2.8	-0.5	-0.4	0.2	0.2	...	-	1.2	...

Source: ECLAC, on the basis of official figures.

[a] Monthly rates, equivalent to the variation between the extreme values for each period, in percentages. [b] Prices and rates charged by State companies (general level). [c] Average exchange rate used in external trade as calculated from the simple average of the effective rate for exports (a weighted average based on the 1983 export strucutre) and the rate applied to imports. [d] Average end-of-quarter balances of notes and coins outside banks plus deposits in personal checking accounts. [e] Average end-of-quarter balances of M_1 plus interest-bearing deposits held by private individuals in financial institutions (including the interest, as adjusted by indexation mechanisms, paid on those deposits) plus bank acceptances. [f] Preliminary figures.

[g] Estimates.

Table 19
ARGENTINA: UNEMPLOYMENT [a]

	1989		1990		1991		1992		1993[b]	
	April	October	April	October	April	October	April	October	April	October
Major urban areas	8.1	7.1	8.6	6.2	6.9	6.0	6.9	7.0	9.9	9.3
Capital and Greater Buenos Aires	7.6	7.0	8.8	6.0	6.3	5.3	6.6	6.7	10.6	9.6
Córdoba	8.8	7.3	7.4	4.2	4.1	5.4	4.8	5.3	6.8	6.8
Greater Mendoza	4.4	4.1	6.0	5.8	4.2	4.4	4.1	4.4	4.4	4.6
Greater Tucumán	12.6	13.4	11.5	9.4	11.8	11.4	12.1	12.5	14.2	11.8

Source: National Institute of Statistics and Censuses.
[a] As a percentage of the economically active population. [b] Preliminary figures.

Table 20
ARGENTINA: REAL WAGES [a]
(Standard permanent real wage per worker) [b]

	A. Annual variations					
	1988	1989	1990	1991	1992	1993[c]
Manufacturing						
Variation between averages	-3.3	-19.1	4.7	1.4	1.3	-1.3
Variation between extreme values	1.8	-32.9	31.5	-4.9	-2.0	-1.4

	B. Quarterly variation							
	1992[b]				1993[b]			
	I	II	III	IV	I	II	III	IV
Manufacturing								
Variation between averages	-2.3	0.2	0.7	-0.6	-0.6	-1.4	0.3	0.3
Variation between extreme values	-2.8	1.1	-0.7	0.3	-1.4	-0.9	0.5	0.6

Source: ECLAC, on the basis of figures from the Ministry of Labour and Social Welfare.
[a] Deflated by the average consumer price index for the month of receipt and the following month. [b] The standard wage includes base salary plus bonuses and incentive payments. [c] Preliminary figures.

Table 21

ARGENTINA: NATIONAL NON-FINANCIAL PUBLIC SECTOR

(Percentages of GDP)

	1990[a]	1991[a]	1992[a]	1993[a]
Current income of central Government [b]	13.3	15.2	17.5	19.7
Tax revenue [c]	12.4	14.2	16.6	18.5
Non-tax revenue [d]	0.8	1.0	0.9	1.2
Current expenditure of central Government [b]	15.4	16.2	16.8	18.9
Personnel	3.0	2.9	2.4	2.3
Transfers to National Social Security System [e]	4.7	5.0	5.3	6.0
Debt interest	1.4	1.5	1.7	1.3
Domestic	0.3	0.2	0.3	...
External	1.1	1.3	1.4	...
Transfers and other current expenditures	6.3	6.8	7.5	9.3
Current saving of central Government [b]	-2.1	-1.0	0.7	0.8
Current saving of public enterprises	-	-0.2	-0.1	0.3
Capital resources of national public sector	0.2	1.2	1.4	0.6
Capital expenditure of national public sector (net)	1.9	1.7	2.1	1.8
Real investment	1.7	1.5	1.2	1.0
Other capital expenditures (net)	0.2	0.2	0.9	0.8
Financing needs of national public sector	3.8	1.6	0.1	0.1
Domestic financing (net)	2.0	1.8	...	...
External financing (net)	1.8	-0.2	...	...

Source: ECLAC, on the basis of figures from the Ministry of Finance.

[a] Figures from the final version of the budget. [b] National government service plus National Social Security System.

[c] Includes revenue-sharing arrangements with the provinces. [d] Includes amounts carried over from previous years.

[e] Includes pension payments by the central Government.

Table 22
ARGENTINA: CENTRAL GOVERNMENT
(Percentages of GDP) [a]

	1989	1990[b]	1991[b]	1992[b]	1993[c]
Current revenue	11.2	9.4	10.9	11.9	13.1
Taxes [d]	10.3	8.7	10.0	10.5	12.0
Other [e]	0.9	0.7	0.9	1.3	1.1
Current expenditure	11.1	11.1	11.6	10.6	11.6
Personnel	2.6	3.0	2.9	2.4	2.2
Interest on external debt	0.7	1.1	1.3	1.4	...
Interest on domestic debt	0.2	0.3	0.2	0.3	...
Transfers and other current expenditures	7.6	6.7	7.2	6.6	7.9
Current saving	0.1	-1.8	-0.7	1.2	1.5
Capital resources	0.2	0.2	0.8	1.1	0.3
Capital expenditure	0.9	0.5	0.5	1.3	1.4
Real investment	0.7	0.4	0.4	0.5	0.6
Other capital expenditures	0.2	0.1	0.1	0.9	0.8
Financing from contributions (net)	-2.0	-0.8	-1.2	-1.7	-1.2
Financing needs	2.5	2.9	1.6	0.7	0.7
Net use of domestic credit	1.5	-0.4	0.2	...	...
Net use of external credit	1.0	1.8	-0.1	...	...
Net variation in financial assets and liabilities	-	1.5	1.5	...	...

Source: ECLAC, on the basis of figures from the Ministry of Finance.
[a] Derived by determining the ratio between nominal fiscal statistical figures and GDP at current prices in accordance with the most recent adjustment. [b] Figures from the final version of the budget. [c] Figures from the proposed final version of the budget.
[d] Includes revenue-sharing arrangements with the provinces. [e] Includes amounts carried over from previous yearss.

Table 23
ARGENTINA: NATIONAL SOCIAL SECURITY SYSTEM
(Percentages of GDP) [a]

	1989	1990[b]	1991[b]	1992[b]	1993[c]
Current revenue	2.6	3.9	4.3	5.6	6.7
Tax revenue	2.6	3.8	4.2	5.6	6.5
Other	-	0.1	0.1	-	0.2
Current expenditure	2.8	4.2	4.6	6.2	7.3
Pensions	2.8	4.0	4.4	5.1	6.0
Other current expenditures [d]	0.1	0.2	0.1	1.1	1.3
Current saving	-0.2	-0.3	-0.3	-0.6	-0.6
Net capital resources	-	-	0.2	0.3	0.1
Financing needs	0.2	0.3	0.1	0.3	0.5

Source: ECLAC, on the basis of figures supplied by the Ministry of Finance.
[a] Derived by determining the ratio between nominal fiscal statistical figures and GDP at current prices in accordance with the most recent adjustment. [b] Figures from the final version of the budget. [c] Figures from the proposed final version of the budget.
[d] Includes transfers to the provinces.

Table 24

ARGENTINA: MONETARY BALANCE

	Year-end balances (billions of pesos)			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[b]
Money (M_1)	6.6	10.0	13.4	146.3	51.5	34.0
Currency outside banks	5.2	7.7	10.0	131.4	48.1	29.9
Demand deposits	1.4	2.3	3.4	221.9	64.3	47.8
Factors of expansion (net)	17.9	28.7	42.4	105.2	60.3	47.7
External sector (net)	-4.7	2.7	7.8	187.0		
Central Bank	0.4	8.7	11.5	2 075.0	31.6	
Financial institutions	-5.1	-6.0	-3.7			
Domestic credit (net)	22.6	26.0	34.6	78.3	15.0	33.2
Government and public institutions (net)[c]	17.1	13.4	14.5	55.4	-21.6	7.8
Private sector [c]	22.8	35.0	43.2	111.8	53.5	23.4
Other items (net) [d]	-17.3	-22.4	-23.0			
Quasi-money (savings and time deposits) [c]	4.6	8.0	11.8	65.5	73.9	47.5
Private foreign-currency deposits [e]	6.5	10.7	17.1	268.6	64.6	59.8
	Percentages					
Monetary multipliers [f]						
M_1/Broad monetary base	85.0	90.8	89.4			
M_2/Broad monetary base [g]	144.5	164.3	168.6			
Liquidity coefficients [h]						
M_1/GDP	2.4	3.4	4.2			
M_2/GDP	4.6	6.1	8.4			

Source: ECLAC, on the basis of figures from the Central Bank of the Argentine Republic

[a] Preliminary figures to October. [b] Growth rate up to October in relation to the corresponding period of the preceding year. [c] Includes accruals and credits denominated in foreign currencies. In the case of the Government, loans (including foreign-currency loans) are net. [d] Includes private foreign-currency deposits, considered as factors of absorption. [e] Deposits are recorded with their corresponding sign. [f] Calculations based on year-end balances. [g] M_2 is iqual to M_1 plus quasi-money in local currency. [h] Liquidity coefficients were obtained by determining the ratio between the annual nominal average of monetary aggregates and GDP at current prices.

Table 25

ARGENTINA: RATIO OF RESERVES TO MONETARY LIABILITIES [a]

(Percentages)

	Foreign exchange and placements payable in foreign exchange			Gold, net ALADI, foreign exchange and placements payable in foreign exchange			Gold, net ALADI, foreign exchange, convertible placements and public securities [b]		
	Monetary base	M_1 [c]	M_2 [d]	Monetary base	M_1 [c]	M_2 [d]	Monetary base	M_1 [c]	M_2 [d]
1988	22.1	73.4	16.8	34.4	114.3	26.2	34.4	114.3	26.2
1989	26.6	66.3	51.3	90.6	226.2	175.0	99.2	247.7	191.7
1990	11.1	14.8	7.3	50.1	67.2	33.0	53.8	72.2	35.5
1991	76.0	86.5	52.3	100.8	114.7	69.3	114.7	130.6	78.9
1992									
I	81.6	98.1	53.7	104.1	125.3	68.5	118.3	142.3	77.8
II	85.7	102.2	55.2	101.2	120.8	65.2	111.9	133.5	72.1
III	92.6	111.5	57.0	104.7	126.1	64.5	115.1	138.7	70.9
IV	90.3	99.4	55.0	99.7	109.9	60.8	113.0	124.4	68.8
1993									
I	114.2	128.4	63.3	112.2	126.2	62.2	123.7	139.2	68.6
II	99.2	110.2	55.7	98.4	109.3	55.2	109.4	121.5	61.4
III	101.1	119.0	59.4	101.9	119.8	59.8	114.5	134.7	67.2
IV [e]	102.1	111.3	61.7	102.2	111.3	61.7	114.9	125.2	69.4

Source: ECLAC, on the basis of data from the Central Bank of the Argentine Republic.

[a] The data refer to the ratio, at the end of each period, of international reserves (according to various definitions) to monetary aggregates, which were converted into dollars using the exchange rate applied to financial transactions authorized by the Central Bank of the Argentine Republic. From March 1991 onward, the exchange rate used has been one peso per dollar. [b] Foreign portfolio bonds of the Central Bank of the Argentine Republic, measured at their residual face value. [c] Private means of payment according to financial-system data. Includes money in circulation outside banks and demand deposits. [d] Private monetary resources according to financial-system data. Includes M_1, interest-bearing deposits in local currency and the interest accrued on those deposits. [e] Values for M_1 and M_2 are estimates.

Table 26

ARGENTINA: INTEREST RATES

(Annualized percentages)

	Nominal		Real [a]		Dollar equivalents [b]	
	On deposits	On loans	On deposits	On loans	On deposits	On loans
1990						
I	4 754.0	58 990.1	-95.3	-42.5	-91.9	-1.1
II	265.3	875.2	-15.4	125.9	143.9	551.1
III	311.0	791.6	-13.9	86.8	181.2	510.1
IV	154.6	429.5	23.8	157.4	318.7	770.6
1991						
I	392.0	904.7	-15.5	72.6	-58.1	-14.5
II	16.8	81.6	-18.2	27.3	-3.6	49.9
III	15.4	81.6	-7.9	44.9	16.5	83.4
IV	10.0	42.6	0.0	29.6	9.9	42.5
1992						
I	12.7	37.2	-15.3	3.1	12.5	37.5
II	10.9	34.5	-0.8	20.3	11.8	35.1
III	10.9	29.8	-6.1	9.9	11.4	29.8
IV	16.4	26.8	7.0	16.6	16.8	26.8
1993						
I	14.9	26.3	4.5	14.9	11.0	22.0
II	10.5	22.4	-2.0	8.7	10.6	22.6
III	10.0	21.0	5.3	15.8	9.7	20.6
IV	8.7	21.0	5.7	17.7	9.2	21.5

Source: ECLAC, on the basis of official figures and data from the International Monetary Fund (IMF).

[a] Nominal rates deflated by the variation in consumer prices for the same period. [b] Ratio between nominal rates and the rate of devaluation during the same period.

BOLIVIA

1. Main features of recent trends

The annual rate of economic growth in Bolivia accelerated to 4% in 1993 more than double that of the previous year, the economy thus recovered the growth rate recorded in 1990-1991. At the same time, inflation was brought down to slightly more than 9%, its lowest level in 17 years, despite the fact that the endemic fiscal deficit rose to 6% of output. All of this was helped considerably by a substantial inflow of resources from abroad, equivalent to around 14% of output, which financed a huge balance-of-payments deficit on current account and an increase in international reserves amounting to 2% of gross domestic product (GDP).

2. Economic Policy

In 1993 the Bolivian stabilization programme entered its eighth year of operation, with priority again being given to achieving price stability within a framework of trade liberalization and growth in activity levels. As in previous years, and keeping in mind the high degree of dollarization present in the Bolivian economy, the achievement of this objective was based on an exchange rate policy geared to reducing the rate of increase in the nominal exchange rate, without significantly affecting its real value.

Fiscal management in an election year was less stringent than in previous years; this increased total expenditure beyond the funds made available by the sum of current income and external financing. This meant an expansion in bank credit; however, the money absorption measures adopted made it possible to keep money creation within the limits required by the inflation target.

a) Fiscal policy

The stabilization programme requires the public sector to restrict its calls on bank finance in order to avoid monetary expansions inconsistent with the inflation target. To this end, in 1991-1992, the non-financial public sector deficit was reduced to around 4.5% of output, being financed mainly from external funds. However, during 1993, and despite the fact that revenue continued to rise in real terms, a rapid increase in current expenditure widened the fiscal gap to 6% of output.

Administrative reforms, especially within the Bureau of Internal Revenue, and the economic liberalization policy, which improved tax collection on foreign trade, had raised the tax burden from 7% in 1991 to 9% in 1992. Increased efficiency in tax collection and the initiation of an Emergency Plan, which enabled taxes owed by companies to be collected, once again increased tax revenue to nearly 10% of output in 1993. Meanwhile, income from sales of goods and services displayed varying trends: while income in national currency grew slightly, income in foreign currency fell by 17% in nominal terms. This was due to a fall in the price of gas sold to Argentina, which declined from US$ 2.32 to US$ 1.21 per thousand cubic feet, as reflected in a drop in revenue equivalent to 0.8% of output. The negotiations that led to this drop in the price of gas, which had been agreed on between the two countries through a complementarity agreement on energy signed in the last quarter of the year, included a special payment and the cancellation of arrears incurred by Argentina, the latter arrangement being

Figure 1
BOLIVIA: MAIN ECONOMIC INDICATORS

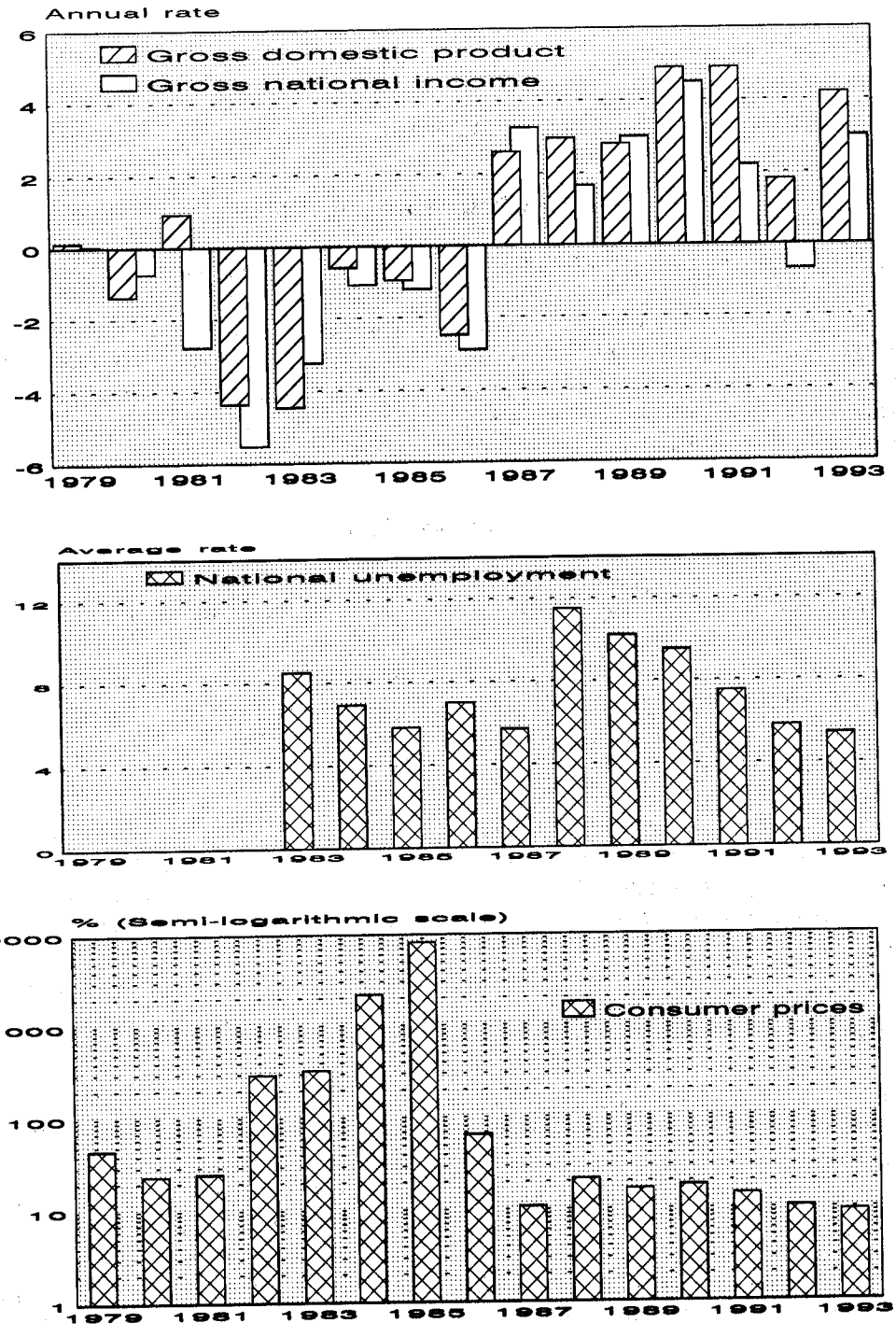
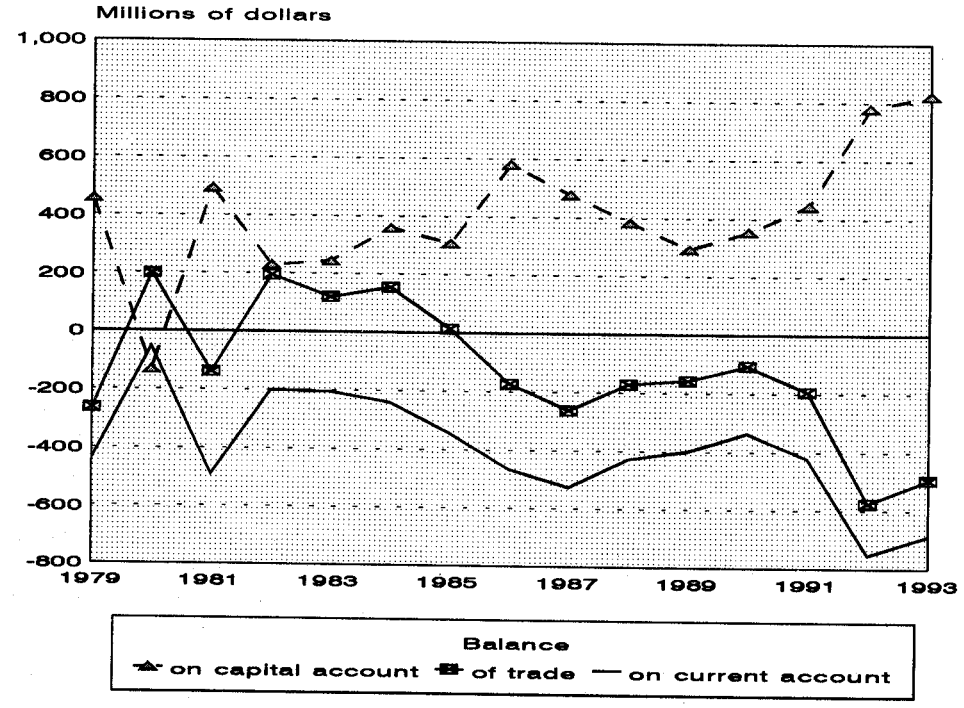
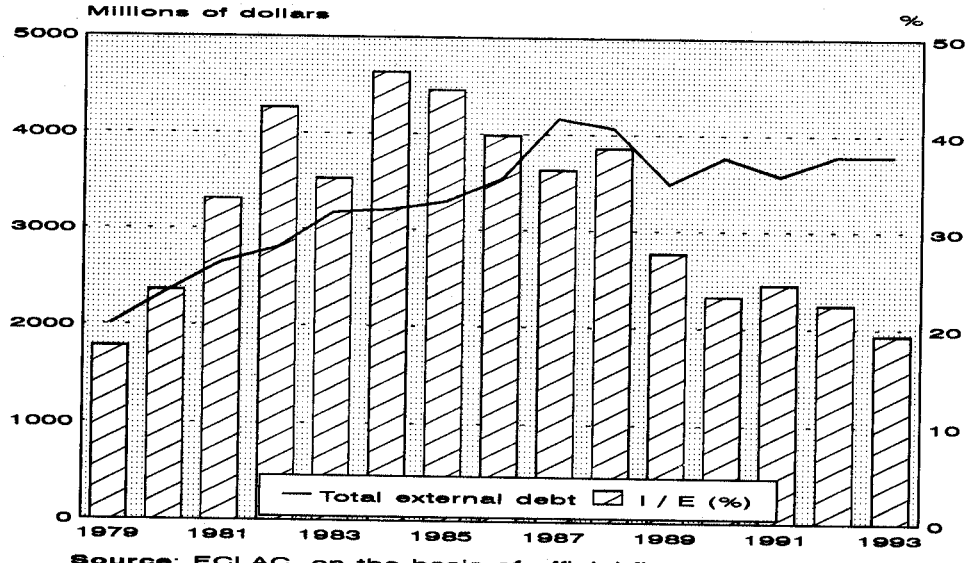


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due. E = Exports of goods and services.

regarded as a special form of external financing for public accounting purposes. This accounting method increased the current account deficit financed from external resources.

Lastly, there was a nominal decrease in capital inflows due to a fall-off in donations, which had increased substantially in 1992. The European Economic Community, the United States, Japan and the United Kingdom supplied the largest flows of capital transfers during 1993.

Expenditure growth, however, was far greater than growth in income. Current expenditure, in particular, which grew rapidly during the first half of the year, climbed to nearly 26% of output, in other words, more than 2% higher than the previous year's figure. All spending components grew in real terms, with the exception of interest payments, owing to the drop in international rates. More than one third of the increase stemmed from higher wage payments, which rose by 0.6 points of output as a result of simultaneous increases in wage and in the number of persons employed. Capital expenditure, on the other hand, contracted slightly in real terms.

As in previous years, the bulk of the deficit was financed from external resources, especially donations; accordingly, domestic credit was utilized in an amount equivalent to only 1% of GDP.

b) Monetary Policy

The monetary authorities endeavoured to maintain the trend towards slower monetary expansion, so as to reduce inflationary pressures originating in the money supply.

This objective was fulfilled during 1993, with the rate of growth in the means of payment falling to 15% per year, which compares favourably with the two previous years (25% and 19% in 1991 and 1992, respectively). Thus, the process of restoring real money balances outside the banking system continued, although they represent a very small share of total financial assets, given the high degree of dollarization of the Bolivian economy.

Although the bulk of the fiscal deficit was financed from external resources, net credit from the banking system to the public sector increased by 30%. The largest increase in credit to the public sector occurred in the first nine months of the year. Part of this expansion was absorbed by restricting credit to the financial sector and through open market operations based on the rise in the interest rate on certificates of deposit in the Central Bank of Bolivia. In the last three months of the year, the tightening of fiscal management supported a more restrictive monetary policy.

While credit to the private sector slowed, it continued to grow at high rates, this time at around 39% per year. The bulk of this expansion was in foreign currency and was fuelled by an expansion in quasi-money stemming from dollar deposits made by the public, which grew by 42% in 1993. In this way, quasi-money in dollars turned out to be almost 60 times higher than that registered in national currency, and six times as much as the amount of money in circulation.

The legal cash reserve requirements on short-term deposits were not altered in 1993; the rate for the three types of savings deposits, available (in national currency, with adjustment for inflation and in foreign currency) remained at 20%, while the rate on term deposits in both national and foreign currency was kept at 10%. At the end of the year diminishing rates of cash reserves were established on deposits of longer than a year, and these will become exempt from legal reserve requirements as from May 1994.

Lastly, interest rates showed a clear tendency to fall in nominal terms. However, given the greater drop in inflation, real interest rates in the last quarter were higher than those seen in the remainder of the year.

c) Exchange rate policy

Despite the maintenance of the floating exchange rate system, in which the price of the dollar is determined through an auction mechanism known as bolsín, action by the Central Bank in the foreign exchange market actually brought about a crawling peg system.

In this context, the nominal devaluation of the boliviano relative to the dollar was slightly smaller than the increase in domestic prices. Thus, the real effective exchange rate, measured against a basket of currencies of Bolivia's main trading partners, continued to rise to its highest

level in many years. If trade with Argentina is excluded, the real effective exchange rate fell by more than 3%; however, even in this case, the year's average is high.

d) Structural reforms

In the context of public sector restructuring, Bolivia adopted the Ministries of the Executive Branch Act, which reduced the number of ministries from 18 to 10. In addition, a process of labour reorganization was initiated, mainly in public enterprises. About 6,400 employees were laid off; of that number 4,500 worked in public enterprises, 1,400 in the development corporations and 500 in the remainder of the public sector.

In addition, a Banking and Financial Institutions Act was adopted which replaces the General Banking Act of 1928. This act defines the functions of the Banking Administration (responsible for such matters as solvency and the quality of assets) and the Central Bank (legal cash reserves and control of the means of payment). Financial liberalization was strengthened, mainly with regard to the setting of interest rates (by the market) and the elimination of directed credit (freedom to invest deposited funds). The multibank concept was established, enabling banks to enter new business areas and to offer specialized financial services, such as leasing and mutual fund management, in particular. In addition, brokerage activity was regulated, with the scope of the Act being broadened to include all non-bank financial intermediaries and other firms supporting the financial system.

Lastly, the legal process of amending the Education Act was completed during the year.

3. Trends in the main variables

a) Economic activity

Gross domestic product grew by more than 4% in 1993, an increase of less than 2% in per capita output, which is still at a level 17% below that of 1980.

The recovery in the rate of output growth was based on a rise of 15% in export volumes, which ultimately accounted for more than 30% of GDP. On the other hand, there was a sharp decrease in the rate of growth of domestic demand, which expanded by less than 2% in 1993. Gross fixed capital formation, which grew more rapidly than output, expanded at an appreciably slower pace, while at the same time, inventories were run down. As in previous years, investment was financed mostly from external savings; in 1993, such savings amounted to 12% of GDP (in 1980 dollars), virtually four times as much as national savings. Meanwhile, against the backdrop of the price stabilization programme, consumption grew slowly, at a rate even lower than that of population growth.

Output growth was concentrated in the production of basic goods and services; other services grew more slowly. Almost all goods-producing sectors accelerated their rate of expansion. Agriculture virtually recovered from the previous year's setback, and the pace of activity in mining and manufacturing improved significantly. Lastly, construction grew at an annual rate of over 4%, after posting an increase of nearly 15% the year before.

Agriculture, which accounts for more than a fifth of total output, recorded notable increases in the production of soybeans (44%) and wheat (52%). On the other hand, sugar cane and coffee crops were smaller because of late harvests, especially in the department of Tarija. The production of coca leaves, a highly profitable crop, continued to be a matter of great controversy. While the substitution programme for this crop, implemented jointly by Bolivia and the United States, remained in operation, differences of opinion regarding its progress led to a reduction of US$ 26 million in the bilateral aid programme agreed on earlier. Livestock production, meanwhile, increased more slowly than crop production on the basis of moderate growth in cattle breeding.

Mining grew by over 6% after two years of slow growth, displaying fairly diverse behaviour depending on the type of mineral being extracted. Thus, significant increases were registered in gold production, with the mining company Inti Raymi coming into operation. At the same time,

significant growth in silver, tin, and to a lesser degree, lead, was combined with major setbacks in copper, tungsten, antimony and zinc. The growth of the new, capital-intensive, multi-metal mining industry, with its high productivity based on the incorporation of modern technology, contrast with the decline of the traditional Bolivian mining industry. At the same time, oil drilling increased significantly, while natural gas drilling stagnated.

Manufacturing industry doubled its growth rate (5%) as compared with the previous year. Significant increases were achieved in the manufacture of clothing, plastic and metal products, with the exception of machinery and equipment, basic non-ferrous metals industries and leather footwear. On the other hand, major branches of industry, such as other chemical products, glass and glass products and textile manufactures, posted negative performances. While increased industrial production was reflected in a slight increase in the use of installed capacity, this remained at levels of under 60%.

In order to ensure tax neutrality for industrial activity geared to foreign markets, the Export Development and Tax Treatment Act was promulgated in April; it provides for the reimbursement of domestic excise taxes and tariffs.

For the third consecutive year, the electricity, gas and water sector posted a growth rate of over 8%, due, in particular, to the completion of certain rural electrification projects. Output in the transport and telecommunications sector increased by 6%. In this way, the basic services group has managed to grow by 25% in the past four years.

b) Prices, wages and employment

The consumer prices increase of 9% in 1993 was the lowest in the eight years of operation of the stabilization programme, which had been initiated in 1985 in a context of hyperinflation.

The 12-month inflation rate continued to fall until the start of the second quarter, in which it reached 7%. Later, the trend was reversed, stabilizing at around 9% towards the end of the year.

The expansion in the level of economic activity and the drop in inflation helped to increase both employment and real wages. Indeed, in 1993 the downward trend in unemployment was strengthened; after hovering around 10% during the triennium 1988-1990, the unemployment rate had fallen to slightly over 7% in 1991, and dropped to 5.4% in 1993.

Compensation based on the minimum wage would appear to have risen by over 9% in real terms in 1993. The purchasing power of average wages in the private sector grew by more than 5%, real wages paid by the public sector also grew, although to a lesser degree (2%).

c) The external sector

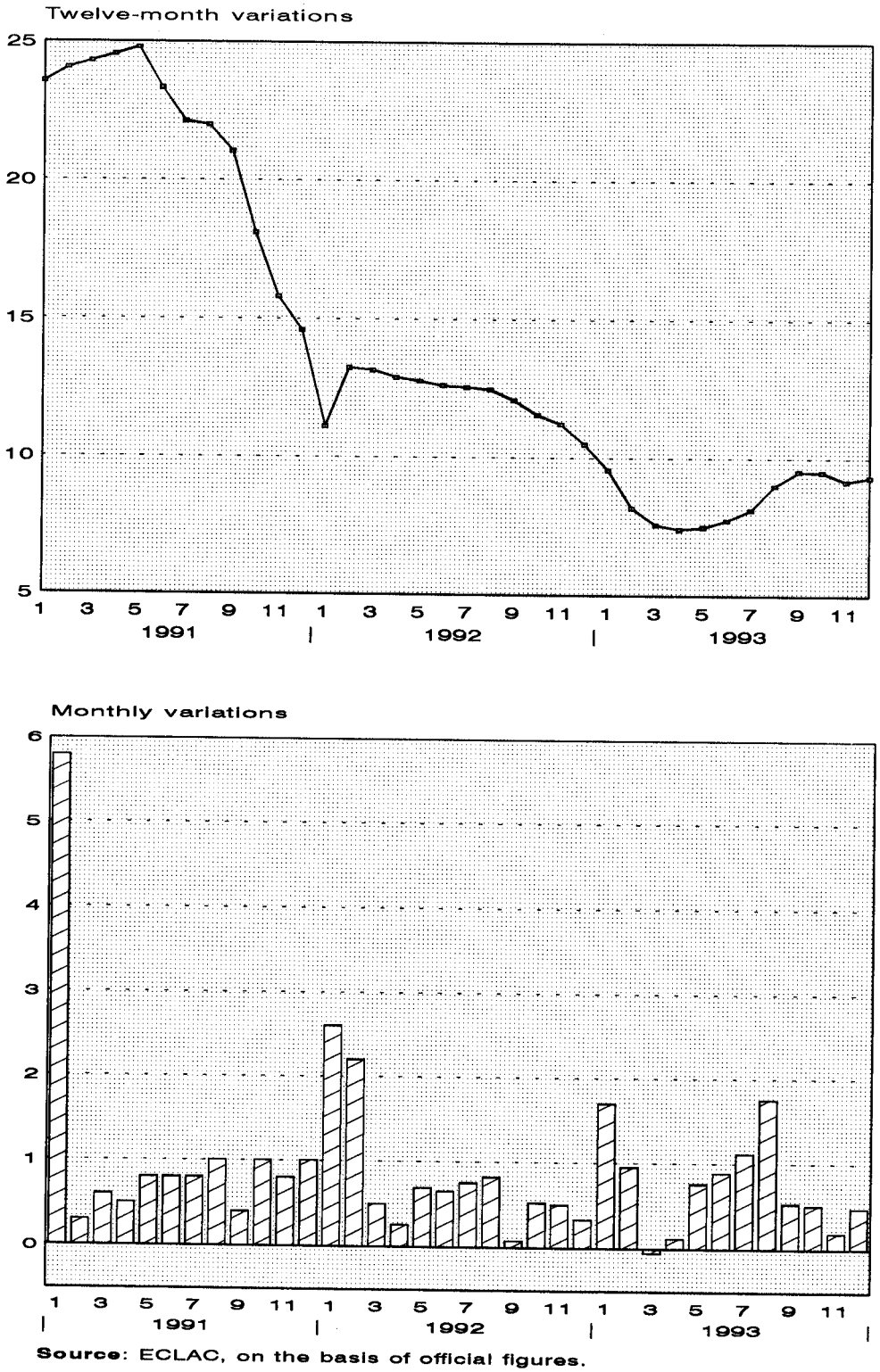
The chronic balance-of-payments deficit on current account, while somewhat smaller than in 1992, was again substantial, representing the equivalent of around 12% of GDP. As the inflow of external capital was even greater than this, reserves of international currency expanded.

The rise in the value of exports of goods and services (16%) far exceeded that of imports (4%), thus narrowing the trade deficit. The increase in sales abroad of gold and silver and gold jewellery was crucial to the expansion of exports. Other non-traditional exports, especially soybeans, chestnuts, leather and wood, also contributed to that result. On the other hand, exports of other mining products and natural gas declined, in the case of natural gas mainly because of the lower unit price prevailing in the contract signed with Argentina, the only buyer of this product.

Goods imports increased overall; however, a faster pace of growth was seen in consumer and capital goods than in purchases of raw materials and intermediate goods.

The inflow of external resources continued to display a rising trend. While the inflow of long-term capital was smaller than in the previous year, direct investment increased again and a substantial inflow of short-term capital, amounting to one third of the total, was received. Donations received by the public sector continued to bring in significant amounts, this time contributing a quarter of the balance on capital account.

Figure 2
BOLIVIA: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

The external debt remained stable at around US$ 3.8 billion. However, there was an increase in the share of liabilities to international organizations, both multilateral and bilateral, as a result of an increase in loans from them and a reduced debt to the international private sector.

In May 1993 Bolivia became one of the first countries to virtually clear its debts to international private banks, which then totalled US$ 170 million. This buy-back operation, which was carried out at a rate of 16 cents on the dollar for each dollar of debt, was financed through a grant from the World Bank and a group of friendly nations, and comprised three options. The first consisted of a cash repurchase of US$ 77.5 million of debt (which led to a disbursement of US$ 12.4 million). The second involved the exchange of US$ 32.8 million for 30-year bonds, guaranteed by the United States Department of the Treasury, in an amount equivalent to 100% of the debt amount, and issued in the name of the creditors themselves (Bolivian Exchange Bonds). The final option was the conversion of US$ 60 million into social and environmental bonds, with an expiry period of 271 days (Short Term Exchange Program Bonds).

Table 1
BOLIVIA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	88.5	90.8	93.5	97.6	102.4	107.4	109.4	114.1
Gross national income	80.7	84.5	85.9	90.1	94.1	96.2	95.7	98.6
Population (millions of inhabitants)	6.5	6.7	6.8	7.0	7.2	7.3	7.5	7.7
Per capita gross domestic product	76.0	76.0	76.4	77.8	79.7	81.6	81.2	82.6
Real effective exchange rate [b]	93.2	95.8	101.8	98.7	137.3	150.0	161.5	164.6
Real effective exchange rate [c]	127.9	136.2	144.3	160.1	192.9	193.1	197.9	190.6
	Ratios							
Financial balance of non-financial public sector GDP [d]	-2.8	-7.2	-5.5	-4.4	-5.9	-3.8	-5.0	-6.1
Unemployment rate	7.0	5.7	11.5	10.2	9.5	7.3	5.8	5.4
	Growth rates							
Gross domestic product	-2.5	2.6	3.0	4.4	4.9	4.9	1.9	4.2
Per capita gross domestic product	-4.9	0.1	0.5	1.9	2.4	2.4	-0.6	1.8
Gross national income	-4.1	4.7	1.6	4.9	4.5	2.3	-0.6	3.1
	Consumer prices							
December to December	65.9	10.6	21.5	16.6	18.0	14.5	10.4	9.3
Real minimum wage [e]	-7.2	16.0	4.5	-9.2	-14.8	64.5	0.2	9.2
Current value of exports of goods and services	-7.4	-2.5	3.2	29.2	12.7	-6.1	-15.7	15.8
Current value of imports of goods and services	18.9	8.6	-7.7	21.7	5.7	2.7	21.3	3.1
	Millions of dollars							
External sector								
Trade balance	-174	-263	-171	-158	-106	-194	-575	-495
Factor services	-311	-281	-268	-262	-252	-251	-201	-209
Balance on current account	-466	-526	-427	-399	-337	-422	-754	-686
Balance on capital account	580	478	384	295	355	444	780 [f]	823
Variation in international reserves (net)	99	-81	-35	-76	20	53	-45	137
Medium- and long-term external public debt [g]	3 536	4 278	4 043	3 492	3 768	3 582	3 784	3 788

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Corresponds to the exchange rate for total exports. [c] Does not include exports to the Republic of Argentina. [d] Up to 1989, grants from abroad were included in income. From 1990 onward, they are considered as financing.
[e] These rates were calculated on the basis of the consumer prices index for November 1982, when the minimum wage was established, this wage being taken as a benchmark. [f] Includes US$ 189.9 million of special financing and a negative US$ 38.6 million of liabilities in the form of reserves belonging to foreign authorities. [g] Disbursed balances of the medium- and long-term external public debt.

Table 2

BOLIVIA: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	96.2	95.7	98.6	94.2	84.4	82.4	81.5
a) Gross doemstic product	107.4	109.4	114.1	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-11.1	-14.5	-15.3
c) Net factor income from abroad [b]	87.3	63.9	68.5	-6.1	-4.9	-3.5	-3.6
d) Net private transfer payments received from abroad [b]	166.9	150.4	144.1	0.3	0.5	0.4	0.4

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in current dollars; figures for 1993 were estimated by ECLAC on the basis of information from the National Institute of Statistics, and then converted to constant 1980 figures using unit value indexes calculated by ECLAC.

Table 3

BOLIVIA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total suppply	**110.0**	**113.7**	**119.1**	**119.0**	**124.2**	**3.8**	**5.8**	**3.4**	**4.7**
Gross domestic product at market prices	107.4	109.4	114.1	100.0	100.0	4.9	4.9	1.9	4.2
Imports of goods and services [c]	123.6	136.4	145.5	19.0	24.2	-1.0	9.8	10.4	6.7
Total demand	**110.0**	**113.7**	**119.1**	**119.0**	**124.2**	**3.8**	**5.8**	**3.4**	**4.7**
Domestic demand	104.3	109.6	111.6	95.5	93.4	2.2	4.5	5.1	1.8
Gross domestic investment	98.1	117.2	118.1	14.7	15.2	4.5	19.1	19.5	0.7
Gross fixed investment	93.2	104.1	109.6	14.2	13.7	3.3	2.9	11.7	5.3
Changes in stocks	256.2	539.8	391.5	0.4	1.5	...	...	...	...
Total consumption	105.5	108.2	110.4	80.8	78.1	1.8	2.4	2.6	2.0
General government	86.2	89.3	91.5	12.9	10.4	-1.4	3.1	3.5	2.5
Private	109.1	111.8	114.0	67.8	67.8	2.3	2.3	2.5	1.9
Exports of goods and services [c]	133.1	130.5	149.6	23.5	30.8	9.7	10.1	-2.0	14.6

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] On the basis of figures valued at market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC on the basis of information from the National Institute of Statistics, and then converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 4

BOLIVIA: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	16.8	18.2	13.3	11.9	11.8	13.4	15.7	15.2
Gross fixed investment	13.4	13.7	13.6	12.8	12.6	12.4	13.6	13.7
Changes in stocks	3.4	4.5	-0.3	-0.9	-0.8	1.1	2.2	1.5
Gross domestic saving	17.8	16.2	16.2	16.3	18.7	20.7	20.1	21.9
Terms-of-trade effect [c]	-5.9	-5.2	-7.1	-7.9	-9.0	-11.1	-14.5	-15.3
Net factor services income [c]	-8.7	-7.6	-6.6	-5.7	-4.8	-4.9	-3.5	-3.6
Unrequited private transfer payments [c]	0.5	0.5	0.3	0.4	0.4	0.5	0.4	0.4
Gross national saving	3.7	3.9	2.8	3.3	5.3	5.1	2.5	3.3
External saving	13.0	14.3	10.6	8.6	6.5	8.3	13.2	11.9

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from IMF balance-of-payments data; those for 1993 were estimated by ECLAC on the basis of information from the National Institute of Statistics, and then converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 5

BOLIVIA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**107.4**	**109.4**	**114.1**	**100.0**	**100.0**	**4.9**	**4.9**	**1.9**	**4.2**
Goods	**108.1**	**107.9**	**112.8**	**52.4**	**51.9**	**6.5**	**6.9**	**-0.2**	4.6
Agriculture	132.2	126.3	130.7	18.4	21.0	4.7	9.8	-4.5	3.5
Mining	95.9	97.2	103.0	15.8	14.3	10.2	1.9	1.4	6.1
Manufacturing	99.8	102.1	107.1	14.6	13.7	6.2	8.5	2.4	4.9
Construction	74.0	84.8	88.5	3.7	2.9	3.8	2.7	14.6	4.4
Basic services	**167.9**	**180.4**	**191.7**	**6.6**	**11.1**	**4.7**	**5.3**	**7.4**	**6.3**
Electricity, gas and water	156.3	170.0	183.9	0.7	1.1	6.3	8.3	8.8	8.2
Transport, storage and communications	169.2	181.5	192.6	6.0	10.1	4.5	5.0	7.3	6.1
Other services	**97.0**	**100.3**	**103.3**	**39.9**	**36.1**	**2.6**	**1.9**	**3.4**	**3.1**
Commerce, restaurants and hotels	124.5	128.7	134.2	10.8	12.7	5.3	2.6	3.4	4.3
Financial institutions, insurance, real estate and business services	94.9	98.0	100.6	14.0	12.4	2.1	1.5	3.3	2.7
Ownership of dwellings	107.2	109.5	111.7	8.2	8.0	1.6	1.9	2.1	2.0
Community, social and personal services	79.3	82.0	83.8	15.0	11.0	0.3	1.4	3.4	2.2
Government services	82.7	85.7	87.4	10.5	8.1	-0.3	1.0	3.6	2.0
Import duties	64.5	64.7	66.8	2.7	1.6	5.6	8.1	0.3	3.2
Less: Adjustments for bank service charges		47.1	47.1	47.1	1.6	0.6	3.4		

Source: ECLAC, on the basis of official figures which were reweighted according to the 1980 current price structure. Consequently, the figures shown here do not necessarily coincide with those published by the countries based on calculations at constant prices.

[a] Preliminary figures.

Table 6
BOLIVIA: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
	Output (thousands of tons)						
Main crops							
Cereals							
Rice (unhusked)	228	229	223	6.4	5.1	0.4	-2.8
Maize	331	430	504	-12.0	16.1	29.8	17.2
Quinoa	19	17	19	-30.0	35.7	-11.6	13.8
Wheat	108	96	145	1.7	83.1	-11.4	51.7
Root crops							
Cassava	691	603	618	2.3	18.7	-12.7	2.5
Potatoes	364	324	312	26.1	12.3	-10.9	-3.9
Industrial crops							
Cotton fibre	7	7	8	214.3	218.2	-5.7	24.2
Coffee beans	26	15	13	-	8.3	-41.6	-13.5
Sugar cane	3 943	3 307	3 093	48.6	36.8	-16.1	-6.5
Soya	351	341	492	9.9	37.6	-2.7	44.0
	Area cultivated (thousands of hectares)						
Main crops							
Cereals							
Rice (unhusked)	115	125	125	8.8	3.6	8.7	0.2
Maize	238	281	287	9.4	2.1	18.1	2.2
Quinoa	39	39	39	20.0	8.3	-0.8	-0.5
Wheat	116	118	141	7.5	34.9	2.0	18.9
Root crops							
Cassava	140	137	135	6.3	2.9	-2.1	-1.5
Potatoes	32	33	32	30.4	6.7	2.0	-0.5
Industrial crops							
Cotton fibre	17	27	12	166.7	317.5	61.7	-55.6
Coffee beans	29	22	23	-4.0	-	-23.7	4.4
Sugar cane	83	81	81	19.2	31.3	-2.4	0.1
Soya	178	221	214	69.4	-5.3	24.3	-3.4

Source: National Institute of Statistics, Central Bank of Bolivia and Ministry of Agriculture and Peasant Affairs..
[a] Preliminary figures.

Table 7
BOLIVIA: MINING PRODUCTION

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Output of some important minerals							
Antimony	7.8	6.0	4.2	0.0	-8.2	-23.1	-30.0
Copper[b]	29.6	100.9	9.4	-47.8	-81.1	240.9	-90.7
Tin	16.8	16.5	18.6	0.6	-2.3	-1.8	12.7
Silver[b]	337.0	282.3	332.8	20.9	-5.5	-16.2	17.9
Lead	20.8	20.0	21.2	25.2	4.5	-3.8	6.0
Tungsten	1.3	1.1	0.3	-7.1	1.1	-15.4	-72.7
Zinc	129.8	143.9	124.6	39.9	25.0	10.9	-13.4
Gold[b]	3.5	4.7	10.4	48.6	-32.7	34.3	121.3

Source: National Association of Medium-Scale Miners.
[a] Preliminary figures. [b] Tons.

Table 8
BOLIVIA: MINING EXPORTS, BY CATEGORY OF EXPORTER

	Metric tons fine and millions of dollars			Percentage beakdown			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
Total[b]									
Volume	239	252	234	23.8	5.7	-7.3			
Value	356	380	362	100.0	100.0	100.0	-12.5	6.6	-4.7
Comibol									
Volume	71	65	28	4.8	-7.7	-56.8			
Value	46	48	25	13.0	12.7	7.0	-11.6	3.9	-47.8
Medium-scale mining enterprises									
Volume	94	99	101	25.8	5.9	1.9			
Value	133	145	181	37.3	38.2	50.0	-10.5	9.3	24.8
Cooperatives and other									
Volume	55	67	83	77.3	22.0	24.2			
Value	80	85	60	22.4	22.5	16.7	-6.6	7.0	-29.4
Foundries									
Volume	18	21	22	18.2	14.7	3.6			
Value	91	101	95	25.6	26.6	26.3	-4.5	10.7	-5.4

Source: Central Bank of Bolivia.
[a] Preliminary figures. [b] Figures for 1991 include small-scale mining with a volume of 1,200 tons and a value of US$ 5.9 million.

Table 9
BOLIVIA: OFFICIAL PRICES OF THE MAIN MINERALS [a]
(Dollars)

	Tin	Copper	Zinc	Lead	Bismuth	Tungs-ten	Anti-mony	Silver	Gold
1980	7.61	0.97	0.36	0.41	2.41	141.62	20.67	21.05	...
1981	6.39	0.79	0.41	0.33	2.05	142.32	19.23	10.83	...
1982	5.78	0.66	0.39	0.25	1.49	105.79	17.10	7.79	...
1983	5.89	0.70	0.37	0.19	1.57	77.80	12.59	11.41	...
1984	5.54	0.63	0.46	0.20	3.57	78.37	22.21	8.16	...
1985	5.38	0.63	0.39	0.18	4.94	64.50	22.68	6.12	...
1986	2.57	0.61	0.36	0.18	2.70	44.85	18.39	5.44	363.25
1987	3.08	0.73	0.38	0.25	3.16	44.04	19.29	6.91	438.96
1988	3.20	0.99	0.48	0.28	5.19	51.49	22.95	6.62	447.70
1989	3.90	1.30	0.70	0.30	5.40	51.80	18.50	5.50	382.10
1990	2.84	1.18	0.67	0.36	3.26	39.37	15.66	4.84	383.54
1991	2.54	1.06	0.51	0.26	2.78	52.12	14.91	3.98	362.26
1992	2.76	1.03	0.55	0.25	2.44	53.98	14.73	3.99	343.58
1993 [b]	2.33	0.88	0.45	0.19	2.27	29.38	14.00	4.20	377.41

Source: Central Bank of Bolivia.
[a] The unit of measurement for tin, copper, zinc and bismuth is pounds fine; for tungsten and antimony, long units fine, and for gold and silver troy ounces fine. [b] Preliminary figures.

Table 10
BOLIVIA: HYDROCARBONS

	Thousands of cubic metres			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Petroleum							
Production of crude petroleum	1 287	1 232	1 290	5.0	6.0	-4.3	4.7
Exports of crude petroleum [b]	368	126	467	-	...	-65.8	270.7
Refining of petroleum products	1 442	1 320	1 345	-8.1	21.0	-8.4	1.9
Domestic sales of some fuels							
Gasoline	502	489	489	-0.2	-5.2	-2.7	0.0
Kerosene	36	28	26	-17.1	-4.0	-22.0	-7.1
Diesel oil	446	465	519	12.8	15.2	4.3	11.6
Fuel oil	24	16	4	-4.2	-11.7	-33.6	-75.0
Natural gas [c]							
Production	5 433	5 522	5 593	-0.3	3.0	1.6	1.3
Exports	2 178	2 126	2 092	-0.3	-1.1	-2.4	-1.6

Source: Central Bank of Bolivia.
[a] Preliminary figures. [b] Thousands of barrels. [c] Millions of cubic metres.

Table 11

BOLIVIA: INDICATORS OF MANUFACTURING OUTPUT

	1991	1992	1993[a]	Gowth rates			
				1990	1991	1992	1993[a]
Index of the physical volume of manufacturing production (1988=100)	123.0	126.3	131.9	6.8	8.2	2.6	4.5
Foodstuffs	126.2	125.6	133.0	6.7	13.2	-0.4	5.9
Beverages	121.1	119.9	127.9	2.2	13.7	-1.0	6.7
Tobacco	110.7	127.9	117.2	-2.1	3.7	15.5	-8.3
Textiles	113.5	136.0	121.0	-3.0	39.6	19.8	-11.0
Clothing (excluding footwear)	111.5	126.1	150.6	10.1	-10.7	13.1	19.5
Leather and leather substitutes (excluding footwear and clothing)	94.3	101.2	105.4	0.1	-20.8	7.3	4.2
Leather footwear	112.7	126.4	139.0	-8.9	40.2	12.1	10.0
Wood and wood products, including furniture	107.0	111.1	117.7	1.6	3.7	3.8	6.0
Printing, publishing and related activities	104.9	113.6	116.6	12.1	-15.1	8.4	2.6
Industrial chemical	120.9	124.0	120.9	-12.3	7.2	2.6	-2.5
Other chemical	153.4	154.0	127.6	33.4	33.4	0.4	-17.1
Petroleum refining	111.4	107.0	104.4	2.1	3.6	-3.9	-2.5
Unspecified plastic articles	112.5	120.1	137.1	5.7	9.2	6.7	14.1
Glass and glass products	119.1	115.1	101.0	22.7	-12.1	-3.4	-12.2
Non-metallic mineral	135.2	151.2	162.8	11.5	7.4	11.9	7.
Basic non-ferrous metal products	241.1	243.7	266.3	38.0	18.0	1.1	9.3
Metal products, excluding machinery and equipment	151.7	200.1	226.3	15.5	14.3	31.9	13.1

Source: National Institute of Statistics, Economic Indicators Division.

[a] Preliminary figures.

Table 12
BOLIVIA: MAIN FOREIGN TRADE INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports of goods (f.o.b.)								
Value	-12.5	-4.9	4.6	33.4	14.8	-8.5	-20.0	16.7
Volume	4.8	-6.1	9.0	18.1	8.4	2.8	-2.4	25.0
Unit value	-16.5	1.2	-4.0	13.0	5.9	-11.0	-18.0	-6.6
Imports of goods (f.o.b.)								
Value	28.9	8.3	-8.6	23.5	6.3	3.7	29.4	3.6
Volume	35.8	9.2	-14.1	12.7	-4.1	4.0	25.6	4.8
Unit value	-5.1	-0.8	6.5	9.6	10.8	-0.3	3.0	-1.2
Terms of trade for goods (f.o.b./c.i.f.)	-12.6	1.9	-10.1	3.2	-4.0	-10.3	-18.9	-6.3
	Indexes (1980=100)							
Purchasing power of exports of goods	66.2	63.4	62.0	75.6	78.7	72.6	57.4	67.3
Purchasing power of exports of goods and services	70.1	68.2	66.0	77.6	81.9	82.2	63.1	75.6
Volume of exports	87.9	82.5	90.0	106.2	115.1	118.4	115.5	144.4
Volume of imports	128.9	140.7	120.8	136.1	130.6	135.8	170.6	178.8
Terms of trade for goods (f.o.b./c.i.f.)	75.3	76.8	69.0	71.2	68.3	61.3	49.7	46.6

Source: ECLAC, on the basis of official figures.

Table 13

BOLIVIA: EXPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Total	**849**	**712**	**754**	**100.0**	**100.0**	**12.8**	**-8.4**	**-16.1**	**6.0**
Main traditional exports	**597**	**505**	**458**	**85.5**	**60.8**	**2.8**	**-5.8**	**-15.4**	**-9.3**
Zinc	140	173	120	3.6	15.8	10.4	-4.3	23.7	-30.8
Tin	100	107	83	23.1	11.1	-15.8	-6.4	7.7	-22.3
Silver	43	45	56	11.4	7.4	-13.6	-15.2	3.7	25.3
Tungsten	8	6	2	4.5	0.2	-31.9	63.8	-26.0	-71.9
Antimony	10	9	8	2.5	1.0	-19.0	-19.5	-9.7	-16.1
Gold	39	22	76	...	10.1	45.5	-39.5	-44.0	247.9
Lead	11	11	10	...	1.3	36.6	-28.8	0.2	-10.3
Other minerals	6	7	8	3.4	1.0	-14.5	-15.4	31.1	6.4
Natural gas	233	123	90	21.3	12.0	5.4	3.2	-47.2	-26.5
Other hydrocarbons	9	3	6	3.3	0.8	...	405.9	-70.9	151.2
Main non-traditional exports	**251**	**206**	**296**	**14.5**	**39.2**	**43.1**	**-14.1**	**-17.9**	**43.3**
Sugar	31	25	19	4.9	2.5	64.2	-2.8	-18.0	-26.8
Coffee	7	7	4	2.0	0.5	12.6	-49.7	-5.0	-45.9
Chestnuts	12	11	15	-	2.0	40.5	-26.3	-1.6	31.6
Hides and skins	13	10	12	-	1.6	49.7	-52.8	-17.4	18.2
Livestock	15	-	-	-	-	696.8	-69.8	...	...
Wood	49	50	52	2.9	6.9	12.9	-2.2	2.3	4.8
Soya	69	52	69	-	9.1	-11.2	43.8	-25.7	33.8
Other	56	51	125	4.5	16.6	46.0	-0.9	-9.1	144.5

Source: Central Bank of Bolivia.
[a] Preliminary figures.

Table 14

BOLIVIA: EXPORT VOLUMES OF MAIN PRODUCTS

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Metallic tin	14.3	14.3	14.4	38.9	8.3	-0.2	1.0
Tin concentrates	3.5	3.4	1.6	-27.8	-5.4	-3.9	-52.7
Silver [b]	336.0	361.0	413.0	4.8	-5.1	7.4	14.4
Zinc	127.7	142.3	123.8	19.8	29.4	11.4	-13.0
Tungsten	1.5	1.1	0.5	-10.4	15.4	-28.2	-55.3
Antimony	7.5	6.6	5.5	-14.1	-11.0	-11.1	-16.6
Gold [b]	3.3	2.0	6.6	43.3	-36.5	-40.6	235.7
Other minerals	64.5	64.0	63.5	-3.4	34.2	-0.9	-0.6
Natural gas [c]	2 178	2 125	2 091	-0.3	-1.1	-2.4	-1.6
Soya	278	219	261	-0.3	51.1	-21.3	19.2

Source: Central Bank of Bolivia.
[a] Preliminary figures. [b] Tons. [c] Millions of cubic metres.

Table 15
BOLIVIA: PRICE INDEXES FOR SELECTED NON-TRADITIONAL EXPORTS
(1980=100)

	Sugar	Coffee	Hides and skins	Wood	Soya
1981	58.4	81.9	104.3	147.3	139.3
1982	43.6	59.4	47.0	130.5	96.0
1983	49.8	51.4	30.7	92.9	49.9
1984	67.3	52.4	30.4	74.9	43.5
1985	56.5	54.4	38.0	71.5	64.5
1986	53.4	66.4	43.4	120.3	84.3
1987	47.1	51.0	47.4	151.9	81.0
1988	54.3	61.3	54.3	136.6	99.8
1989	87.4	50.9	52.6	150.0	96.0
1990	80.9	39.1	61.6	152.8	93.1
1991	73.8	39.5	53.9	149.2	88.8
1992	67.0	33.9	53.7	133.3	83.8
1993 [a]	92.1	35.1	58.1	152.7	94.1

Source: Central Bank of Bolivia.
[a] Preliminary figures.

Table 16
BOLIVIA: REGISTERED IMPORTS OF GOODS, C.I.F.
(1980=100)

	Millions of dollars			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Total registered imports	**969**	**1 090**	**1 206**	**100.0**	**100.0**	**13.4**	**38.0**	**12.5**	**10.6**
Consumer goods	**206**	**205**	**243**	**25.2**	**20.1**	**11.2**	**34.7**	**-0.6**	**18.5**
Non-durable	96	89	110	15.4	9.1	-9.8	52.1	-7.7	23.6
Durable	110	116	133	9.8	11.0	33.1	22.4	5.7	14.6
Raw materials and intermediate goods	**351**	**385**	**423**	**36.9**	**35.1**	**4.3**	**30.6**	**9.5**	**9.9**
For agriculture	22	13	17	1.6	1.4	12.4	100.0	-39.9	26.7
For industry	263	307	348	30.3	28.8	0.6	25.7	16.7	13.1
Construction materials	58	52	56	4.7	4.6	20.3	29.3	-10.3	7.3
Fuels and lubricants	8	12	3	-	0.2	34.6	122.9	53.8	-78.3
Capital goods	**384**	**470**	**518**	**35.4**	**43.0**	**22.6**	**41.6**	**22.4**	**10.4**
For agriculture	25	19	21	2.0	1.7	15.1	53.8	-24.4	11.8
For industry	252	302	309	21.4	25.7	32.6	49.1	19.5	2.6
Transport equipment	107	149	188	11.9	15.6	7.9	24.5	40.2	25.9
Other	**29**	**31**	**22**	**2.4**	**1.8**	**177.8**	**187.0**	**9.1**	**-29.4**

Source: Central Bank of Bolivia.
[a] Preliminary figures.

Table 17

BOLIVIA: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-466**	**-526**	**-427**	**-399**	**-337**	**-422**	**-754**	**-686**
Trade balance	-174	-263	-171	-158	-106	-194	-575	-495
Exports of goods and services	667	650	671	867	977	917	773	895
Goods f.o.b.	546	519	543	724	831	760	608	710
Real services [b]	121	132	128	143	146	157	165	182
Transport and insurance	48	42	42	48	49	53	56	65
Travel	35	54	53	57	58	62	65	68
Imports of goods and services	840	913	842	1 025	1 083	1 112	1 348	1 390
Goods f.o.b.	597	646	591	730	776	804	1 041	1 078
Real services [b]	244	266	251	295	307	307	307	312
Transport and insurance	164	160	143	181	191	182	176	194
Travel	27	56	55	59	60	63	68	58
Factor services	-311	-281	-268	-262	-252	-251	-201	-209
Profits	-40	-41	-5	-15	-17	-18	-20	-29
Interest received	15	14	16	22	17	22	15	12
Interest paid or due	-281	-250	-275	-262	-244	-247	-188	-185
Labour and ownership	-4	-4	-4	-8	-8	-8	-8	-7
Unrequited private transfer payments	19	18	13	21	22	23	23	21
Balance on capital account	**580**	**478**	**384**	**295**	**355**	**444**	**780[c]**	**823**
Unrequited official transfer payments	82	103	172	136	145	160	221	208
Long-term capital	-54	23	266	228	319	320	528	...
Direct investment	10	36	-12	-25	26	50	91	122
Portfolio investment	-	-	-	-	-	-	-	...
Other long-term capital	-64	-13	278	253	293	270	437	252
Official sector [d]	-52	-28	271	243	223	191	231	...
Loans received	330	239	422	429	445	404	450	...
Amortization payments	-370	-258	-149	-163	-215	-204	-214	...
Commercial banks [d]	-12	1	-14	1	15	15	36	...
Loans received	2	11	4	9	21	20	41	...
Amortization payments	-14	-10	-18	-8	-6	-4	-5	...
Other sectors [d]	-	13	22	9	55	64	170	...
Loans received	-	32	45	29	70	78	185	...
Amortization payments	-	-19	-24	-20	-15	-14	-15	...
Short-term capital	416	177	-101	-37	-98	-89	-3	269
Official sector	306	279	5	140	-87	-99	-46	...
Commercial banks	-14	-6	-33	-55	17	13	36	...
Other sectors	125	-96	-72	-121	-28	-4	8	...
Errors and omissions (net)	136	175	47	-32	-11	53	34	-27
Global balance [e]	**115**	**-48**	**-43**	**-105**	**18**	**22**	**27**	**137**
Total variation in reserves (- sign indicates an increase)	-99	81	35	76	-20	-53	45	-137
Monetary gold	-	-	-	-	-	-	-	...
Special drawing rights	-3	3	-	-	-1	1	-	...
IMF reserve position	-	-	-	-	-	-	-12	...
Foreign exchange assets	-74	103	-68	2	-41	22	81	...
Other assets	-138	-24	81	55	37	-31	18	...
Use made of IMF credit	115	-1	22	19	-15	-45	-42	...

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures supplied by the Central Bank of Bolivia.

[a] Preliminary figures. [b] Includes other non-factor sevices. [c] Includes US$ 189.9 million in special financing and a negative US$ 38.6 million in liabilities held by foreign authorities as part of their reserves. [d] Includes net loans granted and other assets and liabilities. [e] Equals the total variation in reserves (of opposite sign), plus counterpart items.

Table 18

BOLIVIA: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total disbursed external debt	4 091	4 478	4 243	3 692	3 768	3 582	3 784	3 788
Disbursed medium- and long-term external public debt	3 536	4 278	4 043	3 492	3 768	3 582	3 784	3 788
Disbursements in each year	230	238	313	101	326	279	374	316
Non-guaranteed long-term private debt	555	200	200	200	...	...	...	...
Service on the medium- and long-term public debt	210	167	525	227	278	220	224	251
Principal	139	82	428	141	167	107	121	130
Interest	71	85	97	86	111	113	103	121
	Annual growth rates							
Total disbursed external debt	6.3	9.5	-5.2	-13.0	2.1	-4.9	5.6	0.1
Disbursed medium- and long-term external public debt	7.3	21.0	-5.5	-13.6	7.9	-4.9	5.6	0.1
Disbursements in each year	111.0	3.5	31.5	-67.7	222.8	-14.4	34.1	-15.5
Non-guaranteed long-term private debt	-	-64.0	-	-	...	...	...	...
Service on the medium- and long-term public debt	-15.3	-20.4	214.0	-56.9	22.7	-20.9	1.8	12.1
Principal	-12.6	-41.2	423.2	-67.1	18.8	-35.9	13.1	7.4
Interest	-20.2	20.3	13.6	-11.4	29.2	1.8	-8.8	17.5
	Percentage of the total value of exports of goods and services							
Total disbursed external debt	613.3	688.9	632.3	425.8	385.7	390.6	489.5	423.2
Disbursed medium- and long-term external public debt	530.1	658.2	602.5	402.7	385.7	390.6	489.5	423.2
Service on the medium- and long-term public debt	31.5	25.7	78.2	26.1	28.5	24.0	29.0	28.0
Service on the medium- and long-term public debt/annual medium- and long-term public debt disbursements	91.3	70.3	167.7	224.3	85.3	78.9	59.9	79.4
Total interest net [b]	39.9	36.3	38.6	27.7	23.2	24.5	22.4	19.3

Source: ECLAC, on the basis of figures supplied by the Central Bank of Bolivia.

[a] Preliminary figures. [b] The figures for total net interest were taken from the balance of payments.

Table 19

BOLIVIA: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rates (bolivianos per US$ 1 million up to 1984, and per dollar thereafter)	Indexes of real effective exchange rate[a] (1985=100) based on the consumer price index[b]		
		Exports		Imports
		Total	Excluding Argentina	
1978	20.00	138.2	124.9	142.8
1979	20.40	136.3	109.4	125.0
1980	24.50	144.5	103.7	117.8
1981	24.50	109.1	92.8	100.7
1982	100.00[c]	146.8	151.3	150.4
1983	231.60	88.2	89.0	88.4
1984	3 136.00	87.9	85.2	86.8
1985	0.44	100.0	100.0	100.0
1986	1.92	134.7	132.6	134.0
1987	2.05	138.4	141.2	139.2
1988	2.35	147.1	149.6	148.9
1989	2.69	142.6	166.0	154.1
1990	3.17	198.4	200.0	188.4
1991	3.58	216.7	200.2	188.1
1992	3.90	233.4	205.2	196.4
1993	4.27	237.9	197.7	208.8
1992				
I	3.77	226.4	203.2	189.6
II	3.84	232.9	207.7	194.9
III	3.94	239.3	211.2	199.3
IV	4.05	235.0	198.6	201.9
1993				
I	4.13	232.5	194.3	202.2
II	4.22	240.7	200.7	210.9
III	4.31	239.4	198.4	212.0
IV	4.41	239.0	197.3	210.1

Source: ECLAC, on the basis of figures prepared by the International Monetary Fund (IMF), International Financial Statistics and by the Central Bank of Bolivia, Quarterly Statistical Bulletin, various issues.

[a] These correspond to the averages of the indexes for the real (official) exchange rate for the boliviano in relation to the currencies of Bolivia's main trading partners, weighted according to the relative importance of exports to or imports from the countries, as appropriate. These weightings correspond to the average for the period 1989-1992. Wholesale price indexes are primarily used for these calculations, but in Bolivia's case the consumer price index was employed. For information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981. [b] The consumer price index was used in the calculations for all the countries. [c] The exchange rate used for the period March-October 1982 was obtained from the average of the official rate (weighted 40%) and the open-market exchange rate (weighted 60%).

Table 20
BOLIVIA: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993
Variation from December to December								
Consumer price index	65.9	10.6	21.5	16.6	18.0	14.5	10.4	9.3
Food	62.5	7.5	18.2	19.8	18.4	12.0	8.0	8.8
Wholesale price index	47.5	16.1	21.5	21.7	19.8	13.8	13.6	7.5
Imported products	40.4	13.5	25.1	20.6	18.5	18.3	15.1	6.5
Domestic products								
Agricultural products	57.2	19.4	18.6	22.3	28.5	6.6	13.6	8.2
Manufactures	48.8	15.4	21.2	22.1	13.4	17.1	12.3	7.7
Variation between annual averages								
Consumer price index	276.3	14.6	16.9	15.2	17.1	21.4	12.1	8.5
Food	276.7	10.3	11.4	14.4	18.8	21.6	13.3	6.7
Wholesale price index	172.8	15.6	19.3	19.1	20.0	19.2	15.0	8.0
Imported products	152.3	14.3	21.0	20.6	19.8	21.6	15.4	8.3
Domestic products								
Agricultural products	181.6	20.6	16.3	19.3	23.3	16.8	16.7	7.5
Manufactures	184.5	13.6	20.7	17.7	17.5	19.2	13.2	8.1

Source: National Institute of Statistics and Central Bank of Bolivia.

Table 21
BOLIVIA: NOMINAL MINIMUM MONTHLY WAGES

	1986	1987	1988	1989	1990	1991	1992	1993
Nominal								
Bolivianos	35.8	47.5	57.5	60.0	60.0	120.0	135.0	160.0
Annual variation	...	32.7	21.1	4.3	-	100.0	12.5	18.5
Real								
Index (November 1982=100)	32.4	37.6	39.3	35.7	30.4	50.0	50.1	54.7
Annual variation	-7.2	16.0	4.5	-9.2	-14.8	64.5	0.2	9.2

Source: ECLAC, on the basis of official figures.

Table 22
BOLIVIA: AVERAGE WAGES

	Index of nominal wages (1987=100)			Real wages				
				Index (1987=100)			Growth rates	
	1991	1992	1993[a]	1991	1992	1993[a]	1992	1993[a]
Private sector	254.1	298.0	340.8	133.6	139.8	147.4	4.6	5.4
Mining	254.9	339.4	443.6	134.0	159.2	191.8	18.8	20.5
Manufacturing	222.0	254.6	280.6	116.7	119.5	121.3	2.4	1.5
Construction	218.8	254.7	303.6	112.4	119.5	131.2	6.3	9.8
Commerce	204.0	236.7	274.6	107.2	111.0	118.7	3.5	6.9
Financial establishments	305.5	364.6	458.1	160.6	171.1	198.0	6.5	15.7
Community services	245.6	288.4	332.6	129.1	135.3	148.8	4.8	10.0
Public sector (average wages)	253.7	323.7	358.3	133.4	151.9	154.9	13.9	2.0

Source: ECLAC, on the basis of figures from the National Institute of Statistics and the National Commission on Wages of the Ministry of Labour.
[a] Preliminary figures.

Table 23

BOLIVIA: NON-FINANCIAL PUBLIC SECTOR INCOME AND EXPENDITURE

	Millions of bolivianos			Percentages of GDP			Growth rates	
	1991	1992	1993[a]	1991	1992	1993[a]	1992	1993[a]
1. **Total income**	**5 582**	**6 369**	**7 331**	**27.1**	**27.6**	**28.6**	**14.1**	**15.1**
1.1 Current income	5 505	6 294	7 243	26.7	27.3	28.2	14.3	15.1
Tax revenue	1 455	2 075	2 526	7.1	9.0	9.8	42.7	21.7
Sale of goods and services in external market	2 312	2 655	2 982	11.2	11.5	11.6	14.8	12.3
Sale of goods and services in external market	1 302	1 081	897	6.3	4.7	3.5	-17.0	-17.0
Other	436	483	837	2.1	2.1	3.3	10.6	73.4
1.2 Capital income	77	75	88	0.4	0.3	0.3	-2.6	17.3
2. **Current expenditure**	**4 700**	**5 433**	**6 646**	**22.8**	**23.6**	**25.9**	**15.6**	**22.3**
Wages	1 950	2 479	2 928	9.5	10.8	11.4	27.1	18.1
Purchase of goods and services	1 362	1 490	1 820	6.6	6.5	7.1	9.4	22.1
Interest paid and due	445	446	470	2.2	1.9	1.8	0.2	5.5
Transfers to private sector	418	482	565	2.0	2.1	2.2	15.4	17.4
Other	526	536	863	2.6	2.3	3.4	2.0	61.0
3. **Current balance** (1.1 - 2)	**805**	**861**	**597**	**3.9**	**3.7**	**2.3**	**7.0**	**-30.7**
4. **Capital expenditure**	**1 664**	**2 096**	**2 246**	**8.1**	**9.1**	**8.8**	**25.9**	**7.1**
5. **Financial balance** (1 - (2 + 4))	**-782**	**-1 160**	**-1 561**	**-3.8**	**-5.0**	**-6.1**		
6. **Financing**	**782**	**1 160**	**1 561**	**3.8**	**5.0**	**6.1**		
External	589	1 069	1 314	2.9	4.6	5.1		
Disbursements	646	913	957	3.1	4.0	3.7		
Amortization	-210	-268	-366	-1.0	-1.2	-1.4		
Other	-84	-55	434	-0.4	-0.2	1.7		
Grants	237	479	290	1.2	2.1	1.1		
Domestic	193	91	247	0.9	0.4	1.0		
Central Bank of Bolivia	194	33	218	0.9	0.1	0.9		
Suppliers	-52	-26	-4	-0.3	-0.1	-		
Other	52	84	33	-	0.4	0.1		

Source: Economic Policy Analysis Unit.
[a] Preliminary figures.

Table 24

BOLIVIA: MAIN MONETARY INDICATORS

	Year-end balance (millions of bolivianos)				Growth rates		
	1990	1991	1992	1993[a]	1991	1992	1993[a]
International reserves (net) [b]	532	789	843	917	48.1	6.9	8.8
Credit to public sector (net)	631	672	1 911	2 483	6.5	184.2	29.9
Credit to private sector	3 710	5 483	7 992	11 129	47.8	45.7	39.3
Other variables	-4 043	-5 905	-9 510	-13 112			
Money supply (M1)	830	1 039	1 236	1 417	25.2	19.0	14.6
Quasi-money	146	159	128	138	8.9	-19.5	7.8
M2 in national currency	976	1 198	1 364	1 555	22.7	13.9	14.0
Deposits in foreign currency	2 363	3 973	5 728	8 120	68.1	44.2	41.8
M2 total	3 339	5 171	7 092	9 675	54.9	37.1	36.4
Money creation	668	775	931	1 051	16.1	20.1	12.9

Source: Central Bank of Bolivia.

[a] Preliminary figures. [b] The monetary balance prepared by the Central Bank of Bolivia classifies the entry for "Liabilities held by foreign authorities as part of their international reserves" as international reserves, whereas in the balance of payments, this entry is included under "Short-term capital".

Table 25

BOLIVIA: INTEREST RATES

(Annualized percentages)

Period	Nominal		Real [a]		Dollars equivalencies [b]	
	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets
1990						
I	20.6	40.0	14.3	32.7	2.7	19.2
II	28.0	43.7	14.1	28.1	15.9	30.2
III	22.8	42.0	4.3	20.7	9.3	26.4
IV	23.9	41.6	-11.4	1.3	5.5	20.6
1991						
I	25.1	44.7	-3.7	11.4	7.7	24.6
II	25.6	43.1	15.5	31.6	15.8	32.0
III	24.6	40.1	14.1	28.3	16.0	30.4
IV	19.7	36.7	7.5	22.8	9.4	24.9
1992						
I	23.2	29.7	-0.1	5.2	14.2	20.2
II	22.1	43.2	14.6	34.3	13.3	32.8
III	24.1	53.3	15.8	43.1	9.3	35.0
IV	23.5	55.9	17.3	48.0	12.8	42.4
1993						
I	24.8	55.7	12.6	40.4	15.5	44.1
II	22.4	47.9	14.1	37.9	12.5	35.9
III	21.1	57.0	5.9	37.2	12.0	45.1
IV	20.4	54.9	14.9	47.8	8.4	39.5

Source: ECLAC, on the basis of official figures and information from the International Monetary Fund (IMF).

[a] Nominal rates deflated by variations in consumer prices during the same period. [b] Ratio between nominal rates and devaluation during the same period.

BRAZIL

1. General features of recent trends

The Brazilian economy continued to suffer from acute price instability during 1993, to the point where consumer prices rose by almost 2,500%, more than twice the previous year's rate.

The adaptation of the Brazilian economy to the inflationary surge led to the development of complex indexation mechanisms for prices and contracts, while at the same time spurring a variety of financial transactions. In this context, economic activity fluctuated widely; non the less, the gross domestic product (GDP) returned to the levels it had reached at the end of the 1980s, driven by manufacturing, and especially by such sectors as motor vehicles. Capital formation rebounded by 11%, after a slump of several years, and the investment ratio remained above 15% of GDP.

Although the recovery of domestic demand and tariff reductions led to a rise in imports, sales abroad also increased, so that the trade surplus shrank to around US$ 8.3 billion. This resulted in the elimination of the preceding year's substantial surplus on the current account of the balance of payments, which, at the close of 1993, was virtually in balance. Massive capital inflows of nearly US$ 9 billion were absorbed by an increase in international reserves. Central Bank interventions aimed at supporting the real exchange rate came to be a decisive factor in domestic liquidity creation.

2. Economic policy

Following several personnel changes within the governmental economic management that took place throughout 1993, a new anti-inflation strategy was outlined at the start of the third quarter.

Up till then, macroeconomic policies had had short-term aims, being geared to revitalizing production and avoiding abrupt interventions that worsened inflationary expectations. Thus, the Government lowered real interest rates on its domestic debt instruments and reduced the interval between wage adjustments from four months to two, even though the officially recognized indexation was incomplete. Such actions, coupled with the increase in exports and the expansion of federal public spending, helped to strengthen aggregate demand.

During 1993 fiscal policy makers succeeded in balancing the public accounts in operational terms, and the reform process advanced. The Government completed the privatization of steel and petrochemical companies, which brought it some US$ 2 billion in revenue, for a total of US$ 6 billion over the past three years. Moreover, a review of constitutional provisions was initiated, with a view to enabling both privatization in the fuels and telecommunications sectors, and reform of the social security system. In July the tariff reduction programme, which in two years had slashed average tariffs from 40% to 14%, was concluded, while at the same time, the programme to expand preferences for the members of the Southern Common Market (MERCOSUR) went forward. Furthermore, restructuring of the external debt to commercial banks within the framework of the Brady Plan involved loans amounting to just under US$ 50 billion, with 35% of the principal being converted into discount bonds at a remission rate of 30%.

Towards the end of the year the authorities announced the general features of a stabilization plan to be put into effect in 1994, based on the

Figure 1
BRAZIL: MAIN ECONOMIC INDICATORS

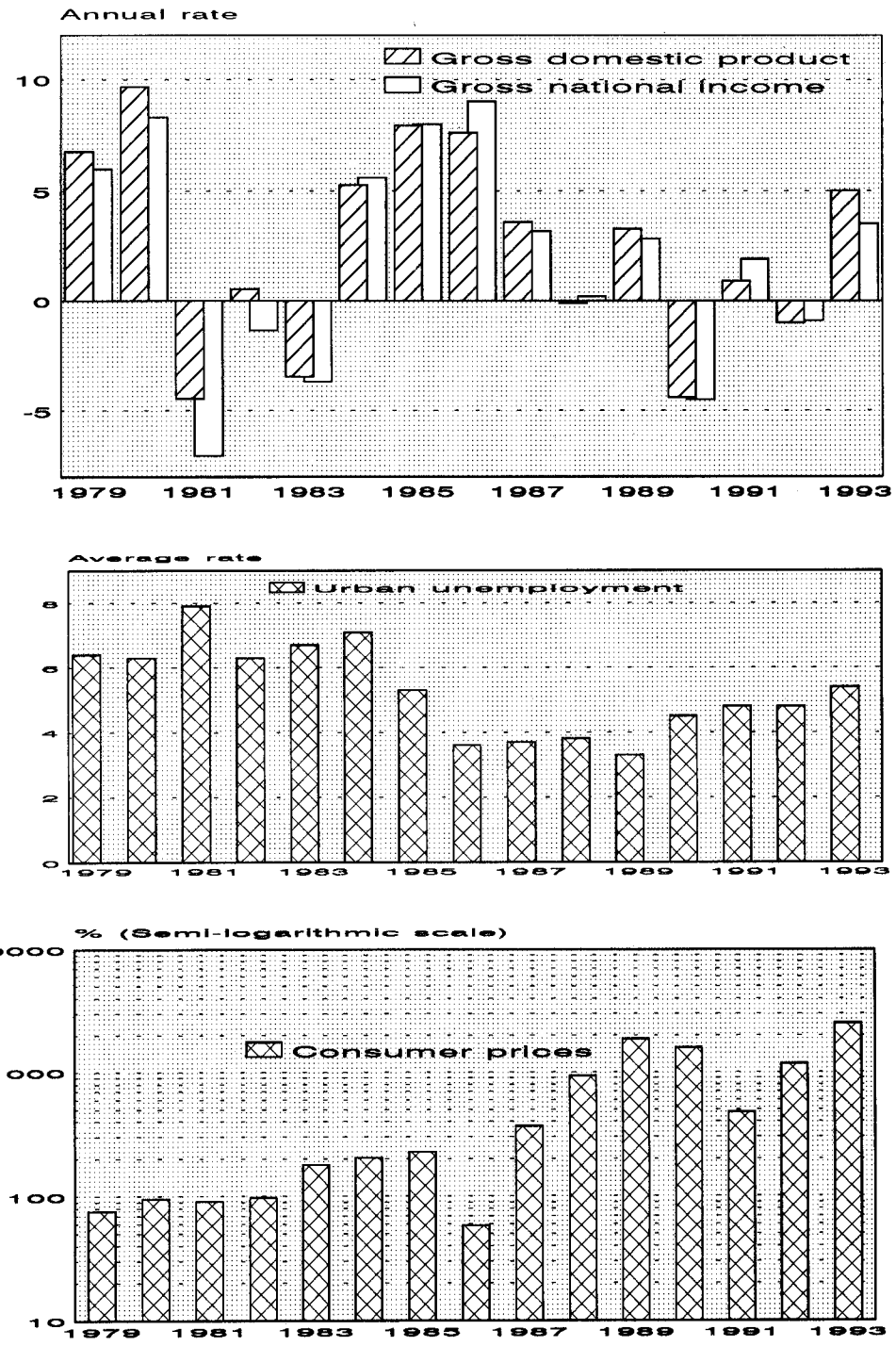
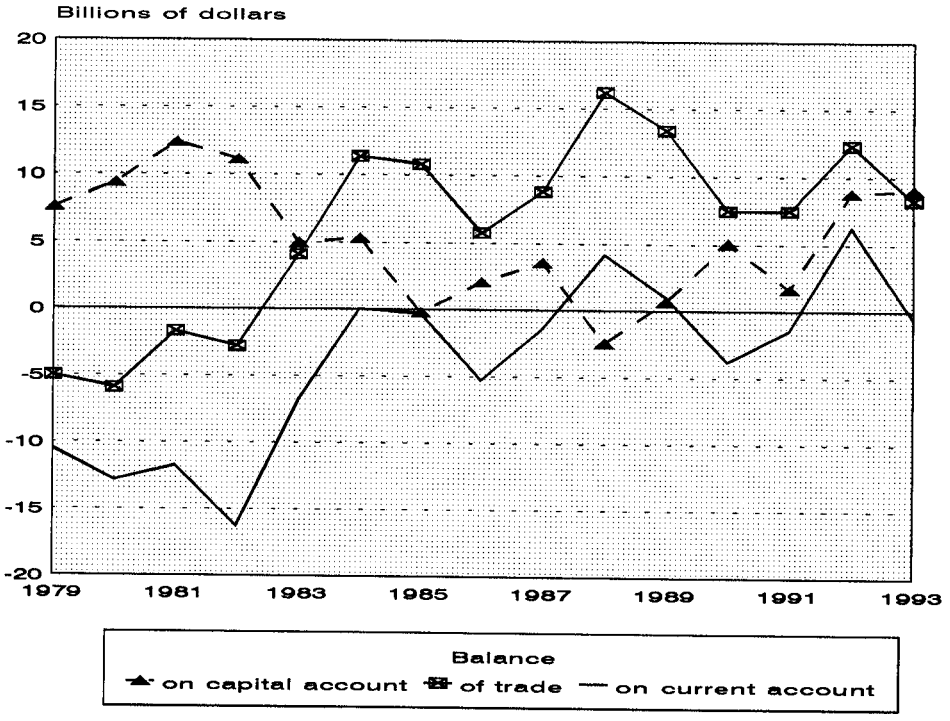
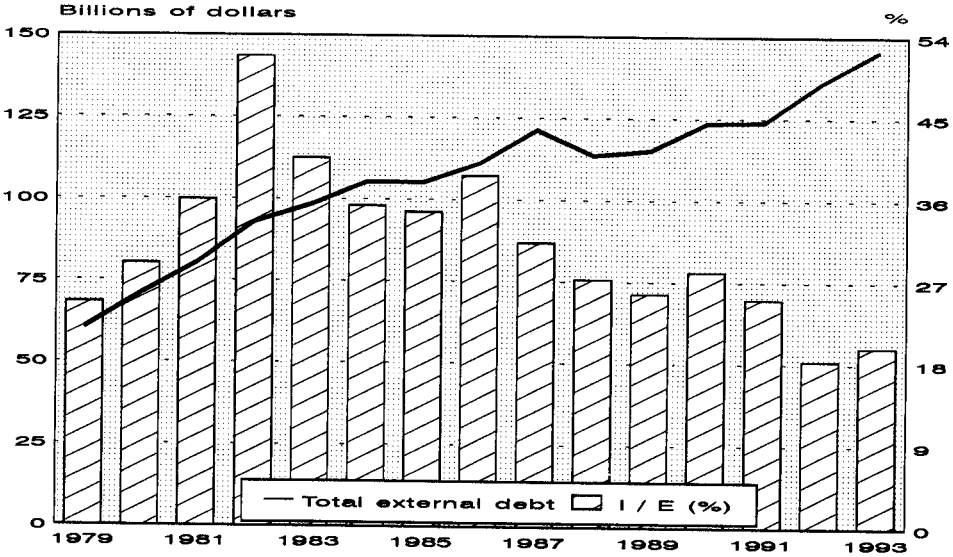


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest; E = Exports of goods and services.

abundant supply of international reserves, equivalent to more than one year's worth of imports, and on strict fiscal management. In an initial stage, an operational balance should be achieved in governmental budgetary accounts, taking into account the real interest on the debt. Next, a new accounting unit, designed to produce effects similar to those of general indexation would be introduced, for the purpose of coordinating price changes during a transitional period. The third stage would consist of a monetary reform, through which this accounting unit would also come to designate the means of payment, together with nominal anchor measures.

The first announcements were limited to detailing the steps to be taken in the first stage, linked to the budgetary proposals for 1994. In this connection, some US$ 22 billion of spending cuts and the application of mechanisms to control expenditures specifically provided for in the Constitution, were anticipated. The fiscal programme envisaged the creation of a social emergency fund, whose entry into operation would be supported by a reduction of 15% in transfers to the states and municipalities and a cut in items intended for social security. On the revenue side, the National Treasury would obtain funds from the sale of minority holdings in revenue-earning enterprises, and this would be accompanied by an increase in federal tax rates and the establishment of an additional income tax of 35% on the highest incomes. In this way it was hoped that in 1994 the Government would generate a primary surplus (net of interest) approaching 4.5% of GDP.

a) Fiscal policy

The public sector achieved a small operating surplus in 1993, equivalent to 0.3% of GDP, in contrast to a deficit of somewhat more than 2% in 1992. A decisive factor in this was the sharp plunge in the real interest burden on the public debt from 4.3% to 2.6% of GDP. In the case of the central Government, the positive primary balance increased, thanks to an increase in tax revenue. Income from federal taxes grew by 13.5% in real terms, mainly because of higher social security contributions, which rose by 22% to reach US$ 15 billion. In addition, the main federal taxes generated more resources, specifically, those levied on income, industrial products and financial transactions.

The favourable trend in tax revenue arose from a constellation of factors, in addition to the recovery in the level of activity. Judicial decisions concerning some of the disputes over the constitutionality of the main social welfare taxes and the indexation mechanisms and penalties imposed for late payment of taxes enabled the administrative authorities to tighten their control over tax enforcement. Pursuant to a constitutional amendment, a tax of 0.2% began to be levied on bank current account debits in August, which was expected to raise US$ 360 million per month. However, a court order, based on constitutional provisions, prevented this tax from coming into force until the following January.

Despite the higher level of activity, the yield from the Circulation of Goods and Services Tax (ICMS) applied by the Brazilian states shrank by 6.5% in real terms. The setback was the consequence, in part, of the reduction in tax rates on lower-priced motor vehicles and new industrial installations. Moreover, there are signs of an increase in tax evasion, perhaps in response to the increased pressure to pay federal taxes. In any case, since the states and municipalities receive more than half of the revenue from federal taxes on income and manufactured goods, transfers from the central Government to local authorities expanded by 13%, more or less offsetting the slump in ICMS revenue.

The rates charged by State-owned enterprises tended to rise in real terms: adjustments made during the course of the year meant real increases of as much as 18% for electricity, 15% for telecommunications and 3.5% for diesel fuel. In addition, measures were adopted to change the way in which such enterprises operate, in particular, the act which established new rules for the operation of electricity companies.

Public expenditure increased substantially, especially in the personnel and pensions categories, despite cut-backs in investment. In the previous two years the Government had managed to reduce its real personnel expenditure by over 35%, through nominal wage adjustments

significantly lower than the rate of inflation, but this trend was reversed in 1993. Congress passed an act which changed the criteria and schedule for adjustments, making them bimonthly, and provided for a gradual recovery of real wages to be completed in January 1994. Also provided for were increases aimed at closing the gaps between the salaries of federal Government employees in the various branches. The overall result was a real increase of 19% in personnel outlays.

In previous years a serious conflict had arisen regarding the indexation mechanisms applied to the payment of social security pensions. A court ruling of September 1992 required the Government to make payments in recognition of the accumulated arrears. Given the linking of pensions to the minimum wage, which was now adjusted at short-intervals, and the incorporation of nearly one million new beneficiaries, social security costs grew to US$ 22 billion in 1993 from US$ 16 billion in the preceding year.

In the light of these higher outlays, the social security system endeavoured to increase its revenue and to combat irregularities in the award of benefits. Income from contributions followed a path similar to that of tax revenue, growing by 14% in real terms; the maintenance of employment levels and an improvement in real wages were factors in this. In addition, a system was implemented for the payment of contributions in arrears, transfers of tax revenue to municipalities which did not pay their respective contributions were suspended, audits of enterprises were stepped up. Moreover, reregistration of the 14 million beneficiaries was carried out, and this led to the elimination of 800,000 pensions. Nevertheless, expenditure growth exceeded the financial capacity of the social security administration, which was forced to suspend its transfers to the health care system and to charge a portion of the administrative costs to the Treasury.

Pursuant to a legislative decision, the debts which states, municipalities and public enterprises maintained to the central Government, totalling over US$ 50 billion, were refinanced over a 20-year period, and the proportion of their income which debtor entities would have to allocate to debt service was limited to 11%. As part of the operation, the states and municipalities involved agreed that tax transfers to them would be suspended if they fell behind in payments. The delay in the signing of the agreement by most of the states entailed the withholding of credit to them by the federal banks, which in practice amounted to a cut in spending. Furthermore, the Central Bank exercised greater control over the state banks, penalizing those which violated the established guidelines.

b) Monetary policy

Against a backdrop of acute inflationary pressures and massive capital inflows, monetary policy was aimed at avoiding a rise in real interest rates and excessive fluctuations in the real exchange rate.

Given a rise in consumer prices of almost 2,500%, the monetary base expanded by 1,950%, and the means of payment by nearly 2,100%. The drop in the respective liquidity ratios (to 0.8% of GDP for the monetary base and 1.3% of GDP for M1) probably reflects the adaptation of the real balances requirement to the intense inflationary surge. In any case, the development of various financial mechanisms and the non-contractionary policy of the Central Bank prevented the growth in the money supply from becoming a severe limitation on prices or real transactions. In addition, liquidity in the broad sense, measured by M_4, contracted, although more moderately, from the equivalent of 24% of GDP at the end of 1992 to 23% 12 months later.

Foreign currency purchases by the Central Bank were once again the main factor expanding the money supply. The authorities sterilized a good portion of the increase in international reserves through the sale of bonds, which was associated with an increase in the Government debt held by the public from US$ 36.4 billion to US$ 41.2 billion. In any case, the demand for Government securities was sufficient to absorb the new issues, and allowed for a lengthening of borrowing periods, with Central Bank 30-day bonds being replaced by Treasury bills with terms of up to a year.

Real interest rates showed an upturn in September. Up till then, very short-term yields had decline markedly in real terms, from 3% to

0.5% per month. The subsequent rise put such rates at around 2%, so that their cumulative value for the year was around 22%.

c) Exchange rate policy and external financing

Macroeconomic uncertainty and the goal of avoiding large imbalances in the current account of the balance of payments continued, as in previous years, to be the principal factors defining exchange rate policy. The Central Bank endeavoured through massive currency purchases, to maintain real currency parity, although 1993 ended with a real appreciation of close to 10%, which reversed the previous year's depreciation. During the period under review, measures were adopted to slacken the inflow of financial resources from abroad, in order to afford monetary management more room for manoeuvre, given the priority assigned to the real exchange rate. Thus, 5% was added to the tax on financial operations for short-term capital inflow transactions. In addition, the authorities raised the minimum period for bond and bill issues to three years, and prohibited the use of imported funds for the purchase of fixed-income securities; subsequently, the purchase of non-mortgage securities (debentures) was also restricted. However, the high dollar rates of return on both interest-bearing loans and shares, in the latter case approaching 60%, continued to attract foreign investors.

After three years of negotiations within the framework of the Brady Plan, an agreement was reached with commercial bank creditors. The final point at issue related to the method to be chosen by the banks, the out of the range of available alternatives, for converting the loans. The debt was restructured with the following breakdown for the securities issued: 33.2% - par bonds with fixed interest rates; 35% - discount bonds with variable interest rates and remission of principal; 5.5% - interest capitalization bonds; and 5.7% - debt conversion bonds. As regards the debt to Brazilian banks, it was stipulated that 95.8% of the loans could be exchanged for debt conversion bonds, and that the balance could be exchanged for interest capitalization bonds.

3. Trends in the main variables

a) Level of economic activity

Aggregate supply grew by around 7% as a result of increases of 5% in output and over 23% in purchases of goods and services abroad. Accordingly, output returned to its 1989 level, while imports grew by 50% over the same period. This trend reversed the previous decline in the share of imports in supply, so that the respective indicator for 1993 was very similar to that for 1980.

As in the preceding two years, the share of exports in GDP increased; this contributed significantly to the expansion of aggregate demand. In 1993 a distinct upturn was noted in domestic spending, which grew by more than 6%. Investment was the most active component of domestic demand, following several years of severe setbacks. The most notable recovery was seen in the incorporation of machinery and equipment (12%), which more than made up for the slump in this category in 1992. Investment in construction also recovered, with an increase of around 11%. However, this trend only partially reversed the decrease in capital formation of previous years. Meanwhile, consumption grew proportionately somewhat more than domestic output. As a result, the domestic savings rate at constant prices held steady at around 22% of GDP. Given the burden of factor payments and the negative impact of the terms of trade, national savings barely exceeded 15% of GDP. Nevertheless, in contrast to what was seen in other economies in the region, the investment made during the year was financed, on the whole, almost exclusively from domestic resources.

On the supply side, vigorous recoveries in manufacturing and construction were prominent, although still insufficient to repeat the activity levels of the end of the 1980s. Agricultural output, on the other hand, fell by almost 2%, after two years of expansion.

The thrust in manufacturing was centred on the consumer durable product groups. The most

dynamic sector was machine tools, producing transport and electrical equipment. The vigorous growth (30%) of the motor vehicle industry was driven by a substantial expansion (43%) of domestic demand for passenger vehicles. The drop in sale prices, the outcome of sectoral agreements involving tax abatements, encouraged the turnover of stock. Sales abroad stimulated activity in such branches as tires, compression pumps and vehicle parts and components. Meanwhile, the performance of the branches producing non-durable consumer goods was significantly below average.

Despite this recovery, manufacturing continued to display the effects of macroeconomic instability. A less superficial analysis reveals the resurgence of short-term fluctuations, linked to inflationary trends, against a backdrop of stagnation: expansionary surges followed by escalating inflation, alternating with periods of slackening activity. During the early months of 1993 output rose strongly, demonstrating the flexibility of the business response to demand stimuli; however, the limits of such expansion, which was based on greater use of installed capacity, became clear very shortly, as the price escalation intensified.

Nevertheless, signs of a strengthening of industrial competitiveness were also seen. Firms in general gave indications of adapting to the greater openness of the local market to imported articles, and private estimates reckon that productivity in the sector rose by 6%. Thus, changes in the types of linkages that the Brazilian economy has with the international economy appear to have stimulated a search for ways of increasing efficiency. This was demonstrated, for example, in increased attention to product quality, the spread of such practices as farming out services, and the application of ways of streamlining production and new methods of organization and management.

In the agricultural sector, higher crop yields resulting from the application of improved technologies, especially better-quality seed, went hand in hand with a reduction in sown areas for a number of crops. The low prices obtained in the previous season and credit restrictions led to reductions of over 20% in areas devoted to such crops as green cotton, beans, oranges and wheat. In some cases there seems to have been a shift in land use towards export crops, notably the replacement of beans by soya. Moreover, the adverse weather conditions which prevailed in the northeastern part of the country affected the production of maize and beans, in particular.

Soya production continued to boom, on the basis of an expansion of 13% in sown areas and improved yields, while in international markets, prices turned upwards. On the other hand, the deterioration of wheat harvests intensified, to the point where massive wheat imports became necessary in order to meet domestic demand. The production of oranges, which found their best market in the preparation of juices for the United States market, faced weak demand and falling prices.

Among livestock-raising activities, a strong upward trend continued in the supply of poultry meat, which came to represent 80% of the livestock crop; nearly double the figure of 10 years earlier. On the other hand, pork production declined in 1993.

b) **Prices, wages and employment**

Inflation continued to rise at a dizzying pace during 1993, reaching an annual rate of 2,500%. The variation in the consumer price index rose from around 28% per month in the first four months to 36% in the last four months.

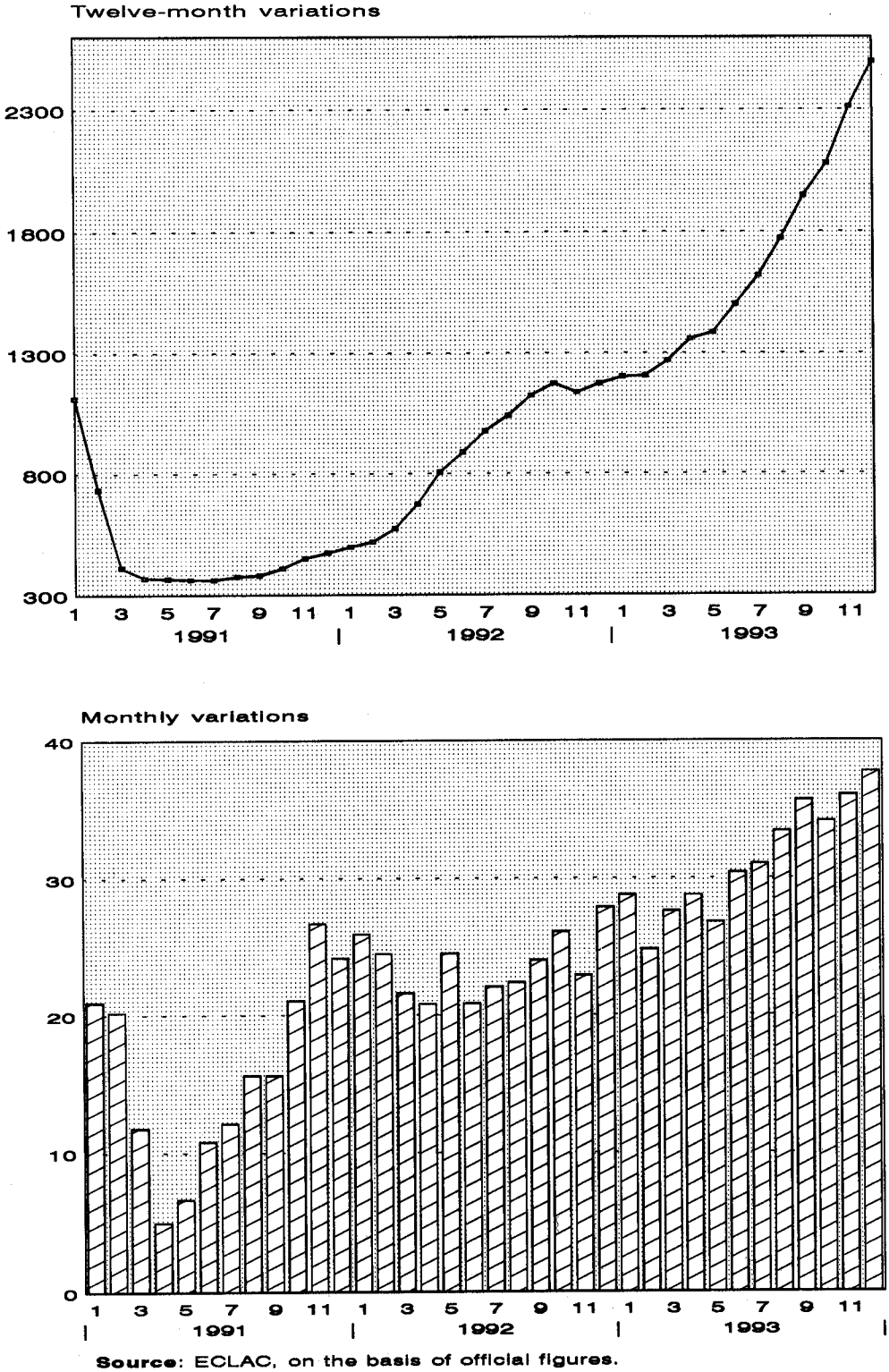
The increase in the very high inflation rates was fuelled by the rapid expansion in the money supply stemming from massive foreign capital inflows. As one of the objectives of economic policy was to avoid a significant appreciation of the national currency in real terms, the Central Bank purchased the excess currency supply on the foreign exchange market resulting from a goods trade surplus of around US$ 13 billion, as well as the inflow of nearly US$ 10 billion in foreign capital.

During the first half of the year, three personnel changes took place in the economic management team in the light of sharing difficulties with the anti-inflation policy. Moreover, during that period, wage and interest rate policies were adopted which succeeded in preventing a recurrence of the recessionary situation in which the economy had been

Figure 2

BRAZIL: CONSUMER PRICE INDEX

(Percentages)



Source: ECLAC, on the basis of official figures.

operating for most of 1992. Thus, the real interest rate paid on public bonds was lowered significantly, although by mid-year it still stood at 6% per annum; at the same time, while a monthly wage adjustment system was adopted, it provided for increases lower than the rate of increase in domestic prices.

In the second half, given the evident trend towards an escalation of inflation, the initiation of a future stabilization programme was announced. The announcements included a confirmation of the commitment not to intervene in the pricing system, and a guarantee that the Draconian measures applied on previous occasions, such as the breaking of contracts or the freezing of financial assets, would not be resorted to. In September some restrictions on foreign currency transactions in the commercial market were lifted; with this, the differences between the exchange rates on the three foreign currency markets practically disappeared. In October the country returned to an economic policy geared to controlling aggregate demand, which meant that the real interest rate rose to 3% per month.

Lastly, in December the general features of the stabilization programme, which would become effective in 1994, were announced. Three stages were envisaged: i) strengthening the budgetary equilibrium of the public sector in operational terms; ii) coordinating relative prices through a general index; and iii) monetary reform. Details were given only for the first stage, consisting of a budget proposal for 1994 which envisaged that a primary surplus of 4.4% of GDP would be obtained; this meant a positive operational balance of around 1% of GDP.

The wage adjustment provisions adopted at the end of 1992, and those implemented during 1993, the general indexation mechanisms, and economic recovery all contributed to an increase of 6% in the purchasing power of wages, despite the escalation of consumer prices. The largest increases were seen in formal activities linked to commerce, services and manufacturing.

During the first half of the year, those receiving the legal minimum wage, as well as workers in the private sector who earned up to six minimum wages, received bimonthly wage adjustments equivalent to 60% of the two previous months' inflation and four-monthly adjustments for the total increase in prices. This policy was changed in August. From then onwards, as an interim measure until the stabilization plan became effective, earnings of up to six minimum wages were adjusted each month by the previous month's inflation rate, less 10%. Wages above that level could be freely negotiated. The provisions concerning a global adjustment for price variations every four months remained in force. The wage adjustment mechanism for public-sector employees was changed in May 1993, also as an interim measure, on the basis of bimonthly adjustments amounting to half the variation in the price index for the period, and a subsequent adjustment every four months up to a maximum ranging between 80% and 90% of inflation.

As these provisions established only a compulsory minimum, market conditions were what determined wage agreements in practice. As a result, more highly skilled workers, usually employed by large-scale enterprises, generally obtained larger raises.

The unemployment rate in the six metropolitan regions as a whole fell during the course of the year. The recovery seen in the level of economic activity from the end of 1992 onwards did not translate as intensively into the absorption of labour by the more modern sectors. Indeed, while urban output expanded by more than 6% in 1993, urban employment rose by less than 2%. This latter increase, meanwhile, occurred mainly in the less formal segments of the labour market, as employment in formal activities remained stable.

c) The external sector

Once again, the high surplus in goods trade and the abundant inflow of foreign capital constituted salient features of external sector developments in 1993. Net capital inflows increased again; this trend was influenced by international conditions, but it also reflected the consolidation of the Brazilian economy's return to foreign credit markets, a development facilitated by reforms of the financial and foreign exchange systems and renegotiation of the debt to foreign commercial banks. A persistent excess supply of foreign currency led to a substantial

accumulation of reserves, which, by the end of the year exceeded US$ 32 billion. This provided the foreign exchange market with solid backing in the light of the macroeconomic instability expressed by the dizzying pace of inflation.

In 1993, the ample surplus posted to the current account of the balance of payments in the previous year was transformed into a deficit approaching US$ 650 million, as a consequence of a drop in the trade balance and a widening of the gap in the services and factor payments accounts. The rise in the external debt and the difference between the interest rates paid by Brazil and international rates caused the net interest deficit to grow from US$ 7.2 billion to US$ 8.5 billion. Moreover, the higher level of activity and the lifting of price controls at the end of 1991 led to a recovery in the profits of foreign firms, whose net remittances rose from an average of US$ 600 million in the previous biennium to more than US$ 2 billion.

The net balance on the capital account approached US$ 10 billion, with the main factor in this being portfolio investments, which exceeded US$ 6 billion. Following the normalization of relations with the international financial system, Brazilian banks and enterprises actively sought access to external resources. Initially, this gave rise to the issue of commercial paper, but in 1993 such instruments fell in circulation, being replaced by bonds and notes, through which funds amounting to some US$ 7.6 billion were raised. That was associated with a lengthening of the average term of the loans, from under four years in 1992 to over five in 1993. Similarly, dollar interest rates on such liabilities fell from just over 11% to 9%.

Loans from multilateral sources gave rise to net amortization, so that outstanding balances fell to US$ 10.5 billion, for a total reduction of some US$ 1.5 billion since 1990. As an exception, throughout that period the Inter-American Development Bank (IDB) increased its lending by US$ 900 million. Net short-term financing, which in 1992 had been negative as debt-servicing arrears were eliminated, posted a massive surplus in 1993, attributable mainly to credit lines for the financing of foreign trade, which helped to ensure liquidity for trade purposes.

Financial operations were responsible for an increase of more than 7% in the external debt, which thus climbed to some US$ 146 billion, of which US$ 31 billion represented short-term loans.

In 1993 goods shipments abroad amounted to nearly US$ 65 billion, equivalent to 13% of GDP, one of the highest indicators of liberalization of recent decades. Exports expanded for the third consecutive year, verging on US$ 39 billion, nearly 23% above their 1990 level. After stagnating in 1992, imports grew vigorously, approaching US$ 25.5 billion, or 24% above the level attained three years earlier. In this way, the goods trade surplus exceeded US$ 13 billion, a figure lower than in 1992, but still close to 3% of GDP.

As regards the geographical orientation of trade, the patterns of the recent past persisted. Bidirectional trade with the European Union accounted for almost a quarter of the total, trade with the United States and Canada for somewhat less, the member countries of the Latin American Integration Association (LAIA) for 20%, and to oil exports for 8%. Trade with Asia was also significant.

Both commodities and manufactured goods contributed to the increase in Brazilian exports in 1993, with the latter accounting for nearly three quarters of the total. In the case of commodities, increases in the prices of such items as coffee (20%), meat, soya and sugar played a role. Additionally, in the case of sugar, the volume of sales more than doubled. In contrast, the trend in international prices for orange juice and iron ore, two products with a strong impact on Brazilian exports, was unfavourable.

Sales of manufactured goods abroad grew by 10%, signifying cumulative growth of more than 30% in the two-year period, with a value approaching US$ 24 billion. This is especially significant in the light of the expansion of domestic demand. In any case, it is likely that greater domestic absorption limited exports of such products as transport equipment, which remained unchanged at around US$ 3.3 billion, with 330,000 units shipped abroad. Sales in the Latin American market, which absorbs a significant portion of Brazil's exports of manufactured goods, maintained their

momentum. Exports to the Southern Common Market (MERCOSUR) countries expanded by 57%, amounting to US$ 6.5 billion, while exports to Chile grew by 19%, exceeding US$ 1 billion.

The growth rate for goods imports was much higher than for GDP. In addition to the higher activity level, there were tariff reductions and trade liberalization within the MERCOSUR area (regional purchases rose by 50%). The increase in imports was due mainly to motor vehicles, other consumer goods and machinery. In 1993, the effects of the opening of the market to imported motor vehicles were again evident; purchases abroad doubled (to US$ 1.8 billion) and came to represent nearly 5% of supply on the local market. Meanwhile, active demand for capital goods pushed this category of imports above US$ 8.1 billion, while crude oil imports shrank in terms of both volume and value, in the latter case by 30%. On the other hand, imports of refined petroleum products expanded substantially, to US$ 2.2 billion.

Table 1

BRAZIL: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980 = 100)							
Gross domestic product at market prices	114.0	118.1	118.0	121.8	116.5	117.6	116.4	122.3
Gross national income	110.9	114.4	114.8	117.4	112.1	114.3	113.3	117.3
Population (millions of inhabitants)	138.3	141.1	143.8	146.4	149.0	151.6	154.1	156.6
Per capita gross domestic product	99.9	101.5	99.5	100.9	94.8	94.1	91.6	94.7
Real effective exchange rate CPI [b]	113.4	110.7	101.1	76.5	70.6	83.0	90.8	81.3
Real effective exchange rate WPI [b]	89.7	93.2	83.8	63.9	63.1	77.2	84.3	76.0
	Ratios (percentages)							
Public-sector fiscal balance/GDP	-11.3	-32.3	-53.0	-83.1	-26.9	-27.5	-45.0	-52.4
Public-sector operating balance/GDP	-3.6	-5.7	-4.8	-6.9	1.2	0.3	-2.3	0.3
Urban unemployment rate [c]	3.9	3.7	3.8	3.3	4.3	4.8	4.8	5.4
	Growth ratios (percentages)							
Gross domestic product	7.9	3.6	-0.1	3.3	-4.4	0.9	-1.0	5.0
Per capita gross domestic product	5.7	1.6	-2.0	1.4	-6.1	-0.8	-2.6	3.4
Gross national income	10.1	3.2	0.3	2.3	-4.5	1.9	-0.9	3.5
National consumer price index [d]								
December to December	58.6	396.6	993.3	1 863.6	1 585.4	475.8	1 172.0	2 497.6
General price index (domestic supply) [e]								
December to December	65.0	415.8	1 037.6	1 782.9	1 476.7	480.2	1 157.8	2 709.0
Wages [f]	13.8	-7.0	8.3	7.8	-12.3	-4.1	10.1	11.3
Current value of exports of goods and services	-12.8	16.5	28.0	4.0	-7.6	-0.8	16.4	6.7
Current value of imports of goods and services	8.7	5.0	2.8	21.4	12.7	-1.1	3.1	24.2
	Millions of dollars							
External sector								
Trade balance	5 761	8 830	16 187	13 385	7 485	7 485	12 301	8 272
Factor services	-11 152	-10 350	-12 122	-12 604	-12 107	-10 449	-8 082	-10 562
Balance on current account	-5 302	-1 407	4 172	1 007	-3 809	-1 443	6 266	-637
Balance on capital account	2 071	3 572	-2 461	693	5 054	1 640	8 802	9 041
Variation in international reserves	-5 373	1 800	2 114	1 586	1 139	209	15 001	8 404
Total external debt	111 045	121 174	113 469	115 096	123 439	123 910	135 949	145 680

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Corresponds to the exchange rate for exports. [c] Weighted average of the rates for major metropolitan areas. [d] The Nationwide Consumer Price Index (NCPI) includes weightings for the expenditures of families having incomes up to the equivalent of five times the minimum wage. [e] The general price index is a weighted average of the wholesale price index (60%), the cost-of-living index for Rio de Janeiro (30%) and the index of construction costs (10%). [f] Average real wages in manufacturing in São Paulo.

Table 2
BRAZIL: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	114.3	113.3	117.3	97.2	94.5	94.6	93.2
a) Gross domestic product	117.6	116.4	122.3	100.0	100.0	100.0	100.0
b) Terms of trade effect [b]	...	...	...	-	-2.4	-3.3	-3.9
c) Net external factor income [b]	146.6	113.1	146.7	-2.9	-3.6	-2.8	-3.5
d) Net private transfers from abroad [b]	1 183.9	1 589.5	1 273.4	0.1	0.5	0.7	0.5

Source: ECLAC, on the basis of official figures and data from the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Until 1992, figures were taken from IMF balance-of-payments data expressed in current dollars; figures for 1993 were estimated by ECLAC on the basis of data from the Central Bank of Brazil and were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 3

BRAZIL: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**115.3**	**114.6**	**122.2**	**111.4**	**111.3**	**-3.5**	**1.6**	**-0.7**	**6.6**
Gross domestic product at market prices	117.6	116.4	122.3	100.0	100.0	-4.4	0.9	-1.0	5.0
Imports of goods and services [c]	95.6	98.3	121.2	11.4	11.3	8.8	8.8	2.8	23.2
Total demand	**115.3**	**114.6**	**122.2**	**111.4**	**111.3**	**-3.5**	**1.6**	**-0.7**	**6.6**
Domestic demand	109.0	105.0	111.5	102.4	93.4	-2.9	1.2	-3.7	6.2
Gross domestic investment	75.9	72.5	...	23.3	...	-21.5	5.1	-4.5	...
Gross fixed investment	77.9	73.6	81.9	22.9	15.3	-8.1	-4.1	-5.5	11.2
Construction	89.3	86.4	95.8	13.9	10.8	-8.4	-3.9	-3.2	10.8
Machinery and equipment	60.4	54.0	60.5 [d]	9.0	4.5 [d]	-7.3	-4.5	-10.6	12.1
Change in stocks	-26.4	13.1		0.4		...	...	...	...
Total consumption	118.8	114.6	120.7[e]	79.1	78.1[e]	1.4	0.5	-3.5	5.3[e]
Exports of goods and services [c]	187.5	223.9	243.8	9.0	17.9	-7.1	4.2	19.4	8.9

Source: ECLAC, on the basis of official figures and data from the International Monetary Fund (IMF).

[a] On the basis of figures valued at market prices in constant 1980 dollars at an adjusted exchange rate. [b] Preliminary figures.

[c] Until 1992, figures were taken from IMF balance-of-payments data expressed in current dollars; figures for 1993 were estimated by ECLAC on the basis of data from the Central Bank of Brazil and were then converted into constant 1980 values using unit price indexes calculated by ECLAC. [d] Included under total consumption. [e] For 1993 includes change in stocks.

Table 4

BRAZIL: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As a percentage of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross fixed investment	18.7	18.7	17.1	17.6	14.5	15.1	14.5	...
Gross fixed investment	18.6	17.8	17.0	16.6	16.0	15.2	14.5	15.3
Construction	12.2	11.9	11.6	11.5	11.1	10.5	10.3	10.8
Machinery and equipment	6.5	5.9	5.4	5.1	4.9	4.6	4.2	4.5
Changes in stocks	-	0.9	0.1	1.0	-1.5	-0.1	0.0	...
Gross domestic saving	21.9	24.0	24.0	24.3	19.7	20.1	22.2	21.9
Terms-of-trade effect [c]	-0.8	-2.0	-1.1	-2.5	-2.9	-2.4	-3.3	-3.9
Net external income from factor services [c]	-4.7	-3.9	-4.4	-4.0	-3.8	-3.6	-2.8	-3.5
Net private transfers from abroad [c]	-	-	-	0.1	0.3	0.5	0.7	0.5
Gross national saving	16.4	18.2	18.6	17.9	13.3	14.6	16.7	15.1
External saving	2.2	0.5	-1.5	-0.3	1.2	0.5	-2.2	0.2

Source: ECLAC, on the basis of official figures and data from the International Monetary Fund (IMF).

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Until 1992, figures were taken from IMF balance-of-payments data expressed in current dollars; figures for 1993 were estimated by ECLAC on the basis of data from the Central Bank of Brazil and were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 5

BRAZIL: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**117.6**	**116.4**	**122.3**	**100.0**	**100.0**	**-4.4**	**0.9**	**-1.0**	**5.0**
Goods	**105.6**	**103.8**	**110.4**	**51.5**	**46.6**	**-7.5**	**0.1**	**-1.8**	**6.4**
Agriculture	131.8	138.8	136.2	10.5	11.7	-3.7	2.8	5.3	-1.9
Mining	194.0	193.5	196.4	1.1	1.8	2.7	0.3	-0.3	1.5
Manufacturing	97.5	92.6	102.0	33.2	27.6	-9.5	-0.4	-5.0	10.1
Construction	90.2	89.2	97.8	6.8	5.4	-8.3	-3.1	-1.1	9.6
Basic services	**192.2**	**192.8**	**199.7**	**6.8**	**11.2**	**1.7**	**7.7**	**0.3**	**3.6**
Electricity, gas and water	187.1	190.3	197.3	1.9	3.0	1.8	4.3	1.7	3.7
Transport, storage and communications	194.1	193.8	200.5	5.0	8.2	1.6	9.0	-0.2	3.5
Other services	**119.8**	**117.0**	**121.1**	**48.7**	**48.2**	**-2.3**	**-1.0**	**-2.3**	**3.5**
Commerce, restaurants and hotels [c]	106.4	102.7	109.7	14.5	13.0[c]	-6.3	1.5	-3.5	6.8
Financial institutions, insurance, real estate and business services	120.6	115.2	112.7	15.7	14.4	-5.7	-5.1	-4.4	-2.2
Ownership of dwellings	124.1	118.8	...	6.7	...	-9.0	-1.0	-4.2	...
Community, social and personal services	129.7	129.7	[d]	18.5	[d]	3.6	0.7	0.1	[d]
Government services	123.4	125.8	128.2	6.3	6.6	1.9	1.9	1.9	1.9
Less:									
Adjustments for banking services	117.9	102.1	[d]	7.0	[d]	-3.1	-8.0	-13.4	[d]

Source: ECLAC, on the basis of official figures.

[a] The original figures have been reweighted in accordance with the 1980 current price structure. Therefore, these figures do not necessarily coincide with those published by the countries based on their calculation at constant prices. [b] Preliminary figures.

[c] Restaurants and hotels included under other services. [d] Included under other services.

Table 6
BRAZIL: AGRICULTURAL PRODUCTION

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
	Production of main crops						
Export crops							
Coffee beans	3 050	2 595	2 551	-4.5	4.2	-14.9	-1.7
Soya	14 938	19 161	22 710	-17.3	-24.9	28.3	18.5
Oranges[b]	94 512	98 201	89 889	-1.5	8.0	3.9	-8.5
Sugar cane	260 838	270 671	242 594	4.1	-0.7	3.8	-10.4
Cocoa	320	328	346	-9.4	-9.9	2.5	5.5
Tobacco	422	577	663	5.9	-10.2	36.7	14.9
Cotton	2 037	1 853	796	-3.7	14.8	-9.0	-57.0
Peanuts	142	169	150	-10.0	5.2	19.0	-11.2
Castor beans	129	102	43	15.6	-12.8	-20.9	-57.8
Crops for domestic consumption							
Rice	9 496	9 960	10 193	-32.7	28.0	4.9	2.3
Beans	2 747	2 803	2 462	4.3	23.0	2.0	-12.2
Maize	23 738	30 618	29 967	-10.2	-0.6	29.0	-2.1
Cassava	24 530	22 651	21 719	2.8	1.0	-7.7	-4.1
Potatoes	2 264	2 433	2 365	24.0	2.0	7.5	-2.8
Tomatoes	2 318	2 133	2 314	3.8	2.8	-8.0	8.5
Wheat	2 921	2 838	2 201	-44.3	-5.6	-2.8	-22.4
	Selected livestock products						
Beef	2 885	3 062	3 005	6.6	1.7	6.1	-1.9
Pork	796	893	872	17.0	9.0	12.2	-2.4
Poultry	1 771	1 911	2 075	14.6	10.3	7.9	8.6
Milk[c]	9 408	9 690	9 082	7.9	-2.1	3.0	-6.3

Source: Brazilian Geographical and Statistical Institute (IBGE).
[a] Preliminary figures. [b] Millions of units. [c] Millions of litres.

Table 7
BRAZIL: MANUFACTURING PRODUCTION

	Indexes (1981=100)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Gross domestic product (1980 = 100)	97.5	92.6	101.7	-9.5	-0.4	-5.0	10.1
By categories of goods							
Capital goods	79.9	71.3	79.7	-15.3	-10.6	-10.8	11.8
Intermediate goods [b]	120.4	118.0	126.7	-7.7	-0.2	-2.0	7.4
Consumer durables	132.1	120.3	182.7	-5.7	4.3	-8.9	51.9
Consumer non-durables	109.5	102.3	108.1	-5.5	-1.3	-6.6	5.7
By industrial branches							
Foodstuffs	116.4	116.1	120.8	2.0	3.7	-0.3	4.0
Beverages	152.9	128.6	132.9	1.2	5.4	-15.9	3.3
Tobacco	139.2	141.8	149.9	-0.2	1.1	1.9	5.7
Textiles	93.6	89.2	95.2	-10.5	-6.0	-4.7	6.7
Clothing	66.8	69.9	62.4	-13.2	-14.0	4.6	-10.7
Paper and paperboard	146.0	144.7	151.9	2.6	-5.8	-0.9	5.0
Petroleum products	100.5	100.2	118.7	-2.9	-13.8	-0.3	18.5
Other chemicals	100.1	101.0	113.2	-13.9	-13.3	0.9	12.1
Pharmaceuticals	111.2	101.7	105.9	-8.7	0.6	-8.5	4.1
Perfumery, soaps and candles	165.4	149.8	174.0	-4.9	4.8	-9.4	16.2
Rubber	129.3	131.8	146.5	-3.7	-0.2	1.9	11.2
Plastic articles	115.8	104.3	114.7	-15.1	-1.3	-9.9	10.0
Non-metallic minerals	94.4	86.4	91.3	-10.7	1.3	-8.5	5.7
Metal products	114.0	113.1	126.8	-12.1	-0.5	-0.8	12.1
Machinery	85.7	75.0	88.7	-14.6	-11.5	-12.5	18.3
Electrical equipment	121.2	99.9	128.6	-1.6	-8.1	-17.6	28.7
Transport equipment	95.5	96.1	116.7	-15.7	-0.2	0.6	21.4
Other indicators							
Industrial consumption of electricity [c]	102.6	111.2	107.3	-3.0	2.7	8.4	-3.5
Employment [d]	95.2	89.1	85.8	-2.1	-7.8	-6.4	-3.7

Source: Brazilian Geographical and Statistical Institute (IBGE).
[a] Preliminary figures. [b] Includes mining. [c] Millions of kWh consumed by the manufacturing sector. [d] Indexes 1978=100: labour employed in the industrial sector of the State of São Paulo (annual averages).

Table 8
BRAZIL: MOTOR VEHICLE PRODUCTION

	Thousands of units			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Motor vehicles	**960**	**1 074**	**1 391**	**-9.6**	**5.0**	**11.8**	**29.5**
Automobiles	705	1 018	1 324	-9.3	6.4	44.3	30.1
Light trucks and utility vehicles	183	202	225	-9.6	-1.2	10.4	11.4
Trucks	49	32	48	-16.5	-4.8	-35.1	49.7
Buses	23	24	19	2.7	52.0	6.1	-21.9
Vehicles fueled by alcohol [b]	151	196	264	-79.5	84.1	29.5	35.2
Exports of motor vehicless [c]	193	348	335	-26.3	3.2	79.9	-3.7

Source: National Association of Motor Vehicle Manufacturers (ANFAVEA).
[a] Preliminary figures. [b] Included in the total number of vehicles. [c] Includes exports of CKD (completely knocked down) vehicles.

Table 9

BRAZIL: FORMAL URBAN EMPLOYMENT

(Percentage variation between annual averages)

	Manufacturing		Construction		Commerce		Services		Total[a]	
	1992	1993[b]	1992	1993[b]	1992	1993[b]	1992	1993[b]	1992	1993[b]
Whole country	**-5.3**	**-0.8**	**-0.7**	**-4.4**	**-4.7**	**0.9**	**-1.4**	**-7.5**	**-2.7**	**-0.4**
Regions										
North	-9.6	-1.7	-10.3	-2.8	-6.3	0.2	-3.3	3.9	-4.8	-0.7
Northeast	-2.5	-5.1	-1.9	-5.5	-3.9	1.2	-1.5	-9.1	-1.8	-1.0
Southeast	-6.4	-1.1	-	-4.6	-4.7	0.9	-1.2	-8.0	-3.0	-0.6
South	-2.9	1.9	-2.6	-6.0	-4.9	0.6	-1.5	-11.0	-2.6	0.3
West Central	-3.1	1.9	5.1	1.3	-4.4	2.0	-1.4	1.8	-1.0	1.2
Metropolitan areas	**-6.1**	**-1.7**	**0.8**	**-4.6**	**-4.0**	**1.3**	**-0.9**	**-8.9**	**-2.6**	**-0.5**
Belém	-4.3	-2.2	-11.0	-8.0	-7.5	0.7	-3.6	-14.9	-4.3	-0.9
Fortaleza	-2.3	-3.2	2.5	-3.6	-3.0	4.0	0.5	-14.6	-0.7	0.3
Recife	-5.0	-5.0	0.3	-4.1	-3.9	0.3	-0.6	-18.9	-2.1	-1.5
Salvador	-4.2	-4.0	-1.3	-0.6	-2.3	2.9	-2.6	-12.6	-2.2	-0.2
Belo Horizonte	-4.8	2.4	4.7	-3.2	-5.2	1.3	-0.8	0.5	-1.8	0.7
Rio de Janeiro	-6.9	-3.6	5.6	-3.9	-4.6	-	-0.2	0.4	-2.1	-0.9
São Paulo	-7.0	-1.9	-1.0	-5.5	-3.7	1.7	-1.4	-14.9	-3.5	-0.8
Curitiba	-4.6	-0.4	0.7	-9.8	-4.5	2.1	-1.1	-1.5	-3.0	-0.9
Porto Alegre	-3.1	2.2	-2.7	-0.6	-3.2	0.7	-	-10.2	-1.6	1.0

Source: Cadastro Geral de Empregados e Desempregados – Act 4923, Ministry of Labour.

[a] This total also includes mining, public utilities, the civil service, agriculture, agribusiness, hunting and fishing. [b] Preliminary figures.

Table 10

BRAZIL: UNEMPLOYMENT RATES IN MAJOR METROPOLITAN AREAS [a]

	1990	1991	1992					1993				
			I	II	III	IV	Year	I	II	III	IV	Year
Rio de Janeiro	3.5	3.6	4.0	2.9	2.6	3.9	3.4	4.3	4.0	4.2	3.9	4.0
São Paulo	4.6	5.5	6.8	4.5	4.4	5.9	5.4	6.5	6.1	5.3	5.1	5.8
Belo Horizonte	4.1	4.1	5.0	3.8	3.0	4.4	4.1	5.3	4.4	4.3	3.8	4.5
Porto Alegre	3.7	4.3	5.1	4.0	2.2	4.7	4.0	4.5	4.8	4.0	3.2	4.1
Salvador	5.4	5.6	6.4	4.4	4.1	7.6	5.6	7.5	6.2	6.8	5.9	6.6
Recife	5.7	5.9	7.7	6.5	6.0	8.0	7.1	9.2	9.7	9.4	7.4	8.9
Average for metropolitan areas [b]	**4.3**	**4.8**	**5.8**	**4.4**	**3.7**	**5.8**	**4.8**	**5.9**	**5.8**	**5.2**	**4.7**	**5.4**

Source: Brazilian Geographical and Statistical Institute (IBGE).

[a] Ratio between the number of unemployed and the economically active population above 15 years of age. [b] Weighted by the labour force in each metropolitan area.

Table 11

BRAZIL: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rate (cruzeiros per thousand dollars up to 1988 and per dollar thereafter)		Real effective exchange rate indexes[a] (1985=100) based on the:				
			Consumer price index[b]		Wholesale price index[c]		Wages[d]
	Official	Parallel	Exports	Imports[e]	Exports	Imports	Exports
1978	0.018		66.8	65.9	97.3	95.5	
1979	0.027		75.9	76.2	108.2	107.4	
1980	0.053		94.5	97.3	118.2	118.8	106.8
1981	0.093		76.6	78.3	95.2	95.5	81.5
1982	0.180		70.1	70.0	89.9	89.8	66.7
1983	0.580		92.4	92.7	108.2	108.9	94.8
1984	1.850		97.8	98.7	100.0	101.1	106.5
1985	6.200	8.030	100.0	100.1	100.0	100.1	100.0
1986	13.650	21.800	107.2	105.5	106.0	103.5	96.5
1987	39.230	50.330	104.6	101.2	110.2	105.6	110.7
1988	262.400	400.410	95.5	92.4	99.1	95.4	96.9
1989	0.003	0.006	72.3	69.0	75.5	72.1	73.6
1990	0.068	0.089	66.7	64.7	74.6	71.2	82.8
1991	0.407	0.454	78.4	77.6	91.3	87.2	89.8
1992	4.51	4.91	85.8	85.4	99.6	94.5	84.7
1993	88.45	91.81	76.8	78.0	89.8	86.3	73.9
1992							
I	1.50	1.48	87.4	86.9	99.9	95.0	90.7
II	2.66	2.77	82.4	82.2	98.2	93.3	84.9
III	4.76	5.32	89.2	88.2	104.1	98.1	85.9
IV	9.14	10.05	84.2	84.4	96.2	91.5	77.3
1993							
I	18.13	19.89	79.2	80.1	92.8	89.0	76.3
II	37.96	42.25	78.4	79.3	91.4	87.6	76.1
III	85.57	94.10	74.5	75.7	86.9	83.6	75.6
IV	212.14	211.00	75.2	76.7	88.0	84.9	72.2

Source: ECLAC, on the basis of figures from the International Monetary Fund (IMF), *International Financial Statistics*, Washington, D.C. (several issues) and the CEDEAL Foundation, *Situación latinoamericana*, Madrid (several issues) (data on parallel exchange rate).

[a] Corresponds to the average of the real exchange rate indexes of the cruzeiro with respect to the currencies of Brazil's main trading partners, weighted according to the relative importance of exports or imports from these countries, as appropriate. These weightings correspond to the average for the period 1989-1992. For the methodology and sources used, see the statistical appendix to the *Economic Survey of Latin America*, 1981. [b] The wholesale price index was used in all the countries. [c] As in the rest of the countries, the wholesale price index was used for Brazil. When this information was not available, the consumer price index was used. [d] In Brazil, the index of average wages in manufacturing in Rio de Janeiro was used; the wholesale price index was used for the rest of the countries. [e] Does not include oil-exporting countries.

Table 12
BRAZIL: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports, f.o.b.								
Value	-12.8	17.3	28.9	1.8	-8.6	0.7	14.2	7.4
Volume	-13.8	19.9	12.6	3.7	-6.8	4.9	18.5	9.6
Unit value	1.2	-2.2	14.5	-1.8	-2.0	-4.0	-3.6	-2.0
Imports, f.o.b.								
Value	6.7	7.2	-3.0	25.0	13.1	1.8	-2.2	24.9
Volume	31.2	-2.7	-4.8	9.5	8.8	11.9	-3.2	29.0
Unit value	-18.7	10.2	1.9	14.2	4.0	-9.0	1.1	-3.1
Terms of trade (f.o.b./c.i.f.)	23.0	-10.9	12.0	-13.9	-5.8	4.9	-4.7	0.9
	Indexes (1980 = 100)							
Purchasing power of exports	142.7	152.4	192.2	171.6	150.7	165.9	187.2	207.1
Volume of exports	143.2	171.7	193.3	200.4	186.9	195.9	232.1	254.4
Volume of imports	80.4	78.3	74.5	81.6	88.7	99.3	96.1	123.9
Terms of trade (f.o.b./c.i.f.)	99.6	88.8	99.4	85.6	80.7	84.7	80.7	81.4

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 13

BRAZIL: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**31 623**	**36 103**	**38 782**	**100.0**	**100.0**	**100.0**	**-8.7**	**0.7**	**14.2**	**7.4**
Commodities	**8 737**	**8 840**	**9 409**	**27.6**	**24.5**	**24.3**	**-8.4**	**-0.1**	**1.2**	**6.4**
Coffee beans	1 382	970	1 064	4.4	2.7	2.7	-29.0	24.7	-29.8	9.7
Iron ore	2 600	2 381	2 256	8.2	6.6	5.8	7.8	8.0	-8.4	-5.2
Soya meal and cake	1 369	1 595	1 815	4.3	4.4	4.7	-24.6	-15.0	16.5	13.8
Soybeans	448	808	945	1.4	2.2	2.4	-21.1	-50.8	80.4	17.0
Unrefined sugar	207	161	346	0.7	0.4	0.9	153.5	-28.4	-22.2	114.9
Other	2 731	2 925	2 983	8.6	8.1	7.7	3.1	12.7	7.1	2.0
Industrial products	**22 448**	**26 563**	**29 067**	**71.0**	**73.6**	**74.9**	**-9.6**	**1.6**	**18.3**	**9.4**
Semi-manufactures	4 691	5 167	5 454	14.8	14.3	14.1	-12.1	-8.1	10.1	5.6
Manufactures	17 757	21 396	23 613	56.2	59.3	60.9	-8.8	4.5	20.5	10.4
Processed coffee	97	142	217	0.3	0.4	0.6	-33.5	-34.0	46.4	52.8
Orange juice	900	1 053	826	2.8	2.9	2.1	44.2	-38.7	17.0	-21.6
Footwear	1 248	1 473	1 945	3.9	4.1	5.0	-9.8	5.4	18.0	32.0
Transport equipment	2 217	3 290	3 373	7.0	9.1	8.7	-21.9	-27.0	48.4	2.5
Machinery, boilers and mechanical apparatus	2 140	2 140	2 483	6.8	5.9	6.4	-13.2	34.6	-	16.0
Electrical machinery and equipment	1 181	1 148	1 314	3.7	3.2	3.4	-5.8	16.5	-2.8	14.5
Manufactured iron and steel products	1 911	2 413	2 500	6.0	6.7	6.4	-10.8	16.3	26.3	3.6
Other	8 063	9 737	10 955	25.5	27.0	28.2	-7.3	16.8	20.8	12.5
Other products [b]	438	700	306	1.4	1.9	0.8	43.4	-22.5	59.8	-56.3

Source: Central Bank of Brazil and Ministry of Finance.

[a] Preliminary figures. [b] Includes consumption on board aircraft and ships, re-exports and special transactions.

Table 14
BRAZIL: IMPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1992[a]	1990	1991	1992	1993[a]
Total	**21 041**	**20 578**	**25 711**	**100.0**	**100.0**	**100.0**	**13.1**	**1.8**	**-2.2**	**24.9**
Consumer goods	**3 072**	**2 450**	**3 084**	**14.6**	**11.9**	**12.0**	**11.4**	**4.5**	**-20.2**	**25.9**
Intermediate goods	**12 003**	**11 793**	**13 839**	**57.0**	**57.3**	**53.8**	**9.6**	**1.8**	**-1.7**	**17.3**
Fuels and lubricants	4 073	4 146	4 377	19.4	20.1	17.0	26.1	-14.0	1.8	5.6
Other	7 930	7 647	9 462	37.7	37.2	36.8	0.8	12.4	-3.6	23.7
Capital goods	**5 966**	**6 335**	**8 788**	**28.4**	**30.8**	**34.2**	**21.8**	**0.6**	**6.2**	**38.7**

Source: Central Bank of Brazil.
[a] Preliminary figures.

Table 15

BRAZIL: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-5 302**	**-1 407**	**4 172**	**1 007**	**-3 809**	**-1 443**	**6 266**	**-637**
Trade balance	5 761	8 830	16 187	13 385	7 485	7 485	12 301	8 272
Exports of goods and services	24 160	28 157	36 046	37 495	34 661	34 369	40 005	42 683
Goods, f.o.b.	22 348	26 210	33 773	34 375	31 408	31 619	36 103	38 783
Real services [b]	1 812	1 947	2 273	3 120	3 253	2 750	3 902	3 900
Transport and insurance	1 158	1 321	1 331	1 361	1 359	1 467	1 807	1 920
Travel	85	102	117	1 224	1 383	1 002	924	850
Imports of goods and services	18 399	19 327	19 859	24 110	27 176	26 884	27 704	34 411
Goods, f.o.b.	14 044	15 052	14 605	18 263	20 661	21 041	20 578	25 711
Real services [b]	4 355	4 275	5 254	5 847	6 515	5 843	7 126	8 700
Transport and insurance	1 998	2 139	2 393	2 853	3 049	3 180	3 127	3 800
Travel	594	286	705	750	1 505	1 214	1 221	1 500
Factor services	-11 152	-10 350	-12 122	-12 604	-12 107	-10 449	-8 082	-10 562
Profits	-1 800	-1 527	-2 252	-2 914	-1 865	-1 031	-759	-2 109
Interest received	918	527	759	1 304	1 120	872	1 042	1 000
Interest paid or due	-10 245	-9 319	-10 591	-10 937	-10 868	-9 493	-8 365	-9 453
Labour and property	-25	-31	-38	-57	-494	-797	-	-
Unrequited private transfer	89	113	107	226	813	1 521	2 047	1 653
Balance on capital account	**2 071**	**3 572**	**-2 461**	**693**	**5 054**	**1 640**	**8 802**	**9 041**
Unrequited official transfer payments	-2	-43	-13	18	21	35	9	...
Long-term capital	763	-995	451	-3 025	-4 359	-1 343	22 597	...
Direct investment	177	1 087	2 794	744	236	-42	1 308	6 179
Portfolio investment	-450	-428	176	-421	512	3 808	14 466	...
Other long-term capital	1 036	-1 654	-2 519	-3 348	-5 107	-5 109	6 823	3 570
Official sector [c]	8 818	7 995	7 273	2 737	-3 521	-3 416	6 823	...
Loans received	13 295	11 070	13 355	30 330	2 126	810	15 274	13 262
Amortizations payments	-4 437	-3 011	-6 009	-27 541	-5 628	-4 217	-8 451	-9 692
Commercial banks [c]	-3 647	-2 178	-2 520	-2 415	-1 354	-616	-	...
Loans received	67	749	216	33	145	151	-	...
Amortization payments	-3 714	-2 927	-2 736	-2 448	-1 499	-767	-	...
Other sectors [c]	-4 135	-7 471	-7 272	-3 670	-232	-1 077	-	...
Loans received	1 154	2 091	1 193	1 069	3 069	2 292	-	...
Amortization payments	-5 772	-9 197	-8 351	-4 609	-3 234	-3 262	-	...
Short-term capital	1 243	5 412	-2 072	4 520	9 689	2 096	-12 672	154
Official sector	375	5 039	-972	5 351	10 854	3 542	-12 672	...
Commercial banks	693	401	406	-291	-1 633	-2 355	-	...
Other sectors	175	-28	-1 506	-540	468	909	-	...
Errors and omissions (net)	66	-802	-827	-819	-296	852	-1 132	-862
Global balance [d]	**-3 231**	**2 165**	**1 711**	**1 700**	**1 245**	**197**	**15 068**	**8 404**
Total variation in reserves (- sign indicates an increase)	5 373	-1 800	-2 114	-1 586	-1 139	-209	-15 001	-8 404
Monetary gold	216	-8	-140	-104	-639	966	-74	-626
Special drawing rights	1	-	-	-	-11	-2	12	-1
IMF reserve position	-	-	-	-	-	-	-	-
Foreign exchange assets	5 254	-1 267	-1 331	-564	105	-590	-14 500	-8 082
Other assets	20	-	-	-7	7	-	-	800
Use amde IMF of credit	-118	-525	-643	-911	-601	-583	-439	-495

Source: 1986-1992: ECLAC, on the basis of figures from the International Monetary Fund (IMF). 1993: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.

[d] Equals the total variation in reserves (of opposite sign), plus counterpart items.

Table 16
BRAZIL: EXTERNAL DEBT
(Year-end balances in millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Total external debt (registered and unregistered)	111 045	121 174	113 469	115 096	123 439	123 910	135 949	145 680
I. Medium- and long-term debt (registered)								
Total	**101 759**	**107 514**	**102 555**	**99 285**	**96 546**	**92 996**	**110 835**	**114 270**
Compensatory loans	4 490	3 938	3 075	2 439	2 206	1 173	739	305
International Monetary Fund	4 490	3 938	3 075	2 439	2 206	1 173	739	305
Bonds	1 941	1 589	1 460	1 126	1 147	2 490	10 378	10 374
International agencies	9 059	9 559	9 788	11 095	11 691	11 170	10 408	10 440
World Bank	6 367	6 932	6 946	8 310	8 593	8 227	7 173	6 451
Inter-American Development Bank	2 071	2 405	2 590	2 380	2 624	2 489	3 235	3 510
International Finance Corporation	231	222	252	405	474	455	450	479
Official bilateral agencies	10 225	13 022	13 350	13 720	13 187	10 911	...	...
United States Agency for International Development (USAID)	848	860	823	802	798	793	622	528
Programme loans	388	372	347	340	340	340	340	204
Project loans	460	488	476	462	458	453	282	324
Wheat [b]	696	661	444	97	70	80	78	78
United States Export-Import Bank (EXIMBANK)	633	532	457	355	335	295	188	180
Export-Import Bank of Japan (EXIMBANK)	514	602	523	370	356	340	187	169
German Institute for Reconstruction Credit	1 167	1 503	1 398	1 528	1 863	1 680	1 430	1 224
Other	6 367	8 864	9 705	10 568	8 627	6 930	...	...
Supplier credits	8 429	8 528	9 832	9 357	10 466	9 861	7 460	6 092
Financial credits	67 185	67 938	64 458	61 082	57 176	56 720	60 991	67 013
Resolution No. 63	8 772	6 831	4 317	2 604	2 036	1 792	...	...
Act No. 4131	58 413	61 100	60 133	58 470	55 812	54 928	...	...
Other credits	430	539	592	466	673	671	...	...
II. Short-term debt (unregistered)								
Total	**9 286**	**13 660**	**10 914**	**15 811**	**26 893**	**30 914**	**25 114**	**31 410**
Traditional operations (net)	7 251	7 596	8 015	7 600	8 698	10 451	18 473	24 302
Commercial lines of credit	3 291	3 123	3 143	2 728	3 151	2 135	2 733	2 387
Brazilian commercial banks	4 060	4 473	4 872	4 872	5 547	8 316	15 740	21 915
Assets	1 399	1 432	1 763	2 356	2 805	1 038	...	...
Liabilities	5 459	5 905	6 635	7 228	8 352	9 354	...	...
Special operations (net)	536	4 632	1 136	5 855	14 779	19 050	6 641	7 098
Arrears in debt payments	-	3 973	-	4 733	14 692	18 747	...	...
Paris Club and other operations	536	659	1 136	1 122	87	...	...	...

Source: Central Bank of Brazil.
[a] ECLAC, Office in Brasilia, estimates based on the external debt payments programme and reports. [b] United States Act No. 480, loans from the Canadian Wheat Board and other credits for wheat purchases.

Table 17

BRAZIL: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989[a]	1990	1991[b]	1992[b]	1993[b]
	Millions of dollars							
Registered debt service	23 231	22 822	25 817	44 922	19 553	17 323	16 937	19 145
Amortization payments	13 176	13 503	15 226	33 985	8 665	7 830	8 572	9 692
Interest payments	10 055	9 319	10 591	10 937	10 868	9 493	8 365	9 453
Disbursements	13 963	13 368	15 433	31 432	4 947	6 122	9 469	13 262
	As percentages of exports of goods and services							
Registered external debt	421.2	381.8	284.5	264.8	278.5	270.6	277.1	267.7
Registered external debt service	96.2	81.1	71.6	119.8	56.4	50.4	42.3	44.9
Net interest [c]	38.6	31.2	27.3	25.7	28.1	25.1	18.3	19.8
Registered debt service/ disbursements	166.4	170.7	167.3	142.9	395.2	283.0	178.9	144.4

Source: ECLAC, based on data from the International Monetary Fund (IMF) and the Central Bank of Brazil.

[a] Includes amortization payments and disbursements of the debt rescheduled with creditor banks in September 1988.

[b] Preliminary figures. [c] Net interest paid as shown on the balance of payments.

Table 18
BRAZIL: DOMESTIC PRICES
(Percentages)

	1986	1987	1988	1989	1990	1991	1992	1993
December-December variation								
General price index								
Total supply	63.3	412.0	1 040.5	1 773.7	1 462.0	480.3	1 161.8	2 806.4
Domestic availability [a]	65.0	415.8	1 037.6	1 782.9	1 476.7	480.2	1 157.8	2 709.0
Wholesale price index								
Total supply	59.9	400.7	1 055.4	1 732.4	1 425.3	471.9	1 160.9	2 635.7
Agricultural products	86.2	315.0	1 063.1	1 267.6	2 165.9	474.7	1 063.8	2 739.0
Industrial products	50.6	430.2	1 053.3	1 874.8	1 268.1	470.9	1 195.2	2 603.4
Domestic availability	62.6	407.2	1 050.0	1 748.8	1 449.5	471.7	1 154.3	2 639.5
Raw materials	45.9	369.5	984.0	1 506.6	1 544.5	478.0	1 117.9	2 638.1
Foodstuffs	87.5	324.7	1 064.4	1 498.7	2 069.0	513.1	1 120.0	2 621.3
Consumer price index, Rio de Janeiro	63.5	432.3	1 006.4	1 759.2	1 651.0	493.0	1 160.3	2 729.6
Food	62.8	393.7	1 173.2	1 557.4	1 613.6	526.9	1 210.6	2 783.7
Construction costs	81.3	416.6	1 060.5	2 017.9	1 095.4	486.3	1 194.5	2 763.6
Nationwide consumer price indexes (NCPI) [b]	58.6	396.6	993.3	1 863.6	1 585.4	475.8	1 172.0	2 497.6
Variation between annual averages								
General price index								
Total supply	142.6	221.7	685.3	1 310.3	2 724.6	412.7	992.9	2 105.2
Domestic availability	142.3	224.8	684.6	1 316.8	2 739.7	414.7	991.4	2 103.7
Wholesale price index								
Total supply	139.8	208.3	697.2	1 285.4	2 710.2	401.1	979.3	2 068.1
Domestic availability	138.7	177.0	695.9	1 298.5	2 734.7	404.7	976.9	2 065.4
Consumer price index, Rio de Janeiro	143.7	231.7	682.3	1 284.1	2 968.0	433.2	1 001.1	2 105.0
Construction costs	161.3	290.5	635.9	1 537.9	2 175.0	484.3	1 071.9	2 124.2
Nationwide consumer price indexes (NCPI) [b]	140.0	225.0	639.1	1 363.0	2 868.9	428.9	1 054.2	1 806.8

Source: Getulio Vargas Foundation (FGV), Brazilian Institute of Economics (IBRE) and Central Bank of Brazil.
[a] This general price index (domestic availability) is a weighted average of the indexes of wholesale prices (60%), the cost of living in Rio de Janeiro (30%) and civil construction costs (10%). [b] The Nationwide Consumer Price Index (NCPI), as broadly defined, includes weightings for the expenditures of families having incomes up to the equivalent of five times the minimum wage.

Table 19

BRAZIL: AVERAGE REAL WAGES IN MANUFACTURING

(Indexes 1980 = 100)

	São Paulo [a]		Rio de Janeiro [b]	
	Index	Variation	Index	Variation
1983	115.1	-4.9	111.1	-5.0
1984	118.8	3.2	103.6	-6.8
1985	136.3	14.7	109.6	5.8
1986	155.1	13.8	118.3	7.9
1987	144.3	-7.0	97.7	-17.4
1988	156.3	8.3	101.7	4.1
1989	168.5	7.8	104.1	2.4
1990	147.7	-12.3	83.7	-19.6
1991	141.7	-4.1	88.7	6.0
1992	156.0	10.1	110.9	25.0
1993[c]	173.6	11.3	109.7	-1.1

Source: Industrial Federation of the State of São Paulo (FIESP) and the Brazilian Association for the Development of Small Industries (ABDIB).

[a] Calculated on the basis of the monthly values for the average wage, deflated by the cost-of-living index for the city of São Paulo.

[b] Calculated on the basis of the monthly values for the average wage, deflated by the consumer price index for the city of Rio de Janeiro (Getulio Vargas Foundation). [c] Preliminary figures.

Table 20
BRAZIL: PUBLIC SECTOR BALANCE
(As a percentage of GDP)

	1991	1992	1993
Nominal balance	**-23.7**	**-41.6**	**-52.4**
Central Government	-6.4	-14.3	-18.6
State governments	-8.4	-15.2	-21.8
State enterprises	-8.9	-12.0	-12.1
Primary balance	**2.7**	**2.2**	**2.8**
Central Government	0.8	1.3	1.4
State governments	1.2	0.4	0.8
State enterprises	0.7	0.5	0.6
Operational balance	**1.4**	**-2.1**	**0.3**
Central Government	0.3	-0.8	-
State governments	1.2	-0.7	0.3
State enterprises	-0.1	-0.6	-

Source: ECLAC, on the basis of official figures.

Table 21

BRAZIL: CURRENT INCOME OF THE FEDERAL GOVERNMENT AND OF STATE AND MUNICIPAL GOVERNMENTS

	Millions of real cruzeiros			Growth rates				
				Nominal			Real[b]	
	1991	1992	1993[a]	1991	1992	1993[a]	1992	1993[a]
A. Current income of Federal Government								
Total	**16 694**	**179 673**	**4 329 404**	**319.2**	**976.3**	**2 309.6**	**1.4**	**9.3**
Taxes	10 477	120 225	2 856 491	302.2	1 047.5	2 276.0	5.1	7.8
Income	5 232	61 340	1 405 669	309.3	1 072.5	2 191.6	7.4	4.0
Manufactures	3 528	40 743	942 330	365.8	1 054.9	2 212.9	5.8	5.0
Financial operations	975	10 178	311 946	137.0	944.3	2 964.9	4.3	39.1
Imports	606	6 960	172 784	394.3	1 048.6	2 382.5	5.2	12.7
Exports	4	5	53	59.4	16.9	960.0	89.3	51.9
Other	133	999	23 709	308.4	651.7	2 273.3	31.1	7.7
Taxes earmarked for social programmes	4 747	53 655	1 355 518	610.3	1 030.2	2 426.4	3.6	14.6
Other current income	1 469	5 793	117 395	107.1	294.3	1 926.5	63.9	8.0
B. Current income of state and municipal governments								
Taxes on circulation of merchandise in:	11 152	113 537	2 355 365	362.5	918.1	1 974.5	6.7	5.9
São Paulo	4 273	43 402	905 275	342.9	915.7	1 985.8	6.9	5.3
Rio de Janeiro	1 143	11 734	244 146	410.7	926.2	1 980.7	6.0	5.6
Minas Gerais	1 106	11 378	235 171	399.7	928.3	1 966.9	5.8	6.2
Southern region[c]	1 821	19 091	395 812	350.4	948.3	1 973.3	4.0	5.9
Other states	2 807	27 932	574 960	370.5	894.9	1 958.4	8.8	6.6
Federal Government transfers in respect of taxes earmarked for states and municipalities	4 389	47 103	1 111 098	336.2	973.2	2 258.9	1.7	7.0

Source: Central Bank of Brazil and Ministry of Finance.

[a] Preliminary figures. [b] Deflated by the general price index (domestic availability). [c] Comprises the states of Paraná, Santa Catarina y Rio Grande do Sul.

Table 22

BRAZIL: PRIVATE-SECTOR LIQUIDITY

(Percentage variations over 12 months)

	M1	M2	M3	M4	M5
1984	201.9	331.9	288.8	292.7	...
1985	304.3	358.6	310.4	303.9	...
1986	306.7	119.9	94.6	94.8	...
1987	127.5	308.6	383.9	352.6	...
1988	570.3	920.8	979.7	963.7	963.7
1989	1 384.2	2 103.2	1 710.6	1 680.7	1 680.7
1990	2 335.7	540.3	566.6	686.8	1 050.2
1991	330.7	616.0	608.6	600.1	462.8
1992	867.3	1 720.6	1 637.8	1 826.1	1 539.2
I	29.4	130.0	121.5	131.1	114.9
II	142.9	387.1	353.5	380.7	322.0
III	337.2	815.8	757.7	850.3	78.7
IV	867.3	1 720.6	1 637.8	1 826.1	1 539.2
1993	2 129.4	2 596.4	2 772.5	2 802.8	2 802.8
I	55.1	100.7	103.7	105.0	105.0
II	228.4	309.4	328.0	339.7	339.7
III	608.2	882.6	924.6	954.6	954.6
IV	2 129.4	2 596.4	2 772.5	2 802.8	2 802.8

Source: Central Bank of Brazil.

Note: M1 = currency outside banks + sight deposits.
M2 = M1 + government securities outside the Central Bank.
M3 = M2 + savings deposits.
M4 = M3 + time deposits.
M5 = M4 + new cruzados retained since March 1990.

Table 23

BRAZIL: MONETARY BASE AND MEANS OF PAYMENT

(Percentage variations)

	Monetary base		Means of payment (M1)	
	During the year	Over the previous 12 months	During the year	Over the previous 12 months
1987				
March	5.4	141.6	6.7	102.4
June	4.9	41.1	4.3	42.2
September	81.6	116.8	36.8	65.7
December	181.5	181.5	127.4	127.5
1988				
March	34.1	299.1	13.0	175.3
June	80.9	435.7	78.0	288.1
September	183.3	339.0	179.4	364.6
December	622.3	622.3	570.3	571.7
1989				
March	58.8	754.8	40.1	733.2
June	178.9	1 012.8	129.8	760.7
September	374.2	1 108.9	302.8	860.6
December	1 754.2	1 754.2	1 384.2	1 384.2
1990				
March	407.7	5 830.4	494.2	6 180.5
June	1 141.0	10 434.2	1 033.0	7 203.4
September	1 266.5	5 245.1	1 370.0	5 305.7
December	2 304.4	2 304.2	2 350.8	2 350.8
1991				
March	24.8	491.1	36.2	461.9
June	52.7	195.8	74.7	277.8
September	98.0	248.4	143.1	305.2
December	291.2	291.2	325.6	325.6
1992				
March	32.1	313.9	28.5	301.2
June	119.2	461.7	147.7	503.7
September	301.5	693.2	333.3	658.7
December	992.3	992.3	918.6	918.6
1993				
March	35.2	1 018.1	48.0	1 073.7
June	154.0	1 165.7	216.0	1 199.1
September	452.0	1 401.8	560.6	1 452.8
December [a]	1 951.3	1 951.3	2 082.1	2 082.1

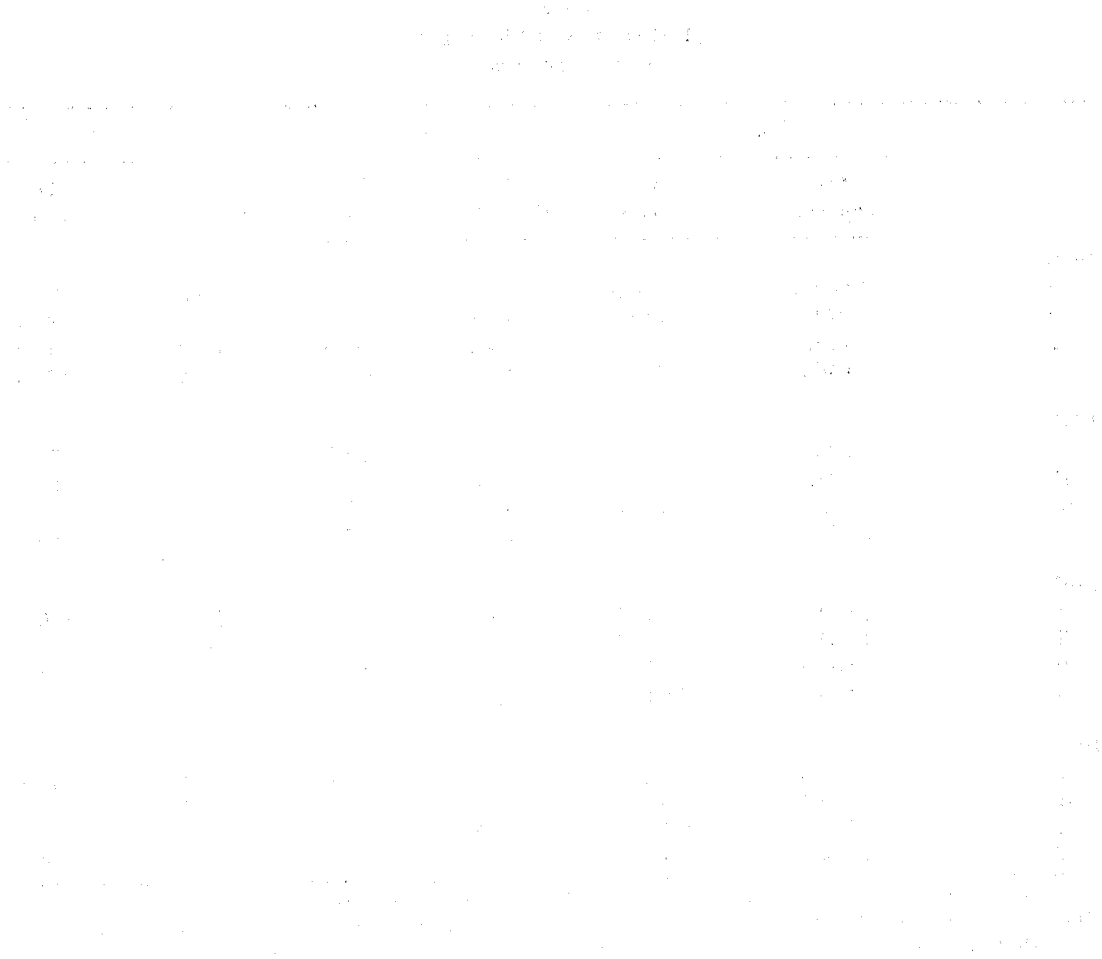
Source: Central Bank of Brazil.

