Brazil

1. General trends

Economic activity in Brazil began to pick up in the second half of 2009, which reduced the initial impact of the international financial crisis of late 2008. Over the whole year, however, GDP growth was -0.2%. In 2010, the economic indicators are expected to be back to pre-crisis levels. Employment and investment are also expected to expand, giving estimated GDP growth of 7.6%, an improvement on the 6% observed in the 12 months to September 2008.

The economic recovery was primarily due to developments in the domestic market, where both government and household consumption continued to expand, driven by growth in domestic credit provided mainly by public-sector financial institutions. The process was assisted by good employment indicators, higher real wages and subsidies for durable goods consumption. Fiscal policy, meanwhile, adopted a strongly countercyclical stance in the form of lower taxes on consumer durables and higher public investment, combined with efforts to increase financing provision by allocating public resources to private-sector investments. In line with these measures, monetary policy was oriented towards guaranteeing liquidity in the early stages of the crisis, so that the base rate was cut to unprecedentedly low nominal levels. Capital inflows in the form of portfolio investment helped to finance the Brazilian balance of payments, which was affected by the slowdown in world trade and lower foreign direct investment, which translated into high levels of international reserves.

The policies adopted and the international economic recovery helped bring about an improvement in the main variables of the Brazilian economy between 2009 and the early months of 2010, particularly when compared to the situation in other parts of the region and other emerging countries. Formal employment expanded by 1.7 million new jobs between January 2009 and May 2010, while the average real wage increased by 1.95% in the 12 months to May 2010 and the unemployment rate returned to the levels seen before the crisis (7.5% in May 2010). Inflation, meanwhile, stayed within its target range. Following a large depreciation in the early months of the crisis, the exchange rate returned to its earlier nominal levels.

The background to the Brazilian economic recovery, however, is a changed international scene in which there is greater volatility and less local infrastructure or production capacity to meet growing domestic demand. The sharp rise in imports and the burgeoning current account deficit reflect rapid growth in economic activity. Consequently, inflationary expectations have become more negative. In this context, the central bank started to raise the base rate in April 2010, increasing it by almost two percentage points to an annual 10.25% in June 2010. Where the external accounts are concerned, the current account deficit in the first four months of 2010 was US$ 16.7 billion, an increase of 246.1% over the same period in 2009. The larger deficit was offset by higher inflows of foreign capital, totalling US$ 27.8 billion in the same period, or 332.4% more than in 2009. This increase was largely due to investment in shares (US$ 8.5 billion) and public debt securities (US$ 8.1 billion).

2. Economic policy

Over the course of 2009, Brazilian economic policy was oriented towards mitigating the effects of the international crisis. Monetary policy focused on preventing lending in the economy from seizing up, while fiscal policy was designed to shore up production in specific sectors and, most particularly, investment projects by applying tax expenditure and direct expenditure policies. As a consequence of the policies implemented, the national treasury capitalized the Brazilian Development Bank (BNDES) to the amount of 180 billion reais (5.7% of GDP) between 2009 and 2010.

The policy measures adopted in 2009 were reversed in the early months of 2010. The central bank discontinued a number of foreign-currency credit lines and raised the interest rate. Where fiscal policy was concerned, one of the main measures was the ending of previous reductions of the tax on automobile sales. At the same time, taxes on the production of capital goods and a number of construction inputs were cut or frozen.

In the face of uncertainty about the global economic situation and the country's capacity to expand production, the aim of Brazilian economic policy was to efficiently manage the rate of demand growth, whose evolution affects the external accounts, with a view to increasing investment and exports.

(a) Fiscal policy

In 2009, the fiscal results of Brazil reflected the countercyclical policies adopted by the authorities. The primary surplus fell from 3.54% of GDP in 2008 (or 4.01% of GDP if the sovereign fund is included) to 2.05% of GDP in 2009, translating into a rise in the nominal deficit from 1.9% to 3.3% of GDP. All levels of government registered smaller primary surpluses, and federal State enterprises, excluding Petrobras group, registered their first annual primary deficit since this indicator began to be calculated in 1996.

The combination of lower tax revenues and higher direct spending accounts for these results. In 2009, the federal tax take totalled 23.5% of GDP, slightly below the 23.8% of GDP recorded in 2008. However, revenues from taxes and contributions other than those of the social insurance system fell by 1.15% of GDP, owing to the lower level of activity and the reduction in contribution rates for some sectors. In real terms, annual revenue from the manufactured products tax shrank by 26.8%. These reductions were partially offset by an increase in revenues from social insurance system contributions, which grew by 0.3% of GDP to 5.79% of GDP, and by the payment of a record 26 billion reais of dividends by State-owned firms and banks (0.8% of GDP).

