

CHILE

1. General trends

In 2015 the Chilean economy grew at a similar pace to the year before (2.1%, compared with 1.9% in 2014). This growth was sustained by consumption, which offset a downturn in investment, mainly in machinery and equipment, and in exports of goods and services. By sector, the performance of consumption supported a positive rendering by manufactures, commerce and services. Mining, meanwhile, showed a clear downturn and the construction sector was up on the previous year.

On the domestic front, the backdrop for economic activity was an expansionary fiscal policy entailing a substantial rise in capital spending. The impact of this on the public deficit (2.2% of GDP in 2015, equating to a structural deficit of 1.6%) was partly offset by the proceeds of the tax reform. Consistent with this result, the monetary policy rate was negative in real terms for much of the year.

The economic performance did not entirely reflect these efforts, partly because of unfavourable external conditions, with slacker external demand and heightened financial volatility leading to a fall in copper prices, nominal exchange-rate depreciation and a slowdown in financial inflows.

Chile's export performance took a hit from weaker external demand and lower copper prices despite the positive impact of the real-term exchange-rate depreciation on non-traditional exports. This, together with a hefty capital outflow in the form of profit repatriations, pushed up the deficit on the current account, from 1.1% in 2014 to 2.1% in 2015.

Apart from its negative effect on the tax take, the lower copper price made mining investment less profitable and eroded foreign direct investment flows. Lastly, nominal exchange-rate depreciation pushed up the external debt of the production sector and the economy overall (70.1% of GDP in 2015). It also put upward pressure on prices so that inflation, at 4.7%, remained above the central bank's 3% target.

In this context, job creation slowed and unemployment edged up.

Economic growth is projected to slow to around 1.6% in 2016 owing to slower growth in domestic demand. No significant changes are augured on the international front, which will be affected above all by the fragile state of the Chinese economy and the impact of a potential interest rate hike by the United States Federal Reserve. On the domestic front, economic policy tightening—visible in the contraction of public spending—aimed at narrowing the structural deficit from 1.6% to 1.4% of GDP, and moderate rises planned in the benchmark interest rate, added to higher household and business borrowing, will act as a drag on aggregate demand and the situation of the labour market.

2. Economic policy

(a) Fiscal policy

In 2015 the fiscal deficit of the central government rose to 2.2%, exceeding the previous year's figure of 1.6%. The 2015 deficit, which equated to a structural deficit of 1.6% of GDP, essentially

reflected expansionary spending policy (up 7.4% in real terms in 2015, after a rise of 6.5% in 2014), despite the hefty rise in revenues (which jumped in real terms by 1.5% and 5.2% in 2014 and 2015, respectively) thanks to the tax reform. The deficit was financed chiefly from domestic resources.

The total debt of the central government stood at 17.6% of GDP in May 2016. The consolidated public sector debt was higher, owing in part to the impact of the lower copper prices and the depreciation of the peso on the balance sheets of the non-financial corporate public sector.

The spending rise was due in part to the capital outlays component which grew at its fastest pace for six years (up 7.0% in 2014 and 14.0% in 2015, in real terms) and, to a lesser extent, to the increase in current spending (up 6.0% in 2014 and 7.3% in 2015, in real terms). The jump in capital spending is the result of a public investment policy whose stated objectives included reactivating the economy and building infrastructure to boost the country's economic development.

Current spending (which represents over 80% of total budgeted spending) was directed towards subsidies, social security benefits and staff outlays, which represented 40%, 20% and 24%, respectively, of the total.

The impact of the tax reform was felt especially in receipts from non-mining direct taxation, which jumped by 26.9% in 2015 after a 1.0% downturn in 2014, owing to the rise in the take from category one taxes, which more than offset the contraction in mining taxes resulting from the average drop in the copper price from US\$ 3.11 to US\$ 2.50 per pound between 2014 and 2015. This outcome also reflected the jump in non-recurrent revenues resulting from the registration of overseas capital holdings under the tax reform.

A more austere fiscal budget has been announced for 2016. Total nominal spending will be up just 4.2%, mainly on social spending on education, health care and housing, which will account for 69% of the total). Together with the impact of the tax reform, which is expected to push collection up by 1.82% of GDP in 2016, these measures will result in a central government deficit of 3.2% of GDP and a structural deficit of 1.4% of GDP.

