MEXICO

1. General trends

Mexico’s economy grew at an annual rate of 1.1% in 2013, heavily down from the 2012 figure of 4.0%, reflecting slower growth in goods and services exports (1.2% in 2013, versus 5.9% in 2012, in real terms) and slacker domestic demand (1.3%, as against 4.8% in 2012). The fiscal deficit, including investments by Petróleos Mexicanos (Pemex), closed the year at 2.4% of GDP, slightly smaller than the 2.7% registered in 2012. Year-on-year inflation stood at 4.0% in December, very close to the ceiling of the central bank’s target range (3%, with a margin of one percentage point either side). The federal public sector’s net debt was equivalent to 37.7% of GDP in December 2013, compared with 36.5% at year-end 2012. Mexico’s slowing exports widened the current account deficit to 1.8% of GDP in 2013, from 1.2% in 2012.

The first year of the administration of President Enrique Peña Nieto saw the negotiation and adoption of structural reforms in a number of areas, including education, telecommunications, competition, fiscal affairs and energy. This took place in the framework of the Pact for Mexico, an agreement signed by the three largest political parties and the Office of the President. The Pact sets forth 95 commitments to carry forward a range of economic, political and social initiatives and reforms. The reforms will also need properly implementation and supporting legislation if they are to have a significant impact on economic activity. In the first few months of 2014 the executive branch sent supporting draft legislation on telecommunications and energy to congress, but this had yet to be approved at the end of May.

ECLAC projects a growth rate of 2.5% for the Mexican economy in 2014, reflecting stronger economic activity on the back of higher public spending and an upturn in external demand. This projection represents a downward revision, however, after economic performance, especially consumption and exports, fell short of expectations in the first few months of the year. For 2014 congress approved a significantly larger fiscal deficit than in 2013: 3.5% of GDP, including Pemex investments. After reflecting the temporary impacts of tax and tariff measures in the first two months of 2014, inflation slowed and is expected to remain within the target range. The current account deficit is projected at around 1.6% of GDP for the year.

2. Economic policy

(a) Fiscal policy

In early 2013, the new administration announced a zero-deficit policy for the year, governed by the provisions of the Federal Budget and Fiscal Responsibility Act, but had to adjust this target as economic activity slackened. The primary deficit came in at 0.8% of GDP, while the total deficit was around 2.4%. The adjustment reflected a shift in the federal government’s stance from a commitment to a zero fiscal deficit (not including Pemex investments) to a strategy allowing limited use of public debt to mitigate cyclical fluctuations.

Public revenues were up by 4.2% in real terms (3.2% in 2012). Petroleum-sector income expanded by 2.7% in real terms despite a contraction in production volumes, thanks to higher international prices for natural gas and a fall in the exchange rate. Non-petroleum tax revenues climbed 4.4% in real terms. Mexico changed its methodology for calculating tax income in 2013, so the figures cannot be compared directly with those of 2012. After correcting for the effects of the methodology, all income taxes (the flat-rate business tax, income tax and the tax on cash deposits) expanded by 6.8%, owing to the impacts of the fiscal debt regularization scheme for 2013, additional income from advance operations conducted before the entry into effect of the new tax framework in 2014 and tax on the sale of Grupo Modelo. The take from value added tax rose 2.7% in real terms, while the take from the excise tax on production and services was up by 3.8%.

Tax income rose as a percentage of GDP, from 9.7% in 2012 to 8.4% in 2013. Total public sector revenues, including tax, oil income and income from State-owned agencies and companies, amounted to 23.6% of GDP.

Total public expenditures rose 2.7% in real terms, compared with 3.7% in 2012. Public spending was less than budgeted in the first quarter, as often occurs when a new government enters office, but the budget had been fully executed by the end of the year. Spending on economic and social development rose by 6.7% and 3.1%, respectively, in real terms.

The federal public sector’s net debt amounted to 37.7% of GDP at the close of 2013, 1.2 percentage points above the figure for end-2012. As has been the case over the past few years, debt was issued principally on the domestic market, which took the ratio of domestic debt from 29.3% to 30.6% of GDP. The external debt coefficient rose by just 0.1 of a percentage point to 7.1% of GDP. After expanding strongly in the two preceding years, foreign residents’ holdings as a percentage of total government securities varied little, from 36.5% at the end of 2012 to 36.9% a year later. The federal government placed several debt issues on the international markets in 2013, including US$ 3.9 billion in global bonds maturing in 2023 and a 10-year euro-denominated bond in the amount of US$ 1.6 billion.