[a] Preliminary figures.

Table 24
BRAZIL: INTEREST RATES
(Annualized percentages)

	Nominal		Real[a]		Equivalents in dollars[b]	
	On deposits	On loans[c]	On deposits	On loans[c]	On deposits	On loans[c]
1990						
I	35 868.0	186 164.0	-41.1	130.4	30.8	577.6
II	224.0	2 449.4	-62.3	616.2	-38.5	384.1
III	414.0	1 904.7	24.2	361.6	67.9	555.0
IV	1 044.0	3 868.5	92.3	514.9	-34.8	126.3
1991						
I	600.0	770.1	18.8	24.7	42.6	77.3
II	273.0	364.8	31.0	95.6	32.8	65.4
III	553.0	710.2	19.4	60.4	51.9	88.4
IV	2 226.0	3 529.5	69.7	177.8	-6.5	46.0
1992						
I	1 834.3	5 062.3	46.5	290.9	50.2	300.9
II	1 087.0	3 059.4	8.6	191.9	30.7	248.0
III	1 662.3	3 555.6	49.7	210.5	56.3	224.3
IV	1 660.0	2 886.6	22.8	93.8	26.1	114.0
1993						
I	1 787.0	3 995.0	6.8	131.8	14.7	148.8
II	2 641.3	6 042.6	33.7	199.5	30.5	192.3
III	3 756.7	5 958.4	22.2	92.0	35.1	112.3
IV	4 989.0	23 376.3	27.8	489.4	27.7	488.9

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices over the same period. [b] Ratio between nominal rates and the rate of devaluation over the same period. [c] Consumer credit rates.



COLOMBIA

1. General features of recent trends

The direction of the Colombian economy in 1993 continued to be influenced by the system's reactions to the liberalization measures introduced three years earlier. Freer imports and access to external financing produced serious trade and current account deficits, in contrast to the two previous years, while investment experienced an extraordinary rebound and consumption grew. As a result, gross domestic product continued on the upward path taken the year before and grew by a rate of nearly 5%. The system was allowed the liquidity necessary to support such growth, while the non-financial public sector balanced its budget, thereby avoiding an increase in interest rates without overly compromising the stability of the exchange market.

In this regard, although the real exchange rate of the Colombian peso calculated as a function of producer prices remained relatively stable, the currency appreciated with respect to consumer prices. The performance of the exchange rate helped to combat inflation, which declined for the third consecutive year; the increase in the consumer price index (CPI) was slightly above 22%, the goal set by the economic authorities. The moderate rise in food prices also helped in this regard, due in part to a return to normal weather conditions following the 1992 drought.

The most significant change from the previous year was the performance of the external sector, which showed a strong increase in capital inflows and imports. The big surplus in the capital account was, for the first time in the decade, offset by a comparable deficit in current account, which swung from a surplus of US$ 2.3 billion in 1991 to a deficit of almost the same magnitude in 1993. The large trade deficit reversed the tendency towards a surplus in this category that had prevailed through 1992.

2. Economic policy

The economic policy applied in 1993 can be traced back to the decision made in 1991, only one year into the tariff liberalization programme, to proceed immediately with the remaining measures originally scheduled for later years. The decision was made because imports had responded weakly to the initial liberalization measures, and that response, combined with the opening up of the capital account, had resulted in a substantial increase in international reserves, with inflationary consequences. The tight monetary policy that had to be adopted in consequence brought about a rise in interest rates, which discouraged investment and encouraged capital inflows, with resultant downward pressure on the real exchange rate. These internal and external disequilibria threatened to undermine the success of the liberalization programme.

The effects of the economic course correction began to manifest themselves in 1992, and the trend continued, to some extent, into 1993. In the latter year, economic policy shifted towards stimulating growth while encouraging adjustment in economic activity to meet the new competitive conditions created by liberalization, at the same time gradually reducing the inflation rate. To achieve this, fiscal management was aimed at balancing public sector income and expenditure. Monetary policy continued to be designed to maintain interest rates at moderate levels compatible not only with growth in

Figure 1
COLOMBIA: MAIN ECONOMIC INDICATORS

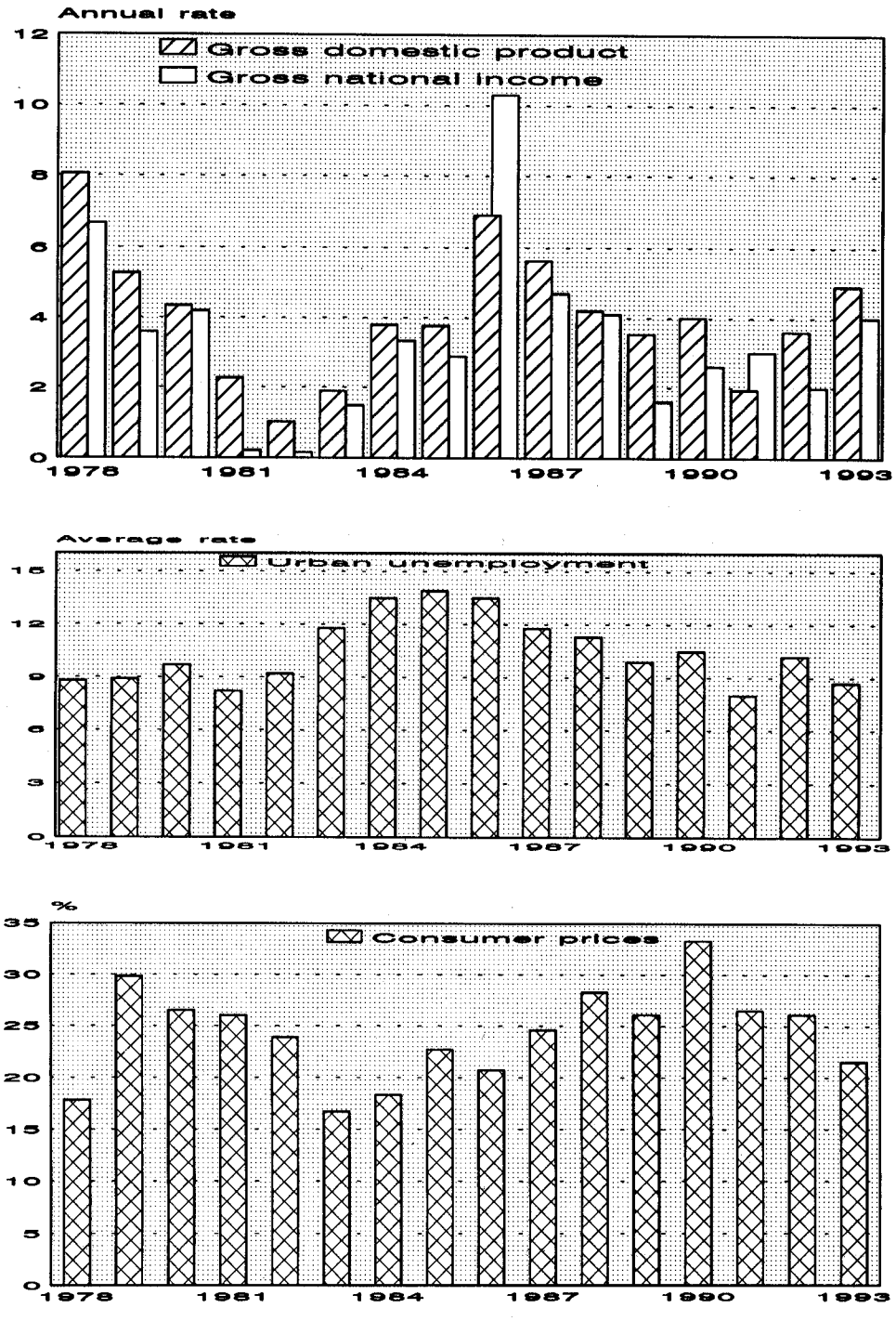
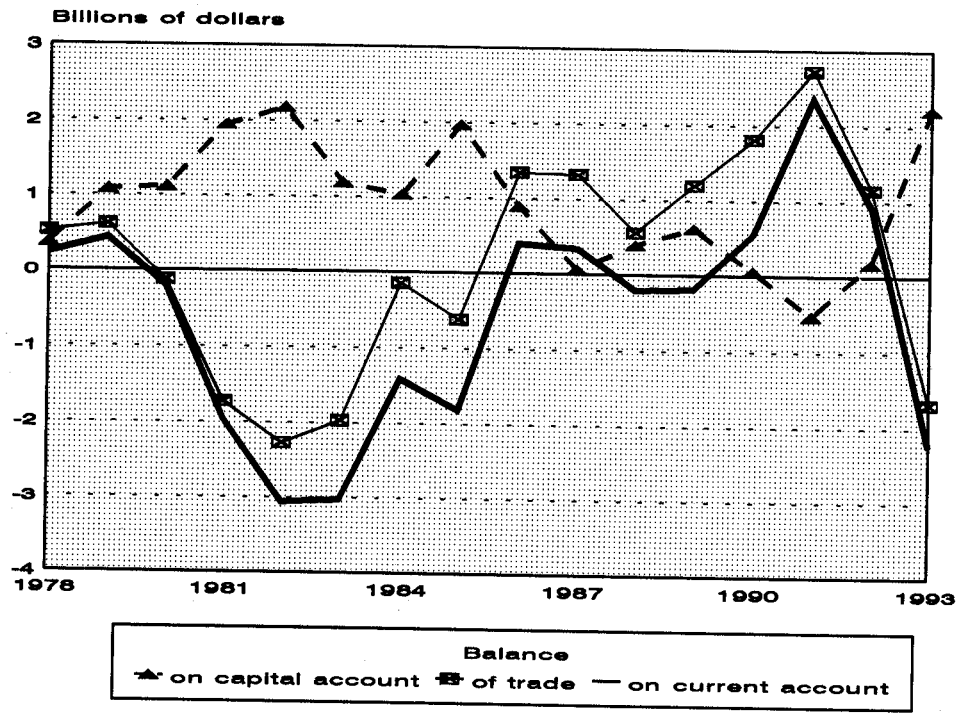
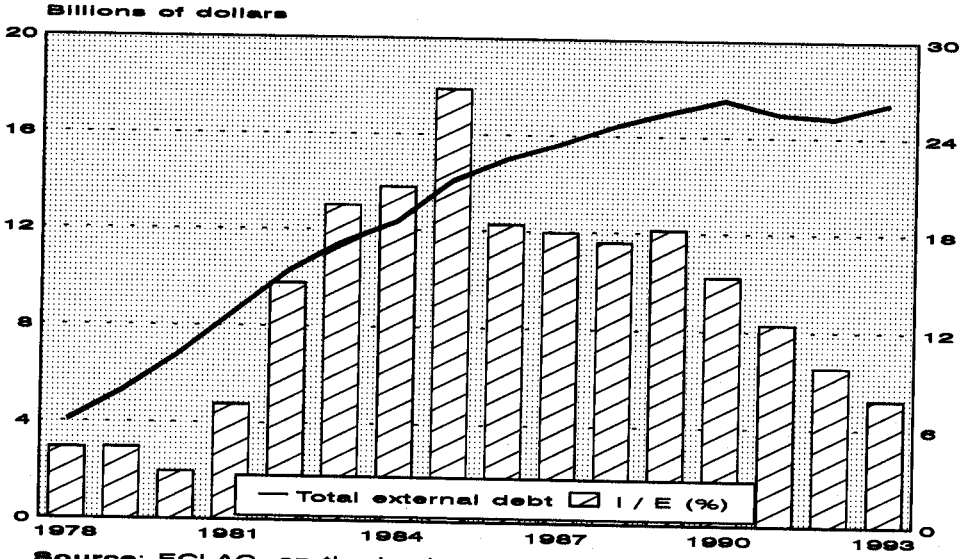


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due. E = Exports of goods and services.

spending and output but with the expressed objective of avoiding a decline in the real exchange rate.

The difficulties inherent in simultaneously achieving growth, inflation, and exchange rate stability were clearly observable in the second half, when monetary authorities were forced to confront pressures towards an excessive expansion of liquidity. A conflict became evident between a policy of allowing the money supply to grow in order to counteract a possible rise in interest rates and avoid unwanted effects on capital inflows and the exchange rate and a contractive policy which would moderate spending and ease the pressure on prices. Through monetary management, the authorities sought to steer a middle course between the two alternatives, but could not prevent an increase in the money supply above the goals originally set, a situation that prevailed for nearly the entire second half.

a) Fiscal policy

In 1993, fiscal results were influenced by the decentralization policy instituted in 1991 and the application of the tax measures adopted in 1992. The new tax measures boosted central Government revenues 40%, while spending rose only 30%, leading to an improvement in financial results; although the balance was still negative, the deficit was equal to only 1% of GDP, compared to 2% in 1992, and was offset by the surplus from the rest of the non-financial public sector, so that the accounts were in balance overall.

The central Government's chief sources of revenue, value-added tax (VAT) and income tax (and related assessments), for which the regulations had been revised the previous year, accounted for 80% of fiscal receipts in 1993. Collections of these two taxes displayed different trends, with VAT gaining in relative importance and income tax declining. As a consequence of measures adopted in 1992 broadening the scope of application of VAT and raising the rate, combined with an expansion in 1993 in the volume of sales, VAT receipts were considerably higher than the year before. Their relative share in total tax revenues rose from 30% to over 40%, while the share accounted for by income tax dropped nearly seven percent to 42%, reflecting a lesser rate of increase (20%) in collections. This may have been due to the adverse effect of the procedures for adjusting for inflation, not sufficiently offset by the surtax adopted in 1992.

In contrast to 1992, customs receipts rose, and in greater proportion than other assessments, because of the big increase in purchases from abroad. The proceeds from the *ad valorem* tax on gasoline increased only 22%, because the price of gasoline rose only moderately thanks to the anti-inflationary policy. As in previous years, non-tax income continued to represent only a small portion of the whole, despite a sharp increase the past year.

The decentralization policy initiated in 1991 continued to have a strong impact on public sector accounts. Central government current expenditures went up over 50% in nominal terms from the previous year, primarily because of increased transfers to other government entities (particularly regional and local governments). Such transfers represented nearly 50% of current expenditure and almost half of total expenditure. Other categories of expenditure grew proportionally less, notably interest on debt, since higher payments on domestic debt were offset by a sharp drop in interest on external debt due to the fall of interest rates abroad and the balance reduction achieved in 1992. Capital expenditure also declined, so that total central government outlays increased only 30%.

Among the entities in the non-financial public sector that recorded a surplus were the Social Security Institute, the electric utilities, Sociedad Carbones de Colombia (CARBOCOL) and the regional and local government entities. In 1993, reforms were made to the social security system that will impact on future accounts. Regional and local government entities increased their income through increased collections and transfers from the central Government, while their expenditures increased less rapidly. In order to regulate the indebtedness of these entities, whose capacity to incur debt had grown along with their revenues, the Colombian central bank (Bank of the Republic) established standards for their bond

issues in the national currency. Other public entities ran a deficit, notably the Empresa Colombiana de Petróleos and the National Coffee Fund.

The non-financial public sector as a whole, but principally the central Government and the electric utilities, tended to switch from external to domestic financing, so that more external debt was paid off than incurred.

b) Monetary policy

During most of the year, the growth in the means of payment (M1) exceeded the target set by the Bank of the Republic, which was allowing for growth to fluctuate in a band between 24% and 30%. The band ceiling was consistently exceeded during nearly the entire second half year, although by the end of December the volume of M1 did drop down to that limit, i.e., 30% above the level recorded a year earlier. The issuing authority utilized open-market operations to control the trend of the monetary aggregate; except during June and the last quarter of the year, the net balance of these operations (including the redemption of matured securities) was contractive.

The increase in the money supply was brought about by an even larger expansion in the monetary base (34% over the course of the year), reflecting a decline in the money multiplier due to the policy of monetary absorption. In contrast to previous years, the accumulation of international reserves was not the primary cause of the expansion of the monetary base. The chief factors were the expansive effect of the redemption during the course of the year of exchange certificates previously issued to defer monetization of accumulated reserves (the balance of outstanding certificates dropped from 1.2 trillion pesos at the end of January to under 340 billion at the end of December); the increase in public sector borrowing to finance the central government deficit and to pay off its external debt and the debt of some public sector enterprises (especially the electric utilities and CARBOCOL, among the entities running a surplus); and interest payments on securities issued through open market operations.

Greater liquidity made it possible to keep nominal interest rates stable, but was not sufficient to meet the greatly increased demand for private credit. The demand was the result of a surge in domestic economic activity, greater availability of imported products, moderate interest rates and credit offered on better terms by financial intermediaries due to structural reforms encouraging greater competition between them. Much of the demand was met by the abundant stream of foreign capital coming in as short-term investment attracted by domestic yields, given the trend towards real appreciation of the national currency. As a result, quasi-money increased 47%, a rate close to that realized the year before, and the broad money (M2) multiplier registered another increase.

Continuing the trend observed in 1992, interest rates on deposits hovered around 26% and on loans around 36%. In real terms, this behaviour resulted in negative rates at the beginning of the year, which subsequently fluctuated and reached monthly maximum averages in December of 11% for deposit interest and 20% for loan interest. Quarterly averages of such yields figured in dollars, on the other hand, varied between 10% and 11% on funds borrowed from the public.

c) Foreign exchange policy

In 1993 the Bank of the Republic maintained its policy of gradually increasing the official peso rate of exchange used to redeem exchange certificates at maturity. The increase over the course of the year amounted to 13%. As a result, the nominal effective rate of exchange (referred to as the "representative market rate", calculated on the basis of the discount applied by the market to certificates of exchange), which could not fall below the official rate of exchange by more than 12.5% (the discount rate at which the Bank of the Republic was redeeming certificates before maturity), also rose, but only by approximately 9% for the year as a whole, due to a decline in the last quarter.

The criterion applied by the Bank of the Republic in its foreign exchange policy was to achieve a real rate of exchange, measured according to a purchasing power parity index

based on the producer price index, close to the level achieved during the period 1986-1989, when this indicator was relatively stable. In 1993, the index fluctuated slightly around 103, compared to a base of 100 in December 1986. Using the consumer price index as a reference, however, the peso appreciated during the year.

This policy helped to control inflation, but it also encouraged an influx of short-term external capital, permitted by the capital account liberalization measures introduced in 1991; the influx of short-term foreign exchange in turn threatened to over-appreciate the currency. In order to counteract these pressures, the monetary authorities tried to clamp down on the entry of speculative capital by imposing a reserve requirement of 47% on external credits contracted for terms of less than 18 months. At the same time, it facilitated international transactions and private sector access to international capital markets in order to foster competition in the financial system.

d) **Trade policy**

Colombia's foreign trade continued to develop along the lines established by the trade liberalization policy introduced in 1991. The framework remained the same in 1993, except for a few changes designed to provide greater protection for the agricultural sector because of the difficulties it was facing. In addition, the process of integration among the members of the Andean Group continued to build upon the significant progress made in previous years. In particular, negotiations went forward on the adoption of an external common tariff by member countries. In September, a complementarity agreement concerning the motor vehicle industry was signed between Colombia, Ecuador and Venezuela, providing for a uniform tariff of 35% on nearly all categories of automotive vehicles to take effect 1 January 1994. In addition, the groundwork was laid to enable the Group of Three agreement (between Colombia, Mexico and Venezuela) and a bilateral agreement with Chile to take effect in 1994.

3. Trends in the main variables

a) **Economic activity**

In 1993, the trend towards a livelier economy continued in a climate of structural reforms related to the liberalization programme. Physical gross domestic product increased by nearly 5%, a higher rate than in 1992, providing the basis for another increase in per capita GDP, this time by over 3%.

The chief engine of output growth was, once again, an increase in domestic demand (over 9%), including a remarkable surge in gross fixed investment (28%), primarily by the private sector. The ratio of investment to output rose to the level it had reached early in the 1980s (around 17%), which, while still low, was five percent higher than the figure for 1991. In a more competitive environment, which led many firms to modernize, investment was facilitated by interest rates ten percent lower than those prevailing in 1991 and by the greater availability of credit, including external credit; external savings made a significant contribution to domestic investment for the first time in the decade. These factors also allowed for an increase, somewhat smaller, in private consumption, particularly of durable goods and housing. Public sector consumption once again rose considerably.

The increase in domestic demand not only stimulated production, but also caused a spectacular increase in the volume of imports, facilitated by the easing of foreign trade barriers and the evolution in the exchange rate. This meant that while the internalization of the Colombian economy intensified, the process entailed a greater increase in imports than in exports. The surge in production was therefore not primarily due to the exporting sectors, and not even to other tradable goods sectors, which had to struggle against the influx of imports. It was sectors producing non-tradables that turned in the

best performance, notably construction and some service sectors, together with the motor vehicle industry. This meant that the pattern of growth did not entirely fulfil the expectation generated by the trade liberalization policy that the sectors producing tradables would provide the momentum for the economy.

Among the industries experiencing strong growth was construction, which expanded 9%. The rate was a little lower than the year before, however, and the number of construction permits approved in 1993 dropped from the 1992 level. Transport equipment proved to be the most dynamic manufacturing sector; the surge in automobile imports did not prevent motor vehicle assembly from moving ahead strongly from 50,000 vehicles in 1992 to nearly 77,000 in 1993. This performance can be attributed in part to lower costs resulting from tariff reductions (especially on imported components) and in part to the non-tariff-related advantage of distribution networks and after-sales service, which were still not as well-established for imported vehicles.

Other sectors that benefited from enhanced demand in the new economic environment were the wooden furniture industry and its supplier, lumbering, the plastics industry (which increased its exports) and the construction materials industries in general, which shared in the benefits of the construction boom. In contrast, some of the other tradables manufacturing sectors, such as tobacco, textiles, clothing, footwear, processed foods, paper and paperboard, suffered a decline. Since, however, some firms in these fields, in textiles, for example, undertook restructuring and modernization programmes, they became sources of heavy demand for machinery and other capital goods and thereby contributed significantly to the boom in capital investment and the expansion of other production sectors.

Among the services that grew at a faster pace than goods production were electricity, gas and water distribution, which overcame the problems that had beset the power supply sector in 1992, private services provided to firms and individuals and services provided by the State.

In agriculture, the year's crops in general showed a recovery from the drought the year before as weather conditions improved. However, declines, even major setbacks, were suffered by a few agricultural products that were competing with imports or depended primarily on external demand, such as cotton and coffee. The coffee crop showed the impact of the drop in prices during the previous period and the dismantling of the fertilizer subsidy system, factors which led to a neglect of cultivation practices and discouraged new planting. In the livestock industry, poultry and milk production improved and beef production recovered slightly.

Overall, mining production remained at the same level, but performance varied depending on the product. The output of iron ore and precious metals declined considerably, while petroleum production expanded from 160 million barrels a day in 1992 to 165 million in 1993.

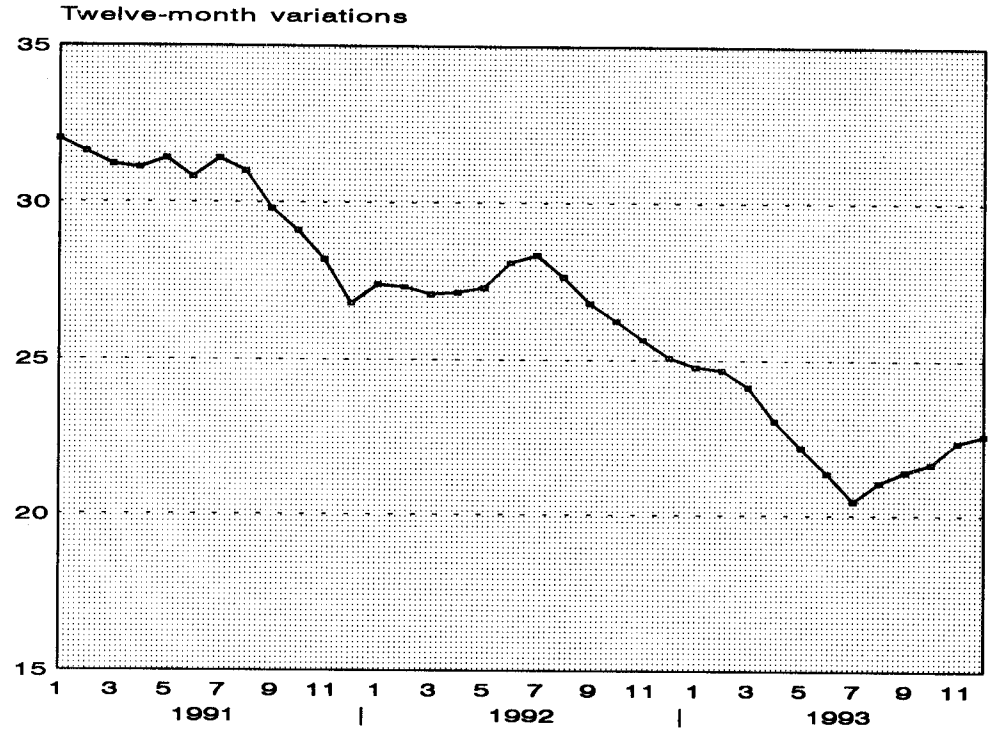
b) **Prices, wages and employment**

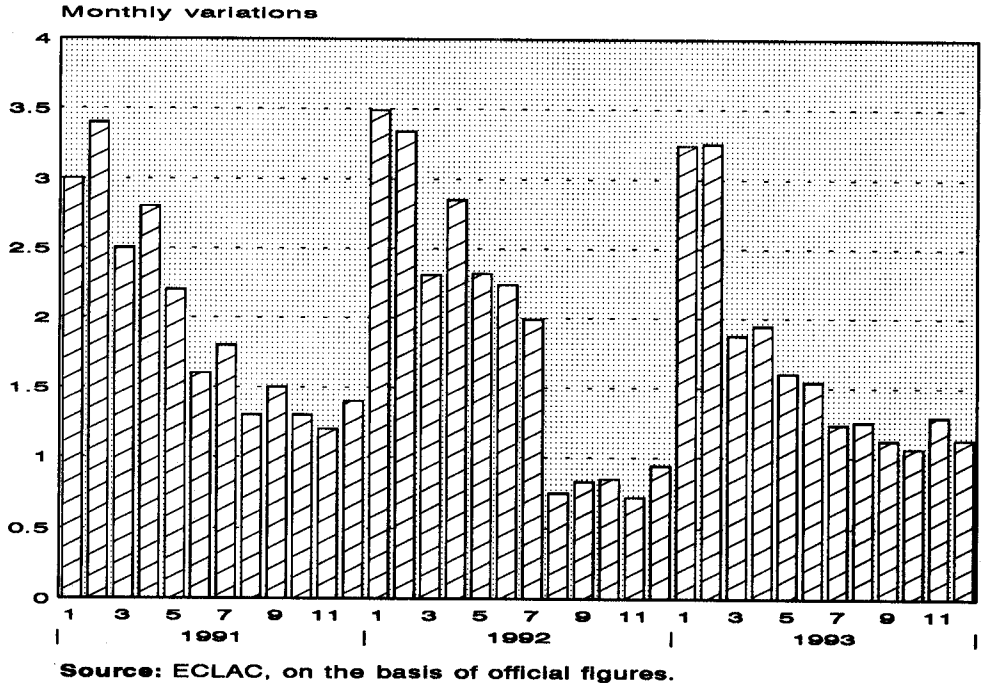
The increase in the consumer price index (CPI) of 22% for 1993 made it the third straight year of declining inflation since the high rate (33%) recorded in 1990. The rise in prices slowed gradually from the middle of 1992 through July 1993, but at that point the pace of increase over the previous twelve months began to pick up again. The factors that moderated the rise in the CPI were the slow nominal depreciation of the peso and the expanded supply of certain categories of goods, particularly agricultural products and imports. Their influence was reflected in the fact that prices of food and tradables increased more slowly than the aggregate index.

The slower rise in prices of foods was particularly evident during the first seven months of the year. This effect was due to the increased production made possible by good weather conditions and perhaps inspired as well by the high prices that had prevailed early in 1992; in the case of meat, it was due to the decision to slaughter stock held back for two years. Other factors were competition from imports and lower international prices of some foreign products, against the backdrop of a slow nominal devaluation of the currency.

The surge in imports and the evolution of the exchange rate also help to explain the divergent trends in prices of tradables and non-tradables; inflation was low and slowing down in terms of

Figure 2
COLOMBIA: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

prices of tradables and, inversely, higher and heating up in terms of prices of non-tradables. Prices of non-tradables more strongly reflected the sharp increase in aggregate demand, together with the rise in labour costs and the management of some administered prices. Among the non-tradables, the categories with the most rapid cost increases were housing, health, education and transportation. These various influences were also reflected in the behaviour of the producer price index, which, because it included no services, rose only 13% in the course of the year.

The practice of many firms of calculating wage adjustments on the basis of the previous period's inflation rate means that during a period of slower inflation real wages tend to increase. Since this was situation in 1993, real remuneration improved significantly. The legal minimum wage was raised 25% in 1993, which translated into a 3% increase in real terms for the year. Real wages rose 5% for workers in industry and even more for non-manual workers.

Employment, however, expanded less than output in the manufacturing sector. Furthermore, the results varied for different industries, perhaps because the readjustment of activity among firms may have increased frictional unemployment. Employment declined in some sectors (some petroleum products, lumbering, though not wooden furniture, tobacco, industrial chemicals, footwear, coffee threshing and beverages) and expanded noticeably in others (ceramics, machinery, other petroleum and coal products, transport equipment, plastics, other chemical products and clothing, excluding footwear). Taken altogether, these trends, along with higher employment in construction and services, brought down the urban unemployment rate to 8% by the end of 1993. In rural areas, however, the situation was much less positive.

c) **The external sector**

Exports in 1993 topped US$ 7.4 billion, still under the figure for 1991, but slightly higher than for 1992. The improvement was attributable to the performance of non-traditional exports, while the main traditional exports suffered setbacks.

Coffee was adversely affected by the downturn in international prices, which inspired a policy of self-regulation of supply on the domestic level and a restraint agreement among the major exporting countries. Foreign petroleum sales also suffered from the decline in international prices since 1991 following the end of the Gulf War. There were also declines in exports of gold (because of a reduction in volume) and ferronickel (because of a drop in prices).

Non-traditional exports, on which many of the expectations of the liberalization policy were based, were confronted with a difficult situation created by weak external demand in developed countries and in some members of the Andean Group (Venezuela in particular), heavy domestic absorption and the disadvantages resulting from the real appreciation of the peso in relation to domestic consumer prices. Despite all this, they increased in value by 12%, although a good part of the increase was due to increased sales of precious stones (especially emeralds). It is significant, however, that in most industrial categories there was some growth in exports.

The most important factor in the striking increase in imports was the enhanced demand resulting from investment; capital goods accounted for over half the increase in the value of imports, which soared from US$ 6 billion in 1992 to over US$ 9 billion in 1993, although consumer goods gained proportionately. The rate of expansion of purchases from Venezuela and Ecuador, several times higher than that of total imports, was a measure of the importance of the progressive integration occurring within the Andean Group.

The explosive growth in imports tipped the trade balance to the negative for the first time in many years. The new trade deficit was in addition to the chronic balance-of-services deficit, although the latter, composed overwhelmingly of payments on capital, shrank for the fourth time since the start of the decade. Positive unrequited private transfers, although down somewhat in 1993, remained above the billion dollar mark as in the other years of the 1990s, but did not prevent the current account from showing a big deficit (over US$ 2.2 billion dollars), the first negative balance of the decade.

The balance on the capital account revealed a spectacular net influx of over US$ 2.2 billion (including over US$ 400 million under errors and omissions), an amount unprecedented since the debt crisis. The most striking component was the inflow of billions of dollars of short-term capital, in contrast with the net outflow recorded under this heading in the earlier years of the decade. There were also substantial increases in portfolio investment and long-term private sector borrowing. Foreign direct investment maintained its upward tendency, but was partially offset by the expansion of Colombian investment abroad. It is estimated that considerable amounts of foreign funds related to drug exports entered the country, among other ways, in the form of private short-term capital movements and private transfers.

The capital influx roughly covered the hefty current account deficit, so that the global balance came out negative by just US$ 20 million. This marked the end of long run of surpluses on Colombia's external accounts and contrasted with the massive accumulations of reserves in the two previous years. However, exogenous movements affecting the value of the components of cumulative reserves (reflected in the counterpart items) meant that at the close of the year the value of net reserves approached US$ 7.9 billion, some two hundred million more than in 1992. This amount would cover over eight months of imports of goods and services, even at the particularly high level they reached in 1993.

In 1993, the Colombian public sector pursued its policy of amortizing external debt, so that the outstanding balance dropped, although only slightly. The drop, however, was more than offset by private sector borrowing, which rose at the same pace as in 1992. As a result, after declining for two years in a row, total external debt increased to over US$ 17 billion, close to the level reached in 1990.

Table 1
COLOMBIA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	121.2	128.0	133.4	138.1	143.6	146.4	151.6	159.0
Gross national income	119.4	125.0	130.2	132.3	135.8	139.9	142.7	148.3
Population (millions of inhabitants)	30.1	30.6	31.2	31.7	32.3	32.9	33.4	34.0
Per capita gross domestic product	107.0	110.9	113.5	115.4	117.9	118.1	120.3	124.1
Real effective exchange rate CPIb	147.3	163.1	165.7	170.0	191.4	192.0	171.9	161.6
Real effective exchange rate WPI [b]	128.5	140.0	141.6	142.8	162.6	162.7	152.1	150.7
	Ratios (percentages)							
Surplus or deficit of the non-financial public sector/GDP c	-0.3	-1.9	-2.5	-2.4	-0.3	0.1	-0.3	0.2
Money (M_1)/GDP	12.5	11.9	9.0	8.5	8.5	9.5	10.3	11.0
Unemployment rate [d]	13.5	11.8	11.3	9.9	10.5	8.0	10.2	8.7
	Percentage variations							
Gross domestic product	6.9	5.6	4.2	3.5	4.0	1.9	3.6	4.9
Per capita gross domestic product	4.9	3.7	2.3	1.7	2.2	0.2	1.8	3.2
Gross national income	10.9	4.7	4.1	1.6	2.6	3.0	2.0	4.0
Consumer prices [e] December to December	20.9	24.0	28.1	26.1	32.4	26.8	25.1	22.6
Real wages and salaries [f]	4.8	-0.7	-1.4	1.2	-0.6	-2.5	5.0	4.8
Current value of exports of goods and services	43.6	6.0	-1.1	8.4	18.5	4.8	1.5	7.1
Current value of exports of goods and services	-0.1	8.0	12.5	-1.1	12.0	-7.4	27.0	43.3
	Millions of dollars							
External sector								
Trade balance	1 342	1 324	562	1 195	1 813	2 731	1 158	-1 679
Factor services	-1 744	-1 989	-1 742	- 294	-2 297	-2 080	-1 980	-1 690
Balance on current account	399	344	-205	-187	557	2 363	925	-2 233
Balance on capital account	893	58	398	621	53	-527	167	2 213
Variation in net international reserves	1 354	-106	348	220	668	1 890	1 225	205
Total external debt	15 680	17 047	17 359	17 007	17 556	16 975	16 833	17 436

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Corresponds to the exchange rate for exports. [c] Net transfers. [d] Average annual rate in the seven principal cities. [e] Total index for manual workers. [f] Average real wages of manual workers in manufacturing.

Table 2

COLOMBIA: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	139.9	142.7	148.3	99.8	95.3	93.9	93.1
a) Gross domestic product	146.4	151.6	159.0	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-4.0	-5.7	-6.0
c) Net factor income from abroad [b]	721.0	678.8	572.8	-0.8	-3.7	-3.4	-2.7
d) Net private transfers from abroad [b]	886.5	894.7	575.1	0.5	3.1	3.0	1.8

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Through 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices. Those for 1993 were estimated by ECLAC on the basis of information from the Banco de la República de Colombia. Those figures were converted to constant 1980 values using unit value indexes calculated by ECLAC for this purpose.

Table 3

COLOMBIA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**139.6**	**147.7**	**161.4**	**116.8**	**118.5**	**4.2**	**0.9**	**5.8**	**9.3**
Gross domestic product at market prices	146.4	151.6	159.0	100.0	100.0	4.0	1.9	3.6	4.9
Imports of goods and services [c]	98.9	124.2	176.0	16.8	18.5	6.1	-7.2	25.6	41.7
Total demand	**139.6**	**147.7**	**161.4**	**116.8**	**118.5**	**4.2**	**0.9**	**5.8**	**9.3**
Domestic demand	132.8	139.4	153.1	100.4	96.7	1.1	-0.5	4.9	9.8
Gross domestic investment	110.9	128.3	166.5	19.1	20.0	-1.2	-0.9	15.7	29.8
Gross fixed investment	106.8	126.3	162.2	16.8	17.1	-3.3	-8.8	18.3	28.4
Changes in stocks	141.0	142.8	198.1	2.3	2.9	...	...	...	...
Total consumption	138.0	142.0	149.9	81.3	76.7	1.6	-0.4	2.9	5.6
General government	153.8	172.9	191.9	10.1	12.2	3.1	2.3	12.4	11.0
Private	135.8	137.6	144.0	71.2	64.5	1.3	-0.8	1.4	4.6
Exports of goods and services [c]	180.7	198.3	212.6	16.4	21.9	22.4	7.6	9.7	7.2

Source: ECLAC, on the basis of official figures and data supplied by the International Monetary Fund (IMF).
[a] On the basis of figures valued at market prices in constant 1980 dollars at the adjusted exchange rate. [b] Preliminary figures.
[c] The figures for exports and imports of goods and services were taken from IMF balance-of-payments data expressed in dollars at current prices, which were converted to constant 1980 values using unit value indexes calculated by ECLAC for this purpose.

Table 4

COLOMBIA: BREAKDOWN AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As a percentage of GDP) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	16.3	16.8	17.5	15.6	14.9	14.4	16.1	20.0
Gross fixed investment	15.8	15.1	16.1	14.7	13.7	12.2	14.0	17.1
Construction	10.2	8.6	9.3	8.2	...	...	...	...
Machinery and equipment	5.6	6.5	6.7	6.5	...	...	...	...
Changes in stocks	0.5	1.7	1.4	0.9	1.2	2.2	2.2	2.9
Gross domestic saving	19.1	20.2	19.7	19.7	21.6	23.3	23.8	23.3
Terms-of-trade effect [c]	0.7	-0.3	-1.0	-1.7	-3.4	-4.0	-5.7	-6.0
Net income for factor services [c]	-4.5	-4.6	-3.8	-4.6	-4.2	-3.7	-3.4	-2.7
Unrequited private transfers [c]	2.1	2.4	2.1	1.8	1.9	3.1	3.0	1.8
Gross national saving	17.3	17.6	17.0	15.3	15.9	18.7	17.7	16.4
External saving	-1.0	-0.8	0.4	0.4	-1.0	-4.2	-1.6	3.6

Source: ECLAC, on the basis of official figures.

[a] At market prices in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Through 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC on the basis of information from the Banco de la República de Colombia. Those figures were converted to constant 1980 values using unit value indexes calculated by ECLAC for this purpose.

Table 5

COLOMBIA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**146.4**	**151.6**	**159.0**	**100.0**	**100.0**	**4.0**	**1.9**	**3.6**	**4.9**
Goods	**153.9**	**158.0**	**162.0**	**49.6**	**50.6**	**3.4**	**2.3**	**2.7**	**2.5**
Agriculture	141.6	140.2	144.0	19.4	17.5	5.8	5.4	-1.0	2.7
Mining	516.3	521.5	522.2	2.3	7.5	5.9	0.7	1.0	0.1
Manufacturing	134.8	141.3	144.0	23.3	21.1	4.2	0.8	4.8	1.9
Construction	123.1	137.3	150.1	4.7	4.5	-13.1	-0.7	11.5	9.3
Basic services	**137.8**	**139.6**	**149.3**	**10.2**	**9.6**	**3.7**	**3.4**	**1.3**	**6.9**
Electricity, gas and water	161.5	150.3	169.2	1.3	1.4	3.8	3.7	-6.9	12.6
Transport, storage and communications	134.3	138.0	146.3	8.9	8.2	3.7	3.3	2.8	6.0
Other services	**143.5**	**149.7**	**158.6**	**39.9**	**39.8**	**3.9**	**3.0**	**4.3**	**6.0**
Commerce, restaurants and hotels	126.7	131.8	138.4	13.3	11.6	2.8	-0.3	4.0	5.0
Financial establishments, insurance, real estate and business services	153.3	159.1	169.2	13.7	14.6	6.0	5.1	3.8	6.4
Ownership of dwellings	146.0	148.6	153.2	7.0	6.7	2.9	3.3	1.8	3.1
Community, social and personal services	150.5	158.1	168.1	12.9	13.7	2.7	3.7	5.1	6.4
Government services	162.4	172.4	185.6	7.7	9.0	2.9	3.5	6.2	7.7
Import duties	117.5	141.1	197.5	2.8	3.4	9.8	-2.7	20.0	40.0
Less: Adjustments for banking services	183.5	187.9	214.2	2.5	3.4	-3.4	27.1	2.4	14.0

Source: ECLAC, on the basis of official figures, reweighted according to the 1980 current price structure. The resulting trends therefore do not necessarily coincide with those published by the country in its calculations at constant prices.

[a] Preliminary figures.

Table 6
COLOMBIA: INDICATORS OF AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
	Production of main crops [b] (Thousands of tons)						
Cereals							
Rice	1 739	1 735	1 781	0.7	-17.9	-0.2	2.7
Maize	1 274	1 056	1 230	16.2	5.0	-17.1	16.5
Sorghum	738	752	674	11.8	-5.0	1.9	-10.4
Wheat	94	75	109	31.3	-10.5	-20.2	44.7
Oilseeds							
Raw cotton	415	307	184	6.8	32.2	-26.0	-39.9
Soya	194	96	112	31.1	-16.4	-50.5	16.7
African palm [c]	291	290	320	12.5	15.5	-0.2	10.2
Staple foods							
Common beans	108	120	122	34.7	-18.2	11.1	1.6
Potatoes	2 372	2 281	2 860	-8.6	-3.7	-3.8	25.4
Cassava	1 645	1 651	1 723	28.5	-15.2	0.4	4.4
Other							
Cane sugar [d]	1 702	2 077	2 081	6.5	7.1	22.0	0.2
Brown cane sugar (panela)	1 093	1 085	1 225	-3.9	0.0	-0.7	12.9
Coffee [e]	971	965	840	27.3	14.9	-0.6	-13.0
Bananas	1 521	1 629	1 762	7.5	22.3	7.1	8.2
Tobacco	35	28	36	-2.4	6.1	-20.0	28.6
	Animals slaughtered (Thousands of head)						
Cattle	3 654	3 151	3 208	8.4	-5.9	-13.8	1.8

Source: Ministry of Agriculture; Banco de la República de Colombia and the National Federation of Coffee Growers (FEDERACAFE).
[a] Preliminary figures. [b] Agricultural year. [c] Production of oil pulp. [d] Production of raw sugar. [e] Coffee-growing year: 1 October to 30 September.

Table 7
COLOMBIA: PHYSICAL INDICATORS OF THE COFFEE SECTOR

	Thousands of 60 kg bags			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Production	16 179	16 094	13 640	27.3	14.9	-0.5	-15.2
Domestic consumption [b]	792	845	590	-17.2	-38.0	6.7	-30.2
Exports	12 541	16 561	13 050	28.7	-10.0	32.1	-21.2

Source: ECLAC, on the basis of figures from the National Federations of Coffee Growers (FEDERACAFE).
[a] Preliminary figures. [b] Sales to domestic processors.

Table 8

COLOMBIA: EVOLUTION OF COFFEE PRICES

	Prices		
	External [a]	Export repayment [b]	Domestic [c]
	Annual averages		
1980	1.59	252.2	8 663
1981	1.32	187.7	9 453
1982	1.42	208.6	11 171
1983	1.34	195.2	13 010
1984	1.47	206.1	15 429
1985	1.48	211.4	19 509
1986	1.97	319.4	37 510
1987	1.16	177.8	41 819
1988	1.43	206.1	49 392
1989	1.16	164.9	62 374
1990	0.95	130.7	76 973
1991	0.91	125.8	93 599
1992	0.69	93.2	90 978
1993	0.77	107.1	94 612
	End-of-period averages		
1991			
March	0.97	137.80	94 375
June	0.90	126.79	94 375
September	0.95	130.42	94 375
December	0.81	110.59	100 000 [d]
1992			
March	0.75	...	95 000
June	0.65	...	95 000
September	0.57	...	85 000
December	0.82	113.75	85 000
1993			
March	0.69	...	85 000
June	0.71	...	91 875
September	0.88	...	105 000
December	0.87	121.00	105 000

Source: ECLAC, on the basis of figures supplied by the Banco de la República de Colombia, the National Federation of Coffee Growers (FEDERACAFE) and the International Coffee Organization (ICO).

[a] Dollars per pound. Corresponds to the prevailing price on the New York commodities exchange for the "other milds" variety, plus the Colombian coffee quality premium. [b] Minimum price in dollars per 60-kg bag of green coffee that the exporter must repay to the Banco de la República. [c] Pesos per 125-kg load of parchment coffee. [d] From 8 November onward, includes 10,000-peso Coffee Savings Bonds.

Table 9
COLOMBIA: INDICATORS OF MINING PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
Gross domestic mining product (Index 1980=100)	**516.3**	**521.5**	**522.2**	**5.9**	**0.7**	**1.0**	**0.1**
Volume of production of the main items (Thousands of tons)							
Coal	20,031	23 776	...	13.9	-7.0	18.7	...
Iron ore	596	673	494	10.8	-5.1	13.0	-26.7
Nickel ore [b]	45	44	...	10.8	9.8	-3.0	...
Petroleum [c]	143	160	165	8.1	-10.4	11.8	3.1
Gold [d]	1 017	1 033	881	-1.6	8.8	1.6	-14.7
Silver [d]	258	267	238	-3.6	21.9	3.2	-10.7
Platinum [d]	52	63	55	35.5	22.7	22.0	-11.9
Salt	546	474	178	-2.6	-15.2	-13.2	-62.5

Source: Coal: Sociedad Carbones de Colombia (CARBOCOL); iron ore: Acerías Paz del Río; nickel ore: Empresa Colombiana de Níquel, Ltda. (ECONIQUEL); petroleum: Empresa Colombiana de Petróleos (ECOPETROL); gold, silver, platinum: Department of Precious Metals (Banco de la República); salt: Industrial Development Institute (IFI) - Concesión Salinas.
[a] Preliminary figures. [b] Millions of pounds. [c] Millions of 42-gallon barrels. [d] Thousands of troy ounces.

Table 10
COLOMBIA: INDICATORS OF PETROLEUM PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
	Millions of barrels						
Production							
Extraction of crude oil	155.3	160.4	165.3	8.1	-3.2	3.3	3.0
Output of petroleum products	87.8	86.0	85.6	2.6	6.7	-2.1	-0.4
External trade							
Imports of petroleum products	9.6	13.6	14.4	9.3	-9.4	41.7	5.9
Exports of crude oils	62.0	68.4	62.1	18.4	-11.6	10.3	-9.2
Exports of petroleum products	28.5	20.5	20.3	9.1	2.9	-28.1	-1.0
	Millions of dollars						
Total exports	1 461	1 396	1 323	39.5	-25.1	-4.4	-5.2
Total imports	237	273	350	47.6	-23.5	15.2	28.2
Energy balance	1 224	1 523	973	36.7	-24.7	24.4	-36.1

Source: Banco de la República and Empresa Colombiana de Petróleos (ECOPETROL); the figures for values correspond to those given in the balance of payments.
[a] Preliminary figures.

Table 11

COLOMBIA: INDICATORS OF MANUFACTURING PRODUCTION

(Real rates of variation)

	1988	1989	1990	1991	1992	1993[a]
Consumer goods						
Foodstuffs	0.4	9.8	5.5	-6.6	8.0	-2.5
Beverages	-3.3	1.7	2.5	-0.6	-4.7	10.9
Tobacco	-6.4	-6.6	-0.4	16.1	-16.8	-11.9
Textiles	-5.3	-5.5	2.7	0.6	7.1	-1.7
Clothing	17.7	11.3	6.9	-4.9	4.2	-5.8
Footwear	2.9	7.2	-7.5	22.7	1.0	-3.5
Wooden furniture	27.0	-6.4	-5.8	-6.4	10.2	16.2
Printing, publishing and related activities	12.7	-10.9	-4.9	4.4	1.0	10.1
Miscellaneous industries	0.8	2.7	-10.5	3.3	2.9	13.0
Intermediate goods						
Lumber industry	8.6	15.0	6.4	-4.0	-0.8	12.9
Paper and paper products	2.7	14.0	13.0	11.5	9.0	-7.1
Industrial chemicals	4.4	-1.7	1.9	4.1	-3.0	0.7
Other chemicals	5.2	7.0	7.6	1.0	6.7	5.0
Petroleum products	-3.1	-1.6	-8.6	2.7	-11.9	5.5
Other petroleum and coal products	10.2	-1.6	-8.6	-8.1	4.7	-1.5
Rubber products	15.6	-3.9	5.0	3.8	7.6	-1.1
Plastic products	-6.5	-6.4	10.1	-0.8	15.9	11.1
Glass and glass products	9.2	-0.7	7.8	-1.0	-1.2	13.7
Other non-metallic mineral products	1.0	2.0	-4.0	10.5	4.8	10.1
Basic iron and steel industries	9.0	0.8	0.1	-3.3	11.6	-3.5
Basic non-ferrous metals industries	-2.0	-16.6	20.8	-1.0	9.4	-1.8
Articles of clay, pottery and other china	9.0	-1.0	-2.0	11.5	11.8	13.6
Leather and leather products	6.0	5.2	17.7	9.2	-3.6	-8.3
Capital goods						
Metal products, except machinery	13.1	-12.3	13.7	-10.5	10.4	13.5
Machinery, except electrical machinery	8.6	5.0	46.6	-2.2	14.9	12.5
Electrical machinery and apparatus	7.2	-4.2	-6.9	-9.2	16.4	7.7
Transport equipment	19.3	-7.0	-8.7	-16.5	19.2	42.5
Professional and scientific equipment	12.9	-9.8	-2.1	6.4	-17.1	-3.4

Source: National Bureau of Statistics (DANE).

[a] Preliminary figures.

Table 12
COLOMBIA: APPROVED CONSTRUCTION PERMITS

	Thousands of square metres			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total surface area (all types) [b]	**8 552**	**11 616**	**10 993**	**-15.0**	**28.8**	**35.8**	**-5.4**
Ten major cities	**8 204**	**11 195**	**10 603**	**-14.8**	**28.5**	**36.5**	**-5.3**
Bogotá	3 883	5 529	4 213	-22.4	48.2	42.4	-23.8
Barranquilla	285	247	390	-28.5	61.6	-13.4	58.1
Bucaramanga	497	461	847	14.2	26.5	-7.2	83.8
Cali [b]	1 404	2 018	2 182	4.8	8.9	43.7	8.1
Cartagena	86	87	84	-51.1	-36.9	0.8	-4.0
Cúcuta	73	102	157	53.6	-58.6	38.8	54.5
Manizales	198	321	310	3.9	-6.2	62.2	-3.6
Medellín	1 454	2 171	2 106	-17.2	17.2	49.4	-3.0
Neiva	185	130	162	-60.0	342.5	-29.8	24.8
Pasto	139	130	153	4.4	38.7	-6.9	17.8
Total surface area of new housing [b]	**6 564**	**9 379**	**8 497**	**-16.1**	**35.6**	**42.9**	**-9.4**
Ten major cities	6 290	8 997	8 218	-16.5	34.9	43.0	-8.7
Bogotá	3 110	4 708	3 410	-29.5	60.1	51.4	-27.6
Barranquilla	172	167	273	4.9	21.7	-3.3	63.8
Bucaramanga	405	402	698	9.2	34.0	-0.7	73.5
Cali [c]	1 091	1 529	1 656	9.4	13.5	40.2	8.3
Cartagena	50	52	72	-59.4	-41.9	3.1	38.3
Cúcuta	55	93	107	48.9	-59.9	69.8	15.1
Manizales	159	254	210	3.7	10.2	59.8	-17.1
Medellín [d]	1 036	1 635	1 540	-11.4	22.4	57.8	-5.8
Neiva	128	108	144	-50.8	276.7	-15.8	33.6
Pasto	85	49	109	-	20.1	-41.8	120.7

Source: ECLAC, on the basis of data supplied by the National Bureau of Statistics (DANE).
[a] Preliminary figures. [b] Total surface area, including metropolitan area. [c] Includes permits approved in the metropolitan area of Yumbo. [d] Includes permits approved in the metropolitan areas of Bello, Envigado and Itagüi.

Table 13

COLOMBIA: TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

	1992					1993[a]				
	March	June	September	December	Year	March	June	September	December	Year
Rate of variation in employment [b]										
Bogotá	...	1.8	-1.1	2.7	...	-1.3	0.9	2.9	-0.5	2.0
Barranquilla - Soledad	...	4.1	-5.2	9.8	...	-5.3	0.4	2.0	-1.7	-4.6
Cali - Yumbo	...	5.6	-1.6	3.6	...	0.2	-1.8	1.3	5.1	4.7
Medellín - Valle de Aburra	...	-0.2	4.2	-0.2	...	0.2	-0.2	3.6	-3.4	0.1
Overall rate of participation [c]										
Seven metropolitan areas	60.2	62.0	59.5	61.6	60.8	60.1	59.9	60.2	60.0	60.1
Rate of unemployment [d]										
Seven metropolitan areas	10.8	11.1	9.1	9.8	10.2	9.8	9.2	7.9	7.9	8.7
Bogotá	8.4	9.1	7.3	8.5	8.3	7.5	7.2	5.3	5.8	6.6
Barranquilla - Soledad	12.5	10.5	10.7	10.0	10.9	11.4	9.5	9.1	10.1	10.0
Cali - Yumbo	15.2	15.3	12.2	12.5	13.8	13.3	12.2	11.4	10.6	11.9
Medellín - Valle de Aburra	9.5	11.4	8.9	8.7	9.6	9.0	10.9	9.2	7.7	9.2
Bucaramanga - Floridablanca										
Girón - Piedecuesta	13.1	12.1	9.9	12.9	12.0	12.2	9.6	8.4	10.0	10.1
Manizales - Villamaría	10.7	9.8	8.5	8.7	9.4	11.2	8.2	9.2	9.1	9.4
Pasto	14.7	15.1	12.9	10.8	13.4	14.6	12.4	12.3	10.9	12.6

Source: National Bureau of Statistics (DANE).

[a] Effective March 1993, new population estimates were used. [b] Percentage variation in number employed compared with the indicated month in the previous quarter. The annual variation is calculated by comparing the figure for December 1993 with the figure for December of the previous year. [c] Ratio of the economically active population to the total population of working age, expressed as a percentage. [d] Ratio of the unemployed population to the economically active population, expressed as a percentage.

Table 14

COLOMBIA: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rates (pesos per dollar)	Indexes of real effective exchange rate [a] (1985=100) Calculated using:			
		Consumer price index [b]		Wholesale price index [c]	
		Exports	Imports	Exports	Imports
1978	39	90.9	93.3	97.6	98.0
1979	43	89.4	90.0	94.4	93.6
1980	47	87.7	87.0	95.5	94.6
1981	54	80.2	81.5	89.2	89.9
1982	64	77.1	77.9	83.4	83.5
1983	79	78.8	78.8	83.0	82.8
1984	101	86.0	86.2	88.5	88.6
1985	142	100.0	100.0	100.0	100.0
1986	194	129.2	129.9	122.7	123.7
1987	243	143.0	143.9	133.7	134.7
1988	299	145.3	148.2	135.2	138.0
1989	383	149.1	153.8	136.4	140.4
1990	503	167.9	171.8	155.3	158.6
1991 [d]	604	168.4	172.1	155.4	158.0
1992	681	150.7	153.0	145.3	146.3
1993	787	141.7	146.8	143.9	146.7
1992					
I	640	151.2	153.7	142.6	144.0
II	662	146.9	149.6	141.2	142.4
III	699	154.5	155.8	150.6	151.1
IV	721	150.3	152.8	146.6	147.8
1993					
I	752	144.1	147.8	142.2	144.0
II	779	143.6	148.6	145.5	148.2
III	804	141.0	147.2	144.5	148.2
IV	811	138.2	143.8	143.3	146.4

Source: ECLAC, on the basis of data supplied by the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Corresponds to the average of the indexes of the real exchange rate of the peso with respect to the currencies of Colombia's main trading partners, weighted according to the relative significance of exports to those countries or imports from them, as appropriate. The relative weights assigned correspond to the average for the period 1986-1990. For information on the methodology and sources used, see the statistical appendix to the *Economic Survey of Latin America*, 1981. [b] The consumer price index was used for all the countries. [c] The wholesale price index was used for Colombia as for the rest of the countries. When this information was not available, the consumer price index was used. [d] Beginning in July 1991, the figures refer to the representative market exchange rate that went into effect for all exchange-rate operations. The official rate is used only in settling certificates of exchange.

Table 15
COLOMBIA: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Rates of variation			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**7 508**	**7 263**	**7 429**	**100.0**	**100.0**	**100.0**	**17.4**	**6.1**	**-3.3**	**2.3**
Coffee	1 324	1 259	1 140	17.6	17.3	15.3	-5.3	-5.4	-4.9	-9.5
Other	6 184	6 004	6 289	82.4	82.7	84.7	24.7	8.9	-2.9	4.8
Petroleum and petroleum products	1 461	1 396	1 323	19.5	19.2	17.8	39.5	-25.1	-4.5	-5.2
Coal	630	555	567	8.4	7.6	7.6	19.3	15.6	-11.8	2.1
Ferronickel	143	125	102	1.9	1.7	1.4	-22.3	-2.1	-12.4	-18.7
Gold	409	363	313	5.4	5.0	4.2	2.2	9.4	-11.2	-13.9
Other	3 541	3 565	3 985	47.2	49.1	53.6	24.3	32.9	0.7	11.8

Source: Banco de la República de Colombia, from balance-of-payments data.
[a] Preliminary figures.

Table 16
COLOMBIA: IMPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Rates of variation			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**4 548**	**6 029**	**9 086**	**100.0**	**100.0**	**100.0**	**12.1**	**-11.0**	**32.6**	**50.7**
Consumer goods	570	825	1 669	12.5	13.7	18.4	10.7	9.7	44.7	102.2
Intermediate goods	2 522	3 259	3 795	55.5	54.1	41.8	8.6	-6.8	29.2	16.5
Capital goods	1 455	1 945	3 622	32.0	32.3	39.9	17.9	-22.6	33.7	86.2

Source: Banco de la República de Colombia, from balance-of-payments data.
[a] Preliminary figures.

Table 17

COLOMBIA: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Rates of variation							
Exports (f.o.b.)								
Value	46.1	6.2	-5.6	12.9	17.4	6.0	-3.3	2.3
Volume	17.7	8.2	-3.8	13.0	26.0	10.5	8.0	7.0
Unit value	24.0	-1.9	-1.9	-0.1	-6.8	-4.0	-10.4	-4.4
Imports (f.o.b.)								
Value	-7.2	11.3	19.1	0.9	12.1	-11.0	32.6	50.7
Volume	2.2	6.0	13.2	-4.5	5.9	-12.8	30.5	52.5
Unit value	-9.2	5.0	5.2	5.6	5.8	2.1	1.6	-1.2
Terms of trade (f.o.b./c.i.f.)	35.2	-6.3	-6.8	-5.2	-11.7	-6.1	-11.7	-3.6
	Indexes (1980=100)							
Purchasing power of exports	149.1	151.2	135.7	145.3	161.6	167.7	159.8	164.8
Volume of exports	125.2	135.5	130.4	147.3	185.6	205.0	221.3	236.8
Volume of imports	91.5	97.0	109.7	104.8	111.0	96.8	126.3	192.7
Terms of trade (f.o.b./c.i.f.)	119.1	111.6	104.0	98.7	87.1	81.8	72.2	69.6

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 18

COLOMBIA: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**399**	**344**	**-205**	**-187**	**557**	**2 363**	**925**	**-2 233**
Trade balance	1 342	1 324	562	1 195	1 813	2 731	1 158	-1 679
Exports of goods and services	6 428	6 816	6 738	7 305	8 658	9 072	9 209	9 860
Goods f.o.b.	5 331	5 661	5 343	6 031	7 079	7 507	7 263	7 429
Real services [b]	1 097	1 155	1 395	1 274	1 579	1 565	1 946	2 431
Transport and insurance	391	459	492	457	497	530	658	942
Travel	418	349	461	335	406	468	705	762
Imports of goods and services	5 086	5 492	6 176	6 110	6 845	6 341	8 051	11 539
Goods f.o.b.	3 409	3 793	4 516	4 557	5 108	4 548	6 030	9 086
Real services [b]	1 677	1 699	1 660	1 553	1 737	1 793	2 021	2 453
Transport and insurance	597	556	621	617	701	703	749	954
Travel	611	666	538	494	454	509	641	694
Factor services	-1 744	-1 989	- 742	-2 294	-2 297	-2 080	-1 980	-1 690
Profits	-556	-745	-572	-963	-944	-872	-1 035	-879
Interest received	131	176	227	259	320	363	430	455
Interest paid and due	-1 315	-1 399	-1 397	-1 587	-1 645	-1 491	-1 334	-1 226
Labour and ownership	-4	-21	-	-3	-28	-80	-41	-40
Unrequited private transfer payments	801	1 009	975	912	1 041	1 712	1 747	1 136
Balance on capital account	**893**	**58**	**398**	**621**	**53**	**-527**	**167**	**2 213**
Unrequited official transfer payments	-16	-8	-11	-14	-15	-14	-13	...
Long-term capital	2 469	191	834	653	196	143	337	772
Direct investment	642	293	159	547	484	433	740	769
Portfolio investment	30	48	-	179	-4	81	60	438
Other long-term capital	1 797	-150	675	-3	-284	-371	-463	-435
Official sector [c]	473	-211	366	77	31	-	-93	...
Loans received	899	396	1 121	778	876	696	780	...
Amortization payments	-426	-607	-755	-701	-763	-696	-873	...
Commercial banks [c]	-	-	-	-	-	-	-	...
Loans received	-	-	-	-	-	-	-	...
Amortization payments	-	-	-	-	-	-	-	...
Other sectors [c]	1 324	61	309	-150	-315	-371	-370	...
Loans received	2 069	837	1 278	1 301	1 089	1 081	1 232	...
Amortization payments	-745	-776	-69	-1 451	-1 404	-1 452	-1 602	...
Short-term capital	-1 309	-192	105	-75	-198	-926	-171	1 003
Official sector	54	6	-	105	-45	-115	-473	...
Commercial banks	-1 312	-235	201	80	27	-634	512	...
Other sectors	-51	37	-96	-360	-180	-177	-210	...
Errors and omissions (net)	-251	67	-530	157	70	269	14	438
Global balance [d]	**1 292**	**402**	**193**	**434**	**610**	**1 836**	**1 092**	**-20**
Total variation in reserves (- sign indicates an increase)	-1 354	106	-348	-220	-668	-1 890	-1 225	-205
Monetary gold	-64	514	-175	157	-28	-90	133	...
Special drawing rights	-140	-22	8	4	-13	-	105	-100
IMF reserve position	-	-	-	-	-	-	-95	-15
Foreign exchange assets	-961	-368	-86	-356	-583	-1 817	-1 370	...
Other assets	-189	-18	5	-25	-44	17	2	...
Use made of IMF credit	-	-	-	-	-	-	-	-

Source: 1986-1992: ECLAC, on the basis of data supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of data supplied by the Banco de la República de Colombia.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.

[d] Equivalent to the total variation in reserves (of opposite sign) plus counterpart items.

Table 19
COLOMBIA: NET INTERNATIONAL RESERVES [a]

	1986	1987	1988	1989	1990	1991	1992	1993
Net international reserves (millions of dollars)	3 478	3 450	3 810	3 867	4 501	6 420	7 713	7 869
Months of imports (goods and services)	8.2	7.5	7.4	7.6	7.9	12.1	11.5	8.2

Source: Banco de la República de Colombia.
[a] At the end of each year.

Cuadro 20
COLOMBIA: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Year-end balances in millions of dollars								
Total external debt	**15 680**	**17 047**	**17 359**	**17 007**	**17 556**	**16 975**	**16 833**	**17 436**
Public [b]	12 691	13 947	14 011	14 071	14 809	14 661	13 831	13 627
Private	2 989	3 100	3 348	2 936	2 747	2 314	3 002	3 809
Service								
Total external debt	**2 269**	**2 669**	**3 083**	**3 684**	**3 742**	**3 735**	**3 820**	**3 961**
Principal	954	1 270	1 686	2 097	2 097	2 244	2 486	2 735
Interest [c]	1 315	1 399	1 397	1 587	1 645	1 491	1 334	1 226
External public debt [b]	**1 843**	**2 353**	**2 780**	**2 903**	**3 146**	**3 287**	**3 451**	...
Principal	936	1 255	1 637	1 716	1 846	2 031	2 341	...
Interest	907	1 098	1 143	1 187	1 300	1 256	1 110	...
Percentages of the value of exports of goods and services								
External debt	243.9	250.1	257.6	232.8	202.8	187.1	182.8	176.8
Debt service	35.3	39.2	45.8	50.4	43.2	41.2	41.5	40.2
Net interest payments [d]	18.4	17.9	17.4	18.2	15.3	12.4	9.8	7.8

Source: ECLAC, on the basis of data supplied by the Banco de la República de Colombia and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Includes private debts guaranteed by the public sector. [c] Corresponds to the "Interest paid and due" entry on the balance of payments current account. [d] Net interest paid, according to the balance of payments.

Table 21
COLOMBIA: DOMESTIC PRICE TRENDS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Variation from December to December								
Consumer price index [b]	**20.9**	**24.0**	**28.1**	**26.1**	**32.4**	**26.8**	**25.1**	**22.6**
Total low income	20.7	24.6	28.3	26.1	33.3	26.5	26.1	21.5
Food	23.3	27.1	31.7	22.9	33.4	24.1	27.3	13.7
Total middle income	21.6	22.6	27.6	26.1	31.9	27.0	24.6	23.2
Food	24.5	25.9	30.1	23.0	31.9	26.3	28.2	15.0
Producer price index [c]								
Average	24.4	25.2	29.5	25.6	29.9	23.1	17.9	13.2
Imported products	21.5	27.0	30.8	27.2	26.0	13.4	8.6	10.0
Domestic products	25.0	25.0	30.1	25.2	30.9	24.9	19.5	13.7
Agricultural products	25.0	21.3	33.8	23.6	31.4	29.8	25.1	11.6
Manufactures	24.6	28.7	27.4	27.2	28.9	22.7	18.0	13.8
Housing construction cost index								
Bogotá	29.1	36.5	31.4	27.6	24.9	23.8	25.4	27.2
Variation between annual averages								
Consumer price index [b]								
Total low income	18.6	23.5	28.5	26.0	29.5	30.4	27.8	21.7
Total middle income	19.6	22.8	26.9	26.1	28.8	30.4	26.4	22.9
Producer price index [c]	**22.0**	**24.9**	**28.2**	**28.3**	**26.5**	**27.6**	**20.1**	**14.3**

Source: National Bureau of Statistics (DANE).
[a] Preliminary figures. [b] National average. [c] Beginning in January 1991, the producer price index replaced the wholesale price index.

Table 22
COLOMBIA: INCOME AND EXPENDITURE OF THE NON-FINANCIAL PUBLIC SECTOR [a]
(As a percentage of GDP)

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Total income	33.6	31.9	32.5	32.7	32.0	33.8	35.1	35.9
Tax revenues	13.9	14.4	14.2	14.2	14.2	16.0	16.9	18.2
Non-tax revenues	19.7	17.4	18.3	18.5	17.7	17.9	18.1	17.7
Total expenditure	33.9	33.8	34.9	35.1	32.3	33.7	35.4	35.7
Current expenditure	24.8	26.1	26.1	26.7	26.0	27.2	27.7	27.0
Capital expenditure [c]	9.1	7.7	8.9	8.4	6.3	6.5	7.7	8.7
Deficit (-) or surplus (+)	-0.3	-1.9	-2.5	-2.4	-0.3	0.1	-0.3	0.2

Source: Banco de la República, Department of Economic Research and Development, National Planning Department (DNP).
[a] Net of intra-sector transfer payments. Development and national security bonds are included as sources of financing.
[b] Preliminary figures. [c] Includes net loans.

Table 23

COLOMBIA: EFFECTIVE INCOME AND EXPENDITURE OF THE CONSOLIDATED PUBLIC SECTOR [a]

	Billions of pesos			Percentages of GDP			Rates of variation		
	1991	1992	1993[b]	1991	1992	1993[b]	1991	1992	1993[b]
1. **Current income**	**10 387**	**13 632**	**17 967**	**39.8**	**41.1**	**42.8**	**36.6**	**31.2**	**31.8**
Central Government	3 165	4 208	5 898	12.1	12.7	14.1	51.5	32.9	40.2
Other	7 222	9 424	12 069	27.7	28.4	28.8	30.9	30.5	28.1
2. **Current expenditure**	**8 397**	**10 807**	**13 699**	**32.2**	**32.6**	**32.7**	**35.7**	**28.7**	**26.8**
Central Government	2 439	3 358	5 096	9.3	10.1	12.2	34.2	37.7	51.8
Other	5 958	7 449	8 603	22.8	22.5	20.5	36.3	25.0	15.5
3. **Capital expenditure** [c]	**1 948**	**2 925**	**4 186**	**7.5**	**8.8**	**10.0**	**30.5**	**50.1**	**43.1**
Central Government	793	1 500	1 221	3.0	4.5	2.9	75.8	89.1	-18.6
Other	1 155	1 425	2 965	4.4	4.3	7.1	10.9	23.4	108.0
4. **Total expenditure** (2 + 3)	**10 345**	**13 732**	**17 885**	**39.6**	**41.4**	**42.7**	**34.7**	**32.7**	**30.2**
Central Government	3 232	4 858	6 317	12.4	14.7	15.1	42.4	50.3	30.0
Other	7 113	8 874	11 568	27.2	26.8	27.6	31.4	24.8	30.4
5. **Balance on current account** (1 - 2)	**1 990**	**2 825**	**4 267**	**7.6**	**8.5**	**10.2**			
6. **Financial balance** (1 - 4)	**42**	**-100**	**81**	**0.2**	**-0.3**	**0.2**			
7. **Financing**	**-42**	**100**	**-81**	**-0.2**	**0.3**	**-0.2**			
External	-235	-196	-448	-0.9	-0.6	-1.1			
Net long-term credit	-200	-300	-391	-0.8	-0.9	-0.9			
Disbursements	930	1 424	1 140	3.6	4.3	2.7			
(-) Amortization	1 129	1 724	1 530	4.3	5.2	3.6			
Net short-term credit	-36	103	-58	-0.1	0.3	-0.1			
Domestic									
Net credit	193	296	367	0.5	0.9	0.9			
	Ratios (percentages)								
Balance on current account/ capital expenditure	102.2	96.6	101.9						
Financial balance/total expenditure	0.4	-0.7	0.5						

Source: ECLAC, on the basis of data supplied by the National Planning Department and the Comptroller-General of the Republic.
[a] Differ from table 22 in that intra-sector transfers are included in the income and expenditure figures. [b] Preliminary figures.
[c] Includes the direct investment of the central Government, capital transfers and net loans.

Table 24

COLOMBIA: MONETARY BALANCE

	Year-end balance (billions of pesos)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Monetary base	2 146	2 942	3 943	23.4	54.5	37.1	34.0
Means of payment (M_1)	2 842	4 013	5 213	25.8	32.7	41.2	29.9
Currency outside banks	1 079	1 478	1 837	28.6	29.1	37.0	24.3
Current account deposits	1 763	2 535	3 376	24.0	35.1	43.8	33.2
Factores of expansion (net)	7 589	11 166	15 704	29.7	35.6	47.1	40.6
Net international reserves	3 936	5 732	6 369	51.3	68.6	45.6	11.1
Credit to the public sector	203	169	232	...	168.9	-16.8	37.3
Government (net)	365	520	600	...	102.8	42.4	15.4
Rest of the public sector (net)	-162	-351	-368				
Private sector	7 276	9 597	13 545	32.0	32.4	31.9	41.1
Other net accounts	-3 826	-4 332	-4 442	15.0	65.6	13.2	2.5
Quasi-money (savings and time deposits)	4 747	7 153	10 491	32.2	37.4	50.7	46.7
Deposits in home loan associations	2 393	3 194	4 431	36.7	48.2	33.5	38.7
Savings deposits	834	1 537	2 211	16.4	50.5	84.3	43.9
Time-deposit certificates	1 520	1 743	2 828	34.7	18.3	14.7	62.2
Commercial finance companies	-	679	1 021	...	...	...	50.4
		Ratios					
Monetary multipliers							
M_1/Monetary base	1.32	1.36	1.32				
M_2/Monetary base	3.54	3.80	3.98				
Liquidity ratios (percentages)							
M_1/GDP	9.54	10.34	11.00				
M_2/GDP	25.25	28.29	32.04				

Source: ECLAC, on the basis of data supplied by the Banco de la República de Colombia.
[a] Preliminary figures.

Table 25
COLOMBIA: INTEREST RATES
(Annualized percentages)

Period	Nominal		Real [a]		Equivalents in dollars [b]	
	Deposits [c]	Loans	Deposits [c]	Loans	Deposits [c]	Loans
1990						
I	34.4	43.6	-9.0	-2.8	-1.0	5.8
II	35.9	44.6	3.9	10.5	2.5	9.0
III	37.4	46.2	10.9	18.0	6.1	12.9
IV	38.0	46.6	7.1	13.8	8.5	15.3
1991						
I	35.2	46.4	-4.8	3.1	9.6	18.7
II	35.9	47.0	4.7	13.2	11.3	20.4
III	38.3	47.4	15.7	23.3	10.3	17.5
IV	37.0	47.8	17.4	26.6	7.9	16.4
1992						
I	27.9	35.9	-10.8	-5.2	9.2	16.0
II	23.6	38.1	-7.7	3.1	8.0	20.6
III	25.4	33.7	8.9	16.0	9.5	16.8
IV	27.2	34.9	15.1	22.0	11.0	17.7
1993						
I	25.8	35.2	-9.5	-2.8	11.2	19.5
II	26.1	36.3	3.0	11.4	11.6	20.6
III	24.6	35.5	7.9	17.4	10.2	19.9
IV	25.7	36.3	9.4	18.7	11.3	20.6

Source: ECLAC, on the basis of official figures and data supplied by the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices over the period. [b] Ratio of nominal rates to devaluation over the period. [c] Beginning 1991, correspond to the annual effective yield on 90-day certificates of deposit.

COSTA RICA

1. General features of recent trends

Stimulated by favourable trends in investment and exports, the Costa Rican economy again grew significantly in 1993, this time at a rate of nearly 6%. Inflation fell to 9%, actually below the target rate, representing a substantial reduction. Exchange rate policy and a reduction in the overall public sector deficit contributed to this result, even though the deficit slightly exceeded the 1% of GDP stipulated in the agreement with the International Monetary Fund (IMF).

Economic expansion was reflected in a substantial improvement (10%) in real wages, while unemployment in urban areas fell to very low levels. The balance-of-payments current account posted a deficit of 7% of GDP, which was balanced by a massive inflow of foreign capital (see table 1 and figure 1).

2. Economic policy

In the first part of the year economic policy gave priority to reducing the rate of inflation. Exchange rate management kept the nominal parity of the currency almost constant, which, in a context of tariff reductions and stronger domestic demand prolonged the import boom which had begun in 1992.

In the second half of the year the monetary authorities took action to slow down liquidity growth, while at the same time fostering a gradual depreciation of the colón. These policies induced an appreciable rise in interest rates and a significant expansion in the monetary authority's domestic debt.

In spite of a rapid increase in government spending, in a presidential and parliamentary election year, the fiscal deficit was kept within limits thanks to a rise in tax revenues and an increase in real prices charged by public sector enterprises. As a result no serious constraints were imposed on monetary management.

In 1993, the third phase of the structural adjustment programme (PAE III) had been scheduled to go into effect, with an emphasis on reforming the State apparatus, including measures such as the privatization of the National Insurance Institute. However, the programme was never formally submitted to the legislature. Failure to pass the PAE delayed the disbursement of loans from the World Bank, and this in turn set back implementation of programmes to reduce public-sector personnel with financing from such funds. Reform projects related to the tax-collection mechanism, the financial system and the regime governing the Central Bank were also postponed, and the labour mobility programme remained suspended.

In 1993 implementation of the measures included in the previous phase of the structural adjustment programme was completed. These included privatization of fertilizer and cement companies, a process that was started during the year, but did not generate income for the Government. In addition, a public works concessions act was passed. Foreign trade liberalization policy intensified, with tariff reductions which according to plan placed an upper limit of 20% on imports of finished goods, and just 10% for raw materials.

a) Fiscal policy

The size of the central Government deficit was maintained at around 2% of GDP. Central Bank

Figure 1
COSTA RICA: MAIN ECONOMIC INDICATORS

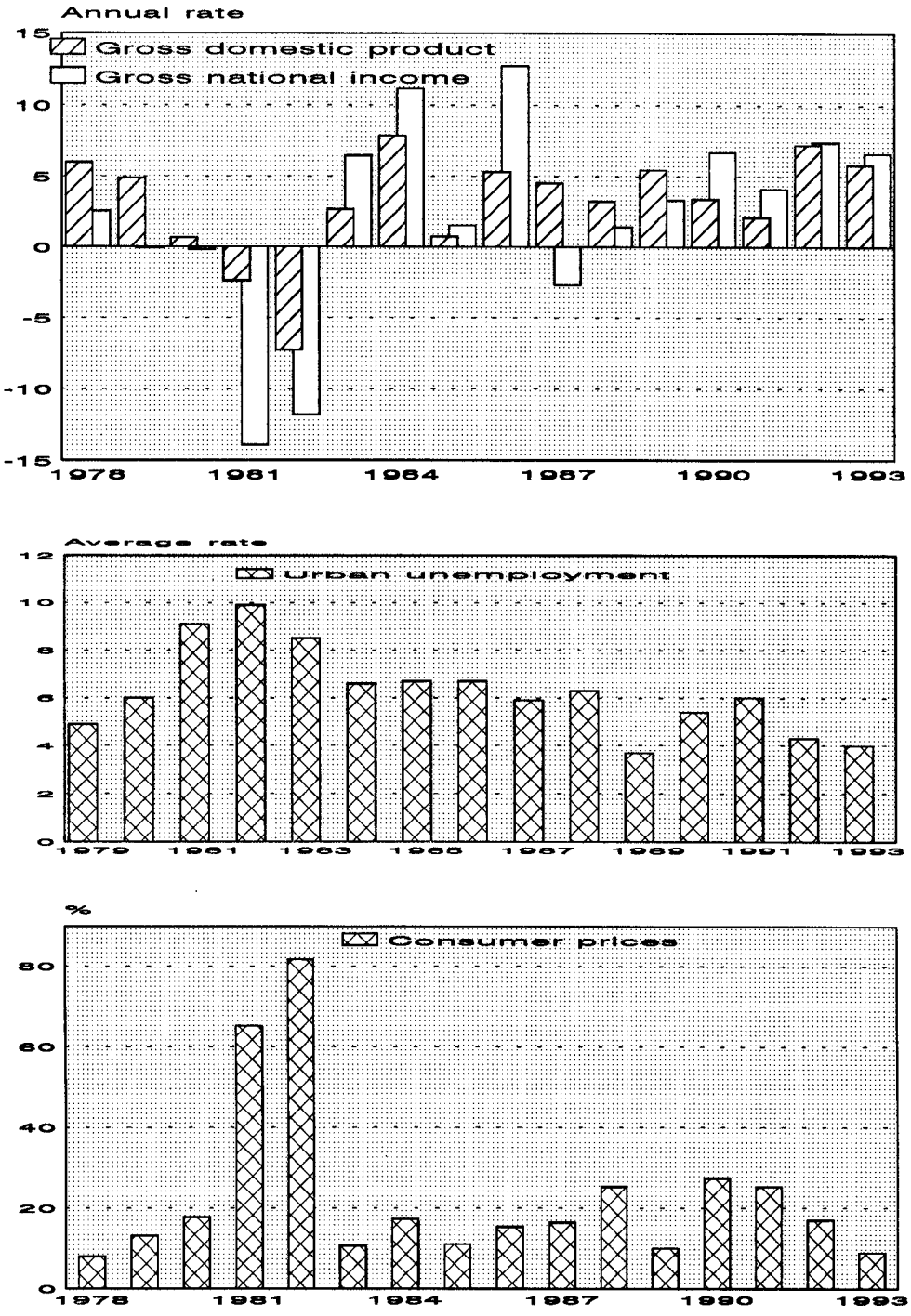
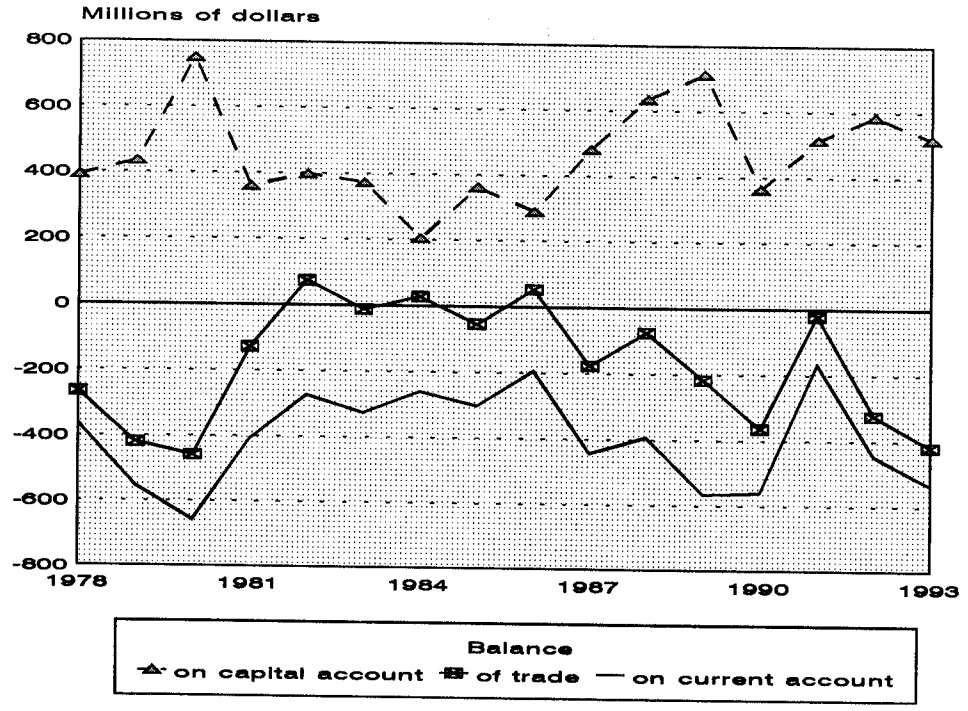
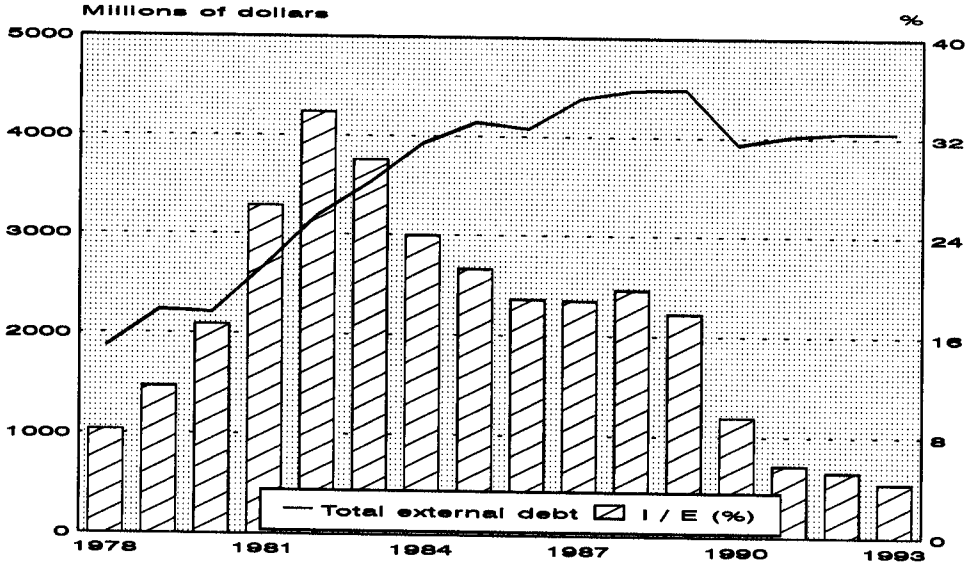


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest; E = Exports of goods and services.

losses were reduced, although they still represented nearly 1.6% of domestic product. The decentralized public sector, on the other hand, generated a significant surplus. Thus the total public sector deficit shrank to the equivalent of 1.3% of GDP, just three percentage points above the target agreed with the IMF.

Tax revenues expanded by 20%, representing a real increase of 10%. This improvement in tax receipts was widespread, but the increase in direct tax revenue was especially notable, thanks to the elimination of income tax exemptions, approved during the previous year, and administrative improvements in tax collection. Moreover, the higher level of activity more than compensated for the effects of lowering the rate of sales tax from 12% to 11%, with the result that indirect tax revenues rose by 15%. Finally, revenues from duties on foreign trade rose 12%, due to rapid import growth.

The application of fiscal measures and the fact that inflation turned out to be lower than had been predicted in official projections meant that public sector rates, which were adjusted according to the anticipated change in the price index, rose in real terms, a fact that had a considerable impact on the consolidated public sector accounts.

From the expenditure standpoint, wage policy was more lax than in previous years. The consolidated public-sector payroll expanded again in nominal terms by around 25%, in spite of the slow-down in consumer prices. In addition, transfers to the private sector increased proportionately more than prices.

Public-sector investment expenditure, which had expanded substantially the previous year, in 1993 grew by 2% in real terms. Most of it went into various highway improvement projects, school and hospital construction and the implementation of projects such as the Puerto Limón jetty and the Miravalles and Magdalena electric power plants. Apart from these projects aimed at increasing electricity supply, a law was passed authorizing the Costa Rican Electricity Institute to purchase energy generated by the private sector.

The management of government finances included a substantial issue of domestic bonds, totalling 70% more than bond issues the preceding year. The increase in the circulation of such securities was much greater than the fiscal deficit, since the public sector used funds obtained from domestic borrowing to pay off external debt. The rate of interest on treasury bonds moved up from just over 17% in January to 24% in December.

During the year, the government exchanged securities held by the Costa Rican Social Security Fund, which were yielding a very poor return, for bonds offering close-to-market interest rates. As part of this operation, involving a pre-existing nominal debt of 18 billion colones, an 18% remission was granted on the principal.

Towards the end of the year, the financial cost of domestic debt, the expansionary trend of government spending and the slow-down in the flow of revenues all pointed towards a widening of the fiscal gap.

b) Monetary policy

There was a marked slow-down in the growth of the means of payment; between the beginning and end of the period the money supply (M1) grew by only 5%, after having expanded by 36% in 1992. Nevertheless, when measured in terms of annual averages, the liquidity coefficient increased in line with the fall in inflation. It is likely that the drop in the demand for real balances over the course of 1993 stemmed partly from the substantial improvement experienced in the real return on interest-bearing deposits in the financial system's . Thus, the nominal amount of quasi-money grew by a little over 21%.

The real increase in financial-sector assets was due mainly to an expansion of domestic credit. Loans to the public sector registered only a small change, however, since increased credits to the central Government were offset by repayments by other State entities. The chief source of broad money creation, then, was credit to the private sector. In proportional terms there was a marked increase in loans made in foreign currency, although they continued to represent a small fraction of the total. Moreover, by the end of 1993 private sector banks had raised their share of loans made to 52%, compared with 47% twelve months earlier. Among the sectors benefiting from loans, commerce and services received a large part of the additional credit. In

contrast, agriculture and industry declined in relative importance as users of funds from the local financial system. In the latter case this was due to increased use of foreign credit at a lower cost than in the national market.

In the early part of the year the monetary authorities did not attempt to slow down the rise in liquidity, but towards the end of the period they took a more cautious approach. Among the measures adopted were contractionary open-market operations (stabilization bonds increased 21%), an increase in the reserve-requirement ratio, and an increase in the mandatory reserve requirement on dollar deposits. Nevertheless, the effectiveness of reserve requirements as instruments for controlling credit was undercut by the magnitude of the offshore operations of financial institutions.

Interest rate trends were influenced by public-sector bond placements and international capital flows. At the start of the year the cost of credit was tending downward; later, however, there was quite a sharp rise. Average lending rates rose from 27% in May to an all-time high of 38% towards the end of December. For the year as a whole, moreover, real interest rates were well on the positive side, and their increase during the second half of the period helped to re-establish short-term capital inflows, which earlier had been reversed.

In 1993 large differences persisted between interest rates on deposits and loans, and this was attributable, among other factors, to the banks' heavy operating costs, the considerable burden of overdue loan portfolios and the high reserve requirements. The variety in the situations of different lending institutions, combined with obstacles to competition, allowed some of them to achieve substantial earnings.

c) Exchange rate policy

In the first half-year, the policy of letting the exchange rate float subject to Central Bank intervention, which had been in force since 1992, did not undergo significant modifications. The nominal exchange rate moved very slowly, while the real parity of the currency showed a gradual appreciation. In the second half, in response to a loss of reserves and a widening balance-of-payments current account deficit, the Central Bank decided to intervene in the market, fostering a more rapid depreciation in the nominal exchange rate. During this period, the price of the dollar rose by a little over 7%, thereby reversing much of the colón's appreciation since the start of the year. On average in 1993 the real exchange rate against the dollar was 2% above its 1992 level.

3. Trends in the main variables

a) Economic activity

The level of economic activity remained expansionary. With the further vigorous growth in GDP, per-capita output stood a little over 10% above its level five years earlier, overtaking the 1980 record for the first time.

Total supply grew by 10%, signifying an increase over two years of more than 25%. Imports of goods and services experienced another big surge of 18% on top of the 30% rise the previous year. Thus, the import ratio exceeded 60% measured in constant prices –a reflection of the considerable degree of openness achieved by the Costa Rican economy.

Exports and domestic spending contributed in roughly equal measure to building up aggregate demand. Exports continued their strong upward trend, although at a more moderate rate than over the two preceding years. Investment, after the spectacular increase it posted in 1992, was once again the most dynamic component of spending. The rise of 17% registered in fixed investment meant that the capital-formation ratio climbed to 25%. With national saving remaining around 15% of GDP, the increase in investment was sustained almost entirely by external saving, which in 1993 accounted for two-fifths of total saving. Consumption rose by 6%, driven especially by private-sector spending.

As in the two preceding years, the expansion in goods-producing activities was below the average for the economy as a whole, due mainly to a loss of impetus in the agricultural sector. On the other hand there were appreciable increases in basic services, commerce and financial institutions.

Agricultural production grew only 1%, due to the fact that an expansion in non-traditional crops was offset by adverse conditions in the world coffee market, and another setback in basic grain harvests. The fall in the coffee crop (almost 8%) was a result of the depressed prices in earlier years. However, the creation of a producer support fund improved the prospects for this crop. Moreover, Costa Rica joined the Association of Coffee-Producing Countries and agreed with this organization to hold back 20% of its export supply (this percentage to vary according to market trends), as part of a common policy aimed at forcing prices up.

The imposition of quotas by the European Union in mid-year did not affect banana production, which in fact increased by 10%, but was likely to have future consequences, since it caused the abandonment of marginal lands and the suspension of investments originally intended for banana growing. The Costa Rican Government requested intervention by the General Agreement on Tariffs and Trade (GATT) to reverse this discriminatory treatment against Latin American banana exporters.

Non-traditional export crops continued their upward trend, with melon, pineapple, African palm and orange standing out. A worrying issue regarding future prospects for these products, was the possible effect of the North American Free Trade Agreement in terms of the diversion of trade and investment.

The crisis affecting basic grain production in recent years was manifested in 1993 in reduced rice, maize and bean crops. The liberalization of imports from the rest of Central America worsened the setback which bean cultivation had suffered in 1992. There was a progressive replacement of white maize by wheat, attributable in part to a change in consumption patterns. Many rice growers dropped out of the rice market because their low productivity did not allow them to compete with international prices. Production was increasingly concentrated in large-scale units or those with ample irrigation where it was feasible to produce two crops per year, while part of local demand came to be provided by imports.

Livestock production rose by 6%, due mainly to higher activity levels in poultry and dairy farming. In cattle raising there was a notable 18% drop in the slaughtering of heifers explainable by the desire to rebuild herds.

In general terms, the industrial sector showed auspicious signs of restructuring in response to external liberalization. Growth in manufacturing, over 6%, was accompanied by a sharp rise in imports of capital goods intended for this sector, in excess of 30% for the second year running. There were also significant increases in worker productivity. Not all segments of the sector faced the same, however; many small firms, especially in the textiles, clothing and leather goods areas, were forced out of the market while units with more than 200 employees achieved strong growth.

The increase in industrial output was due in particular to the pressure of domestic demand on certain sectors, including the non-metallic minerals processing industry, whose momentum reflected the rebound in construction activity. The leather and footwear industries, benefited from the expansion of domestic demand, as did printing and publishing, although in the latter industries a transitory effect associated with the electoral process played a part. The chemical industry continued to benefit from the sustained recovery of Central American trade since 1991 and from the introduction of new medicinal and plastic products.

In contrast, other sectors were unable to take advantage of the expansion of demand, which was chiefly satisfied by imports. This was the case with processed foods and textile products destined for the local market, while textiles for export expanded considerably. The sharp fall of nearly 29% in oil refining was due to the special circumstance of an excessive accumulation of stocks the year before.

Construction, the activity most seriously hit by the crisis of the 1980s, made a significant recovery of nearly 5%. The tourist boom stimulated investment in hotel complexes, and

the revival of commerce translated into the appearance of new shopping centres. The channelling of a greater volume of credit, of both local and foreign origin, facilitated the development of these projects, and stimulated housing construction.

Growth in certain services easily outpaced that of goods production. For the second successive year, basic services grew at a rate of about 10%. Electricity generation expanded significantly, based on new investments in hydroelectric plants. Other services, except for housing and governmental services, grew at a fast pace.

b) Prices, wages and employment

In an economy marked by vigorously expanding demand, the fall in inflation as measured by the consumer price index to 9%, or half the previous year's figure and the lowest for 15 years, was a highly significant achievement. The increase in wholesale prices was lower still (7%).

The stability of the nominal exchange rate during the first half of the year, and the strict monetary policy put in place in the second half, were the chief factors contributing to this result, together with an ample supply of imported goods, which satisfied most of the expansion in demand. Unlike other experiences of stabilization, the trend of service prices closely followed goods prices. Due to the strategy of reducing the public-sector deficit, rates for certain services provided by State entities rose faster than the general price level.

The strengthening of demand and the fall in inflation allowed for a substantial improvement (9%) in real wages paid in the private sector and an even bigger one in the public sector. The deterioration in average real wages between 1987 and 1991 was virtually reversed.

Greater labour force participation in urban areas permitted a reduction in unemployment to just 4%, one of the lowest rates in recent years. Unemployment in rural areas, while also low, rose slightly. The labour mobility programme, initiated in 1990 and intended to eliminate 25,000 jobs in the public sector, was suspended.

Thanks to the simultaneous improvement in employment and real incomes, the percentage of households living in poverty fell to 17% and that of households living in extreme poverty to 9%.

c) External sector

The Costa Rican economy showed a high degree of external openness, so much so that the current value of its imports and exports combined equalled 90% of GDP. Given this situation, the rapid rise in imports widened the trade deficit, despite the fact that exports again grew strongly. In any event, the abundant capital which continued to flow into the country virtually offset the large balance-of-payments current account deficit, equivalent to about 7% of GDP.

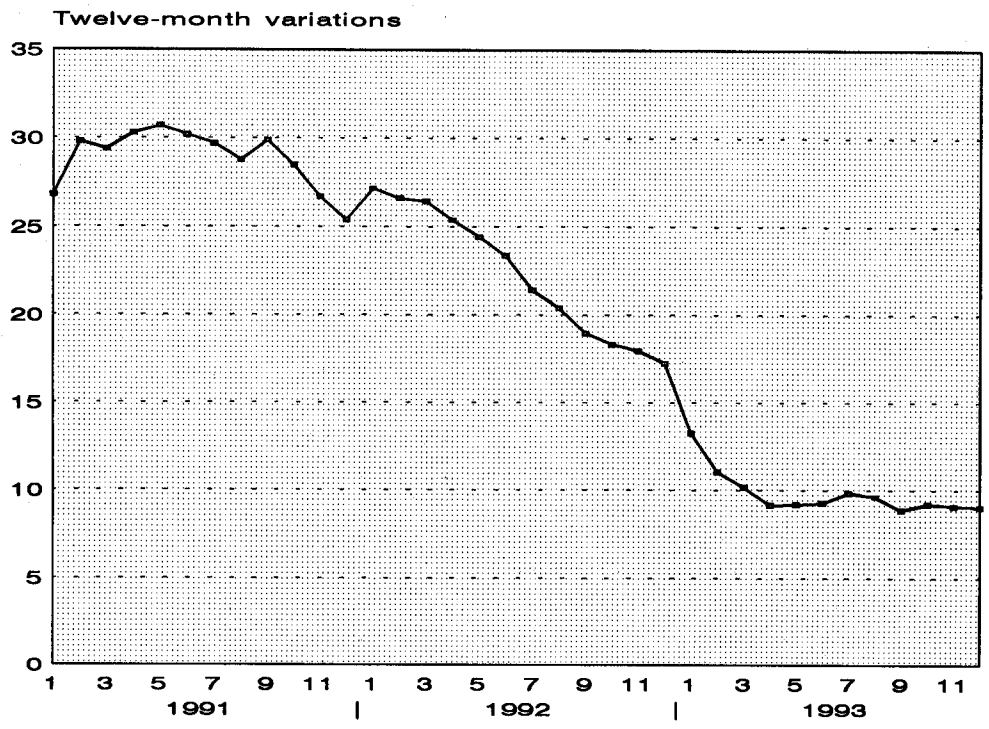
Sales abroad kept up their momentum. Traditional exports, which had stagnated in the preceding period, expanded by 9%. Non-traditional exports, which in 1992 had managed spectacular growth (29%), this time increased by 17%.

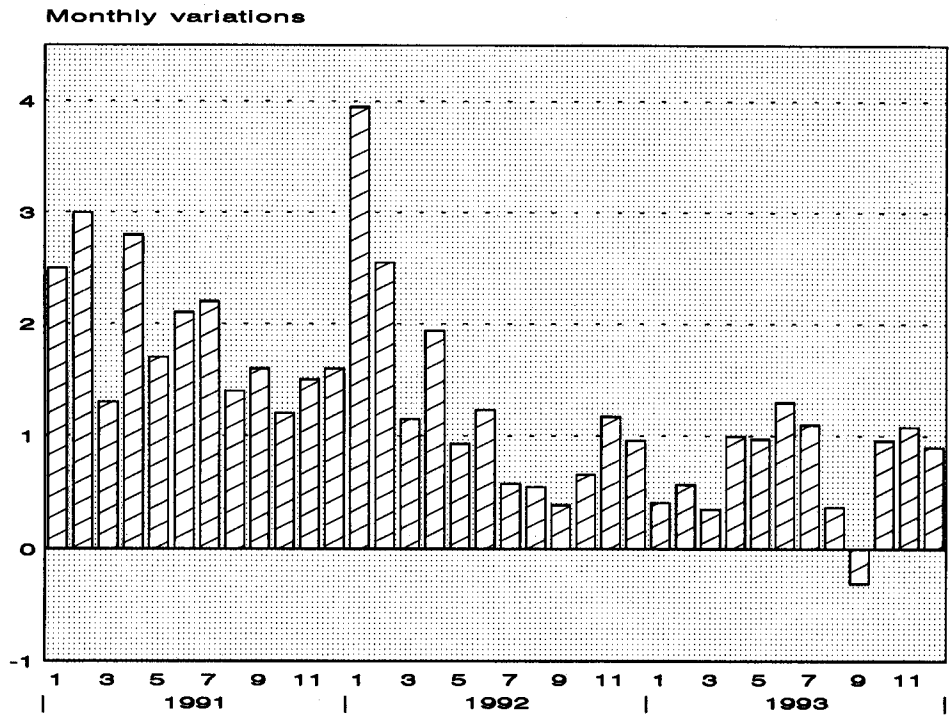
After a steep decline, the value of coffee sales stabilized. In the first few months of the year the downward trend of prices continued, but later, in October, the trend was reversed when the withholding of export production agreed to by the worldwide coffee producers' association came into force. The average unit value in registered contracts, which fell in April to 57 cents per pound, had recovered to around 80 cents by the end of the year.

Banana exports increase once again, due mainly to increased shipment volumes. The restrictions imposed by the traditional buyers of Costa Rican fruit in the European Union stimulated efforts to open up new markets, in particular in China and Japan. The elimination of prior licensing requirements and the simultaneous liberalization of imports gave rise to a promising recovery in beef sales abroad, which included the re-export of purchases made in Nicaragua.

Non-traditional exports continued to grow in importance and in 1993 accounted for nearly 60% of total imports. The boom was widespread, including outstanding increases in sales of shrimp and fish and of clothing, with rates of over

Figure 2
COSTA RICA: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

30%. The maquila industry continued to expand strongly.

Goods imports increased by 18%, stimulated by the stable exchange rate, the abundance of foreign currency, trade liberalization and the availability of foreign credit. As in 1992, the highest rate of growth (30%) was in purchases of capital goods. Consumer goods also grew rapidly (25%). Purchased intermediate goods developed at a moderate pace, thanks to lower oil and fuel bills resulting from a fall in price and the using up of stocks accumulated the year before.

The surplus in the trade in services only partly offset the massive deficit in the trade in goods. The net inflow of foreign currency from tourism was particularly important amounting to more than US$ 300 million, 50% higher the year before. Of similar magnitude was the net income from the maquila industry, which increased by 10%.

Capital inflows from abroad, chiefly private capital, financed nearly the whole of the deficit, with international reserves falling slightly. More than half the net inflow corresponded to direct investment, which rose 28% to reach an all-time high.

Total external debt did not change significantly, as a reduction in public sector debt (US$ 124 million) was matched by an increase in private sector debt. In mid-year US$ 50 million in debt owed by the public sector to the Paris Club creditors was renegotiated.

Table1

COSTA RICA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross doemestic product at market prices	106.3	111.1	114.7	121.0	125.1	127.8	137.0	144.9
Gross national income	108.6	105.7	107.1	110.6	118.1	123.0	132.1	140.7
Population (millions of inhabitants)	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.3
Per capita gross domestic product	89.3	90.7	91.1	93.5	94.2	93.8	98.1	101.3
Real effective exchange rate (CPI) [b]	148.0	154.0	160.8	151.6	154.7	166.8	159.0	153.4
Real effective exchange rate (WPI) [b]	118.2	129.2	138.4	132.7	138.9	147.2	142.8	140.6
	Ratios (percentages)							
Non-financial public-sector balance/GDP	-1.1	-0.2	0.1	-2.5	-2.5	-0.1	0.7	0.5
Central Government fiscal balance/GDP	-3.4	-2.0	-2.1	-4.1	-4.4	-3.1	-1.9	-1.9
Money (M_1)/GDP	14.7	14.2	14.0	13.8	11.1	9.7	10.9	11.6
Urban unemployment [c]	6.7	5.9	6.3	3.7	5.4	6.0	4.3	4.0
	Growth rates (percentages)							
Gross domestic product	5.3	4.5	3.2	5.5	3.4	2.1	7.2	5.8
Per capita gross domestic product	2.3	1.6	0.4	2.6	0.7	-0.4	4.6	3.2
Gross national income	12.7	-2.7	1.4	3.3	6.7	4.1	7.4	6.6
Consumer prices December to December	15.4	16.4	25.3	10.0	27.3	25.3	17.0	9.0
Real wages and salaries [c]	6.1	-9.6	-4.5	0.6	1.7	-4.6	4.1	10.3
Current value of exports of goods and services	14.3	4.0	11.6	13.7	7.2	11.5	16.9	16.5
Current value of imports of goods and services	5.2	21.4	4.1	21.4	13.6	-5.0	30.3	18.0
	Millions of dollars							
External sector								
Trade balance	54	-177	-75	-217	-364	-22	-323	-419
Factor services	-285	-306	-359	-389	-252	-195	-209	-204
Balance on current account	-195	-444	-394	-567	-561	-167	-446	-537
Balance on capital account	289	481	636	713	364	515	587	518
Variation in net international reserves	78	11	226	150	-201	342	133	-19
Total external debt	4 079	4 384	4 470	4 488	3 930	4 016	4 051	4 052

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Corresponds to the exchange rate applying to exports. [c] From 1987 on, these figures are annual averages; up to 1986, they represent annual averages of the rates for four-month periods obtained from household surveys.

Table 2
COSTA RICA: REAL GROSS NATIONAL INCOME

	Indexes (1980 = 100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	123.0	132.1	140.7	94.4	90.8	91.0	91.7
a) Gross domestic product	127.8	137.0	144.9	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-6.0	-6.5	-6.0
c) Net factor income from abroad [b]	89.3	95.3	93.3	-6.2	-4.3	-4.3	-4.0
d) Net private transfers from abroad [b]	254.0	430.8	434.3	0.6	1.1	1.8	1.7

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992, these statistics are taken from International Monetary Fund (IMF), balance-of-payments, data expressed in current dollars. Figures for 1993 have been estimated by ECLAC on the basis of information supplied by the Central Bank of Costa Rica and then converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 3
COSTA RICA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**129.7**	**148.9**	**164.4**	**146.8**	**166.5**	**6.5**	**-0.6**	**14.8**	**10.4**
Gross domestic product at market prices	127.8	137.0	144.9	100.0	100.0	3.4	2.1	7.2	5.8
Imports of goods and services [c]	134.0	174.4	206.0	46.8	66.5	12.8	-5.8	30.1	18.1
Total demand	**129.7**	**148.9**	**164.4**	**146.8**	**166.5**	**6.5**	**-0.6**	**14.8**	**10.4**
Domestic demand	106.9	121.5	131.0	113.0	102.1	5.6	-5.2	13.7	7.8
Gross domestic investment	92.4	121.2	136.6	26.6	25.0	2.9	-12.4	31.2	12.7
Gross fixed investment	107.0	130.3	152.7	23.9	25.2	14.5	-12.8	21.8	17.2
Changes in stocks	-37.7	39.8	-7.4	2.7	-0.1	...	...	...T...	
Total consumption	111.3	121.6	129.3	86.4	77.1	6.4	-3.2	9.2	6.3
General government	105.7	108.8	113.7	18.2	14.3	2.0	-0.9	2.9	4.5
Private	112.9	125.0	133.5	68.2	62.8	7.5	-3.8	10.8	6.8
Exports of goods and services [c]	206.2	240.6	276.0	33.8	64.3	8.4	8.5	16.7	14.7

Source: ECLAC, on the basis of figures supplied by official sources and the International Monetary Fund (IMF).
[a] Based on figures at market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] The figures for exports and imports of goods and services were obtained from IMF balance-of-payments data expressed in current dollars, which were then converted to constant 1980 figures using unit value indexes calculated by ECLAC.

Table 4

COSTA RICA: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	24.2	23.9	21.6	22.5	22.4	19.2	23.5	25.0
Gross fixed investment	19.6	20.7	19.3	21.2	23.4	20.0	22.7	25.2
Construction	10.3	9.7	9.6	10.1	9.5	9.0	...	...
Machinery and equipment	9.4	11.1	9.7	11.0	13.9	11.0	...	...
Changes in stocks	4.5	3.2	2.2	1.4	-1.0	-0.8	0.8	-0.1
Gross domestic saving	21.8	21.7	23.2	22.7	20.6	24.7	23.3	22.9
Terms-of-trade effect [c]	4.0	-2.8	-3.6	-5.4	-6.4	-6.0	-6.5	-6.0
Net income from factor services [c]	-8.6	-8.6	-9.3	-9.2	-5.7	-4.3	-4.3	-4.0
Unrequited private transfer payments [c]	1.1	1.1	1.0	0.9	1.3	1.1	1.8	1.7
Gross national saving	18.3	11.5	11.4	9.1	9.7	15.5	14.3	14.6
External saving	5.9	12.4	10.2	13.4	12.7	3.7	9.2	10.4

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Figures up to 1992 were taken from International Monetary Fund (IMF), balance-of-payments data expressed in current dollars; figures for 1993 have been estimated by ECLAC on the basis of information from the Central Bank of Costa Rica and converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 5

COSTA RICA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**127.8**	**137.0**	**144.9**	**100.0**	**100.0**	**3.4**	**2.1**	**7.2**	**5.8**
Goods	**127.0**	**135.3**	**141.2**	**42.6**	**41.5**	**2.1**	**3.1**	**6.6**	**4.4**
Agriculture	144.8	150.4	153.7	17.8	18.9	2.5	6.2	3.9	2.2
Manufacturing [b]	126.7	139.7	148.8	18.6	19.1	2.6	2.1	10.3	6.5
Construction	77.2	79.2	83.0	6.2	3.6	-2.3	-7.5	2.6	4.7
Basic services	**166.5**	**185.1**	**203.3**	**6.3**	**8.9**	**6.6**	**3.5**	**11.2**	**9.9**
Electricity, gas and water	176.6	187.2	200.4	2.1	2.9	6.5	4.5	6.0	7.0
Transport, storage and communications	161.4	184.0	204.8	4.2	6.0	6.7	2.9	14.0	11.3
Other services	**123.6**	**132.5**	**140.8**	**51.0**	**49.6**	**4.1**	**1.1**	**7.2**	**6.3**
Commerce, restaurants and hotels	118.4	133.2	144.1	20.1	20.0	4.8	0.2	12.5	8.2
Financial institutions, insurance, real estate and business services	146.9	156.9	169.5	11.3	13.2	5.5	1.5	6.8	8.0
Ownership of dwellings	123.4	125.7	128.4	6.0	5.3	2.2	2.0	1.9	2.1
Community, social and personal services	115.6	117.7	120.8	19.6	16.4	2.3	1.9	1.8	2.7
Government services	110.7	111.8	114.0	15.2	11.9	1.5	1.0	1.0	2.0

Source: ECLAC, on the basis of official figures, which were then reweighted according to the 1980 current price structure. Therefore, the figures shown here do not necessarily coincide with those published by the country based on its calculations at constant prices.

[a] Preliminary figures. [b] Includes mining.

Table 6
COSTA RICA: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Percentage breakdown (1985)	Growth rates 1990	1991	1992	1993[a]
Index of agricultural production (1980=100) [b]	**141.2**	**146.7**	**149.9**	**100.0**	**2.5**	**6.3**	**3.9**	**2.2**
Crop farming	146.3	153.5	155.3	63.5	1.1	5.7	4.9	1.2
Livestock	131.5	137.1	145.3	28.4	6.2	7.3	4.3	6.0
Forestry	108.1	93.3	87.5	3.5	6.3	18.0	-13.7	-6.2
Fisheries	102.6	100.6	100.6	1.9	13.6	-12.5	-1.9	0.0
Production of main crops [c]								
Traditional export crops								
Coffee	161	160	148		-3.7	6.0	-0.6	-7.9
Bananas	1 713	1 919	2 109		8.0	7.2	12.0	9.9
Sugar cane	2 948	3 161	3 309		9.7	7.0	7.2	4.7
Cocoa	3	2	2		-	-35.0	-23.1	-15.0
Domestic consumption								
Rice	183	174	148		-12.3	-3.9	-5.1	-15.0
Maize	56	41	37		-19.0	-14.2	-26.8	-9.5
Beans	36	37	32		44.5	14.5	1.4	-14.6
Sorghum	2	1	1		-55.0	-37.0	-64.7	-
Plantains	97	100	109		3.1	3.9	3.6	9.2
Indicators of livestock production								
Slaughtering [c]								
Cattle	178	177	184		6.0	5.1	-0.4	3.7
Pigs	25	26	27		-	30.6	3.2	3.8
Poultry	27	32	39		5.7	10.7	18.6	20.7
Other products								
Milk [d]	418	447	475		5.9	3.8	7.0	6.4
Eggs [e]	441	463	501		16.0	12.2	5.0	8.0
Other production indicators								
Wood [f]	759	655	614		6.3	18.0	-13.7	-6.2
Volume of fishery production [c]	21	21	21		13.3	-12.6	-1.4	0.0

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.
[a] Preliminary figures. [b] Calculated on the basis of the gross value (in 1986 colones) of production. [c] Thousands of tons.
[d] Millions of litres. [e] Millions of units. [f] Thousands of cubic metres.

Table 7
COSTA RICA: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Percentage breakdown 1993[a]	Growth rates 1991	1992	1993[a]
Index of value added (1980=100)	**127.1**	**140.2**	**149.3**	**100.0**	**2.1**	**10.3**	**6.5**
Consumer goods							
Food, beverages and tobacco	126.7	130.6	141.1	45.2	8.0	3.1	8.0
Coffee processing	135.1	104.6	133.9	6.7	6.0	-22.6	28.1
Meat	91.2	83.0	87.8	2.5	17.7	-9.0	5.8
Sugar	124.8	142.3	149.1	3.9	6.1	14.0	4.8
Textiles, leather and footwear	100.9	112.4	119.1	7.9	-5.8	11.4	6.0
Furniture and lumber	105.5	103.8	94.8	4.4	-9.1	-1.6	-8.7
Printing, publishing and related industries	109.1	119.8	142.3	3.7	-2.9	9.8	18.8
Intermediate goods							
Paper and paper products	155.6	157.4	153.6	3.9	4.0	1.2	-2.4
Chemicals	119.2	145.2	158.3	4.0	3.2	21.8	9.0
Petroleum refining	44.0	69.5	49.4	5.9	-24.4	57.9	28.9
Non-metallic minerals	131.2	137.0	145.4	2.6	-5.5	4.4	6.2
Metal manufactures and machinery	**130.8**	**149.0**	**164.8**	**8.4**	**-0.4**	**13.9**	**10.6**
Other indicators of manufacturing production							
Employment indexes (1968=100)	206.3	215.6	215.2		3.1	4.5	-0.2
Index of industrial consumption of electricity (1980=100)	156.0	176.4	192.1		5.2	13.1	8.9

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.
[a] Preliminary figures.

Table 8
COSTA RICA: ELECTRICITY GENERATION AND CONSUMPTION

	Thousands of MWh			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Generation	**3 808**	**4 076**	**4 384**	**5.8**	**7.5**	**7.0**	**7.6**
Hydroelectric	3 630	3 560	3 962	5.4	3.8	-1.9	11.3
Thermal	177	516	423	43.8	284.8	191.5	-18.0
Consumption	**3 411**	**3 647**	**3 826**	**5.8**	**3.2**	**6.9**	**4.9**
Residential	1 614	1 661	1 785	7.0	3.5	2.9	7.5
Industrial	969	1 096	1 191	6.2	5.0	13.1	8.7
Public lighting	102	168	129	-2.2	12.1	64.7	-23.2
Commercial [b]	726	722	720	3.7	-0.5	-0.6	-0.3
Net imports	**7**	**-64**	**-**	**...**	**...**	**...**	**...**

Source: ECLAC, on the basis of figures provided by the Costa Rican Electricity Institute (ICE) and the Central Bank of Costa Rica.
[a] Preliminary figures. [b] Includes electricity consumed in ICE construction projects.

Table 9
COSTA RICA: EMPLOYMENT AND UNEMPLOYMENT [a]

	Thousands of persons				Participation rate [b]	Unemployment rates		
	Total population	Labour force	Employment	Unemployment		National	Urban	Rural
1980	2 284	770	725	46	33.7	5.9	6.0	5.9
1981	2 353	796	726	70	33.8	8.7	9.1	8.4
1982	2 424	839	760	79	34.6	9.4	9.9	8.3
1983	2 496	844	768	76	33.8	9.0	8.5	9.6
1984	2 596	866	797	69	33.4	7.9	6.6	9.2
1985	2 642	888	827	61	33.6	6.9	6.7	7.0
1986	2 723	911	854	57	33.5	6.2	6.7	5.6
1987	2 791	978	923	55	35.0	5.6	5.9	5.3
1988	2 870	1 006	951	55	35.1	5.5	6.3	4.7
1989	2 941	1 026	987	39	34.9	3.8	3.7	3.8
1990	3 010	1 067	1 017	50	35.4	4.6	5.4	4.1
1991	3 082	1 066	1 007	59	34.6	5.5	6.0	5.2
1992	3 154	1 087	1 043	44	34.5	4.1	4.3	3.8
1993[c]	3 225	1 143	1 096	47	35.5	4.1	4.0	4.2

Source: ECLAC, on the basis of figures supplied by the Bureau of Statistics and Censuses.
[a] From 1987 onward, rates correspond to figures for July obtained from multi-purpose household surveys. [b] Labour force as a percentage of total population. [c] Preliminary figures.

Table 10
COSTA RICA: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports (f.o.b.)								
Value	15.5	2.0	6.7	12.9	1.6	10.6	14.4	13.6
Volume	1.3	20.8	4.2	14.0	0.6	23.8	19.9	12.2
Unit value	14.0	-15.5	2.4	-0.9	0.9	-10.7	-4.6	1.2
Imports (f.o.b.)								
Value	4.4	19.1	2.7	22.9	14.3	-5.5	30.3	18.0
Volume	13.0	16.1	-1.1	18.1	14.0	-5.7	30.7	18.7
Unit value	-7.6	2.7	3.9	4.1	0.2	0.2	-0.3	-0.6
Terms of trade (f.o.b./c.i.f.)	22.7	-17.9	-1.5	-4.9	0.5	-11.0	-4.5	1.6
	Indexes (1980=100)							
Purchasing power of exports	130.9	129.8	133.1	144.3	146.0	160.9	184.4	210.1
Volume of exports	105.1	126.9	132.2	150.7	151.7	187.8	225.2	252.6
Volume of imports	96.3	111.7	110.5	130.5	148.8	140.2	183.3	217.6
Terms of trade (f.o.b./c.i.f.)	124.5	102.2	100.7	95.8	96.2	85.7	81.9	83.2

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.
[a] Preliminary figures.

Table 11
COSTA RICA: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**1 499**	**1 715**	**1 948**	**100.0**	**100.0**	**100.0**	**1.6**	**10.7**	**14.4**	**13.6**
Central America	178	311	323	11.9	18.1	16.6	-6.3	31.9	74.7	3.9
Rest of world	1 320	1 403	1 625	88.1	81.8	83.4	2.5	8.3	6.3	15.8
Main traditional exports	**756**	**760**	**831**	**50.4**	**44.3**	**42.7**	**-0.6**	**19.1**	**0.5**	**9.3**
Coffee	264	203	203	17.6	11.8	10.4	-14.6	7.8	-23.1	-
Bananas	397	485	531	26.5	28.3	27.3	10.9	26.0	22.2	9.5
Meat	69	44	69	4.6	2.6	3.5	-5.8	40.8	-36.2	56.8
Sugar	25	27	27	1.7	1.6	1.4	66.7	-	8.0	-
Cocoa	1	1	1	0.1	0.1	0.1	-	-	-	-
Non-traditional exports	**743**	**955**	**1 117**	**49.6**	**55.7**	**57.3**	**3.6**	**3.3**	**28.5**	**17.0**
Shrimp and fish	37	43	57	2.5	2.5	2.9	-4.0	-17.8	16.2	32.6
Plants, flowers and foliage	59	67	81	3.9	3.9	4.2	40.0	1.7	13.6	20.9
Pineapples	39	45	54	2.6	2.6	2.8	-2.2	2.6	15.4	20.0
Clothing	34	49	66	2.3	2.9	3.4	-13.1	-8.1	44.1	34.7
Other[b]	574	751	859	38.3	43.8	44.1	4.6	6.1	30.8	14.4

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica and the Bureau of Statistics and Censuses.
[a] Preliminary figures. [b] Does not include value added in the country by the maquila industry.

Table 12
COSTA RICA: EXPORT VOLUMES OF MAIN PRODUCTS

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Coffee	145	148	146	6.9	3.6	2.1	-1.4
Bananas	1 467	1 730	1 865	8.7	2.6	17.9	7.8
Meat	27	17	27	-9.5	42.1	-37.0	58.8
Sugar	89	98	99	37.0	41.3	10.1	1.0

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.
[a] Preliminary figures.

Table 13
COSTA RICA: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
Total	**1 876**	**2 440**	**2 885**	**100.0**	**100.0**	**100.0**	**-5.7**	**30.0**	**18.2**
Consumer goods	**439**	**657**	**822**	**23.4**	**26.9**	**28.5**	**-4.8**	**49.6**	**25.2**
Durable	109	249	329	5.8	10.2	11.4	-17.4	128.4	32.2
Non-durable	330	408	493	17.6	16.7	17.1	0.3	23.6	20.9
Raw materials and intermediate goods	**1 043**	**1 228**	**1 341**	**55.6**	**50.3**	**46.5**	**-1.7**	**17.7**	**9.2**
Petroleum and fuels[b]	153	160	174	8.2	6.5	6.0	2.4	4.3	9.0
Construction materials	72	86	93	3.9	3.5	3.2	14.8	18.5	8.5
Other	818	983	1 074	43.6	40.3	37.2	-3.7	20.2	9.3
Capital goods	**394**	**555**	**721**	**21.0**	**22.8**	**25.0**	**-15.6**	**40.8**	**30.0**
Agriculture	9	12	16	0.5	0.5	0.6	-22.7	44.7	29.3
Transport	101	149	194	5.4	6.1	6.7	-15.3	47.6	30.1
Industry and mining	285	394	512	15.2	16.1	17.7	-15.4	38.2	29.9

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica and the Bureau of Statistics and Censuses.
[a] Preliminary figures.

Table 14

COSTA RICA: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rate [a] (colones per dollar)	Indexes of real effective exchange rate [b] (1985=100) calculated on the basis of the:			
		Consumer price index [c]		Wholesale price index [d]	
		Exports	Imports	Exports	Imports
1978	8.57	68.6	65.8	94.0	89.7
1979	8.57	70.6	66.8	91.3	86.2
1980	9.24	71.9	68.9	89.7	86.3
1981	21.18	123.4	125.1	127.3	128.5
1982	39.77	125.5	125.2	115.3	114.3
1983	41.56	101.2	100.0	96.7	95.1
1984	44.40	97.9	97.4	96.3	95.7
1985	50.45	100.1	100.0	100.1	100.0
1986	56.00	106.4	102.4	106.0	101.4
1987	62.78	110.7	103.1	115.9	107.0
1988	75.80	115.6	110.2	124.1	116.3
1989	81.51	109.0	103.4	119.0	111.7
1990	91.58	111.2	102.7	124.6	113.0
1991	122.43	119.9	113.1	132.0	121.2
1992	134.56	114.3	107.9	128.1	116.7
1993	142.23	110.3	108.2	126.1	118.5
1992					
I	136.22	118.8	112.3	130.8	119.6
II	130.28	109.8	103.9	123.2	112.5
III	134.85	116.0	108.3	131.3	118.2
IV	136.88	112.6	107.0	127.2	116.4
1993					
I	138.09	110.0	106.2	125.1	116.2
II	138.72	109.7	107.0	126.2	117.9
III	143.12	109.2	108.3	124.9	118.1
IV	149.00	112.2	111.2	128.2	121.6

Source: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Weighted average of effective rates for exports and imports of goods and services. [b] Average of the indexes for the real exchange rate for the colón with respect to the currencies of Costa Rica's main trading partners, weighted by the relative significance of exports to those countries or imports from them, as appropriate. These weightings correspond to the average for the period 1986-1990. For further information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981. [c] The consumer price index was used in the calculations for all the countries. [d] The wholesale price index was used for Costa Rica as well as for all the other countries, except where this information was not available; in such cases, the calculations were based on the consumer price index.

Table 15
COSTA RICA: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993
Balance on current account	**-195**	**-444**	**-394**	**-567**	**-561**	**-167**	**-446**	**-537**
Trade balance	54	-177	-75	-217	-364	-22	-323	-419
Exports of goods and services	1 395	1 451	1 620	1 841	1 974	2 200	2 573	2 997
Goods f.o.b.	1 085	1 107	1 181	1 333	1 354	1 498	1 714	1 947
Real services [b]	310	345	439	508	620	702	859	1 050
Transport and insurance	54	57	73	80	95	105	129	137
Travel	138	145	182	213	285	340	440	591
Imports of goods and services	1 341	1 628	1 695	2 059	2 338	2 222	2 896	3 416
Goods f.o.b.	1 045	1 245	1 279	1 572	1 797	1 698	2 212	2 610
Real services [b]	296	383	417	487	541	524	684	806
Transport and insurance	151	178	171	204	236	236	299	349
Travel	67	77	76	119	156	154	227	269
Factor services	-285	-306	-359	-389	-252	-195	-209	-204
Profits	-15	-25	-33	-52	-56	-62	-67	-64
Interest received	41	36	38	107	115	95	85	82
Interest paid or due	-304	-308	-356	-435	-303	-221	-219	-211
Labour and ownership	-8	-9	-7	-10	-7	-8	-8	-11
Unrequited private transfer payments	37	39	40	39	55	50	86	86
Balance on capital account	**289**	**481**	**636**	**713**	**364**	**515**	**587**	**518**
Unrequited official transfer payments	115	187	215	152	137	91	85	67
Long-term capital	-56	-363	-98	60	548	464	261	...
Direct investment	57	76	121	95	160	173	217	275
Portfolio investment	-3	-	-6	-13	-28	-13	-17	-1
Other long-term capital	-111	-439	-213	-22	416	304	60	...
Official sector [c]	-40	-378	-202	-33	401	280	11	...
Loans received	278	98	252	334	758	449	266	...
Amortization payments	-305	-473	-454	-362	-311	-170	-247	-334
Commercial banks [c]	-14	-8	-10	-3	-2	-2	-1	...
Loans received	-	-	-	-	-	-	1	...
Amortization payments	-14	-8	-10	-3	-2	-2	-2	-2
Other sectors [c]	-57	-53	-1	13	17	26	51	...
Loans received	69	69	60	71	100	108	150	...
Amortization payments	-126	-122	-61	-57	-84	-82	-99	...
Short-term capital	133	526	294	292	-377	-140	114	...
Official sector	151	471	329	251	-323	-214	1	...
Commercial banks	3	14	11	7	1	-6	7	...
Other sectors	-22	40	-46	34	-56	80	106	...
Errors and omissions (net)	98	131	225	209	56	100	128	...
Global balance [d]	**94**	**37**	**242**	**146**	**-197**	**349**	**141**	**-19**
Total variation in reserves (- sign indicates an increase)	-78	-11	-226	-150	201	-342	-133	19
Monetary gold	-4	4	23	-1	-1	-8	-3	...
Special drawing rights	-	-	-	-	-2	1	-	-
IMF reserve position	-	-	-	-	-	-	-12	-
Foreign exchange assets	-35	39	-186	-68	224	-401	-87	...
Other assets	-23	-15	-3	-45	4	-7	-30	...
Use of IMF credit	-16	-40	-61	-36	-24	72	-2	-

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.
[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 16

COSTA RICA: EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total external debt	4 079	4 384	4 470	4 488	3 930	4 016	4 051	4 052
Public	3 484	3 765	3 833	3 801	3 173	3 268	3 289	3 165
With commercial banks	1 463	1 383	1 470	1 472	632	32	23	19
With multilateral agencies	1 024	1 345	1 292	1 192	1 179	1 316	1 341	1 302
With bilateral sources	907	946	991	1 068	1 322	1 347	1 370	1 301
Bonds and FRNs[b]	73	69	68	55	30	560	542	534
Other[c]	17	22	13	14	10	13	13	9
Private	595	619	637	687	757	748	762	887
Short-term[d]	307	317	326	349	408	387	387	482
Medium- and long-term[e]	288	302	311	338	349	361	375	405
Public external debt								
Net disbursements[f]	121	452	209	119	487	291	326	386
Servicing	345	274	266	259	1 314	362	509	577
Principal	161	171	141	152	1 114	197	304	385
Interest	184	103	125	107	200	165	205	192
	As percentages of exports of goods and services							
Total external debt	292.4	302.2	275.9	243.8	199.1	182.5	157.4	135.2
Public external debt service	24.7	18.9	16.4	14.1	66.6	16.5	19.8	19.3
Net interest[g]	18.9	18.7	19.6	17.8	9.5	5.7	5.2	4.3
Service/disbursements	285.1	60.6	127.3	217.6	269.8	124.4	156.1	149.5

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.

[a] Preliminary figures. [b] Federal Reserve Notes from the Federal Reserve Bank of the United States. [c] Does not include the foreign-exchange certificates which the Central Bank placed in the private sector in 1981. [d] Mainly commercial credit. [e] Not guaranteed by the Government. [f] Calculated by ECLAC based on the difference between the balance for the relevant year and the balance for the preceding year, plus amortization payments made during the year in question. [g] Corresponds to net interest in the balance-of-payments.

Table 17
COSTA RICA: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Variation from December to December								
Consumer price index [b]	15.4	16.4	25.3	10.0	27.3	25.3	17.0	9.0
Food	17.7	12.1	31.9	7.6	26.0	22.1	19.0	10.9
Wholesale price index [c]	11.9	10.9	19.7	10.7	27.9	22.3	12.7	6.6
Annual average variation								
Consumer price index [b]	11.8	16.8	20.8	16.5	19.0	28.7	21.8	9.8
Food	11.9	14.7	20.2	17.9	18.2	26.0	23.9	11.1
Wholesale price index [c]	9.0	10.6	17.9	14.6	14.9	28.1	18.2	6.4

Source: ECLAC, on the basis of figures provided by the Bureau of Statistics and Censuses and the Central Bank of Costa Rica.
[a] Preliminary figures. [b] Corresponds to middle- and low-income sectors in the San José metropolitan area; the base year is 1975. [c] Base year 1978=100.

Table 18
COSTA RICA: WAGES AND SALARIES

	Indexes (1985=100)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Nominal average wages and salaries	**251.9**	**319.4**	**386.4**	**21.1**	**22.8**	**26.8**	**21.0**
Public sector	258.2	308.5	386.6	20.1	30.2	19.5	25.3
Central Government	310.9	367.2	474.4	17.6	33.8	18.1	29.2
Autonomous institutions	236.1	283.4	342.3	20.1	30.7	20.0	20.8
Private sector	246.9	320.3	382.4	22.6	21.1	29.7	19.4
Real wages and salaries [b]	**89.3**	**93.0**	**102.6**	**1.7**	**-4.6**	**4.1**	**10.3**
Public sector	91.6	89.8	102.5	0.8	1.2	-1.9	14.1
Central Government	110.3	107.0	125.9	-1.2	4.0	-3.0	17.7
Autonomous institutions	83.8	82.5	90.8	0.9	1.6	-1.5	10.0
Private sector	87.6	93.3	101.5	3.0	-6.0	6.5	8.8
Minimum wage							
Nominal							
Higher level	240.4	310.8	341.9	31.0	24.9	29.3	10.0
Lower level	279.6	339.4	373.3	20.1	19.4	21.4	10.0
Real [b]							
Higher level	85.3	90.5	90.7	9.9	-2.9	6.2	0.2
Lower level	99.2	98.9	99.1	0.9	-7.2	-0.3	0.2

Source: ECLAC, on the basis of figures supplied by the Ministry of Labour.
[a] Preliminary figures. [b] Deflated by the consume price index for middle- and low-income consumers in the San José metropolitan area.

Table 19

COSTA RICA: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of colones			Percentages of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Current income**	**102 150**	**140 900**	**167 500**	**14.8**	**15.6**	**15.5**	**34.4**	**37.9**	**18.9**
Tax revenue	99 053	136 984	164 345	14.4	15.1	15.3	35.3	38.3	20.0
Direct	17 089	23 567	34 018	2.5	2.6	3.2	23.1	37.9	44.3
Indirect	81 964	113 417	130 327	11.9	12.5	12.1	38.1	38.4	14.9
On foreign trade	29 931	34 362	38 344	4.3	3.8	3.6	44.9	14.8	11.6
Non-tax revenue	2 180	2 341	1 599	0.3	0.3	0.1	75.0	7.4	-31.7
Current transfers	917	1 575	1 556	0.1	0.2	0.1	-40.1	71.8	-1.2
2. **Current expenditure**	**113 471**	**142 475**	**167 144**	**16.4**	**15.8**	**15.5**	**29.0**	**25.6**	**17.3**
Wages and salaries	37 437	45 889	57 845	5.4	5.1	5.4	23.9	22.6	26.1
Other current expenditure	76 034	96 587	109 299	11.0	10.7	10.1	31.6	27.0	13.2
3. **Current account balance** (1 - 2)	**-11 321**	**-1 575**	**356**	**-1.6**	**-0.2**	-			
4. **Capital expenditure**	**9 917**	**15 861**	**21 100**	**1.4**	**1.8**	**2.0**	**-11.2**	**59.9**	**33.0**
Real investment	4 081	5 655	6 642	0.6	0.6	0.6	6.8	38.6	17.5
Other capital expenditure	5 837	10 206	14 458	0.8	1.1	1.3	-20.5	74.9	41.7
5. **Total expenditure** (2 + 4)	**123 388**	**158 336**	**188 244**	**17.9**	**17.5**	**17.5**	**24.5**	**28.3**	**18.9**
6. **Fiscal balance** (1 - 5)	**-21 238**	**-17 436**	**-20 743**	**-3.1**	**-1.9**	**-1.9**			
7. **Financing**	**21 238**	**17 436**	**20 743**	**3.1**	**1.9**	**1.9**			
Net domestic financing	14 937	15 311	30 356	2.2	1.7	2.8			
Bond sales (net)	27 938	22 350	38 186	4.0	2.5	3.5			
Other sources (net)	-13 001	-7 039	-7 830	-1.9	-0.8	-0.7			
Net external financing	6 301	2 125	-9 613	0.9	0.2	-0.9			
Loan received	11 854	13 675	8 418	1.7	1.5	0.8			
(-) Amortization payments	5 553	11 550	18 031	0.8	1.3	1.7			
	Ratios (percentages)								
Current saving/ capital expenditure	-114.2	-9.9	1.7						
Fiscal balance/ current expenditure	**18.7**	**12.2**	**12.4**						
Fiscal balance/ total expenditure	-17.2	-11.0	-11.0						
Domestic financing/ fiscal balance	70.3	87.8	146.3						
External financing/ fiscal balance	29.7	12.2	-46.3						

Source: ECLAC, on the basis of figures supplied by the Ministry of Finance of Costa Rica.

[a] Preliminary figures.

Table 20

COSTA RICA: INCOME AND EXPENDITURE OF THE CONSOLIDATED NON-FINANCIAL PUBLIC SECTOR

	Millions of colones			Percentages of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Total income**	**191 218**	**255 939**	**303 769**	**27.7**	**28.3**	**28.2**	**40.0**	**33.8**	**18.7**
1.1 Current	190 210	255 377	303 315	27.6	28.2	28.2	39.2	34.3	18.8
1.2 Capital	1 008	562	454	0.1	0.1	0.0	-	-	-
2. **Total expenditure**	192 048	250 020	297 849	27.8	27.6	27.6	28.2	30.2	19.1
2.1 Current	163 819	201 607	239 407	23.7	22.3	22.2	31.1	23.1	18.7
Consumption	97 452	121 565	150 955	14.1	13.4	14.0	25.4	24.7	24.2
Wages and salaries	60 613	74 303	92 901	8.8	8.2	8.6	23.0	22.6	25.0
Purchase of goods and services	21 192	25 992	30 799	3.1	2.9	2.9	32.9	22.7	18.5
Other[b]	15 647	21 340	27 255	2.3	2.4	2.5	25.4	36.4	27.7
Transfers to private sector	37 724	46 917	54 973	5.5	5.2	5.1	27.2	24.4	17.2
Interest	28 643	33 125	33 479	4.2	3.7	3.1	62.6	15.6	1.1
2.2 Capital	28 229	48 413	58 442	4.1	5.4	5.4	13.6	71.5	20.7
Real investment	19 049	32 740	36 842	2.8	3.6	3.4	14.7	71.9	12.5
Financial investment[c]	1 011	1 323	2 248	0.1	0.1	0.2	79.6	30.9	69.9
Transfers	8 169	14 350	19 352	1.2	1.6	1.8	6.4	75.7	34.9
3. **Fiscal balance** (1 - 2)	**-830**	**5 919**	**5 920**	**-0.1**	**0.7**	**0.5**			
4. **Financing**	**830**	**-5 870**	**-5 920**	**0.1**	**-0.7**	**-0.5**			
Net domestic financing	-11 044	-19 582	...	-1.6	-2.2	...			
Net credit	-3 970	5 057	...	-0.6	0.6	...			
Other sources (net)	-7 074	-24 639	...	-1.0	-2.7	...			
External financing	11 874	13 712	...	1.7	1.5	...			
Credit received	20 976	30 942	...	3.0	3.4	...			
(-) Amortization payments	9 102	17 230	...	1.3	1.9	...			

Source: ECLAC, on the basis of figures supplied by the Ministry of Finance of Costa Rica.
[a] Preliminary figures. [b] Includes external expenditure and transfers. [c] Includes purchases of land and buildings.

Table 21

COSTA RICA: MONETARY BALANCE AND INDICATORS

	Year-end balances (millions of colones)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Money (M_1)	**87 496**	**118 986**	**125 079**	**7.5**	**29.0**	**36.0**	**5.1**
Currency outside banks	34 667	47 864	54 381	25.5	26.0	38.1	13.6
Demand deposits	52 829	71 122	70 698	-2.0	31.1	34.6	-0.6
Factors of expansion							
Net international reserves	125 853	155 408	159 458	-19.8	156.5	23.5	2.6
Domestic credit	184 834	227 096	270 706	45.6	3.7	22.9	19.2
To the public sector	80 149	76 686	78 860	30.7	4.9	-4.3	2.8
Central Government (net)	32 766	36 289	44 541	59.7	-1.2	10.8	22.7
Public institutions	47 383	40 397	34 319	14.7	9.5	-14.7	-15.0
To the private sector	92 788	135 362	172 430	23.2	10.1	45.9	27.4
Stabilization bonds	-33 266	-37 026	-44 851	-10.3	22.8	11.3	21.1
Long-term external loans	-211 472	-212 977	-288 044	-5.5	34.7	0.7	35.2
Other accounts (net)[c]	256 635	265 051	352 311	5.1	27.3	3.3	32.9
Factors of absorption							
Quasi-money	227 367	271 623	328 631	36.3	38.4	19.5	21.0
Deposits in local currency	99 048	139 550	183 208	44.4	22.2	40.9	31.3
Time deposits	67 704	99 570	130 570	54.3	19.2	47.1	31.1
Savings deposits	11 663	17 154	19 204	14.9	19.9	47.1	12.0
Other[b]	19 681	22 826	33 434	33.9	35.6	16.0	46.5
Deposits in US dollars	117 093	117 291	128 575	39.5	67.1	0.2	9.6
Demand deposits	8 697	10 334	13 669	38.7	56.8	18.8	32.3
Time deposits	70 431	78 707	82 664	23.8	77.0	11.8	5.0
Savings deposits	12 456	15 824	20 542	48.6	74.8	27.0	29.8
Other[b]	25 509	12 426	11 700	89.6	44.9	-51.3	-5.8
Other commitments[d]	11 226	14 782	16 848	-7.5	-14.4	31.7	14.0
	Coefficients						
Monetary multipliers							
M_1/monetary base	1.27	1.16	1.06				
Liquidity coefficients[e]							
M_1/GDP	9.69	10.86	11.61				

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica, Central American Monetary Council and International Monetary Fund (IMF).

[a] Preliminary figures. [b] Includes other demand callables, certified cheques, mature time deposits and cashier's cheques. [c] Includes adjustments for variations in the rate of exchange. [d] Includes unclassified foreign currency deposits, deposits in the short-term investment system and other liabilities. [e] Percentages.

Table 22

COSTA RICA: NATIONAL BANKING SYSTEM LOAN OPERATIONS [a]

	1991			1992			1993[b]		
	From banks		Total	From banks		Total	From banks		Total
	State	Private		State	Private		State	Private	
	Millions of colones								
Total	**58 621**	**29 626**	**88 247**	**107 927**	**95 900**	**203 827**	**130 136**	**138 502**	**268 638**
Agriculture	13 797	4 285	18 082	17 330	6 921	24 251	17 760	7 552	25 312
Livestock raising	6 282	330	6 612	5 761	792	6 553	5 405	1 498	6 903
Fisheries	254	6	260	256	39	295	181	9	190
Manufacturing	15 875	15 569	31 444	22 425	44 890	67 315	22 190	44 965	67 155
Housing	5 022	427	5 449	2 857	118	2 975	3 902	172	4 074
Construction	756	446	1 202	2 040	1 890	3 930	2 541	3 502	6 043
Tourism	760	726	1 486	3 101	1 187	4 288	2 475	3 891	6 366
Commerce	6 462	5 683	12 145	17 434	23 880	41 314	29 101	41 101	70 202
Services	3 861	1 646	5 507	15 609	12 844	28 453	15 830	30 510	46 340
Consumption	5 130	395	5 525	19 868	2 704	22 572	29 662	4 137	33 799
Transport	336	76	412	999	243	1 242	1 089	924	2 013
Other	86	37	123	247	392	639	-	241	241
	Percentages								
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Agriculture	23.5	14.5	20.5	16.1	7.2	11.9	13.6	5.5	9.4
Livestock raising	10.7	1.1	7.5	5.3	0.8	3.2	4.2	1.1	2.6
Fisheries	0.4	-	0.3	0.2	-	0.1	0.1	-	0.1
Manufacturing	27.1	52.6	35.6	20.8	46.8	33.0	17.1	32.5	25.0
Housing	8.6	1.4	6.2	2.6	0.1	1.5	3.0	0.1	1.5
Construction	1.3	1.5	1.4	1.9	2.0	1.9	2.0	2.5	2.2
Tourism	1.3	2.5	1.7	2.9	1.2	2.1	1.9	2.8	2.4
Commerce	11.0	19.2	13.8	16.2	24.9	20.3	22.4	29.7	26.1
Services	6.6	5.6	6.2	14.5	13.4	14.0	12.2	22.0	17.2
Consumption	8.8	1.3	6.3	18.4	2.8	11.1	22.8	3.0	12.6
Transport	0.6	0.3	0.5	0.9	0.3	0.6	0.8	0.7	0.7
Other	0.1	0.1	0.1	0.2	0.4	0.3	-	0.2	0.1

Source: ECLAC, on the basis of figures supplied by the Central Bank of Costa Rica.
[a] As of 31 December of each year. [b] Preliminary figures.

Table 23

COSTA RICA: INTEREST RATES

(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]	
	On deposits	On loans	On deposits	On loans	On deposits	On loans
1990						
I	17.5	29.5	-4.4	5.4	7.5	18.5
II	19.5	30.1	-5.8	2.6	0.7	9.7
III	21.6	32.9	-1.8	7.3	-4.0	4.3
IV	26.0	37.8	-7.8	0.8	-5.4	3.4
1991						
I	30.3	39.9	-0.4	6.9	-14.5	-8.1
II	28.8	39.2	-0.8	7.2	-10.9	-3.6
III	25.9	38.5	2.5	12.7	8.4	19.2
IV	24.3	37.9	4.8	16.3	5.9	17.5
1992						
I	20.2	34.8	-11.0	-0.2	19.1	33.5
II	12.3	26.1	-4.6	7.2	39.7	56.9
III	14.0	25.3	7.3	18.0	-9.9	-1.0
IV	16.8	27.7	4.4	14.2	11.7	22.1
1993						
I	16.3	27.8	10.3	21.2	12.6	23.8
II	13.1	26.4	-0.7	11.0	8.1	20.9
III	18.2	31.6	12.9	25.7	2.2	13.8
IV	20.0	34.3	6.8	19.5	2.8	15.0

Source: ECLAC, on the basis of official figures and information from the International Monetary Fund (IMF).

[a] Nominal rates deflated by the variation in consumer prices during the same period. [b] Ratio between nominal rates and the rate of devaluation during the same period.

CUBA

1. General features of recent trends

In 1993 there was a further decline in productive activity in Cuba, and the imbalances which have affected the economy since 1989 continued to deepen. Given that state of affairs, efforts have been made to reformulate economic policy with the aim of reforging the country's linkages with the global economy and revitalizing the production apparatus, without giving up the progress achieved in the area of social equity.

Economic performance was characterized by a fall in the gross domestic product (GDP) of around 10% after successive declines in previous years (14% in 1992), high fiscal and trade deficits, a high ratio of external debt to exports and an upsurge in inflationary pressures; these were fuelled by the increasing shortage of goods and services and the extremely high level of excess liquidity.

Much of this deterioration can be explained by the insufficient dynamism of Cuba's linkages with the global economy, which translates into a feeble capacity for importing. This situation, in turn, is attributable to difficulties and readjustments stemming from the collapse of relations with the former socialist bloc, the resurgence of the economic blockade, cumulative distortions in the structure of production, outdated domestic business management practices and, in 1993, the damage caused by weather conditions. In March, the so-called "storm of the century" lashed the island, causing damage officially estimated at more than US$ 1 billion. Then, in November, the eastern part of the country suffered intense and prolonged rainfall which caused massive losses in the agriculture, energy, transport and communications sectors and destroyed a large number of dwellings.

Among the most important measures adopted in 1993 were the following: the granting of greater facilities to foreign investors, the stimulus given to tourist services, the conversion of State land into cooperatives, the decriminalization of private foreign currency holding, the broadening of the legal right to work on one's own account and the initiation of investigations into ways of restructuring the central Government and decentralizing business management.

2. Economic policy

In 1993 reforms were introduced which radically altered the workings of the Cuban economy. Forms of ownership were diversified, with cooperatives, own-account work and economic links with foreign entities assuming greater importance. At the same time, an attempt was made to reform fiscal accounts and ensure greater autonomy in the management of public-enterprises. In general, the objective sought was to gear the role of the State to the creation of new areas of opportunity, governed by market mechanisms.

During the year economic policy measures were adopted, mainly in the foreign investment field, that were aimed at deepening the liberalization process initiated earlier. In this connection, broader fields of action have gradually been opening up for private enterprise and cooperatives. In addition, the constitutional reforms adopted in 1992 were put into effect; these reforms dealt with the partial and selective sale of certain unproductive or insufficiently developed industries.

Moreover, the private holding of convertible currencies was decriminalized and the opening of bank accounts in foreign currency authorized, as was the circulation of the German deutsche mark, the French franc, the Spanish peseta, the pound sterling and the United States and Canadian dollars. In addition, the flow of foreign currency into the public coffers was increased by, among other measures, the opening of State-run shops increasingly stocked with imported products to be sold in foreign currency. In such a context, while the official exchange rate remained unchanged, the national currency suffered a significant depreciation on the informal market.

The legal right to work on one's own account was ratified and extended, and a categorization of persons authorized to do so (the unemployed, housewives, retired persons and active workers) was established. Managers and university professors were excluded from this list. At the same time, it was confirmed that the State alone was competent to provide health and education services, which were free.

Despite adverse economic conditions and the marked deterioration in the population's living standards (in 1993, per capita daily calorie consumption had been 1,780, or 63% of the level achieved in 1989), preference continued to be given to the provision of basic services. This is shown by the increase in the roster of skilled employees providing such services in the context of a lack of basic inputs. A number of social indicators showed improvement: the number of inhabitants per doctor fell from 231 in 1992 to 214 in 1993; the infant mortality rate dropped from 10.2 per 1,000 live births in 1992 to 9.4 in 1993; and the maternal mortality rate decreased from 32.5 per 100,000 live births in 1992 to 27 in 1993.

a) **Fiscal and monetary policy**

In 1993, a significant effort was made to achieve fiscal adjustment, and this was reflected in a budget deficit reduction of 12% in nominal terms. Nevertheless, the deficit is still three times higher than in 1989, when it reached the highest level ever recorded, and represents a high percentage of GDP. Adjustment has been initiated with regard to public expenditure, at a time when revenues are also declining, although less sharply than spending. Expenditure was reduced owing to the saving and austerity measures implemented by the central Government; none the less, it continued to be massive as a result of the high subsidies granted to public enterprises and the policy of providing the population with free basic services.

In particular, current spending on subsidies, social security and public health increased by 70%, 33% and 10%, respectively, over 1989. An important factor in health care expenditure was the outbreak of a nervous skin disorder, which afflicted some 50,000 people before being brought under control.

In the monetary field there was a further increase in liquidity, most of which was deposited in savings accounts. Its total exceeded 10 billion pesos, a figure seven times higher than the level reached in 1989, and the equivalent of some 14 months of average monthly wages. This state of affairs is an obstacle to raising productivity, as wages have ceased to represent a significant material incentive. Strictly speaking, the main source of such excess liquidity has been the massive fiscal deficit, of which some 60% has been financed by monetary issues.

3. Trends in the main variables

a) **Economic activity**

The domestic and foreign demand for goods registered a further decline; the sole driving factor was the sale of services to non-residents. Gross fixed investment declined again, despite an increase in works linked to foreign investment. Consumer spending, both private and governmental, also fell.

Agricultural and manufacturing production declined, as did construction and transport activities. On the other hand, mining expanded

for the second consecutive year, thanks to an increase in petroleum and gas production. Tourism also continued to grow, as a result of an expansion of the dwellings and services infrastructure, with the support of a better international promotion effort.

After a slight recovery in 1992, the agricultural sector showed a generalized decline, forestry being the only exception. In sugar cane production, problems arising from the lack of inputs and the uneven performance of the work force came in addition to weather difficulties, all of which had an adverse impact on the tasks of preparing the land, sowing, crop-raising and harvesting. Thus, the production of sugar cane and its by-products decreased. In the 1992-1993 growing season the sugarcane harvest fell by some 600 million arrobas.[1] During the spring sowing in the first half of 1993, only 65% of the planting target was met.

Non-sugar cane agriculture, viewed as strategic for the population's food supply, declined once more owing to adverse weather conditions, the lack of inputs and equipment, and the inefficient management of available resources, especially labour. The production of fruits, edible tubers and vegetables also decreased after registering significant increase in 1992. The plantain and banana crop suffered a sharp plunge, caused by an insufficient fuel supply, as well as the storm which damaged the plantations located between the provinces of Pinar del Río and Ciego de Avila (around 43% of the country's total area).

The harvesting of potatoes, a major item supplementing the national diet, decreased by more than 400,000 quintals over the previous season, owing to a drop in average yields. Tomatoes, garlic, onions and other vegetable crops were also damaged. The shortage of fuels, tyres, spare parts and other inputs hampered the work of levelling, preparing the land, sowing, fertilizing and spraying, so that the activities linked to mechanized agricultural services declined further.

Cattle- and pig-breeding, as well as poultry-breeding, were affected by the persisting difficulty of importing animal feed. The decline of these activities was reflected in setbacks in the production of meat, eggs and especially milk, which made it necessary to import 46,800 tons of powdered milk at a cost of US$ 80 million.

In contrast, forestry recovered as a result of improvements in the care of forests —in which rapid-growth species, such as eucalyptus, soplillo and casuarina, predominate— and their use for energy in order to meet the high demand for charcoal and firewood generated by the shortage of other fuels. In 1993, as part of the reforestation programme, 32,000 hectares of trees were planted and 3 million sacks of charcoal were produced, a result that was double the one achieved in 1992.

During the year a process of converting State land into cooperatives was initiated with the aim of benefiting 800,000 workers and reducing the extremely high subsidies granted to the agricultural sector. In 1993 the Ministry of Agriculture and the Ministry of the Sugar Industry received the largest share of the subsidies allocated by the central Government –worth around 3 billion pesos– which represented 71% of the fiscal deficit. The aim of the process undertaken was to increase agricultural efficiency through the establishment of basic cooperative production units (UBPC), which are entitled to the use of State land for an indefinite period and which operate under a self-financing scheme. In an initial stage, the UBPC will sell their entire output to the State, have independent bank accounts, buy the necessary inputs on credit, elect their governing bodies from among the workers belonging to them, to whom they must render periodic accounts, and fulfil their tax obligations. Similarly, authorization for the use of State land lying idle was given to groups of persons who were in a position to set themselves up as a UBPC, and authorization for the use of parcels of State land no larger than half a hectare was given to retired persons and others willing to cultivate them.

In 1993 there were three forms of land ownership in Cuba: State ownership, which accounted for 81% of the total sown area; cooperative ownership, which accounted for 8%, and private ownership, which encompassed the

[1] An arroba is a unit of measurement equivalent to 11.502 kg.

remaining 11%. The Ministry of the Sugar Industry and the Ministry of Agriculture are responsible for the State agricultural sector. All of the country's agroindustrial sugar works which engage in activities directly linked to sugar production, activities carried out on sugar cane farms and small holdings as well as in sugar refineries, are assigned to the Ministry of the Sugar Industry. The Ministry of Agriculture oversees State-owned agricultural and forestry enterprises linked to non-sugar cane agriculture, livestock-raising, agricultural services (with the exception of agricultural aviation), forestry and storage of agricultural products. The Agricultural Production Cooperatives are independent of the State and constitute a form of socially owned collective production organized on the basis of a decision by the farmers to pool their land and other basic means of production. The proportion of State land leased to individuals or families is considered to be marginal.

Mining expanded for the second consecutive year, thanks to an increase in petroleum and gas production, since nickel production remained at the same level as in 1992. With the help of foreign investment, exploration and drilling activities intensified.

In manufacturing the downward trend observed in previous years deepened. Half the installed capacity in the sector had to remain unutilized owing to the acute shortage of raw materials, spare parts, capital goods and other imported inputs. Frequent electrical power cuts severely affected the entire industrial sector.

Perhaps the most negative impact on the country's manufacturing production stemmed from the collapse of the 1992-1993 sugar harvest. In the textile subsector some signs of recovery were seen in the setting up of a joint Cuban-Mexican International Textile Corporation, with assets amounting to US$ 500 million in 1993, which began to produce woven fabrics in 15 Cuban plants which had previously been only partially used. Increases were also registered in the production of various equipment and inputs for the agricultural sector, such as ploughs, windmills, ammonium nitrate, herbicides and defoliants.

Despite the fact that the expansion of tourist centres and other projects linked to foreign investment and agriculture had been stepped up, construction activity registered an appreciable decline.

The reduced availability of petroleum affected power generation, leading to generalized cuts in the national power supply, which became even more frequent in July and August. Other factors which had an adverse influence in this area were the insufficient maintenance and repair work on thermoelectric plants and the transfer of skilled workers to other activities. It should be recalled that 70% of the installed generating capacity is of Soviet or Czechoslovak origin, and that in recent years no resources for its maintenance have been received.

Transport was impaired by the lack of fuels and other inputs, so that activity levels in the motor vehicle and maritime sectors fell. Motorized passenger transport suffered an appreciable decline, especially in Havana, where the average number of journeys dropped drastically in 1993. The contraction of trade with other countries caused a reduction in both international maritime transport and coastal shipping, although a large part of the Cuban fleet was farmed out for other uses and its economic efficiency was increased.

b) Prices

Inflation accelerated once more, although its trends were uneven in the formal and informal sectors. In the formal sector, which operates mainly in national currency, consumer prices rose at a single-digit annual rate. However, in the informal sector, which currently represents a significant proportion of retail goods in circulation, inflation registered a significant increase, driven by the shortage of goods and services and the excess liquidity outside the banks. In addition, businesses authorized to make sales in foreign currency imposed significant price hikes.

c) The external sector

The imbalance in the current account of the balance of payments increased slightly as a result of a moderate widening of the goods trade deficit, since net services posted a surplus and private

transfers to the country increased. While foreign direct investment and official transfers grew, the almost total absence of external credit made it impossible to finance the entire current-account deficit, and this caused a reduction in international reserves.

The value of trade in goods continued to fall, at a time when imports had been forced to adjust to the limited possibilities for exporting. Similarly, the damage caused to the sugar harvest, as mentioned earlier, meant a consequent reduction in sales abroad. The magnitude of that decrease and its ramifications for related activities can be fully appreciated in the light of the fact that the sugar output in 1993 was virtually the same as in 1919. Added to that was the deterioration in the external prices of other export goods, which had an especially marked impact in the case of nickel. In contrast, exports of pharmaceutical and biotechnology products in certain areas where Cuba has developed international competitiveness, continued to expand.

The difficulties experienced during the 1992-1993 sugar harvest necessitated the repurchase of some 400,000 tons in order to fulfil the country's trade commitments; in addition, contracts for the delivery of another 100,000 tons were offered for 1994. The value of shellfish exports also declined owing to a decrease in international shellfish prices. Shrimp and lobster prices fell by US$ 1,600 and US$ 500 per ton, respectively. The value of citrus sales abroad was affected by a price drop of 16%.

Imports fell from US$ 2,236 billion in 1992 to US$ 1,719 billion in 1993, an amount representing 21% of purchases in 1989, prior to the collapse of the socialist bloc. Imports of petroleum and petroleum products declined from 6.2 million tons in 1992 to just 4.6 million tons in 1993 (35% of what the country had imported in 1989). The authorities estimate that a minimum of 7 million tons of petroleum and petroleum products are needed in order to ensure the normal operation of the economy. Thus, while national crude petroleum production increased from 900,000 tons in 1992 to 1.1 million tons in 1993, the shortage of fuel continued and drastically affected the population and productive activities as a whole. This constraint was felt throughout the year, but it intensified in the second half, causing severe and widespread power cuts. The payment of petroleum bills and the purchase of food abroad absorbed 44% and 26% of total imports, respectively. In addition, by means of a countertrade transaction with the Russian Federation, 2 million tons of sugar were exchanged for 3.8 million tons of petroleum.

It is estimated that in 1993 the number of tourists visiting Cuba increased by 35%. Gross income from this source amounted to US$ 720 million (of which 30% represented net earnings), and this field of activity directly provided some 70,000 jobs.[2] Moreover, the foreign firms established in Cuba as a result of the measures liberalizing foreign investment increased their profit remittances. Nevertheless, it should be pointed out that a substantial proportion of such profits were reinvested in the country so that investors could take advantage of the tax incentives available.

The pronounced lack of foreign exchange caused a further delay in interest payments on the external debt. External liabilities owed to Western countries amounted to more than US$ 10 billion; the debt owed to the Russian Federation and other countries of the former-Soviet Union amounted to 19 billion roubles. In addition, Cuba maintained its debts to Argentina, Mexico and Uruguay, which are estimated to be US$ 1 billion, US$ 300 million and US$ 33 million, respectively.

In 1993, 413 wholly foreign-owned commercial firms from some 40 countries had commenced operating on Cuban soil, some with independent representatives and others represented by Cuban State or private institutions. There were also approximately 100 economic associations with foreign capital, of which a fifth were engaged in tourism. At the end of 1993 another 120 proposals for foreign investment had been made; their analysis and approval were pending.

