COLOMBIA

1. General trends

Economic activity in Colombia grew by just 1.8% in 2017 (the lowest rate since 2009), restrained by a sluggish performance in the construction, manufacturing and mining-energy sectors. By contrast, financial services, social services and agriculture all performed more strongly. On the demand side, consumption strengthened, while total investment flatlined and exports contracted. The pace of domestic demand faltered owing to the lagged effects of monetary tightening in 2016 and the tax reform that came into force in 2017 involving new consumer levies. Central government reduced its structural deficit to meet the sustainability targets of the fiscal rule. This required boosting tax revenues, through higher indirect taxes, and cutting current expenditure and public investment. Committing to a fiscal deficit reduction path transmits confidence to the markets and lowers borrowing costs.

The annual measure of inflation continued its downward trend by dropping 2.3 percentage points between January 2017 and April 2018, thereby reaching the target range (between 2% and 4%) and fulfilling the authorities' price stabilization objective. This has allowed the central bank (Banco de la República) to continue the cycle of interest rate cuts.

The forecasts for 2018 and 2019 are promising and are supported by stronger growth in Colombia's trading partners (the United States, the euro area and the countries of Latin America). Economic tracking indicators and those that monitor industrial, commercial and consumer confidence have also been trending up. Low interest rates and weaker inflation can be expected to boost confidence and encourage investment, resulting in better use of productive resources, maintenance of household purchasing power and positive dynamics in credit, consumption and investment.

Projections for 2018 see economic activity gathering pace and recovery consolidating. The economy is expected to grow by 2.7% on the back of firmer domestic and external demand. Household consumption and investment growth are expected to pick up, thanks to the lower corporate tax burden as from 2018 and a higher rate of execution of infrastructure projects.

2. Economic policy

(a) Fiscal policy

Fiscal policy persevered with the consolidation of a public sector sustainability programme. Central government posted a deficit of 3.7% of GDP in 2017, which was 0.4 percentage points less than a year earlier. The decentralized sector saw its surplus cut from 1.6% to 1.0%, which explains the larger deficit of the non-financial public sector (NFPS), which widened to 2.6% of GDP.

Central government fulfilled the fiscal rule at end-2017, recording a structural deficit of 1.9% of GDP, as revenue grew by 0.7 GDP points, while total expenditures remained constant at 19.5% of GDP. The increase in income mainly reflects the payment made by two mobile phone service operators, following a final arbitration award that required them to repay the value of the installed networks, according to the provisions of the 1994 concession contract. This added 0.5 percentage points to government finances in 2017 (0.3 points of which were used to pre-finance the following year's expenses).

Revenue growth is also explained by the hike in the general rate of value added tax (VAT) from 16% to 19%, which made it possible to increase the revenue intake by 0.6 percentage points relative to the 2016 level. Moreover, the rise in oil prices and the cost adjustment plan being implemented by Ecopetrol contributed to a 0.2 percentage point increase in revenues derived from oil sector activity. These increases were offset by reductions in income from other sources, reflecting the weaker pace of economic activity. Interest expenses remained constant relative to GDP, while operating expenses grew by 0.2 percentage points, driven by transfers to local governments to finance education and health services, and also to pay pensions. Investment expenditures, allocated mainly to social inclusion, reconciliation, transport and education projects, were equivalent to 1.9% of GDP (0.1 percentage points below the previous year's level). If the deficit to be financed and amortizations are both factored in, financing needs in 2017 represented 8.3% of GDP, of which 72% was covered by issuing government treasury bills (TES).

The social security system maintained a balance of 0.8% of GDP in 2017, similar to the previous year's figure. Regional and local governments registered a surplus equivalent to 0.5% of GDP (0.2 points higher than in 2016), owing to increases in tax revenue and in capital income that outweighed the expenditure growth that occurs in the second year of local government terms, once the normal execution of investment projects begins.

In April 2018, the Fiscal Rule Advisory Committee changed its methodology for calculating the cyclical deficit as from 2019, thereby making the convergence of the total deficit to the 1% target more gradual than anticipated in 2017: the adjustment required is equivalent to 0.7% of GDP between 2018 and 2019, and 0.2% between 2019 and 2020, which gives the government greater cyclical space to comply with the fiscal rule. These deficit targets allow for an orderly adjustment of the public debt in the medium term, which would have peaked in 2017 and reached a level of 30% of GDP in 2029.

