ARGENTINA

1. General trends

In 2022, Argentina's economy continued the previous year's recovery, with growth of 5%. This performance was driven by investment, consumption and exports and resulted in the unemployment rate falling to a level that was low by historical standards (6.3% in the fourth quarter of 2022). However, a number of the imbalances that have constrained growth in recent years persisted: a current account deficit of 0.7% of GDP, a primary fiscal deficit of 2.4% of GDP, central government debt of 86% of GDP and inflation that accelerated to 95% year-on-year in December.

The buoyancy of activity in 2022 was associated with a combination of several exceptional factors, in a year when a contractionary fiscal and monetary policy was implemented as part of the commitments made to the International Monetary Fund (IMF). The main factor contributing to the recovery was the ending of the coronavirus disease (COVID-19) pandemic. Other factors that supported activity were stronger external demand, a policy of incentives for non-conventional hydrocarbon production in the Vaca Muerta formation and the reorientation of demand from imports to local products via the implementation of foreign trade regulations. Investment was also affected, especially in the construction sector, by a reduction in dollar costs calculated at parallel exchange rates, which weakened sharply in 2022.

Economic activity contracted in the early months of 2023, while inflation continued to rise. The Monthly Estimator of Economic Activity (EMAE), an indicator that provides a preview of GDP, fell by 1.9% year-on-year in the first half. This performance was largely associated with the negative impact on agricultural production and exports of one of the worst droughts in decades. The drought, together with the low level of international reserves, high external indebtedness and uncertainty over the presidential elections, exacerbated vulnerabilities on the external front and contributed to a rise in inflation to 113% year-on-year in July. In view of this combination of negative factors and the policy commitments agreed with IMF, and assuming there are no further disruptions on the external front, GDP is projected to fall by 2.7% in 2023.

2. Economic policy

Economic policy during 2022 focused on meeting the commitments made to IMF under the Extended Fund Facility agreement signed in the first quarter and on limiting the repercussions of rising inflation. This meant that some measures were aimed at reducing the fiscal and external deficits and others at alleviating the impact of inflation on the incomes of the most vulnerable. The economic policy challenges increased in the early months of 2023 because of the impact of the drought on the main export crops. With weaker export revenues, a low level of international reserves and a lack of access to private credit, the main objective of official measures was to manage the shortage of foreign exchange that has affected the country for more than a decade.

(a) Fiscal policy

Fiscal policy had a contractionary bias in 2022 as a result of a 1.1% year-on-year real reduction in primary expenditure. In the same period, the primary deficit narrowed to 2.4% of GDP (from 3.0% in the same period the previous year) in the context of a 5.0% increase in GDP and a real year-on-year contraction of 1.1% in total revenues. On the primary expenditure side, there was a large reduction (of 8.6%) in energy subsidies due to the gradual implementation of a new tariff scheme, segmented by users' income level. On the revenue side, income tax made a greater contribution, with receipts rising by 19.6% in real terms. With debt interest payments increasing by 26.5% in real terms, the overall fiscal deficit came in at 4.2% of GDP in 2022, down from 4.5% in 2021.

During 2022, the government announced a set of measures with a fiscal impact aimed at mitigating the effects of rising inflation on real incomes. These measures included: bonuses for retirees and pensioners in receipt of benefits totalling no more than twice the minimum retirement pension; a top-up for family allowances; a cash transfer for the unemployed, informal workers, workers in private homes and those in the lowest wage categories of the simplified tax regime; an increase in the benefit paid by the Alimentar Programme; and an upward revision to the exemption threshold for income tax.

The primary fiscal deficit widened to 1.3% of GDP in the first seven months of 2023, as compared to 0.9% in the same period the previous year. This was due to a larger fall in real revenues (9.0% year-on-year) than in primary expenditure (4.5%). The fall in revenues was essentially due to a real-term drop in export duty receipts (56% year-on-year) resulting from the sharp decline in agricultural exports caused by the drought. Meanwhile, the decline in spending was due to a reduction in energy subsidies (19% year-on-year) and in social protection spending (7%). While in the first case the reduction stemmed from the implementation of a new tariff policy, in the second it was the result of a delay in updating benefits to reflect rising inflation. It should be noted that the national government provided income support bonuses during 2023 for those on the lowest pensions, informal workers, workers in private households and those in the lowest wage categories of the simplified tax regime, in order to alleviate the effects of rising inflation.

