COLOMBIA

1. General trends

Colombia's economy grew by 4.0% in 2012. After expanding by 5.0% in the first semester, economic activity lost momentum in the second half of the year, mainly owing to weakening household consumption and external demand. There was a slowdown in mining and construction, which are strategic sectors in the country's development plan, while the tradable sectors making the largest contribution to value added (industry and agriculture) posted low growth rates.

Annual inflation in 2012 was 2.4%, below the midpoint of the target range (2% to 4%). In the first few months of 2013, inflation followed a similar downward trend: 2.0% in annualized terms. Despite the cooling economy, unemployment also fell and there was an improvement in the quality of the jobs created, supported by public policy efforts aimed at reducing informality. The contribution of employment in helping to reduce poverty was bolstered by various social programmes. The poverty rate stood at 32.7% in 2012 (compared with 34.1% in 2011), and the level of extreme poverty also fell —albeit to a lesser degree— by 0.2 percentage points to 10.4% in 2012.

The fiscal balance improved thanks to higher tax revenues, mainly stemming from the mining and energy boom and improvements in tax collection. In late December 2012, Congress approved a tax reform through Law 1607, under which the government is seeking to make income tax more progressive and to promote formality in the labour market. This improved fiscal stance was recognized in the decision by Standard and Poor's to upgrade Colombia's debt rating.

The current account continued to show a deficit equivalent to 3.1% of GDP, compared with 2.9% in 2011. This was easily funded by record inflows of foreign direct investment, which totalled close to US$ 16.0 billion in 2012.

The remainder of 2013 may see growth rally on the back of an expected acceleration in the pace of investment, especially in public works. On 15 April 2013, the government unveiled a Productivity and Employment Stimulus Plan (PIPE) to boost economic recovery through exchange-rate, tax and sectoral measures, as well as major housing and road-works programmes. The initiation of the accession process with the Organisation for Economic Cooperation and Development (OECD) bolstered investor confidence. Projections for 2013 include growth of 4%, a current account deficit of 3.4%, inflation at close to 3% and a central government fiscal deficit of 2.4% of GDP.

2. Economic policy

(a) Fiscal policy

At year-end 2012, the public-sector fiscal accounts posted a surplus of 0.3% of GDP, while the medium-term fiscal framework, revised mid-year, showed a deficit of 1.2%. This is the result of a series of reforms that introduced the principle of fiscal sustainability into the constitution, adopted the fiscal rule[1] and amended distribution under the general royalty system[2] starting from 2012. Income growth (up 13.6%) outpaced that of expenditure (9.6%) in 2012, narrowing the central government deficit to 2.3% of GDP from 2.9% in 2011. Higher central government tax revenues reflected the increased income tax take in 2011, which saw record growth in GDP terms (6.6%). Public investment rose to 3.0% of GDP and was mainly directed towards transport, social inclusion, defence and housing. The decentralized sector ran a surplus of 2.8% of GDP, thanks to low spending execution by regional and local governments as a result of the institutional changes made to the general royalty system, and the fact that 2012 was, in practice, the first year for spending execution by local and regional governments under the current administration. Another contribution to the high decentralized sector surplus, albeit to a lesser degree, was that the social security subsector surplus increased by 0.3% of GDP thanks to the increase in financial returns on pension fund reserves.

The improved fiscal stance has created space for countercyclical action, as shown by the PIPE. The public sector is projected to run a fiscal deficit of 1.0% of GDP in 2013 as local government budget execution picks up and central government spending increases. The consolidation of the public finance adjustment allowed the first steps to be taken towards improving the tax structure, such as the reform approved in December 2012. Rather than proposing an increase in the tax burden, the reform aims to change the tax structure in three main aspects. The first change applies to personal income tax and seeks to distribute the tax burden more progressively through the creation of the national alternative minimum tax (IMAN). The second is the creation of the Business Contribution for Equity (CREE), which will see a 9% levy on corporate profits in the period from 2013 to 2015, falling to 8% thereafter. This new tax replaces the 13.5% company payroll tax (8.5% for health-care contributions, 3% for the National Apprenticeship Service (SENA) and 2% for the Colombian Family Welfare Institute (ICBF)) under which revenues amounted to nearly 1% of GDP. This measure is intended to reduce the incentives that encourage informal employment. The proposed amendment to tax dividends was withdrawn in the parliamentary debate. Lastly, the third change was the introduction of consumption taxes to offset the value added tax (VAT) changes under which the number of rates was cut from seven before the reform to three.