The central government fiscal deficit of 3.1% projected for 2018 foresees total expenditure decreasing by more, relative to GDP, than total income. Tax revenues are set to be lower in 2018 following abolition of the wealth tax and the lowering of the corporate income tax rate and non-tax income, which had posted exceptionally high growth due to the effect of the aforementioned 2017 ruling. Expenditure is forecast to drop by 0.7 percentage points in 2018, following cuts in operating and investment expenses.

The social security balance is expected to remain unchanged in 2018 at 0.8% of GDP, while regional and local governments will record smaller relative surpluses, due to the pick-up in execution in the third year of the local government term of office, together with an increase in investment funded from the general royalty system. Thus, the NFPS deficit for 2018 is projected at 2.4% of GDP, 0.3 percentage points less than in 2017, explained mainly by adjustment at the central government level.

(b) Monetary policy

In 2017, inflation continued to converge towards the 3% target set by the central bank. The contractionary monetary policy implemented between September 2015 and August 2016 helped to moderate domestic demand growth, dampen inflation expectations and mitigate inflationary inertia in 2017. Between January 2017 and April 2018 the bank altered its stance and lowered the monetary policy interest rate progressively from 7.25% to 4.25%. These gradual rate cuts have been transmitted with differing intensity to lending and deposit rates in the financial system. Interest rates on commercial loans dropped by more than the policy rate, while consumer credit rates have come down more slowly.

In keeping with the economy's lacklustre growth, credit institutions reported low levels of activity as of December 2017, with portfolio growth of just 2.1%. This resulted from a weakening of commercial credit (-0.8%), which was partially offset by growth in home loans (7.3%) and consumer credit (5.6%), along with microcredit (3.6%) which focuses on making new loans to households. The slower rate of credit expansion is due both to softer demand and to stricter requirements on new lending, stemming from the contractionary monetary policy, the slower growth of the economy and the deterioration of the portfolio observed during 2017. Time deposits (certificates of deposit + bonds) grew more slowly, while demand deposits increased in response to lower inflation and the end of the rate hikes cycle.

The economic slowdown since 2014 has generated an increase in higher-risk and non-performing portfolios, causing risk indicators to deteriorate since 2016. In 2017, risk indicators rose across the board, particularly in the case of microcredits and commercial loans. Nonetheless, materialization of the risk (arrears) is more frequent in the microcredit (8%) and housing credit (7.1%) segments, and lower among commercial loans (4%). Despite the rise of risk indicators and arrears rates, credit institutions report healthy solvency and liquidity ratios.

Lastly, the Colombian debt market performed strongly between September 2017 and March 2018. The price of public and private debt securities, whether or not indexed, rose in line with movements in the monetary policy rate, the reduction of inflation and the greater participation of foreign entities as a consequence of increased world liquidity. The equity market index (COLCAP) rose between November 2017 and January 2018, before dropping back between then and March.

(c) Exchange-rate policy

Like other Latin American currencies, the Colombian peso appreciated in nominal terms in 2017, mainly due to the trend of the oil price and the behaviour of the dollar on world markets. Between December 2016 and December 2017, the Colombian peso was revalued in nominal terms by 0.6%. The year-average appreciation, however, was 3.4% due to fluctuations in the oil price, which produced an strengthening of the peso in the first quarter, followed by a depreciation from then until July and a new appreciation until the year-end. On the other hand, if price variations both in Colombia and in the countries with which it trades are factored in, the peso recorded a real devaluation of 5%.

As of May 2018, the Colombian peso had appreciated as a result of the trend of the oil price, the lower risk perception generated by the consolidation of the peace process, and the rapid correction of the macroeconomic imbalances caused by the external shocks of recent years. The nominal appreciation of the peso against the dollar between January and May 2018 exceeded 3.0%, while other currencies in the region weakened.

Colombia has a high level of international reserves, which, at end-2017 represented 15% of GDP and were equivalent to 12 months of goods imports, a level that provides adequate protection to deal with any potential outflow of capital from the country. Colombia also reaffirmed the agreement with the International Monetary Fund (IMF) for contingent access to funding of up to US$ 11.350 billion. This arrangement, considered precautionary by the Colombian authorities, would only be used in the event of a sudden stop in external financing.

