BRAZIL

1. General trends

The coronavirus disease (COVID-19) pandemic had a dramatic impact on Brazil in 2020: more than 500,000 deaths and over 20 million people infected, and a 4.1% drop in GDP—the steepest fall since 1990. The interaction between sanitary conditions and public health responses, the collaboration of individuals and firms and, especially, the public policies implemented, had an impact on both results. As Brazil is a federation with a national government and different subnational governments presiding over a vast territory, the relationship between the various restrictions and physical distancing measures and the evolution of the pandemic, with its waves and variants, has posed a challenge for coordinating COVID-19 prevention and mitigation policies, and also for treating the individuals infected.

To confront the pandemic, the Brazilian federal government deployed a series of policies and instruments to protect the incomes of the poorest in society and of those employed in the informal sector, and to keep businesses running, especially micro and small enterprises. In terms of income transfers, the COVID-19 emergency assistance programme has supported over 66 million people, with payments totalling R$ 322 billion, equivalent to about 3.9% of GDP. In total, federal government spending in 2020 (including tax relief and additional expenditure) amounted to R$ 524 billion, or about 7.3% of GDP. In addition, the central bank supported additional lending by the financial system, which underpinned an increase in lending to micro, small and medium-sized enterprises (MSMEs) of over 31%, equivalent to 1.6% of GDP, compared to 2019.

In the first half of 2021 the activity level displayed two different trends. In the first quarter of the year, the economic recovery noted in the second half of 2020 continued, with growth of 1.2% relative to the previous quarter, following expansions of 7.7% and 3.1% in the third and fourth quarters of 2020, respectively. However, in the second quarter of 2021 growth faltered, and the economy shrank by 0.1% relative to the previous three-month period. In part, this drying up of growth reflected both demand- and supply-side factors: a reduction in demand following the suspension of emergency assistance for three months and its return in smaller amounts starting in April 2021; and supply problems owing to the lack of inputs for industry. GDP growth in 2021 is forecast to be 5.2%, almost entirely resulting from the statistical carry-over from the steep fall recorded in 2020.

In 2020, the government adopted an expansionary fiscal and monetary policy stance. The nominal consolidated public deficit grew to 13.7% of GDP, with a record primary deficit of 9.5% of GDP, the largest ever recorded since the real was introduced in 1994. In addition to expanding liquidity through measures such as a relaxation of reserve requirements, the central bank cut its base interest rate (SELIC) to 2.0% per year, its lowest-ever level. These stimulus measures have made it possible to soften the impact on household income and debts throughout 2020, and to help businesses survive. Nonetheless, this additional financial liquidity, compounded by uncertainty surrounding the impact and management of measures to combat the pandemic, resulted in a sharp devaluation of the real. The exchange rate rose to almost 5.80 reais per dollar, which is equivalent to a devaluation of 20.5% relative to the rate prevailing in late 2020. This is due to the persistence of inflationary shocks caused by the rapid rise in the international prices of commodities and energy in general. The inflation rate, as measured by consumer prices, was 4.5% in 2020; and in May of that year the year-on-year variation reached 1.9%. The central bank started to respond to price developments in March 2021, by raising the SELIC rate to2.75%. Further increases took the rate to 4.25% in June 2021, and the central bank announced further rate hikes for the second half of the year.

With the tapering of income support measures and continued uncertainty regarding economic policy and policy reform proposals, structural challenges persisted in respect of job creation, income growth and investment improvement. The unemployment rate in 2020 rose to a monthly average of 13.2%, compared to 11.9% in 2019; and, in the first half of 2021, the monthly average rose further to 14.4%.

The first six months of 2021 saw a sharp reversal in the public accounts, following the suspension of special expenditures to offset the impacts of COVID-19, together with a rapid recovery of federal tax revenues. The consolidated nominal deficit in the first half of 2021 was 3.7% of GDP, compared to 16.2% in the year-earlier period; and the primary deficit fell from 11.3% to just 0.13% of GDP. The adjustment was obtained with a nominal increase in federal government revenues of 36.7% (28.5% in real terms) and a nominal fall in total expenditures of 16.8% (- 22.0% in real terms). These fiscal developments, in conjunction with lower interest rates, meant that the ratio of gross public debt to GDP stabilized at 84.0%, thanks to a smaller-than-expected decline in GDP and smaller fiscal deficits in 2021, following the sharp rise in gross public debt from 74.3% of GDP in late 2019 to 88.8% of GDP in December 2020.