[2] In 1993 some 4,000 new hotel rooms were built, of which 20% belong to joint ventures created with Cuban and foreign capital; as a result, the accommodation capacity now stands at 20,800 rooms.

Table 1
CUBA: SUGAR CANE HARVESTS

	Sugar cane harvests [a]					Rates of increase or decrease			
	1989-1990	1990-1991	1991-1992	1992-1993	1993-1994	1990-1991	1991-1992	1992-1993	1993-1994
	Thousands of metric tons								
Total supply	**8 340**	**8 095**	**7 758**	**5 020**	**...**	**-2.9**	**-4.2**	**-35.3**	**...**
Initial stock	340	475	745	820	...	39.7	56.8	10.1	...
Output	8 000	7 620	7 013	4 200	4 500 [b]	-4.8	-8.0	-40.1	7.1
Imports	-	-	-	-	-	-	-	-	-
Total demand	**8 340**	**8 095**	**7 758**	**...**	**...**	**-2.9**	**-4.2**	**...**	**...**
Visible consumption	800	850	925	875	880 [b]	6.3	8.8	-5.4	0.6
Exports	7 065	6 500	6 013	...	...	-8.0	-7.5	...	...
Final stock	475	745	820	...	...	56.8	10.1	...	...
	Share in total production world-wide (Percentages)								
Initial stock	1.8	2.4	3.4	...	...				
Output	7.4	6.7	6.1	...	...				
Visible consumption	0.7	0.8	0.8	...	...				
Exports	25.0	22.7	21.8	...	...				
Final stock	2.4	3.4	3.5	...	...				

Source: ECLAC, on the basis of figures provided by the Group of Latin American and Caribbean Sugar Exporting Countries.
[a] Period from 1 September to 31 August of the following year. [b] ECLAC estimates, based on official figures.

Table 2
CUBA: PETROLEUM AND PETROLEUM PRODUCTS

	Thousands of tons					Rates of increase or decrease			
	1989	1990	1991	1992	1993	1990	1991	1992	1993
Imports	13	10	8	6	5	-23.1	-20.0	-25.0	-16.7

Source: ECLAC, on the basis of information published in the newspaper *Granma*.

Table 3
CUBA: FISCAL BALANCE

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Millions of pesos	4	-421	735	-76	-253	-188	-609	-1 147	-1 403	-2 105	-3 157	-4 800	-4 200

Source: ECLAC, on the basis of official figures.

CHILE

1. General features of recent trends

The Chilean economy grew by 6% in 1993, its tenth consecutive year of expansion, while at the same time inflation went down to 12% per year, and unemployment to historically low levels and surpluses were maintained in public accounts. A substantial deterioration in the terms of trade led to a foreign trade deficit of around 2% of output, the first in nine years. As a result, the deficit on the current account of the balance of payments grew to represent 5% of gross domestic product (GDP), a gap which was amply covered by new, mainly medium-term foreign capital inflows. The continuing contribution of external saving and the expansion of domestic saving made it possible to allocate 23% of output to investment (in 1980 dollars), a figure approaching a historic high, in a year ending with presidential and parliamentary elections.

2. Economic policy

The principal challenge to the Chilean economy during 1993 was to slacken spending to a level consistent with potential income. By the end of the previous year, income had been growing at a rate of around 6%, while spending growth was approaching 14%, and this disequilibrium was threatening progress towards greater price stability.

Economic policy was aimed at bringing about an adjustment in domestic demand by maintaining high domestic interest rates and a tight fiscal policy. An abundance of external financing and predominantly favourable expectations among economic agents meant that, in the first half of the year, the marked divergence between growth of output and of spending persisted. While output increased by 7%, driven especially by the non-tradable sectors, spending grew by 13%, with rises of 24% for investment and 17% for imports.

A worsening of the international situation in the middle of the year favoured the adjustment policy by eroding exporters' expectations and income. The serious deterioration in the terms of trade and high long-term interest rates helped to slow the increase in investment and consumption. In this way, the imbalance between spending and output shrank to less than 2% of GDP in the third quarter, and disappeared in the last quarter.

At the beginning of the year, the Government submitted to Congress a draft bill on reform of the capital markets, aimed at expanding the range of long-term instruments available to institutional investors (pension fund managers and insurance companies). In addition, it sought to regulate conflicts of interest, establish rules of conduct, deal with the issue of insider information, strengthen supervisory agencies and encourage self-regulation by giving greater authority to private risk classification.

Furthermore, Congress extended the period of validity of the 1990 tax reform, which was to have expired in December 1993. It also lowered the marginal income tax rate for individuals, which was the highest it had ever been, introduced individual saving incentives and cut taxes on access to foreign technology. Similarly, tax policy was loosened by giving the Administration the option of adjusting the value added tax rate by 1% upwards or downwards, depending on the macroeconomic climate. Thus, the fiscal authority gained an additional tool in its effort to control the growth of spending.

Figure 1
CHILE: MAIN ECONOMIC INDICATORS

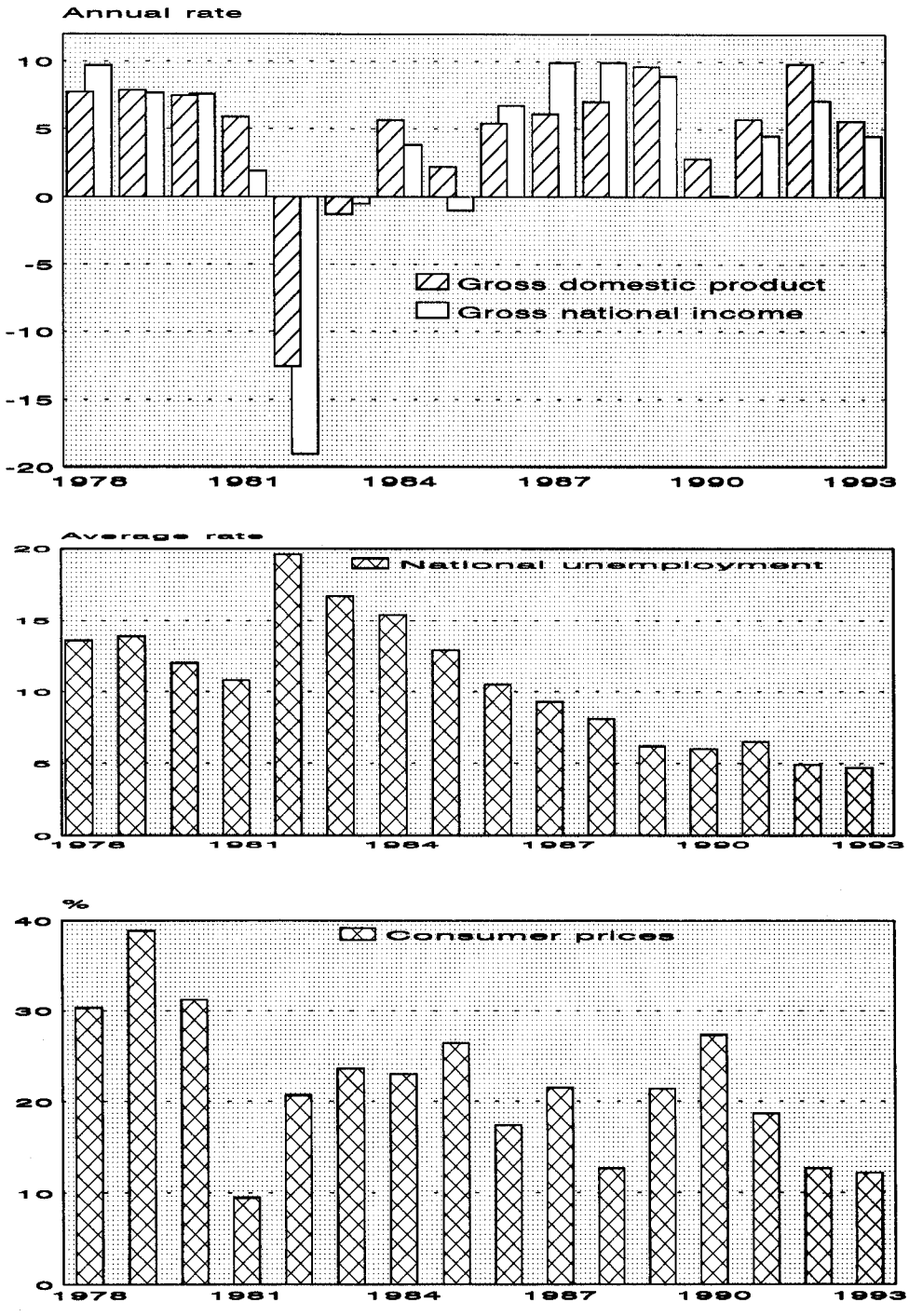
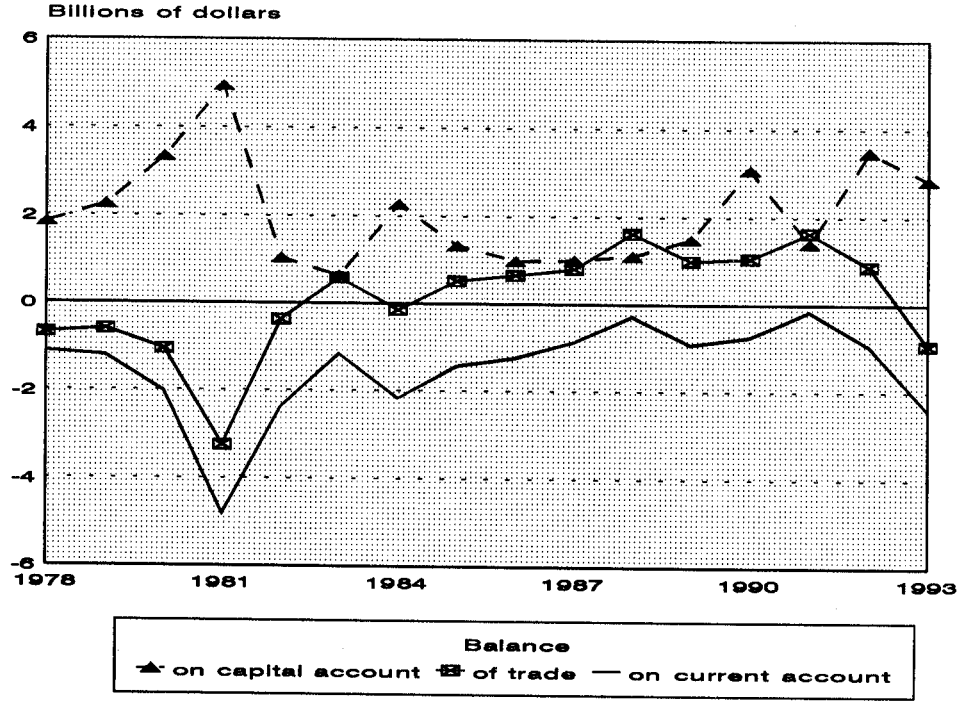
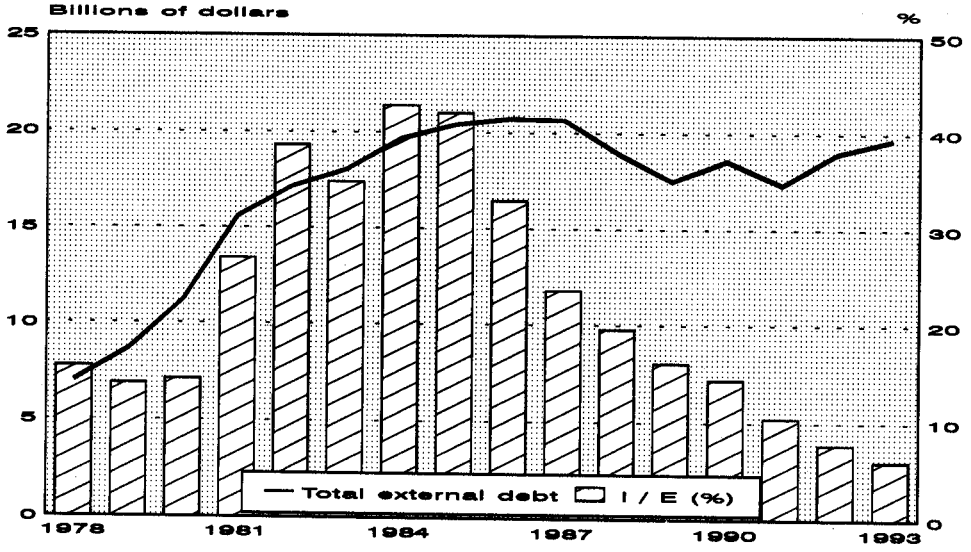


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = net interest due; E = exports of goods and services.

a) **Fiscal policy**

Priority in fiscal policy was given to its stabilizing function through the maintenance of a high level of saving, sufficient to enable public investment to be financed from its own resources, without recourse to borrowing. In a context of deteriorating external accounts and slackening economic activity, the fiscal balance in 1993 again showed a surplus. Public saving amounted to 5% of output, and the income of the non-financial public sector exceeded the amounts originally budgeted by US$ 800 million, mainly because of higher tax revenues, which grew by almost 7% in real terms. Current expenditure grew in a similar proportion, driven by increased outlays on wages and social security contributions (10% and 7% respectively). After covering capital costs, which expanded by 8% and included an increase of 23% in fixed investment, the overall public-sector surplus grew to 2% of GDP.

The current surplus on public accounts in 1993, as in previous years, was used to finance sharp increases in investment and to reduce debt. In this way, the overall debt of the non-financial public sector fell from 41% of GDP in 1989 to 33% in 1993; three fifths of this debt represented foreign obligations, and the remainder represented domestic debt. The bulk of the domestic debt, meanwhile, represented liabilities that the Treasury had incurred to the Central Bank as a result of the financial crisis of 1982.

b) **Monetary policy**

The preservation of price stability was again the main objective of the monetary authority, who continued to prefer regulation of interest rates as a policy instrument. In this framework, the trend in monetary aggregates reflected demand conditions, and operated mainly as a macroeconomic indicator. In 1993 nominal interest rates remained stable, and M1A expanded by 19% on average, or 6% in real terms, basically in response to the growth of output.

The real interest rate on Central Bank readjustable paper (PRBC) remained at the level set in November 1992 (6.5%). In February 1993 the Central Bank decided to redirect the structure of its readjustable instruments towards the medium term; thus, it discontinued six-year bond auctions, retaining the four-, eight- and 10-year ones, and introduced securities having 12-, 14- and 20-year terms. The interest rates on such instruments fell by around 1% during 1993.

The financial system's average interest rates, denominated in Unidades de Fomento, or Development Units, a financial instrument linked to the consumer price index (CPI), showed an upswing in the first half of the year, a slight drop in the third quarter and another rise in the last quarter. The year ended with average deposit and loan rates above those of 1991 and 1992. Meanwhile, the relevant international interest rate dropped further as compared with those years, thus accentuating the interest rate differential in favour of domestic assets.

The monetary authority maintained a reserve requirement on short-term capital flows and external financing, arguing that a small, open and financially integrated economy, even one with high budgetary surpluses, such as Chile, is highly vulnerable to capital shocks. Amounts which are not especially large at the international level can, in economies with these characteristics, have far-reaching effects on the exchange rate and/or the level of international reserves.

c) **Exchange rate policy**

The authorities endeavoured to preserve the medium-term stability of the real exchange rate, taking into account the structural determinants of this variable. In this connection, they sought to separate the ephemeral components from the permanent ones, so that only the latter would determine the medium-term course of the exchange rate.

During the previous trienium the real effective exchange rate had slipped by almost 5% in a favourable external climate. The sharp increase in international reserves was accompanied by an improvement in the current account, attributable to an increase in and diversification of exports, a drop in petroleum prices, an expansion of non-financial services, especially tourism, and a decline in financial transfers due to reduction of the external debt, as well as in international interest rates. These factors, together with a

prevailing domestic interest rate, corrected for inflationary expectations, that was higher than the international rate, and a reduction in country-risk, had led to a rapid increase in foreign direct investment flows, which had encouraged an appreciation in the national currency.

This favourable external situation lasted until January 1993, engendering expectations of a revaluation of the peso. However, the later indications of a trade deficit reversed such expectations. The deterioration in the trade balance and the fall-off in the flow of short-term resources, as well as the process of adjusting domestic demand, brought greater stability to the foreign exchange market. In this way, the real effective exchange rate, measured by the consumer price index, remained stable at around its average of the preceding year.

The exchange rate observed in the inter-bank market was always below the reference exchange rate ("referential dollar"), which constitutes the central point of the flotation band of 10% in either direction established by the Central Bank. The lowest values seen for the dollar came in the first and last two months, with differences from the referential dollar of 8% to 9%.

d) Trade policy

In 1993 the single general tariff of 11% remained unchanged, and the free trade agreements with Mexico and Venezuela functioned smoothly, as did the Economic Complementarity Agreements with Argentina, Bolivia and Colombia. Similar negotiations were started with Ecuador, while talks with Brazil and Peru, aimed at increasing trade and investment flows, were expedited. Chile maintained an active stance in the negotiations for the General Agreement on Tariffs and Trade (GATT) and in the Cairns Group, and brought its position closer to that of the Pacific Basin, joining the Asia-Pacific Economic Cooperation Council (APEC) as an observer and becoming a full member of that organization in October 1994.

3. Trends in the main variables

a) Economic activity

With the increase of 6% (4% per capita) registered in 1993, GDP stood at a level 65% higher than in 1985. Since the deterioration in the terms of trade was greater than the reduction in net payments abroad, based on the decline in international interest rates, the growth in real gross national income was less than 5%.

The pace of expansion of domestic demand slowed to 8%, but was higher than that of output. Once again, its most dynamic component (16%) was gross fixed capital formation. Thus, fixed-capital investment rose to 23% of GDP in 1980 dollars, slightly below the historic high registered in 1981. The national savings rate (16%) was 2% below that of 1992, because the terms of trade deteriorated and consumption grew faster than output; on the other hand, external saving rose to 5% of GDP. Indeed, consumption expanded by 7%, based on a somewhat higher increase in private spending and a 5% rise in public expenditure. The trend in private consumption was linked to the boom in employment and improvements in real wages and in the purchasing power of lower-income groups. The weakest component of demand was exports, which grew by only 4%.

The adjustment programme and the weakening of external demand were clearly reflected in a downward trend in the rate of output growth, which fell below 4% in the last quarter, after having approached 8% in the first quarter. This tendency was particularly strong in the construction industry, whose growth of nearly 18% in the first three quarters plunged to no more than 4% in the fourth quarter.

The largest stimulus came from non-tradable sectors, which expanded by 8%, while tradables grew by only 2%. The most dynamic sectors were construction (14%), commerce (9%), transport and communications (8%) and other services. Tradable activities performed less favourably. Manufacturing industry expanded by nearly 4% and fishing by barely 2%, while the agricultural, forestry and mining sectors posted figures of barely 1%. Within industry there were marked differences in behaviour between activities

geared to domestic demand and those geared to exporting or import substitution. The first group, particularly those activities linked to construction, grew at more than average rates, while the second group contracted, owing to a boom in certain imports (textiles, clothing and footwear) or to the weakening of international demand (wood, methanol and fish meal).

b) Prices, wages and employment

In 1993 inflation displayed a marked resistance to further reduction; once the favourable effects of the 1991 tariff reduction and the gradual appreciation in the exchange rate, which had helped significantly to restrain prices during the preceding biennium, had worn off. The variation in consumer prices was barely reduced, from 13% to 12%. Furthermore, for most of the year the 12-month inflation rate remained consistently above the official target of 12.5%, dropping below it only in the final two months.

In the second half of 1993, the average rise in the prices of non-tradable goods was 16%, while for tradables it was barely half that figure. Thus, the pattern seen over the preceding biennium, in which the decline in inflation appeared to be closely linked to the slow rise in tradable goods prices, was strengthened.

The evolution of average wages by sector closely reflected the trend in output. Real wages contracted by nearly 2% in mining and rose in industry by close to the average figure. Meanwhile, in commerce, services and construction, wages rose at well above the average rate, and, in the case of construction, nearly tripled. Average wages and salaries experienced a real increase of over 4%. Moreover, the minimum wage, excluding employee contributions to the social security system, posted a real increase of nearly 5%.

The percentage of the population in the labour force showed a spectacular increase. Following average annual variations of around 2% in the preceding triennium, it rose to 54.4% in 1993, a phenomenon explained basically by a higher rate of participation of women and young people in the job market. Nevertheless, the average unemployment rate fell to just under 5%. Employment increased by 5.5%; this represents the creation of 300,000 jobs, most of them in commerce, construction and financial services. On the other hand, in agriculture, fishing and mining, employment contracted. The most dynamic growth in employment came in the third quarter, when employment and the labour force grew at rates above 6% per year.

The combination of increases in employment, real wages and the rate of participation among lower-income groups suggest that poverty was alleviated to some extent.

c) The external sector

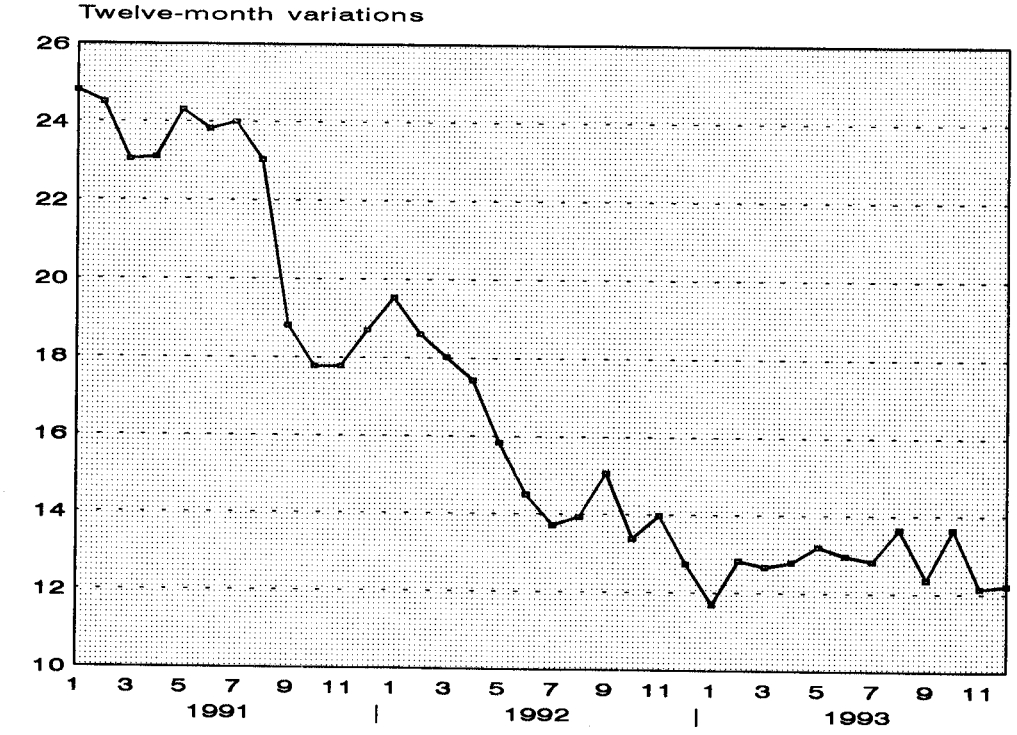
The balance of payments closed with a total surplus of US$ 400 million, owing to a current-account deficit of US$ 2.4 billion and a capital-account surplus of US$ 2.8 billion.

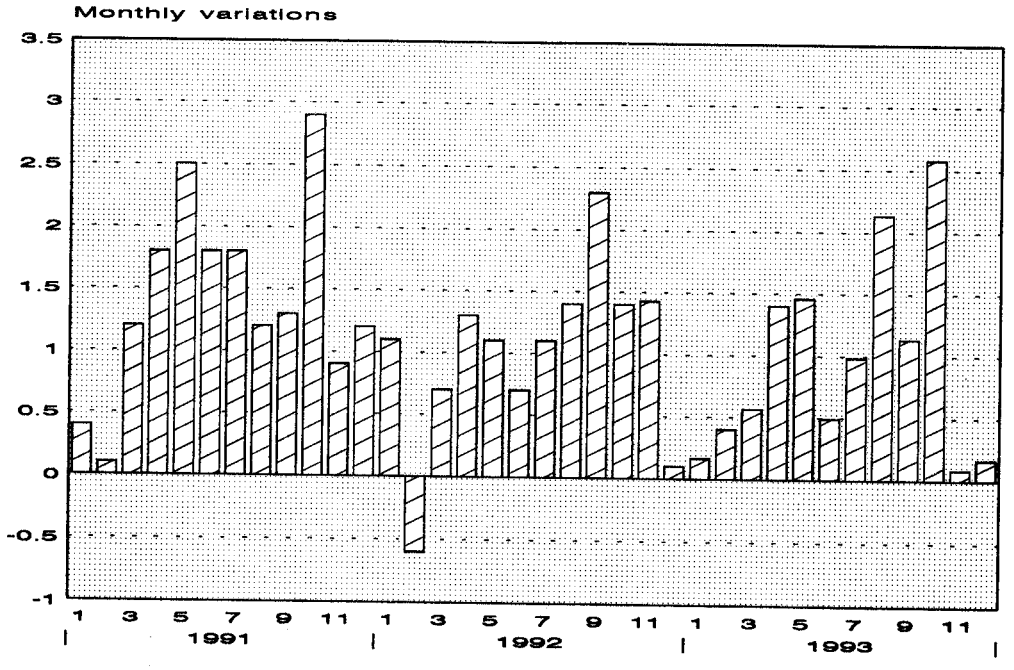
The current-account deficit more than doubled, going from 2% to 5% of GDP. The goods and services trade balance posted a turnabout, from a surplus of US$ 890 million in 1992 to a deficit of US$ 930 million in 1993. This result was due to a drop of 8% in the value of goods exports and an increase of 10% in the f.o.b. value of goods imports.

The deterioration of both demand and prices led to a drop in the value of exports, something which had not occurred since 1981, owing to a setback of 16% in copper exports and of 2% in the remaining exports. The value of imports, sustained by a still high rate of domestic spending, grew by more than output. Foreign purchases of capital goods increased by 16%, and of consumer goods, by 9%. Purchases of intermediate goods expanded by less than 8%, owing to a drop of 15% in the price of petroleum.

There was a general plunge in the prices of the main export goods: copper fell by 16%, fish meal by 21% and cellulose by 28%. The Copper Stabilization Fund, which at the start of the year had accumulated nearly US$ 780 million with which to cushion the effects of possible deterioration in the international price of copper, a product that represents 35% of all Chilean exports (49% in 1989), and a sizeable portion of government income, transferred US$ 30 million to the Treasury.

Figure 2
CHILE: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

The worsening external climate affected the majority of exports. The value of mining exports contracted by 15% and that of agricultural, forestry and fishing exports by 5%, in contrast to a slight increase in the value of industrial exports. Shipments of fresh fruit diminished by 10% as a consequence of the difficulty of gaining access to European markets. On the other hand, industrial export volumes, excluding fish meal and cellulose, continued to expand vigorously, at a rate of around 10%. In general, the so-called non-traditional exports maintained their momentum, with increases of nearly 12% in volume and 7% in value. The share of industrial products in total exports thus grew to 44% in 1993, a level 13% higher than in 1989. Of those, export of products other than cellulose and fish meal made up 80% of industrial sales abroad in 1993 (66% in 1989).

The trend in exports varied according to their principal international markets. Substantial declines were seen in sales to the European Union (-16%), Japan (-12%) and the other Asian countries (-8%), while exports to the United States were unchanged. In contrast, exports to Latin American markets increased by nearly 10%, with especially large increases in exports to Mexico (41%), Argentina (27%), Uruguay (26%) and Peru (18%).

Financial services diminished by US$ 360 million, so that the deficit stood at around US$ 1.55 billion. Contributing to this result were lower interest payments, as the medium- and long-term debt was reduced and international interest rates fell; higher interest received, with a percentage increase in reserves that was greater than the drop in interest rates; and a reduction in foreign investment remittances.

The turnabout in the trade situation brought about a high demand for financing, which was covered by a significant increase in foreign investment and related medium-term credit. Net international reserves increased by US$ 600 million, coming to represent nearly 11 months of imports by December.

The capital-account surplus was smaller than in 1992, and its structure underwent changes resulting from the weaker inflow of short-term capital. In contrast, the inflow of medium- and long-term capital continued its upswing, reaching an amount equivalent to 4% of GDP, as compared with a short-term capital amount of less than 3% of GDP. Chile's financial linkages with the international economy continued to strengthen, with advances in its country-risk classification, the sale of American Depositary Receipts (ADRs) on the United States market and the pricing of such securities.

The amount of foreign investment received reached a new historic high, increasing by 85% to exceed US$ 2.68 billion, the equivalent of 6% of GDP. This figure basically comprises resources intended for new projects or for the expansion of existing ones, share issues through ADRs amounting to US$ 832 million, bond sales amounting to US$ 224 million, credits linked to direct investment and contributions made through foreign exchange operations by the banks. More than half (52%) of this investment was allocated to mining, 26% to industry and 16% to services. As regards the source of this investment, it came mainly from the United States, Canada and the United Kingdom.

The outflow of Chilean capital abroad continued to rise. In addition to portfolio investments worth US$ 90 million made by pension fund managers, there were investments totalling US$ 1.4 billion made by firms. At the end of the year, 105 Chilean companies had investment projects abroad, whose total value approached US$ 3.5 billion. Of that amount, 94% was concentrated in Latin America, particularly Argentina (68%) and Peru (18%), in such fields as electricity generation and distribution, manufacturing, printing and the food industry.

The nominal increase of 4% which the total external debt registered as at 31 December 1993, as compared with its level of 12 months earlier, was the result of a decrease of US$ 588 million in public debt and an increase of US$ 1.526 billion in private debt. The latter basically represented medium- and long-term operation of firms and individuals.

In 1993 a public debt in eurobonds amounting to US$ 320 million that had been incurred to some 20 international banks in mid-1991 was repaid in full ahead of schedule; this early repayment generated financial profits of nearly US$ 10 million. In addition, the World Bank

awarded Chile an exemption or prize of US$ 9.6 million, for the timely fulfilment of its financial obligations to that organization during the biennium 1992-1993. Steps were taken also to proceed with early payments on the public external debt to the International Monetary Fund (IMF), which would enable further fiscal savings, since current rates are lower than those established in earlier agreements with IMF.

The size of the external debt fell to 44% of GDP, having represented 121% of it in 1985 and 64% in 1989. The decrease in the public external debt, which was reduced to 21% of GDP in 1993 from 88% in 1985 and 48% in 1989 has been ever more remarkable. In 1993 the amount of external debt retired rose to US$ 298 million, so that the cumulative amount of debt conversion operations since 1985 exceeded US$ 11.35 billion.

Table 1

CHILE: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	102.6	108.9	116.5	127.7	131.2	138.7	152.3	160.8
Gross national income	92.0	101.0	111.1	120.9	120.9	126.3	135.3	141.4
Population (millions of inhabitants)	12.3	12.5	12.7	13.0	13.2	13.4	13.6	13.8
Per capita gross domestic product	92.8	96.8	101.9	109.8	111.0	115.5	124.8	129.8
Real effective exchange rate (CPI) [b]	174.9	190.6	201.8	190.8	197.9	196.2	188.6	188.5
Real effective exchange rate (WPI) [b]	146.8	155.6	179.2	171.6	178.4	169.9	163.6	165.9
	Percentage ratios							
Consolidated public sector financial results /GDP	...	2.5	3.9	5.5	1.5	2.2	2.9	2.0
Money (M1A)/GDP	4.9	4.7	5.0	5.1	4.4	4.5	4.8	4.2
Unemployment rate [c]	10.5	9.3	8.1	6.2	6.0	6.5	4.9	4.7
	Percentage variations							
Gross domestic product	5.4	6.1	7.0	9.6	2.8	5.7	9.8	5.6
Per capita gross domestic product	3.6	4.3	5.3	7.8	1.1	4.0	8.1	3.9
Gross national income	6.7	9.9	9.9	8.9	-	4.5	7.1	4.5
Consumer prices December to December	17.4	21.5	12.7	21.4	27.3	18.7	12.7	12.2
Real wages and salaries	2.0	-0.4	6.7	1.9	1.8	5.1	4.6	4.3
Current value of exports of goods and services	16.4	20.6	31.0	16.3	7.2	8.5	12.0	-5.5
Current value of imports of goods and services	15.1	20.1	20.7	29.7	7.4	3.2	22.0	9.7
	Millions of dollars							
External sector								
Trade balance	654	809	1 625	1 000	1 057	1 643	886	-932
Factor services	-1 930	-1 743	- 969	-1 982	-1 855	-1 840	-1 900	-1 545
Balance on current account	-1 238	-869	-281	-924	-744	-157	-940	-2 416
Balance on capital account	986	1 004	1 108	1 493	3 075	1 404	3 487	2 838
Variation in net international reserves	-255	79	867	581	2 324	1 339	1 948	593
Total external debt (gross)	20 829	20 661	18 960	17 521	18 576	17 319	18 965	19 659
Total external debt (net)	17 723	17 563	15 088	13 310	12 078	9 725	9 234	9 421

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Refers to the exchange rate for exports. [c] Percentages.

Table 2
CHILE: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	126.3	135.3	141.4	96.3	87.7	85.5	84.6
a) Gross domestic product	138.7	152.3	160.8	100.0	100.0	100.0	100.0
Terms-of-trade effect [b]	...	...	...	-	-8.0	-10.6	-12.3
c) Net income from abroad for factor services [b]	153.2	156.8	130.0	-4.0	-4.4	-4.1	-3.2
d) Net private transfers from abroad [b]	53.6	98.3	82.5	0.2	0.1	0.2	0.1

Source: ECLAC, on the basis of official figures and data supplied by the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Chile. The figures were converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 3
CHILE: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**133.9**	**149.9**	**160.1**	**127.2**	**126.6**	**2.3**	**5.4**	**11.9**	**6.8**
Gross domestic product at market prices	138.7	152.3	160.8	100.0	100.0	2.8	5.7	9.8	5.6
Imports of goods and services [c]	116.5	140.8	157.3	27.2	26.6	-	4.2	20.9	11.8
Total demand	**133.9**	**149.9**	**160.1**	**127.2**	**126.6**	**2.3**	**5.4**	**11.9**	**6.8**
Domestic demand	117.3	128.1	138.5	104.1	89.7	-0.7	2.8	9.2	8.1
Gross domestic investment	114.8	141.5	159.0	21.0	20.8	-3.3	-2.1	23.3	12.3
Gross fixed investment	152.3	188.5	218.2	16.6	22.6	6.1	-3.8	23.8	15.7
Construction	171.9	202.5	...	9.8	...	5.1	-0.8	17.8	...
Machinery and equipment	124.4	168.7	...	6.9	...	8.1	-9.0	35.6	...
Changes in stocks	-27.8	-37.2	-66.2	4.4	-1.8	...	...	...	...
Total consumption	118.0	124.7	133.3	83.1	68.9	-	4.1	5.7	6.9
General Government	99.1	104.3	109.5	12.4	8.5	-1.3	4.1	5.2	5.0
Private	121.3	128.3	137.5	70.6	60.4	0.2	4.1	5.8	7.2
Exports of goods and services [c]	208.7	247.8	257.1	23.1	37.0	11.5	12.6	18.7	3.8

Source: ECLAC, on the basis of official figures and data supplied by the International Monetary Fund (IMF).
[a] Based on figures valued at market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Chile. The figures were converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 4

CHILE: BREAKDOWN AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentage of the gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	14.1	16.9	17.6	20.0	18.8	17.4	19.5	20.8
Gross fixed investment	13.8	15.8	16.8	19.4	20.1	18.3	20.6	22.6
Construction	10.0	10.9	11.4	12.6	12.9	12.1	13.0	...
Machinery and equipment	3.8	4.9	5.5	6.8	7.2	6.2	7.6	...
Changes in stocks	0.4	1.1	0.8	0.5	-1.3	-0.9	-1.1	-1.8
Gross domestic saving	22.9	24.4	25.0	26.2	28.3	29.3	32.0	31.1
Terms-of-trade effect [c]	-6.2	-4.6	-2.2	-3.5	-6.8	-8.0	-10.6	-12.3
Net income from abroad for factor services [c]	-7.7	-6.3	-6.3	-5.5	-4.6	-4.4	-4.1	-3.2
Net private transfers from abroad [c]	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.1
Gross national saving	9.2	13.8	16.7	17.4	16.9	17.0	17.5	15.7
External saving	4.9	3.1	0.9	2.6	1.9	0.4	2.0	5.0

Source: ECLAC, on the basis of official data.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Chile. The figures were converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 5

CHILE: GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**138.7**	**152.3**	**160.8**	**100.0**	**100.0**	**2.8**	**5.7**	**9.8**	**5.6**
Goods	**148.4**	**160.3**	**166.6**	**42.4**	**43.9**	**1.8**	**4.8**	**8.0**	**3.9**
Agriculture	176.7	184.9	186.8	7.2	8.4	7.0	3.0	4.6	1.1
Mining	150.3	152.5	153.5	8.6	8.2	-1.9	5.3	1.5	0.6
Manufacturing	135.9	150.9	156.3	21.4	20.8	0.5	5.7	11.0	3.6
Construction	157.5	177.8	202.6	5.2	6.5	4.5	3.8	12.8	14.0
Basic services	**163.1**	**190.4**	**203.8**	**7.2**	**9.2**	**4.1**	**13.6**	**16.7**	**7.0**
Electricity, gas and water	165.7	203.2	213.7	2.1	2.8	-1.7	24.1	22.6	5.2
Transport, storage and communications	162.0	185.0	199.6	5.1	6.3	6.4	9.6	14.2	7.9
Other services	**126.0**	**136.6**	**144.7**	**50.0**	**45.0**	**3.6**	**5.0**	**8.3**	**6.0**
Commerce, restaurants and hotels	129.3	147.4	160.2	16.4	16.3	5.1	6.2	14.0	8.7
Financial institutions, insurance, real estate and business services	127.7	137.0	144.4	16.9	15.2	3.1	5.8	7.3	5.4
Ownership of dwellings	115.4	117.3	120.2	7.4	5.6	2.6	2.0	1.6	2.5
Community, social and personal services	121.2	125.4	129.7	16.7	13.4	2.6	3.0	3.5	3.4
Government services	99.4	102.4	104.0	5.1	3.3	1.4	1.4	3.0	1.5
Import duties	137.6	174.5	196.6	5.6	6.8	1.7	8.5	26.9	12.6
Less: Banking service charges	128.6	141.9	150.6	5.2	4.9	1.8	7.2	10.4	6.1

Source: ECLAC, on the basis of official figures.

[a] The original figures were reweighted on the basis of current 1980 prices. Consequently, the trends construed do not necessarily coincide with those published by the countries based on their calculations at constant prices. [b] Preliminary figures.

Table 6

CHILE: GROSS DOMESTIC PRODUCT

(Percentage variation) [a]

	1992				1993[b]			
	I	II	III	IV	I	II	III	IV
Total	**11.3**	**9.4**	**14.0**	**9.7**	**7.7**	**7.8**	**5.9**	**3.7**
By kind of economic activity								
Agriculture and forestry	5.8	7.0	9.9	7.5	-0.4	2.7	5.5	2.0
Fishing	15.6	10.1	20.8	-8.9	-4.1	-4.9	-3.3	24.8
Mining	-1.0	-0.8	9.0	1.4	2.3	2.6	1.2	-2.1
Manufacturing	10.7	9.2	15.9	8.4	6.6	6.0	3.8	4.0
Construction	9.3	6.9	12.7	21.7	16.1	19.4	18.3	4.1
Electricity, gas and water	40.3	24.4	14.0	10.1	5.8	4.0	3.2	4.2
Commerce, restaurants and hotels	22.5	16.6	19.5	14.6	12.5	12.0	6.9	3.4
Transport and communications	15.2	11.8	17.9	10.5	8.6	8.1	7.5	7.3
Financial services	9.5	8.4	12.9	8.8	7.9	7.9	6.0	5.7
Ownership of dwellings	1.8	1.7	1.6	1.4	2.2	2.4	2.6	2.8
Personal services [c]	3.6	3.3	4.0	3.8	4.3	3.9	4.3	3.6
General Government	2.8	2.4	3.2	3.2	2.5	2.3	1.5	0.7
Less:								
Banking service charges	10.0	8.6	13.6	9.1	6.8	6.8	5.0	4.4
Plus:								
Value-added tax (VAT)	10.8	9.2	14.8	11.6	10.6	10.3	7.3	5.5
Import duties	26.3	26.8	32.1	22.7	23.6	18.4	11.1	1.9
By main spending components								
Domestic demand	11.6	14.5	18.5	13.5	14.3	11.9	7.3	3.0
Gross fixed capital formation	23.6	24.1	28.3	27.4	27.4	25.6	18.9	3.4
Remaining domestic demand	8.7	12.0	16.0	9.4	10.7	7.8	4.0	2.9
Exports of goods and services	19.6	8.4	17.6	8.9	2.8	3.6	6.7	4.1
Imports of goods and services	21.4	23.4	29.6	19.8	19.8	14.6	10.0	2.2

Source: Central Bank of Chile, on the basis of new calculations at constant 1986 prices.

[a] In relation to the same period of the preceding year. [b] Preliminary figures. [c] Includes education, public health and private health.

Table 7
CHILE: INDICATORS OF TRADITIONAL CROPS

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
	Production volume[b]						
Wheat	1 589	1 557	1 322	-2.7	-7.5	-2.0	-15.1
Oats	207	183	202	24.5	0.6	-11.6	10.8
Barley	107	109	84	7.8	16.8	2.0	-23.0
Rice	117	134	131	-26.5	-13.9	14.0	-2.2
Maize	836	911	900	-12.2	1.5	9.0	-1.3
Potatoes	844	1 023	926	-6.0	1.8	21.2	-9.5
Beans	117	91	55	19.3	34.3	-22.5	-39.8
Lentils	12	16	10	3.8	43.4	32.8	-38.0
Chickpeas	9	19	11	50.0	46.7	111.4	-41.9
Sugar beet	2 150	2 978	2 995	-17.2	-7.6	38.5	0.6
Rape	58	62	21	-52.9	8.5	6.9	-66.1
Sunflower	32	26	13	-14.7	18.7	-18.8	-49.8
	Area sown[c]						
Total	**961**	**950**	**823**	**-2.2**	**-8.9**	**-1.1**	**-13.4**
Wheat	466	461	395	8.0	-20.1	-1.1	-14.2
Oats	77	64	68	13.0	-1.3	-17.4	7.2
Barley	32	28	23	4.0	23.1	-11.3	-19.3
Rice	30	32	29	-23.3	-9.1	5.9	-8.4
Maize	100	107	106	-19.2	-1.0	7.3	-1.3
Potatoes	59	62	63	-12.7	7.3	5.7	1.7
Beans	88	70	47	9.5	27.5	-20.4	-33.3
Lentils	15	19	13	-6.7	7.1	26.5	-29.5
Chickpeas	12	13	11	12.5	33.3	7.3	-16.6
Sugar beet	39	51	51	-17.3	-9.3	30.4	0.5
Rape	29	32	10	-47.5	-9.4	8.9	-69.8
Sunflower	14	12	7	-20.0	16.7	-15.4	-45.0

Source: ECLAC, on the basis of data supplied by the National Institute of Statistics (INE) of Chile.
[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of hectares.

Table 8

CHILE: MAIN INDICATORS OF FRUIT-GROWING ACTIVITY

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
			Production [b]				
Plums	100	110	120	11.7	-9.1	10.0	9.1
Apricots	11	17	20	21.9	-42.6	51.8	17.6
Peaches	115	135	145	15.0	2.7	17.4	7.4
Kiwis	52	85	95	82.0	39.4	63.5	11.8
Lemons	88	92	95	18.6	2.3	4.5	3.3
Apples	780	830	840	4.5	13.0	6.4	1.2
Oranges	99	105	110	-1.8	1.9	6.1	4.8
Avocados	39	48	60	-3.6	3.7	23.1	25.0
Pears	165	180	210	17.3	18.2	9.1	16.7
Table grapes	710	800	880	20.7	7.6	12.7	10.0
			Area planted [c]				
Total	**142**	**147**	**147**	**1.8**	**1.9**	**3.4**	**-0.3**
Plums	9	9	9	1.1	0.5	2.1	0.5
Apricots	2	2	2	-0.5	0.8	6.0	5.9
Peaches	10	11	11	4.6	3.2	6.0	0.7
Kiwis	13	13	12	3.9	2.4	1.7	-9.9
Lemons	6	7	7	3.9	3.2	7.1	0.7
Apples	24	24	24	1.1	1.7	1.0	1.3
Oranges	6	6	6	-1.6	-0.3	1.1	2.4
Avocados	8	9	9	3.7	3.4	6.8	4.0
Pears	16	17	17	5.7	6.2	6.6	-3.1
Table grapes	48	49	50	-0.1	0.5	2.6	0.5

Source: Ministry of Agriculture, Agrarian Research and Policy Office (ODEPA).
[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of hectares.

Table 9
CHILE: LIVESTOCK PRODUCTION

	Thousands of tons			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Carcass meat							
Beef	230	200	224	9.5	-5.0	-13.0	12.1
Pork	129	138	147	8.8	4.7	6.8	7.1
Mutton	13	13	13	15.4	-10.3	-5.0	4.6
Other							
Milk [b]	1 450	1 540	1 650	12.2	5.1	6.2	7.1
Eggs [c]	1 626	1 690	1 774	8.6	3.5	3.9	5.0

Source: Beef, pork and mutton: National Institute of Statistics (INE); other livestock itmes: Ministry of Agriculture, Agrarian Research and Policy Office (ODEPA).
[a] Preliminary figures. [b] Millions of litres. [c] Millions of units for consumption.

Table 10
CHILE: INDICATORS OF FISHERY PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
Fishing catch [b]							
Total	**6 166**	**6 628**	**5 701**	**-18.2**	**13.7**	**7.5**	**-14.0**
Fish	5 830	6 304	5 371	-19.8	15.6	8.1	-14.8
Shellfish	177	198	164	-7.3	16.4	12.0	-17.3
Seaweed	159	127	166	28.7	-30.6	-20.4	31.1
Output of fishery products [b]							
Total	**1 640**	**1 630**	**1 584**	**-20.0**	**12.3**	**-0.6**	**-2.8**
Frozen	103	130	125	21.6	-10.6	26.4	-4.0
Tinned	64	76	72	-5.8	-19.1	19.2	-5.6
Fish meal	1 228	1 267	1 185	-22.3	14.4	3.2	-6.5
Fish oil	241	153	190	-27.6	28.0	-36.5	24.2
Other	4	3	12	-21.0	-18.4	-	263.6

Source: Ministry of Economic Affairs, Development and Reconstruction - National Fishing Service.
[a] Preliminary figures. [b] Thousands of tons.

Table 11
CHILE: MINING PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
Gross domestic product (Index 1980=100)	150.3	152.5	153.5	-1.9	5.3	1.5	0.7
Copper [b]	1 814	1 933	2 055	-1.2	14.2	6.5	6.3
Large-scale mining	1 126	1 156	1 139	-3.9	-5.8	2.7	-1.5
Medium- and small-scale mining	689	777	916	7.7	74.8	12.8	17.9
Iron [b]	12 670	11 227	10 904				
Ore	8 414	7 224	7 409	-5.9	2.0	-14.1	2.6
Pellets	4 256	4 003	3 494	-0.1	0.3	-5.9	-12.7
Coal [b]	2 579	1 929	1 585	4.0	2.5	-25.2	-17.8
Petroleum [c]	1 033	862	825	-11.2	-9.2	-16.6	-4.3
Molibdenum [d]	14 434	14 840	14 899	-16.4	4.4	2.8	0.4
Gold [e]	28 879	34 473	33 542	21.9	5.0	19.4	-2.7
Silver [d]	676	1 025	985	20.2	3.2	51.6	-3.9

Source: ECLAC, on the basis of official figures and data supplied by the Central Bank of Chile.
[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of cubic metres. [d] Tons. [e] Kilograms fine.

Table 12
CHILE: INDICATORS OF MANUFACTURING ACTIVITY

	Indexes (1980=100)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**135.9**	**150.9**	**156.3**	**0.5**	**5.7**	**11.0**	**3.6**
Industrial output							
INE [b]	144.5	165.5	170.2	-0.6	5.9	14.5	2.8
SOFOFA	139.9	156.4	163.8	0.2	1.9	11.8	4.7
Mass consumption goods	143.3	165.7	175.5	1.8	4.8	15.6	5.9
Consumer durables	105.4	135.3	171.8	-12.2	-2.9	28.4	27.0
Transport equipment	101.8	129.0	142.5	-11.0	16.2	26.7	10.5
Capital goods	119.4	147.1	180.5	22.8	-14.0	23.2	22.7
Intermediate products for:							
Industry	134.2	140.0	138.5	-3.3	1.1	4.3	-1.1
Construction	158.8	182.9	199.0	2.3	4.4	15.2	8.8
Mining	178.8	197.4	196.7	9.8	6.2	10.4	-0.4
Forestry and agriculture	175.9	212.3	204.3	-20.6	2.5	20.7	-3.8
Packaging and accessories	149.8	170.6	174.7	6.5	9.6	13.9	2.4
Energy, fuels and lubricants	131.7	138.0	148.2	1.7	0.8	4.8	7.4
Office furniture and materials	100.4	105.1	108.8	-1.6	-0.5	4.7	3.5
Industrial sales							
INE [b]	146.0	165.8	172.4	-0.1	7.0	13.6	4.0
SOFOFA	145.3	159.4	167.7	0.4	5.1	9.7	5.2

Source: ECLAC, on the basis of official figures; industrial output and sales: National Institute of Statistics (INE) and Manufacturers' Association (SOFOFA).
[a] Preliminary figures. [b] Indexes 1979=100.

Table 13
CHILE: CONSTRUCTION INDICATORS

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Gross domestic product [b]	**157.5**	**177.8**	**202.6**	**4.5**	**3.8**	**12.9**	**13.9**
Building materials							
Deliveries of cement for the domestic market [c]	50.8	60.4	68.8	3.0	6.9	18.9	13.9
Deliveries of round bars for construction [d]	112.2	166.0	199.7	-9.2	-11.4	48.0	20.3
Index of real sales of intermediate goods for construction (1980=100)	164.7	188.4	200.5	1.8	10.7	14.4	6.4
Building [e]							
Total area [f]	7 643	9 454	9 974	-4.5	22.4	23.7	5.5
Public sector	238	196	224	-21.6	33.7	-17.6	14.3
Private sector	7 405	9 258	9 750	-3.9	22.1	25.0	5.3
Residential	5 177	6 845	7 051	-5.7	15.5	32.2	3.0
Non-residential	2 228	2 413	2 700	1.8	40.7	8.3	11.9
Total number of dwellings	88 481	105 669	117 392	-5.9	12.1	19.4	11.1
Public sector	525	403	316	-79.4	85.5	-23.2	-21.6
Private sector	87 956	105 266	117 076	-4.7	11.9	19.7	11.2

Source: Construction output: ECLAC, on the basis of official figures. Building materials: Chilean Chamber of Construction; building: National Institute of Statistics (INE).
[a] Preliminary figures. [b] Index 1980=100. [c] Millions of 42.5-kg sacks. [d] Thousands of tons. [e] Total administrative districts reported. [f] Thousands of square metres.

Table 14
CHILE: RATES OF PARTICIPATION AND UNEMPLOYMENT, BY REGIONS

	1991	1992	1993[a]	1992				1993[a]			
				I	II	III	IV	I	II	III	IV
Overall participation rate [b]											
Nationwide	**52.3**	**52.8**	**54.6**	**52.8**	**52.0**	**52.4**	**53.8**	**54.4**	**53.6**	**54.9**	**55.3**
Greater Santiago	54.3	54.1	56.9	52.9	53.3	54.3	55.9	56.3	56.2	57.4	57.8
Employment growth rate [c]											
Nationwide	**0.7**	**4.1**	**5.4**	**2.8**	**3.7**	**4.0**	**4.2**	**5.2**	**4.9**	**7.0**	**4.5**
Unemployment rate [d]											
Nationwide	**6.5**	**4.9**	**4.7**	**5.0**	**4.9**	**5.3**	**4.4**	**4.5**	**4.7**	**5.0**	**4.5**
Northern zone (regions I to IV) [e]	6.2	4.9	4.8	5.1	4.9	5.2	4.4	5.1	5.0	5.2	4.0
Central zone (regions V to VII) [e f]	7.0	5.4	5.0	5.4	6.2	5.3	4.5	4.3	5.7	5.8	4.1
Southern zone (regions VIII to XII) [e]	4.8	4.4	5.3	4.7	4.1	4.0	4.0	4.5	4.9	6.2	5.5

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Labour force, as a percentage of the population age 15 or over. [c] End-of-period cumulative averages. [d] National Institute of Statistics (INE), quarterly moving averages. [e] Simple averages. [f] Excluding the Santiago Metropolitan Region.

Table 15

CHILE: RATES OF UNEMPLOYMENT AND TERMINATION OF EMPLOYMENT IN GREATER SANTIAGO

(Annual average, in percentages)

	1986	1987	1988	1989	1990	1991	1992	1993
Employment growth rate [a]								
Department of Economics of the University of Chile	7.3	6.0	3.9	5.3	3.2	4.1	5.7	3.4
National Institute of Statistics [b]	11.3	4.8	5.1	7.2	3.1	-1.6	6.1	8.8
Unemployment rate								
Department of Economics of the University of Chile	13.5	12.3	11.0	9.1	9.6	7.4	6.0	6.3
National Institute of Statistics [b]	13.1	11.8	10.4	7.3	6.4	7.4	5.0	4.0
Rate of termination of employment [c]								
Total	**10.8**	**9.8**	**8.9**	**7.8**	**8.3**	**6.4**	**4.8**	**5.3**
Industry	12.9	11.0	8.9	8.0	9.4	6.7	5.4	5.4
Construction	25.1	19.3	15.8	14.5	19.1	13.8	8.0	10.9
Commerce	9.7	9.5	8.0	7.5	6.8	5.7	4.7	5.0
Government and financial services	9.7	8.9	9.4	8.2	6.1	3.9	4.0	3.2
Personal and household services	9.7	8.9	8.8	6.9	6.7	5.7	4.2	4.8
Community and social services	6.6	6.7	7.0	5.7	5.6	4.9	3.5	3.4
Non-manual workers	8.9	8.7	8.4	7.1	6.5	5.4	4.5	...
Manual workers	15.8	14.4	12.9	11.0	12.7	9.9	6.9	...
Own-account workers	7.1	5.2	4.1	4.6	5.0	3.1	2.5	...
Percentage breakdown of terminated workers								
Non-manual workers	29.7	32.0	32.4	33.4	29.0	32.2	35.4	33.0
Manual workers	58.2	57.9	58.4	55.7	59.9	58.3	55.0	56.6
Own-account workers	11.8	9.6	8.7	10.6	10.9	9.2	9.2	10.4

Source: ECLAC, on the basis of official figures.

[a] End-of-period cumulative averages. [b] For the Metropolitan Region. [c] According to data supplied by the Department of Economics, University of Chile.

Table 16
CHILE: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Rates of variation							
Exports f.o.b.								
Value	10.2	24.6	35.0	14.6	2.8	7.4	11.9	-7.9
Volume	2.6	9.0	12.5	15.3	9.4	6.6	21.9	3.2
Unit value	7.4	14.3	20.0	-0.6	-6.0	0.8	-8.2	-10.7
Imports f.o.b.								
Value	6.1	28.9	21.0	34.5	8.2	4.5	25.6	10.2
Volume	5.5	19.3	14.0	27.0	0.0	6.1	23.6	12.9
Unit value	0.6	8.0	6.1	5.9	8.3	-1.5	1.6	-2.4
Terms of trade (f.o.b./c.i.f.)	6.0	6.6	12.9	-6.5	-12.6	2.0	-9.6	-8.7
	Indexes (1980=100)							
Purchasing power of exports	105.4	122.6	155.6	167.7	160.3	174.2	191.9	180.8
Volume of exports	122.7	133.8	150.5	173.5	189.7	202.3	246.5	254.3
Volume of imports	68.9	82.3	93.8	119.2	119.1	126.4	156.2	176.3
Terms of trade (f.o.b./c.i.f.)	85.9	91.6	103.4	96.7	84.5	86.1	77.8	71.1

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 17
CHILE: PRICE OF COPPER ON THE LONDON METAL EXCHANGE

	Average nominal price per pound on the London Metal Exchange (US$ cents) (1)	United States wholesale price index (1980=100) (2)	Real price per pound (US$ cents at 1980 prices) (1/2)
1980	99.2	100.0	99.2
1981	79.0	109.0	72.5
1982	67.2	111.4	60.3
1983	72.2	112.9	64.0
1984	62.5	115.5	54.1
1985	64.3	115.0	55.9
1986	62.3	111.6	55.8
1987	81.0	114.6	70.7
1988	117.9	119.1	99.0
1989	129.1	125.0	103.3
1990	120.9	129.5	93.4
1991	106.1	129.8	81.7
1992	103.6	130.5	79.4
1993	86.8	132.5	65.5
First quarter	100.1	131.8	75.9
Second quarter	84.7	133.1	63.6
Third quarter	86.7	132.5	65.5
Fourth quarter	75.6	132.4	57.1

Source: Central Bank of Chile and International Monetary Fund (IMF).

Table 18

CHILE: VALUE AND BREAKDOWN OF EXPORTS OF GOODS, F.O.B. [a]

	Millions of dollars			Percentage breakdown			Rates of variation		
	1991	1992	1993[b]	1991	1992	1993[b]	1991	1992	1993[b]
Total	**9 049**	**10 126**	**9 416**	**100.0**	**100.0**	**100.0**	**5.5**	**11.9**	**-7.0**
				By sector [c]					
Agriculture, forestry, hunting and fishing	1 222	1 230	1 170	13.5	12.1	12.4	24.6	0.6	-4.9
Agriculture [d]	124	150	135	1.4	1.5	1.4	5.1	21.2	-10.2
Fruit-growing	992	982	873	11.0	9.7	9.3	33.5	-1.0	-11.1
Livestock-raising	21	18	16	0.2	0.2	0.2	-6.0	-12.9	-12.6
Forestry	67	66	134	0.7	0.6	1.4	-1.8	-1.8	103.6
Extractive fishing	18	14	14	0.2	0.1	0.1	-5.3	-25.0	3.7
Mining	4 369	4 728	4 041	48.3	46.7	42.9	-8.0	8.2	-14.5
Copper	3 590	3 903	3 338	39.7	38.5	35.5	-8.3	8.7	-14.5
Other minerals	779	825	703	8.6	8.1	7.5	-6.6	5.9	-14.8
Manufacturing	3 445	4 143	4 175	38.1	40.9	44.3	21.2	20.3	0.8
Food products	1 466	1 758	1 651	16.2	17.4	17.5	25.0	19.9	-6.1
Beverages and tobacco	119	163	167	1.3	1.6	1.8	43.4	36.6	2.8
Forest products and wood furniture	428	420	487	4.7	4.1	5.2	15.7	-1.9	16.0
Cellulose, paper, paperboard, etc.	445	684	618	4.9	6.8	6.6	5.2	53.8	9.7
Chemical products	494	490	531	5.5	4.8	5.6	22.3	-0.8	8.4
Basic iron and steel industries	102	115	83	1.1	1.1	0.9	10.0	12.5	-27.7
Metal products, electronics, transport equipment, etc.	181	289	373	2.0	2.9	4.0	18.5	59.9	28.9
Other industrial products	210	225	264	2.3	2.2	2.8	45.8	7.0	17.5
Other	13	25	30	0.1	0.2	0.3	30.0	90.8	21.0
				By country of sale					
Japan	1 644	1 707	1 502	18.2	16.9	16.0	18.4	3.9	-12.0
United States	1 596	1 649	1 655	17.6	16.3	17.6	8.6	3.3	0.3
Germany	709	604	487	7.8	6.0	5.2	-24.7	-14.9	-19.3
Brazil	448	451	407	5.0	4.5	4.3	-8.0	0.6	-9.7
United Kingdom	408	572	554	4.5	5.6	5.9	-7.0	40.1	-3.1
Taiwan	395	490	408	4.4	4.8	4.3	41.1	24.1	-16.8
France	390	396	374	4.3	3.9	4.0	-3.0	1.4	-5.5
Argentina	257	462	589	2.8	4.6	6.3	126.8	79.8	27.5
Rest of Latin America	1 303	1 702	1 860	14.4	16.8	19.8	21.2	30.6	9.3
Other	1 899	2 093	1 580	21.0	20.7	16.8	-4.1	10.2	-24.5

Source: Central Bank of Chile.

[a] Value of shipments, classified according to the International Standard Industrial Classification of All Economic Activities (ISIC); differs from the balance-of-payments figures for actual transactions. [b] Preliminary figures. [c] New sectoral classification adopted in 1989. [d] Excluding fruit-growing activity.

Table 19

CHILE: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rate (pesos per dollar)		Real effective exchange rate indexes [a] [b] (1985=100) elaborated using the indexes for:				
			Consumer prices [c]		Wholesale prices [d]		Wages [e]
	Official	Parallel	Export	Import	Export	Import	Export
1978	32		82.4	83.4	105.2	103.2	92.3
1979	37		82.3	84.7	93.2	92.4	82.2
1980	39		71.0	74.3	78.8	78.5	66.3
1981	39		57.9	60.2	69.9	69.8	49.7
1982	51		65.8	66.7	82.5	82.1	56.6
1983	79	92	77.7	77.5	87.3	86.7	74.8
1984	99	113	79.8	80.5	87.1	88.2	76.8
1985	161	182	100.0	100.0	100.0	100.0	100.0
1986	193	204	124.2	119.2	115.7	110.3	122.2
1987	220	229	135.3	127.1	122.6	113.9	133.4
1988	245	281	143.3	134.7	141.2	132.8	132.7
1989	267	297	135.5	128.5	135.2	128.7	123.2
1990	305	311	140.5	138.4	140.6	134.9	125.2
1991	349	350	139.3	138.0	133.9	125.9	118.0
1992	363	366	133.9	132.6	128.9	119.5	109.0
1993	404	408	133.9	135.6	130.7	123.3	104.5
1992							
I	355	359	134.2	132.3	127.6	118.4	109.3
II	349	353	130.7	129.7	125.7	116.6	105.7
III	369	374	139.3	136.6	135.0	123.8	113.3
IV	378	379	131.4	131.6	127.3	119.0	107.4
1993							
I	390	392	131.9	133.7	128.6	121.4	103.7
II	403	412	137.7	138.8	134.4	126.2	108.0
III	407	410	134.6	136.3	130.2	122.9	105.5
IV	417	419	131.2	133.4	129.6	122.6	100.8

Source: ECLAC, on the basis of figures from the International Monetary Fund (IMF), International Financial Statistics (various issues) and the Centro Español de Estudios de América Latina (CEDEAL), *Situación latinoamericana* (various issues), *for data on parallel exchange rates.*

[a] These indexes correspond to the average of the real peso exchange rate indexes (main official rate) *vis-à-vis* the currencies of Chile's main trading partners, weighted by the relative importance of the exports to or imports from those countries, as appropriate. These weightings correspond to the average for the period 1986-1990. For further details on the methodologies and sources used, see the statistical appendix of the *Economic Survey of Latin America,* 1981. [b] For the correct use of this information, it should be kept in mind that from the beginning of 1974 onward the average tariff rates have declined appreciably. Thus, the average tariff, which was 94% at the end of 1973, went down to 76% the following year, 36% in 1976, and only 10% in 1980. However, this process was reversed owing to the crisis, so that the rates rose to 20% at the beginning of 1983 and 35% in September 1985. Afterwards, these rates were gradually lowered, reaching 11% in 1991. [c] The consumer price index was used in all of the countries. [d] In Chile, the subindex of domestic products of the wholesale price index was used; in the remaining countries, the wholesale price index was used. Where this information was unavailable, the calculations were based on the consumer price index. [e] In Chile, the overall index of nominal wages was used; in the remaining countries, the consumer price index was used.

Table 20

CHILE: VALUE AND BREAKDOWN OF IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown		Rates of variation			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Total	**8 094**	**10 129**	**11 125**	**100.0**	**100.0**	**7.5**	**5.4**	**25.1**	**9.8**
Consumer goods	1 392	1 904	2 068	33.7	18.6	-1.0	33.5	36.8	8.6
Intermediate goods	4 661	5 439	5 829	45.6	52.4	4.9	8.1	16.7	7.2
Fuels and lubricants	1 034	1 114	1 109	15.7	10.0	38.7	-8.4	7.7	-0.4
Raw materials [b]	3 627	4 325	4 720	10.3	42.4	-3.4	13.9	19.2	9.1
Capital goods	2 041	2 786	3 228	20.7	29.0	17.3	-12.1	36.5	15.9

Source: Central Bank of Chile.
[a] Preliminary figures. [b] Including spare parts and intermediate products.

Table 21
CHILE: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-1 238**	**-869**	**-281**	**-924**	**-744**	**-157**	**-940**	**-2 416**
Trade balance	654	809	1 625	1 000	1 057	1 643	886	-932
Exports of goods and services	5 233	6 309	8 266	9 616	10 309	11 187	12 527	11 835
Goods f.o.b.	4 191	5 224	7 052	8 080	8 310	8 928	9 986	9 202
Real services [b]	1 042	1 085	1 214	1 536	1 999	2 259	2 541	2 633
Transport and insurance	361	391	435	551	841	894	1 057	1 066
Travel	183	185	202	395	509	685	719	819
Imports of goods and services	4 579	5 500	6 641	8 616	9 252	9 544	11 641	12 767
Goods f.o.b.	3 099	3 994	4 833	6 502	7 037	7 354	9 238	10 181
Real services [b]	1 480	1 506	1 808	2 114	2 215	2 190	2 403	2 586
Transport and insurance	592	622	767	980	1 021	1 099	1 274	1 366
Travel	334	353	423	397	426	409	459	568
Factor services	-1 930	-1 743	-1 969	-1 982	-1 855	-1 840	-1 900	-1 545
Profits	-171	-214	-303	-382	-333	-641	-893	-792
Interest received	221	178	181	237	354	470	437	491
Interest paid or due	-1 942	-1 664	-1 797	-1 780	-1 832	-1 636	-1 404	-1 202
Labour and property	-38	-43	-50	-57	-44	-33	-40	-42
Unrequited private transfer payments	38	65	63	58	54	40	74	61
Balance on capital account	**986**	**1 004**	**1 108**	**1 493**	**3 075**	**1 404**	**3 487**	**2 838**
Unrequited official transfer payments	46	61	114	157	146	299	357	324
Long-term capital	339	849	1 310	666	2 108	1 034	1 229	1 673
Direct investment	116	230	141	184	249	563	737	896
Portfolio investment	197	693	870	1 398	766	93	-14	581
Other long-term capital	26	-74	299	-16	1 093	378	506	196
Official sector [c]	640	412	449	-743	274	12	168	-177
Loans received	1 059	912	647	359	500	375	487	109
Amortization payments	-410	-500	-394	-1 102	-226	-351	-366	-286
Commercial banks [c]	-410	-644	-660	-789	-250	-17	178	39
Loans received	1 298	781	21	10	4	3	200	179
Amortization payments	-1 724	-1 433	-819	-810	-257	-18	-26	-140
Other sectors [c]	-204	158	510	616	1 069	383	160	334
Loans received	1 186	978	853	1 077	1 712	1 033	900	1 646
Amortization payments	-1 390	-820	-406	-461	-688	-638	-726	-1 313
Short-term capital	377	172	-208	742	1 147	-212	1 715	935
Official sector	-357	302	-132	135	-32	-2	47	-157
Commercial banks	127	148	250	355	-15	-266	1 553	23
Other sectors	607	-278	-326	252	1 194	56	115	1 069
Errors and omissions (net)	224	-78	-109	-71	-326	282	187	-94
Global balance [d]	**-252**	**135**	**827**	**569**	**2 331**	**1 247**	**2 547**	**422**
Total variation in reserves (- sign indicates an increase)	255	-79	-867	-581	-2 324	-1 339	-1 948	-593
Monetary gold	-9	-7	-5	33	-4	-1	-	-36
Special drawing rights	-	-41	-3	20	23	-	-	-1
IMF reserve position	-	-	-	-	-	-	-	-
Foreign exchange assets	21	-165	-716	-582	-2 229	-1 140	-1 712	-312
Other assets	-	-	-	-	-	-	-	-
Use made of IMF credit	243	134	-143	-52	-114	-198	-236	-243

Source: 1986-1992: ECLAC, on the basis of data provided by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of data provided by the Central Bank of Chile.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign), plus counterpart items.

Table 22

CHILE: INDICATORS OF EXTERNAL INDEBTEDNESS [a]

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Balances								
I. Total external debt (II+III+IV)	**20 829**	**20 661**	**18 960**	**17 521**	**18 576**	**17 319**	**18 965**	**19 659**
II. Medium- and long-term external debt	**17 814**	**17 192**	**15 452**	**13 280**	**14 043**	**14 165**	**14 768**	**15 693**
Public sector (including State-guaranteed private debt) [c]	14 379	14 725	13 108	10 350	9 808	9 490	9 175	8 547
Private sector	3 435	2 467	2 344	2 930	4 235	4 675	5 593	7 146
Multinational agencies	24	75	77	128	290	375	503	482
Government agencies	15	25	44	211	450	518	492	611
Banks and financial institutions	2 764	1 556	1 309	1 439	2 086	2 098	2 555	3 632
Suppliers	169	241	282	441	542	558	553	579
Other creditors	463	570	632	711	867	1 126	1 490	1 842
III. Short-term external debt	**1 687**	**2 017**	**2 186**	**2 973**	**3 382**	**2 199**	**3 475**	**3 487**
Public sector (including State-guaranteed private debt) [c]	1 384	1 655	1 601	1 901	1 984	1 064	448	488
Private sector	303	362	585	1 072	1 398	1 135	3 027	2 999
IV. Central Bank debt with IMF	**1 328**	**1 452**	**1 322**	**1 268**	**1 151**	**955**	**722**	**479**
V. Net international reserves [e]	**1 778**	**1 646**	**2 550**	**2 943**	**5 347**	**6 639**	**9 009**	**9 759**
VI. Net total external debt (II+III-V)	**17 723**	**17 563**	**15 088**	**13 310**	**12 078**	**9 725**	**9 234**	**9 421**
Medium- and long-term debt servicing	2 041	1 697	1 676	2 139	2 086	2 197	2 229	2 367
Principal [d]	527	310	649	812	744	2 149	1 103	1 419
Interest [e]	1 721	1 486	1 616	1 543	1 478	1 166	967	711
Total disbursements [d]	1 212	1 385	1 691	2 241	2 642	1 622	3 010	2 297
Percentages of the value of exports of goods and services								
Total external debt	398.0	327.5	229.4	182.2	180.2	154.8	151.4	166.1
Net total external debt	338.7	278.4	182.5	138.4	117.2	86.9	73.7	79.6
Medium- and long-term debt servicing	39.0	26.9	20.3	22.2	20.2	19.6	17.8	20.0
Net interest [e]	32.9	23.6	19.5	16.0	14.3	10.4	7.7	6.0
Servicing/disbursements	168.4	122.5	99.1	95.4	79.0	135.5	74.1	103.0

Source: Central Bank of Chile.

[a] Disbursed and outstanding credits at 31 December of each year. Excludes direct commercial debt related to external trade (export credits and pending insurance payments). [b] Preliminary figures. [c] From 1990 onward the debt of the private firms Empresa Nacional de Electricidad (ENDESA), Distribuidora CHILECTRA Metropolitana S.A. (CHILECTRA) and Empresa Eléctrica Pehuenche S.A. with Inter-American Development Bank (IDB) and World Bank, is included in State-guaranteed private debt. [d] Short-term transactions included as disbursements or amortization payments as appropriate. [e] Net interest paid according to balance-of-payments figures.

Table 23
CHILE: DOMESTIC PRICE TRENDS

	1986	1987	1988	1989	1990	1991	1992	1993
Variation from December to December								
Consumer price index	17.4	21.5	12.7	21.4	27.3	18.7	12.7	12.2
Food	23.7	23.4	13.6	25.8	23.8	27.8	12.2	8.5
Wholesale price index	18.2	17.1	3.3	22.8	25.7	16.5	8.9	6.7
Imported products	4.5	14.9	2.4	17.2	28.3	-2.2	4.8	10.1
Domestic products	22.0	17.6	3.5	24.1	25.2	20.6	9.6	5.6
Agricultural products	37.4	9.2	0.5	29.7	3.0	47.8	16.0	1.3
Mining products	-3.1	32.1	-3.2	23.9	72.4	-18.5	2.2	-5.3
Manufactures	17.8	21.0	6.5	20.9	31.5	15.5	10.1	7.7
Index of building costs [a]	17.0	24.9	17.4	22.0	27.3	19.9	18.2	15.0
Variation between annual averages								
Consumer price index	19.5	19.9	14.7	17.0	26.0	21.8	15.4	12.7
Food	23.9	24.1	13.3	20.8	26.0	25.8	18.0	10.9
Wholesale price index	19.8	19.2	5.9	15.1	21.8	21.5	11.7	8.6
Imported products	7.2	10.6	8.8	10.0	15.3	12.4	3.6	10.3
Domestic products	23.4	21.4	5.3	16.3	23.2	23.4	13.1	7.9
Agricultural products	36.1	23.6	-6.2	21.8	20.1	26.4	14.6	6.6
Mining products	1.8	14.8	7.0	15.8	25.2	17.8	1.8	1.9
Manufactures	20.2	21.0	12.9	13.2	24.8	22.5	14.6	9.3
Index of building costs [a]	18.6	20.7	20.5	19.4	25.8	22.7	18.6	17.2

Source: National Institute of Statistics (INE) and Chilean Chamber of Construction.
[a] Refers to a housing complex of 73 single-story dwelling units measuring 69.80 m^2 each.

Table 24

CHILE: REAL SALARIES AND WAGES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100) [b]							
Net minimum wage [c]	63.2	59.3	63.4	72.8	75.2	82.3	86.2	90.5
Average salaries and wages	95.1	94.7	101.0	102.9	104.8	110.1	115.2	120.2
Mining	92.1	92.4	96.2	97.2	99.6	102.2	106.2	104.4
Manufacturing	91.4	92.1	97.5	100.7	102.8	109.8	115.1	120.5
Electricity, gas and water	105.5	106.8	111.8	113.5	118.3	122.6	125.0	125.8
Construction	67.1	70.6	75.9	80.9	93.0	91.1	93.6	104.9
Community and social services	91.7	88.7	96.5	98.1	94.0	100.3	106.8	118.5
	Percentage variations							
Net minimum wage [c]	-4.6	-6.1	7.0	14.7	3.4	9.4	4.8	4.9
Average salaries and wages	2.0	-0.4	6.7	1.9	1.8	5.1	4.6	4.3
Mining	1.9	0.3	4.1	1.0	2.5	2.6	3.9	-1.7
Manufacturing	3.0	0.8	5.9	3.3	2.1	6.8	4.8	4.7
Electricity, gas and water	4.5	1.2	4.7	1.5	4.2	3.6	2.0	0.6
Construction	4.4	5.2	7.5	6.6	15.0	-2.1	2.7	12.1
Community and social services	-3.7	-3.3	8.8	1.7	-4.2	6.7	6.5	11.0

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] On the basis of nominal average values deflated by the consumer price index. [c] Applicable to private sector manual and non-manual workers not subject to special arrangements.

Table 25

CHILE: CONSOLIDATED PUBLIC SECTOR INCOME AND EXPENDITURE

	Billions of pesos			Percentages of GDP			Rates of variation			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
1. Total income	**3 045**	**3 805**	**4 404**	**25.6**	**25.4**	**24.9**	**6.7**	**33.4**	**25.0**	**15.8**
1.1 Current income	2 853	3 594	4 169	24.0	24.0	23.6	11.1	32.7	26.0	16.0
Tax revenues	2 112	2 743	3 282	17.8	18.3	18.6	15.5	40.1	29.9	19.7
Non-tax revenues	741	852	887	6.2	5.7	5.0	2.0	15.5	15.0	4.1
Social security revenues	188	246	276	1.6	1.6	1.6	86.3	10.0	30.6	12.3
Other	552	605	610	4.7	4.0	3.5	-12.5	17.4	9.6	0.8
1.2 Capital earnings	192	211	236	1.6	1.4	1.3	-34.8	43.4	9.8	12.0
2. Total expenditure	**2 787**	**3 376**	**4 043**	**23.5**	**22.6**	**22.9**	**13.3**	**39.6**	**21.1**	**19.7**
2.1 Current expenditure	2 284	2 750	3 274	19.2	18.4	18.5	14.6	35.0	20.4	19.1
Wages	450	572	713	3.8	3.8	4.0	22.2	32.7	27.1	24.7
Goods and services	246	301	350	2.1	2.0	2.0	17.5	35.0	22.2	16.5
Benefit payments[b]	739	909	1 106	6.2	6.1	6.3	33.9	26.9	23.1	21.6
Other[c]	849	968	1 104	7.2	6.5	6.3	-3.5	44.2	13.9	14.1
2.2 Capital expenditure	504	627	769	4.2	4.2	4.4	7.1	65.5	24.5	22.8
Real investment	274	387	534	2.3	2.6	3.0	14.3	45.3	41.2	38.1
Financial investment	133	188	203	1.1	1.3	1.1	21.7	43.8	41.0	7.8
Capital transfers	96	52	33	0.8	0.3	0.2	-46.5	318.9	-46.1	-37.0
3. Current account result (1.1-2.1)	**569**	**845**	**895**	**4.8**	**5.6**	**5.1**	**-0.1**	**24.5**	**48.4**	**6.0**
4. Financial result (1 - 2)	**257**	**429**	**361**	**2.2**	**2.9**	**2.0**	**-24.3**	**-10.2**	**66.5**	**-15.6**
5. Financing	**-257**	**-429**	**-361**	**-2.2**	**-2.9**	**-2.0**				
5.1 Domestic	-328	-461	-123	-2.8	-3.1	-0.7				
Credits received	9	3	0	0.1	-	-				
(-) Amortization payments	114	58	45	1.0	0.4	0.3				
Increase/decrease in funds[d]	-223	-407	-78	-1.9	-2.7	-0.4				
5.2 Foreign	71	33	-239	0.6	0.2	-1.4				
Credits received	214	226	96	1.8	1.5	0.5				
(-) Amortization payments	143	193	334	1.2	1.3	1.9				

Source: ECLAC, on the basis of data from the Comptroller-General of the Republic.
[a] Preliminary figures. [b] Refers to social security benefit payments. [c] Including interest payments and outlays related to the domestic and foreign debt. [d] Includes foreign exchange operations.

Table 26

CHILE: MONETARY INDICATORS

	December averages for each year (billions of pesos)			Rates of variation			
	1991	1992	1993a	1990	1991	1992	1993[a]
Money issue	**574**	**646**	**758**	**25.3**	**50.7**	**12.5**	**17.4**
Total money supply	**1 246**	**1 716**	**2 053**	**23.5**	**36.2**	**37.7**	**19.7**
Private sector (M1A) [b]	988	1 282	1 568	17.8	42.8	29.8	22.2
Public sector (PS)	258	434	486	45.2	15.6	68.2	12.1
Quasi-money	**3 457**	**4 602**	**5 844**	**33.2**	**34.9**	**33.1**	**27.0**
Time deposits	2 526	3 360	4 283	32.8	35.2	33.0	27.5
From 30 to 89 days	1 007	1 406	1 671	54.7	30.3	39.6	18.8
From 90 to 365 days	997	1 151	1 456	7.6	54.2	15.5	26.4
Readjustable	990	1 136	1 444	8.0	54.3	14.8	27.1
Non-readjustable	7	15	12	-29.0	49.9	105.1	-22.7
Over one year	522	803	1 156	46.6	16.2	53.7	44.0
Other deposits [c]	1 167	1 545	1 976	30.8	37.9	32.4	27.9
Less: inter-financial deposits	236	303	414	16.9	55.2	28.5	36.7
Loans by the financial system							
National currency	4 596	6 376	8 454	15.5	21.1	38.7	32.6
Foreign currency [d]	4 065	5 306	5 331	8.9	15.0	30.5	0.5

Source: Central Bank of Chile.

[a] Preliminary figures. [b] Corresponds to an improved version of the private-sector money supply, which corrects problems encountered in swap measurement. [c] Includes savings deposits and other deposits for less than 30 days. [d] Millions of dollars.

Table 27

CHILE: INTEREST RATES

(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]	
	Borrowing	Lending	Borrowing	Lending	Borrowing	Lending
1991						
I	10.5	17.0	3.2	9.4	3.7	9.9
II	28.3	33.5	0.8	4.9	21.6	26.5
III	24.7	31.4	6.7	12.4	10.4	16.3
IV	25.8	32.3	1.7	6.9	5.1	10.5
1992						
I	11.5	18.2	6.4	12.9	45.2	54.0
II	17.0	22.0	3.5	7.8	10.6	15.3
III	20.0	24.7	-0.8	3.1	-6.5	-2.8
V	24.5	30.7	10.8	16.4	16.6	22.4
1993						
I	8.8	14.6	4.0	9.5	-9.1	-4.2
II	20.8	25.9	5.7	10.2	14.2	19.1
III	22.2	28.6	3.2	8.6	16.3	22.3
IV	21.2	28.3	8.4	14.7	2.1	8.1

Source: ECLAC, on the basis of official and International Monetary Fund (IMF) figures.

[a] Nominal rates deflated by the variation in consumer prices over the same period. [b] Ratio between nominal rates and devaluation over the same period.

ECUADOR

1. General features of recent trends

In Ecuador, the stabilization programme initiated the year before reduced inflation substantially in 1993, so that the rise of 31% in consumer prices, which was half as high as in 1992, was the lowest in the past six years. However, the policy of restraining domestic demand, and the slump in international petroleum prices, slackened the rate of growth of the gross domestic product (GDP) to little more than 2% per year.

Nominal exchange rate stability played a large part in the decline in inflation; a substantial inflow of mostly short-term capital, attracted by the differential between domestic and international interest rates, had a decisive impact on this result. The consequent appreciation in the exchange rate and greater external financing made for a rapid increase in imports of goods and services, and, owing to the decline in export volumes, a widening of the current-account deficit on the balance of payments. Nevertheless, the inflow of external funds was sufficient to increase international reserves again.

Under the stabilization policy, priority was given to correcting the fiscal imbalance. Despite lower revenues from petroleum exports, the non-financial public sector deficit was reduced to less than 0.5% of output.

2. Economic policy

Economic policymakers adhered to the guidelines set out in the Macroeconomic Stabilization Programme put in place in September 1992, one month after the new government took office. In 1993 the main goals were reducing inflation to 30% per year, shrinking the fiscal deficit to 0.4% of GDP and increasing international reserves by around US$ 260 million. In order to achieve those objectives, the authorities persevered with exchange rate liberalization, the adjustment of fiscal accounts and the maintenance of a cautious policy of monetary expansion. In this context, output growth was expected to slacken to a rate of around 2% per year.

a) Fiscal policy

Greater fiscal discipline made it possible to reduce the non-financial public sector deficit from 1.7% of GDP in 1992 to just 0.4% in 1993. This adjustment was based on a real expenditure cut of over 4%, which reduced the deficit by nearly 1% of GDP. The reduction in capital expenditure of over 6% in real terms was greater than the reduction in current expenditure.

Revenues rose slightly in real terms, despite the decreased income from sales of petroleum and petroleum products. Indeed, the drop in international petroleum prices led to a setback of over 1% of GDP in related public revenue. Non-petroleum revenue, on the other hand, expanded in real terms, offsetting more than half the loss in petroleum revenues. At the same time, public enterprise surpluses grew significantly (by 25% in real terms).

In order to reduce the dependency of public income on crude petroleum sales, the Government submitted a draft bill to Congress at the end of 1993 which raised the value-added tax rate from 10% to 18%. The draft bill was rejected by Congress. The Government then decided to raise domestic fuel prices through a mechanism linking them to international petroleum prices and the exchange rate, with a monthly adjustment in the

price of gasoline. Non-petroleum income and public enterprise surpluses offset the drop in petroleum revenues. At the same time, the quasi-fiscal losses of the Central Bank of Ecuador, which in 1992 had amounted to 0.6% of GDP, were eliminated.

The amount of external credit received was greater than the financial imbalance in the public sector; the surplus was used to reduce domestic debt owed to the Central Bank.

b) Monetary policy

The contractionary behaviour of the public sector facilitated the implementation of the monetary programme. Thus, the primary expansion in the money supply resulted mainly from the purchase of foreign currency, owing to the abundant supply of external resources. In fact, the increase in the Central Bank's international reserves, totalling US$ 470 million, amply exceeded the reserves target set by the stabilization programme.

A large share of the supply of foreign currency stemmed from the inflow of short-term private capital, which streamed into the country, lured by nominal interest rates in domestic currency of 30% to 40% and lower expectations of devaluation. In this way, while real borrowing

Figure 1
ECUADOR: MAIN ECONOMIC INDICATORS

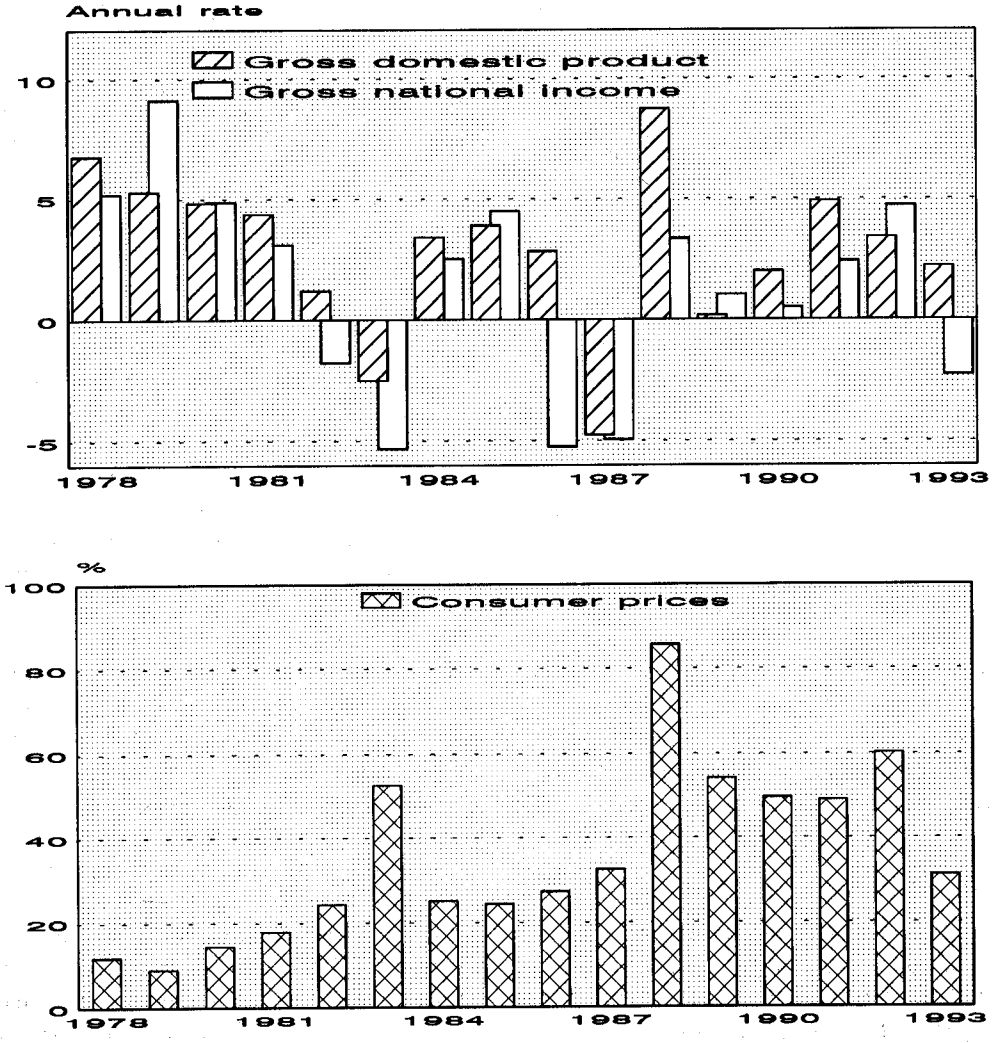
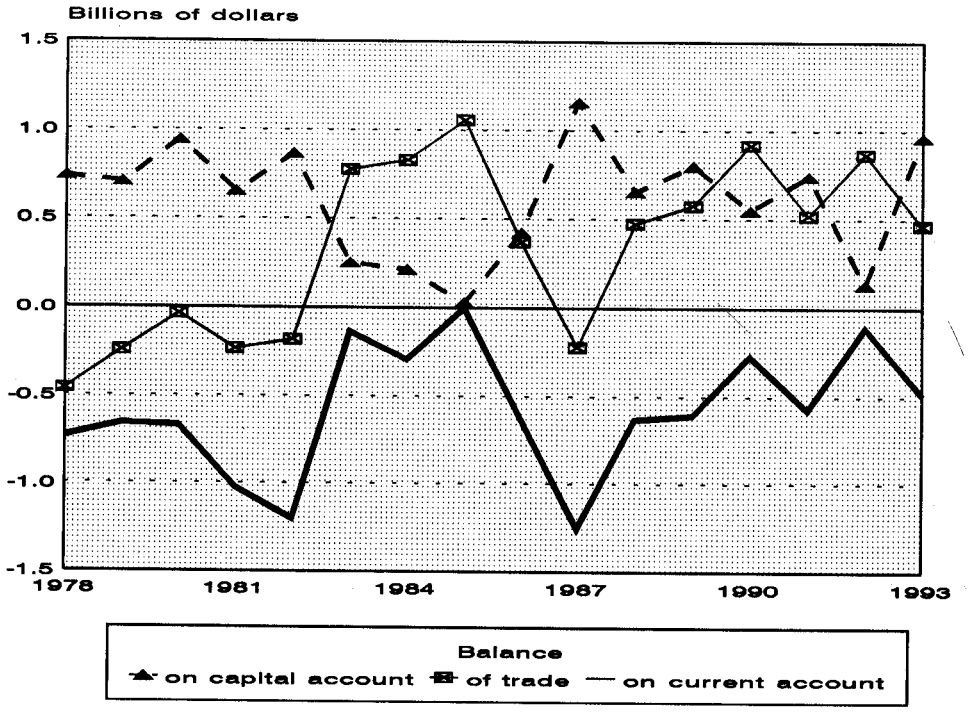
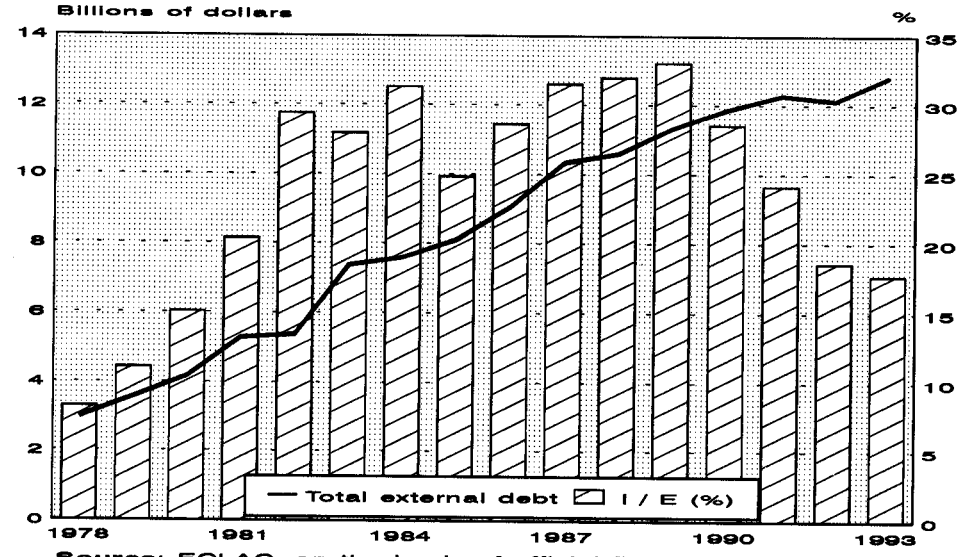


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due; E = Exports of goods and services.

rates were high only in the third quarter, their dollar-equivalent return was strongly positive throughout most of the year.

Interest rates displayed varying trends. In the second quarter, in response to an inflationary upsurge linked to natural disasters in the south and a political crisis which threatened the continuation of the adjustment programme, the authorities raised nominal rates through open market operations in order to tighten liquidity conditions. Once these problems had been overcome in the fourth quarter, a policy of declining interest rates was resumed.

In this context, the means of payment expanded by 49% in 1993, a rate distinctly higher than the rise in domestic prices. This points to an increase in the demand for money, which is consistent with a drop in inflation and an abundant supply of foreign currency. Quasi-money expanded more rapidly, so that the broad money aggregate expanded by over 50%.

c) Exchange rate policy

Exchange rate policy was one of the main pillars of the stabilization programme. At the end of 1992 steps were taken to halt the impounding of foreign currency export earnings in the private sector and exchange operations were transferred to the free market. In November 1993 the so-called exchange intervention rate ceased to be fixed by the economic authorities and began to be based on the previous week's average value for the dollar in the inter-bank market. At the end of the year the same method was adopted for the official exchange rate, used by the Central Bank for accounting purposes, so that the foreign exchange market became a unified market for all current and capital transactions in the private sector, with equal access for all agents.

In 1993 the free market rate fluctuated within a narrow range of 1,850 to 2,050 sucres to the dollar, and the Central Bank intervened in the foreign exchange market so as to avoid nominal currency appreciations resulting from the significant inflow of private capital into the country.

d) Structural reforms

During the year an act was promulgated which provided for modernization of the State, privatization and the transfer of services to private enterprises, it was aimed at enhancing the streamlining and the administrative efficiency of public sector entities. The law contains provisions geared to decentralizing and simplifying the activities and functions of the State, while at the same time establishing conditions for the sale of public sector entities.

Financial reform progressed by means of a law regulating the stock exchange, in such areas as foreign investment, the creation of long-term financing instruments, the establishment of risk assessment firms and the trading of securities through public auctions.

In addition, reforms were made to the Hydrocarbons Act, in order to encourage petroleum production through the establishment of new forms of financing involving both the private sector and foreign investors.

3. Trends in economic activity

a) Economic activity

As had been anticipated, under the stabilization programme the pace of output growth slowed from 3% per year in 1992 to 2% in 1993. This meant a stagnation in per capita GDP, which is still at a lower level than in 1980. A deterioration in the terms of trade meant a drop in national income.

The adjustment policy affected consumer spending and investment, so that domestic demand grew by only 1%. The volume of exports of goods and services was more robust, growing by 4%. The weak performance of investment kept its share of GDP at around 15%, a distinctly lower ratio than at the start of the 1980s. Given the transfer of resources abroad due to the negative terms of trade and to factor payments, national saving amounted to only 11% of output.

Sectoral trends were varied: while agriculture, construction and government services receded, mining, manufacturing and financial, transport

and communications services recorded satisfactory rates of growth.

In mining, an increase of around 7% in petroleum production should be noted; this was due to the start-up of production in new oilfields, including those in the eastern regions of the country which had been the subject of competitive bidding. The Amazonian pipeline is reaching the limit of its capacity, and means of increasing it are being studied.

Manufacturing also registered a positive growth rate of close to 7%, due mostly to the increase in oil refining, since the other manufacturing industries grew by only a modest 2.5%.

In contrast, agricultural output fell for the first time in 10 years. While gross banana production increased, the amount traded (or production net of losses, which is the indicator used in the calculation of output) declined substantially owing to the sharp contraction of external demand. The coffee, hunting and fishing harvests also decreased. The negotiations concerning the banana quotas imposed by the European Union have not yet produced the result Ecuador has been hoping for. In 1992, 34% of the bananas imported by European Union countries came from Ecuador, but the quota for 1993 limited that share to 20%. Meanwhile, the construction sector, which was affected by the decrease in public investment, contracted for the fourth consecutive year.

b) Prices, wages and employment

Inflation fell substantially in 1993, after hovering around 50% annually in the triennium 1989-1991; the price and exchange- rate adjustments which preceded the stabilization programme had raised the rate of increase in consumer prices to 60% per year in 1992. The stabilization programme succeeded in lowering the rate of inflation to just 30% in 1993.

The 12-month inflation rate showed a clear downswing throughout most of the year. However, the monthly variation in prices remained at around 4% until May, but fell by half from June onward. Thus, in the second half of the year, the annual inflation rate was below 25%.

In the framework of the stabilization programme, workers' basic minimum wage, including additional payments, rose slightly in real terms. The same trend towards moderate increase was also seen in average private sector wages.

The open unemployment rate in urban areas fell slightly, from nearly 9% in 1992 to slightly over 8% in 1993. The underemployment rate behaved in a similar way, dropping from nearly 48% to slightly more than 47% of the economically active population.

c) The external sector

The decline in traditional exports, the first since 1987, which led to a setback in total sales abroad, as well as the rapid increase in imports, reduced the goods and services trade surplus by nearly half. This meant a substantial widening of the current-account deficit on the balance of payments, which rose to around 4% of GDP. However, the abundant inflow of mainly short-term foreign capital made it possible to increase international reserves for the sixth consecutive year.

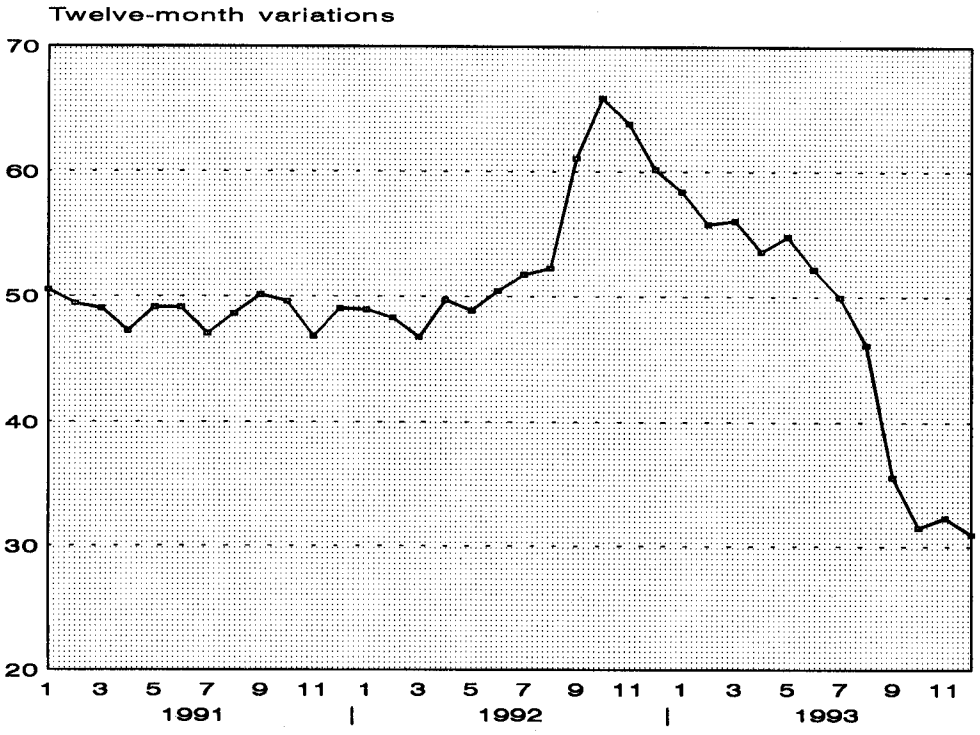
Total external sales of petroleum, bananas and shrimp, products which account for 80% of Ecuador's exports, decreased by 13%.

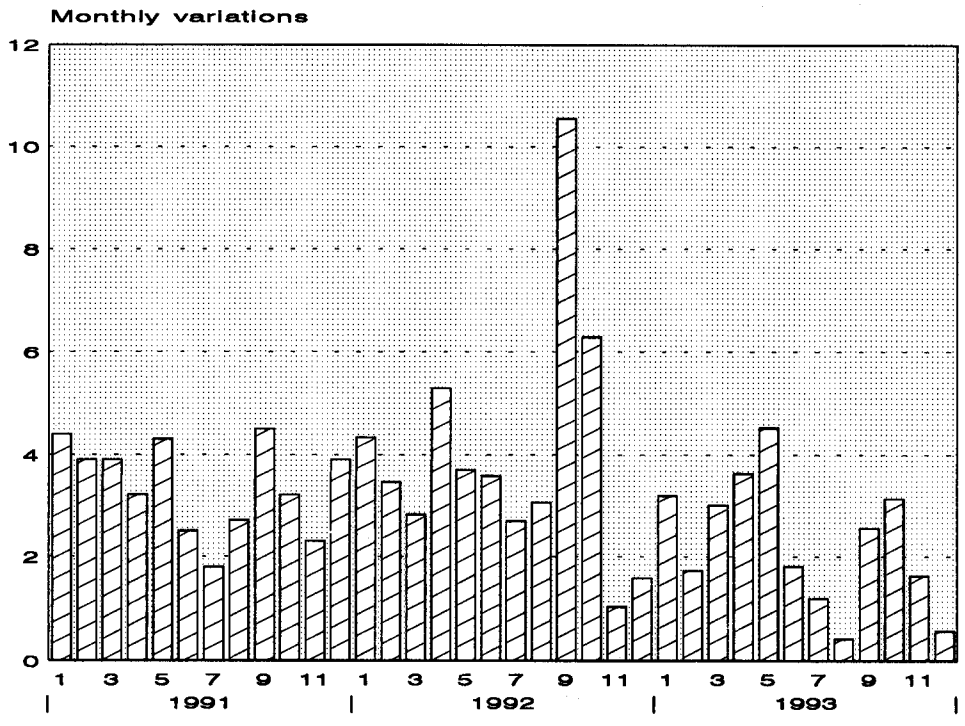
However, this setback was mostly offset by appreciable growth in exports of the remaining products, which were targeted mainly to the Andean market.

Indeed, while crude oil exports decreased by 8%, exports of petroleum products grew by 22%, breaking the barrier of US$ 100 million for the first time in three years. The shrinking of foreign currency earnings from sales of crude stemmed from the sharp plunge in the international price of this product, from an average of US$ 16.8 per barrel in 1992 to US$ 14.4 in 1993 (-9%). This decline was partially offset by an increase in the volume of petroleum exports to 218,000 barrels per day (7.1%).

Meanwhile, the value of banana exports fell for the second consecutive year, this time by 22%. In this case the plunge stemmed from a decline in both prices and volumes (-10%). The main causes of this were the European Union's quota policy, referred to earlier, and the

Figure 2
ECUADOR: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

persistence of Sigatoka leaf spot disease, which continued to affect Ecuadorian plantations.

Shrimp exports also receded by 14%, although prices recovered owing to the collapse of production in China. In this case production centred in the Gulf of Guayaquil decreased because of a disease of unknown origin, known as "Taura syndrome", which some experts believe is associated with the contaminating effects of the pesticides used to combat Sigatoka disease on the banana plantations (the malady is carried by the rivers which empty into the Gulf of Guayaquil).

On the other hand, the remaining traditional exports and all non-traditional exports, displayed significant momentum. The second group experienced a growth of 40%, following the relative stagnation of previous years, which was attributable to increased trade with the countries of the Andean Group, especially Colombia, in the context of a generalized process of trade liberalization. Among exports of industrial products, mention should be made of foreign sales of vehicles assembled in Ecuador's free trade zone, which has shown particular dynamism in the case of exports to Colombia.

Consumer goods imports, whose value rose by 47% in 1993 after having more than doubled in the preceding two years, continued their steep climb; this was vital to the increase in goods imports. A large share of that increase represented motor vehicle purchases which have been the main factor in the increase in consumer goods since the lifting of the 10-year ban on importing motor vehicles. Capital goods imports, especially for industry, also increased, although by only 3%, thereby raising the value of this category to its highest level in Ecuador's recent history.

The largest surpluses were generated in trade with the United States, Colombia, Peru and Chile, while deficits were maintained with Japan, Italy, Brazil and Germany.

Monetary and exchange rate policies and low international interest rates made for an attractive rate of return on financial investments in sucres. This situation led to a substantial increase in short-term capital inflows and a greater willingness on the part of the private sector to borrow abroad. Direct investment maintained its upward trend. A similar pattern was seen in the flow of transfers received by the public sector. In this context, the capital inflow approached US$ 1 billion, its highest level since 1987.

In December 1993, Ecuador's external debt rose to around US$ 13 billion. This represents an increase of 6% over 1992, stemming from the expansion of medium- and long-term debt, since debt to the Central Bank diminished.

At the end of 1993 the debt to international banks was approximately US$ 7.5 billion, of which US$ 4.5 billion represented principal and the remainder represented overdue interest payments and interest arrears accumulated under the terms of the original contract. The amount of principal outstanding at the end of 1993 was the same as at the end of 1987. During the year, substantial progress was made in negotiating a rescheduling agreement for this debt. The agreement means that the principal will be restructured by means of two instruments: a 30-year discount bond to be traded at a discount of 45% with a 30-year grace period (payment on expiry), and a par bond with low fixed interest rates. Creditors are free to choose between these two instruments. As regards the treatment of accrued interest, the agreement provides for reduction of the accumulated balance through recalculation of the interest at rates lower than the contractual ones; this means a reduction of around 20%.

Table 1

ECUADOR: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	113.7	108.3	117.8	118.0	120.4	126.3	130.5	133.4
Gross national income	99.2	97.1	99.9	102.4	102.7	105.2	110.1	107.6
Population (millions of inhabitants)	9.3	9.5	9.8	10.0	10.3	10.5	10.7	11.0
Per capita gross domestic product	97.1	90.3	95.9	93.7	93.4	95.7	96.7	96.7
Real effective exchange rate CPI [b]	142.1	162.9	190.9	195.5	206.7	197.3	195.9	172.2
	Ratios (percentages)							
Fiscal balance of non-financial public sector/GDP	-5.0	-9.6	-5.1	-1.7	0.1	-1.0	-1.7	-0.4
Money (M1)/GDP	12.0	12.1	10.8	8.6	8.7	8.5	7.7	8.0
	Growth rates (percentages)							
Gross domestic product	2.8	-4.8	8.8	0.2	2.0	4.9	3.4	2.2
Per capita gross domestic product	0.4	-7.0	6.2	-2.2	-0.4	2.5	1.1	-
Gross national income	-7.2	-2.1	2.8	2.5	0.3	2.4	4.7	-2.3
Consumer prices December to December	27.3	32.5	85.7	54.2	49.5	49.0	60.2	31.0
Real minimum wage	...	...	...	-21.6	-9.2	-13.0	0.1	14.8
Current value of exports of goods and services	-20.4	-7.0	8.1	8.6	13.3	4.8	6.3	-2.2
Current value of imports of goods and services	0.6	18.1	-18.7	5.9	1.7	23.6	-4.5	11.6
	Millions of dollars							
External sector								
Trade balance	370	-223	475	575	917	521	866	467
Factor services	-1 000	-1 033	-1 108	-1 186	-1 190	-1 098	-976	-957
Balance on current account	-630	-1 256	-633	-611	-273	-577	-110	-490
Balance on capital account	424	1 156	652	800	549	741	132	962
Variation in international reserves (net)	-247	-169	46	199	252	168	22	472
Gross disbursed external debt [c]	9 063	10 320	10 581	11 322	11 856	12 271	12 122	12 806

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Corresponds to the exchange rate for exports. [c] Year-end balances; from 1983 onward includes loans from the Andean Reserve Fund (ARF), petroleum advances and disbursements made under the terms of the Santo Domingo Agreement, as well as debt with the International Monetary Fund (IMF).

Table 2
ECUADOR: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	105.2	110.1	107.6	94.5	78.7	79.7	76.2
a) Gross domestic product	126.3	130.5	133.4	100.0	100.0	100.0	100.0
Terms-of-trade effect [b]	...	...	...	-	-12.5	-12.2	-16.7
c) Net factor income from abroad [b]	201.9	191.0	171.3	-5.5	-8.8	-8.1	-7.1
d) Net private transfers from abroad [b]	...	...	...	-	-	-	-

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data, expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Ecuador. The figures were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 3
ECUADOR: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**124.0**	**127.8**	**130.6**	**125.4**	**122.8**	**0.5**	**7.5**	**3.1**	**2.2**
Gross domestic product at market prices	126.3	130.5	133.4	100.0	100.0	2.0	4.9	3.4	2.2
Imports of goods and services [c]	115.3	117.2	119.7	25.4	22.8	-6.7	20.7	1.7	2.1
Total demand	**124.0**	**127.8**	**130.6**	**125.4**	**122.8**	**0.5**	**7.5**	**3.1**	**2.2**
Domestic demand	104.9	104.9	106.1	100.3	79.8	-3.6	5.3	-	1.2
Gross domestic investment	77.7	76.7	73.5	26.1	14.4	-15.2	29.9	-1.2	-4.1
Gross fixed investment	76.1	81.3	82.2	23.6	14.6	-5.1	11.0	6.9	1.1
Public	59.3	63.5	56.3	6.4	2.7	-9.2	-4.8	7.1	-11.3
Private	82.3	88.0	91.8	17.2	11.8	-3.7	16.2	6.8	4.4
Changes in stocks	92.8	33.2	-8.5	2.5	-0.2	...	...	...	...
Total consumption	114.5	114.8	117.6	74.2	65.4	-1.1	0.8	0.3	2.4
General Goverment	88.7	85.9	84.9	14.5	9.2	2.1	-2.2	-3.2	-1.2
Private	120.7	121.9	125.6	59.7	56.2	-1.7	1.4	1.0	3.1
Exports of goods and services [c]	200.5	219.3	228.3	25.1	43.0	10.9	12.5	9.4	4.1

Source: ECLAC, on the basis of figures supplied by official sources and the International Monetary Fund (IMF).
[a] Based on figures at market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from IMF balance-of-payments data, expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Ecuador. The figures were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 4

ECUADOR: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	16.9	17.2	15.2	15.6	13.0	16.1	15.4	14.4
Gross fixed investment	15.3	16.7	14.6	14.5	13.5	14.2	14.7	14.6
Construction	9.5	10.4	8.5	8.5	7.5	...	...	...
Machinery and equipment	5.8	6.4	6.2	6.0	6.0	...	...	...
Changes in stocks	1.6	0.4	0.6	1.2	-0.5	1.8	0.6	-0.2
Gross domestic saving	28.4	19.9	28.9	27.8	30.0	32.7	34.7	34.6
Terms-of-trade effect [c]	-7.9	-4.9	-9.1	-6.6	-9.1	-12.5	-12.2	-16.7
Net factor income from abroad [c]	-9.7	-10.3	-10.8	-11.4	-10.3	-8.8	-8.1	-7.1
Private transfers from abroad (net) [c]	-	-	-	-	-	-	-	-
Gross national saving	10.8	4.6	9.0	9.7	10.6	11.4	14.4	10.8
External saving	6.1	12.6	6.2	5.9	2.4	4.6	0.9	3.6

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Ecuador. The figures were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 5

ECUADOR: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**126.3**	**130.5**	**133.4**	**100.0**	**100.0**	**2.0**	**4.9**	**3.4**	**2.2**
Goods	**123.2**	**127.4**	**131.1**	**49.4**	**48.5**	**-0.6**	**5.0**	**3.5**	**2.8**
Agriculture	160.3	165.8	163.0	12.1	14.8	6.1	5.9	3.4	-1.7
Mining	151.3	161.4	171.0	12.2	15.6	5.6	5.0	6.7	5.9
Manufacturing	98.0	99.2	106.0	17.7	14.0	-7.7	6.3	1.3	6.9
Construction	76.4	76.1	72.9	7.4	4.0	-14.9	-1.1	-0.3	-4.3
Basic services	**171.1**	**180.2**	**187.6**	**8.7**	**12.3**	**3.2**	**5.5**	**5.3**	**4.1**
Electricity, gas and water	254.8	261.8	267.3	0.8	1.7	-4.1	2.2	2.7	2.1
Transport, storage and communications	162.3	171.6	179.2	7.9	10.6	4.5	6.0	5.7	4.5
Other services	**119.8**	**122.7**	**126.3**	**40.9**	**38.7**	**2.5**	**3.8**	**2.4**	**2.9**
Commerce, restaurants and hotels	115.2	118.7	120.7	14.6	13.2	3.8	4.0	3.0	1.7
Financial institutions, insurance, real estate and business services	117.6	121.4	132.6	11.7	11.6	2.1	6.2	3.2	9.2
Ownership of dwellings	143.6	146.9	150.3	4.8	5.4	3.1	3.0	2.3	2.3
Community, social and personal services	126.3	127.7	126.8	14.6	13.9	1.7	1.8	1.2	-0.7
Government services	117.9	117.5	114.9	9.1	7.8	2.4	1.0	-0.3	-2.2
Import duties	122.2	132.4	134.0	4.1	4.1	46.2	21.9	8.4	1.1
Less: Adjustment for bank service charges	113.1	119.5	156.0	3.0	3.6	4.0	16.0	5.7	30.5

Source: ECLAC, on the basis of official figures.

[a] The original figures were reweighted in accordance with the 1980 current price structure. Consequently, the figures shown here do not necessarily coincide with those published by the countries based on their calculations at constant prices. [b] Preliminary figures.

Table 6

ECUADOR: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Value of production							
Indexes (1980=100)							
Crop farming	147.8	153.6	151.3	5.9	7.1	3.9	-1.5
Livestock	133.7	138.5	139.5	7.0	2.0	3.6	0.7
Forestry	124.2	128.0	133.2	-3.9	1.7	3.1	4.1
Fishing and hunting	374.4	410.7	376.6	12.3	10.6	9.7	-8.3
			Production				
			(Thousands of tons)				
Main products							
Bananas	3 525	3 995	4 422	18.6	15.4	13.3	10.7
Coffee	139	138	137	4.7	3.0	-0.7	-0.7
Cocoa	101	94	83	16.9	4.1	-6.9	-11.7
Sugar cane	3 661	3 591	4 073	11.7	12.4	-1.9	13.4
Cotton	34	33	21	12.1	-8.1	-2.9	-36.4
Soya	172	137	143	9.2	3.0	-20.3	4.4
African palm	873	902	947	-7.4	4.4	3.3	5.0
Rice	848	1 030	1 240	-3.1	1.0	21.5	20.4
Wheat	25	24	26	15.4	-16.7	-4.0	8.3
Hard maize	408	423	487	-2.9	9.1	3.7	15.1
Soft maize	111	99	94	-17.3	22.0	-10.8	-5.1
Barley	45	45	44	-25.0	7.1	0.0	-2.2
Potatoes	372	497	428	1.9	0.8	33.6	-13.9
Primary products							
Beef	125	129	133	28.4	2.5	3.2	3.1
Poultry	76	81	90	16.7	8.6	6.6	11.1
Milk[b]	1 577	1 633	1 714	12.1	2.8	3.4	5.0
			Area harvested				
			(Thousands of hectares)				
Main products							
Bananas	169	185	204	9.2	18.2	9.5	10.3
Coffee	404	400	397	-0.2	-0.7	-1.0	-0.8
Cocoa	332	327	330	0.3	0.9	-1.5	0.9
Sugar cane	49	48	55	4.8	11.4	-2.0	14.6
Cotton	30	35	21	3.3	-3.2	16.7	-40.0
Soya	91	84	81	2.4	8.3	-7.7	-3.6
African palm	69	65	65	7.3	16.9	-5.8	0.0
Rice	284	310	356	-3.2	5.6	9.2	14.8
Wheat	37	41	38	-	-2.6	10.8	-7.3
Hard maize	293	320	329	-0.7	6.9	9.2	2.8
Solf maize	181	181	178	-1.2	9.7	0.0	-1.7
Barley	60	62	64	-3.6	13.2	3.3	3.2
Potatoes	52	64	57	4.1	2.0	23.1	-10.9
Total	**2 051**	**2 122**	**2 175**	**0.4**	**5.3**	**3.5**	**2.5**

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador, the Ministry of Agriculture and Livestock, and the National Development Council (CONADE).

[a] Preliminary figures. [b] Millions of litres.

Table 7
ECUADOR: FISHERY PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Value of production [b] **Indexes** (1980=100)	**374.4**	**410.7**	**376.6**	**12.3**	**10.6**	**9.7**	**-8.3**
		Exports (Thousands of tons)					
Shrimp	79.0	86.8	72.6	14.0	49.6	9.9	-16.4
Tunnyfish	16.3	15.0	16.3	-14.1	-47.4	-8.0	8.7
Other fish	13.1	12.4	18.9	-2.1	-6.4	-5.3	52.4
Fish meal	22.6	14.6	27.3	-71.5	8.1	-35.4	87.0
Canned tunnyfish	5.5	10.2	8.8	57.9	-8.3	85.5	-13.7
Other processed and unprocessed marine products	13.3	22.7	34.0	44.0	-7.6	70.7	49.8

Source: ECLAC, on the basis of figures supplied by the National Development Council (CONADE), the Department of Fisheries and the Central Bank of Ecuador.
[a] Preliminary figures. [b] Includes hunting and fishing.

Table 8
ECUADOR: THE PETROLEUM INDUSTRY

	Millions of barrels			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Crude petroleum							
National production	109.6	117.1	125.4	2.9	3.4	6.8	7.1
Total demand	**110.6**	**117.1**	**125.4**	**3.1**	**4.6**	**5.9**	**7.1**
Refinery consumption	45.5	46.4	45.9	9.9	4.8	2.0	-1.1
Exports	65.3	74.4	79.7	-2.2	4.7	14.0	7.1
Changes in stocks	1.4	-3.7	-0.1				
Petroluem products							
Supply of petroleum products	47.6	46.2	46.5	7.4	6.0	-2.9	0.6
Production of petroleum products	44.9	43.2	44.1	7.7	6.7	-3.8	2.1
Imports of petroleum products	2.7	3.0	2.4	3.7	-3.6	11.1	-20.0
Demand for petroleum products	**45.9**	**45.8**	**47.0**	**6.8**	**7.7**	**-0.2**	**2.6**
Domestic consumption	36.5	38.5	37.5	4.4	10.9	5.5	-2.6
Gasoline	11.5	11.9	11.7	2.9	7.5	3.5	-1.7
Other	25.0	26.6	25.8	5.2	12.6	6.4	-3.0
Exports	9.4	7.3	9.6	15.5	-3.1	-22.3	31.5
Changes in stocks	1.7	0.5	-0.5				

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures.

Table 9
ECUADOR: MANUFACTURING PRODUCTION

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Food products	**83.4**	**87.2**	**88.2**	**55.5**	**33.2**	**-1.2**	**-**	**4.6**	**1.2**
Meat and fish	79.6	85.2	92.0	11.4	6.2	-8.1	3.9	7.0	8.0
Cereals and bakery goods	96.8	105.3	111.9	7.2	5.4	3.4	2.4	8.8	6.2
Sugar	55.4	54.0	55.8	6.0	2.4	8.0	-8.3	-2.5	3.4
Miscellaneous	81.8	84.3	88.6	15.5	9.0	5.6	-5.5	3.1	5.1
Beverages	95.9	99.3	98.8	12.9	8.9	-6.8	4.7	3.5	-0.5
Processed tobacco	74.5	78.5	85.4	2.5	1.3	-6.5	-0.5	5.4	8.8
Textiles, clothing and leather products	113.3	114.0	115.5	27.2	20.9	-2.2	-0.1	0.6	1.3
Wood and wood products	95.2	98.9	103.2	7.1	5.2	-0.4	0.8	3.9	4.4
Paper and printed matter	162.7	167.0	168.2	7.9	8.9	21.4	7.0	2.6	0.7
Chemicals, pastics and related products	108.8	118.8	124.6	8.3	7.0	-9.5	0.9	9.2	4.9
Non-metallic minerals and basic metal industries	104.3	114.4	121.5	14.2	12.3	5.4	6.0	9.7	6.2
Machinery, equipment and other manufactures	210.3	222.3	230.1	8.1	12.6	2.1	10.0	5.7	3.5

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures.

Table 10
ECUADOR: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports of goods								
Value	-24.8	-7.5	9.0	6.9	15.3	5.0	5.5	-3.5
Volume	6.2	-18.0	31.2	-3.4	13.7	12.6	7.0	0.4
Unit value	-29.1	12.7	-17.0	10.7	1.4	-6.7	-1.4	-3.9
Imports of goods								
Value	2.0	25.0	-22.9	6.9	1.1	29.0	-7.2	13.5
Volume	-0.3	20.1	-17.4	4.9	-5.3	20.2	-8.2	14.8
Unit value	2.3	4.1	-6.7	2.0	6.7	7.3	1.1	-1.2
Terms of trade (goods), f.o.b./c.i.f.	-30.8	8.7	-11.9	9.1	-5.3	-12.8	-3.2	-2.6
	Indexes (1980=100)							
Purchasing power of exports of goods	122.2	109.0	125.9	132.7	142.8	140.2	145.2	142.0
Volume of exports	154.9	127.1	166.8	161.1	183.2	206.3	220.6	221.5
Volume of imports	107.5	129.1	106.7	111.9	106.0	127.4	116.9	134.3
Terms of trade (goods), f.o.b./c.i.f.	78.9	85.7	75.5	82.4	78.0	68.0	65.8	64.1

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 11
ECUADOR: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-630**	**-1 256**	**-633**	**-611**	**-273**	**-577**	**-110**	**-490**
Trade balance	370	-223	475	575	917	521	866	467
Exports of goods and services	2 630	2 445	2 644	2 871	3 253	3 408	3 624	3 546
Goods f.o.b.	2 186	2 021	2 202	2 354	2 714	2 851	3 008	2 903
Real services [b]	444	424	442	517	539	557	616	643
Transport and insurance	186	179	200	234	242	241	263	251
Travel	170	167	173	187	188	189	192	230
Imports of goods and services	2 260	2 668	2 169	2 296	2 336	2 887	2 758	3 079
Goods f.o.b.	1 643	2 054	1 583	1 693	1 711	2 207	2 048	2 325
Real services [b]	617	614	586	603	625	680	710	754
Transport and insurance	301	317	294	300	316	374	387	401
Travel	156	170	167	169	175	177	178	190
Factor services	-1 000	-1 033	-1 108	-1 186	-1 190	-1 098	-976	-957
Profits	-126	-130	-130	-120	-125	-128	-130	-147
Interest received	29	25	15	19	24	30	29	26
Interest paid or due	-781	-795	-860	-967	-952	-852	-704	-652
Labour and property	-122	-133	-133	-118	-137	-148	-171	-184
Unrequited private transfer payments	-	-	-	-	-	-		-
Balance on capital account	**424**	**1 156**	**652**	**800**	**549**	**741**	**132**	**962**
Unrequited official transfer payments	45	132	97	97	107	110	120	130
Long-term capital	645	358	157	356	-422	-506	...	...
Direct investment	70	75	80	80	82	85	95	115
Portfolio investment	-	-	-	-	-	-	...	...
Other long-term capital	575	283	77	276	-504	-591	...	...
Official sector [c]	646	272	59	237	-516	-594	...	...
Loans received	2 822	1 711	1 762	1 583	762	730	...	...
Amortization payments	-2 160	-1 431	-1 698	-1 331	-1 268	-1 314	...	...
Commercial banks [c]	-1	-	-1	1	1	1	...	...
Loans received	-	-	-	-	-	-	...	...
Amortization payments	-	-	-	-	-	-	...	...
Other sectors [c]	-70	11	19	38	11	2	...	...
Loans received	13	20	57	63	30	27	...	...
Amortization payments	-83	-7	-36	-25	-19	-25	...	...
Short-term capital	17	888	542	280	740	954	...	...
Official sector	46	-55	235	-168	-79	-13	...	...
Commercial banks	-6	50	-11	-36	-26	-12	...	...
Other sectors	-23	893	318	484	845	979	...	...
Errors and omissions (net)	-284	-222	-144	67	124	183	...	...
Global balance [d]	**-207**	**-100**	**19**	**189**	**276**	**164**	**22**	**472**
Total variation in reserves (- sign indicates an increase)	247	169	-46	-199	-252	-168	-22	-472
Monetary gold	-	-	-	-	-	-	...	...
Special drawing rights	-27	55	-	-	-14	-27	41	...
IMF reserve position	-	-	-	-	-	-	-24	...
Foreign exchange assets	147	107	38	-124	-168	-60	-193	...
Other assets	-	4	2	4	-10	1	...	...
Use made of IMF credit	127	3	-85	-80	-60	-82	-83	...

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign), plus counterpart items.

Table 12

ECUADOR: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rates [a] (sucres per dollar)			Real effective exchange rate indexes [b] (1985=100) based on consumer price index [c]	
	Official market [d]	Regulated market	Parallel market	Exports	Imports
1978	25		27	76.1	88.4
1979	25		28	77.2	88.4
1980	25	27	28	77.7	86.1
1981	25	28	31	71.6	77.3
1982	30	34	50	75.3	80.0
1983	44	83	84	74.9	77.4
1984	63	93	96	102.0	102.7
1985	71	97	116	100.0	100.0
1986	96	123	151	110.4	118.5
1987	96	170	194	126.6	141.2
1988	195	302	436	148.3	169.5
1989	390	526	568	151.9	173.6
1990	390	768	822	160.6	188.2
1991	390	1 046	1 101	153.3	177.5
1992	390	1 534	1 595	152.2	177.1
1993	390	1 912	1 912	133.8	156.6
1992					
I	390	1 294	1 341	153.2	177.0
II	390	1 371	1 443	146.1	170.0
III	390	1 574	1 690	152.5	179.2
IV	390	1 897	1 905	157.1	182.1
1993					
I	390	1 854	1 854	143.2	165.3
II	390	1 900	1 900	135.3	159.2
III	390	1 942	1 942	131.8	155.6
IV	390	1 950	1 950	124.9	146.1

Source: ECLAC, on the basis of information from the Central Bank of Ecuador and from the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Refers to the average of the buyer's and seller's rates in the official market and the regulated market, and to the seller's rate in the parallel market. [b] Corresponds to the average of the real exchange rate indexes for the sucre *vis-à-vis* the currencies of Ecuador's main trading partners, weighted by the relative significance of exports or imports to or from those countries, as appropriate. These weightings correspond to the average for the period 1989-1992. The exchange rate used for Ecuador was as follows: up to 1983 the official quotation was used; in 1984, an average of the official and regulated market rates was used; from 1985 onward, the latter rate only was used. For further information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981. [c] The consumer price index was used in the calculations for all the countries. [d] The exchange rate used for accounting purposes for the financial statement of the Central Bank of Ecuador, from 28 January 1986 onward.

Table 13
ECUADOR: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**2 851**	**3 007**	**2 904**	**100.0**	**100.0**	**100.0**	**15.3**	**5.1**	**5.5**	**-3.4**
Primary products	**2 512**	**2 648**	**2 397**	**88.1**	**88.1**	**82.6**	**15.7**	**7.1**	**5.4**	**-9.5**
Crude petroleum	1 059	1 251	1 149	37.1	41.6	39.6	21.9	-15.8	18.1	-8.2
Coffee	85	60	74	3.0	2.0	2.5	-26.7	-18.8	-29.0	23.0
Shrimp	491	526	451	17.2	17.5	15.5	3.7	44.4	7.0	-14.2
Bananas	716	647	503	25.1	21.5	17.3	26.6	53.0	-9.6	-22.2
Cocoa	54	35	43	1.9	1.2	1.5	34.3	-28.1	-34.7	24.3
Other	108	129	176	3.8	4.3	6.1	1.6	7.8	19.8	36.6
Manufactured products	**339**	**359**	**507**	**11.9**	**11.9**	**17.4**	**12.7**	**-8.1**	**5.8**	**41.1**
Petroleum products	93	86	104	3.3	2.9	3.6	31.0	-38.1	-7.5	21.4
Processed marine products[b]	39	50	80	1.4	1.7	2.7	-29.8	-1.4	27.4	59.4
Processed cocoa products	59	39	34	2.1	1.3	1.2	6.6	5.0	-34.1	-12.7
Processed coffee	25	20	27	0.9	0.7	0.9	29.2	-1.3	-21.2	36.1
Other	123	164	261	4.3	5.5	9.0	16.3	26.4	33.8	59.3

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures. [b] Includes fish meal and other products.

Table 14
ECUADOR: EXPORT VOLUMES OF MAIN PRODUCTS

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Petroleum[b]	65	74	80	-2.2	4.8	14.5	7.5
Coffee	65	60	68	-7.3	-27.0	-7.2	12.8
Bananas	2 714	2 618	2 363	25.0	23.3	-3.5	-9.8
Cocoa	50	35	44	44.7	-26.5	-31.0	27.5
Shrimp	79	87	73	15.2	49.1	9.9	-15.9
Processed cocoa products	43	32	27	21.2	7.5	-26.3	-14.8
Petroleum products[b]	9	7	9	15.5	-10.0	-17.8	22.3
Processed marine products[c]	41	37	61	-56.4	-	-9.3	64.7

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures. [b] Millions of barrels. [c] Includes fish meal, canned tunnyfish and other marine products.

Table 15

ECUADOR: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**2 399**	**2 430**	**2 562**	**100.0**	**100.0**	**100.0**	**-0.1**	**28.8**	**1.3**	**5.4**
Consumer goods	**255**	**397**	**585**	**10.6**	**16.3**	**22.8**	**-3.1**	**42.6**	**55.9**	**47.3**
Non-durable	166	167	246	6.9	6.9	9.6	-27.3	66.7	0.7	47.4
Durable	89	230	339	3.7	9.5	13.2	66.5	12.4	158.8	47.2
Raw materials and intermediate goods	**1 253**	**1 116**	**1 029**	**52.3**	**45.9**	**40.2**	**2.0**	**16.7**	**-11.0**	**-7.8**
For agriculture	115	114	83	4.8	4.7	3.3	-5.9	34.5	-1.0	-26.5
For industry	989	835	783	41.2	34.4	30.6	-3.4	22.0	-15.6	-6.3
Construction materials	58	66	74	2.4	2.7	2.9	64.4	-32.8	15.0	12.5
Fuels and lubricants	92	101	88	3.8	4.1	3.4	29.2	-0.1	9.8	-12.6
Capital goods	**889**	**915**	**946**	**37.1**	**37.7**	**36.9**	**-1.9**	**46.8**	**2.9**	**3.3**
For agriculture	23	20	18	1.0	0.8	0.7	88.8	-10.0	-11.1	-12.3
For industry	531	549	607	22.1	22.6	23.7	-3.4	41.3	3.3	10.6
Transport equipment	335	346	321	14.0	14.3	12.5	-4.9	63.9	3.3	-7.3
Other	1	2	2	0.1	0.1	0.1	-59.2	-65.7	72.8	13.3

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.

[a] Preliminary figures.

Table 16
ECUADOR: EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total external debt [b]	**9 063**	**10 320**	**10 581**	**11 322**	**11 856**	**12 271**	**12 122**	**12 806**
Medium- and long-term	8 410	9 442	9 796	10 781	11 463	12 005	11 958	12 713
Central Bank debt [c]	653	878	785	541	393	266	164	93
Debt service								
Refinanced [d]	1 844	1 392	1 397	1 404	1 168	1 052	1 033	1 041
Principal	1 844	930	863	877	737	692	699	693
Interest	...	462	534	527	431	360	334	348
Effective	1 127	783	1 139	858	1 012	1 101	1 178	942
Principal	399	507	871	478	551	647	826	647
Interest	728	276	268	380	461	454	352	295
Total disbursements [e]	2 835	1 731	1 819	1 646	792	757	950	1 004
	Annual growth rates							
Total external debt [b]	11.7	13.9	2.5	7.0	4.7	3.5	-1.2	5.6
Medium- and long-term	13.1	12.3	3.7	10.1	6.3	4.7	-0.4	6.3
Central Bank debt [c]	-2.8	34.5	-10.6	-31.1	-27.4	-32.3	-38.3	-43.3
Debt service								
Refinanced [d]	57.3	-24.5	0.4	0.5	-16.8	-9.9	-1.8	0.8
Principal	57.3	-49.6	-7.2	1.6	-16.0	-6.1	1.0	-0.9
Interest	...	...	...	...	...	...	...	...
Effective	7.8	-30.5	45.5	-24.7	17.9	8.8	7.0	-20.0
Principal	68.4	27.1	71.8	-45.1	15.3	17.4	27.7	-21.7
Interest	-9.9	-62.1	-2.9	41.8	21.3	-1.5	-22.5	-16.2
Total disbursements [e]	53.9	-38.9	5.1	-9.5	-51.9	-4.4	25.5	5.7
	As percentages of exports of goods and services							
Total external debt	344.6	422.1	400.2	394.4	364.5	360.1	334.5	361.1
Effective service	42.9	32.0	43.1	29.9	31.1	32.3	32.5	26.6
Net interest [f]	28.6	31.5	32.0	33.0	28.5	24.1	18.6	17.7
Effective service/disbursements	39.8	45.2	62.6	52.1	127.8	145.4	124.0	93.8

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures. [b] Year-end balances. [c] Includes loans from the Andean Reserve Fund (ARF) and, under the terms of the Santo Domingo Agreement, the debt owed to the International Monetary Fund (IMF) and advance payments for petroleum. [d] Includes arrears. [e] Includes the amounts refinanced during the relevant years. [f] Corresponds to net interest as it appears on Ecuador's balance of payments (see table 11).

Table 17
ECUADOR: CONSUMER PRICE INDEX [a]

	1986	1987	1988	1989	1990	1991	1992	1993
	Variation from December to December							
Consumer price index	27.3	32.5	85.7	54.2	49.5	49.0	60.2	31.0
Food	26.5	33.3	95.2	59.7	51.2	47.0	57.0	29.7
	Variation between annual averages							
Consumer price index	23.0	29.5	58.2	75.6	48.5	48.8	54.6	45.0
Food	23.2	28.7	64.3	88.0	47.5	48.7	54.0	41.8

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] National consumer price index for urban areas.

Table 18

ECUADOR: REAL MINIMUM WAGES

(Indexes: January 1990 = 100)

	Without additional payments	With additional payments	Growth rates	
			Without additional payments	With additional payments
1989	99.4	95.5	-19.5	-21.6
1990	82.9	86.7	-16.5	-9.2
1991	69.6	75.4	-16.0	-13.0
1992	57.4	75.5	-17.6	0.1
1993	48.5	86.7	-15.4	14.8

Source: ECLAC, on the basis of official figures.

Table 19

ECUADOR: NON-FINANCIAL PUBLIC-SECTOR INCOME AND EXPENDITURE

	Billions of sucres			Percentages of GDP			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
1. **Current income**	**3 127**	**5 007**	**7 289**	**25.6**	**25.7**	**26.1**	**64.4**	**39.9**	**60.1**	**45.6**
Petroleum revenue	1 084	1 868	2 378	8.9	9.6	8.5	94.6	14.1	72.3	27.3
Non-petroleum revenue	1 670	2 543	3 830	13.7	13.1	13.7	41.7	54.3	52.3	50.7
Public-enterprise surplus	374	596	1 081	3.1	3.1	3.9	88.9	83.1	59.6	81.2
2. **Current expenditure**	**2 279**	**3 810**	**5 315**	**18.7**	**19.6**	**19.0**	**53.9**	**41.6**	**67.2**	**39.5**
3. **Current balance** (1 - 2)	**848**	**1 197**	**1 974**	**7.0**	**6.2**	**7.1**				
4. **Capital expenditure**	**971**	**1 526**	**2 076**	**8.0**	**7.8**	**7.4**	**59.6**	**57.5**	**57.1**	**36.1**
5. **Total expenditure** (2+4)	**3 250**	**5 335**	**7 391**	**26.6**	**27.4**	**26.5**	**55.5**	**46.0**	**64.1**	**38.5**
6. **Fiscal balance** (1 - 5)	**-123**	**-329**	**-102**	**-1.0**	**-1.7**	**-0.4**				

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures.

Table 20
ECUADOR: MONETARY INDICATORS

	Year-end balances (Billions of sucres)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Money (M1)	1 039	1 502	2 237	52.2	46.5	44.5	49.0
Currency outside banks	380	591	846	54.9	40.7	55.7	43.1
Demand deposits	660	911	1 391	50.6	50.0	38.0	52.7
Quasi-money	1 174	1 953	2 974	81.3	62.3	66.3	52.3
Money plus quasi-money (M2)	2 213	3 455	5 211	65.6	54.5	56.1	50.8
		Coefficients					
Monetary multipliers							
M1/Monetary base	1.40	1.28	1.38				
M2/Monetary base	2.98	2.95	3.22				
Liquidity coefficient [b]							
M1/GDP	8.5	7.7	8.0				

Source: ECLAC, on the basis of figures supplied by the Central Bank of Ecuador.
[a] Preliminary figures. [b] Percentages.

Table 21
ECUADOR: INTEREST RATES
(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]	
	On loans	On deposits	On loans	On deposits	On loans	On deposits
1990						
I	42.1	36.0	-12.9	-16.7	-6.3	-10.3
II	42.7	36.0	-3.3	-7.8	8.8	3.7
III	45.2	39.0	4.7	0.2	0.1	-4.2
IV	44.2	39.0	-3.4	-6.9	16.0	11.8
1991						
I	40.0	43.0	-13.2	-11.4	-8.9	-6.9
II	39.0	45.7	-5.9	-1.3	15.1	20.7
III	41.9	49.0	-0.4	4.6	1.8	6.9
IV	45.3	49.0	0.8	3.3	-15.5	-13.4
1992						
I	46.8	48.7	-3.3	-2.1	27.0	28.7
II	46.2	51.9	-10.7	-7.2	5.0	9.1
III	56.0	66.5	-16.7	-11.1	-41.9	-44.5
IV	40.5	60.8	-0.8	13.6	26.5	44.8
1993						
I	31.8	50.4	-3.5	10.1	35.0	54.1
II	38.5	47.4	-6.4	-0.3	8.1	15.1
III	38.6	51.2	17.6	28.2	27.5	39.0
IV	26.1	39.2	2.1	12.7	3.6	14.4

Source: ECLAC, on the basis of official figures and information from the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices during the same period. [b] Ratio between nominal rates and the rate of devaluation during the same period.

EL SALVADOR

1. General features of economic trends

In general terms, the economy of El Salvador performed well in 1993, taking into consideration the growth of 5% in the gross domestic product (GDP), the decrease in the inflation rate to 12% and the narrowing of the fiscal deficit to 3% of GDP. Productive activity developed favourably against the backdrop of the consolidation of economic adjustment policies and in a climate created by the signing of the peace agreements in 1992. These agreements neutralized the relative uncertainty generated at the end of 1993 by the opening of the 1994 presidential election campaign. The transition from the conflict to the peace process required a large effort on the part of society to find new ways of settling political differences, concluding social agreements and laying the groundwork for the reintegration of all ex-combatants into civilian life. This process, and the strengthening of democratic institutions, exerted a degree of pressure on public finances, even though the country received support from the international community for the implementation of its National Reconstruction Plan.

2. Economic policy

Macroeconomic stabilization continued to be an economic policy objective, following the resurgence of inflation in the previous year. In response to the pressure on prices, a restrictive monetary policy was adopted, which reduced the level of liquidity in the economy stemming from the constant inflow of external resources designed to strengthen the peace process. The goal of fiscal policy was to narrow the gap between spending and income through increased tax receipts and the rationalization of public spending. These measures helped to stabilize prices.

a) Fiscal policy

The total non-financial public sector deficit fell to 3.3% of GDP, a figure significantly below the target of 5.4% set for 1993 and the 1992 figure of 5.9%. Even if donations received are counted as income, the deficit (1.6%) was lower than the target (3%) and the previous year's deficit (4.1%). In order to achieve this result, current saving by the central Government was increased and consolidated through higher tax receipts and tighter control over spending. In addition, much of the programmed capital expenditure was not carried out. The quasi-fiscal deficit grew to 0.8% of GDP owing to losses sustained by the Central Reserve Bank in carrying out foreign exchange operations; these came in addition to the costs incurred in the process of reforming the financial institutions.

Tax revenue was higher than in 1992, so that the tax share of GDP continued to grow, reaching 9.4%; however, this ratio is still smaller than it was in the 1980s. A number of measures adopted to improve fiscal management, widen the tax base and curb tax evasion contributed to this increase. In particular, the Main Taxpayers, a unit encompassing 1,000 large contributors, was strengthened; a database was set up which makes it possible to cross-tabulate various sources of income, and the Fiscal Delinquency Act was passed.

There was a notable increase in income tax revenue, the tax having been extended to include income from coffee-growing. In this context, mention should be made of the entry into force of

the value-added tax (VAT), instituted in September 1992, which accounted for more than 40% of tax revenue. In addition the VAT base was widened and the cost of motor vehicle registration doubled.

In the foreign trade sphere, an increase in imports was reflected in higher tariff revenue; in addition, the tax exemptions that had been applied to the imports of several State enterprises were eliminated. On the other hand, export duties amounted to only 9 million colones (0.1% of the total).

It had been expected that capital income would total 150 million colones. However, as the targets for the sale of assets laid down in the privatization programme were not met, such income amounted to only 2 million colones.

As part of the measures to streamline current expenditure, the hiring freeze was maintained, and the decrees concerning voluntary and early retirement continued to be applied. Nevertheless, current spending increased in response to the financing needs of institutions set up under the peace agreements, some of which have replaced

Figure 1
EL SALVADOR: MAIN ECONOMIC INDICATORS

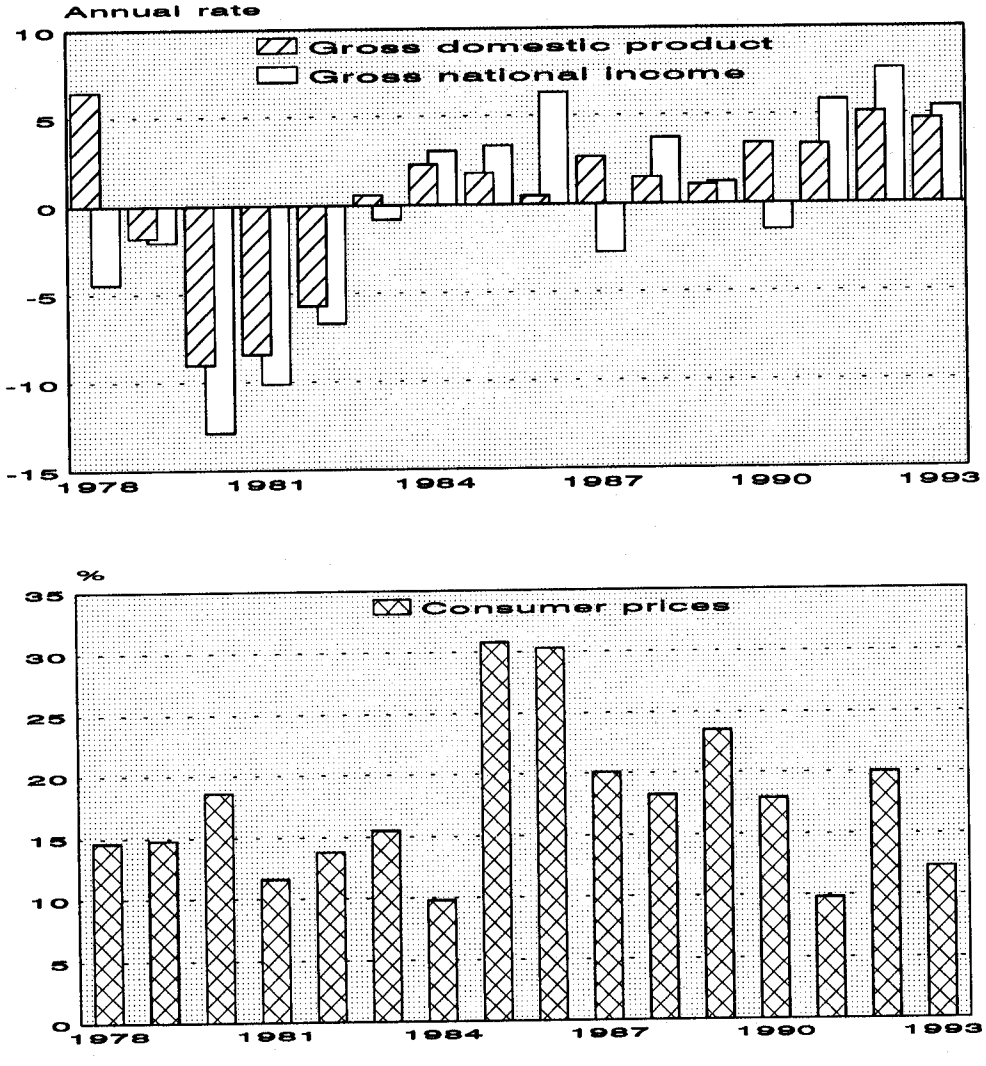
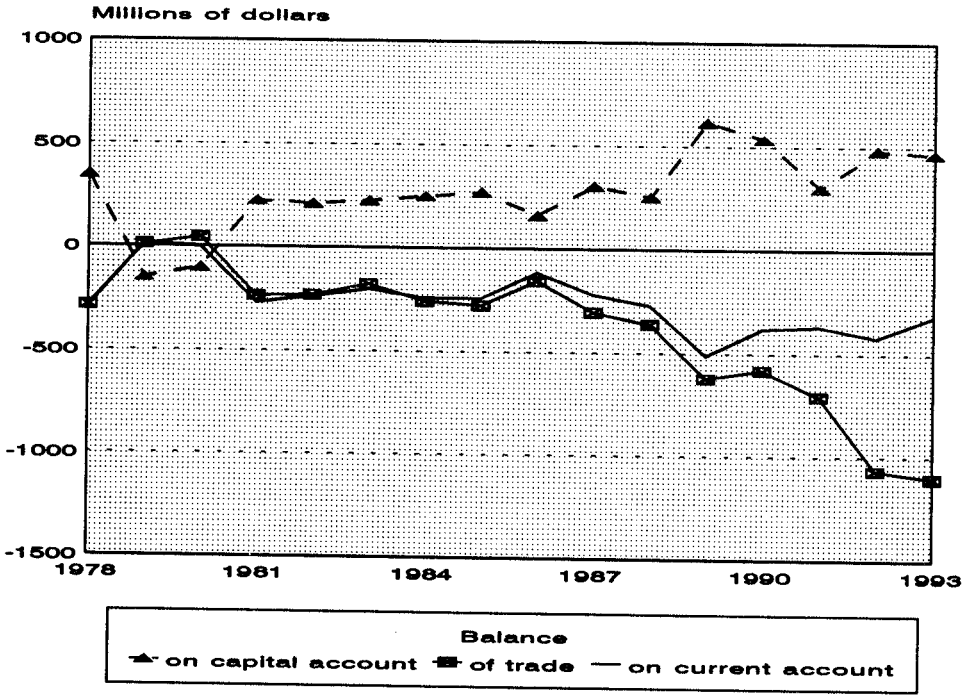
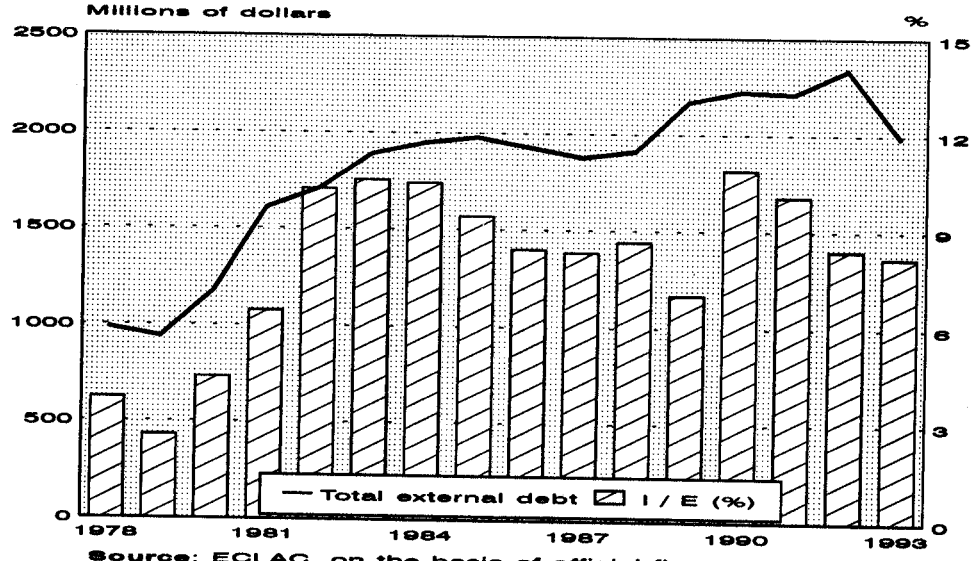


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest; E = Exports of goods and services.

other institutions that are to be eliminated gradually. The National Police is a case in point: while its disbandment is scheduled for 1994, personnel are already being recruited for the National Civil Police. Teachers and health care supervisors were also hired. Despite the nominal increase in expenditure, its nominal share of GDP fell, while that of current income increased; accordingly, the central Government managed, for the first time in the past seven years, to close out the year with a positive current saving balance.

Public sector investment fell to 4% of GDP, although a target of 6.2% had been set. This was partly due to the fact that the external resources allocated to reconstruction were not fully disbursed, and to limited project execution capacity. In some cases, donor countries imposed certain conditions, while in others, a large share of the funds were channelled to non-governmental organizations. This was due to a trend encouraged by the implementation of a policy to decentralize public expenditure; this policy was in turn reflected in an increase in transfer payments. Public investment was concentrated on the financing of the National Reconstruction Plan, the Social Investment Fund and such traditional projects as electricity generation, aqueduct construction and expansion of the telephone system, as well as facilities for the forthcoming Central American Games.

Although total spending represented only around 16% of GDP, its financing depended largely on external funds. Current saving was sufficient to cover 20% of capital expenditure. Since the Central Bank granted net credit through very short-term loans, in accordance with the provisions of its charter, the credit granted to the Government by the Central Bank was equivalent to a Treasury advance; the Government's fulfilment of its obligations enabled the Bank to close out the year with a positive balance. In fact, the total deficit was financed completely from external funds, of which 47% constituted grants and donations.

b) Monetary and exchange rate policy

At the start of 1993, the economy continued to be subject to strong inflationary pressure, as had been the case in the previous year, when monetary aggregates had increased substantially. As in 1992, the expansion in international reserves and domestic credit to the private sector were the main sources of increased liquidity, although their relative importance varied; the percentage increase in credit to the private sector, which had been predominant in 1992, was lower than the increase in reserves. At mid-year a credit fund was set up for investment, the financing of export projects and the retooling of industry and services.

In order to mitigate inflationary pressures, the monetary authorities took various steps to control liquidity; in particular, they resorted to raising the legal reserve requirement and issuing and selling certificates of indebtedness, as well as to open-market operations by the Central Bank.

In March an additional reserve requirement of 5% was decreed, which was applied in a graduated way on up to 30% of sight deposits. The fortnightly increases of 1% were discontinued in May and the final 1% became effective only in August, in response to new indexes of excess liquidity. The reserve requirement applied to savings and time deposits reached 20%. In addition, it was decided that interest would be paid on 5% of that reserve requirement at a rate of three-quarters of the basic rate on deposits. In April a minimum investment ratio was adopted, equivalent to 5% of the deposits held by banks and financial institutions in Central Bank securities (Monetary Stabilization Certificates), with an interest rate of 14%. From September onward this rate was gradually reduced, with a view to its reaching 1% by December and to eliminating it in January.

Owing to this package of measures, the increase in the money supply was controlled more successfully than in the previous year; the money supply expanded by only 11%, which implies a shrinkage in real terms. As a result, the ratio between money and GDP was reduced, as was the cash share of the monetary base. On the other hand, quasi-money grew by 33%, fuelled, in particular, by the entry of private capital, which strengthened the incipient process of consolidation of the financial markets that had begun to emerge in recent years.

The success of the restrictive monetary policy translated into higher rates of interest than those which had prevailed in 1992. The rates were highest in the first half of the year, continuing the upward trend initiated in the last quarter of 1992. In April, lending rates exceeded 20%, while the basic rate on deposits reached 16%. From May onward, the rates dipped slightly, with year-end averages of under 19% for lending rates and of 14% on deposits. The deposit rate represented an attractive dollar return on investments made in colones, as compared with interest rates in the international market.

Money market conditions, influenced by the growing inflow of foreign currency, were reflected in the foreign exchange market, where Central Bank policy was aimed at maintaining a free and unified market in which it could intervene to avoid speculative fluctuations in the exchange rate. The inflow of foreign currency slowed the upward trend in the exchange rate registered at the end of 1992; the exchange rate fell slightly in the first half of the year and stabilized during the second half. Accordingly, the annual average was only 4% higher than that of the previous year, signifying an appreciation in the national currency of around 10% in real terms.

c) Trade policy

The trade negotiations undertaken by El Salvador led in February to the signing of a framework agreement with Colombia and Venezuela. El Salvador also initiated talks with Mexico, while the subregional integration process continued. In October, the Guatemala Protocol to the General Treaty on Central American Economic Integration was adopted, in which the objective of forming an economic union with Guatemala and Honduras was reaffirmed; in April, these countries were joined by Nicaragua through the Managua Agreement. The United States maintained the preferential treatment granted to El Salvador under the Generalized System of Preferences.

3. Trends in the main variables

a) Economic activity

Despite the restrictive measures adopted by the monetary authorities and the containment of public spending, aggregate demand grew by over 3%, although this rate represents a notable decrease over the previous year (8%). The difference resides, in part, in the reduction of consumption and the smaller growth of public sector investment, which a year earlier had exceeded the growth of all other components of total demand. Moreover, the economic policy in force translated into lower growth rates for private expenditure, although such rates continued to be significant, especially in the case of investment (13%), which was favoured by the process of consolidating peace. External demand contributed almost as much as domestic demand to the expansion of aggregate demand, although, proportionally, external demand grew more (13%). This was due to the recovery of coffee exports and the stimulus provided by the Central American integration process, as reflected in higher sales of non-traditional products.

The increase in aggregate demand was met through increased purchases from abroad (9%) and, above all, the expansion of domestic output, which grew by nearly 5% –a rate very similar to that of a year earlier. This allowed for an increase of over 2% in per capita output. Gross national income grew by a larger percentage than output (5%), thanks to an improvement in the terms of trade and larger private transfer payments, as well as the decrease in net factor service payments.

Because of income growth, gross national saving, which had been increasing steadily since the beginning of the 1990s, was able to increase further, reaching 13% of GDP. This made it possible for the level of gross investment to remain at 18% of GDP, despite the smaller contribution from external saving, which, none the less, continued to finance a significant, if declining, share of domestic investment (nearly 30%).

Commerce (including restaurants and hotels) and manufacturing generated more than half the increase in domestic output. The most dynamic sectors were basic services, mining and construction.

The agriculture and livestock sectors, which accounted for one quarter of GDP, grew by nearly 3%, a percentage considerably lower than the 1992 rate (9%). The various crops showed fairly diverse trends. Those for domestic consumption were affected by adverse weather conditions and low producer prices in the previous cycle, which made such activity less profitable. As regards traditional export crops, the volume of coffee harvested remained at about the level reached in the previous year, despite the low prices recorded at the start of the 1992-1993 growing season. Sugar cane production fell by 7%, owing in part to a lack of investment in plant and equipment and to problems at the growing stage. In order to correct these problems, producers began to be paid in accordance with the quality of the cane, rather than the volume of sales. The sown cotton area continued to be much smaller than in the past, owing to high production costs and the losses sustained by this sector in the past decade.

Egg production recorded the highest growth; in contrast, milk output declined in the face of competition from imports of fresh and powdered milk from other countries in the region. The most important branch of the fishing sector continued to be coastal shrimp farming, in which external sales rose by 30%.

The performance of the industrial sector surpassed that of the previous year, with a growth of nearly 8%; a notable contribution to that result was made by the foodstuffs, beverages and tobacco industry, which accounts for two thirds of the manufacturing sector. The most dynamic branches of industry were textile products, which grew by 12%, followed by clothing, footwear and other leather goods, and paper and chemical products (particularly pharmaceuticals, which have found a good market in the countries of Latin America and the Caribbean), each of which expanded by around 10%. Output in the maquila industry, showed a vigour similar to that of the previous year; sales increased by nearly 70%, and significant expansion is expected in the future. Redevelopment projects were carried out in one of the duty-free zones, which is being privatized, and the construction of four others was completed.

The level of use of installed capacity remained unchanged. The climate of peace favoured economic activity and investment, although certain credit restrictions and high interest rates worked in the opposite direction. In addition, the efforts to ensure steady electricity generation had a positive influence on the industrial sector, whose use of electrical energy registered its highest growth in the past 15 years (14%).

Construction grew at a pace similar to that of the preceding year (10%), and this led to an increase in cement production and use. Unlike in 1992, the pace of activity slowed in the public works sector, while increasing in the private sector.

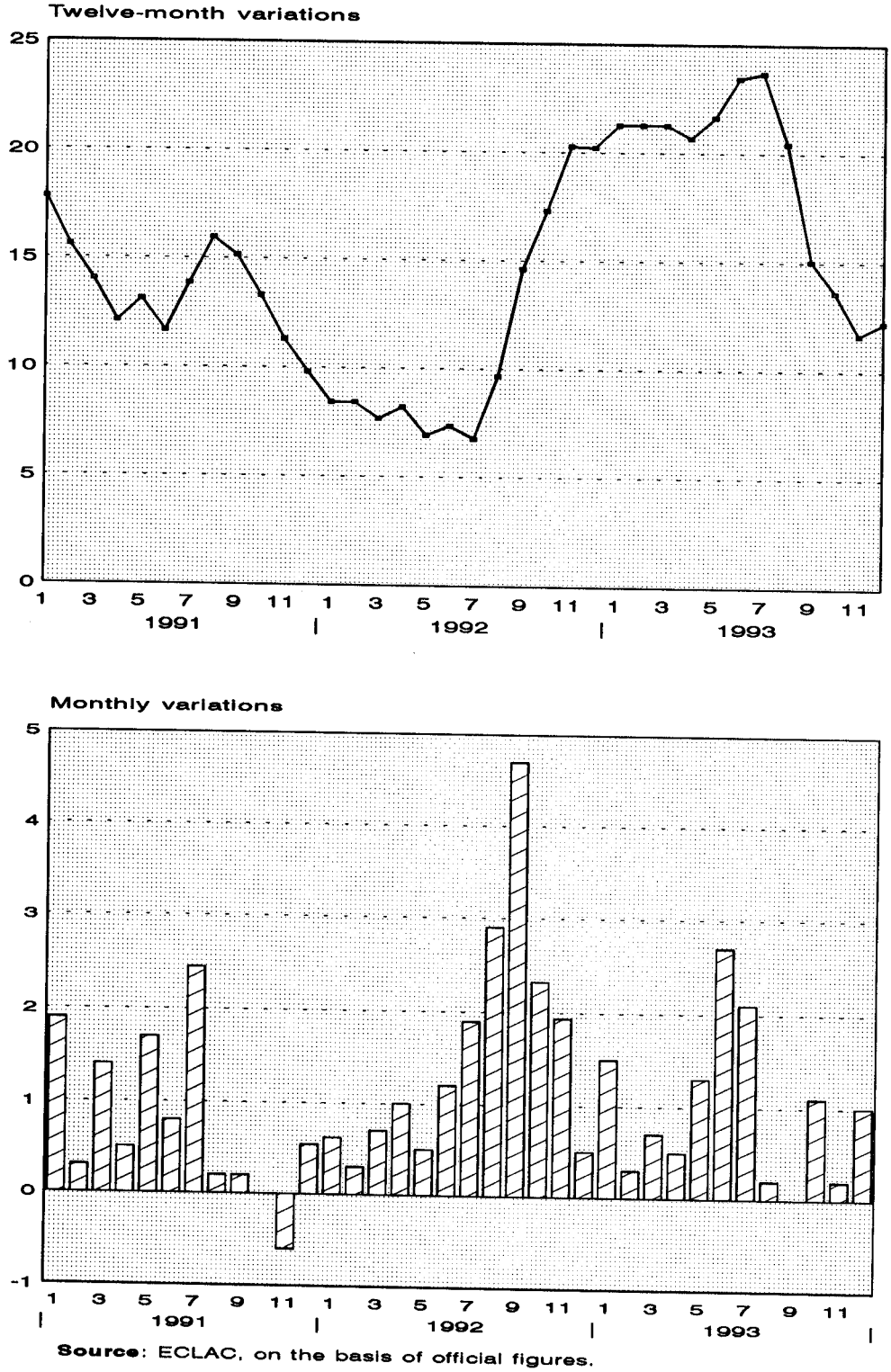
Services showing higher growth included electricity generation, especially from thermal sources, since the output from reservoirs remained low; road transport, which was stimulated by positive trends in domestic and foreign trade, and air services, expanded by the purchase of a regional company; wholesale and retail trade; and, to a lesser degree, activities supporting tourism, such as restaurants and hotels, whose activity was being normalized. Likewise, the expansionary trend in financial services was strengthened, in response to the nearly completed process of privatization and liberalization of the banks and financial institutions. On the other hand, owing to the reduction of current expenditure and the elimination of civil service jobs, public services contracted by 4%.

b) Prices, wages and employment

By the end of the year, the annual inflation target of 12% set in the monetary and financial stabilization programme had been reached, despite the increase in the price index for foodstuffs, beverages and tobacco in the second and third quarters; at year's end, this index had accumulated an increase of 21%. The highest monthly variations occurred in May, June and July, during the pre-harvest period, when the shortage of beans caused their price to double over that of the previous year. In the other categories (clothing, housing and miscellaneous), prices showed slight variations of 4% to 7%.