(b) Monetary policy

Monetary policy switched to an expansionary stance in the second semester of 2012, when the monetary authorities confirmed that economic growth had slackened, that the annualized inflation rate in June (2.8%) remained below the midpoint of the target range (from 2% to 4%), and there was no discernible pressure on prices. As such, the intervention interest rate, which had remained at 5.25% since February 2012, was lowered by 25 basis points in July, followed by three 25-basis-point reductions in August, November and December, to stand at 4.25% at year-end. In the first semester of 2013, the board of directors of the central bank continued the stimulus policy by reducing the intervention rate to 3.25% in

1 The fiscal rule sets specific targets for the central government balance, in keeping with its structural revenues, which ensure public debt sustainability and macroeconomic stability. The fiscal rule establishes the target of reaching a structural deficit not greater than 1% of GDP in 2022, with intermediate targets of 2.3% in 2014 and 1.9% in 2018.

2 The new royalties law allows for a more equitable distribution of royalties among Colombia's regions, giving precedence to the poorest municipalities rather than just the ones that produce resources. Initiatives rely on the creation of sovereign wealth funds to accumulate resources during booms, so that they can be used when royalties fall below their medium-term trend.

two successive 25-basis-point steps at the end of January and February, followed by a further cut of 50 basis points at the end of March.

This monetary policy stance led nominal market interest rates to follow suit. For example, the commercial loan interest rate fell from 10.0% in July 2012 to 8.4% in April 2013. Real rates did not fall to the same extent, given the easing of inflation. The total portfolio of credit institutions grew by 15.0%, more than doubling nominal GDP growth in 2012. At May 2013, total portfolio growth slowed slightly to 14% in annual terms. Portfolio risk indicators ticked up but remain at low levels.

(c) Exchange-rate policy

The persistent current account deficit, which amounted to 3.0% of GDP in 2012, is considered one of the main problems in the present economic situation. This imbalance in the external accounts stems from the domestic scenario owing to improvements in the labour market and rising household income, which stimulate consumption, combined with the wide availability of domestic credit. High foreign investment and revenues from the mining and energy boom comfortably funded the deficit and allowed for the strengthening of international reserves. These factors caused persistent peso appreciation, with the representative market exchange rate moving from 1,942.7 pesos per dollar at the end of 2011 to 1,768.2 pesos per dollar at the end of 2012. Nominal appreciation was 9% during 2012, while in real terms the peso appreciated by 2.0% against the basket of currencies of Colombia's main trading partners.

To address the peso appreciation trend, the central bank announced the purchase of US$ 3.0 billion between February and May 2013, as well as a further US$ 1.0 billion decrease in government borrowing requirements. And the PIPE included measures to allow the restructuring of pension-fund portfolios in favour of external assets. The exchange rate exceeded 1,900 pesos per dollar at the end of May. The authorities announced that they would continue to purchase international reserves through daily auctions; it is estimated that at least US$ 2.50 billion will be added between June and September 2013.

(d) Other policies

Colombia maintains an active trade policy. The United States-Colombia free trade agreement went into effect in 2012 and an agreement was signed with the Republic of Korea in February 2013. At a summit in May 2013, the Pacific Alliance (consisting of Chile, Colombia, Mexico and Peru) reached agreements to pursue tariff reduction and other economic integration policies. In June 2013, the Colombian congress ratified the treaty with the European Union, the destination market for almost 14% of Colombian exports.

3. The main variables

(a) The external sector

During 2012, the current account deficit (3.1% of GDP) was more than covered by the capital and financial account (4.5% of GDP), once again making it possible to add almost US$ 5.50 billion (1.6% of GDP) to Colombia's international monetary reserves. The current account components posted a surplus in goods and transfers, while services and factor income are running widening deficits.