In the external sector, the total value of exports decreased by 6.7% in 2020, while imports declined by 9.6%. As a result, the merchandise trade surplus widened to US$ 43.2 billion (6.8% larger than in 2019). The steep 42% fall in the services trade deficit and a reduction of one third in primary income (profit remittances and external interest payments), reduced the combined deficits on those accounts by US$ 34.234 billion. The current account deficit narrowed by 75% to US$ 12.517 billion, from US$ 50.697 billion in 2019.

On the financial and capital accounts, the foreign exchange outflow of about US$ 11.1 billion in 2020 was less than the previous year’s US$ 49.6 billion. The smaller outflows in these accounts were matched by equally lower levels of direct investment (-50.7%). However, there was a capital outflow in respect of loan repayments totalling US$ 32.673 billion. International reserves were essentially stable, edging down to US$ 355.6 billion in late 2020 from US$ 356.9 billion a year earlier.

The current account of the balance of payments showed the first signs of a recovery in international goods trade in the first half of 2021. Exports were up by 35.8% relative to the year-earlier level and imports were 33.5% higher. Thus, the trade surplus maintained its upward trend, growing by 51.6% relative to the same period in 2020, for a cumulative increase of US$ 19.8 billion in the first six months of the year. In addition, the services account continued to post smaller deficits, mainly owing to the continued restrictions on tourism by Brazilians in several countries around the world, as well as on people entering Brazil from other countries. In the first half of 2021, the services trade deficit came in at US$ 7.9 billion, 25% less than in the same period a year earlier.

The effective recovery of the Brazilian economy is linked to the control of the pandemic, especially the widespread vaccination of the population, which began in January 2021 and gathered pace throughout the first half of the year. Having obtained the necessary licences, Brazil started producing the Chinese vaccine CoronaVac through the Butantan Institute of the State of São Paulo, and the British vaccine AztraZeneca through the federal government's Oswaldo Cruz Foundation. In 2021 it produced more than 200 million doses. For the second half of the year, the country has acquired over 100 million doses of the Pfizer vaccine from the United States. By the end of the year all authorized groups of people should have received at least one dose of the vaccine, and two thirds of them will be fully vaccinated with at least two doses. Both the Butantan Institute and the Oswaldo Cruz Foundation plan to manufacture their own COVID-19 vaccines in-house, starting in 2022.

2. Economic policy

The COVID-19 pandemic necessitated a review of the economic policy course set by the government in 2019. With proposals for major structural reforms involving an ambitious programme of concessions and privatizations, the government implemented an extensive emergency assistance programme. This was on a larger scale than initially proposed, since Congress increased the amount of assistance from R$ 200 to R$ 600 per month. In addition, programmes were implemented to support firms by granting tax deferrals and subsidies to maintain employment, among other initiatives. The monetary authorities [also adopted an expansionary monetary policy, which revitalized the actions of the federal public banks, which were seeing their share of total lending decline.

In 2020, the proposals for tax reform, privatizations (such as that of Eletrobrás, the federal enterprise responsible for electricity generation and distribution in Brazil) and airport concessions were not approved, nor was the administrative reform of the federal government, although debates in the National Congress continue. Another challenge in fiscal policy was the debate on the 2021 budget, which had to reconsider the rule imposing a cap on primary expenditure. Introduced through a constitutional amendment in 2017, this rule prevents any real increase in primary expenditure, based on the variation in consumer prices in the 12 months up to July of each year. The special budget authorized to meet emergency COVID-19 expenses would not be extended into 2021. In order to comply with the constitutional spending limit, the government had to make considerable adjustments in various expenditure categories, such as investment, which was reduced to its lowest-ever level.