A fiscal reform adopted in 2013 is expected to raise additional revenues of around one GDP percentage point. Significant among the changes are the repeal of the flat-rate business tax and the cash deposit tax; the introduction of a more progressive income tax, with its top rate increased from 30% to 35%; a 10% tax on stock-market capital gains and an 8% levy on the sale of high-calorie non-staple foods. The fiscal reform will also lead to changes in government spending, including the creation of a universal minimum old-age pension. The government has announced a commitment to make no more changes to fiscal policy for the remainder of its term, which ends in 2018.

The fiscal deficit projected for 2014 is the largest for the past 10 years, but the government expects to bring it gradually down to 2% by the end of its mandate. Public revenues grew year-on-year by 3.8% in real terms in the first quarter of 2014. Tax revenues rose by 10.7% in real terms, as a result of the fiscal reform, with an especially notable expansion in the take from the excise tax on production and services (18.2%). By contrast, oil revenues were down by 0.7% in real terms, owing to lower international prices and smaller production volumes. Public spending posted strong year-on-year growth in the first quarter (13.2%) but this partly reflected the abovementioned underspending of the budget in the year-earlier period.

In February 2014, Moody’s Investors Service upgraded its rating of Mexico’s government bonds from Baa1 to A3 with a stable outlook, thanks to the approval of the structural reforms.

(b) Monetary policy

With economic activity slowing heavily and inflation within the target range, the Bank of Mexico lowered the reference rate of interest by 50 basis points on 8 March 2013, after holding it steady at 4.5% for almost three years. This was followed by two further cuts of 25 basis points apiece in September and October, taking the rate to 3.5%.

The yield on 28-day treasury certificates (CETES), which are a reference for deposit rates in the financial system, fell by 0.2% on average over 2013 and closed December at -0.7%. On the lending side, the Bank of Mexico calculated the average rate on household loans to be 13.7% (compared with 14.0% in 2012) in nominal terms, giving a decrease from 10.1% in 2012 to 9.3% in 2013 in real terms.

Bank lending to the private sector expanded by 10.0% in nominal terms, with a rise of 11.0% and 6.8% in credit to consumers and industry, respectively. The Mexican stock exchange (IPyC) index averaged 42,259 units in December 2013, compared with 43,202 in December 2012, which represented an annual nominal reduction of 2.2%.

The central bank cut its benchmark interest rate again in June 2014, this time to 3%, on the basis that inflation is expected to be under the target range and economic activity is showing some buoyancy. Average real yields on 28-day CETES were negative (-0.7%) in the first five months of 2014, while the average rate for household lending was 13.4% in nominal terms, or 8.9% in real terms, in the first quarter.

(c) Exchange-rate policy

The exchange rate remained volatile in 2013, with a low of 11.98 Mexican pesos to the dollar on 9 May and a high of 13.44 pesos to the dollar on 3 September. The daily variation never exceeded 2% with respect to the previous working day’s exchange rate, however, so on 9 April the Foreign Exchange Commission suspended its daily auctions of dollars at minimum exchange rates. In fact, the auction mechanism had not been used since the allocation of US$ 281 million on 23 July 2012.

At the end of December, the interbank exchange rate stood at 13.1 pesos to the dollar, representing a nominal decrease of 0.8% with respect to end-2012. The real exchange rate fell by 4%. The nominal exchange rate rose by a slight 1% in the first five months of 2014, with a rate of 12.9 pesos to the dollar at the end of May.

International reserves closed 2013 at US$ 176.579 billion, compared with US$ 162.592 billion at the end of 2012. The 2013 figure was equivalent to 13.7% of GDP and 5.6 months of import cover. Mexico continues to have access to a US$ 73-billion International Monetary Fund (IMF) flexible credit line, which was renewed in November 2012.

(d) Other policies

The first year of the administration of President Enrique Peña Nieto saw the adoption of structural reforms on core issues for the performance of the Mexican economy.

With regard to education, the Mexican Congress approved a constitutional reform to strengthen assessment and oversight mechanisms with a view to improving educational standards, and the supporting legislation needed to implement the reform was passed in September 2013. In April 2013 a reform was adopted in the field of telecommunications and competition, including the creation of the Federal

Telecommunications Institute, whose remit includes fostering competition in open and subscriber television, radio and fixed and mobile telephone services, as well as paving the way for expanding and making more efficient use of infrastructure, among other measures. The corresponding secondary legislation was being discussed in congress in May 2014.