(b) Monetary policy

The central bank kept the monetary policy rate at 3.25% for most of 2015, then raised it by just 25 basis points in December, to 3.5%. This stance was justified by the weak domestic demand conditions reflected in confidence indices, which showed discouraging expectations regarding future economic performance.

In view of expectations that inflation in 2016 would breach the 4% ceiling of the tolerance band established by the central bank (with a 3% average over a two-year span), the central bank held the monetary policy rate low enough to keep it in negative territory in real terms until December. The adjustment that month took the rate into positive terrain, although still close to zero, which makes it the lowest rate among the region's inflation-targeting economies.

In principle, the central bank anticipates taking the monetary policy rate to 4% by means of two further rises in the second half of 2016 and in 2017, but whether it goes ahead will depend in great measure on the weakness or strength of domestic demand, the extent of peso depreciation and the uncertainty of international financial conditions.

Consistently with the expansionary monetary policy, the cost of credit has remained low compared with recent years, although interest rates on consumer and mortgage loans ticked up visibly towards the end of the year, and have risen by 120 and 80 basis points, respectively, since November 2015. The context of weak growth and higher risk has also prompted banks to tighten lending conditions and dampened demand for credit, despite the expansionary monetary stance. The available evidence suggests that real-term growth in consumer lending has dropped from 11% between 2011 and 2014 to 3% in 2015.

(c) Exchange-rate policy

In the framework of Chile's full-fledged inflation-targeting scheme, its free-floating nominal exchange rate acts as an absorber of external shocks. Over the reporting period overall, the nominal exchange rate depreciated from 570 to 654 pesos to the dollar on average between 2014 and 2015, but with a large range of volatility. In 2015, the exchange rate fluctuated between 597.1 and 715.7 pesos to the dollar.

This behaviour reflected uncertainty and volatility in the international financial markets, vulnerabilities and fragilities in the Chinese economy, low and volatile prices for raw materials, including copper and petroleum, as well as announcements by the Federal Reserve concerning the possible trajectory of the federal funds rate. In keeping with the behaviour of the nominal exchange rate, the real exchange rate depreciated (4.6% year-on-year in December 2015).

Although real-term currency depreciation improved conditions for non-traditional export sectors, nominal depreciation impacted inflation and hurt the balance sheets of firms with larger external liabilities, especially in non-tradable sectors (commerce, financial services and airlines).

(d) Other policies

Discussions moved forward over the course of the year on labour reform, which, together with tax reform and reform of the constitution, is a key pillar of the government's economic and social policy. The labour reform bill seeks to reduce inequality, even out bargaining conditions between employers and workers and strengthen trade union participation. Two of the bill's main measures are sole entitlement of trade unions to the right to collective bargaining, with non-union groups allowed to enter talks only where no trade union exists; and to prohibit replacement of striking workers, a practice which threatens the labour rights of potential strikers. The reform was declared unconstitutional in May 2016 on the basis of: (i) trade union sole entitlement, insofar as collective bargaining is a workers' right and trade unions cannot have exclusive bargaining powers; and (ii) the extension of automatic benefits through trade union membership, on the basis that this violates the right to freedom of contract enshrined in the Constitution. The bill is currently being reviewed by the Executive.

3. The main variables

(a) The external sector

Chile's current account deficit widened from US\$ 3.317 billion (1.3% of GDP) in 2014 to US\$ 4.761 billion (2.1% of GDP) in 2015. This outcome was the result of the contraction in exports, from US\$ 6.343 billion in 2014 to US\$ 3.494 billion in 2015, which significantly reduced the trade surplus, and

the deficit on the income account (US\$ 6.194 billion). The narrower trade surplus reflected weaker external demand and the heavier-than-expected drop in copper prices in the international markets (by 20%, from an average of US\$ 3.11 per pound in 2014 to US\$ 2.50 in 2015). These two factors offset the positive impact of the 14.5% drop in energy prices on total imports in 2015.

The fall in copper prices was partly due to real factors such as the slowdown in the Chinese economy. At the same time, however, the treatment of commodities like copper as financial assets means that their price is also affected by international financial market fluctuations and uncertainties.