What made it possible to achieve the inflation target, apart from the impact of economic policy

Figure 2
EL SALVADOR: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

on demand, was an increase in supply, given that a significant portion of the additional demand for consumer goods, arising, in particular, from workers' remittances from abroad, was met by imports.

Wage trends varied from one sector to another. Nominal minimum wages in industry, commerce and services were readjusted in March, rising by 15% over the most recent increase, in June 1992. In the agricultural sector, wages rose by around 23%. Public employees, whose scheduled wage increase had been postponed in 1992, received two increases in 1993, one of 10%, which entered into force on 1 March, and another of 12% in October. In general, the largest adjustments were given in sectors which had accumulated lags in recent years. Despite this recovery, and the moderate rise in consumer prices, the loss accumulated in recent years in the purchasing power of wages was not entirely compensated for.

The urban unemployment rate appears to have remained at levels similar to those of the preceding triennium (around 8%), despite the reintegration into production of numerous ex-combatants and repatriated persons. It is estimated that, while the informal sector continues to absorb just under half the working population, its share of employment decreased, since the increase of 15% in social security contributions reflects higher employment in the formal sector. Likewise, some surveys of the business sector show that a moderate increase was registered in permanent employment, especially in construction. On the other hand, the instability of rural employment intensified; temporary employment during the harvest season was geared to the expectations of export crop markets. Moreover, 4,000 jobs were cut in the public sector.

The participation of workers, entrepreneurs and Government representatives in the Forum for Economic and Social Consultation, convened under the terms of the Peace Agreement, provided a climate of understanding in which to address labour relations.

c) The external sector

Thanks to larger inflows of private transfers from abroad, increased exports of goods and services and lower petroleum prices, the current-account deficit fell both in absolute terms and as a percentage of GDP (from 5.8% in 1992 to 4.2% in 1993). This deficit was financed from official transfers and a positive balance on capital account, which even allowed for the accumulation of US$ 144 million of international reserves.

The trade deficit increased slightly, to exceed US$ 1.1 billion. Despite the notable growth of exports, their value was still below the level reached in 1986. On the other hand, imports increased by more than had been anticipated at the beginning of the year, although at a slower rate.

The recovery of exports in 1993 was due mainly to coffee sales, and, secondly, to the demand for non-traditional products in other countries of the region. It is worth emphasizing that non-traditional exports accounted for more than 60% of total sales. The average price of coffee was 9% higher than in 1992, and this stimulated exports, whose value grew by 50%. The rise in prices resulting from the announcement of the Withholding Plan, signed by the main producer countries, was more evident in the last quarter, when the coffee-growing cycle starts; thus, the Plan's effects will be seen fully only in 1994. The Withholding Plan, which came into force in October, is aimed at reducing world-wide export supply by 20%; in the case of El Salvador, this represents some 520,000 quintals. After several years of steady decline, cotton exports all but disappeared, and it is very difficult for them to recover. Owing to the diminished sugar cane harvest, sugar sales were considerably reduced, despite the rise in prices; the time span of the quota assigned in the United States preferential market (9% of total sugar sales) was extended until September 1994.

Among non-traditional exports, mention should be made of trade within Central America, whose value increased by 20%, stimulated by the reduction and elimination of trade barriers and by steady demand. While Guatemala continues to be the principal market for El Salvador's exports, sales to Honduras registered a larger increase. Non-traditional exports to the rest of the world rose by 13%. The most important categories were

medicines, paper and cardboard packaging, and textiles, while sales of wire, soaps and confectionery articles recorded the most significant growth.

Goods imports continued to grow, but at a lower rate (12%) than in the preceding year (21%). Demand increased as a result of the greater needs arising from economic activity in an environment of economic liberalization, low tariffs (the structure of 5% to 20% adopted in 1992 was retained) and exchange rate stability. Despite that increase, the value of such imports as a percentage of GDP (25%) fell by 1%. While purchases of non-durable consumer goods continue to be significant, and their value is practically equivalent to that of non-traditional exports, imports of capital goods showed the highest growth in 1993 (31%), accounting for almost one third of imported goods. Purchases of intermediate goods increased by 6%, in step with the increase in economic activity; in this area, the demand for construction materials was prominent. Moreover, the value of fuel imports fell by 4%, reflecting the drop in international prices.

The balance of trade in services improved, with imports remaining at the same level as the year before, while export income –especially in international travel– partially offset the 1992 decline. A similar thing happened with regard to the balance of the factor services account, whose deficit was reduced by one third, since increased income, especially from the maquila industry (from US$ 42 million to US$ 71 million), easily compensated for the increase of 11% in interest payments. Workers' remittances from abroad, which had expanded notably in 1992, grew by 16% to US$ 823 million. As a result, the current-account deficit narrowed to US$ 320 million, a figure which represents 4.2% of GDP and is 1.5% lower than that of 1992.

This deficit was covered entirely by official transfer income, which was slightly lower than in 1992 and which includes funds corresponding to commitments made in the peace agreements, as well as by net capital inflows, although the positive balance on these accounts was lower than in the preceding year. While the elimination of controls on and records of movements of private capital, provided for as part of the exchange rate liberalization policy, made it difficult to keep track of such movements, the capital account shows significant inflows of short-term funds, probably linked to the attractive interest rates. The amount of such inflows (almost US$ 150 million) was practically equivalent to the increase in international reserves, which far exceeded the monetary programme target. Central Bank reserves climbed to US$ 650 million, a sum sufficient to finance four months of imports and ensure a degree of stability in the exchange rate.

The public external debt balance fell by 15% in 1993, mainly as a result of remission of part of the outstanding debt. The United States Government forgave US$ 464 million and the Canadian Government agreed to forgive US$ 7.5 million, on condition that equivalent funds in national currency should be allocated to environmental projects. From Argentina and Guatemala, El Salvador obtained a discount for early payment which wiped out its arrears. The debt reduction improved the debt ratios in relation to exports of goods and services.

In September the World Bank granted a second structural adjustment loan (SAL-II) of US$ 50 million for modernization of the public sector, poverty alleviation and investment in human resources, increasing the capacity of the private sector for growth and upgrading the management of natural resources and the environment. In an initial stage, US$ 30 million was disbursed, and it was agreed that the remaining US$ 20 million would be disbursed in June 1994. The stand-by agreement signed with the International Monetary Fund (IMF) expired in March and was renewed in May for 10 months. In that case, it proved unnecessary to make use of the available funds.

Table 1

EL SALVADOR: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	90.9	93.3	94.7	95.7	98.9	102.2	107.4	112.4
Gross national income	94.2	91.6	94.9	96.1	94.7	100.1	107.8	113.6
Population (millions of inhabitants)	4.8	4.9	5.0	5.1	5.2	5.3	5.4	5.5
Per capita gross domestic product	85.5	86.3	86.1	85.4	86.5	87.6	90.1	92.2
Real exchange rate (CPI) [b]	84.8	71.7	62.5	59.6	72.0	69.1	69.5	62.7
	Ratios (percentages)							
Fiscal balance of the central Government/GDP	-2.8	-3.7	-3.2	-4.9	-3.2	-2.8	-4.7	-3.0
Money (M_1)/GDP	13.0	11.2	10.2	10.5	10.0	8.0	11.0	10.0
	Growth rates							
Gross domestic product	0.5	2.7	1.5	1.1	3.4	3.3	5.1	4.7
Per capita gross domestic product	-1.0	1.0	-0.3	-0.8	1.4	1.2	2.9	2.4
Gross domestic income	6.3	-2.7	3.7	1.2	-1.5	5.8	7.6	5.4
Consumer prices December to December	30.2	19.6	18.2	23.5	19.3	9.8	20.0	12.3
Real wages and salaries [c]	-13.2	-19.9	-5.3	-15.1	-5.9	-2.2	3.2	-3.1
Money (M_1)	21.1	-1.1	8.3	21.2	23.8	6.3	29.8	10.9
Current value of exports of goods and services	13.0	-11.1	3.6	-13.6	8.0	2.6	-2.4	18.4
Current value of imports of goods and services	-0.3	3.1	7.2	10.2	1.7	10.5	20.5	10.2
	Millions of dollars							
External sector								
Trade balance	-158	-307	-362	-624	-582	-712	-1 065	-1 102
Factor services	-109	-96	-112	-95	-123	-127	-60	-41
Balance on current account	-117	-223	-273	-511	-381	-369	-423	-320
Balance on capital account	161	304	253	614	535	299	482	465
Variation in international reserves (net)	33	74	-25	156	149	-128	59	144
Public external debt	1 782	1 743	1 769	2 017	2 076	2 102	2 338	1 985

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Refers to the exchange rate for exports. [c] Real minimum wages in manufacturing and services in San Salvador.

Table 2
EL SALVADOR: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	100.1	107.8	113.6	98.7	96.7	99.0	99.7
a) Gross domestic product	102.2	107.4	112.4	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-9.6	-12.0	-13.0
c) Net factor income from abroad [b]	132.5	61.1	41.7	-1.8	-2.3	-1.0	-0.7
d) Net private transfers from abroad [b]	1 790.2	2 610.9	3 015.5	0.5	8.7	12.1	13.3

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992, these figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Reserve Bank of El Salvador and were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 3
EL SALVADOR: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**99.5**	**107.5**	**113.5**	**133.5**	**134.8**	**2.7**	**3.4**	**8.0**	**5.6**
Gross domestic product at market prices	102.2	107.4	112.4	100.0	100.0	3.4	3.3	5.1	4.7
Imports of goods and services [c]	91.5	107.6	116.8	33.5	34.8	0.5	3.6	17.6	8.6
Total demand	**99.5**	**107.5**	**113.5**	**133.5**	**134.8**	**2.7**	**3.4**	**8.0**	**5.6**
Domestic demand	107.2	115.7	119.5	98.7	104.9	-3.9	4.7	7.9	3.3
Gross domestic investment	115.9	145.5	154.2	13.3	18.2	-29.2	22.5	25.5	6.0
Gross fixed investment	109.2	135.5	149.6	13.6	18.1	-17.3	18.9	24.1	10.3
Construction	84.1	89.4	...	7.2	...	-11.9	8.2	6.4	...
Machinery and equipment	137.4	187.2	...	6.4	...	-21.2	27.5	36.3	...
Public	47.4	68.2	71.0	7.1	4.5	-37.5	17.1	44.1	4.1
Private	177.6	210.0	236.4	6.4	13.6	-8.4	19.4	18.2	12.6
Variation in stocks	-182.5	-299.0	-53.3	-0.3	0.1	...	...	...	...
Total consumption	105.9	111.1	114.1	85.4	86.7	1.2	2.1	4.9	2.7
General government	132.8	133.0	131.0	14.0	16.3	0.9	4.4	0.2	-1.5
Private	100.6	106.7	110.7	71.5	70.4	1.3	1.6	6.1	3.7
Exports of goods and services [c]	77.5	84.1	96.7	34.8	29.9	38.0	-1.4	8.5	15.0

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Based on figures calculated at market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, the figures for exports and imports of goods and services were taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Reserve Bank of El Salvador and were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 4

EL SALVADOR: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	13.6	12.7	14.8	18.5	12.7	15.1	18.0	18.2
Gross fixed investment	13.4	14.3	14.6	15.8	12.6	14.5	17.1	18.1
Construction	5.6	6.1	6.5	6.6	5.6	5.9	6.0	-
Machinery and equipment	7.8	8.2	8.1	9.2	7.0	8.6	11.2	-
Variation in stocks	0.2	-1.6	0.2	2.8	0.1	0.5	0.8	0.1
Gross domestic saving	8.3	10.4	9.8	8.5	10.4	11.5	11.7	13.3
Terms-of-trade effect [c]	1.2	-5.2	-3.0	-3.3	-9.7	-9.6	-12.0	-13.0
Net income from factor services [c]	-2.8	-2.3	-2.5	-2.0	-2.5	-2.3	-1.0	-0.7
Unrequited private transfers [c]	3.9	4.4	4.5	4.4	6.6	8.7	12.1	13.3
Gross national saving	10.6	7.3	8.7	7.6	4.9	8.2	10.7	13.0
External saving	3.0	5.4	6.1	10.9	7.8	6.9	7.3	5.2

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Reserve Bank of El Salvador and were then converted into constant 1980 values using unit price indexes calculated by ECLAC.

Table 5

EL SALVADOR: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**98.9**	**102.2**	**107.4**	**100.0**	**100.0**	**3.4**	**3.3**	**5.1**	**4.7**
Goods	**95.7**	**98.0**	**105.8**	**46.4**	**45.9**	**4.1**	**2.4**	**8.0**	**5.0**
Agriculture	93.4	93.3	101.8	27.8	25.9	7.4	-0.1	9.0	2.8
Mining	115.4	128.2	143.6	0.1	0.2	-8.2	11.1	12.0	10.7
Manufacturing	100.9	105.8	112.2	15.0	16.1	3.0	4.9	6.0	7.6
Construction	90.9	100.1	109.7	3.4	3.7	-12.8	10.1	9.6	9.7
Basic services	**110.3**	**118.1**	**125.0**	**5.6**	**7.0**	**6.0**	**7.1**	**5.9**	**11.7**
Electricity, gas and water	121.1	129.8	138.3	2.1	3.0	5.6	7.2	6.6	16.8
Transport, storage and communications	103.8	111.0	117.0	3.5	4.0	6.3	7.0	5.4	8.1
Other services	**100.6**	**104.3**	**106.9**	**48.0**	**47.1**	**2.3**	**3.7**	**2.4**	**3.4**
Commerce, restaurants and hotels	85.3	88.9	92.7	22.9	20.0	3.1	4.2	4.2	6.2
Financial institutions, insurance, real estate and business services	112.1	115.8	120.3	7.7	8.7	2.3	3.3	3.9	5.7
Ownership of dwellings	123.3	126.7	130.6	4.3	5.2	2.5	2.7	3.1	4.2
Community, social and personal services	115.7	119.5	119.6	17.4	18.4	1.6	3.3	0.1	-0.5
Government services	135.9	140.2	137.9	10.3	12.1	1.6	3.1	-1.6	-3.8

Source: ECLAC, on the basis of official figures, reweighted with the 1980 current price structure. Consequently, the figures shown here do not necessarily coincide with those published by the countries based on their calculations at constant prices.

[a] Preliminary figures.

Table 6
EL SALVADOR: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes							
(1985=100)	**103.6**	**112.9**	**116.1**	**12.5**	**-0.1**	**9.0**	**2.8**
Crop faming	99.3	114.6	117.0	16.4	-1.6	15.4	2.1
Livestock	114.5	109.4	112.2	2.0	0.9	-4.5	2.6
Production of main crops [b]							
For export							
Coffee	144	163	165	22.5	-2.0	13.2	1.2
Cotton	4	4	4	-28.6	-24.4	4.0	10.5
Sugar cane	3 508	4 198	3 887	23.8	9.8	19.7	-7.4
For domestic consumption							
Maize	504	706	708	3.6	-16.4	40.1	0.3
Beans	67	62	69	18.2	28.8	-7.5	11.3
Milled rice	61	72	71	-3.1	-1.6	18.0	-1.4
Sorghum	163	214	223	8.1	1.2	31.3	4.2
Indicators of livestock production							
Slaughtering							
Cattle [c]	166	167	168	1.9	1.8	0.6	0.6
Pigs [c]	151	152	154	-7.7	5.6	0.7	1.3
Poultry [b]	32	32	32	-	-	-	-0.9
Other products							
Milk [d]	371	374	360	5.1	0.3	0.8	-3.7
Eggs [e]	598	619	880	-	1.5	3.5	42.2

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador and the Ministry of Agriculture and Livestock.

[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of head. [d] Millions of bottles. [e] Millions of units.

Table 7

EL SALVADOR: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Percentage breakdown		Growth rates			
				1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product (indexes: 1980 = 100)	**105.8**	**112.2**	**120.7**	**100.0**	**100.0**	**3.0**	**4.9**	**6.0**	**7.6**
Foodstuffs, beverages and tobacco	114.5	121.2	130.2	61.3	66.2	3.3	4.9	5.9	7.4
Textiles, clothing and leather products	118.0	127.6	141.6	5.0	6.4	3.9	5.3	8.1	11.0
Textiles	70.1	75.2	84.1	...	3.1	3.8	6.1	7.3	11.8
Clothing, footwear and other leather products	78.0	85.1	93.7	...	3.4	4.0	4.4	9.1	10.1
Wood and paper	96.5	103.0	110.0	7.0	2.6	5.1	3.7	6.7	6.8
Wood and wood manufactures	148.5	156.3	164.0	3.0	1.5	3.0	3.7	5.3	4.9
Paper and paper products	56.7	61.7	67.6	3.9	1.1	7.9	3.7	8.8	9.6
Chemicals and petroleum and rubber products	99.7	104.0	111.7	8.9	8.4	2.2	6.0	4.3	7.4
Chemicals	124.6	129.6	141.9	2.7	3.3	3.8	6.3	4.0	9.5
Petroleum and rubber products	88.7	92.7	98.4	6.3	5.1	1.2	5.7	4.5	6.1
Non-metallic mineral products	112.7	122.6	132.4	4.5	4.9	-1.0	3.6	8.8	8.0
Machinery and equipment	97.3	102.8	110.2	6.9	4.2	1.6	10.1	5.7	7.2
Metal products	111.3	120.2	129.1	2.2	0.4	3.4	2.3	8.0	7.4
Machinery and equipment	88.4	93.2	99.9	4.7	3.8	1.1	11.1	5.4	7.2
Other manufactures	81.4	86.4	91.9	3.1	7.2	3.7	0.9	6.1	6.4
Other indicators of manufacturing production									
Consumption by industry of:									
Electricity[b]	580	626	714			12.0	1.9	7.9	14.1
Drinking water[c]	3 352	3 652	3 930			9.5	3.5	9.0	7.6

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador.
[a] Preliminary figures. [b] Millions of kWh. [c] Thousands of m^3 nationwide.

Table 8
EL SALVADOR: CONSTRUCTION [a]

	1991	1992	1993[b]	Growth rates		
				1991	1992	1993 [b]
Area [c] (thousands of m^2)						
Total	**876**	**613**	**641**	**77.3**	**-30.0**	**4.6**
Residential	728	498	469	74.2	-31.6	-5.8
Commercial	38	44	80	8.6	15.8	81.8
Services	84	39	65	110.0	-53.6	66.7
Industrial	26	32	27	2 500.0	23.1	-15.6
Cement [d]						
Production	694	757	860	8.3	9.1	13.6
Apparent consumption	704	758	865	9.3	7.7	14.1

Source: ECLAC, on the basis of figures from official sources and the Chamber of Industry and Construction of El Salvador.
[a] Refers to the metropolitan area. [b] Preliminary figures. [c] Estimated on the basis of building permits granted to the private sector. [d] Thousands of tons.

Table 9
EL SALVADOR: ELECTRICITY GENERATION AND CONSUMPTION

	Millionss of kWh			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Output	**2 297**	**2 382**	**2 783**	**100.0**	**100.0**	**100.0**	**9.2**	**3.6**	**3.7**	**16.8**
Hydroelectric	1 268	1 416	1 518	55.2	59.4	54.5	15.6	-23.1	11.7	7.2
Geothermal	425	391	380	18.5	16.4	13.7	-5.0	1.4	-8.0	-2.8
Thermal	604	575	885	26.3	24.1	31.8	-7.9	300.0	-4.8	53.9
Total consumption	**2 000**	**2 116**	**2 379**	**100.0**	**100.0**	**100.0**	**8.8**	**5.8**	**5.8**	**12.4**
Residential	709	750	816	35.5	35.4	34.3	5.2	8.7	5.8	8.8
Commercial	303	325	393	15.2	15.4	16.5	12.6	5.9	7.3	20.9
Industrial	580	628	714	29.0	29.7	30.0	12.0	1.9	8.3	13.7
Government [b]	339	347	384	17.0	16.4	16.1	9.6	2.7	2.4	10.7
Other	69	66	72	3.5	3.1	3.0	-3.6	30.2	-4.3	9.1

Source: ECLAC, on the basis of data supplied by the Central Reserve Bank of El Salvador and the Executive Commission for the Lempa River Hydroelectric Project.
[a] Preliminary figures. [b] Includes municipal street lighting.

Table 10

EL SALVADOR: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports f.o.b.								
Value	14.6	-24.2	3.6	-18.5	16.6	1.3	-0.2	24.7
Volume	-20.8	13.4	-10.6	-12.6	44.8	-0.4	9.7	18.7
Unit value	44.7	-33.2	15.8	-6.7	-19.5	1.8	-9.0	5.1
Imports f.o.b.								
Value	0.8	4.0	3.0	12.7	8.3	9.7	22.6	12.5
Volume	-3.0	2.1	-4.3	2.4	7.6	6.2	21.2	11.9
Unit value	3.9	1.9	7.6	10.0	0.7	3.2	1.2	0.5
Terms of trade (f.o.b./c.i.f.)	39.6	-34.5	7.6	-14.8	-20.5	-1.8	-10.4	3.8
	Indexes (1980=100)							
Purchasing power of exports	60.4	44.9	43.1	32.1	37.0	36.2	35.6	43.8
Volume of exports	56.7	64.3	57.5	50.2	72.7	72.4	79.5	94.3
Volume of imports	85.4	87.2	83.4	85.5	91.9	97.7	118.3	132.4
Terms of trade (f.o.b./c.i.f.)	106.6	69.8	75.1	64.0	50.9	50.0	44.8	46.5

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures.

Table 11
EL SALVADOR: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-117**	**-223**	**-273**	**-511**	**-381**	**-369**	**-423**	**-320**
Trade balance	-158	-307	-362	-624	-582	-712	-1 065	-1 102
Exports of goods and services	1 023	910	942	815	880	903	881	1 043
Goods f.o.b.	778	590	611	498	580	588	587	732
Real services [b]	245	320	332	317	300	315	294	311
Transport and insurance	62	63	99	86	71	74	79	80
Travel	42	43	56	52	69	71	73	79
Imports of goods and services	1 181	1 217	1 305	1 438	1 462	1 615	1 946	2 145
Goods f.o.b.	902	939	967	1 090	1 180	1 294	1 587	1 785
Real services [b]	279	279	338	348	282	321	359	360
Transport and insurance	100	108	110	111	130	166	224	217
Travel	74	76	75	93	55	57	58	61
Factor services	-109	-96	-112	-95	-123	-127	-60	-41
Profits	-35	-35	-37	-38	-28	-36	-30	-32
Interest received	17	24	8	15	19	22	25	25
Interest paid and due	-103	-99	-89	-72	-115	-113	-99	-110
Labour and property	12	15	6	-	1	-	44	75
Unrequited private transfer payments	150	181	202	208	324	470	702	823
Balance on capital account	**161**	**304**	**253**	**614**	**535**	**299**	**482**	**465**
Unrequited official transfer payments	234	358	299	337	245	201	226	220
Long-term capital	66	-37	29	194	27	62	...	96
Direct investment	24	18	17	13	2	25	...	...
Portfolio investment	-3	-	-	-	-	-	...	...
Other long-term capital	45	-55	12	181	25	37	53	96
Official sector [c]	45	-54	23	180	29	20	161	141
Loans received	242	183	231	255	241	300	280	266
Amortization payments	-195	-236	-207	-75	-212	-280	-119	-125
Commercial banks [c]	1	-1	-1	-	-	-	-30	-45
Loans received	1	3	-	-	-	-	...	12
Amortization payments	-	-4	-1	-	-	-	...	-58
Other sectors [c]	-1	-	-11	1	-4	17	...	...
Loans received	17	17	4	8	23	41	...	...
Amortization payments	-18	-17	-14	-7	-27	-24	...	...
Short-term capital	3	-24	33	-43	-7	-90	...	149
Official sector	-23	-17	11	-59	31	-112	...	...
Commercial banks	37	7	22	12	-38	22	...	...
Other sectors	-11	-14	-	4	-	-	...	...
Errores and omission (net)	-142	7	-107	126	270	126	...	...
Global balance [d]	**44**	**82**	**-20**	**103**	**154**	**-70**	**59**	**145**
Total variation in reserves (- sign indicates an increase)	-33	-74	25	-156	-149	128	-59	-144
Monetary gold	-	-	-	-35	-	-	...	...
Special drawing rights	-	-	-	-	-	-	-	...
IMF reserve position	-	-	-	-	-	-	-	...
Foreign exchange assets	14	-37	30	-121	-149	128	...	...
Other assets	-	-	-	-	-	-	...	...
Use of IMF credit	-46	-37	-6	-	-	-	-	...

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities. [d] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 12

EL SALVADOR: EXCHANGE RATES

(Yearly and quarterly averages)

	Nominal exchange rate (colones per dollar)	Indexes of real effective exchange rate [a] (1985=100) based on consumer price index [b]	
		Exports	Imports
1978	2.50	199.4	253.6
1979	2.50	194.4	247.4
1980	2.50	183.3	243.5
1981	2.50	155.6	226.4
1982	2.50	140.1	162.2
1983	2.50	128.1	131.4
1984	2.50	116.4	119.7
1985	2.50	100.1	100.0
1986	5.00	155.5	145.8
1987	5.00	131.5	119.9
1988	5.00	114.6	106.8
1989	5.48	109.2	103.9
1990	7.69	131.9	123.8
1991	8.08	126.6	121.7
1992	8.44	127.4	122.4
1993	8.78	114.9	113.9
1992			
I	8.19	128.2	124.0
II	8.23	128.8	123.9
III	8.48	129.1	122.7
IV	8.86	123.6	119.1
1993			
I	8.82	118.9	116.2
II	8.79	117.0	115.1
III	8.75	112.9	112.9
IV	8.75	110.9	111.4

Source: ECLAC, on the basis of figures from the Central Reserve Bank of El Salvador and the International Monetary Fund (IMF), *International Financial Statistics* (several issues).

[a] Corresponds to the average of the real official exchange rate indexes for the colón against the currencies of El Salvador's main trading partners, weighted by the relative importance of exports to or imports from these countries, as appropriate. The weightings correspond to the average for the 1986-1990 period. For information on the methodology and sources used, see the statistical appendix to the *Economic Survey of Latin America*, 1981. [b] The consumer price index was used for all countries.

Table 13
EL SALVADOR: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1980	1992	1993[a]	1990	1991	1992	1993[a]
Total	**588**	**598**[b]	**732**	**100.0**	**100.0**	**100.0**	**16.6**	**1.3**	**1.6**	**22.5**
Central America	194	271	310	27.5	45.3	42.4	9.0	10.7	39.6	14.7
Rest of world	394	327	422	72.5	54.7	57.6	20.2	-2.7	-17.1	28.9
Traditional exports	**272**	**217**	**283**	**67.5**	**36.4**	**38.7**	**16.6**	**-8.4**	**-20.2**	**30.5**
Coffee	220	151	226	57.2	25.3	30.9	13.9	-15.7	-31.1	49.7
Cotton	1	2	0	7.9	0.3	0.0	40.0	-50.0	114.3	-86.7
Sugar	32	45	31	1.2	7.5	4.3	38.4	53.1	39.7	-30.4
Shrimp	20	20	26	1.2	3.3	3.5	44.6	36.3	-0.5	30.3
Non-traditional exports	**316**	**380**	**448**	**5.0**	**63.6**	**61.3**	**16.5**	**11.6**	**20.4**	**17.9**

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador.
[a] Preliminary figures. [b] Does not coincide with the balance-of-payments figures because of adjustments made thereto.

Table 14
EL SALVADOR: EXPORT VOLUMES OF MAIN PRODUCTS

	Thousands of quintals				Growth rates		
	1990	1991	1992	1993[a]	1991	1992	1993[a]
Coffe	3 232	2 771	2 721	3 718	-14.3	-1.8	36.7
Cotton	21	8	19	1	-60.5	131.3	-93.8
Sugar	974	1 745	3 566	2 376	79.1	104.4	-33.4
Shrimp[b]	3 087	3 175	3 215	4 514	2.9	1.3	40.4

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador.
[a] Preliminary figures. [b] Thousands of kg.

Table 15

EL SALVADOR: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1980	1992	1993[a]	1990	1991	1992	1993[a]
Total	**1 406**	**1 699**	**1 912**	**100.0**	**100.0**	**100.0**	**9.6**	**11.4**	**20.8**	**12.5**
Central America	242	305	327	33.3	18.0	17.1	3.7	15.9	26.3	7.2
Rest of world	1 165	1 394	1 585	66.7	82.0	82.9	9.7	10.5	19.7	13.7
Total, by type of goods	**1 406**	**1 698**	**1 913**	**100.0**	**99.9**	**100.1**	**9.6**	**11.4**	**20.8**	**12.7**
Consumer goods	**373**	**489**	**522**	**31.9**	**28.8**	**27.3**	**35.4**	**-6.5**	**31.2**	**6.7**
Durables	51	71	81	3.5	4.2	4.2	-	35.2	40.0	14.1
Non-durables	322	418	441	28.4	24.6	23.1	40.0	-10.9	29.8	5.5
Raw materials and intermediate products	**710**	**778**	**826**	**56.4**	**45.8**	**43.2**	**9.0**	**12.9**	**9.6**	**6.2**
Petroleum and fuels	127	128	123	15.7	7.5	6.4	37.9	5.2	0.9	-3.9
Construction materials	86	91	111	5.9	5.4	5.8	-20.8	9.7	5.9	22.0
Fertilizers	30	30	34	...	1.8	1.8	-8.3	1.3	-0.7	13.3
Other	467	529	558	34.8	31.1	29.2	11.7	16.6	13.3	5.5
Capital goods	**323**	**431**	**565**	**11.7**	**25.4**	**29.6**	**-16.2**	**37.9**	**33.3**	**31.1**
Manufacturing	89	121	171	4.7	7.1	8.9	-8.1	25.5	35.7	41.3
Transport	149	206	257	3.5	12.1	13.4	-27.5	45.1	38.3	24.8
Agriculture	11	12	11	0.8	0.7	0.6	-3.3	24.7	9.0	-9.1
Construction	12	15	30	1.3	0.9	1.6	-51.2	38.6	30.4	93.1
Other	**63**	**77**	**96**	**1.4**	**4.5**	**5.0**	**26.0**	**43.6**	**23.0**	**24.7**

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador.

[a] Preliminary figures.

Table 16
EL SALVADOR: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total external debt [b]	**1 928**	**1 880**	**1 913**	**2 169**	**2 226**	**2 216**	...	...
Public	1 782	1 743	1 769	2 017	2 076	2 102	2 338	1 985
Private	146	137	144	152	150	114	...	...
Medium- and long-term	1 849	1 808	1 819	2 023	1 800	2 072	2 301	1 985
Short-term	79	72	94	146	425	144	36	-
Disbursements [c]	**366**	**291**	**347**	**394**	**256**	**263**	**496**	**256**
Servicing [c]	530	424	399	245	313	496	346	332
Principal [d]	418	339	314	166	199	396	260	234
Interest	112	85	85	78	113	101	87	98
	Percentages of the value of exports of goods and services							
Public external debt	174.2	191.5	187.8	247.5	235.9	232.8	265.4	190.3
Servicing	51.8	46.6	42.4	30.1	35.6	54.9	39.3	31.8
Interest	10.9	9.3	9.0	9.6	12.8	11.2	9.9	9.4
Servicing/disbursements	144.8	145.7	115.0	62.2	122.3	188.6	69.8	129.9

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador.
[a] Preliminary figures. [b] Year-end balances of disbursed debt. [c] Public debt. [d] Includes accounting flows and reschedulings.

Table 17
EL SALVADOR: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Variation from December to December							
Consumer price index	30.2	19.6	18.2	23.5	19.3	9.8	20.0	12.3
Food	30.3	22.5	30.6	32.6	18.7	12.2	23.4	21.2
	Variation between annual averages							
Consumer price index	31.9	24.9	19.8	17.6	24.0	14.4	11.2	18.6
Food	31.8	25.4	29.4	26.9	25.9	17.9	12.8	25.8

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 18
EL SALVADOR: WAGES

	Index (December 1978=100)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
	Nominal minimum wages						
Agricultural workers	278.9	278.9	343.4	15.0	13.0	-	23.1
Harvesting							
Coffee	191.8	191.8	211.4	20.0	-	-	10.2
Sugar cane	258.2	258.2	349.1	20.0	-	-	35.2
Cotton	230.6	230.6	317.1	20.0	-	-	37.5
Seasonal agro-industries							
Coffee processing	274.3	274.3	322.7	20.0	-	-	17.6
Sugar refining	199.9	199.9	257.5	20.0	-	-	28.8
Cotton processing	192.0	192.0	247.3	20.0	-	-	28.8
Other activities in San Salvador							
Manufacturing and services	314.4	361.2	414.7	16.7	11.9	14.9	14.8
Commerce	305.6	351.1	403.1	16.7	11.9	14.9	14.8
	Real minimum wages [c]						
Agricultural workers	33.5	30.1	31.3	-7.3	-1.2	-10.1	4.0
Harvesting							
Coffee	23.0	20.7	19.2	-3.2	-12.6	-10.0	-7.2
Sugar cane	31.0	27.9	31.8	-3.2	-12.6	-10.0	14.0
Cotton	27.7	24.9	28.9	-3.2	-12.6	-10.1	16.1
Seasonal agro-industries							
Coffee processing	32.9	29.6	29.4	-3.2	-12.6	-10.0	-0.7
Sugar refining	24.0	21.6	23.4	-3.2	-12.6	-10.0	8.3
Cotton processing	23.1	20.7	22.5	-3.2	-12.6	-10.4	8.7
Other activities in San Salvador							
Manufacturing and services	37.8	39.0	37.8	-5.9	-2.2	3.2	-3.1
Commerce	36.7	37.9	36.7	-5.9	-2.2	3.3	-3.2

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Calculated on the basis of the average annual wage. [c] Nominal wages deflated by the consumer price index.

Table 19
EL SALVADOR: NON-FINANCIAL PUBLIC-SECTOR INCOME AND EXPENDITURE

	Millions of colones			Percentages of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Current income**	**5 538**	**6 781**	**8 311**	**9.5**	**12.4**	**12.5**	**21.6**	**22.4**	**22.6**
Tax revenue	4 061	4 805	6 246	7.0	8.8	9.4	22.0	18.3	30.0
Non-tax revenue	1 174	1 504	1 470	1.9	2.7	2.2	28.0	28.1	-2.3
Operating surplus	303	472	595	0.6	0.9	0.9	3.8	55.8	26.1
2. **Current expenditure**	**5 870**	**6 669**	**7 761**	**9.8**	**12.2**	**11.7**	**25.7**	**13.6**	**16.4**
Consumption	4 202	4 745	5 579	7.7	8.7	8.4	14.4	12.9	17.6
Interest payments	1 091	1 082	1 241	1.0	2.0	1.9	119.2	-0.9	14.7
Transfers and other	576	842	941	1.0	1.5	1.4	15.7	46.2	11.8
3. **Current balance** (1 - 2)	**-332**	**112**	**550**	**-0.2**	**0.2**	**0.8**			
4. **Capital expenditure**	**1 750**	**3 353**	**2 756**	**1.9**	**6.1**	**4.1**	**90.7**	**91.6**	**-17.8**
Real investment	1 618	2 727	2 594	1.8	5.0	3.9	83.7	68.5	-4.9
Other capital expenditure[b]	132	626	162	0.1	1.1	0.2	257.0	373.9	-74.1
5. **Total expenditure** (2 + 4)	**7 621**	**10 022**	**10 517**	**11.7**	**18.3**	**15.8**	**36.4**	**31.5**	**4.9**
6. **Fiscal balance** (1 - 5)	**-2 083**	**-3 241**	**-2 206**	**-2.2**	**-5.9**	**-3.3**			
7. **Financing**	**2 083**	**3 241**	**2 206**	**2.2**	**5.9**	**3.3**			
Domestic financing (net)	333	315	-205	-0.8	0.6	-0.3			
Central Bank	541	761	-42	0.1	1.4	-0.1			
Commercial banks	-91	-185	129	-0.1	-0.3	0.2			
Sales of bonds[c]	37	-30	-	-	-0.1				
Other sources	-154	-231	-292	-0.9	-0.4	-0.4			
External financing (net)	1 750	2 926	2 411	3.0	5.3	3.6			
Loans received	1 884	2 010	2 317	2.5	3.7	3.5			
Amortization payments	-1 015	-624	-1 030	-1.3	-1.1	-1.6			
Other[d]	881	1 540	1 124	1.8	2.8	1.7			
Ratios (percentages)									
Current saving/ capital expenditure	-19.0	3.3	20.0						
Fiscal balance/ total expenditure	-27.3	-32.3	-21.0						
Domestic financing (net)/ fiscal balance	16.0	9.7	-9.3						
External financing (net)/ fiscal balance	84.0	90.3	109.3						

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Includes transfers and net loans granted. [c] Outside the banking system. [d] Includes grants and donations.

Table 20

EL SALVADOR: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of colones			Percentages of GDP			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
1. **Current income**	**4 395**	**5 479**	**6 701**	**9.2**	**10.0**	**10.1**	**34.1**	**23.2**	**24.7**	**22.3**
Tax revenue	4 060	4 805	6 247	8.5	8.8	9.4	35.5	21.9	18.3	30.0
Direct	1 227	1 379	1 625	2.6	2.5	2.4	21.8	32.9	12.4	17.8
Indirect	2 833	3 426	4 622	5.9	6.2	7.0	41.7	17.7	20.9	34.9
On foreign trade	864	875	1 206	1.8	1.6	1.8	61.4	20.0	1.3	37.8
Non-tax revenue	230	296	175	0.5	0.5	0.3	-1.9	50.3	28.7	-40.9
Current transfers	31	99	166	0.1	0.2	0.2	-24.4	-	218.3	67.7
Other	73	279	113	0.2	0.5	0.2	940.0	41.2	280.1	-59.5
2. **Current expenditure**	**5 158**	**5 783**	**6 669**	**10.8**	**10.5**	**10.0**	**22.1**	**24.3**	**12.1**	**15.3**
Remunerations	2 613	2 781	3 289	5.5	5.1	5.0	16.8	8.6	6.4	18.3
Purchase of goods and services	630	890	750	1.3	1.6	1.1	15.9	8.8	41.3	-15.7
Interest payments	1 091	1 072	1 207	2.3	2.0	1.8	53.8	146.3	-1.7	12.6
Transfers and other	824	1 040	1 423	1.7	1.9	2.1	30.6	14.3	26.2	36.8
3. **Current account** (1 - 2)	**-764**	**-304**	**32**	**-1.6**	**-0.6**	**-**				
4. **Capital expenditure**	**1 444**	**2 298**	**2 011**	**3.0**	**4.2**	**3.0**	**-12.1**	**96.9**	**59.1**	**-12.5**
Real investment	874	1 572	1 618	1.8	2.9	2.4	-36.4	114.0	79.9	2.9
Other capital expenditure[b]	570	726	393	1.2	1.3	0.6	69.7	75.4	27.4	-45.9
5. **Total expenditure** (2 + 4)	**6 602**	**8 081**	**8 680**	**13.8**	**14.7**	**13.1**	**15.3**	**35.2**	**22.4**	**7.4**
6. **Fiscal balance** (1 - 5)	**-2 208**	**-2 602**	**-1 979**	**-4.6**	**-4.7**	**-3.0**				
7. **Financing**	**2 208**	**2 602**	**1 978**	**4.6**	**4.7**	**3.0**				
Domestic financing (net)	657	320	-252	1.4	0.6	-0.4				
Credit received	1 364	957	212	2.9	1.7	0.3				
(-) Less amortization payments	-391	-153	-139	-0.8	-0.3	-0.2				
Sales of bonds[c]	37	-46	-	0.1	-0.1	-				
Other	-353	-438	-325	-0.7	-0.8	-0.5				
External financing (net)	1 551	2 282	2 230	3.2	4.2	3.4				
Credit received	1 547	1 165	1 571	3.2	2.1	2.4				
(-) Less amortization payments	-847	-419	-465	-1.8	-0.8	-0.7				
Other sources[d]	851	1 536	1 124	1.8	2.8	1.7				
Ratios (percentages)										
Current balance/capital expenditure	-52.9	-13.2	1.6							
Fiscal balance/ total expenditure	-33.4	-32.2	-22.8							
Domestic financing (net)/ fiscal balance	29.8	12.3	-12.7							
External financing (net)/ fiscal balance	70.3	87.7	112.7							

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Includes transfers, other capital expenditures and net loans granted. [c] Outside the banking system.
[d] Includes grants and donations.

Table 21
EL SALVADOR: MONETARY BALANCE AND INDICATORS

	Year-end balances (millions of colones)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Factors of expansion	**19 522**	**25 061**	**29 372**	**25.5**	**14.2**	**28.4**	**17.2**
International reserves (net)	3 765	4 909	6 479	131.2	7.1	30.4	32.0
Domestic credit	15 757	20 152	22 893	12.3	16.1	27.9	13.6
To the public sector	6 849	7 661	8 246	16.8	12.6	11.9	7.6
Central Government (net)	6 324	7 206	7 776	49.7	14.8	13.9	7.9
Public institutions	525	455	470	-62.5	-8.4	-13.3	3.3
To the private sector	8 908	12 491	14 647	8.8	18.9	40.2	17.3
Factors of absorption	**19 522**	**25 060**	**29 373**	**25.5**	**14.2**	**28.4**	**17.2**
Money (M_1)	4 452	5 778	6 409	23.8	6.3	29.8	10.9
Currency outside banks	2 023	2 438	2 655	7.5	9.0	20.5	8.9
Demand deposits	2 429	3 340	3 753	40.7	4.1	37.5	12.4
Quasi-money (savings and time deposits)[b]	8 872	11 530	15 325	21.8	25.2	30.0	32.9
Oher items (net)	6 198	7 752	7 639	31.8	6.6	25.1	-1.5
	Percentages[c]						
Money multipliers							
M_1/monetary base[d]	86	98	77				
M_2/monetary base[d]	258	293	260				
Liquidity coefficient							
M_1/GDP	8.0	11.0	10.0				

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of El Salvador.
[a] Preliminary figures. [b] Excluding quasi-money deposits in foreign currency. [c] Calculated on the basis of annual averages.
[d] The monetary base includes all monetary obligations of the Central Reserve Bank of El Salavador to the private sector, commercial and mortgage banks and official institutions other than those of the central Government.

Table 22

EL SALVADOR: INTEREST RATES

(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]	
	On deposits	On loans	On deposits	On loans	On deposits	On loans
1990						
I	18.0	20.0	-11.9	-10.4	18.0	20.0
II	18.0	20.7	-3.6	-1.4	-78.6	-78.1
III	18.0	22.0	18.9	22.9	1.7	5.1
IV	18.0	22.0	-5.4	-2.2	13.4	17.2
1991						
I	18.0	20.0	2.3	4.0	21.6	23.7
II	16.7	20.0	3.1	6.1	16.1	19.4
III	15.7	20.0	3.5	7.4	13.4	17.6
IV	14.1	18.7	14.6	19.2	10.8	15.2
1992						
I	11.1	16.6	3.8	8.9	6.3	11.5
II	12.2	16.0	0.8	4.1	9.5	13.2
III	11.2	16.0	-23.4	-20.2	-4.1	0.0
IV	13.5	17.2	-6.0	-3.0	-15.0	-12.3
1993						
I	16.3	19.5	5.3	8.2	41.6	45.5
II	16.2	20.3	-2.8	0.6	16.7	20.8
III	14.6	19.2	4.6	8.8	17.2	21.9
IV	14.0	18.7	4.2	8.5	14.0	18.7

Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund (IMF).

[a] Nominal rates deflated by the variation in consumer prices during the same period. [b] Ratio between nominal rates and the rate of devaluation during the same period.

GUATEMALA

1. Broad features of recent trends

In 1993, the Guatemalan economy managed to grow by 4% and bring inflation down slightly to 12%, despite the aftershocks of a coup d'état in May. However, the fiscal imbalance increased and the external deficit widened. The chief cause of the fiscal imbalance was a real decrease in tax revenues which could not be offset by the moderation in spending imposed by the new government that took office in June. The continued abundant inflow of external resources, equivalent to about 7% of GDP, made it possible to maintain a high level of imports, which, along with a slight fall in exports, produced a virtual repeat of the massive current account deficit recorded the year before.

2. Economic policy

The economic and financial programme agreed upon with the International Monetary Fund (IMF) at the beginning of the year was aimed at bringing inflation down to a rate of 8% per year. To achieve that aim, the programme called for narrowing the fiscal gap and controlling liquidity in the economy by means of restrictive targets for monetary expansion. The stabilization programme thus included a contraction of net credit to the central Government, an adjustment in electricity rates, an increase in reserve requirements and monetary absorption through open-market operations. In addition, a target of US$ 162 million was set for the increase in international reserves.

Macroeconomic management was complicated by the severe political shock caused by the coup d'état on 25 May. Whereas the first quarter had seen progress towards the programme targets, following the institutional conflict public finances were affected by a severe reduction in tax revenues. Political uncertainty led to a transitory demand for foreign currency amounting to about US$ 70 million, which reversed the gains achieved in the first quarter.

Normality returned towards the end of June when the new constitutionally-elected government took office. The maintenance of a tight monetary policy and the solution of the political problem helped monetary variables to stabilize, but weakening public finances made it impossible to meet the established targets.

a) Fiscal policy

Public administration faced a difficult situation right from the start of 1993, due to the imbalances caused by the expansionary trend generated at the end of the previous year, which had added to floating debt. In the course of the year the disequilibria intensified as revenues turned out to be lower than anticipated in the budget, a situation aggravated by the coup d'état. The central Government deficit rose to 1.5% of gross domestic product (GDP), while the rest of the public sector, including the Banco de Guatemala parafiscal expenditures, achieved virtual financial balance.

To repeat the increase of 1% in the central administration's deficit stemmed from a real decrease in revenues. Despite the fact that in 1993 the full effects were felt of the tax reform put in place the year before, tax revenues fell from 8.3% to 7.8% of output, while non-tax revenues declined by more than half a per cent of GDP.

The real fall in tax revenues originated in indirect taxes, whereas direct taxes maintained their share of GDP. Among indirect taxes, a nominal 4% decrease in revenues from import duties resulting from the tariff-reduction process undertaken in recent years was particularly significant, since import duties account for nearly one third of the total. On the other hand the main indirect tax, levied on value added, increased in step with nominal GDP.

Total spending maintained its share of GDP, growing in real terms at the same rate as the level of economic activity. The biggest real increase was seen in capital transfer payments to the rest of the public sector, in particular to the National Electrification Institute (INDE) to pay off its external debt, amounting to some 500 million quetzales. On the other hand, both purchases of goods and services and interest payments declined in real terms.

The widening government deficit was mainly financed by domestic credit. A major component of the deficit was the increase in floating debt, which in December reached the level of 1,120 million quetzales, well above the January figure of 702 million. The larger deficit meant that the target of lowering the balance of public sector debt with the financial system by 430 million

Figure 1
GUATEMALA: MAIN ECONOMIC INDICATORS

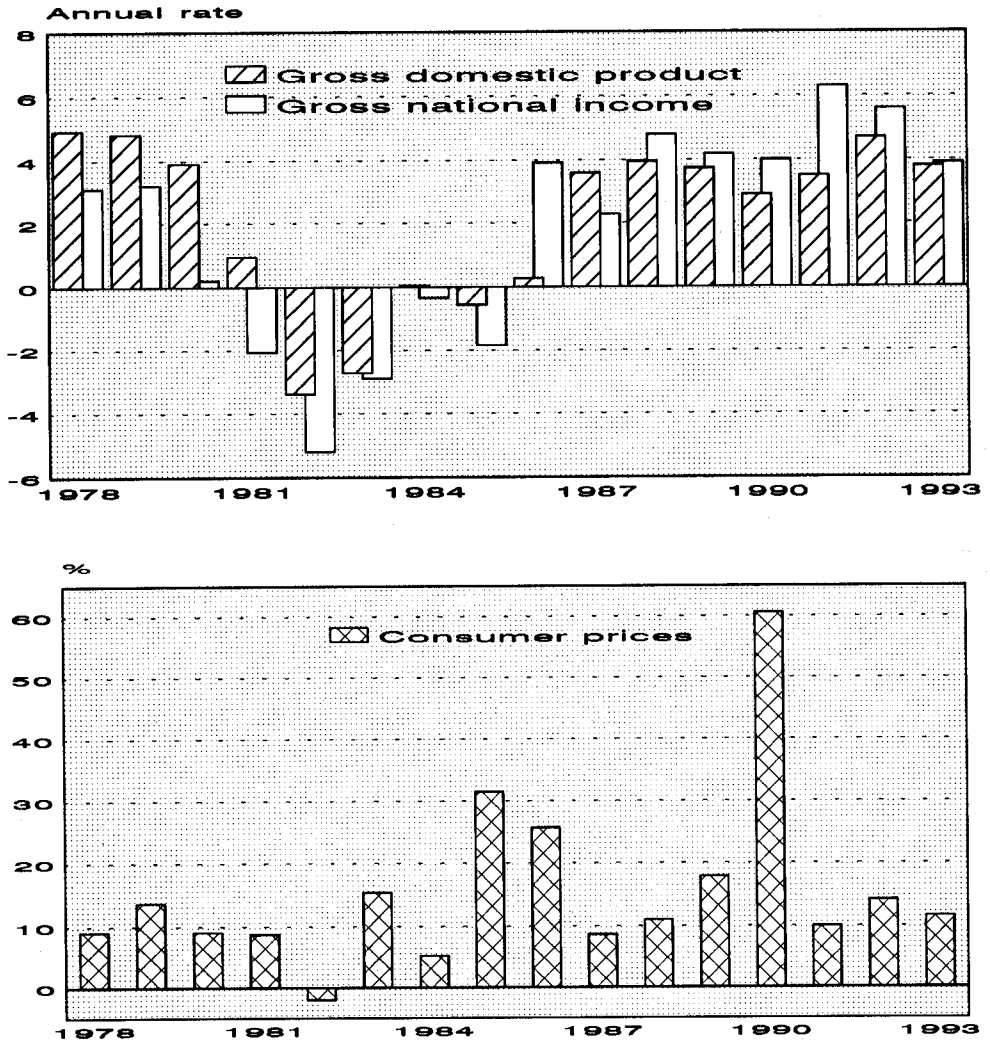
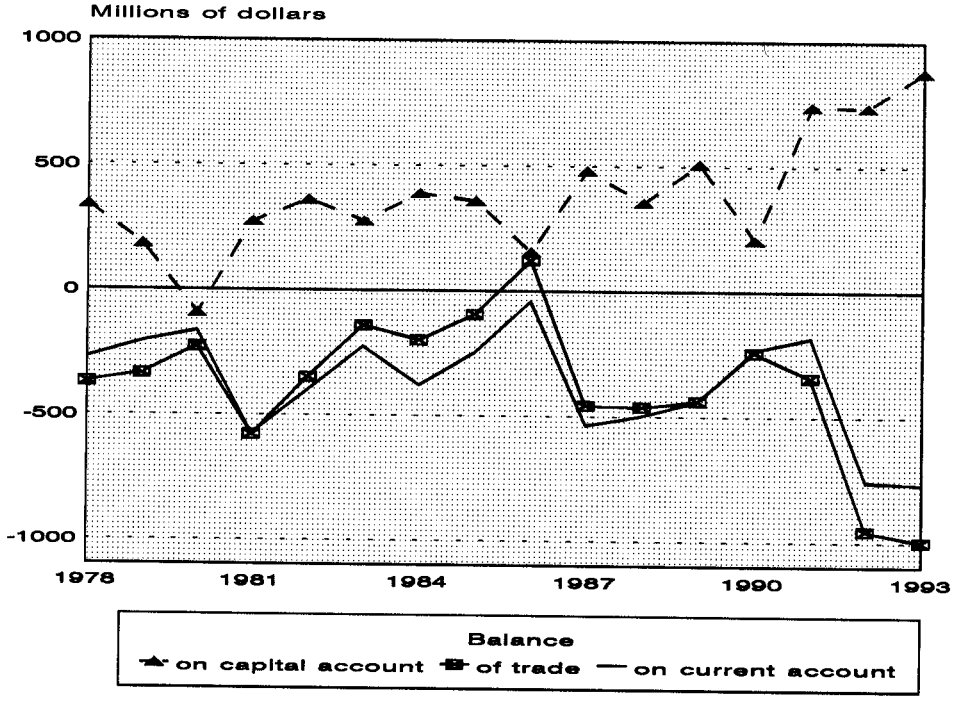
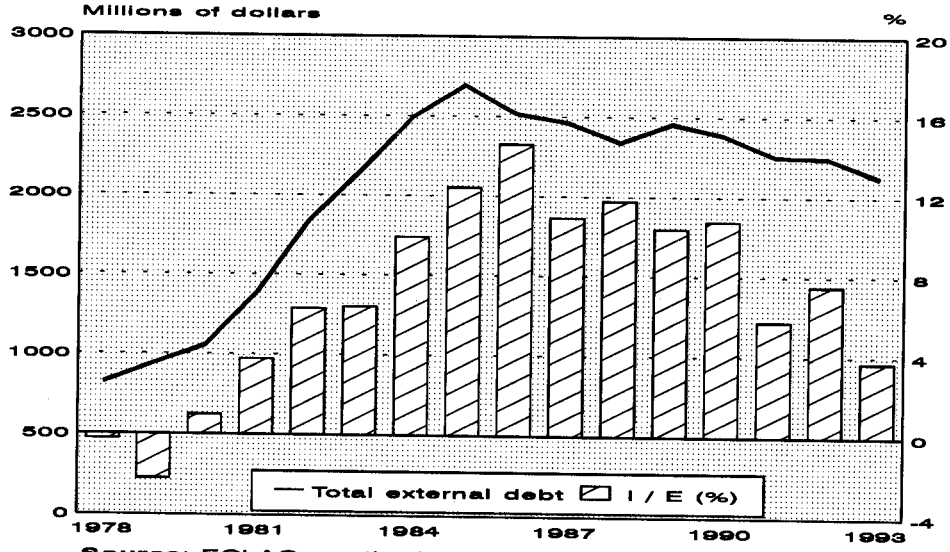


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest payments; E = Exports of goods and services.

quetzales could not be met. Nevertheless, the monetary accounts did show a shrinkage of credit to the central Government.

b) **Monetary policy**

As in the fiscal area, the monetary scenario presented worrying features at the beginning of 1993. For one thing, there was an excess of liquidity and, in addition, there were the problems of a net loss of international reserves, inflationary pressures and exchange-rate instability.

Faced with this scenario, the monetary authorities put a series of measures into effect. Bank reserve requirements were raised from 20% to 30%; the requirement was maintained that banks must invest an amount equivalent to 6.5% of their liabilities subject to reserve requirements in open-market operations; and credit to the financial system was tightened. In March a mechanism was set up so that the financial system's monetary reserves at the end of the year comprised 21.5% of deposits held as reserves and 15% as mandatory investment. The mechanism added to the expenditure of the Banco de Guatemala by increasing the interest-bearing portion of monetary assets withheld from the banks.

The liquidity-restraining measures, and in particular an expansion of open-market operations in the second half of the year, slowed down the rate of growth of the broad monetary aggregate (M2) to 10% per year, half the previous year's figure. The monetary expansion was largely in response to an increase in international reserves. The effect of credit restraint policies was a sharp drop in loans to the private sector from an annual rate of 35% in 1992 to 15% in 1993. Although it did not meet the pre-set target, the central Government maintained a contractionary stance.

The money supply behaved differently than the broader monetary aggregate; after growing only 8% in 1992, it increased by 21% in 1993. The consolidation of low inflation, on the one hand, and unattractive deposit interest rates, on the other, may have influenced this behaviour. Although nominal interest rates rose during the year, there were ups and downs in real terms, with positive rates in the first and third quarters and negative or zero rates in the rest of the year. The equivalent dollar interest rate, meanwhile, calculated by deflating the nominal rate by the rate of devaluation, was negative in the first nine months, but showed a high return in the fourth quarter, due to a revaluation of the national currency at the end of this period. In this context, savings and time deposits only grew 5% in nominal terms in 1993.

The thrust of borrowing policy was to improve the structure of domestic liabilities, by increasing the term of securities issued by the Banco de Guatemala. By the end of 1993 nearly three-fourths of public sector issues were placed at 9 and 12 months (27% in December 1992), while 14-day bills accounted for less than 1% of the total (20% in 1992).

c) **Exchange rate policy**

Under the current exchange rate system, the Banco de Guatemala held a daily auction, thereby setting the base rate. The monetary authority, through a combination of monetary and exchange rate policies, brought about a nominal 11% rise in the dollar exchange rate during 1993. As a result, the real effective exchange rate virtually remained unchanged. On two occasions, during the political events in mid-year and in the two months of September and October, bank rates and extra-bank rates diverged. On occasion, tight monetary policy managed to close the gap.

3. Trends in the main variables

a) **The level of activity**

The growth of nearly 4% in gross domestic product made it possible for per capita output, which increased by 1%, to continue its rebound. However, it was still 15% below the level at the start of the previous decade.

Domestic demand slowed abruptly, after expanding for more than output during the preceding year; in 1993 the stabilization policy,

which sharply reduced the pace of private sector spending, managed to bring the two rates virtually together. Investment, however, again showed great dynamism, growing by more than 11%, driven mainly by the impetus of private sector investment (13%), with public sector investment trimming its expansion to 5% per year. The share of gross domestic investment in GDP came close to 20%, its highest level in recent years. Although a significant part of this, about two fifths, was financed through external saving, national saving at constant prices, again equal to around 12% of output, contributed the majority of the resources that went into capital formation.

Economic growth was widespread, with services expanding faster than goods production. Basic services posted the highest rates of increase, based on significant expansions in electric power generation and in communications, particularly telecommunications. Among other services, the 5% growth in financial services stood out. In goods production, while agriculture and manufacturing grew moderately, mining and construction again recorded rates above 10% a year, although in both cases this was lower than the preceding year.

The expansion of agricultural output (2%) was the lowest in the last seven years. The most important cause of this was a fall in production for domestic consumption and, despite some improvement, the low international prices of the main export products. Harvests were also affected by labour disputes, diseases and pests.

The banana crop, affected by an extended strike in one of the most important producing companies, virtually stood still, after growing by one fourth in 1992. Sugar also suffered a noticeable slow-down, due to a reduction of the export quota to the United States for the third year running. This led to a sharp drop in new acreage devoted to sugar cane growing. Coffee production (2%) also felt the impact of the adverse conditions implied by persistent low prices on the international market. Cotton, on the other hand, slipped back by 12% after plummeting the year before.

Basic grains declined considerably. Maize (-5%) combined a reduction in area sown with a chronic stagnation in average yields. The decline in the bean crop (-13%) was influenced by damage caused by a virus transmitted by white-fly. The drop in rice production seems to have been a transitory phenomenon, attributable to the fact that producers found themselves with very high stocks as a result of previous overproduction.

Negligible growth in the poultry sector (compared with the historical average) for the second year running, was largely due to competition from imports, especially from the United States. The crisis in this activity had repercussions on soya production, which forms the basis of the birds' diet. Acreage sown with soy beans decreased by 46% between 1992 and 1993.

The expansion in industrial output, slightly above 2% per year (3% in 1992), returned to its 1990-1991 growth rate. Policies to contain domestic demand, together with external competition arising from trade liberalization and a substantial reduction in exports to the Central American Common Market, largely explained this sector's modest performance. The maquila industry, meanwhile, continued to grow at a satisfactory rate.

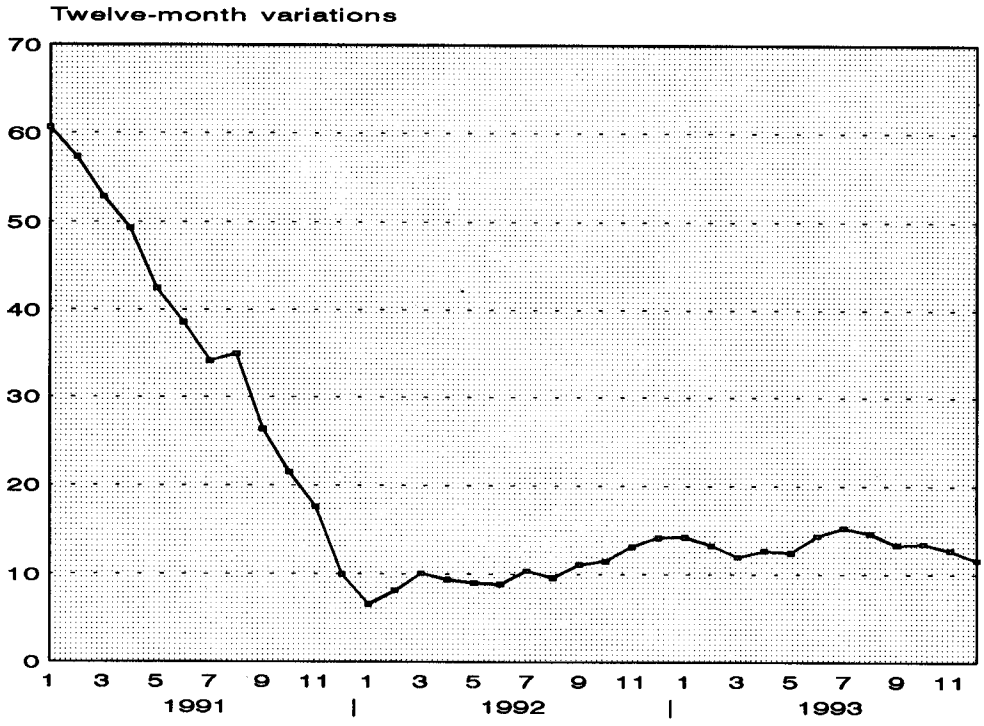
Several firms embarked upon programmes to expand installed capacity. Construction and installation work begun in the steel industry in 1991 was completed, and there were increased investments in machinery and equipment by producers of beverages, glass, packaging and textiles. The Full Quality Organization started up, involving some 20 firms, for the purpose of systematically improving quality and productivity in manufacturing.

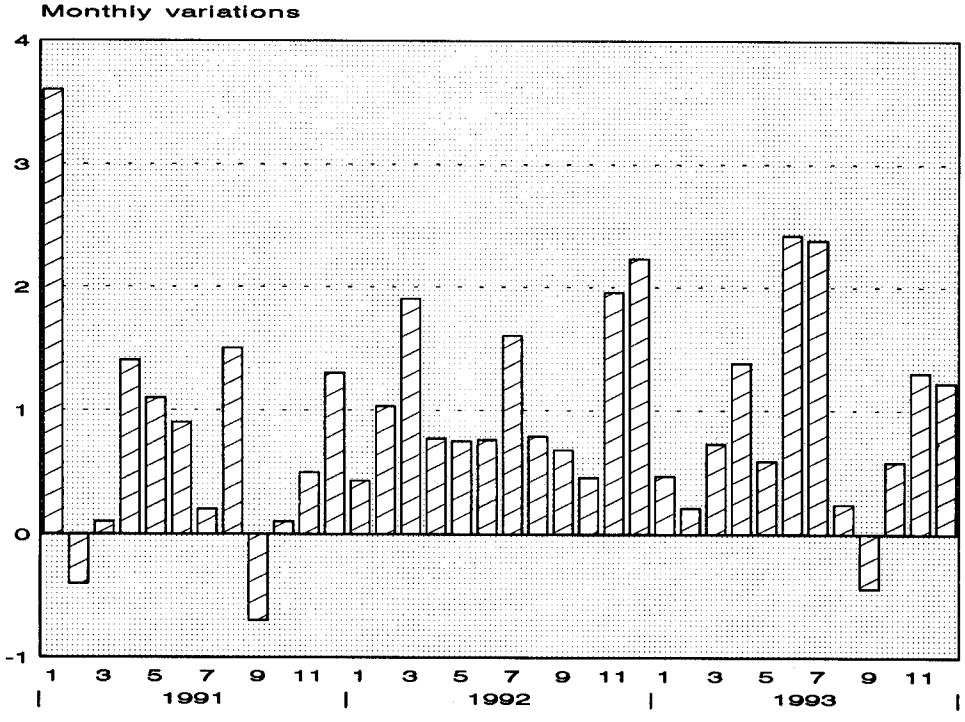
Next to mining, construction proved to be the most dynamic sector in 1993. Multi-family housing and commercial construction, aimed at high-income groups along with new hotels were the most prominent items. At the end of the year, several important projects were underway, among them a hotel complex including a convention centre with the capacity to serve 3,000 people.

b) Prices, earnings and employment

Although above the target set at the beginning of the year, consumer prices rose by less than

Figure 2
GUATEMALA: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

12% in 1993, almost three points less than the previous year's rise and substantially below the 60% rate of three years earlier.

Prices rose within a narrow band. The faster rising prices (food and beverages, and education) increased by slightly more than 13%, while the other items increased by around 10%.

The fall in inflation and the higher rate of economic growth made possible an increase in real wages, along with a moderate expansion of employment in the formal sector. Even with a 7% increase, however, real wages still did not manage to regain the levels they had achieved at the beginning of the 1980s.

The number of jobs in the formal sector grew by about 28,000, the highest increase in the last four years; 85% were jobs in services and construction. While open unemployment fell slightly, underemployment remained at very high levels due to the expansion of the informal economy.

c) External sector

For the second year running the trade deficit in goods and services stood at around US$ 1 billion, or 9% of GDP. Since the country continued to receive a considerable volume of private sector transfers, however, equivalent to about 2.5% of GDP, sent home by a large expatriate contingent, the current account deficit was somewhat lower. Nevertheless, it still equalled 7% of gross domestic product. Capital inflows were even greater, enough to allow for an increase in international reserves. The sum of foreign capital and incoming private sector transfers, about 10% of GDP, was a sign of the Guatemalan economy's high dependence on the inflow of funds from abroad.

The value of goods exports grew by nearly 6%, somewhat faster than in the preceding year. Unlike that year, however, when there had been a big increase in sales to other Central American countries and a drop in sales to the rest of the world, in 1993 there was a similar expansion in both areas. The increase in demand from outside the region encouraged traditional exports, which partially recovered from two years of major declines. Coffee and sugar prices made a moderate recovery in the course of the year, but banana prices fell due to excess supply. Non-traditional exports, meanwhile, continued growing, although at a slower rate than in earlier years.

After the steep climb (37%) recorded in 1992, the value of goods imports (c.i.f.) expanded by 6%. Most of this growth was concentrated in consumer goods purchases, which accounted for one- fourth of the total. This may have been related to tariff reductions and the availability of external financing, in a context of active demand for such products. Capital goods imports also continued to grow rapidly (12%), boosted primarily by purchases intended for the electricity and communications sectors. In contrast, imports of intermediate goods contracted.

Real services, thanks in particular to income from tourism, posted a positive result once again. At the same time, income received from unilateral private transfers exceeded US$ 300 million, bringing in more foreign currency than coffee exports.

Private short-term capital was the main item of capital inflow, although direct investment also made a considerable contribution, with inflows doubling compared with the year before. Trade credit for imports also expanded.

External public-sector debt shrank by approximately US$ 124 million. It was not possible to complete renegotiation of arrears on the bilateral debt with the Paris Club, amounting to US$ 400 million, or some 18% of total external public-sector debt. Although a benchmark framework had been worked out in March involving a 20-year term and a 10-year grace period for expired official debt, and a 15-year and an 8-year grace period for commercial debt, no final agreements were reached on a bilateral level.

Table 1

GUATEMALA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	94.6	98.0	101.9	105.7	108.8	112.7	118.0	122.5
Gross national income	91.6	93.7	98.2	102.3	106.4	113.0	119.4	124.0
Population (millions of inhabitants)	8.2	8.4	8.7	8.9	9.2	9.5	9.7	10.0
Per capita gross domestic product	79.9	80.4	81.2	81.8	81.8	82.3	83.8	84.5
Real effective exchange rate CPI b	114.4	147.6	149.2	149.9	175.5	154.1	152.5	151.1
	Ratios (percentages)							
Central Government fiscal balance/GDP	-1.9	-2.5	-2.5	-3.8	-2.3	-0.1	-0.5	-1.5
Money (M1)/GDP	11.5	11.4	11.2	9.3	8.2	7.7	7.6	9.8
Open unemployment rate	14.0	11.4	8.8	6.1	6.5	6.4	5.7	5.5
	Growth rates (percentages)							
Gross domestic product	0.3	3.6	4.0	3.7	2.9	3.5	4.7	3.8
Per capita gross domestic product	-2.6	0.7	1.0	0.8	0.0	0.6	1.8	0.9
Gross national income	3.9	2.3	4.8	4.2	4.0	6.3	5.6	3.9
Consumer prices December to December	25.7	10.1	11.0	17.9	60.6	10.0	14.2	11.6
Real wages and salaries	-18.3	6.8	5.2	5.3	-18.1	-5.1	14.9	7.1
Current value of exports of goods and services	0.5	-2.6	11.7	12.2	10.1	7.6	12.5	-4.7
Current value of imports of goods and services	-16.8	52.3	8.7	7.5	-2.7	12.0	40.6	-1.6
	Millions of dollars							
External sector								
Trade balance	121	-456	-462	-437	-244	-342	-955	-999
Factor services	-214	-179	-176	-179	-196	-101	-141	-77
Balance on current account	-42	-535	-497	-438	-235	-186	-758	-766
Balance on capital account	155	482	355	510	205	740	738	879
Variation in international reserves (net)	102	-62	-140	84	-35	554	-19	113
Total external debt	2 517	2 465	2 340	2 457	2 387	2 254	2 246	2 122

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Corresponds to the exchange rate applying to exports.

Table 2
GUATEMALA: GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	113.0	119.4	124.0	100.8	101.1	102.0	102.0
a) Gross domestic product	112.7	118.0	122.5	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-0.5	0.0	-0.3
c) Net factor income from abroad [b]	207.8	284.7	162.7	-0.6	-1.1	-1.4	-0.8
d) Net private transfers from abroad [b]	219.2	283.4	271.5	1.4	2.7	3.3	3.1

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars. Those for 1993 were estimated by ECLAC on the basis of information from the Banco de Guatemala. These figures were then converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 3
GUATEMALA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**109.3**	**120.9**	**125.3**	**125.1**	**127.9**	**2.3**	**3.7**	**10.6**	**3.7**
Gross domestic product at market prices	112.7	118.0	122.5	100.0	100.0	2.9	3.5	4.7	3.8
Imports of goods and services [c]	95.7	132.3	136.3	25.1	27.9	-0.7	4.7	38.3	2.7
Total demand	**109.3**	**120.9**	**125.3**	**125.1**	**127.9**	**2.3**	**3.7**	**10.6**	**3.7**
Domestic demand	112.9	125.5	130.5	102.9	109.6	1.5	5.4	11.2	4.0
Gross domestic investment	106.0	138.0	145.4	16.4	19.5	-1.3	22.6	30.1	5.4
Gross fixed investment	79.7	102.2	113.5	15.7	14.6	-10.3	3.7	28.3	11.1
Construction	71.1	90.4	...	8.8	...	-8.0	3.0	27.2	...
Machinery and equipment	90.7	117.3	...	6.9	...	-12.5	4.4	29.4	...
Public	57.3	74.8	78.6	5.8	3.7	-10.4	-3.4	30.5	5.1
Private	92.8	118.3	134.0	9.9	10.8	-10.2	6.5	27.5	13.3
Changes in stocks	685.5	923.0	845.5	0.7	4.9	...	...	...	...
Total consumption	114.1	123.1	127.7	86.5	90.1	1.9	2.8	7.9	3.7
General government	133.7	141.4	148.5	7.8	9.4	3.3	1.7	5.8	5.0
Private	112.2	121.3	125.6	78.7	80.7	1.7	3.0	8.1	3.5
Exports of goods and services [c]	92.5	99.5	101.2	22.2	18.3	6.5	-4.9	7.6	1.7

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] The figures for exports and imports of goods and services were taken from IMF balance-of-payments data expressed in current dollars, which were then converted into constant 1980 values using unit value indexes prepared by ECLAC.

Table 4

GUATEMALA: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As a percentage of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	11.6	14.8	14.1	13.6	13.1	15.5	19.2	19.5
Gross fixed investment	10.2	11.5	12.4	12.7	11.1	11.1	13.6	14.6
Construction	5.1	5.5	6.1	6.3	5.6	5.6	6.8	...
Machinery and equipment	5.1	6.0	6.3	6.5	5.5	5.5	6.8	...
Changes in stocks	1.4	3.3	1.7	0.9	2.0	4.4	5.6	4.9
Gross domestic saving	13.4	11.4	11.0	10.9	11.8	12.4	9.8	9.9
Terms-of-trade effect [c]	-0.1	-2.6	-2.4	-2.4	-1.6	-0.5	0.0	-0.3
Net income from factor services [c]	-3.0	-2.3	-2.1	-2.1	-2.3	-1.1	-1.4	-0.8
Unrequited private transfer payments [c]	0.7	1.3	1.7	2.1	2.4	2.7	3.3	3.1
Gross national saving	11.0	7.8	8.1	8.5	10.3	13.5	11.7	11.9
External saving	0.6	7.0	6.0	5.1	2.7	2.0	7.5	7.6

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars; those for 1993 were estimated by ECLAC on the basis of information from the Banco de Guatemala. These figures were then converted to constant 1980 values using unit value indexes prepared by ECLAC.

Table 5

GUATEMALA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**112.7**	**118.0**	**122.5**	**100.0**	**100.0**	**2.9**	**3.5**	**4.7**	**3.8**
Goods	**106.3**	**110.9**	**114.1**	**50.1**	**46.6**	**2.6**	**2.8**	**4.4**	**2.8**
Agriculture	117.2	120.6	123.0	27.1	27.2	4.1	3.1	3.0	2.0
Mining	62.2	80.4	90.5	0.7	0.5	-5.6	8.2	29.3	12.6
Manufacturing	101.0	104.1	106.6	17.6	15.3	2.2	2.4	3.1	2.4
Construction	69.8	84.8	93.7	4.6	3.5	-7.9	1.5	21.5	10.5
Basic services	**139.7**	**152.9**	**164.9**	**5.7**	**7.6**	**6.1**	**5.4**	**9.5**	**7.8**
Electricity, gas and water	165.2	187.2	203.0	1.3	2.1	5.9	3.9	13.3	8.4
Transport, storage and communications	132.5	143.2	154.0	4.4	5.5	6.1	5.9	8.1	7.6
Other services	**116.4**	**121.6**	**126.7**	**44.3**	**45.8**	**2.9**	**4.0**	**4.4**	**4.2**
Commerce, restaurants and hotels	101.3	105.9	110.3	22.5	20.3	1.6	4.2	4.5	4.2
Financial institutions, insurance, real estate and business services	131.7	136.9	143.3	7.7	9.0	4.3	4.2	4.0	4.7
Ownership of dwellings	127.1	130.1	133.3	4.9	5.3	2.3	2.3	2.4	2.4
Community, social and personal services	132.2	138.3	143.9	14.0	16.5	3.7	3.6	4.6	4.0
Government services	152.4	161.3	169.1	6.9	9.6	3.9	4.6	5.8	4.8

Source: ECLAC, on the basis of official figures, which are reweighted according to the current 1980 price structure. Consequently, the results do not necessarily coincide with those published by the country based on its calculations at constant prices.

[a] Preliminary figures.

Table 6
GUATEMALA: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
	Production of main crops [b]						
For export [c]							
Coffee	4 265	4 491	4 600	7.7	1.5	5.3	2.4
Cotton	902	514	453	-7.3	7.9	-43.0	-11.9
Banana	8 392	10 524	10 650	4.0	1.7	25.4	1.2
Sugar cane [d]	10 799	11 308	11 436	26.1	12.5	4.7	1.1
Cardamom	269	275	281	-	7.6	2.2	2.2
For domestic consumption [c]							
Maize	27 132	30 060	28 485	3.7	-3.4	10.8	-5.2
Beans	2 471	2 520	2 193	32.0	-5.0	2.0	-13.0
Rice	1 045	2 471	1 048	0.1	7.0	136.5	-57.6
	Indicators of livestock production						
Stocks							
Cattle [e]	2 077	2 250	2 400	-0.7	2.2	8.3	6.7
Pigs [e]	587	650	715	-	-3.9	10.7	10.0
Poultry [f]	69	70	71	4.8	4.5	1.4	1.4
Slaughtering							
Cattle [e]	285	338	350	-2.1	-22.6	18.7	3.6
Pigs [e]	247	325	350	-11.6	-14.8	31.6	7.7
Poultry [g]	153	157	161	5.8	5.5	2.6	2.5
Other products							
Eggs [h]	114	127	127	1.1	4.6	11.0	0.7
Honey [c]	73	70	75	2.8	0.6	-3.8	7.1

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala and the National Institute of Statistics (INE).
[a] Preliminary figures. [b] Refers to crop years, except in the cases of bananas and cardomom. [c] Thousands of quintals.
[d] Thousands of metric tons. [e] Thousands of head. [f] Millions of head. [g] Millions of pounds. [h] Millions of dozens.

Table 7
GUATEMALA: GENERATION AND CONSUMPTION OF ELECTRICITY

	Millions of kWh			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total supply [b]	**2 431**	**2 773**	**3 058**	**6.3**	**4.4**	**14.1**	**10.3**
Net production [c]	2 429	2 727	3 047	6.0	4.8	12.3	11.7
Imports	2	46	11	375.0	-78.9	2 200.0	-76.1
Total demand [b]	**2 431**	**2 773**	**3 058**	**6.3**	**4.4**	**14.1**	**10.3**
Total consumption	2 102	2 370	2 538	7.9	5.7	12.7	7.1
Residential	638	717	778	12.0	5.5	12.4	8.5
Commercial	448	501	556	10.1	0.7	11.8	11.0
Industrial	713	826	861	5.0	7.1	15.8	4.2
Government and other	304	326	342	3.0	10.9	7.2	4.9
Exports	7	99	90	83.3	-36.4	1 314.3	-9.1
Losses [d]	322	304	430	-3.5	-1.5	-5.6	41.4

Source: ECLAC, on the basis of figures supplied by the National Electrification Institute (INDE) and the Empresa Eléctrica de Guatemala, S.A. (EEG).
[a] Preliminary figures. [b] Corresponds to the national grid. [c] Gross production less consumption by power stations.
[d] Refers to transmission and distribution losses.

Table 8
GUATEMALA: EMPLOYMENT AND UNEMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Thousands of persons [b]							
Total population	**8 163**	**8 399**	**8 643**	**8 917**	**9 176**	**9 442**	**9 715**	**9 997**
Economically active population	**2 576**	**2 648**	**2 722**	**2 799**	**2 877**	**2 958**	**3 040**	**3 126**
Employment	2 217	2 345	2 482	2 627	2 691	2 768	2 866	2 955
Unemployment	1 127	1 142	1 154	1 162	1 183	1 195	1 188	1 193
Open	360	303	239	172	186	190	174	171
Equivalent [c]	767	839	914	990	998	1 006	1 014	1 022
	Percentages							
Participation rate [d]	**53.6**	**53.4**	**52.5**	**52.3**	**52.1**	**52.1**	**52.1**	**52.1**
Unemployment	43.8	43.1	42.4	41.5	41.1	40.4	39.1	38.2
Open	14.0	11.4	8.8	6.1	6.5	6.4	5.7	5.5
Equivalent [c]	29.8	31.7	33.6	35.4	34.7	34.0	33.3	32.7

Source: ECLAC, on the basis of figures supplied by the General Secretariat of the National Council for Economic Planning (SEGEPLAN).
[a] Preliminary figures. [b] SEGEPLAN estimates of manpower utilization based on a comparison of the growth of gross domestic product with the increase in productivity. [c] Includes underemployment. [d] Economically active population as a percentage of the working-age population (15 years and over).

Table 9
GUATEMALA: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports (f.o.b.)								
Value	-1.5	-6.3	9.8	4.9	7.6	1.5	4.4	5.6
Volume	-17.7	4.8	3.4	6.6	10.8	-3.6	11.0	3.1
Unit value	19.6	-10.6	6.2	-1.6	-2.9	5.4	-6.0	2.5
Imports (f.o.b.)								
Value	-18.7	52.2	6.0	5.0	-3.8	17.2	39.1	2.3
Volume	-11.5	46.1	2.3	8.5	-0.5	7.1	37.4	2.0
Unit value	-8.1	4.2	3.6	-3.2	-3.3	9.4	1.2	0.3
Terms of trade (f.o.b. / c.i.f.)	29.2	-13.9	1.6	1.1	0.2	-3.7	-6.4	1.7
	Indexes (1980=100)							
Purchasing power of exports	73.5	66.3	69.6	75.0	83.3	77.3	80.3	84.2
Volume of exports	72.7	76.1	78.7	83.9	93.0	89.6	99.5	102.5
Volume of imports	66.1	96.6	98.8	107.2	106.6	114.2	156.9	160.0
Terms of trade (f.o.b. / c.i.f.)	101.1	87.0	88.4	89.4	89.6	86.2	80.7	82.1

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.
[a] Preliminary figures.

Table 10

GUATEMALA: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-42**	**-535**	**-497**	**-438**	**-235**	**-186**	**-758**	**-766**
Trade balance	121	-456	-462	-437	-244	-342	-955	-999
Exports of goods and services	1 167	1 136	1 269	1 424	1 568	1 687	1 898	1 808
Goods f.o.b.	1 044	978	1 073	1 126	1 211	1 230	1 284	1 356
Real services [b]	123	158	196	298	356	457	614	452
Transport and insurance	8	9	17	27	23	24	42	28
Travel	29	51	62	109	118	145	186	218
Imports of goods and services	1 046	1 593	1 731	1 861	1 812	2 029	2 853	2 807
Goods f.o.b.	876	1 333	1 413	1 484	1 428	1 673	2 328	2 381
Real services [b]	170	260	318	377	384	356	525	426
Transport and insurance	92	126	160	174	156	193	236	251
Travel	15	33	95	124	100	100	103	117
Factor services	-214	-179	-176	-179	-196	-101	-141	-77
Profits	-39	-48	-28	-44	-36	-43	-36	-44
Interest received	33	31	27	14	8	23	25	25
Interest paid or due	-203	-155	-176	-162	-176	-120	-168	-91
Labour and ownership	-5	-7	1	12	9	39	38	33
Unrequited private transfer payments	51	101	142	179	205	258	339	310
Balance on capital account	**155**	**482**	**355**	**510**	**205**	**740**	**738**	**879**
Unrequited official transfer payments	25	92	83	71	22	2	52	53
Long-term capital	45	137	108	126	33	224	278	358
Direct investment	69	150	330	76	48	91	94	216
Portfolio investment	17	-16	-221	-25	-17	75	12	114
Other long-term capital	-41	3	-1	74	2	58	172	28
Official sector [c]	-79	-7	-4	54	-16	-65	76	-67
Loans received	437	371	246	257	193	156	266	80
Amortization payments	-474	-378	-242	-200	-202	-221	-189	-147
Commercial banks [c]	-	-	-	-	-	-	-	
Loans received	-	-	-	-	-	-	-	
Amortization payments	-	-	-	-	-	-	-	
Other sectors [c]	38	10	3	21	18	123	96	95
Loans received	6	24	10	28	12	54	38	171
Amortization payments	-10	-15	-7	-8	-6	-	-1	-76
Short-term capital	19	325	167	258	114	431	327	548
Official sector	-81	18	22	128	15	-108	-99	-70
Commercial banks	13	39	17	-14	-17	-4	14	41
Other sectors	86	269	128	144	116	543	411	577
Errors and omissions (net)	67	-73	-2	55	36	83	82	-80
Global balance [d]	**113**	**-53**	**-141**	**72**	**-30**	**554**	**-20**	**113**
Total variation in reserves (- sign indicates an increase)	-102	62	140	-84	35	554	19	-113
Monetary gold	-	-	-	-	-	-	4	4
Special drawing rights	-	-2	2	-1	1	-	-16	
IMF reserve position	-	-	-	-	-	-	-	
Foreign exchange assets	-61	76	85	-104	23	-525	58	-102
Other assets	5	-1	24	36	18	-26	6	16
Use made of IMF credit	-46	-11	29	-15	-6	-3	-33	-31

Source: 1986-1992: ECLAC, on the basis of data supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of data supplied by the Banco de Guatemala.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 11
GUATEMALA: EXCHANGE RATES
(Annual and quarterly averages)

	Nominal exchange rates[a] (quetzales per dollar)	Indexes of the real effective exchange rate[b] (1985=100) based on the consumer price index[c]	
		Exports	Imports
1978	1.00	118.0	122.9
1979	1.00	118.6	123.3
1980	1.00	120.8	126.1
1981	1.00	109.7	118.7
1982	1.00	111.6	118.5
1983	1.00	112.0	115.5
1984	1.00	112.8	114.4
1985	1.00	100.0	100.0
1986	1.88	138.2	143.0
1987	2.50	178.3	181.5
1988	2.62	180.2	184.5
1989	2.82	181.1	182.5
1990	4.49	212.0	218.6
1991	5.03	186.1	194.0
1992	5.17	184.3	192.4
1993[d]	5.64	182.5	190.6
1992			
I	5.13	187.8	196.5
II	5.05	181.1	188.9
III	5.22	186.0	194.6
IV	5.28	182.2	189.6
1993[d]			
I	5.36	180.6	187.6
II	5.56	183.7	192.0
III	5.78	184.6	193.3
IV	5.84	181.1	189.6

Source: ECLAC, on the basis of data supplied by the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] A regulated market was established in June 1986. [b] Corresponds to the average of the indexes for the real exchange rate of the quetzal with respect to the currencies of Guatemala's main trading partners, weighted according to the relative importance of exports or imports, as the case may be, to or from those countries. The weightings correspond to the average for the period 1986-1990. For further information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981. [c] The consumer price index was used for all the countries. [d] Preliminary figures.

Table 12

GUATEMALA: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1990	1992	1993[a]	1990	1991	1992	1993[a]
Total	**1 230**	**1 284**	**1 356**	**100.0**	**100.0**	**100.0**	**7.5**	**1.6**	**4.3**	**5.6**
Exports to Central America	**324**	**395**	**418**	**23.8**	**30.8**	**31.2**	**15.7**	**12.5**	**22.0**	**5.7**
Exports to rest of world	**906**	**888**	**938**	**76.2**	**69.2**	**68.8**	**5.2**	**-1.8**	**-2.0**	**5.6**
Traditional	588	547	565	53.3	42.6	42.1	0.9	-8.8	-7.0	3.3
Coffee (green)	281	253	267	26.1	19.7	19.9	-16.8	-11.1	-10.0	5.5
Ginned cotton	22	1	-	2.1	0.1	-	-10.7	-12.0	-95.5	...
Banana	80	111	99	7.1	8.6	7.4	-1.1	-7.0	38.8	-10.8
Meat	26	13	17	2.6	1.0	1.3	24.0	-16.1	-50.0	30.8
Sugar	141	136	143	12.6	10.6	10.7	66.3	-7.8	-3.5	5.1
Cardamom	38	33	39	2.8	2.6	2.9	25.9	11.8	-13.2	18.2
Non-traditional	643	737	791	46.7	57.4	57.7	16.2	13.6	14.5	7.4
Chemicals	32	32	33	2.2	2.5	2.5	22.7	18.5	-	3.1
Petroleum	19	20	24	1.7	1.6	1.8	40.0	-9.5	5.3	20.0
Vegetables and legumes	31	34	36	2.2	2.7	2.7	12.5	14.8	10.3	5.3
Other	561	650	698	40.5	50.7	50.8	15.3	14.3	15.9	7.3

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.
[a] Preliminary figures.

Table 13

GUATEMALA: EXPORT VOLUMES OF MAIN PRODUCTS

	Thousands of quintals			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Coffee	3 684	4 331	4 600	5.7	-12.8	17.6	6.2
Banana	7 325	9 299	9 500	-1.2	-6.4	26.9	2.2
Sugar	14 602	15 287	15 000	42.1	18.1	4.7	-1.9
Cardamom	306	295	289	9.2	22.4	-3.6	-2.0
Cotton	379	11	14	-20.9	-12.3	-97.1	27.3
Meat	398	220	190	24.2	-4.3	-44.7	-13.6
Petroleum [b]	1 063	1 664	2 150	16.8	-18.0	56.5	29.2

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.
[a] Preliminary figures. [b] Thousands of barrels.

Table 14
GUATEMALA: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**1 851**	**2 532**	**2 671**	**100.0**	**100.0**	**100.0**	**0.5**	**12.2**	**36.8**	**5.5**
Consumer goods	364	542	678	19.2	21.4	25.4	1.3	14.8	48.9	25.0
Intermediate goods	1 133	1 364	1 284	61.2	53.9	48.1	3.9	12.3	20.4	-5.9
Petroleum and fuels	205	223	200	11.3	8.8	7.5	56.3	10.2	8.8	-10.3
Other	929	1141	1 084	49.9	45.1	40.6	-3.4	12.9	22.8	-5.0
Capital goods	351	621	696	19.4	24.5	26.0	-9.1	9.8	76.7	12.0
Other	2	5	14	0.2	0.2	0.5	-20.0	-47.5	14.3	14.3

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.
[a] Preliminary figures.

Table 15
GUATEMALA: EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total external debt								
Balance	2 674	2 700	2 599	2 731	2 602	2 561	2 582	...
Public	2 517	2 465	2 340[b]	2 457	2 387	2 254	2 246	2 122
Private	157	193	259	276	216	307	437	...
Public external debt								
Disbursements [c d]	298	224	196	482	46	57	123	...
Servicing	494	395	527	487	272	150	194	...
Amortization payments	318	234	363	366	175	79	111	...
Interest	177	162	165	121	97	71	84	...
	Percentages of exports of goods and services							
Total external debt	**229.1**	**237.7**	**204.8**	**191.8**	**165.9**	**151.8**	**136.0**	**...**
Servicing [e]	42.3	34.8	41.5	34.2	17.3	8.9	10.2	...
Net interest payments [f]	14.6	10.9	11.7	10.4	10.7	5.7	7.5	3.7
Servicing/disbursements [e]	165.8	176.3	268.9	101.0	591.3	263.2	157.7	...

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.
[a] Preliminary figures. [b] Does not include 1988 stabilization bonds, in quetzales. [c] Differs from the balance-of-payments accounts because it does not include renegotiations or arrears. The debt balances include adjustments for exchange revaluations on loans not denominated in dollars. [d] Calculated by ECLAC on the basis of the following formula: (St) - (St-1) + At, where St = balance for the year in question; St-1 = balance for the immediately preceding year; and At = amortization payments for the year in question. [e] Refers to public debt. [f] Corresponds to the net balance-of-payments figure.

Table 16
GUATEMALA: DOMESTIC PRICES

	1987	1988	1989	1990	1991	1992	1993[a]
December-to-December variation							
Consumer price index	10.1	11.0	17.9	60.6	10.0	14.2	11.6
Variation between annual averages[b]							
Consumer price index	10.8	10.3	13.0	41.0	35.1	10.2	13.4
Food and beverages	15.5	14.8	13.3	47.1	32.3	7.2	14.5

Source: ECLAC, on the basis of figures supplied by the National Institute of Statistics (INE).
[a] Preliminary figures. [b] For urban areas and the capital city.

Table 17
GUATEMALA: WAGES AND SALARIES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Indexes (1980=100)								
Wages and salaries								
Nominal	159.3	191.0	222.7	261.1	301.4	381.0	483.1	586.4
Real[b]	81.0	86.5	91.0	95.8	78.5	74.5	85.6	91.7
Wage bill								
Nominal	139.1	171.4	229.6	272.3	313.4	396.8	...	...
Real[b]	70.9	77.8	94.1	100.1	81.6	77.4	...	...
Growth rates								
Wages and salaries								
Nominal	11.9	19.9	16.6	17.2	15.4	26.4	26.8	21.4
Real[b]	-18.3	6.8	5.2	5.3	-18.1	-5.1	14.9	7.1
Wage bill								
Nominal	17.0	23.2	34.0	18.6	15.1	26.6	...	...
Real[b]	-14.5	9.7	20.8	6.5	-18.5	-5.1	...	...

Source: ECLAC, on the basis of information supplied by the Guatemala Social Security Institute (IGSS) concerning the number of registered contributors and their wages and salaries.
[a] Preliminary figures. [b] Deflated by the consumer price index.

Table 18

GUATEMALA: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of quetzales			Percentages of GDP			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
1. **Current income**	**4 266**	**5 463**	**5 750**	**9.0**	**10.1**	**9.0**	**21.2**	**57.3**	**28.1**	**5.3**
Tax revenue	3 452	4 452	4 958	7.3	8.3	7.8	27.3	47.2	29.0	11.4
Direct	1 079	1 054	1 242	2.3	2.0	2.0	22.4	97.3	-2.3	17.8
Indirect	2 373	3 398	3 716	5.0	6.3	5.8	28.9	32.0	43.2	9.4
On foreign trade	661	1 132	1 085	1.4	2.1	1.7	14.8	25.2	71.3	-4.2
Non-tax revenue	814	1 011	792	1.7	1.9	1.2	-7.3	121.8	24.2	-21.7
2. **Current expenditure**	**3 576**	**4 189**	**4 772**	**7.6**	**7.8**	**7.5**	**22.0**	**22.9**	**17.1**	**13.9**
Wages and salaries	1 293	1 722	1 998	2.7	3.2	3.1	13.8	16.1	33.2	16.0
Goods and services	598	683	724	1.3	1.3	1.1	38.8	39.4	14.2	6.0
Interest	752	530	588	1.6	1.0	0.9	19.9	91.8	-29.5	10.9
Transfers and other	933	1 254	1 462	2.0	2.3	2.3	26.5	-4.2	34.4	16.6
3. **Current balance** (1 - 2)	**690**	**1 274**	**978**	**1.5**	**2.4**	**1.5**				
4. **Capital expenditure**	**731**	**1 565**	**1 954**	**1.5**	**2.9**	**3.1**	**-19.9**	**22.4**	**114.1**	**24.9**
Real investment	441	636	710	0.9	1.2	1.1	5.6	29.7	44.2	11.6
Other	290	929	1 244	0.6	1.7	2.0	-39.2	12.8	220.3	33.9
5. **Total expenditure** (2 + 4)	**4 307**	**5 754**	**6 726**	**9.1**	**10.7**	**10.6**	**12.0**	**22.8**	**33.6**	**16.9**
6. **Fiscal balance** (1 - 5)	**-41**	**-291**	**-976**	**-0.1**	**-0.5**	**-1.5**				
7. **Financing**	**41**	**291**	**976**	**0.1**	**0.5**	**1.5**				
Domestic financing	227	-47	552	0.5	-0.1	0.9				
Credit received	961	709	2 461	2.0	1.3	3.9				
(-) Amortization payments	734	756	1 909	1.6	1.4	3.0				
External financing	107	-27	-85	0.2	-0.1	-0.1				
Credit received	197	163	63	0.4	0.3	0.1				
(-) Amortization payments	90	190	148	0.2	0.4	0.2				
Other sources[b]	-293	365	509	-0.6	0.7	0.8				
Ratios (percentages)										
Current balance/ total expenditure	16.0	22.1	14.5							
Fiscal balance/ total expenditure	-1.0	-5.1	-14.5							
Domestic financing/ fiscal balance	-553.7	16.2	-56.6							
External financing/ fiscal balance	-261.0	9.3	8.7							
Other financial sources/ fiscal balance	714.6	-125.4	-52.2							

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.

[a] Preliminary figures. [b] Includes official external transfers and floating debt.

Table 19

GUATEMALA: TOTAL CENTRAL GOVERNMENT INCOME

	Millions of quetzales			Percentage breakdown			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
Total income	**4 314**	**5 743**	**5 763**	**100.0**	**100.0**	**100.0**	**54.2**	**33.1**	**0.4**
Current income	4 267	5 463	5 749	98.9	95.1	99.8	57.3	28.0	5.2
Tax revenue	3 452	4 452	4 957	80.0	77.5	86.0	47.2	29.0	11.4
Direct	1 079	1 054	1 242	25.0	18.4	21.5	97.3	-2.3	17.8
On income	993	958	1 196	23.0	16.7	20.8	95.9	-3.5	24.9
Of businesses	901	816	1 046	20.9	14.2	18.2	86.9	-9.4	28.2
Of individuals	92	142	150	2.1	2.5	2.6	268.0	54.1	5.8
On property	35	53	40	0.8	0.9	0.7	-7.9	51.4	-24.2
On inheritance and other	3	3	2	0.1	0.1	-	50.0	-	-33.3
Other	48	40	3	1.1	0.7	0.1	-	-16.7	-92.5
Indirect	2 373	3 398	3 716	55.0	59.2	64.5	32.0	43.2	9.4
On imports	659	1 131	1 085	15.3	19.7	18.8	26.0	71.6	-4.0
On exports	2	1	-	-	-	-	-60.0	-50.0	...
Official stamped paper and revenue stamps	180	166	152	4.2	2.9	2.6	30.4	-7.8	-8.4
Value-added	1 039	1 423	1 678	24.1	24.8	29.1	31.4	37.0	17.9
On non-personal services	499	661	692	11.6	11.5	12.0	38.2	32.5	4.7
On imports	540	762	986	12.5	13.3	17.1	25.6	41.1	29.4
Alcoholic beverages	79	90	93	1.8	1.6	1.6	8.2	13.9	3.3
Consumption of petroleum and petroleum products	219	366	451	5.1	6.4	7.8	87.2	67.3	23.1
Other taxes	195	220	256	4.5	3.8	4.4	29.1	12.9	16.3
Non-tax revenue	815	1 011	792	18.9	17.6	13.7	122.1	24.1	-21.7
Returns on capital	41	10	5	1.0	0.2	0.1	-14.6	-75.6	-50.0
Profits of State enterprises	11	191	389	0.3	3.3	6.7	-81.7	1 632.7	104.1
Miscellaneous income	763	811	398	17.7	14.1	6.9	194.6	6.2	-50.9
Capital income	47	280	14	1.1	4.9	0.2	-44.7	495.7	-95.0
Grants and donations	16	267	14	0.4	4.6	0.2	-81.2	1 568.8	-94.8
Other	31	13	-	0.7	0.2	-			

Source: ECLAC, on the basis of figures supplied by the Ministry of Public Finance.

[a] Preliminary figures.

Table 20
GUATEMALA: MONETARY INDICATORS

	Year-end balances (millions of quetzales)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Money (M1)	**3 813**	**4 114**	**4 974**	**33.9**	**18.3**	**7.9**	**20.9**
Currency outside banks	2 089	2 767	3 172	43.4	10.1	32.5	14.6
Demand deposits	1 724	1 347	1 802	22.3	29.9	-21.9	33.8
Factors of expansion	**10 678**	**12 897**	**14 167**	**...**	**...**	**20.8**	**9.8**
Net international reserves	2 342	3 119	4 289				
Domestic credit [b]	8 336	9 778	9 878	...	...	17.3	1.0
To central Government	2 173	1 678	1 283	5.1	53.1	-22.8	-23.5
To private sector	4 784	6 461	7 490	13.9	16.4	35.1	15.9
Otras cuentas netas	1 379	1 639	1 105	...	...	18.9	-32.6
Quasi-money	**6 857**	**8 783**	**9 193**	**13.7**	**64.5**	**28.1**	**4.7**
Savings deposits	5 910	7 248	...	11.6	61.1	22.6	...
Time deposits	611	740	...	58.0	138.7	21.1	...
Other deposits	336	795	...	13.0	37.7	136.6	...
	Percentages						
Liquidity coefficient M1/GDP	7.70	9.01	9.77				

Source: ECLAC, on the basis of figures supplied by the Banco de Guatemala.
[a] Preliminary figures. [b] Does not include local government, public enterprises or non-monetary financial institutions.

Table 21
GUATEMALA: INTEREST RATES
(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]	
	On deposits	On loans	On deposits	On loans	On deposits	On loans
1990						
I	13.0	16.0	-16.7	-14.5	-37.2	-35.5
II	18.2	24.0	-30.3	-26.9	-18.2	-14.2
III	20.3	26.8	0.1	5.5	-61.1	-59.0
IV	21.3	26.3	-48.7	-46.5	109.7	118.4
1991						
I	24.8	33.3	9.3	16.7	19.4	27.5
II	26.3	35.0	10.7	18.4	35.7	45.0
III	24.8	35.0	19.9	29.7	17.1	26.7
IV	21.7	33.0	12.6	23.0	18.5	29.5
1992						
I	11.1	19.9	-2.0	5.7	4.8	13.1
II	9.5	18.4	-0.4	7.7	13.9	23.2
III	10.3	19.1	-3.1	4.7	-6.3	1.2
IV	10.9	20.5	-7.9	0.1	12.6	22.4
1993						
I	11.7	23.1	5.6	16.3	-4.6	5.1
II	12.8	24.8	-5.2	4.9	-2.9	7.4
III	12.8	25.4	3.5	15.0	-2.4	8.4
IV	13.2	25.7	-	11.1	17.7	30.8

Source: ECLAC, on the basis of official figures and information from the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices during the same pediod. [b] Ratio between nominal rates and devaluation during the same period.

HAITI

1. General features of economic trends

Haiti's economic and social situation worsened considerably in 1993,[1] against a backdrop of violent political conflict which in the past two years has led to a serious institutional crisis, the weakening of the formal economy, the suspension of external financing and a substantial decrease in trade with other countries. The real gross domestic product (GDP) fell by more than 4% after decreasing by 8% in 1992. Meanwhile, per capita output suffered another setback (-5%), although a less severe one than in the previous year (-10%). Such shrinkages may have been mitigated by the growth of the informal economic sector, although the magnitude of that sector cannot be assessed accurately. It is estimated that the unemployment rate rose to over 70%, while the inflation rate (40% over the calendar year) nearly doubled as compared with 1992.

The international community continued its diplomatic efforts to facilitate a political solution to the crisis set off in September 1991 by the overthrow of the first democratically elected Government in Haiti's history. Despite the actions undertaken, a return to normality was achieved neither in the constitutional sphere nor, obviously, in the social and economic spheres. The subsequent international response led to the strengthening of the trade embargo from 23 June to 27 August and its extension to petroleum and petroleum products.

The impact of the severe economic conditions was felt most strongly in the social sphere. It is estimated that in 1993 70% or more of the population fell below the extreme poverty line. By the end of the year, per capita GDP was equivalent to less than US$ 250, as compared with nearly US$ 300 in 1991. The decline in real income and the political and social insecurity in Port-au-Prince intensified clandestine emigration by Haitians to other countries and rural areas. Thousands of persons left the capital in the hope of being able to eke out a living in smaller towns and rural areas, where barter and subsistence agriculture have largely replaced commerce. The growing pressure on land and the accelerated deforestation resulting from the shortage of petroleum products have continued to damage the fragile environment.

2. Economic policy

The functioning of the public sector was seriously threatened by the further deterioration in fiscal finances owing to the suspension of external financing (the Government's main source of financial resources in previous years), the effects of international sanctions and the worsening of the economic situation of public enterprises. Under these circumstances, the main achievement of the budget administration was to continue paying the salaries of public officials; in view of the cut-off of the usual sources of budget financing and the need to cover the gap between expenditure and fiscal revenue, the Bank of the Republic of Haiti was forced to issue more money so as to enable the public sector to function.

[1] Except as otherwise indicated, the years mentioned in this study represent fiscal years, which begin on 1 October of each year and end on 30 September of the following year, the one which is referred to as the fiscal year.

a) **Fiscal policy**

The situation of public finances worsened in 1993, a year in which the unfinanced public-sector deficit went from 3.3% to 3.6% of GDP.

Current income grew by 8% in nominal terms, meaning that it suffered a major setback in real terms. Budget items performed unevenly; while tax receipts in local currency rose by 14%, owing to an increase in the exchange rate, transfer payments from public enterprises to the treasury decreased by 20%. It should also be noted that the amount of assets frozen abroad as a result of international sanctions expanded from 99 million gourdes to 124 million.

Meanwhile, current expenditure rose by 9%, mainly because of the increase in personal remuneration (14%), which absorbed more than half of public expenditure. As a result of the loss of external financing, capital expenditure continued to be negligible. At the same time, debt-servicing payments tripled.

Figure 1
HAITI: MAIN ECONOMIC INDICATORS

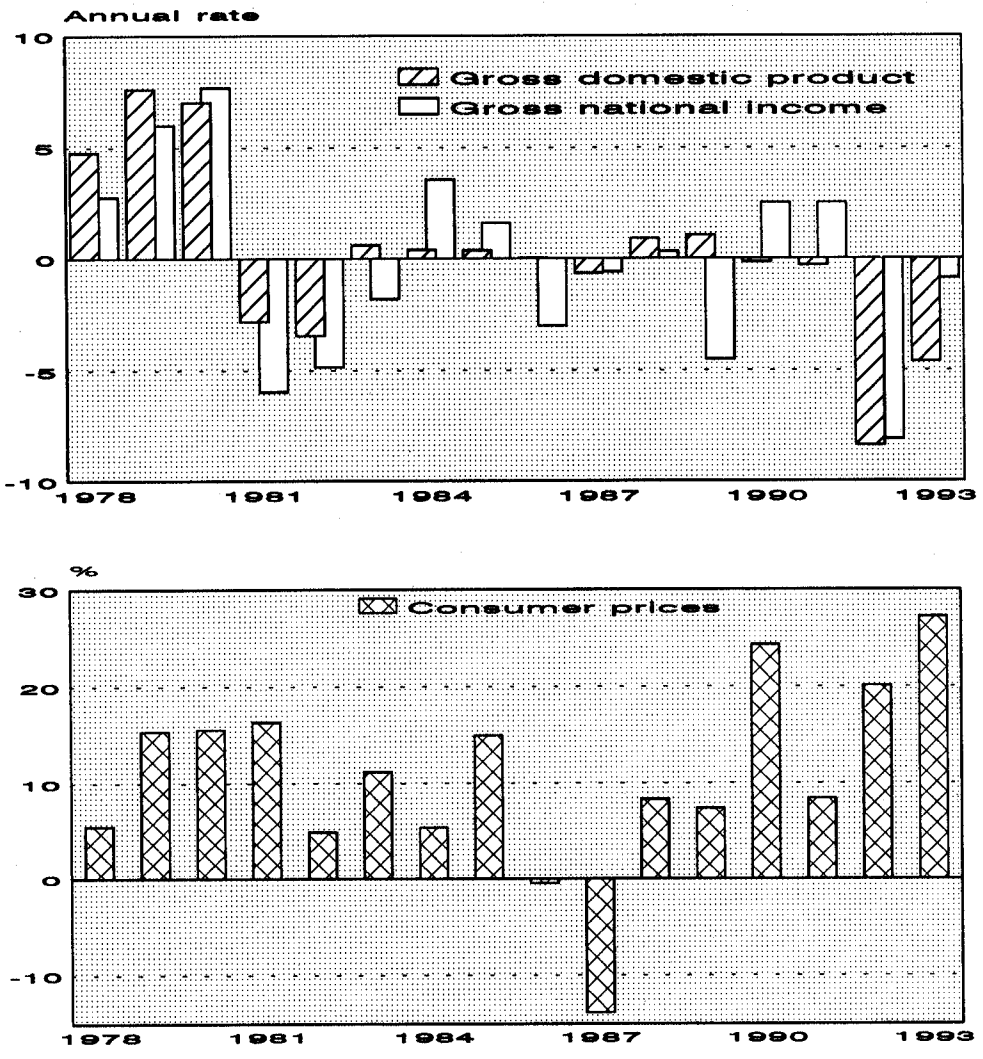
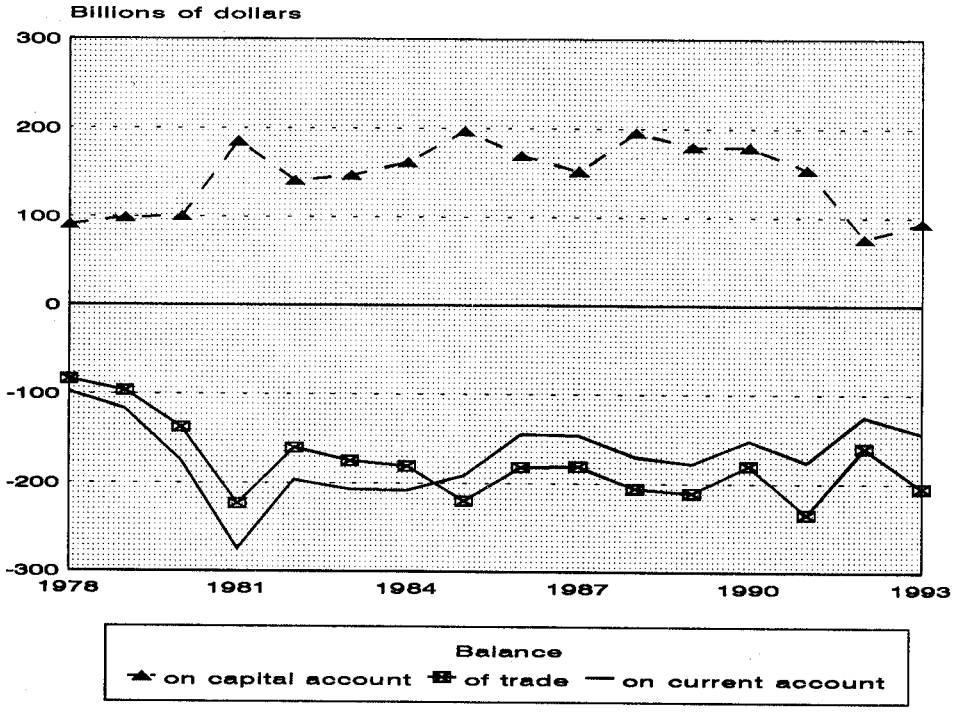


Figure 1 (concluded)



In view of the special circumstances affecting the country, the public treasury could not fall back on either private or external savings to finance the budget deficit. Part of the gap (40%) was covered by credits from the Bank of the Republic, while the remainder was financed through late payments on the debt, both external (US$ 41 million) and internal (US$ 4 million).

b) Monetary policy

Recourse by the Government to credit from the Bank of the Republic to finance a major share of its budget deficit produced an expansion of the monetary base and monetary creation which, in turn, led to accelerating inflation and a nominal currency depreciation (33%). In the first quarter of the year, as in 1992, the net credit granted to the public sector continued to register an annual increase of nearly 50%.

In an effort to mitigate the expansionary effect which the broadening of the base could have on the monetary mass, monetary policy was adjusted during the first half of the year. Thus, in March 1993, the authorities increased the banks' minimum reserve requirements. The legal reserve requirement for current accounts rose to 73% and, for savings accounts, to 46%. By the end of the first quarter, the monetary mass had increased by 24%, as compared with an expansion of 33% in the monetary base.

The persistent sociopolitical crisis and the continuing deterioration in the economic situation –especially the increased inflation and devaluation of the national currency– meant that economic actors developed a marked preference for keeping their money in cash, both for transaction purposes and for precautionary or speculative reasons, rather than depositing it in bank accounts. This preference was prompted also by the importance which the informal sector was gradually acquiring in the national economy. In this context, at the beginning of March 1993, barely 180 days following the August

1992 monetary issue, the banks and other financial institutions were confronted by serious liquidity shortages. In order to remedy this situation, the monetary authorities requested Parliament to raise the issue limit of 500 million gourdes, representing 16% of the monetary mass (M1). By the end of the month, the annual rate of expansion of money in circulation exceeded 50%, while demand bank deposits had increased by only 6%.

In the second half of the year, the increase in credit granted to the public sector was partially offset by the shrinkage of credit granted to the private sector and the loss of international reserves.

3. Trends in the main variables

a) Economic activity

The failure of the efforts aimed at normalizing the political situation and the subsequent reaction of the international community, especially the strengthening of the trade embargo, had an adverse impact on the Haitian economy.

In 1993 most of the components of supply and demand suffered setbacks. Economic activity continued to decline, with the gross domestic product decreasing at the rate of 4% per year, mainly because of the sharp contraction of investment (-13%) and exports (-31%). In addition, the volume of imports virtually remained at the low level recorded in 1992. In this context, total demand for goods and services declined by 4% and per capita consumption remained at the low levels of previous years.

Because of international trade sanctions, energy and fuel rationing was scheduled during the year, especially in the second half. Beginning in November 1991, the Government had maintained a fixed price for petroleum and its products; however, acute shortages sparked an increase in illegal imports and black market prices. The fuel shortage had a strong negative impact on economic performance, starting with the transport sector. Production fell in nearly all areas of activity, giving rise to growing unemployment in the formal sector of the economy.

The agricultural stagnation characteristic of recent years persisted, aggravating an already insecure situation. Moreover, in some regions, storage and transport problems impeded marketing and generated local imbalances between demand and supply; these, in turn, led to price increases for some products, especially in the capital, as in the case of maize, rice and beans, whose cost in Port-au-Prince rose by 30% on average during the first half of the year.

Industrial production dropped by nearly 20%. Industry suffered the effects of shrinking demand caused by the reduction in average buying power and concentration of demand among consumers with greater buying power, who preferred imported products which often entered the country through black market channels. The limited import capacity also had an impact on industrial production. The loss of dynamism was much more pronounced in the assembly industry, despite the partial suspension in February 1993 of the trade embargo imposed by the United States. The prevailing adverse political climate and increasingly frequent cuts in the power supply forced most exporters to shift their activities to other countries, while orders received by the remainder fell. The crisis also had an impact on the activity of public enterprises, despite their relatively protected status and special access to financing on more favourable terms, which caused a decrease in their transfer payments to the central Government (-20%).

This situation was reflected in employment; according to some estimates, the subcontracting export industries were forced to trim their payrolls by 70%, and those in the remainder of the industrial sector, by 40%.

The decline in construction activity was influenced by the decreased availability of credit and the higher cost of transport and building materials, especially imports. Investments in public works financed from external resources were totally disrupted; even the maintenance of infrastructural works was abandoned, while demand in the private sector diminished because of the high rates of interest on mortgage loans.

With regard to domestic commerce, the decrease in real income, the embargo on imported products and the disorganization resulting from the mass exodus of part of the population from the capital to rural areas significantly reduced formal activity, concentrated mainly in the metropolitan area. In contrast, it is estimated that informal trade expanded markedly, sustained by contraband merchandise and financial resources stemming from the family remittances sent by Haitian workers residing abroad.

b) Prices and employment

Official figures showed an increase in the consumer price index of around 27% in the 12 months ending in September, but of around 40% over the calendar year, the latter figure being double that of 1992. This result is attributable largely to trends in food prices, which represent two thirds of the weighted index. The largest increases were for clothing items (whose prices doubled) and housing (over 55%).

However, those figures may not reflect adequately the effect of such factors as shrinking supply, growing uncertainty, the rising cost of fuel and transport, the sharp devaluation of the gourde and the monetization of the fiscal deficit. In particular, the informal economy has assumed an ever more important role because of the setback in economic activity, the adverse circumstances prevailing in the foreign trade sphere and the increase in illegal imports as a result of the weakening of the formal economy. Thus, it is estimated that the rise in domestic prices on the informal market over the 12 months preceding September 1993 approached an annual rate of 60%.

In 1993 the unemployment rate exceeded 70%, forcing a large number of unemployed workers to opt for alternative solutions, characterized by great insecurity and bordering on the subsistence level. The majority gravitated towards traditional occupations, generally connected with agriculture and stock-raising, while others attempted to participate in the very active informal economy, which was flourishing, fuelled by the embargo and by contraband. Nevertheless, many were unsuccessful and had to seek job opportunities outside the country, thus increasing the clandestine emigration.

c) The external sector

In recent years, the weight of the external sector has declined. In 1993 the strengthening of the embargo on trade with other countries intensified that trend, and total exports and imports represented only a third of output, as compared with nearly half in 1991 and almost two thirds in 1980. In addition, as a result of the deterioration in the terms of trade and shrinking export volumes, the purchasing power of foreign sales fell by more than 60% in the past two years. This means that one of the most important pillars of the Haitian economy has been weakened. However, such figures suffer from a certain degree of imprecision because of the difficulty of keeping track of illegal imports and the undervaluation of some exports, all of which acquired special relevance in recent years.

Goods exports, which are calculated to have shrunk by 26%, mainly experienced the effects of the new decline in foreign sales of manufactured products (-23%), which represent around 70% of total exports. The value of agricultural sales shrank by nearly 20%, in a context marked by low international prices; the products most affected were coffee and cacao. The only export category which showed a measure of recovery was essential oils.

In the context of the trade embargo, officially recorded goods imports diminished appreciably; the categories most closely linked to the pace of economic activity –such as inputs and machinery– were those which fell most sharply. Imports of consumer durables were also reduced significantly. However, the decrease in recorded totals might have been offset by the increase in illegal imports, which apparently helped to maintain the level of total foreign purchases.

The trend in total exports and imports of goods and services was responsible for an appreciable growth in the trade deficit. Thus, the current account deficit rose to around 10% of GDP, despite the substantial increase in unrequited private transfer payments. Net capital inflows exceeded the levels of the preceding year because

of the higher influx of humanitarian assistance, since several bilateral donors and some specialized agencies (mainly foreign non-governmental organizations) continued to channel assistance to the country, especially in the framework of humanitarian aid programmes. However, such income was not sufficient to finance the current account deficit, and it was necessary to draw on international reserves.

Table 1
HAITI: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	95.2	94.5	95.4	96.4	96.2	95.9	87.9	83.9
Gross national income	89.7	89.1	89.4	85.4	87.5	89.7	82.4	81.7
Population (millions of inhabitants)	6.0	6.1	6.2	6.4	6.5	6.6	6.8	6.8
Per capita gross domestic product	85.2	82.9	82.0	81.2	79.4	77.6	69.6	66.5
Real exchange rate CPI [b]	91.1	107.1	113.0	117.1	121.4	112.8	124.4	133.4
	Ratios (percentages)							
Central Government deficit or surplus/GDP	-5.8	-7.0	-5.2	-6.6	-5.9	-3.8	-2.2	...
Money (M1)/GDP	12.3	15.9	19.2	19.6	17.5	16.7	...	...
	Percentage rates of variation							
Gross domestic product	-	-0.7	0.9	1.0	-0.2	-0.3	-8.4	-4.6
Per capita gross domestic product	-1.9	-2.6	-1.1	-1.0	-2.2	-2.3	-10.2	-4.6
Gross national income	-3.0	-0.6	0.3	-4.5	2.5	2.5	-8.1	-0.9
Consumer prices								
September to September	-0.5	-13.8	8.3	7.3	24.3	8.4	20.1	27.2
Real wages [c]	-7.8	11.6	0.1	0.9	3.8	-8.5	...	...
Current value of exports of goods and services	-13.4	9.7	-14.2	-13.9	3.0	2.4	-49.5	-30.2
Current value of imports of goods and services	-15.0	6.0	-4.1	-6.8	-5.4	14.3	-41.0	2.4
Terms of trade (goods and services)	-14.8	3.1	-5.6	-22.8	11.5	3.9	-11.5	-0.8
	Millions of dollars							
External sector								
Trade balance	-182	-181	-206	-211	-180	-235	-160	-205
Factor services	-15	-21	-27	-26	-25	-27	-9	-9
Balance on current account	-145	-146	-170	-178	-152	-176	-125	-144
Balance on capital account	169	152	195	179	179	154	76	94
Variation in net international reserves	12	14	19	3	-6	16	-12	-15
Disbursed external public debt [d]	696	752	778	803	861	826	...	...

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Refers to the exchange rate for exports; since 1986 the commercial exchange rate has been used.
[c] Minimum wages in industry. [d] Amount disbursed as of 30 September of each year for debts with terms of over one year.

Table 2
HAITI: GROSS REAL NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993 [a]	1980	1991	1992	1993 [a]
Gross national income (a + b + c + d)	89.7	82.4	81.7	102.8	96.1	96.4	100.1
a) Gross domestic product	95.9	87.9	83.9	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-7.8	-6.2	-4.6
c) Net factor payments from abroad [b]	165.7	56.6	55.9	-1.0	-1.8	-0.7	-0.7
d) Net private transfers from abroad [b]	145.1	75.8	118.8	3.8	5.7	3.3	5.4

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992, the figures were taken from the International Monetary Fund (IMF), balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 3
HAITI: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**94.0**	**78.9**	**76.1**	**135.0**	**122.5**	**-2.3**	**3.5**	**-16.0**	**-3.6**
Gross domestic product at market prices	95.9	87.9	83.9	100.0	100.0	-0.2	-0.3	-8.4	-4.6
Imports of goods and services [c]	88.4	53.4	53.9	35.0	22.5	-9.5	17.7	-39.6	1.0
Total demand	**94.0**	**78.9**	**76.1**	**135.0**	**122.5**	**-2.3**	**3.5**	**-16.0**	**-3.6**
Domestic demand	91.7	82.4	82.7	112.8	111.2	0.1	4.0	-10.2	0.4
Gross domestic investment	98.1	40.4	35.1	19.2	8.0	-6.7	8.9	-58.8	-13.1
Total consumption	90.4	91.0	92.4	93.6	103.1	1.7	3.0	0.7	1.6
Exports of goods and services [c]	105.5	61.5	42.7	22.3	12.3	-11.6	1.4	-41.7	-30.6

Source: ECLAC, on the basis of official figures and data from the International Monetary Fund (IMF).
[a] Based on figures valued at market prices, in constant 1980 dollars, at adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 4

HAITI: BREAKDOWN AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	21.3	21.7	20.6	19.2	18.0	19.6	8.8	8.0
Gross domestic saving	14.3	14.0	12.0	16.2	14.7	11.8	3.1	-3.1
Terms-of-trade effect [c]	-5.8	-5.7	-6.2	-11.2	-8.3	-7.8	-6.2	-4.6
Net income from factor services [c]	-1.1	-1.5	-1.9	-1.7	-1.6	-1.8	-0.7	-0.7
Unrequited private transfers [c]	3.7	4.1	4.6	4.0	3.4	5.7	3.3	5.4
Gross national saving	11.1	10.9	8.4	7.3	8.2	7.9	-0.5	-3.0
External saving	10.2	10.8	12.2	11.9	9.8	11.7	9.3	11.1

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 5

HAITI: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**95.9**	**87.9**	**83.9**	**100.0**	**100.0**	**-0.2**	**-0.3**	**-8.4**	**-4.6**
Goods	**90.1**	**85.2**	**80.5**	**57.8**	**55.5**	**-1.2**	**-2.7**	**-5.4**	**-5.5**
Agriculture	101.0	99.0	98.5	33.4	39.2	-2.2	2.5	-2.0	-0.4
Mining	11.2	9.6	8.5	1.3	0.1	4.1	4.0	-14.3	-11.1
Manufacturing	68.5	58.2	47.5	17.6	9.9	2.5	-17.0	-15.0	-18.4
Construction	110.8	105.3	93.5	5.5	6.2	-4.2	3.0	-5.0	-11.2
Basic services	**114.6**	**92.7**	**75.2**	**2.7**	**2.4**	**3.0**	**-7.9**	**-19.1**	**-18.9**
Electricity, gas and water	138.3	83.0	63.4	0.7	0.5	0.7	-11.2	-40.0	-23.6
Transport, storage and communications	106.7	96.0	79.1	2.0	1.9	4.1	-6.3	-10.0	-17.6
Other services	**107.5**	**95.2**	**91.6**	**35.7**	**39.0**	**1.3**	**2.3**	**-11.4**	**-3.8**
Commerce, restaurants and hotels	84.0	...	...	18.7	...	0.1	-7.1	...	...
Financial institutions, insurance, real estate and business services	120.3	...	...	5.0	...	2.6	2.0	...	...
Ownership of dwellings	123.2	...	...	4.8	...	2.0	2.0	...	...
Community, social and personal services	138.5	...	...	12.0	...	2.1	13.3	...	...
Government services	141.1	...	...	9.2	...	1.6	17.5	...	...
Import duties and adjustments for banking services	62.6	55.4	67.7	3.8	3.0	-4.3	30.0	-11.4	22.2

Source: ECLAC, on the basis of official figures, reweighted in accordance with the 1980 current price structure. The trends construed do not necessarily coincide with those published by the country in its calculations based on constant prices.

[a] Preliminary figures.

Table 6

HAITI: MAIN INDICATORS OF FOREIGN TRADE IN GOODS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Rates of variation							
Exports (f.o.b.)								
Value	-14.4	10.1	-14.1	-17.8	8.1	1.6	-55.2	-26.0
Volume	-3.9	9.1	-6.0	-5.6	2.9	0.2	-51.3	-27.1
Unit value	-11.0	0.9	-8.6	-12.9	5.0	1.4	-8.0	1.5
Imports (f.o.b.)								
Value	-12.0	2.6	-8.8	-8.7	-4.6	21.5	-34.4	0.5
Volume	-12.6	10.4	-8.4	-11.5	-9.1	24.7	-35.0	0.5
Unit value	0.6	-7.0	-0.4	3.2	4.9	-2.6	0.9	-
Terms of trade (f.o.b./c.i.f.)	-9.9	6.4	-9.7	-16.1	1.1	4.7	-8.9	1.1
	Indexes (1980=100)							
Purchasing power of exports	87.3	101.3	86.0	68.1	70.9	74.4	33.0	24.3
Volume of exports	118.4	129.1	121.3	114.5	117.9	118.1	57.5	41.9
Volume of imports	98.7	108.9	99.7	88.2	80.2	100.0	65.0	65.4
Terms of trade (f.o.b./c.i.f.)	73.7	78.5	70.9	59.5	60.1	63.0	57.4	58.0

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures.

Table 7

HAITI: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-145**	**-146**	**-170**	**-178**	**-152**	**-176**	**-125**	**-144**
Trade balance	-182	-181	-206	-211	-180	-235	-160	-205
Exports of goods and services	292	320	275	237	244	250	126	88
Goods f.o.b.	191	210	180	148	160	163	73	54
Real services [b]	101	110	95	89	84	87	53	34
Transport and insurance	7	8	7	7	7	8	4	3
Travel	82	90	74	70	66	66	35	18
Imports of goods and services	474	502	481	448	424	484	286	293
Goods f.o.b.	303	311	284	259	247	300	197	198
Real services [b]	170	191	197	189	176	184	89	95
Transport and insurance	76	94	95	91	81	85	55	55
Travel	37	42	34	33	32	33	18	10
Factor services	-15	-21	-27	-26	-25	-27	-9	-9
Profits	-	-2	-5	-3	-4	-3	-	-
Interest received	-	-	-	-	-	-	-	-
Interest paid or due	-15	-19	-23	-23	-21	-24	-9	-9
Labour and ownership	-	-	-	-	-	-	-	-
Unrequited private transfer payments	52	56	63	59	53	86	44	70
Balance on capital account	**169**	**152**	**195**	**179**	**179**	**154**	**76**	**94**
Unrequited official transfer payments	100	115	130	115	114	165	93	110
Long-term capital	39	58	23	30	35	57	-16	-16
Direct investment	5	5	10	9	8	14	...	...
Portfolio investment	-	-	-	-	-	-	...	...
Other long-term capital	34	53	13	21	27	43	...	...
Official sector [c]	0	18	-5	2	12	21	...	...
Loans received	34	52	35	20	24	28	...	...
Amortization payments	-22	-32	-14	-10	-8	-6	...	...
Commercial banks [c]	-	-	-	-	-	-	...	...
Loans received	-	-	-	-	-	-	...	...
Amortization payments	-	-	-	-	-	-	...	...
Other sectors [c]	35	35	18	18	15	22	...	...
Loans received	21	22	13	13	18	12	...	...
Amortization payments	-3	-4	-6	-7	-12	-4	...	...
Short-term capital	13	-3	32	40	-18	-25	...	...
Official sector	23	6	27	9	3	2	...	...
Commercial banks	-10	-9	5	31	-21	-27	...	...
Other sectors	-	-	-	-	-	-	...	...
Errors and omissions (net)	18	-18	11	-6	48	-43	-1	...
Global balance [d]	**25**	**6**	**25**	**2**	**26**	**-22**	**-49**	**-50**
Total variation in reserves (- sign indicates an increase)	-12	-14	-19	-3	6	-16	12	15
Monetary gold	1	-	-	-1	-	-	...	...
Special drawing rights	-7	7	-	-	-	-	-	...
IMF reserve position	-	-	-	-	-	-	-	...
Foreign exchange assets	-3	-8	4	1	9	-14	...	...
Other assets	-	-	-	-	-	-	...	...
Use made of IMF credit	-4	-13	-22	-3	-3	-2	-1	...

Source: 1986-1992: ECLAC, on the basis of figures provided by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Including other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals total variation in reserves (of opposite sign), plus counterpart items.

Table 8
HAITI: EXCHANGE RATES
(Annual and quarterly averages)

	Nominal exchange rate[a] (gourdes per dollar)	Indexes of real effective exchange rate[b] (1985=100) elaborated using the consumer price index[c]	
		Exports	Imports
1978	5.0	134.1	135.1
1979	5.0	132.7	132.4
1980	5.0	127.4	126.5
1981	5.0	122.4	122.4
1982	5.0	119.4	119.0
1983	5.0	110.9	111.1
1984	5.0	107.2	107.4
1985	5.0	100.0	100.0
1986	5.7	116.1[c]	117.3[c]
1987	5.5	136.5	138.4
1988	5.9	144.0	147.3
1989	6.3	149.2	152.2
1990	7.4	154.7	156.3
1991	7.6	143.7	146.1
1992	9.2	158.5	161.0
1993	12.2	170.0	174.0

Source: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] From 1986 onward the commercial exchange rate was used. [b] These indexes correspond to the average of the real exchange rate indexes for the gourde *vis-à-vis* the currencies of Haiti's main trading partners, weighted by the relative importance of the exports to or imports from those countries, as appropriate. The weightings correspond to the average for the period 1989-1992. For the methodology and sources used, see the statistical appendix of the *Economic Survey of Latin America*, 1981. [c] The consumer price index was used in all of the countries.

Table 9
HAITI: DOMESTIC PRICES

	1988	1989	1990	1991	1992	1993[a]
Variation from September to September						
Consumer price index						
General	8.3	7.3	24.3	8.4	20.1	27.2
Food	12.2	8.6	31.1	2.4	19.8	26.7
Average annual variation						
Consumer price index						
General	-0.1	7.3	16.3	20.6	10.8	18.8
Food	-0.4	8.6	18.5	20.7	6.4	16.1

Source: ECLAC, on the basis of official figures from the Bank of the Republic of Haiti, the Haitian Institute of Statistics and Information Sciences and International Monetary Fund (IMF).

[a] Preliminary figures.

HONDURAS

1. General features of recent trends

The economy of Honduras grew by 4% in 1993, due to growth in domestic demand, driven to a large extent by increased fiscal expenditure. Gaps in both the fiscal and external accounts, however, widened considerably. The central Government ran up its budget deficit to over 9% of output, while the deficit in the balance-of-payments current account expanded to 11% of GDP, contributing to a loss of reserves equal to approximately 2.5% of output. There was a resurgence of inflation, which mounted quickly to 13%, equalling the figure for the previous year.

2. Economic policy

The heavily indebted economy of Honduras remained highly dependent on an influx of external resources. The behaviour of economic agents reflected their uncertainty during most of 1993 over the change of government, together with their reaction to the negative signals sent by the widening fiscal and external gaps.

The monetary authorities managed to reduce excess liquidity, generated in part by increased fiscal expenditure, by increasing the bank reserve requirement and issuing government bonds, thereby stimulating an increase in interest rates. Despite these measures, the heavy demand for foreign exchange led to a nominal depreciation of over 24% in the national currency and a loss of international reserves.

a) Fiscal policy

The increase in the fiscal deficit to 9.2% of output (-5% in 1992) was due to an increase in spending, since the proportion of revenue to output remained the same at 18%. Savings by public enterprises, which had increased in previous years, were almost nonexistent. The country thus failed to fulfil the agreement reached with the International Monetary Fund (IMF), which had stipulated a maximum deficit of 3.8% for the non-financial public sector.

Current revenues of the central Government increased more than 4% in real terms, raising the tax burden to over 16% of output, its highest level in recent years. The higher income tax receipts were in part the result of the law imposing a 10% tax on interest earned on savings accounts with an average balance of over 50,000 lempiras and the passage of the Asset Revaluation Act. Taxes on production, consumption and sales kept pace with nominal output under improved administrative conditions brought about by the Tax Administration Simplification Act. Assessments on imports remained the same in real terms only, since a 10% duty and some tariff surcharges were eliminated, while revenues collected on exports declined, due to exemptions for banana exports and stagnation in the value of sales of traditional exports.

Public spending, on the other hand, increased in real terms by nearly one-fourth. Current expenditures increased 12% in real terms, including substantial increases in wages paid to public employees and other expenses as well. The percentage of tax revenues transferred to municipalities doubled (4%), for example, and subsidies to transportation, the Honduran Social Investment Fund and the Family Allowance Fund increased in an effort to mitigate the negative impact of macroeconomic policy on the most vulnerable segments of the population.

Figure 1
HONDURAS: MAIN ECONOMIC INDICATORS

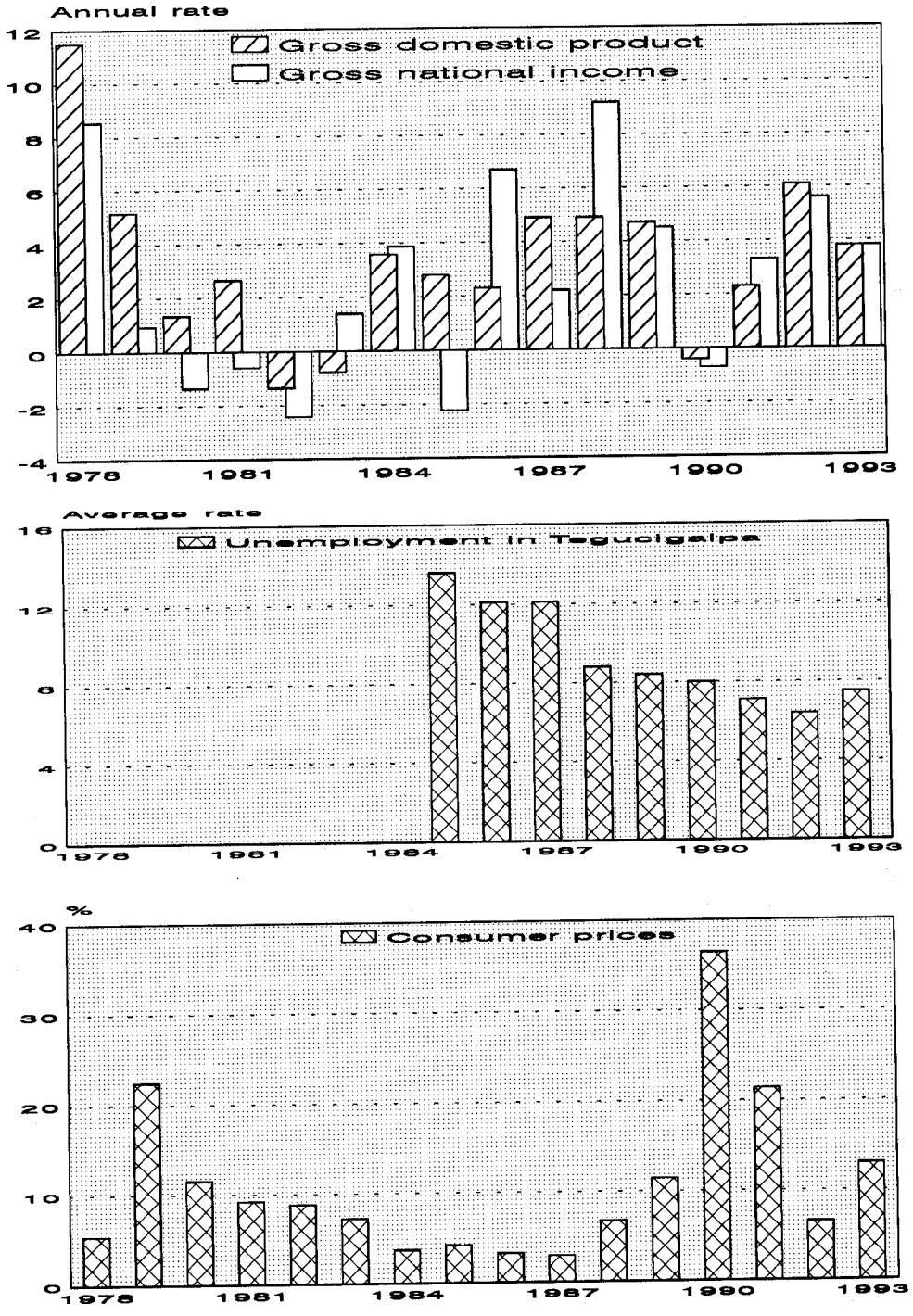
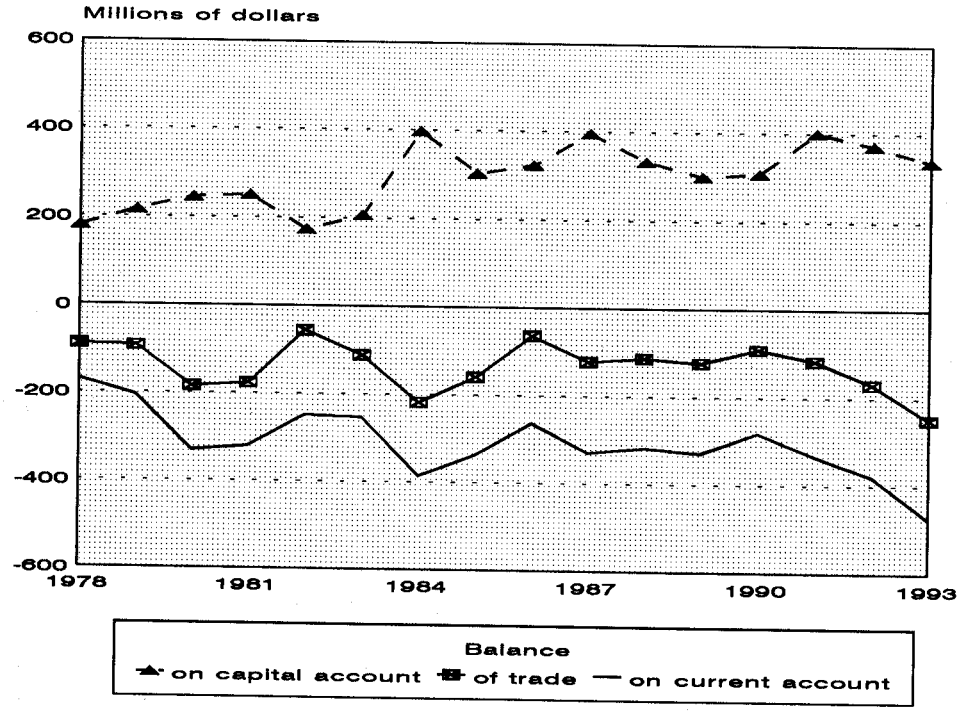
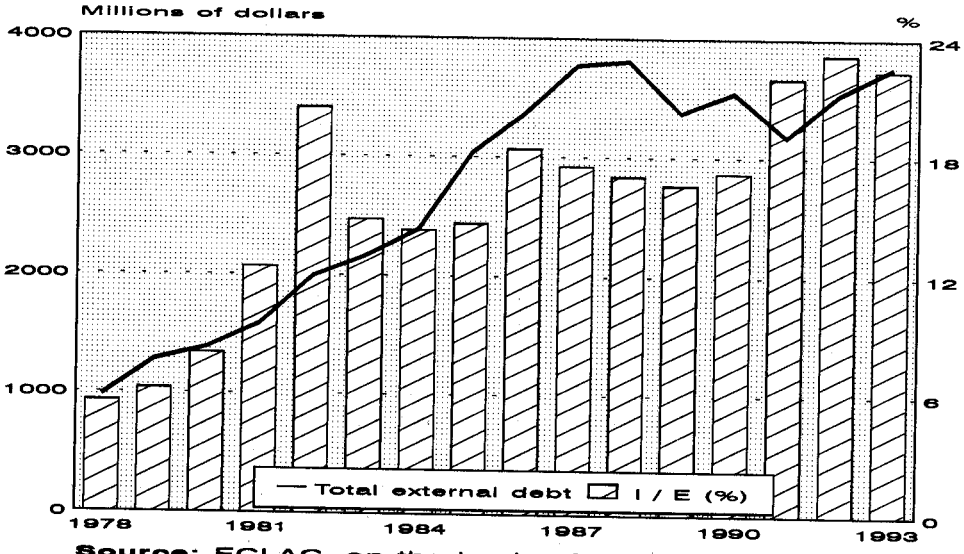


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due. E = Exports of goods and services.

Capital expenditure increased by over 50% in real terms, well beyond budgeted levels. Capital investment by the central Government was directed towards building, widening and paving roads, notably the highway linking the city of San Pedro Sula with the port of Cortés and the Progreso-Tela and La Paz-Intibucá highways. Construction work was done on the Roatán and La Mesa air terminals. In addition, the Government carried out a project to develop the water resources of the Nacaome Valley and invested in an electric power plant. The central Government continued its financial support of other public sector institutions by transfers and net concession of credit, principally to the National Electric Power Company (ENEE) and the Autonomous National Aqueduct and Sewer Authority (SANAA), which were unable to cover the cost of servicing their external debt.

This increased government spending was not covered by the increase in current revenues; the gap was filled primarily by a considerable increase in external financing, aggravating the over-indebtedness of the public sector.

The process of privatizing services and selling assets continued in 1993; the sugar mill, Azucarera Central S.A., was sold, and there were sales of highway construction and maintenance machinery and equipment. In addition, the business enterprises of the National Agriculture and Livestock Centre were privatized. The National Congress passed the Warehousing and Bailment Services Privatization Act, aimed at making customs operations more flexible. The end of June saw the liquidation of the Autonomous Municipal Bank, a State institution that for several decades was responsible for financing the investments of municipalities. In recent years the bank had run into severe problems with liquidity and non-performing loans.

In view of the serious environmental problems confronting the country, a law was passed in August creating a Ministry of the Environment.

b) Monetary policy

During the first four months, domestic credit increased considerably, especially credit extended to the central Government (bank financing of the public sector rose 40% in the first quarter), generating a considerable expansion of liquidity. At the same time, foreign currency inflows were affected by sluggish exports and a decline in external credit disbursements, which together translated into a loss of international reserves of US$ 47 million dollars and pressure on the exchange rate.

Faced with this situation, the Central Bank of Honduras increased the bank reserve requirement from 34% to 36% and raised its rediscount rate from 17% to 19%. It also reduced from 30% to 20% the amount of foreign exchange that banking institutions were required to sell to the monetary authority. These measures had repercussions on bank lending rates, which went up to 25%, negatively impacting on investment and financing for agriculture and industry. Borrowing by the central Government nevertheless continued to increase, as did the demand for foreign exchange, inducing the Central Bank once again to raise the required reserve ratio, this time to 42% for banks and 23% for savings and loan associations; this had the effect of sharply reducing the credit available to the private sector, making it more expensive, with bank lending rates rising to over 31%. During the third quarter, liquidity expanded slightly; anticipating inflation and the devaluation of the lempira, depositors tended to put their savings in time-deposit accounts in dollars, which increased by 25%.

In September, domestic credit grew more slowly, and Central Bank financing of the Government declined, thanks to a bond issue bought up by the rest of the banking system. The reserve requirement was lowered to 36% for banks and 17% for savings and loan associations and remained at those levels for the rest of the year. In the last quarter, liquidity remained low and declined substantially in real terms; the Government was able to finance part of its deficit by selling 100 million lempiras worth of bonds with a rate of 23%, inducing pension funds –which took the bonds– to withdraw deposits from the banking system. By the end of the year, liquidity had declined, but net international reserves were down 76% from the balance in December of the previous year. Credit extended to the public sector by the banking system was

much higher than originally planned, and the phenomenon of financial disintermediation, already observable earlier, was further accentuated (current account deposits grew scarcely 1% in nominal terms). The process involved an increase in deposits taken in and loans given out by financial institutions not regulated by the Central Bank and hence not subject to the legal reserve requirement.

c) Foreign exchange policy

The foreign exchange policy pursued was to maintain the system of a floating exchange rate with intervention by the Central Bank. Given the loss of international reserves and the increasing uncertainty of expectations, in May the Central Bank adopted provisions affecting foreign exchange firms which required them to report to the Bank all transactions related to exports and to sell it a percentage of the foreign exchange they bought. By the end of June, there was still pressure on the exchange rate and the lempira had declined cumulatively against the dollar by 10% on the unofficial market, over 9% at foreign exchange firms and 7% in the interbank market.

At the beginning of July, the Central Bank fined nine foreign exchange firms and ordered five closed. The demand for foreign exchange continued to rise, not only because of the increase in imports, but also for reasons of precaution and speculation in anticipation of a further slippage of the exchange rate and in response to the heavy increase in public spending. Deposits in dollars expanded rapidly. In spite of measures taken to reduce liquidity, pressure on the exchange rate persisted for the remainder of the year, influenced in part by the pre-election process.

3. Trends in the main variables

a) Economic activity

The 4% increase in gross domestic product represented a slackening of the pace of economic activity achieved the previous year. Given the high population growth rate of approximately 3% per year, per capita output expanded by less than 1%, remaining below the level reached in 1980.[1]

Static export volume was the major factor in the decline in growth rate, since internal demand continued to expand at an annual rate of 6%. Gross capital formation increased by nearly 8%, with a boost from public sector investment, which remained strong after shooting up nearly 60% in 1992. Given the uncertain climate, private investment increased less dramatically. Public and private consumption combined again rose, at a annual rate of 6% for 1993.

The process of investment characteristic of recent years continued, raising it to a level of over 22% of output. Although external savings have typically provided much of the financing for gross capital formation, in 1993 their contribution was particularly high, exceeding the share accounted for by internal savings.

The decline in the growth rate of agricultural production, which accounts for more than a fifth of total added value, was a major factor in the slowdown in overall growth. A less favourable international market for the traditional export products, a cutback in the special treatment accorded to the sector and the damage caused by tropical storm Gert all had a negative impact on agricultural production trends. In 1993, the increase in agricultural output was only 1%, with sharp declines in the production of bananas, coffee, beans, maize and rice and, to a lesser extent, of other domestic consumption items.

The banana harvest was down by 9% as a result of the loss of 2,500 hectares of plantations due to flooding, low productivity due to Sigatoka leaf spot disease and labour disputes that shut down the largest enterprise for a month and a half. In addition, the new agricultural import policy of the European Union took effect in July, hurting Honduran banana exports badly, since half of the output of the leading producing-exporting firm is normally sold to the European market. The new policy discouraged banana producers from putting their investment plans into effect,

[1] Based on information available in August 1994.

reduced the producer price realized by independent banana growers and caused a cut-back in cultivated area.

In the case of coffee, low international prices led to less careful tending of plantations, with a consequent drop in crop yields and coffee production, which declined by 10%. Many growers stopped fertilizing their plantations, because the prices they could get no longer covered their costs. This situation in turn cut down on the incomes of over 77,000 families of farmhands. Some growers expanded their plans to replace coffee trees with other crops, particularly cardamom and cocoa.

Even though the late sugar cane harvest and problems associated with privatization of some of the sugar mills affected crop yield, production increased by a greater percentage than the year before. Major staples for domestic consumption, on the other hand, declined for the third straight year, in part due to the discontinuance of government subsidies for basic grains.

Shrimp and lobster production, however, kept up the rapid pace of previous years, increasing by rates of 32% and 19%, respectively, with a positive impact on employment and output of services in the southern part of the country.

Growth in manufacturing slowed to under 4% overall. While the construction, food preparation and papermaking industries experienced vigorous growth, wood products and textiles declined considerably, in the latter case due to equipment operating problems. Encouraged by the government's development policy, the maquiladora garment industry continued to expand, stimulating economic activity in the northern part of the country. In 1993, there were 86 firms established in industrial parks, directly employing 27,000 people, creating gross added value of 255 million lempiras and bringing in foreign exchange equivalent to over US$ 66 million.

The increase in public sector spending and, to a lesser extent, investment in housing continued to boost construction, which grew 5%, after increasing by one-third in 1992. Finally, electricity generation rose 8%, in spite of some interruptions of service due to the drop in the reservoir water level at the General Francisco Morazán Hydroelectric Complex and to major repairs at the Cañaveral and Río Lindo power plants.

b) Prices, wages and employment

In contrast to the success achieved in 1992, when consumer prices rose by an annual rate of only a little over 6% (21% in 1991), stabilization efforts were less effective in 1993, with prices rising 13%. The chief factors were the more rapid depreciation of the national currency, shortages of staple grains and of beans in particular, and a policy of eliminating price controls.

During the last quarter, the outgoing Government urged price restraint on private firms. Since this had no effect, prices were frozen after the November elections and any new increases were postponed to the following year.

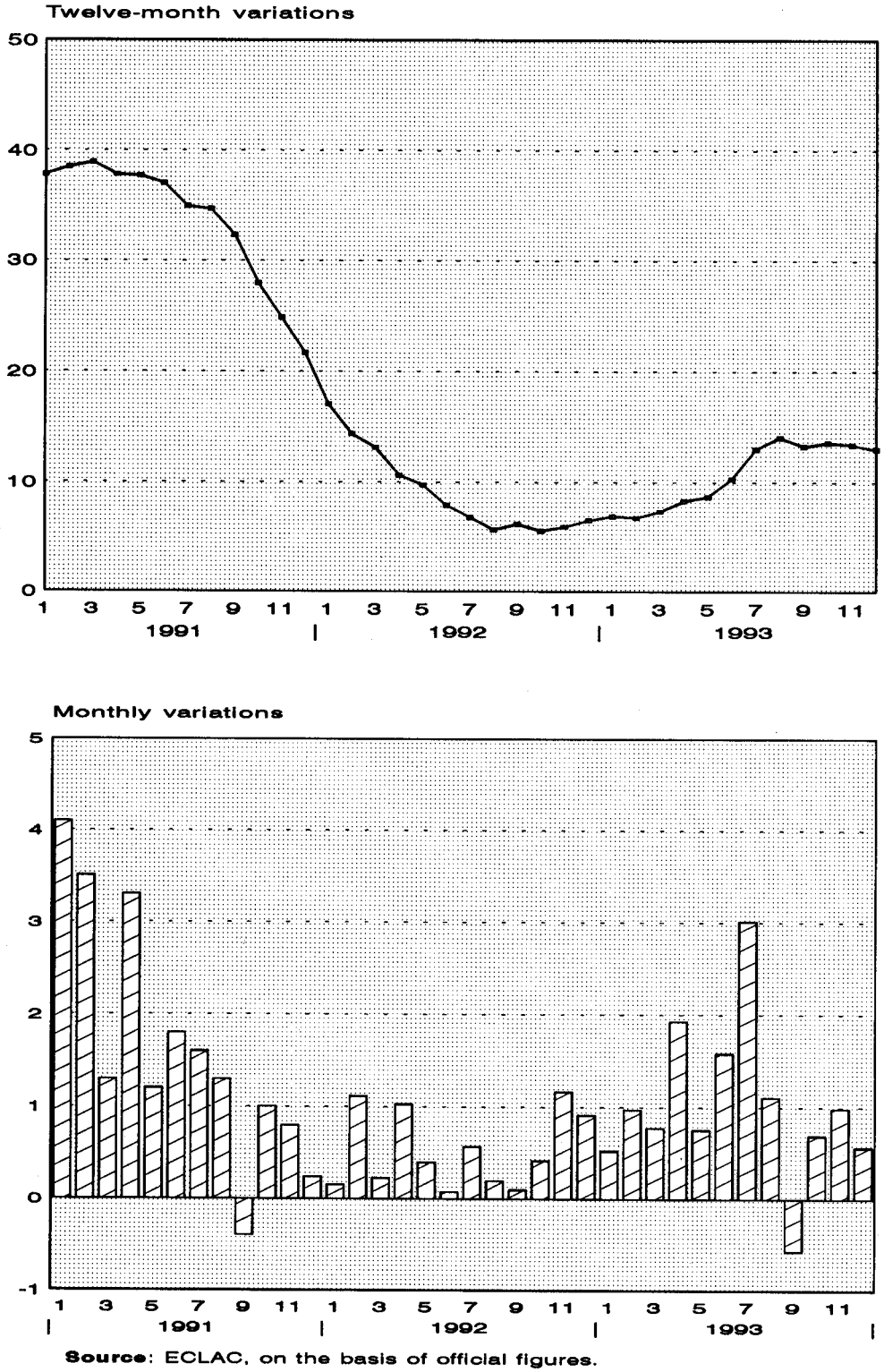
The biggest price increases were in food (15%), health services (19%) and education and recreation services (16%). In food, the decline in the production of some staple crops, combined with marketing problems, resulted in domestic shortages, partially compensated by imports. Agricultural products were also affected by exports to the rest of Central America.

The legal minimum wage was increased in June roughly in proportion to the increase in consumer prices, so that annual average purchasing power increased slightly.

In 1993, open unemployment swelled in Tegucigalpa and San Pedro Sula, the country's largest cities, and over one-third of the economically active population suffered underemployment. The rapid growth in the working population, especially the many women entering the work force, created employment demand that the low rate of economic growth could not satisfy. Problems in the coffee-growing and banana production sectors produced major unemployment, severely affecting the western and to a lesser extent the northern part of the country.

Poverty levels remained high. Recent studies found that 78% of the population was living in poverty and 62% in extreme poverty. This situation correlated closely with the low

Figure 2
HONDURAS: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

educational level of the population –an illiteracy rate of 27% and an average of four years of schooling– and ultimately with the productivity of human resources.

c) **The external sector**

The external accounts deteriorated during 1993; the growing trade deficit combined with a reduced influx of external resources resulted in a loss of US$ 100 million in international reserves.

The value of exports of goods stayed about the same, with sales of traditional products making a poor showing, while non-traditional exports increased by over one-fourth and accounted for nearly 40% of the total.

The value of banana exports declined 10%, in spite of an improvement in international prices; the decline was due both to lower production and to the impact of the new trade policy instituted by the European Union imposing quotas and higher tariffs on bananas from Latin America. Coffee exports were also down (16%) as a result of a substantial contraction in volume and the persistence of low international prices. The failure of coffee exporters and consumers to reach an agreement on minimum prices and on the term of a new agreement (consuming countries proposed a three-year term, while exporting countries wanted annual revisions) led to yet another dip in international coffee prices. During the year, producing countries agreed on a system for withholding stocks of coffee beans to raise the price on the world market; the agreement took effect in September by decree. The 9% decline in the volume of sugar exported was due to the cut-back in the industrial output of sugar, affected by the reduction in the export quota to the United States. The result was a decline of nearly 4% in the value of sugar exports.

Exports of shrimp and lobster, on the other hand, expanded yet again, by 38% and 14%, respectively. In the case of shrimp, the vigorous growth achieved over the previous four years continued, reflecting increases in both prices and volumes. Shrimp became the third most important export as a result of the expansion of aquaculture in the southern section of the country. Exports of chilled meat also increased 5%, with large volumes exported to the United States, Canada and Puerto Rico.

Imports of goods increased substantially (9%) for the second consecutive year, despite the sharp devaluation that stiffened the overall protective effect by outweighing tariff reductions. The surge in purchases of foreign goods was influenced by the fact that the Central American free trade agreement took effect in 1993 and by the need to restock inventories in the expectation that the value of the national currency would depreciate even more rapidly.

Trade with other Central American countries was facilitated by the temporary implementation of a free trade zone beginning in April, a new common external tariff and related instruments (Uniform Central American Customs Code, Central American Rules on Unfair Trade Practices and Safeguard Clause), and a reduction in surcharges on imports. Under the new conditions, exports of goods to the other countries of Central America grew 27%, while imports increased 53%. The trade gap with the rest of the region widened to over US$ 100 million.

The positive balance of services, due to the growth of the maquiladora industry, offset the trade deficit in goods to some extent. Payment of interest, however, continued to weigh heavily on the balance of payments, accounting for nearly one-fourth of the foreign exchange generated by total exports.

In a shift from the situation during the previous three years, the influx of capital, although substantial, equal to nearly 9% of output, was insufficient to offset the imbalance in the current account. One-third of the funds received were in the form of official grants, which exceeded US$ 120 million. Most of the remainder took the form of loans to the public sector.

Honduras continued to be a heavily-indebted country, whose debt-servicing load constituted a heavy burden on internal savings and public finances, thereby inhibiting growth and investment. The external debt balance in December 1993 amounted to US$ 3,762 million dollars, and debt service equalled 53% of exports of goods and services.

Disbursements during the year were nearly 50% higher than in 1992; a little over one-third of the amount involved compensatory and structural adjustment credits from the World Bank (IBRD), the Inter-American Development Bank (IDB) and the International Monetary Fund (IMF). Most of the external credit disbursements were used to make debt service payments, leaving few net resources available to finance investments.

The outstanding external debt consisted chiefly of medium- and long-term credits (96%). Moreover, the greater part of it involved official credits; 60% of the debt was owed to multilateral financing institutions and 22% to bilateral creditors. The percentage of external debt owed to commercial banks and suppliers declined to 18%. Accumulated arrears exceeded US$140 million; through negotiations with the Paris Club, over US$ 17 million dollars' worth of debt was pardoned.