Despite the weakening of global demand in 2012, Colombian exports increased by 5.7%. This was attributed to brisk growth in fuel and mining product exports (6.9%) and, to a lesser extent, manufacturing exports (up 4.8%), particularly machinery, transport equipment and chemicals. Around 50% of exports in 2012 were destined for the United States (36.2%), China (5.5%), Spain (4.8%) and the Bolivarian Republic of Venezuela (4.4%), with the latter losing market share. Imports were up by 6.4%, spurred mainly by the higher import value of fuel (up 37.1%) and manufactured goods (3.5%). Transfers, while positive, dropped as worker remittances declined.

The services trade deficit stood at 1.5% of GDP. In addition to transport and travel services (which account for around 77% of services exports), business and construction service exports (which make up 14% of total services income) surged by more than 40% during 2012. Meanwhile, travel and transport imports remained buoyant in 2012, contributing more than 57% of services imports; business services and construction imports declined.

The factor income deficit widened owing to an 8.5% increase in profit and dividend remittances by foreign-owned companies and, to a lesser extent, to interest payments on external debt.

In the financial account, foreign direct investment reached a record high of more than 4.0% of GDP in 2012. Although the oil and mining sectors accounted for around 50% of this investment over the past year, in terms of growth they were outpaced by the manufacturing industry and financial institutions, which accounted for more than 20% of foreign direct investment.

Export growth decelerated even more sharply in the first four months of 2013, resulting in a contraction of 2.0%. This trend is explained by slumping fuel and mining product exports, which were affected by the strike at the main coal mine and the temporary closure of port activities because of environmental issues. Exports of agricultural products, food and beverages rose (by 2.3%), as did manufactured goods (up 5.2%). Imports gained 1.0% in the first quarter, with the United States accounting for the largest share.

(b) Economic growth

Growth of 4.0% in 2012 represented a marked slowdown from the 2011 figure of 6.6%. The fall in domestic activity and sagging external demand, both of which deteriorated further in the second half of the year, held back growth. Domestic demand grew by 4.6% in 2012, well below the 8.2% posted in 2011.

The best-performing sectors in 2012 were mining and quarrying and financial institutions, whose value added increased by more than 5.0%. However, the mining sector expanded by less than in previous years. Among financial institutions, the financial intermediation sector posted the highest rate of expansion of value added, outperforming average economic activity in spite of moderate portfolio growth.

Construction, a strategic sector for the government, also experienced a slowdown in 2012. Despite booming housing construction, public works were delayed by difficulties caused by the launch of the new royalty system. The downturn in coffee production and after-effects of the winter cold spell of 2010-2011 resulted in lacklustre agricultural sector growth. Industrial output tailed off sharply amid lower household consumption of durable goods, flagging exports and strong competition from imports.

Both domestic and external demand recorded slower growth in 2012. Faltering household consumption was reflected in lower spending on durable goods (automobiles). By contrast, public consumption outpaced GDP growth with a view to stimulating the economy. Gross capital formation improved thanks to additions to machinery, equipment and facilities, while transport materials and public works posted low growth rates. Import and export growth slowed in 2012, especially the latter.

Following growth of less than 3% in the first quarter of 2013, and temporary stagnation in some sectors due to protest movements by transport workers and coffee growers, the leading indicators suggest that the slowdown may have bottomed out in the first few months of this year. Signs of a revival have been observed in energy purchases, vehicle sales, increased oil production and demand for home loans. In April 2013, manufacturer confidence picked up, merchant confidence continued to recover and the perception of export profitability improved.

(c) Prices, wages and employment

Inflation closed 2012 at 2.4%, compared with 3.7% at year-end 2011. This was the consequence of weakening domestic demand in the second half of 2012, the absence of weather-related supply shocks and lower international price pressures, which were also eased by the revaluation of the peso. This trend has continued so far in 2013, boosted by the effects of the tax reform that lowered the VAT on some goods and services in the consumer basket (especially gasoline). The annual price variation was around 2.0% in April, and the expectations of economic agents are below the medium-term target. The monetary authorities anticipate a slow return towards 3.0% in late 2013 and early 2014.