To enable the return of emergency assistance with smaller population coverage and a monthly amount close to one third of that paid in 2020, the government proposed, and Congress initially approved, assistance for four months from April to July 2021, which would subsequently be extended until October.

The current government administration has sought ways to extend income transfer mechanisms in 2022, such as the *Bolsa Família* programme, and increase the amounts paid. It also took steps to revive the reform agenda by passing new laws allowing for the sale of Eletrobrás and permitting private-sector participation in sanitation services. However, the increase in government debts payable in 2022 as a result of court decisions (*precautórios*) —R$ 89 billion compared to R$ 58 billion in 2021— makes it impossible to expand primary expenditures, which include social benefits. The Government and Congress are negotiating possible ways to partly postpone the payments in question.

(a) Fiscal policy

In 2020, the Brazilian public accounts recorded a record deficit. The nominal deficit of the consolidated public sector, which came in at R$ 1 trillion, and the primary deficit of R$ 703 billion (13.7% and 9.5% of GDP, respectively) remained the great challenges facing the Brazilian economic authorities. The pandemic caused both revenue losses and the need for extra spending in the form of emergency assistance.

Total federal government income in 2020 was R$ 228.2 billion lower than in 2019 (- 13.1% in real terms). In the case of tax revenue, the largest losses occurred in taxes on financial operations (-47.8% in real terms), owing to the cut in rates and weaker economic activity, and also in the Contribution for the Financing of Social Security (COFINS), which fell by 10.1%, and in income tax, were revenue was down by 6.7%. Equally significant was the suspension of concession processes, which had raised revenue of almost R$ 100 billion in 2019, but just R$ 8.4 billion in 2020. Dividends received from federal banks and other federal State-owned enterprises were 69.4% lower in real terms, meaning a loss of R$ 15.4 billion.

In 2020, federal government expenditures rose by R$ 477.6 billion, which represented a real increase of 31.1%. Emergency assistance and other disbursements associated with COVID-19 totalled R$ 539.6 billion. On the other hand, the government maintained its efforts to control personnel expenses, which fell by 0.6% in real terms, and it restricted the growth of pension system benefits to 2.8%.

In the first half of 2021, the revival of economic activity led to an improvement in the public accounts. Income rose by R$ 242 billion, representing a 28.5% real increase. Tax revenues grew by 28.9%, especially those that follow the activity cycle. Revenue from the tax on industrialized products grew by 46.9% and social contributions also increased, such as COFINS (47.5%), the Social Integration Programme/Civil Servant Investment Programme (PIS/PASEP) (43.1%) and taxes on profits, such as the Social Contribution on Net Profits (CSLL) (26.7%). Income tax revenue increased by 19.6% to reach a level of R$ 262.4 billion.

Total primary expenditure fell by 22.0% in real terms in the first half of 2021, owing to the suspension of measures to support economic activity and the subsequent reduction of emergency assistance and other social benefits, with a disbursement of less than R$ 160 billion. The pandemic has also reduced access to social benefits, retirement claims and other social security payments. In the first half of the year, spending on social security benefits fell by 4.8% in real terms. In addition, the freezing of pay increases for federal civil servants decided on in 2020 resulted in a real pay cut of 3.0% between December and June. Similarly, non-mandatory government spending decreased by 22.4% in real terms.

Between January and June 2021, the public sector primary deficit amounted to 0.1% of GDP, interest payments were equivalent to 3.5%, and the nominal overall deficit narrowed to 3.6%. As a result of the smaller deficit, and the lowest interest payments in years owing to the low SELIC rate, the government's public debt at the end of June 2021 stood at 84.0% of GDP, slightly down from the 88.8% recorded in December 2020. Net debt fell by 1.9 percentage points in the first half of 2021, from 62.7% of GDP in December 2020 to 60.8% in June 2021.

(b) Monetary policy

In August 2020, in the midst of the pandemic, the SELIC rate was lowered to 2.0% per year, as the downward trend that began in July 2019, when the rate was 6.5%, gathered pace. The process reversed in March 2021 with the start of a new cycle of SELIC rate hikes in response to inflationary pressures. By late June, the rate had risen to 4.25%, with prospects of further increases depending on decisions to be taken at upcoming meetings of the central bank's Monetary Policy Committee (COPOM).