Table 1

HONDURAS: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	109.4	114.8	120.3	126.0	125.5	128.4	136.3	141.5
Gross national income	108.7	111.1	121.3	126.8	125.9	130.0	137.3	142.6
Population (millions of inhabitants)	4.3	4.5	4.6	4.7	4.9	5.0	5.2	5.3
Per capita gross domestic product	90.4	92.0	93.6	95.1	91.8	91.2	93.9	94.7
Real effective exchange rate CPI [b]	85.3	90.8	91.0	84.5	150.6	162.1	154.5	168.1
	Ratios (percentages)							
Central Government fiscal balance/GDP	-7.8	-6.7	-6.9	-7.4	-6.4	-3.3	-5.0	-9.2
Money (M_1)/GDP	10.8	13.3	12.1	12.5	14.6	13.1	13.0	12.8
Unemployment rate [c]	12.1	12.1	8.8	8.4	8.0	7.1	6.4	7.5
	Growth rate							
Gross domestic product	2.3	4.9	4.9	4.7	-0.4	2.3	6.1	3.8
Per capita gross domestic product	-0.8	1.7	1.7	1.6	-3.4	-0.7	3.0	0.8
Gross national income	6.7	2.2	9.2	4.5	-0.7	3.3	5.6	3.8
Consumer prices December to December	3.2	2.9	6.7	11.4	36.4	21.4	6.5	13.0
Real minimum wages and salaries	-4.2	-2.4	-4.3	-8.9	16.7	0.1	13.3	1.8
Current value of exports of goods and services	11.3	-6.1	8.0	3.4	-2.7	-1.4	3.2	3.4
Current value of imports of goods and services	-0.8	-0.4	6.2	4.0	-5.1	1.0	7.5	9.5
	Millions of dollars							
External sector								
Trade balance	-64	-122	-113	-23	-91	-117	-169	-249
Factor service	-211	-235	-234	-40	-240	-271	-270	-276
Balance on current account	-263	-330	-18	-329	-282	-334	-379	-477
Balance on capital account	322	395	333	300	307	400	371	335
Variation in international reserves (net)	43	26	-19	-28	18	65	24	-102
Total external debt	3 366	3 773	3 810	3 374	3 547	3 174	3 538	3 762

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Corresponds to the exchange rate applying to exports. [c] In the city of Tegucigalpa.

Table 2
HONDURAS: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	130.0	137.3	142.6	94.2	95.3	94.9	94.9
a) Gross domestic product	128.4	136.3	141.5	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	2.7	1.5	1.6
c) Net factor income from abroad [b]	192.0	190.4	189.6	-6.1	-9.1	-8.5	-8.2
d) Net private transfers from abroad [b]	768.0	878.7	673.3	0.3	1.8	1.9	1.4

Source: ECLAC, on the basis of official figures and figures provided by the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Figures up to 1992 were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures for 1993 are ECLAC estimates based on information obtained from the Central Bank of Honduras. These figures were then converted to constant 1980 values using unit value indexes calculated by ECLAC for that purpose.

Table 3
HONDURAS: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**122.6**	**130.3**	**136.4**	**144.8**	**139.5**	**-1.4**	**3.5**	**6.3**	**4.6**
Gross domestic product at market prices	128.4	136.3	141.5	100.0	100.0	-0.4	2.3	6.1	3.8
Imports of goods and services [c]	109.5	116.9	124.8	44.8	39.5	-3.8	6.5	6.7	6.8
Total demand	**122.6**	**130.3**	**136.4**	**144.8**	**139.5**	**-1.4**	**3.5**	**6.3**	**4.6**
Domestic demand	127.5	135.6	143.7	107.4	109.0	-1.9	5.2	6.3	6.0
Gross domestic investment	121.6	136.7	147.1	24.8	25.7	3.2	17.9	12.4	7.6
Gross fixed investment	92.7	117.7	126.5	24.5	21.9	-4.7	0.2	27.0	7.4
Public	88.1	139.7	...	9.3	...	3.0	6.2	58.6	...
Private	95.5	104.3	...	15.2	...	-8.2	-2.8	9.1	...
Changes in stocks	2 916.9	1 977.5	2 140.6	0.3	3.8	...	...	...	...
Total consumption	129.3	135.3	142.7	82.6	83.3	-3.1	2.1	4.6	5.5
General government	105.9	119.6	125.9	12.7	11.3	-13.5	-10.2	12.9	5.3
Private	133.5	138.1	145.7	69.9	72.0	-1.2	4.1	3.4	5.5
Exports of goods and services [c]	108.4	115.0	115.3	37.4	30.5	0.5	-2.0	6.1	0.2

Source: ECLAC, on the basis of official figures and figures provided by the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Figures up to 1992 were taken from IMF balance-of-payments data expresssed in dollars at current prices; the figures for 1993 are ECLAC estimates based on information obtained from the Central Bank of Honduras. These figures were then converted to constant 1980 values using unit value indexes calculated by ECLAC for that purpose.

Table 4

HONDURAS: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentage of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	14.1	17.5	21.4	19.6	20.4	23.5	24.8	25.7
Gross fixed investment	14.0	14.2	16.4	18.9	18.1	17.7	21.2	21.9
Construction	9.1	8.9	9.9	11.4	11.8	11.1	...	...
Machinery and equipment	4.8	5.3	6.5	7.5	6.3	6.6	...	...
Changes in stocks	0.1	3.3	4.9	0.8	2.3	5.8	3.7	3.8
Gross domestic saving	11.1	14.8	15.7	14.3	16.6	16.9	18.0	16.7
Terms-of-trade effects [c]	0.7	-1.6	1.8	1.4	0.7	2.7	1.5	1.6
Net factor income from abroad [c]	-7.5	-8.1	-7.9	-7.7	-7.8	-9.1	-8.5	-8.2
Net private transfers from abroad [c]	0.5	0.9	0.9	1.1	1.6	1.8	1.9	1.4
Gross national saving	4.7	6.0	10.6	9.1	11.1	12.2	12.9	11.6
External saving	9.3	11.5	10.7	10.6	9.2	11.3	11.9	14.1

Source: ECLAC, on the basis of official figures and figures provided by the International Monetary Fund (IMF).

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Figures up to 1992, were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures for 1993 are ECLAC estimates based on information obtained from the Central Bank of Honduras. These figures were then converted to constant 1980 values using unit value indexes calculated by ECLAC for that purpose.

Table 5

HONDURAS: GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**128.4**	**136.3**	**141.5**	**100.0**	**100.0**	**-0.4**	**2.3**	**6.1**	**3.8**
Goods	**132.7**	**142.8**	**146.5**	**45.5**	**47.1**	**-0.6**	**3.5**	7.6	2.6
Agriculture	138.5	143.5	145.0	21.4	22.0	1.1	6.1	3.6	1.1
Mining	113.6	125.8	131.8	1.9	1.8	-7.7	4.2	10.7	4.8
Manufacturing	136.3	144.6	149.9	16.9	17.9	0.7	1.7	6.1	3.7
Construction	105.0	140.6	147.0	5.3	5.5	-9.9	-2.8	34.0	4.6
Basic services	**183.0**	**189.3**	**197.2**	**7.4**	**10.4**	**5.8**	**2.4**	**3.5**	**4.2**
Electricity, gas and water	248.1	250.0	269.2	1.2	2.4	13.3	0.8	0.8	7.7
Transport, storage and communications	169.9	177.1	182.7	6.2	8.0	3.8	2.9	4.3	3.2
Other services	**115.6**	**121.6**	**127.9**	**47.1**	**42.6**	**-1.7**	**1.1**	**5.2**	**5.2**
Commerce, restaurants and hotels	91.8	94.5	100.9	20.1	14.3	-0.8	2.2	2.9	6.8
Financial institutions, insurance, real estate and business services	166.3	178.0	186.1	11.1	14.6	3.6	6.9	7.0	4.5
Ownership of dwellings	154.5	159.8	166.0	4.9	5.7	4.3	3.2	3.4	3.9
Community, social and personal services	110.5	116.7	121.5	15.9	13.6	-7.0	-5.3	5.6	4.2
Government services	106.9	111.1	116.0	6.7	5.5	-14.7	-3.8	3.9	4.5

Source: ECLAC, on the basis of official figures.

[a] The original figures were reweighted according to the 1980 current price structure. Consequently, the figures given here do not necessarily coincide with those published by the country, which were calculated at constant prices. [b] Preliminary figures.

Table 6

HONDURAS: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Indexes of agricultural production (1980=100) [b]	**127.2**	**131.8**	**133.2**	**1.1**	**6.1**	**3.6**	**1.1**
Crop farming	131.2	132.8	128.3	-0.2	7.0	1.2	-3.4
Livestock production	106.2	116.7	127.8	3.1	3.0	9.9	9.5
Forestry	99.1	107.0	114.0	-1.7	-4.3	8.0	6.5
Poultry farming	142.9	159.5	166.7	1.8	7.2	11.6	4.5
Production of main crops (thousands of tons)							
Traditional exports							
Bananas	969	1 021	929	-4.3	-6.0	5.4	-9.0
Coffee	100	135	121	19.2	-15.3	35.0	-10.4
Sugar cane	2 724	2 799	2 962	6.4	-5.8	2.8	5.8
Cotton	1	-	-	4.2	-70.0	-	-
Tobacco	5	6	6	8.7	-2.7	20.0	-
Domestic consumption							
Maize	558	577	528	12.9	-0.7	3.4	-8.5
Beans	79	65	39	5.1	27.4	-17.7	-40.0
Paddy rice	86	63	25	20.6	34.4	-26.7	-60.3
Plantains	160	159	138	5.2	-1.2	-0.6	-13.2
African palm	343	402	422	2.4	1.2	17.2	5.0
Indicators of livestock production (thousands of head)							
Stocks							
Cattle	3 690	3 931	...	6.5	6.3	6.5	...
Pigs	734	737	...	0.4	0.4	0.4	...
Sheep	21	21	...	-1.3	-1.3	-	...
Slaughtering							
Cattle	432	498	509	11.1	2.9	15.3	2.2
Pigs	349	473	698	3.3	-29.5	35.5	47.6
Poultry	29 917	33 985	36 564	1.0	12.3	13.6	7.6
Other products							
Milk [c]	361	383	469	6.9	6.5	6.1	22.5
Eggs [d]	783	701	1 063	3.0	13.3	-10.5	51.6

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures. [b] Estimated on the basis of the gross value of production at constant prices. [c] Millions of litres.
[d] Millions of units.

Table 7
HONDURAS: FISHERY PRODUCTION

	Tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Fishery production indexes							
(1986=100)	**246.1**	**265.5**	**316.9**	**33.5**	**46.3**	**7.9**	**19.4**
Shrimp	6 171	8 395	11 060	19.6	39.8	36.0	31.7
Lobster	2 336	1 749	2 080	-5.3	22.9	-25.1	18.9
Fish	6	6	6	1.9	7.9	3.3	11.1
Other species	7	...	...	24.2	2.0	...	...

Source: ECLAC, on the basis of figures from the Central Bank of Honduras and the Ministry of Planning, Coordination and the Budget (SECPLAN).
[a] Preliminary figures.

Table 8
HONDURAS: MANUFACTURING PRODUCTION

	Indexes (1986=100)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Industrial production indexes	**119.0**	**126.2**	**130.9**	**0.7**	**1.7**	**6.1**	**3.7**
Food, beverages and tobacco	141.3	158.7	169.2	14.7	5.6	12.3	6.6
Textiles	162.5	171.9	155.1	-16.3	14.8	5.8	-9.8
Wood and wood products	77.7	88.3	83.9	-16.4	-8.2	13.6	-5.0
Paper and paperboard	85.7	98.0	103.6	-12.6	-6.7	14.4	5.7
Non-metallic minerals	195.4	209.7	264.6	7.4	-0.5	7.3	26.2
Basic metals industries	155.1	183.5	186.6	19.3	-13.2	18.3	1.7
Production of some major manufactures							
Cement	192.3	211.0	259.1	7.5	-0.7	9.7	22.8
Asbestos-cement slabs	213.9	216.5	296.6	13.8	2.8	1.2	37.0
Iron reinforcing rods	169.5	208.1	246.0	19.3	-14.7	22.8	18.2
Fabric	162.2	165.6	120.7	-16.3	14.5	2.1	-27.1
Vegetable oil	364.0	411.7	583.8	11.6	-15.6	13.1	41.8
Vegetable shortening	127.0	131.7	143.5	23.9	-4.0	3.7	9.0
Wheat flour	133.4	128.3	140.7	-0.2	20.5	-3.8	9.7
Pasteurized milk	101.4	118.8	140.2	1.5	-14.4	17.2	18.0
Sugar cane	78.9	81.0	79.7	-2.7	-4.0	2.7	-1.6
Cigarettes	118.5	100.5	102.7	5.1	-6.0	-15.2	2.2
Matches	90.0	114.6	99.0	-4.5	-11.6	27.3	-13.6
Beer	130.5	140.5	162.6	8.4	-7.2	7.7	15.7
Carbonated beverages	161.4	182.5	171.7	-2.6	21.9	13.1	-5.9
Aguardiente	133.9	133.2	141.0	1.5	9.1	-0.5	5.9
Spirits	118.3	112.0	101.7	4.5	14.7	-5.3	-9.2
Industrial consumption of electricity [b]	**550**	**589**	**650**	**2.9**	**2.2**	**7.1**	**10.4**

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures. [b] Millions of kWh.

Table 9

HONDURAS: CONSTRUCTION INDICATORS

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Area built [b] (thousands of m^2)							
Total	**576**	**616**	**697**	**-9.6**	**-12.7**	**6.9**	**13.2**
Residential	291	295	321	-17.3	-9.2	1.5	8.6
Commercial	136	133	177	42.5	-20.0	-2.2	33.6
Industrial	17	32	13	17.1	-52.3	82.1	-60.0
Other	132	156	187	-30.7	-1.0	18.1	19.5

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures. [b] Based on applications for private building permits in urban areas of the Central District, San Pedro Sula, la Ceiba, Tela, Villanueva, Choloma, Santa Rosa de Copán, La Lima, El Progreso, Danlí and Choluteca.

Table 10

HONDURAS: ELECTRICITY GENERATION AND CONSUMPTION [a]

	Millions of kWh			Growth rates			
	1991	1992	1993[b]	1990	1991	1992	1993[b]
Total supply	**2 310**	**2 321**	**2 546**	**14.5**	**1.4**	**0.5**	**9.7**
Production (net) [c]	2 306	2 309	2 482	14.5	1.4	0.1	7.5
Imported	4	12	64	0.0	33.3	200.0	433.3
Total demand	**2 310**	**2 321**	**2 546**	**14.5**	**1.4**	**0.5**	**9.7**
Domestic consumption	1 569	1 684	1 820	9.6	5.3	7.3	8.1
Residential	539	562	589	15.1	7.4	4.3	4.8
Commercial	316	357	386	9.0	8.6	13.0	8.1
Industrial [d]	550	589	650	2.9	2.2	7.1	10.4
Government offices	133	137	151	25.7	4.7	3.0	10.2
Public lighting	30	39	43	3.2	-6.3	30.0	10.3
Other [e]	1	...	...	-	-	...	...
Exports	200	8	13	39.3	-40.7	-96.0	62.5
Losses [f]	541	629	713	16.0	20.2	16.3	13.4

Source: ECLAC, on the basis of official figures.
[a] The figures for electric power supply and demand refer to the National Electric Power Company (ENEE). [b] Preliminary figures. [c] Net production = gross production minus the energy consumed in generating plants. [d] Includes consumption by large firms in various economic activities. [e] Sales to other systems and uninvoiced consumption. [f] Losses in transmission and distribution.

Table 11

HONDURAS: ECONOMICALLY ACTIVE POPULATION AND UNEMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Total population (thousands of inhabitants)	4 316	4 451	4 589	4 732	4 879	5 028	5 180	5 341
Economically active population (thousands of people)	1 251	1 300	1 352	1 406	1 463	1 523	1 586	1 653
Indexes (1980=100)	125.2	130.0	135.3	140.7	146.4	152.4	158.7	165.4
Economically active population/ total population	**27.6**	**27.8**	**28.0**	**28.2**	**28.5**	**28.7**	**30.6**	**30.9**
Rate of urban open unemployment								
Tegucigalpa	12.1[b]	12.1[c]	8.8[d]	8.4[b]	8.0[b]	7.1[b]	6.4[e]	7.5[c]
San Pedro Sula	11.9[b]	10.3[c]	7.8[d]	8.5[b]	5.6[b]	7.8[b]	4.4[e]	5.9[c]

Source: ECLAC, on the basis of official figures from the Central Bank of Honduras and the Latin American Demographic Centre (CELADE). The rates of open unemployment are obtained from ongoing surveys of the labour force conducted by the Department of Statistics and Censuses (DGEC) of the Ministry of Planning, Coordination and the Budget (SECPLAN).

[a] Preliminary figures. [b] As of September. [c] As of March. [d] As of June. [e] As of October.

Table 12

HONDURAS: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-263**	**-330**	**-18**	**-329**	**-282**	**-334**	**-379**	**-477**
Trade balance	**-64**	**-122**	**-113**	**-23**	**-91**	**-117**	**-169**	**-249**
Exports of goods and services	1 012	950	1 026	1 061	1 032	1 018	1 051	1 087
Goods f.o.b.	894	822	881	903	887	838	843	846
Real services [b]	118	128	145	158	146	181	208	241
Transport and insurance	54	46	48	51	51	53	56	60
Travel	26	27	28	28	29	31	32	32
Imports of goods and services	1 076	1 072	1 139	1 184	1 124	1 135	1 221	1 336
Goods f.o.b.	880	871	923	956	907	913	983	1 080
Real services [b]	197	200	215	228	217	223	238	257
Transport and insurance	96	96	103	108	104	106	113	124
Travel	30	35	37	38	38	37	38	39
Factor services	-211	-235	-34	-240	-240	-271	-270	-276
Profits	-68	-70	-73	-75	-72	-72	-74	-78
Interest received	11	9	10	11	8	9	9	9
Interest paid or due	-155	-78	-181	-187	-186	-234	-253	-252
Labour and ownership	-	4	10	11	10	27	48	45
Unrequited private transfer payments	13	26	28	34	49	53	61	48
Balance on capital account	**322**	**395**	**333**	**300**	**307**	**400**	**371**	**335**
Unrequited official transfer payments	145	166	208	158	231	144	155	124
Long-term capital	31	79	65	38	136	-52	160	...
Direct investment	30	39	48	51	44	45	60	...
Portfolio investment	-1	1	-	-	-	-	-	...
Other long-term capital	2	40	16	-13	92	-97	100	...
Official sector [c]	49	107	66	37	158	108	100	...
Loans received	133	206	234	207	357	294	356	...
Amortization payments	-44	-84	-131	-149	-204	-188	-230	...
Commercial banks [c]	1	-	-1	-2	-5	-4	-5	...
Loans received	18	11	7	2	1	-	1	...
Amortization payments	-17	-12	-8	-3	-6	-5	-6	...
Other sectors [c]	-48	-66	-49	-48	-61	-200	4	...
Loans received	88	53	78	82	109	88	162	...
Amortization payments	-136	-119	-127	-130	-170	-288	-158	...
Short-term capital	143	182	154	243	47	131	37	...
Official sector	143	141	159	272	147	64	92	...
Commercial banks	-	30	-11	-19	-72	-30	-17	...
Other sectors	-	11	6	-10	-28	97	-37	...
Errors and omissions (net)	3	-33	-93	-139	-107	177	19	...
Global balance [d]	**60**	**65**	**14**	**-29**	**24**	**66**	**-8**	**-142**
Total variation in reserves (- sign indicates an increase)	-43	-26	19	28	-18	-65	-24	102
Monetary gold	-	-	-	-	-	-3	-	...
Special drawing rights	-	-	-	-	-	-	-	-
IMF reserve position	-	-	-	-	-	-	-	-
Foreign exchange assets	-6	5	56	29	-19	-65	-92	100
Other assets	-2	-1	-1	-	-1	-	-	...
Use made of IMF credit	-36	-30	-36	-1	1	2	69	-3

Source: 1986-1992: ECLAC, on the basis of figures provided by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures provided by the Central Bank of Honduras.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 13

HONDURAS: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports (f.o.b.)								
Value	12.3	-8.1	7.2	2.5	-1.8	-5.6	0.6	0.4
Volume	2.2	2.1	-1.6	5.5	1.0	-3.6	1.6	-1.9
Unit value	10.0	-10.0	9.0	-2.8	-2.8	-2.0	-1.0	2.3
Imports (f.o.b.)								
Value	-1.4	-0.9	6.0	3.5	-5.1	0.6	7.7	9.9
Volume	5.7	2.3	8.9	4.4	-3.1	7.3	7.1	7.1
Unit value	-6.7	-3.1	-2.7	-0.8	-2.1	-6.3	0.6	2.6
Terms of trade (f.o.b./c.i.f.)	17.3	-7.3	11.3	-2.2	-1.1	4.1	-1.7	-0.4
	Indexes (1980=100)							
Purchasing power of exports	106.1	100.4	109.9	113.4	113.3	113.6	113.5	110.9
Volume of exports	104.7	106.9	105.2	111.0	112.2	108.1	109.9	107.8
Volume of imports	96.3	98.5	107.3	112.0	108.5	116.5	124.7	133.6
Terms of trade (f.o.b./c.i.f.)	101.3	93.9	104.5	102.1	101.0	105.1	103.3	102.9

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 14

HONDURAS: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rate (lempiras per dollar)	Real effective exchange rate indexes [a] (1985=100) based on the consumer price index [b]	
		Exports	Imports
1978	2.00	132.2	132.5
1979	2.00	132.1	131.3
1980	2.00	124.4	124.4
1981	2.00	116.7	119.0
1982	2.00	110.0	107.3
1983	2.00	103.7	101.3
1984	2.00	100.6	100.0
1985	2.00	100.0	100.0
1986	2.00	106.1	102.4
1987	2.00	112.9	107.7
1988	2.00	113.2	110.3
1989	2.00	105.1	102.5
1990	4.10	187.3	179.3
1991	5.32	201.6	196.1
1992	5.51	192.2	188.5
1993	6.59	209.1	211.4
1992			
I	5.40	188.8	184.8
II	5.40	187.2	183.5
III	5.40	192.7	187.6
IV	5.82	200.1	198.2
1993			
I	5.85	194.5	194.7
II	6.34	206.6	208.1
III	6.91	214.0	217.6
IV	7.26	221.4	225.1

Source: ECLAC, on the basis of information from the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Corresponds to the average of the indexes for the real exchange rate of the lempira against the currencies of the main trading partners of Honduras, weighted according to the relative importance of exports or imports, as the case may be, to or from these countries. The weightings correspond to the average for the period 1986-1990. In the calculations, wholesale price indexes were generally used; in the case of Honduras, the consumer price index was used. For information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981. [b] The consumer price index was used for all the countries.

Table 15
HONDURAS: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
Total	**838**	**843**	**846**	**100.0**	**100.0**	**100.0**	**-5.5**	**0.6**	**0.4**
Main traditional exports	**598**	**549**	**494**	**71.3**	**65.1**	**58.4**	**-12.1**	**-8.2**	**-10.0**
Bananas	314	256	231	37.5	30.4	27.3	-12.3	-18.5	-9.8
Coffee	146	148	125	17.4	17.6	14.8	-19.3	1.4	-15.5
Wood	15	16	18	1.8	1.9	2.1	-7.5	6.7	12.5
Chilled meat	31	37	39	3.7	4.4	4.6	18.1	19.4	5.4
Sugar	8	5	5	1.0	0.6	0.6	-22.8	-37.5	-
Lobster	39	34	39	4.7	4.0	4.6	18.2	-12.8	14.7
Zinc	36	36	26	4.3	4.3	3.1	-10.2	-	-27.8
Silver	4	5	4	0.5	0.6	0.5	-20.0	25.0	-20.0
Lead	3	8	2	0.4	0.9	0.2	-22.2	166.7	-75.0
Tobacco	2	4	5	0.2	0.5	0.6	26.3	100.0	25.0
Main non-traditional exports	**194**	**253**	**320**	**23.2**	**30.0**	**37.8**	**28.7**	**30.2**	**26.5**
Wood manufactures	11	14	16	1.3	1.7	1.9	10.0	27.3	14.3
Shrimp	54	69	95	6.5	8.2	11.2	50.8	27.1	37.7
Soap	5	8	9	0.6	0.9	1.1	66.7	60.0	12.5
Other	124	162	200	14.8	19.2	23.6	21.6	30.6	23.5
Not elsewhere classified	46	41	32	5.5	4.9	3.8	-17.9	-10.9	-22.0

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures.

Table 16
HONDURAS: EXPORT VOLUMES OF MAIN PRODUCTS

	1990	1991	1992	1993[a]	Growth rates			
					1990	1991	1992	1993[a]
Bananas [b]	42 321	38 325	40 933	35 646	-6.0	-9.4	6.8	-12.9
Coffee [c]	1 735	1 444	1 961	1 705	22.2	-16.8	35.8	-13.1
Sugar [d]	25 771	20 053	12 829	11 637	24.1	-22.2	-36.0	-9.3
Chilled meat [d]	11 463	14 154	16 523	17 692	23.8	23.5	16.7	7.1
Zinc [e]	69 226	74 161	70 272	59 633	-19.0	7.1	-5.2	-15.1
Shrimp and lobster [d]	5 926	8 093	9 420	12 193	11.6	36.6	16.4	29.4
Lead [e]	12 339	12 741	29 749	8 540	-36.5	3.3	133.5	-71.3
Tobacco [d]	1 221	1 188	1 869	2 090	4.5	-2.7	57.3	11.8
Wood [f]	36 868	30 627	33 690	35 375	-36.8	-16.9	10.0	5.0
Silver [g]	1 034	1 115	1 374	1 037	-33.1	7.8	23.2	-24.5

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures. [b] 40-lb cases. [c] 40-kg sacks. [d] Kilograms. [e] Pounds. [f] Board feet. [g] Troy ounces.

Table 17
HONDURAS: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**954**	**1 037**	**1 130**	**100.0**	**100.0**	**100.0**	**-6.7**	**2.0**	**8.7**	**9.0**
Consumer goods	**204**	**220**	**239**	**21.4**	**21.2**	**21.2**	**-11.8**	**2.0**	**7.8**	**8.6**
Durable	48	65	71	5.0	6.3	6.3	3.6	-12.7	35.4	9.2
Non-durable	156	155	168	16.4	14.9	14.9	-16.2	7.6	-0.6	8.4
Raw materials and intermediate goods	**548**	**556**	**607**	**57.4**	**53.6**	**53.7**	**1.6**	**4.4**	**1.5**	**9.2**
Petroleum and fuels	172	161	178	18.0	15.5	15.8	15.4	2.4	-6.4	10.6
Construction materials	29	31	34	3.0	3.0	3.0	39.5	-27.5	6.9	9.7
Other	347	364	395	36.4	35.1	35.0	-7.1	9.5	4.9	8.5
Capital goods	**188**	**242**	**263**	**19.7**	**23.3**	**23.3**	**-9.0**	**-6.5**	**28.7**	**8.7**
For agriculture	8	10	11	0.8	1.0	1.0	-10.3	14.3	25.0	10.0
For industry	109	134	146	11.4	12.9	12.9	-10.4	-3.5	22.9	9.0
For transport	71	98	106	7.4	9.5	9.4	-6.8	-12.3	38.0	8.2
Other products	**14**	**19**	**21**	**1.5**	**1.8**	**1.9**	**-9.8**	**55.6**	**35.7**	**10.5**

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures.

Table 18
HONDURAS: EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total external debt								
Balances [b]	3 366	3 773	3 810	3 374	3 547	3 174[c]	538	3 762
Public	2 709	2 998	3 090	2 760	2 760	2 587	3 345	2 883
Private [d]	656	776	719	614	603	587	193	878[e]
Long- and medium-term	3 021	3 440	3 482	3 100	3 310	2 996	3 454	3 615
Short-term [c]	345	333	328	274	216	178	84	147
Disbursements	414	474	561	363	467[f]	307[f]	395	582
Service [g]	489	497	608	398	482[f]	332[f]	414	597
Amortization	346	381	447	328	275	212	235	309
Interest	143	116	162	70	207	120	179	208
External public debt								
Disbursements	292	292	400	172	350[f]	214[f]	285	437
Service [g]	342	329	412	179	350[f]	241[f]	272	375
Amortization	230	233	281	122	184	156	129	211
Interest	113	95	131	57	166	85	143	165
	Percentage of the value of exports of goods and services [h]							
Total external debt	332.6	397.2	371.3	318.0	343.7	311.8	336.6	346.1
Debt service	48.3	52.3	59.3	37.5	46.7	32.6	39.4	54.9
Net interest [i]	14.2	17.8	16.7	16.6	17.2	22.1	23.2	22.4
Debt service/disbursements	118.1	104.9	108.4	109.6	103.2	108.1	104.8	102.6

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures. [b] Year-end balances of disbursed debt. [c] Includes US$ 448.4 million in cancelled bilateral debt; of this sum, US$ 433.5 million was forgiven by the United States, US$ 11 million by Switzerland and US$ 3.9 million by the Netherlands. [d] Includes commercial and short-term public bank debt, US$ 35 million and US$ 158 million, respectively in 1992. [e] Includes US$ 614 million in credit to the Central Bank of Honduras; of this sum, US$ 307 million were compensatory credits. [f] Refers to medium- and long-term debt. [g] Refers to debt service actually paid and does not include that owed but not paid; these figures therefore differ from the corresponding balance-of-payments entries. [h] All ratios refer to the total external debt. [i] Refers to net balance-of-payments interest.

Table 19
HONDURAS: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
December to December variation								
Consumer price index	3.2	2.9	6.7	11.4	36.4	21.4	6.5	13.0
Food	1.5	4.1	10.2	13.2	44.3	24.7	5.6	14.8
Wholesale price index	0.1	1.5	10.7	20.4	41.3	20.4	...	...
Imported products	0.1	0.7	17.4	29.5	37.4	11.6	...	...
Domestic products	0.1	1.9	7.3	15.2	43.8	25.9	...	...
Agricultural	2.0	3.2	7.6	18.5	42.5	25.6	...	...
Manufactured	-1.0	1.0	7.1	13.1	44.7	26.0	...	...
Construction materials	-3.6	0.8	10.2	15.8	36.9	7.2	...	...
Variation between annual averages								
Consumer price index	4.4	2.5	4.5	9.8	23.0	34.0	8.8	10.7
Food	2.7	1.3	7.5	12.5	26.5	43.7	6.2	12.7
Wholesale price index	1.9	0.8	6.0	18.6	29.9	34.3	10.1	12.7
Imported products	1.3	0.8	8.7	27.3	32.8	22.8	5.2	7.9
Domestic products	2.3	0.7	4.6	13.9	27.7	42.1	12.8	15.2
Agricultural	4.3	1.6	5.0	16.6	29.3	46.6	7.7	26.3
Manufactured	1.1	0.1	4.5	12.1	26.7	39.1	16.4	7.7
Construction materials	-0.8	-0.7	6.6	16.7	30.4	18.4	1.9	18.8

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures.

Table 20
HONDURAS: MINIMUM WAGES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Official minimum wages (Lempiras per regular working day)							
Average minimum wage	6.30	6.30	6.30	6.30	9.07	12.16	14.99	16.89
Agriculture and livestock production	4.80	4.80	4.80	4.80	7.27	9.45	11.68	13.12
Banana growing for export	7.10	7.10	7.10	7.10	10.10	14.29	18.04	19.96
Mining of metal ores	6.60	6.60	6.60	6.60	10.63	14.33	17.44	20.84
Mining of non-metallic minerals	6.60	6.60	6.60	6.60	9.07	11.87	14.40	16.13
Manufacturing	5.68	5.68	5.68	5.68	7.97	10.14	12.29	13.77
Construction	5.30	5.30	5.30	5.30	7.90	9.34	10.93	12.56
Commerce, restaurants and hotels	5.68	5.68	5.68	5.68	8.35	10.59	12.86	14.43
Transport and storage	6.05	6.05	6.05	6.05	8.65	11.54	13.95	15.61
Banking, insurance and business services	6.05	6.05	6.05	6.05	8.74	11.42	13.81	16.46
Other services	5.95	5.95	5.95	5.95	7.95	10.11	12.25	13.73
	Indexes (1989=100)							
Nominal minimum wages in all sectors of activity	100.0	100.0	100.0	100.0	144.0	193.0	237.9	268.1
Real minimum wages in all sectors of activity	117.6	114.8	109.8	100.0	116.7	116.8	132.4	134.7
	Growth rates							
Nominal minimum wages in all sectors of activity	-	-	-	-	44.0	34.1	23.3	12.7
Real minimum wages in all sectors of activity	-4.2	-2.4	-4.3	-8.9	16.7	0.1	13.3	1.8

Source: ECLAC, on the basis of figures provided by the Central Bank of Honduras and by the Wages Department of the Ministry of Labour and Social Security.

[a] Weighted on the basis of the minimum wage in force for the year and the importance of each economic activity in the various wage ares.

Table 21

HONDURAS: CENTRAL GOVERNMENT CURRENT INCOME

	Millions of lempiras			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total current income	**2 844**	**3 268**	**3 778**	**35.0**	**38.3**	**14.9**	**15.6**
1. **Tax revenues**	**2 532**	**3 005**	**3 524**	**43.0**	**36.6**	**18.7**	**17.3**
Direct	644	884	1 082	17.1	44.4	37.3	22.4
Income tax	624	860	959	17.4	44.8	37.8	11.5
Property tax	20	24	35	14.3	25.0	20.0	45.8
Revaluation of assets	-	-	88				
Indirect	1 886	2 119	2 441	53.8	34.0	12.4	15.2
Production, consumption and sales	841	1 029	1 228	50.8	40.2	22.4	19.3
Beer	92	111	131	9.2	28.9	21.3	18.0
Carbonated beverages	35	50	60	25.0	38.0	44.9	20.0
Alcohol and spirits	36	30	33	3.2	12.5	-16.7	10.0
Petroleum by-products	90	161	154	79.2	109.3	78.9	-4.3
Cigarettes	71	83	93	26.7	24.6	16.9	12.0
General sales tax	484	548	688	78.2	40.7	13.2	25.5
Other	34	46	69	40.0	21.4	35.3	50.0
Tax on services and specific activities	120	135	157	47.5	33.3	12.5	16.3
Tax on foreign trade	925	955	1 056	56.9	29.0	3.2	10.6
Imports	684	804	986	28.0	37.3	17.5	22.6
Exports	241	151	70	225.4	10.6	-37.3	-53.6
Bananas	90	101	59	-9.3	130.8	12.2	-41.6
Coffee	24	33	-	-95.0	2 300.0	37.5	-100.0
Windfall profits	109	-	-	-	-33.1	-	-
Other	18	17	11	314.3	26.2	26.2	26.2
Miscellaneous taxes	2	2	1	-14.3	25.0	25.0	25.0
2. **Non-tax revenues**	**312**	**263**	**254**	**-10.6**	**53.7**	**-15.7**	**-3.4**

Source: ECLAC, on the basis of figures from the Ministry of Finance and Public Credit.
[a] Preliminary figures.

Table 22

HONDURAS: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of lempiras			Percentage of GDP			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
1. **Total current income**	**2 844**	**3 376**	**3 894**	**17.4**	**18.0**	**18.0**	**35.0**	**38.3**	**18.7**	**15.3**
Current income	2 844	3 268	3 777	17.4	17.4	17.5	35.0	38.3	14.9	15.6
Tax revenues	2 532	3 005	3 523	15.5	16.0	16.3	43.0	36.6	18.7	17.2
Direct	644	884	1 082	3.9	4.7	5.0	17.1	44.4	37.3	22.4
Indirect	1 888	2 121	2 441	11.6	11.3	11.3	53.8	34.2	12.3	15.1
On foreign trade	925	955	1 056	5.7	5.1	4.9	56.7	29.2	3.2	10.6
Non-tax revenues	312	263	254	1.9	1.4	1.2	-10.6	53.7	-15.7	-3.4
Capital revenues	-	108	117	0.0	0.6	0.5	-	-	-	8.3
2. **Current expenditure**	**2 684**	**3 118**	**3 875**	**16.5**	**16.6**	**17.9**	**16.6**	**24.7**	**16.2**	**24.3**
Salaries and wages	1 169	1 390	1 657	7.2	7.4	7.7	14.9	8.2	18.9	19.2
Other current expenditure	1 515	1 728	2 218	9.3	9.2	10.3	18.3	41.2	14.1	28.4
3. **Current account balance** (1 - 2)	**160**	**150**	**-98**	**1.0**	**0.8**	**-0.5**				
4. **Capital expenditure**	**696**	**1 188**	**2 020**	**4.3**	**6.3**	**9.3**	**60.6**	**-0.6**	**70.7**	**70.0**
Real investment	434	732	1 432	2.7	3.9	6.6	-21.2	79.3	68.7	95.6
Other capital expenditure	262	456	588	1.6	2.4	2.7	255.0	-42.8	74.0	28.9
5. **Total expenditure** (2 + 4)	**3 380**	**4 306**	**5 895**	**20.7**	**22.9**	**27.2**	**25.0**	**18.5**	**27.4**	**36.9**
6. **Fiscal balance** (1 - 5)	**-536**	**-930**	**-2 001**	**-3.3**	**-5.0**	**-9.2**				
7. **Financing**	**536**	**930**	**2 001**	**3.3**	**5.0**	**9.2**				
Net domestic financing	-542	-545	77	-3.3	-2.9	0.4				
Credit received	239	277	806	1.5	1.5	3.7				
(-) Amortization payments	502	471	459	3.1	2.5	2.1				
Other [b]	-279	-351	-270	-1.7	-1.9	-1.2				
Net external financing	1 078	1 475	1 924	6.6	7.9	8.9				
Credit received	1 148	1 579	2 045	7.0	8.4	9.5				
(-) Amortization payments	330	422	452	2.0	2.2	2.1				
External grants and donations	148	298	252	0.9	1.6	1.2				
Other [c]	112	20	79	0.7	0.1	0.4				
Ratios (percentages)										
Current savings/ capital expenditure	23.0	12.6	-4.9							
Fiscal balance/ current expenditure	-20.0	-29.8	-51.6							
Fiscal balance/ total expenditure	-15.9	-21.6	-33.9							
Domestic financing/ fiscal balance	101.1	58.6	-3.8							
External financing/ fiscal balance	-201.1	-158.6	-96.2							

Source: ECLAC, on the basis of figures supplied by the Central Bank of Honduras and the Ministry of Finance and Public Credit.
[a] Preliminary figures. [b] Includes net loans granted. [c] Includes arrears in debt service.

Table 23

HONDURAS: MONETARY BALANCE AND INDICATORS

	Year-end balances (millions of lempiras)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Money (M_1)	**2 139**	**2 444**	**2 762**	**25.2**	**16.8**	**14.3**	**13.0**
Currency outside banks	960	1 121	1 425	30.5	10.5	16.8	27.1
Demand deposits	1 179	1 323	1 337	20.9	22.6	12.2	1.1
Factors of expansion							
Net international reserves	420	977	238	...	...	132.6	-75.6
Domestic credit	5 325	6 207	7 168	7.3	-12.2	16.6	15.5
To the public sector	1 026	843	1 001	8.4	-56.8	-17.8	18.7
Central Government (net)	1 758	1 599	1 635	9.0	-14.9	-9.0	2.3
Public institutions	-732	-756	-634				
To the private sector	4 299	5 364	6 167	6.6	16.5	24.8	15.0
Factors of absorption							
Quasi-money (savings and time deposits)	2 352	3 156	3 323	9.8	23.0	34.2	5.3
Other accounts (net)	1 252	1 584	1 320	-6.1	-41.4	26.5	-16.7
	Coefficients[b]						
Monetary multipliers							
M_1/monetary base	1.62	1.52	...				
Liquidity coefficient							
M_1/GDP	12.38	11.71	...				

Source: ECLAC, on the basis of figures from the Central Bank of Honduras.
[a] Preliminary figures. [b] Estimated on the basis of annual averages.

MEXICO

1. General features of recent trends

In 1993 the Mexican economy made progress in internal stabilization by reducing inflation to 8% for the year, the lowest figure in over a quarter of a century, and maintaining a surplus in its public sector accounts. Production was lacklustre, however, and suffered a marked slow-down in the second half, which pushed up the open employment rate.

The hefty trade deficit lightened considerably, thanks to a surge in non-petroleum exports and despite a sharp drop in sales of crude. In contrast, imports not related to the inbond assembly (*maquila*) industry, after increasing substantially over five consecutive years, rose only slightly in 1993, due largely to the slow-down in economic activity.

A steady influx of foreign capital attracted by the high interest rates prevailing in the Mexican market helped to cover the trade gap and facilitate a build-up of international reserves. At the same time, lower rates of interest in the financial markets of the industrialized countries compared with the high cost of domestic credit induced companies, especially the larger firms, to increase their external liabilities. The ratification of the North American Free Trade Agreement (NAFTA) by the legislatures of the United States and Canada and the Mexican National Congress contributed greatly toward sustaining the capital inflows.

2. Economic policy

Economic policy followed the outlines set forth in the Stability, Competitiveness and Employment Pact (PECE) signed by the Government, employers' associations and labour unions at the end of the previous year.[1] The pact gave top priority to stabilizing domestic prices and consolidating Mexico's integration into an broader regional market.

Progress towards greater domestic price stability continued, based on fiscal discipline, tight monetary policy and moderate rates of both currency devaluation and wage increases. The ratification of the North American Free Trade Agreement, moreover, marked a major step forward in the process of regional integration. Finally, there were further structural reforms involving the central bank, banking supervision, foreign trade and public services.

In the course of the year, however, some structural problems became manifest that posed serious challenges to the economic policy as structured. The most important were the polarization of different sectors of production as a result of the restructuring process; the gradual increase in the banks' overdue loan portfolios; the inadequacy of domestic savings and the inability to assimilate the growing labour force. Furthermore, the trade gap remained wide, despite the slow-down in imports, and again was largely covered by short-term external capital attracted chiefly by high domestic interest rates. These high rates, combined with large financial

[1] This was the seventh consecutive agreement between government, business and labour in which the parties agreed to take certain actions for the duration of the pact (one year).

Figure 1
MEXICO: MAIN ECONOMIC INDICATORS

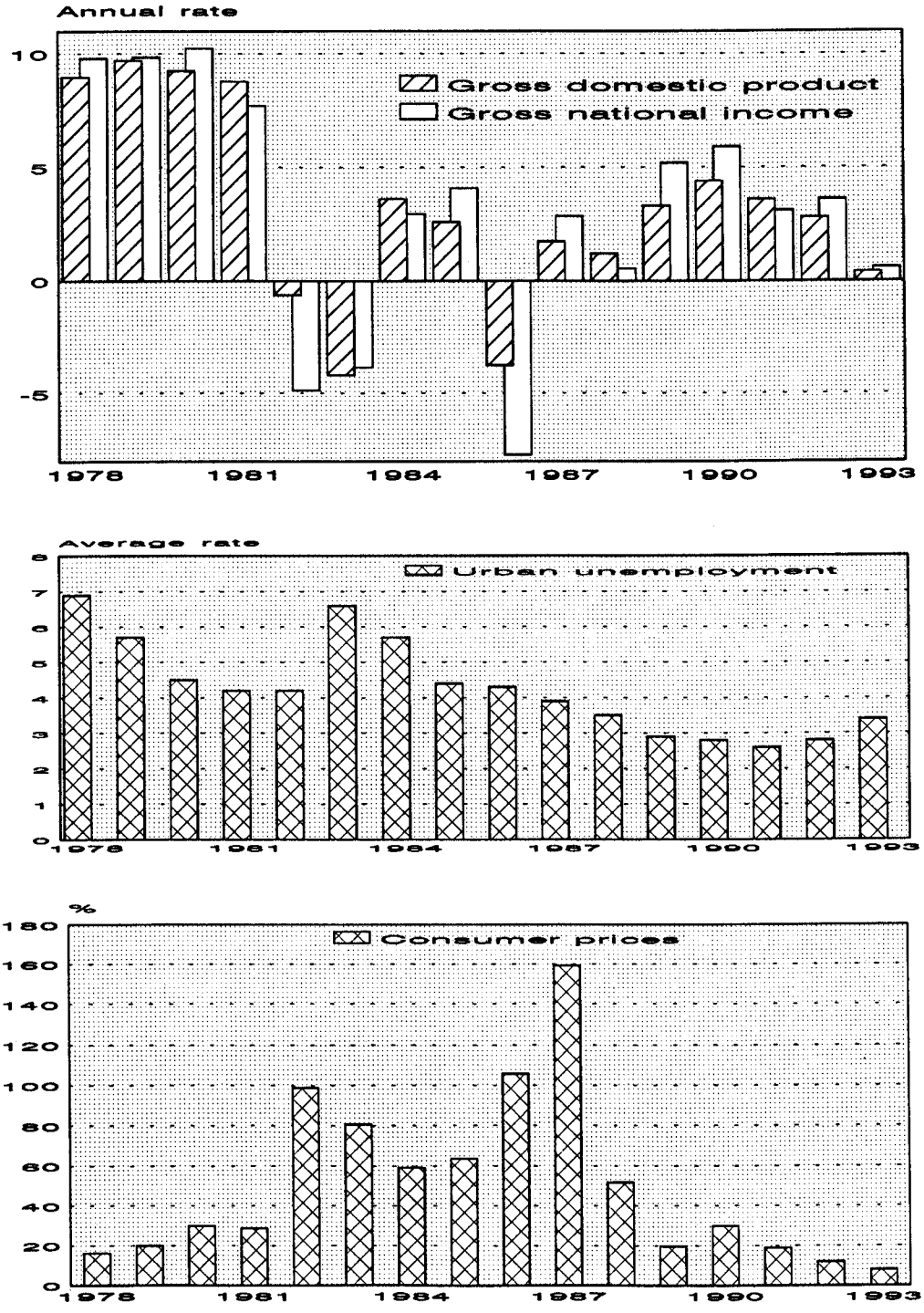
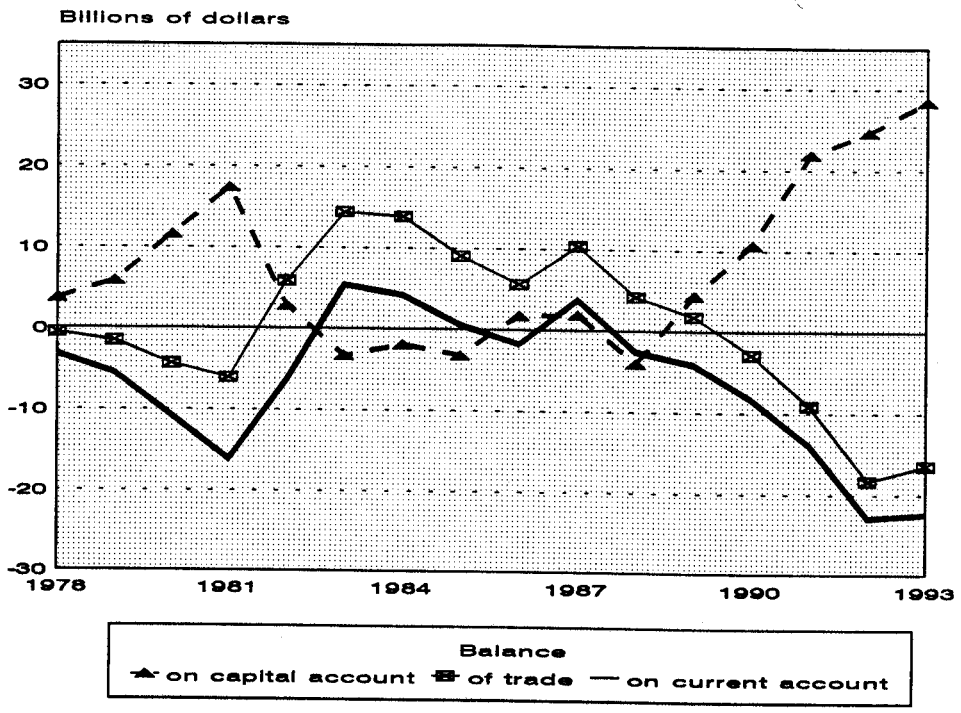
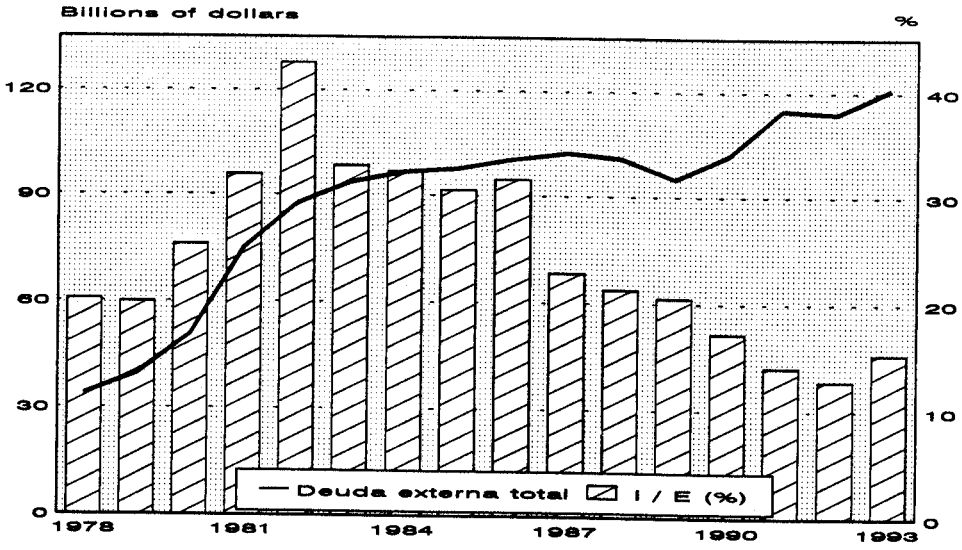


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due. E = Exports of goods and services.

intermediation spreads, inhibited the expansion of economic activity and employment.

The Stability, Competitiveness and Employment Pact (PECE) was renewed in October in a climate of slumping production and growing uncertainty. The signers of the pact confirmed that Mexico's priorities in terms of economic policy remained the same: to reduce inflation, with the new goal of bringing it down to the level of inflation of the country's main trading partners, and to maintain fiscal discipline, which entailed the adoption of measures to strengthen financial and foreign exchange markets. Other measures were also proposed, aimed at stimulating the economy, utilizing the budget surpluses achieved through fiscal adjustment efforts.

a) **Fiscal policy**

Fiscal policy, one of the cornerstones of the stabilization programme, was basically aimed at keeping public sector accounts in balance despite the drop in receipts from petroleum sales.

The restructuring of the pattern of expenditure, changes in the tax system and adjustments in rates for public services enabled the consolidated public sector to achieve a financial surplus yet again, even excluding non-recurring revenues. This was the consequence of a reduction in outlays for interest payments and charges on the debt (-25% in real terms), while public sector revenues remained virtually constant and programmable expenditures rose (6%). The ratio of the surplus to GDP (0.7%), however, was less than half than the figure for the previous year.

In accordance with the pact (PECE), major fiscal changes were introduced, supplementing those made at the end of 1991. They included reforms in the income tax regime for individuals and companies. Workers making the minimum wage were to receive an allowance; individuals earning from one to two times the minimum wage were to be exempt from income tax; and the rate to be applied to those earning from to two to four times the minimum wage was reduced. The tax on profits of companies was lowered from 35% to 34%. In addition, the period for crediting the tax on assets was increased from 5 to 10 years; the tax withholding on earnings from liabilities incurred with foreign banks and foreign branches of domestic banks was lowered from 15% to 4.9%; the annual depreciation rate for vehicles was raised; and payment facilities were provided for paying taxes owed and related charges. Electricity rates were to rise at a slower pace, and rates for high-voltage current were reduced; railway freight rates and airport services charges were also cut.

The chief reasons for the decline in federal government revenues (-2.6% in real terms) were the drop in petroleum income and the reduction in non-tax revenues. Taxes collected, on the other hand, rose 1% in real terms, reflecting higher income tax revenues as a result of the policy of broadening the taxpayer base and perseverance in efforts to improve tax inspection and administration. All other tax categories, however, suffered setbacks. Value-added tax revenues declined slightly as a result of slower economic growth; revenues from the special tax on production and services were down from their 1992 level because of lower petroleum and gasoline prices; revenues from import taxes slumped because the value of the tax base in national currency increased less than domestic prices as a function of the unchanged dollar value and the more slower rise in the exchange rate.

Non-recurring revenues were lower than the substantial amount realized the year before from the sale of public sector enterprises. The privatization of various communication media and the sale of the remaining stock in the telephone company, Teléfonos de México (TELMEX), and in the banks brought the federal Government around US$ 1.4 billion. The money went into the Contingency Fund, which was up to some US$ 2.6 billion by the end of the year.

Federal government spending increased 3% in real terms and underwent major changes in composition. Debt-service payments, both internal and external, again dropped drastically in constant terms (-28%), translating into a decline of 6% in its percentage of total federal spending from the previous year's level of 22%. This meant that funds were freed for other areas of federal government expenditure and transfers to other public entities.

There was a considerable increase (31%) in transfers to state and municipal governments and to public sector enterprises and institutions. Particularly significant were transfers in support of the administrative decentralization of the educational system. Other major recipients were the National Basic Commodities Corporation (CONASUPO) in order to promote the sale of basic grains and the Mexican Social Security Institute (IMSS).

Consumption expenditures increased 13% in real terms, with a 20% increase in wages paid to public employees and in public jobs, particularly in the education and health sectors. In addition, more was spent on purchases of materials, supplies and general services.

Expenditure on social development went up 11% in real terms, especially in the areas of health and education, which increased their proportional share by over half. There was a similar increase in federal resources allocated to the National Solidarity Programme, primarily in support of productive and social welfare projects in marginal rural and urban areas. There was also an increase in federal capital investment (3%) aimed at improving the communications and transportation infrastructure.

Agencies and enterprises under budgetary control increased both their primary and financial surpluses. This achievement was the result of a slight increase in revenue and a small reduction in expenditure, reflecting in part an appreciable decline (-5%) in capital investment.

The financial surplus generated by the public sector enabled the Government to continue its policy of debt reduction. At the close of 1993, for example, total government securities outstanding declined to 128 billion new pesos, 2% lower in nominal terms than the figure for 1992. While public sector gross external debt rose to US$ 78,750 million dollars, nearly US$ 3 billion higher than the year before, this was due entirely to the substantial increase (34%) in development bank liabilities, while federal government debt declined 2%.

b) Monetary policy

The unprecedented influx of external capital in 1993 substantially increased gross international reserves and made it necessary to take steps to offset the expansive effect on the rate of growth in the money supply. A reduction in the net domestic credit extended by the central bank (Bank of Mexico) and the placement of government securities with the private sector, including non-residents, held the increase in the monetary base down to 9%, so that it did not outstrip the pace of nominal output.

This policy resulted in higher real interest rates on both deposits and loans and a preference for investments in low-risk instruments. After peaking in February at an annualized rate of nearly 18%, nominal interest rates on 28-day treasury certificates (CETES) began to drop steadily, falling below 12% by the end of December. However, as the pace of inflation also declined, the real yield on these instruments, an annualized rate of 7.5%, was three percentage points higher than the average for the previous year. The equivalent rate for dollars was close to 13% per annum, explainable by the slow upward drift in the exchange rate.

By the close of 1993, outstanding commercial bank credit to the non-financial private sector had risen 18% for the year, in contrast to 33% real growth the previous year. The slower pace, reflecting a contraction in the flow of financing in domestic currency and a rapid expansion in financing in foreign currencies, created a scenario of high real interest rates for borrowers and greater caution on the part of lenders in response to the growing problem of non-performing loan portfolios. By the end of the year, overdue loans accounted for 7% of total commercial bank portfolios, two percentage points higher than the figure twelve months earlier and more than triple the figure for 1988.

The deposit of funds by the public was reflected in a 3% increase in real terms in the value of the broad monetary aggregate (M2); figuring in deposits and bonds in foreign currencies, the real increase was close to 5%. The purchase of government securities by the private sector represented one-third of the annual flow of financial liabilities (M4), in contrast to the mere 3% it accounted for in 1992; the share of deposits attracted by commercial banks, on the other hand, declined from 64% the previous year to 38% of the flow. The persistent strong demand for

government securities on the part of non-resident investors was due to the wide differential between domestic and international exchange rates in a climate of relative certainty about expected trends in the exchange rate.

The upward momentum of the Index of Prices and Quotations (IPYC) on the Mexican stock exchange was interrupted in the first half of the year, due to the sluggish economy, uncertainty regarding the negotiations on the NAFTA parallel agreements and the ratification of NAFTA itself, and the high yields on fixed-income securities. In June the IPYC index began to rebound, a trend that intensified during the last quarter as investors took positions in anticipation of the imminent approval of the agreement. In October, the index broke the 2,000 point barrier for the first time and by the end of December rose above 2,600 points –a 45% annual increase in dollar terms– making the Mexican stock exchange among the ten most profitable in the world in 1993.

During the year a number of reforms in the legal framework of the financial and banking sector took effect, oriented towards expanding the range of services offered by agents in these markets and strengthening the capacity of the supervisory and control agencies. The legal changes included the granting of concessions for the establishment of new banks and finance companies. In addition, authorization was given for financial institutions from the United States and Canada to open branches, although many of them were still to be subject to temporary restrictions.

Legal provisions were also put into effect to improve the system of evaluating and monitoring loan portfolios and to increase bank capitalization and risk reserves. In addition, the "new peso", equal to a thousand old pesos, went into circulation in January.

c) **Foreign exchange policy**

The system continued to be an exchange rate allowed to float within a band with a fixed minimum and a maximum set daily by the Bank of Mexico. According to the pact (PECE) concluded in October 1992, the daily devaluation of the pesos was to be set at four ten-thousandths, equivalent to a nominal depreciation of 4.6% per annum, which widened the flotation band to 9% in December 1993.

As of 31 December, however, the market price of the peso against the dollar showed a nominal depreciation of less than 2% over the preceding twelve months. This meant that the national currency had appreciated by roughly 7% in real terms against a basket of currencies of Mexico's principal trading partners.

d) **Structural reforms**

The process of economic reforms and institutional changes continued throughout the course of the year. Among the major reforms were the constitutional amendment giving the Bank of Mexico autonomy in monetary management and eliminating its obligation to provide financing to the Government; the regulations implementing the Federal Economic Competition Act and the Public Service Electric Power Act; and the passage of the Ports Act. In addition, towards the end of the year Congress approved a package of initiatives designed to adapt a number of existing acts to the new foreign trade system, including the acts on foreign investment, foreign trade, public acquisitions, customs and the tax code. The Government also announced the Rural Assistance Programme (PROCAMPO) under which rural producers were to receive direct subsidies similar to those granted in developed countries.

3. Trends in the main variables

a) **Economic activity**

The slower growth in the level of economic activity was reflected in a decline of around 2% in per capita gross domestic product, the first such decline since 1988. The sluggishness of economy was due in large measure to the uncertainty prevailing during most the year about

the approval of the North American Free Trade Agreement (NAFTA) and about the impact of the progressive restructuring of the production system to meet the free trade challenge, against a background of stringent monetary and fiscal policy aimed at combatting inflation.

Domestic demand contracted. Private consumption was sluggish as a result of higher unemployment and little increase in the net purchasing power of large segments of the population, which had significantly increased their bank debt in previous years. In addition, the policy of austerity resulted in a decline in current public sector expenditure.

Private capital formation stagnated, while public sector capital formation declined noticeably, especially capital investment by state enterprises, which had expanded 10% a year on the average over the previous four years. Uncertainty about the NAFTA ratification process and the 1994 presidential election, combined with a lack of liquidity and the high cost of financing prevailing for a good portion of the year, had a negative impact on investment decisions. External savings were again drawn upon to finance two-fifths of capital formation, which equalled 21% of GDP. Although this ratio represented a slight decline from the previous year, it was still higher than the ratios recorded in the second half of the previous decade.

Non-petroleum exports constituted the only dynamic element; they benefited from the strong recovery of the United States economy in the second half of the year and from the consolidation of the competitive advantages of Mexican industry in certain sectors.

None the less, total demand stagnated. As a result, the pace of economic activity slowed, particularly in the second half, when the level of production declined, although towards the end of the year there were signs of recovery. At the same time, the surge in imports of goods and services sustained over the previous five years came to a sudden halt, and the volume of imports was actually lower than the previous year.

The output of goods showed zero growth and the pace of service output slowed noticeably. Manufacturing actually declined, turning in a performance even more lacklustre than in previous years, in part because of the tensions involved in adapting to new competitive conditions.

Increases in output from crop farming and fishing (3% and 5%, respectively) enabled the agricultural sector to make up for the previous year's decline.

The improvement in the performance of the crop farming sector was attributable to higher yields in the fall-winter season, while spring-summer crop yields were affected by adverse weather conditions. Maize --one of only two crops, along with beans, that benefit from support prices– brought in a good profit, encouraging further planting, with the result that the harvests were exceptionally large. The bean crop yield also expanded dramatically, making up for the previous year's slump. Increased United States demand gave impetus to a variety of fresh fruit and vegetable crops. The cotton and sorghum harvests, on the other hand, declined under the influence of low prices on the international markets. Low profit margins to the producer also reduced cultivation of rice and soybeans.

In the livestock subsector, there was increased production of beef, chicken, milk and eggs, which, in combination with a slackening in domestic demand, meant lower food imports.

The extractive industries achieved very modest growth in response to meagre external demand and depressed international prices. Petroleum activity continued flat, affected by the over-supply of crude petroleum and petroleum products on the international market, coupled with unstable and somewhat soft prices. Shipments of crude decreased over 2%, i.e., to 1,340 million barrels a day, which were sold at an average price of US$ 13.20 dollars a barrel, a price 11% lower than in 1992. Sales in the domestic market remained level, reflecting the sluggish economy. Light and superlight crudes gained in importance relative to total petroleum output.

The weakening of the domestic market and competition from imported goods accentuated the problems of the manufacturing industry. Despite strong growth in manufacturing exports, domestic manufacturing output declined by nearly 2%.

The lag in industrial activity was accentuated in the third quarter, when the trend became

generalized. Weak demand meant that in a number of industries large inventories accumulated and margins of unused capacity widened. Output increased in only four categories: basic metals; non-metallic minerals; food, beverages and tobacco; and other manufactures. Output declined in chemicals; paper and printing; wood; and textiles and clothing. The latter category fell for the third consecutive year under the impact of freer trade and the decline in domestic demand; however, exports of some products in the industry were more successful.

The automobile industry experienced no growth in output, as the increase in exports to the United States, particularly during the second half, merely offset the decline in the domestic market. Shrinking domestic demand also made itself felt in the furniture and home furnishings industry.

In contrast, the maquiladora industry remained dynamic, thanks to the revival of the United States economy. Output increased 8%, the number of firms (2,200) rose 3% and employment generated increased to 541,000 jobs. In terms of type of product, transportation equipment; electrical and electronic supplies and accessories; and electrical machinery, equipment and apparatus were among the most important categories.

The contraction in domestic demand had a heavy impact on the service sector, which experienced zero growth. Commerce and hotel services declined, and the pace of growth slowed for restaurants, transportation and communications. The financial sector turned in a satisfactory performance in a reorganized structure resulting from the privatization process. Levels of both deposits attracted from the public and credit granted continued to rise, while the variety of financial intermediation instruments offered increased. On the down side, the relative weight of non-performing loan portfolios increased and put pressure on intermediation costs.

b) **Prices and wages**

During the first nine months of 1993, the stabilization programme adhered to the guidelines stipulated in the PECE agreement of 20 October 1992. The 1992 pact called for public sector prices and rates to rise slowly by no more than 9.9% in the next twelve months and for nominal minimum wage levels to be increased by 7.5% effective January 1993. Although the programme called for a nominal devaluation of roughly 5% per annum, the price of the dollar remained relatively unchanged.

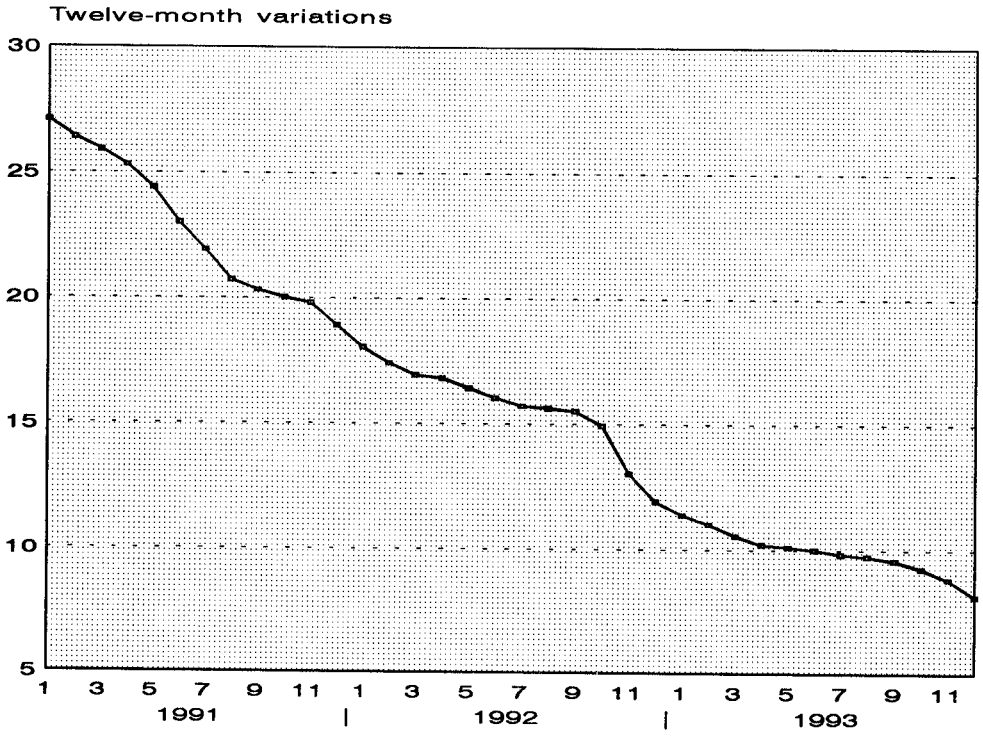
At the beginning of October 1993 a new Stability, Competitiveness and Employment Pact (PECE) was signed, in which it was agreed that the anti-inflationary fiscal policy would be maintained. The goals for 1994 were to reduce the annual inflation rate to 5% and to promote a gradual, sustained recovery of the economy. It was therefore agreed that the exchange rate policy should be continued and the public sector budget kept in balance. In addition, the pact called for raising minimum wages effective January 1994 in line with the anticipated slowing of inflation and the increase in average national productivity.

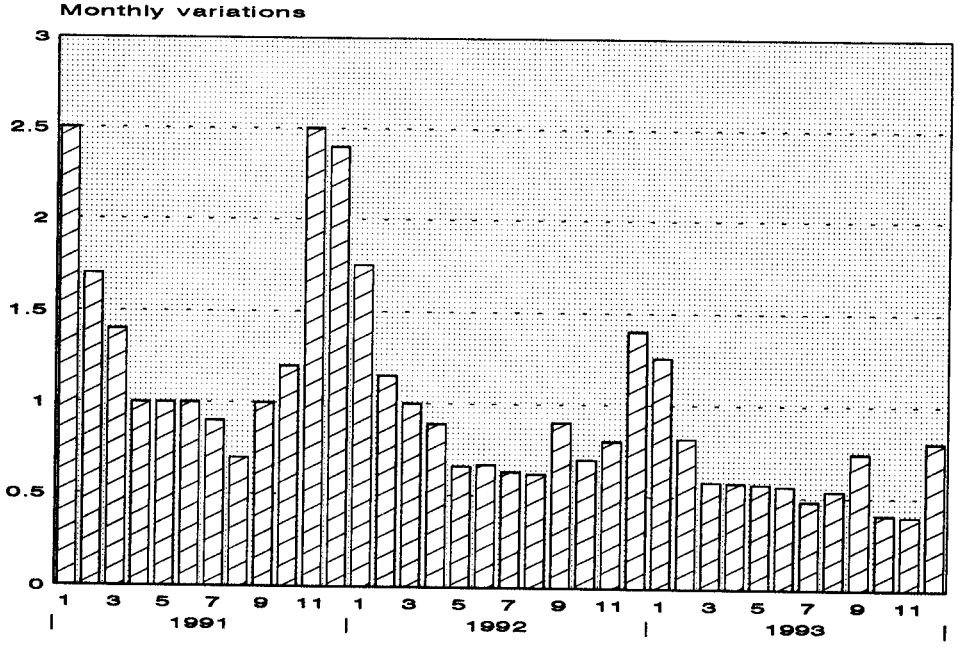
In this context, the change in the national consumer price index (CPI) was 8% in 1993, the lowest increase in more than two decades. The rise in producer prices was even smaller (5%). In addition to perseverance in the strict anti-inflationary policy applied in recent years, the slackness of internal demand was also a factor in holding down the increases. The greatest increases in consumer prices were generally for services, sharpening the trend for prices of non-tradables to rise faster than prices of tradables.

Although the increase in the minimum wage was not sufficient to prevent a decline in real income for minimum-wage earners, the purchasing power of average wages paid in formal employment in manufacturing, commerce and construction improved.

The recession, however, caused a drop of over 7% in manufacturing employment, excluding the maquiladora industry. In sharp contrast, the workforce in the maquiladora sector expanded by 7%. Other unemployment and underemployment indicators revealed a worsening situation; the percentage of workers earning less than a full minimum wage went up from 10.9% the previous year to 12.4% in 1993; the percentage of workers employed less than 35 hours a week rose from 21.6% to 23%.

Figure 2
MEXICO: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

In line with the PECE agreements, a series of tax cuts benefiting lower-income workers sent into effect at the end of the year. In particular, the upper level for income-tax exemption was raised to two times the minimum wage and those earning no more than a minimum wage would receive an allowance retroactive to the first of October.

c) The external sector

The sudden slow-down in imports and continued growth in non-petroleum exports halted the progressive deterioration in the balance of trade experienced since 1989. The current account deficit also declined slightly, despite the increase in factor service payments abroad, to a level of 6.5% of output.

The improvement in the trade balance was noticeable in both goods and services. In the case of goods, the deficit narrowed substantially, while the balance of tourism went from negative in 1992 to positive in 1993.

The lacklustre performance of the economy, particularly in terms of manufacturing output, was the chief reason for the slow-down in imports. The rate of growth in the value of purchases, including the maquiladora industry (5%), was drastically lower than that of the year before. The slow-down affected all categories: imports of consumer goods and intermediate goods grew 1% and 9%, respectively, after growing 33% and 21% in 1992. Imports for the motor vehicle industry also slowed considerably. Imports of capital goods actually declined 5%, in contrast to their increase of 35% the year before.

Exports of goods, on the other hand, including the maquiladora industry, experienced major growth (12%), stimulated by the recovery of the United States economy during the second half. This achievement rested largely on the performance of non-petroleum exports, chiefly agricultural (19%) and manufacturing (18%). The average unit value of manufacturing exports rose significantly, due in part to the higher prices obtained for the products exported and in part to a shift in the composition of exports towards articles of greater value.

Income from petroleum sales went down 13% because of a slight reduction in volume exported and a drop in the price of the basket of Mexican crudes, which averaged US$ 13.20 a barrel, down from the US$ 14.80 mark achieved the year before.

Since the number of foreign visitors declined less rapidly than the number of nationals travelling abroad, the balance of tourist services swung back to the positive side, reestablishing the pattern typical prior to 1989.

The figure for factor services increased, on the other hand, due to a simultaneous drop in interest earned on assets abroad and increase in interest paid.

In 1993 the country continued to receive substantial inflows of capital, attracted chiefly by the high yields to be obtained and in the last quarter by positive expectations resulting from the ratification of the North American Free Trade Agreement. The influx of external resources reached nearly US$ 28.5 billion, higher than the previous year's figure. It gave rise to a new accumulation of international reserves, over US$ 6 billion on this occasion, bringing the total up to US$ 24.5 billion dollars, equal to 7% of output.

In general, the terms of access to external financing for private firms and public entities continued to improve, due in part to a more favourable assessment of the so-called "country risk". The sale of bond issues and other financial instruments under comparatively advantageous terms of maturity and yield increased, as did credit extended by foreign commercial banks. A number of national agents increased their foreign indebtedness because of the relatively lower cost of capital abroad.

Direct investment went up US$ 4.9 billion, totalling nearly US$ 14 billion over the last three years. The stock market continued to attract large amounts of capital, on the order of US$ 11 billion, including as major components the investment of some US$ 4.3 billion in American Depositary Receipts (ADRs) and the acquisition of freely traded shares of stock (US$ 4 billion). The participation of foreign investors in the Mexican stock market thus climbed to US$ 54.6 billion, representing 28% of the market's capitalization value at the close of the year.

Other foreign currency portfolio investments, equal to some US$ 5 billion, entailed purchases

of government securities. This increased the amount of securities in the hands of non-residents to roughly US$ 16.7 billion, equal to 40% of total government securities in circulation. The private sector sold securities in foreign currency in the amount of US$ 6 billion; another US$ 1.6 billion entered in the form of loans from foreign commercial banks and deposits by non-nationals in domestic banks.

Public sector external debt increased by nearly US$ 3 billion, due to increased development bank liabilities and despite the decline in the indebtedness of the central Government and other public entities. At the end of 1993, the balance of public sector gross external debt stood at US$ 78,750 million, equal to 22% of GDP.

Unlike 1992, when the Government bought back a significant amount of debt (US$ 7.2 billion) in international secondary markets, in 1993 debt retirement operations were significantly more modest. Through early redemption of par bonds, bank acceptances and lines of credit, barely US$ 800 million were retired, due in part to a significant increase in the prices of the nation's debt instruments in the secondary market. Between December 1992 and December 1993 the price of par bonds rose from 65.5 cents to 84 cents, while discount bonds rose from 81.5 cents to 96.5 cents.

Table 1

MEXICO: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	105.9	107.9	109.3	112.9	117.9	122.2	125.6	126.2
Gross national income	97.4	100.3	100.9	106.1	112.4	115.8	119.9	119.7
Population (millions of inhabitants) [b]	77.3	79.1	80.9	82.7	84.5	86.3	88.2	90.0
Per capita gross domestic product	91.8	91.5	90.6	91.6	93.6	94.9	95.6	94.0
Real effective exchange rate (CPI) [c]	171.1	177.5	144.4	135.5	131.3	119.9	110.4	102.9
Real effective exchange rate (WPI) [c]	149.1	150.4	126.0	121.6	120.3	108.4	99.6	91.9
	Percentage ratios							
Consolidated public sector financial results/GDP	-13.7	-14.2	-9.3	-5.0	-2.4	-0.4	1.6	0.7
Money (M_1)/GDP	4.8	4.0	4.1	4.1	4.6	7.1	10.2	10.9
Rate of unemployment [d]	4.3	3.9	3.5	2.9	2.7	2.7	2.8	3.4
	Percentage rates of variation							
Gross domestic product	-3.8	1.9	1.2	3.3	4.4	3.6	2.8	0.4
Per capita gross domestic product	-5.9	-0.4	-1.0	1.1	2.2	1.4	0.7	-1.6
Gross national income	-7.7	3.0	0.6	5.2	5.9	3.1	3.6	-0.2
Consumer prices [e]								
December to December	105.7	159.2	51.7	19.7	29.9	18.8	11.9	8.0
Current value of exports of goods and services	-20.2	26.2	5.2	13.1	16.7	3.3	4.4	4.9
Current value of imports of goods and services	-11.3	5.7	44.8	24.7	32.5	18.2	22.5	0.3
	Millions of dollars							
External sector								
Trade balance	5 566	10 379	4 108	1 764	-2 865	-9 104	-18 318	-16 442
Factor services	-7 703	-7 059	-7 118	-7 797	-7 715	-6 867	-6 876	-8 310
Balance on current account	-1 792	3 704	-2 613	-4 111	-8 413	-13 890	-22 924	-22 370
Balance on capital account	1 704	1 867	-4 025	4 289	10 716	21 882	24 670	28 453
Variation in international reserves (net)	-232	5 683	-6 788	120	2 019	7 619	1 934	6 083
Total external debt	100 500	102 400	100 900	95 100	101 900	114 900	114 000	120 800

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] According to projections by the Latin American Demographic Centre (CELADE), *Demographic Bulletin*, No. 51 (LC/DGM/G.128), Santiago, Chile, January 1993. [c] Exchange rate for exports. [d] Open unemployment rate in the 37 largest urban areas. [e] National.

Table 2
MEXICO: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	115.8	119.9	119.7	96.3	91.3	92.0	91.4
a) Gross domestic product	122.2	125.6	126.2	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-6.8	-6.3	-6.5
c) Net income from abroad for factor services [b]	85.1	85.0	100.9	-3.8	-2.6	-2.6	-3.0
d) Net private transfers from abroad [b]	702.2	763.4	787.0	0.1	0.8	0.8	0.9

Source: ECLAC, on the basis of official data and figures supplied by the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992 the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC on the basis of data supplied by the Bank of Mexico. The figures were converted to constant 1980 values using unit price indexes calculated by ECLAC.

Table 3
MEXICO: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980 = 100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**127.0**	**134.4**	**134.5**	**114.3**	**121.8**	**6.8**	**5.1**	**5.8**	**0.1**
Gross domestic product at market prices	122.2	125.6	126.2	100.0	100.0	4.4	3.6	2.8	0.4
Imports of goods and services [c]	160.4	195.8	192.9	14.3	21.8	23.4	13.8	22.1	-1.5
Total demand	**127.0**	**134.4**	**134.5**	**114.3**	**121.8**	**6.8**	**5.1**	**5.8**	**0.1**
Domestic demand	115.3	123.2	122.5	102.5	99.5	7.6	5.1	6.9	-0.6
Gross domestic investment	88.1	100.8	97.4	27.2	21.0	10.7	7.5	14.4	-3.3
Gross fixed investment	96.7	107.2	105.8	24.8	20.7	13.1	8.3	10.8	-1.4
Construction	91.9	98.6	101.6	13.9	11.2	7.3	3.1	7.3	3.0
Machinery and equipment	102.9	118.2	111.1	10.9	9.6	21.6	14.9	14.9	-6.0
Public	53.7	51.1	48.5	10.7	4.1	12.7	-4.4	-5.0	-5.0
Private	129.2	149.6	149.0	14.1	16.6	13.3	13.0	15.8	-0.4
Changes in stocks	-0.8	34.4	11.4	2.4	0.2	...	...	...	...
Total consumption	125.0	131.3	131.6	75.3	78.5	6.9	4.5	5.0	0.2
General government	131.7	134.7	138.7	10.0	11.0	2.3	3.9	2.3	3.0
Private	124.0	130.8	130.5	65.3	67.5	7.7	4.6	5.5	-0.2
Exports of goods and services [c]	228.8	231.3	238.7	11.8	22.3	3.6	5.0	1.1	3.2

Source: ECLAC, on the basis of official data and figures supplied by the International Monetary Fund (IMF).
[a] Based on figures valued at market prices, in constant 1980 dollars, at adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC on the basis of data supplied by the Banco de México. The figures were converted to constant 1980 values using unit price indexes calculated by ECLAC.

Table 4

MEXICO: BREAKDOWN AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of the gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	15.3	15.9	17.6	17.8	18.9	19.6	21.8	21.0
Gross fixed investment	16.4	16.1	16.8	17.3	18.7	19.6	21.1	20.7
Construction	10.5	10.5	10.2	10.2	10.5	10.4	10.9	11.2
Machinery and equipment	5.9	5.6	6.6	7.1	8.2	9.1	10.2	9.6
Changes in stocks	-1.1	-0.2	0.7	0.5	0.1	0.0	0.7	0.2
Gross domestic saving	25.8	28.3	27.3	25.3	23.6	22.9	21.3	21.5
Terms-of-trade effect [c]	-7.4	-6.9	-7.7	-6.7	-5.9	-6.8	-6.3	-6.5
Net income from abroad for factor services [c]	-4.2	-3.7	-3.5	-3.6	-3.2	-2.6	-2.6	-3.0
Net private transfers from abroad [c]	0.2	0.2	0.2	0.9	0.9	0.8	0.8	0.9
Gross national saving	14.3	17.9	16.3	15.9	15.4	14.2	13.2	12.8
External saving	1.0	-2.0	1.3	1.9	3.5	5.3	8.5	8.2

Source: ECLAC, on the basis of official data and figures supplied by the International Monetary Fund (IMF).

[a] At market prices, in constant 1980 dollars, at adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; those for 1993 were estimated by ECLAC on the basis of data supplied by the Banco de México. The figures were converted to constant 1980 values using unit price indexes calculated by ECLAC.

Table 5
MEXICO: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**122.2**	**125.6**	**126.2**	**100.0**	**100.0**	**4.4**	**3.6**	**2.8**	**0.4**
Goods	**119.0**	**121.8**	**121.8**	**40.0**	**38.6**	**5.8**	**2.9**	**2.3**	**0.0**
Agriculture	112.1	111.0	113.1	8.2	7.4	5.9	1.0	-1.0	1.9
Mining	131.6	133.9	135.4	3.2	3.5	2.8	0.8	1.8	1.1
Manufacturing	126.6	129.5	127.6	22.1	22.4	6.1	4.0	2.3	-1.5
Construction	95.5	103.0	106.1	6.4	5.4	7.0	2.4	7.8	3.1
Basic services	**135.7**	**144.9**	**148.8**	**7.4**	**8.7**	**5.9**	**5.3**	**6.8**	**2.6**
Electricity, gas and water	182.5	188.0	195.3	1.0	1.5	2.9	2.7	3.0	3.9
Transport, storage and communications	128.5	138.3	141.5	6.4	7.2	6.7	5.8	7.6	2.4
Other services	**123.6**	**126.9**	**127.8**	**53.7**	**54.4**	**3.3**	**4.0**	**2.7**	**0.8**
Commerce, restaurants and hotels	113.1	117.2	115.8	28.0	25.7	4.1	4.3	3.6	-1.2
Financial institutions, insurance, real estate and business services	153.8	159.5	167.4	8.6	11.4	3.8	3.8	3.7	4.9
Community, social and personal services	125.5	126.3	127.6	17.2	17.3	1.8	3.7	0.6	1.1
Adjustments for bank services	165.8	176.4	198.4	1.1	1.7	6.5	8.0	6.4	12.5

Source: ECLAC, on the basis of official figures.
[a] The original figures were reweighted according to the 1980 current price structure. Consequently, the trends construed do not necessarily coincide with those published by the countries based on their calculations at constant prices. [b] Preliminary figures.

Table 6
MEXICO: QUARTERLY GROSS DOMESTIC PRODUCT [a]

	1992				1993 [b]			
	I	II	III	IV	I	II	III	IV
Total [c]	**3.9**	**1.3**	**3.9**	**2.1**	**2.4**	**0.3**	**-0.8**	**-0.1**
Agriculture, forestry and fisheries [d]	-6.1	-1.8	-0.8	1.5	3.5	-5.2	10.5	-0.3
Mining	5.0	-1.7	3.4	0.7	-1.6	2.0	-0.6	4.7
Manufacturing	4.5	0.9	2.9	0.8	1.3	-0.9	-4.7	-1.6
Construction	6.4	4.5	13.9	6.8	7.4	2.0	-0.6	3.5
Electricity, gas and water	3.6	0.6	4.0	3.7	3.3	5.4	4.4	2.4
Transport, storage and communications	10.4	5.7	8.0	6.4	4.2	2.0	1.6	1.5
Commerce, restaurants and hotels	5.2	1.2	5.9	2.4	2.2	-0.2	-4.1	-2.4
Financial services, insurance and real estate	4.4	3.9	3.2	3.5	4.3	5.2	5.4	4.7
Community, social and personal services	1.7	0.3	0.3	0.2	1.6	1.1	0.7	0.8
Bank service charges	9.4	6.8	3.8	6.2	8.8	14.2	14.9	11.3

Source: ECLAC, on the basis of figures supplied by the National Institute of Statistics, Geography and Informatics (INEGI).
[a] Percentage variation with respect to the same period of the preceding year. [b] Preliminary figures. [c] Quarterly figures may not coincide with annual figures because agricultural data is calculated over a different time period. [d] Data correspond to the agricultural year, whose length differs from that of the calendar year used in calculating annual gross domestic product.

Table 7

MEXICO: INDICATORS OF AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
Index of gross domestic agricultural product (1980=100)	112.1	111.0	113.1	5.9	1.0	-1.0	1.9
Crop farming	114.3	111.6	115.1	9.4	0.2	-2.4	3.1
Livestock	107.0	108.3	109.2	2.0	2.9	1.2	0.8
Forestry	107.4	108.3	109.2	-3.4	-0.2	0.8	0.8
Hunting and fishing	132.0	134.2	141.3	-1.1	0.2	1.7	5.3
Production of main crops [b]							
For export							
Seed cotton	307	50	38	14.0	4.8	-83.7	-24.0
Green coffee	342	360	373	-22.8	13.2	5.3	3.6
Tomatoes	1 860	1 413	1 731	-1.8	-1.3	-24.0	22.5
For domestic consumption							
Rice (hulled)	347	394	293	-25.2	-11.9	13.5	-25.6
Maize	14 252	16 929	17 928	33.7	-2.6	18.8	5.9
Beans	1 379	719	1 271	117.0	7.1	-47.9	76.8
Wheat	4 061	3 621	3 613	-10.1	3.3	-10.8	-0.2
Sorghum	4 308	5 353	2 672	19.5	-27.9	24.3	-50.1
Sugar cane	38 387	41 652	42 262	-9.1	-3.8	8.5	1.5
Soya	725	594	491	-42.0	26.1	-18.1	-17.3
Indicators of livestock production							
Slaughtering [b]							
Beef cattle	1 189	1 247	1 276	-4.1	6.7	4.9	2.3
Pigs	812	820	822	4.3	7.3	1.0	0.2
Sheep	26	28	29	-	4.0	7.7	3.6
Poultry	858	898	1 040	22.7	14.4	4.7	15.8
Other products							
Milk [c]	6 848	7 122	7 555	9.9	9.3	4.0	6.1
Eggs [b]	1 141	1 161	1 234	-3.5	13.0	1.8	6.3

Source: ECLAC, on the basis of figures provided by the Department of Sectoral Studies, Information and Statistics of the Ministry of Agriculture and Water Resources and by the National Institute of Statistics, Geography and Informatics.

[a] Preliminary figures. [b] Thousands of tons. [c] Millions of litres.

Table 8

MEXICO: INDICATORS OF MINING PRODUCTION

	Indexes (1980=100)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**137.1**	**138.6**	**139.6**	**4.0**	**0.9**	**1.1**	**0.7**
Coal and coal derivatives	97.3	87.4	98	3.8	-8.0	-10.2	12.1
Petroleum and natural gas	143.7	143.3	143.4	3.0	4.0	-0.3	0.1
Iron ore	125.6	125.5	128.9	15.8	3.1	-0.1	2.7
Non-ferrous metal ores	140.3	148.5	153.2	4.3	-6.0	5.8	3.2
Quarries, sand and gravel	146.3	157.0	162.0	7.7	7.1	7.3	3.2
Other non-metallic minerals	71.9	58.5	41.3	-1.0	-20.8	-18.6	-29.4

Source: ECLAC, on the basis of figures provided by the Banco de México and the National Institute of Statistics, Geography and Informatics.

[a] Preliminary figures.

Table 9
MEXICO: INDICATORS OF MANUFACTURING PRODUCTION

	Indexes (1980=100)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Value of output	**126.6**	**129.5**	**127.7**	**6.0**	**4.0**	**2.3**	**-1.4**
Consumer goods	127.7	131.8	130.1	5.4	4.5	3.2	-1.3
Durables	133.5	145.4	143.4	16.6	9.6	8.9	-1.4
Non-durables	126.3	128.7	127.1	3.1	3.3	1.9	-1.2
Intermediate goods	128.9	130.7	128.2	5.0	1.7	1.4	-1.9
Capital goods	157.3	166.6	166.9	21.5	18.4	5.9	0.2
Inbond assembly (maquila) industry	394.4	395.1	419.3	-10.1	2.0	0.2	6.1
Gross domestic product	126.6	129.5	127.6	6.1	4.0	2.3	-1.5
Food, beverages and tobacco	136.2	140.8	141.4	3.1	5.1	3.4	0.4
Textiles and clothing	97.1	93.6	86.6	2.9	-3.7	-3.6	-7.5
Wood and wood products	100.9	100.4	90.2	-1.1	0.6	-0.5	-10.2
Paper and printing	133.9	135.6	126.9	4.4	-1.3	1.3	-6.4
Chemicals, petroleum products, rubber and plastics	125.4	128.0	125.2	5.3	3.0	2.1	-2.2
Non-metallic minerals	152.6	160.9	162.2	6.5	3.1	5.4	0.8
Basic metals	118.0	118.0	121.1	8.1	-3.7	-	2.6
Metal products and machinery	138.2	143.0	142.2	13.4	12.4	3.5	-0.6
Other manufactures	111.9	119.9	124.4	8.9	1.9	7.1	3.8

Source: ECLAC, on the basis of figures provided by the Banco de México and the National Institute of Statistics, Geography and Informatics.
[a] Preliminary figures.

Table 10
MEXICO: CONSTRUCTION INDICATORS

	Indexes (1980=100)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Volume of construction	91.9	98.8	101.6	7.3	3.1	7.5	2.8
Production of main inputs							
Cement	148.0	158.7	161.2	1.3	4.3	7.2	1.6
Structural metal products	83.2	73.1	78.4	-13.1	27.6	-12.1	7.3
Glass	173.9	172.0	161.8	14.6	9.4	-1.1	-5.9

Source: ECLAC, on the basis of figures provided by the Banco de México and the National Institute of Statistics, Geography and Informatics.
[a] Preliminary figures.

Table 11

MEXICO: EMPLOYMENT AND UNEMPLOYMENT INDICATORS

	1992				1993 [a]			
	I	II	III	IV	I	II	III	IV
Percentage of EAP in 37 urban areas [b]								
Total open unemployment (TOU) [c]	2.9	2.8	2.9	2.7	3.5	3.2	3.7	3.3
Supplementary employment and unemployment rates								
Part-time employment and unemployment (PTEU1) [d]	6.8	6.7	6.2	6.3	7.6	7.4	7.8	8.0
Insufficient income and unemployment (IIU) [e]	12.0	11.2	10.4	9.8	13.0	12.4	12.3	11.8
Part-time employment of less than 35 hrs/week and unemployment (PTEU2) [f]	22.3	23.6	18.6	21.8	23.5	23.5	21.4	23.7
Percentage variations with respect to the same period the previous year								
Employment in								
Manufacturing (129 categories of activity)	-2.9	-3.4	-4.2	-5.3	-6.0	-6.6	-8.1	-8.4
Manual workers	-3.2	-3.8	-4.7	-5.8	-6.7	-7.2	-8.6	-9.0
Non-manual workers	-2.4	-2.7	-3.2	-3.8	-4.1	-4.8	-6.4	-7.1
Inbond assembly (maquila) export industry	11.7	10.4	6.3	4.9	7.3	8.0	6.9	5.7
Workers, male	13.7	11.0	5.1	4.3	11.0	11.7	10.4	8.4
Workers, female	12.0	11.3	7.6	4.6	6.1	7.6	6.5	6.1
Construction industry, formal sector [g]	9.9	27.8	22.9	4.4	1.8	-13.1	-8.0	10.9
Manual workers	7.5	26.1	24.3	6.3	0.9	-13.6	-10.1	12.7
Non-manual workers	18.5	34.1	17.6	-1.6	4.8	-11.2	0.2	4.5
Commercial establishments								
Wholesale	2.2	0.9	-0.8	-0.9	-3.5	-5.7	-5.4	-6.0
Retail	4.9	4.9	4.9	2.1	0.5	-0.6	1.3	1.3

Source: ECLAC, on the basis of figures supplied by the National Institute of Statistics, Geography and Informatics (INEGI) and the Mexican Social Security Institute (IMSS).

[a] Preliminary figures. [b] The economically active population (EAP), as defined by INEGI, includes all persons aged 12 and over who carried out some type of economic activity (employed population) or actively sought to do so (openly unemployed population) in the two months prior to the reference week of the urban employment survey. Through the first quarter of 1993, the supplementary rates included 34 urban areas, increased to 35, 36 and 37 urban areas in the second, third and fourth quarters, respectively. [c] TOU = the percentage of unemployed out of the total economically active population, with or without work experience, who were not earning wages or self-employed during the reference week; i.e., who were working from zero to less than one hour a week, were available for employment and had taken steps to seek employment in the eight weeks prior to the reference period. [d] PTEU1 = the percentage of the economically active population unemployed or working less than 15 hours a week during the reference week. [e] IIU = the percentage of the economically active population unemployed or earning less than the minimum wage. [f] PTEU2 = the percentage of the economically active population unemployed or working less than 35 hours a week. [g] The formal sector comprises firms registered with the National Construction Industry Association.

Table 12
MEXICO: MAIN INDICATORS OF EXTERNAL TRADE IN GOODS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Rates of variation							
Exports f.o.b.								
Value	-26.0	28.8	-0.4	10.7	17.9	0.1	2.5	9.1
Volume	1.9	11.9	6.8	1.4	4.5	7.6	3.0	2.8
Unit value	-27.4	15.1	-6.8	9.1	12.8	-7.0	-0.5	6.2
Imports f.o.b.								
Value	-13.5	6.9	54.6	23.9	33.6	22.1	26.2	1.5
Volume	-11.4	4.0	43.9	20.1	23.6	16.3	25.0	-2.9
Unit value	-2.4	2.8	7.5	3.2	8.1	5.0	0.9	4.6
Terms of trade (f.o.b./c.i.f.)	-25.7	11.9	-13.3	5.6	4.2	-11.3	-1.4	1.6
	Indexes (1980=100)							
Purchasing power of exports	117.4	147.1	136.3	146.0	159.1	152.0	154.3	161.1
Volume of exports	183.9	205.8	219.9	223.1	233.2	250.9	258.4	265.5
Volume of imports	70.0	72.9	104.9	125.9	155.6	181.0	226.3	219.7
Terms of trade (f.o.b./c.i.f.)	63.9	71.5	62.0	65.5	68.2	60.6	59.7	60.7

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 13

MEXICO: EXPORTS OF GOODS, F.O.B. [a]

	Millions of dollars			Percentage breakdown		Rates of variation		
	1991	1992	1993[b]	1991	1992	1993[b]	1992	1993[b]
Total exports	**42 688**	**46 196**	**51 886**	**100.0**	**100.0**	**100.0**	**8.2**	**12.3**
Public sector	8 905	8 728	7 890	20.9	18.9	15.2	-2.0	-9.6
Private sector	33 783	37 468	43 996	79.1	81.1	84.8	10.9	17.4
Agricultural and fish products	2 373	2 112	2 504	5.6	4.6	4.8	-11.0	18.6
Raw coffee	368	258	253	0.9	0.6	0.5	-29.9	-1.9
Tomatoes	262	167	395	0.6	0.4	0.8	-36.3	136.5
Pulses and fresh vegetables	489	551	653	1.1	1.2	1.3	12.7	18.5
Melons, watermelon and other fresh fruit	425	408	388	1.0	0.9	0.7	-4.0	-4.9
Beef cattle	358	329	448	0.8	0.7	0.9	-8.1	36.2
Other	471	399	367	1.1	0.9	0.7	-15.3	-8.0
Extractive industries	7 812	7 776	6 764	18.3	16.8	13.0	-0.5	-13.0
Crude petroleum	7 265	7 420	6 485	17.0	16.1	12.5	2.1	-12.6
Unwrought copper	144	40	18	0.3	0.1	-	-72.2	-55.0
Zinc in concentrates	74	94	89	0.2	0.2	0.2	27.0	-5.3
Sulphur	150	80	27	0.4	0.2	0.1	-46.7	-66.3
Other	179	142	145	0.4	0.3	0.3	-20.7	2.1
Manufacturing	32 307	36 169	42 500	75.7	78.3	81.9	12.0	17.5
Food, beverages and tobacco	1 421	1 365	1 590	3.3	3.0	3.1	-3.9	16.5
Textiles, clothing and leather goods	2 014	2 317	2 770	4.7	5.0	5.3	15.0	19.6
Wood products	443	499	574	1.0	1.1	1.1	12.6	15.0
Paper, printing and publishing	622	655	662	1.5	1.4	1.3	5.3	1.1
Petroleum products	643	624	719	1.5	1.4	1.4	-3.0	15.2
Petrochemical products	259	263	214	0.6	0.6	0.4	1.5	-18.6
Chemicals	2 120	2 298	2 344	5.0	5.0	4.5	8.4	2.0
Plastics and rubber products	696	794	1 005	1.6	1.7	1.9	14.1	26.6
Non-metallic mineral products	836	919	1 125	2.0	2.0	2.2	9.9	22.4
Iron and steel products	1 261	1 145	1 399	3.0	2.5	2.7	-9.2	22.2
Mineral and metallurgical products	827	929	1 024	1.9	2.0	2.0	12.3	10.2
Metal products, machinery and equipment	20 463	23 711	28 352	47.9	51.3	54.6	15.9	19.6
Motor-vehicle industry [c]	5 937	6 694	8 112	13.9	14.5	15.6	12.8	21.2
Passenger vehicles	3 361	3 378	4 251	7.9	7.3	8.2	0.5	25.8
Cargo vehicles	170	588	670	0.4	1.3	1.3	245.9	13.9
Motor-vehicle engines	1 197	1 203	1 302	2.8	2.6	2.5	0.5	8.2
Motor-vehicle parts	1 209	1 525	1 889	2.8	3.3	3.6	26.1	23.9
Information-processing equipment	468	441	826	1.1	1.0	1.6	-5.8	87.3
Parts and spare parts for equipment	820	890	770	1.9	1.9	1.5	8.5	-13.5
Insulated cables for electrical wiring	3 227	2 061	2 762	7.6	4.5	5.3	-36.1	34.0
Magnetic tapes and phonograph records	344	388	404	0.8	0.8	0.8	12.8	4.1
Other electrical products	1 136	1 656	1 690	2.7	3.6	3.3	45.8	2.1
Other products	8 531	11 581	13 788	20.0	25.1	26.6	35.8	19.1
Other industries	702	650	722	1.6	1.4	1.4	-7.4	11.1
Other products not elsewhere classified	196	139	118	0.5	0.3	0.2	-29.1	-15.1

Source: ECLAC, on the basis of figures supplied by the Banco de México and the National Institute of Statistics, Geography and Informatics.

[a] Figures include the inbond assembly (maquila) industry and therefore differ from balance-of-payments figures. [b] Preliminary figures. [c] Includes only the main categories of the motor-vehicle industry, finished motor vehicles and parts.

Table 14
MEXICO: IMPORTS OF GOODS, F.O.B. [a]

	Millions of dollars			Percentage breakdown			Rates of variation	
	1991	1992	1993[b]	1991	1992	1993[b]	1992	1993[b]
Total imports	**49 967**	**62 129**	**65 367**	**100.0**	**100.0**	**100.0**	**24.3**	**5.2**
Public sector	2 920	3 289	3 134	5.8	5.3	4.8	12.6	-4.7
Private sector	47 047	58 840	62 233	94.2	94.7	95.2	25.1	5.8
Consumer goods	5 834	7 744	7 842	11.7	12.5	12.0	32.7	1.3
Intermediate goods	35 545	42 829	46 512	71.1	68.9	71.2	20.5	8.6
Capital goods	8 588	11 556	11 013	17.2	18.6	16.8	34.6	-4.7
Agricultural and fish products	2 130	2 858	2 633	4.3	4.6	4.0	34.2	-7.9
Maize	179	184	69	0.4	0.3	0.1	2.8	-62.5
Soybean seeds	349	512	523	0.7	0.8	0.8	46.7	2.1
Sorghum	362	542	380	0.7	0.9	0.6	49.7	-29.9
Beef cattle	183	199	95	0.4	0.3	0.1	8.7	-52.3
Other	1 057	1 421	1 566	2.1	2.3	2.4	34.4	10.2
Extractive industries	386	520	390	0.8	0.8	0.6	34.7	-25.0
Natural gas	31	180	90	0.1	0.3	0.1	480.6	-50.0
Other	355	340	300	0.7	0.5	0.5	-4.2	-11.8
Manufacturing industries	46 967	58 235	61 568	94.0	93.7	94.2	24.0	5.7
Food, beverages and tobacco	2 635	3 336	3 356	5.3	5.4	5.1	26.6	0.6
Textiles, clothing and leather goods	2 237	3 023	3 525	4.5	4.9	5.4	35.1	16.6
Wood products	428	551	571	0.9	0.9	0.9	28.7	3.6
Paper, printing and publishing	1 812	2 189	2 366	3.6	3.5	3.6	20.8	8.1
Petroleum products	1 335	1 458	1 368	2.7	2.3	2.1	9.2	-6.2
Petrochemical products	480	513	600	1.0	0.8	0.9	6.9	17.0
Chemicals	3 695	4 413	4 855	7.4	7.1	7.4	19.4	10.0
Plastics and rubber products	2 534	3 153	3 404	5.1	5.1	5.2	24.4	8.0
Non-metallic mineral products	568	717	820	1.1	1.2	1.3	26.2	14.4
Iron and steel products	2 994	3 461	3 312	6.0	5.6	5.1	15.6	-4.3
Mineral and metallurgical products	792	1 048	968	1.6	1.7	1.5	32.3	-7.6
Metal products, machinery and equipment	26 903	33 731	35 673	53.8	54.3	54.6	25.4	5.8
Motor-vehicle industry [c]	6 643	8 106	8 615	13.3	13.0	13.2	22.0	6.3
Passenger vehicles	249	384	405	0.5	0.6	0.6	54.2	5.5
Equipment for motor-vehicle assembly	5 024	6 007	6 439	10.1	9.7	9.9	19.6	7.2
Motor-vehicle engines and parts	280	377	394	0.6	0.6	0.6	34.6	4.5
Spare parts for automobiles and trucks	1 090	1 338	1 377	2.2	2.2	2.1	22.8	2.9
Information-processing equipment	1 209	1 497	1 808	2.4	2.4	2.8	23.8	20.8
Other products	19 051	24 128	25 250	38.1	38.8	38.6	26.6	4.7
Other industries	554	642	750	1.1	1.0	1.1	15.9	16.8
Other products not elsewhere classified	484	516	776	1.0	0.8	1.2	6.6	50.4

Source: ECLAC, on the basis of figures supplied by the Banco de México and the National Institute of Statistics, Geography and Informatics.

[a] Figures include the inbond assembly (maquila) industry and therefore differ from balance-of-payments figures. [b] Preliminary figures. [c] Includes only the main categories of the motor-vehicle industry, finished motor vehicles and parts.

Table 15

MEXICO: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-1 792**	**3 704**	**-2 613**	**-4 111**	**-8 413**	**-13 890**	**-22 924**	**-22 370**
Trade balance	5 566	10 379	4 108	1 764	-2 865	-9 104	-18 318	-16 442
Exports of goods and services	21 873	27 610	29 055	32 863	38 350	39 621	41 362	43 405
Goods f.o.b.	16 031	20 655	20 566	22 765	26 838	26 855	27 516	30 033
Real services [b]	5 842	6 955	8 489	10 098	11 512	12 766	13 846	13 372
Transport and insurance	546	664	690	691	892	901	980	946
Travel	2 987	3 498	4 000	4 766	5 467	5 883	5 997	5 748
Imports of goods and services	16 307	17 231	24 947	31 099	41 215	48 725	59 680	59 847
Goods f.o.b.	11 432	12 222	18 898	23 410	31 271	38 184	48 193	48 924
Real services [b]	4 875	5 009	6 049	7 689	9 944	10 541	11 487	10 923
Transport and insurance	1 296	1 339	1 565	1 980	2 665	3 029	3 433	3 352
Travel	2 177	2 364	3 202	4 247	5 519	5 813	6 107	5 485
Factor services	-7 703	-7 059	-7 118	-7 797	-7 715	-6 867	-6 876	-8 310
Profits	-922	-894	-1 083	-1 252	-1 314	-1 506	-1 737	-1 785
Interest received	1 462	1 890	2 507	2 581	2 667	2 907	2 509	2 297
Interest paid and due	-8 371	-8 188	-8 686	-9 311	-9 258	-8 471	-7 818	-8 950
Labour and property	128	133	144	185	190	203	170	128
Unrequited private transfer payments [c]	345	384	397	1 922	2 167	2 081	2 270	2 382
Balance on capital account	**1 704**	**1 867**	**-4 025**	**4 289**	**10 716**	**21 882**	**24 670**	**28 453**
Unrequited official transfer payments	119	264	170	153	1 296	105	113	1 034
Long-term capital	433	4 044	-677	2 298	5 681	20 948	20 184	...
Direct investment	1 523	3 246	2 594	3 037	2 632	4 762	5 366	...
Portfolio investment	-816	-397	1 676	438	-5 359	9 267	14 095	...
Other long-term capital	-274	1 195	-4 947	-1 177	8 408	6 919	723	...
Official sector [d]	8 237	4 064	-3 490	-95	1 829	-883	-5 441	...
Loans received	8 895	5 682	1 375	469	2 623	2 988	1 669	...
Amortization payments	-658	-1 618	-4 865	-564	-794	-3 871	-7 110	...
Commercial banks [d]	508	-67	2 211	361	5 223	4 561	1 409	...
Loans received	2 552	2 039	3 769	2 889	7 318	6 771	5 027	...
Amortization payments	-2 023	-1 921	-1 544	-2 303	-2 022	-2 268	-3 614	...
Other sectors [d]	-9 019	-2 802	-3 668	-1 443	1 356	3 241	4 755	...
Loans received	964	1 006	805	860	2 214	4 142	6 147	...
Amortization payments	-9 983	-3 808	-4 473	-2 303	-858	-901	-1 392	...
Short-term capital	694	-5 047	-678	-936	2 849	3 410	6 232	...
Official sector	226	-229	6	-3	-28	13	346	...
Commercial banks	-288	-640	92	-497	3 274	1 938	-101	...
Other sectors	756	-4 178	-776	-436	-397	1 459	5 987	...
Errors and omissions (net)	458	2 605	-2 840	2 775	890	-2 581	-1 859	...
Global balance [e]	**-88**	**5 571**	**-6 638**	**178**	**2 303**	**7 992**	**1 746**	**6 083**
Total variation in reserves (- sign indicates an increase)	232	-5 683	6 788	-120	-2 019	-7 619	-1 934	-6 083
Monetary gold	-95	8	-38	643	55	29	98	...
Special drawing rights	-9	-697	312	11	-34	-169	38	...
IMF reserve position	-	-	-	-	-	-	-	...
Foreign exchange assets	-755	-6 097	6 873	-1 061	-3 500	-7 694	-1 254	...
Other assets	-	-	-	-	-	-	-	...
Use made of IMF credit	1 091	1 103	-359	287	1 460	215	-816	...

Source: 1986-1992: ECLAC, on the basis of data supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of data supplied by national sources.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Figures from 1989 on are not strictly comparable to previous years owing to methodological and format changes made by the Banco de México. [d] Includes net loans granted and other assets and liabilities. [e] Equals total variation in reserves (of opposite sign) plus counterpart items.

Table 16
MEXICO: EXCHANGE RATES
(Annual and quarterly averages)

	Nominal exchange rates (new pesos per dollar)[a]	Indexes of the real effective exchange rate [bc] (1985=100) elaborated using the indexes for:				
		Consumer prices [d]		Wholesale prices [e]		Wages[f]
		Export	Import	Export	Import	Export
1978	0.023	93.5	96.6	99.9	102.0	
1979	0.023	89.2	91.6	95.1	96.8	
1980	0.023	80.0	82.0	86.9	88.4	67.7
1981	0.025	71.5	72.6	79.4	80.0	58.0
1982	0.056	107.1	108.2	118.0	118.4	84.0
1983	0.120	115.1	115.9	121.2	121.6	114.7
1984	0.168	100.1	100.2	100.9	100.8	105.2
1985	0.257	100.1	100.0	100.2	100.0	100.2
1986	0.612	136.9	138.6	129.6	131.2	138.9
1987	1.378	142.0	144.8	130.7	133.3	141.4
1988	2.273	115.5	117.6	109.5	111.4	116.1
1989	2.462	108.4	109.8	105.7	107.0	104.3
1990	2.813	105.0	107.0	104.5	106.3	96.2
1991	3.018	95.9	97.2	94.2	95.4	82.5
1992	3.095	88.3	89.9	86.6	88.1	67.0
1993	3.116	82.3	84.1	79.9	81.6	59.9 [g]
1992						
I	3.066	89.5	90.8	87.8	89.0	74.1
II	3.095	88.8	90.2	87.2	88.6	69.2
III	3.098	88.9	90.7	87.2	89.0	67.9
IV	3.120	86.0	87.8	84.1	85.9	56.7
1993						
I	3.107	83.4	84.9	81.4	82.8	61.7
II	3.113	83.2	85.1	81.0	82.8	60.0
III	3.116	81.7	83.7	78.9	80.9	58.0
IV	3.126	80.9	82.8	78.1	80.0	...

Source: ECLAC, on the basis of figures provided by the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Corresponds to the median between the average selling and buying rates declared by the principal commercial banks to the Banco de México up to July 1982; the preferential rate for commodity imports between August and November 1982; and the median between the selling and buying rates in the regulated market after November 1982. One new peso, the country's new currency unit, is worth one thousand old pesos. [b] Corresponds to the average for the real peso exchange rate indexes against the currencies of Mexico's main trading partners weighted by the relative importance of exports or imports, as applicable, to or from these countries. These weightings correspond to the average for the period 1986-1990. For the methodology and sources used, see the statistical appendix of the *Economic Survey of Latin America*, 1981. [c] Does not include adjustments for changes in tariffs. [d] The consumer price index was used in all of the countries. [e] In Mexico, the wholesale price index was used, as in the remaining countries. Where this information was unavailable, the calculations were based on the consumer price index. [f] In Mexico, the index of average nominal wages in the manufacturing sector was used; in the remaining countries, the wholesale price index was used. [g] January-to-September average.

Table 17

MEXICO: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Billions of dollars							
Total external debt [b]								
Balances outstanding [c]	100.5	102.4	100.9	95.1	101.9	114.9[d]	114.0[d]	120.8[d]
Disbursements	6.1	7.5	6.4	...	...	...	...	...
Servicing	11.7	13.7	16.5	...	...	...	...	...
Principal	3.4	5.6	7.9	...	...	...	...	
Interest	8.3	8.1	8.6	9.4	9.2	9.2	9.6	10.5
External public debt [e]								
Balances outstanding	75.4	81.4	81.0	76.1	77.8	80.0	75.8	78.7
Medium- and long-term	74.0	80.8	80.2	75.5	76.6	78.3	72.3	74.5
Short-term	1.4	0.6	0.8	0.6	1.2	1.7	3.5	4.2
Disbursements	6.1	9.3	1.3	2.7	7.4	12.5	16.2	22.8
Servicing [f]	8.9	9.0	8.1	14.5	11.2	16.1	25.7	24.7
Principal	2.8	3.3	1.7	7.6	5.7	10.3	20.4	19.9
Interest	6.1	5.7	6.4	6.9	5.5	5.8	5.3	4.8
	Percentages of the values of exports of goods and services							
Total external debt	459.5	370.9	347.3	289.4	265.7	290.0	275.6	277.6
Net interest payments [g]	31.6	22.8	21.3	20.5	17.2	14.0	12.8	15.3
Total external debt/GDP	116.1	117.1	58.9	49.5	43.7	40.8	34.8	33.4
External public debt/GDP	87.1	93.0	47.3	39.6	33.4	28.4	23.2	21.8
Servicing/disbursements (public debt)	145.9	96.8	623.1	537.0	151.4	128.8	158.6	108.3

Source: ECLAC, on the basis of figures provided by the Ministry of Finance and Public Credit, the Banco de México and the International Monetary Fund (IMF).

[a] Preliminary figures. [b] Includes debt owed to the IMF. [c] Includes the balances of the public sector, the Banco de México, the commercial banking system and the private sector. [d] The figures on private debt have been adjusted to take into account the privatization process and the elimination of the system of foreign exchange controls. [e] The public sector includes the federal Government, controlled and uncontrolled agencies and enterprises and development banks. Does not include the Banco de México. [f] Includes the servicing of the nationalized banking sector's debt only through 1990 as a result of reprivatization and the elimination of exchange controls in 1991. [g] Net interest payments correspond to those of the balance of payments.

Table 18
MEXICO: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993
December-to-December variation								
Consumer price index [a]	105.7	159.2	51.7	19.7	29.9	18.8	11.9	8.0
Food	108.7	150.2	57.8	16.0	28.9	15.5	8.6	4.7
Family food basket (minimum-wage earners)	112.5	148.9	64.6	22.6	34.2	18.7	11.2	7.4
Basic food basket	125.3	155.9	41.6	15.4	33.6	22.3	8.1	7.5
Wholesale price index [b]	101.6	164.6	42.6	18.1	27.4	15.7	10.7	7.4
Producer price index [a]	102.3	166.5	37.4	15.6	29.2	11.0	10.6	4.6
Agricultural goods	104.8	154.0	74.4	26.6	40.1	17.3	15.8	3.6
Goods produced by private enterprises	109.8	171.5	39.8	13.0	27.9	13.9	10.6	5.7
Goods produced by public enterprises [c]	104.9	151.6	33.0	18.4	29.5	16.3	6.9	7.4
Raw materials	111.3	169.7	43.3	14.4	23.6	8.2	5.8	1.4
Building cost index [d]	96.6	201.9	30.2	12.5	23.9	15.9	10.2	6.3
Variation between annual averages								
Consumer price index [a]	86.2	131.8	114.2	20.0	26.7	22.7	15.5	9.8
Food	85.7	131.1	109.5	20.3	25.4	20.1	11.2	6.6
Family food basket (minimum-wage earners)	91.6	128.1	111.0	22.4	31.7	24.4	14.0	9.3
Basic food basket	96.9	136.8	105.5	11.9	28.9	23.2	16.6	8.5
Wholesale price index [b]	87.3	135.6	107.8	16.0	23.3	20.5	13.4	8.9
Producer price index [a]	79.5	145.3	99.3	12.8	22.7	19.1	12.0	6.6
Agricultural goods	91.9	139.5	112.9	39.4	37.8	22.5	19.0	6.2
Goods produced by private enterprises	77.8	128.2	100.6	15.8	21.3	21.1	11.7	7.4
Goods produced by public enterprises [c]	78.8	128.3	96.3	15.9	25.6	21.2	14.8	8.6
Raw materials	81.2	134.7	104.4	13.8	17.1	16.9	5.9	4.0
Building cost index [d]	78.5	142.6	114.3	6.8	16.4	21.9	12.7	9.0

Source: ECLAC, on the basis of figures provided by the Banco de México.
[a] National. [b] In Mexico City. [c] Excludes petroleum for export. [d] National, for low-cost housing.

Table 19

MEXICO: WAGES [a]

	Indexes (1980=100)				Rates of variation			
	Nominal wages		Real wages		Nominal wages		Real wages	
	Minimum [a]	Manufacturing [b]	Minimum [a]	Manufacturing [b]	Minimum [a]	Manufacturing [b]	Minimum [a]	Manufacturing [b]
1981	130.1	132.8	101.3	103.3	30.1	32.8	1.3	3.3
1982 [c]	208.4	212.5	104.7	105.1	60.2	60.0	3.4	1.7
1983	306.9	331.2	84.8	82.5	47.3	55.9	-19.0	-21.5
1984	473.3	509.4	71.8	76.2	54.2	53.8	-15.3	-7.6
1985	736.8	781.3	70.9	74.1	55.7	53.4	-1.3	-2.8
1986	1 257.7	1 368.7	63.2	69.2	70.7	75.2	-10.9	-6.6
1987	2 736.9	3 112.5	60.3	68.1	117.6	127.4	-4.6	-1.6
1988	5 134.4	6 578.9	53.6	67.4	87.6	111.4	-11.1	-1.0
1989	5 786.5	8 605.5	49.4	73.6	12.7	30.8	-7.8	9.2
1990	6 648.7	11 214.1	43.1	75.1	14.9	30.3	-12.8	2.0
1991	7 812.2	14 641.4	40.7	80.1	17.5	30.6	-5.6	6.7
1992	8 608.3	18 410.2	39.3	87.8	10.2	25.7	-3.4	9.6
1993 [d]	9 303.8	21 646.9	38.9	94.6	8.1	17.6	-1.0	7.7

Source: ECLAC, on the basis of figures provided by the Banco de México and the national Institute of Statistics, Geography and Informatics.

[a] Annual average of general minimum wages, excluding benefits. Includes the different wage zones, weighted by the wage-earning population of each zone according to census data. Real minimum wages were obtained by deflating nominal wages by the national consumer price index corresponding to the minimum wage. [b] Includes wages and average benefits. Real wages in the manufacturing sector were obtained by deflating nominal wages by the national consumer price index corresponding to one and three times the minimum wage. [c] It was assumed that the presidential (non-mandatory) recommendation that minimum wages should be raised by 30% as from 18 February was initially followed by only 40% of the enterprises in the country and that thereafter it gradually came to be applied by an increasing number of firms until it became law on 1 November 1982.

[d] Preliminary figures.

Table 20

MEXICO: CONSOLIDATED PUBLIC SECTOR INCOME AND EXPENDITURE [a]

	Billions of pesos			Percentages of GDP			Rates of variation			
	1991	1992	1993[b]	1991	1992	1993[b]	1990	1991	1992	1993[b]
1. **Total income**	**229 608**	**274 691**	**298 211**	**26.5**	**27.0**	**26.6**	**36.5**	**12.8**	**19.6**	**8.6**
Federal Government	147 458	180 323	192 827	17.0	17.7	17.2	30.5	25.3	22.3	6.9
Bodies and enterprises under government control	77 073	87 433	97 670	8.9	8.6	8.7	40.7	8.3	13.4	11.7
PEMEX [c]	25 377	26 405	28 508	2.9	2.6	2.5	52.9	-1.1	4.1	8.0
Other	51 696	61 028	69 162	6.0	6.0	6.2	34.6	13.7	18.1	13.3
Unbudgeted sector [d]	5 077	6 935	7 714	0.6	0.7	0.7	76.3	-65.3	36.6	11.2
2. **Total expenditure**	**233 131**	**258 330**	**289 968**	**26.9**	**25.3**	**25.8**	**26.0**	**6.1**	**10.8**	**12.2**
Federal Government	149 448	164 364	188 671	17.3	16.1	16.8	18.4	9.0	10.0	14.8
Bodies and enterprises under government control	78 547	87 326	94 130	9.1	8.6	8.4	32.7	15.1	11.2	7.8
PEMEX [c]	26 276	28 490	27 650	3.0	2.8	2.5	25.4	16.0	8.4	-2.9
Other	52 271	58 836	66 480	6.0	5.8	5.9	36.7	14.7	12.6	13.0
Unbudgeted sector [d]	5 136	6 640	7 167	0.6	0.7	0.6	98.6	-64.3	29.3	7.9
3. **Economic deficit or surplus** (1 - 2)	**-3 523**	**16 361**	**8 243**	**-0.4**	**1.6**	**0.7**				
Federal Government	-1 990	15 959	4 156	-0.2	1.6	0.4				
Bodies and enterprises under government control	-1 474	107	3 540	-0.2	-	0.3				
PEMEX [c]	-899	-2 085	858	-0.1	-0.2	0.1				
Other	-575	2 192	2 682	-0.1	0.2	0.2				
Unbudgeted sector [d]	-59	295	547							
4. **Financing**	**3 523**	**-16 361**	**-8 243**	**0.4**	**-1.6**	**-0.7**				
Domestic	11 792	-11 041	-2 115	1.4	-1.1	-0.2				
Banco de México	3 089	15 056	-24 586	0.4	1.5	-2.2				
Other	8 703	-26 097	22 471	1.0	-2.6	2.0				
External	-8 269	-5 320	-6 128	-1.0	-0.5	-0.5				
Ratios (percentages)										
Domestic financing/ total financing	334.7	67.5	25.7							
External financing/ total financing	-234.7	32.5	74.3							

Source: ECLAC, on the basis of figures provided by the Ministry of Finance and Public Credit and by the Banco de México.

Note: The figures differ from those in earlier Economic Surveys in that the income and expenditure for PEMEX are stated net of taxes and fees.

[a] Excludes extraordinary income from the sale of Teléfonos de México, state banks and other public enterprises; also excludes financial intermediation. [b] Preliminary figures. [c] Income and expenditure net of taxes and fees. [d] Includes the mass transit system (metro) and the Department of the Federal District; through 1990 also includes Teléfonos de México.

Table 21

MEXICO: FEDERAL GOVERNMENT INCOME AND EXPENDITURE [a]

	Millions of pesos [b]			Percentages of GDP			Rates of variation			
	1991	1992	1993[c]	1991	1992	1993[c]	1990	1991	1992	1993[c]
1. **Current income**	**147 458**	**180 322**	**192 827**	**17.0**	**17.7**	**17.2**	**30.5**	**25.3**	**22.3**	**6.9**
Income from PEMEX	31 215	34 473	35 688	3.6	3.4	3.2	45.1	19.6	10.4	3.5
Income excluding PEMEX	116 243	145 849	157 139	13.4	14.3	14.0	26.9	26.9	25.5	7.7
Tax revenue	103 509	126 528	140 094	12.0	12.4	12.5	29.9	30.8	22.2	10.7
Direct	42 990	57 945	66 103	5.0	5.7	5.9	27.3	30.4	34.8	14.1
Indirect	50 603	55 699	61 385	5.8	5.5	5.5	27.9	27.1	10.1	10.2
On foreign trade	9 916	12 884	12 606	1.1	1.3	1.1	64.2	57.1	29.9	-2.2
Non-tax revenue	12 734	19 321	17 045	1.5	1.9	1.5	10.3	1.8	51.7	-11.8
2. **Current expenditure**	**129 810**	**139 461**	**163 665**	**15.0**	**13.7**	**14.6**	**10.4**	**9.4**	**7.4**	**17.4**
Wages and salaries [c]	25 128	18 469	24 324	2.9	1.8	2.2	23.2	32.7	-26.5	31.7
Interest payments	43 354	36 514	28 870	5.0	3.6	2.6	0.3	-27.6	-15.8	-20.9
Transfers [d]	20 695	38 964	56 364	2.4	3.8	5.0	7.5	51.6	88.3	44.7
Other current expenditure	40 633	45 514	54 107	4.7	4.5	4.8	33.1	40.6	12.0	18.9
3. **Current account deficit or surplus** (1 - 2)	**17 648**	**40 861**	**29 162**	**2.0**	**4.0**	**2.6**				
4. **Capital expenditure**	**19 638**	**24 902**	**25 006**	**2.3**	**2.4**	**2.2**	**83.9**	**7.5**	**26.8**	**0.4**
Real investment	9 005	10 728	12 159	1.0	1.1	1.1	122.6	55.9	19.1	13.3
Capital transfers	9 425	12 749	11 388	1.1	1.3	1.0	74.7	-17.3	35.3	-10.7
Other capital expenditure	1 208	1 425	1 459	0.1	0.1	0.1	34.5	10.3	18.0	2.4
5. **Total expenditure** (2 + 4)	**149 448**	**164 363**	**188 671**	**17.3**	**16.1**	**16.8**	**16.6**	**9.1**	**10.0**	**14.8**
6. **Financial deficit or surplus** (1 - 5)	**-1 990**	**15 959**	**4 156**	**-0.2**	**1.6**	**0.4**				
	Ratios (percentages)									
Fiscal deficit or surplus/ total expenditure	-1.3	9.7	2.2							

Source: ECLAC, on the basis of figures provided by the Ministry of Finance and Public Credit and the Banco de México.

[a] Does not include extraordinary income from the sale of Teléfonos de México, state banks and other public enterprises. [b] One new peso the country's new currency unit, is equal to one thousand old pesos. [c] Preliminary figures. [d] From 1992 on, the figures do not include the salaries of the teaching staff of the federal states, because the federal Government transferred to the states the physical plant of the schools together with their human and financial resources as part of the National Agreement on the Modernizaion of Basic Education. [e] From 1992 on, includes current transfers to the Educational Services Support Fund.

Table 22
MEXICO: MONETARY INDICATORS

	Year-end balances (millions of new pesos)[a]				Rates of variation			
	1990	1991	1992	1993[b]	1990	1991	1992	1993[b]
Monetary base	31 134	39 797	45 536	49 474	35.6	27.8	14.4	8.6
Net international reserves	11 090	34 703	41 317	63 055	183.2	212.9	19.1	52.6
Gross international reserves	30 260	55 570	59 992	78 704	67.0	83.6	8.0	31.2
Short-term external liabilities	-19 170	-20 867	-18 675	-15 649				
Domestic credit	237 896	322 574	391 532	437 669	41.7	35.6	21.4	11.8
Central Government (net)	85 372	83 275	40 037	-4 083	17.7	-2.5	-51.9	...
Public enterprises	6 835	3 321	3 170	1 752	-27.9	-51.4	-4.5	-44.7
Private sector	141 733	228 924	338 179	424 143	73.5	61.5	47.7	25.4
Other	3 956	7 054	10 146	15 857	-6.7	78.3	43.8	56.3
Money (M_1)	47 515	106 800	122 490	144 411	64.7	124.8	14.7	17.9
Currency outside banks	24 603	32 416	38 012	43 197	36.7	31.8	17.3	13.6
Demand deposits[c]	22 912	74 384	84 478	101 214	111.2	224.7	13.6	19.8
Quasi-money[d]	109 185	127 009	159 675	169 715	89.5	16.3	25.7	6.3
$M_2 = M_1$ + quasi-money	156 700	233 809	282 165	314 126	81.2	49.2	20.7	11.3
Deposits and obligations in foreign currency	31 648	43 570	41 823	52 916	51.7	37.7	-4.0	26.5
Medium- and long-term external liabilities	29 516	33 286	34 774	37 253	36.3	12.8	4.5	7.1
Other (net)	31 123	46 612	74 087	96 429	-27.4	49.8	58.9	30.2
	Ratios							
Money multiplier								
M_1/monetary base	1.5	2.7	2.7	2.9				
Liquidity ratio[e]								
M_1/GDP	5.0	7.1	10.2	10.9				

Source: ECLAC, on the basis of figures provided by the Banco de México, the International Monetary Fund (IMF) and the National Institute of Statistics, Geography and Informatics.

[a] One new peso, the country's new currency unit, is equal to one thousand old pesos. [b] Preliminary figures. [c] The Banco de México provided for the incorporation of master accounts into both current accounts and bank balances as from September 1991; previously, these accounts had been recorded under third-party open investment trusts, which did not have to be reported in balances. [d] Includes only bank instruments with maturities of up to one year, in national currency. [e] Percentages.

Table 23

MEXICO: BANK CREDIT RECEIVED BY ENTERPRISES AND INDIVIDUALS [a]

	Year-end balances (millions of new pesos) [b]			Rates of variation			
	1991	1992	1993[c]	1990	1991	1992	1993[c]
Total	**274 139**	**400 284**	**511 008**	**53.9**	**45.4**	**46.0**	**27.7**
Primary activities	30 048	38 193	44 064	28.3	19.2	27.1	15.4
Agriculture	24 850	33 393	39 847	58.0	16.2	34.4	19.3
Mining and other	5 198	4 800	4 217	-37.2	35.7	-7.7	-12.1
Industry	79 592	99 960	120 272	39.1	40.6	25.6	20.3
Energy sector [d]	3 523	4 066	3 491	-33.6	-13.1	15.4	-14.1
Manufacturing	57 769	72 009	84 270	39.9	32.1	24.6	17.0
Construction[e]	18 300	23 885	32 511	164.3	107.2	30.5	36.1
Housing	15 484	52 056	77 114	46.1	24.3	236.2	48.1
Low-cost housing	15 484	19 794	27 033	46.1	24.3	27.8	36.6
Middle-income housing and other	...	32 262	50 081	...	...	...	55.2
Services and other activities	99 584	147 891	182 875	87.3	59.7	48.5	23.7
Commerce	49 431	62 184	86 683	57.0	54.9	25.8	39.4

Source: ECLAC, on the basis of figures provided by the Banco de México.

[a] Includes public and private enterprises. Excludes financing from the Banco de México and from development funds. [b] One new peso, the country's new currency unit, is equal to one thousand old pesos. [c] Preliminary figures. [d] Includes the petroleum and electrical power industries. [e] From 1992 on, excludes credit extended for middle-income housing and other.

Table 24

MEXICO: INTEREST RATES ON DEPOSITS

(Annualized percentages)

Period	Nominal		Real [a]		Equivalent in dollars [b]	
	One month	Three months	One month	Three months	One month	Three months
1990						
I	40.4	33.8	-0.8	-5.5	22.4	16.6
II	34.7	31.7	8.5	6.0	18.6	16.0
III	26.3	27.4	3.8	4.6	13.9	14.8
IV	23.5	24.1	-7.3	-6.8	13.7	14.3
1991						
I	20.9	20.2	-3.6	-4.2	15.1	14.5
II	17.2	16.6	3.7	3.2	11.6	11.1
III	15.1	15.2	3.9	4.0	9.7	9.8
IV	15.3	15.5	-9.1	-8.9	12.3	12.6
1992						
I	13.7	13.3	-3.0	-3.5	14.2	13.7
II	13.1	12.8	3.5	3.2	5.8	5.5
III	16.6	17.0	7.2	7.5	21.7	22.1
IV	19.3	19.0	5.9	5.7	14.4	14.1
1993						
I	19.0	18.5	7.0	6.6	20.5	20.0
II	16.2	16.3	8.6	8.7	14.3	14.4
III	13.8	13.9	6.1	6.2	15.1	15.2
IV	12.8	12.5	6.0	5.7	13.5	13.2

Source: ECLAC, on the basis of official figures and figures provided by the International Monetary Fund (IMF).

[a] Nominal rates, deflated by the variation in consumer prices over the same period. [b] Ratio between nominal rates and devaluation over the same period.

NICARAGUA

1. General features of recent trends

Nicaragua continued to experience great difficulties in the process of transition to an economy in which the private sector plays a larger role, a process based largely on a massive influx of external resources. Economic activity continued to be depressed, to the point where output fell by nearly 1%, and investment, which represented only 13% of output, declined again. As in previous years, consumption exceeded the total value of the economy.

The devaluation of 20% in January, which tended to reduce the imbalance in the foreign exchange market, contributed to a parallel increase in domestic prices; that, in turn, constituted a certain setback in the effort to control the rate of inflation, which in 1992 had been only 4%.

The weakness of the country's economic structure, the huge external debt, equivalent to six times the output, the continuing political and institutional instability, which included episodes of armed confrontation, and labour instability, as reflected in frequent strikes, constituted relevant aspects of that meagre performance. There are also major issues affecting the confidence of domestic and foreign economic actors, such as guarantees of private ownership, and especially land tenure, which remain to be resolved.

2. Economic policy

Economic policy continued to be centred on the price stabilization programme which, two years earlier, had put an end to the hyperinflation that had plagued the country during the triennium 1988-1990. During the period under review, a decrease in disbursements of loans and donations reduced the available external resources. On the one hand, implementation of the stand-by agreement concluded with the International Monetary Fund (IMF) had been suspended in December 1992, and no new agreement was signed in 1993. On the other hand, suspension of the delivery of US$ 100 million of assistance from the United States was announced in June. Moreover, a general tendency was seen among donor countries to provide resources for specific projects; thus, capital inflow was dependent upon the capacity to execute the projects in question. Lastly, repayment of the external debt continued to require substantial outflows of foreign exchange.

Accordingly, fiscal policy was aimed at adapting public expenditure to growth of income, with a view to reducing the enormous fiscal deficit that had been financed from external resources. Monetary policy played a restrictive role, within the framework of a managed exchange-rate system.

a) Fiscal policy

The adoption of a fiscal reform package was announced at the beginning of the year as part of the effort to contain current expenditure which had characterized Government administration in previous years. In order to achieve that goal, nominal wages were frozen. However, the rise in interest payments on the external debt, which climbed by 60% and represented 13% of total expenditure, had the opposite effect. Clashes between the army and remobilized armed groups exerted unforeseen pressure on public expenditure, over and above

the other costs of the peace process (purchase of land and equipment and acquisition of the insurgents' weapons). In order to increase revenue, the Government resorted to imposing a tax on the purchase of luxury goods (mainly consumer durables) and raising motor vehicle licensing fees.

In July an increase in fuel prices was announced; it had to be postponed because of a strike by transport workers which paralysed the country during the first weeks of September. The increase in motor vehicle licensing fees was likewise suspended.

An improvement in tax collection techniques yielded better results in terms of increased revenue. However, such efforts were insufficient to balance the fiscal accounts; thus, in the third quarter, the budget of the various ministries was cut by a total of 35 million córdobas (0.3% of GDP).

Figure 1
NICARAGUA: MAIN ECONOMIC INDICATORS

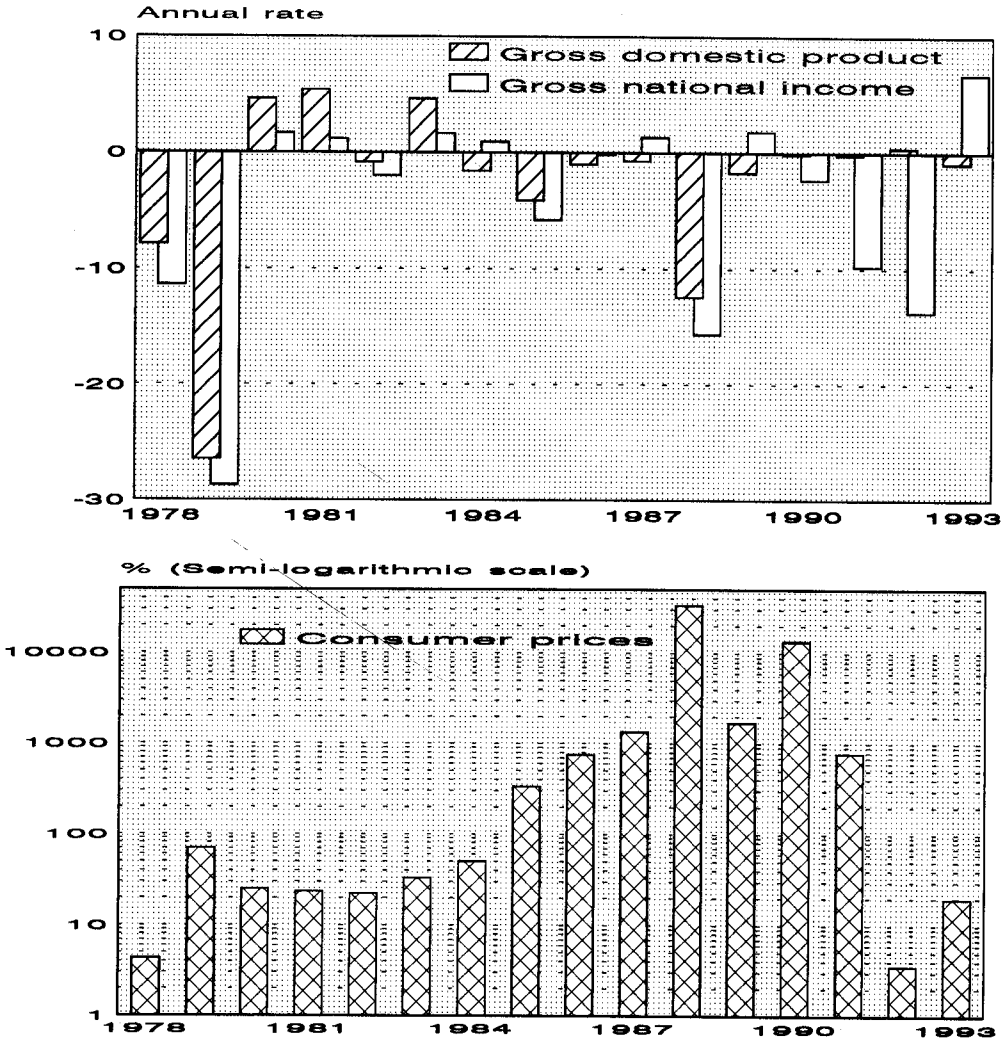
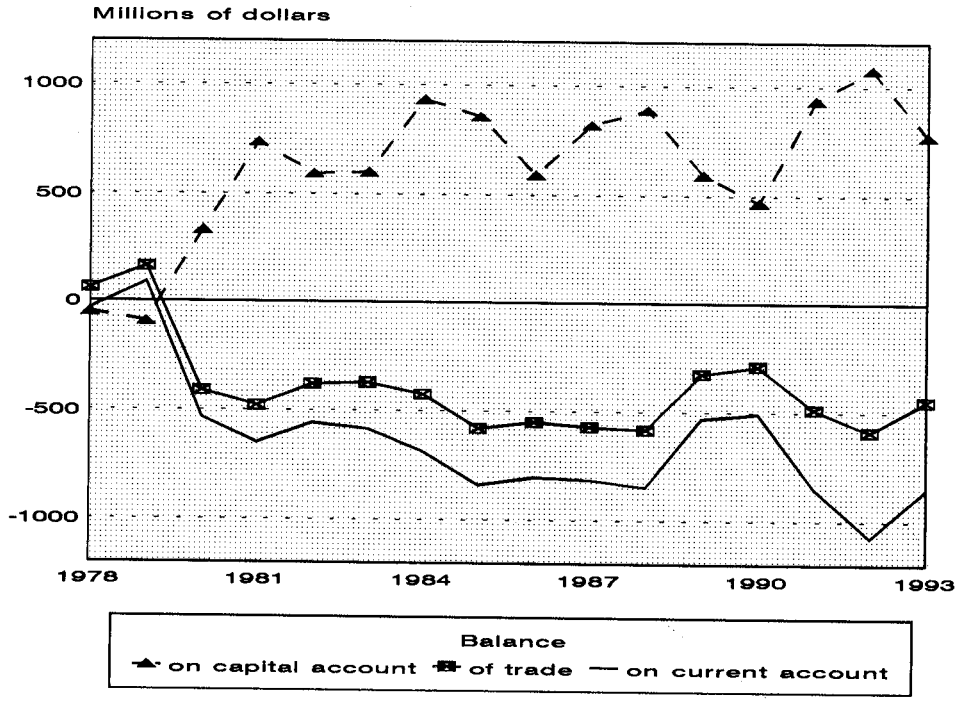
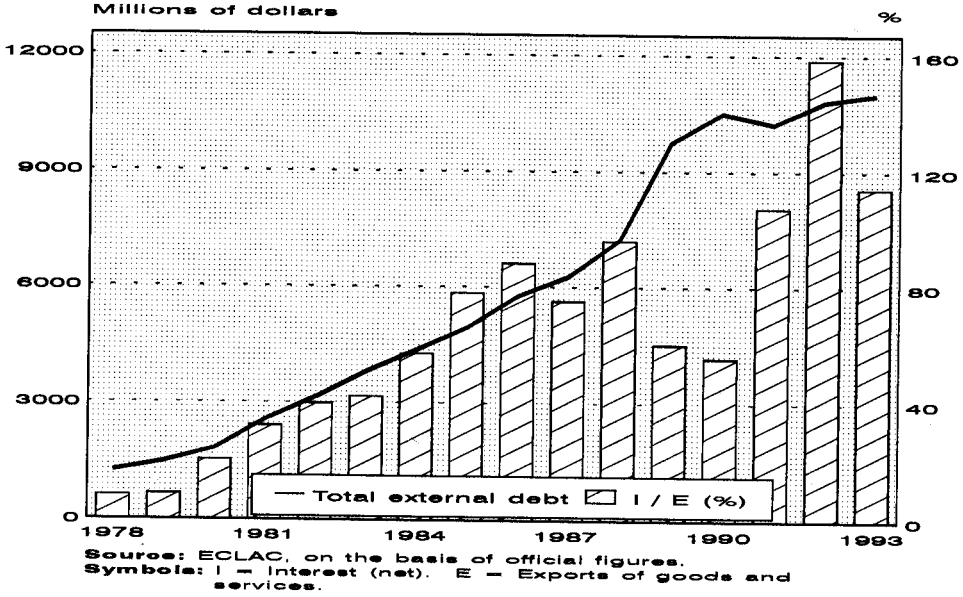


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I — Interest (net). E — Exports of goods and services.

The financial performance of the central Government administration improved; the deficit went from 7.6% of GDP to 6.3% because the cuts in expenditure (2.4% of GDP), especially current expenditure, were greater than the decrease in revenue (1.5% of GDP).

Management of the remainder of the non-financial public sector was reflected in increased total revenue because of larger surpluses among the non-financial public enterprises, especially the Nicaraguan Energy Institute and the telephone company.

Moreover, a decrease in current expenditure, representing 2.1% of GDP, was registered in the non-financial public sector, while capital expenditure increased by 0.6% of GDP because of capital transfers, mainly those connected with the peace process, and investments made by the Nicaraguan Institute of Aqueducts and Sewerage in the wake of the damage caused by Hurricane Gert.

The consolidated result in the non-financial public sector was an increase in the current surplus to 3% of GDP and a decrease in the total deficit from 8.7% of GDP to 7.4%, not counting donations. The deficit was offset by the growth of external donations which, together with external lending and credit granted by the Central Bank, made it possible to reduce the domestic debt by a sum equivalent to over 2% of GDP.

b) Monetary and foreign exchange policy

With a view to achieving greater equilibrium in the foreign exchange market, the nominal exchange rate was devalued by 20% in January, and an exchange rate "slippage" of 5% per year was introduced. However, because of the high degree of indexation of the economy, the national currency depreciated only marginally in real terms.

Given the managed exchange-rate system, monetary policy assumed a passive role. By the end of the year, the purchasing power of the means of payment (M1) had diminished by 20%, mainly because of the contraction of the monetary base resulting from the decrease in international reserves.

In 1992 interest rates on lending and borrowing had been allowed to float. In 1993, the average interest rate on short-term loans was around 20%, a level which can be regarded as high in view of the annual inflation rate of 1% registered from March 1993 onward. On the other hand, the rate used for attracting deposits fluctuated between 8% and 15%.

The legal cash reserve policy in force since 1990 continued its downward trend. In general, the banks maintained a cash reserve higher than that required by law, which reflects a cautious approach to granting credit. Public banking continued to fulfil a very important function in this sphere, especially with regard to the agricultural sector, while most of the credit granted by private banking was channelled into commerce.

In response to the greater pressure exerted on international reserves, the legislation concerning foreign currency cash reserves was amended. In accordance with the rules in force, up to August 1993, two thirds of the legal cash reserve had to be deposited in the Central Bank and one third had to remain on deposit in the banks. After that date, all foreign currency cash reserves must be deposited in the Central Bank.

In 1993 the Central Bank began to carry out open market transactions in which, in theory, two instruments were used –monetary stabilization letters in national currency (LEMOS) and foreign currency bonds (BOMEX). In 1993 only the foreign currency instrument was used; in April and May, it was offered exclusively to commercial banks at an annual interest rate of 7.5%. From August onward the offer was extended to individuals and enterprises. The first transaction netted US$ 2 million. Moreover, in early 1994, the Stock Exchange began to function; that should ensure greater liquidity for the bonds.

Loans from the Central Bank to the public sector remained limited by the Central Bank charter; however, in 1993 that institution continued to finance the Government by means of direct credit for payments on the debt. In 1994 the Government was expected to resort to issuing bonds which must be paid off by 31 December of each year and which could not exceed one month's worth of Government income.

Because of the austere monetary policy, Central Bank credit to the financial system was reduced significantly, from 607 million current córdobas in 1992 to 214 million current córdobas in 1993. As part of the programme to reorganize the financial sector, the Central Bank was scaling down its secondary bank activities, a function which had been assigned to the Nicaraguan Investment Fund.

3. Trends in the main variables

a) Economic activity

In 1993 the recessionary tendency of the Nicaraguan economy, which had been interrupted in the preceding year, moved to the forefront again; total output declined by nearly 1%, representing a per capita loss of almost 5%. This drop, together with a marked decrease in imports (-12%), resulted in a contraction in total supply. Since exports increased (9%), the weight of the adjustment fell on domestic demand (-7%). Government consumption diminished (-16%) owing to the application of a number of measures to reduce expenditure, while the drop in private consumption (-5%) reflected the cumulative effect of decreased liquidity, a decline in the purchasing power of wages and higher unemployment. Gross domestic investment was also reduced (-6%); since external savings exceeded 40% of output, domestic savings again registered a high negative deficit, this time close to 30% of GDP.

The agricultural sector, which dominated the economy, showed mixed results and, in general, a modest growth in output (1%). The favourable climate conditions over the winter in terms of rainfall were not reflected in the 1993 results; however, a recovery can be expected in 1994, especially in coffee-growing. Livestock production performed well (an increase of 10%), as did the fishery sector (66%); these two sectors constituted the underpinning of the production system during the period under review.

Agricultural export activity went through a phase of structural changes. Coffee retained its importance, despite the marked shrinkage in export volumes owing to the persistence of low international prices and insecurity in the main producing regions. However, abundant rainfall raised the prospect of an expansion of sown areas during the 1993-1994 growing season, provided that problems relating to the allocation of credit could be overcome.

Cotton, one of the main traditional export items, practically ceased production in 1993, with serious consequences for the country's western region (León and Chinandega); because of prevailing international prices, the product is no longer profitable for Nicaragua, unless other production techniques are adopted. Despite the modest recovery of international sugar prices, both the value and the volume of production decreased. The country's largest private refinery went through a difficult phase because of the temporary closing of the enterprise and a strike which reduced the level of activity. Some of the other refineries experienced a period of organizational changes owing to the establishment of worker-owned enterprises. The same was true for such items as bananas and tobacco. One of the stages in the process of formal establishment of such enterprises ended in February 1993 with the signing of an agreement between the People's Property Area, the institution responsible for the administration and privatization of public enterprises, and two trade unions, the Workers' National Front and the Fieldworkers Association. In the agricultural sector there are 107 small farms under this ownership system which are owned by 18,437 workers. In the industrial sector there are 18 enterprises which belong entirely to the workers; in the service sector, there are seven. Approximately 30,000 workers have benefited from shareholding in such enterprises, which now must adapt not only to new management models, but also to technological progress and the law of the market.

Moreover, while the cultivation of non-traditional agricultural export products is still in its infancy, it offers important alternatives, especially in the country's western region, the

one most affected by the cotton crisis. There have been interesting experiments in the cultivation of peanuts and various vegetable crops, products whose exports increased in value by 68%, rising to US$ 30 million, a figure practically equal to coffee exports (US$ 32 million).

Agricultural production to meet domestic demand increased in the case of rice, sorghum and soybeans, but diminished slightly in the case of maize and beans. The prevailing insecurity in the countryside as a result of conflicts stemming from the armed struggle, the weak production support infrastructure and storage problems influenced that performance.

Livestock production expanded significantly (10%), especially in the poultry sector. The value of beef sales abroad increased by nearly 50%, exceeding US$ 60 million, which put beef in first place among export products. Fishery production also made substantial progress, especially the production of farm-bred shrimp for export. The volume of production in that sector doubled, the growth being due, among other factors, to increased activity along the Gulf of Fonseca coast. Meanwhile, the volume of fish catches was 38% higher than in the preceding cycle.

Mining registered a slight increase (2%) linked to the expansion of construction and gold mining (over 4%). Mention should be made of the resumption of gold exports; in 1992, gold had not been among the items sold abroad.

Manufacturing activity declined for the second consecutive year (-2%) by a much higher proportion than the remaining productive sectors. The cotton crisis impeded the supply of raw materials; as a result, production in the textile and garment branches fell by approximately 30%. There were many closings of small-scale enterprises, especially in the garment industry. The limited capacity to compete with imports affected many branches, especially those with the highest requirements in terms of technology, quality and specialized labour, such as metal products (-33%) and machinery and transport equipment (-9% and -14%, respectively). The categories linked to export activities grew, especially industrial slaughtering, the leather industry and the processing of marine products, as well as the chemical and plastic industries. The beverage sector, important because of its weight in industry (15% of the gross value of manufacturing production) and in Nicaraguan exports, also expanded slightly.

Electricity generation made a decrease in imports possible for the second consecutive year and even became an export item. The transport and communications sector suffered a substantial decline (-4%), especially because of the transport workers' strike, which paralysed the country during September. The trend in other services generally reflected the contraction of economic activity.

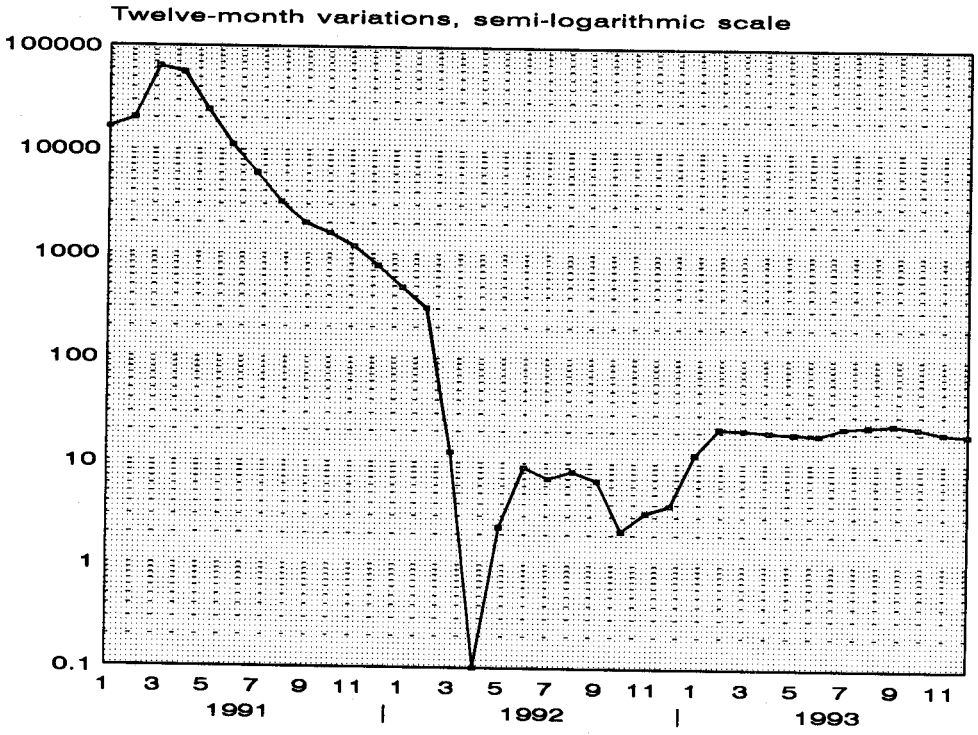
b) Prices, wages and employment

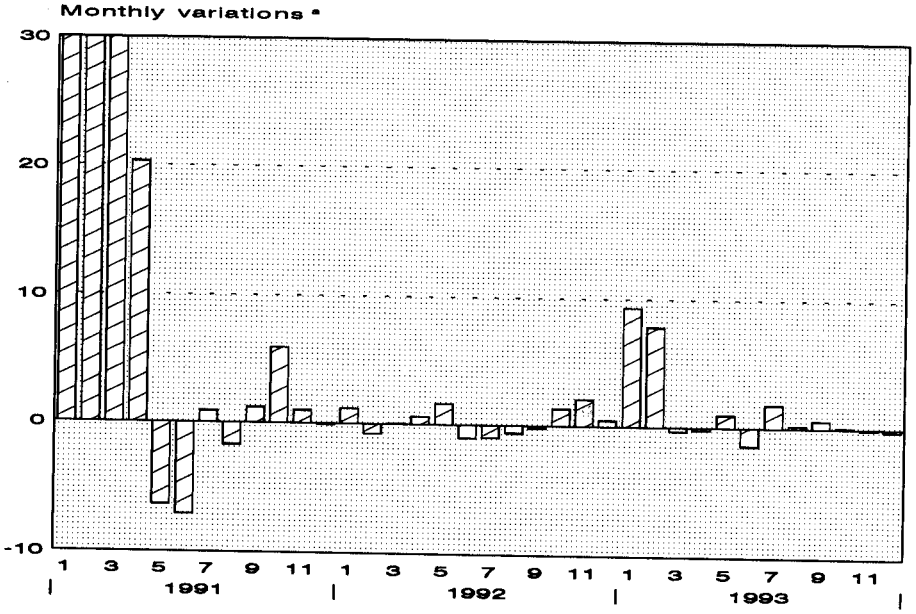
Inflation surged again in 1993 owing to the devaluation of 20% in January. Despite the freezing of nominal wages in the public sector and the effort to limit increases in indexed prices, the cumulative inflation rate from January to February 1993 climbed to nearly 18%, which limited the real effect of the devaluation. However, from March onward, and with the exception of July, prices rose at a rate lower than the exchange rate slippage (5% per year), which made it possible to limit cumulative inflation for the year to slightly over 19%. That result was due primarily to the moderate rise in food prices, which registered a cumulative inflation rate of slightly over 10%. The inflation rate of 23% registered in non-tradables was comparable to the cumulative rise for tradables during the year.

Real wages suffered a setback for the first time since the current Government took office. That was because of the policy of freezing nominal wages in the public sector implemented from January onward, as a result of which wages deteriorated by 11% in real terms over the course of the year. Because of the weight of the public sector and the fact that the Government's wage policy served as a model for the private sector, average real wages suffered a setback of over 3%, thus reversing the rising trend initiated in 1989 which continued until the first quarter of 1993.

Despite the deterioration in real wages, the stagnation in the level of employment continued as a result of weak domestic demand and the contraction of labour-intensive export activities, such as cotton and coffee cultivation. The underutilization of labour probably constituted

Figure 2
NICARAGUA: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.
* The monthly variations for January, February and March 1991 are 52.2, 42.0 and 261.2, respectively.

the most dramatic indicator of the current economic situation, since it increased again to a level of over 50%. The open unemployment rate, which had been rising steadily, increased to 20% of the economically active population, while underemployment decreased again for the second consecutive year. The improvement in the underemployment index can be traced to emergency governmental programmes, especially those channelled through the recently established Ministry of Social Action, which generated extremely short-term employment of two to eight weeks' duration.

c) **The external sector**

As in previous years, the external resources which the country had at its disposal largely determined the scope of economic policy. In 1993 the most urgent economic situation which the current government had faced arose when external debt servicing exceeded donations and loans. The external liquidity crisis could be mitigated only to a very limited extent by expanding exports and drastically reducing imports, leading to a decrease in international reserves.

The inflow of foreign exchange stemming from goods exports increased by nearly 20%, especially because of the growth in exports of meat, shellfish and non-traditional products, both agricultural and manufactured products. In addition, sales of gold abroad resumed after their suspension in 1992. The positive trend in these items, in terms of both unit price and sales volume, offset the contraction of some traditional products, such as coffee, cotton, sugar and bananas. The value of goods imports decreased by over 12% as a result of lesser domestic demand and the rising price of imported products in national currency, owing to the devaluation of 20% in January, the slippage of 5% over the course of the year and the specific taxes imposed on luxury goods. The decrease in imports was especially pronounced in the case of capital goods, although the largest absolute decrease was in consumer goods, especially consumer durables. Accordingly, the trade deficit was reduced by US$ 140 million (13% of GDP).

The amount of interest accrued on the external debt decreased for the first time in five years as a result of the restructuring negotiations which the current government had been conducting since 1991. In 1993 agreements were concluded, in particular on remission of debt servicing with the Governments of Denmark (US$ 5.2 million), Finland (US$ 18.7 million) and the Netherlands (US$ 38.5 million) and of 75% of the debt owed to Taiwan, province of China (US$ 17.4 million). Moreover, the Government of Cuba forgave nearly US$ 95 million of the debt incurred to it by Nicaragua. However, interest payments increased; this paradoxical fact is directly attributable to the success of the refinancing negotiations initiated in 1991, which increased the debt servicing obligations in return for debt forgiveness and rescheduling of the payments in arrears. The difference between the amount of interest accrued (US$ 425 million) and disbursed (US$ 92 million) was registered in the balance of payments as short-term capital income (refinancing).

While the current-account deficit on the balance of payments diminished, it continued to represent more than twice the total value of exports of goods and services, and nearly one half of GDP. Even discounting interest accrued but not paid, the net external financing needs were extremely high, totalling 30% of GDP, a percentage which reveals Nicaragua's significant dependency on other countries. The deficit was financed through new loans and donations, accumulated debt servicing arrears and the use of US$ 50 million in international reserves.

Official donations received by Nicaragua rose to US$ 396 million, a figure slightly higher than that of the previous year, but representing less than half of the amount registered in 1991. In addition, a change in the structure of donations was seen; while in 1991 two thirds of donations had consisted of immediately available funds, that ratio was reversed in 1993, and the same proportion of the total consisted of stand-by donations. The decrease in the percentage actually disbursed reflects the limited capacity for executing cooperation projects, partly as a result of the freezing of external loans which provided counterpart resources for projects of that type. The meeting of the Consultative Group

held in Paris in April 1993, one of the key forums for the negotiation of new loans, did not lead to significant progress in that area.

Payments on the external debt climbed to US$ 102 million. Nicaragua's external debt, viewed in conjunction with the country's foreign-exchange generating capacity, is one of the highest in the world. In 1993 it reached nearly US$ 11 billion, six times the value of GDP, while external debt servicing obligations were equivalent to 1.4 times the total value of exports.

In 1993 efforts to renegotiate the debt continued, with mixed results. Among other things, the country failed in its attempt to secure cooperation funds for the repurchase of commercial debt, which rose to US$ 2 billion. Major obstacles also emerged in the renegotiation of the heavy debt to the former Soviet Union (US$ 3 billion). With some countries belonging to the Paris Club, Nicaragua signed agreements resulting from the 1991 negotiations, through which it obtained remission of lesser amounts.

Table 1

NICARAGUA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
			Indexes (1980=100)					
Gross domestic product at market prices	102.2	101.4	88.8	87.3	87.2	87.1	87.4	86.6
Gross national income	94.5	95.7	80.7	82.2	80.3	72.4	62.5	66.7
Population (millions of inhabitants)	3.3	3.4	3.5	3.6	3.7	3.8	4.0	4.1
Per capita gross domestic product	86.5	83.8	71.7	68.6	66.5	64.1	61.9	59.0
Real effective exchange rate (CPI) [b]	10.2	1.3	51.5	61.6	41.1	46.2	47.4	47.9
			Ratios (percentages)					
Fiscal balance of central Government/GDP	-18.0	-16.4	-26.6	-6.7	-17.2	-7.5	-7.6	-6.3
Rate of underutilization of labour [c]	25.7	28.9	32.5	39.4	44.6	53.5	49.1	51.3
			Growth rates					
Gross domestic product	-1.0	-0.7	-12.4	-1.7	-0.1	-0.2	0.4	-0.9
Per capita gross domestic product	-3.5	-3.0	-14.5	-4.3	-3.1	-3.6	-3.4	-4.7
Gross national income	-0.2	1.3	-15.6	1.8	-2.3	-9.8	-13.7	6.7
Consumer prices December to December	747.4	1 347.3	33 657.3	1 689.1	13 490.1	856.6	3.5	19.5
Real wages and salaries [d]	-58.1	-59.6	-42.7	66.0	61.5	3.2	19.2	-3.4
Current value of exports of goods and services	-16.6	13.0	-15.9	24.8	15.1	-13.7	-10.3	21.0
Current value of imports of goods and services	-9.4	7.0	-4.3	-22.2	2.3	20.9	8.3	-8.6
			Millions of dollars					
External sector								
Trade balance	-549	-570	-583	-326	-290	-486	-589	-449
Factor services	-254	-244	-262	-205	-217	-363	-495	-429
Balance on current account	-803	-814	-845	-531	-507	-849	-1 074	-853
Balance on capital account	592	820	889	595	467	935	1 076	771
Variation in international reserves (net)	-211	6	44	-190	-8	15	-24	-54
Public external debt [e]	5 760	6 270	7 220	9 741	10 504	10 212	10 806	10 987

Source: ECLAC, on the basis of official figures

[a] Preliminary figures. [b] Refers to the exchange rate for exports. [c] Open unemployment and its equivalent in terms of underemployment expresssed as a percentage of the economically active population. [d] Average wage nationwide. [e] Short-, medium- and long-term debt. From 1989 onward, includes interest arrears.