In turn, the income balance reflected the repatriation of profits on foreign direct investment which, though sizeable at US\$ 9.352 billion, have been falling since 2007 and are projected to continue to do so in 2016. Another —albeit smaller— factor in the current account gap was the deficit on the goods and services balance (US\$ 317 million).

The current account deficit was financed by higher financial inflows, including the proceeds of corporate and public bond issues on the international markets and inflows of FDI (which were nevertheless down on 2014), and insurance payments following adverse natural events, including the earthquake of September 2015. FDI flows into Chile went mainly to infrastructure (electricity, gas and water) and manufacturing. Bond issuances came mostly from the mining, financial, commerce and electrical power sectors.

The higher indebtedness deriving from the increase in FDI and portfolio investment liabilities worsened Chile's net international investment position (from 14.7% of GDP in 2014 to 20.3% in 2015). This also reflected the impact of nominal exchange-rate depreciation. As a result, the country's total external debt rose from 61.9% to 70.1% of GDP, with 81% of the amount owned by the private sector and 19% by the public sector.

(b) Economic activity

Economic activity continued at a similar slow pace to the year before (2.1% in 2015, coming after 1.9% in 2014). On the expenditure side, growth was driven by consumption (up 2.1% in 2015), which partly offset the reduction in autonomous expenditure components with the greatest multiplier effect on the economy, such as investment and exports of goods and services, which were both down by 1.9%.

The downturn in investment was due chiefly to its procyclical component (machinery and equipment, which shrank by 8.2%), which responds rapidly to future growth expectations in the economy. Construction expanded by 1.9%, helping to stave off the employment effects of the economic slowdown the economy has been experiencing since 2013.

Analysis by sector shows that manufacturing, commerce and construction were among those impacting most positively on GDP. Conversely, mining exerted the largest negative influence on economic activity overall.

The performance of the manufacturing sector (up 2.0% in 2015 after a 0.6% contraction in 2014) was driven mainly by beverages and tobacco, and chemicals, rubber and plastic. Supporting this evolution were stronger consumption of final goods, the lower oil price —which more than offset the higher costs deriving from the nominal exchange-rate rise— and the drop in the prices of tradable goods relative to non-tradables, which allowed a degree of import substitution by domestic production.

The construction sector expanded at a similar pace to the previous year (2.6% and 2.3% in 2014 and 2015, respectively), thanks to momentum from residential construction owing in part to expectations of higher house prices in the future following the tax reform. From 1 January 2016, the VAT base in the construction sector was expanded to include tangible property, having been applicable hitherto only to construction activity (building contracts and, under certain circumstances, transfers of tangible property).

Mining output (-0.2%) was hurt by the end of the commodity supercycle. The drop in the copper price led to production adjustments in large-scale mining and the closure of several small- and medium-scale ventures. This brought down employment in mining from 242,000 workers in 2014 to 219,000 in 2015. The main effects of this at the aggregate level of the economy were smaller contributions to public finances (down 28% in nominal terms), and a 17% drop in mining exports, from US\$ 42 billion in 2014 to US\$ 35 billion in 2015.

The agricultural sector enjoyed an upturn of 5.6% in 2015, after a 4.5% contraction in 2014, reflecting expansion of the fruit-growing sector on the strength of benign natural conditions and real exchange-rate depreciation.

Commerce made a positive showing with growth of 0.9%, on the back of public and private consumption. Sales of footwear, clothing and domestic appliances, in particular, were strong. The communications sector maintained the momentum of previous years (8.0% annually on average for 2010-2014 and 7.8% in 2015) led by mobile telephony services, demand for which has been boosted by innovations and falling production costs.

Services performed better, especially business services (up 0.9% in 2014 and 1.9% in 2015), thanks to activities associated with the real estate sector and legal, accountancy and management activities.

Growth is expected to ease back to 1.6% in 2016, with its main drivers being manufacturing, commerce and services.

(c) Prices, wages and employment

Core inflation for the year (excluding foodstuffs and energy) came to 4%, breaching both the two-year average (3.0%) established by the monetary authorities and the ceiling of the inflation target tolerance band (4%). This was partly because of pass-through of exchange-rate depreciation to goods prices more than services prices (which were up by 5% and 4.5%, respectively, year-on-year in December 2015).