As regards public debt, in 2022 the government reached an agreement with IMF in the framework of a US$ 45 billion Extended Fund Facility programme, with the aim of financing payment of the maturities on the stand-by arrangement requested in 2018. The new agreement includes quarterly reviews with commitments on fiscal policy, monetary policy and international reserves that are a condition for accessing the disbursements. In August 2023, the government and IMF renegotiated the terms of the agreement in the light of the severe impact of the drought on the overall economy. As a result of these negotiations, the targets for 2023 were modified, a set of policies was agreed with the aim of stabilizing key variables in the economy, and IMF approved disbursements worth US$ 7.5 billion after completing the fifth and sixth reviews of the agreement. In 2022, moreover, the economic authorities announced that an agreement had been reached with the Paris Club to restructure some US$ 2 billion of debt owed to that group of countries. By the early months of 2023, this refinancing process had been ratified by 15 of the institution's 16 creditors. At the end of the first quarter of 2023, gross central government debt, including public sector liabilities, was equivalent to 86% of GDP.

(b) Monetary policy

The Central Bank of the Argentine Republic raised the nominal annual policy interest rate to 75% at the end of 2022 (equivalent to an effective annual rate of 107%), which was higher than the year-on-year inflation rate to December (95%) and than that month's projections for the following year (98%). This policy was implemented in the context of exchange-rate pressures which were reflected in increases in parallel exchange rates, whose spread relative to the official exchange rate exceeded 100%. Interest rates on private sector loans and deposits followed the policy rate: the nominal interest rate on personal consumer loans rose from 53% to 81% per annum, while the nominal annual rate paid by private sector banks to wholesale customers on time deposits of over 20 million pesos rose from 34% to 66% over the same period. The monetary authority set a floor for the yield on individual retail customers' time deposits under 10 million pesos with the aim of encouraging saving in local currency in a context where parallel exchange rates were coming under pressure. It also launched investment instruments tied to the official exchange rate for the agricultural sector, with the aim of encouraging exports of farm products.

A set of credit policies offering better than market conditions were implemented by the Ministry of Economy and the central bank to alleviate the contractionary bias of monetary policy for the productive sector. These measures included credit lines, subsidies for borrowing costs and loan guarantees, implemented through the National Fund for Productive Development (FONDEP), the Argentine Guarantee Fund (FOGAR) and the central bank Productive Investment Financing Line (LFIP).

In the early months of 2023, the deterioration of external conditions due to the impact of the drought on agricultural exports, the increase in inflation to 113% year-on-year in July and the commitments made to IMF led the central bank to implement new increases in the nominal annual policy interest rate that brought it up to 118% in August (equivalent to an effective annual rate of 209%). The rise in interest rates, financial instability and the decline in economic activity resulted in a real contraction of 14% in peso lending to the private sector in the first seven months of the year. The lines most affected were mortgage lending (down 38% year-on-year) and personal consumer lending (down 21% year-on-year). The real-term decline was smaller for other types of credit, partly thanks to official policies such as the *Ahora 12* programme for credit cards and the previously mentioned productive financing measures of the national government and the central bank.

(c) Exchange-rate policy

In 2022, the central bank exchange-rate policy faced the twofold challenge of forestalling further inflationary pressures and at the same time curbing the appreciation of the local currency. The nominal exchange rate increased by 70%, in a period when inflation was 95%. This dynamic meant that the multilateral real exchange rate fell by 9%. The central bank registered a surplus in its foreign exchange market interventions, with purchases totalling US$ 5.8 billion, benefiting from higher prices for major export products and from the implementation of the Export Increase Programme, whereby a differential exchange rate (higher than the official wholesale exchange rate) was set for soybean exports and some regional economies. These operations, together with net IMF disbursements, public sector debt cancellations and other accounting factors, resulted in gross international reserves increasing to US$ 44.6 billion (7.1% of GDP).

In the early months of 2023, challenges on the external front were exacerbated by a sharp decline in agricultural exports due to the drought, with losses estimated by specialists at some US$ 20 billion (equivalent to 23% of the previous year's goods exports). This was compounded by the government's need to renegotiate the commitments of the IMF agreement, the uncertainty caused by the presidential elections and the rise in inflation. Against this backdrop, the Central Bank of the Argentine Republic implemented measures aimed at stimulating inflows of foreign currency into the formal market and curbing outflows.