(d) Other policies

After five years of studies, regulatory adjustments and commitments to future reforms, in May 2018 the Organization for Economic Cooperation and Development (OECD) invited Colombia to become a member. The immediate challenges facing the new government, which will take office on 7 August 2018, include consolidating the economic recovery that is under way and finalizing the announced fiscal and pension reforms, together with proposals for the rural sector focused on the formalization of employment and the provision of public goods.

3. The main variables

(a) The external sector

The current account deficit narrowed from 6.4% of GDP in 2015 to 4.3% in 2016 as a result of a sharp contraction in imports and a reduction in profit repatriation by foreign-owned firms. In 2017, the deficit decreased further to 3.3%, as the income account recovered, which outweighed increases in imports and factor income payments.

The 15.8% increase in the dollar value of exports was mainly explained by higher external sales of coal and oil, and to a lesser extent by increased sales of industrial products, coffee, bananas and flowers. This growth in export earnings was the result of price increases, since the main export products fell sharply in volume terms. In particular, oil, coffee and ferronickel, which represent 45% of Colombia's export basket, all posted lower sale volumes. In contrast, non-traditional exports grew by 1.9%, following contractions of 19.9% in 2015 and 2.5% in 2016. This is explained by the stronger performance of Colombia's trading partners and the initial positive effects of the cumulative depreciation of recent years.

The 2.3% rise in the dollar value of imports is explained by larger purchases of inputs and capital goods for industry, and of transport equipment and consumer goods. The services trade deficit widened, owing particularly to the importation of insurance and financial services, although income from tourism was also higher. The increase in net factor income payments stemmed mainly from higher profits earned by firms with direct foreign investment (FDI), which operate mainly in the oil sector.

The reduction in the current account deficit was matched by smaller capital flows on the financial account (around US$ 3 billion). The flow of FDI increased from 4.7% to 4.8% of GDP in 2017, and was mainly channelled into the mining and petroleum sectors (30.4%), transport and communications (23.9%) and manufacturing industry (15.6%). Portfolio investment shrank from 2.8% to 2.5% of GDP, with 52% of the investments in question being made in long-term debt securities, while 48% were purchases of government bonds and shares on the local market.

This correction of the deficit is likely to continue on the back of the recovery in external demand for manufactured goods and the trend of the international price of crude oil, backdropped by higher external financing costs. This should make it possible to further reduce the current account deficit, which is set to reach 3.1% of GDP in 2018.

(b) Economic activity

In 2017, the Colombian economy continued to adjust to the major impact caused by the collapse of oil and other hydrocarbon prices, which began at the end of 2014 and intensified in the two following years. This is evidenced by moderate growth in spending and the smaller external deficit. The economic growth in 2017 was supported by firmer external demand, benign international financial conditions and the recovery of the terms of trade thanks to an uptrend in oil and coal prices, indicators that suggest that the economic slowdown may have bottomed out. The stronger domestic demand performance in 2017 was reflected in a slight upturn in imports following a sharp contraction in the previous year.

The partial transmission of the expansionary monetary policy to market rates and lower inflation have boosted disposable income despite the hike in consumption taxes. This contributed to the fact that investment stopped falling, consumption gathered pace, and imports increased.

Private consumption grew more slowly (1.8%) than public consumption (4.0%). In the case of investment, the largest amount of capital formation occurred in the civil works and machinery and equipment sectors, fuelled by larger disbursements for works execution by regional governments, and an increase in investment in the oil sector. In contrast, the accumulation of housing stocks and weaker demand in the non-residential sector generated sharp cutbacks in construction activity.

Agriculture posted a positive outturn in 2017 following the supply shocks that undermined its performance in the previous year. Although financial services slowed, they still contributed about half of the year’s growth in 2017. Mining activity shrank by 4.3%, compounding its 7% drop in the previous year. Manufacturing industry performed weakly with a 2% contraction, owing to sluggish domestic demand and the slump in construction, which had knock-on effects along the industrial supply chain.

