BRAZIL

1. General trends

In 2013, the Brazilian economy grew by 2.5%, an improvement over the 1% growth recorded in 2012. That low growth continued into the first quarter of 2014 (1.9%), compared with the year-earlier period. This is attributable to the impact of the uncertainty relating to developments in the world economy and to changes in domestic economic policy.

In 2013, the current account deficit was US$ 81.075 billion, equivalent to 3.6% of GDP, up from US$ 54.249 billion in 2012. This deterioration reflects the narrower merchandise trade surplus in 2013 (US$ 2.558 billion, compared with US$ 19.395 billion in 2012). The wider current account deficit was financed with a significant level of foreign direct investment (FDI) (US$ 67.541 billion) and higher portfolio investment, especially in bonds, worth US$ 25.830 billion. At the same time, the exchange rate was more volatile in 2013, varying from 2.00 reais to the dollar in the first months of the year to almost 2.40 reais in August and returning to 2.23 reais in early 2014. This movement was caused by uncertainties regarding changes in United States monetary policy, the impact on the domestic economy of the political demonstrations in Brazil in June and the consequent loss of investor confidence. In order to guide expectations and ensure the supply of foreign currency, in August 2013 the central bank introduced an auction system of daily swaps and weekly dollar credit lines, which is being maintained in 2014, with a review of the amounts granted.

With regard to domestic conditions, monetary policy changed course: the base interest rate rose to 10.0% in December 2013, from 7.25% in January 2013 (its lowest nominal level since the Real Plan was introduced in 1994), and reached 11.0% in April 2014. This policy change aimed at countering persistent inflationary pressures. Cumulative inflation for 2013 was 5.9%, similar to the figure for 2012 (5.8%). In the 12 months to April 2014 inflation reached 6.4%, very close to the ceiling of the established target range (6.5%). In 2013, fiscal policy remained expansionary with a lower primary surplus of 1.8% of GDP, compared with 2.3% in 2012, as spending outpaced revenue owing to slower growth.

Investment and consumption followed the same low growth trajectory. Investment, which expanded by 6.5% in the first half of 2013 compared with the second half of 2012, stagnated in the last quarter of 2013, dropping by 1 percentage point between the two halves of the year. Household consumption showed the opposite pattern, stagnating in the first half of 2013 and growing by 3.5% in the second half. In the first quarter of 2014, both variables recorded falls in relation to the last quarter of 2013 —0.1% for consumption and 2.1% for investment.

Positive developments continued to be seen in the labour market, with unemployment averaging 5.4% in 2013, the lowest level since the introduction of the current survey in 2002. However, only 1.1 million new formal jobs were created, the slowest pace of expansion in the last 10 years. In the first four months of 2014, unemployment fell further, to 5.0% (compared with 5.6% for the same period in 2013) and employment rose at a slower pace (458,000 net jobs, 26.7% less than in the first four months of 2013).

The challenges of achieving higher growth persist, in particular: increasing the rate of investment, which dropped to 17.7% of GDP in the first quarter of 2014, in a context of lower domestic savings (12.7% of GDP); keeping inflation under control —with the raising of interest rates, the Special System of Clearance and Custody (SELIC) base interest rate was up once again to 4% in real terms; and maintaining a primary surplus in the public accounts, with a primary surplus target of 1.9% of GDP for 2014. The backdrop to these challenges is a context in which national treasury tax revenues went up by 6.8% and primary expenditure rose by 14.1% in the first four months of 2014, compared with the same period in 2013.