The exchange-rate measures adopted between 2022 and 2023 to promote the inflow of foreign currency included the Export Increase Programme already mentioned, plus a set of regulations exempting companies and self-employed workers in the service sector from the obligation to convert all their income from abroad in the official currency market and authorization for card issuers to access the parallel financial exchange rate (which is higher than the official rate) for transactions by foreign tourists in the country. Meanwhile, measures aimed at dampening demand for foreign currency in the formal market included a number of regulations to reduce cash payments for imports and tax changes that increased the cost of consumption by Argentines abroad and for the contracts for foreign performing artists in the country. The central bank also renewed the 130 billion yuan (equivalent to US$ 18.2 billion) currency swap agreement with China for three more years and came to an arrangement whereby part of the swap could be used to pay for imports in yuan.

Even with these measures, the central bank sold US$ 2.5 billion worth of foreign exchange on the official currency market in the year to August. These operations, together with the net redemption of public sector debts and other accounting factors, caused gross international reserves to fall to US$ 28 billion, and international reserves net of central bank liabilities to stand at US$ -5.3 billion. The external result, together with the central bank interventions, caused the official exchange rate to increase by 98% in the first eight months of the year. Combined with the dynamics of inflation in the country and its trading partners, this resulted in the real multilateral exchange rate as measured by the central bank increasing by some 20%.

(d) Other policies

Another set of policies with an economic impact was implemented in 2022, including the signing of pricing agreements with companies producing essential goods and the extension of the *Previaje* programme, which subsidizes the purchase of tourist services for destinations in Argentina and is intended to support activity and reduce the demand for foreign currency in the sector. An important development in the early months of 2023 was the completion of work on the first section of a gas pipeline connecting the Vaca Muerta non-conventional hydrocarbon formation with the central region of the country, which will increase the domestic supply of natural gas. According to government estimates, this first section of the pipeline will save US$ 1.7 billion in energy imports in 2023 and US$ 4 billion a year from 2024. In addition, Argentina's Minister of Economy announced that there would be a call for tenders in September 2023 for the construction of the second section of the gas pipeline linking the cities of Salliqueló in the province of Buenos Aires and San Jerónimo in the province of Santa Fe. This work is essential to increase the availability of gas on the Argentine seaboard and make it available for export to southern Brazil in the future. A forthcoming tender for the construction of another gas pipeline in the north of the country has also been announced.

In August 2023, furthermore, a bonus of 25,000 pesos for domestic staff and a lump sum payment of 60,000 pesos in two instalments for private and public sector employees were approved to alleviate the impact of inflation on household incomes.

3. The main variables

(a) The external sector

In 2022, the balance-of-payments current account was in deficit by 0.7% of GDP, which compared with a surplus of 1.4% of GDP the previous year. The deterioration in the current account balance was due to a reduction in the goods surplus from 3.8% of GDP in 2021 to 2.0% of GDP in 2022 and an increase in the services deficit from 0.7% of GDP to 1.1% of GDP over the same period. Primary and secondary revenues tended to remain stable in the first half of 2022 compared to the same period the previous year, with a deficit of 1.9% of GDP for the former and a surplus of 0.3% of GDP for the latter. The fall in the goods surplus was due to imports increasing by more in value terms (28% year-on-year) than exports (14%). The recovery in economic activity and the rise in international energy prices during 2022 were the main factors driving imports, while the increase in international food prices was the main driver of exports. The rise in the services deficit was mainly due to the travel and transport sub-account, in which net outflows increased from 0.6% of GDP in 2021 to 1.0% of GDP in 2022 as a result of the restoration of cross-border mobility with the lifting of pandemic restrictions.

The financial account (net of changes in reserve assets) was in surplus by 2.3% of GDP in 2022, owing to the positive contribution of direct investment (2.1% of GDP) and other investment (1.3%), partially offset by net portfolio investment outflows (1.1% of GDP). In particular, foreign direct investment (FDI) increased to 2.4% of GDP, essentially owing to higher issuance of debt instruments by resident branches and subsidiaries with their respective parent companies and to the reinvestment of profits. The increase in these two components of FDI was associated with a number of currency regulations limiting the transfer of profits abroad and access to foreign exchange for other types of operations. Foreign exchange inflows from other investments were associated with net disbursements of the IMF loan. The surplus in these components of the financial account exceeded the current account deficit, and in combination with the adjustment for errors and omissions, this led to international reserves increasing by 1.7% of GDP in 2022.

The goods trade balance was in deficit by US$ 5.1 billion in the first seven months of 2023, compared with a surplus of US$ 2.5 billion in the same period the previous year. The deterioration in the trade balance was due to exports falling by more than imports (24% and 10% year-on-year, respectively). Among exports, commodities were the item that declined the most (41% year-on-year), as a consequence of the drought.