Primary federal spending rose by 15% in 2009, chiefly owing to higher outgoings for wages and salaries (15.9%), social insurance benefits (12.7%) and other current and capital expenditure (16.9%). Investment spending rose by 20.8%, maintaining the pace of growth of the past few years, because of Growth Acceleration Programme (PAC) projects. The amount of these investments (34.1 billion reais) represented just 6% of all primary federal government expenditure.

In 2010, the fiscal results of the federal government have also been affected by rising expenditure. Between January and April 2010, this grew by 18.5% over the same period in 2009. Payroll spending increased by about 7%, while federal government investment spending rose by 89%. Revenues expanded strongly over the same period (18.3%) owing to faster economic growth and the reversal of tax cuts for specific sectors (automobiles and household electrical appliances). In this context, and given expectations of lower spending pressure, the government estimates a total primary surplus of 3.3% of GDP for 2010.

(b) Monetary and exchange-rate policies

In March 2009, the central bank cut the Special System of Clearance and Custody (SELIC) interest rate to 8.75%, bringing it down to its lowest ever nominal level. Prior to this reduction, the central bank had reduced compulsory deposits and offered special credit lines with a view to facilitating operations between financial institutions and refinancing the external debts of Brazilian companies. The expansion of lending by public institutions was the main countercyclical measure, however. Total lending was 45% of GDP in 2009, as compared to 40.8% in 2008. This expansion was mainly due to lending by public-sector banks, which rose from 14% to 18.7% of GDP over the course of 2009. The increase was seen both in consumer credit operations (36.6%) and in those undertaken to support firms and investment by the Brazilian Development Bank (BNDES), whose lending increased by 35% in 2009, exceeding 283 billion reais. Lending by Brazilian private-sector banks, which account for some 40% of total credit, expanded by 17.8%, while lending by foreign banks grew by just 0.9%.

In February 2010, the central bank announced that compulsory deposit amounts would be returning to pre-crisis levels, a move that by late April had entailed the withdrawal of 70 billion reais. In April the SELIC interest rate began to be increased, first from 8.75% to 9.5% and then to 10.25% in June. According to the minutes of central bank meetings, the process of increasing the interest rate is to continue throughout the year with a view to bringing inflation down towards its target of 4.5% in 2011. According to financial market projections up to June, inflation is forecast to reach 5.55% in 2010.

The Brazilian currency appreciated significantly in nominal terms in 2009 (25.5%), while in the first half of 2010 it depreciated slightly (2%). Considering the cumulative rise in the wholesale price index between May 2009 and April 2010, the real appreciated by 9.7% against the dollar, 10.2% against the currencies of the member countries of the Latin American Integration Association (LAIA) and 8.5% against a basket of 13 currencies. To mitigate the impact of this, in November 2009 the authorities applied a tax of 2% to capital brought into the country to purchase fixed-income securities or shares on the stock exchange.

3. The main variables

(a) Economic activity

Over the course of 2009, the authorities concentrated on restoring economic activity after the impact caused by the international financial crisis in the fourth quarter of 2008. GDP contracted by 2.9% in that quarter compared to the previous one, while industrial output shrank by 8.1%. Among the leading economic policy measures adopted to mitigate the impact of the international financial crisis on the sectors most dependent upon credit (manufacturing, exports, construction and commerce) were tax cuts and the implementation of specific credit lines.

The automotive industry benefited especially from this combination of policies. After virtually seizing up during the fourth quarter of 2008, car sales recovered to 3.1 million units in 2009 thanks to the cut in the manufactured products tax and the expansion of credit to buyers. Over 2009 as a whole, consequently, the sector's output was just 1% lower than in 2008.

Other industrial sectors also benefited from the improvements in the domestic environment, but struggled in their external markets. Production of consumer durables, construction materials and capital goods were granted certain tax benefits with a view to supporting domestic consumption and exports. Although the tax cut for a number of durable goods such as automobiles was reversed in the first half of 2010, the incentives for industries producing capital goods were kept in place. Exports of manufactures fell by 27.9% in 2009, but in the first five months of 2010 they were up by 21.3% on the same period of 2009.