Slower economic activity during 2012 had no effect on wages. Real manufacturing wages and the real minimum wage rose thanks to low inflation and a 5.81% increase in the nominal minimum wage. Rising household income favoured the lower-income quintiles to a greater extent, bringing the poverty and inequality indicators down. The Gini coefficient fell from 0.548 in 2011 to 0.539 in 2012.

Labour-market indicators continued to improve, albeit at a slower rate. On average for 2012, the national overall participation rate climbed to 64.5% (compared with 63.7% in 2011), the employment rate rose from 56.8% to 57.8% and the annual unemployment rate fell from 10.8% to 10.4%. The government implemented a number of policies to promote labour formalization (the first-job law, the campaign against hiring through workers' cooperatives and campaigns and public information on labour rights). These initiatives helped boost formal wage employment from 38.2% to 39.2% of the employed population (and from 49.8% to 51% in urban areas), as well as employment on indefinite-term contracts reported by the manufacturing and commerce sectors. The company payroll tax cut approved by the 2012 tax reform could help fuel positive trends in working conditions in 2013.

Table 1
COLOMBIA: MAIN ECONOMIC INDICATORS

	2004	2005	2006	2007	2008	2009	2010	2011	2012 a/
	Annual growth rates b/								
Gross domestic product	5.3	4.7	6.7	6.9	3.5	1.7	4.0	6.6	4.0
Per capita gross domestic product	3.7	3.1	5.1	5.3	2.0	0.2	2.5	5.2	2.6
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	3.0	2.8	2.4	3.9	-0.4	-0.7	0.2	2.4	2.6
Mining and quarrying	-0.9	4.1	2.4	1.5	9.4	10.9	10.6	14.4	5.9
Manufacturing	7.9	4.5	6.8	7.2	0.6	-4.1	1.8	5.0	-0.5
Electricity, gas and water	3.5	4.1	4.8	4.1	0.5	1.9	3.9	2.9	3.5
Construction	10.7	6.9	12.1	8.3	8.8	5.3	-0.1	10.0	3.3
Wholesale and retail commerce, restaurants and hotels	7.1	5.0	7.9	8.3	3.1	-0.3	5.2	6.0	4.1
Transport, storage and communications	7.6	7.8	10.8	10.9	4.6	-1.3	6.2	6.2	4.1
Financial institutions, insurance, real estate and business services	4.6	5.0	6.4	6.8	4.5	3.1	3.6	7.0	5.4
Community, social and personal services	4.1	3.5	4.4	5.0	2.6	4.4	3.6	2.9	4.9
Gross domestic product, by type of expenditure									
Final consumption expenditure	4.3	4.3	6.3	7.0	3.5	1.6	5.1	5.4	4.8
Government consumption	6.4	5.2	5.5	6.1	3.2	6.0	5.6	3.5	5.1
Private consumption	3.9	4.1	6.4	7.2	3.5	0.6	5.0	5.9	4.7
Gross capital formation	11.2	12.8	19.2	13.0	9.2	-4.1	7.4	18.3	5.9
Exports (goods and services)	9.8	5.7	8.6	6.9	4.5	-2.8	1.3	12.9	5.4
Imports (goods and services)	10.3	11.9	20.0	14.0	10.5	-9.1	10.8	21.2	9.1
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	19.4	20.2	22.4	23.0	23.5	22.4	22.1	23.7	23.4
National saving	18.7	18.9	20.6	20.1	20.7	20.3	19.1	20.9	20.3
External saving	0.8	1.3	1.8	2.9	2.8	2.1	3.1	2.8	3.1
Balance of payments	**Millions of dollars**								
Current account balance	-911	-1 886	-2 988	-5 977	-6 746	-4 964	-8 809	-9 525	-11 415
Goods balance	1 346	1 595	323	-584	971	2 545	2 363	6 187	6 004
Exports, f.o.b.	17 224	21 730	25 181	30 577	38 534	34 018	40 828	58 171	61 637
Imports, f.o.b.	15 878	20 134	24 858	31 161	37 563	31 473	38 464	51 984	55 633
Services trade balance	-1 680	-2 102	-2 118	-2 647	-3 072	-2 821	-3 623	-4 647	-5 337
Income balance	-4 301	-5 461	-5 935	-7 962	-10 157	-9 302	-12 024	-16 003	-16 682
Net current transfers	3 724	4 082	4 743	5 216	5 512	4 613	4 475	4 938	4 599
Capital and financial balance d/	3 452	3 614	3 010	10 675	9 369	6 312	11 945	13 270	16 840
Net foreign direct investment	2 873	5 590	5 558	8 136	8 110	3 789	-84	5 158	16 071
Other capital movements	579	-1 976	-2 548	2 539	1 259	2 522	12 029	8 112	769
Overall balance	2 541	1 729	23	4 698	2 623	1 347	3 136	3 744	5 425
Variation in reserve assets e/	-2 541	-1 729	-23	-4 698	-2 623	-1 347	-3 136	-3 744	-5 425
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	113.1	100.0	101.9	91.5	87.9	91.9	79.1	79.1	75.3
Terms of trade for goods (index: 2005=100)	92.2	100.0	103.8	112.1	124.4	107.0	121.0	135.4	135.5
Net resource transfer (millions of dollars)	-849	-1 846	-2 925	2 713	-788	-2 990	-79	-2 734	158
Total gross external debt (millions of dollars)	39 497	38 507	40 103	44 553	46 369	53 719	64 723	75 903	78 642