In the first semester of 2018, the economy grew by 2.5% year on-year, driven by expansions of 6.2% in professional, scientific and technical activities, administrative and support activities; 5.2% in public administration and defence, compulsory social security, education, human health and social work activities; and 4.1% in agriculture, forestry and fishing. Meanwhile, the steepest falls was recorded in construction (-5.8%).[1]

(c) Prices, wages and employment

Inflation continued to converge towards its long-term target of 3% in 2017 and 2018, supported by a contractionary monetary policy throughout 2016, excess production capacity as a result of slack aggregate demand, the relative stabilization of the peso and the normalization of food prices. The inflation rate eased from 5.7% in December 2016 to 4.1% at end-2017; and in April 2018 the year-on-year rate was 3.1%.

Upside risks to inflation in 2018 could come from a rebound in food prices, if supply is reduced owing to weather problems, or if the current low prices discourage planting. Oil prices and the trend of the exchange rate are additional factors of uncertainty in terms of keeping inflation at 3.0%.

In 2017, the labour market weakened in the wake of the economic slowdown that began in 2015. The average national unemployment rate rose from 9.2% in 2016 to 9.4% in 2017, since when it has remained stable. Despite this deterioration, unemployment and informality are at historically low levels, which demonstrates the remarkable resilience of the labour market in the face of slacker economic activity.

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[1] The GDP calculation for 2018 used 2015 as the new base year and adhered to most recent recommendations issued by the United Nations, IMF and OECD.

The rise in unemployment can be explained by falls in the employment rate that were not offset by decreases in the global participation rate in the second half of 2017. Job creation nationally was driven by agriculture, manufacturing and real estate activities, while commerce and construction saw significant job losses. Wage indices in commerce and manufacturing industry (40% of persons employed) grew positively in 2017 and have continued to rise in 2018 thus far.

With only moderate growth expected in 2018, and given that its employment effects are lagged, a further deterioration in the labour market is foreseen, albeit by less than in 2017.