The chief objectives of the financial reform are to create the conditions for expanding credit to the production sector and fostering financial inclusion. The measures revolve mainly around facilitating guarantee recovery for banks, restricting banks' sales of tied packages, facilitating consumer credit transfer between financial entities, increasing oversight of competition in the financial system, and ensuring regulation by the central bank of bank commission and lending rates.

Lastly, the energy reform brought changes to several articles of Mexico's Constitution. Underground hydrocarbons continue to be owned by the State and oil exploration and extraction may not be offered in concession. The State can, however, allocate these activities to its own agencies, or hire private contractors to perform them. Private firms may also participate in the basic petrochemicals industry and in logistical activities, including transport, storage and distribution of oil, gas, petroleum products and petrochemicals. At the end of May the legislation to support these energy reforms had yet to be adopted.

In the realm of trade, Mexico concluded negotiations for a free trade agreement with Panama in March 2014 and continued to pursue integration with Chile, Colombia and Peru in the framework of the Pacific Alliance. In August 2013 the partners announced the conclusion of the trade component, which will lift tariffs immediately for 92% of products, with another 8% to be freed gradually. In 2014 meetings have been held with the intention of progressing towards the free movement of persons. Mexico also continues to participate in the various rounds of negotiations on the Trans-Pacific Partnership (TPP).

3. The main variables

(a) The external sector

In 2013 total goods exports continued the slowdown begun the previous year, and posted nominal annual growth of 2.6% (6.1% in 2012). The export sector's poor performance contrasts sharply with that of the previous two decades, when exports of goods expanded at an average annual rate of close to 10%. Petroleum exports dropped by 6.3% year-on-year, mainly owing to a reduction in the volume exported, while non-petroleum exports climbed 4.0%. Manufacturing exports grew by 4.2%, boosted by the performances of the automotive, steelworking and food and beverages sectors.

The figure for export growth reflected annual expansion of 2.8% in volume terms combined with a drop of 0.3% in prices, and the terms of trade slipped by 0.1%. The United States continued to account for almost 80% of Mexico's exports (78.8%, compared with 77.6% in 2012), followed by Canada, with 2.7%, and Spain, with 1.9% of total exports.

Growth in goods imports came down to 2.8% in 2013, from 5.7% in 2012. Capital goods imports slowed heavily, with a growth rate of just 1.3%, versus 10.1% in 2012, while imports of consumer and intermediate goods were up by 5.6% and 2.5%, respectively. The goods balance ran a small deficit of US$ 736 million (0.06% of GDP), contrasting with a US$ 227 million surplus in 2012.

Services exports picked up slightly, turning in growth of 3.6%, as against 1.1% in 2012, driven by the travel account (up 7.2%). Income from family remittances was down by 3.8% year-on-year, but showed positive interannual growth for several months starting in August, after 13 straight months of contraction.

Foreign direct investment (FDI) in Mexico came to US$ 38.286 billion, compared with US$ 17.628 billion in 2012. The surge was due in good part to the acquisition of Grupo Modelo, a beer maker, by the Belgian-owned transnational AB InBev for a net sum of US$ 13.250 billion. Outward investment by Mexican firms totalled US$ 12.938 billion, significantly less than the US$ 22.470 billion in 2012, but similar to the figure for earlier years.

Exports rose 3.2% year-on-year in the first four months of 2014, with a 5.6% increase in non-oil exports partially offset by an 11.5% drop in oil exports. Manufacturing exports climbed 5.5%. Imports were up by 1.8% year-on-year, reducing the trade deficit slightly. Family remittances amounted to US$ 7.440 billion in the first four months of 2014, which represented a rise of 9.0% over the year-earlier period, continuing the recovery that began in the second half of 2013. FDI flows amounted to US$ 5.821 billion in the first quarter, 28.4% less than in the first quarter of 2013.

(b) Economic activity

GDP growth was modest in all four quarters of 2013. The best performance was in the second quarter, with a year-on-year rate of 1.6%. By sector, construction posted the weakest average performance over the year with a 4.5% downturn, reflecting a heavy slump in housing construction. Agriculture felt the impact of adverse climate conditions and expanded by just 0.5%. By contrast, manufacturing and services grew at average annual rates of 1.4% and 2.1%, respectively.