In 2010, production showed great dynamism in response to the expansion of domestic demand, and pre-crisis activity levels were exceeded as a result. GDP grew by 9% in the first quarter compared to the same quarter in 2009. Besides the continually growing consumption of families and the government, investment also recovered and was up by 26% in the first quarter of 2010 compared to the same period in 2009. The continuation of the Growth Acceleration Programme (PAC), which meant a rise in public investment, was also a factor in the increase of private-sector investment thanks to the expansion of civil engineering works and rising purchases of capital goods. Capital goods manufacturing output grew by 28.7% in the first four months of 2010 over the same period in 2009, while construction expanded by 14.9% in the first quarter compared to the same period in 2009.

The agriculture sector expanded by 5.1% in the first quarter of 2010, following a 5.2% contraction in 2009. Commerce and services grew by a record 15.2% and 12.4%, respectively, over the same period. Given the great dynamism of domestic demand, GDP growth of close to 7.6% is expected for 2010.

(b) Prices, wages and employment

The Brazilian labour market reflected developments in production sectors, especially the urban industrial sector. The unemployment rate of the main metropolitan regions in the early months of 2009 reflected layoffs in industry, rising to 9% from the average of 7.3% recorded in the last quarter of 2008. Over the year, however, it fell to an average of 8.1%, as compared to 7.9% in 2008. The mean unemployment rate in the first five months of 2010 was 7.4%.

Wages held up well despite the crisis. According to data from the Inter-Union Department of Statistics and Socio-economic Research (DIEESE), wage agreements in 2009 provided for above-inflation increases in 80% of negotiations as compared to 97% in 2008. In this context, 995,000 new formal jobs were created in 2009, compared to 1.4 million in 2008. The national wage bill increased by 6.9% in the 12 months to March 2010.