Available estimates suggest that an exchange-rate depreciation of 1% translates into a rise of between 0.1% and 0.2% in core inflation over the course of a year, and that the pass-through is stronger for goods than for services (0.15% and 0.08%, respectively within a year), and is even stronger for goods with a large imported component. Indexing to past inflation rates also acts as a mechanism spreading exchange-rate-driven inflation from tradable to non-tradable sectors. The inflation rate is expected to come down to 3.6% in 2016, thereby beginning a convergence towards the average target, notwithstanding the same factors that affected the evolution of inflation in 2015 will be present in 2016.

Employment stood at 6.2% in 2015, slightly down on the 2014 rate (6.4%), thanks to a small rise in the number of employed together with a fall in the participation rate. This outcome was partly due to

the fact that the sectors that maintained stronger growth over the year —such as construction, hotels and restaurants, and commerce— are highly labour-intensive, whereas the activities that suffered most in 2015, such as mining, are capital-intensive.

However, as demand for inputs and final goods begins to feel the impact of the slowdown in the capital-intensive sectors, and labour-intensive sectors such as construction lose momentum, the unemployment rate will likely rise to align with the phase of the economic cycle. The jobless rate did, in fact, edge up to 6.3% in the first quarter of 2016, compared with 6.1% in the year-earlier period.

These conditions will affect demand for labour and dampen wage growth, which slipped from 7.5% year-on-year in January 2015 to 5.2% in December.

Table 1
CHILE: MAIN ECONOMIC INDICATORS

	2007	2008	2009	2010	2011	2012	2013	2014	2015 a/
Annual growth rates b/									
Gross domestic product	4.6	3.7	-1.0	5.8	5.8	5.5	4.0	1.9	2.1
Per capita gross domestic product	3.4	2.5	-2.1	4.6	4.7	4.3	2.9	0.8	1.0
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	0.9	4.0	-5.6	0.3	11.8	-2.2	0.1	-3.0	4.3
Mining and quarrying	3.3	-5.6	-1.0	1.5	-5.0	3.8	5.6	2.5	-0.2
Manufacturing	3.0	1.4	-4.2	2.6	7.6	3.6	1.3	-0.6	2.0
Electricity, gas and water	-28.8	-1.8	13.8	8.4	11.7	8.4	6.0	4.0	1.4
Construction	4.6	10.1	-5.3	1.8	6.8	7.2	3.8	2.6	2.3
Wholesale and retail commerce, restaurants and hotels	6.2	4.9	-5.8	15.0	12.2	6.7	6.8	0.2	0.7
Transport, storage and communications	8.7	6.4	-5.2	8.8	7.0	9.8	6.5	4.3	4.5
Financial institutions, insurance, real estate and business services	8.0	3.2	2.0	5.4	7.5	6.0	2.8	1.8	2.5
Community, social and personal services	4.4	3.8	4.0	4.4	5.1	4.8	4.1	4.0	3.1
Gross domestic product, by type of expenditure									
Final consumption expenditure	7.0	3.9	0.8	9.8	7.8	5.7	5.2	2.8	2.1
Government consumption	7.1	0.5	9.2	4.6	2.5	3.5	3.5	5.1	5.8
Private consumption	7.0	4.5	-0.8	10.8	8.9	6.1	5.5	2.4	1.5
Gross capital formation	9.2	19.3	-23.5	30.8	16.5	11.3	-1.2	-11.3	-0.2
Exports (goods and services)	7.6	3.2	-4.5	2.3	5.5	0.1	3.3	1.1	-1.9
Imports (goods and services)	14.5	12.6	-16.2	25.5	16.0	4.8	2.1	-5.7	-2.8
Percentajes of GDP									
Investment and saving c/									
Gross capital formation	21.1	26.0	20.3	22.3	23.7	25.5	24.4	22.2	22.5
National saving	25.2	22.7	22.3	24.0	22.5	22.0	20.7	20.9	20.5
External saving	-4.1	3.2	-2.0	-1.7	1.2	3.5	3.7	1.3	2.0
Millions of dollars									
Balance of payments									
Current account balance	7,079	-5,800	3,518	3,769	-3,088	-9,375	-10,311	-3,316	-4,761
Goods balance	24,132	6,074	15,360	15,941	11,040	2,333	1,708	6,344	3,494
Exports, f.o.b.	68,561	64,510	55,463	71,109	81,438	77,791	76,386	74,924	62,232
Imports, f.o.b.	44,430	58,436	40,103	55,167	70,398	75,458	74,678	68,580	58,738
Services trade balance	-1,323	-1,208	-2,010	-1,897	-3,073	-2,744	-3,730	-3,818	-3,812
Income balance	-18,860	-13,596	-11,395	-14,686	-13,920	-11,025	-10,405	-7,692	-6,194
Net current transfers	3,129	2,930	1,563	4,410	2,865	2,060	2,115	1,849	1,750
Capital and financial balance d/	-10,293	12,244	-1,870	-746	17,278	9,009	10,623	4,373	4,973
Net foreign direct investment	8,326	7,453	6,159	6,049	3,057	7,937	9,491	9,428	4,663
Other capital movements	-18,619	4,791	-8,029	-6,795	14,221	1,071	1,132	-5,054	309
Overall balance	-3,214	6,444	1,648	3,023	14,190	-367	311	1,057	211
Variation in reserve assets e/	3,214	-6,444	-1,648	-3,023	-14,190	367	-311	-1,057	-211
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	97.1	97.3	101.6	96.3	95.3	94.0	95.2	105.4	108.8
Terms of trade for goods (index: 2010=100)	91.7	78.4	82.0	100.0	101.3	94.8	91.9	90.1	86.2
Net resource transfer (millions of dollars)	-29,153	-1,352	-13,265	-15,432	3,358	-2,016	218	-3,318	-1,222
Total gross external debt (millions of dollars)	53,627	63,534	72,617	84,986	99,306	120,546	132,632	145,666	145,667
Average annual rates									
Employment									
Labour force participation rate g/	54.9	56.0	55.9	58.5	59.8	59.5	59.6	59.8	59.7
Open unemployment rate g/	7.1	7.8	9.7	8.2	7.1	6.4	5.9	6.4	6.2
Visible underemployment rate h/	8.0	9.0	10.8	11.5	11.9	11.5	11.6	11.3	10.3