(b) Economic activity

GDP grew by 5.0% year-on-year in 2022, driven by investment (11.1% year-on-year), private consumption (9.7%), exports of goods and services (5.8%) and government consumption (1.9%). The increase in imports of goods and services, at 17.9% year-on-year, partially offset the performance of the above components. Imports were mainly driven by items associated with investment and energy consumption (fuels and lubricants, capital goods, and parts and accessories for capital goods). On the supply side, the sector that grew most strongly was hotels and restaurants (36.7% year-on-year), on the back of the full resumption of activities following the COVID-19 pandemic. Compared to the pre-pandemic period (2019), the fastest-growing sectors were commerce (13.7%), mining (12.1%), manufacturing (11.7%) and real estate, business and rental activities (7.8%). This last sector includes a variety of knowledge-based services that became particularly dynamic following the outbreak of the pandemic.

Economic activity contracted in the early part of 2023. The EMAE, as already indicated, fell by 1.9% year-on-year in the first half. Although the indicator performed positively in the first quarter, it fell between April and May, reversing the previous improvement. This deterioration in activity was basically explained by the contraction of the agricultural sector owing to the effects of the drought on the main export crops.

(c) Prices, wages and employment

In 2022, the consumer price index (CPI) rose by 95% year-on-year to December, an increase from 51% the previous year. This higher inflation was due to both external and internal factors. The former included the outbreak of the conflict in Ukraine, with the consequent increase in international food and energy prices. The latter included increases in a number of regulated prices and local exchange-rate uncertainty. This last factor was reflected in pressures in the parallel financial exchange rate markets, with a gap of more than 100% opening up relative to the official rate. Inflation continued to rise in the early months of 2023, a period characterized by heightened vulnerabilities on the external front and in the run-up to the presidential elections. Inflation was 113% year-on-year in July and, according to the median of the central bank market expectations survey (REM) that same month, is projected to rise to 141% year-on-year by December 2023.

Real wages fell by an average of 1.0% in 2022, according to data from the National Institute of Statistics and Censuses (INDEC). The minimum wage fell by 1.6% year-on-year and the minimum retirement pension fell by 5.6% in real terms in the same period, without considering the top-up bonuses provided by the national government. In the first half of 2023, the average real wage fell by 2.7% year-on-year. In August 2023, the minimum wage was 112,500 pesos (US$ 350) and the minimum retirement income, excluding top-up bonuses, was 70,938 pesos (US$ 220).

Lastly, the unemployment rate fell from 7% in the fourth quarter of 2021 to 6.3% in the fourth quarter of 2022. This improvement occurred in parallel with an increase in the activity rate from 46.9% in the fourth quarter of 2021 to 47.6% in the same period of 2022. In the first quarter of 2023, the unemployment rate fell to 6.9%, from 7.0% in the same period the previous year. This decline occurred against the backdrop of a continued increase in the activity rate to 48.3% in the first quarter of 2023, up from 46.5% in the same period the previous year.