Table 1
BRAZIL: MAIN ECONOMIC INDICATORS

	2001	2002	2003	2004	2005	2006	2007	2008	2009 [a]
					Annual growth rates [b]				
Gross domestic product	1.3	2.7	1.1	5.7	3.2	4.0	6.1	5.1	-0.2
Per capita gross domestic product	-0.1	1.2	-0.2	4.4	1.9	2.8	5.0	4.1	-1.1
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	6.1	6.6	5.8	2.3	0.3	4.8	4.8	5.7	-5.2
Mining and quarrying	2.2	11.6	4.7	4.3	9.3	4.4	3.7	4.9	-0.2
Manufacturing	-0.4	2.5	2.2	8.5	1.5	1.4	5.6	3.2	-7.0
Electricity, gas and water	-6.2	2.9	4.0	8.4	3.0	3.5	5.4	4.8	-2.4
Construction	-2.1	-2.2	-3.3	6.6	1.8	4.7	4.9	8.2	-6.3
Wholesale and retail commerce, restaurants and hotels	-0.4	0.5	0.4	6.8	3.7	5.9	4.9	6.1	-1.2
Transport, storage and communications	3.6	3.7	0.1	5.7	3.7	1.9	6.1	5.5	2.3
Financial institutions, insurance, real estate and business services	3.4	3.5	-0.1	3.8	4.9	5.4	9.5	7.1	4.0
Community, social and personal services	1.5	4.3	1.8	4.7	3.1	3.6	3.3	2.8	4.2
Gross domestic product, by type of expenditure									
Government consumption	2.7	4.7	1.2	4.1	2.3	2.6	5.1	1.6	3.7
Private consumption	0.7	1.9	-0.8	3.8	4.5	5.2	6.1	7.0	4.1
Gross fixed capital formation	0.4	-5.2	-4.6	9.1	3.6	9.8	13.9	13.4	-9.9
Exports (goods and services)	10.0	7.4	10.4	15.3	9.3	5.0	6.2	-0.6	-10.3
Imports (goods and services)	1.5	-11.8	-1.6	13.3	8.5	18.4	19.9	18.0	-11.4
					Percentages of GDP				
Investment and saving [c]									
Gross fixed capital formation	18.0	16.2	15.8	17.1	16.2	16.8	18.3	19.9	16.5
National saving	13.8	14.7	16.5	18.9	17.8	18.0	18.4	18.2	15.0
External saving	4.2	1.5	-0.8	-1.8	-1.6	-1.3	-0.1	1.7	1.5
					Millions of dollars				
Balance of payments									
Current account balance	-23 215	-7 637	4 177	11 679	13 985	13 643	1 551	-28 192	-24 334
Goods balance	2 650	13 121	24 794	33 641	44 703	46 457	40 032	24 836	25 347
Exports, f.o.b.	58 223	60 362	73 084	96 475	118 308	137 807	160 649	197 942	152 995
Imports, f.o.b.	55 572	47 240	48 290	62 835	73 606	91 351	120 617	173 107	127 647
Services trade balance	-7 759	-4 957	-4 931	-4 678	-8 309	-9 640	-13 219	-16 690	-19 260
Income balance	-19 743	-18 191	-18 552	-20 520	-25 967	-27 480	-29 291	-40 562	-33 684
Net current transfers	1 638	2 390	2 867	3 236	3 558	4 306	4 029	4 224	3 263
Capital and financial balance [d]	19 764	-3 542	-451	-5 073	13 606	16 927	85 934	31 161	70 985
Net foreign direct investment	24 715	14 108	9 894	8 339	12 550	-9 380	27 518	24 601	36 033
Other capital movements	-4 951	-17 650	-10 345	-13 412	1 056	26 307	58 415	6 560	34 953
Overall balance	-3 450	-11 178	3 726	6 607	27 590	30 569	87 484	2 969	46 651
Variation in reserve assets [e]	-3 307	-302	-8 496	-2 244	-4 319	-30 569	-87 484	-2 969	-46 651
Other financing	6 757	11 480	4 769	-4 363	-23 271	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2000=100) [f]	120.1	132.6	131.1	123.8	100.5	88.9	82.7	80.1	81.4
Terms of trade for goods (index: 2000=100)	99.6	98.4	97.0	97.9	99.2	104.4	106.6	110.4	107.8
Net resource transfer (millions of dollars)	6 778	-10 252	-14 234	-29 955	-35 633	-10 553	56 642	-9 401	37 301
Total gross external debt (millions of dollars)	209 935	210 711	214 929	201 373	169 451	172 589	193 219	198 340	198 192
					Average annual rates				
Employment									
Labour force participation rate [g]	56.4	56.7	57.1	57.2	56.6	56.9	56.9	57.0	56.7
Open unemployment rate [h]	6.2	11.7	12.3	11.5	9.8	10.0	9.3	7.9	8.1
Visible underemployment rate [i]	…	4.1	5.0	4.6	3.7	4.1	3.6	3.1	3.1
Prices					Annual percentages				
Variation in consumer prices (December-December)	7.7	12.5	9.3	7.6	5.7	3.1	4.5	5.9	4.3
Variation in wholesale prices (IPA-Media) (December-December)	11.9	33.6	7.6	15.1	-1.0	4.4	9.2	10.8	-4.4
Variation in nominal exchange rate (annual average)	28.5	24.3	5.3	-4.9	-16.7	-10.8	-10.5	-5.7	8.9
Variation in average real wage	-4.9	-2.1	-8.8	0.7	-0.3	3.5	1.5	2.1	1.3
Nominal deposit rate [j]	8.6	9.2	11.1	8.1	9.2	8.3	7.7	7.9	6.9
Nominal lending rate [k]	41.1	44.4	49.8	41.1	43.7	40.0	34.5	38.8	40.4
					Percentages of GDP				
Central government									
Total revenue	20.7	21.6	20.9	21.5	22.7	22.9	23.2	23.8	23.5
Total expenditure	22.8	22.8	25.3	23.4	26.3	25.8	25.1	25.0	27.0
Current expenditure	18.4	18.4	21.7	19.6	22.1	21.4	20.6	20.3	22.4
Interest [l]	3.8	3.4	6.6	4.4	6.1	4.9	4.1	3.6	4.9
Capital expenditure	4.5	4.4	3.5	3.8	4.2	4.3	4.5	4.7	4.6
Primary balance [l]	1.7	2.2	2.3	2.6	2.5	2.1	2.2	2.4	1.3
Overall balance	-2.1	-1.2	-4.3	-1.9	-3.6	-2.9	-1.9	-1.2	-3.6

Table 1 (concluded)