Table 1
COLOMBIA: MAIN ECONOMIC INDICATORS

	2009	2010	2011	2012	2013	2014	2015	2016	2017 a/
	Annual growth rates b/								
Gross domestic product	1.2	4.3	7.4	3.9	4.6	4.7	3.0	2.0	1.8
Per capita gross domestic product	0.1	3.2	6.2	2.8	3.5	3.7	2.0	1.1	0.9
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-0.2	0.3	1.9	2.5	7.5	2.9	4.3	2.2	5.6
Mining and quarrying	11.4	10.9	14.4	5.4	5.3	-1.3	-1.1	-3.0	-4.3
Manufacturing	-3.7	1.9	5.6	0.8	1.5	2.9	2.0	2.8	-2.0
Electricity, gas and water	2.4	3.9	3.1	2.2	3.7	3.4	-0.7	0.0	0.8
Construction	3.6	-3.8	15.1	4.9	0.7	12.1	6.3	3.0	-2.0
Wholesale and retail commerce, restaurants and hotels	0.3	5.2	6.7	3.9	5.2	5.0	3.2	2.7	1.6
Transport, storage and communications	-3.5	9.3	8.2	2.8	5.5	5.0	2.8	-0.3	0.1
Financial institutions, insurance, real estate and business services	3.7	3.9	5.0	4.4	5.1	5.3	4.7	4.4	4.2
Community, social and personal services	2.9	4.1	5.4	5.1	5.6	5.2	5.2	3.9	3.8
Gross domestic product, by type of expenditure									
Final consumption expenditure	1.6	5.2	6.6	5.2	4.8	4.6	3.4	1.4	2.2
Government consumption	4.8	5.2	6.5	4.8	8.9	4.7	4.9	1.8	4.0
Private consumption	0.9	5.1	6.6	5.3	4.0	4.6	3.1	1.4	1.8
Gross capital formation	-4.9	8.7	19.0	3.4	6.1	11.8	-1.2	0.3	0.6
Exports (goods and services)	-4.3	2.1	12.3	4.9	4.7	-0.3	1.7	-1.4	-0.7
Imports (goods and services)	-8.6	10.8	22.0	9.4	7.4	7.8	-1.1	-4.0	0.3
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	21.5	21.1	22.2	22.2	22.5	24.0	23.8	23.3	22.2
National saving	19.5	18.1	19.3	19.2	19.2	18.8	17.4	19.0	18.9
External saving	2.0	3.1	2.9	3.1	3.3	5.2	6.3	4.3	3.3
Balance of payments	**Millions of dollars**								
Current account balance	-4 649	-8 736	-9 803	-11 364	-12 500	-19 762	-18 549	-12 025	-10 437
Goods balance	2 549	2 356	6 137	4 956	3 179	-4 641	-13 479	-9 160	-4 759
Exports, f.o.b.	33 977	40 762	58 262	61 604	60 282	56 899	38 572	34 079	39 482
Imports, f.o.b.	31 428	38 406	52 126	56 648	57 103	61 539	52 051	43 239	44 241
Services trade balance	-3 387	-4 522	-5 501	-6 145	-6 343	-7 222	-4 773	-3 516	-4 184
Income balance	-8 370	-11 229	-15 490	-15 008	-14 223	-12 521	-5 727	-5 227	-8 089
Net current transfers	4 558	4 659	5 051	4 833	4 887	4 622	5 430	5 878	6 594
Capital and financial balance d/	6 100	11 879	13 545	16 770	19 446	24 198	18 964	12 190	10 982
Net foreign direct investment	4 530	947	6 227	15 646	8 557	12 268	7 505	9 332	10 235
Other capital movements	1 570	10 931	7 318	1 125	10 889	11 930	11 459	2 857	748
Overall balance	1 451	3 142	3 742	5 406	6 946	4 437	415	165	545
Variation in reserve assets e/	-1 451	-3 142	-3 742	-5 406	-6 946	-4 437	-415	-165	-545
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	91.8	79.3	79.5	76.5	80.1	84.5	104.3	108.7	106.5
Terms of trade for goods (index: 2010=100)	93.3	100.0	114.7	108.4	100.6	91.5	68.9	68.1	79.7
Net resource transfer (millions of dollars)	-2 270	647	-1 945	1 762	5 224	11 677	13 238	6 963	2 894
Total gross external debt (millions of dollars)	53 779	64 792	75 622	78 784	92 073	101 404	111 927	120 414	124 523
Employment	**Average annual rates**								
Labour force participation rate g/	61.3	62.7	63.7	64.5	64.2	64.2	64.7	64.5	64.4
Unemployment rate h/	13.2	12.7	11.8	11.4	10.7	10.0	9.8	10.3	10.5
Open unemployment rate i/	12.4	12.0	11.1	10.8	10.0	9.4	9.2	9.7	9.9
Visible underemployment rate g/	10.2	11.7	11.2	12.1	11.8	10.1	10.3	9.9	9.5

Table 1 (concluded)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	2.0	3.2	3.7	2.4	1.9	3.7	6.8	5.7	4.1
Variation in producer prices (December-December)	2.2	5.8	8.7	-4.9	-0.1	-8.6	5.5	2.2	3.3
Variation in nominal exchange rate (annual average)	9.6	-12.0	-2.7	-2.8	4.0	7.1	37.1	11.1	-3.3
Variation in average real wage	1.3	2.8	0.3	1.1	2.7	0.4	1.2	-2.2	3.1
Nominal deposit rate k/	6.1	3.7	4.2	5.4	4.2	4.1	4.6	6.8	6.0
Nominal lending rate l/	15.6	12.4	12.8	13.7	12.2	12.1	12.1	14.7	13.7
Central national government	**Percentajes of GDP**								
Total revenue	15.3	13.8	15.2	16.1	16.9	16.6	16.2	15.0	15.8
Tax revenue	12.9	12.3	13.5	14.3	14.2	14.3	14.6	13.7	13.9
Total expenditure	19.4	17.6	18.0	18.4	19.2	19.1	19.2	19.1	19.5
Current expenditure	17.1	15.5	15.6	15.6	16.0	16.1	16.2	16.8	17.3
Interest	2.9	2.6	2.5	2.4	2.2	2.1	2.2	2.5	2.6
Capital expenditure	2.2	2.1	2.4	2.8	3.1	3.0	3.0	2.3	2.1
Primary balance	-1.2	-1.2	-0.3	0.1	-0.1	-0.4	-0.8	-1.6	-1.1
Overall balance	-4.1	-3.9	-2.8	-2.3	-2.3	-2.4	-3.0	-4.1	-3.7
Central national government debt	38.1	38.7	36.5	34.6	37.2	40.0	43.9	44.3	45.3
Domestic	26.2	27.8	26.2	25.7	27.5	28.1	27.7	27.9	31.0
External	11.8	10.9	10.3	9.0	9.7	11.9	16.2	16.4	14.2
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	35.3	41.2	43.2	46.2	48.1	51.0	54.4	55.0	56.2
To the public sector	9.2	8.8	8.2	8.4	8.5	8.6	7.5	8.0	8.5
To the private sector	26.1	32.4	35.0	37.8	39.5	42.4	46.9	47.0	47.7
Others									
Monetary base	7.9	8.3	8.3	8.5	8.6	9.2	10.3	9.8	9.6
M2	35.4	36.1	37.7	40.8	43.6	44.5	47.5	47.3	47.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Preliminary figures.
b/ Based in the new quarterly national accounts figures published by the country, base year 2015.
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/ Municipal capitals. Includes hidden unemployment.
i/ Includes an adjustment to the figures for the economically active population for exclusion of hidden unemployment. Thirteen metropolitan areas.
j/ 90-day fixed-term certificates of deposit, weighted average..
k/ Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.