Table 1 (concluded)

	2007	2008	2009	2010	2011	2012	2013	2014	2015 a/
Prices	Annual percentages								
Variation in consumer prices (December-December)	7.8	7.1	-1.4	3.0	4.4	1.5	3.0	4.7	4.4
Variation in industrial producer prices (December-December)	14.0	22.7	-14.9	3.5	10.0	0.7	-2.8	-3.3	-10.7
Variation in nominal exchange rate (annual average)	-1.6	0.2	6.8	-8.8	-5.2	0.5	1.9	15.2	14.7
Variation in average real wage	2.8	-0.2	4.8	2.2	2.5	3.2	3.9	1.8	1.8
Nominal deposit rate i/	5.9	7.8	2.3	2.7	5.6	5.9	5.2	3.9	3.8
Nominal lending rate i/	13.6	15.2	12.9	11.8	12.4	13.5	13.2	10.8	9.3
Central government	Percentajes of GDP								
Total revenue	25.6	24.2	19.0	21.5	22.7	22.3	21.1	20.7	21.4
Tax revenue	19.2	18.9	15.3	17.2	18.7	19.0	18.2	18.1	19.1
Total expenditure	17.8	20.3	23.4	22.0	21.4	21.7	21.7	22.3	23.6
Current expenditure	14.7	16.7	19.0	18.0	17.3	17.7	18.0	18.5	19.3
Interest	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7
Capital expenditure	3.1	3.6	4.4	3.9	4.1	4.0	3.7	3.8	4.3
Primary balance	8.4	4.4	-3.9	0.0	1.8	1.2	0.0	-1.0	-1.5
Overall balance	7.8	3.9	-4.4	-0.5	1.3	0.6	-0.6	-1.6	-2.2
Central government public debt j/	3.9	5.1	5.8	8.7	11.1	11.3	12.8	15.1	17.5
Domestic	1.9	3.0	4.5	7.2	9.2	9.9	10.9	12.4	14.0
External	2.0	2.0	1.3	1.5	1.9	1.4	2.0	2.7	3.5
Money and credit k/	Percentages of GDP, end-of-year stocks								
Domestic credit	57.7	61.7	63.6	55.5	60.1	61.8	63.2	63.1	65.5
To the public sector	-3.3	-3.4	-1.8	-1.5	-1.3	-0.3	0.9	-0.1	-0.4
To the private sector	66.2	75.5	72.4	67.3	71.8	75.5	78.1	80.1	83.3
Others	-5.2	-10.3	-7.0	-10.3	-10.4	-13.4	-15.8	-16.9	-17.4
Monetary base	4.1	4.5	4.8	5.0	5.6	6.1	6.4	5.5	5.8
Money (M1)	12.0	11.8	14.7	15.2	15.5	15.9	16.6	17.5	18.7
M2	51.4	56.1	53.4	50.2	55.9	56.7	59.5	60.5	63.8
Foreign-currency deposits	4.6	6.9	5.5	6.3	5.8	6.4	7.0	8.7	9.1