	2001	2002	2003	2004	2005	2006	2007	2008	2009 [a]
Federal-government and central bank public-debt	31,6	37,9	34,0	31,0	30,9	31,0	30,7	24,2	29,7
Domestic	23,7	24,6	24,6	24,5	28,8	33,0	38,8	36,1	39,6
External [m]	7,9	13,4	9,4	6,4	2,2	-2,0	-8,1	-11,9	-10,0
Money and credit [n]									
Domestic credit	72,5	74,6	75,5	73,7	78,3	86,2	91,0	99,9	104,2
To the public sector	39,6	41,8	43,6	41,7	41,3	42,4	39,9	40,0	39,6
To the private sector	32,5	32,5	31,8	32,0	37,0	43,8	51,0	59,8	64,5
Others	0,4	0,2	0,1	0,0	0,0	0,0	0,1	0,1	0,1
Liquidity (M3)									
Currency outside banks and local-currency deposits (M2)	24,7	26,9	24,3	25,4	27,1	27,9	29,4	35,7	37,1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Index based on the previous year's prices in local currency.
[c] Based on figures in local currency expressed in dollars at current prices.
[d] Includes errors and omissions.
[e] A minus sign (-) denotes an increase in reserves.
[f] Annual average, weighted by the value of goods exports and imports.
[g] Economically active population as a percentage of the working-age population; six metropoplitan areas.
[h] Percentage of the economically active population; six metropolitan areas.
[i] Percentage of the working population; six metropolitan areas.
[j] Interest rate on savings.
[k] Pre-set corporate rate.
[l] Based on the "below-the-line" criterion. Central Bank of Brazil.
[m] Refers to net public external debt.
[n] The monetary figures are end-of-year stocks.

The labour market displayed great dynamism in 2010, as over 1.2 million formal jobs were generated in the first five months of the year, a considerable increase on the mere 180,000 jobs created in the same period of 2009. The real average wage was stable, increasing by 0.7%.

In 2009, the annual inflation rate as measured by the extended national consumer price index (IPCA) was 4.3%, and thus below the 4.5% target. The inflation rate accelerated to an average of 0.6% a month in the first five months of 2010, as against 0.4% in the same period of 2009. Higher prices rises for some basic inputs such as steel and the ending of fiscal incentives for a number of products contributed to the increase in inflation, as did costlier food and price increases for educational services. According to estimates by the monetary authorities, inflation is likely to be above the 4.5% target in 2010, although still within the target range. This is because of anticipated rises in the prices of some services and the impact on consumer prices of higher raw material and labour costs, reflecting the growth of domestic demand.

(c) The external sector

The results of the external accounts were vital in providing leeway for the countercyclical policy implemented in 2009 and in restoring pre-crisis conditions. Despite the general decline in international trade, Brazil registered a trade surplus of US$ 25 billion. Exports fell by 22.7% and imports by 39.4%, the result being a current account deficit of US$ 24 billion. As of October 2008, the international reserves of the Central Bank of Brazil totalled over US$ 200 billion. Net revenue on the capital account in 2009 was US$ 71 billion, of which US$ 36 billion was net foreign direct investment. The availability of foreign currency not only facilitated the appreciation of the real after it had devalued by over 40% in the early months of the crisis, but also allowed international reserves to be increased to US$ 239 billion as of December 2009.

The external accounts deteriorated in the first four months of 2010. Rapid domestic growth, associated with a loss of export competitiveness owing to relative price movements, led to a reduction of 66% in the trade surplus. Exports increased by 25% (15.2% in price and 8.5% in volume), while imports grew by 41.8%.

Commodity exports increased by 30.4% (20.5% in price and 11.6% in volume), while those of semi-manufactured and manufactured products expanded by 30.7% (27.1% in price and 3% in volume) and 18% (8.6% in price and 8.4% in volume), respectively. Import prices were remarkably stable, while import volumes rose by 41.2% over the same period in 2009. The volume of imports of all types of goods was heavily influenced by the increase of 78.2% in consumer durables, 49.9% in intermediate goods and 39.6% in fuels. The trade balance was also influenced by the trend in the exchange rate of the real in the early part of the year. The current transactions deficit up to April was US$ 16,728 million (2.68% of GDP), as against US$ 4,832 million in the first four months of 2009 (1.26% of GDP).