The central bank took steps to lessen the impact of the pandemic and soften the abrupt halt or reduction in activity levels. These include adding liquidity to the economy by reducing reserve requirements and relaxing bank collateral and capital requirements. The impact of these measures was equivalent to more than 16.7% of GDP. In addition, a US$ 60 billion swap line was opened with the United States Federal Reserve. These policy measures led to a 15.8% increase in broad credit available to businesses and families in 2020, following the 9.4% expansion in 2019. The increase mainly targeted MSMEs, a 31.6% credit boost (following growth of 6.7% in 2019). Large firms, on the other hand, saw credit expand by 16% (following the previous year's 3.7% reduction).

As regards the cost of credit operations, 2020 saw a widespread reduction in average interest rates. The general average annual lending rate fell by 4.2 percentage points, to 18.4%, and the risk-free rate dropped by 7.9 points, to 25.5% —the lowest level in the series maintained by the central bank since 2011.

In terms of the monetary aggregates, the monetary base expanded by 29.6% in 2020 (compared to the previous year's 4.8% expansion), and the means of payment grew by 39.1% (9.1% in 2019).

In the first half of 2021, the economic recovery produced changes in credit ratios. Lending to households continued to expand, growing by 18.2% in 12 months, compared to the 16.3% recorded in the year to June. At the same time, the growth of lending to business slowed from 21.8% in 2020 to 14.8% in the 12 months to June 2021.

Interest rates rose again in the first half of the year, in response to the movement in the SELIC rate. The general average interest rate in June 2021 was 19.9%, 1.5 percentage points higher than in December 2020. The average risk-free rate rose to 28.3%, or 2.8 percentage points above the 25.5% recorded in December 2020.

(c) Exchange-rate policy

In 2020, the foreign exchange market came under pressure from the uncertainties caused by the impact of the pandemic and the economic policy scenario adopted both in Brazil and globally. This accentuated the rising exchange rate trend that had begun before the pandemic. The real started to devalue in 2020 despite central bank interventions, and the exchange rate had risen to R$ 4.50 per dollar by the end of February, compared to R$ 3.75 a year earlier. Throughout 2020, the difficulties in controlling the spread of the pandemic in the face of scant coordination between the different levels of government, compounded by the exit of foreign investors from Brazilian assets and securities, put pressure on the foreign exchange market. In May 2020, the exchange rate reached a level of R$ 5.94 per dollar. Following central bank interventions, together with greater knowledge of the impacts of the pandemic and the economic policies adopted, the exchange rate fell back, albeit with great volatility, and the year closed with the rate at R$ 5.19 reais per dollar. Volatility remained high in the first half of 2021, with the real trading in a range of R$ 4.95 to R$ 5.50 per dollar.

3. The main variables

(a) The external sector

The interruption of economic activities in Brazil and worldwide in 2020 had an adverse impact on the country's foreign trade. Throughout the year there were marked fluctuations in commodity prices, and the initial steep declines were reversed at varying speeds by 2021.

Commodity exports (agricultural and mineral products) rose by just 0.6% in 2020, while crop and livestock exports grew by 4.0%, owing in particular to a 5% increase in volumes. The value of metallic mineral exports grew by 11.6% in 2020, thanks to a 15.8% price increase. The sector in which the pandemic crisis had the greatest impact was manufacturing, where export value slumped by 22.0%, with a 13.2% drop in sales to the Southern Common Market (MERCOSUR) and a 29.5% reduction in exports to other Latin American countries. The foreign sales of Brazilian automobiles fell by 25.4%, and exports of other transport equipment (such as aircraft) dropped by 62.4%.

Of the main markets, Brazilian exports increased only in China and the Republic of Korea in 2020, growing by 6.8% and 8.7%, respectively. Total sales to Asia, excluding the Middle East, posted a record of US$ 99.1 billion in 2020, representing 47.3% of the country's total exports. In contrast, sales to the United States and the European Union declined sharply, with exports falling by 27.8% and 14.0%, respectively.