Table 1 (concluded)

	2004	2005	2006	2007	2008	2009	2010	2011	2012 a/
Employment	**Average annual rates**								
Labour force participation rate g/	61.5	60.5	59.1	58.3	58.5	61.3	62.7	63.7	64.5
Unemployment rate h/	15.8	14.3	13.1	11.4	11.5	13.0	12.4	11.5	11.2
Open unemployment rate i/	14.4	13.1	12.2	10.7	11.0	12.4	11.8	10.9	10.6
Visible underemployment rate j/	15.2	13.8	11.9	10.0	9.1	9.5	12.0	11.1	11.7
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	5.5	4.9	4.5	5.7	7.7	2.0	3.2	3.7	2.4
Variation in producer prices (December-December)	5.2	3.0	5.3	1.3	9.0	-2.2	4.4	5.5	-3.0
Variation in nominal exchange rate (annual average)	-8.7	-11.6	1.6	-12.0	-5.2	9.6	-12.0	-2.7	-2.8
Variation in average real wage	2.1	1.3	4.0	-0.2	-1.5	1.3	2.8	0.3	1.0
Nominal deposit rate k/	7.8	7.0	6.2	8.0	9.7	6.1	3.7	4.2	5.4
Nominal lending rate l/	15.1	14.6	12.9	15.4	17.2	13.0	9.4	11.2	12.7
Central national government	**Percentajes of GDP**								
Total revenue	13.0	13.5	14.7	15.0	15.6	15.3	13.8	15.2	16.1
Tax revenue	11.9	12.4	13.4	13.4	13.4	12.9	12.3	13.5	14.3
Total expenditure	17.4	17.5	18.1	17.7	17.9	19.4	17.6	18.0	18.4
Current expenditure	16.3	16.1	16.6	15.7	15.7	17.1	15.5	15.5	15.6
Interest	3.3	2.9	3.5	3.5	2.9	2.9	2.6	2.5	2.4
Capital expenditure	1.0	1.3	1.4	1.9	2.2	2.2	2.1	2.4	2.8
Primary balance	-1.1	-1.1	0.1	0.8	0.6	-1.2	-1.2	-0.3	0.1
Overall balance	-4.5	-4.0	-3.4	-2.7	-2.3	-4.1	-3.9	-2.8	-2.3
Central national government debt	38.9	39.1	37.5	32.9	33.3	35.0	34.9	33.4	32.1
Domestic	21.6	25.1	23.8	21.9	21.9	23.2	24.0	23.1	23.0
External	17.3	14.0	13.7	11.1	11.4	11.8	10.9	10.3	9.1
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	29.4	30.3	31.2	32.1	33.7	34.4	39.2	39.8	42.7
To the public sector	10.3	10.3	8.1	6.0	6.3	8.5	8.3	6.5	6.4
To the private sector	19.0	19.9	23.1	26.1	27.4	26.0	30.9	33.3	36.3
Others									
Monetary base	6.3	6.7	7.0	7.5	7.7	7.8	8.2	8.3	8.5
M2	28.7	30.6	31.8	33.4	35.2	35.2	35.9	37.5	40.8