Table 2
NICARAGUA: REAL GROSS NATIONAL INCOME

	Indexes (1980 = 100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	72.4	62.5	66.7	94.1	78.2	67.3	72.4
a) Gross domestic product	87.1	87.4	86.6	100.0	100.0	100.0	100.0
b) Terms-of-trade effect	...	...	...	-	-1.2	-7.7	-7.4
c) Net factor income from abroad	298.0	371.1	309.2	-6.0	-20.6	-25.5	-21.5
d) Net private transfers from abroad	-	581.3	1 400.0	0.1	-	0.5	1.2

Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992, these figures have been taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Nicaragua, and were converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 3
NICARAGUA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980 = 100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**88.9**	**88.8**	**84.8**	**143.8**	**140.8**	**-2.3**	**4.5**	**-0.1**	**-4.4**
Gross domestic product at market prices	87.1	87.4	86.6	100.0	100.0	-0.1	-0.2	0.4	-0.9
Imports of goods and services [c]	92.9	92.0	80.8	43.8	40.8	-7.3	16.1	-1.0	-12.2
Total demand	**88.9**	**88.8**	**84.8**	**143.8**	**140.8**	**-2.3**	**4.5**	**-0.1**	**-4.4**
Domestic demand	91.8	89.5	83.2	119.8	115.1	-5.4	8.3	-2.5	-7.0
Gross domestic investment	78.4	73.0	68.9	16.8	13.3	-12.6	11.7	-6.9	-5.7
Gross fixed invesment	79.4	86.5	89.9	14.6	15.1	-9.8	-7.8	8.9	3.9
Construction	84.5	91.4	92.8	5.5	5.9	-5.3	-8.1	8.3	1.5
Machinery and equipment	76.3	83.4	88.1	9.1	9.2	-12.6	-7.7	9.3	5.5
Variation in stocks	72.1	-16.1	-70.3	2.2	-1.8	...	...	...	...
Total consumption	94.0	92.1	85.5	103.1	101.7	-4.4	7.9	-1.9	-7.2
General government	96.0	92.1	77.4	19.7	17.6	23.2	-34.8	-4.0	-15.9
Private	93.5	92.2	87.4	83.3	84.1	-13.6	28.3	-1.4	-5.2
Exports of goods and services [c]	74.2	85.4	93.3	23.9	25.8	16.7	-14.2	15.2	9.2

Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund (IMF).
[a] Based on figures calculated at market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, these figures have been taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Nicaragua and were converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 4

NICARAGUA: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993 [b]
Gross domestic investment	**22.3**	**22.1**	**17.8**	**15.4**	**13.5**	**15.1**	**14.0**	**13.3**
Gross fixed investment	18.7	19.1	19.2	16.0	14.4	13.3	14.4	15.1
Construction	6.2	6.7	7.1	6.1	5.8	5.3	5.8	5.9
Machinery and equipment	12.6	12.4	12.1	9.8	8.6	8.0	8.7	9.2
Variation in stocks	3.5	3.0	-1.3	-0.5	-0.9	1.8	-0.4	-1.8
Gross domestic saving	-3.2	-4.4	-13.4	-7.5	-3.0	-11.2	-8.7	-1.7
Terms-of-trade effect [c]	-0.9	-	-0.4	1.8	-0.6	-1.2	-7.7	-7.4
Net external income from factor services [c]	-12.2	-11.3	-14.2	-13.3	-12.8	-20.6	-25.5	-21.5
Net private transfers from abroad [c]	-	-	-	-	-	-	0.5	1.2
Gross national saving	-16.3	-15.7	-27.9	-19.0	-16.3	-33.0	-41.4	-29.3
External saving	38.6	37.8	45.7	34.4	29.9	48.1	55.5	42.7

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992 these figures have been taken from the International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Nicaragua and were converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 5
NICARAGUA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980 = 100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**87.1**	**87.4**	**86.6**	**100.0**	**100.0**	**-0.1**	**-0.2**	**0.4**	**-0.9**
Goods	**84.3**	**84.0**	**83.9**	**52.5**	**50.9**	**-1.5**	**0.4**	**-0.4**	-
Agriculture	89.2	91.8	92.7	23.2	24.8	-0.2	-3.9	2.9	1.0
Mining	67.8	79.4	81.0	0.7	0.7	-22.1	-1.4	17.1	2.1
Manufacturing	80.3	76.2	75.1	25.6	22.2	-1.5	6.4	-5.1	-1.5
Construction	84.0	91.0	92.4	2.9	3.1	-5.9	-8.1	8.3	1.5
Basic services	**89.6**	**91.4**	**90.1**	**7.9**	**8.2**	**3.1**	**3.2**	**2.0**	**-1.4**
Electricity, gas and water	122.3	126.1	130.5	2.1	3.2	7.9	0.3	3.1	3.5
Transport, storage and communications	77.5	78.6	75.2	5.7	5.0	0.3	4.9	1.4	-4.4
Other services	**90.3**	**91.1**	**89.5**	**39.6**	**40.9**	**0.9**	**-1.5**	**0.9**	**-1.8**
Commerce, restaurants and hotels	83.2	84.4	82.0	18.9	17.9	0.3	4.9	1.4	-2.9
Financial institutions, insurance, real estate and business services	91.1	91.4	91.1	7.1	7.5	-2.2	-0.4	0.3	-0.3
Ownership of dwellings	97.2	97.8	98.3	3.7	4.2	-3.0	0.8	0.6	0.5
Community, social and personal services	99.6	100.3	99.0	13.6	15.5	3.0	-8.4	0.7	-1.2
Government services	111.7	111.8	110.1	8.7	11.1	3.5	-12.5	0.1	-1.5

Source: ECLAC, on the basis of official figures, reweighted according to the structure at current 1980 prices. Consequently, the figures shown here do not necessarily coincide with those published by the countries based on their calculations at constant prices.

[a] Preliminary figures.

Table 6
NICARAGUA: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes (1980=100)							
Crop farming	95.4	94.9	89.0	-0.5	-5.1	-0.5	-6.2
Livestock	77.1	83.8	92.3	1.5	-3.5	8.7	10.1
Forestry	110.5	111.8	112.8	2.4	1.0	1.2	0.9
Fishing	59.1	70.8	117.8	-24.9	45.2	19.8	66.4
Production of main crops [b]							
For export							
Ginned cotton	648	537	33	-5.3	20.7	-17.1	-93.9
Cotton seed	868	747	50	-24.4	22.6	-13.9	-93.3
Green coffee	601	1 033	721	-1.4	-35.5	71.9	-30.2
Sugar cane	55 884	50 515	44 380	24.2	16.8	-9.6	-12.1
Bananas	5 681	6 992	4 444	0.0	7.4	23.1	-36.4
Tobacco	54	38	29	25.0	20.0	-29.6	-23.7
Sesame	282	186	170	337.5	-10.5	-34.0	-8.6
For domestic consumption							
Maize	4 375	5 080	5 000	4.3	-14.5	16.1	-1.6
Milled rice	1 598	1 551	1 838	6.4	7.1	-2.9	18.5
Beans	1 200	1 276	1 235	2.0	-11.8	6.3	-3.2
Sorghum	1 545	1 880	1 985	-24.4	-9.0	21.7	5.6
Soya	...	100	107	101.0	...	...	7.0
Indicators of livestock production							
Slaughtering							
Cattle [c]	324	343	358	7.1	-14.1	5.9	4.4
Pigs [c]	134	127	153	-8.2	-8.2	-5.2	20.5
Poultry [d]	30	44	51	21.7	37.0	47.3	14.3
Other products							
Milk [e]	44	46	47	0.2	1.1	3.9	2.4
Eggs [f]	33	33	35	3.5	12.6	0.6	3.9

Source: ECLAC, on the basis of figures supplied by the Ministry of Planning and the Budget.
[a] Preliminary figures. [b] Thousands of quintals. [c] Millions of head. [d] Millions of pounds. [e] Thousands of gallons. [f] Millions of dozens.

Cuadro 7
NICARAGUA: FISHERY PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes (1980=100)	**59.1**	**70.8**	**117.8**	**-24.9**	**45.2**	**19.8**	**66.4**
Shellfish catch [b]							
Shrimp	2 222	1 899	4 563	-16.6	26.9	-14.5	140.3
Lobster	955	1 711	2 000	-35.7	63.5	79.2	16.9
Fish catch [b]	3 980	3 702	5 099	-43.3	178.5	-7.0	37.7
Exports [b]							
Shrimp	1 943	1 656	3 012	1.9	12.0	-14.8	81.9
Lobster	902	1 501	1 660	-41.4	80.8	66.4	10.6
Fish	1 657	2 913	785	-12.5	221.1	75.8	-73.1

Source: ECLAC, on the basis of figures supplied by the Ministry of Planning and the Budget.
[a] Preliminary figures. [b] Thousands of pounds.

Table 8
NICARAGUA: MINING PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Gross domestic product (indexes: 1980=100)	**67.8**	**79.4**	**81.0**	**-22.1**	**-1.4**	**17.1**	**2.1**
Production of some major minerals							
Metals							
Gold [b]	33	38	40	-24.4	-3.9	16.9	4.5
Silver [b]	50	73	63	-8.3	50.6	46.9	-14.2
Other							
Sand [c]	462	439	405	8.2	12.1	-5.0	-7.8
Lime [d]	44	70	27	104.8	-14.3	59.2	-61.4
Calcium carbonate [d]	21	20	32	77.0	20.9	-8.4	63.3
Chemical lime [d]	60	56	52	-21.7	11.3	-7.5	-6.8
Bentonite [d]	51	28	17	9.3	10.0	-44.6	-37.9
Quarry stone [e]	2 493	1 836	1 900	-11.6	-9.6	-26.4	3.5
Cement [c]	4	9	43	-55.6	39.4	97.7	401.2

Source: ECLAC, on the basis of figures supplied by the Ministry of Planning and the Budget.
[a] Preliminary figures. [b] Thousands of troy ounces. [c] Thousands of cubic metres. [d] Thousands of quintals.
[e] Thousands of units.

Table 9
NICARAGUA: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes (1980=100)	84.3	80.2	79.0	-1.6	6.2	-4.9	-1.5
Food	87.0	83.3	85.1	5.0	-2.1	-4.3	2.2
Beverages	106.9	115.2	116.8	9.0	54.5	7.8	1.4
Tobacco	102.2	86.2	77.2	-10.2	49.6	-15.7	-10.4
Textiles	78.1	58.1	43.0	-17.6	-31.6	-25.6	-26.0
Wearing apparel	10.8	3.2	2.2	-58.6	-52.0	-70.4	-31.3
Leather	24.2	26.3	26.6	-39.8	22.8	8.7	1.1
Footwear	20.8	22.6	22.4	-31.6	11.8	8.7	-0.9
Wood and furniture	106.7	104.0	102.2	5.9	8.3	-2.5	-1.7
Paper	60.1	50.4	47.2	-6.8	29.5	-16.1	-6.3
Printed material	137.0	132.0	126.4	-12.8	-14.5	-3.6	-4.2
Chemicals	87.2	55.7	60.5	-4.6	-28.1	-36.1	8.6
Rubber	21.6	21.2	21.6	23.9	-35.9	-1.9	1.9
Non-metallic products	67.6	73.7	71.4	0.0	-3.3	9.0	-3.1
Metal products	40.8	19.0	12.8	-5.3	-23.3	-53.4	-32.6
Machinery and domestic articles	63.7	26.6	24.1	62.5	-61.1	-58.2	-9.4
Transport equipment	27.8	55.7	47.9	-41.0	2.2	100.4	-14.0
Plastics and other	132.6	161.5	169.2	29.2	35.4	21.8	4.8
Other indicators of manufacturing production							
Electricity consumption by industry [b]	256.1	233.8	202.2	2.7	-9.0	-8.7	-13.5
Employment [c]	193.2	170.9	164.3	-9.3	-19.6	-11.5	-3.9

Source: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.
[a] Preliminary figures. [b] Thousands of MWh. [c] Thousands of full-time jobs.

Table 10
NICARAGUA: ELECTRICITY SUPPLY AND DEMAND

	Thousands of MWh			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total supply	**1 486**	**1 560**	**1 646**	**5.8**	**6.8**	**5.0**	**5.5**
Gross generation	1 394	1 528	1 634	2.7	5.2	9.6	6.9
Hydroelectric	337	257	483	-24.7	-16.4	-23.7	87.9
Steam	582	782	704	42.9	12.8	34.4	-10.0
Geothermal	458	468	406	1.3	18.7	2.2	-13.2
Diesel and other	18	21	41	53.8	-10.0	16.7	95.2
Gross imports	92	32	11	164.0	39.4	-65.2	-65.6
Total demand	**1 486**	**1 560**	**1 646**	**5.8**	**6.8**	**5.0**	**5.5**
Domestic consumption	1 095	1 126	1 125	3.7	0.7	2.8	-0.1
Residential	402	433	440	17.1	8.9	7.7	1.6
Commercial	156	171	190	-17.2	1.3	9.6	11.1
Industrial	256	234	203	2.7	-8.9	-8.6	-13.2
Government	64	63	62	-	-9.9	-1.6	-1.6
Public lighting	23	22	21	15.0	-	-4.3	-4.5
Irrigation	114	117	104	7.5	-0.9	2.6	-11.1
Pumping	81	86	105	-1.3	9.5	6.2	22.1
Export	-	-	62	-	-	-	...
Losses[b]	391	434	460	23.6	28.6	11.0	6.0
Other indicators							
Consumtion of fuel oil as an input[c]	1 133	1 493	1 364	39.6	8.5	31.8	-8.6
Ratio of losses/total supply[d]	26.3	27.9	28.0				

Source: ECLAC, on the basis of figures supplied by the Nicaraguan Energy Institute and the Ministry of Planning and the Budget.
[a] Preliminary figures. [b] Refers to transmission and distribution losses. [c] Thousands of barrels. [d] Percentages.

Table 11
NICARAGUA: EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Percentages							
Rate of participation	**48.3**	**48.4**	**48.4**	**48.5**	**48.5**	**48.5**	**48.5**	...
Rate of underutilization [b]	25.7	28.9	32.5	39.4	44.6	53.5	49.1	51.3
Open unemployment	4.7	5.8	6.0	8.4	11.1	13.6	16.6	20.0
Equivalent unemployment	21.0	23.1	26.5	31.0	33.5	39.9	32.5	31.3
	Growth rates							
Total employment [c]	**2.2**	**0.7**	**0.7**	**-10.5**	**-4.7**	**-12.5**	**3.1**	**-1.5**
Primary sector [d]	8.3	-0.5	-1.1	-12.7	-1.9	-13.9	14.7	0.2
Secondary sector	-	2.9	4.6	-12.3	-13.0	-16.5	-9.7	-3.1
Manufacturing	-	1.2	4.7	-7.0	-9.3	-19.6	-11.5	-3.9
Construction	-	11.8	5.3	-39.0	-36.1	15.4	-	1.3
Mining	-	-	-	6.7	-21.9	-20.0	-	-2.6
Tertiary sector	-2.9	1.6	1.3	-7.8	-3.5	-10.2	-3.9	-2.2
Commerce	-7.8	1.1	-	-6.3	-4.6	-12.7	5.3	-3.5
Central Government [e]	1.3	1.3	-	-9.0	1.8	35.5	-7.1	-6.0
Transport and telecommunications	-4.3	-	-	-9.1	-6.5	-14.4	-25.0	-13.8
Financial institutions	13.3	-5.9	-	-6.3	-4.7	-9.1	-15.4	-3.6
Energy and water	-	-	-	-1.2	-5.1	-6.7	-14.3	1.8
Services [f]	-2.5	2.6	3.1	-8.5	-4.6	-32.2	-1.0	3.4

Source: ECLAC, on the basis of figures supplied by the Ministry of Planning and the Budget.
[a] Preliminary figures. [b] Open unemployment plus its equivalent in terms of underemployment expressed as a percentage of the economically active population. [c] Full-time jobs. [d] Estimates by crop and area sown. [e] Since 1991, includes the Departments of Defence and the Interior. [f] Since 1991, excludes the Departments of Defence and the Interior.

Table 12
NICARAGUA: EXCHANGE RATES
(Annual and quarterly averages)

	Nominal exchange rates [a]		Indexes of real effective exchange rate [c] (1985=100) based on consumer price index			Index of adjusted real official exchange rate [d] (1985=100)
	Official	Parallel [b]	Official			
			Exports	Imports	Parallel	
1978	7		396.7	368.3		280.8
1979	9		408.0	379.5		288.1
1980	10	18	347.4	327.3	23.5	253.6
1981	10	26	268.9	250.1	25.9	226.1
1982	10	28	210.7	196.6	22.0	192.3
1983	10	28	163.7	155.5	17.4	151.3
1984	10	...	119.5	116.4	...	116.5
1985	27	65	100.0	100.0	100.0	100.0
1986	63	1 337	35.6	33.5	28.4	31.0
1987	70	6 770	4.4	4.0	15.4	3.5
1988	0.27	0.84	179.0	160.7	19.9	137.4
1989	15.66	19.64	214.0	193.1	9.7	169.8
1990	689.96	771.90	142.7	126.3	5.6	107.3
1991	4.27	4.55	160.5	142.2	6.0	120.4
1992	5.00	5.39	164.6	146.5	6.3	119.6
1993	6.12	6.29	166.5	148.9	6.1	125.2
1992						
I	5.00	5.22	161.4	143.4	6.0	119.0
II	5.00	5.30	161.8	144.9	6.1	118.7
III	5.00	5.51	172.6	152.9	6.7	121.3
IV	5.00	5.53	162.4	144.6	6.4	119.5
1993						
I	5.93	6.08	164.1	146.0	6.0	123.3
II	6.10	6.22	168.9	150.7	6.1	125.0
III	6.18	6.41	166.0	149.0	6.2	125.2
IV	6.27	6.44	167.0	149.7	6.1	127.4

Source: ECLAC, on the basis of figures from the Central Bank of Nicaragua, the Ministry of Planning and the Budget and the International Monetary Fund (IMF), *International Financial Statistics* (several issues).

[a] For 1987 and earlier, refers to córdobas per thousand dollars; from 1988 through 1990, to thousands of córdobas per dollar; and from 1991 on, to gold córdobas per dollar. One gold córdoba (the country's new currency) is equal to 5 million old córdobas.

[b] Seller's rate in authorized exchange offices.

[c] Represents an average of the indexes of the real exchange rate for the córdoba or the gold córdoba in relation to the currencies of Nicaragua's main trading partners, weighted by the relative significance of exports or imports, as appropriate, to or from those countries. Weightings correspond to the average for the period 1989-1992. The consumer price index was used in the calculations for Nicaragua. For further information on the methodology and sources used, see the technical appendix to the *Economic Survey of Latin America*, 1981.

[d] Index of the Nicaragua currency's real exchange rate against the United States dollar.

Table 13

NICARAGUA: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports f.o.b.								
Value	-15.5	14.5	-20.1	35.2	4.3	-19.3	-18.9	22.8
Volume	-17.1	2.2	-12.3	32.6	15.9	-15.1	14.1	9.3
Unit value	1.9	12.0	-8.9	2.0	-10.0	-5.0	-28.9	12.3
Imports f.o.b.								
Value	-14.7	8.4	-2.2	-23.8	4.1	20.8	6.9	-10.4
Volume	-14.1	1.7	-2.2	-18.4	-3.9	9.5	4.4	-15.7
Unit value	-0.7	6.6	0.0	-6.6	8.3	10.3	2.4	6.3
Terms of trade (f.o.b./c.i.f.)	1.9	5.1	-9.5	9.6	-16.7	-12.6	-31.5	6.4
	Indexes (1980=100)							
Purchasing power of exports of goods	60.3	64.7	51.4	74.7	72.1	53.5	41.8	48.7
Volume of exports	67.5	69.0	60.5	80.2	92.9	78.9	90.1	98.5
Volume of imports	92.7	94.2	92.2	75.2	72.3	79.1	82.6	69.7
Terms of trade (f.o.b./c.i.f.)	89.4	93.9	85.0	93.1	77.5	67.8	46.4	49.4

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 14

NICARAGUA: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1980	1992	1993[a]	1990	1991	1992	1993[a]
Total	**268**	**218**	**267**	**100.0**	**100.0**	**100.0**	**4.3**	**-19.3**	**-18.9**	**22.8**
Main traditional exports	**198**	**167**	**151**	**82.2**	**76.6**	**56.5**	**16.1**	**-19.5**	**-15.9**	**-9.7**
Ginned cotton	44	26	-	17.8	12.0	-	33.2	19.0	-41.0	-98.5
Coffee	36	45	32	44.5	20.8	12.0	-21.1	-49.0	25.1	-29.6
Sugar	31	19	18	6.9	8.8	6.6	127.1	-18.9	-39.0	-8.4
Meat	38	41	61	2.0	18.7	22.9	26.7	-34.2	8.8	49.3
Shellfish	13	21	27	3.6	9.7	10.0	-20.9	48.3	63.6	26.1
Sesame	7	4	8	0.9	2.0	3.1	116.7	12.3	-41.1	93.0
Bananas	29	10	6	6.5	4.6	2.1	35.5	5.9	-65.2	-45.0
Other	70	51	116	17.8	23.4	43.5	-19.6	-18.6	-27.1	127.1

Source: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.
[a] Preliminary figures.

Table 15
NICARAGUA: VOLUME OF MAIN EXPORTS

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Cotton [b]	593	514	6	0.4	10.8	-13.3	-98.8
Coffee [b]	478	809	584	15.8	-43.7	69.2	-27.8
Sugar [b]	2 473	1 893	1 257	49.5	-2.3	-23.5	-33.6
Meat [c]	32 357	38 890	55 395	24.8	-41.9	20.2	42.4
Shrimp, lobsters, etc. [c]	3 662	3 193	5 458	-38.0	92.2	-12.8	70.9
Sesame [b]	211	114	252	67.2	88.4	-46.0	121.1
Bananas [d]	6 143	3 090	1 353	34.8	17.5	-49.7	-56.2
Gold [e]	28	-	69	-32.7	-24.3	...	...
Molasses [f]	58	106	45	80.0	61.1	82.8	-57.5

Source: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.
[a] Preliminary figures. [b] Thousands of quintals. [c] Thousands of pounds. [d] Thousands of 42-pound boxes. [e] Troy ounces.

Table 16
NICARAGUA: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown			Growth rates		
	1991	1992	1993[a]	1980	1992	1993[a]	1991	1992	1993[a]
Total	**753**	**828**	**728**	**100.0**	**100.0**	**100.0**	**18.0**	**10.0**	**-12.1**
Consumer goods	**224**	**290**	**244**	**29.0**	**35.0**	**33.5**	**40.9**	**29.5**	**-15.9**
Durable	45	48	32	24.2	5.8	4.4	50.0	6.7	-33.3
Non-durable	179	242	212	4.8	29.2	29.1	38.8	35.2	-12.4
Raw materials and intermediate goods	**338**	**346**	**329**	**58.6**	**41.8**	**45.2**	**19.9**	**2.4**	**-4.9**
Petroleum and fuels	115	121	106	19.6	14.6	14.6	-6.5	5.2	-12.4
Other	223	225	223	39.0	27.2	30.6	40.3	0.9	-0.9
For agriculture	45	17	30	7.0	2.1	4.1	28.6	-62.2	76.5
For manufacturing	149	173	160	28.0	20.9	22.0	43.3	16.1	-7.5
For construction	29	35	33	3.3	4.2	4.5	45.0	20.7	-5.7
Capital goods	**191**	**192**	**155**	**12.4**	**23.2**	**21.3**	**-3.0**	**0.5**	**-19.3**
For agriculture	14	14	6	2.7	1.7	0.8	16.7	1.7	-57.1
For manufacturing	93	107	107	6.9	12.9	14.7	17.7	15.1	-0.2
For transport	84	71	42	2.8	8.6	5.8	-20.8	-15.5	-40.8

Source: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.
[a] Preliminary figures.

Table 17

NICARAGUA: BALANCE OF PAYMENTS

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-803**	**-814**	**-845**	**-531**	**-507**	**-849**	**-1 074**	**-853**
Trade balance	-549	-570	-583	-326	-290	-486	-589	-449
Exports of goods and services	287	325	273	341	392	338	304	367
Goods, f.o.b.	258	295	236	319	332	268	218	267
Real services [b]	30	30	37	22	60	70	86	100
Transport and insurance	5	6	5	6	7	12	12	12
Travel	8	9	5	4	12	17	23	41
Imports of goods and services	837	895	856	667	682	824	893	816
Goods, f.o.b.	677	734	718	547	570	688	736	659
Real services [b]	159	160	138	119	112	136	157	157
Transport and insurance	76	83	80	55	58	47	92	70
Travel	4	6	2	1	15	28	30	31
Factor services	-254	-244	-262	-205	-217	-363	-495	-429
Profits	-	-	-	-	-	-	-12	-10
Interest received	1	1	2	7	12	10	8	5
Interest paid and due	-254	-245	-264	-212	-229	-373	-490	-425
Labour and property	-	-	-	-	-	-	-	-
Unrequited private transfer payments	-	-	-	-	-	-	10	25
Balance on capital account	**592**	**820**	**889**	**595**	**467**	**935**	**1 076**	**771**
Unrequited official transfer payments	115	135	130	169	202	844	379	396
Long-term capital	387	80	203	-99	-168	190	-457	-390
Direct investment	-	-	-	-	-	-	15	39
Portfolio investment	-	-	-	-	-	-	-	-
Other long-term capital	387	80	203	-99	-168	190	-472	-429
Official sector [c]	391	73	202	-88	-135	240	-470	-363
Loans received	1 078	507	536	280	228	1 395	325	246
Amortization payments	-688	-434	-334	-369	-362	-1 146	-795	-609
Commercial banks [c]	-	-	-	-5	-17	-13	-4	-8
Loans received	-	-	-	-	-	-	3	1
Amortization payments	-	-	-	-5	-17	-13	-7	-9
Other sectors [c]	-3	7	2	-5	-16	-37	2	-58
Loans received	2	8	5	6	-	-	3	12
Amortization payments	-5	0	-4	-11	-16	-37	-1	-70
Short-term capital	273	684	504	594	615	-184	1 113	639
Official sector	285	689	527	557	557	-78	1 109	590
Commercial banks	1	7	-10	7	22	10	4	-7
Other sectors	-13	-13	-13	30	36	-115	1	57
Errors and ommissions (net)	-184	-79	52	-69	-181	85	41	126
Global balance [d]	**-211**	**6**	**44**	**64**	**-39**	**86**	**2**	**-82**
Total variation in reseves (- sign indicates an increase)	211	-6	-44	190	8	-15	24	54
Monetary gold	54	2	-2	8	1	2	-14	14
Special drawing rights	-	-	-	-	-	-	-	-
IMF reserve position	-	-	-	-	-	-	-	-
Foreign exchange assets	149	-1	-52	183	9	-28	3	37
Other assets	8	-7	9	-1	-2	-14	-4	4
Use of IMF credit	-	-	-	-	-	24	-1	-

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF). 1993: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities. [d] Equals total variation in reserves (of opposite sign) plus counterpart items.

Table 18
NICARAGUA: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
External public debt [b]	5 760	6 270	7 220	9 741	10 504	10 312	10 806	10 987
Long- and medium-term	5 321	5 733	6 773	7 544	8 064	8 496	8 836	8 907
Short-term	439	537	447	535	589	434	440	509
Accumulated interest arrears	...	...	...	1 662	1 851	1 382	1 530	1 571
Disbursements [c]	837	522	955	867	880	-275	609	283
Debt servicing	32	25	11	12	17	49	170	194
Principal [d]	13	12	5	8	5	29	115	102
Interest payments	19	13	6	4	12	20	55	92
	Percentages of the value of exports of goods and services							
External public debt	2 007.0	1 929.2	2 644.7	2 856.6	2 679.6	3 050.9	3 554.6	2 993.7
Servicing	11.1	7.7	4.0	3.5	4.3	14.5	55.9	52.9
Net interest payments [e]	88.2	75.7	96.0	60.1	55.4	107.4	158.6	114.4
Servicing/disbursements	3.8	4.8	1.2	1.4	1.9	-17.8	27.9	68.6

Source: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.
[a] Preliminary figures. [b] Year-end balances. [c] Calculated by ECLAC, based on the difference between the balance for the year under study and the balance for the previous year, plus amortization payments made during the year under study. [d] Amortization payments on the long-term debt. [e] Net interest paid, according to balance-of-payments figures.

Table 19
NICARAGUA: CONSUMER PRICES IN THE MANAGUA METROPOLITAN AREA

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	December-December variation							
Consumer price index	747.4	1 347.3	33 657.3	1 689.1	13 490.1	856.6	3.5	19.5
Food, beverages and tobacco	955.6	1 422.2	18 504.8	1 826.4	11 081.7	836.5	3.1	10.4
	Variation between annual averages							
Consumer price index	681.6	912.0	14 315.8	4 770.1	7 485.7	2 742.2	20.2	20.7
Food, beverages and tobacco	887.0	990.7	19 928.9	3 292.8	8 724.2	2 751.2	23.1	...

Source: ECLAC, on the basis of figures supplied by the National Institute of Statistics and Censuses.
[a] Preliminary figures.

Table 20

NICARAGUA: REAL WAGES [a]

	Indexes (1980=100)					Growth rates [b]				
	Annual [c]	I	II	II	IV	Annual [c]	I	II	II	IV
1988	4.7	16.3	9.3	4.6	4.6	-42.7	26.3	5.7	-31.3	-43.2
1989	7.8	5.8	7.4	7.1	8.6	66.0	-64.4	-20.4	54.3	87.0
1990	12.6	11.1	21.5	14.4	11.8	61.5	91.3	190.5	102.8	37.2
1991	13.0	11.8	11.1	14.2	14.7	3.2	6.3	-48.4	-1.4	24.6
1992 [d]	15.5	13.1	16.0	16.6	16.5	19.2	11.0	44.1	16.9	12.2
1993 [d]	15.0	14.8	14.8	15.1	15.2	-3.4	13.1	-7.4	-9.3	-7.9

Source: ECLAC, on the basis of official figures.
[a] Average nominal wages deflated by the general consumer price index. Wages paid in kind and other benefits are not included. [b] In relation to the same period of the preceding year. [c] Annual averages do not coincide with the sum of quarterly averages due to distortions caused by hyperinflation. [d] Preliminary figures.

Table 21

NICARAGUA: INCOME AND EXPENDITURE OF PUBLIC SECTOR AND CENTRAL GOVERNMENT

(As percentages of GDP)

	Public sector [a]			Central Government		
	1991	1992	1993[b]	1991	1992	1993[b]
1. **Current income**	**24.9**	**28.5**	**28.0**	**19.3**	**20.4**	**18.9**
Tax revenue	22.0	24.4	22.1	17.7	19.3	18.0
Direct	...	...	...	3.4	3.4	2.5
Indirect	...	...	...	10.7	11.9	11.6
On foreign trade	...	...	...	3.6	4.0	3.9
Non-tax revenue	2.9	4.1	5.9	1.5	1.1	0.9
2. **Current expenditure**	**27.4**	**27.1**	**25.0**	**23.5**	**22.1**	**20.0**
Wages and salaries	...	...	...	8.8	7.6	5.3
Other current expenditure	...	...	...	14.6	14.5	14.6
3. **Current balance** (1 - 2)	**-2.5**	**1.4**	**3.0**	**-4.2**	**-1.7**	**-1.1**
4. **Capital expenditure**	**5.6**	**10.3**	**10.9**	**3.5**	**6.0**	**5.7**
Real investment	4.4	8.4	7.3	2.1	3.4	2.1
Transfers	1.2	1.9	3.6	1.4	2.6	3.6
5. **Total expenditure** (2 + 4)	**33.0**	**37.4**	**35.9**	**27.0**	**28.1**	**25.7**
6. **Fiscal balance** (1 - 5)	**-7.9**	**-8.7**	**-7.4**	**-7.5**	**-7.6**	**-6.3**
7. **Financing**	**8.0**	**8.7**	7.4			
Domestic financing (net)	-4.4	-6.5	-1.6			
Central Bank	1.3	-7.9	0.8			
Other	-5.7	1.4	-2.4			
External financing (net)	12.4	15.2	9.0			
Credit received	0.4	10.3	1.2			
Grants and donations	12.0	4.9	7.8			

Source: ECLAC, on the basis of figures supplied by the Ministry of Finance and the Central Bank of Nicaragua.
[a] Non-financial public sector. [b] Preliminary figures.

Table 22
NICARAGUA: MONETARY INDICATORS

	Millions of gold córdobas[a] (year-end balances)			Real growth rates [b]		
	1991	1992	1993[c]	1991	1992	1993[c]
Money (M1)	723	841	804	-1.5	12.5	-20.0
Currency outside banks	398	468	509	-14.0	13.5	-9.0
Demand deposits	324	373	295	19.9	11.2	-33.8
Factors of expansion						
International reserves (net)	618	643	272	...	-	-64.6
Domestic credit	3 876	21 756	25 191	-38.5	442.3	-3.1
To public sector	2 205	19 721	22 140	-59.0	764.1	-6.1
Central Government (net)	1 016	18 863	21 187	-41.3	1 693.6	-6.0
Public institutions [d]	1 189	858	953	-67.5	-30.3	-8.9
To private sector	1 671	2 035	3 051	82.2	17.7	25.5
Other net assets	-3 231	-20 749	-23 347	...	...	...
Factors of absorption						
Quasi-money	540	809	1 312	-8.6	45.0	35.6
Savings and time deposits	183	255	380	-6.0	35.2	24.5
Foreign currency deposits	357	554	932	-9.9	50.0	40.8

Source: ECLAC, on the basis of figures supplied by the Central Bank of Nicaragua.
[a] One gold córdoba (the country's new currency) equals 5 million córdobas. From 1992 onward, the Central Bank presents credit to the public sector and other net assets under a different heading than in previous years. [b] Real growth rates, calculated by deflating nominal rates expressed in córdobas by the respective year-end variation in the consumer price index.
[c] Preliminary figures. [d] Includes credits granted to the sector referred to as "property of the people".

PANAMA

1. General features of recent trends

The progressive return to normal in the provision of the international services that are the hallmark of the Panamanian economy, along with a high level of investment, contributed to the sustained increase in economic activity (6%) in 1993, the fourth consecutive year in which per capita output rose substantially. The economy experienced virtually zero inflation and the fiscal deficit was almost entirely eliminated. During the year, however, there were several indications that the current expansionary phase, which had been sustained by the surge in capital formation associated with the process of rebuilding and urban renewal, was weakening.

2. Economic policy

Fiscal policy is a priority in Panama owing to the special features of the country's economy. In 1993, the Government implemented the fiscal restructuring plan agreed upon with international organizations and undertook the regularization of its foreign debt-service payments and the renegotiation of future commitments. It completed the process of paying off the arrears of interest owed to international financial institutions; however, the regularization of private-sector external debt, estimated to be similar in size to outstanding documented public-sector debt, remained pending. The process of privatizing public-sector enterprises was delayed, as it failed to meet with the approval of the legislature.

The rebuilding of the level of deposits of both residents and non-residents in the international banking system continued at a brisk pace; savings and time deposits increased by 29% in 1993. The consequent broadening of the monetary base, together with a slight nominal drop in the local market reference interest rate, contributed to a 33% jump in the loan portfolio, after an increase of almost 20% the previous year. This substantial increase in the availability of bank financing provided a considerable boost to the expansion of commercial activity and private-sector construction.

a) Fiscal policy

Fiscal management succeeded in reducing the financial deficit to just 0.6% of gross domestic product, since the increase in income (5%) outpaced that in expenditure (1%). Revenue from direct taxes grew only moderately (2%), partly as a result of the reduction in income tax rates on individuals. The higher level of economic activity resulted in a 6% increase in revenue from indirect taxation, including taxes levied on foreign trade, in spite of a variety of exemptions authorized during the course of the year. Duties were waived on inputs imported by the manufacturing sector, equivalent to 59% of actual tax revenues from imports, and electrical rates for industry were lowered. Tax credit certificates continued to be issued for cattle exports, and the general sales tax was reduced on school uniforms and materials.

Efforts to control expenditure benefited from the conclusion of debt renegotiation agreements with multilateral and bilateral organizations, which reduced debt service interest and charges by one fourth. Outlays for workers' salaries increased as a result of wage adjustments, such as the measure adopted in December 1992 setting the minimum wage for central Government workers at 200 balboas a month.

Figure 1
PANAMA: MAIN ECONOMIC INDICATORS

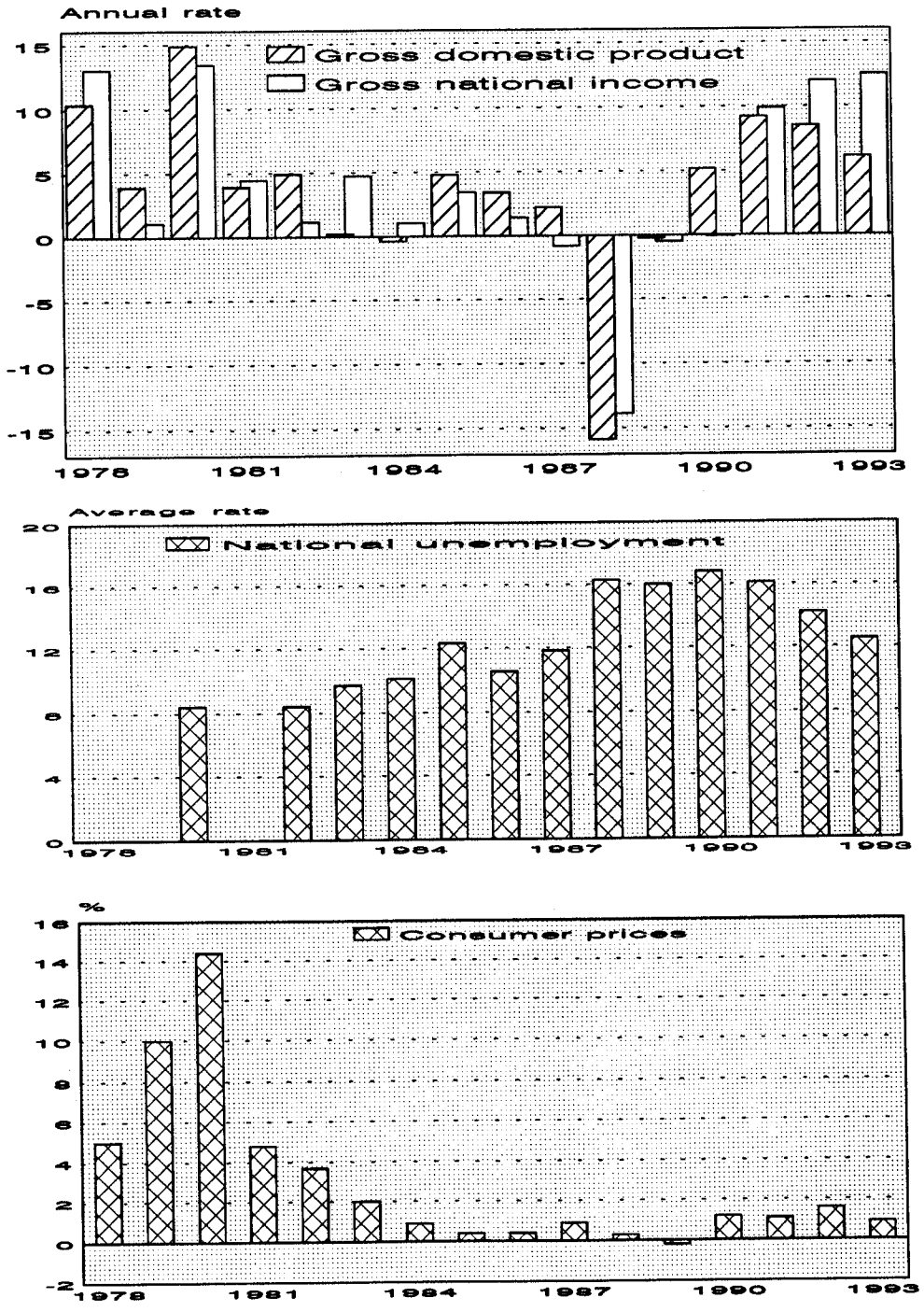
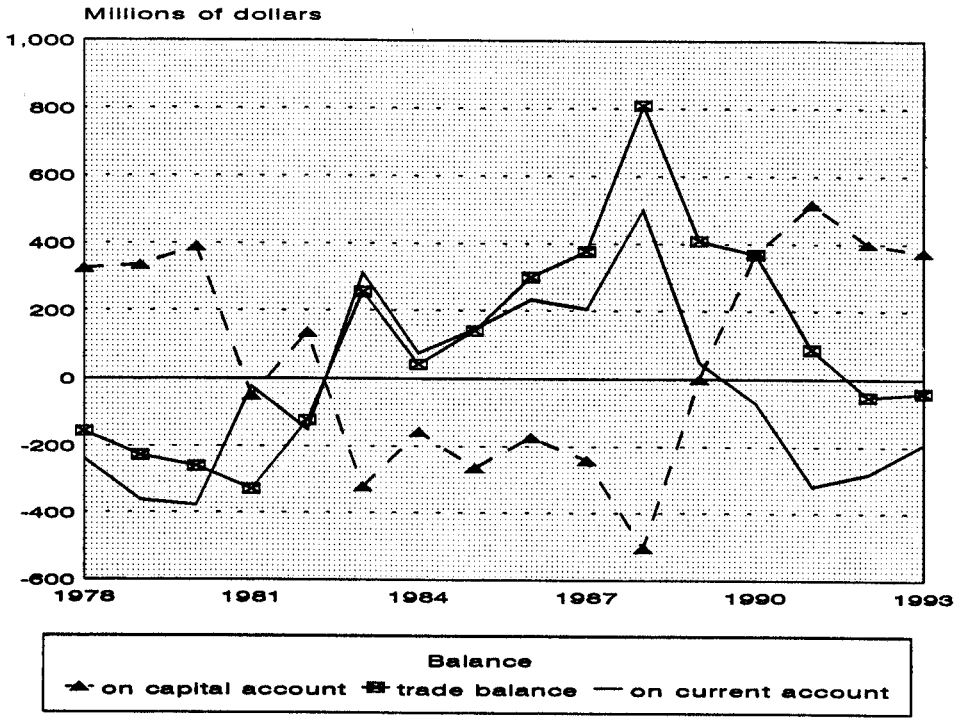


Figure 1 (concluded)



Throughout the year, Government authorities accorded high priority to the complex process of external debt negotiation and directed their efforts towards regularizing the public-sector debt situation. The amount of total debt, both public and private, which had accumulated by the end of December was nearly US$ 7 billion; arrears of interest and charges on the external debt, owed primarily to international commercial banks, accounted for one fifth of that amount. Only the debt service owed to multilateral and bilateral creditors had been settled; however, significant progress had been made towards completing the regularization of the debt service on bonds and other instruments and securities placed in international financial markets.

Public sector domestic debt amounted to 2 billion balboas. A shortage of liquid resources made it necessary to use a variety of instruments to meet those commitments, owed to a large extent to Government suppliers, by issuing government cheques that could be used to pay tax liabilities. The central Government's overdraft with the National Bank of Panama was partially repaid (7%) and the remainder rescheduled with promissory notes. In a similar vein, the central Government gave debt instruments to the Social Security Fund and issued securities to meet its labour commitments towards retired or relocated civil servants.

b) Other aspects of economic policy

One of the economic policy issues generating the most debate in the domestic arena related to the use of the areas in the Canal Zone that had been returned by the United States, including the way in which conservation and development of natural resources in the area would be handled. The Legislative Assembly had provided for the creation of an Interoceanic Regional Authority (ARI), to be in charge of administering these areas and their resources.

In a further development relating to prospects for developing the Canal Zone, support had been growing for the plan to create multisectoral areas

(customs-free zones for petroleum) where firms could engage in such activities as importing, re-exporting, storing, refining, decanting, selling to the domestic market and handling petroleum and petroleum products. Firms taking advantage of this regime would pay only the 8.5% income tax. For this purpose, the Tax Code was changed to classify as external transactions sales of hydrocarbons in customs-free zones to vessels and aircraft serving international routes and to seagoing vessels passing through the Panama Canal. Contractors benefiting from this regime would be obliged to make an investment within a period of no more than one year, to hire Panamanian workers and to comply with environmental protection standards and assume responsibilities in that area. Output from these zones would be destined for the Central American region, as a natural extension of the already existing market, and also for world markets, with a view to turning Panama into a major international supplier in the market for petroleum products, based on the country's refining facilities.

3. Trends in the main variables

a) Economic activity

The 6% increase in gross domestic product in 1993 meant in effect that that variable had grown by a third in the past four years. It also signified that per capita output had virtually recovered to the level recorded before the 1987 crisis. The considerable drop in resources transferred abroad for factor payments led to a situation where national income in 1993 grew twice as fast as output.

While the different components of domestic demand all contributed to the increase in output, the hefty growth (28%) in Government and private-sector fixed investment was especially noteworthy. In consequence, gross domestic investment's share in output rose to 27%, its highest figure since the beginning of the 1980s. External savings once again accounted for a substantial share of output (around 12%), but national savings accounted for an even greater share. Exports expanded by 6%, while consumption grew by 3%, a considerably lower rate than in the previous two years.

Generally speaking, the various sectors of the economy experienced high rates of growth, with the exception of agriculture and communications and transport, which posted markedly lower growth rates. Goods production rose by 11%, boosted by manufactures and construction; indeed, construction alone accounted for 2% of the increase in overall output. The services which are the hallmark of Panama's economy, such as the re-export of goods from the Colón Free Zone, international banking, and commerce and tourism, continued to perform robustly.

Growth in the farming sector slowed down to a mere 1% due to the decline in agricultural and forestry output. Banana production was hampered by problems such as unfavourable weather conditions in the Atlantic area, the labour stoppage which occurred halfway through the year and the slump in external demand due to the restrictions imposed by the European Economic Community; these negative factors contributed to a 7% decline in the aggregate value of the banana crop, which accounts for 40% of total agricultural production. Other traditional export crops, such as sugar and coffee, experienced only a slight rebound, despite an improvement of approximately 10% in world prices in both cases. The United States import quota for sugar remained unchanged, while the rise in the price of coffee was not large enough to stimulate greater export volumes of coffee beans. Overall, the remaining crops, mostly basic grains, recorded growth of just over 4%. Production levels of non-traditional export crops like melons, watermelons and papaya increased, thanks to the support of Government agencies, but their share of sectoral production remained insignificant.

The livestock sector, which had recorded sustained growth for the past four years, expanded by almost 4%. In particular, pork, a staple of the Panamanian diet, benefited from the improvement in personal incomes and the incentive of favourable prices relative to beef. The surge in foreign demand for shrimp and fish

meal set the conditions for a 20% increase in the fish catch.

In contrast, the forestry sector posted a decline of over 3% due to problems in finding foreign markets for Panamanian wood products, and this state of affairs was reflected in a drop of more than 12% in sawmill production.

Manufacturing grew by 7%, a somewhat lower rate than in the previous two years. The sustained growth in manufacturing was largely the reflection of demand in the construction industry, which also gave mining a boost. Increases in output of non-metallic minerals (28%), basic metal products (30%) and other metals (13%) were well above the average for manufacturing and contributed greatly to the sector's solid performance and to higher employment. Other sectors, including notably consumer-goods industries, either experienced a slow-down in growth or began to contract. Fluctuations in external demand, which were caused by competition from other international centres, had a negative impact on textile and wood production. According to estimates of the industry association, employment in the manufacturing sector rose by the modest figure of less than 1%.

For the fourth year in a row, construction stood out as the most dynamic sector of the economy, expanding on this occasion by a phenomenal 39%. Once again most construction involved housing and luxury apartments and large shopping centres in residential areas. The last quarter saw a reactivation of projects to develop road infrastructure, motorways, schools and other public facilities financed with Inter-American Development Bank (IDB) funds.

The electric power supply increased by around 7%, with both the abundant rainfall early in the year and additional installed capacity boosting hydroelectric generation. Transport, storage and communication services grew by 3%. The volume of petroleum carried by the trans isthmus pipeline fell to almost half that of 1992, owing to greater use by the United States of its own pipeline connecting the Alaskan oil fields to the country's West Coast. The number of ships and the net tonnage passing through the Canal declined, and this was reflected in a slight decrease in real terms in toll revenues collected by the Canal Commission. Although the United States economy recovered in the latter half of the year, increased use of road transportation to move goods from coast to coast in that country meant that the recovery did not enhance the demand for Canal services. None the less, revenues from these services did rise as a result of rate hikes introduced in October 1992.

Financial services recorded 8% growth, slightly higher than in the previous two years; in spite of the recovery in recent years, the level of assets in the international banking centre still represented less than two thirds of the level attained in 1986, before the crisis. Commerce and tourism experienced a similar rate of growth (7%). In fact, commerce was one of the sectors which benefited most from loans granted by the banking system; this contributed to the performance of the customs-free zone and the vigour displayed by domestic commerce. Despite smaller hotel capacity owing to repairs, earnings from tourism improved, mainly due to an increase in the number of foreign visitors.

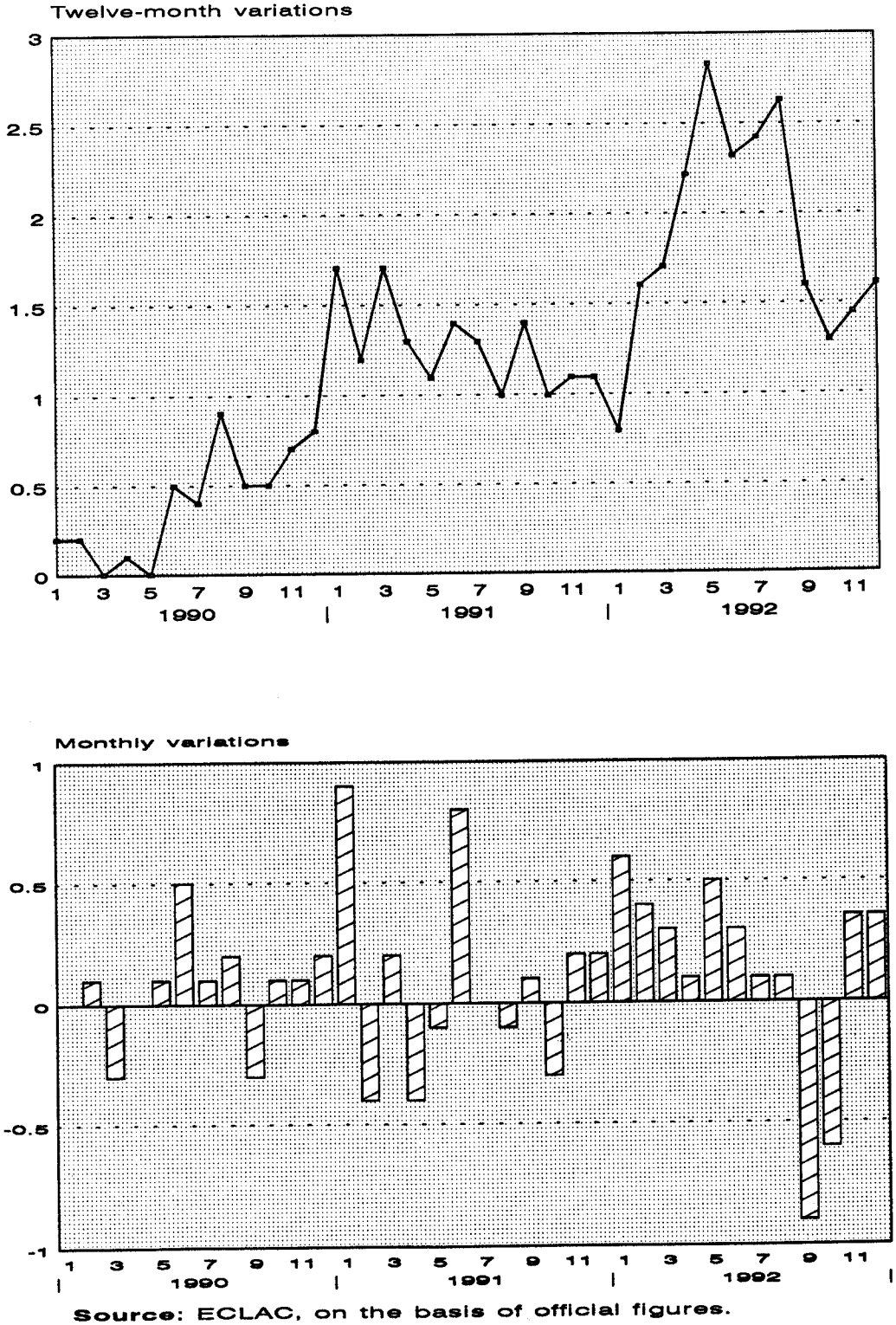
b) Prices, wages and employment

Consumer prices in Panama City increased by less than 1% during 1993. The fall in the prices of gas and oil caused by the deregulation of the domestic fuel market was to a great extent responsible for the sharp reduction in wholesale prices of manufactures (-8%) and the nearly zero change in the food price index.

The deregulation of the domestic oil and gas market and the reduction of import tariffs combined to have a favourable impact on the price levels of a considerable range of goods and services. Thus, in 1993, while the average world price of oil dropped between 8% and 12%, average prices of imported fuels fell by 10% and wholesale prices of oil and gas tumbled 18%. Consumer benchmark prices dipped by 15% between September 1992, when deregulation began, and May 1993; this development reflected greater openness and participation by transnational corporations as importers.

Overall, there was little variation in average wages in 1993; wages were estimated to have increased by about 4% in the most representative sectors of the economy, such as commerce, the

Figure 2
PANAMA: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

public sector and the Canal Zone. Real wages of public-sector employees at the low end of the scale rose moderately as a result of the minimum wage hike adopted by the Government in late 1992 and the effects of the measure to equalize wages, which in this sector were below the minimum. Average wages in manufacturing remained practically unchanged.

The national unemployment rate, which had risen to over 16% during the period following the crisis, fell for the second consecutive year in close correlation with the economic recovery. Revised employment indicators, based on surveys processed using new population estimates, revealed an overall unemployment rate of 12.5% in 1993. While lower than the previous year, this percentage of the economically active population unemployed prior to the crisis, was still higher than the historical average.

c) The external sector

The positive trade balance in real services, combined with reduced deficits in both the trade in goods and factor service payments, helped reduce the deficit in the balance-of-payments current account to under US$ 200 million.

The trade deficit in goods fell slightly. The value of exports of domestically produced products rose by almost 6%, a higher rate than in the case of re-exports, despite the 6% drop in exports of bananas, the leading traditional product, as a result of quota restrictions imposed by the European Economic Community. This was offset by an increase in external sales of petroleum products, shrimp, sugar and coffee and non-traditional products, which recorded combined growth of around 18%.

With respect to external purchases, capital goods showed the most dynamic growth (25%). The rest of Panama's imports –excluding goods which later re-exported– did not yet by and large reflect the impact of tariff reductions. The *ad valorem* tariff ceiling was set at 20% on non-traditional manufactures, 40% on traditional industrial products and 50% on agricultural products.

Real services, with a surplus of US$ 945 million, largely offset the deficit in the trade balance in goods. The greater provision of tourist services and services related to goods traffic in the customs-free zone contributed to this surplus. The growth rate in the latter category did, however, experience a slow-down (5%, in the wake of growth rates of more than 20% in the three previous years), largely due to increasing competition from other newly opened duty-free zones in the region.

For the fourth consecutive year, the drop in international interest rates contributed to diminishing interest payments on foreign capital. Profits remitted abroad grew significantly but continued to represent a negligible proportion of factor payments. Private remittances abroad amounted to almost US$ 27 million while official grants diminished by more than a third with respect to the previous year, after the winding up of a number of special programmes aimed at supporting government efforts to revive the economy.

The payment of a total of US$ 100 million in interest arrears on the external public debt facilitated the completion in 1993 of the process of renegotiating the external public debt with multilateral organizations. However, interest arrears with other bilateral creditors and private sources rose to US$ 1.5 billion.

The lower deficit on the balance-of-payments current account was more than covered by the influx of external capital so that international reserves increased by some US$ 180 million. Official transfer payments accounted for more than half of all resources received.

Table 1
PANAMA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	117.8	120.4	101.3	101.1	106.3	116.1	126.0	133.6
Gross national income	126.4	124.7	103.0	101.1	87.6	96.3	107.8	121.4
Population (millions of inhabitants)	2.2	2.3	2.3	2.3	2.4	2.4	2.5	2.5
Per capita gross domestic product	103.9	104.1	85.8	83.9	86.4	92.7	98.6	102.7
	Ratios (percentages)							
Fiscal balance of central Government/GDP [b]	-1.9	-5.7	-5.4	-7.3	6.8	-2.7	-1.4	-0.6
Unemployment rate [c]	10.5	11.8	16.3	16.3	16.8	16.1	14.2	12.5
	Growth rates							
Gross domestic product	3.4	2.2	-15.9	-0.2	5.2	9.2	8.5	6.1
Per capita gross domestic product	1.3	0.2	-17.6	-2.2	3.0	7.2	6.4	4.1
Gross national income	4.4	-1.3	-17.4	-1.9	-13.3	9.9	12.0	12.5
Consumer prices December to December	0.4	0.9	0.3	-0.2	0.8	1.1	1.6	0.9
Real wages and salaries [d]	0.1	-1.0	-0.4	0.2	-0.7	-1.8	-1.7	...
Current value of exports of goods and services	11.4	4.5	-5.6	4.7	19.5	20.4	15.2	6.1
Current value of imports of goods and services	6.9	2.6	-18.7	20.3	23.1	28.9	18.0	5.9
	Millions of dollars							
External sector								
Trade balance	300	376	809	408	368	88	-53	-41
Factor services	-40	-121	-269	-323	-418	-389	-202	-125
Balance on current account	233	205	500	49	-71	-318	-282	-193
Balance on capital account	-173	-242	-505	0	369	516	398	373
Variation in international reserves (net)	30	-85	12	56	272	212	111	180
Disbursed public external debt [e]	3 835	3 731	3 771	3 814	3 714	3 699	3 548	3 494

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] For 1990, includes earnings from funds held abroad, as well as non-traditional categories of income not taken into account in previous calculations. [c] Percentages. [d] Minimum wages and salaries in Panama City.
[e] Corresponds to the contractual debt of the public sector.

Table 2
PANAMA: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	96.3	107.8	121.4	97.3	80.6	83.2	88.3
a) Gross domestic product	116.1	126.0	133.6	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-6.9	-8.4	-6.7
c) Net factor income from abroad [b]	438.4	309.1	187.2	-3.2	-11.9	-7.7	-4.4
d) Net private transfers received from abroad [b]	-167.1	-197.9	-188.8	0.4	-0.6	-0.6	-0.6

Source: ECLAC, on the basis of official figures
[a] Preliminary figures. [b] Up to 1992, these figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars. The figures for 1993 were estimated by ECLAC based on information from the Statistics and Census Office and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 3
PANAMA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**113.2**	**126.1**	**132.5**	**148.3**	**147.0**	**11.9**	**11.2**	**11.4**	**5.1**
Gross domestic product at market prices	116.1	126.0	133.6	100.0	100.0	5.2	9.2	8.5	6.1
Imports of goods and services [c]	107.0	126.3	130.1	48.3	47.0	32.0	16.0	18.0	3.0
Total demand	**113.2**	**126.1**	**132.5**	**148.3**	**147.0**	**11.9**	**11.2**	**11.4**	**5.1**
Domestic demand	106.7	123.8	129.8	103.4	100.4	12.4	12.7	16.0	4.8
Gross domestic investment	83.6	118.0	130.0	27.5	26.7	317.8	11.4	41.1	10.2
Gross fixed investment	87.8	123.5	157.6	24.1	28.4	32.0	80.4	40.7	27.6
Construction	62.2	94.6	127.8	15.7	15.0	28.0	114.9	52.0	35.1
Machinery and equipment	135.5	177.5	213.2	8.4	13.4	34.7	58.6	31.0	20.1
Public	35.7	46.5	61.9	9.8	4.5	-21.8	172.1	30.0	33.3
Private	123.5	176.3	223.2	14.3	23.9	44.3	69.1	42.8	26.6
Variation in stocks	54.1	78.6	-67.9	3.4	-1.7	...	...	...	...
Total consumption	115.1	125.9	129.7	75.9	73.7	-6.0	13.0	9.4	3.0
General Government	108.7	114.6	118.8	18.9	16.8	-7.8	1.4	5.4	3.6
Private	117.2	129.6	133.3	57.0	56.9	-5.3	17.2	10.7	2.8
Exports of goods and services [c]	128.0	131.3	138.6	44.9	46.6	11.0	8.6	2.6	5.6

Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund (IMF).
[a] Based on figures valued at market prices, in constant 1980 dollars, at an adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC based on information from the Statistics and Census Office and were then converted to constant 1980 dollars using unit-value indexes calculated by ECLAC. Excludes commercial transactions in customs-free zones and re-exports.

Table 4

PANAMA: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentage of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	19.9	20.0	8.6	4.9	19.4	19.8	25.7	26.7
Gross fixed investment	20.4	20.0	10.8	8.8	11.0	18.2	23.6	28.4
Construction	10.8	10.4	5.0	3.5	4.3	8.4	11.8	15.0
Machinery and equipment	9.5	9.6	5.8	5.3	6.8	9.8	11.8	13.4
Changes in stocks	-0.4	-	-2.2	-3.9	8.4	1.6	2.1	-1.7
Gross domestic saving	21.5	22.5	28.0	18.7	27.3	24.8	24.1	26.3
Terms-of-trade effect [c]	3.1	-0.2	-4.3	-5.3	-7.5	-6.9	-8.4	-6.7
Net income from factor services [c]	-1.0	-0.5	1.5	0.9	-11.8	-11.9	-7.7	-4.4
Unrequited private transfers [c]	2.2	1.4	1.7	1.6	-0.5	-0.6	-0.6	-0.6
Gross national saving	25.8	23.1	26.9	15.9	7.5	5.4	7.4	14.6
External saving	-5.9	-3.2	-18.3	-11.0	12.0	14.4	18.4	12.1

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992 these figures have been taken from International Monetary Fund (IMF) balance-of-payments data, expressed in current dollars. The figures for 1993 were estimated by ECLAC based on information from the Statistics and Census Office and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 5
PANAMA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**116.1**	**126.0**	**133.6**	**100.0**	**100.0**	**5.2**	**9.2**	**8.5**	**6.1**
Goods	**102.7**	**117.7**	**130.9**	**27.2**	**26.6**	**8.7**	**15.7**	**14.6**	**11.2**
Agriculture	134.3	142.8	144.9	9.9	10.7	3.0	5.0	6.3	1.4
Mining	96.8	135.5	161.3	0.2	0.2	33.3	50.0	40.0	19.0
Manufacturing	103.4	111.8	119.7	9.9	8.9	11.6	8.7	8.1	7.0
Construction	58.5	90.9	126.4	7.2	6.8	40.2	117.0	55.4	39.0
Basic services	**139.0**	**148.7**	**153.9**	**23.2**	**26.7**	**0.8**	**10.6**	**7.0**	**3.5**
Electricity, gas and water	134.0	132.3	140.9	3.2	3.3	3.2	-6.3	-1.3	6.5
Transport, storage and communications	139.8	151.3	155.9	20.1	23.4	0.4	13.7	8.3	3.1
Other services	**116.6**	**124.8**	**130.3**	**51.5**	**50.3**	**3.3**	**7.3**	**7.1**	**4.4**
Commerce, restaurants and hotels	94.1	101.7	108.5	17.2	14.0	13.4	10.8	8.1	6.7
Financial institutions, insurance, real estate and business services	132.4	143.7	155.6	14.0	16.3	3.4	8.1	8.5	8.3
Ownership of dwellings	126.3	126.7	130.3	6.9	6.7	0.1	0.2	0.4	2.8
Community, social and personal services	124.6	131.3	131.3	20.3	20.0	-1.9	4.6	5.4	-
Government services	124.3	128.8	126.2	12.4	11.7	-6.0	2.3	3.6	-2.0
Import duties	108.5	129.5	187.5	2.2	3.1	83.4	-1.6	19.3	44.8
Less: Adjustments for bank services	157.8	186.9	216.9	4.1	6.7	-2.4	20.2	18.4	16.1

Source: ECLAC, on the basis of official figures, reweighted according to the 1980 current price structure. Consequently the figures shown here do not necessarily coincide with those published by the countries based on their calculations at constant prices.

[a] Preliminary figures.

Table 6

PANAMA: FISHERY PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes							
(1980=100)	67.2	71.8	86.5	-27.9	2.8	6.8	20.5
Shrimp	81.8	72.0	82.9	-35.7	34.1	-12.0	-4.7
Fish	58.9	53.6	68.6	-34.7	10.7	-9.0	...
		Thousands of tons					
Catch							
Shrimp [b]	4.7	4.1	4.7	-35.7	34.1	-12.0	15.1
Lobster [c]	315.0	351.0	351.0	-1.6	-	11.4	-
Fish	107.8	98.1	125.6	-34.8	10.8	-9.0	28.0
Processed products							
Fish oil	6.4	11.2	8.0	-54.0	-21.7	75.7	-28.7
Fish meal	25.3	22.8	28.4	-31.6	10.3	-9.9	24.7
For export							
Fresh or frozen shrimp	6.4	6.8	7.6	-21.5	7.2	5.7	12.7
Fish meal	13.6	9.5	15.7	-39.4	21.6	-30.5	66.4
Fish oil	8.6	8.6	8.6	-54.3	41.4	-0.8	0.9

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office), the Ministry of Commerce and Industry, and the Ministry of Agricultural Development (Bureau of Marine Resources).

[a] Preliminary figures. [b] Excludes production in hatcheries. Figures refer to the weight of the shrimps' tails. [c] Tons.

Table 7
PANAMA: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Percentage breakdown[b]		Growth rates			
				1985	1993[a]	1990	1991	1992	1993[a]
Production indexes (1981=100)	**109.4**	**119.6**	**125.1**	**100.0**	**100.0**	**12.4**	**7.6**	**9.3**	**4.6**
Food, beverages and tobacco	113.1	118.3	120.2	48.1	49.9	8.7	4.8	4.6	1.6
Textiles, clothing and leather products	107.5	114.5	113.1	5.2	4.5	9.4	15.8	6.5	-1.2
Wood, furniture and fittings	73.2	81.7	78.2	2.4	1.8	24.8	5.5	11.6	-4.3
Paper, printing and publishing	102.2	110.4	114.9	7.4	7.8	13.7	3.2	8.0	4.1
Chemicals and petroleum products	128.4	155.1	161.5	26.9	23.4	10.6	6.6	20.8	4.1
Non-metallic minerals	86.0	105.3	135.2	4.4	6.3	37.6	55.5	22.4	28.4
Basic metal industries	92.0	106.7	138.7	0.8	1.1	71.7	46.0	16.0	30.0
Metal products	102.2	110.4	124.2	4.5	4.7	33.5	-2.2	8.0	12.5
Other manufactures	107.8	114.3	123.4	0.3	0.5	-1.8	-3.1	6.0	8.0
Production of some major manufactures									
Sugar[c]	122.0	141.4	144.7				9.7	15.9	2.3
Beer[d]	122.0	116.2	120.4				4.9	-4.8	3.6
Carbonated beverages[d]	102.7	105.1	109				6.2	2.3	3.7
Evaporated, condensed and powdered milk[c]	22.1	23.3	24.6				-5.2	5.4	5.6
Cigarettes[e]	771.4	805.9	907.3				-5.3	4.5	12.6
Footwear[f]	1 182.8	1 201.9	1 213.1				30.1	1.6	0.9
Other indicators of manufacturing production									
Industrial consumption of electricity[g]	321.1	366.2	408.9				16.3	14.0	11.7
Employment[h]	69.3	75.5	...				3.4	8.9	...

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office).
[a] Preliminary figures. [b] On the basis of current values of the gross value of output. [c] Thousands of tons. [d] Millions of litres. [e] Millions of units. [f] Thousands of pairs. [g] Thousands of kWh. [h] Thousands of persons, according to the household survey.

Table 8
PANAMA: CONSTRUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Area [b]							
(thousands of m2)	481.0	703.2	969.0	223.6	170.2	46.2	37.8
Residential	298.0	450.0	707.0	290.0	282.1	51.0	57.1
Value of structures [c]							
(millions of balboas)	159.0	233.7	331.9	193.4	124.9	47.0	42.0
Production of selected building materials							
Cement [d]	345.0	470.0	620.0	25.9	48.1	36.2	31.9
Employment [e]	25.9	43.0	...	35.5	-9.4	66.0	...

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Satistics and Census Office).
[a] Preliminary figures. [b] Corresponds to the surface area of structures built according to register of construction permit applications in the District of Panama. [c] Nationwide, based on records of building permits granted. [d] Thousands of tons. [e] Thousands of people.

Table 9
PANAMA: ELECTRICITY GENERATION AND CONSUMPTION

	Thousands of MWh			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total supply	**2 961**	**3 075**	**3 301**	**4.1**	**4.4**	**3.9**	**7.3**
Net generation	2 758	2 864	3 109	3.1	4.8	3.8	8.6
Gross generation	2 790	2 903	3 149	3.1	4.8	4.1	8.5
Hydroelectric	2 029	1 884	2 287	1.5	-8.0	-7.1	21.4
Steam	374	443	454	7.3	15.1	18.4	2.5
Diesel	355	537	368	32.9	251.5	51.3	-31.5
Minus: in-house consumption	32	39	40	7.4	10.3	21.9	2.6
Imports	203	211	192	19.3	-0.5	3.9	-9.0
Total demand	**2 962**	**3 075**	**3 301**	**4.1**	**4.4**	**3.8**	**7.3**
Domestic consumption	2 240	2 356	2 539	1.9	6.0	5.2	7.8
Residential	674	716	749	3.7	5.8	6.2	4.6
Commercial	703	754	838	3.6	11.1	7.3	11.1
Industrial	321	366	409	8.2	16.3	14.0	11.7
Public and other	542	520	543	-4.4	-4.4	-4.1	4.4
Exports	10	18	44	141.7	-65.5	80.0	144.4
Transmission and distribution losses	712	701	718	8.6	2.6	-1.5	2.4
Other indicators							
Coefficient of losses/ total supply [b]	24.0	22.8	21.8	4.3	-2.0	-5.0	-4.4
Consumption of fuel as industrial input [c]	1 625	2 275	1 905	13.8	77.2	40.0	-16.3
Installed capacity [d]	893	892	921	0.1	0.1	-0.1	3.3

Source: ECLAC, on the basis of figures supplied by the Institute of Water Resources and Electrification.
[a] Preliminary figures. [b] Percentages. [c] Thousands of barrels. [d] MW.

Table 10
PANAMA: SELECTED SERVICES

	1991	1992	1993[a]	Growth rates 1990	1991	1992	1993[a]
	Gross domestic product (Millions of balboas at 1970 prices)						
Transport, storage and communication services	535	580	597	0.4	13.6	8.4	2.9
Pipelines and other waterway transport services	52	37	20	-30.4	-5.5	-28.8	-45.9
Panama Canal Commission	204	204	202	1.1	6.3	0.0	-1.0
Colón Free Zone	140	179	202	14.4	35.9	27.9	12.8
Other	140	159	175	9.0	15.7	13.6	10.1
Financial services	300	324	349	3.3	7.1	8.0	7.7
Banking	60	73	85	6.4	20.0	21.7	16.4
Insurance	12	15	14	-15.4	9.1	25.0	-6.7
Ownership of dwellings	154	155	159	0.7	-	0.6	2.6
Other	74	81	90	14.0	13.8	9.5	11.1
Commerce and tourism	241	259	278	13.5	10.6	7.5	7.3
Wholesale	88	92	98	6.7	10.0	4.5	6.5
Retail	116	129	137	19.3	10.5	11.2	6.2
Restaurants and hotels	37	40	43	10.0	12.1	8.1	7.5
	Other indicators (Millions of balboas)						
Total deposits in national banking system[b]	12 277	13 633	16 491[c]	30.7	20.0	11.0	22.8[d]
Interbank deposits[e]	4 869	5 865	7 728[c]	44.7	20.7	20.5	32.4[d]
By foreigners	3 046	2 597	2 761[c]	8.7	13.0	-14.7	8.5[d]
By citizens	4 362	5 172	6 001[c]	36.7	24.7	18.6	18.8[d]
Tourism							
Expenditure by tourists and in-transit travellers	193	204	225	10.4	13.5	5.7	10.3
Tourists[f]	287	304	327	11.6	29.3	5.9	7.6
Hotel capacity[g]	3 112	3 233	3 177	-1.6	1.8	3.9	-1.7

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office) and the national Banking Commission.

[a] Preliminary figures. [b] Year-end balances. [c] Figures to November. [d] Change in balances for November 1993 with respect to the same period the previous year. [e] Includes operations between local banks. [f] Thousands of persons. [g] Rooms in luxury and first-class hotels in Panama City, as of the end of the relevant period.

Table 11

PANAMA: PANAMA CANAL, TRAFFIC AND INCOME [a]

	Traffic (Long tons of freight) [b]	Income (Millions of dollars)
1981	171.5	303.1
1982	185.7	325.6
1983	145.9	287.8
1984	140.8	289.2
1985	138.9	300.8
1986	140.1	322.7
1987	148.9	329.9
1988	156.8	339.3
1989	151.9	329.8
1990	157.3	355.6
1991	163.2	374.6
1992	159.6	368.7
1993	158.0	400.9

Source: ECLAC, on the basis of official figures.

[a] The annual totals correspond to the fiscal year, which runs from October of the preceding calendar year to September of the year shown. [b] Millions of tons.

Table 12

PANAMA: MAIN FOREIGN TRADE INDICATORS (GOODS) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
	Growth rates							
Exports, f.o.b.								
Value	19.8	9.6	-5.4	9.3	23.7	25.0	20.9	4.9
Volume	3.7	5.9	-2.0	0.3	10.0	17.4	18.6	8.2
Unit value	15.5	3.5	-3.5	9.0	12.4	6.5	2.0	-3.0
Imports, f.o.b.								
Value	6.4	5.2	-17.2	21.8	23.4	30.4	18.8	5.9
Volume	-1.7	-2.7	-27.2	15.9	27.3	19.7	15.9	3.1
Unit value	8.2	8.1	13.7	5.1	-3.1	8.9	2.6	2.7
Terms of trade (f.o.b./c.i.f.)	6.8	-3.8	-14.7	3.8	15.5	-2.0	-0.5	-5.7
	Indexes (1980=100)							
Purchasing power of exports	101.4	103.3	86.4	89.9	114.3	131.6	155.1	158.3
Volume of exports	88.8	94.1	92.2	92.5	101.7	119.4	141.6	153.2
Volume of imports	96.3	93.7	68.2	79.1	100.7	120.5	139.7	144.0
Terms of trade (f.o.b./c.i.f.)	114.2	109.8	93.7	97.3	112.3	110.1	109.5	103.3

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office).

[a] Includes commercial operations in the customs-free zones and re-exports. [b] Preliminary figures.

Table 13
PANAMA: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total [b]	**4 113**	**4 969**	**5 216**				**17.8**	**25.4**	**20.8**	**5.0**
Customs-free zones (re-exports) [c]	3 660	4 494	4 713				26.6	28.8	22.8	4.9
Domestically-produced goods [d]	453	475	503				5.8	3.2	4.9	5.9
Total domestically-produced goods [d]	**453**	**475**	**503**	**100.0**	**100.0**	**100.0**	**5.8**	**3.5**	**4.9**	**5.9**
Main traditional exports	**310**	**328**	**329**	**68.4**	**69.1**	**65.4**	**8.6**	**-5.6**	**5.8**	**0.3**
Petroleum products	1	3	10	0.2	0.6	2.0	22.7	110.5	200.0	233.3
Bananas	196	213	200	43.3	44.8	39.8	11.5	-8.0	8.7	-6.1
Shrimp	50	54	57	11.0	11.4	11.3	-30.2	13.6	8.0	5.6
Sugar	24	20	22	5.3	4.2	4.4	270.0	-35.1	-16.7	10.0
Fish meal and oil	6	6	7	1.3	1.3	1.4	-50.0	50.0	-	16.7
Coffee beans	13	10	12	2.9	2.1	2.4	27.3	-7.1	-23.1	20.0
Clothing	20	22	21	4.4	4.6	4.2	-10.0	25.0	10.0	-4.5
Main non-traditional exports	**33**	**35**	**39**	**7.3**	**7.4**	**7.8**	**49.6**	**-**	**6.1**	**11.4**
Cardboard boxes	3	2	2	0.7	0.4	0.4	50.0	-	-33.3	-
Cured cattle hides	6	7	8	1.3	1.5	1.6	-	-14.3	16.7	14.3
Fruit extracts	1	1	1	0.2	0.2	0.2	-	-50.0	-	-
Leaf tobacco	5	5	6	1.1	1.1	1.2	50.0	66.7	-	20.0
Banana pulp	5	3	5	1.1	0.6	1.0	-	-28.6	-40.0	66.7
Rum	2	2	3	0.4	0.4	0.6	-	-	-	50.0
Medicines	7	11	10	1.5	2.3	2.0	20.0	16.7	57.1	-9.1
Cosmetics	4	4	4	0.9	0.8	0.8	-	33.3	-	-
Other	**110**	**112**	**135**	**24.3**	**23.6**	**26.8**	**-7.3**	**44.7**	**1.8**	**20.5**

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office).
[a] Preliminary figures. [b] Differs from balance-of-payments figures owing to adjustments in content and value. [c] Does not include adjustments in content. [d] Does not include re-exports of goods.

Table 14

PANAMA: IMPORTS OF GOODS

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total (f.o.b.)	**4 961**	**5 894**	**6 244**	**100.0**	**100.0**	**100.0**	**23.3**	**30.4**	**18.8**	**5.9**
Customs-free zones (f.o.b.)	3 437	4 068	4 288	69.3	69.0	68.7	12.1	39.7	18.4	5.4
Colón Free Zone [b]	3 384	4 026	4 253	68.2	68.3	68.1	13.0	39.5	19.0	5.6
Panama Canal Commission	53	42	35	1.1	0.7	0.6	-27.7	55.9	-20.8	-16.7
Into the country (f.o.b.)	**1 524**	**1 826**	**1 956**	**30.7**	**31.0**	**31.3**	**51.0**	**13.4**	**19.8**	**7.1**
Into the country (c.i.f.)	**1 695**	**2 018**	**2 160**	**100.0**	**100.0**	**100.0**	**51.5**	**13.4**	**19.1**	**7.0**
Consumer goods	149	188	...	8.8	9.3	8.2[c]	22.8	-4.5	26.2	...
Food products	149	188	...	8.8	9.3	8.2[c]	22.8	-4.5	26.2	...
Intermediate goods and other consumer goods	1 227	1 415	...	72.4	70.1	68.1[c]	54.3	7.7	15.3	...
Crude oil	145	225	...	8.6	11.1	9.3[c]	58.1	-21.6	55.2	...
Other consumer and intermediate goods	1 082	1 190	...	63.8	59.0	58.9[c]	53.6	13.4	10.0	...
Capital goods	319	415	...	18.8	20.6	23.7[c]	63.9	59.5	30.1	...

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office).
[a] Preliminary figures. [b] Includes adjustments in content. [c] Percentage breakdown with respect to November.

Table 15
PANAMA: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**233**	**205**	**500**	**49**	**-71**	**-318**	**-282**	**-193**
Trade balance	300	376	809	408	368	88	-53	-41
Exports of goods and services	3 675	3 840	3 624	3 795	4 537	5 461	6 289	6 673
Goods, f.o.b.	2 366	2 593	2 452	2 681	3 316	4 146	5 012	5 259
Real services [b]	1 309	1 247	1 172	1 114	1 221	1 315	1 276	1 414
Transport and insurance	665	650	624	574	594	629	638	642
Travel	205	188	166	161	172	196	207	228
Imports of goods and services	3 375	3 464	2 816	3 387	4 169	5 373	6 342	6 714
Goods, f.o.b.	2 907	3 058	2 531	3 084	3 805	4 960	5 894	6 244
Real services [b]	468	406	284	303	364	413	448	469
Transport and insurance	248	222	135	149	192	222	248	262
Travel	83	90	89	86	99	108	125	129
Factor services	-40	-121	-269	-323	-418	-389	-202	-125
Profits	-70	-68	-33	3	-42	-47	-11	-9
Interest received	2 459	1 988	887	987	983	979	964	924
Interest paid or due	-2 417	-2 031	-1 116	-1 304	-1 349	-1 312	-1 147	-1 032
Labour and ownership	-12	-10	-8	-9	-9	-9	-8	-8
Unrequited private transfer payments	-27	-51	-40	-36	-22	-16	-27	-27
Balance on capital account	**-173**	**-242**	**-505**	**-**	**369**	**516**	**398**	**373**
Unrequited official transfer payments	122	114	112	106	214	214	323	211
Long-term capital	56	-432	-538	-476	-387	-56	-136	...
Direct investment	-62	57	-52	37	-18	-40	-1	...
Portfolio investment	66	-71	212	-89	-62	-19	-148	...
Other long-term capital	51	-417	-699	-424	-307	3	13	...
Official sector [c]	24	-334	-540	-332	-157	-176	28	...
Loans received	157	968	43	24	396	5	371	...
Amortization payments	-131	-1 289	-492	-297	-524	-180	-343	...
Commercial banks [c]	-	-	-	48	-29	257	167	...
Loans received	-	-	-	48	-	257	167	...
Amortization payments	-	-	-	-	-29	-	-	...
Other sectors [c]	28	-83	-160	-140	-121	-78	-182	...
Loans received	114	42	37	30	1	10	24	...
Amortization payments	-87	-128	-207	-158	-118	-87	-204	...
Short-term capital	23	722	1 292	790	164	-243	-269	...
Official sector	3	392	787	691	439	442	222	...
Commercial banks	-16	356	373	-108	-537	-775	-511	...
Other sectors	36	-26	131	207	262	90	20	...
Errors and omissions (net)	-374	-646	-1 370	-421	377	601	481	...
Global balance [d]	**60**	**-38**	**-5**	**49**	**298**	**199**	**116**	**180**
Total variation in reserves (- sign indicates an increase)	-30	85	-12	-56	-272	-212	-111	-180
Monetary gold	-	-	-	-	-	-	-	...
Special drawing rights	11	2	-	-	-28	16	7	...
IMF reserve position	-	-	-	-	-	-	-16	...
Foreign exchange assets	-83	91	6	-47	-197	-172	4	...
Other assets	-	-	-	-	-	-	-	...
Use made of IMF credit	42	-7	-18	-9	-48	-57	-106	..

Source: 1986-1992: ECLAC, on the basis of figures from the International Monetary Fund (IMF). 1993: ECLAC, on the basis of figures from the Comptroller-General of the Republic

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals total variation in reserves (of opposite sign) plus counterpart items.

Table 16

PANAMA: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
External public debt [b]	3 835	3 731	3 771[c]	3 814	3 714	3 699	3 548	3 494[d]
Central Government	2 377	2 399	2 444	2 458	2 450	2 456	2 625	2 600
Decentralized sector	1 459	1 332	1 327	1 356	1 264	1 243	923	894
Disbursements	402	187	68	48	5	93	282	55
Services	496	537	53	8	241	272	909	239
Amortization payments	209	295	28	5	117	124	588	139
Interest [e]	287	242	25	3	124	148	321	100
Interest [f]	2 417	2 031	1 116	1 304	1 349	1 312	1 147	1 032
	Percentages of the value of exports of goods and services [g]							
Servicing/disbursements	123.4	287.2	77.9	16.7	4 820.0	292.5	322.3	434.5
External public debt	104.4	97.2	104.1	100.5	81.9	67.7	56.4	52.4
Net interest [h]	-1.1	1.1	6.3	8.4	8.1	6.1	2.9	1.6

Source: ECLAC, on the basis of figures supplied by the National Accounting Office (Public Debt Section) of the Comptroller-General of the Republic.

[a] Preliminary figures. [b] Year-end balances. Figures refer to the contractual debt and do not include interest arrears. [c] According to official sources, a portion of the public sector's contractual debt with private foreign banks operating in Panama under general licence was in the process of being renegotiated and was thus being treated as if it were external debt. The successful conclusion of those negotiations would have raised the level of the public external debt in 1988 by slightly over US$ 85 million without signifying any actual increase in available funds. [d] Does not include adjustments for monetary fluctuation, estimated at US$ 300.9 million. [e] Refers to the external public debt. [f] Corresponds to the figures recorded in the current account of the balance of payments. [g] The figures for exports of goods and services are those shown on the balance of payments. [h] Corresponds to net interest on the balance of payments.

Table 17

PANAMA: DOMESTIC PRICES [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
	Variation from December to December							
Consumer price index	0.4	0.9	0.3	-0.2	0.8	1.1	1.6	0.9
Food	2.2	1.5	0.3	-0.2	2.0	2.6	3.7	0.2
	Variation between annual averages							
Consumer price index	-0.1	1.0	0.4	-0.1	0.6	1.9	1.8	0.5
Food	0.4	2.5	0.1	-1.3	0.5	3.2	5.4	0.3

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic (Statistics and Census Office).

[a] In Panama City. [b] Preliminary figures.

Table 18
PANAMA: WAGES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Average wages and salaries, by sector and region (Balboas per year)								
Republic								
Public sector	5 146	5 416	5 432	5 433	5 482	5 498	5 571	5 811[b]
Canal Zone	17 782	17 556	18 091	19 091	20 229	20 895	22 061	22 966[c]
Colón Free Zone	3 781	4 525	4 438	4 234	4 385	4 165	5 572	5 999
Banana-producing areas and Puerto Armuelles	4 651	4 709	4 786	4 992	5 268	5 537	5 519	...
Distritct of Panamá and San Miguelito								
Wholesale commercial enterprises	6 920	6 808	6 565	6 552	6 186[c]	...	6 775[d]	6 976[d]
International banking centre[e]	9 279	9 351	10 463	9 920	9 424	9 310[c]	...	...
Manufacturing	5 177	5 301	4 903	5 273	5 004[c]	...	5 482[d]	5 505[d]
Minimum wages and/or salaries (Balboas per year)								
Panama City	2 246	2 246	2 246	2 246	2 246	2 246	2 246	...
Rest of country	1 699	1 699	1 699	1 699	1 699	1 699	1 699	...
Nominal growth rates								
Republic								
Public sector	1.0	5.2	0.3	0.0	0.9	0.3	1.3	4.3
Canal Zone	7.2	-1.3	3.0	5.5	6.0	3.3	5.6	4.1
Colón Free Zone	18.6	19.7	-1.9	-4.6	3.6	-5.0	33.8	7.7
Banana-producing areas and Puerto Armuelles	3.8	1.2	1.6	4.3	5.5	5.1	-0.3	...
District of Panama and San Miguelito								
Wholesale commercial enterprises	1.3	-1.6	-3.6	-0.2	-5.6	...	...	3.0
International banking centre[e]	2.7	0.8	11.9	-5.2	-5.0	-1.2	...	...
Manufacturing	2.5	2.4	-7.5	7.5	-5.1	...	...	0.4
Real growth rates[f]								
Commercial enterprises (Panama City)	1.4	-2.6	-3.9	-0.1	-6.2	...	...	...
International banking centre[e]	2.7	-0.2	11.5	-5.1	-5.6	-2.8	...	...
Manufacturing (Panama City)	2.6	1.5	-7.9	7.6	-6.2	...	...	-0.1
Minimum wage (Panama City)	0.1	-1.0	-0.4	0.2	-0.7	-1.8	-1.7	...

Source: ECLAC, on the basis of figures supplied by the Ministry of Labour and Social Welfare, Employment Department, the Comptroller-General of the Republic (Statistics and Census Office) and the National Banking Commission.

[a] Preliminary figures. [b] Estimated on the basis of the growth in average wages paid to central Government employees in 1993. [c] Estimated on the basis of partial data for the year in question. [d] Annual average expressing the ratio of wages paid to a number of people employed. [e] Does not include salaries of foreign personnel. [f] Deflated by the consumer price index for Panama City.

Table 19

PANAMA: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions de balboas			Percentages of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Current income**	**1 079**	**1 264**	**1 328**	**19.6**	**21.1**	**20.2**	**-16.9**	**17.1**	**5.1**
Tax revenue	732	828	861	13.3	13.8	13.1	17.3	13.0	4.0
Direct	338	378	386	6.1	6.3	5.9	23.8	11.8	2.1
Indirect	394	450	475	7.2	7.5	7.2	12.3	14.1	5.7
On foreign trade	140	163	242[b]	2.5	2.7	3.7	2.2	16.4	48.5
Non-tax revenue [c]	347	437	467	6.3	7.3	7.1	-48.5	25.8	7.0
2. **Current expenditure**	**928**	**1 182**	**1 144**	**16.9**	**19.7**	**17.4**	**-0.9**	**27.4**	**-3.2**
Salaries and wages	435	473	491	7.9	7.9	7.5	-0.4	8.7	3.8
Other	492	709	653	9.0	11.8	10.0	-1.3	44.0	-7.9
Operating expenses	151	137	168	2.7	2.3	2.6	-11.2	-9.6	23.1
Current transfers	198	307	287	3.6	5.1	4.4	20.7	55.1	-6.5
Debt interest and costs	143	268	198	2.6	4.5	3.0	-13.3	87.4	-26.1
3. **Current balance** (1 - 2)	**152**	**82**	**184**	**2.8**	**1.4**	**2.8**			
4. **Capital expenditure**	**299**	**165**	**223**	**5.4**	**2.7**	**3.4**	**1 200.0**	**-44.8**	**35.2**
Real investment	121	147	...	2.2	2.4	...	908.3	21.5	...
Other [d]	178	18	...	3.2	0.3	...	1 518.2	-89.9	...
5. **Total expenditure** (2 + 4)	**1 227**	**1 347**	**1 367**	**22.3**	**22.4**	**20.8**	**27.9**	**9.8**	**1.5**
6. **Fiscal balance** (1 - 5)	**-148**	**-83**	**-39**	**-2.7**	**-1.4**	**-0.6**			
7. **Financing**	**148**	**83**	**38**	**2.7**	**1.4**	**0.6**			
Domestic financing (net)	7	103	24	0.1	1.7	0.4			
External financing (net)	141	-20	14	2.6	-0.3	0.2			
Credit received	156	93	74	2.8	1.5	1.1			
Less: Amortization	242	139	68	4.4	2.3	1.0			
Other sources	227	26	8	4.1	0.4	0.1			
	Ratios (Percentages)								
Current saving/capital expenditure	50.7	49.7	82.5						
Fiscal balance/current expenditure	-15.9	-7.0	-3.4						
Fiscal balance/total expenditure	-12.0	-6.2	-2.9						

Source: ECLAC, on the basis of figures supplied by the Comptroller-General of the Republic and the Ministry of Planning and Economic Policy.

[a] Preliminary figures. [b] Due to accounting change, this year taxes on sales of petroleum products were included under taxes on imports. [b] Includes, in addition to traditional non-tax sources of revenue (income on assets, share in the profits of State enterprises, current transfers, rates, fees, etc.), interest and commission earned on loans, funds held abroad and other non-traditional income. [d] Excludes expenditure on retirement of outstanding debt.

Table 20

PANAMA: CONSOLIDATED BALANCE OF THE NATIONAL BANKING SYSTEM [a]

	Year-end balances (Millions of balboas)				Growth rates			
	1990	1991	1992	1993[b]	1990	1991	1992	1993[b]
Assets	**12 626**	**14 922**	**17 121**	**21 376**	**13.0**	**18.2**	**14.7**	**24.9**
Liquid	**2 887**	**4 173**	**4 684**	**5 337**	**53.8**	**44.5**	**12.2**	**13.9**
Cash	225	294	267	278	10.3	30.7	-9.2	4.1
Other liquid assets								
Domestic	744	957	1 056	1 309	223.5	28.6	10.3	24.0
External	1 918	2 922	3 361	3 750	32.9	52.3	15.0	11.6
Deposits in banks								
Demand deposits	589	522	397	667	130.1	-11.4	-23.9	68.0
Time deposits	2 063	3 357	4 020	4 392	45.6	62.7	19.7	9.3
Investments	**8 818**	**9 908**	**11 558**	**15 174**	**6.2**	**12.4**	**16.7**	**31.3**
Loan portfolio	7 769	8 621	10 248	13 637	4.6	11.0	18.9	33.1
Domestic	3 983	4 432	5 114	5 908	3.4	11.3	15.4	15.5
External	3 786	4 189	5 134	7 729	5.9	10.6	22.6	50.5
Securities	1 049	1 287	1 310	1 537	19.3	22.7	1.8	17.3
Other assets	**921**	**841**	**879**	**865**	**-7.1**	**-8.7**	**4.5**	**-1.6**
Liabilities and capital [c]	**11 882**	**14 187**	**15 873**	**19 835**	**8.9**	**19.4**	**11.9**	**25.0**
Demand deposits	**1 821**	**2 139**	**2 156**	**2 304**	**28.0**	**17.5**	**0.8**	**6.9**
Private citizens	419	545	629	702	41.1	30.1	15.4	11.6
Official entities	953	1 107	1 004	1 004	53.7	16.2	-9.3	-
Foreign individuals	169	235	245	282	-31.6	39.1	4.3	15.1
Foreign banks	280	252	278	316	8.1	-10.0	10.3	13.7
Time and savings deposits	**7 309**	**9 054**	**10 230**	**13 228**	**18.9**	**23.9**	**13.0**	**29.3**
Private citizens	2 127	2 710	3 540	4 287	29.5	27.4	30.6	21.1
Foreign individuals	2 178	2 811	2 352	2 520	-2.5	29.1	-16.3	7.1
Foreign banks	3 004	3 533	4 338	6 421	32.3	17.6	22.8	48.0
Obligations	**1 015**	**1 261**	**1 341**	**2 016**	**-6.6**	**24.2**	**6.3**	**50.3**
Other liabilities, capital and reserves	**1 737**	**1 733**	**2 146**	**2 287**	**-23.0**	**-0.2**	**23.8**	**6.6**

Source: ECLAC, on the basis of figures supplied by the National Banking Commission, the National Bank of Panama and the Comptroller-General of the Republic (Statistics and Census Office).

[a] Refers to all bank opeating under general licence in the country. [b] Preliminary figures. [c] Does not include operations between local banks.

Table 21

PANAMA: COMPOSITION OF INTERNATIONAL BANKING CENTRE [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
	Number of banks							
Total	**115**	**119**	**110**	**111**	**110**	**108**	**107**	**105**
Official	2	2	2	2	2	2	2	2
Under general licence [c]	67	70	64	63	60	61	60	58
Panamanian	16	17	18	17	15	16	20	20
Under international licence [d]	33	32	30	28	30	29	26	27
Panamanian	1	1	1	1	1	1	-	
Field offices [e]	13	15	14	18	18	18	19	18
	Millions of balboas							
Assets of international banking centre [cd]	**40 351**	**31 413**	**14 885**	**15 395**	**18 384**	**20 682**	**23 034**	**26 078**
Assets of national banking system [c]	**30 918**	**22 177**	**11 593**	**11 174**	**12 626**	**15 271**	**17 121**	**21 376**
Panamanian banks	3 776	3 568	3 278	3 448	4 245	5 111	6 105	7 310
Official	2 077	1 879	1 990	2 178	2 592	2 812	2 844	3 113
Private	1 699	1 689	1 288	1 270	1 653	2 299	3 261	4 197
Foreign banks	27 142	18 609	8 315	7 726	8 401	10 160	11 061	14 066

Source: ECLAC, on the basis of figures supplied by the National Banking Commission and the National Bank of Panama.
[a] As of 31 December of each year. [b] Preliminary figures. [c] Foreign and national banks authorized to carry out banking operations both in Panama and abroad. [d] Foreign and national banks whose Panamanian offices are authorized to carry out banking transactions with external entities only. [e] Foreign banks authorized only to establish field offices in Panama.

Table 22

PANAMA: INTEREST RATES [a]

(Annualized percentages)

Period	Nominal		Real [b]	
	On deposits [c]	On loans [d]	On deposits [c]	On loans [d]
1987	8.2	12.0	7.1	10.9
1988	9.3	13.0	9.0	12.7
1989	10.9	...	10.8	...
1990	10.0	13.0	9.1	12.1
1991	8.5	13.0	7.1	11.5
1992	6.3	12.0	4.4	10.0
1993	6.0	11.3	5.5	10.7

Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund (IMF).
[a] Averages for the relevant period. [b] Deflated on the basis of variations in the consumer price index. [c] Refers to prime rates on deposits (New York). [d] Refers to maximum reference rates on the local market.

PARAGUAY

1. General features of recent trends

The growth rate of the Paraguayan economy revived to 4% during 1993, driven by robust agricultural production under more favourable climate conditions. The increase in primary supply caused exports to expand, while the value of imports remained the same; consequently, the current balance of payments deficit was reduced. This deficit was amply covered by the flow of external resources, which made it possible to replace a portion of the international reserves lost in the previous year.

In a situation marked by the elections and the change of government that took place during the year, high priority continued to be given to a fiscal policy designed to achieve financial equilibrium. However, while the public sector had a larger surplus, it requested credit from the monetary authorities in order to reduce its external indebtedness. In any case, the size of the primary monetary expansion was rooted in currency purchases in a foreign exchange market characterized by a fluid supply. While the increase in the multiplier contributed to a more rapid expansion of money creation, the rate of monetary expansion was substantially lower than in the previous two years.

In this context, while the gradual rise in the exchange rate helped to restrain inflation, adjustments in the prices of public goods and services, aimed at closing the fiscal gap, a certain inertia in the formation of private sector prices and the uncertainty of economic agents in the light of the change of government exerted pressure in the opposite direction. In the final analysis, the consumer price index rose slightly, to an annual rate of 20%; in the last quarter, inflation even had a tendency to accelerate (see table 1 and figures 1 and 2).

2. Economic policy

In the middle of the year, the first democratic elections in several decades were held, following a brief transitional period. In general, the outgoing government continued the main thrust of the economic policy it had applied in the previous year, through which it had kept fiscal management and money creation under control. The behaviour of economic agents was marked by uncertainty, especially during the first half of the year.

The new government managed to advance the stabilization programme, adopting as a basic objective the lowering of the annual rise in the price level to 15%. In particular, it gave priority to the monetary and credit policies through which it had enacted the first measures aimed at reducing inflation. At the same time, it continued to monitor fiscal management closely, and kept the system of floating exchange rates with intervention by the Central Bank unchanged.

a) Monetary policy

A more restrictive monetary policy kept the rate of monetary expansion in the range of 20%; in the previous biennium it had been substantially higher than the rate of inflation. The new economic authorities emphasized the imperative of slackening that rate of expansion to a pace in keeping with the objective of fighting inflation. Given the priority that was assigned to this policy, one of the first measures adopted by the new Administration in August was the elimination of the discounts on export

Figure 1
PARAGUAY: MAIN ECONOMIC INDICATORS

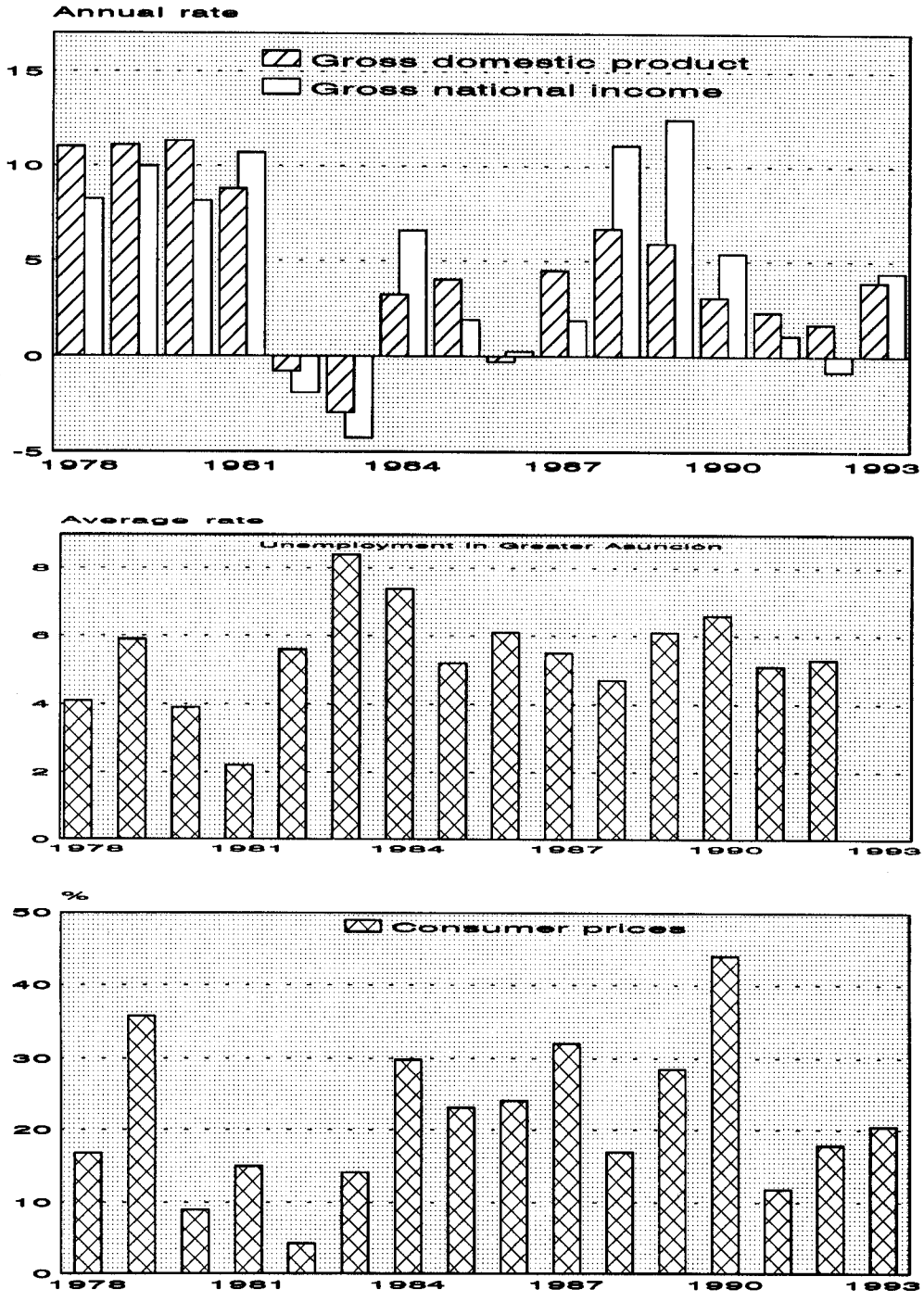
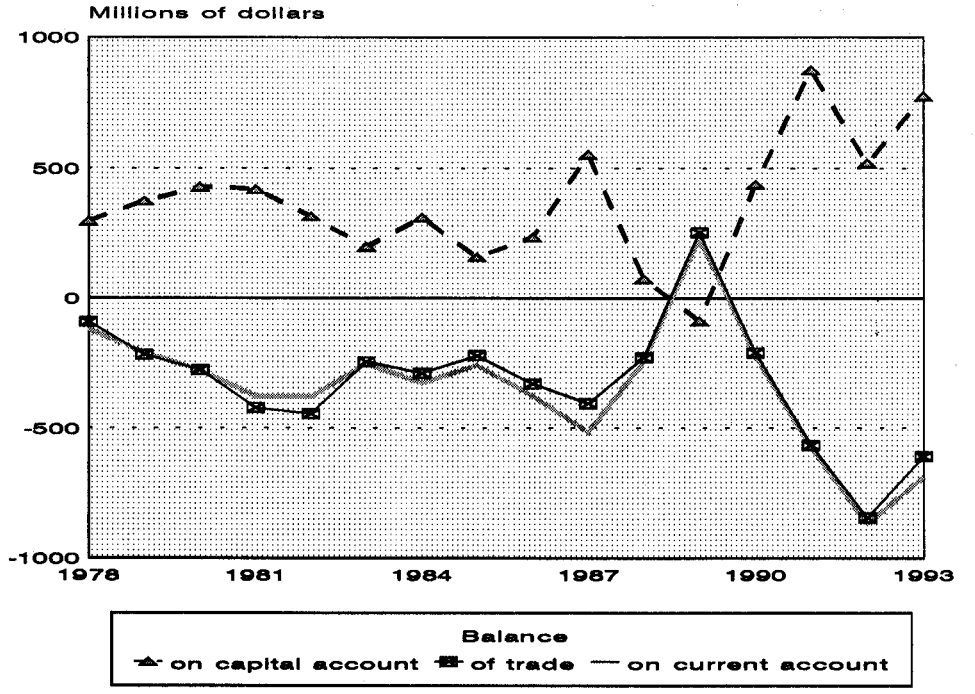
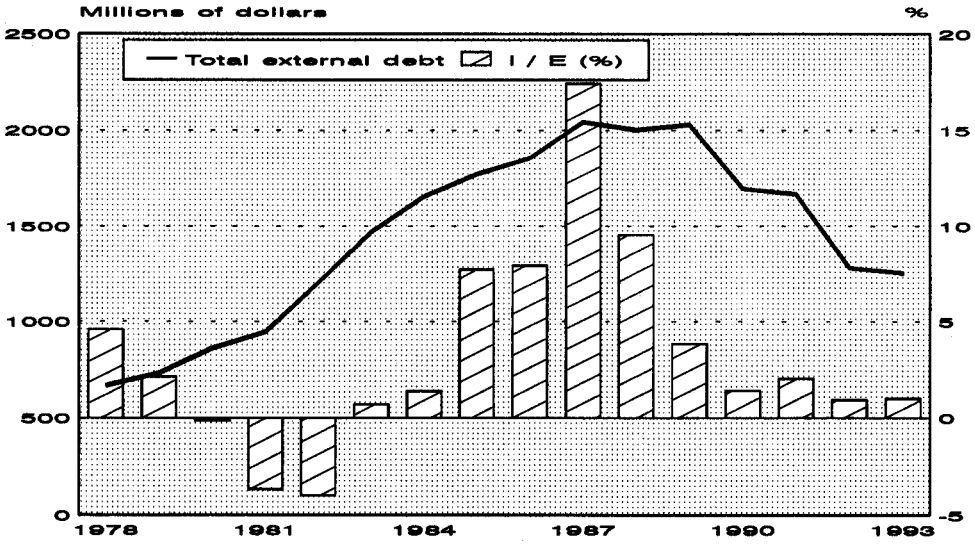


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due. E = Exports of goods and services.

agricultural production that the Central Bank had granted at subsidized interest rates. In order to increase the lending capacity of the banks, the reserve requirement on deposits was reduced from 30% to 25% for those institutions which provided credit to the agricultural sector. The package of financial measures included an agreement with these banks that the reference interest rate on such loans would be around 23% per year, substantially below normal interest rates, while at the same time, the Social Security Institute was released from its obligation to deposit its funds solely in the official bank. In view of the large volume of resources managed by the Institute, and in an effort to avoid a sudden expansion of secondary liquidity, the initial impact of this change was softened through the sale of short-term debt instruments to the banks (monetary regulation bills), which were paid off during the year.

Currency purchases in a foreign exchange market characterized by an excess supply constituted the main factor in the expansion of the monetary base, which expanded by only 17%, a rate significantly lower than the 31% recorded in the previous year. The reduction in the banks' legal cash reserve raised the monetary multiplier, so that the money supply expanded at a rate of 19%. A similar rate of increase was seen in time deposits in national currency (in which the share of savings certificates increased owing to the better interest rates on offer) and, accordingly, in the broad money aggregate (M2). Dollar deposits increased at a rapid pace (53%), and this accentuated the trend towards dollar conversion of the financial system's currency liabilities, which rose to two thirds from a level of 30% two years earlier.

The rapid increase in dollar deposits meant that the banking system's total currency liabilities (M3) increased at a rate of 31%, and this caused the credit granted by the banking system to the private sector to increase by nearly 35%.

b) Fiscal policy

The surplus in the non-financial public sector expanded in 1993. While the central Government's expenditure grew more rapidly than its income, current-account savings were generated again. The austerity measures applied to capital outlays and the favourable results achieved by the Social Security Institute and public enterprises made possible a surplus in the non-financial public sector equivalent to 1.8% of output; this meant a triennium of surpluses in public accounts. The size of the surplus was attributable to public enterprises, which accounted for 1.6% of the gross domestic product (GDP), mainly because of adjustments in the prices of their goods and services and a nominal contraction of expenditure earmarked for investment. With regard to general government, the slight deficit incurred by the central Administration was more than offset by the financial surplus of the Social Security Institute, which reached 0.5% of output.

The tax burden continued to be only around 13% of output, with an improvement in tax revenue, both direct and indirect, and a smaller share for non-tax revenue (principally the duties paid by Brazil in connection with the Itaipú dam), which fell to less than 3.5% of output. The increase in tax receipts was attributable partly to the higher level of activity and partly to the tax reform enacted in 1992. In the first half of that year, the income tax (the only tax levied on small taxpayers) and the cattle marketing tax began to apply, and, in the second half, the value-added tax, the selective excise tax and the legal instruments tax came into force. Since 1993 was the first full year of operation of this reform, which was coupled in January with the extension of the value-added tax to the prices of public goods and services, tax receipts increased in real terms.

The accounts of the non-financial public sector show that its domestic indebtedness decreased by the equivalent of nearly 2% of output. However, since the Central Bank assumed responsibility for some debt payments abroad and for early redemption of instruments issued in dollars by the public sector, without explicit compensation from the debtor institutions (enterprises and Government), what resulted was a debt payment abroad (as yet unposted) and, as compensation, an increase in public-sector indebtedness to the banking system.

c) Exchange rate and trade policies

The new government maintained the prior exchange rate policy whereby the exchange rate continued to be determined in an open market with intervention by the Central Bank. While the trend of movement in the market price of the dollar lagged behind domestic inflation, the real effective exchange rate increased slightly, since the domestic prices in dollars of Paraguay's main trading partners, especially Argentina and Brazil, climbed more rapidly.

Within the framework of the Southern Common Market (MERCOSUR), a subregional association with which Paraguay conducts around 40% of its registered trade, the programme of automatic tariff exemptions among the States parties to the agreement continued to advance; in addition, the list of tourism products governed by a special scheme was expanded. On the other hand, the payment of tariffs on formerly duty-free industrial inputs was extended, and imports of meat and dairy products and of cotton seeds were prohibited for six months. Lastly, in November the National Congress endorsed Paraguay's entry into the General Agreement on Tariffs and Trade (GATT).

d) Structural reforms

The Stock Exchange commenced operations in October within the framework of various actions aimed at the development of a capital market. With a view to promoting its functioning, the Central Bank authorized banks and financial institutions to issue instruments designed solely to be traded on the Exchange. One of the instruments was issued for a one-month period and the other for a 24-month period; the first was exempt from the reserve requirement and the second was subject to a reserve requirement of barely 3%. This substantially reduced the cost to banks of attracting investors.

The reform and strengthening of the financial system began with the transmittal to the National Congress of a new charter for the Central Bank of Paraguay which gave it greater autonomy in the implementation of monetary policy. Also submitted was a draft bill which changed the rules of operation of the banking system, creating an oversight agency for the financial institutions.

3. Trends in the main variables

a) Economic activity

The agricultural recovery was the key factor in overcoming the stagnation that had characterized the Paraguayan economy during the preceding triennium; the economy thus expanded by nearly 4% in 1993. Per capita output, which grew by slightly more than 1%, recovered nearly all of the ground lost during the previous two years.

The expansion of foreign demand (20%) was decisive for the strengthening of total demand. The recovery of agricultural export products, after two years of substantial setbacks, constituted one of the main elements of this trend. In terms of domestic demand, which grew by barely 1%, fixed capital formation recovered partially from the decline it had suffered in 1992, reaching 21% of GDP on the basis of the strengthening of the private sector. This relatively high investment rate was financed largely from external savings. Meanwhile, the pressure from private consumption weakened again, growing by less than 1%, while Government expenditure, despite the austerity policy, continued to increase rapidly.

After two years of meagre results, the agricultural sector expanded by around 6%, representing nearly a third of total output. The contribution made by agriculture proved decisive; the return of normal weather conditions led to the recovery of the main crops, as reflected in an increase in yields of nearly 8%.

The substantial decline in the production of soybeans in 1991 and of cotton in 1992 had significantly affected the general level of activity of the Paraguayan economy, in view of the high impact of those crops, both on output and income and on exports. In 1993 the harvests of those products showed major increases. Thus, the soybean harvest increased by 11%, and this completed the recovery initiated the year before;

at the same time, producers' income improved because of a rise in international prices. Meanwhile, following the drop of 38% in the previous year, the cotton harvest rebounded to a certain extent (8%); that was wholly attributable to the introduction of a new variety, since at the same time the sown area was reduced by nearly half. Here, too, international prices rose; however, the health of crops of the new breed was threatened by the spread of the boll weevil, to the point where a cotton emergency was declared in September, and by the lower resistance to the "blue disease" shown by the new Delta Pine variety during the acclimatization process.

Livestock-raising showed a tendency to strengthen, supported by higher yields of beef and milk. The forest industry grew at a similar pace.

While the manufacturing industry showed some signs of recovery (2%) following the stagnation of the preceding biennium, its growth rate was again lower than that of total output. The increase in food processing, which accounted for a third of the total, and the expansion of the leather and wood industries, were decisive factors in this recovery. However, the decline in petroleum refining due to fuel imports, and the setback in furniture, footwear and clothing manufacturing, had the opposite effect.

Electricity services continued to expand rapidly (14%), owing to the increase in the number of users, within the framework of the country's electrification plan. As transport also showed a favourable trend, against a backdrop of increased activity, the expansion of basic services approached 9%, the highest rate in recent years. However, the evolution of the remaining group of services was below average.

b) Prices, wages and employment

Despite the Government's objectives, annual inflation rose slightly, from 18% at the end of 1992 to 20% in December 1993. The change in consumer prices over 12 months remained around 18% at the beginning of the year. The uncertainty surrounding the electoral process and the policy to be implemented by the new government subsequently gave rise to fluctuations in the inflation rate, which stabilized towards the end of the year at a slightly higher level than in the beginning.

As in 1992, service prices showed the greatest acceleration, followed by food prices; on the other hand, the evolution of housing and clothing prices was below average.

Meanwhile, the status of wages varied according to sector; while the wages paid by basic service enterprises increased in buying power, the remainder rose at a rate below that of domestic price increases. The available figures on the total amount of wages paid by the public sector show an increase in real terms.

Increased domestic activity strengthened labour demand only marginally. The national unemployment rate remained at the high levels (over 9%) recorded since the beginning of the 1990s; this reflects a deterioration as compared with the triennium 1986-1989.

c) The external sector

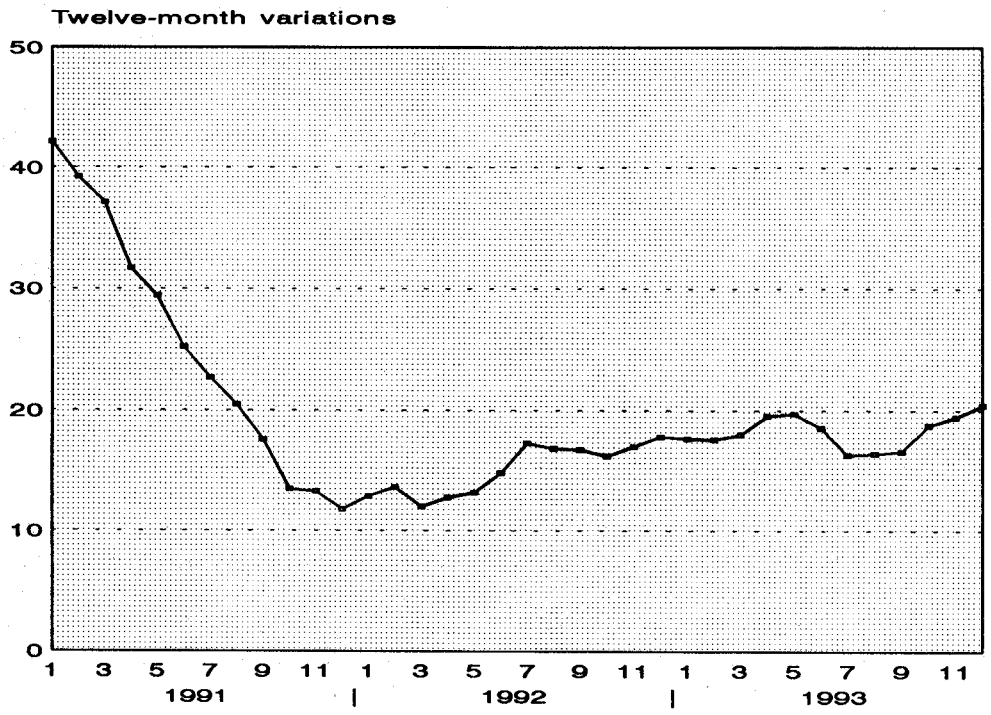
In 1993 substantial inflows of external private capital made it possible to finance the huge balance of payments deficit.

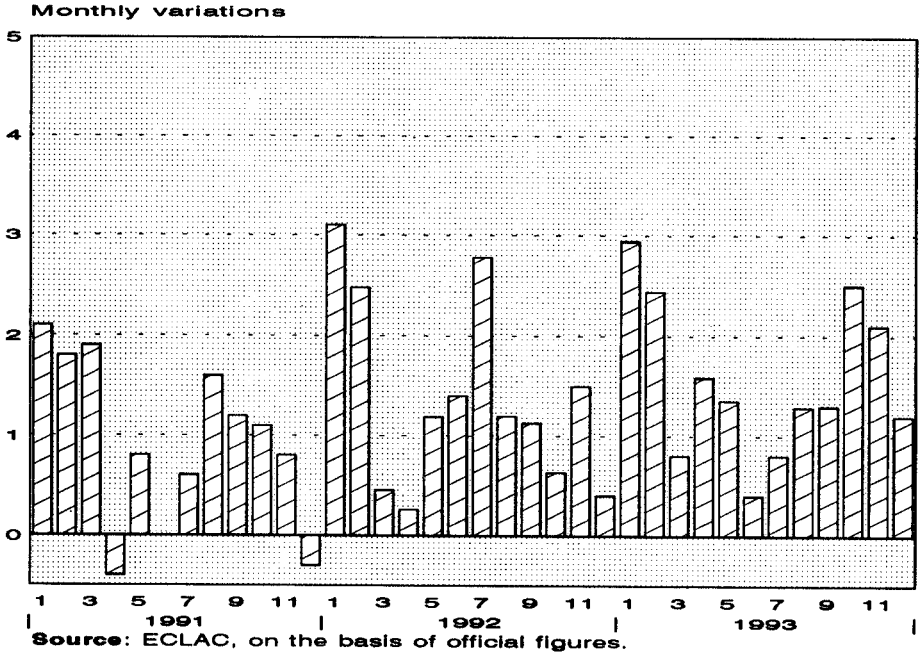
The trade balance continued to be unfavourable despite the recovery of sales abroad. The voluminous increase in soybean exports, coupled with the growth of re-exports and tourism, caused the value of sales of goods and services abroad to expand by nearly a fifth. At the same time, the value of imports increased slightly. Hence, while the trade gap narrowed, the import surplus exceeded US$ 600 million. In addition, since factor payments abroad decreased because of the debt payment made at the end of 1992, the current balance of payments deficit also shrank, while still amounting to over 8% of output.

In contrast to the previous year, when the reduction in external indebtedness had generated a capital-account deficit, a net flow of resources equivalent to a tenth of output was registered in 1993. Thus, international reserves grew by nearly US$ 90 million.

The value of exports of goods and services, which increased by 18%, reached an unprecedented level of over US$ 1.8 billion. Registered merchandise exports accounted for

Figure 2
PARAGUAY: CONSUMER PRICE INDEX
(Percentages)





Source: ECLAC, on the basis of official figures.

only 40% of that amount. Sales of unregistered merchandise, mainly in areas bordering on Argentina and Brazil, accounted for slightly more than another fourth. Lastly, services contributed the remaining third, based on inflows of foreign currency from tourism and the joint use of the Itaipú binational dam.

The rise in the value of soybean exports (63%), attributable mainly to volume increases, constituted the key to the expansion of registered sales abroad. On the other hand, cotton exports receded by 21%, despite increased production and better international prices, since this time, in contrast to the situation in 1992, the export supply did not include stocks from the previous harvest; unposted sales of raw cotton to Brazil also affected that outcome. The remaining export products showed varying results, with appreciable increases in wood, leather and several industrial products, and declines in sales of oils and their manufacturing by-products, respectively.

The total value of imported goods and services, in current dollars, remained at around 30% of output. Among registered purchases there was a continued expansion of consumer purchases, which in 1993 had amounted to 45% of the total, and capital goods purchases, while purchases of inputs receded again, in large part because of smaller shipments of fuels and lubricants.

The inflow of foreign capital more than made up for the substantial current balance of payments deficit. Nearly a fifth of the US$ 774 million received from other countries represented direct investment, while net loans received by the public sector constituted barely 6% of the total. While the surplus in the errors and omissions item contracted, it remained enormous, approaching US$ 430 million. It is believed that a large portion of this amount is made up of unposted goods transactions on current account.

Following the contraction in the preceding year, the external debt showed no significant changes, and that, coupled with an increase in exports, meant a decline in the respective indicator to under 70%. Meanwhile, debt service returned to previous levels, after having risen abruptly in 1992 because of the arrears payment referred to earlier.

Table 1
PARAGUAY: MAIN ECONOMIC INDICATORS [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
	Indexes (1980=100)							
Gross domestic product at market prices	112.2	117.2	125.1	132.4	136.6	139.7	142.2	147.7
Gross national income	113.1	115.3	128.1	144.0	151.8	153.4	152.2	158.9
Population (millions of inhabitants)	3.8	3.9	4.0	4.2	4.3	4.4	4.5	4.6
Per capita gross domestic product	92.7	94.0	97.4	100.2	100.5	100.0	99.0	100.1
Real effective exchange rate (CPI) [c]	171.0	184.8	191.5	202.1	198.4	172.9	177.0	182.3
	Ratios (percentages)							
Fiscal balance of Central Government/GDP	0.6	0.2	0.7	1.5	3.0	4.4	-0.1	-0.2
Money (M1)/GDP	...	7.2	7.3	7.2	6.6	6.2	6.5	6.6
Unemployment rate [d]	12.8	11.6	8.6	6.7	7.5	9.4	9.8	9.5
	Rates of variation (percentages)							
Gross domestic product	-0.3	4.5	6.7	5.9	3.1	2.3	1.7	3.9
Per capita gross domestic product	-3.3	1.4	3.6	2.9	0.2	-0.5	-1.0	1.2
Gross national income	0.2	1.9	11.1	12.5	5.4	1.1	-0.8	4.4
Consumer prices December to December	24.1	32.0	16.9	28.7	44.0	11.8	17.8	20.4
Real wages and salaries [e]	-4.4	12.3	7.7	5.6	-5.7	-1.2	-0.3	1.8
Current value of exports of goods and services	22.9	1.3	43.2	42.9	19.7	-7.6	-11.3	18.3
Current value of imports of goods and services	29.7	7.9	13.3	-0.9	58.7	10.1	3.6	2.0
	Millions of dollars							
External sector								
Trade balance	-330	-406	-229	255	-209	-566	-844	-609
Factor services	-47	-111	-16	-23	-17	-15	-25	-78
Balance on current account	-375	-515	-243	234	-219	-574	-866	-687
Balance on capital account	235	553	75	-88	438	873	519	774
Varition in net international reserves	-120	50	-173	109	229	301	-347	87
Gross disbursed external debt [f]	1 855	2 043	2 002	2 027	1 695	1 666	1 279	1 254

Source: ECLAC, on the basis of official figures.
[a] From 1985 on, the figures on the external sector are not entirely comparable with the figures for years prior to 1985 owing to changes in the methodology used. [b] Preliminary figures. [c] The parallel or unregulated rate applying to exports. [d] Country total. [e] Real wages of workers in Asunción. [f] Medium- and long-term public and State-guaranteed private debt.

Table 2

PARAGUAY: REAL GROSS NATIONAL INCOME

	Indexes (1980 = 100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	153.4	152.2	158.9	99.9	109.7	107.0	107.5
a) Gross domestic product	139.7	142.2	147.7	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	9.9	7.4	9.0
c) Net factor income from abroad [b]	325.5	501.8	1 630.9	-0.1	-0.3	-0.5	-1.5
d) Net private transfers from abroad [b]	258.1	96.8	-	0.1	0.1	0.1	-

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992 the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Paraguay. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 3

PARAGUAY: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1989	1991	1992	1993[b]
Total supply	**171.9**	**172.3**	**179.7**	**120.7**	**146.7**	**16.7**	**4.1**	**0.3**	**4.3**
Gross domestic product at market prices	139.7	142.2	147.7	100.0	100.0	3.1	2.3	1.7	3.9
Imports of goods and services [c]	327.4	318.4	334.2	20.7	46.7	63.9	8.0	-2.7	5.0
Total demand	**171.9**	**172.3**	**179.7**	**120.7**	**146.7**	**16.7**	**4.1**	**0.3**	**4.3**
Domestic demand	159.3	164.8	167.0	106.8	120.7	15.3	7.5	3.4	1.3
Gross domestic investment	122.4	114.4	117.0	28.8	22.8	9.2	8.6	-6.5	2.3
Gross fixed investment	117.2	109.7	112.4	27.2	20.7	10.1	5.8	-6.4	2.4
Construction	91.9	125.1	...	16.1	...	-1.5	9.2	36.1	...
Machinery and equipment	153.9	87.4	...	11.1	...	21.9	3.1	-43.2	...
Public	65.1	54.0	...	4.6	...	-31.0	3.1	-16.9	...
Private	127.8	121.0	...	22.6	...	17.6	6.1	-5.3	...
Changes in stocks	214.7	197.8	199.5	1.5	2.1	...	...	...	...
Total consumption	172.9	183.3	185.4	78.0	97.9	17.0	7.2	6.0	1.1
General goverment	187.0	201.6	212.2	6.2	8.9	3.2	20.0	7.8	5.3
Private	171.7	181.8	183.1	71.8	89.0	18.4	6.2	5.9	0.7
Exports of goods and services [c]	268.4	230.6	277.4	13.9	26.0	22.4	-9.0	-14.1	20.3

Source: ECLAC, on the basis of official figures and figures supplied by the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Paraguay. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 4
PARAGUAY: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT
(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	21.7	22.1	21.6	22.4	23.7	25.2	23.1	22.8
Gross fixed investment	20.0	20.4	19.8	20.7	22.1	22.9	21.0	20.7
Construction	12.1	11.8	11.3	10.4	9.9	10.6	14.2	...
Machinery and equipment	8.0	8.6	8.5	10.3	12.2	12.3	6.8	...
Changes in stocks	1.7	1.8	1.8	1.7	1.6	2.3	2.1	2.1
Gross domestic saving	10.6	10.8	13.6	18.8	7.9	3.4	-0.6	2.1
Terms-of-trade effect [c]	2.0	1.1	2.7	9.2	11.3	9.9	7.4	9.0
Net income from factor services [c]	-1.3	-2.8	-0.4	-0.5	-0.4	-0.3	-0.5	-1.5
Unrequited private transfers [c]	-	0.1	-	-	0.2	0.1	0.1	-
Gross national saving	11.4	9.1	16.0	27.5	19.0	13.2	6.4	9.6
External saving	10.3	13.1	5.6	-5.1	4.8	12.0	16.8	13.2

Source: ECLAC, on the basis of official figures.
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Paraguay. These figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 5
PARAGUAY: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980 = 100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**139.7**	**142.2**	**147.7**	**100.0**	**100.0**	**3.1**	**2.3**	**1.7**	**3.9**
Goods	**136.1**	**137.1**	**142.8**	**52.5**	**50.7**	**2.0**	**0.3**	**0.7**	**4.2**
Agriculture	147.1	147.2	155.5	29.5	31.0	2.2	-0.6	0.1	5.6
Mining	169.2	177.6	175.5	0.4	0.5	3.7	5.0	5.0	-1.2
Manufacturing	125.1	125.6	128.1	16.5	14.3	2.5	1.1	0.4	2.0
Construction	110.6	116.1	119.2	6.1	4.9	-0.9	3.0	5.0	2.7
Basic services	**180.1**	**191.4**	**207.6**	**6.5**	**9.2**	**8.0**	**6.9**	**6.3**	**8.5**
Electricity, gas and water	233.2	258.5	295.1	2.3	4.6	13.8	9.3	10.8	14.2
Transport, storage and communications	151.2	155.0	160.2	4.2	4.6	3.7	5.0	2.5	3.4
Other services	**137.9**	**140.9**	**144.5**	**41.0**	**40.1**	**3.6**	**4.1**	**2.1**	**2.6**
Commerce, restaurants and hotels	138.7	137.5	...	25.0	...	3.5	4.2	-0.9	...
Financial institutions, insurance, real estate and business services	129.3	141.2	...	7.6	...	4.0	4.7	9.2	...
Ownership of dwellings	116.1	124.3	127.4	2.7	2.3	2.4	3.5	7.0	2.5
Community, social and personal services	143.3	150.5	...	8.4	...	3.5	3.4	5.0	...
Government services	167.2	180.3	188.1	3.4	4.3	2.9	3.0	7.8	4.3

Source: ECLAC, on the basis of official figures.
[a] Original figures reweighted according to the 1980 current prices structure. Consequently, the results obtained do not necessarily coincide with those published by the countries based on calculations at constant prices. [b] Preliminary figures.

Table 6

PARAGUAY: AGRICULTURAL PRODUCTION

	Billions of guaraníes at 1982 prices			Rates of variation		
	1991	1992	1993[a]	1991	1992	1993[a]
	Gross domestic product at market prices					
Total	**253.8**	**254.0**	**268.2**	**-0.6**	**0.1**	**5.6**
Crop-farming	152.1	150.1	161.5	-4.4	-1.3	7.6
Stock-raising	74.1	75.1	77.1	6.2	1.3	2.7
Forestry	26.3	27.6	28.3	4.4	4.9	2.5
Hunting and fishing	1.3	1.3	1.4	2.4	3.0	7.7
	Thousands of tons					
Production of main items						
Cotton	632	391	421	16.7	-38.1	7.5
Rice	43	54	78	3.9	25.1	44.9
Sweet potatoes	84	85	99	-19.9	-	17.0
Sugar cane	3 521	3 485	3 514	15.7	-1.0	0.8
Maize	401	450	439	-4.4	12.1	-2.4
Cassava	2 585	2 591	2 656	0.2	0.2	2.5
Beans	47	41	46	...	-12.8	12.2
Soya	1 033	1 618	1 794	-21.9	56.7	10.9
Wheat	241	328	425	-30.5	36.5	29.5
Bananas	85	89	90	4.0	5.4	0.7
Coconuts	460	461	465	0.1	0.1	1.0
Oranges	177	177	179	-9.5	0.4	0.8
Pineapples	33	40	43	2.3	19.2	7.8
Tung	46	46	46	-1.4	0.9	0.2
Cattle [b]	929	937	951	-11.6	0.8	1.5
Pigs [b]	2 580	2 108	2 112	31.0	-18.3	0.2
Poultry [b]	6 997	7 101	6 888	3.4	1.5	-3.0
Round logs	2 316	2 329	2 396	3.3	0.6	2.9
Firewood	3 010	3 034	3 110	-3.0	0.8	2.5

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay and the Ministry of Agriculture.
[a] Preliminary figures. [b] Thousands of head.

Table 7
PARAGUAY: MANUFACTURING PRODUCTION

	Indexes (1982=100)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Gross value of production	128.7	126.1	128.6	2.3	1.1	-2.0	2.0
Foodstuffs	132.5	135.5	140.0	2.5	-0.5	2.3	3.3
Beverages	118.5	120.4	94.6	11.1	3.8	1.6	-21.4
Tobacco	153.8	160.0	186.4	-17.3	12.2	4.0	16.5
Textiles	222.2	166.0	166.0	4.2	2.8	-25.3	-
Clothing	63.0	58.2	47.0	-24.2	-23.6	-7.6	-19.2
Footwear	99.0	102.6	85.2	-14.3	7.5	3.6	-17.0
Wood, except furniture	123.0	125.9	133.1	11.9	4.3	2.4	5.7
Furniture	132.9	136.9	104.2	-4.3	11.5	3.0	-23.9
Paper and paper products	110.3	111.7	80.9	0.7	4.5	1.3	-27.6
Printing and publishing	89.6	92.9	112.5	-8.0	5.8	3.7	21.1
Leather and skins, except footwear	89.3	87.4	110.8	-0.5	-4.9	-2.1	26.8
Chemical industry	105.0	103.4	295.3	-2.1	4.0	-1.5	185.6
Other chemical products	99.1	93.5	124.1	-1.8	-11.5	-5.7	32.7
Petroleum products	111.8	108.9	88.1	7.2	-10.8	-2.6	-19.1
Plastic products	125.8	135.3	277.6	-0.8	21.2	7.6	105.2
Non-metallic mineral products	123.4	124.6	109.5	0.3	3.0	1.0	-12.1
Iron and steel industry	929.8	888.9	761.8	-18.2	-	-4.4	-14.3
Non-ferrous metals industry	101.1	103.9	127.7	-15.4	3.1	2.8	22.9
Metal products, except machinery and equipment	97.3	93.9	79.6	-11.6	10.1	-3.5	-15.2
Machinery and home appliances	144.4	148.8	74.1	...	3.0	3.0	-50.2
Transport equipment	137.7	151.0	127.6	-16.1	2.1	9.7	-15.5
Other	81.7	83.6	66.2	-23.3	3.2	2.3	-20.8

Source: ECLAC, on the basis of revised figures supplied by the Central Bank of Paraguay.
[a] Preliminary figures.

Table 8
PARAGUAY: OPEN UNEMPLOYMENT RATES
(Percentages)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Nationwide	12.8	11.6	8.6	6.7	7.5	9.4	9.8	9.5
Asunción [b]	6.1[d]	5.5	4.7[c]	6.1	6.6[d]	5.1[e]	5.3	...

Source: ECLAC, on the basis of figures provided by the Central Bank of Paraguay and the Ministry of Finance, Department of Statistics and Censuses.
[a] Preliminary figures. [b] In addition to Asunción, includes the urban areas of San Lorenzo, Lambaré, Fernando de la Mora and Villa Hayes, and the urban and rural areas of Villa Lisa, San Antonio, Ñenby, Luque, Limpio and Mariano Roque Alonzo.
[c] Average for the months of November and December. [d] Average for the months of June, July and August. [e] Survey in October-November 1991.

Table 9

PARAGUAY: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Rates of variation		
	1991	1992	1993[a]	1980	1992	1993[a]	1991	1992	1993[a]
Total	**1 200**	**1 032**	**1 216**	**100.0**	**100.0**	**100.0**	**-13.1**	**-14.0**	**17.8**
Unregistered [b]	464	375	491	22.4	36.3	40.4	9.7	-19.2	30.9
Total registered [c]	736	657	725	77.6	63.7	59.6	-23.2	-10.8	10.4
Main traditional exports									
Livestock products	86	86	102	1.1	8.3	8.3	-35.9	0.0	18.1
Wood	44	53	64	16.6	5.1	5.2	17.6	19.6	20.5
Oils	44	57	49	4.3	5.5	4.0	14.3	29.7	-14.5
Tobacco	8	7	7	2.6	0.7	0.6	34.3	-8.5	0.2
Quebracho extract	5	4	3	1.1	0.4	0.3	-11.8	-14.5	-14.9
Main non-traditional exports									
Cotton fibre	314	209	165	26.4	20.3	13.6	-5.7	-33.4	-21.1
Soybeans	157	137	224	10.5	13.3	18.4	-41.2	-12.8	63.3
Oilcake and expellers	31	54	30	5.5	5.2	2.5	91.1	72.3	-44.3
Fruit and vegetables	3	3	2	2.1	0.3	0.2	-7.6	16.0	-39.1
Other	45	47	80	7.4	4.6	6.6	-61.8	4.4	70.9

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay.
[a] Preliminary figures. [b] Includes balance-of-payments adjustments. [c] Incorporates improvements in the registration of exports based on new administrative and exchange provisions.

Table 10

PARAGUAY: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Rates of variation							
Exports(f.o.b.)								
Value	23.7	3.8	45.8	35.5	17.1	-13.2	-14.0	17.8
Volume	26.9	-3.0	29.8	18.8	20.0	-12.1	-9.9	26.7
Unit value	-2.5	7.0	12.3	14.0	-2.4	-1.2	-4.6	-7.0
Imports (f.o.b.)								
Value	31.1	6.3	12.1	-1.4	61.0	11.8	-0.1	2.7
Volume	31.4	3.5	10.1	-0.3	66.6	8.6	-4.3	6.1
Unit value	-0.3	2.7	1.9	-1.0	-3.4	2.9	4.3	-3.1
Terms of trade (f.o.b./c.i.f.)	-2.4	4.1	9.7	15.2	1.0	-2.0	-11.3	-3.6
	Indexes (1980=100)							
Purchasing power of exports	187.3	189.1	269.3	368.5	446.7	384.9	307.9	376.3
Volume of exports	169.6	164.5	213.5	253.7	304.5	267.7	241.3	305.8
Volume of imports	179.1	185.4	204.0	203.3	338.8	368.1	352.4	373.8
Terms of trade (f.o.b./c.i.f.)	110.4	115.0	126.1	145.3	146.7	143.8	127.6	123.0

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 11
PARAGUAY: EXCHANGE RATES
(Annual and quarterly averages)

	Nominal exchange rates (guaraníes per dollar)			Indexes of the real effective exchange rate [c] (1985=100) based on the consumer prices index [d]			
	Official		Parallel or unregulated	Official		Parallel or unregulated	
	Exports [a]	Imports [b]		Exports	Imports	Exports	Imports
1978	126	126	142	149.9	106.2	87.1	76.6
1979	126	126	138	130.1	95.2	73.5	66.7
1980	126	126	135	112.9	88.9	62.4	60.9
1981	126	126	149	96.4	75.0	58.8	56.7
1982	142	137	203	97.0	67.9	71.5	64.4
1983	158	146	316	81.9	58.1	84.4	80.4
1984	222	245	383	90.9	80.6	80.9	80.6
1985	312	387	605	100.0	100.0	100.0	100.0
1986	388	474	701	114.5	111.7	106.7	105.7
1987	606	624	800	169.5	136.4	115.3	110.7
1988	717	728	928	178.0	140.3	119.5	116.4
1989[e]	1 123	1 096	1 145	239.8	173.4	126.1	115.9
1990	1 230	1 230	1 230	240.1	175.1	123.8	112.0
1991	1 326	1 326	1 326	209.2	163.3	107.9	104.4
1992	1 500	1 500	1 500	214.2	169.9	110.5	108.7
1993	1 744	1 744	1 744	220.5	181.2	113.7	115.9
1992							
I	1 440	1 440	1 440	207.4	165.5	106.9	105.9
II	1 458	1 458	1 458	213.1	169.2	109.9	108.2
III	1 517	1 517	1 517	218.3	171.3	112.6	109.6
IV	1 586	1 586	1 586	217.9	173.7	112.4	111.1
1993							
I	1 668	1 668	1 668	216.2	174.5	111.5	111.6
II	1 732	1 732	1 732	222.1	182.1	114.5	116.5
III	1 764	1 764	1 764	221.9	184.2	114.5	117.8
IV	1 813	1 813	1 813	221.8	183.9	114.4	117.7

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay and the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] As from 1982, the average exchange rate was used. [b] As from 1982, the average exchange rate for imports authorized by the Central Bank was used. [c] Corresponds to the average of the indexes of the real exchange rate for the guaraní against the currencies of Paraguay's main trading partners, weighted by the relative significance of the trade flows to or from these countries, as appropriate. These weightings correspond to the average for the period 1986-1990. In the case of Paraguay, the series were calculated for the official and parallel exchange rates. For further information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981 (E/CEPAL/G.1248), Santiago, Chile, June 1983. United Nations publication, sales No. E.83.II.G.2. [d] The consumer price index was used in the calculations for all the countries.
[e] As from March 1989, corresponds to the free-floating exchange rate.

Table 12

PARAGUAY: IMPORTS OF GOODS, F.O.B. [a]

	Millions of dollars			Percentage breakdown			Rates of variation		
	1991	1992	1993[b]	1980	1992	1993[b]	1991	1992	1993[b]
Total	**1 829**	**1 827**	**1 876**	**100.0**	**100.0**	**100.0**	**24.1**	**-0.1**	**2.7**
Unregistered [c]	554	590	541	23.4	32.3	28.8	97.2	6.5	-8.3
Total registered	1 275	1 237	1 335	76.6	67.7	71.2	6.9	-3.0	7.9
Consumer goods	424	525	598	22.5	28.7	31.9	50.8	23.9	13.9
Non-durable	335	360	418	17.5	19.7	22.3	57.7	7.5	16.1
Food beverages and tobacco	150	170	160	17.5	9.3	8.5	45.1	13.5	-5.9
Other [d]	185	190	258	8.0	10.4	13.8	69.7	2.7	35.8
Durables [e]	89	165	180	5.1	9.0	9.6	29.5	85.4	9.1
Automobiles	56	66	66	2.7	3.6	3.5	81.2	17.9	0.0
Electric appliances	33	99	114	2.4	5.4	6.1	-12.7	200.0	15.2
Intermediate goods	303	309	289	24.7	16.9	15.4	40.7	2.1	-6.5
Fuels and lubricants	130	145	118	19.2	7.9	6.3	-11.3	11.8	-18.6
Other [f]	173	164	171	5.5	9.0	9.1	151.1	-5.2	4.3
Capital goods	549	400	449	25.1	21.9	23.9	-3.2	-27.1	12.3
Machinery, equipment and motors	427	269	...	11.9	14.7	...	-9.2	-37.0	...
Transport equipment and accessories [g]	97	106	...	11.1	5.8	...	33.7	9.5	...
Other [h]	25	25	...	2.1	1.4	...	1.9	-0.6	...
Unclassified	129	...	...	4.3	...	...	-0.1	...	...

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay.

[a] Includes only those imports which appear in the exchange records, plus imports involving deferred payments and those paid for with long-term external loans. [b] Preliminary figures. [c] Includes balance-of-payments adjustments. [d] Includes paper, cardboard and paper products, pharmaceuticals and chemicals, and textiles and textile manufactures. [e] Includes jeeps and pickup trucks. [f] Includes iron and iron manufactures (with the exception of hardware), base metals and their manufactures, stones, earth and manufactures thereof, cement, asphalt and wood and wood manufactures. [g] Excludes automobiles, jeeps and pickup trucks. [h] Includes agricultural implements and accessories, hardware and livestock.

Table 13

PARAGUAY: BALANCE OF PAYMENTS [a]

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Balance on current account	**-375**	**-515**	**-243**	**234**	**-219**	**-574**	**-866**	**-687**
Trade balance	-330	-406	-229	255	-209	-566	-844	-609
Exports of goods and services	760	770	1 102	1 575	1 885	1 741	1 544	1 827
Goods f.o.b.	576	597	871	1 180	1 382	1 200	1 032	1 216
Real services [c]	184	172	231	395	502	541	513	611
Transport and insurance	6	8	23	29	75	71	73	62
Travel	148	121	114	127	128	165	154	191
Imports of goods and services	1 089	1 175	1 331	1 319	2 094	2 306	2 389	2 436
Goods f.o.b.	864	919	1 030	1 016	1 636	1 829	1 827	1 876
Real services [c]	225	256	301	304	458	477	562	560
Transport and insurance	159	169	198	188	280	252	322	294
Travel	48	51	59	75	103	118	135	134
Factor services	-47	-111	-16	-23	-17	-15	-25	-78
Profits	-	-	-	-	-22	-22	-22	-24
Interest received	57	28	33	50	71	66	98	38
Interes paid	-117	-62	-138	-112	-99	-101	-165	-116
Labour and ownership	14	23	89	39	34	42	64	24
Unrequited private transfer payments	1	2	2	2	7	7	3	-
Balance on capital account	**235**	**553**	**75**	**-88**	**438**	**873**	**519**	**774**
Unrequited official transfer payments	10	25	33	22	48	66	31	78
Long-term capital	140	-64	-98	31	-70	44	22	199
Direct investment	1	5	8	13	76	84	136	150
Portfolio investment	-	-	-	-	-	-	-	-
Other long-term capital	140	-69	-107	18	-146	-40	-115	49
Official sector [d]	111	-13	-41	59	-144	14	-54	46
Loans received	186	88	109	470	23	105	143	190
Amortization payments	-76	-101	-120	-381	-167	-91	-196	-144
Commercial banks [d]	-5	18	-13	-6	-10	-1	-6	-2
Loans received	17	35	-	7	6	11	13	...
Amortization payments	-22	-18	-13	-13	-16	-12	-18	-2
Other sectors [d]	34	-74	-53	-36	8	-53	-55	6
Loans received	102	62	37	62	98	57	26	7
Amortization payments	-68	-136	-91	-98	-90	-110	-81	-1
Short-term capital	41	253	-58	-51	132	87	-220	66
Official sector	7	52	-12	-121	55	17	-8	...
Commercial banks	-39	-11	9	-15	-20	28	-17	...
Other sectors	74	211	-55	85	97	41	-196	...
Errors and omissions (net)	44	338	198	-91	327	677	686	428
Global balance [e]	**-140**	**38**	**-168**	**145**	**219**	**299**	**-347**	**87**
Total variation in reserves (- sign indicates an increase)	120	-50	173	-109	-29	-301	347	-87
Monetary gold	-	-	-	-	-	-	-	-2
Special drawing rights	-9	-12	-	-3	-11	-6	-1	-4
IMF reserve position	4	3	8	4	1	-	-7	...
Foreign exchange assets	124	-41	166	-109	-218	-295	...	...
Other assets	-	-	-	-	-	-	...	...
Use made of IMF credit	-	-	-	-	-	-	-	...

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay.

[a] Figures from 1985 on are not entirely comparable with the figures for previous years owing to changes in the methodology used. From 1989 on the figures include unregistered trade estimates. [b] Preliminary figures. [c] Includes other non-factor services. [d] Includes net loans granted and other assets and liabilities. [e] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 14

PARAGUAY: EXTERNAL DEBT

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Gross disbursed external debt [b]	1 855	2 043	2 002	2 027	1 695	1 666	1 279	1 254
Public sector	1 825	2 010	1 969	1 995	1 670	1 637	1 249	1 218
Non-financial	1 598	1 757	1 969	1 786	1 458	1 440	1 011	1 106
Central Government	886	979	997	686	675	719	529	645
State enterprises	712	778	972 [c]	1 100	783	721	482	461
Financial	227	253	...	209	212	197	238	112
Private sector	30	33	33	32	25	29	30	36
Gross external debt service [d]	350	426	336	251 [e]	278	219	629	231
Principal	172	268	199	139	199	128	381	148
Interest	178	159	137	112	79	91	248	83
As a percentage of exports of goods and services [f]								
Disbursed external debt	244.1	265.3	181.7	128.7	89.9	95.7	82.8	68.6
External debt service	46.1	56.1	44.2	33.0	36.6	28.8	82.8	30.4
Principal	22.6	34.8	18.1	8.8	10.6	7.4	24.7	8.1
Interest	23.4	20.6	12.4	7.1	4.2	5.2	16.1	4.5

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Medium- and long-term public and State-guaranteed private debt; year-end balances; does not include interest on arrears. [c] Includes the financial public sector. [d] Refers to debt service due rather than to service payments actually made. [e] Mature debts with the Banco do Brasil S.A. (CACEX) were refinanced. [f] Refers to exports of goods and services as shown on the balance of payments.

Table 15

PARAGUAY: DOMESTIC PRICES

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993
Variation between annual averages								
Consumer price index	31.7	21.8	23.0	26.0	38.2	24.3	15.1	18.3
Food	43.5	23.9	23.8	20.4	46.4	20.1	14.9	17.3
Housing	13.8	19.0	19.8	33.8	34.2	25.8	14.7	18.5
Clothing	32.8	18.0	21.8	24.6	32.6	26.5	10.9	12.4
Miscellaneous expenses	13.8	21.9	24.5	30.0	30.8	29.1	17.3	12.4
Wholesale price index	45.1	11.9	27.1	21.9	55.1	31.9	...	23.1
Agricultural products	64.0	-1.1	35.3	18.0	76.8	41.9	...	26.5
Index of implicit prices of gross domestic product	31.6	30.3	25.1	31.2	36.3	24.8	14.7	19.6
Variation from December to December								
Consumer price index	24.1	32.0	16.9	28.7	44.0	11.8	17.8	20.4
Food	34.9	42.3	9.8	22.4	53.1	6.7	19.1	20.9
Housing	11.7	22.0	24.6	35.7	37.4	14.9	16.4	17.9
Clothing	21.7	22.1	19.9	29.8	36.0	14.7	10.4	14.3
Miscellaneous expenses	19.4	26.8	23.3	32.8	38.4	16.8	19.4	23.1
Wholesale price index	28.1	19.7	33.7	26.1	67.2	12.4	...	14.8
Agricultural products	28.8	12.6	52.6	20.0	96.8	14.4	...	15.4

Source: ECLAC, on the basis of official figures.

Table 16
PARAGUAY: WAGES

	Indexes (1980=100)			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
			Nominal				
Wages of manual workers in Asunción [b]							
General	909	1 043	1 256	30.3	22.8	14.8	20.4
Manufacturing	863	959	1 132	31.7	17.9	11.2	18.0
Construction	1 017	1 355	1 578	30.3	20.0	33.3	16.5
Electricity, gas and water	1 028	1 106	1 417	25.4	17.8	7.7	28.1
Transport, storage and communications	945	1 145	1 416	29.2	37.0	21.2	23.7
Commerce	915	983	1 141	22.5	14.5	7.5	16.1
Other services	1 085	1 187	1 375	27.3	16.0	9.3	15.9
Legal minimum wages							
Asunción and Ciudad del Este	1 117	1 173	1 333	32.7	18.6	5.0	13.6
			Real [c]				
Wages of manual workers							
General	102	102	104	-5.7	-1.2	-0.3	1.8
Manufacturing	97	94	94	-4.7	-5.2	-3.4	-0.3
Construction	114	133	130	-5.7	-3.5	15.8	-1.5
Electricity, gas and water	116	108	117	-9.2	-5.2	-6.5	8.3
Transport, storage and communications	106	112	117	-6.6	10.3	5.3	4.5
Commerce	103	96	94	-11.3	-7.9	-6.7	-1.9
Other services	122	116	114	-7.9	-6.6	-5.0	-2.1
Legal minimum wages							
Asunción and Ciudad del Este	126	115	110	-4.0	-4.6	-8.6	-3.9

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay, Department of Economic Studies; Ministry of Agriculture, Department of Agricultural Marketing and Economics; and Ministry of Justice and Labour, Department of Human Resources.

[a] Preliminary figures. [b] Average for June and December. [c] Nominal values were deflated by the consumer price index.

Table 17

PARAGUAY: CONSOLIDATED PUBLIC SECTOR INCOME AND EXPENDITURE

	Billions of guaraníes			As percentage of GDP			Rates of variation	
	1991	1992	1993[a]	1991	1992	1993[a]	1992	1993[a]
1. **Current income**	**1 244**	**1 561**	**2 003**	**15.0**	**15.8**	**16.9**	**25.5**	**28.3**
General government	1 108	1 382	1 717	13.4	14.0	14.5	24.7	24.2
Operating balance of public enterprises	136	179	286	1.6	1.8	2.4	32.0	59.7
2. **Current expenditure**	**873**	**1 240**	**1 451**	**10.5**	**12.5**	**12.2**	**41.9**	**17.1**
3. **Current balance** (1 - 2)	**370**	**321**	**552**	**4.5**	**3.2**	**4.7**	**-13.2**	**71.7**
4. **Capital income**	**23**	**24**	**12**	**0.3**	**0.2**	**0.1**	**5.4**	**-50.2**
General government	11	7	10	0.1	0.1	0.1	-31.2	37.0
Public enterprises	12	17	2	0.1	0.2	-	37.1	-88.1
5. **Capital expenditure**	**271**	**324**	**345**	**3.3**	**3.3**	**2.9**	**19.6**	**6.5**
General government	208	195	243	2.5	2.0	2.1	-6.0	24.4
Public enterprises	63	129	102	0.8	1.3	0.9	104.3	-20.6
6. **Total expenditure** (2 + 5)	**1 144**	**1 563**	**1 796**	**13.8**	**15.8**	**15.2**	**36.7**	**14.9**
7. **Fiscal balance** (1 + 4 - 6)	**123**	**22**	**219**	**1.5**	**0.2**	**1.8**		
8. **Financing**	**-123**	**-22**	**-219**	**-1.5**	**-0.2**	**-1.8**		
External financing	86	18	10	1.0	0.2	0.1		
General government	32	96	36	0.4	1.2	0.3		
Public enterprises	54	-77	-26	0.7	-0.9	-0.2		
Domestic financing	-249	-40	-229	-3.0	-0.5	-1.9		
General government	-99	-42	-64	-1.2	-0.5	-0.5		
Public enterprises	-151	3	-165	-1.8	-	-1.4		
Other sources of financing	41	-	-	0.5	-	-		

Source: ECLAC, on the basis of figures from the Ministry of Finance, Technical Secretariat for Economic and Social Development Planning, Budget Department and International Monetary Fund (IMF).

[a] Preliminary figures.

Table 18

PARAGUAY: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Billions of guaraníes			Percentages of GDP			Rates of variation		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Total income**	**974**	**1 312**	**1 537**	**11.8**	**13.6**	**12.8**	**21.0**	**34.6**	**17.2**
1.1 Current income	966	1 303	1 520	11.7	13.5	12.7	20.7	34.8	16.7
Tax revenue	734	848	1 123	8.9	8.8	9.4	11.0	15.4	32.5
Direct taxes	116	162	278	1.4	1.7	2.3	-1.4	39.7	71.6
On income	94	132	174	1.1	1.4	1.5	27.5	40.5	31.7
On capital	22	30	...	0.3	0.3	...	74.6	36.4	...
Other	-	-	104	-	-	0.9	-	-	...
Indirect taxes	618	686	845	7.5	7.1	7.0	13.7	10.9	23.2
On external trade	165	158	208	2.0	1.6	1.7	20.2	-4.4	31.9
Imports	147	156	196	1.8	1.6	1.6	36.9	6.1	25.6
Exports	18	2	12	0.2	-	0.1	-39.8	-90.6	500.0
On domestic commerce	370	437	548	4.5	4.5	4.6	4.0	18.0	25.4
Other	83	91	89	1.0	0.9	0.7	64.6	9.5	-2.2
Non-tax revenue	232	455	397	2.8	4.7	3.3	66.5	96.1	-12.7
1.2 Capital income	8	9	17	0.1	0.1	0.1	86.0	12.5	88.9
2. **Current expenditure**	**479**	**1 110**	**1 334**	**5.8**	**11.5**	**11.1**	**-5.5**	**131.9**	**20.2**
Consumption	326	656	885	3.9	6.8	7.4	7.6	101.1	34.9
Wages and salaries	254	535	712	3.1	5.5	5.9	8.0	110.7	33.1
Goods and non-personal services	72	121	173	0.9	1.3	1.4	6.2	67.4	43.0
Other	14	44	22	0.2	0.5	0.2	-46.0	207.7	-50.0
Interest payments	-	89	94	-	0.9	0.8	...	...	5.7
Transfers	138	321	333	1.7	3.3	2.8	18.8	132.3	3.7
3. **Current balance** (1 - 2)	**488**	**193**	**186**	**5.9**	**2.0**	**1.6**			
4. **Capital expenditure**	**130**	**212**	**230**	**1.6**	**2.2**	**1.9**	**24.8**	**62.2**	**8.7**
Capital formation	69	135	166	0.8	1.4	1.4	7.6	95.1	23.0
Transfers	61	77	64	0.7	0.8	0.5	61.1	25.0	-16.3
5. **Total expenditure** (2 + 4)	**609**	**1 321**	**1 564**	**7.4**	**13.7**	**13.0**	**-0.3**	**116.9**	**18.4**
6. **Fiscal balance** (1 - 5)	**365**	**-10**	**-27**	**4.4**	**-0.1**	**-0.2**			
7. **Financing**	**-365**	**10**	**27**						
Domestic financing (net) [b]	-482	-96	-40						
External financing	118	105	58						
Credit received	107	126	63						
(-) Amortization payments	1	108	162						
Variation in Itaipú arrears	12	87	157						
Other sources of financing	-	-	9						

Source: ECLAC, on the basis of figures from the Ministry of Finance, Technical Secretariat for Economic and Social Development Planning, Budget Department, and International Monetary Fund (IMF).

[a] Preliminary figures. [b] Includes supplier credits, bond issues and amortization, and amortization of commitments carried over from previous years.

Table 19

PARAGUAY: MONETARY BALANCE OF THE CENTRAL BANK OF PARAGUAY

	Billions of guaraníes[a]			Rates of variation			
	1991	1992	1993[b]	1990	1991	1992	1993[b]
I. Net international reserves	1 289	993	1 272	61.6	51.0	-22.9	28.0
(in millions of dollars)	975	611	698	58.5	44.2	-37.4	14.3
II. Net domestic credit	-601	-91	-219				
Non-financial public sector	-150	729	957				31.3
Central Government	-212	566[c]	782				38.2
Public entities[d]	62	163	175	-68.1	798.6	162.9	7.4
Banking sector	112	170	103	5.4	-4.4	51.8	-39.4
National Development Bank	80	146	81	39.1	25.1	83.2	-44.5
Commercial banks	32	24	22	-18.2	-39.5	-25.7	-8.3
Other assets and liabilities (net)	-563	-990	-1 279				
III. Monetary base	688	902	1 053	21.4	25.8	31.2	16.7
1. Notes and coins issued	424	578	698	41.5	30.4	36.3	20.8
In banks	44	46	62	80.3	78.1	5.5	33.6
Outside banks	380	531	636	39.0	26.5	39.8	19.7
2. Deposits in the Central Bank of Paraguay	264	324	373	0.4	18.8	23.0	15.0
Legal cash reserve	254	291	334	-0.3	18.5	14.3	14.8
Bank deposits	9	33	39	26.8	29.6	263.0	16.8

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay.

[a] Year-end balances. [b] Preliminary figures. [c] Reflects the posting of interest on the external debt arrears of the public sector.

[d] Includes the Livestock Fund.

Table 20
PARAGUAY: MONETARY BALANCE [a]

	Billions of guaraníes			Rates of variation			
	1991	1992	1993[b]	1990	1991	1992	1993[b]
Monetary base	688	902	1 053	21.4	25.8	31.1	16.8
Money (M1)	625	817	973	27.7	27.5	30.6	19.2
Currency outside banks	380	531	636	39.0	26.4	39.9	19.7
Demand deposits	245	285	337	13.1	29.1	16.2	18.2
Factors of expansion (net) (M3)	1 510	2 184	2 855	35.0	34.9	44.6	30.8
International reserves (net)	1 471	1 303	1 672	53.4	46.3	-11.4	28.3
Domestic credit (net)	-885	-1 367	-1 882				
Public sector	-280	555	676	10.1	189.9	-298.2	21.8
Central Government	-272	470	573	-8.6	459.7	-272.8	21.9
Rest of public sector	-8	85	103	39.1	-83.3	-1 162.5	21.2
Private sector	1 226	1 700	2 287	36.0	82.3	38.7	34.5
Other items (net)	-1 831	-3 622	-4 845				
Quasi-money	885	1 367	1 882	41.4	40.7	54.5	37.7
In local currency	431	611	725	25.1	29.4	41.8	18.7
Time and savings deposits	332	415	461	34.4	3.2	25.0	11.1
Other deposits	99	196	264	-57.4	760.9	98.0	34.7
In foreign currency	454	756	1 157	65.8	53.5	66.5	53.0
	Percentages						
Monetary multipliers [c]							
M1/Monetary base	90.9	90.5	92.4				
M2/Monetary base	153.5	158.3	161.3				
M3/Monetary base	219.5	242.1	271.1				
Dollarization coefficient [d]	30.0	34.6	40.5				

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay.
[a] Year-end balances. [b] Preliminary figures. [c] Calculated on the basis of the annual average of the monthly balances for the monetary base, of M1, M2 and M3; M2 = M1 + local-currency quasi-money. [d] Equals share of foreign-currency quasi-money in M3.