Table 2
COLOMBIA: MAIN QUARTERLY INDICATORS

	2016				2017				2018	
	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/	3.2	2.9	0.6	1.3	1.3	1.6	2.5	1.8	2.2	2.8
Gross international reserves (millions of dollars)	46 941	47 289	47 084	46 803	46 973	47 115	47 547	47 486	47 683	47 538
Real effective exchange rate (index: 2005=100) c/	116.0	106.9	105.1	106.8	102.5	103.7	108.7	111.2	101.6	96.5
Open unemployment rate d/	11.2	9.2	9.4	8.5	11.0	9.6	9.8	9.1	11.3	…
Employment rate	57.2	58.6	58.3	60.0	57.0	59.0	58.1	59.3	56.9	…
Consumer prices (12-month percentage variation)	8.0	8.6	7.3	5.7	4.7	4.0	4.0	4.2	3.1	3.2
Wholesale prices (12-month percentage variation)	5.7	7.0	2.4	2.16	1.1	-2.1	1.2	3.28	3.6	7.4
Average nominal exchange rate (pesos per dollar)	3 254	2 992	2 949	3 007	2 920	2 922	2 973	2 985	2 856	2 840
Average real wage (variation from same quarter of preceding year)	1.8	2.1	1.2	-0.6	-0.3	-1.8	-2.2	0.2	1.7	…
Nominal interest rates (average annualized percentages)										
Deposit rate e/	6.1	6.8	7.2	7.0	6.8	6.2	5.6	5.4	5.1	4.7
Lending rate f/	13.7	14.8	15.3	15.1	15.0	14.0	13.2	12.5	12.1	12.3
Interbank rate	6.1	7.0	7.7	7.7	7.4	6.6	5.5	5.0	4.6	4.3
Monetary policy rates	6.0	6.9	7.7	7.7	7.3	6.6	5.5	4.8	4.5	4.3
Sovereign bond spread, Embi + (basis points to end of period) g/	299	261	222	227	195	203	186	174	182	198
Risk premiia on five-year credit default swap (basis points to end of period)	216	206	170	164	134	136	122	105	107	125
International bond issues (millions of dollars)	1 760	1 801	-	500	3 010	350	2 250	2 232	1 371	970
Stock price index (national index to end of period, 31 December 2005 = 100)	104	103	104	106	107	114	117	121	119	131
Domestic credit (variation from same quarter of preceding year)	9.1	10.3	7.4	7.0	7.5	8.7	10.3	12.2 h/	…	…
Non-performing loans as a percentage of total credit	3.1	3.2	3.3	3.4	3.8	4.2	4.4	4.4	4.8	4.9

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 2015 prices.
c/ Quarterly average, weighted by the value of goods exports and imports.
d/ Municipal capitals.
e/ 90-day fixed-term certificates of deposit, weighted average.
f/ Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.
g/ Measured by J.P.Morgan.
h/ Figures as of October.

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