Domestic demand slowed heavily (up just 1.3%, compared with 4.8% in 2012), reflecting a 1.8% contraction in gross fixed capital formation and a small upturn in consumption, especially public consumption (1.1%, against 3.3% in 2012). Private consumption was sluggish (2.5%), affected by the fall in remittances and the meagre gain in the wage bill.

Mexico’s economy has been less vigorous in the first few months of 2014 than the country’s government and economic analysts in general had expected, and growth forecasts for the year overall have been trimmed accordingly. In December 2013, ECLAC estimated annual growth of 3.5% for 2014, but has now adjusted this figure to 2.7%. In the first quarter GDP posted a year-on-year growth rate of 1.8%. The primary sector expanded by 4.9%, on the back of a buoyant performance by agriculture. The secondary sector was up by 1.6%, driven by manufacturing, while the tertiary sector expanded 1.8%.

(c) Prices, wages and employment

The general year-on-year inflation rate picked up in the first half of 2013 and rose above 4% between March and June, owing to supply shocks, especially in agricultural products. The rate then eased in the second half, and closed the year within the central bank’s target range. The sectors posting the highest inflation at year-end were agriculture (6.7%) and education (4.4%).

Inflation picked up again in January 2014 (4.48% year-on-year), as the fiscal measures and adjustments to public prices took effect, but from March onwards the rate came within the target range (3.51% in May).

Despite the small upturn in economic activity in 2013, the national unemployment rate remained at the same level, on average, as in 2012, at 4.9%. The proportion of the economically active population employed in the informal sector decreased by half a percentage point to average 28.3%. Underemployment eased down from 8.5% in 2012 to 8.3% in 2013. The economic slowdown led to a decrease in the number of new workers registering with the Mexican Social Security Institute (IMSS), from 712,000 in 2012 to 463,000 in 2013 (December - December). By the end of 2013, the number of workers registered with the Institute reached 16.5 million, up from 16.1 million at end-2012. The real minimum wage rose 0.7% in 2013, and real wages in the manufacturing sector fell by 0.3%.

The national unemployment rate edged down to 4.8% in the first quarter of 2014, from 4.9% in the year-earlier period. The number of workers registered with IMSS rose by 530,300 between May 2012 and May 2013. The nominal minimum wage rose by 3.9% in 2014, with a real-term rise of 0.8% year-on-year in May.