Imports into Brazil fell by 10.4% in 2020, in what was a generalized reduction in purchases. The value of fuel imports dropped by 39.6% owing to reductions in both prices (-27.4%) and quantities (-16.4%). By economic category, purchases of imported durable consumer goods were 35.1% below their 2019 levels. Capital goods imports rose by 16.7% in value terms in 2020, mainly related to Petrobras offshore platforms.

Brazil's foreign trade staged a recovery in the first half of 2021. Exports of commodities remained strong, increasing by 41.7% over the same period in 2020, as did those of semi-manufactured products (26.6%) and manufactured products (2.7%). All markets recovered, and China maintained its leadership as the main destination for Brazilian exports, absorbing one third of the total. Meanwhile, the United States and the European Union absorb 10.1% and 12.8% of the total, respectively, and MERCOSUR has a share of just 6.3%.

As with exports, Brazilian imports regained a degree of normality in the first half of 2021, as purchases recovered. Imports of consumer durables rose by 50.8%, fuel imports increased by 29.0% and imports of intermediate goods grew by 37.9%. In the scenario of low investment growth prevailing in the first few months of 2021, capital goods purchases were down by 6.3%.

In the first six months of 2021, Brazil's external accounts reflected the gradual recovery of international financing conditions, but still subject to the uncertainties of the global market. Nonetheless, it is proving increasingly difficult to maintain the flow of direct investments: in June 2021 these barely amounted to US$ 174 million, compared to total inflows of US$ 5.2 billion in June 2020, when the impact of the pandemic was at its highest.

The country's international reserves stood at US$ 348.781 billion in June 2021, down by US$ 2.557 billion since late 2020. The external debt decreased by US$ 10.036 billion in the first half of the year to stand at US$ 300.771 billion.

(b) Economic activity

In 2021, Brazilian GDP fell by 4.1% —slightly less than the reductions of 4.35% and 4.25% recorded in 1990 and 1981, respectively. The variation in GDP was impacted by the COVID-19 restrictions on movement and physical distancing measures, especially in the first half of 2020. On the supply side, output declined in services (-4.5%) and manufacturing industry (-3.5%). The agricultural sector posted growth of 2.0% in 2020, thanks to excellent harvests. On the demand side, the effects of the pandemic were widespread. Household consumption dropped by 5.5% and government consumption fell by 4.7% (together they represent more than 80% of GDP), while investment retreated by 0.6%, having already been very low relative to GDP (16%).

The results for the first quarter of 2021 have evidenced the economy's recovery path. Following a strong recovery in the last two quarters of 2020 (up by 7.8% in the third quarter and by 3.2% in the fourth, both relative to the previous quarter), the first quarter of 2021 saw a 1.2% increase relative to the previous three-month period. On the supply side, agriculture led the way with a 5.7% expansion, but manufacturing industry recorded a 0.5% drop. On the demand side, after posting growth in the second half of the year, both household and government consumption again recorded reductions (-0.1% and -0.8%, respectively). The recovery of investment slowed, although positive growth was maintained (4.2%). Results for the first quarter of 2021 show that economic activities are starting to regain pre-pandemic levels, albeit now with the pre-existing structural challenges compounded by the costs of the pandemic.

(c) Prices, wages and employment

Measured by the Extended National Consumer Price Index (IPCA), cumulative inflation amounted to 4.5% in 2020, compared to 4.3% in 2019. There were two separate trends. Firstly, the deflationary impact of the pandemic produced negative monthly variations in April and May 2020, of -0.31% and -0.38%, respectively. Inflation in the 12 months to May 2020 amounted to -0.16%. Secondly, wholesale price increases fed through to consumer prices. Given the sharp devaluation of the real in the initial months of the pandemic and the subsequent recovery of international commodity prices, wholesale prices surged in the second half of the year, and went from a monthly increase of 0.11% in April 2020 to one of 5.44% in August 2020. The inflationary pressure continued with the cumulative variation in 2020 reaching 31.7%. Thus, consumer prices, particularly in the case of fuel and food products, rose by increasing monthly amounts, to reach 1.35% in December 2020 and a cumulative 4.51% for the year.