Table 21

PARAGUAY: SECTORAL ALLOCATION OF CREDIT TO THE PRIVATE SECTOR [a]

	Billions of guaraníes			Rates of variation			
	1991	1992	1993[b]	1990	1991	1992	1993[b]
			Commercial banks				
Total	**853**	**1 199**	**1 655**	**40.2**	**62.3**	**40.5**	**38.1**
Agriculture	165	209	266	24.4	3.2	26.7	27.0
Crop-farming	133	165	216	24.2	-4.9	23.8	31.1
Stock-raising	32	44	49	25.8	59.5	38.9	11.6
Industry	115	125	159	7.6	56.2	8.2	27.6
Manufacturing	108	116	147	6.4	50.1	7.0	26.9
Construction	7	9	12	90.0	289.5	24.3	35.9
Commerce (domestic)	365	533	828	47.5	105.4	46.0	55.2
Exports	119	157	206	106.3	44.2	31.6	31.5
Other	88	174	197	85.1	183.3	98.0	12.9
			National Development Bank				
Total	**206**	**285**	**340**	**22.1**	**40.4**	**38.2**	**19.4**
Agriculture	172	236	273	29.2	40.1	37.2	15.7
Crop-farming	167	230	260	29.8	40.1	37.9	13.0
Stock-raising	5	6	13	12.5	41.7	15.7	120.1
Industry	17	38	51	-5.3	-14.3	126.2	35.1
Manufacturing	17	38	51	-5.3	-14.3	126.2	35.1
Commerce (domestic)	7	9	8	-36.6	173.1	22.5	-5.2
Exports	9	1	6	-	-	-89.9	525.4
Other	1	1	2	375.0	-31.6	-	-
			Total				
Total [c]	**1 292**	**1 647**	**2 180**	**35.9**	**60.0**	**27.5**	**32.4**
Agriculture [d]	407	511	609	31.2	18.1	25.7	19.2
Crop-farming [d]	300	395	476	26.7	15.8	31.5	20.6
Stock-raising [d]	106	116	133	47.0	25.0	9.3	14.4
Industry	295	260	325	11.6	76.6	-11.9	24.7
Manufacturing	206	154	198	3.6	125.1	-25.5	28.9
Construction[e]	89	107	127	23.1	18.0	19.4	18.5
Commerce (domestic)	373	542	836	44.7	106.4	45.5	54.2
Exports	128	158	212	106.3	55.0	23.1	34.3
Other	89	176	199	91.9	170.9	96.5	13.3

Source: ECLAC, on the basis of figures supplied by the Central Bank of Paraguay.

[a] Year-end balances. [b] Preliminary figures. [c] Includes the Livestock Fund and the Housing Savings and Loan System. [d] Includes the Livestock Fund. [e] Includes the Housing Savings and Loan System.

Table 22
PARAGUAY: INTEREST RATES
(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]	
	Deposits	Loans	Deposits	Loans	Deposits	Loans
1990						
December	29.3	48.2	13.4	30.0	-18.3	-6.3
1991						
June	26.5	42.1	26.5	42.1	31.3	47.5
December	19.5	30.8	23.9	35.6	-9.1	-0.6
1992						
June	21.3	31.5	2.7	11.3	5.6	14.4
September	21.6	...	6.3	...	0.8	...
November	23.1	...	2.9	...	3.4	...
December	22.4	34.5	16.7	28.2	5.0	15.4
1993						
I	23.9	34.0	-2.9	4.9	-2.8	5.1
II	23.7	33.5	8.3	16.9	14.5	23.6
III	24.5	34.8	8.8	17.8	13.5	22.9
IV	24.2	35.8	-1.3	7.9	11.3	21.6

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices during the period. [b] Ratio between nominal rates and devaluation during the period.

PERU

1. General features of recent trends

In the fourth year of its economic adjustment programme, Peru managed to reduce its rate of inflation substantially by applying strict fiscal and monetary policies. At the same time, the expansion of both domestic and external demand, an end to the unfavourable climatic conditions caused by the El Niño phenomenon and a more stable political and social environment enabled the country to shake loose from the recession that had gripped it since 1988 and to make a vigorous start to economic recovery.

The country's improved macroeconomic equilibria and the rebuilding of its links to the international community helped in turn to assure a steady stream of external capital, which financed the chronic deficit in the balance-of-payments current account. The influx of external resources, equal to 6% of output, provided some of the underpinning for expanded domestic demand.

To be more specific, in 1993 inflation subsided to 40% for the year, while gross domestic product (GDP), which had shrunk 3% the year before, now expanded 7%. The non-financial public sector deficit was reduced to the equivalent of 1.4% of output, and that gap was bridged, as planned, by external credit. The influx of over US$ 2.7 billion dollars in external capital made it possible to finance a deficit in excess of US$ 2.2 billion on the balance-of-payments current account, a figure somewhat lower than in 1992, and to increase international reserves for the seventh consecutive year, by nearly US$ 500 million this time around (see table 1 and figure 1).

2. Economic policy

Although major progress had been made in the two previous years in controlling inflation, thereby avoiding the threat of a dislocation of the price system, consumer prices had nevertheless risen in 1992 by around 60%. At the beginning of 1993, the Government put into effect an economic and financial programme for the three-year period 1993-1995. With the backing of the International Monetary Fund (IMF) under the rights accumulation program, the main goals formulated for 1993 were the recovery of productive growth with a target rate of 4%, the reduction of annual inflation to 27% and the international reintegration of the country.

The plan depended primarily on the application of strict fiscal and monetary policies, complemented by foreign exchange management designed to reduce inflation and keep the real rate of exchange stable.

Under the plan, it was determined that the entire public sector deficit would have to be covered by external borrowing. The target rate of expansion of money in circulation would be under 35% for the year, while foreign exchange policy would adhere to the current system of a floating exchange rate with intervention by the Central Reserve Bank of Peru, which would strive to meet both the monetary and international reserve targets. International reserves were expected to increase by around US$ 180 million and to be the only primary expansion factor.

a) Fiscal policy

Avoiding the inflationary pressures resulting from bank credit extended to the public sector was once again an essential ingredient of the stabilization programme. In order to achieve this

Figure 1
PERU: MAIN ECONOMIC INDICATORS

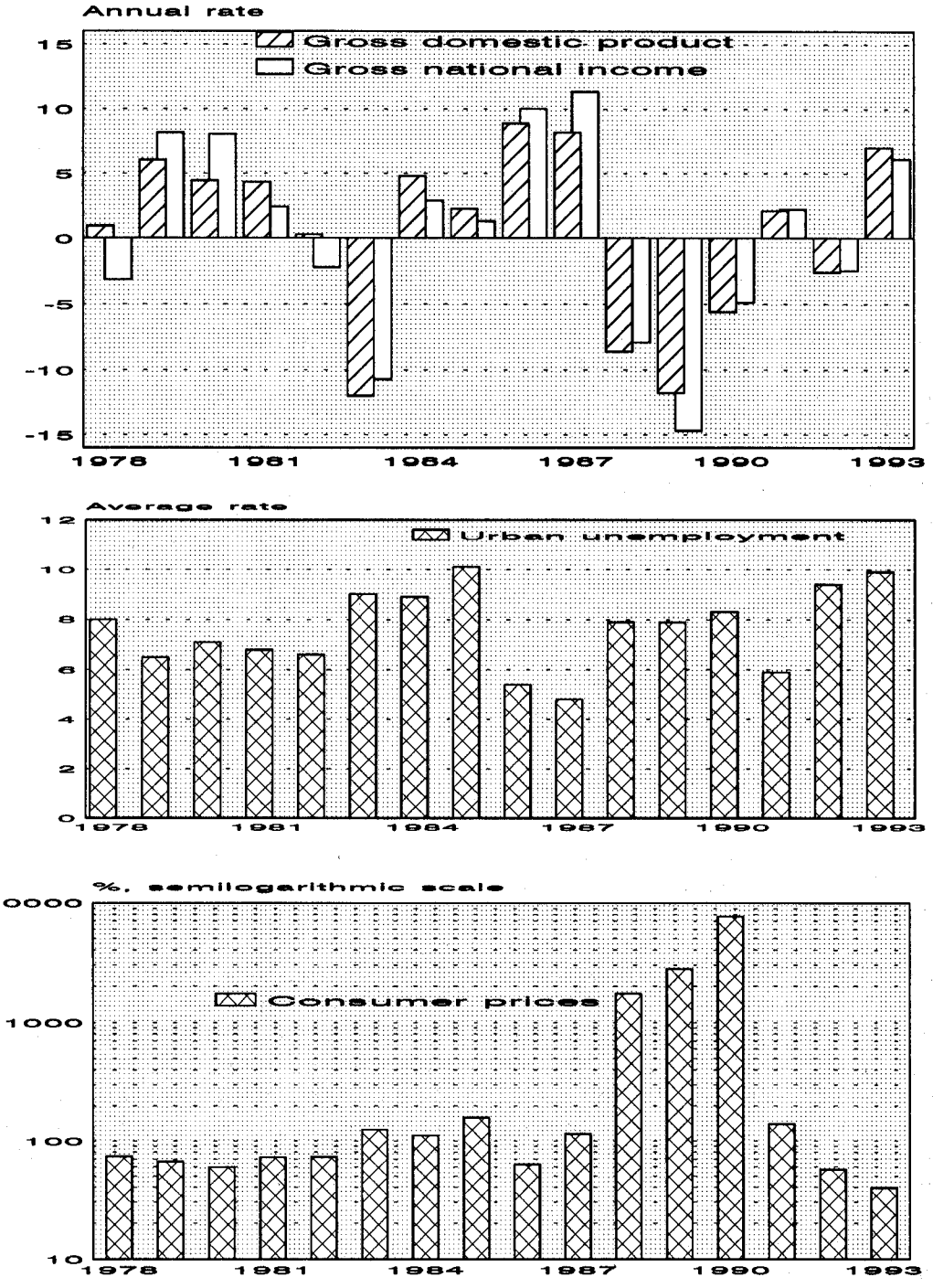
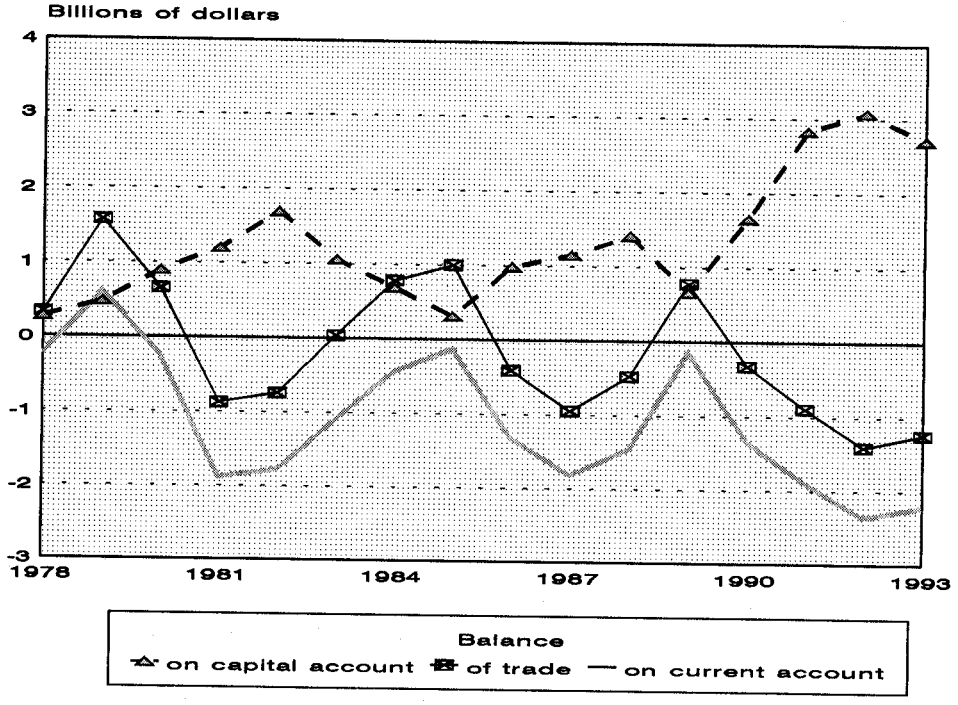
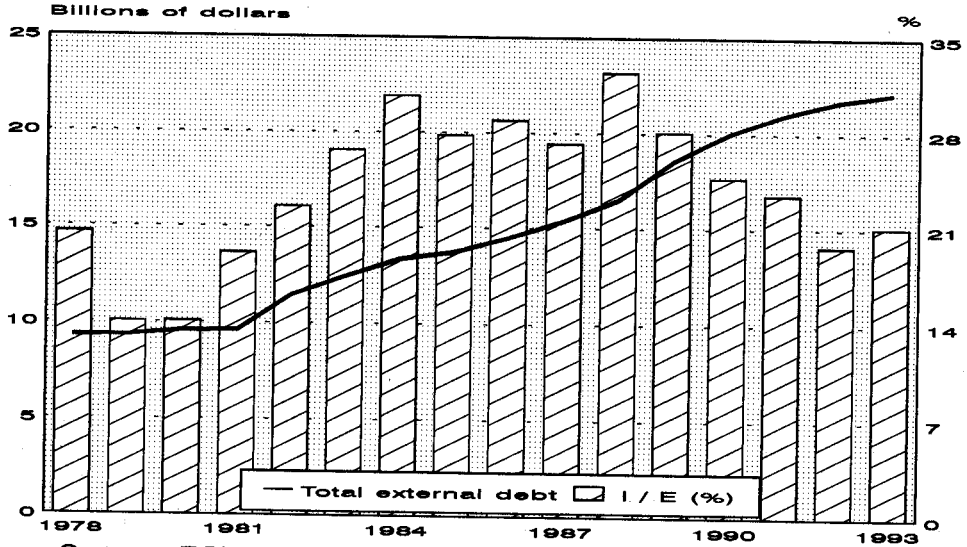


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest due. E = Exports of goods and services.

objective, the non-financial public sector deficit, attributable to the central Government, was covered by external credit.

The central Government ran a deficit equivalent to 1.4% of output, which was slightly less than the year before because in real terms income increased more than expenditure. Tax revenues remained at the level of 8.4% of output, considerably below the target tax ratio of 10% of GDP.

Two thirds of the revenues came from excise taxes. General sales tax, which was extended to fuel and imported items, constituted the chief source of revenue, accounting for 41% of total revenues (3.5% of GDP). Income tax and import taxes also increased in relative importance, accounting for 17% and 14%, respectively, of total collections. Selective excise taxes, on the other hand, brought in slightly less in real terms.

Some of the non-tax income came from privatization of state-owned enterprises. Since privatization occurred for the most part only towards the end of the year, it brought in just US$ 150 million. In the course of the year, Empresa de Transportes Aéreos del Perú (AEROPERU), Petrolera Transoceánica and Empresa Minera Cerro Verde were privatized.

Current expenditures of the central Government rose slightly to a level equal to 9% of output, while capital expenditures remained around 3% of GDP.

Public sector rate and price policy enabled the state-owned enterprises to balance their accounts overall. While real prices of fuel remained stable over the course of the year, electricity rates declined and drinking water and telephone rates increased significantly.

b) Monetary and foreign exchange policy

The country continued to use the system of a floating exchange rate with central bank intervention to meet its targets with respect to the money supply and international reserves.

The price of the dollar closely tracked domestic prices; that is, it rose strongly in the first half of the year and slowed significantly in the second half, when it increased by barely 8%. Despite the second half slow-down, the average real effective exchange rate for the year was 9% higher than the figure for 1992.

The central bank's intervention in the foreign exchange market to achieve this effect resulted in an increase in high-powered money (34%) that was within target. Although the monetary authority increased its international reserves by US$ 700 million dollars, only US$ 180 million of that had an effect on high-powered money creation. Money supply, however, expanded faster (47%), in step with nominal output. The money multiplier thus continued its upward trend.

Deposits in domestic currency generated real positive yields during most of the year, but contracted in constant terms. Deposits denominated in foreign currencies, on the other hand, increased 39% in dollar terms and more than doubled the broad monetary aggregate (M2). As a result, although the liquidity coefficient was under 5% when calculated on the basis of domestic currency, it approached 15% including deposits in foreign currencies.

Real lending rates once again diverged sharply from rates on deposits, so that by the end of the year, in an economic climate in which real interest paid on deposits in domestic currency rose by 9%, loans were being granted at a real interest rate of 44% per annum. In any case, most borrowing (80% of the total) was in foreign currency at interest rates that declined to 16% per annum by the end of the year. Much of the wide spread was due to the high cost of banking operations, resulting from the large reserve requirement and the heavy burden of shaky loan portfolios.

c) Trade policy

The tariff reduction programme moved forward with the inclusion of 850 tariff items in the 15% category, which reduced the average tariff on imports from 18% to 16%.

The previous November, Peru had temporarily suspended its obligations to the other members of the Andean Group under the trade liberalization programme. Successful bilateral negotiations held in the weeks that followed resulted in an agreement with Ecuador that went into effect in January 1993 removing customs duties altogether on 489 items, with most of the products covered by the agreement being

semi-finished goods. In the course of the year, moreover, an agreement with Venezuela went into effect covering 177 items.

d) Structural reforms

As part of a wider administrative reform, provisions were adopted in December rationalizing and streamlining the tax system. Income tax was simplified and broader powers were granted to the tax inspection authorities. The general sales tax, on the other hand, was reinforced by the elimination of exemptions and the switch-over of some of the goods and all of the services that had previously been subject to selective excise taxes.

In 1993, private pension fund management firms began operating, with authorization to purchase a variety of domestic financial instruments: bonds issued by the Central Reserve Bank or the Government, commercial bank paper and stock in companies.

The expansion of the capital market was also facilitated by the regulations exempting interest on bonds issued by the private sector from income tax.

3. Trends in the main variables

a) Economic activity

After dropping nearly one fourth between 1987 and 1992, gross domestic product recovered 7% in 1993. Domestic income grew more slowly, as the terms of trade deteriorated for the third straight year, this time by 8%. While per capita output increased 5%, it still remained nearly 30% below the level reached six years earlier.

The growth of nearly 10% in capital investment was an important factor in increased demand. Capital formation was equivalent to nearly 24% of output, and 70% of it was financed with domestic savings, a significant step towards the goal of simultaneously increasing the investment ratio and domestic savings. Private investment was concentrated in mining, construction and manufacturing. Public investment also increased, but in lesser proportion (5%), and went primarily into rebuilding and repairing highways and schools and paving streets in marginal neighbourhoods, with financing from the Inter-American Development Bank (IDB).

The growth in private consumption (5%) and in external demand (8%) both contributed to the rebound in economic activity; public sector expenditure, on the other hand, contracted under a policy of fiscal austerity.

Greater demand had a direct impact on domestic production, while the draw-down of accumulated inventories caused a slight drop in imports, measured in constant terms.

The most vigorous growth sectors were in goods production, which increased by nearly 10%. The return to normal climatic conditions following the weather disturbances caused by the El Niño current the year before was a major factor in the revival in the primary production sectors. Agricultural production, for example, went up 9% with big increases in the main crops, although livestock production declined except in a few categories. The change in ocean current temperatures was also good for fish stocks, enabling the catch to increase over 40%. The larger anchovy catch was the basis for a similar increase in fish meal production.

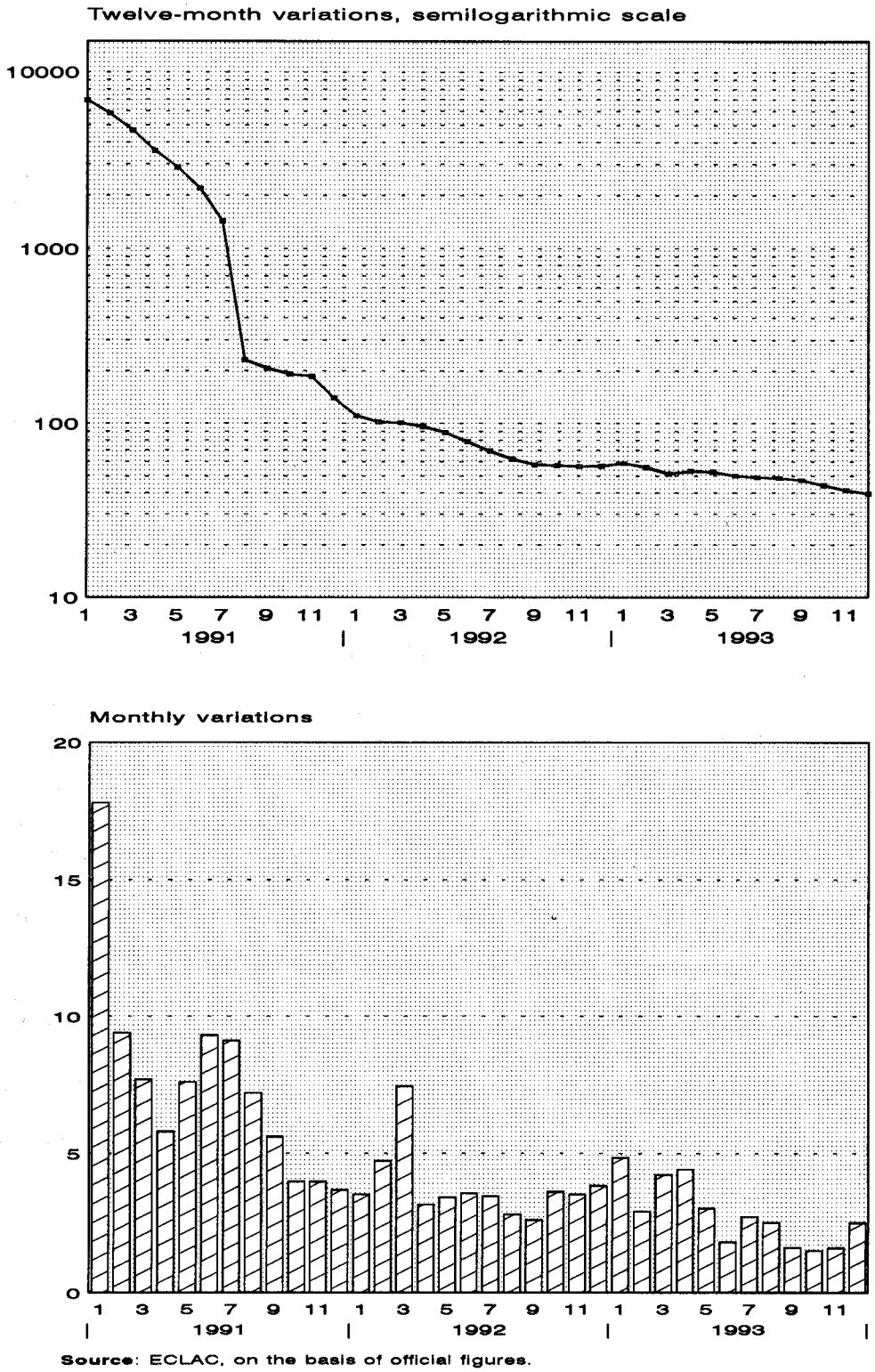
Greater domestic demand fuelled the strong resurgence (10%) in manufacturing production. The biggest increases were observable in food, plastics, glass products, petroleum products, iron and steel, and textiles. In contrast, paper, machinery and transport equipment continued their downward slide. Construction especially benefited from the decisions of investors, fostering a 14% growth, a boom to which both the public and private sectors contributed.

Services grew at a more halting pace, but the trend was definitely upward. A standout was hydroelectric power generation, which had been hit by drought the previous year.

b) Prices, wages and employment

Although it did not meet the target stipulated in the plan, the decline in the annual variation in the consumer price index from 57% to 40%

Figure 2
PERU: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

represented major progress. The slowing of inflation, particularly with regard to prices of tradables, was more evident in the second half, when the annualized variation in the level of prices dropped to 28%, which meant that the domestic currency depreciated 17% over the course of the year.

The rise in prices during the first quarter exceeded the projected rate due to demand pressure resulting from a substantial expansion of liquidity and the seasonal nature of livestock production. In the second half, greater stability in the real money supply, the slower pace of exchange rate depreciation and the more moderate rise in agricultural prices acted as a drag on the inflation rate.

Labour remuneration evidenced divergent trends. The average salary paid in the country's capital rose substantially in real terms from its previous low level, while wages, in contrast, continued to decline. This further severe cut in the real average wage occurred in a job market in which employment did not rebound in response to the increase in economic activity. During the previous year's recession, companies had reduced their work forces. In 1993, the employment indexes in manufacturing and services remained stable at the low levels recorded at the end of 1992, so that the annual average indexes for the year registered a decline in employment. In this context, the unemployment rate rose half a percent to nearly 10%. Since output was up, this meant that per capita productivity increased.

c) The external sector

i) *Balance of payments.* The hefty increase in quantities shipped of both traditional and non-traditional exports barely compensated for the sharp drop (-13%) in the prices of Peru's main exports, which meant that the value of external sales continued to hover around US$ 4.4 billion.

Among the traditional exports, the most striking changes were the increases in sales of iron ore and fish meal and the decreases in cotton, sugar and coffee. Non-traditional exports increased in value by 9%; this was on top of the 7% recorded in 1992. This promising trend owed much to the capital investment, accompanied by technical assistance, that had occurred in recent years in textile manufacturing and agroindustry (woven goods and selected types of garments of cotton and alpaca) and in tropical fruit production (fruit preserves and dried and frozen fruit for export), an industry that is expanding its production boundaries by using new irrigation systems (drip, sprinkler and subsurface drip).

On the other side of the ledger, the chief cause of the virtual standstill in the level of imports of goods was the reduction in public sector demand. Private purchases posted another increase, but the growth rate was lower than that for output as inventories accumulated the year before were used up. Imports of services declined.

As a result, the trade deficit declined to 2.7% of output. Payments abroad on factors of production continued to hover around the US$ 1 billion dollar mark (2% of GDP), which meant that the current account deficit worked out to the equivalent of 5% of GDP.

Abundant external capital flows not only covered the gap but also increased net international reserves in the banking system by US$ 500 million. At the end of the year, the reserves accumulated by the central bank had risen to a level sufficient to finance six months' worth of imports.

A considerable portion of these external resources, over US$ 440 million, came to the Government in the form of grants. Long-term financing exceeded US$ 1.2 billion, of which over US$ 570 million represented direct investment, a type of capital flow that was non-existent just two years earlier. In-coming short-term capital exceeded US$ 1 billion.

ii) *External debt.* In 1993, Peru succeeded in regularizing its international financial situation by reaching payment agreements with multilateral organizations and Governments. In mid-March an agreement was signed with IMF for an extended credit facility of US$ 1.4 billion; this, together with the US$ 930 million granted by the World Bank, enabled the country to settle arrears of US$ 856 million and US$ 867 million, respectively, that it had incurred towards these organizations.

During the first half of the year negotiations were also concluded with the Paris Club. The rescheduling of debt payments due in the

three-year period 1993-1995 should result in debt relief of some US$ 1.2 billion during the consolidation period.

By the end of 1993, external debt exceeded US$ 22.1 billion, 2% above the level 12 months earlier; 90% of the balance constituted medium- and long-term debt. In the course of the year there was new borrowing totalling US$ 666 million, of which US$ 416 million went to capital investment projects and US$ 250 million were granted by the Inter-American Development Bank (IDB) for structural adjustment (privatization).

By regularizing its debt situation with the international organizations, Peru improved its position for the negotiations it was to undertake in 1994 with foreign commercial banks. One sign of the country's re-entry into international financial markets was the substantial rise —from 20% to 75% of face value— in the prices Peruvian debt paper with commercial banks commanded in the secondary market. The increase was due in large measure to the announcement that such debt paper would be accepted as part payment in future privatizations.

Table 1
PERU: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	106.9	115.6	105.7	93.2	88.0	89.9	87.5	93.6
Gross national income	101.9	113.5	104.5	89.1	84.7	86.6	84.4	89.5
Population (millions of inhabitants)	19.8	20.3	20.7	21.1	21.6	22.0	22.5	22.9
Per capita gross domestic product	93.2	98.7	88.3	76.3	70.6	70.7	67.4	70.7
Real effective exchange rate CPI [b]	94.5	86.2	88.9	55.4	45.4	37.2	36.5	39.8
	Ratios (percentages)							
Non-financial public-sector fiscal balance/GDP	-5.1	-6.7	-7.6	-6.2	-6.7	-1.5	-1.6	-1.4
Money (M1)/GDP	6.0	6.3	4.1	2.3	1.5	2.6	2.8	2.6
Unemployment rate [c]	5.4	4.8	7.2	7.9	8.3	5.9	9.4	9.9
	Rates of variation (percentages)							
Gross domestic product	8.9	8.2	-8.6	-11.8	-5.6	2.1	-2.6	7.0
Per capita gross domestic product	6.6	5.9	-10.5	-3.6	-7.5	0.0	-4.6	4.8
Gross national income	10.0	11.3	-7.9	-14.7	-4.9	2.2	-2.5	6.1
Consumer prices December to December	62.9	114.5	1 722.3	2 775.8	7 649.6	139.2	56.7	39.5
Real salaries [c]	22.1	3.8	-22.1	-48.9	-16.8	2.3	3.4	14.4
Real wages [c]	30.3	7.7	-24.6	-45.5	-12.7	7.8	-1.2	-4.8
Current value of exports of goods and services	-11.2	6.7	2.6	18.8	-7.2	2.5	4.3	0.3
Current value of imports of goods and services	35.3	20.1	-8.2	-13.6	22.0	15.2	13.8	-2.7
	Millions of dollars							
External sector								
Trade balance	-408	-943	-475	783	-325	-889	-1 404	-1 236
Factor services	-914	-877	-982	-924	-1 014	-1 011	-959	-981
Balance on current account	-1 322	-1 820	-1 457	-141	-1 339	-1 900	-2 363	-2 217
Balance on capital account	985	1 146	1 409	662	1 653	2 837	3 081	2 715
Variation in net internacional reserves	-410	-836	55	613	225	885	899	498
Total external debt	14 477	15 373	16 493	18 536	19 996	29 990	21 710	22 127

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Corresponds to the exchange rate applying to exports. [c] In the Lima metropolitan area.

Table 2
PERU: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	86.6	84.4	89.5	95.8	92.3	92.4	91.6
a) Gross domestic product	89.9	87.5	93.6	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-4.2	-4.4	-5.3
c) Net factor income from abroad [b]	75.2	67.8	70.4	-4.2	-3.5	-3.3	-3.2
d) Net private transfers from abroad	-	-	-	-	-	-	-

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992, these figures were taken from IMF blance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of information obtained from the Central Reserve Bank of Peru. These figures were converted into constant 1980 values using unit value indexes calculated by ECLAC.

Table 3
PERU: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**89.3**	**88.4**	**93.4**	**118.4**	**118.1**	**-3.5**	**3.2**	**-1.0**	**5.6**
Gross domestic product at market prices	89.9	87.5	93.6	100.0	100.0	-5.6	2.1	-2.6	7.0
Imports of goods and services [c]	86.1	93.0	91.9	18.4	18.1	10.9	9.7	8.0	-1.2
Total demand	**89.3**	**88.4**	**93.4**	**118.4**	**118.1**	**-3.5**	**3.2**	**-1.0**	**5.6**
Domestic demand	91.7	90.7	95.4	96.9	98.7	-0.4	3.9	-1.1	5.2
Gross domestic investment	77.0	78.1	84.3	26.2	23.6	14.6	18.0	1.5	7.8
Gross fixed investment	70.4	74.3	81.4	22.4	19.5	2.1	7.8	5.6	9.5
Construction	96.6	101.3	...	12.0	...	1.6	1.9	4.9	...
Machinery and equipment	40.1	43.1	...	10.4	...	3.8	28.3	7.6	...
Changes in stocks	115.4	100.4	101.2	3.8	4.1	...	...	...	...
Total consumption	97.1	95.3	99.5	70.7	75.1	-3.5	0.4	-1.9	4.4
General Government	78.5	80.5	79.7	10.7	9.1	-9.5	1.1	2.5	-0.9
Private	100.4	97.9	103.0	60.0	66.0	-2.6	0.3	-2.5	5.2
Exports of goods and services [c]	78.5	78.1	84.3	21.5	19.3	-16.9	-0.5	-0.5	8.0

Source: ECLAC, on the basis of official figures and data supplied by the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures for 1993 are ECLAC estimates based on information abtained from the Central Reserve Bank of Peru. These figures were then converted into constant 1980 values using unit value indexes calculated by ECLAC.

Table 4
PERU: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT
(As a percentage of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	17.8	21.1	20.9	16.0	19.4	22.5	23.4	23.6
Gross fixed investment	16.4	18.0	16.9	15.4	16.6	17.6	19.0	19.5
Construction	11.2	12.3	12.6	12.1	13.0	12.9	13.9	...
Machinery and equipment	5.2	5.7	4.3	3.3	3.7	4.6	5.1	...
Changes in stocks	1.4	3.1	4.0	0.6	2.8	4.9	4.4	4.1
Gross domestic saving	21.0	20.3	20.5	23.9	22.3	23.6	23.0	24.9
Terms-of-trade effect [c]	-4.9	-2.7	-1.5	-4.8	-4.0	-4.2	-4.4	-5.3
Net factor income from abroad [c]	-3.8	-3.3	-3.8	-3.6	-3.8	-3.5	-3.3	-3.2
Net private transfers from abroad	-	-	-	-	-	-	-	-
Gross national saving	12.3	14.3	15.2	15.5	14.4	15.8	15.4	16.4
External saving	5.5	6.8	5.7	0.5	5.0	6.6	8.0	7.2

Source: ECLAC, on the basis of official figures.
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices; the figures for 1993 were estimated by ECLAC on the basis of information obtained from the Central Reserve Bank of Peru. These figures were converted into constant 1980 values using unit value indexes calculated by ECLAC.

Table 5

PERU: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980 = 100)			Percentage breakdown		Rates of variation			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**89.9**	**87.5**	**93.6**	**100.0**	**100.0**	**-5.6**	**2.1**	**-2.6**	**7.0**
Goods	**88.3**	**84.5**	**92.7**	**50.4**	**49.9**	**-5.5**	**1.5**	**-4.3**	**9.7**
Agriculture	125.8	118.9	129.0	9.1	12.6	-6.4	0.9	-5.5	8.5
Mining	64.6	62.6	68.1	14.8	10.7	-8.7	-2.4	-3.2	8.8
Manufacturing	87.1	81.1	88.9	20.4	19.4	-5.8	5.3	-6.9	9.5
Construction	93.3	97.1	110.7	6.1	7.2	3.2	-1.8	4.1	14.0
Basic services	**107.2**	**106.0**	[b]	**7.6**	[b]	**-4.6**	**5.5**	**-1.0**	**...**
Electricity, gas and water	147.4	130.5	[c]	0.9	[c]	0.4	12.5	-11.5	...
Transport, storage and communications	101.5	102.6	[c]	6.7	[c]	-5.4	4.2	1.1	...
Other services	**94.9**	**93.8**	**94.6**[d]	**40.7**	**50.1**[d]	**-5.8**	**1.8**	**-1.1**	**4.4**[d]
Commerce, restaurants and hotels	90.8	88.8	92.9	17.8	17.7	-2.8	5.5	-2.2	4.6
Financial institutions, insurance, real estate and business services	113.2	113.5	98.7[e]	9.9	25.1[e]	-0.8	3.2	0.3	...
Ownership of dwellings	117.7	118.3	[c]	2.0	[c]	1.0	0.7	0.5	...
Community, social and personal services	86.6	85.7	[c]	13.1	[c]	-13.3	-4.3	-1.0	...
Government services	85.7	86.1	86.2	8.0	7.4	-12.2	-8.0	0.5	0.1
Import duties	49.6	53.4	[bc]	3.3	[bc]	10.9	10.5	7.7	...
Less: Adjustments for banking services	148.8	150.3	[bc]	2.0	[bc]	1.5	1.9	1.0	...

Source: ECLAC, on the basis of official figures, reweighted according to the 1980 current price structure. Therefore, the figures shown here do not necessarily coincide with those published by the country based on its calculations at constant prices.

[a] Preliminary figures. [b] Included under other services. [c] Included under financial institutions, insurance, real estate and business services. [d] Includes basic services, adjustments for banking services and import duties. [e] Refers to electricity, gas and water; transport, storage and communications; financial establishments, insurance, real estate and business services; community, social and personal services (excluding government services); adjustments for banking services; and import duties.

Table 6
PERU: AGRICULTURAL PRODUCTION

	Thousands of tons			Rates of variation			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Production of main crops							
Raw cotton	176	108	97	-25.6	-26.3	-38.8	-10.1
Rice	814	828	950	-11.5	-15.7	1.6	14.8
Coffee	83	86	86	-23.2	1.8	4.2	-0.6
Sugar cane	5 792	4 710	4 407	-6.4	-2.3	-18.7	-6.4
Beans	47	41	53	-17.4	2.4	-14.0	31.0
Soft maize	226	119	188	-32.7	49.6	-47.3	57.9
Hard maize	434	391	597	-38.8	-9.8	-10.0	52.8
Potatoes	1 451	989	1 475	-31.7	25.7	-31.8	49.1
Wheat	127	74	108	-37.7	27.9	-42.1	47.1
Production of main livestock products							
Poultry meat	292	320	303	19.3	19.1	9.7	-5.4
Mutton	19	19	19	19.0	-21.0	3.2	-4.6
Pork	69	73	76	-9.4	3.3	6.0	4.0
Beef	109	111	105	4.7	-6.6	1.2	-5.4
Eggs	117	107	107	2.9	18.7	-8.8	0.3
Fresh milk	786	768	803	-3.3	1.3	-2.2	4.5

Source: Ministry of Agriculture.
[a] Preliminary figures.

Table 7
PERU: FISHERY PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
	Thousands of tons						
Deep-sea fishing	**6 635**	**5 941**	**8 410**	**-4.5**	**1.9**	**-10.5**	**41.6**
For direct human consumption	465	408	471	-0.7	-29.9	-12.2	15.5
Fresh fish	180	218	219	2.5	-27.8	21.5	0.2
For freezing	187	107	155	28.6	-30.9	-42.9	45.2
For canning	82	72	73	-39.9	-28.4	-11.6	1.1
For drying and salting	17	11	25	22.5	-43.9	-33.9	127.5
For fish meal	6 171	5 533	7 939	-4.9	5.5	-10.3	43.5
Anchovies	2 880	3 723	6 827	-23.6	1.3	29.3	83.4
Other species	3 291	1 810	1 112	23.7	9.4	-45.0	-38.5

Source: Ministry of Fisheries.
[a] Preliminary figures.

Table 8
PERU: MINING PRODUCTION

	1991	1992	1993[a]	Rates of variation			
				1990	1991	1992	1993[a]
	Thousands of tons						
Main products							
Copper	382	369	348	-12.8	20.2	-3.2	-5.8
Iron ore	2 368	1 849	3 344	-26.3	8.6	-21.9	80.9
Silver [b]	1 769	1 573	1 534	-4.3	0.4	-11.1	-2.5
Lead	200	194	205	-2.4	6.4	-2.8	5.5
Zinc	628	603	564	1.3	3.8	-4.0	-6.4
Petroleum [c]	42	42	46	-1.2	-10.9	1.0	9.0

Source: Ministry of Energy and Mines.
[a] Preliminary figures. [b] Kilograms. [c] Millions of barrels.

Table 9
PERU: MANUFACTURING PRODUCTION [a]

	Indexes (1979=100)			Rates of variation			
	1991	1992	1993[b]	1990	1991	1992	1993[b]
Fish meal	176.3	162.0	279.6	3.0	0.9	-8.1	72.6
Food	89.9	85.8	100.8	-1.8	-6.3	-4.6	17.4
Beverages	155.4	141.8	160.5	0.2	31.9	-8.8	13.2
Tobacco	79.8	72.6	80.1	9.7	3.6	-9.0	10.3
Textiles	96.8	83.9	95.4	-13.1	-2.4	-13.3	13.7
Leather	45.7	48.7	42.1	-14.6	-20.4	6.6	-13.6
Paper and paper products	43.0	26.7	28.5	12.4	-23.5	-37.9	6.6
Industrial chemicals	89.7	78.1	94.9	-1.5	0.1	-12.9	21.5
Other chemicals	98.5	95.3	110.9	3.2	14.1	-3.2	16.4
Petroleum refining	108.8	110.2	126.0	-1.5	1.9	1.3	14.4
Rubber products	73.5	69.6	81.7	-2.5	-14.2	-5.3	17.4
Plastic products	71.6	79.5	125.2	-19.7	24.7	11.0	57.5
Glass and glass products	65.5	59.7	60.6	-2.6	-8.9	-8.9	1.5
Non-metallic mineral articles	88.6	85.6	115.9	-	2.3	-3.4	35.4
Iron and steel	79.6	76.7	87.0	-12.7	11.0	-3.7	13.4
Non-ferrous metals	88.9	90.8	104.4	-12.3	18.9	2.1	15.0
Non-electrical machinery	74.3	73.0	60.5	19.6	29.7	-1.7	-17.1
Electrical machinery	85.8	67.4	65.1	3.7	1.9	-21.4	-3.4
Transport equipment	70.8	56.7	48.3	17.5	8.9	-19.9	-14.8

Source: Ministry of Industry, Tourism, Integration and International Trade Negotiations.
[a] Index of physical volume of production; annual averages. [b] Preliminary figures.

Table 10

PERU: EXCHANGE RATES

(Yearly and quarterly averages)

	Nominal exchange rates [a]		Indexes of real effective exchange rate [b] (1985=100) based on the consumer price index [c]	
	Exports	Imports	Exports	Imports
1978	0.16	0.16	108.5	106.6
1979	0.23	0.23	105.0	107.6
1980	0.29	0.29	94.7	101.8
1981	0.42	0.42	82.1	86.7
1982	0.70	0.70	74.0	74.7
1983	1.63	1.63	84.0	84.1
1984	3.47	3.47	83.0	84.5
1985	11.04	11.01	100.0	100.0
1986	14.59	14.52	89.5	83.4
1987	21.77	19.85	81.6	67.0
1988	160.63	176.77	84.2	83.0
1989	3.48	3.29	52.5	46.5
1990	192	199	43.0	39.8
1991	765	778	35.2	33.9
1992	1 246	1 251	34.6	33.7
1993	1 989	1 989	37.7	37.5
1992				
I	973	993	31.5	31.0
II	1 110	1 110	32.3	31.3
III	1 300	1 300	36.0	34.4
IV	1 600	1 600	38.6	37.9
1993				
I	1 763	1 763	37.1	37.0
II	1 957	1 957	38.5	38.0
III	2 077	2 077	38.1	37.8
IV	2 157	2 157	37.2	37.3

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of Peru and the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] From 1978 to 1988, corresponds to intis per dollar; from 1989 on, refers to new soles per one thousand dollars. [b] Corresponds to the average of the indexes of the real exchange rate for the new sol *vis-à-vis* the currencies of Peru's main trading partners, weighted according to the relative significance of exports to or imports from these countries, as appropriate. These weightings correspond to the average for the period 1986-1990. For further information on the methodology used, see the Statistical Appendix to the *Economic Survey of Latin America*, 1981. [c] Calculations were based on the consumer price index for all the countries.

Table 11
PERU: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Rates of variation							
Exports (f.o.b.)								
Value	-15.0	5.1	1.1	29.6	-7.4	3.0	4.7	-0.6
Volume	-8.1	-5.7	-12.1	27.4	-21.1	-1.0	6.0	8.1
Unit value	-7.5	11.5	15.0	1.7	17.5	4.0	-1.3	-8.0
Imports (f.o.b.)								
Value	43.7	22.6	-12.3	-17.9	26.2	20.9	15.9	-0.2
Volume	27.9	17.2	-14.7	-29.2	12.1	9.5	15.5	0.4
Unit value	12.4	4.6	2.8	16.0	12.6	10.4	0.3	-0.6
Terms of trade (f.o.b. / c.i.f.)	-17.4	6.2	11.6	-11.9	4.0	-5.6	-1.8	-8.0
	Indexes (1980=100)							
Purchasing power of exports	68.0	68.2	66.8	75.0	61.5	57.5	59.9	59.6
Volume of exports	95.0	89.6	78.8	100.4	79.2	78.4	83.1	89.9
Volume of imports	90.6	106.1	90.6	64.1	71.9	78.7	90.9	91.2
Terms of trade (f.o.b. / c.i.f.)	71.6	76.0	84.8	74.7	77.7	73.3	72.0	66.3

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 12

PERU: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown		Rates of variation			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Total	**3 330**	**3 485**	**3 464**	**100.0**	**100.0**	**-7.3**	**3.0**	**4.6**	**-0.6**
Traditional products	2 378	2 472	2 334	78.7	67.4	-9.7	5.0	3.9	-5.6
Fish meal	467	440	542	4.9	15.6	-18.0	39.0	-5.8	23.1
Crop-farming products	210	115	77	5.8	2.2	-26.4	19.5	-45.4	-32.7
Cotton	58	23	4	1.8	0.1	-36.7	38.8	-60.2	-81.4
Sugar	33	23	13	0.3	0.4	80.0	-8.3	-31.8	-44.4
Coffee	119	69	60	3.6	1.7	-35.9	21.4	-42.0	-12.6
Mining products	1 532	1 721	1 534	44.9	44.3	-9.0	2.5	12.3	-10.9
Copper[b]	738	806	658	19.3	19.0	-7.8	5.5	9.2	-18.3
Iron ore	46	54	84	2.4	2.4	4.1	-21.6	18.4	54.7
Refined silver	68	78	76	8.0	2.2	-19.9	-13.6	15.0	-2.2
Lead[b]	162	161	131	9.8	3.8	-9.4	-12.4	-0.7	-18.6
Zinc	325	335	258	5.4	7.5	-3.1	-21.9	3.2	-23.0
Gold	137	215	225	...	6.5	350.0	1 417.8	57.0	4.7
Other[c]	57	72	102	2.7	2.9	-48.4	16.3	26.3	41.4
Petroleum and petroleum products	169	196	181	20.3	5.2	18.9	-34.4	15.9	-7.5
Non-traditional products	952	1 013	1 130	21.3	32.6	-1.2	-1.6	6.4	11.6
Agricultural	153	151	186	1.8	5.4	1.8	34.2	-1.3	22.8
Textiles	353	324	324	5.9	9.4	5.5	-3.3	-8.2	0.0
Fisheries	107	179	262	3.1	7.6	-4.2	-5.3	67.3	46.4
Metal products and machinery	25	38	40	1.4	1.2	3.8	-7.4	52.0	5.0
Chemicals	74	77	74	2.2	2.1	-22.8	4.2	4.1	-4.3
Iron and steel products	142	134	118	2.1	3.4	-6.9	-12.9	-5.6	-11.9
Non-metallic minerals	20	22	24	1.5	0.7	5.9	11.1	10.0	10.0
Other[d]	78	88	103	3.5	3.0	3.2	-18.8	12.8	16.9

Source: ECLAC, on the basis of figures supplied by the Central Reserve Bank of Peru.

[a] Preliminary figures. [b] Includes silver content. [c] Includes mainly gold and minor metals. [d] Includes mainly gold and silver jewellery, lumber and paper, hides and skins, handicraft items and adjustments.

Table 13

PERU: VALUE, VOLUME AND PRICES OF MAIN EXPORT PRODUCTS [a]

	1991	1992	1993[b]	Rates of variation			
				1990	1991	1992	1993[b]
Fish meal							
Value	468	440	542	-18.0	39.0	-5.9	23.1
Volume	1 189	1 021	1 723	-1.0	9.6	-14.1	68.8
Price [c]	393	431	314	-17.1	26.7	9.6	-27.1
Cotton							
Value	58	23	4	-36.7	39.7	-60.4	-81.4
Volume [d]	554	209	41	-41.5	28.9	-62.3	-80.2
Price [e]	105	111	104	7.9	8.4	5.1	-5.9
Sugar							
Value	33	23	13	78.0	-7.3	-31.8	-44.4
Volume	76	53	29	79.8	-1.4	-30.4	-45.1
Price [e]	20	20	20	0.5	-6.1	-1.5	0.5
Coffee							
Value	119	69	60	-35.9	21.2	-41.9	-12.6
Volume	76	61	49	-22.9	13.9	-19.1	-20.3
Price [e]	72	52	57	-17.6	6.5	-28.2	9.6
Copper							
Value	738	806	658	-7.8	5.5	9.2	-18.3
Volume	328	374	359	-3.2	14.9	14.0	-4.1
Price [f]	102	98	83	-4.9	-8.2	-4.2	-14.8
Iron ore							
Value	46	54	84	4.1	-21.6	18.4	54.7
Volume [g]	3	3	5	-	-29.7	15.4	56.7
Price [h]	17	18	18	6.8	10.1	2.9	-1.1
Gold							
Value	137	215	225	...	...	57.0	4.7
Volume [i]	389	630	636	...	...	62.1	1.0
Price [j]	352	341	353	...	...	-3.1	3.6
Refined silver							
Value	68	78	76	-19.9	-13.6	15.0	-2.2
Volume [k]	17	20	19	-7.6	5.0	20.4	-8.0
Price [j]	4	4	4	-14.0	-16.3	-4.9	5.1
Lead							
Value	162	161	131	-9.4	-12.4	-0.7	-18.6
Volume	158	182	175	-7.1	0.3	14.7	-3.6
Price [f]	46	40	34	-2.0	-12.6	-13.6	-15.5
Zinc							
Value	324	335	258	-3.1	-22.1	3.5	-23.0
Volume	464	463	523	14.1	-11.5	-	12.8
Price [f]	32	33	22	-15.1	-11.9	3.5	-31.7
Petroleum and petroleum products							
Value	169	196	181	18.9	-34.4	15.9	-7.5
Volume [l]	16	18	16	2.0	4.5	8.6	-9.1
Price [m]	11	11	11	16.9	-36.7	6.7	0.9

Source: Central Reserve Bank of Peru.

[a] Values in millions of dollars and volumes in thousands of tons, unless otherwise indicated; prices as indicated. [b] Preliminary figures. [c] Dollars per ton. [d] Thousands of quintals. [e] Dollars per quintal. [f] US cents per pound. [g] Millions of long tons. [h] Dollars per long ton. [i] Thousands of troy ounces. [j] Dollars per troy ounce. [k] Millions of troy ounces. [l] Millions of barrels. [m] Dollars per barrel.

Table 14

PERU: IMPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown		Rates of variation			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Total	**3 495**	**4 051**	**4 043**	**100.0**	**100.0**	**26.1**	**20.9**	**15.9**	**-0.2**
Public sector	801	764	659	43.8	16.3	-10.5	-12.2	-4.7	-13.8
Private sector	2 693	3 287	3 384	56.2	83.7	55.5	36.2	22.0	3.0
Consumer goods	**639**	**841**	**907**	**12.5**	**22.4**	**34.7**	**88.9**	**31.6**	**7.9**
Public sector	69	15	13	4.0	0.3	-34.7	-13.3	-78.7	-8.2
Private sector	570	826	894	8.5	22.1	99.2	120.1	44.9	8.2
Intermediate goods	**1 597**	**1 783**	**1 849**	**37.9**	**45.7**	**22.3**	**19.9**	**11.7**	**3.7**
Public sector	446	479	385	13.6	9.5	-6.8	-7.4	7.5	-19.6
Private sector	1 151	1 304	1 463	24.3	36.2	48.5	35.3	13.3	12.2
Capital goods	**934**	**1 120**	**1 136**	**35.2**	**28.1**	**32.9**	**5.5**	**19.9**	**1.5**
Public sector	133	147	166	13.8	4.1	-31.2	-21.8	10.5	12.7
Private sector	801	973	971	21.4	24.0	70.6	12.0	21.4	-0.2
Miscellaneous items and adjustments[b]	**325**	**307**	**151**	**14.4**	**3.7**	**17.5**	**-2.9**	**-5.5**	**-51.0**
Public sector	154	123	94	12.4	2.3	34.6	-15.7	-20.0	-23.5
Private sector	171	184	56	2.0	1.4	2.0	12.5	7.6	-69.5
Imports of principal food products[c]	**405**	**452**	**478**	**13.3**	**11.8**	**28.5**	**-11.9**	**11.4**	**5.8**
Wheat	92	104	123	4.6	3.1	0.7	-34.9	13.2	18.7
Maize and sorghum	59	82	62	2.1	1.5	156.1	-0.3	40.0	-24.2
Dairy products	36	62	66	1.4	1.6	33.4	-23.1	73.5	5.5
Soya	54	48	53	0.7	1.3	58.8	3.6	-10.9	8.9
Meat	24	16	17	0.4	0.4	137.0	-	-34.6	10.3
Rice	75	77	80	3.0	2.0	22.4	-9.4	1.5	4.1
Sugar	66	63	78	1.0	1.9	10.4	21.3	-4.0	23.0

Source: Central Reserve Bank of Peru.

[a] Preliminary figures. [b] Defence material, non-monetary gold and other imports. [c] Food products are included under consumer or intermediate goods, as applicable.

Table 15
PERU: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-1 322**	**-1 820**	**-1 457**	**-141**	**-1 339**	**-1 900**	**-2 363**	**-2 217**
Trade balance	-408	-943	-475	783	-325	-889	-1 404	-1 236
Exports of goods and services	3 367	3 592	3 686	4 379	4 062	4 165	4 345	4 356
Goods f.o.b.	2 531	2 661	2 691	3 488	3 231	3 329	3 484	3 464
Real services [b]	836	931	995	891	831	836	861	892
Transport and insurance	295	313	302	327	306	285	283	290
Travel	324	315	409	271	259	252	237	268
Imports of goods and services	3 775	4 535	4 161	3 596	4 387	5 054	5 749	5 592
Goods f.o.b.	2 596	3 182	2 790	2 291	2 891	3 494	4 051	4 043
Real services [b]	1 179	1 353	1 371	1 305	1 496	1 560	1 698	1 549
Transport and insurance	431	543	522	450	507	610	653	655
Travel	320	335	344	292	495	477	480	325
Factor services	-914	-877	-982	-924	-1 014	-1 011	-959	-981
Profits	-33	-42	-39	-18	-10	-34	-105	-61
Interest received	93	67	43	80	72	117	137	153
Interest paid and due	-974	-902	-986	-986	-1 076	-1 094	-991	-1 073
Labour and property	-	-	-	-	-	-	-	-
Unrequited private transfer payments	-	-	-	-	-	-	-	-
Balance on capital account	**985**	**1 146**	**1 409**	**662**	**1 653**	**2 837**	**3 081**	**2 715**
Unrequited official transfer payments	108	154	153	161	275	366	448	441
Long-term capital	-1 187	-1 226	-1 271	-218	-886	5 990	332	1 237
Direct investment	22	32	26	59	41	-7	127	571
Portfolio investment	-	-	-	-	-	-	-	...
Other long-term capital	-1 209	-1 258	-1 297	-277	-927	5 997	205	...
Official sector [c]	-1 139	-1 098	-1 034	-62	-828	5 878	99	...
Loans received	495	337	250	1 008	151	6 899	848	...
Amortization payments	-1 453	-1 272	-1 148	-984	-938	-1 021	-749	...
Commercial banks [c]	-	-	-	-	-	-	-	...
Loans received	-	-	-	-	-	-	-	...
Amortization payments	-	-	-	-	-	-	-	...
Other sectors [c]	-70	-160	-263	-215	-99	119	106	...
Loans received	35	301	144	139	190	223	233	...
Amortization payments	-105	-461	-407	-354	-289	-104	-127	...
Short-term capital	2 018	2 252	2 714	933	1 736	-5 459	557	...
Official sector	1 873	1 703	2 258	444	1 576	-5 047	174	...
Commercial banks	12	-38	16	28	-25	-478	179	...
Other sectors	133	587	440	461	185	66	204	...
Errors and omissions (net)	46	-34	-187	-214	528	1 940	1 744	...
Global balance [d]	**-377**	**-674**	**-48**	**521**	**314**	**937**	**718**	**498**
Total variation in reserves (- sign indicates an increase)	410	836	-55	-613	-25	-885	-899	-498
Monetary gold	-	-76	-74	-84	-58	179	35	...
Special drawing rights	-	-	-	-	-	-	-	...
IMF reserve position	-	-	-	-	-	-	-	...
Foreign exchange assets	435	887	76	-304	-227	-1 015	-859	...
Other assets	-51	-92	-13	-182	63	-	-	...
Use made of IMF credit	26	117	-44	-43	-3	-49	-75	...

Source: 1986-1992; ECLAC, on the basis of figures provided by the International Monetary Fund (IMF). The "Interest paid" entry has been modified by ECLAC, with the substitution of the figures indicated by the Central Reserve Bank of Peru. In the "Official sector" entry under short-term capital, the resulting counterpart between the two figures has been indicated, so as to maintain the global balance and variation in reserves reported by the IMF. 1993: ECLAC, on the basis of figures from the Central Reserve Bank of Peru.

[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities. [d] Equal to the total variation in reserves (of opposite sign) plus counterpart items.

Table 16

PERU: NET INTERNATIONAL RESERVES OF THE BANKING SYSTEM [a]

(Millions of dollars)

	Central Reserve Bank	Rest of banking system	Total
1986	958	-92	866
1987	43	38	81
1988	-352	34	-318
1989	357	189	546
1990	531	151	682
1991	1 304	629	1 933
1992			
I	1 415	632	2 047
II	1 578	570	2 148
III	1 846	460	2 306
IV	2 001	424	2 425
1993[b]			
I	2 163	592	2 755
II	2 469	354	2 823
III	2 521	225	2 746
IV	2 701	224	2 925

Source: Central Reserve Bank of Peru.

[a] End-of-period balances. [b] Preliminary figures.

Table 17

PERU: EXTERNAL DEBT

(Millions of dollars at end of period)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Total external debt	**14 477**	**15 373**	**16 493**	**18 536**	**19 996**	**20 990**	**21 710**	**22 127**
Medium/long-term	13 200	14 017	14 744	17 018	18 379	19 071	19 571	20 198
Public sector [b]	11 068	11 747	12 465	15 842	17 273	18 118	18 682	18 991
Central Reserve Bank	788	870	827	792	776	735	661	960
Private sector	1 344	1 400	1 452	384	330	218	228	247
Short-term	1 277	1 356	1 749	1 518	1 617	1 919	2 139	1 929
Public and private enterprises [c]	789	837	781	842	802	1 001	1 206	1 201
Banking system	488	519	968	676	815	918	933	728
Central Reserve Bank	148	217	650	330	494	599	493	239
Banco de la Nación	157	169	182	208	176	151	138	119
Other banks	183	133	136	138	145	168	302	370

Source: Central Reserve Bank of Peru.

[a] Preliminary figures. [b] Central Government and public enterprises. [c] Commercial and financial credits with or without banking system guarantee.

Table 18
PERU: EXTERNAL CREDITS, BY SOURCE [a]
(Millions of dollars)

	1987	1988	1989	1990	1991	1992	1993[b]
Total	**145**	**587**	**295**	**258**	**978**	**1 832**	**666**
Paris Club	97	287	31	39	421	139	97
Latin America	...	...	85	144	-	17	-
International banking system	-	23	-	-	5	-	-
International agencies	-	20	81	40	535	1 670	550
Socialist countries	22	45	98	35	17	6	19
Suppliers	26	212	-	-	-	-	-

Source: Central Reserve Bank of Peru, on the basis of information supplied by the Ministry of Economic Affairs and Finance, Department of Public Credit.
[a] Medium- and long-term. [b] Preliminary figures.

Table 19
PERU: DOMESTIC PRICE TRENDS [a]
(Percentages)

	1986	1987	1988	1989	1990	1991	1992	1993
Variation from December to December								
Consumer price index	62.9	114.5	1 722.3	2 775.8	7 649.6	139.2	56.7	39.5
Food [b]	60.2	89.9	1 568.8	2 355.5	6 983.5	103.7	58.6	35.8
Wholesale price index	37.3	72.4	1 877.1	1 917.9	6 534.0	96.0	50.5	34.1
Imported products	21.8	52.9	1 991.8	2 393.4	6 290.8	92.7	62.2	27.9
Agricultural products	26.2	46.0	1 820.8	1 096.8	8 628.2	141.5	60.2	26.6
Manufactures	21.4	53.5	2 004.9	2 484.2	6 215.0	87.7	62.5	28.1
Domestic products	41.2	76.6	1 855.5	1 822.4	6 597.4	96.3	49.4	34.7
Agricultural products	86.8	84.4	934.9	2 279.8	5 689.7	96.7	42.5	47.9
Manufactures	21.2	71.5	2 525.5	1 690.8	6 943.4	95.8	51.3	31.5
Variation between annual averages								
Consumer price index	77.9	85.8	666.9	3 498.6	7 481.7	409.5	73.5	48.6
Food [b]	85.1	65.6	535.5	2 706.2	6 986.6	346.8	71.9	49.3
Wholesale price index	60.3	51.5	627.8	2 510.3	6 737.5	306.3	57.1	47.6
Imported products	50.9	28.9	595.7	3 092.5	6 732.3	318.1	59.4	53.7
Agricultural products	68.9	25.5	382.8	2 494.0	6 767.5	356.5	86.5	50.0
Manufactures	49.6	29.2	612.6	3 124.7	6 730.8	315.0	56.2	54.1
Domestic products	62.7	56.8	634.1	2 403.0	6 738.7	302.4	57.0	47.0
Agricultural products	128.1	73.2	354.1	2 433.2	5 416.6	351.9	57.2	52.0
Manufactures	38.7	47.2	832.8	2 391.5	7 210.1	432.4	56.6	45.9

Source: National Institute of Statistics and Informatics (INEI).
[a] Lima metropolitan area. [b] Includes food, beverages and tobacco up to 1989; thereafter does not include tobacco.

Table 20

PERU: EMPLOYMENT AND UNEMPLOYMENT [a]

(Percentages)

	1986	1987	1988	1989	1990	1991	1992	1993[b]
				Lima metropolitan area				
Unemployment	5.3	4.8	7.1	7.9	8.3	5.9	9.4	9.9
Underemployment	42.6	34.9	[c]	73.5	73.1	78.5	75.9	77.4
In terms of income	38.6	30.8	[c]	72.9	71.9	77.8	...	...
In terms of time	4.0	4.1	[c]	0.6	1.2	0.7	0.5	0.6
Adequately employed	52.1	60.3	[c]	18.6	18.6	15.6	14.7	12.7
				Sectoral employment indexes (1990=100) [d]				
Manufacturing	104.0	112.7	110.4	98.2	100.0	94.9	85.2	78.3
Commerce	102.2	105.0	105.8	97.3	100.0	91.3	76.3	64.1
Services	103.7	106.2	107.2	107.3	100.0	94.3	83.8	80.7

Source: Ministry of Labour and Social Development.

[a] Does not include domestic workers. [b] Preliminary figures. [c] The employment survey was not conducted in 1988; the values noted are official estimates. [d] Survey of monthly variation in employment at firms with 100 or more workers.

Table 21

PERU: AVERAGE REAL WAGES [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
				Indexes (August 1990=100)				
Private sector								
Lima metropolitan area [c]								
Salaries [d]	552.0	573.0	446.4	228.1	189.7	200.9	206.7	236.5
Wages [f]	504.8	543.6	409.9	223.4	195.1	224.8	216.7	206.2
Legal minimum income [f]	303.4	321.0	279.3	134.6	125.2	85.1	85.2	59.8
Central Government [g]	86.1	95.9	76.4	31.2	24.1	15.7	15.2	14.4
				Rates of variation				
Private sector								
Lima metropolitan area [c]								
Salaries [d]	22.1	3.8	-22.1	-48.9	-16.8	2.3	3.4	14.4
Wages [e]	30.3	7.7	-24.6	-45.5	-12.7	7.8	-1.2	-4.8
Legal minimum income [f]	3.7	5.8	-13.0	-51.8	-7.0	-31.9	0.1	-29.8
Central Government	5.6	11.4	-20.3	-59.2	-22.8	-34.6	-3.7	-5.6

Source: Ministry of Labour and Social Development and National Institute of Statistics and Informatics.

[a] The figures for salaries and wages prior to 1986 have been readjusted due to changes in the survey methodology. [b] Preliminary figures. [c] Survey of establishments with 10 or more workers. [d] New soles per month. [e] New soles per day. [f] Annual average for Lima metropolitan area. From August 1985 onward, the legal minimum income applies to the whole country. [g] Index 1979=100.

Table 22

PERU: NON-FINANCIAL PUBLIC SECTOR ECONOMIC RESULTS

(As a percentage of gross domestic product)

	1992 [a]					1993 [a]				
	I	II	III	IV	Year	I	II	III	IV	Year
I. Current non-financial public sector deficit or surplus	3.1	2.2	1.4	-0.2	1.5	3.9	0.9	2.1	0.2	1.7
1. Current central Government deficit or surplus	1.7	1.1	0.4	-0.8	0.5	2.5	-0.3	0.8	-0.2	0.6
a. Current income	10.1	9.5	10.5	10.7	10.2	10.9	9.4	9.1	11.0	10.1
b. Current expenditure	8.4	8.4	10.1	11.5	9.7	8.4	9.8	8.3	11.2	9.5
2. Current deficit or surplus for other non-financial public sector entities	1.5	1.1	1.0	0.6	1.0	1.4	1.2	1.3	0.4	1.1
II. Capital expenditure (net)	1.9	2.6	3.5	4.3	3.2	1.9	2.6	3.4	3.9	3.1
1. Public sector investment	1.8	2.2	2.4	3.3	2.6	2.6	2.1	2.3	3.0	2.5
2. Other capital expenditure	0.4	0.5	1.3	1.5	0.9	0.7	0.6	1.1	1.1	0.9
3. Capital income (-) [b]	-0.3	-0.1	-0.2	-0.5	-0.3	-1.3	-0.1	-	-0.2	-0.3
III. Economic deficit or surplus of the non-financial public sector	1.3	-0.4	-2.1	-4.6	-1.7	2.0	-1.7	-1.3	-3.7	-1.4
1. Central Government	0.8	-0.5	-1.9	-4.0	-1.6	1.9	-2.0	-1.6	-3.1	-1.4
2. Public enterprises	-	-	-0.3	-	-0.1	0.1	0.1	0.2	-0.1	0.1
3. Other non-financial public sector entities	0.6	0.1	0.1	-0.6	-	-	0.2	0.1	-0.5	-0.1
IV. Financing	-1.3	0.4	2.1	4.6	1.7	-2.0	1.7	1.3	3.7	1.4
1. External	0.8	0.9	1.3	0.6	0.9	1.3	1.2	0.5	2.4	1.4
2. Internal	-2.1	-0.5	0.8	4.0	0.8	-3.3	0.5	0.8	1.3	-

Source: Central Reserve Bank of Peru.

[a] Preliminary figures. [b] Includes income from privatization and capital grants.

Table 23

PERU: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of new soles			Percentages of GDP			Rates of variation		
	1991	1992	1993[a]	1991	1992	1993[b]	1991	1992	1993[a]
1. Total income	**3 025**	**5 838**	**9 130**	**8.6**	**10.4**	**10.4**	**406.3**	**93.0**	**56.4**
1.1 **Current income**	**3 009**	**5 760**	**8 827**	**8.6**	**10.2**	**10.1**	**403.6**	**91.4**	**53.2**
Tax revenue	2 734	4 798	7 364	7.8	8.5	8.4	378.2	75.5	53.5
Income tax	250	749	1 406	0.7	1.3	1.6	573.3	200.1	87.7
Wealth tax	177	201	254	0.5	0.4	0.3	268.3	13.6	26.3
Foreign trade taxes	295	549	999	0.8	1.0	1.1	356.0	86.2	81.7
Excise taxes	1 846	3 200	4 688	5.3	5.7	5.4	466.9	73.3	46.5
(Fuels)	781	995	...	2.2	1.8	...	418.8	27.3	...
Other tax revenue	244	170	104	0.7	0.3	0.1	91.7	-30.3	-38.6
Credit documents[b]	-78	-71	-87	-0.1					
Non-tax revenue[c]	275	962	1 463	0.8	1.7	1.7	966.7	249.7	52.0
1.2 **Capital income**	**16**	**78**	**303**	**-**	**0.1**	**0.3**	**...**	**388.1**	**288.0**
2. Total expenditure	**3 565**	**6 761**	**10 388**	**10.1**	**12.0**	**11.9**	**350.5**	**89.7**	**53.6**
2.1 **Current expenditure**	**3 083**	**5 383**	**7 989**	**8.8**	**9.6**	**9.1**	**340.5**	**74.6**	**48.4**
Remunerations	550	1 049	1 601	1.6	1.9	1.8	232.2	90.5	52.7
Goods and services	442	774	1 065	1.3	1.4	1.2	286.6	75.0	37.5
Transfers	1 220	2 458	3 537	3.5	4.4	4.0	370.0	101.5	43.9
Interest	870	1 103	1 786	2.5	2.0	2.0	443.4	26.7	62.0
Domestic debt	162	102	48	0.5	0.2	0.1	106.0	-36.9	-53.0
External debt	708	1 000	1 738	2.0	1.8	2.0	770.5	41.3	73.7
2.2 **Capital expenditure**[d]	**482**	**1 378**	**2 399**	**1.4**	**2.4**	**2.7**	**426.6**	**185.9**	**74.1**
3. Current balance (1.1-2.1)	**-74**	**377**	**838**	**-0.2**	**0.7**	**1.0**			
4. Fiscal balance (1-2)	**-540**	**-923**	**-1 259**	**-1.5**	**-1.6**	**-1.4**			

Source: Central Reserve Bank of Peru.

[a] Preliminary figures. [b] Primarily tax rebates on non-traditional exports, tax capitalization and tax payment promissory notes. [c] Primarily property income, fines and pension deductions. From 1992 onward, includes income from privatization. [d] Includes gross capital formation and capital transfers to the rest of the public sector.

Table 24
PERU: MONETARY BALANCE OF THE FINANCIAL SYSTEM

	Year-end balances (millions of new soles)			Rates of variation	
	1991	1992	1993[a]	1992	1993[a]
I. Net international reserves	1 855	3 953	6 289	113.1	59.1
(Millions of dollars)	1 933	2 425	2 925	25.5	20.6
II. Net borrowing abroad	-69	-217	-42		
(Millions of dollars)	-90	-205	-133		
III. Net domestic credit	2 416	3 888	6 598	60.9	69.7
Public sector	103	-106	-377		
Private sector	2 960	5 706	9 872	92.8	73.0
Other items (net)	-647	-1 712	-2 897	164.6	69.2
IV. Liquidity of the financial system	4 203	7 624	12 846		
Local currency	1 765	2 805	3 987	58.9	42.1
Money	901	1 577	2 311	75.0	46.5
Quasi-money	864	1 228	1 676	42.1	36.5
Deposits in foreign currency	2 437	4 819	8 857	97.7	83.8
(Millions of dollars)	2 359	2 957	4 120	57.6	39.3
	Percentages				
Money multipliers					
M1/Monetary base [b]	108.4	116.9	128.2		
M2/Monetary base [b]	212.1	207.8	221.2		
Liquidity coefficients					
M1/GDP	2.7	2.8	2.6		
M2/GDP (local currency)	5.4	5.0	4.6		
M2'/GDP (plus foreign currency)	12.8	13.5	14.7		
Dollarization coefficient [c]	58.0	63.2	68.9		

Source: Central Reserve Bank of Peru.
[a] Preliminary figures. [b] For M1 and M2, the averages of the monthly balances over the course of the year were calculated.
[c] The ratio between deposits in foreign currency and liquidity of the financial system.

Table 25

PERU: VARIATION IN MONEY CREATION AND INTERNATIONAL RESERVES

	1992					1993				
	I	II	III	IV	Year	I	II	III	IV	Year
A. Sources of variation in money creation *(Millions of new soles)*										
1. Balance at end of period	969	1 014	1 169	1 349	1 349	1 464	1 525	1 601	1 803	1 803
2. Variation in money creation	67	115	132	203	517	115	61	60	218	454
a. External origin	57	148	78	213	496	110	77	2	214	403
With effect on net international reserves	51	141	71	205	469	96	69	-7	202	360
Without effect on net international reserves	6	7	7	8	27	14	8	9	12	43
b. Domestic origin	10	-33	54	-10	21	5	-16	57	5	51
Credit to the public sector	1	-49	31	-21	-39	-0	-35	-16	-19	-81
Credit to the private sector	2	1	-1	-1	2	-2	0	0	0	-2
Other	7	15	24	12	58	17	19	73	24	133
B. Variation in net international reserves *(Millions of dollars)*										
3. Variation in net international reserves	111	162	269	155	697	162	306	52	180	700
a. With effect on money creation	52	132	58	123	365	58	34	-4	94	182
b. Without effect on money creation	59	30	211	32	332	104	272	56	86	518
- Financial system reserve deposits	74	14	234	41	363	74	200	59	71	404
- Other operations	-15	16	-23	-9	-31	30	72	-3	15	114

Source: Central Reserve Bank of Peru, Monetary Sector Office.

Table 26
PERU: INTEREST RATES
(Annualized percentages)

Period	Nominal		Real [a]		Dollar equivalents [b]		On deposits in foreign currency
	Deposits	Loans	Deposits	Loans	Deposits	Loans	
1990							
I	1 329.0	1 694.9	-43.9	-29.5	-0.6	24.9	...
II	3 073.7	5 784.1	-30.6	28.7	-52.2	-11.3	...
III	5 236.4	11 157.5	-99.3	-98.4	-99.9	-99.8	...
IV	140.7	524.6	-43.4	47.0	17.2	204.2	7.4
1991							
I	212.7	1 237.0	-15.7	260.3	127.1	871.2	6.6
II	190.3	860.5	21.1	300.7	-45.3	81.0	10.6
III	193.2	761.5	26.0	270.3	273.7	997.9	12.2
IV	86.3	313.9	23.3	161.5	-23.7	69.5	10.9
1992							
I	72.7	173.8	-6.3	48.5	103.3	222.4	10.4
II	56.1	135.7	4.5	57.8	-31.6	3.2	9.0
III	56.5	143.7	10.1	71.5	-13.9	34.1	8.8
IV	53.4	124.4	-0.6	45.5	-23.5	12.0	8.2
1993							
I	51.4	119.6	-5.5	37.0	-6.8	35.2	8.1
II	46.1	100.2	1.4	39.0	4.6	43.4	8.1
III	42.8	89.4	8.7	44.2	17.4	55.8	7.9
IV	36.4	80.3	9.2	44.3	21.9	61.1	7.3

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices during the period. [b] Ratio between nominal rates and devaluation during the period.

DOMINICAN REPUBLIC

1. General features of recent trends

In 1993 the Dominican Republic made solid progress with price stabilization, but the pace of economic growth declined to 2% from the previous year's figure of 7%. Slower growth in private expenditure resulted in a reduction in purchases from abroad, while exports continued their rapid ascent; this combination helped to narrow the gap on the balance-of-payments current account. Since the flow of external capital remained strong, international reserves continued to accumulate. The thrust of fiscal policy was to offset the slowing of private demand by increasing fiscal expenditure, while taking care not to upset the overall balance of public sector accounts.

2. Economic policy

For the third year in a row, the economic authorities persevered in the stabilization efforts initiated in mid-1990. The virtual fiscal balance on public sector accounts facilitated control of monetary expansion. Wage restraint and tighter monetary discipline, which inhibited the expansion of credit, helped to moderate the inflationary pressures resulting from the substantial growth in private demand the previous year. Finally, the price of the dollar fluctuated very little, in the context of abundant flows of foreign exchange motivated to a great extent by the considerable differential between domestic and foreign interest rates.

a) Fiscal policy

With an election looming, fiscal policy was more expansive than in previous years, and this was reflected in the slight fiscal deficit run by the central Government, following three years of increasing surpluses. The chief factor in this result was the sharp increase (48%) in both current and capital expenditure, while income rose 19%, with the tax burden increasing to 16%, in contrast to the figure of less than 10% two years earlier.

Tax revenues continued to rise rapidly. Direct taxes collected increased 14%, indirect taxes 20%. Significant among the indirect taxes were the general sales tax, which brought in 27% more in revenues, since the new rate was in effect for the entire year, and the tax implicit in the difference between domestic and foreign prices of fuel. Revenues from the latter increased because fuel prices rose in the international market and stayed the same in the domestic market. In 1992 this source of income began gaining in importance and in 1993 reached the level of 2.5% of GDP, alone accounting for 16% of the total tax burden.

Income tax revenues increased 13%, primarily because of improvements in tax administration and the collection of income tax based on the earnings of the previous year, during which there was a surge in economic activity. Total tax revenues, however, continued to depend heavily (38%) on import taxes, the yield from which rose approximately 12%, despite the decline in the nominal value of imports. The explanation is twofold: some of the reductions in import value occurred in tariff-exempt categories, such as oil purchases, and nominal barriers went up due to the temporary increase (to

10%) in the foreign exchange surcharge and application of the tax approved in 1992 on sales of foreign exchange (2%). In August, a tariff act was passed reducing those taxes effective 1994.

Most of the increase in current expenditure was due to higher interest payments on the public sector external debt, which more than doubled. There was also an appreciable increase in transfers to both the public and the private sectors. They included substantial transfers to the Corporación Dominicana de Electricidad, the State Sugar Council and other entities in the agricultural sector. The amount paid in wages and salaries, particularly to teaching staff and health personnel, also increased, at a somewhat slower pace, but substantially none the less (26%).

Under an ambitious investment programme emphasizing construction, there were also

Figure 1
DOMINICAN REPUBLIC: MAIN ECONOMIC INDICATORS

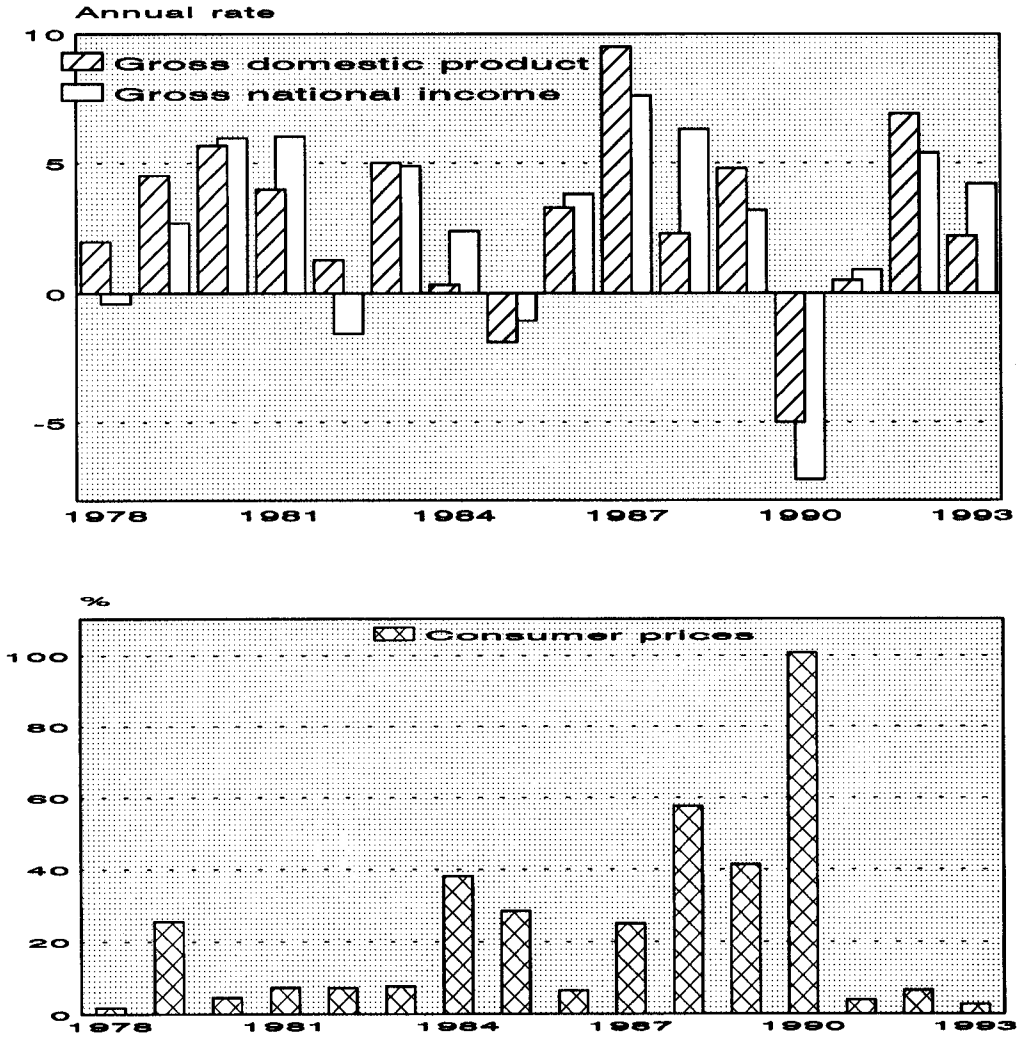
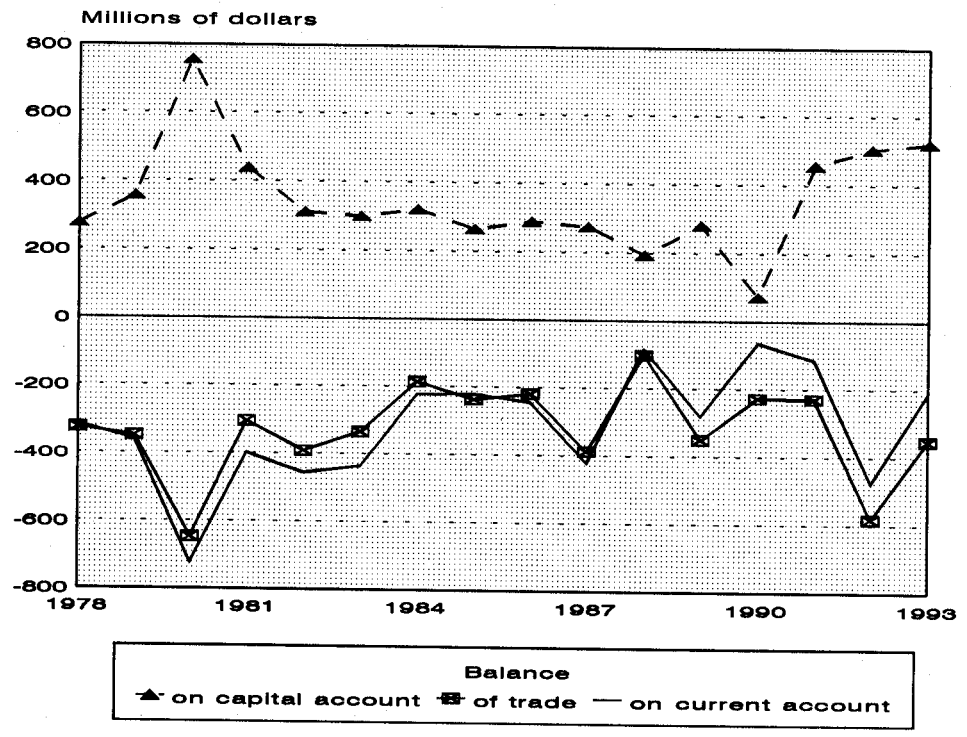
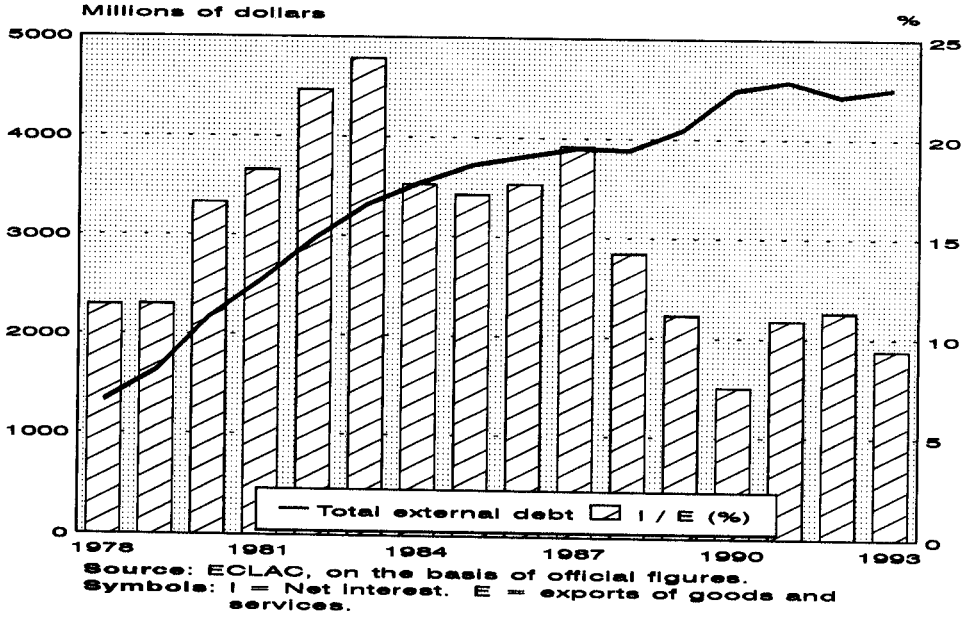


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest. E = exports of goods and services.

increases in fixed investment (57%) and capital transfers to other public sector entities (38%).

b) Monetary policy

By virtually balancing its fiscal budget the public sector avoided adding to monetary creation pressure; the expansion in means of payment (17%) was due basically to the build-up of international reserves. This situation consolidated the tendency towards restoration of real money balances in the hands of the public, which had been severely eroded by the inflationary shock of 1990 that doubled the level of consumer prices.

Despite a slight decline, domestic interest rates continued to provide high yields in both real and dollar-equivalent terms, encouraging the continued growth of time deposits, this year by 29%. Hence, the broad money supply (M2) expanded faster (20%) than means of payment.

Commercial banks once again rapidly expanded their loan portfolios (21%). In the private sector, the major increases were in loans channelled to commerce (41%) and construction (14%), while loans to manufacturing and agriculture stagnated, with most agricultural loans going to livestock raising.

c) Foreign exchange and foreign trade policies

The foreign exchange regime adopted two years earlier relaxing the rules on foreign currency transactions was maintained in 1993. It involved an official rate of exchange, set at 12.50 pesos to the dollar, and a free bank commercial market. Given the abundant supply of foreign currency, the free market rate was only slightly higher than the official rate.

Trade liberalization was given a further boost at the end of August with the passage of the Tariff Act, which imposed a minimum tariff of 3%, excluding knock-down, foreign exchange surcharge and VAT, on specified products deemed to be of great importance to the nation. A tariff of 5% was set for medicines and other priority products, and a general tariff of 15% was applied to packaging, machinery and equipment and most raw materials and inputs.

Two different bills for promoting exports and reforming the foreign investment law, both oriented towards greater liberalization, were ultimately not sent to Congress by the Executive Branch. There was unresolved controversy regarding the first bill between the authorities and the private sector about the specific mechanism to be used for the tax treatment of imported inputs: temporary entry with suspended payment of customs duties and charges under bond, or drawback when the finished products were exported.

The second bill proposed major incentives for foreign capital. Restrictions would be lifted on the repatriation of capital and capital gains, and the procedures for registering foreign capital would be considerably simplified. Foreign-owned firms would merely be required to register their investments with the Central Bank of the Dominican Republic within 60 days after they were made.

d) Structural reforms

The structural reform process initiated at the beginning of the decade progressed slowly in the 1993 pre-election period, and the situation created uncertainties that led to the stagnation of private investment. From the institutional standpoint, the only important innovation was the approval of the Tariff Act, which went into effect in the fourth quarter. In addition, a bill was presented to Congress concerning the privatization of possible expansions of generating capacity in the energy sector.

On the other hand, the Executive Branch put off sending to Congress the text of a new monetary and financial code negotiated between the Central Bank and representatives of the financial institutions, although some of the provisions relating to full-service banking were implemented by the Monetary Board. The proposed code would imply a full-scale reform of the financial system by redefining and reinforcing the mechanisms for supervision and control of public and private financial institutions, promoting the capitalization of intermediaries and encouraging the sector to shed excess fat. The Executive also put off issuing the regulations implementing the Tax Code approved in May 1992.

3. Trends in the main variables

a) Economic activity

The slow-down in the pace of growth to a little over 2% caused per capita GDP to hold more or less steady at a level lower than that achieved four years earlier.

In 1992 total demand had expanded rapidly (10%) after two years of considerable decline; in 1993, it grew only 2%. In the first place, private consumption posted practically no increase. Second, the uncertainty typical of a pre-election period and the high interest rates discouraged investment. Third, the slackness of external markets affected exports, particularly mining products. Given this situation, government expenditure, in both the consumption and investment categories, constituted the only major growth factor.

The moderate expansion of demand was satisfied primarily by domestic supply, while the physical volume of imports declined. Goods output virtually stagnated, a result largely explainable by the minimal gains in agriculture, the meagre increase in manufacturing and the slump in mining. Construction, on the other hand, buoyed by public sector expenditure, continued to soar. Energy services, commerce and transport also turned in a good performance, thanks in part to the continued impetus of tourism. The contrast between the expansion of tourism and maquila industries and the setbacks in other sectors pointed up the increasing orientation of the Dominican economy towards the provision of services.

The lacklustre performance of agriculture was primarily due to adverse weather conditions, overproduction of some crops the previous year, the appearance of crop pests and blights, the disincentives of lower international prices for some items and financing problems. Not all areas of agricultural activity fared the same, however. While production for domestic consumption declined, production for export rebounded. Livestock production increased for the third consecutive year, while forestry remained mired in the same critical situation it had faced for years.

Among the crops intended for domestic consumption, there were significant declines in rice, sweet potatoes, cassava, tomatoes and peanuts. The surplus rice harvest from the previous season led producers to plant less acreage; heavy rains affected sweet potato and cassava production; and the tomato harvest, which had been declining in any case due to the planting of maize on cropland previously devoted to tomatoes, was hit hard by viral blights, especially in the southern part of the country. On the other hand, gains were posted in the bean, white potato, yautia, pineapple, coconut, sweet orange, sugar banana and other banana crops.

The improved performance of crops intended for export was due to good sugar cane, cocoa and coffee harvests; tobacco production, on the other hand, continued its downward slide. Cocoa and coffee crops were boosted by a programme of subsidies for inputs and mechanization services, a greater flow of credit, price readjustments and infrastructure improvements.

Ferronickel, gold and silver production was affected by a combination of adverse factors, including the shut-down of extractive operations due to repair work and financial problems. External factors were the recession in Europe and Japan, the sluggish growth of the United States economy during the first half of the year and the big increase in nickel exports from the Russian Federation.

The previous year's vigorous growth in manufacturing production was sharply curbed because of the slow-down in domestic demand. Again in this sector, however, not all branches and subdivisions of the industry performed the same. The surge in free-zone activities and beverage production contrasted with the flat performance of tobacco and food processing. Within food processing industry, however, sugar and sugar products made a strong comeback the previous year's decline, thanks to advances in plant efficiency and the introduction of new sugar cane varieties with a high sucrose content. A better supply of high quality raw material gave impetus to an increase in macaroni production. With the stimulus of higher prices, milk supplied to processing plants and hence the volume of pasteurized milk were increased. With financial support from the central Government hulled

coffee production made a mild recovery, and a greater supply of wheat facilitated a rise in flour production.

Construction continued to be one of the most dynamic sectors, thanks largely to greater public sector investment, which went chiefly into road infrastructure, buildings, land development and hydraulic and sewage works. The sector also benefited from a greater flow of financial resources channelled through commercial banks.

Electric power generation continued to expand rapidly, with hydroelectric plants responsible for most of the growth. Hydroelectric production more than doubled, thanks to abundant rain and the re-hookup of some units with the national electrical system following repairs and maintenance. The state enterprise made some improvements in its administrative management, including a crack-down on illegal hook-ups and an effective collection policy. Hefty financial support from the central Government and international institutions enabled it to repair its transmission and distribution networks and to do maintenance work on its generating units.

The Executive Branch presented Congress with a proposal for expanding the role of private enterprise in providing electrical service. Under the new legal framework, the Corporación Dominicana de Electricidad would operate solely as an enterprise and leave the functions of defining policy and establishing regulatory standards to a national energy commission. Electrical transmission would continue to be a state monopoly, but the private sector would be offered the opportunity to take part in financing and administering the investments needed to expand generating capacity.

b) Prices, wages and employment

The rise in the consumer price index was under 3%, less than half the increase recorded the previous year and the lowest annual rate in over two decades. This was the product both of demand factors, including wage restraint and monetary discipline, and of cost factors, such as a stable nominal exchange rate and lower external prices of petroleum. The stability of the nominal exchange rate continued to shift the relative price structure in favour of non-tradable goods as against those exposed to international competition.

The minimum wage did not change in nominal terms, which meant that in real terms it declined 5% and was worth only 75% of its value at the beginning of the previous decade. In the public sector, however, there were pay increases, especially for employees in health and education, the judicial system and public-sector agriculture. General minimum wages in the public sector equalled roughly US$ 65 dollars a month.

Towards the end of the year, the National Minimum Wage Commission approved an average increase of 15% in the pay of workers in the private sector, which put the range at US$ 86 to US$ 134 dollars per month, depending on the size of the firm. The new minimum wage levels did not apply to the free zones, the sugar industry or tourism; special adjustments were negotiated for those sectors towards the end of the year.

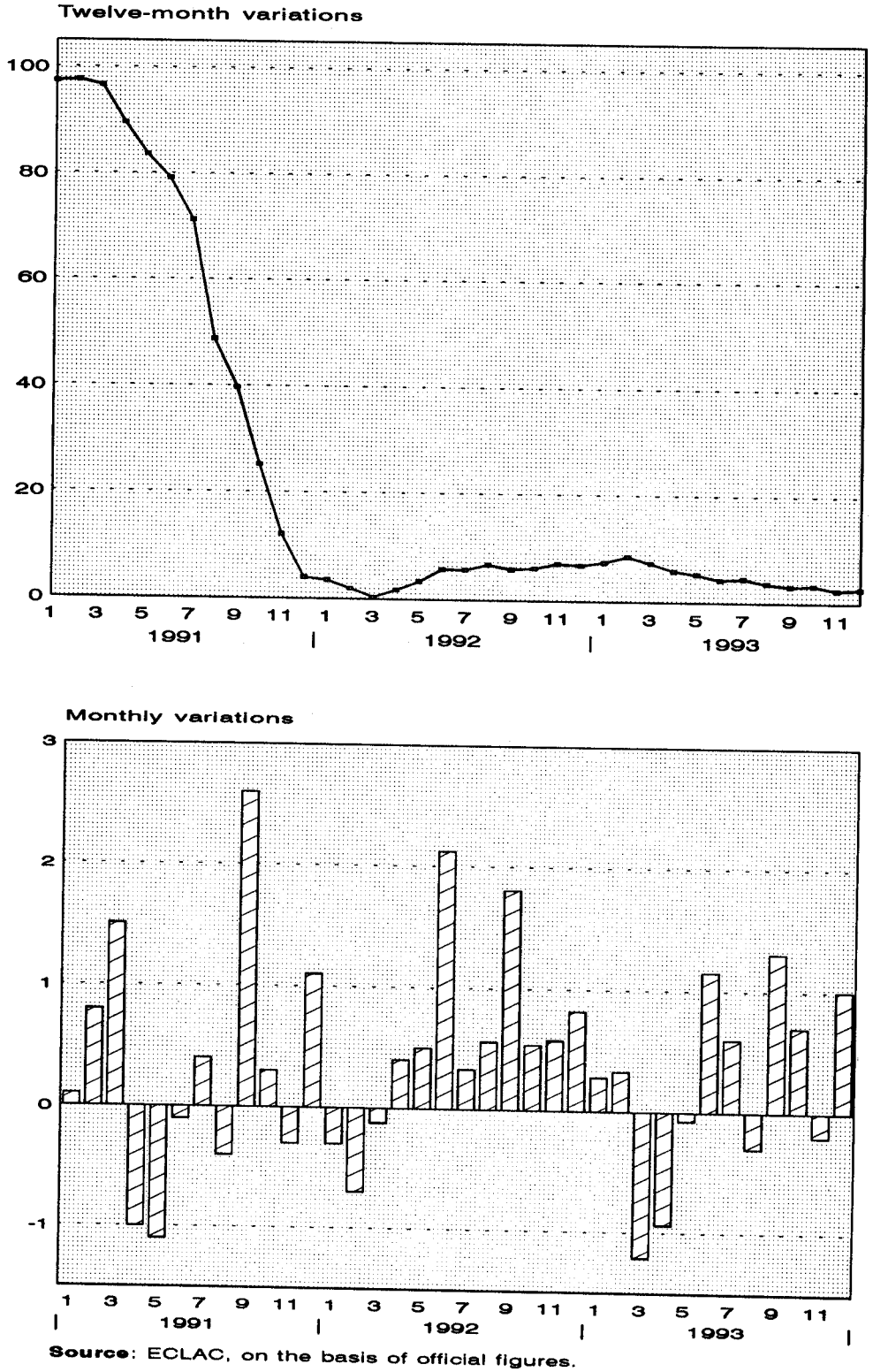
c) The external sector

A substantial decline in the balance-of-payments current account deficit and a steadily swelling influx of short-term private external capital combined to produce a further accumulation of international reserves. The trade gap narrowed, thanks to the increase in service exports and assembly plant activity and a decrease in imports of goods, including petroleum and fuel, following the sharp rise in foreign purchases in 1992. The value of recorded exports did not include the growing informal flow of trade to Haiti, chiefly involving fuel and food. Some imports, however, might have been deferred in order to benefit from the tariff reduction scheduled for the end of the year.

International prices softened in a considerable number of the country's export categories, especially on some traditional items such as crude sugar and ferronickel, the latter in particular. Quantities of gold, silver, coffee and cocoa sold also dropped. In contrast, both the volume and prices of tobacco exports rose.

Due to the smaller quantities were purchased, the value of imports of goods declined slightly, after the sharp increase recorded in 1992, a year

Figure 2
DOMINICAN REPUBLIC: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

in which there was a considerable build-up of inventories.

The surplus in the balance of real services expanded, due to the growth in tourism and in production restricted to free zones. The number of visitors increased 12%, with most of the increase occurring in the foreign visitors category (18%), while under the heading of Dominican nationals residing abroad the rise was only 2%. Hotel capacity (rooms) expanded 9% and room occupancy rose 8%; average expenditure per tourist also increased.

Companies operating in the free zones, some 430, mostly of Dominican, North American or Panamanian nationality, helped increase employment to a peak of 165,000 persons at the close of 1993, chiefly accounted for by textiles (72%), footwear (7%) and electronics (7%).

Remittances by family members residing abroad continued to expand to a level equal to two thirds of goods exports. The positive balance of services and the hefty amount of unrequited transfers helped considerably to offset the negative goods trade balance and hence to reduce the balance-of-payments current account deficit to approximately 2% of output, less than half the deficit recorded the year before.

The current account deficit was once again more than covered by the growing net influx of capital, particularly short-term capital, attracted by the stable exchange rate and the differential offered by local interest rates. Foreign direct investment, which was concentrated in the tourist industry, continued to be a major factor in the influx of long-term capital.

Total external debt expanded slightly, reflecting an increase in private debt, while official debt again declined under an external debt reduction programme which received substantial support from the international community. Overall, for the first time in the decade, external debt fell below the critical line of 200% of exports of goods and services. After negotiating its arrears with Spain and Brazil, the country made payments that constituted savings of 50% and 70%, respectively, of the face value of the arrears.

The reduction in official debt was attributable to bilateral agreements, since debt contracted with multilateral organizations, notably the International Monetary Fund, actually expanded. Under private debt, which represented 30% of the total, a major category was debt contracted by the commercial banking sector, while borrowing by suppliers declined. Although progress was made in negotiations with foreign commercial banks on an agreement to be reached under the Brady Plan, there was still no final approval either from the Congress of the Dominican Republic or from the international banks.

Table 1
DOMINICAN REPUBLIC: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Indexes (1980=100)				
Gross domestic product at market prices	114.4	125.5	128.4	134.7	127.9	128.6	137.5	140.5
Gross national income	118.2	127.2	135.2	139.5	129.4	130.6	137.7	143.5
Population (millions of inhabitants)	6.6	6.7	6.9	7.0	7.2	7.3	7.5	7.6
Per capita gross domestic product	99.2	106.5	106.5	109.3	101.7	100.1	104.8	105.1
Real effective exchange rate CPI [b]	122.4	151.5	175.7	127.1	116.3	117.4	118.5	113.5
				Ratios (percentages)				
Financial balance of central Government/GDP	-2.2	-1.6	-1.6	-0.1	0.3	0.8	2.6	-0.3
Money (M_1)/GDP	11.9	13.7	13.3	12.0	10.0	8.3	11.9	11.7
				Growth rates				
Gross domestic product	3.3	9.7	2.3	4.8	-5.0	0.5	6.9	2.2
Per capita gross domestic product	1.0	7.3	0.1	2.6	-7.0	-1.6	4.8	0.2
Gross national income	3.8	7.6	6.3	3.2	-7.2	0.9	5.4	4.2
Consumer prices December-December	6.5	25.0	57.6	41.2	100.7	4.0	6.6	2.7
Real minimum wage	7.2	-2.2	3.9	-11.0	-16.2	1.6	21.2	-4.5
Current value of exports of goods and services	7.0	10.5	21.7	9.1	-3.5	-1.3	8.8	8.9
Current value of imports of goods and services	4.8	19.4	2.7	21.1	-8.0	-1.1	23.8	-1.3
				Millions of dollars				
External sector								
Trade balance	-220	-389	-102	-351	-228	-230	-582	-353
Factor services	-250	-306	-271	-232	-151	-215	-243	-220
Balance on current account	-244	-422	-84	-283	-65	-115	-478	-211
Balance on capital account	288	275	194	281	72	457	504	522
Variation in international reserves (net)	11	-189	125	5	2	340	46	88
Public and guaranteed private external debt	3 812	3 899	3 883	4 090	4 482	4 572	4 426	4 500

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Refers to the exchange rate for exports.

Table 2
DOMINICAN REPUBLIC: REAL GROSS NATIONAL INCOME

	Indexes (1980 = 100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	130.6	137.7	143.5	98.8	100.4	99.0	100.9
a) Gross domestic product	128.6	137.5	140.5	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-0.7	-1.9	-0.4
c) Net factor income from abroad [b]	65.8	72.7	66.0	-4.2	-2.2	-2.2	-2.0
d) Net private tranfers from abroad [b]	139.9	143.8	150.6	3.0	3.3	3.2	3.3

Source: ECLAC, on the basis of official statistics.
[a] Preliminary figures. [b] Up to 1992, these figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of the Dominican Republic and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 3
DOMINICAN REPUBLIC: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**121.6**	**133.1**	**135.2**	**129.2**	**124.3**	**-6.2**	**1.4**	**9.5**	**1.6**
Gross domestic product at market prices	128.6	137.5	140.5	100.0	100.0	-5.0	0.5	6.9	2.2
Imports of goods and services [c]	97.6	118.1	116.9	29.2	24.3	-11.5	5.6	21.0	-1.1
Total demand	**121.6**	**133.1**	**135.2**	**129.2**	**124.3**	**-6.2**	**1.4**	**9.5**	**1.6**
Domestic demand	118.9	129.4	131.5	109.9	102.8	-9.0	1.5	8.9	1.6
Gross domestic investment	93.9	126.0	134.2	24.6	23.5	-17.3	-10.3	34.2	6.5
Gross fixed investment	96.2	130.4	137.8	23.4	23.0	-17.4	-12.6	35.4	5.7
Construction	103.9	155.2	...	14.3	...	-14.7	-22.8	49.4	...
Machinery and equipment	84.1	91.0	...	9.1	...	-24.5	17.9	8.2	...
Public	134.7	157.7	...	5.4	...	-24.9	-0.4	17.0	...
Private	84.9	122.3	...	18.1	...	-14.0	-17.3	44.1	...
Variation in stocks	48.2	41.7	64.1	1.2	0.6	...	...	...	...
Total consumption	126.1	130.4	130.7	85.2	79.3	-6.7	4.4	3.4	0.3
General Government	147.6	156.2	157.4	7.5	8.4	0.5	9.6	5.8	0.8
Private	124.0	127.9	128.2	77.8	70.9	-7.4	3.9	3.1	0.2
Exports of goods and services [c]	137.0	154.1	156.1	19.4	21.5	10.5	0.9	12.5	1.3

Source: ECLAC, on the basis of figures from official sources and from the International Monetary Fund (IMF).
[a] Based on figures valued at market prices, in constant 1980 dollars, at an adjusted exchange rate. [b] Preliminary figures.
[c] Up to 1992, these figures were taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of the Dominican Republic and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 4
DOMINICAN REPUBLIC: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT
(As a percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	17.8	20.6	22.0	23.1	20.1	18.0	22.6	23.5
Gross fixed investment	17.4	19.9	21.8	23.2	20.1	17.5	22.2	23.0
Construction	8.7	13.7	16.5	16.8	15.1	11.6	16.2	...
Machinery and equipment	8.7	6.2	5.3	6.4	5.1	5.9	6.0	...
Changes in stocks	0.4	0.6	0.2	-	-	0.5	0.4	0.6
Gross domestic savings	12.2	15.2	17.0	18.1	19.6	16.4	19.2	20.7
Terms-of-trade effect [c]	2.5	0.6	3.8	1.7	-1.6	-0.7	-1.9	-0.4
Net factor income from abroad [c]	-3.4	-3.7	-3.2	-2.2	-1.4	-2.2	-2.2	-2.0
Net private transfers from abroad [c]	3.1	3.3	3.4	2.8	3.0	3.3	3.2	3.3
Gross national savings	14.4	15.4	21.0	20.5	19.5	16.8	18.2	21.6
External savings	3.4	5.1	1.0	2.6	0.6	1.2	4.4	1.9

Source: ECLAC, on the basis of official figures.
[a] At market prices, in constant 1980 dollars at an adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, these figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of information from the Central Bank of the Dominican Republic and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 5
DOMINICAN REPUBLIC: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES

	Indexes (1980 = 100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Gross domestic product	**128.6**	**137.5**	**140.5**	**100.0**	**100.0**	**-5.0**	**0.5**	**6.9**	**2.2**
Goods	**114.1**	**124.2**	**124.6**	**47.6**	**42.2**	**-10.1**	**-0.4**	**8.8**	**0.3**
Agriculture	108.0	114.5	114.8	19.8	16.2	-8.6	4.3	6.0	0.3
Mining	89.5	73.0	45.9	5.2	1.7	-16.3	-4.4	-18.5	-37.1
Manufacturing	125.5	139.5	141.9	15.6	15.7	-4.2	1.9	11.2	1.7
Construction	124.5	154.9	171.3	7.1	8.6	-19.2	-12.4	24.4	10.6
Basic services	**153.7**	**176.5**	**191.0**	**5.8**	**7.9**	**-0.1**	**5.9**	**14.9**	**8.2**
Electricity, gas and water	168.0	203.1	247.5	0.4	0.8	0.9	5.2	20.8	21.9
Transport, storage and communications	152.5	174.3	186.2	5.4	7.1	-0.2	6.0	14.3	6.8
Other services	**140.2**	**146.2**	**150.6**	**46.6**	**49.9**	**-0.9**	**0.6**	**4.3**	**3.0**
Commerce, restaurants and hotels	130.1	141.7	150.1	16.9	18.0	-7.1	3.1	8.9	5.9
Financial institutions, insurance, real estate and business services	175.7	176.7	176.5	11.7	14.7	3.9	0.7	0.6	-0.1
Ownership of dwellings	115.3	116.3	117.3	8.2	6.9	0.1	0.1	0.8	0.9
Community, social and personal services	126.5	130.6	134.0	18.0	17.1	1.1	-1.8	3.2	2.7
Government services	125.7	130.7	133.3	8.2	7.7	2.8	-1.9	4.0	2.0

Source: ECLAC, on the basis of official figures, reweighted according to the 1980 current price structure. Consequently figures shown here do not necessarily coincide with those published by the countries based on their calculations at constant prices.
[a] Preliminary figures.

Table 6

DOMINICAN REPUBLIC: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Indexes of gross domestic product (1970=100)	**152.3**	**163.7**	**164.2**	**-6.3**	**2.4**	**7.5**	**0.3**
Crop farming	127.1	137.4	133.1	-11.1	4.7	8.1	-3.1
For export	90.8	89.8	90.9	-15.1	-2.5	-1.1	1.2
For domestic consumption	146.0	156.2	147.6	-8.2	1.3	7.0	-5.5
Livestock	235.0	249.5	260.0	-1.0	1.5	6.2	4.2
Fishing and forestry	264.0	265.0	260.8	-0.4	-1.6	0.4	-1.6
Production of main crops [b]							
For export							
Sugar cane	6 930	6 917	7 090	-17.1	6.4	-0.2	2.5
Tobacco	24	20	15	-40.0	33.3	-16.7	-25.0
Coffee	81	82	84	-6.3	-10.0	1.2	2.4
Cocoa	44	47	53	2.4	2.3	6.8	12.8
For domestic consumption							
Rice	466	566	485	-7.3	8.9	21.5	-14.3
Maize	43	46	51	-23.1	7.5	7.0	10.9
Beans	26	37	43	-37.0	-23.5	42.3	16.2
Pigeon peas	47	26	26	5.0	11.9	-44.7	-
Peanuts	26	19	6	-17.1	-10.3	-26.9	-68.4
Sweet potatoes	45	64	5	-2.7	-36.6	42.2	-92.2
Cassava	134	144	118	1.3	-16.8	7.5	-18.1
Tomatoes	149	102	95	-16.2	2.8	-31.5	-6.9
Bananas [c]	1 080	1 221	1 406	-6.1	-7.4	13.1	15.2
Indicators of livestock production							
Slaughtering [b]							
Beef	84	83	86	1.2	2.4	-1.2	3.6
Pork	4	4	5	-25.0	-27.5	1.6	15.4
Poultry	112	122	128	1.9	1.8	8.9	4.9
Eggs [c]	764	839	864	-2.0	1.5	9.8	3.0
Milk [d]	338	354	370	2.1	0.3	4.7	4.5

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Thousands of tons. [c] Millions of units. [d] Millions of litres.

Table 7
DOMINICAN REPUBLIC: MINING PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes (1980=100)	**89.5**	**73.0**	**45.9**	**-16.3**	**-4.4**	**-18.5**	**-37.1**
Production of main minerals							
Ferronickel [b]	72	58	35	-7.3	-5.3	-19.4	-39.7
Gold [c]	102	76	11	-18.6	-27.1	-25.5	-85.5
Silver [c]	706	481	53	5.0	-3.9	-31.9	-89.0

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of troy ounces.

Table 8
DOMINICAN REPUBLIC: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production indexes (1980=100)	**125.5**	**139.5**	**141.9**	**-4.2**	**1.9**	**11.2**	**1.7**
Foodstuffs, beverages and tobacco	213.9	237.6	241.8	-5.7	0.9	11.1	1.8
Foodstuffs	163.1	169.8	171.4	-19.8	11.2	4.1	0.9
Sugar and sugar products	72.8	69.0	78.7	-27.9	10.6	-5.2	14.1
Other foodstuffs	229.6	247.8	238.5	-12.3	5.2	7.9	-3.8
Beverages	440.6	537.8	555.7	9.5	-3.8	22.1	3.3
Tobacco	196.7	207.7	205.8	0.8	-8.1	5.6	-0.9
Other manufacturing industries	270.6	309.5	307.4	-11.3	-0.1	14.4	-0.7
Production of some major manufactures							
Raw sugar [b]	576	537	625	-28.4	10.1	-6.8	16.4
Refined sugar [b]	94	95	103	-30.6	25.3	1.1	8.4
Hulled coffee [b]	41	41	42	-9.2	-30.5	-	2.4
Wheat flour [c]	4 826	4 996	5 091	-13.6	12.9	3.5	1.9
Rum [d]	38	43	44	30.7	-11.6	13.2	2.3
Beer [d]	146	196	197	-6.1	5.8	34.2	0.5
Cigarettes [e]	208	220	218	0.9	-8.4	5.8	-0.9
Cement [b]	1 239	1 365	1 271	-11.5	10.3	10.2	-6.9
Other indicators of manufacturing production							
Industrial consumption of electricity [f]	681	878	1 066	-15.1	11.1	28.9	21.4

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of quintals. [d] Millions of litres. [e] Millions of packages of 20.
[f] Thousands of kWh.

Table 9

DOMINICAN REPUBLIC: ELECTRICITY GENERATION AND CONSUMPTION

	Thousands of kWh			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total generation [b]	**3 094**	**4 095**	**4 926**	**100.0**	**100.0**	**100.0**	**-17.9**	**8.2**	**32.4**	**20.3**
Thermal	2 157	2 775	2 794	69.7	67.8	56.7	-20.7	-1.6	28.7	0.7
Gas	257	655	709	8.3	16.0	14.4	53.8	42.8	154.9	8.2
Diesel	43	4	4	1.4	0.1	0.1	333.3	10.3	-90.7	-
Hydroelectric	637	661	1 419	20.6	16.1	28.8	-24.6	42.2	3.8	114.7
Less: in-house consumption by plants	175	229	233							
Net generation	2 919	3 866	4 693				-18.3	9.7	32.4	21.4
Plus: purchases from other plants [c]	570	759	741							
Total availabe supply	**3 489**	**4 625**	**5 434**				**-14.2**	**12.5**	**32.6**	**17.5**
Less: losses	1 260	1 728	2 112							
Total available for sale	**2 229**	**2 897**	**3 322**							
Total consumption	2 229	2 897	3 322	72.0	70.7	67.4	-11.2	4.6	30.0	14.7
Residential	888	1 154	1 318	28.7	28.2	26.8	-10.1	5.3	30.0	14.2
Commercial	233	325	383	7.5	7.9	7.8	-11.3	-1.3	39.5	17.8
Industrial	681	878	1 066	22.0	21.4	21.6	-15.1	11.1	28.9	21.4
Government and municipal	334	356	370	10.8	8.7	7.5	-8.9	-3.5	6.6	3.9
Street lighting	93	184	185	3.0	4.5	3.8	-	-	97.8	0.5
Percentage lost [d]	36.1	37.4	38.9							

Source: ECLAC, on the basis of figures from the Corporación Dominicana de Electricidad (CDE).

[a] Preliminary figures. [b] Refers to the nation's interconnected system, and therefore does not include any power generated by private plants or the consumption thereof. [c] Refers to three private electricity-generating plants that sell part of their production to CDE. [d] Losses during transmission and distribution with respect to net generation.

Table 10
DOMINICAN REPUBLIC: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Growth rates				
Exports f.o.b.								
Value	-2.2	-1.5	25.1	3.9	-20.5	-10.4	-14.0	-6.4
Volume	-2.7	5.9	14.4	-5.4	-3.1	-6.9	-7.9	-1.1
Unit value	0.5	-7.0	9.3	9.9	-18.0	-3.7	-6.7	-5.3
Imports f.o.b.								
Value	5.1	17.7	1.0	22.1	-8.7	-3.6	26.0	-2.8
Volume	9.7	15.0	0.8	-4.2	-9.8	-1.5	23.3	-1.6
Unit value	-4.2	2.3	0.2	27.4	1.2	-2.2	2.2	-1.1
Terms of trade (f.o.b./c.i.f.)	4.8	-10.0	8.6	-13.1	-18.9	-2.0	-8.9	-4.6
				Indexes (1980=100)				
Purchasing power of exports	80.5	76.7	95.3	78.3	61.5	56.1	47.1	44.4
Volume of exports	91.9	97.3	111.3	105.3	101.9	94.9	87.4	86.5
Volume of imports	98.3	113.1	114.0	109.3	98.5	97.1	119.7	117.7
Terms of trade (f.o.b./c.i.f.)	87.6	78.8	85.6	74.3	60.3	59.1	53.8	51.4

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures.

Table 11
DOMINICAN REPUBLIC: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates		
	1991	1992	1993[a]	1991	1992	1992[a]	1991	1992	1993[a]
Total exports	**658**	**566**	**530**	**100.0**	**100.0**	**100.0**	**-10.4**	**-14.0**	**-6.4**
Main traditional exports	**556**	**421**	**372**	**84.5**	**74.4**	**70.2**	**-11.5**	**-24.3**	**-11.6**
Raw sugar	167	115	120	25.4	20.3	22.6	-6.2	-31.1	4.3
Furfural	20	13	19	3.0	2.3	3.6	-	-35.0	46.2
Molasses	11	10	15	1.7	1.8	2.8	22.2	-9.1	50.0
Coffee	43	26	26	6.5	4.6	4.9	-8.5	-39.5	-
Cocoa	35	35	33	5.3	6.2	6.2	-23.9	-	-5.7
Tobacco	19	17	19	2.9	3.0	3.6	-13.6	-10.5	11.8
Ferronickel	221	179	134	33.6	31.6	25.3	-11.2	-19.0	-25.1
Gold and silver	40	26	6	6.1	4.6	1.1	-29.8	-35.0	-76.9
Main non-traditional exports	**102**	**145**	**158**	**15.5**	**25.6**	**29.8**	**-3.8**	**42.2**	**9.0**
Chemical fertilizers	3	1	2	0.5	0.2	0.4	-	-66.7	100.0
Beef	34	16	10	5.2	2.8	1.9	36.0	-52.9	-37.5
Coconut emulsion	3	2	2	0.5	0.4	0.4	-57.1	-33.3	-
Tinned pigeon peas	6	6	8	0.9	1.1	1.5	20.0	-	33.3
Taro	3	3	3	0.5	0.5	0.6	-25.0	-	-
Other	53	117	133	8.1	20.7	25.1	-14.5	120.8	13.7

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures.

Table 12
DOMINICAN REPUBLIC: VOLUME OF EXPORTS OF MAIN PRODUCTS

	Thousands of tons			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Raw sugar	318.9	320.8	342.2	-27.6	-10.1	0.6	6.7
Furfural	34.8	25.7	40.1	-4.3	-3.1	-26.1	56.0
Molasses	150.2	132.0	176.2	-10.2	6.9	-12.1	33.5
Coffee (unroasted)	28.2	21.5	18.1	-1.5	-11.6	-23.8	-15.8
Cocoa	40.6	43.5	42.1	12.8	-11.4	7.1	-3.2
Tobacco	10.8	9.3	9.9	86.4	-28.5	-13.9	6.5
Ferronickel	75.0	70.3	67.4	-4.6	-4.0	-6.3	-4.1
Gold and silver alloy [b]	807.5	434.1	65.2	0.3	-7.7	-46.2	-85.0

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Troy ounces.

Table 13
DOMINICAN REPUBLIC: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**-244**	**-422**	**-84**	**-283**	**-65**	**-115**	**-478**	**-211**
Trade balance	-220	-389	-102	-351	-228	-230	-582	-353
Exports of goods and services	1 415	1 563	1 903	2 077	2 005	1 979	2 153	2 345
Goods, f.o.b.	722	711	890	924	735	658	566	530
Real services [b]	693	852	1 013	1 153	1 271	1 320	1 587	1 815
Transport and insurance	41	39	43	60	63	72	73	80
Travel	506	571	768	818	900	877	1 096	1 231
Imports of goods and services	1 635	1 952	2 005	2 429	2 233	2 208	2 735	2 698
Goods, f.o.b.	1 352	1 592	1 608	1 964	1 793	1 729	2 178	2 118
Real services [b]	283	360	397	465	440	479	556	580
Transport and insurance	120	175	176	230	192	196	253	240
Travel	89	95	127	136	144	154	159	164
Factor services	-250	-306	-271	-232	-151	-215	-243	-220
Profits	-	-	-	-	-	-	-	-
Interest received	17	12	9	10	12	18	17	25
Interest paid or due	-267	-318	-279	-242	-163	-233	-260	-245
Labour and property	-	-	-	-	-	-	-	-
Unrequited private transfer payments	225	273	289	301	315	330	347	362
Balance on capital account	**288**	**275**	**194**	**281**	**72**	**457**	**504**	**522**
Unrequited official tansfer payments	61	58	65	84	56	57	85	80
Long-term capital	142	60	239	243	106	133	128	129
Direct investment	50	89	106	110	133	145	179	183
Portfolio investment	-	-	-	-	-	-	-	-
Other long-term capital	92	-30	133	133	-27	-12	-52	-54
Official sector [c]	92	-30	133	133	-27	-12	-52	-54
Loans received	220	154	234	279	141	153	112	124
Amortization payments	-128	-174	-98	-123	-87	-156	-163	-180
Commercial banks [c]	-	-	-	-	-	-	-	-
Loans received	-	-	-	-	-	-	-	-
Amortization payments	-	-	-	-	-	-	-	-
Other sectors [c]	-	-	-	-	-	-	-	-
Loans received	-	-	-	-	-	-	-	-
Amortization payments	-	-	-	-	-	-	-	-
Short-term capital	3	-91	-149	142	15	-21	-96	313
Official sector	-76	-65	-113	155	-2	-29	-96	-13
Commercial banks	79	-26	-36	-13	16	7	-1	6
Other sectors	-	-	-	-	-	-	-	320
Errors and omissions (net)	82	249	39	-188	-104	288	388	...
Global balance [d]	**44**	**-147**	**110**	**-2**	**8**	**342**	**26**	**311**
Total variation in reserves (- sign indicates an increase)	-11	189	-125	-5	-2	-340	-46	-88
Monetary gold	-1	-2	1	-	1	-	1	-1
Special drawing rights	32	-	-	-	-	-	-	-14
IMF reserve position	-	-	-	-	-	-	-	-
Foreign exchange assets	-49	211	-60	90	48	-358	-80	-137
Other assets	-	-	-	-	-	-	-	1
Use made of IMF credit	7	-21	-66	-95	-51	17	34	63

Source: 1986-1992: ECLAC, on the basis of figures supplied by the International Monetary Fund (IMF). 1993: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 14

DOMINICAN REPUBLIC: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rate (pesos per dollar)	Indexes of real effective exchange rate[a] (1985=100) based on consumer price index[b]	
		Exports	Imports
1978	1.25	78.1	76.3
1979	1.25	78.5	76.3
1980	1.26	76.5	76.1
1981	1.28	74.3	78.4
1982	1.46	81.6	83.3
1983	1.60	86.7	86.8
1984	2.74	118.4	118.2
1985	3.11	100.1	100.1
1986	2.90	93.6	89.6
1987	3.85	115.9	106.9
1988	6.11	134.4	128.3
1989	6.34	97.2	92.2
1990	8.29	89.0	82.6
1991	12.61	89.8	85.5
1992	12.79	90.7	86.9
1993	12.68	86.8	85.8
1992			
I	12.72	91.0	87.3
II	12.94	92.1	88.7
III	12.80	91.9	87.7
IV	12.70	87.6	83.9
1993			
I	12.61	85.8	83.5
II	12.61	88.2	86.9
III	12.70	87.1	86.8
IV	12.80	86.1	85.8

Source: ECLAC, on the basis of figures from the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Corresponds to the average index of the real exchange rate for the peso *vis-à-vis* the currencies of the Dominican Republic's main trading partners, weighted by the relative importance of exports or imports, as appropriate, to or from those countries. The weightings correspond to the average for the period 19986-1990. For the methodology and sources used, see the statistical appendix of the *Economic Survey of Latin America*, 1981. [b] The consumer price index was used for all of the countries.

Table 15
DOMINICAN REPUBLIC: INDICATORS OF EXTERNAL INDEBTEDNESS

	1986	1987	1988	1989	1990	1991	1992	1993 [a]
	Millions of dollars							
Total external debt [b]								
Balances	3 812	3 899	3 883	4 090	4 482	4 572	4 426	4 500
Interest [c]	267	318	279	242	163	233	260	245
	As percentages of the value of exports of goods and services							
Total external debt	269.4	249.4	204.1	196.9	223.5	231.0	205.6	191.9
Net interest [d]	17.7	19.6	14.2	11.2	7.5	10.9	11.3	9.4

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Total public and State-guaranteed private external debt. [c] Corresponds to the amount of interest paid or due as shown on the balance of payments. [d] Corresponds to the "net interest" entry on the balance of payments.

Table 16
DOMINICAN REPUBLIC: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993
	Variation December to December							
Consumer price index	6.5	25.0	57.6	41.2	100.7	4.0	6.6	2.7
Food, beverages and tobacco	9.4	30.6	69.6	36.7	104.0	-2.3	3.8	-0.7
Housing	7.0	17.3	41.9	45.0	86.6	4.6	13.9	6.7
Clothing and footwear	4.8	21.6	68.3	50.5	67.0	19.0	10.0	1.7
Other	-1.6	19.0	30.1	49.9	130.5	19.6	6.2	8.9
	Variation between annual averages							
Consumer price index	9.7	15.9	44.4	45.4	59.4	53.9	4.6	4.8
Food, beverages and tobacco	15.3	20.7	53.3	48.2	59.0	48.8	0.1	2.6
Housing	9.2	13.2	34.5	38.0	53.5	46.5	13.9	8.3
Clothing and footwear	15.5	12.0	44.2	60.7	48.9	59.3	7.2	5.3
Other	1.8	7.2	27.4	36.1	77.8	82.2	8.5	7.1

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.

Table 17

DOMINICAN REPUBLIC: MINIMUM WAGES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Pesos [b]				
Nominal [b]	250	283[c]	425[d]	550[e]	735[f]	1 148[g]	1 456	1 456
				Indexes (1980=100)				
Nominal [b]	200.0	226.6	340.0	440.0	588.0	918.4	1 164.8	1 164.8
Real	86.0	84.1	87.4	77.8	65.2	66.2	80.2	76.6
				Growth rates				
Nominal [b]	17.6	13.3	50.0	29.4	33.6	56.2	26.8	-
Real	7.2	-2.2	3.9	-11.0	-16.1	1.6	21.2	-4.5

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Annualized monthly average, minimum wage for office and manual workers in large private-sector enterprises. [c] Increased to 350 pesos in September. [d] Increased to 500 pesos in July. [e] Increased to 700 pesos in October. [f] Increased to 1,120 pesos in December. [g] Increased to 1,456 pesos starting December.

Table 18

DOMINICAN REPUBLIC: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Millions of pesos			Percentage of GDP			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
1. Current income	**9 936**	**16 237**	**19 330**	**9.9**	**14.4**	**16.0**	**17.2**	**48.4**	**63.4**	**19.0**
Tax revenue	9 677	15 823	18 772	9.7	14.1	15.6	20.0	52.0	63.5	18.6
Direct [b]	2 486	2 904	3 305	2.5	2.6	2.7	25.4	45.0	16.8	13.8
Indirect	7 191	12 919	15 467	7.2	11.5	12.8	18.1	54.5	79.7	19.7
On foreign trade	4 398	7 542	8 414	4.4	6.7	7.0	15.1	62.8	71.5	11.6
Other taxes	2 793	5 377	7 053	2.8	4.8	5.8	22.5	43.1	92.5	31.2
Non-tax revenue	259	414	558	0.3	0.4	0.5	-19.0	-21.3	59.8	34.8
2. Current expenditure [c]	**5 132**	**6 702**	**9 973**	**5.1**	**6.0**	**8.3**	**23.1**	**45.8**	**30.6**	**48.8**
Wages and salaries	2 065	2 745	3 472	2.1	2.4	2.9	32.7	30.7	32.9	26.5
Current transfers	1 423	1 599	2 193	1.4	1.4	1.8	28.5	40.2	12.4	37.1
Other expenditures	1 644	2 358	4 308	1.6	2.1	3.6	5.3	77.5	43.4	82.7
3. Current balance (1 - 2)	**4 804**	**9 535**	**9 357**	**4.8**	**8.5**	**7.8**				
4. Capital expenditure	**4 036**	**6 618**	**9 747**	**4.0**	**5.9**	**8.1**	**4.3**	**34.5**	**64.0**	**47.3**
Real investment	2 095	3 847	6 051	2.1	3.4	5.0	-4.8	6.7	83.6	57.3
Capital transfers	1 869	2 604	3 587	1.9	2.3	3.0	50.1	93.7	39.3	37.7
Other capital expenditure	72	167	109	0.1	0.1	0.1	-57.8	-1.4	131.9	-34.7
5. Total expenditure (2 + 4)	**9 168**	**13 320**	**19 720**	**9.2**	**11.9**	**16.4**	**13.7**	**40.6**	**45.3**	**48.0**
6. Fiscal balance (1 - 5)	**768**	**2 917**	**-390**	**0.8**	**2.6**	**-0.3**				

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.

[a] Preliminary figures. [b] Does not include taxes paid by the Falconbridge Dominicana mining company, pursuant to the amendment agreement of 26 May 1988; these funds, which are deposited in the Central Bank of the Dominican Republic, amounted (in millions of pesos) to 916.7 in 1991, 618.8 in 1992 and 86.3 in 1993. [c] Does not include the use of funds from Falconbridge Dominicana amounting (in millions of pesos) to 969.7 in 1991; 554.3 in 1992 and 148.8 in 1993.

Table 19
DOMINICAN REPUBLIC: MONETARY INDICATORS

	Year-end balances (millions of pesos)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total assets	**21 785**	**25 952**	**31 053**	**42.0**	**23.3**	**19.1**	**19.7**
Net international reserves	3 106	4 777	6 939				
External assets	8 249	12 574	10 790	32.0	134.5	52.4	-14.2
Short-term external liabilities	-5 143	-7 797	-3 851				
Domestic credit	18 679	21 175	24 114	41.9	-3.1	13.4	13.9
To central Government (net)	3 456	654	-1 281	29.4	-40.1	-81.1	-295.9
To private sector	11 126	15 806	17 623	30.1	24.7	42.1	11.5
Other	4 097	4 715	7 772	102.2	-10.6	15.1	64.8
Total liabilities and capital	**21 785**	**25 952**	**31 053**	**42.0**	**23.3**	**19.1**	**19.7**
Money supply (M_1)	10 866	13 822	16 118	36.6	35.8	27.2	16.6
Currency outside banks	4 571	5 914	6 906	39.5	22.9	29.4	16.8
Demand deposits	6 295	7 908	9 212	34.3	46.9	25.6	16.5
Quasi-money	9 719	13 430	17 330	29.3	48.3	38.2	29.0
Savings deposits	3 356	4 456	5 778	20.2	43.5	32.8	29.7
Time deposits	6 280	8 880	11 479	48.1	58.9	41.4	29.3
Special deposits	83	94	73	-42.2	-68.4	13.3	-22.3
Medium- and long-term external loans	16 782	15 047	15 134	90.0	7.6	-10.3	0.6
Other (net)	-15 582	-16 347	-17 529				
	Percentages						
Coefficients							
M_1/Monetary base	1.45	1.93	2.15				
M_1/GDP	8.31	11.94	11.74				

Source: ECLAC, on the basis of figures supplied by the Central Bank of the Dominican Republic.
[a] Preliminary figures.

Table 20
DOMINICAN REPUBLIC: LOANS GRANTED BY COMMERCIAL BANKS

	Year-end balances (millions of pesos)			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**10 856**	**15 096**	**18 248**	**100.0**	**100.0**	**100.0**	**25.6**	**24.9**	**39.1**	**20.9**
Agriculture [b]	1 315	2 173	2 244	12.1	14.4	12.3	14.0	37.7	65.2	3.3
Manufacturing	3 393	3 733	3 763	31.3	24.7	20.6	25.8	28.4	10.0	0.8
Construction	871	854	971	8.0	5.7	5.3	13.3	5.7	-2.0	13.7
Commerce [c]	2 243	4 313	6 091	20.7	28.6	33.4	30.7	33.0	92.3	41.2
Public sector	1 240	1 339	1 285	11.4	8.9	7.0	10.2	-4.5	8.0	-4.0
Other	1 794	2 684	3 894	16.5	17.8	21.3	64.0	39.5	49.6	45.1

Source: ECLAC, on the basis of figures provided by the Central Bank of the Dominican Republic.
[a] Preliminary figures. [b] Includes loans to agro-industry. [c] Includes both domestic and foreign trade.

URUGUAY

1. General trends

The rate of economic activity decelerated substantially to less than 2% in Uruguay during 1993, in a context in which most of the expansion of demand was met by imports. Inflation declined only slowly, since the inertia produced by the widespread use of indexing mechanisms and rapid money creation due to the acquisition of foreign exchange by the Central Bank of Uruguay overrode the effects of prudent fiscal policy and moderate devaluation of the peso. The variation in consumer prices remained high (53%).

Against this background, the rise in imports and the decline in the value of exports pushed the deficit on foreign trade in goods to its historical high. However, the sustained increase in foreign currency obtained through tourism and sales to neighbouring countries, lower interest payments and the positive balance on the capital account made it possible to expand international reserves for the ninth year in a row (see table 1 and figure 1).

2. Economic policy

Combatting inflation, which had been around 60% the previous year, continued to be the main economic policy objective. The programme formulated in early 1993, designed to lower the annual growth in consumer prices to 30%, was based on two main premises: the financial equilibrium of the consolidated public sector and a foreign exchange policy that would aim at a nominal devaluation of around 2% per month for the first half of the year and declined to 1.5% during the second half of the year. The programme also presupposed that the rises in wages and in prices for goods and public services would be below or similar to the inflation target and foresaw a slight real increase in private-sector wages. A mid-year review of the programme raised the target increase in consumer prices for 1993 to over 40%, even assuming the monthly rate of devaluation could be held to 2% during the second half of the year.

More openness to the exterior and the general and regional decline in tariffs were also to support the anti-inflation strategy and the country's new position in international trade.

a) Fiscal policy

Despite the fact that fiscal balance was one of the basic premises of the anti-inflation programme, the wage hikes granted to government employees during the first quarter of the year, in a climate of intensifying labour conflict, were an attempt to offset a real decline of 15% over the previous four years and went far beyond the guidelines of the programme. A similar situation developed with the adjustments in prices of goods and services produced by public enterprises.

Measures were therefore adopted towards the end of the first quarter to reduce expenditures and increase revenues. Even so, the financial deficit of the consolidated public sector grew to the equivalent of 1.5% of output.

In contrast to the previous year, the non-financial public sector showed a deficit, since the surplus posted by the public enterprises (0.4% of GDP) did not cover the deficit run up by the central administration (-1.1% of GDP). Para-fiscal expenditures originating in the official financial system contracted to the

Figure 1
URUGUAY: MAIN ECONOMIC INDICATORS

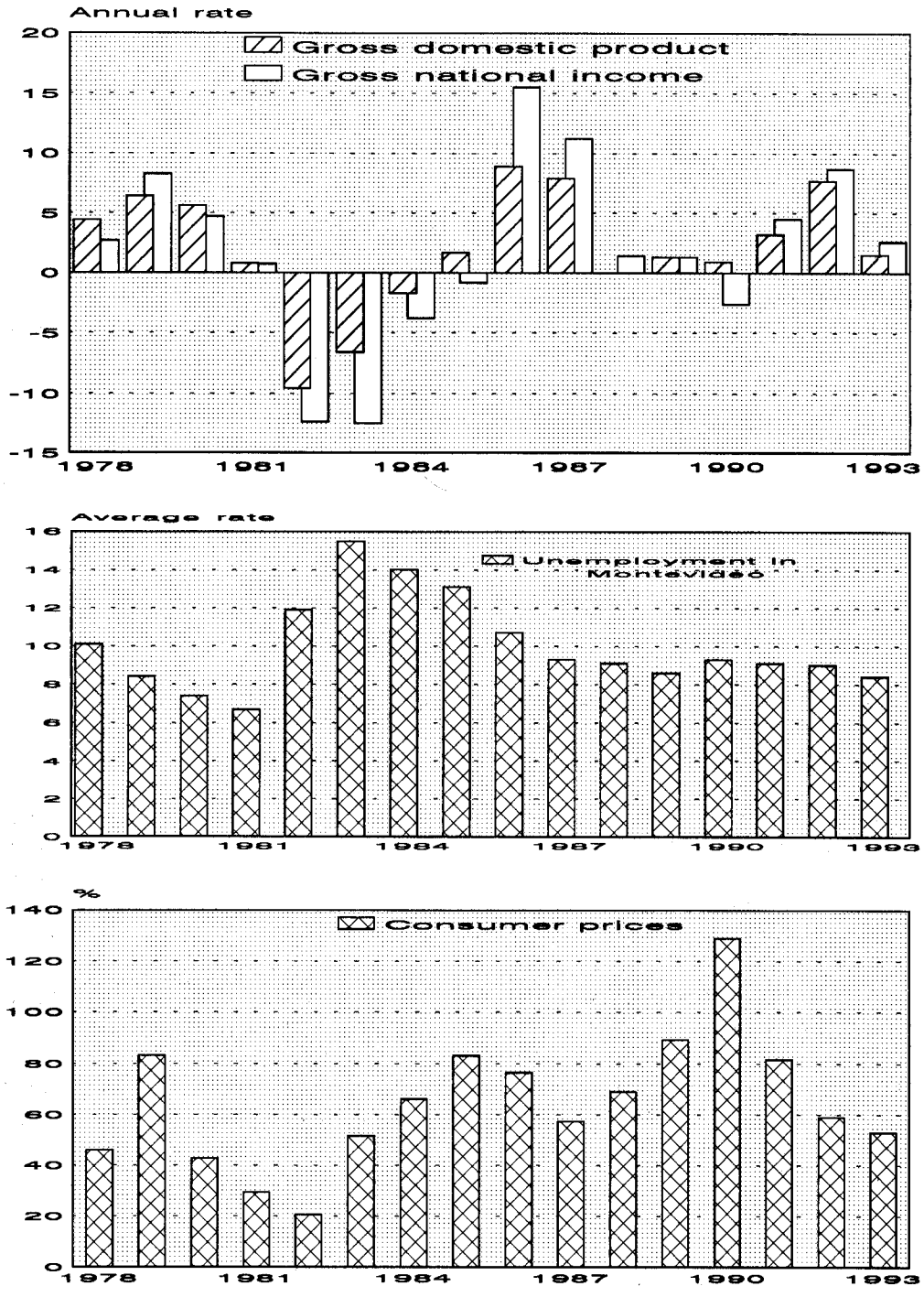
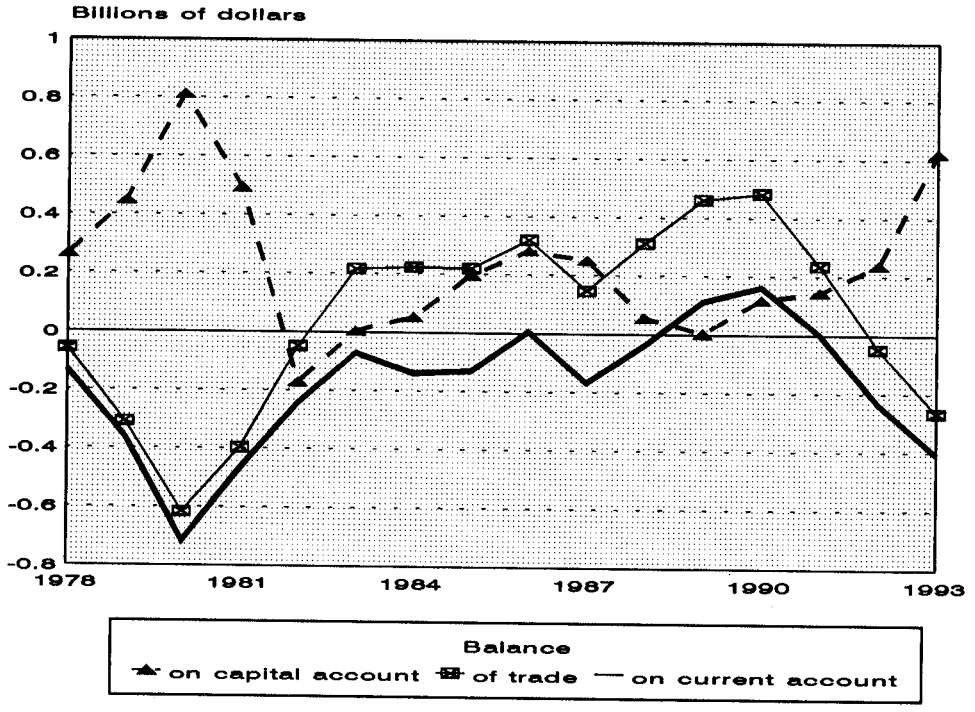
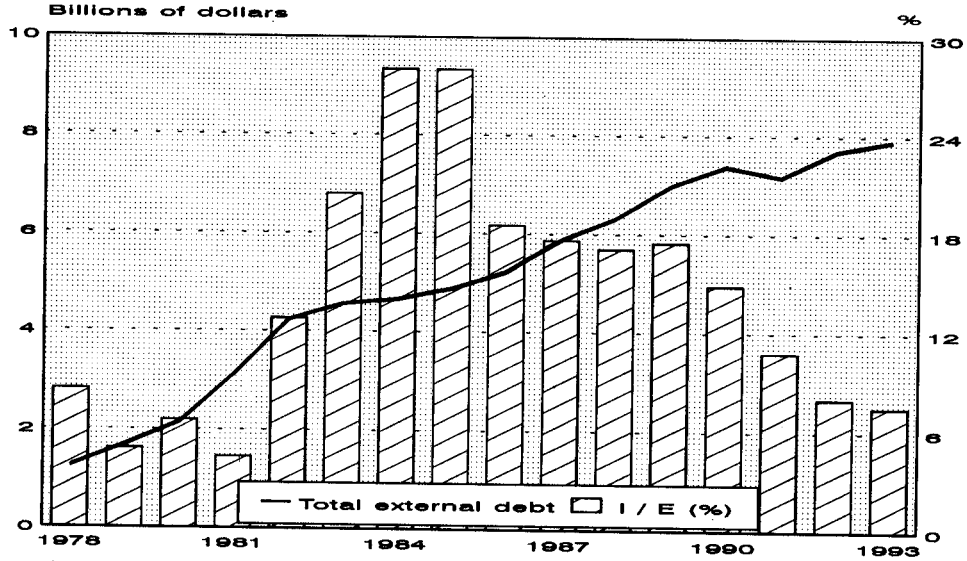


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = net interest due; E = exports of goods and services.

equivalent of 0.8% of GDP, half that of the previous year, owing to the decline in domestic and external interest rates and a reduction in net indebtedness.

The deficit recorded by the central administration, after two years of small surpluses, was due to a drop in revenues (-3%) and a simultaneous rise in expenditures (4%), both measured in real terms. The main cause of reduced revenues was the severe contraction (-31%) in revenues from taxes on foreign trade, due to the lower tariffs on purchases from members of the Southern Common Market (MERCOSUR) and the moderate devaluation rate. At the same time, real income from taxes on domestic activity stagnated. Revenues from indirect taxes declined slightly, due to a 17% reduction in fuel tax collections, while revenues from direct taxes rose, owing to the increase in income taxes paid by public enterprises.

The growing financial imbalance of the social security system continued to be the main factor causing real expenditure to rise. It resulted from an increase in pension payments, since they were adjusted according to a wage index that rose more rapidly than domestic prices. Of the system's total disbursements, the equivalent of one seventh of GDP, nearly 40% was covered by transfers from the central Government, which rose 13% in real terms. On the other hand, wage payments and interest on the public debt declined slightly.

Although the current account showed a surplus of close to 1% of GDP, it was not enough to cover investment expenditures, which rose 30% in real terms.

b) Monetary and exchange policies

The public sector fiscal deficit was almost completely financed with external resources, so that it did not become a significant factor of monetary expansion. The monetary base, in the strict sense of the term, which includes only the reserve deposits of private banks, nevertheless rose 66%, increasing in real terms for the first time in several years.

The chief expansionary factor was the gain of close to US$ 215 million in international reserves, which led to a 46% increase in monetary creation. Under the current exchange system, the Central Bank sets daily the minimum price for the dollar at which it is willing to buy all the foreign currency it is offered; above the flotation band of 7%, the Central Bank must sell foreign exchange to those who wish to buy. The price of the dollar remained at the bottom of the band for nearly the entire year, necessitating the acquisition of foreign currency, with the consequent increase in reserves and expansion of the monetary base above a level compatible with a more rapid decline in the inflation rate.

Similarly, the quasi-fiscal deficit, which was responsible for another 25% of monetary creation and, to a lesser extent, the withdrawal of nearly all the considerable demand deposits which the main state-owned commercial bank maintained with the monetary authority, contributed to the expansion of the monetary base. On the other hand, the increase in net assets of the banking system in the Central Bank was a key factor in the contraction of that institution's domestic credit.

Means of payment expanded at the same rate (67%) as the monetary base, revealing a greater demand from the public for real money balances and a reversal of the behaviour of previous years. Despite the fact that interest rates in local currency provided attractive yields in their foreign currency equivalent, given the moderate evolution of the dollar, time deposits in local currency rose by barely 35% in nominal terms, which meant that they declined by more than 10% in real terms. The broad money aggregate (M2) expanded by 55%, similar to the rise in consumer prices. Since the price of the dollar rose less than domestic prices, the expanded time deposits denominated in dollars lost domestic purchasing power. In any case, deposits in foreign currency continued to comprise the major part (80%) of the financial system's monetary liabilities.

Commercial banks recorded a loss in their international reserves and a real increase of around 13% in the volume of credit granted to the private sector. In 1993, credits in dollars rose by 19%, although their equivalent in local currency rose at a rate similar to that of domestic prices. Loans by the financial system in local currency declined slightly in real terms. Most of the

increase in credit to the private sector went to commerce and consumption, which rose by 20% in real terms. By the end of the year, credit granted to these activities accounted for 46% of loans in local currency and 40% of those in foreign currency.

c) Trade policy

The tariff reduction process was completed at the beginning of the year, with tariffs lowered to 20%, 15% and 5% for finished, intermediate goods, and raw materials, respectively, imported under the general regime. At mid-year, the automatic across-the-board reductions stipulated in the trade agreement between the MERCOSUR countries went into effect, lowering the duties on the tariff items mentioned in the agreement to 5%, 3.5% and 1.5%.

Uruguay's trade relations with its partners in the subregional integration pact thus continued to intensify. Expanding 18%, the trade in goods with MERCOSUR countries accounted for 46% of the total, in 1993, and an even higher percentage including services and border sales.

3. Trends in the main variables

a) Economic activity

The decline in the growth rate to less than 2% lowered per capita output to 1%, bringing to 27% the per capita increase since 1985, the year in which the economy began to recover from the external debt crisis.

The upswing in economic activity during the previous two years continued during the first months of 1993, reversed in the second quarter, when it contracted by a little over than 2%, and turned around again at mid-year. Thus, the seasonally adjusted value of GDP reached its peak in nominal terms during the last quarter.

The rise in real wages, low interest rates on dollars and the greater availability of domestic credit were the driving forces behind consumer spending and investment. Domestic demand rose by 5%, on top of the increase of 12% in 1992.

With the substantial growth (12%) in gross capital formation, fixed investment accumulated a rise of more than 50% over a three-year period, but even so, it equalled barely 14% of GDP. Private consumption continued to expand rapidly, although not at the high rates of the previous two years. Public expenditure, in contrast, declined for the first time since 1988, in the framework of a fiscal control policy designed to reduce persistent inflation.

The growth in the physical volume of exports continued to lag behind that of domestic demand. In consequence, the rate of expansion of total demand, 11% the previous year, fell to much less than half that rate.

The increased demand, however, went mostly into foreign purchases, which led to a jump of 15% in the physical volume of imports. Given this situation, the growth rate of output slowed significantly.

Growth in GDP during 1993 came from the services sector, whose share, given the decline of almost 4% in the production of goods, was over 60%. Goods-producing sectors showed divergent trends; while construction displayed vigorous growth, manufacturing plummeted, and agriculture stagnated.

Livestock output increased by 2%, due to a build-up of beef herds, a rise in milk production owing to favourable weather conditions and improved technology, and an upswing in wool gathering. These gains, however, were almost totally cancelled out by the decline in crop harvests. Bad weather conditions that delayed the planting of winter crops and later a shortage of rainfall diminished crop yields, especially of wheat. In other cases, such as barley, the harvest was smaller because of a reduction in area planted, due to expectations of a drop in external demand. Although rice also faced demand problems, the harvest was the largest in history, due to a combination of increased area planted and high yields. Fishery production remained at the same depressed level to which it had fallen the year before.

Manufacturing fell by 9%, completing a cumulative decline of 17% since 1980, the year in which it reached its historical high. Most of the contraction in 1993 was due to the shut-down of

the oil refinery, which began to be remodeled at mid-year. But even discounting for that factor, manufacturing output dropped by some 5%.

Industrial decline was widespread. The weakening of external demand affected mainly the refrigeration and textile industries. Lower tariffs on items from MERCOSUR partners and the lag in the price of the dollar helped imported articles to penetrate the domestic market. Most affected by this phenomenon were machinery, electrical and metal products, fertilizers and pesticides, plastics and some basic chemicals. On the other hand, the upswing in construction gave impetus to the production of glass and non-metallic minerals, while milk production was stimulated by a rise in external demand.

Construction remained dynamic because not only did public works continue to increase but private building in the capital and main tourist areas also surged, driven by the medium-term dollar credit offered by construction companies and by low interest rates on foreign currency in local and international markets.

Except for electric power the generation, services posted considerable growth. Although domestic electricity consumption continued to rise at a good rate, the contraction in sales of electricity to Argentina, which had increased tremendously the previous year, led to a decline in output for the sector.

The goods intermediation sectors (commerce and transport) showed favourable trends, as did hotels, thanks to a rise in tourism, and communications, due to the extension of telephone services. Lastly, given the rise in imports, duties continued to contribute considerably to growth in GDP.

b) Prices, wages and employment

Although consumer prices tended to decline, they did so only moderately, with the annual rate falling only from 59% to 53%. National wholesale prices, in which tradables carried more weight, rose by much less (31%).

The lower rise in wholesale prices was due to the closer relationship between the components of that index, almost all tradables, and the evolution of the nominal exchange rate. The more rapid rise in prices of services accounted for most of the gap between retail and wholesale prices. The sharp discrepancy in price trends between sectors composed mainly of tradables and those composed of non-tradables led to a drop of 11% in the real exchange rate.

Trends in both public- and private-sector wages also helped push inflation higher than the target rate. Nominal wages of public-sector employees rose by 70% during the 12-month period ending in December, almost treble the planned rate (25%). Private-sector wages, most of which were adjusted on the basis on past inflation, stayed in close step with rises in consumer prices, increasing by 57% during that same period. Thus, the annual average real wage paid in the economy as a whole rose by almost 5%. Since the price of the dollar rose by 27% during 1993, the purchasing power of wages in dollar terms as a national average, rose by more than 25%.

The rate of employment in the capital remained stable. However, since the labour supply declined (the labour force participation rate fell by 2% between the end of 1992 and the end of 1993), unemployment dropped from 8.3% to 7.6% during the same period.

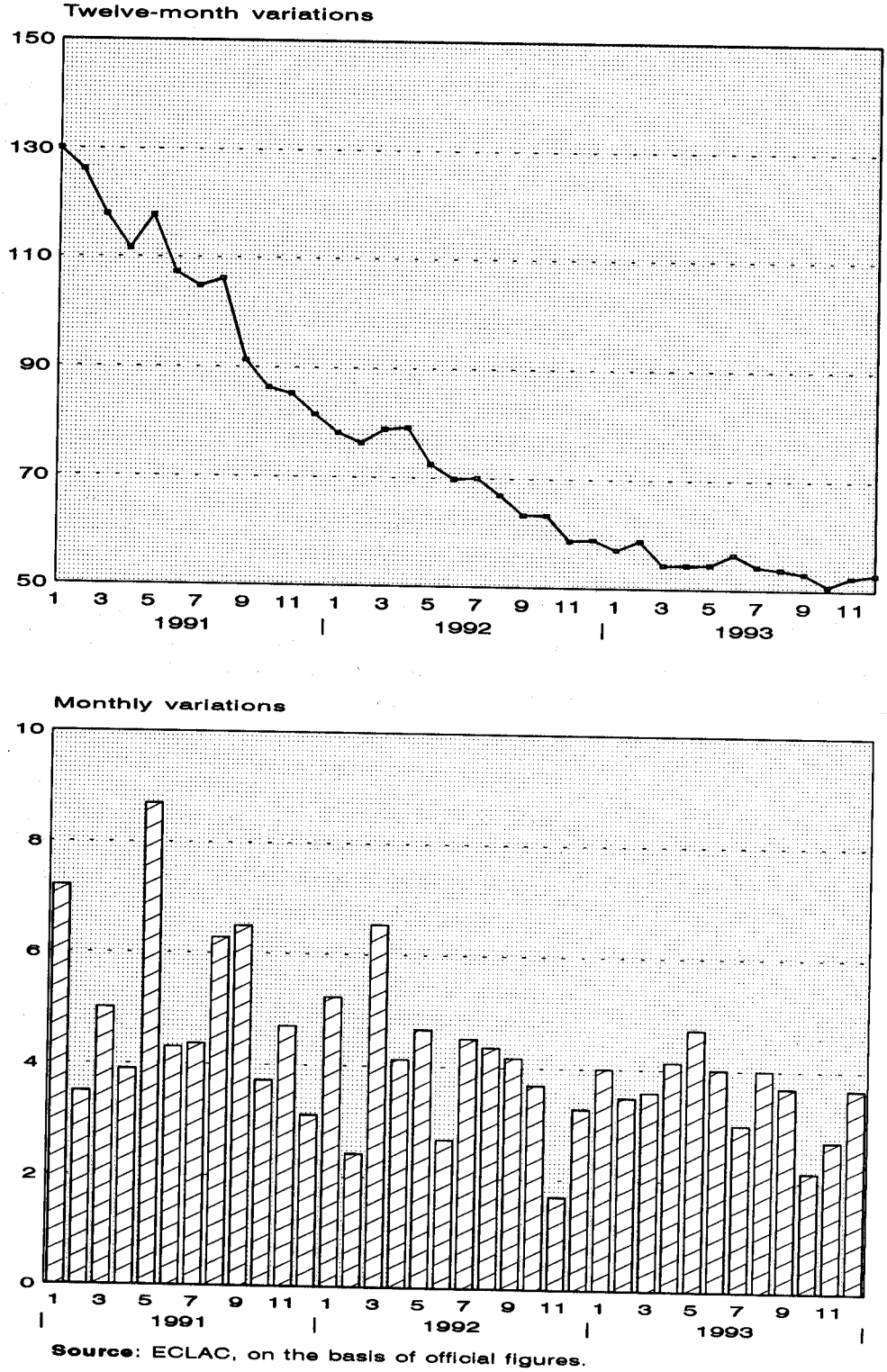
c) The external sector

External sector trends observable in the previous two years were accentuated: a rising trade deficit, an easing of factor payments, and a continued inflow of capital that easily covered the increase in the deficit on the balance-of-payments current account.

The balance on the current account showed a deficit of close to 3% of GDP, down five percentage points from the surplus of 2% recorded three years earlier. The reversal was due chiefly to the deterioration in real exports, which fell from 25% of GDP in 1990 to 18% in 1993. The share of imports remained at around 20%. Thus, while in 1990 trade in goods and services had produced a surplus of nearly 6% of GDP, three years later it recorded a deficit equal to 2% of GDP.

Shrinking demand and soft international prices for the main traditional export products had a considerable impact on the contraction (-3%) in the value of goods exports. While sales

Figure 2
URUGUAY: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

of traditional products plummeted by 16%, those of non-traditional products rose by 2%. Among the traditional products, exports of meat and hides declined considerably in quantities shipped; in the case of wool exports, lower quantities were combined with the added factor of falling international prices. In contrast, non-traditional exports of agricultural products, particularly rice, and plastics continued to rise. Other unspecified items lumped together as a category also posted substantial gains.

The rise in revenues from tourism (17%), however, made it possible to maintain the total value of exports. Since imports of goods again expanded (their c.i.f. value increased by 14%) with a big surge in consumer goods, and strong growth continued in purchases of capital goods (13%), the foreign trade balance in goods (f.o.b.) recorded its largest deficit ever: close to US$ 550 million, equal to more than 4% of GDP.

The intensification of trade relations with MERCOSUR partners increased goods exports to those countries. Argentina, Brazil and Paraguay received 43% of Uruguay's external sales in 1993, significantly more than the 36% of the previous year. The figure would be above 50% if goods and services were lumped together, since practically all tourist services were provided to residents of neighbouring countries. On the other hand, Uruguay acquired half of its imports from its MERCOSUR partners.

Lower international interest rates and reduced net external debt led to another decline in external debt service payments, which were slightly above 1% of GDP in 1993 (4% in 1990).

The deterioration in the balance-of-payments current account was easily covered by a rise in the influx of external capital, which reached 4.7% of GDP, almost quadruple the figure for 1990. Uruguay therefore continued to increase its international reserves, this time by 1.6% of GDP.

More specifically, the large deficit on the balance-of-payments current account over US$ 400 million, was amply financed by an inflow of capital of more than US$ 620 million. Almost US$ 200 million of that went to the public sector, which increased its long- and short-term indebtedness. To that was added some US$ 150 million in portfolio investment, in the form of Treasury bills and euronotes.

Notable among the inflows to the private sector were investments in real estate, mostly in tourist areas, by residents of Argentina. A large part (2% of GDP) of the capital received from abroad was included under the heading of errors and omissions, which covers unrecorded current and capital account transactions. The large volume of transactions in border areas, especially with Argentina, suggests that a considerable part of the item might correspond to the current account, which then would have been less negative than the accounting entries showed.

The new increase in international reserves and the policy of containing the gross external debt of the public sector kept net external indebtedness on a downward trend. Thus, the ratio of net external debt to output fell to 18%, after bordering on 50% during the mid-1980s.

Table 1
URUGUAY: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	94.9	102.5	102.5	103.8	104.7	108.1	116.4	118.1
Gross national income	86.9	96.7	98.0	99.2	96.7	101.1	109.9	112.8
Population (millions of inhabitants)	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1
Per capita gross domestic product	91.4	98.1	97.6	98.3	98.6	101.2	108.3	109.3
Real effective exchange rate (CPI)	131.2	135.3	145.5	144.9	167.9	146.6	138.2	122.4
Real effective exchange rate (WPI)	125.3	125.5	142.1	148.1	162.3	141.1	136.8	134.2
	Ratios (percentages)							
Public sector fiscal balance/GDP	-5.0	-4.0	-4.5	-6.1	-2.5	-	0.5	-1.5
Money (M1)/GDP[b]	6.2	5.7	5.7	5.4	5.2	5.3	5.3	5.4
Rate of unemployment[c]	10.8	9.3	8.9	8.6	9.3	9.1	9.0	8.4
	Growth rates							
Gross domestic product	8.9	7.9	-	1.3	0.9	3.2	7.7	1.5
Per capita gross domestic product	8.2	7.3	-0.6	0.7	0.3	2.6	7.1	0.9
Gross national income	15.5	11.2	1.4	1.3	-2.6	4.5	8.7	2.6
Consumer prices December to December	70.7	57.3	69.0	89.2	129.0	81.5	58.9	52.9
Real wages and salaries	5.8	4.7	1.5	-0.4	-7.3	3.8	2.2	4.8
Current value of exports of goods and services	17.6	6.0	10.3	16.0	6.2	2.0	6.2	0.6
Current value of imports of goods and services	14.2	22.2	-	8.9	6.7	17.4	21.4	9.7
	Millions of dollars							
External sector								
Trade balance	320	147	311	462	483	235	-48	-267
Factor service	-314	-316	-349	-349	-321	-233	-187	-141
Balance on current account	6	-169	-37	113	162	2	-236	-408
Balance on capital account	282	251	56	4	119	144	237	622
Variation in international reserves (net)	250	34	37	99	177	168	95	214
Gross external debt	5 238	5 888	6 330	6 994	7 383	7 166	7 697	7 899
Net external debt	2 631	2 788	3 166	3 245	2 933	2 455	2 426	2 373

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Annual average. [c] Average annual rates in Montevideo, in percentages.