Table 2
BRAZIL: MAIN QUARTERLY INDICATORS

	2008				2009 [a]				2010 [a]	
	I	II	III	IV	I	II	III	IV	I	II
Gross domestic product (variation from same quarter of preceding year) [b]	6.3	6.4	7.1	0.8	-2.1	-1.6	-1.2	4.3	9.0	...
Goods exports, f.o.b. (millions of dollars)	38 690	51 955	60 215	47 082	31 178	38 774	41 846	41 197	39 230	49 958
Goods imports, c.i.f. (millions of dollars)	35 933	43 416	51 826	41 804	28 190	27 854	34 572	37 099	38 350	42 959
Gross international reserves (millions of dollars)	195 232	200 827	206 494	193 783	190 388	201 467	221 629	238 520	243 762	253 114
Real effective exchange rate (index: 2000=100) [c]	77.2	75.0	74.3	94.0	92.4	83.9	76.6	72.5	72.7	70.6 [d]
Urban unemployment rate	8.4	8.1	7.8	7.3	8.6	8.6	7.9	7.2	7.4	...
Consumer prices (12-month percentage variation)	4.7	6.1	6.3	5.9	5.6	4.8	4.3	4.3	5.2	5.2 [d]
Wholesale prices (IPA-Media) (12-month percentage variation)	11.3	17.1	14.9	10.8	5.6	-0.6	-3.0	-4.4	0.5	3.4 [d]
Average nominal exchange rate (reais per dollar)	1.74	1.65	1.67	2.28	2.32	2.08	1.87	1.74	1.80	1.80
Average real wage (variation from same quarter of preceding year)	-0.8	0.0	4.6	4.4	4.5	2.7	0.6	-1.8	1.0	...
Nominal interest rates (annualized percentages)										
Deposit rate [e]	6.8	7.4	8.5	8.9	7.7	6.9	6.7	6.4	6.2 [f]	...
Lending rate [g]	35.2	36.6	39.1	44.4	43.0	41.8	39.4	37.4	37.4	37.5 [d]
Interbank interest rate [h]	11.1	11.6	12.8	13.5	12.5	10.2	8.7	8.6	8.6	9.0 [d]
Sovereign bond spread (basis points) [i]	284	228	331	428	425	284	234	192	185	248
Stock price index (national index to end of period, 31 December 2000=100)	400	426	325	246	268	337	403	449	461	421
Domestic credit (variation from same quarter of preceding year)	17.9	20.2	19.6	23.9	15.3	12.5	13.1	9.1	19.6	19.6 [j]
Non-performing loans as a percentage of total credit	3.0	3.1	2.8	3.2	3.7	4.3	4.5	4.3	4.0	3.9 [j]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Index based on the previous year's prices in local currency.
[c] Quarterly average, weighted by the value of goods exports and imports.
[d] Data to May.
[e] Interest rate on savings.
[f] Data to February.
[g] Pre-set corporate rate.
[h] Certificates of interbank deposit rate, overnight.
[i] Measured by JP Morgan's EMBI+ index to end of period.
[j] Data to April.

The deficit on the income balance increased to US$ 11,311 million in the first four months of 2010, exceeding the negative result of US$ 8,229 million recorded between January and April 2009. Net interest payments showed a deficit of US$ 3,551 million (US$ 3,178 million in the same period the year before). Meanwhile, net dividend and profit payments rose from US$ 5,273 million between January and April 2009 to US$ 7,931 million in the same period of 2010.

The surplus on the capital and financial account increased significantly between January and April 2010 (US$ 27,759 million) compared to the same period in 2009 (US$ 6,419 million). This result was chiefly due to a rise in portfolio investment, which moved from a deficit of US$ 2,993 million in the first four months of 2009 to a surplus of US$ 16,091 million in the same period of 2010. The "other investments" item rose from US$ 2,472 million between January and March 2009 to US$ 9,065 million between January and April 2010. Net foreign direct investment fell from US$ 6,351 million to US$ 2,317 million.

In total, the balance-of-payments surplus increased from US$ 624 million between January and April 2009 to US$ 9,653 million in the first four months of 2010. International reserves totalled US$ 247,316 million in late April 2010, equivalent to 21 months' imports.

In 2009, the total external debt remained stable at US$ 198 billion. When inter-firm credit is considered, however, it rose by 5.6% to US$ 277,565 million in December 2009. In April 2010 the total external debt was US$ 211,611 million (US$ 290,690 million considering inter-firm credit). This result covers medium- and long-term debt, which rose from US$ 167 billion to US$ 177 billion, and short-term debt, which rose from US$ 30 billion to US$ 36 billion in April 2010.

Nonetheless, the country's external indicators are mixed. Between December 2009 and April 2010, the ratio between debt service and exports rose from 28.5% to 28.7%, the ratio between debt interest and exports fell from 9.1% to 8.2%, the ratio between total debt and GDP fell from 12.6% to 11.6% and the ratio between international reserves and short-term debt fell from 455.1% to 425.8%