Table 1
MEXICO: MAIN ECONOMIC INDICATORS

	2005	2006	2007	2008	2009	2010	2011	2012	2013 a/
	Annual growth rates b/								
Gross domestic product	3.1	5.0	3.2	1.4	-4.7	5.2	3.9	4.0	1.1
Per capita gross domestic product	1.8	3.7	1.9	0.1	-5.9	4.0	2.7	2.8	-0.1
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-3.7	6.1	4.6	0.7	-3.9	3.4	-6.1	8.2	0.3
Mining and quarrying	0.1	-0.7	-1.4	-3.7	-4.0	0.9	-0.4	0.9	-1.7
Manufacturing	2.7	4.5	1.0	-1.0	-8.4	8.5	4.6	4.0	1.4
Electricity, gas and water	8.6	12.1	6.3	1.3	1.3	4.5	6.9	2.4	0.2
Construction	3.6	8.7	4.7	3.8	-6.1	0.8	4.1	2.0	-4.5
Wholesale and retail commerce, restaurants and hotels	4.9	6.2	3.9	0.1	-12.1	10.5	8.7	4.8	2.7
Transport, storage and communications	5.4	7.2	8.1	1.8	-2.3	5.3	4.2	8.3	2.9
Financial institutions, insurance, real estate and business services	3.6	5.4	4.4	5.6	-0.7	5.1	4.3	3.9	1.8
Community, social and personal services	2.1	2.7	2.1	1.4	0.8	1.1	0.7	2.7	1.2
Gross domestic product, by type of expenditure									
Final consumption expenditure	4.2	5.2	3.0	2.1	-5.2	5.1	4.5	4.6	2.3
Government consumption	3.0	3.4	2.5	3.0	2.2	1.7	2.4	3.4	1.2
Private consumption	4.4	5.5	3.0	1.9	-6.5	5.7	4.8	4.9	2.5
Gross capital formation	3.2	11.1	3.7	6.2	-13.3	4.5	5.4	5.5	-2.4
Exports (goods and services)	5.7	7.7	3.6	-1.3	-11.8	20.5	8.2	5.9	1.2
Imports (goods and services)	7.7	10.2	5.9	4.4	-17.6	20.5	8.0	5.5	1.5
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	22.3	23.5	23.4	24.4	22.9	22.1	22.3	23.2	21.6
National saving	21.3	22.7	22.0	22.6	22.0	21.7	21.2	21.9	19.5
External saving	1.0	0.8	1.4	1.8	0.9	0.4	1.1	1.3	2.0
Balance of payments	**Millions of dollars**								
Current account balance	-8,956	-7,795	-14,658	-20,015	-8,152	-3,886	-12,556	-15,058	-25,856
Goods balance	-7,663	-6,312	-10,311	-17,615	-4,926	-2,943	-1,263	227	-736
Exports, f.o.b.	214,633	250,319	272,293	291,886	229,975	298,860	349,946	371,378	380,903
Imports, f.o.b.	222,295	256,631	282,604	309,501	234,901	301,803	351,209	371,151	381,638
Services trade balance	-7,068	-7,733	-7,661	-7,976	-10,218	-10,557	-14,793	-14,563	-12,227
Income balance	-16,363	-19,699	-23,091	-19,892	-14,601	-11,922	-19,473	-23,282	-34,693
Net current transfers	22,137	25,949	26,405	25,469	21,593	21,537	22,974	22,559	21,801
Capital and financial balance d/	15,740	11,531	24,459	34,893	16,307	45,908	52,556	53,526	62,121
Net foreign direct investment	18,206	15,105	23,997	27,156	7,727	8,303	10,718	-4,842	25,348
Other capital movements	-2,466	-3,573	463	7,738	8,579	37,605	41,838	58,368	36,773
Overall balance	9,904	2,206	10,856	8,078	4,528	20,615	28,180	17,524	17,789
Variation in reserve assets e/	-9,904	-2,206	-10,856	-8,078	-4,528	-20,615	-28,180	-17,524	-17,789
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	100.0	100.0	100.9	103.4	117.9	109.1	109.1	112.5	106.6
Terms of trade for goods (index: 2005=100)	100.0	100.5	101.4	102.2	90.8	97.7	104.7	102.6	102.5
Net resource transfer (millions of dollars)	2,498	-9,698	2,423	8,201	-1,921	12,579	21,263	9,301	8,951
Total gross external debt (millions of dollars)	128,248	119,084	128,090	129,424	165,932	197,727	209,743	227,323	258,560
Employment	**Average annual rates**								
Labour force participation rate g/	57.9	58.8	58.8	58.7	58.6	58.4	58.6	59.2	59.1
Open unemployment rate h/	4.7	4.6	4.8	4.9	6.7	6.4	5.9	5.8	5.7
Visible underemployment rate g/	7.5	6.8	7.2	6.8	8.8	8.7	8.6	8.5	8.3

Table 1 (concluded)