Table 2
URUGUAY: REAL GROSS NATIONAL INCOME

	Indexes (1980 = 100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income							
(a + b + c + d)	101.1	109.9	112.8	98.5	92.1	93.0	94.1
a) Gross domestic product	108.1	116.4	118.1	100.0	100.0	100.0	100.0
b) Terms-of-trade effect [b]	...	...	...	-	-4.9	-4.8	-4.2
c) Net factor income from abroad [b]	211.3	171.5	134.7	-1.5	-2.9	-2.2	-1.7
d) Net private transfers from abroad [b]	-	-	-	-	-	-	-

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Up to 1992, figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars; those for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Uruguay. The figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 3
URUGUAY: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Total supply	**102.0**	**112.9**	**117.8**	**132.2**	**131.8**	**0.9**	**5.6**	**10.7**	**4.3**
Gross domestic product at market prices	108.1	116.4	118.1	100.0	100.0	0.9	3.2	7.7	1.5
Imports of goods and services [c]	83.4	102.1	116.8	32.2	31.8	0.9	16.6	22.5	14.4
Total demand	**102.0**	**112.9**	**117.8**	**132.2**	**131.8**	**0.9**	**5.6**	**10.7**	**4.3**
Domestic demand	91.1	102.1	107.0	109.3	99.0	-3.2	7.0	12.0	4.9
Gross domestic investment	53.2	59.7	71.8	24.8	15.1	0.2	28.8	12.0	20.4
Gross fixed investment	56.6	67.5	75.4	21.0	13.4	-10.9	24.2	19.2	11.8
Construction	53.9	63.4	71.4	13.6	8.2	-16.2	18.0	17.7	12.7
Machinery and equipment	61.6	74.9	82.8	7.4	5.2	0.9	35.7	21.5	10.5
Public	64.6	58.4	72.3	6.7	4.1	-32.5	50.9	-9.5	23.7
Private	52.9	71.7	76.9	14.3	9.3	3.2	12.8	35.6	7.3
Changes in stocks	34.6	16.3	51.7	3.8	1.7	...	...	...	...
Total consumption	102.2	114.5	117.4	84.4	83.9	-3.6	4.3	12.0	2.5
General government	121.5	123.7	121.4	13.1	13.4	2.0	1.1	1.8	-1.9
Private	98.7	112.8	116.7	71.4	70.5	-4.9	5.0	14.3	3.4
Exports of goods and services [c]	154.3	164.8	169.1	22.9	32.8	13.9	1.9	6.8	2.6

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures for exports and imports of goods and services were taken from IMF balance-of-payments data expressed in dollars at current price; those for 1993 were estimated by ECLAC on the basis of figures from the Central Bank of Uruguay. The figures were then converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 4
URUGUAY: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT
(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	10.8	11.9	11.0	9.9	9.8	12.2	12.7	15.1
Gross fixed investment	8.6	10.1	10.6	10.4	9.2	11.0	12.2	13.4
Construction	5.8	6.8	7.2	7.2	5.9	6.8	7.4	8.2
Machinery and equipment	2.7	3.4	3.3	3.2	3.2	4.2	4.8	5.2
Changes in stocks	2.2	1.7	0.5	-0.5	0.7	1.2	0.5	1.7
Gross domestic saving	20.7	16.3	16.2	17.2	20.9	20.1	16.9	16.1
Terms-of-trade effect [c]	-4.2	-2.1	-0.4	-0.9	-4.8	-4.9	-4.8	-4.2
Net income from factor services [c]	-5.6	-5.0	-5.4	-4.9	-4.2	-2.9	-2.2	-1.7
Unrequited private transfers [c]	-	-	-	-	-	-	-	-
Gross national saving	10.9	9.2	10.4	11.5	11.9	12.3	9.9	10.1
External saving	-0.1	2.7	0.6	-1.6	-2.1	0.0	2.8	5.0

Source: ECLAC, on the basis of official figures.
[a] At market prices, in constant 1980 dollars, at the adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, figures were taken from International Monetary Fund (IMF) balance-of-payments data expressed in current dollars; those for 1993 were estimated by ECLAC on the basis of information from the Central Bank of Uruguay. The figures were converted to constant 1980 values using unit value indexes calculated by ECLAC.

Table 5
URUGUAY: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1990	1991	1992	1993[b]
Gross domestic product	**108.1**	**116.4**	**118.1**	**100.0**	**100.0**	**0.9**	**3.2**	**7.7**	**1.5**
Goods	**89.5**	**94.8**	**91.3**	**49.4**	**38.2**	**-2.0**	**1.2**	**5.9**	**-3.7**
Agriculture	104.1	115.5	115.9	14.5	14.3	0.3	2.2	11.0	0.3
Mining	45.7	52.6	59.4	0.3	0.1	-21.8	21.4	15.1	13.1
Manufacturing	90.3	91.7	83.5	28.2	19.9	-1.5	-0.5	1.5	-9.0
Construction	54.3	62.7	70.9	6.4	3.8	-14.5	10.1	15.5	13.0
Basic services	**133.6**	**151.6**	**159.2**	**7.2**	**9.7**	**3.6**	**9.2**	**13.5**	**5.0**
Electricity, gas and water	155.9	183.3	175.0	1.8	2.7	11.6	8.8	17.5	-4.5
Transport, storage and communications	126.0	140.8	153.8	5.4	7.0	0.6	9.3	11.8	9.2
Other services	**120.2**	**125.7**	**128.3**	**46.2**	**50.2**	**1.9**	**1.3**	**4.6**	**2.1**
Commerce, restaurants and hotels	103.0	117.9	125.8	13.0	13.8	0.2	8.4	14.5	6.7
Financial institutions, insurance, real estate and business services	131.7	132.8	133.3	17.0	19.2	2.3	-1.5	0.8	0.3
Community, social and personal services	121.8	124.4	125.1	16.2	17.2	2.6	0.2	2.1	0.6
Adjustments for bank service charges and import duties	-45.3	24.0	85.3	-2.8	2.0	...	...	...	...

Source: ECLAC, on the basis of official figures.
[a] The original figures were reweighted according to the 1980 current price structure. Therefore, the figures shown here do not necessarily coincide with those published by the countries based on calculations at constant prices. [b] Preliminary figures.

Table 6

URUGUAY: GROSS DOMESTIC PRODUCT

(Seasonally-adjusted indexes of physical volumes, base: 1983 quarterly average =100)

	1992				1993[a]			
	I	II	III	IV	I	II	III	IV
Total	**131.1**	**133.0**	**135.8**	**135.4**	**136.9**	**133.9**	**135.0**	**137.6**
Agriculture	112.3	116.7	124.9	114.9	118.7	117.8	117.9	115.9
Fisheries	63.1	64.2	64.0	64.5	74.8	63.4	60.6	62.7
Manufacturing	130.0	122.6	123.2	122.1	127.8	108.9	107.8	109.7
Electricity, gas and water	158.7	193.4	169.8	149.5	158.9	183.2	147.0	154.2
Construction	79.6	86.7	94.3	116.3	104.8	98.3	97.6	126.1
Commerce, restaurants and hotels	150.3	160.3	164.3	163.5	164.8	166.6	174.9	174.8
Transport and communications	162.2	161.2	163.5	181.5	169.1	180.0	190.8	190.2
Other[b]	132.0	134.0	137.8	137.5	138.3	140.0	142.9	145.6

Source: ECLAC, on the basis of figures from the National Institute of Statistics.
[a] Preliminary figures. [b] Includes the imputed service charges of financial institutions and import duties.

Table 7

URUGUAY: AGRICULTURAL PRODUCTION

	Indexes (1983=100)				Growth rates			
	1990	1991	1992	1993[a]	1990	1991	1992	1993[a]
Crop farming and forestry	113.8	118.8	134.8	129.0	-7.6	4.4	13.5	-4.3
Cereals and oilseeds	124.2	121.7	152.8	145.1	-8.7	-2.0	25.6	-5.0
Root crops and tubers	93.3	109.6	96.1	84.7	-4.8	17.5	-12.3	-11.9
Sugar-bearing crops	93.0	91.4	73.0	73.0	-11.3	-1.7	-20.1	-
Wine grapes	121.0	116.2	140.6	145.0	-9.0	-4.0	21.0	3.1
Other crops[b]	112.8	127.1	133.7	133.6	0.9	12.7	5.2	-0.1
Stock raising	107.1	107.7	112.6	116.0	7.3	0.5	4.5	3.0
Cattle	92.6	95.1	106.1	110.1	27.5	2.7	11.6	3.8
Sheep	130.0	138.1	94.0	...	-	6.2	-31.9	...
Pork	122.0	130.5	130.5	...	1.9	7.0	-	...
Wool	114.6	102.8	107.6	110.1	-2.8	-10.3	4.7	2.3
Milk and dairy products	115.1	118.1	127.2	133.1	2.5	2.6	7.7	4.6
Other products[c]	113.0	136.7	141.2	90.4	-6.5	21.0	3.3	-36.0
Fisheries	57.9	72.5	63.9	64.4	-27.2	25.2	-11.9	0.8

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Includes investments in plantations and permanent crops, fruit, vegetables, pulse, fodder and other crops. [c] Includes the production of cowhides and sheepskins from natural wastage and on-farm slaughtering, the production of other livestock exported on the hoof, and production of poultry and bees.

Table 8
URUGUAY: MANUFACTURING PRODUCTION

	Indexes (1983=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1983	1993[a]	1990	1991	1992	1993[a]
Total	**122.5**	**124.3**	**113.2**	**100.0**	**100.0**	**-1.5**	**-0.5**	**1.5**	**-8.9**
Food	103.0	107.1	100.0	27.9	22.1	-0.7	1.1	4.0	-6.6
Beverages	117.8	128.1	131.4	7.4	8.8	0.8	-0.2	8.7	2.6
Tobacco	124.4	148.2	135.1	5.6	5.7	-6.2	3.4	19.1	-8.8
Textiles	142.4	143.6	129.2	7.6	8.4	3.6	7.5	0.8	-10.0
Clothing	104.2	102.2	97.6	4.3	3.8	-28.9	-2.1	-1.9	-4.5
Leather and leather products	80.3	68.4	62.1	2.6	1.4	-11.5	-0.2	-14.8	-9.2
Footwear	119.2	116.0	119.4	1.3	1.3	2.4	10.6	-2.7	2.9
Paper and paper products	151.5	156.6	150.4	2.5	3.1	-1.3	19.7	3.4	-4.0
Printing and publishing	113.3	108.8	111.4	1.8	1.3	-3.6	18.9	-4.0	2.4
Industrial chemicals	143.5	137.9	131.9	9.2	12.6	-0.4	-5.2	-3.9	-4.4
Petroleum refining	107.8	96.6	31.9	7.9	1.7	6.8	1.7	-10.4	-67.0
Rubber	144.5	142.9	142.5	1.8	3.1	7.6	-17.0	-1.1	-0.3
Plastic	122.8	128.3	104.6	1.7	1.6	0.2	4.0	4.5	-18.5
Pottery, earthenware and china	443.0	500.6	463.4	0.6	3.1	2.2	14.4	13.0	-7.4
Glass	123.0	121.6	169.8	0.8	2.0	31.6	-29.0	-1.1	39.6
Other non-metallic mineral products	98.4	107.0	115.8	4.0	5.1	-2.9	-15.3	8.7	8.2
Basic metals	120.4	117.2	101.2	1.2	1.0	-6.6	0.5	-2.7	-13.7
Metal products	127.3	123.4	109.1	5.4	6.2	0.3	-7.3	-3.1	-11.6
Electrical machinery, equipment and supplies	137.3	153.3	139.6	2.1	3.3	-7.9	-25.5	11.7	-8.9
Transport equipment	366.0	326.1	314.2	1.4	4.2	2.9	8.5	-10.9	-3.6
Other manufacturing industries	100.4	101.2	93.0	3.0	2.5	-2.3	0.3	0.8	-8.1

Source: Central Bank of Uruguay.
[a] Preliminary figures.

Table 9
URUGUAY: RATE OF LABOUR FORCE PARTICIPATION, EMPLOYMENT AND UNEMPLOYMENT IN MONTEVIDEO
(Percentages)

Rate of	At end of											
	1991				1992				1993			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Labour force participation	58.8	59.3	60.3	60.0	59.1	58.8	59.6	60.5	58.9	59.5	59.2	58.2
Employment	52.8	53.9	55.2	54.8	52.4	54.0	54.5	55.6	53.7	54.3	54.3	53.8
Unemployment	10.3	9.1	8.5	8.6	11.3	8.1	8.4	8.3	9.0	8.8	8.3	7.6

Source: ECLAC, on the basis of figures from the National Institute of Statistics.

Table 10

URUGUAY: RATE OF UNEMPLOYMENT AND HOURS WORKED IN MONTEVIDEO, BY BRANCH OF ACTIVITY, BASED ON MOVING QUARTERLY AVERAGES

(Percentages)

Branch of activity	At end of							
	1992				1993			
	I	II	III	IV	I	II	III	IV
Unemployment rate								
Manufacturing	11.3	7.0	8.0	7.6	10.2	8.2	8.3	7.7
Construction	10.2	8.9	7.8	8.6	2.4	4.5	4.0	4.6
Commerce	9.8	9.4	9.1	7.4	7.2	9.8	6.4	6.9
Hours worked								
Manufacturing	40.1	41.8	43.3	45.9	43.2	43.9	44.4	44.4
Construction	40.3	39.1	41.0	42.8	41.8	39.9	36.0	44.0
Commerce	46.4	44.9	46.5	50.0	47.9	46.1	46.1	48.7

Source: ECLAC, on the basis of figures from the National Institute of Statistics.

Table 11

URUGUAY: BALANCE OF PAYMENTS

(Percentages of GDP) [a]

	1988	1989	1990	1991	1992	1993[b]
Balance on current account	-0.1	1.4	1.9	-	-2.0	-3.1
Trade balance	4.2	5.8	5.8	2.3	-0.4	-2.0
Exports of goods and services	23.2	25.4	25.8	21.9	20.0	17.9
Imports of goods and services	-19.0	-19.7	-20.0	-19.6	-20.4	-19.9
Factor services	-4.4	-4.6	-3.9	-2.3	-1.6	-1.1
Balance on capital account	0.4	0.1	1.2	1.4	2.0	4.7
Long-term capital	0.3	0.6	0.1	-1.5	3.5	1.3
Short-term capital	2.9	-0.3	-0.9	-2.1	-2.7	1.3
Errors and omissions	-3.1	-0.4	2.2	4.6	0.5	2.0
Net international reserves (+ sign indicates an increase)	0.5	1.2	2.1	1.6	0.8	1.6

Source: ECLAC, on the basis of figures from the International Monetary Fund (IMF) and the Central Bank of Uruguay.
[a] The dollar value of GDP was calculated on the basis of the average exchange rate for each year. [b] Preliminary figures.

Table 12
URUGUAY: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Balance on current account	**6**	**-169**	**-37**	**113**	**162**	**2**	**-236**	**-408**
Trade balance	320	147	311	462	483	235	-48	-267
Exports of goods and services	1 500	1 589	1 753	2 032	2 159	2 202	2 338	2 351
Goods f.o.b.	1 088	1 182	1 405	1 599	1 693	1 605	1 703	1 645
Real services [b]	412	407	348	433	466	597	635	706
Transport and insurance	77	103	76	103	122	169	159	154
Travel	258	208	203	228	238	333	381	447
Imports of goods and services	1 180	1 442	1 441	1 570	1 675	1 966	2 386	2 618
Goods f.o.b.	815	1 080	1 112	1 136	1 267	1 544	1 941	2 190
Real services [b]	365	362	329	434	409	423	445	428
Transport and insurance	100	123	113	141	155	164	181	204
Travel	174	130	139	167	111	100	104	129
Factor services	-314	-316	-349	-349	-321	-233	-187	-141
Profits	-14	-21	-19	-	-	-	-	-
Interest received	93	104	115	203	258	234	225	250
Interest paid or due	-384	-394	-439	-552	-580	-467	-412	-391
Labour and property	-9	-5	-6	-	-	-	-	-
Unrequited private transfer payments	-	-	-	-	-	-	-	-
Balance on capital account	**282**	**251**	**56**	**4**	**119**	**144**	**237**	**622**
Unrequited official transfer payments	25	8	21	8	8	40	29	25
Long-term capital	174	130	22	47	10	-148	407	171
Direct investment	33	55	45	-	-	-	-	76
Portfolio investment	86	13	37	50	18	109	229	158
Other long-term capital	55	62	-60	-3	-8	-258	178	-63
Official sector [c]	44	49	-40	-30	-63	-142	128	111
Loans received	74	152	92	79	80	192	218	239
Amortization payments	-30	-102	-131	-109	-143	-334	-90	-128
Commercial banks [c]	-1	6	1	8	46	-23	84	-195
Loans received	-	6	2	16	47	9	3	6
Amortization payments	-1	-	-1	-8	-1	-32	80	-201
Other sectors [c]	12	7	-21	20	9	-93	-34	21
Loans received	39	48	18	51	60	55	46	52
Amortization payments	-27	-40	-38	-32	-50	-147	-79	-31
Short-term capital	-156	203	219	-23	-80	-208	-254	166
Official sector	5	174	142	75	167	-16	-146	84
Commercial banks	-69	-14	174	47	-94	-129	-158	211
Other sectors	-92	43	-96	-145	-152	-64	50	-129
Errors and omissions (net)	238	-90	-207	-28	181	460	56	260
Global balance [d]	**287**	**82**	**19**	**117**	**281**	**146**	**2**	**214**
Total variation in reserves (- sign indicates an increase)	-250	-34	-37	-99	-177	-168	-95	-214
Monetary gold	-1	-3	-2	0	65	44	99	88
Special drawing rights	3	-56	38	7	12	7	5	-
IMF reserve position	-	-	-	-	-	-	-21	-
Foreign exchange assets	-315	8	-42	31	-34	181	-157	-270
Other assets	18	20	52	-29	-119	-357	-15	-18
Use made of IMF credit	45	-3	-83	-108	-101	-43	-5	-14

Source: 1986-1992: ECLAC, on the basis of figures provided by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures from the Central Bank of Uruguay.
[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Is equal to the total variation in reserves (of opposite sign) plus counterpart items.

Table 13

URUGUAY: EXCHANGE RATES

(Annual and quarterly averages)

	Nominal exchange rates (new pesos per dollar)	Indexes of real effective exchange rate[a] (1985=100) based on the:			
		Consumer price index [b]		Wholesale price index [c]	
		Exports	Imports	Exports	Imports
1978	0.006	108.7	109.5	108.3	109.0
1979	0.008	97.3	101.5	89.8	92.8
1980	0.009	76.4	83.7	81.5	86.2
1981	0.011	65.5	68.8	77.1	78.9
1982	0.014	65.6	64.4	84.3	83.7
1983	0.035	95.9	94.9	108.8	109.2
1984	0.056	97.2	98.4	100.1	101.9
1985	0.101	100.1	100.0	100.1	100.0
1986	0.152	100.2	100.1	102.1	100.0
1987	0.227	103.4	101.6	102.3	98.0
1988	0.359	111.2	109.8	115.8	113.2
1989	0.606	110.7	105.2	120.7	114.6
1990	1.172	128.3	127.3	132.3	127.1
1991	2.019	112.0	116.0	115.0	111.5
1992	3.025	105.6	111.3	111.5	107.3
1993	3.945	93.6	100.8	109.4	106.9
1992					
I	2.631	105.8	111.3	110.8	107.0
II	2.923	108.1	113.7	112.9	108.8
III	3.166	106.7	111.8	112.7	107.6
IV	3.378	101.7	108.3	109.6	105.9
1993					
I	3.590	97.6	104.7	108.4	105.6
II	3.830	95.5	102.7	112.2	109.3
III	4.070	92.2	99.6	108.9	106.8
IV	4.290	88.9	96.2	108.0	105.9

Source: ECLAC, on the basis of figures from the International Monetary Fund (IMF), *International Financial Statistics* (various issues).

[a] Corresponds to the average of the real exchange rate indexes for the peso with respect to the currencies of Uruguay's main trading partners, weighted by the relative significance of exports or imports to or from those countries, as appropriate. These weightings correspond to the average for the period 1986-1990. For further information on the methodology and sources used, see the Statistical Appendix to the *Economic Survey of Latin America and the Caribbean*, 1981 (E/CEPAL/G.1248) Santiago, Chile, June 1983. United Nations publications, Sales No. E.83.II.G.2. [b] The consumer price index was used in the calculations for all the countries. [c] The wholesale price index was used in the calculations for Uruguay as well as for the rest of the countries, whenever possible. In cases where this information was unavailable, the consumer price index was used.

Table 14
URUGUAY: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
				Growth rates				
Exports f.o.b.								
Value	27.4	8.7	18.8	13.8	5.9	-5.2	6.1	-3.4
Volume	25.5	-2.9	8.3	6.1	12.5	-0.7	6.8	2.8
Unit value	1.5	12.0	9.7	7.3	-5.9	-4.5	-0.6	-6.0
Imports f.o.b.								
Value	20.6	32.6	3.0	2.2	11.5	21.8	25.7	12.8
Volume	38.3	22.2	0.5	-4.4	3.4	19.7	25.8	17.2
Unit value	-12.8	8.5	2.5	6.9	7.9	1.8	-0.1	-3.7
Terms of trade (f.o.b./c.i.f.)	15.0	3.5	6.4	0.6	-12.6	-5.7	-0.6	-2.6
				Indexes (1980=100)				
Purchasing power of exports	130.1	130.6	150.6	160.7	158.0	147.9	156.9	157.1
Volume of exports	129.6	125.8	136.2	144.6	162.6	161.4	172.3	177.1
Volume of imports	63.5	77.6	78.0	74.6	77.1	92.3	116.2	136.1
Terms of trade (f.o.b./c.i.f.)	100.4	103.9	110.6	111.2	97.2	91.6	91.1	88.7

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 15

URUGUAY: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown		Growth rates			
	1991	1992	1993[a]	1980	1993[a]	1990	1991	1992	1993[a]
Total	**1 605**	**1 703**	**1 645**	**100.0**	**100.0**	**5.9**	**-5.2**	**6.1**	**-3.4**
Traditional	471	514	432	39.3	26.3	5.2	-24.5	9.1	-16.0
Non-traditional	1 134	1 188	1 213	60.7	73.7	6.3	6.1	4.8	2.1
Principal sections									
Live animals and animal products	375	383	355	24.8	21.6	7.9	-11.1	2.1	-7.3
Beef (chilled and frozen)	135	145	129	14.7	7.8	18.0	-37.5	7.4	-11.0
Mutton	19	19	19	1.3	1.2	19.2	-38.7	-	-
Other	221	219	207	8.8	12.6	-3.8	26.3	-0.9	-5.5
Plant products	208	181	250	10.1	15.2	14.3	8.3	-13.0	38.1
Rice	116	105	150	6.1	9.1	17.2	13.7	-9.5	42.9
Other	92	76	100	4.1	6.1	11.1	2.2	-17.4	31.6
Fats and oils	7	8	5	1.7	0.3	-	-	14.3	-37.5
Food products, beverages and tobacco	71	77	58	3.0	3.5	34.7	7.6	8.5	-24.7
Mineral products	29	84	43	1.1	2.6	-28.6	480.0	189.7	-48.8
Plastics and rubber manufactures	43	53	59	1.9	3.6	8.7	-14.0	23.3	11.3
Hides, skins and leather products	217	207	176	13.5	10.7	-0.4	-7.3	-4.6	-15.0
Hides and skins	112	114	109	3.8	6.6	0.0	-13.2	1.8	-4.4
Leather manufactures	51	47	30	4.9	1.8	-6.3	-15.0	-7.8	-36.2
Furs and fur products	48	46	37	4.8	2.2	7.1	6.7	-4.2	-19.6
Textiles and textile manufactures	431	461	388	28.9	23.6	0.4	-11.5	7.0	-15.8
Unwashed wool	38	34	33	9.6	2.0	-3.3	-56.3	-10.5	-2.9
Washed wool	26	26	19	2.2	1.2	24.0	-16.1	-	-26.9
Tops	185	202	165	8.2	10.0	9.2	-2.6	9.2	-18.3
Other	181	199	171	8.8	10.4	-9.1	1.1	9.9	-14.1
Footwear and other	20	24	26	1.9	1.6	28.6	11.1	20.0	8.3
Chemicals and related products	82	73	63	-	3.8	12.0	-26.8	-11.0	-13.7
Other	122	151	222	-	13.5	5.2	20.8	23.8	47.0

Source: ECLAC, on the basis of figures provided by the Central Bank of Uruguay.

[a] Preliminary figures.

Table 16
URUGUAY: FOREIGN TRADE BY GEOGRAPHIC AND ECONOMIC ZONES
(As percentages of the total)

	Exports			Imports		
	1991	1992	1993[a]	1991	1992	1993[a]
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Americas	**53.3**	**55.7**	**62.0**	**60.9**	**59.9**	**65.3**
LAIA	40.9	44.0	51.7	47.4	48.4	52.8
MERCOSUR	36.2	36.5	42.5	40.5	43.1	48.4
Argentina	11.8	19.3	19.2	17.2	18.3	20.8
Brazil	23.8	16.6	22.3	22.6	24.3	27.3
Paraguay	0.6	0.6	1.0	0.7	0.5	0.3
Other	0.7	7.5	9.2	6.9	5.3	4.4
United States	10.2	10.4	9.0	12.0	9.9	9.6
Rest of the region	1.9	1.3	1.3	1.5	1.6	2.9
Europe	**29.3**	**27.4**	**22.2**	**20.6**	**20.2**	**20.5**
EEC	24.0	24.5	20.3	16.6	17.3	17.6
Germany	8.5	7.7	7.8	4.9	4.8	3.9
Other EEC countries	15.5	16.8	12.5	11.7	12.5	13.7
Other European countries	5.3	2.9	1.9	4.0	2.9	2.9
Rest of world	**17.4**	**16.8**	**15.7**	**18.6**	**19.9**	**14.2**
Africa	10.9	10.8	10.0	7.7	10.5	12.1
Asia	6.5	6.0	5.7	10.9	9.4	2.1

Source: ECLAC, on the basis of figures from the Central Bank of Uruguay.
[a] Preliminary figures.

Table 17
URUGUAY: IMPORTS OF GOODS, C.I.F.

	Millions of dollars			Percentage breakdown		Growth rates		
	1991	1992	1993[a]	1980	1993[a]	1991	1992	1993[a]
Total	**1 636**	**2 045**	**2 324**	**100.0**	**100.0**	**21.8**	**25.0**	**13.6**
Consumer goods	**270**	**453**	**646**	**10.8**	**27.8**	**35.0**	**67.8**	**42.6**
Durable	130	241	338	...	14.5	38.3	85.4	40.2
Non-durable	140	212	308	...	13.3	32.1	51.4	45.3
Raw materials and intermediate goods	**1 099**	**1 253**	**1 295**	**74.3**	**55.7**	**14.0**	**14.0**	**3.4**
Petroleum and fuels	239	223	182	27.5	7.8	18.3	-6.7	-18.4
Other	860	1 021	1 113	46.8	47.9	12.9	18.7	9.0
Capital goods	**267**	**339**	**383**	**14.9**	**16.5**	**49.2**	**27.0**	**13.0**

Source: ECLAC, on the basis of figures from the Central Bank of Uruguay.
[a] Preliminary figures.

Table 18

URUGUAY: EXTERNAL DEBT

(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
Gross external debt	5 238	5 888	6 330	6 994	7 383	7 166	7 697	7 899
Public debt	3 829	4 228	4 239	4 313	4 472	4 141	4 136	4 277
Financial sector	1 716	1 803	1 650	1 562	1 536	1 110	677	655
Non-financial sector	2 113	2 425	2 590	2 751	2 936	3 031	3 459	3 622
Private debt not guaranteed by the State[b]	1 410	1 660	2 091	2 681	2 911	3 025	3 561	3 622
Net external debt	2 631	2 788	3 166	3 245	2 933	2 455	2 426	2 373
Public	1 862	1 928	2 197	2 278	2 169	1 940	1 981	1 888
Private	769	860	969	967	765	498	445	484
Debt service	510	529	568	646	694	939	615	557
Principal	126	135	129	94	114	472[c]	203	166
Interest[d]	384	394	439	552	580	467	412	391
As percentages of exports of goods and services[e]								
Debt service	34.0	33.3	32.4	31.8	32.1	42.6	26.3	23.7
Public external debt	255.3	266.1	241.8	212.3	207.1	188.1	176.9	181.9
Gross external debt	349.2	370.5	361.1	344.2	342.0	325.4	329.2	336.0
Net external debt	175.4	175.5	180.6	159.7	135.8	111.5	103.8	100.9
Net interest[f]	19.4	18.3	18.5	17.2	14.9	10.6	8.0	6.0

Source: ECLAC, on the basis of figures provided by the Central Bank of Uruguay.

[a] Preliminary figures. [b] Includes deposits of non-residents and reserve liabilities of commercial banks. [c] US$ 354 million of this amount corresponds to external debt buy-bakcs. [d] Corresponds to the balance-of-payments entry interest paid or due. [e] Gold sales are excluded. [f] Corresponds to balance-of-payments net interest.

Table 19

URUGUAY: DOMESTIC PRICES

(Percentages)

	1986	1987	1988	1989	1990	1991	1992	1993
December-December variation								
Consumer price index	70.7	57.3	69.0	89.2	129.0	81.5	58.9	52.9
Food	91.9	42.2	73.3	82.7	132.8	68.8	52.1	53.4
Wholesale price index								
Imported products	10.6	87.2	50.1	88.2	131.4	45.5	29.7	19.3
Domestic products	66.9	57.2	60.5	80.7	120.7	68.6	46.9	31.1
Agricultural products	108.5	39.3	66.2	69.7	98.7	67.9	58.1	34.6
Manufactures	56.1	63.5	58.9	84.1	127.0	68.7	44.3	21.4
Construction index	71.1	74.9	58.9	99.7	133.5	77.8	55.4	46.0
Variation between annual averages								
Consumer price index	76.5	63.5	62.2	80.4	112.5	102.0	68.5	54.1
Food	91.6	59.7	58.0	80.6	120.6	85.4	60.0	51.3
Wholesale price index								
Imported products	28.6	62.1	60.9	70.0	101.1	76.9	43.1	20.5
Domestic products	67.2	63.2	57.4	73.2	106.8	87.6	58.3	33.3
Agricultural products	83.7	67.7	48.8	74.1	100.1	94.4	76.0	35.4
Manufactures	62.6	61.8	60.2	72.9	110.0	64.0	53.9	28.2
Construction index	71.5	77.7	59.2	85.4	112.4	106.9	62.2	46.8

Source: ECLAC, on the basis of figures from the Central Bank of Uruguay and the National Institute of Statistics.

Table 20
URUGUAY: AVERAGE WAGES
(Variation between annual averages)

	1986	1987	1988	1989	1990	1991	1992	1993
Nominal wages	86.7	71.3	64.1	80.3	94.9	112.0	71.6	61.7
Public sector	83.0	64.3	62.6	74.2	90.9	104.8	66.2	66.2
Private sector	89.2	76.8	65.2	84.6	97.6	116.7	74.8	59.1
Real wages	5.8	4.7	1.5	-0.4	-7.3	3.8	2.2	4.8
Public sector	3.7	0.5	0.5	-3.6	-9.2	0.3	-1.7	7.4
Private sector	7.3	7.9	2.2	1.9	-6.0	6.1	4.1	3.3

Source: ECLAC, on the basis of figures from the National Institute of Statistics.

Table 21
URUGUAY: PUBLIC-SECTOR FISCAL BALANCE AND FINANCING
(As percentages of GDP)

	1989	1990	1991	1992	1993
Central Government	-3.4	-0.1	0.4	0.3	-1.1
Income	15.6	17.8	18.8	19.6	18.3
Expenditure	19.0	17.9	18.4	19.3	19.4
(Interest)	(-2.0)	(-1.9)	(-1.7)	(-1.5)	(-1.4)
Social security	-	-0.1	0.1	-0.1	-
Income	...	10.1	11.4	13.0	13.7
Contributions received	...	7.2	8.1	8.9	8.6
Transfers (including allocated taxes)	...	2.9	3.3	4.1	5.1
Expenditure	...	10.2	11.5	13.1	13.7
Public enterprises	-0.2	0.6	0.8	1.0	0.4
Operating income	13.0	14.6	14.1	13.5	13.3
Expenditure	13.2	14.0	13.4	12.4	12.9
(Interest)	(-1.0)	(-1.1)	(-0.5)	(-0.5)	(-0.4)
Central Bank	-3.3	-3.6	-2.3	-1.6	-0.8
Local-currency operations	-1.3	-1.7	-0.9	-0.9	-0.4
Foreign-currency operations	-2.0	-1.9	-1.4	-0.7	-0.4
Other levels of government and statistical difference	0.8	0.7	1.1	0.6 [a]	-
Fiscal balance (depending on variations in financing)	-6.1	-2.5	-	0.5	-1.5
Financing	6.1	2.5	-	-0.5	1.5
Seigniorage	2.0	2.0	2.0	1.4	1.5
Inflation tax	2.6	2.8	2.0	1.5	1.4
Real variation in monetary base	-0.6	-0.8	-	-0.1	0.1
Net borrowing [b]	4.1	0.5	-2.0	-1.9	-

Source: ECLAC, on the basis of official figures.
[a] From 1992 onward, includes the para-fiscal deficit of the financial public sector other than the Central Bank of Uruguay, not computed previously. [b] Obtained by subtraction.

Table 22

URUGUAY: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Billions of new pesos			Percentages of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Total income**	**3 714**	**6 771**	**10 110**	**18.8**	**19.6**	**18.3**	**113.6**	**82.3**	**49.3**
1.1 Current income	3 714	6 771	10 110	18.8	19.6	18.3	113.6	82.3	49.3
Tax revenue	3 247	5 947	8 782	16.4	17.2	15.9	106.0	83.1	47.7
Direct	439	997	1 642	2.2	2.9	3.0	80.5	126.8	64.8
Indirect	2 372	4 283	6 434	12.0	12.4	11.6	117.1	80.5	50.2
On external trade	436	668	706	2.2	1.9	1.3	81.3	53.3	5.7
Other	467	824	1 328	2.4	2.4	2.4	187.9	76.4	61.1
2. **Total expenditure**	**3 637**	**6 654**	**10 706**	**18.4**	**19.3**	**19.4**	**108.3**	**83.0**	**60.9**
2.1 Current expenditure	3 294	6 048	9 495	16.6	17.5	17.2	111.8	83.6	57.0
Remunerations	1 029	1 705	2 576	5.2	4.9	4.7	98.6	65.7	51.1
Social security	1 034	2 148[b]	3 724	5.2	6.2	6.7	133.5	107.7	73.4
Interest on public debt	345	510	769	1.7	1.5	1.4	89.6	47.7	50.9
Non-personal expenditure	571	1 061	1 633	2.9	3.1	3.0	123.8	85.8	54.0
Transfers	201	391	793	1.0	1.1	1.4	106.8	94.3	103.1
Other expenditure	114	234	0.6	0.7	0.0	88.6	104.5		
2.2 Capital expenditure	343	606	1 211	1.7	1.8	2.2	79.9	76.8	99.7
3. **Current balance**	**420**	**723**	**615**	**2.1**	**2.1**	**1.1**			
4. **Fiscal balance** (1-2)	**77**	**117**	**-596**	**0.4**	**0.3**[c]	**-1.1**			

Source: ECLAC, on the basis of figures supplied by the Office of the Comptroller-General.
[a] Preliminary figures. [b] Includes transfers to military and police pension funds to cover payments during 1993. [c] Excluding the transfer mentioned in [b]. The surplus rose to 0.8% of GDP.

Table 23

URUGUAY: FINANCIAL BALANCE OF PUBLIC ENTERPRISES

	Billions of new pesos			Percentages of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Total income**	**2 826**	**4 785**	**7 438**	**14.3**	**13.9**	**13.5**	**93.3**	**69.3**	**55.4**
Operating income	2 783	4 666	7 347	14.1	13.5	13.3	95.0	67.7	57.5
Transfers received	43	119	91	0.2	0.3	0.2	22.9	176.7	-23.5
2. **Total expenditure**	**2 677**	**4 423**	**7 222**	**13.5**	**12.8**	**13.1**	**90.5**	**65.2**	**63.3**
2.1 Current expenditure	2 254	3 690	5 899	11.4	10.7	10.7	84.0	63.7	59.9
Remunerations	372	599	1 692	1.9	1.7	3.1	106.7	61.0	182.5
Supplies	925	1 535	2 410	4.7	4.4	4.4	66.7	65.9	57.0
Interest	104	181	211	0.5	0.5	0.4	-1.0	74.0	16.6
Taxes	771	1 196	1 369	3.9	3.5	2.5	111.8	55.1	14.5
Transfers to central Government	82	179	217	0.4	0.5	0.4	290.5	118.3	21.2
2.2 Capital expenditure	423	733	1 323	2.1	2.1	2.4	135.0	73.3	80.5
Investment	443	709	1 345	2.2	2.1	2.4	143.4	60.0	89.7
Transfers	-20	24	-22	-0.1	0.1	-			
3. **Current balance** (1-2.1)	**572**	**1 095**	**1 539**	**2.9**	**3.2**	**2.8**			
4. **Financial balance** (1-2)	**149**	**362**	**216**	**0.8**	**1.0**	**0.4**			

Source: ECLAC, on the basis of official figures.

Table 24

URUGUAY: MONETARY BALANCE OF THE CENTRAL BANK

(In billions of new pesos)

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Net international reserves	2 053	3 294	5 169	118.1	17.4	60.4	56.9
In dollars	827	979	1 182	8.8	-20.3	18.4	20.7
Net domestic credit	-879	-1 244	-2 281				
Credit to the non-financial public sector	1 068	2 095[b]	2 484	70.7	4.8	96.2	18.6
Credit to the private sector	67	126	145	813.3	-51.1	88.1	15.1
Credit to the financial system	-1 076	-1 253	-2 161				
Monetary Regulation Notes	-125	-192	-				
Other net accounts	-813	-2 020	-2 749				
Monetary base	1 174	2 050	2 888	95.5	80.9	74.6	40.9
Monetary creation	1 110	1 734	2 877	108.1	96.8	56.2	65.9
Demand deposits private banks	5	1	9	125.0	-81.5	-80.0	800.0
Demand deposits Banco de la República Oriental del Uruguay	59	315	2	18.4	1.7	433.9	-99.4
Memorandum: Narrow monetary base	1 115	1 735	2 886	108.8	88.7	55.6	66.3

Source: ECLAC, on the basis of figures from the Central Bank of Uruguay.

[a] Preliminary figures. [b] Includes an accounting increase due to a charge to the central Government for liabilities previously allocated to the Central Bank of Uruguay.

Table 25

URUGUAY: MONETARY BALANCE OF THE FINANCIAL SYSTEM

(In billions of new pesos)

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
International reserves (net)	6 726	9 808	12 110	161.1	66.9	45.8	23.5
In millions of dollars	2 705	2 839	2 769	31.7	10.0	5.0	-2.5
Net domestic credit	7 933	11 857	16 843	98.7	89.2	49.5	42.1
Credit to the non-financial public sector	1 693	2 711[b]	3 559	85.0	17.7	60.1	31.3
Credit to the private sector	6 890	11 729	17 232	87.6	65.8	70.2	46.9
In local currency	1 405	2 547	3 699	67.8	55.6	81.3	45.2
In foreign currency	5 484	9 182	13 533	93.9	68.6	67.4	47.4
Credit to the financial system	1 271	1 815	2 325	126.9	63.8	42.8	28.1
Other items (net)	-1 921	-4 398	-6 273				
Monetary liabilities	14 659	21 665	28 953	125.0	78.3	47.8	33.6
M_2	2 277	3 626	5 600	91.9	81.1	59.2	54.4
Money	1 333	2 268	3 762	114.2	91.5	70.1	65.9
In circulation	851	1 426	2 313	99.1	102.6	67.6	62.2
Demand deposits	482	842	1 449	142.1	74.6	74.7	72.1
Time deposits in local currency	944	1 358	1 838	70.0	68.3	43.9	35.3
Time deposits in foreign currency	12 382	18 039	23 353	132.3	77.7	45.7	29.5
			Percentages				
Liquidity coefficients							
M_1/GDP	5.3	5.3	5.4				
M_2/GDP	9.1	8.7	8.5				

Source: ECLAC, on the basis of figures from the Central Bank of Uruguay.

[a] Preliminary figures. [b] Includes an accounting increase due to a charge to the central Government for liabilities previously allocated to the Central Bank of Uruguay.

Table 26
URUGUAY: INTEREST RATES
(Annualized percentages)

Period	Nominal		Real[a]		Dollar equivalents[b]	
	Deposits	Loans[c]	Deposits	Loans[c]	Deposits	Loans[c]
1990						
I	100.5	167.3	-10.9	18.8	-0.1	33.2
II	106.1	187.2	-12.4	22.1	-10.0	25.4
III	88.1	169.8	-29.7	0.8	12.1	60.7
IV	96.6	173.5	0.7	40.1	-0.2	38.8
1991						
I	88.9	171.7	2.5	47.5	14.6	64.8
II	71.6	151.9	-10.5	31.3	11.8	64.1
III	70.3	145.7	-12.7	25.9	7.8	55.5
IV	70.1	142.3	8.3	54.3	9.4	55.8
1992						
I	69.5	135.5	-2.4	35.5	10.7	53.7
II	62.5	125.0	3.6	43.5	9.9	52.2
III	46.2	109.9	-12.2	26.1	7.7	54.6
IV	39.7	100.7	-0.7	42.7	8.3	55.6
1993						
I	39.3	98.6	-9.9	28.5	9.6	56.3
II	38.1	93.8	-16.5	17.2	2.9	44.4
III	40.7	96.0	-7.6	28.7	18.4	65.0
IV	39.4	100.9	-0.6	43.2	10.1	58.6

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Nominal rates deflated by the variation in consumer prices during the period. [b] Ratio between nominal rates and devaluation during the period. [c] Rates for non-preferential clients.

Table 27
URUGUAY: CREDITS FROM PRIVATE BANKS TO RESIDENT PRIVATE SECTOR

	Billions of new pesos				Real growth rates		Percentage of total credit for commerce and consumption	
	Commerce and consumption		Total		Commerce and consumption			
	Local currency	Foreign currency	Local currency	Foreign currency	Local currency	Foreign currency	Local currency	Foreign currency
End of								
1983	4.7	10.5	15.4	40.1	...	...	30.5	26.2
1984	6.8	14.7	25.4	56.9	-12.9	-17.4	26.8	25.8
1985	7.6	23.9	30.5	92.1	-38.9	-6.1	24.9	26.0
1986	15.4	40.2	57.5	150.4	18.7	18.2	26.8	26.7
1987	25.2	67.1	86.5	243.4	4.0	7.8	29.1	27.6
1988	45.3	123.2	135.8	419.1	6.4	13.5	33.4	29.4
1989	68.8	235.0	185.4	742.8	-19.7	7.8	37.1	31.6
1990	104.4	401.0	294.8	1 297.4	-33.8	-13.5	35.4	30.9
1991	240.0	720.6	594.4	2 138.5	26.7	13.7	40.4	33.7
1992	497.8	1 471.8	1 187.8	3 882.8	30.5	44.8	41.9	37.9
1993	808.1	2 343.3	1 757.0	5 867.1	6.2	25.8	46.0	40.0

Source: ECLAC, on the basis of figures from the Central Bank of Uruguay.

VENEZUELA

1. General features of economic trends in 1993

The Venezuelan economy entered a recession in 1993, after a very buoyant three years in which the economy grew at an average rate of around 8% per annum. Gross domestic product (GDP) dropped by about 8%, against a backdrop of political uncertainty, the increase in the cost of domestic borrowing and the curbing of public expenditure after a new fall in the main oil-related government revenues. Inflationary expectations, sustained by the deficit in the public accounts, led to a reduction in demand for liquidity by the public and caused price rises to accelerate to almost 46% for the year as a whole.

Lower domestic demand had an impact on foreign trade, contributing to the increase in non-traditional exports and a reduction in imports. This offset the fall in the value of oil exports and enabled the equilibrium in the trade balance, lost the previous year, to be recovered. As a result, the current account deficit contracted and there was only a minor loss of international reserves, despite lower net capital inflows.

2. Economic policy

Economic policy sought to offset the effects of the external shock that the fall in oil revenues represented. The aim of fiscal policy was to reduce the gap caused by the drop in this major source of income, while monetary policy sought to mitigate the effects of the deficit in the public-sector accounts. The Central Bank of Venezuela thus adopted a tight monetary policy, in response to situations of excess liquidity in the economy which were generated by the imbalance between government expenditure and revenue. The goal, where the foreign exchange market was concerned, was to maintain a process of nominal daily minidevaluation of the bolívar, in an effort to shore up confidence in the currency's value. This could only be attained at a cost of substantial increases in interest rates, and it was inevitable that this would affect the performance of the real economy.

a) Fiscal policy

International oil prices, which had been dropping since the end of the Gulf war, dropped yet again, thus again playing havoc with the government budget. Falling oil prices had been the main cause of the deficits recorded in 1992 in both the central Government accounts and in the non-financial public sector (central Government, other public institutions and non-financial State enterprises), equivalent to 3.6% and 5.8% of GDP, respectively.

In 1990, central Government oil revenues amounted to almost 19% of GDP, and accounted for more than 80% of total central Government revenues. By 1993, the share of oil revenues in GDP had fallen to 10%, and only 60% of government revenues came from oil.

In 1993, the factor which had a bearing on central Government revenues, apart from the fall in both prices and the value of oil and gas exports in United States dollars and constant bolívares, was the tax adjustment provided for by income tax legislation passed several years earlier. Beginning in 1993, enterprises began to calculate depreciation, for tax purposes, on a base adjusted for inflation. In addition, there was a reduction in the premium on the assessable value of exports, used to calculate taxes to be paid by Petróleos de Venezuela, S.A. (PDVSA). These measures

Figure 1
VENEZUELA: ECONOMIC MAIN INDICATORS

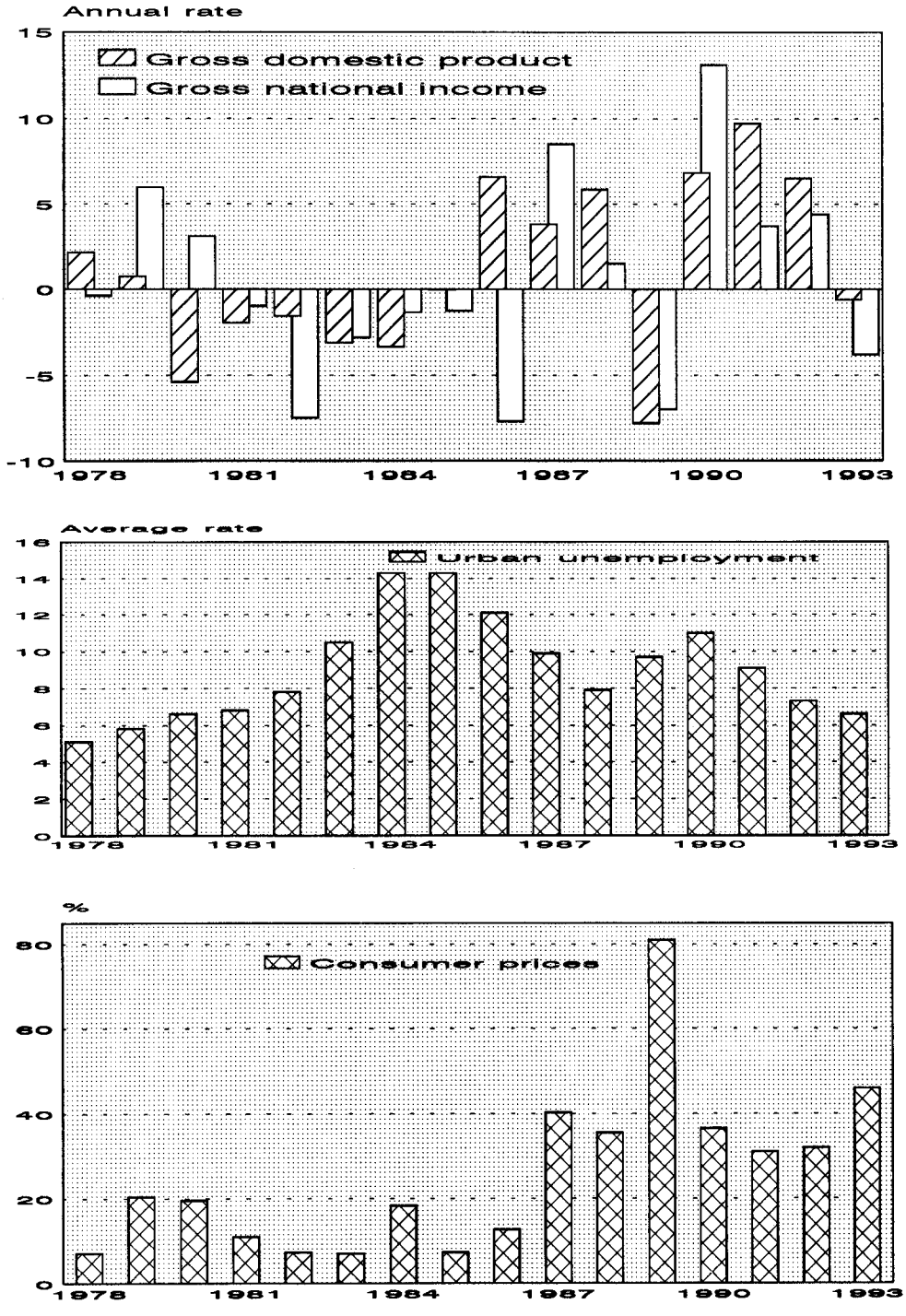
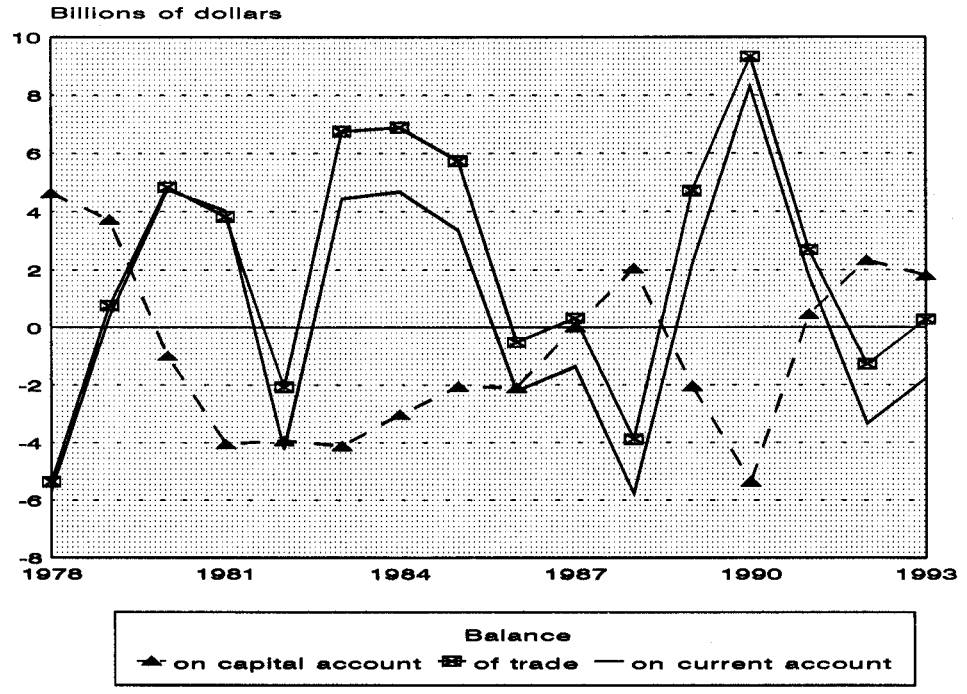
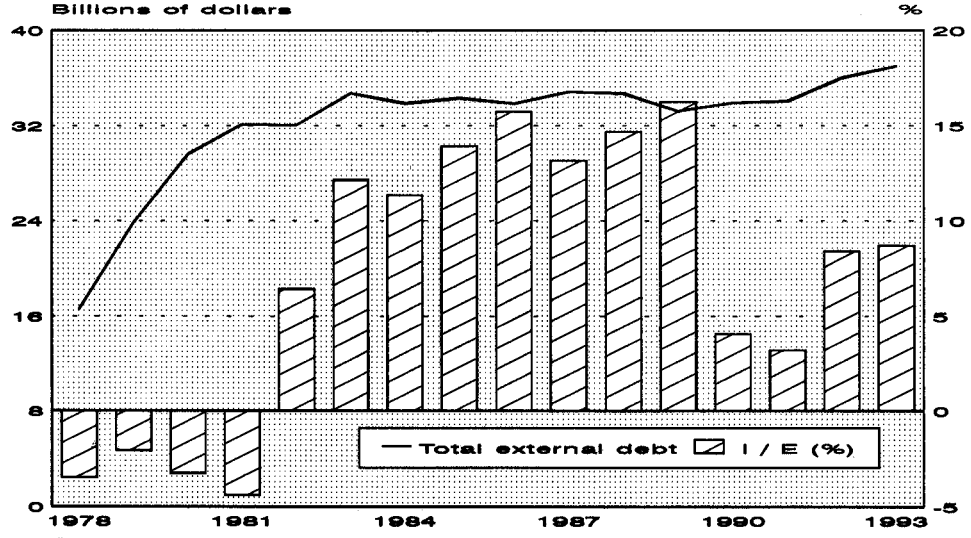


Figure 1 (concluded)





Source: ECLAC, on the basis of official figures.
Symbols: I = Net interest; E = Exports of goods and services.

translated into savings for the State oil company; while the operating surplus before tax rose by 21% in current bolívares, the increase in net profits was even higher, owing to the tax relief. This in turn meant a smaller increase in central Government revenues from this source.

The Government attempted to compensate for the erosion of its chief source of income by searching for new sources of revenue and by striving to reduce public spending. Thanks in particular to spending cutbacks, the Government managed to stabilize its deficit at around 3.4% of GDP. State enterprises intensified their efforts, drastically reducing capital expenditure, and as a result the non-financial public-sector deficit as a whole fell to a still considerable 3.5% of GDP.

After the enactment in August of a financing law which empowered the President to issue decrees in the economic and financial spheres, the Government introduced tax reform which envisaged a tax on business assets, changes in the revenue stamp schedule (which raised the charges on most utilities) and a value added tax (VAT). A value added tax of 10% took effect in October; until the end of the year, it was applied only to wholesale trade, with provision for its extension to the retail sector. In spite of the fact that these new taxes provided for a widening of the Government's tax base, and that income tax receipts rose, total current revenues fell in real terms as they increased by only 22% in nominal terms.

Capital revenues, which in 1991 had enabled the fiscal gap to be closed, were of little significance in 1993, owing to the uncertainty surrounding the implementation of the privatization programme, eventually postponed on a temporary basis in October. Sales of State enterprises, including the Banco Popular, were worth barely more than US$ 30 million, after they had brought in almost US$ 2.3 billion in 1991. Income from State enterprises was the only item of the public accounts which actually rose in real terms, as a consequence of adjustments in prices and charges, especially in the case of electricity, water, transport (Metro) and petroleum products (with the exception of petrol and diesel).

The main items of nominal current expenditure in the non-financial public sector recorded an overall increase of around 25%, which was below the inflation rate. Capital expenditure recorded even lower increases, under 6%, which represents a severe contraction in real terms. Reductions in this category of expenditure were particularly noteworthy in State enterprises, since the central Government increased its expenditure by about 16%.

The leading factor contributing to this fall in capital expenditure was the reduction of PDVSA investments in Venezuela, most of which were allocated to maintaining and expanding production capacity of crude oil. Those investments declined by 16% in real terms, thus interrupting the growth they had shown since 1989; this coincided with the strong growth in PDVSA investments abroad, as a result of which the overall amount of the firm's investments remained stable. The State oil company implemented its *Business Plan 1993-2002*, which envisages a total investment of US$ 48 billion over that period.

In contrast to the previous year, when most of the non-financial public-sector deficit had been covered by external resources, in 1993 mainly internal sources of financing were used. Nevertheless, the difficulties encountered in placing both National Treasury bills on the domestic market and public instruments abroad were compounded by the growing cost of such financing. Consequently, there was a major lag in payments, which remained outstanding until 1994. Use was made of some of the reserves accumulated by the Treasury, and these were topped up through the transfer of funds that had accumulated in the Venezuelan Investment Fund (VIF), as a result of privatization programmes conducted in previous years.

b) Monetary and foreign exchange policies

An excess of expenditure over revenue in the public sector caused liquidity to rise. In a climate of inflationary expectations and waning confidence in the ability to maintain the bolívar's value, part of this liquidity shifted to the foreign exchange market. During the year, the public's clear preference for external assets was instrumental in generating episodes of active demand for foreign currencies.

The Central Bank had to cope with the corresponding demand for foreign exchange in the context of its policy of progressively devaluing the bolívar, aimed at preserving confidence in the exchange rate in the face of Venezuela's higher inflation *vis-à- vis* its trading partners. By virtue of that policy, the exchange rate for the dollar increased by 34% during 1993, which represents a continuation of the trend, begun in 1991, towards the real revaluation of the bolívar, with the attendant risk that the public's confidence in the stability of the exchange market might erode.

In pursuing this objective, the Central Bank was backed up by a considerable volume of international reserves. In order to preserve the level of such reserves against a backdrop of efforts to devalue the bolívar, the Central Bank was obliged to take steps as regards the money supply; it sold securities –zero coupon bonds– in an attempt to tap the excess liquidity generated by the fiscal deficit. In this way, the nominal increase in the money supply (M1) in 1993 was just 11%, a far lower rate of increase than the change in the general price level. The broader measure of the money supply (M2) rose by just 26% in nominal terms, which was a fall in real terms, even more so than in the previous year. The main factor contributing to the growth in the money supply was domestic credit to the public sector; domestic credit made available to the private sector increased by only 12%, owing to the economic downturn and the rise in the cost of bank financing.

Both the greater demand for domestic resources by the public sector to finance the fiscal deficit and the restrictive nature of open market operations conducted by the Central Bank influenced conditions in the money market; these conditions led to a substantial increase in nominal interest rate levels, in a continuation of the trend towards higher rates observed during the 1990s. Loan rates reached 100% on an annualized basis at the end of 1993. These high rates made investments much more expensive and prompted many businesses to replace domestic financing with external financing. High deposit rates, including their equivalents in dollars, stimulated inflows of external capital and served to curb outflows of foreign exchange, reducing somewhat the greater risk perceived by investors in the face of the political and economic instability affecting Venezuela. In addition, these deposit rates were far higher than the rate of inflation, and this spurred economic agents to protect their wealth from inflation by increasing savings and time deposits, which as a whole expanded more than the money supply.

High loan rates, in turn, led to a drop in bank portfolios. Indeed, towards the end of 1993, liquidity problems caused several banks to offer high rates of interest in their efforts to attract depositors, higher even than yields on investments. The rise in average bank deposit rates meant that these came close to loan rates. The first signs of the crisis looming in the finance sector was the run on funds at Banco Latino in December.

Efforts by the authorities to put the banking industry on a sound footing had led to the enactment, several months beforehand, of the Banks Act, set to take effect on 1 January 1994. This piece of legislation was designed to open the industry up to competition by foreign capital and strengthen the independence and powers of the Superintendency of Banks and Financial Institutions (SBIF). Such measures were not, however, sufficient to avert the crisis of confidence which gripped depositors.

3. Trends in the main variables

a) Economic activity

The level of economic activity fell by about 1% in 1993, as a result of sluggish aggregate domestic demand, while per capita GDP dropped by approximately 3%. Gross national product fell by an even larger amount (almost 4%), owing to a worsening of both the terms of trade and the balance of payments and transfers abroad.

Aggregate domestic demand fell by almost 6%, after three years of strong growth; this fall is attributable mainly to the reduction in public expenditure. The item most affected was capital expenditure, as gross fixed investment in the

public sector declined by more than 12% with respect to the high level attained the previous year, after two years of increases at rates of more than 26% per annum. As has already been mentioned, much of the reduction in public spending occurred in PDVSA. Final government consumption, for its part, dropped by 4%. The strong increase (15%) in private-sector investment was not enough to offset the reduction in investment by the public sector, bearing in mind that the latter accounts for around 60% of total investment in the Venezuelan economy. In any event, that increase represented a slow-down in the private sector's investment drive, which in the two previous years had been recovering from the abrupt fall that marked the beginning of the adjustment programme.

Consequently, the net effect on total investment was negative, with a drop in this variable of a little over 3%. Despite this decrease, total gross fixed investment continued to account for about 21% of GDP, a level similar to that attained prior to the implementation of the adjustment programme, which saw it fall to below 17% in 1989 and below 15% in 1990. Furthermore, the contraction in public-sector consumption was accompanied by a smaller drop (2%) in private-sector consumption, which reflected the fall in real pay rates, the tightening of monetary policy and high interest rates.

Weak domestic demand caused the relative significance of external demand to rise. The lower absorption of the economy generated export surpluses, which stimulated non-petroleum exports. Despite the fact that world demand for oil and gas remained slack, the volume of petroleum sales abroad actually rose. Overall, total export volumes increased by about 9%. Given that exports make up more than 30% of Venezuela's total aggregate demand, this increase was partially able to offset weak domestic demand.

This, in turn, had a major effect on imports, which dropped by almost 8%, and non-petroleum-related activities, which also contracted. Production of goods and services both fell, the latter especially so.

In contrast, activity in the petroleum industry, intended principally for export, rose by more than 3%, thanks to the first investments to expand production capacity in three years. Virtually the entire increase was in oil and gas extraction, especially crude oil, whose production levels reached 2.4 million barrels a day. The Business Plan has set a target of raising this figure to 3.6 million barrels a day by the year 2002.

The recession affected almost all non-petroleum-related activities. The only activities which recorded growth were coal production and, to a lesser extent, basic services (electricity, gas and water, transport, storage and communications). Agricultural output contracted by 4%, activity in the construction industry fell by almost 2% and manufacturing declined by just over 1%.

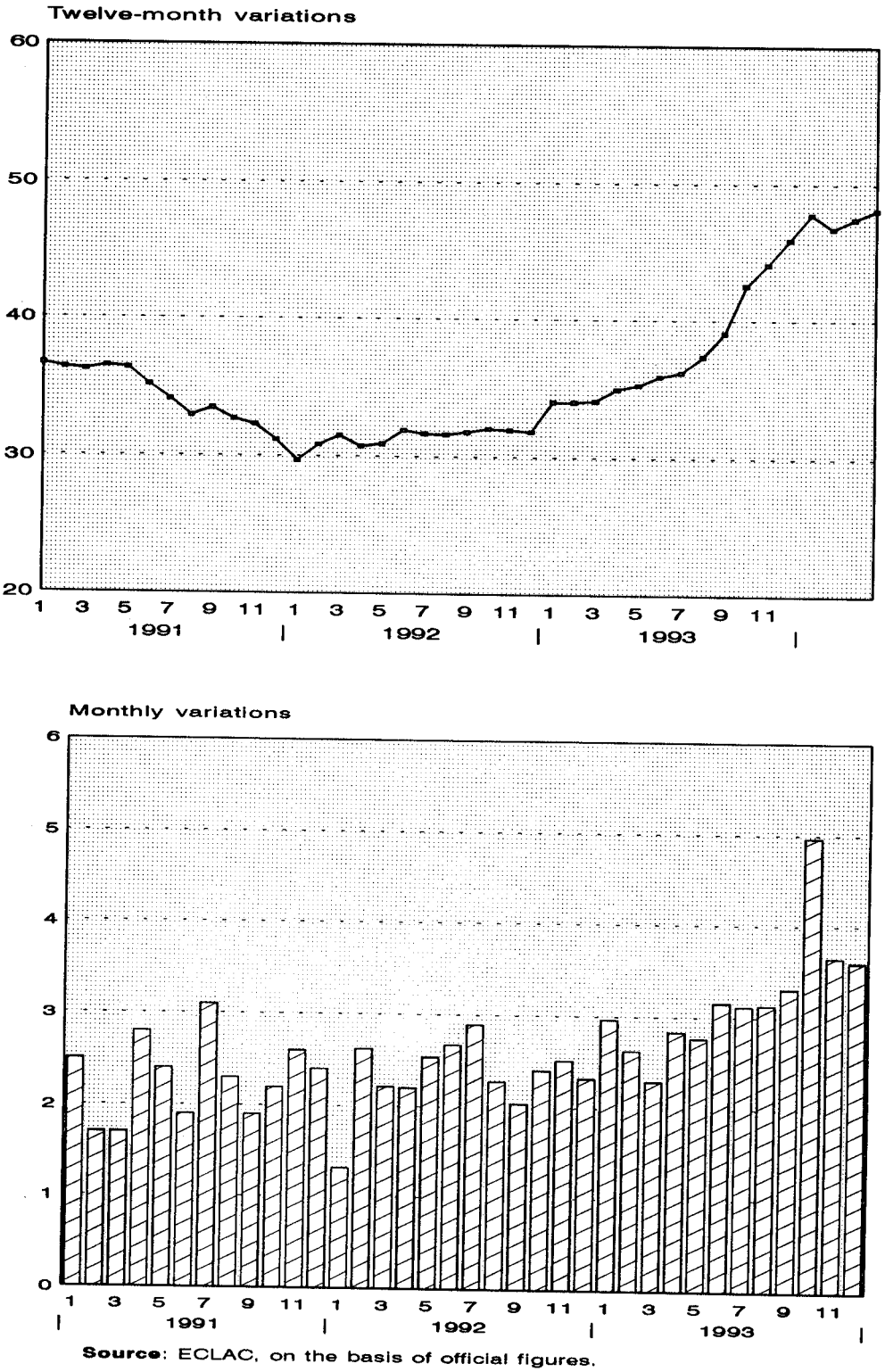
In the farming sector, harvests of all the main crops decreased, although harvests of products for domestic consumption were relatively less affected. Stock-raising, in contrast, again started to record increases, with the sole exception of milk production, severely hit by a drop of nearly 50% in per capita milk consumption between 1981 and 1993. With regard to services, the fall in consumption led to a drop of almost 5% in commerce, after this activity had shown growing dynamism since the early 1990s. Air and sea transport recorded drops, reflecting the lower volume of external transactions. Tourism continued to decline, although at a slower rate.

In manufacturing, the different industries turned in mixed performances. The petrochemicals and fertilizer industry shared in the expansion of petroleum-related activities. The strong upsurge in cement exports, which followed the steep fall in such exports in 1992, coincided with increased production of this input. In contrast, there was hardly any change in the number of motor vehicles assembled; tyre production did increase though. Aluminium production showed little variation, in spite of the significant drop in domestic consumption, while steel production slipped back.

b) Prices, wages and employment

Despite spending cutbacks, the reduction of the fiscal deficit and the tight monetary policy implemented by the Central Bank, inflation started to speed up beginning in March.

Figure 2
VENEZUELA: CONSUMER PRICE INDEX
(Percentages)



Source: ECLAC, on the basis of official figures.

Consequently the cumulative rise in prices in the 12 months to December was nearly 46%. This was the second worst rate of inflation ever recorded in Venezuela, surpassed only in 1989, when prices rose by 81% after administrative controls were lifted.

The inflationary process intensified in the last quarter, after the impact of the value added tax (VAT) introduced in October was reflected in the highest monthly increase for the year in the consumer price index (CPI). It has been estimated that this tax was responsible for about four percentage points of the rise in the CPI in October and November.

The inability of economic policy to rein in inflationary pressures revealed the extent of expectations that prices would rise; such expectations were fuelled throughout the year by political instability, especially during the run-up to elections in late 1993, amidst fears that the new Government would decide to impose price controls. The inflationary process thus formed part of a dynamic in which expectations of price rises, associated with a stubborn fiscal deficit financed partly through domestic borrowing by the public sector, encouraged individuals to dispose of ready money. The consequent rise in the velocity of circulation of money caused price rises to accelerate, despite the adjustments to domestic demand and output.

The largest increases were recorded in services, followed by items of household expenditure, such as fuels and electricity, motor vehicles and appliances. With respect to goods, increases were generally higher for manufactures and domestic products than for agricultural and imported goods. Food and beverages, and clothing and footwear, recorded significantly lower increases. The first category, food and beverages, showed variations according to the different products' price sensitivity to fluctuations in demand and also to whether supply increased or decreased. After domestic demand fell, the prices for the most sensitive products, such as beef –whose production increased– rose at a lower rate, while prices rose more for products with inelastic demand, like cereals, tubers and sugar, harvests of which had, in any case, been lower than in the previous season.

The high inflation rate undermined average real wages of workers. The decline was greater in urban areas (-24%) than in rural areas (-8%). No adjustments were made to the minimum wage in 1993, as a result of which it also lost purchasing power; the loss of purchasing power ranged from 23% to 26%, according to whether the areas in question were urban or rural.

This implies that the recession had a greater impact on real wages than employment, since the economy's overall employment rate rose slightly. Although the low level of activity caused employment to stagnate in the industrial sector and drop in the primary sector, employment rose in a number of service sectors, in particular transport and communications. Because the number of people entering the job market was not significant, the first year of recession since 1989 did not result in greater unemployment; in actual fact, the open unemployment rate declined for the fourth consecutive year, to below 7%, the lowest rate on record in a long time. Unemployment fell in commerce and other services, but increased in construction, though 1993 marked a continuation of the trend towards lower unemployment in this industry.

c) The external sector

The recession led to an improvement in the balance of trade position. Whereas the previous year the balance of trade had posted a deficit for the first time since 1988, in 1993 it recorded a slight surplus, owing to the reduction in imports and the increase in non-petroleum-related exports. There was a notable increase in gold exports, which had taken just two years to reach a significant level. Non-traditional exports benefited from the drop in sales on the domestic market, as well as the 1992 liberalization of trade with Colombia, with which Venezuela has a free trade agreement. While the value of non-traditional exports increased by almost 20%, exports to Colombia rose by more than 70%, thus forming almost a quarter of the category.

Sluggish world demand for oil prevented the trade surplus from being greater. The market for oil again suffered from the low level of activity in the Western economies, which reduced their

consumption, thus dragging down the price paid for the basket of seven crudes of the Organization of Petroleum Exporting Countries (OPEC). The value of PDVSA's exports faced the same situation; these were 13% lower on average than in 1992, with crude fetching around US$ 13 a barrel. Although the value of PDVSA's international sales as a whole (exports plus sales abroad by subsidiaries) did not change from the previous year, shipments from Venezuela increased, as a result of which the value of petroleum exports fell by only about 6%. In terms of absolute values, that drop was of the same magnitude as the increase in non-petroleum-related exports, since oil accounts for around three quarters of Venezuela's exports. Consequently, the total value of sales abroad did not vary noticeably with respect to the previous year.

Imports dropped by 13% in value. The effect of the recession was felt most notably in purchases of capital goods, raw materials and intermediate goods, which decreased by around 16%. Imports of consumer goods stood still, with only food and beverages showing increases.

Venezuela's small trade surplus was insufficient to offset the chronic deficit in the balance of services, which was greater than in the previous year, and outflows resulting from unrequited private transfers, even though these declined. Consequently, the current account once again posted a deficit, though a smaller one than in 1992.

This deficit was financed with inflows of external capital, in spite of the reduced surplus recorded in the capital account. Factors contributing to this reduced surplus included the considerable decline in foreign direct investment, attributable to the low level of implementation of the privatization programme and political instability, and an equally significant fall-off in long-term loans received by the public sector, especially PDVSA. In contrast, foreign portfolio investments and loans to private firms expanded, against a backdrop of interest rate rises. The short-term capital account deteriorated as a result of outflows of capital from the private sector, despite the fact that short-term public-sector borrowing doubled.

The balance-of-payments accounts, including errors and omissions, produced a small loss of reserves, but this did not deplete excessively the high level of these reserves. At the end of 1993, the Central Bank of Venezuela had more than US$ 12.650 billion in reserves, sufficient to finance about 10 months of imports at 1993 levels.

Table 1

VENEZUELA: MAIN ECONOMIC INDICATORS

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Indexes (1980=100)							
Gross domestic product at market prices	96.3	100.0	105.8	97.5	104.2	114.3	121.7	121.0
Gross national income	80.1	86.9	88.2	82.0	92.7	96.1	100.3	96.5
Population (millions of inhabitants)	17.6	18.0	18.5	18.9	19.3	19.8	20.2	20.6
Per capita gross domestic product	82.2	83.3	86.1	77.6	81.0	86.9	90.6	88.1
Real exchange rate (CPI) [b]	136.8	182.8	177.0	209.6	218.0	203.8	194.3	190.7
Real exchange rate (WPI) [b]	107.2	131.6	136.8	148.6	164.3	161.6	157.4	155.2
	Ratios (percentages)							
Non-financial public sector fiscal balance / GDP	-1.5	-4.5	-8.6	-1.1	0.2	0.7	-5.8	-3.5
Money (M1) / GDP	16.7	18.3	17.9	11.3	9.1	10.0	9.2	7.8
Urban unemployment rate [c]	12.1	9.9	7.8	9.7	11.0	9.1	7.3	6.6
	Growth rates							
Gross domestic product	6.6	3.8	5.9	-7.8	6.8	9.7	6.5	-0.6
Per capita gross domestic product	4.0	1.3	3.4	-9.9	4.4	7.3	4.3	-2.7
Gross national income	-7.7	8.5	1.5	-7.0	13.1	3.7	4.4	-3.8
Consumer prices [d]								
December to December	12.7	40.3	35.5	81.0	36.5	31.0	31.9	45.9
Real wages and salaries [e]	1.4	-12.9	-11.3	-26.7	-5.6	-10.5	10.3	-23.7
Current value of exports of goods and services	-37.9	20.4	-3.3	26.9	34.1	-12.8	-5.8	2.1
Current value of imports of goods and services	4.9	10.9	34.5	-37.7	1.8	44.7	22.0	-7.4
	Millions of dollars							
External sector								
Trade balance	-522	320	-3 891	4 716	9 336	2 683	-1 290	273
Factor services	-1 602	-1 619	-1 771	-2 368	-774	-598	-1 719	-1 780
Balance on current account	-2 226	-1 372	-5 785	2 177	8 303	1 769	-3 356	-1 785
Balance on capital account	-2 097	15	2 054	-2 045	-5 361	456	2 326	1 800
Variation in international reserves (net)	-4 177	-1 095	-3 871	95	2 826	2 258	-1 032	-36
Total external debt	33 838	34 833	34 684	33 195	33 902	34 036	37 193	...

Source: ECLAC, on the basis of official figures.

[a] Preliminary figures. [b] Refers to the exchange rates for exports. [c] Average for the two half-years. [d] In the Caracas metropolitan area. [e] Average income of urban workers, deflated by the variation in consumer prices in the Caracas metropolitan area. Average for two half-years.

Table 2
VENEZUELA: REAL GROSS NATIONAL INCOME

	Indexes (1980=100)			Percentage breakdown			
	1991	1992	1993[a]	1980	1991	1992	1993[a]
Gross national income (a + b + c + d)	96.1	100.3	96.5	99.9	84.0	82.3	79.6
a) Gross domestic product	114.3	121.7	121.0	100.0	100.0	100.0	100.0
Terms-of-trade effect [b]	...	...	...	-	-14.8	-15.2	-17.9
c) Net factor income from abroad [b]	-166.9	-472.5	-488.3	0.5	-0.8	-2.1	-2.2
d) Net private transfers from abroad [b]	69.4	75.1	60.0	-0.7	-0.4	-0.4	-0.3

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Up to 1992, these figures have been taken from IMF balance-of-payments data expressed in current dollars. The figures for 1993 are ECLAC estimates based on information provided by the Central Bank of Venezuela and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 3
VENEZUELA: TOTAL SUPPLY AND DEMAND [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993[b]	1980	1993[b]	1989	1991	1992	1993[b]
Total supply	**108.1**	**117.5**	**115.3**	**124.6**	**118.8**	**5.7**	**13.6**	**8.6**	**-1.8**
Gross domestic product at market prices	114.3	121.7	121.0	100.0	100.0	6.8	9.7	6.5	-0.6
Imports of goods and services [c]	83.3	100.1	92.5	24.6	18.8	-1.8	41.9	20.2	-7.6
Total demand	**108.1**	**117.5**	**115.3**	**124.6**	**118.8**	**5.7**	**13.6**	**8.6**	**-1.8**
Domestic demand	101.3	114.0	107.4	92.1	81.8	2.0	16.7	12.6	-5.9
Gross domestic investment	58.7	79.6	64.2	27.7	14.7	-7.9	80.2	35.6	-19.3
Gross fixed investment	71.4	89.4	86.4	29.0	20.7	-6.0	35.5	25.2	-3.3
Construction	66.2	85.3	...	20.2	...	8.3	31.8	28.7	...
Machinery and equipment	83.2	98.8	...	8.8	...	-25.5	42.9	18.8	...
Public	145.5	184.4	161.4	9.3	12.4	19.0	26.4	26.7	-12.5
Private	36.6	44.8	51.2	19.8	8.4	-36.8	56.8	22.3	14.5
Variation in stocks	338.2	295.1	551.9	-1.3	-6.0	...	...	...	...
Total consumption	119.6	128.9	125.9	64.4	67.1	3.4	8.7	7.7	-2.3
General government	138.8	136.4	130.7	11.3	12.2	5.0	15.2	-1.8	-4.1
Private	115.5	127.3	124.9	53.1	54.8	3.0	7.1	10.2	-1.9
Exports of goods and services [c]	127.6	127.2	138.0	32.4	37.0	14.3	7.0	-0.4	8.5

Source: ECLAC, on the basis of figures from official sources and the International Monetary Fund (IMF).
[a] At market prices, in constant 1980 dollars, at an adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, the figures for exports and imports of goods and services have been taken from IMF balance-of-payments data expressed in current dollars. The corresponding figures for 1993 were estimated by ECLAC based on information provided by the Central Bank of Venezuela and were converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 4

VENEZUELA: COMPOSITION AND FINANCING OF GROSS DOMESTIC INVESTMENT

(As percentages of gross domestic product) [a]

	1986	1987	1988	1989	1990	1991	1992	1993[b]
Gross domestic investment	16.3	17.9	19.5	10.0	8.7	14.2	18.1	14.7
Gross fixed investment	20.7	20.1	20.6	16.7	14.7	18.1	21.3	20.7
Construction	11.9	11.7	11.8	9.6	9.8	11.7	14.2	...
Machinery and equipment	8.8	8.4	8.8	7.1	4.9	6.4	7.2	...
Variation in stocks	-4.4	-2.1	-1.1	-6.6	-6.0	-3.9	-3.2	-6.0
Gross domestic saving	29.3	28.8	27.6	29.6	31.9	32.5	31.8	32.9
Terms-of-trade effect [c]	-13.9	-10.4	-13.9	-12.0	-9.6	-14.8	-15.2	-17.9
Net factor income from abroad [c]	-2.9	-2.7	-2.7	-3.8	-1.1	-0.8	-2.1	-2.2
Unrequited private transfers	-0.2	-0.1	-0.2	-0.3	-0.4	-0.4	-0.4	-0.3
Gross national saving	12.3	15.6	10.8	13.6	20.8	16.5	14.1	12.6
External saving	4.0	2.3	8.7	-3.5	-12.1	-2.3	4.0	2.2

Source: ECLAC, on the basis of official figures.

[a] At market prices, in constant 1980 dollars, at an adjusted exchange rate. [b] Preliminary figures. [c] Up to 1992, these figures have been taken from IMF balance-of-payments data expressed in dollars at current prices. The figures for 1993 were estimated by ECLAC on the basis of data supplied by the Central Bank of Venezuela and were then converted to constant 1980 values using unit-value indexes calculated by ECLAC.

Table 5
VENEZUELA: GROSS DOMESTIC PRODUCT, BY KIND OF ECONOMIC ACTIVITY, AT 1980 MARKET PRICES [a]

	Indexes (1980=100)			Percentage breakdown		Growth rates			
	1991	1992	1993 [b]	1980	1993 [b]	1990	1991	1992	1993[b]
Gross domestic product	**114.3**	**121.7**	**121.0**	**100.0**	**100.0**	**6.8**	**9.7**	**6.5**	**-0.6**
Goods	**108.1**	**114.4**	**115.1**	**54.3**	**51.6**	**9.6**	**10.7**	**5.8**	**0.6**
Agriculture	124.5	127.7	122.7	4.2	4.3	-1.8	2.5	2.6	-3.9
Mining	116.9	119.1	124.2	19.5	20.0	17.2	8.3	1.8	4.3
Petroleum and natural gas	116.5	118.7	124.0	17.9	18.4	17.9	9.6	1.9	4.5
Manufacturing	124.7	127.8	126.3	18.8	19.6	6.1	9.8	2.5	-1.2
Petroleum refining	126.9	116.8	116.2	4.1	3.9	2.0	12.4	-7.9	-0.6
Construction	61.1	80.4	79.1	11.7	7.7	7.7	31.2	31.5	-1.6
Basic services	**126.1**	**135.6**	**138.6**	**5.4**	**6.2**	**1.1**	**5.7**	**7.5**	**2.2**
Electricity, gas and water	197.0	205.0	208.9	0.9	1.5	5.1	8.3	4.1	1.9
Transport, storage and communications	112.1	121.9	124.6	4.5	4.6	-0.3	4.8	8.8	2.2
Other services	**125.5**	**134.4**	**131.4**	**39.1**	**42.5**	**4.6**	**7.9**	**7.0**	**-2.2**
Commerce, restaurants and hotels	104.9	118.2	111.0	12.1	11.1	3.8	8.1	12.7	-6.1
Financial institutions, insurance, real estate and business services	136.5	146.7	147.7	12.4	15.1	1.8	8.6	7.5	0.7
Ownership of dwellings	131.7	139.2	141.1	7.4	8.6	1.6	3.9	5.7	1.4
Community, social and personal services	133.3	137.2	134.3	14.6	16.3	7.7	7.3	2.9	-2.1
Government services	132.2	133.9	131.4	9.6	10.4	7.6	7.8	1.3	-1.8
Import duties	54.7	66.7	54.4	3.0	1.4	-1.2	79.3	21.9	-18.4
Less: Adjustments for bank services	109.8	123.6	109.0	1.8	1.6	1.8	19.1	12.5	-11.8

Source: ECLAC, on the basis of official figures.
[a] The original figures were reweighted according to the 1980 current price structure. The figures shown here therefore do not necessarily coincide with those published by the country based on its calculations at constant prices. [b] Preliminary figures.

Table 6

VENEZUELA: AGRICULTURAL PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production of main crops [b]							
For export							
Cocoa	16	17	16	11.1	3.2	6.7	-5.9
Coffee	73	69	66	5.3	-3.9	-6.0	-4.3
For domestic consumption							
Cereals	2 119	1 869	1 861	-2.7	19.0	-11.8	-0.4
Pulses	59	44	36	12.4	-0.7	-25.7	-18.2
Fibres and oilseeds	135	105	71	-6.2	-58.6	-22.2	-32.4
Root crops and tubers	725	668	594	-9.8	15.9	-7.9	-11.1
Fruit	2 934	2 999	2 911	4.0	12.7	2.2	-2.9
Vegetables	431	486	414	-5.2	8.0	12.7	-14.8
Other	7 080	7 131	6 534	-11.6	2.4	0.7	-8.4
Indicators of livestock production							
Slaughtering [c]							
Cattle [d]	1 904	2 023	2 076	6.8	-4.9	6.3	2.6
Pigs [d]	1 727	1 995	2 046	-15.8	9.5	15.5	2.6
Sheep	151	155	163	3.9	4.6	2.7	5.2
Poultry [e]	261	300	336	-1.9	30.3	15.0	12.0
Other products							
Milk [f]	1 461	1 529	1 407	-3.4	0.6	4.6	-8.0
Eggs for consumption [g]	1 777	1 850	2 022	-22.5	6.7	4.1	9.3
Volume of fishery products	343	332	312	-1.2	1.5	-3.2	-6.0

Source: ECLAC, on the basis of figures supplied by the Ministry of Agriculture and the Central Bank of Venezuela.
[a] Preliminary figures. [b] Thousands of tons. [c] Thousands of head. [d] Includes any variation in the number of livestock.
[e] Millions of head. [f] Millions of litres. [g] Millions of units.

Table 7
VENEZUELA: MAIN INDICATORS OF THE PETROLEUM INDUSTRY

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production [b]	**2 492**	**2 478**	**2 563**	**11.6**	**10.8**	**-0.6**	**3.4**
Crude petroleum	2 338	2 334	2 410	20.1	11.4	-0.2	3.3
Condensates	37	37	40	-76.9	-	-	8.1
Natural-gas liquids	117	107	113	5.6	2.6	-8.5	5.6
Gas[c]	42	42	42	4.1	4.4	07	-0.9
Exports [b]	**2 118**	**2 054**	**2 170**	**15.8**	**12.6**	**-3.0**	**5.6**
Crude petroleum	1 382	1 429	1 540	26.0	11.3	3.4	7.8
Refined products	736	625	630	0.2	15.2	-15.1	0.8
Refining [b]	**1 014**	**940**	**950**	**1.8**	**10.6**	**-7.3**	**1.1**
Domestic consumption [b d]	**340**	**363**	**376**	**2.2**	**-9.3**	**6.8**	**3.6**
Use of installed capacity [e]							
Drilling	83.8	83.7	85.3				
Refining	85.8	79.5	80.4				
Proven reserves							
Petroleum[f]	62.7	63.3	64.4	1.9	4.3	1.0	1.7
Gas[g]	3.6	3.6	3.9	...	...	2.0	7.1
Average price [h]	**15.9**	**14.9**	**13.3**	**20.5**	**-21.7**	**-6.4**	**-10.7**
Crude	15.1	13.7	11.6	19.6	-21.3	-9.3	-15.3
Petroleum products	17.5	17.6	16.4	24.2	-22.5	0.7	-6.8
Profits of petroleum enterprise [i j]	**106.8**	**97.8**	**164.8**	**18.9**	**-5.3**	**-8.4**	**68.5**
Gross fixed investment [i k]	**209.3**	**221.6**	**225.9**	**101.7**	**118.9**	**5.9**	**1.9**

Source: ECLAC, on the basis of figures provided by the Ministry of Energy and Mines and by Petróleos de Venezuela, S.A.
[a] Preliminary figures. [b] Thousands of barrels per day. [c] Billions of cubic metres. [d] Corresponds to household and industrial consumption, including that of the petroleum industry. Does not include sales for international transport.
[e] Percentage. [f] Billions of barrels. [g] Billions of cubic metres. [h] Dollars per barrel. [i] Billions of bolívares.
[j] After taxes. [k] Does not include investments abroad.

Table 8
VENEZUELA: NON-PETROLEUM MINING ACTIVITY

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production of some important minerals							
Iron ore [b]							
Production	20	19	20	10.9	-2.0	-3.5	1.0
Exports	13	10	10	-5.6	-1.5	-25.4	-
Coal [c]	2 362	2 379	3 733	1.6	10.1	0.7	56.9
Bauxite [c]	1 514	1 158	...	12.0	92.6	-23.5	...
Gold [d]	10 394	10 106	9 654	96.9	-17.7	-2.8	-4.5
Diamonds [e]	475	674	533	32.2	40.9	41.9	-20.9

Source: ECLAC, on the basis of figures provided by the Ministry of Energy and Mines and the Central Bank of Venezuela.
[a] Preliminary figures. [b] Millions of tons. [c] Thousands of tons. [d] Kilograms. [e] Thousands of metric carats.

Table 9
VENEZUELA: CONSTRUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Housing construction							
Total area [b]							
Private sector	1 592	2 709	3 352	-38.2	13.1	70.2	23.7
Number of dwellings [c]							
Total	115	119	94	26.0	82.5	3.5	-21.0
Public sector [d]	69	72	46	118.2	187.5	4.1	-35.9
Private sector	46	47	49	-	17.9	2.2	4.3
Indicators of activity							
Consumption of cement [e]	89	105	105	-8.3	26.6	17.6	0.5
Loans granted [f]							
To builders	7 377	11 907	13 520	33.3	12.9	61.4	13.5
To buyers	12 541	15 585	19 436	42.7	58.1	24.3	24.7

Source: ECLAC, on the basis of figures provided by the Civil Association for Construction and Housing Development (FUNDACONSTRUCCION) and the Central Bank of Venezuela.
[a] Preliminary figures. [b] Housing construction permits granted. Thousands of square metres. [c] Thousands of units.
[d] In addition to dwellings, includes low-income building plots for gradual urban development. [e] Index 1980=100.
[f] Corresponds to financing granted by mortgage banks and the national savings and loan system. In millions of bolívares.

Table 10
VENEZUELA: MANUFACTURING PRODUCTION

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Production of some industrial products [b]							
Steel products	2 558	2 664	2 585	9.0	-4.8	4.1	-3.0
Rods	490	542	...	3.9	-17.1	10.6	...
Aluminium	597	564	566	5.9	-0.3	-5.5	0.4
Petrochemicals [c]	2 429	3 240	...	3.6	6.9	33.4	...
Fertilizers	1 024	919	989	-2.3	1.6	-10.3	7.6
Olefins	196	218	355	22.1	-19.3	11.2	62.8
Plastics	30	88	193	-45.5	66.7	193.3	119.3
Sugar	523	525	538	-4.6	4.8	0.4	2.5
Cement	6 339	6 579	6 876	13.8	5.7	3.8	4.5
Vehicle tyres [d]	4 787	4 696	5 119	-5.4	21.2	-1.9	9.0
Motor vehicles [d]	73	92	93	53.6	69.8	26.0	1.1

Source: ECLAC, on the basis of figures supplied by the Central Bank of Venezuela and various industrial enterprises.
[a] Preliminary figures. [b] Thousands of tons. [c] Gross output. [d] Thousands of units.

Table 11
VENEZUELA: SERVICE ACTIVITIES

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
Electrical power							
Installed capacity [b]	17.8	17.8	13.4 [d]	0.2	-	0.2	-24.7
Generation [c]	59.6	62.9	55.4 [d]	3.1	6.1	5.5	-11.9
Total consumption [c]	53.4	55.3	56.6	2.4	19.5	3.6	2.4
Commerce							
Index of sales [e]	79.2	101.9	96.9	-3.3	7.8	28.6	-4.9
Tourism [f]							
Visitors	607	446	396	2.5	43.7	-26.5	-11.2
Departures	633	468	406	9.4	105.0	-26.1	-13.2
Employment [g]							
Total services sector	4 114	4 298	4 431	4.1	5.9	4.5	3.1
Commerce [h]	1 810	1 914	1 836	4.7	7.5	5.7	-4.1

Source: ECLAC, on the basis of figures provided by the Central Statistics and Informatics Office (OCEI) and the Central Bank of Venezuela.
[a] Preliminary figures. [b] Millions of kWh. [c] Billions of kWh. [d] The public-sector sample does not include the Electricity Administration and Development Corporation (CADAFE). [e] In the Caracas metropolitan area. Index in real terms, 1980=100.
[f] Number of visitors entering the country. Includes tour participants and passengers in transit. Thousands of persons.
[g] Thousands of persons. [h] Includes commerce, financial and insurance firms, real estate and services provided to firms.

Table 12

VENEZUELA: EMPLOYMENT AND UNEMPLOYMENT

	1991	1992	1993[a]	Percentage breakdown		Growth rates		
				1980	1993[a]	1991	1992	1993[a]
Labour force								
(thousands of persons)	**7 356**	**7 510**	**7 533**			**5.7**	**2.1**	**0.3**
Net participation rate [b] (percentage)	60.0	59.6	58.2					
	Thousands of persons							
Employment	**6 655**	**6 930**	**7 028**	**100.0**	**100.0**	**6.8**	**4.1**	**1.4**
Primary sector	871	853	825	16.2	11.7	-1.0	-2.1	-3.3
Agriculture	800	777	756	14.7	10.8	-1.7	-2.9	-2.7
Hydrocarbons, mines and quarries	71	76	69	1.5	1.0	7.6	7.0	-9.2
Secondary sector	1 668	1 777	1 783	26.7	25.4	11.6	6.5	0.3
Manufacturing	1 063	1 115	1 090	16.2	15.5	10.7	4.9	-2.2
Construction	542	597	636	9.3	9.0	14.8	10.1	6.5
Electricity, gas, water and sanitation services	63	65	57	1.2	0.8	-	3.2	-12.3
Tertiary sector	4 116	4 300	4 420	57.0	62.9	6.7	4.5	2.8
Commerce [c]	1 811	1 915	2 025	22.9	28.8	8.5	5.7	5.7
Transport, storage and communications	390	410	462	7.4	6.6	1.3	5.1	12.7
Other services	1 915	1 975	1 933	26.7	27.5	6.2	3.1	-2.1
	Percentages							
Open unemployment								
Nationwide total	**9.5**	**7.8**	**6.6**					
Previously employed	8.6	7.0	6.1					
Seeking work for the first time	1.0	0.8	0.6					
Rural areas	5.6	5.2	4.8					
Urban areas	9.1	7.3	6.6					
Caracas metropolitan area	8.3	5.7	3.6					
Unemployment of previously employed persons, by economic sector	**8.6**	**7.0**	**6.1**					
Manufacturing	9.4	7.8	7.1					
Construction	19.5	16.0	13.8					
Commerce [c]	7.7	5.8	4.9					
Other services	7.5	4.8	4.0					

Source: ECLAC, on the basis of data from household surveys conducted by the Central Statistics and Informatics Office (OCEI).
[a] Preliminary figures. [b] Labour force as a percentage of the population aged 15 years and over. [c] Includes financial institutions.

Table 13
VENEZUELA: BALANCE OF PAYMENTS
(Millions of dollars)

	1986	1987	1988	1989	1990	1991	1992	1993
Balance on current account	**-2 226**	**-1 372**	**-5 785**	**2 177**	**8 303**	**1 769**	**-3 356**	**-1 785**
Trade balance	-522	320	-3 891	4 716	9 336	2 683	-1 290	273
Exports of goods and services	9 492	11 428	11 052	14 028	18 818	16 405	15 452	15 776
Goods f.o.b.	8 535	10 437	10 082	12 915	17 444	14 968	13 955	14 222
Real services [b]	957	991	970	1 113	1 374	1 437	1 497	1 554
Transport and insurance	416	427	558	545	642	731	842	617
Travel	444	416	291	389	496	510	432	507
Imports of goods and services	10 014	11 108	14 943	9 312	9 482	13 722	16 742	15 503
Goods f.o.b.	7 866	8 870	12 080	7 283	6 807	10 131	12 266	11 013
Real services [b]	2 148	2 238	2 863	2 029	2 675	3 591	4 476	4 490
Transport and insurance	1 043	1 223	1 719	925	1 056	1 671	2 077	1 910
Travel	543	509	509	640	1 023	1 227	1 428	1 578
Factor services	-1 602	-1 619	-1 771	-2 368	-774	-598	-1 719	-1 780
Profits	-104	-108	-142	-91	7	-65	-411	-409
Interest received	1 756	1 452	1 585	1 448	2 426	2 003	1 379	1 292
Interest paid or due	-3 249	-2 956	-3 206	-3 725	-3 198	-2 530	-2 682	-2 663
Labour and property	-5	-7	-8	-	-9	-6	-5	-
Unrequited private transfer payments	-102	-73	-123	-171	-259	-316	-347	-278
Balance on capital account	**-2 097**	**15**	**2 054**	**-2 045**	**-5 361**	**456**	**2 326**	**1 800**
Unrequited official transfer payments	-19	-18	-24	-16	-24	-33	-9	-19
Long-term capital	-1 985	-1 732	-491	-1 318	108	2 490	2 948	2 268
Direct investment	-444	-16	21	77	96	1 769	545	177
Portfolio investment	-	-	-	-158	16 533	487	357	652
Other long-term capital	-1 541	-1 716	-12	-1 237	-16 521	234	2 046	1 439
Official sector [c]	-986	-794	174	-1 336	-16 805	14	171	-379
Loans received	437	541	1 591	1 044	1 653	1 230	1 202	663
Amortization payments	-1 380	-1 247	-1 366	-2 322	-18 412	-1 204	-1 008	-1 042
Commercial banks [c]	-	-	-	-	-	-	-	-
Loans received	-	-	-	-	-	-	-	-
Amortization payments	-	-	-	-	-	-	-	-
Other sectors [c]	-555	-922	-686	99	284	220	1 875	1 818
Loans received	48	23	3	175	385	121	797	1 008
Amortization payments	-632	-942	-726	-190	-188	-570	-604	-712
Short-term capital	836	2 270	-548	-2 129	-3 702	-486	-212	-233
Official sector	68	302	833	1 811	-1 686	-500	296	602
Commercial banks	257	863	-1 105	325	-908	163	23	-268
Other sectors	511	1 105	-276	-4 265	-1 108	-149	-531	-567
Errors and omissions (net)	-930	-505	3 117	1 418	-1 742	-1 516	-402	-216
Global balance [d]	**-4 323**	**-1 357**	**-3 731**	**132**	**2 942**	**2 225**	**-1 030**	**15**
Total variation in reserves (- sign indicates an increase)	4 177	1 095	3 871	-95	-2 826	-2 258	1 032	36
Monetary gold	-	-	-	-	-	-	-	-
Special drawing rights	-113	-148	681	29	37	-259	194	-411
IMF reserve position	16	131	630	37	4	-	-199	-
Foreign exchange assets	3 911	491	1 484	-1 005	-4 255	-2 085	910	757
Other assets	363	621	1 076	-154	-626	-151	430	-43
Use made of IMF credit	-	-	-	998	2 014	237	-03	-267

Source: 1986-1992, ECLAC on the basis of figures supplied by the International Monetary Fund (IMF); 1993: ECLAC, on the basis of figures supplied by the Central Bank of Venezuela.
[a] Preliminary figures. [b] Includes other non-factor services. [c] Includes net loans granted and other assets and liabilities.
[d] Equals the total variation in reserves (of opposite sign) plus counterpart items.

Table 14

VENEZUELA: MAIN FOREIGN TRADE INDICATORS (GOODS)

	1986	1987	1988	1989	1990	1991	1992	1993[a]
	Growth rates							
Exports f.o.b.								
Value	-40.2	22.3	-3.4	28.1	35.1	-14.2	-6.8	1.9
Volume	13.9	-3.0	11.9	2.6	14.3	6.0	0.7	8.7
Unit value	-47.5	26.1	-13.7	24.9	18.1	-19.1	-7.4	-6.2
Imports f.o.b.								
Value	4.9	12.8	36.2	-39.7	-6.5	48.8	21.1	-10.2
Volume	3.5	8.5	28.7	-39.7	-6.2	45.0	20.1	-8.6
Unit value	1.3	3.9	5.8	0.0	-0.3	2.6	0.8	-1.8
Terms of trade (f.o.b. / c.i.f.)	-48.5	21.3	-18.6	25.9	16.9	-21.9	-8.6	-5.1
	Indexes (1980=100)							
Terms of trade (f.o.b. / c.i.f.)	55.0	66.7	54.3	68.4	80.0	62.5	57.1	54.2
Purchasing power of exports of goods	50.6	59.5	54.2	70.0	93.6	77.6	71.4	73.7
Purchasing power of exports of goods and services	51.0	59.5	54.5	68.2	88.2	75.4	70.0	71.3
Volume of exports of goods, f.o.b.	92.0	89.2	99.9	102.4	117.1	124.1	125.0	135.8
Volume of imports of goods, f.o.b.	85.1	92.3	118.8	71.6	67.1	97.4	116.9	106.9

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures.

Table 15

VENEZUELA: EXPORTS OF GOODS, F.O.B.

	Millions of dollars			Percentage breakdown			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
Total	**14 968**	**13 955**	**14 222**	**100.0**	**100.0**	**100.0**	**-14.2**	**-6.8**	**1.9**
Main traditional exports [b]	**12 553**	**11 491**	**10 844**	**83.9**	**82.3**	**76.2**	**-11.6**	**-8.5**	**-5.6**
Petroleum	12 303	11 209	10 565	82.2	80.3	74.3	-11.8	-8.9	-5.7
Iron ore	220	285	234	1.5	2.0	1.6	8.4	29.5	-17.9
Main non-traditional exports	**2 603**	**2 694**	**3 216**	**17.4**	**19.3**	**22.6**	**-21.2**	**3.5**	**19.4**
Aluminium	736	667	568	4.9	4.8	4.0	-19.5	-9.4	-14.8
Steel	506	525	631	3.4	3.8	4.4	-20.9	3.8	20.2
Chemicals	330	371	370	2.2	2.7	2.6	33.6	12.4	-0.3
Gold	6	48	185	0.0	0.3	1.3	-14.3	700.0	285.4
Fish and shellfish	81	75	82	0.5	0.5	0.6	-15.6	-7.4	9.3
Cement	55	37	43	0.4	0.3	0.3	-20.3	-32.7	16.2
Paper and paperboard	36	42	36	0.2	0.3	0.3	-23.4	16.7	-14.3
Ceramic products	28	29	31	0.2	0.2	0.2	21.7	-	6.9
Other	825	900	1 270	5.5	6.4	8.9	-34.5	9.1	41.1
Balance-of-payments adjustment	-188	-230	162	-1.3	-1.6	1.1			

Source: ECLAC, on the basis of official figures.
[a] Preliminary figures. [b] Includes coffee and cocoa.

Table 16
VENEZUELA: EXCHANGE RATES
(Annual and quarterly averages)

	Nominal exchange rate (bolívares per dollar)	Indexes of real effective exchange rate [a] (1985=100) based on:			
		Consumer price index [b]		Wholesale price index [c]	
		Exports	Imports	Exports	Imports
1978	4.29	97.4	105.1	110.2	115.8
1979	4.29	96.0	104.3	111.8	118.2
1980	4.29	87.8	95.2	102.9	108.8
1981	4.29	80.7	84.8	94.8	97.3
1982	4.29	76.5	79.1	88.1	89.6
1983	5.05 [d]	85.5	87.2	96.3	97.1
1984	6.46	99.4	99.9	106.3	106.0
1985	7.05	100.0	100.0	100.0	99.9
1986	8.79	120.1	125.6	110.3	116.0
1987	14.02	160.5	172.3	135.4	146.3
1988	16.61	155.4	168.0	140.8	153.1
1989	34.68	184.0	197.5	152.9	165.1
1990	46.91	191.4	210.2	169.1	187.3
1991	56.81	178.9	195.9	166.3	184.9
1992	68.38	170.6	188.1	162.0	182.1
1993	90.83	167.4	180.3	159.7	175.1
1992					
I	63.76	174.5	191.9	165.8	186.0
II	65.34	168.8	186.2	160.2	180.1
III	67.69	165.3	184.6	157.4	179.5
IV	76.72	173.8	189.5	164.5	182.9
1993					
I	81.98	171.0	184.1	162.7	178.3
II	86.59	169.6	183.6	163.4	179.9
III	93.34	167.1	180.0	163.9	179.5
IV	101.39	161.9	173.5	148.9	162.5

Source: ECLAC, on the basis of figures provided by the International Monetary Fund (IMF), *International Financial Statistics* (various issues) and the Central Bank of Venezuela.

[a] Corresponds to the average of the indexes of the real exchange rate for the bolívar with respect to the currencies of Venezuela's main trading partners, weighted according to the relative magnitude of exports to or imports from these countries, as appropriate. The weightings correspond to the average for the period 1986-1990. For further information on the methodology and sources used, see the statistical appendix to the *Economic Survey of Latin America*, 1981. [b] The consumer price index was used in the calculations for all the countries. [c] The domestic-product sub-index of the wholesale price index was used for Venezuela, and the wholesale price index was used for the other countries. When this information was unavailable, the calculations were based on the consumer price index. [d] The exchange rate used for the years 1983-1988 is weighted on the basis of the foreign exchange movements recorded by the Central Bank of Venezuela. From 1989 on, the unregulated exchange rate is used.

Table 17
VENEZUELA: IMPORTS OF GOODS

	Millions of dollars			Percentage breakdown			Growth rates			
	1991	1992	1993[a]	1991	1992	1993[a]	1990	1991	1992	1993[a]
Total	**10 042**	**12 672**	**10 992**	**100.0**	**100.0**	**100.0**	**-6.0**	**52.0**	**26.2**	**-13.3**
Consumer goods	**1 750**	**2 428**	**2 426**	**17.4**	**19.2**	**22.1**	**4.7**	**59.7**	**38.7**	**-0.1**
Foodstuffs and beverages	297	439	510	3.0	3.5	4.6	105.0	44.9	47.8	16.2
Other consumer goods	1 453	1 989	1 916	14.5	15.7	17.4	-5.9	63.1	36.9	-3.7
Durables	863	1 119	1087	8.6	8.8	9.9	-11.0	63.4	29.7	-2.9
Non-durables	590	870	829	5.9	6.9	7.5	2.5	62.5	47.5	-4.7
Raw materials and intermediate goods	**4 521**	**4 394**	**3 703**	**45.0**	**34.7**	**33.7**	**-6.5**	**49.7**	**-2.8**	**-15.7**
Raw materials	3 538	3 701	3 183	35.2	29.2	29.0	-11.7	42.4	4.6	-14.0
For industry	3 372	3 472	2990	33.6	27.4	27.2	-9.9	43.6	3.0	-13.9
For agriculture	166	229	193	1.7	1.8	1.8	-34.1	23.0	38.0	-15.7
Fuels and lubricants	233	164	158	2.3	1.3	1.4	19.4	8.4	-29.6	-3.7
Building materials	750	529	362	7.5	4.2	3.3	34.9	133.6	-29.5	-31.6
Capital goods	**3 771**	**5 850**	**4 863**	**37.6**	**46.2**	**44.2**	**-9.5**	**51.3**	**55.1**	**-16.9**
Machinery and tools	2 273	2 956	2477	22.6	23.3	22.5	-21.1	35.7	30.0	-16.2
Transport equipment	1 498	2 894	2386	14.9	22.8	21.7	29.7	83.4	93.2	-17.6

Source: ECLAC, on the basis of figures provided by the Central Statistics and Informatics Office (OCEI).
[a] Preliminary figures.

Table 18
VENEZUELA: OFFICIAL INTERNATIONAL RESERVES
(Millions of dollars)

	Central Bank [a]					Venezuelan Investment Fund	Total official reserves
	Total [b]	Foreign exchange	Gold	SDRs	IMF [c]		
At the end of:							
1985	13 688	8 935	3 439	496	818	1 748	15 436
1986	9 878	5 028	3 439	609	802	1 827	11 705
1987	9 403	4 536	3 439	757	671	1 628	11 030
1988	6 607	3 051	3 439	76	41	225	6 832
1989	7 546	4 056	3 439	47	4	314	7 860
1990	11 759	8 311	3 439	9	-	438	12 197
1991	14 105	10 397	3 439	269	-	1 216	15 321
1992	13 001	9 288	3 439	75	199	1 119	14 120
1993 [d]	12 656	8 531	3 440	486	199	1 236	13 892

Source: ECLAC, on the basis of figures provided by the Central Bank of Venezuela and the International Monetary Fund (IMF).
[a] Includes the reserves of the Venezuelan Investment Fund which are administered by the Central Bank. [b] Includes adjustments for letters of credit. [c] Includes net credit position, supplementary financing facility (SFF). [d] Preliminary figures.

Table 19

VENEZUELA: CENTRAL BANK FOREIGN-EXCHANGE RECEIPTS AND OUTLAYS

(Millions of dollars)

	Receipts			Outlays							
					External debt						
	Petroleum [a]	Other	Total	Imports [b]	Public	Private	Other	Total	Balance [c]	Operating reserves of Central Bank	Gross international reserves [d]
1985	12 197	2 269	14 466	5 721	4 308	756	2 449	13 234	1 232	8 035	13 688
1986	6 157	2 529	8 686	5 362	4 001	1 082	2 169	12 614	-3 928	4 292	9 878
1987	8 015	3 455	11 470	5 828	3 366	1 488	1 469	12 151	-681	3 544	9 402
1988	7 005	5 145	12 150	8 354	3 511	1 214	1 664	14 743	-2 593	2 172	6 607
1989	8 431	4 652	13 083	3 528	2 914	174	5 556	12 172	911	3 366	7 546
1990	12 407	5 239	17 646	1 020	4 010	45	8 347	13 422	4 224	7 360	11 759
1991	11 943	6 182	18 125	793	2 382	641	12 015	15 831	2 294	9 743	14 105
1992	11 931	4 074	16 005	474	2 148	119	14 245	16 986	-981	8 613	13 001
1993 [e]	9 774	5 724	15 498	183	1 824	150	13 639	15 796	-298	8 324	12 656
1992											
I	2 629	1 552	4 181	149	428	4	4 191	4 772	-591	9 156	13 409
II	2 742	492	3 234	161	635	6	2 449	3 251	-17	9 314	13 490
III	2 855	574	3 429	88	396	8	3 235	3 727	-98	9 070	13 212
IV	3 705	1 456	5 161	76	689	104	4 367	5 236	-75	8 613	13 001
1993 [e]											
I	2 153	1 012	3 165	66	479	4	3 611	4 160	-995	7 617	12 020
II	2 268	1 352	3 620	50	565	2	2 327	2 944	676	8 320	12 667
III	2 577	1 440	4 017	31	211	1	3 776	4 019	-2	8 362	12 689
IV	2 776	1 920	4 696	36	569	143	3 925	4 673	23	8 324	12 656

Source: ECLAC, on the basis of figures supplied by the Central Bank of Venezuela.

[a] Corresponds to net sales by Petróleos de Venezuela, S.A. to the Central Bank of Venezuela. Includes sales agreements. [b] Does not include oil imports. [c] Does not include valuation adjustments. [d] Includes adjustments for letters of credit, holdings of special drawing rights and changes in the exchange rates for special drawing rights and reserve currencies with respect to the US dollar. [e] Preliminary figures.

Table 20
VENEZUELA: EXTERNAL INDEBTEDNESS

	1980	1987	1988	1989	1990	1991	1992	1993[a]
	Millions of dollars							
Total external debt	**29 608**	**34 833**	**34 684**	**33 195**	**33 902**	**34 036**	**37 193**	**...**
External public debt [b]	17 692	26 090	26 586	28 150	29 823	30 132	...	...
External private debt [c]	11 916	8 743	8 098	5 044	4 079	3 904	...	...
Total external debt servicing	**3 524**	**5 145**	**5 248**	**4 675**	**4 353**	**4 490**	**...**	**...**
Principal	1 911	2 189	2 042	950	1 155	1 961[e]		...
Interest [d]	1 613	2 956	3 206	3 725	3 198	2 529	2 682	2 663
External public debt servicing	**2 126**	**3 382**	**3 576**	**3 349**	**3 390**	**3 412**	**...**	**...**
Principal	1 171	1 247	1 316	760	902	1 589[e]	...	...
Interest	955	2 135	2 260	2 589	2 488	1 823	2 003	1 979
	As percentages of the value of exports of goods and services							
Total external debt	148.3	304.8	313.8	236.6	180.2	207.5	240.7	...
Debt servicing	17.4	45.0	47.5	33.3	23.1	27.4	...	...
Interest payments [f]	8.1	13.2	14.7	16.2	4.1	3.2	8.4	8.7

Source: ECLAC, on the basis of figures supplied by the Central Bank of Venezuela and international financial agencies.
[a] Preliminary figures. [b] Includes International Monetary Fund (IMF) obligations. [c] Includes short-term financing of imports. [d] Corresponds to the "interest paid or due" entry on the balance of payments. [e] Includes US$ 647 million in discounted debt buybacks. [f] Corresponds to net interest on the balance of payments.

Table 21
VENEZUELA: DOMESTIC PRICES

	1986	1987	1988	1989	1990	1991	1992	1993[a]
December-to-December variation								
Consumer price index [b]	12.7	40.3	35.5	81.0	36.5	31.0	31.9	45.9
Food and beverages	17.9	60.5	52.1	102.9	40.0	32.4	31.3	38.3
Clothing and footwear	15.4	33.1	35.2	58.1	25.7	24.2	21.2	36.4
Household expenditure	7.6	25.2	22.0	63.1	33.7	31.8	33.8	51.8
Miscellaneous expenditure	10.5	28.5	19.6	86.1	38.9	31.9	35.7	54.5
Wholesale price index	18.8	48.1	17.0	106.2	20.4	23.1	26.0	47.4
By origin:								
Imported products	10.4	59.2	21.6	81.7	18.1	21.3	18.8	43.3
Domestic products	23.4	43.8	15.0	117.6	21.3	23.8	28.8	48.8
By sector:								
Agricultural products	32.0	49.9	22.3	43.9	58.9	15.9	28.9	34.8
Manufactures	13.0	48.0	16.5	112.4	17.8	23.7	25.8	48.3
Variation between annual averages								
Consumer price index [b]	11.6	28.1	29.5	84.5	40.7	34.2	31.4	38.1
Food and beverages	19.2	41.5	39.9	125.8	47.2	37.7	30.5	33.3
Clothing and footwear	10.4	26.7	31.0	61.0	26.9	25.1	25.2	27.2
Household expenditure	4.8	19.4	19.9	58.3	32.5	34.3	29.4	45.3
Miscellaneous expenditure	9.6	20.1	21.8	62.2	47.3	33.8	37.8	47.5
Wholesale price index	16.9	45.6	19.3	97.5	27.2	22.3	23.6	35.4
By origin:								
Imported products	18.4	66.2	16.8	89.4	20.2	19.2	17.6	34.5
Domestic products	16.5	37.7	20.5	101.1	30.2	23.5	25.9	35.8
By sector:								
Agricultural products	27.8	49.4	23.9	41.0	57.3	35.0	24.7	25.5
Manufactures	16.2	45.3	18.9	102.6	25.3	21.2	23.5	36.3

Source: ECLAC, on the basis of figures provided by the Central Bank of Venezuela.
[a] Preliminary figures. [b] Consumer price index for the Caracas metropolitan area.

Table 22
VENEZUELA: INCOMES

	1991	1992	1993[a]	Growth rates			
				1990	1991	1992	1993[a]
	In bolívares at current prices						
Minimum wage [b]							
Urban	6 800	10 200	10 200	4.3	41.7	50.0	-
Rural	5 300	8 200	8 200	6.5	60.6	54.7	-
Average income per employed person [c]							
Urban	8 605	12 482	14 329	32.8	20.1	45.1	14.8
Rural	6 140	8 606	10 930	38.3	33.1	40.2	27.0
	In bolívares at 1985 prices [d]						
Minimum wage [b]							
Urban	772	851	654	-26.2	5.2	10.2	-23.1
Rural	602	712	526	-24.6	19.2	18.3	-26.1
Average income per employed person [c]							
Urban	1 199	1 323	1 010	-5.6	-10.5	10.3	-23.7
Rural	856	912	839	-3.1	-0.8	6.5	-8.0

Source: ECLAC, on the basis of figures provided by the Central Statistics and Informatics Office (OCEI), the Central Bank of Venezuela and the Ministry of Labour.

[a] Preliminary figures. [b] Monthly wages (annual averages). Includes special allowances for transportation and meals.

[c] Monthly income (annual averages). [d] Deflated, in the case of the minimum wage, by the consumer price index for the Caracas metropolitan area corresponding to the lowest-income quartile and, in the case of average incomes, by the general consumer price index for the Caracas metropolitan area.

Table 23

VENEZUELA: CONSOLIDATED PUBLIC SECTOR INCOME AND EXPENDITURE

	Billions of bolívares			Percentage of GDP		Growth rates		
	1991	1992	1993[a]	1992	1993[a]	1991	1992	1993[a]
1. Total income	**1 031**	**1 028**	**1 314**	**24.9**	**24.4**	**35.9**	**-0.3**	**27.8**
1.1 Current income	895	1 018	1 306	24.6	24.3	18.3	13.7	28.3
Internal revenue and social security taxes	166	289	407	7.0	7.6	67.8	74.1	40.8
Petróleos de Venezuela S.A. [b]	644	652	788	15.8	14.7	9.4	1.2	20.9
Other public enterprises [b]	62	44	65	1.1	1.2	37.8	-29.0	47.7
Other current income	23	33	46	0.8	0.9	-4.2	43.5	39.4
1.2 Capital income	136	10	8	0.2	0.1		-92.6	-20.0
2. Total expenditure	**1 025**	**1 266**	**1 500**	**30.6**	**27.9**	**35.9**	**23.5**	**18.5**
2.1 Current expenditure	601	764	969	18.5	18.0	27.8	27.0	26.9
On consumption	181	264	326	6.4	6.1	32.4	45.9	23.5
Transfers	225	280	354	6.8	6.6	46.6	24.4	26.4
Interest	124	197	246	4.8	4.6	-3.1	58.9	24.8
Exchange rate subsidy	29	-	-	-	-	-43.8	-	-
Other	42	23	44	0.6	0.8	...	-45.2	91.3
2.2 Capital expenditure	424	502	531	12.1	9.9	49.3	18.4	5.8
Capital formation	276	400	426	9.7	7.9	2.6	44.9	6.5
Other capital expenditure	148	102	105	2.5	2.0	880.0	-31.1	2.9
3. Fiscal balance (1-2)	**6**	**-238**	**-186**	**-5.8**	**-3.5**			

Source: ECLAC, on the basis of figures provided by the Central Bank of Venezuela and the Central Office of the Budget (OCEPRE).
[a] Preliminary figures. [b] Pre-tax operating surplus.

Table 24

VENEZUELA: CENTRAL GOVERNMENT INCOME AND EXPENDITURE

	Billions of bolívares			Percentage of GDP			Growth rates		
	1991	1992	1993[a]	1991	1992	1993[a]	1991	1992	1993[a]
1. **Total income**	**817.7**	**736.8**	**911.6**	**26.9**	**17.8**	**17.0**	**57.8**	**-9.9**	**23.7**
1.1 Current income	694.6	736.8	902.2	22.9	17.8	16.8	34.1	6.1	22.4
Petroleum revenues	556.3	484.8	541.5	18.3	11.7	10.1	30.6	-12.9	11.7
Income tax [b]	414.4	339.4	367.1	13.6	8.2	6.8	31.7	-18.1	8.2
Royalties	141.9	145.4	174.4	4.7	3.5	3.2	27.7	2.5	19.9
Non-petroleum revenue	138.3	252.0	360.7	4.6	6.1	6.7	49.9	82.2	43.1
Income tax	38.0	62.3	114.5	1.3	1.5	2.1	25.2	63.9	83.8
Customs	56.9	84.3	100.4	1.9	2.0	1.9	89.7	48.2	19.1
Other indirect taxes	32.4	62.9	69.2	1.1	1.5	1.3	82.6	94.1	10.0
Other	11.0	42.5	76.6	0.4	1.0	1.4	-22.0	286.4	80.2
1.2 Capital income	123.1	-	9.4	4.1	-	0.2			
2. **Total expenditure**	**734.0**	**887.2**	**1 092.0**	**24.2**	**21.5**	**20.3**	**29.8**	**20.9**	**23.1**
2.1 Current expenditure	537.8	665.0	833.6	17.7	16.1	15.5	22.4	23.7	25.4
Remunerations	129.9	196.1	248.3	4.3	4.7	4.6	40.7	51.0	26.6
Interest	104.6	144.1	164.9	3.4	3.5	3.1	12.6	37.8	14.4
Current transfers	237.1	278.1	354.7	7.8	6.7	6.6	38.1	17.3	27.5
Exchange rate subsidy	29.4	-	-	1.0	-	-	-43.8	-	-
Other current expenditure	36.7	46.7	65.7	1.2	1.1	1.2	22.4	27.2	40.7
2.2 Capital expenditure	196.2	222.2	258.4	6.5	5.4	4.8	55.4	13.3	16.3
Real investment	37.6	52.0	55.3	1.2	1.3	1.0	-37.4	38.3	6.3
Other capital expenditure	158.6	170.2	203.1	5.2	4.1	3.8	139.7	7.3	19.3
3. **Current balance** (1.1 - 2.1)	**156.9**	**71.8**	**68.6**	**5.2**	**1.7**	**1.3**			
4. **Fiscal balance** (1 - 2)	**83.8**	**-150.4**	**-180.4**	**2.8**	**-3.6**	**-3.4**			
5. **Financing**	**-83.8**	**150.4**	**180.3**	**-2.8**	**3.6**	**3.4**			

Source: ECLAC, on the basis of figures supplied by the Central Bank of Venezuela.

[a] Preliminary figures. [b] Includes technology tax. [c] Includes agricultural debt, administrative debt, variations in the Amortization Fund, liquidation of assets and other sources of domestic financing.

Table 25
VENEZUELA: MONETARY INDICATORS

	Year-end balances (Billions of bolívares)			Growth rates			
	1991	1992	1993[a]	1990	1991	1992	1993[a]
Monetary base	**330.4**	**382.4**	**422.7**	**82.3**	**83.9**	**15.7**	**10.5**
Money (M1)	**365.7**	**396.0**	**438.0**	**41.2**	**51.3**	**8.3**	**10.6**
Currency outside banks	76.3	108.4	136.2	40.0	35.7	42.1	25.7
Demand deposits	289.4	287.6	301.8	41.5	56.0	-0.6	4.9
Liquidity (M2)	**1 116.1**	**1 321.3**	**1 660.7**	**60.9**	**49.5**	**18.4**	**25.7**
International reserves (net) [b]	684.7	814.2	909.5	69.4	51.1	18.9	11.7
Domestic credit	431.5	507.1	751.2	...	...	17.5	48.1
To public sector	33.4	97.4	370.3	0.5	-63.2	191.4	280.2
Central Government (net)	-8.1	219.6	366.7	-4.1	-110.5		67.0
Public institutions	41.5	-122.4	3.6	40.3	213.2		
To private sector	577.1	768.0	859.8	25.1	47.9	33.1	12.0
Other accounts (net)	-179.1	-358.3	-478.9				
Factors of absorption							
Quasi-money (savings and time deposits)	750.4	925.2	1 222.6	72.5	48.7	23.3	32.1
		Coefficients					
Monetary multipliers							
M1/monetary base	1.11	1.04	1.04				
M2/monetary base	3.38	3.46	3.93				
Liquidity coefficient [c]							
M1/GDP	10.00	9.22	7.80				

Source: ECLAC, on the basis of figures provided by the Central Bank of Venezuela and the International Monetary Fund (IMF).
[a] Preliminary figures. [b] Central Bank of Venezuela only. [c] Percentages.

Table 26

VENEZUELA: INTEREST RATES [a]

(Annualized percentages)

	Nominal		Real		Dollar equivalents	
	On deposits	On loans	On deposits	On loans	On deposits	On loans
	Simple rates [b]					
1990	29.1	35.1	-5.4	-1.0	11.6	16.8
1991	31.3	38.3	0.2	5.6	8.6	14.4
1992	35.0	42.5	2.3	8.0	4.3	10.1
1993						
I	45.8	54.3	6.8	13.0	14.0	20.6
II	56.8	65.3	11.0	17.0	32.1	39.2
III	50.5	58.1	3.3	8.5	4.5	9.8
IV	65.0	67.8	2.2	4.0	18.3	20.3
	Effective rates [c]					
1990	33.3	41.4	-2.3	3.6	15.3	22.2
1991	36.2	45.8	3.9	11.3	12.6	20.6
1992	41.2	51.8	7.0	15.0	9.1	17.3
1993						
I	56.8	70.1	14.8	24.6	22.6	33.0
II	74.3	88.8	23.4	33.7	46.9	59.1
III	64.3	76.4	12.8	21.1	14.1	22.5
IV	88.3	93.5	16.7	19.9	35.0	38.8

Source: ECLAC, on the basis of figures from official sources.

[a] Average of the six main banks. [b] Monthly rates multiplied by 12. [c] Annualization of monthly rates at compound interest.

ECLAC publications

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Casilla 179-D Santiago de Chile

PERIODIC PUBLICATIONS

C E P A L Review

CEPAL Review first appeared in 1976 as part of the Publications Programme of the Economic Commission for Latin America and the Caribbean, its aim being to make a contribution to the study of the economic and social development problems of the region. The views expressed in signed articles, including those by Secretariat staff members, are those of the authors and therefore do not necessarily reflect the point of view of the Organization.

CEPAL Review is published in Spanish and English versions three times a year.

Annual subscription costs for 1994 are US$16 for the Spanish version and US$18 for the English version. The price of single issues is US$10 in both cases.

The cost of a two-year subscription (1994-1995) is US$30 for Spanish-language version and US$34 for English.

Estudio Económico de América Latina y el Caribe			***Economic Survey of Latin America and the Caribbean***		
1980,		664 pp.	***1980,***		629 pp.
1981,		863 pp.	***1981,***		837 pp.
1982,	*vol. I*	693 pp.	***1982,***	***vol. I***	658 pp.
1982,	*vol. II*	199 pp.	***1982,***	***vol. II***	186 pp.
1983,	*vol. I*	694 pp.	***1983,***	***vol. I***	686 pp.
1983,	*vol. II*	179 pp.	***1983,***	***vol. II***	166 pp.
1984,	*vol. I*	702 pp.	***1984,***	***vol. I***	685 pp.
1984,	*vol. II*	233 pp.	***1984,***	***vol. II***	216 pp.
1985,		672 pp.	***1985,***		660 pp.
1986,		734 pp.	***1986,***		729 pp.
1987,		692 pp.	***1987,***		685 pp.
1988,		741 pp.	***1988,***		637 pp.
1989,		821 pp.	***1989,***		678 pp.
1990,	*vol. I*	260 pp.	***1990,***	***vol. I***	248 pp.
1990,	*vol. II*	590 pp.	***1990,***	***vol. II***	472 pp.
1991,	*vol. I*	299 pp.	***1991,***	***vol. I***	281 pp.
1991,	*vol. II*	602 pp.	***1991,***	***vol. II***	455 pp.
1992,	*vol. I*	297 pp.	***1992,***	***vol. I***	286 pp.
1992,	*vol. II*	579 pp.	***1992,***	***vol. II***	467 pp.
1993,	*vol. I*	289 pp.	***1993,***	***vol. I***	272 pp.
1993,	*vol. II*	532 pp.			

(Issues for previous years also available)

Anuario Estadístico de América Latina y el Caribe / *Statistical Yearbook for Latin America and the Caribbean (bilingual)*

1980,	617 pp.	*1988,*	782 pp.
1981,	727 pp.	*1989,*	770 pp.
1982/1983,	749 pp.	*1990,*	782 pp.
1984,	761 pp.	*1991,*	856 pp.
1985,	792 pp.	*1992,*	868 pp.
1986,	782 pp.	*1993,*	860 pp.
1987,	714 pp.	*1994,*	863 pp.

(Issues for previous years also available)

Libros de la C E P A L

1 *Manual de proyectos de desarrollo económico*, 1958, 5th. ed. 1980, 264 pp.

1 Manual on economic development projects, 1958, 2nd. ed. 1972, 242 pp.

2 *América Latina en el umbral de los años ochenta,* 1979, 2nd. ed. 1980, 203 pp.

3 *Agua, desarrollo y medio ambiente en América Latina,* 1980, 443 pp.

4 *Los bancos transnacionales y el financiamiento externo de América Latina. La experiencia del Perú,* 1980, 265 pp.

4 Transnational banks and the external finance of Latin America: the experience of Peru, 1985, 342 pp.

5 *La dimensión ambiental en los estilos de desarrollo de América Latina,* Osvaldo Sunkel, 1981, 2nd. ed. 1984, 136 pp.

6 *La mujer y el desarrollo: guía para la planificación de programas y proyectos,* 1984, 115 pp.

6 Women and development: guidelines for programme and project planning, 1982, 3rd. ed. 1984, 123 pp.

7 *Africa y América Latina: perspectivas de la cooperación interregional,* 1983, 286 pp.

8 *Sobrevivencia campesina en ecosistemas de altura,* vols. I y II, 1983, 720 pp.

9 *La mujer en el sector popular urbano. América Latina y el Caribe,* 1984, 349 pp.

10 *Avances en la interpretación ambiental del desarrollo agrícola de América Latina,* 1985, 236 pp.
11 *El decenio de la mujer en el escenario latinoamericano,* 1986, 216 pp.
11 ***The decade for women in Latin America and the Caribbean: background and prospects,*** 1988, 215 pp.
12 *América Latina: sistema monetario internacional y financiamiento externo,* 1986, 416 pp.
12 ***Latin America: international monetary system and external financing,*** 1986, 405 pp.
13 *Raúl Prebisch: Un aporte al estudio de su pensamiento,* 1987, 146 pp.
14 *Cooperativismo latinoamericano: antecedentes y perspectivas,* 1989, 371 pp.
15 *CEPAL, 40 años (1948-1988),* 1988, 85 pp.
15 ***ECLAC 40 Years (1948-1988),*** 1989, 83 pp.
16 *América Latina en la economía mundial,* 1988, 321 pp.
17 *Gestión para el desarrollo de cuencas de alta montaña en la zona andina,* 1988, 187 pp.
18 *Políticas macroeconómicas y brecha externa: América Latina en los años ochenta,* 1989, 201 pp.
19 *CEPAL, Bibliografía, 1948-1988,* 1989, 648 pp.
20 *Desarrollo agrícola y participación campesina,* 1989, 404 pp.
21 *Planificación y gestión del desarrollo en áreas de expansión de la frontera agropecuaria en América Latina,* 1989, 113 pp.
22 *Transformación ocupacional y crisis social en América Latina,* 1989, 243 pp.
23 *La crisis urbana en América Latina y el Caribe: reflexiones sobre alternativas de solución,* 1990, 197 pp.
24 ***The environmental dimension in development planning I,*** 1991, 302 pp.
25 *Transformación productiva con equidad,* 1990, 3rd. ed. 1991, 185 pp.
25 ***Changing production patterns with social equity,*** 1990, 3rd. ed. 1991, 177 pp.
26 *América Latina y el Caribe: opciones para reducir el peso de la deuda,* 1990, 118 pp.
26 ***Latin America and the Caribbean: options to reduce the debt burden,*** 1990, 110 pp.
27 *Los grandes cambios y la crisis. Impacto sobre la mujer en América Latina y el Caribe,* 1991, 271 pp.
27 ***Major changes and crisis. The impact on women in Latin America and the Caribbean***, 1992, 279 pp.
28 ***A collection of documents on economic relations between the United States and Central America, 1906-1956,*** 1991, 398 pp.
29 *Inventarios y cuentas del patrimonio natural en América Latina y el Caribe,* 1991, 335 pp.
30 *Evaluaciones del impacto ambiental en América Latina y el Caribe,* 1991, 232 pp.
31 *El desarrollo sustentable: transformación productiva, equidad y medio ambiente,* 1991, 146 pp.
31 ***Sustainable development: changing production patterns, social equity and the environment,*** 1991, 146 pp.
32 *Equidad y transformación productiva: un enfoque integrado,* 1993, 254 pp.
33 *Educación y conocimiento: eje de la transformación productiva con equidad,* 1992, 269 pp.
33 ***Education and knowledge: basic pillars of changing production patterns with social equity,*** 1993, 257 pp.
34 *Ensayos sobre coordinación de políticas macroeconómicas,* 1992, 249 pp.
35 *Población, equidad y transformación productiva,* 1993, 158 pp.
35 ***Population, social equity and changing production patterns,*** 1993, 153 pp.
36 *Cambios en el perfil de las familias. La experiencia regional,* 1993, 434 pp.
37 *Familia y futuro: un programa regional en América Latina y el Caribe,* 1994, 137 pp.
38 *Imágenes sociales de la modernización y la transformación tecnológica,* 1995, 198 pp.
39 *El regionalismo abierto en América Latina y el Caribe,* 1994, 109 pp.
39 ***Open regionalism in Latin America and the Caribbean,*** 1994, 103 pp.
40 *Políticas para mejorar la inserción en la economía mundial,* 1995, 314 pp.

MONOGRAPH SERIES

Cuadernos de la C E P A L

1 *América Latina: el nuevo escenario regional y mundial* / ***Latin America: the new regional and world setting,*** (bilingual), 1975, 2nd. ed. 1985, 103 pp.
2 *Las evoluciones regionales de la estrategia internacional del desarrollo,* 1975, 2nd. ed. 1984, 73 pp.
2 ***Regional appraisals of the international development strategy,*** 1975, 2nd. ed. 1985, 82 pp.
3 *Desarrollo humano, cambio social y crecimiento en América Latina,* 1975, 2nd. ed. 1984, 103 pp.
4 *Relaciones comerciales, crisis monetaria e integración económica en América Latina,* 1975, 85 pp.
5 *Síntesis de la segunda evaluación regional de la estrategia internacional del desarrollo,* 1975, 72 pp.
6 *Dinero de valor constante. Concepto, problemas y experiencias,* Jorge Rose, 1975, 2nd. ed. 1984, 43 pp.
7 *La coyuntura internacional y el sector externo,* 1975, 2nd. ed. 1983, 106 pp.
8 *La industrialización latinoamericana en los años setenta,* 1975, 2nd. ed. 1984, 116 pp.
9 *Dos estudios sobre inflación 1972-1974. La inflación en los países centrales. América Latina y la inflación importada,* 1975, 2nd. ed. 1984, 57 pp.
s/n ***Canada and the foreign firm,*** D. Pollock, 1976, 43 pp.

10 *Reactivación del mercado común centroamericano,* 1976, 2nd. ed. 1984, 149 pp.

11 *Integración y cooperación entre países en desarrollo en el ámbito agrícola,* Germánico Salgado, 1976, 2nd. ed. 1985, 62 pp.

12 *Temas del nuevo orden económico internacional,* 1976, 2nd. ed. 1984, 85 pp.

13 *En torno a las ideas de la CEPAL: desarrollo, industrialización y comercio exterior,* 1977, 2nd. ed. 1985, 57 pp.

14 *En torno a las ideas de la CEPAL: problemas de la industrialización en América Latina,* 1977, 2nd. ed. 1984, 46 pp.

15 *Los recursos hidráulicos de América Latina. Informe regional,* 1977, 2nd. ed. 1984, 75 pp.

15 ***The water resources of Latin America. Regional report,*** 1977, 2nd. ed. 1985, 79 pp.

16 *Desarrollo y cambio social en América Latina,* 1977, 2nd. ed. 1984, 59 pp.

17 *Estrategia internacional de desarrollo y establecimiento de un nuevo orden económico internacional,* 1977, 3rd. ed. 1984, 61 pp.

17 ***International development strategy and establishment of a new international economic order,*** 1977, 3rd. ed. 1985, 59 pp.

18 *Raíces históricas de las estructuras distributivas de América Latina,* A. di Filippo, 1977, 2nd. ed. 1983, 64 pp.

19 *Dos estudios sobre endeudamiento externo,* C. Massad and R. Zahler, 1977, 2nd. ed. 1986, 66 pp.

s/n ***United States – Latin American trade and financial relations: some policy recommendations,*** S. Weintraub, 1977, 44 pp.

20 *Tendencias y proyecciones a largo plazo del desarrollo económico de América Latina,* 1978, 3rd. ed. 1985, 134 pp.

21 *25 años en la agricultura de América Latina: rasgos principales 1950-1975,* 1978, 2nd. ed. 1983, 124 pp.

22 *Notas sobre la familia como unidad socioeconómica,* Carlos A. Borsotti, 1978, 2nd. ed. 1984, 60 pp.

23 *La organización de la información para la evaluación del desarrollo,* Juan Sourrouille, 1978, 2nd. ed. 1984, 61 pp.

24 *Contabilidad nacional a precios constantes en América Latina,* 1978, 2nd. ed. 1983, 60 pp.

s/n ***Energy in Latin America: The Historical Record,*** J. Mullen, 1978, 66 pp.

25 *Ecuador: desafíos y logros de la política económica en la fase de expansión petrolera,* 1979, 2nd. ed. 1984, 153 pp.

26 *Las transformaciones rurales en América Latina: ¿desarrollo social o marginación?,* 1979, 2nd. ed. 1984, 160 pp.

27 *La dimensión de la pobreza en América Latina,* Oscar Altimir, 1979, 2nd. ed. 1983, 89 pp.

28 *Organización institucional para el control y manejo de la deuda externa. El caso chileno,* Rodolfo Hoffman, 1979, 35 pp.

29 *La política monetaria y el ajuste de la balanza de pagos: tres estudios,* 1979, 2nd. ed. 1984, 61 pp.

29 ***Monetary policy and balance of payments adjustment: three studies,*** 1979, 60 pp.

30 *América Latina: las evaluaciones regionales de la estrategia internacional del desarrollo en los años setenta,* 1979, 2nd. ed. 1982, 237 pp.

31 *Educación, imágenes y estilos de desarrollo,* G. Rama, 1979, 2nd. ed. 1982, 72 pp.

32 *Movimientos internacionales de capitales,* R. H. Arriazu, 1979, 2nd. ed. 1984, 90 pp.

33 *Informe sobre las inversiones directas extranjeras en América Latina,* A. E. Calcagno, 1980, 2nd. ed. 1982, 114 pp.

34 *Las fluctuaciones de la industria manufacturera argentina, 1950-1978,* D. Heymann, 1980, 2nd. ed. 1984, 234 pp.

35 *Perspectivas de reajuste industrial: la Comunidad Económica Europea y los países en desarrollo,* B. Evers, G. de Groot and W. Wagenmans, 1980, 2nd. ed. 1984, 69 pp.

36 *Un análisis sobre la posibilidad de evaluar la solvencia crediticia de los países en desarrollo,* A. Saieh, 1980, 2nd. ed. 1984, 82 pp.

37 *Hacia los censos latinoamericanos de los años ochenta,* 1981, 146 pp.

s/n ***The economic relations of Latin America with Europe,*** 1980, 2nd. ed. 1983, 156 pp.

38 *Desarrollo regional argentino: la agricultura,* J. Martin, 1981, 2nd. ed. 1984, 111 pp.

39 *Estratificación y movilidad ocupacional en América Latina,* C. Filgueira and C. Geneletti, 1981, 2nd. ed. 1985, 162 pp.

40 *Programa de acción regional para América Latina en los años ochenta,* 1981, 2nd. ed. 1984, 62 pp.

40 ***Regional programme of action for Latin America in the 1980s,*** 1981, 2nd. ed. 1984, 57 pp.

41 *El desarrollo de América Latina y sus repercusiones en la educación. Alfabetismo y escolaridad básica,* 1982, 246 pp.

42 *América Latina y la economía mundial del café,* 1982, 95 pp.

43 *El ciclo ganadero y la economía argentina,* 1983, 160 pp.

44 *Las encuestas de hogares en América Latina,* 1983, 122 pp.

45 *Las cuentas nacionales en América Latina y el Caribe,* 1983, 100 pp.

45 ***National accounts in Latin America and the Caribbean,*** 1983, 97 pp.

46 *Demanda de equipos para generación, transmisión y transformación eléctrica en América Latina,* 1983, 193 pp.

47 *La economía de América Latina en 1982: evolución general, política cambiaria y renegociación de la deuda externa,* 1984, 104 pp.

48 *Políticas de ajuste y renegociación de la deuda externa en América Latina,* 1984, 102 pp.

49 *La economía de América Latina y el Caribe en 1983: evolución general, crisis y procesos de ajuste,* 1985, 95 pp.

49 The economy of Latin America and the Caribbean in 1983: main trends, the impact of the crisis and the adjustment processes, 1985, 93 pp.

50 *La CEPAL, encarnación de una esperanza de América Latina,* Hernán Santa Cruz, 1985, 77 pp.

51 *Hacia nuevas modalidades de cooperación económica entre América Latina y el Japón,* 1986, 233 pp.

51 Towards new forms of economic co-operation between Latin America and Japan, 1987, 245 pp.

52 *Los conceptos básicos del transporte marítimo y la situación de la actividad en América Latina,* 1986, 112 pp.

52 Basic concepts of maritime transport and its present status in Latin America and the Caribbean, 1987, 114 pp.

53 *Encuestas de ingresos y gastos. Conceptos y métodos en la experiencia latinoamericana.* 1986, 128 pp.

54 *Crisis económica y políticas de ajuste, estabilización y crecimiento,* 1986, 123 pp.

54 The economic crisis: policies for adjustment, stabilization and growth, 1986, 125 pp.

55 *El desarrollo de América Latina y el Caribe: escollos, requisitos y opciones,* 1987, 184 pp.

55 Latin American and Caribbean development: obstacles, requirements and options, 1987, 184 pp.

56 *Los bancos transnacionales y el endeudamiento externo en la Argentina,* 1987, 112 pp.

57 *El proceso de desarrollo de la pequeña y mediana empresa y su papel en el sistema industrial: el caso de Italia,* 1988, 112 pp.

58 *La evolución de la economía de América Latina en 1986,* 1988, 99 pp.

58 The evolution of the Latin American Economy in 1986, 1988, 95 pp.

59 Protectionism: regional negotiation and defence strategies, 1988, 261 pp.

60 *Industrialización en América Latina: de la "caja negra" al "casillero vacío",* F. Fajnzylber, 1989, 2nd. ed. 1990, 176 pp.

60 Industrialization in Latin America: from the "Black Box" to the "Empty Box", F. Fajnzylber, 1990, 172 pp.

61 *Hacia un desarrollo sostenido en América Latina y el Caribe: restricciones y requisitos,* 1989, 94 pp.

61 Towards sustained development in Latin America and the Caribbean: restrictions and requisites, 1989, 93 pp.

62 *La evolución de la economía de América Latina en 1987,* 1989, 87 pp.

62 The evolution of the Latin American economy in 1987, 1989, 84 pp.

63 *Elementos para el diseño de políticas industriales y tecnológicas en América Latina,* 1990, 2nd. ed. 1991, 172 pp.

64 *La industria de transporte regular internacional y la competitividad del comercio exterior de los países de América Latina y el Caribe,* 1989, 132 pp.

64 The international common-carrier transportation industry and the competitiveness of the foreign trade of the countries of Latin America and the Caribbean, 1989, 116 pp.

65 *Cambios estructurales en los puertos y la competitividad del comercio exterior de América Latina y el Caribe,* 1991, 141 pp.

65 Structural Changes in Ports and the Competitiveness of Latin American and Caribbean Foreign Trade, 1990, 126 pp.

66 The Caribbean: one and divisible, 1993, 207 pp.

67 *La transferencia de recursos externos de América Latina en la posguerra,* 1991, 92 pp.

67 Postwar transfer of resources abroad by Latin America, 1992, 90 pp.

68 *La reestructuración de empresas públicas: el caso de los puertos de América Latina y el Caribe,* 1992, 148 pp.

68 The restructuring of public-sector enterprises: the case of Latin American and Caribbean ports, 1992, 129 pp.

69 *Las finanzas públicas de América Latina en la década de 1980,* 1993, 100 pp.

69 Public Finances in Latin America in the 1980s, 1993, 96 pp.

70 *Canales, cadenas, corredores y competitividad: un enfoque sistémico y su aplicación a seis productos latinoamericanos de exportación,* 1993, 183 pp.

71 *Focalización y pobreza,* 1995, 249 pp.

73 *El gasto social en América Latina: un examen cuantitativo y cualitativo,* 1995, 167 pp.

Cuadernos Estadísticos de la C E P A L

1 *América Latina: relación de precios del intercambio,* 1976, 2nd. ed. 1984, 66 pp.

2 *Indicadores del desarrollo económico y social en América Latina,* 1976, 2nd. ed. 1984, 179 pp.

3 *Series históricas del crecimiento de América Latina,* 1978, 2nd. ed. 1984, 206 pp.

4 *Estadísticas sobre la estructura del gasto de consumo de los hogares según finalidad del gasto, por grupos de ingreso,* 1978, 110 pp. (Out of print; replaced by No. 8 below)

5 *El balance de pagos de América Latina, 1950-1977,* 1979, 2nd. ed. 1984, 164 pp.

6 *Distribución regional del producto interno bruto sectorial en los países de América Latina,* 1981, 2nd. ed. 1985, 68 pp.

7 *Tablas de insumo-producto en América Latina,* 1983, 383 pp.
8 *Estructura del gasto de consumo de los hogares según finalidad del gasto, por grupos de ingreso,* 1984, 146 pp.
9 *Origen y destino del comercio exterior de los países de la Asociación Latinoamericana de Integración y del Mercado Común Centroamericano,* 1985, 546 pp.
10 *América Latina: balance de pagos, 1950-1984,* 1986, 357 pp.
11 *El comercio exterior de bienes de capital en América Latina,* 1986, 288 pp.
12 *América Latina: índices del comercio exterior, 1970-1984,* 1987, 355 pp.
13 *América Latina: comercio exterior según la clasificación industrial internacional uniforme de todas las actividades económicas,* 1987, Vol. I, 675 pp; Vol. II, 675 pp.
14 *La distribución del ingreso en Colombia. Antecedentes estadísticos y características socioeconómicas de los receptores,* 1988, 156 pp.
15 *América Latina y el Caribe: series regionales de cuentas nacionales a precios constantes de 1980,* 1991, 245 pp.
16 *Origen y destino del comercio exterior de los países de la Asociación Latinoamericana de Integración,* 1991, 190 pp.
17 *Comercio intrazonal de los países de la Asociación de Integración, según capítulos de la clasificación uniforme para el comercio internacional, revisión 2,* 1992, 299 pp.
18 *Clasificaciones estadísticas internacionales incorporadas en el Banco de Datos del Comercio Exterior de América Latina y el Caribe de la CEPAL,* 1993, 313 pp.
19 *América Latina: comercio exterior según la clasificación industrial internacional uniforme de todas las actividades económicas (CIIU) - Volumen I - Exportaciones,* 1993, 285 pp.
19 *América Latina: comercio exterior según la clasificación industrial internacional uniforme de todas las actividades económicas (CIIU) - Volumen II - Importaciones,* 1993, 291 pp.
20 *Dirección del comercio exterior de América Latina y el Caribe según principales productos y grupos de productos, 1970-1992,* 1994, 483 pp.
21 *Estructura del gasto de consumo de los hogares en América Latina,* 1995, 274 pp.

Estudios e Informes de la C E P A L

1 *Nicaragua: el impacto de la mutación política,* 1981, 2nd. ed. 1982, 126 pp.
2 *Perú 1968-1977: la política económica en un proceso de cambio global,* 1981, 2nd. ed. 1982, 166 pp.
3 *La industrialización de América Latina y la cooperación internacional,* 1981, 170 pp. (Out of print, will not be reprinted.)
4 *Estilos de desarrollo, modernización y medio ambiente en la agricultura latinoamericana,* 1981, 4th. ed. 1984, 130 pp.
5 *El desarrollo de América Latina en los años ochenta,* 1981, 2nd. ed. 1982, 153 pp.
5 ***Latin American development in the 1980s,*** 1981, 2nd. ed. 1982, 134 pp.
6 *Proyecciones del desarrollo latinoamericano en los años ochenta,* 1981, 3rd. ed. 1985, 96 pp.
6 ***Latin American development projections for the 1980s,*** 1982, 2nd. ed. 1983, 89 pp.
7 *Las relaciones económicas externas de América Latina en los años ochenta,* 1981, 2nd. ed. 1982, 180 pp.
8 *Integración y cooperación regionales en los años ochenta,* 1982, 2nd. ed. 1982, 174 pp.
9 *Estrategias de desarrollo sectorial para los años ochenta: industria y agricultura,* 1981, 2nd. ed. 1985, 100 pp.
10 *Dinámica del subempleo en América Latina. PREALC,* 1981, 2nd. ed. 1985, 101 pp.
11 *Estilos de desarrollo de la industria manufacturera y medio ambiente en América Latina,* 1982, 2nd. ed. 1984, 178 pp.
12 *Relaciones económicas de América Latina con los países miembros del "Consejo de Asistencia Mutua Económica",* 1982, 154 pp.
13 *Campesinado y desarrollo agrícola en Bolivia,* 1982, 175 pp.
14 *El sector externo: indicadores y análisis de sus fluctuaciones. El caso argentino,* 1982, 2nd. ed. 1985, 216 pp.
15 *Ingeniería y consultoría en Brasil y el Grupo Andino,* 1982, 320 pp.
16 *Cinco estudios sobre la situación de la mujer en América Latina,* 1982, 2nd. ed. 1985, 178 pp.
16 ***Five studies on the situation of women in Latin America,*** 1983, 2nd. ed. 1984, 188 pp.
17 *Cuentas nacionales y producto material en América Latina,* 1982, 129 pp.
18 *El financiamiento de las exportaciones en América Latina,* 1983, 212 pp.
19 *Medición del empleo y de los ingresos rurales,* 1982, 2nd. ed. 1983, 173 pp.
19 ***Measurement of employment and income in rural areas,*** 1983, 184 pp.
20 *Efectos macroeconómicos de cambios en las barreras al comercio y al movimiento de capitales: un modelo de simulación,* 1982, 68 pp.
21 *La empresa pública en la economía: la experiencia argentina,* 1982, 2nd. ed. 1985, 134 pp.
22 *Las empresas transnacionales en la economía de Chile, 1974-1980,* 1983, 178 pp.
23 *La gestión y la informática en las empresas ferroviarias de América Latina y España,* 1983, 195 pp.

24 *Establecimiento de empresas de reparación y mantenimiento de contenedores en América Latina y el Caribe,* 1983, 314 pp.

24 Establishing container repair and maintenance enterprises in Latin America and the Caribbean, 1983, 236 pp.

25 *Agua potable y saneamiento ambiental en América Latina, 1981-1990 / **Drinking water supply and sanitation in Latin America, 1981-1990*** (bilingual), 1983, 140 pp.

26 *Los bancos transnacionales, el estado y el endeudamiento externo en Bolivia,* 1983, 282 pp.

27 *Política económica y procesos de desarrollo. La experiencia argentina entre 1976 y 1981,* 1983, 157 pp.

28 *Estilos de desarrollo, energía y medio ambiente: un estudio de caso exploratorio,* 1983, 129 pp.

29 *Empresas transnacionales en la industria de alimentos. El caso argentino: cereales y carne,* 1983, 93 pp.

30 *Industrialización en Centroamérica, 1960-1980,* 1983, 168 pp.

31 *Dos estudios sobre empresas transnacionales en Brasil,* 1983, 141 pp.

32 *La crisis económica internacional y su repercusión en América Latina,* 1983, 81 pp.

33 *La agricultura campesina en sus relaciones con la industria,* 1984, 120 pp.

34 *Cooperación económica entre Brasil y el Grupo Andino: el caso de los minerales y metales no ferrosos,* 1983, 148 pp.

35 *La agricultura campesina y el mercado de alimentos: la dependencia externa y sus efectos en una economía abierta,* 1984, 201 pp.

36 *El capital extranjero en la economía peruana,* 1984, 178 pp.

37 *Dos estudios sobre política arancelaria,* 1984, 96 pp.

38 *Estabilización y liberalización económica en el Cono Sur,* 1984, 193 pp.

39 *La agricultura campesina y el mercado de alimentos: el caso de Haití y el de la República Dominicana,* 1984, 255 pp.

40 *La industria siderúrgica latinoamericana: tendencias y potencial,* 1984, 280 pp.

41 *La presencia de las empresas transnacionales en la economía ecuatoriana,* 1984, 77 pp.

42 *Precios, salarios y empleo en la Argentina: estadísticas económicas de corto plazo,* 1984, 378 pp.

43 *El desarrollo de la seguridad social en América Latina,* 1985, 348 pp.

44 Market structure, firm size and Brazilian exports, 1985, 104 pp.

45 *La planificación del transporte en países de América Latina,* 1985, 247 pp.

46 *La crisis en América Latina: su evaluación y perspectivas,* 1985, 119 pp.

47 *La juventud en América Latina y el Caribe,* 1985, 181 pp.

48 *Desarrollo de los recursos mineros de América Latina,* 1985, 145 pp.

48 Development of the mining resources of Latin America, 1989, 160 pp.

49 *Las relaciones económicas internacionales de América Latina y la cooperación regional,* 1985, 224 pp.

50 *América Latina y la economía mundial del algodón,* 1985, 122 pp.

51 *Comercio y cooperación entre países de América Latina y países miembros del CAME,* 1985, 90 pp.

52 Trade relations between Brazil and the United States, 1985, 148 pp.

53 *Los recursos hídricos de América Latina y el Caribe y su aprovechamiento,* 1985, 138 pp.

53 The water resources of Latin America and the Caribbean and their utilization, 1985, 135 pp.

54 *La pobreza en América Latina: dimensiones y políticas,* 1985, 155 pp.

55 *Políticas de promoción de exportaciones en algunos países de América Latina,* 1985, 207 pp.

56 *Las empresas transnacionales en la Argentina,* 1986, 222 pp.

57 *El desarrollo frutícola y forestal en Chile y sus derivaciones sociales,* 1986, 227 pp.

58 *El cultivo del algodón y la soya en el Paraguay y sus derivaciones sociales,* 1986, 141 pp.

59 *Expansión del cultivo de la caña de azúcar y de la ganadería en el nordeste del Brasil: un examen del papel de la política pública y de sus derivaciones económicas y sociales,* 1986, 164 pp.

60 *Las empresas transnacionales en el desarrollo colombiano,* 1986, 212 pp.

61 *Las empresas transnacionales en la economía del Paraguay,* 1987, 115 pp.

62 *Problemas de la industria latinoamericana en la fase crítica,* 1986, 113 pp.

63 *Relaciones económicas internacionales y cooperación regional de América Latina y el Caribe,* 1987, 272 pp.

63 International economic relations and regional co-operation in Latin America and the Caribbean, 1987, 267 pp.

64 *Tres ensayos sobre inflación y políticas de estabilización,* 1986, 201 pp.

65 *La industria farmacéutica y farmoquímica: desarrollo histórico y posibilidades futuras. Argentina, Brasil y México,* 1987, 177 pp.

66 *Dos estudios sobre América Latina y el Caribe y la economía internacional,* 1987, 125 pp.

67 *Reestructuración de la industria automotriz mundial y perspectivas para América Latina,* 1987, 232 pp.

68 *Cooperación latinoamericana en servicios: antecedentes y perspectivas,* 1988, 155 pp.

69 *Desarrollo y transformación: estrategia para superar la pobreza*, 1988, 114 pp.

69 ***Development and change: strategies for vanquishing poverty***, 1988, 114 pp.

70 *La evolución económica del Japón y su impacto en América Latina*, 1988, 88 pp.

70 ***The economic evolution of Japan and its impact on Latin America***, 1990, 79 pp.

71 *La gestión de los recursos hídricos en América Latina y el Caribe*, 1989, 256 pp.

72 *La evolución del problema de la deuda externa en América Latina y el Caribe*, 1988, 77 pp.

72 ***The evolution of the external debt problem in Latin America and the Caribbean***, 1988, 69 pp.

73 *Agricultura, comercio exterior y cooperación internacional*, 1988, 83 pp.

73 ***Agriculture, external trade and international co-operation***, 1989, 79 pp.

74 *Reestructuración industrial y cambio tecnológico: consecuencias para América Latina*, 1989, 105 pp.

75 *El medio ambiente como factor de desarrollo*, 1989, 2nd. ed. 1991, 123 pp.

76 *El comportamiento de los bancos transnacionales y la crisis internacional de endeudamiento*, 1989, 214 pp.

76 ***Transnational bank behaviour and the international debt crisis***, 1989, 198 pp.

77 *Los recursos hídricos de América Latina y del Caribe: planificación, desastres naturales y contaminación*, 1990, 266 pp.

77 ***The water resources of Latin America and the Caribbean - Planning hazards and pollution***, 1990, 252 pp.

78 *La apertura financiera en Chile y el comportamiento de los bancos transnacionales*, 1990, 132 pp.

79 *La industria de bienes de capital en Amérca Latina y el Caribe: su desarrollo en un marco de cooperación regional*, 1991, 235 pp.

80 *Impacto ambiental de la contaminación hídrica producida por la Refinería Estatal Esmeraldas: análisis técnico-económico*, 1991, 189 pp.

81 *Magnitud de la pobreza en América Latina en los años ochenta*, 1991, 177 pp.

82 *América Latina y el Caribe: el manejo de la escasez de agua*, 1991, 148 pp.

83 *Reestructuración y desarrollo de la industria automotriz mexicana en los años ochenta: evolución y perspectivas*, 1992, 191 pp.

84 *La transformación de la producción en Chile: cuatro ensayos de interpretación*, 1993, 372 pp.

85 *Inversión extranjera y empresas transnacionales en la economía de Chile (1974-1989). Proyectos de inversión y estrategias de las empresas transnacionales*, 1992, 257 pp.

86 *Inversión extranjera y empresas transnacionales en la economía de Chile (1974-1989). El papel del capital extranjero y la estrategia nacional de desarrollo*, 1992, 163 pp.

87 *Análisis de cadenas agroindustriales en Ecuador y Perú*, 1993, 294 pp.

88 *El comercio de manufacturas de América Latina. Evolución y estructura 1962-1989*, 1993, 150, pp.

89 *El impacto económico y social de las migraciones en Centroamérica*, 1993, 78 pp.

90 *El papel de las empresas transnacionales en la reestructuración industrial de Colombia: una síntesis*, 1993, 131 pp.

92 *Reestructuración y desarrollo productivo: desafío y potencial para los años noventa*, 1994, 108 pp.

93 *Comercio internacional y medio ambiente. La discusión actual*, 1995, 112 pp.

Serie INFOPLAN: Temas Especiales del Desarrollo

1 *Resúmenes de documentos sobre deuda externa*, 1986, 324 pp.

2 *Resúmenes de documentos sobre cooperación entre países en desarrollo*, 1986, 189 pp.

3 *Resúmenes de documentos sobre recursos hídricos*, 1987, 290 pp.

4 *Resúmenes de documentos sobre planificación y medio ambiente*, 1987, 111 pp.

5 *Resúmenes de documentos sobre integración económica en América Latina y el Caribe*, 1987, 273 pp.

6 *Resúmenes de documentos sobre cooperación entre países en desarrollo, II parte*, 1988, 146 pp.

7 *Documentos sobre privatización con énfasis en América Latina*, 1991, 82 pp.

8 *Reseñas de documentos sobre desarrollo ambientalmente sustentable*, 1992, 217 pp.

9 *MERCOSUR: resúmenes de documentos*, 1993, 119 pp.

10 *Políticas sociales: resúmenes de documentos*, 1995, 95 pp.

كيفية الحصول على منشورات الامم المتحدة

يمكن الحصول على منشورات الامم المتحدة من المكتبات ودور التوزيع في جميع انحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب الى : الامم المتحدة ،قسم البيع في نيويورك او في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.

Publications of the Economic Commission for Latin America and the Caribbean (ECLAC) and those of the Latin American and the Caribbean Institute for Economic and Social Planning (ILPES) can be ordered from your local distributor or directly through:

United Nations Publications
Sales Section, — DC-2-866
New York, NY, 10017
USA

United Nations Publications
Sales Section
Palais des Nations
1211 Geneve 10, Switzerland

Distribution Unit
CEPAL — Casilla 179-D
Santiago, Chile