Table 1
ARGENTINA: MAIN ECONOMIC INDICATORS

	2014	2015	2016	2017	2018	2019	2020	2021	2022 a/
	Annual growth rates b/								
Gross domestic product	-2.5	2.7	-2.1	2.8	-2.6	-2.0	-9.9	10.7	5.0
Per capita gross domestic product	-3.5	1.7	-3.0	1.9	-3.4	-2.7	-10.5	10.1	4.4
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	3.1	7.5	-4.7	3.4	-14.6	21.4	-7.5	1.9	-4.5
Mining and quarrying	1.6	1.6	-5.5	-3.5	0.8	1.4	-10.4	10.3	13.4
Manufacturing	-5.1	0.8	-5.6	2.6	-4.8	-6.2	-7.7	15.7	4.6
Electricity, gas and water	2.0	4.4	1.0	-1.0	0.1	-3.1	1.4	3.3	2.7
Construction	-2.0	3.0	-11.2	9.2	1.1	-4.2	-22.4	29.1	6.0
Wholesale and retail commerce, restaurants and hotels	-6.3	3.3	-2.7	3.2	-3.6	-6.8	-10.5	14.2	8.1
Transport, storage and communications	0.8	3.0	3.4	2.3	-3.2	-0.7	-17.0	7.0	7.8
Financial institutions, insurance, real estate and business services	-1.1	1.7	-0.9	3.5	2.0	-3.9	-4.5	6.6	3.8
Community, social and personal services	1.7	2.8	1.8	1.2	0.7	0.1	-12.9	9.2	5.2
Gross domestic product, by type of expenditure									
Final consumption expenditure	-3.3	4.2	-0.7	3.9	-2.2	-6.2	-10.6	9.7	8.4
Government consumption	2.9	6.9	-0.5	2.6	-1.9	-6.4	-2.0	6.3	1.9
Private consumption	-4.4	3.7	-0.8	4.2	-2.2	-6.1	-12.2	10.4	9.7
Gross capital formation	-6.2	4.6	-5.1	15.5	-9.8	-20.0	-6.4	32.1	7.6
Exports (goods and services)	-7.0	-2.8	5.3	2.6	0.6	9.8	-17.4	8.5	5.8
Imports (goods and services)	-11.5	4.7	5.8	15.6	-4.5	-18.7	-17.2	20.4	17.9
Investment and saving c/	**Percentages of GDP**								
Gross capital formation	17.3	17.1	17.7	18.2	16.6	14.2	14.4	18.1	17.6
National saving	15.6	14.3	15.0	13.4	11.6	13.4	15.2	19.4	17.0
External saving	1.6	2.7	2.7	4.8	5.0	0.8	-0.8	-1.4	0.6
Balance of payments	**Millions of dollars**								
Current account balance	-9 179	-17 622	-15 105	-31 151	-27 084	-3 492	3 121	6 708	-3 788
Goods balance	5 541	-785	4 416	-5 447	-743	18 234	14 631	18 696	12 353
Exports, f.o.b.	68 440	56 809	57 960	58 662	61 801	65 162	54 946	77 987	88 515
Imports, f.o.b.	62 899	57 594	53 544	64 109	62 544	46 928	40 315	59 291	76 163
Services trade balance	-4 641	-5 815	-8 452	-9 695	-8 935	-4 843	-2 538	-3 643	-6 833
Income balance	-11 614	-12 105	-12 192	-16 380	-18 650	-17 732	-10 119	-9 825	-11 321
Net current transfers	1 535	1 083	1 123	371	1 245	849	1 147	1 481	2 013
Capital and financial balance d/	10 374	12 716	29 416	45 707	10 031	-34 090	-10 848	-6 813	10 708
Net foreign direct investment	3 145	10 884	1 474	10 361	9 991	5 126	3 430	5 420	12 764
Other capital movements	7 229	1 832	27 942	35 346	40	-39 216	-14 278	-12 233	-2 057
Overall balance	1 195	-4 906	14 311	14 556	-17 052	-37 582	-7 727	-106	6 920
Variation in reserve assets e/	-1 195	4 906	-14 311	-14 556	-11 277	21 375	7 727	106	-6 920
Other financing	0	0	0	0	28 329	16 208	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2015=100) f/	120.8	100.0	114.3	106.4	129.4	146.1	142.4	134.8	118.3
Terms of trade for goods (index: 2018=100)	100.9	96.1	102.1	99.1	100.0	99.2	99.7	109.3	108.0
Net resource transfer (millions of dollars)	-1 240	611	17 224	29 327	19 710	-35 614	-20 967	-16 638	-613
Total gross external debt (millions of dollars)	158 742	167 412	181 432	234 549	277 932	278 489	271 528	267 868	276 694
Employment f/ g/	**Average annual rates**								
Labour force participation rate	58.3	57.7	57.5	57.8	58.5	59.1	54.9	59.1	60.1
Unemployment rate	7.3	6.5	8.5	8.4	9.2	9.8	11.5	8.8	6.8
Visible underemployment rate	9.7	6.7	8.7	11.4	12.3	14.1	14.1	13.3	11.5

Table 1 (concluded)