This price trend started to erode real family incomes while boosting nominal revenues among firms and governments, which were used to improve financial flows. However, the inflationary process persisted throughout the first half of 2021. Although the monthly variations have decreased, up to June, the wholesale price index had accumulated a six-month increase of 17.9%. In contrast, consumer prices are surging, with monthly variations of up to 0.93% in March 2021. Between January and June 2021, the cumulative variation in the consumer price index was 3.77%, with market forecasts of an 8% increase by the end of the year.

The unemployment rate rose from an average of 11.9% in 2019 to 13.2% in 2021. The increase proved less than initially estimated, as a portion of the population stayed at home because of the pandemic and, especially, because of the extensive emergency assistance. The participation rate fell from 61% in March to 55% in June 2020. The return to the labour market began at the end of 2020, and in June 2021 the participation rate had climbed back to 58%. As a result, the average unemployment rate in the first half of 2021 rose to 14.4%.

According to the General Cadastre of Employed and Unemployed (CAGED), using the new methodology applied since January 2020, a total of 280,499 new formal jobs were created, either permanent or temporary, in the second half of 2020; and the 1.4 million net jobs lost between March and June 2020 were recovered. In the first half of 2021, CAGED recorded a net increase of 1.9 million jobs.

The nominal average wage rose by 3.4% in 2020, lagging behind consumer prices (4.5%). In the first half of 2021, this indicator stood at R$ 2,602.00 per month, 3.8% higher than in the same period of 2020 but significantly below cumulative inflation in the 12 months to June 2021 (6.7%). The pandemic caused a sharp 6.4% drop in the real wage bill between March and August 2020. Although several months in 2020 and 2021 saw a recovery, in June 2021 the real wage bill was 7.2% below the March 2020 figure.