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 2005.
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/ Includes hidden unemployment. Thirteen metropolitan areas.
i/ Includes an adjustment to the figures for the economically active population for exclusion of hidden unemployment. Thirteen metropolitan areas.
j/ Thirteen metropolitan areas.
k/ 90-day fixed-term certificates of deposit, weighted average.
l/ Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.

Table 2

COLOMBIA: MAIN QUARTERLY INDICATORS

	2011				2012				2013	
	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/	5.6	6.5	7.7	6.7	5.5	4.7	2.7	3.1	2.8	...
Goods exports, f.o.b. (millions of dollars)	12 612	14 686	14 390	15 227	15 497	15 124	14 458	15 195	14 070	4 949 c/
Goods imports, c.i.f. (millions of dollars)	12 098	13 519	14 275	14 340	14 044	15 082	15 112	14 874	14 187	5 167 c/
Gross international reserves (millions of dollars)	29 859	31 204	32 439	32 303	33 130	34 272	35 835	37 474	39 339	40 513 d/
Real effective exchange rate (index: 2005=100) e/	79.6	77.8	77.6	81.2	75.7	74.5	74.9	76.1	75.4	76.9 d/
Open unemployment rate f/	13.4	11.5	10.6	10.3	12.2	11.5	10.9	10.1	12.3	...
Employment rate f/	57.0	58.7	59.6	61.1	58.7	60.0	60.6	61.1	58.8	...
Consumer prices (12-month percentage variation)	3.2	3.2	3.7	3.7	3.4	3.2	3.1	2.4	1.9	2.0 d/
Wholesale prices (12-month percentage variation)	5.0	4.7	6.7	5.5	1.6	-0.7	0.1	-3.0	-1.9	-2.1 d/
Average nominal exchange rate (pesos per dollar)	1 878	1 796	1 797	1 920	1 798	1 786	1 798	1 805	1 792	1 863
Average real wage (variation from same quarter of preceding year)	0.6	0.5	0.1	-0.7	0.2	0.5	1.1	2.5	2.5	...
Nominal interest rates (annualized percentages)										
Deposit rate g/	3.5	3.9	4.4	5.0	5.3	5.5	5.4	5.3	4.8	4.0
Lending rate h/	10.3	11.0	11.6	12.0	12.9	12.8	12.6	12.1	11.7	10.7 d/
Interbank rate	3.1	3.8	4.5	4.7	5.0	5.3	5.1	4.6	3.9	3.2
Monetary policy rates	3.1	3.8	4.4	4.6	5.0	5.3	5.0	4.7	4.0	4.0
Sovereign bond spread, Embi + (basis points to end of period) i/	153	121	244	195	141	158	132	112	148	195
Risk premiia on five-year credit default swap (basis points to end of period)	108	108	199	156	110	143	103	96	98	141
International bond issues (millions of dollars)	1 601	1 300	2 000	1 510	2 850	900	3 709	-	3 600	600 d/
Stock price index (national index to end of period, 31 December 2005 = 100)	152	148	136	133	158	141	148	155	149	135
Domestic credit (variation from same quarter of preceding year)	14.2	14.7	15.6	15.6	16.0	16.7	11.8	14.1	...	...
Non-performing loans as a percentage of total credit	3.1	2.8	2.8	2.5	2.8	2.9	3.0	2.8	3.2	3.2 c/

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 2005.
c/ Figures as of April.
d/ Figures as of May.
e/ Quarterly average, weighted by the value of goods exports and imports.
f/ Thirteen metropolitan areas.
g/ 90-day fixed-term certificates of deposit, weighted average..
h/ Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.
i/ Measured by J.P.Morgan.

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