	2014	2015	2016	2017	2018	2019	2020	2021	2022 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	23.9	27.5	38.5	25.0	47.1	52.9	34.1	51.4	95.2
Variation in wholesale prices (December-December)	28.3	12.7	33.0	18.2	76.4	58.5	35.4	51.3	94.8
Variation in nominal exchange rate (annual average)	52.1	14.0	59.5	12.1	69.8	71.5	46.5	34.6	37.4
Nominal deposit rate h/	20.8	21.7	24.4	19.1	32.0	47.3	29.4	33.6	52.5
Nominal lending rate i/	29.3	28.2	33.3	26.8	47.7	66.9	36.8	40.2	56.9
Central government	**Percentages of GDP**								
Total revenue	20.6	20.4	20.2	18.3	16.9	18.1	22.0	19.0	16.4
Tax revenue	17.3	17.2	17.1	15.7	14.3	14.5	14.7	14.8	14.9
Total expenditure	24.8	24.0	25.9	24.1	22.4	22.1	25.7	23.3	21.2
Current expenditure	20.6	21.4	23.8	22.2	21.1	20.8	24.4	20.7	19.7
Interest	1.9	1.8	3.6	3.0	3.7	4.3	2.3	1.7	1.9
Capital expenditure	4.2	2.7	2.1	1.9	1.3	1.3	1.3	2.6	1.6
Primary balance	-2.3	-1.9	-2.1	-2.8	-1.8	0.3	-1.5	-2.6	-3.0
Overall balance	-4.2	-3.7	-5.7	-5.8	-5.5	-4.0	-3.7	-4.3	-4.9
Central government public debt j/	44.7	52.6	53.3	56.5	85.2	89.8	103.8	80.6	84.7
Domestic	32.1	38.7	35.5	33.4	43.9	46.5	56.7	48.5	53.6
External	12.6	13.9	17.8	23.1	41.3	43.3	47.1	32.1	31.1
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	25.0	25.2	23.0	23.4	25.2	21.4	30.7	29.6	30.0
To the public sector	20.0	24.6	22.6	20.1	20.1	24.1	29.6	26.4	29.0
To the private sector	13.8	14.4	13.7	16.0	15.8	13.1	13.8	11.6	11.0
Others	-8.9	-11.2	-11.5	-12.6	-10.7	-15.8	-12.7	-8.3	-10.0
Monetary base	9.7	10.5	9.6	9.2	9.1	8.0	8.9	7.3	5.8
Money (M1)	13.8	13.4	12.4	11.5	10.1	9.0	12.4	11.5	10.3
M2	25.6	26.3	24.0	23.1	23.0	19.7	28.6	26.6	27.4
Foreign-currency deposits	1.6	2.6	4.7	5.2	8.3	5.9	5.6	4.1	4.1

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 2004 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/ Urban areas.
g/ The National Institute of Statistics and Censuses (INDEC) of Argentina does not recognize the data for the period 2007-2015 and has them under review. These data are therefore preliminary and will be replaced when new official data are published.
h/ Fixed-term deposits, all maturities.
i/ Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.
j/ National Public Sector.

Table 2

ARGENTINA: MAIN QUARTERLY INDICATORS

	2021				2022				2023	
	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/	3.4	18.8	12.0	9.1	5.8	6.8	5.7	1.5	1.3	…
Gross international reserves (millions of dollars)	39 542	41 524	43 891	41 336	39 248	42 118	37 530	40 428	39 729	35 001 c/
Unemployment rate d/	10.2	9.6	8.2	7.0	7.0	6.9	7.1	6.3	6.9	…
Employment rate d/	53.0	52.8	54.4	55.4	54.9	56.4	56.0	56.7	56.9	…
Consumer prices (12-month percentage variation)	42.6	50.2	52.5	50.9	55.1	64.0	83.0	94.8	104.3	115.6
Wholesale prices (12-month percentage variation)	52.0	65.1	59.1	51.3	50.3	57.3	78.4	94.8	101.9	107.6 e/
Average nominal exchange rate (pesos per dollar)	88.5	94.0	97.2	100.5	106.6	118.0	135.7	162.4	192.5	231.8
Nominal interest rates (average annualized percentages)										
Deposit rate f/	33.6	33.6	33.6	33.6	37.6	44.8	58.8	68.7	69.5	84.8
Lending rate g/	40.0	41.2	40.9	38.6	43.1	48.0	62.0	74.3	73.9	91.0
Interbank rate	30.6	31.9	31.2	31.0	32.0	37.9	55.0	66.7 h/	67.4	80.4
Monetary policy rates	38.0	38.0	38.0	38.0	42.3	49.3	68.2	75.0	76.0	95.0
Sovereign bond spread, Embi + (basis points to end of period) i/	1 589	1 596	1 607	1 688	1 718	2 428	2 801	2 196	1 561	1 112
International bond issues (millions of dollars)	1 100	300	366	126	0	0	0	615	0	72
Domestic credit (variation from same quarter of preceding year)	70.7	51.6	48.0	59.6	67.9	70.5	83.0	81.2	85.1	106.8

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 2004 prices.
c/ Figures as of April.
d/ Urban areas.
e/ Figures as of May.
f/ Fixed-term deposits, all maturities.
g/ Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.
h/ Figures as of October.
i/ Measured by J.P.Morgan.