Table 1

BRAZIL: MAIN ECONOMIC INDICATORS

	2012	2013	2014	2015	2016	2017	2018	2019	2020 a/
	Annual growth rates b/								
Gross domestic product	1.9	3.0	0.5	-3.5	-3.3	1.3	1.8	1.4	-4.1
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-3.1	8.4	2.8	3.3	-5.2	14.2	1.3	0.6	2.0
Mining and quarrying	-1.9	-3.2	9.1	5.7	-1.2	4.9	0.4	-0.9	1.3
Manufacturing	-2.4	3.0	-4.7	-8.5	-4.8	2.3	1.4	0.0	-4.3
Electricity, gas and water	0.7	1.6	-1.9	-0.4	6.5	0.9	3.7	1.7	-0.4
Construction	3.2	4.5	-2.1	-9.0	-10.0	-9.2	-3.0	1.5	-7.0
Wholesale and retail commerce, restaurants and hotels	2.7	2.8	0.8	-7.2	-6.1	2.6	3.0	1.9	-3.1
Transport, storage and communications	4.3	3.2	3.1	-2.9	-4.0	1.2	2.0	2.8	-10.9
Financial institutions, insurance, real estate and business services	4.0	3.6	0.3	-2.2	-1.4	0.0	2.5	2.3	-9.0
Community, social and personal services	1.5	1.8	1.0	-0.3	-0.1	0.3	1.1	-0.2	-4.7
Gross domestic product, by type of expenditure									
Final consumption expenditure	3.2	3.0	1.9	-2.8	-2.9	1.3	2.0	1.6	-5.3
Government consumption	2.3	1.5	0.8	-1.4	0.2	-0.7	0.8	-0.4	-4.7
Private consumption	3.5	3.5	2.2	-3.2	-3.8	2.0	2.4	2.2	-5.5
Gross capital formation	-2.5	5.9	-5.4	-19.2	-13.9	2.6	3.5	8.1	-0.8
Exports (goods and services)	0.7	1.8	-1.6	6.8	0.9	4.9	4.1	-2.4	-1.8
Imports (goods and services)	1.1	6.7	-2.3	-14.2	-10.3	6.7	7.7	1.1	-10.0
Investment and saving c/	**Percentages of GDP**								
Gross capital formation	21.4	21.7	20.5	17.4	15.0	14.6	15.1	15.4	15.4
National saving	18.0	18.5	16.4	14.4	13.6	13.6	12.4	11.9	13.6
External saving	3.4	3.2	4.1	3.0	1.4	1.1	2.7	3.5	1.8
Balance of payments	**Millions of dollars**								
Current account balance	-84 432	-79 990	-101 679	-54 789	-24 475	-22 033	-51 460	-65 030	-25 923
Goods balance	16 908	369	-6 739	17 445	44 544	57 325	43 376	26 547	32 370
Exports, f.o.b.	241 982	241 511	223 971	189 914	184 267	218 000	239 522	225 800	210 707
Imports, f.o.b.	225 074	241 142	230 710	172 469	139 723	160 675	196 147	199 253	178 337
Services trade balance	-40 301	-46 559	-48 239	-37 050	-30 602	-38 324	-35 996	-35 489	-20 941
Income balance	-63 876	-37 484	-49 427	-37 935	-41 543	-43 170	-58 824	-57 272	-39 696
Net current transfers	2 838	3 683	2 725	2 751	3 126	2 135	-15	1 184	2 344
Capital and financial balance d/	103 331	74 064	112 512	56 358	33 713	27 126	54 387	38 974	11 692
Net foreign direct investment	90 485	59 568	67 107	61 604	59 601	47 545	76 138	46 355	48 129
Other capital movements	12 846	14 496	45 405	-5 246	-25 888	-20 419	-21 751	-7 380	-36 437
Overall balance	18 900	-5 926	10 833	1 569	9 237	5 093	2 928	-26 055	-14 232
Variation in reserve assets e/	-18 900	5 926	-10 833	-1 569	-9 237	-5 093	-2 928	26 055	14 232
Other financing	0	0	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	77.7	83.1	84.5	102.9	98.0	89.5	99.8	101.4	129.4
Terms of trade for goods (index: 2010=100)	101.5	99.4	96.1	85.5	88.1	93.2	91.3	91.8	93.2
Net resource transfer (millions of dollars)	39 455	36 580	63 085	18 423	-7 830	-16 043	-4 437	-18 297	-28 004
Total gross external debt (millions of dollars)	570 831	621 439	712 655	665 101	675 841	667 103	665 777	675 789	639 308
Employment	**Average annual rates**								
Labour force participation rate g/	61.4	61.3	61.0	61.3	61.4	61.7	61.6	62.0	57.1
Open unemployment rate	7.3	7.1	6.8	8.5	11.5	12.7	12.3	11.9	13.5

Table 1 (concluded)

	2012	2013	2014	2015	2016	2017	2018	2019	2020 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	5.8	5.9	6.4	10.7	6.3	2.9	3.7	4.3	4.5
Variation in wholesale prices (December-December)	8.6	5.1	2.1	11.2	7.6	-2.5	9.4	9.1	31.6
Variation in nominal exchange rate (annual average)	16.7	10.5	9.1	41.5	4.6	-8.4	14.5	7.9	30.7
Variation in average real wage	3.4	2.4	0.9	0.5	-1.2	2.4	-0.2	0.3	4.7
Nominal deposit rate h/	6.5	6.4	7.1	8.1	8.3	6.8	6.2	6.2	6.2
Nominal lending rate i/	39.9	39.1	45.0	49.5	53.7	49.9	45.2	42.7	33.8
Central government	**Percentages of GDP**								
Total revenue	22.3	22.1	21.1	20.8	21.0	21.0	21.2	22.1	19.7
Tax revenue	21.0	21.1	20.5	20.3	20.3	20.2	20.5	20.3	19.3
Total expenditure	24.2	24.8	26.3	30.0	28.7	28.8	28.5	27.7	33.5
Current expenditure	22.8	23.4	24.7	28.1	27.3	27.8	27.5	26.8	31.8
Interest	3.6	4.1	4.7	7.1	5.2	5.9	5.5	4.4	3.8
Capital expenditure	1.4	1.4	1.6	1.8	1.4	1.0	1.0	0.9	1.7
Primary balance	1.8	1.4	-0.4	-2.0	-2.6	-1.9	-1.7	-1.3	-10.0
Overall balance	-1.9	-2.7	-5.1	-9.2	-7.7	-7.8	-7.2	-5.7	-13.8
General government public debt	55.2	56.7	58.9	66.5	70.0	74.0	77.2	74.3	88.8
Domestic	55.8	53.6	55.5	62.1	66.3	70.5	67.4	64.8	77.8
External	2.9	3.1	3.4	4.4	3.7	3.5	9.8	9.4	11.0
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	101.1	100.1	103.4	107.1	111.2	110.8	110.8	117.1	135.8
To the public sector	30.6	27.7	28.8	31.5	40.6	46.2	47.1	50.5	60.5
To the private sector	62.5	64.2	66.0	66.8	62.2	59.5	60.2	62.6	70.2
Others	8.0	8.1	8.6	8.8	8.4	5.1	3.5	4.0	5.1
Monetary base	4.8	4.7	4.6	4.3	4.3	4.5	4.3	4.3	5.8
M2	31.3	29.7	28.0	27.0	27.6	29.5	31.7	32.6	45.9