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

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2008 prices. Up to 2008, 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. New measurements have been used since 2010; the data are not comparable with the previous series.

h/ Nationwide total. The 2004-2005, 2006-2009 and 2010-2012 series

are not comparable. In the first series a different sample was used and in the later series different measurements were used.

i/ Non-adjustable 90-360 day operations.

j/ Does not include publicly guaranteed debt.

k/ The monetary figures are December averages.

Table 2
CHILE: MAIN QUARTERLY INDICATORS

	2014				2015				2016	
	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/	2.7	2.3	0.9	1.6	2.7	2.1	2.2	1.3	2.0	...
Gross international reserves (millions of dollars)	40,316	40,758	40,251	40,057	38,806	38,574	38,277	38,565	38,756	39,858 c/
Real effective exchange rate (index: 2005=100) d/	103.7	104.1	107.3	106.4	106.9	104.7	111.2	112.6	110.6	109.2 c/
Open unemployment rate	6.5	6.5	6.6	6.0	6.1	6.5	6.4	5.8	6.3	...
Employment rate	56.2	55.7	55.5	56.4	55.9	55.7	55.8	56.4	55.7	...
Consumer prices (12-month percentage variation)	3.6	4.6	5.1	4.7	4.2	4.4	4.6	4.4	4.5	4.2 c/
Wholesale prices (12-month percentage variation)	-3.4	1.7	2.1	-3.3	-3.6	-3.1	-8.5	-10.7	-5.5	-9.3 c/
Average nominal exchange rate (pesos per dollar)	552.0	554.7	577.9	598.2	624.5	618.0	677.2	698.0	701.6	677.3
Average real wage (variation from same quarter of preceding year)	2.5	1.3	1.8	1.5	2.6	2.0	1.2	1.3	0.9	...
Nominal interest rates (average annualized percentages)										
Deposit rate e/	4.4	4.1	3.6	3.6	3.3	3.7	3.8	4.3	4.3	4.0
Lending rate e/	12.1	11.7	10.4	9.0	9.7	10.0	8.8	8.6	9.9	10.0
Interbank rate	4.3	4.0	3.6	3.1	3.0	3.0	3.0	3.2	3.5	3.5
Monetary policy rates	4.3	4.0	3.5	3.0	3.0	3.0	3.0	3.3	3.5	3.5
Sovereign bond spread, Embi Global (basis points to end of period) f/	143	123	137	169	158	158	244	253	213	202
Risk premia on five-year credit default swap (basis points to end of period)	78	64	78	94	83	87	146	129	95	95
International bond issues (millions of dollars)	1,274	1,432	5,341	5,721	1,263	3,884	2,425	79	2,650	94
Stock price index (national index to end of period, 31 December 2005 = 100)	192	197	201	196	199	198	188	187	200	203
Domestic credit (variation from same quarter of preceding year)	9.7	7.1	6.8	6.9	6.3	8.6	8.8	10.0	11.6	...
Non-performing loans as a percentage of total credit	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.8 c/

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

a/ Preliminary figures.

b/ Based on figures in local currency at constant 2008 prices.

c/ Figures as of May.

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

e/ Non-adjustable 90-360 day operations.

f/ Measured by J.P.Morgan.