2. Economic policy

(a) Fiscal policy

In 2013, tax revenues were down owing to slower economic growth and the continuation of investment and other public expenditure programmes to support domestic demand and promote growth. Non-recurring receipts were sought to offset the narrower primary surplus. Such receipts included the resources obtained from the concessions for airports and areas of oil exploration, such as the Libra exploration block in the pre-salt oilfields, and from the REFIS programme for the recovery of outstanding taxes, which represented 1.27% of GDP in 2013. Of all the categories, corporate tax revenues led the way with a marked increase. Income tax went up by 8.5% in real terms and sales tax (COFINS) rose by 8.0%, together accounting for more than 40% of total tax receipts. Sluggish domestic growth, slower employment expansion and the policy of reducing companies' social welfare contributions pushed down payroll taxes and social security contributions, which expanded by 3.7% in real terms over the year. Meanwhile, the policy of supporting industrial sectors boosted receipts of the tax on industrialized products, which were up by 0.41% in real terms over the year, despite the 20.3% fall in automobile tax revenues.

The federal government's primary expenditure grew, in real terms, by 6.9%, driven by higher spending on social security (6.2%) and unemployment assistance programmes (7.3%), which were helped by the 3% real increase in the minimum wage. Social spending on transfers and pensions was prioritized in the execution of the federal government’s budget and reached 9.6% of GDP overall, which included a 10.3% increase in the Bolsa Família conditional cash transfer programme. The restricted resources meant that growth in investments, such as the Growth Acceleration Programme (PAC) and housing programmes, slowed to 2.7% in real terms, compared with a rise of more than 12% in 2012.

The same trends are being seen at the level of state governments, according to research by the Institute for Applied Economic Research (IPEA). Revenues were up by 3.45% in real terms in 2013, which was less than the increase in primary spending (5.53%). The primary surplus of subnational governments (including municipalities) narrowed to 0.34% of GDP in 2013 from close to 0.8% of GDP in 2011.

(b) Monetary and exchange-rate policies

With regard to monetary policy, the SELIC base interest rate was raised over the year from 7.25% to 10.0% in 2013 and subsequently to 11.0% in April 2014. The aim of this new cycle of interest rate increases was to keep inflation within the target range of 2 percentage points above or below 4.5%. The higher base rate had an impact on the expansion of untargeted lending over the year. Growth in untargeted credit operations fell from 13.9% in 2012 to 7.8% in 2013, and contracted by 0.3% in the first four months of 2014 in relation to the same period in 2013. Meanwhile, targeted credit with its defined sources and rates, which includes loans from the Brazilian Economic and Social Development Bank (BNDES) and for the financing of housing, increased more in 2013 (24.5%) than in 2012 (20.5%). However, these operations were scaled back considerably in the first four months of 2014, compared with the same period in 2013, with only a 5.5% rise in loan amounts. The changes in lending, a key factor in the expansion of consumption and its contribution to the economic growth that began in 2004, are beginning to have a negative impact on consumption, as reflected in the fall in household spending and lower sales of durable consumer goods.

With respect to the monetary aggregates, the monetary base expanded by 6.9% and the money supply by 6.0% in 2013, which was lower than the rates of 8.9% and 13.9%, respectively, in 2012. In the 12 months to April 2014, the monetary base and the money supply continued to grow at a slower pace (6.1% and 7.2%, respectively).

Exchange-rate policy played an important role in 2013 in attenuating the impact of market volatility on the real. The exchange rate of the real against the dollar began to vary more widely from June, when demonstrations were held in Brazil's major cities, rising from about 2.00 reais to the dollar to almost 2.25 reais to the dollar in July. This was exacerbated by uncertainty surrounding the United States' monetary policy and its impact on emerging economies. Since Brazil is thoroughly integrated in international financial markets, this uncertainty prompted a search for mechanisms to protect foreign currency holdings, especially derivatives. Greater demand for these operations pushed up the exchange rate to 2.44 reais per dollar in August 2013. Facing this pressure in the futures markets, at the end of August, the central bank announced that it would offer US$ 500 million in swap contracts from Monday to Thursday and credit lines for a total amount of up to US$ 1 billion every Friday until the end of December. These measures brought the exchange rate back down to less than 2.30 reais to the dollar. In December 2013 the credit lines granted totalled US$ 17 billion and the swap contracts amounted to US$ 75.1 billion. In 2014, the central bank maintained the supply of swaps from Monday to Friday, but lowered the daily amount to US$ 200 million, and suspended the auctioning of any new credit lines, though it could resume that measure, if necessary. At the end of April 2014, total swap contracts were worth US$ 88.8 billion and credit lines were down to US$ 11.7 billion.