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 2010 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 2012; the data are not comparable with the previous series.
h/ Savings rate. Nominal yield, first business day.
i/ Interest rate on total consumer credit.

Table 2

BRAZIL: MAIN QUARTERLY INDICATORS

	2019				2020				2021	
	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/	1.2	1.5	1.3	1.6	-0.3	-10.9	-3.9	-1.1	1.0	…
Gross international reserves (millions of dollars)	379 866	386 018	382 881	364 365	355 006	344 601	355 787	355 911	352 966	352 310
Real effective exchange rate (index: 2005=100) c/	98.0	101.3	101.5	104.9	112.3	133.3	135.9	135.9	136.9	135.4 d/
Open unemployment rate e/	12.7	12.0	11.8	11.0	12.2	13.3	14.6	13.9	14.7	…
Employment rate e/	53.9	54.6	54.8	55.1	53.5	47.9	47.1	48.9	48.4	…
Consumer prices (12-month percentage variation)	4.6	3.4	2.9	4.3	3.3	2.1	3.1	4.5	6.0	8.3
Wholesale prices (12-month percentage variation)	10.3	7.9	3.2	9.08	8.5	9.8	25.3	31.62	42.6	47.5
Average nominal exchange rate (reais per dollar)	3.8	3.9	4.0	4.1	4.5	5.4	5.4	5.4	5.5	5.3
Average real wage (variation from same quarter of preceding year)	0.8	-0.1	-0.3	0.6	0.1	5.0	8.8	4.8	1.6	…
Nominal interest rates (average annualized percentages)										
Deposit rate f/	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2 d/
Lending rate g/	44.9	45.0	43.0	37.9	38.9	34.4	30.7	31.2	33.4	33.8 h/
Interbank rate	6.4	6.4	6.0	5.0	4.2	3.1	2.0	1.9	2.0	3.2
Monetary policy rates	6.5	6.5	6.0	4.8	4.2	3.0	2.1	2.0	2.3	3.5
Sovereign bond spread, Embi + (basis points to end of period) i/	248	232	239	212	389	373	334	250	272	256
Risk premiia on five-year credit default swap (basis points to end of period)	180	150	137	99	276	257	250	143	225	165
International bond issues (millions of dollars)	7 700	6 226	7 370	7 851	8 200	7 250	5 675	5 850	9 644	13 395
Stock price index (national index to end of period, 31 December 2005 = 100)	285	302	313	346	218	284	283	356	349	379
Domestic credit (variation from same quarter of preceding year)	5.7	9.5	12.4	11.4	12.3	16.2	17.4	16.0	15.5	13.3 h/

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 2010 prices.

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

d/ Figures as of May.

e/ Nationwide total.

f/ Savings rate. Nominal yield, first business day.

g/ Interest rate on total consumer credit.

h/ Measured by J.P.Morgan.

i/ Figures as of April.