	2005	2006	2007	2008	2009	2010	2011	2012	2013 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	3.3	4.1	3.8	6.5	3.6	4.4	3.8	3.6	4.0
Variation in industrial producer prices (December-December)	3.4	7.3	5.4	7.8	4.1	4.7	8.8	0.4	1.5
Variation in nominal exchange rate (annual average)	-3.5	0.1	0.2	2.1	21.1	-6.5	-1.5	5.7	-3.0
Variation in average real wage	1.9	1.6	1.5	0.2	-1.0	-0.9	0.8	0.2	-0.1
Nominal deposit rate i/	7.6	6.1	6.0	6.7	5.1	4.2	4.2	4.2	3.9
Nominal lending rate j/	9.7	7.5	7.6	8.7	7.1	5.3	4.9	4.7	4.3
Federal government	**Percentajes of GDP**								
Total revenue	15.0	14.8	15.0	16.7	16.6	15.7	16.0	15.7	16.8
Tax revenue	8.6	8.5	8.8	8.1	9.4	9.5	8.9	8.4	9.7
Total expenditure	16.1	16.5	16.9	18.3	18.7	18.4	18.5	18.4	19.3
Current expenditure	13.6	13.9	14.0	14.8	16.1	15.7	15.8	15.9	16.1
Interest	1.5	1.5	1.4	1.4	1.7	1.5	1.5	1.6	1.6
Capital expenditure	2.4	2.6	2.9	3.5	2.6	2.6	2.7	2.5	3.1
Primary balance k/	0.5	-0.3	-0.5	-0.2	-0.5	-1.2	-1.0	-1.1	-0.8
Overall balance k/	-1.1	-1.7	-1.9	-1.6	-2.2	-2.7	-2.5	-2.7	-2.4
Federal government public debt	19.6	20.2	22.4	28.0	31.3	31.6	26.0	36.5	37.7
Domestic	13.0	15.9	18.0	22.6	25.3	25.4	20.5	29.3	30.6
External	6.6	4.3	4.4	5.3	6.0	6.2	5.5	7.2	7.1
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	31.5	34.4	37.0	37.0	43.2	44.5	44.9	46.8	49.6
To the public sector	15.2	15.0	15.4	16.2	20.4	20.1	19.2	19.2	18.9
To the private sector	16.2	19.4	21.6	20.8	22.8	24.3	25.8	27.6	30.7
Monetary base	4.0	4.3	4.3	4.7	5.2	5.2	5.3	5.4	5.7
Money (M1)	10.3	10.6	10.9	11.1	12.2	12.8	13.4	13.6	14.4
M2	19.2	18.6	19.4	21.1	22.3	22.1	22.3	22.5	23.7
Foreign-currency deposits	1.4	1.3	1.2	1.2	1.4	1.2	1.2	1.3	1.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2003 prices.
c/ Based on values calculated in national currency and expressed in current dollars.
d/ Includes errors and omissions.
e/ A minus sign (-) indicates an increase in reserve assets.
f/ Annual average, weighted by the value of goods exports and imports.
g/ Nationwide total.
h/ Urban areas.
i/ Cost of term deposits in the multibanking system.
j/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve.
Includes only stock certificates.

Table 2

MEXICO: MAIN QUARTERLY INDICATORS

	2012				2013				2014	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	4.3	2.9	4.4	3.9	4.9	4.5	3.2	3.2	0.8	...
Gross international reserves (millions of dollars)	128,261	133,894	141,088	149,209	155,949	162,721	165,590	167,050	171,298	170,097 c/
Real effective exchange rate (index: 2005=100) d/	104.2	104.0	109.4	118.0	110.9	116.5	112.1	109.4	105.6	101.9 c/
Open unemployment rate e/	6.0	5.9	6.3	5.6	5.8	5.9	6.0	5.8	5.8	...
Employment rate e/	55.9	56.5	56.8	57.6	56.8	57.6	57.8	57.3	56.4	...
Consumer prices (12-month percentage variation)	3.0	3.3	3.1	3.8	3.7	4.3	4.8	3.6	4.3	4.6 c/
Wholesale prices (12-month percentage variation)	5.4	6.0	7.6	8.8	5.9	6.4	4.0	0.4	1.1	0.4 f/
Average nominal exchange rate (pesos per dollar)	12.06	11.72	12.33	13.65	12.97	13.54	13.16	12.95	12.64	12.49
Nominal interest rates (annualized percentages)										
Deposit rate g/	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	3.9
Lending rate h/	5.1	5.0	4.8	4.8	4.7	4.7	4.7	4.7	4.6	4.4 c/
Interbank rate	4.8	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.7	4.3
Monetary policy rates	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.3	4.3
Sovereign bond spread, Embi + (basis points to end of period) i/	135	123	238	187	159	171	142	126	158	194
Risk premiia on five-year credit default swap (basis points to end of period)	105	107	197	154	118	140	101	98	97	131
International bond issues (millions of dollars)	6,700	4,685	6,044	3,597	9,520	3,055	9,147	6,425	5,547	5,852 c/
Stock price index (national index to end of period, 31 December 2005 = 100)	210	205	188	208	222	226	230	246	248	228
Domestic credit (variation from same quarter of preceding year)	11.3	12.3	11.4	10.4	11.1	11.1	10.3	10.6	10.4	11.0 f/
Non-performing loans as a percentage of total credit	2.2	2.4	2.6	2.2	2.3	2.3	2.3	2.3	2.4	2.5 f/

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based on figures in local currency at constant 2003 prices.
c/ Figures as of May.
d/ Quarterly average, weighted by the value of goods exports and imports.
e/ Urban areas.
f/ Figures as of April.
g/ Cost of term deposits in the multibanking system.
h/ Weighted average rate of private debt issues of up to 1 year, expressed as a 28-day curve. Includes only stock certificates.
i/ Measured by J.P.Morgan.

.