Although Brazilian debt securities were downgraded in March 2014, conditions in the international financial market and higher domestic interest rates stimulated capital flows for the purchase of domestic securities. From January to April 2014, net portfolio investment inflows totalled US$ 15 billion, a 91.4% increase over the same period the previous year. In June 2014, the exchange rate stood at 2.22 reais per dollar.

3. The main variables

(a) The external sector

In 2013, goods exports were flat at US$ 242.1 billion, while imports grew by 7.4% to US$ 239.6 billion dollars. As a result, the goods balance dropped to US$ 2.5 billion. In the first five months of 2014, exports decreased by 3.5% compared with the same period in 2013, and were accompanied by imports, which changed course and also fell by 3.8%, resulting in a narrower trade deficit of US$ 4.8 billion than in the first five months of 2013 (US$ 5.4 billion).

Lower commodity prices hit the performance of exports. After reaching record highs in 2011, the price index fell by 4.9% in 2012 and a further 3.5% in 2013. The volume exported, which had stalled in 2012, grew by 3.5% in 2013. Prices continued to drop (6.2%) in the first quarter of 2014, compared with the first quarter of 2013, and the volume increased by 3.0%.

With the exception of manufactures exports, which were up by 2.3% in 2013 on the back of a surge in automobile sales (47.3%), exports of all other goods categories declined over the year. Exports of commodities were down by 1.8%, owing to the drop in exports of coffee (19.9%) and crude oil (36.2%), and semi-manufactures exports fell by 8.3%, with a particularly marked decline in raw steel and iron products (29.5%).

In terms of the destination of Brazil's exports, in 2013 China's role took on growing importance as the largest and most dynamic destination market, with an 11.6% increase in exports to that country (13.2% in the first four months of 2014 in relation to same period in 2013). In contrast to the robust expansion in Brazilian exports to the MERCOSUR markets, especially Argentina, in 2013 (6.0% and 9.0%, respectively), in the first five months of 2014, they posted a sharp year-on-year decline to these destinations, dropping by 11.2% and 17.3%, respectively.

In 2013, imports of oil grew by 20.7%, of capital goods by 6.2%, raw materials by 6.7% and consumer goods by 3.25%. Automobile imports, after burgeoning between 2010 and 2012, fell by 5.8% in 2013.

The year-on-year fall in imports at the end of April 2014 is attributable to the 13.2% reduction in imports of oil and oil products owing to increased domestic production and improvements in domestic refining capacity. Stagnant domestic demand was reflected in the decline in imports of capital goods (2.3%) and raw materials (1.8%). Only imports of durable goods, excluding automobiles, posted growth (15.5%), which was particularly strong for electronic equipment.

Net payments on services and income contributed to the widening of the current account deficit from US$ 76.5 billion in 2012 to US$ 87.3 billion in 2013. In the services category, Brazilians continued to spend ever larger amounts on travel abroad, totalling over US$ 25 billion, 14.0% higher than in 2012. Payment of profits, dividends and interest remained high at US$ 40.3 billion (US$ 26 billion in profits and dividends and US$ 14.3 billion in interest). In the first four months of 2014 the widening of the deficit on the services and income balance slowed to 1.9%, compared with the same period in 2013, owing to the 3.1% decline in remittances of profits and dividends.

In 2013 the financial balance recorded net income to the tune of US$ 81.075 billion. Although in previous years net inflows of FDI had more than covered Brazil's financing needs, in 2013, net FDI came to US$ 67.5 billion, equivalent to 83.3% of the current account deficit. The remainder of the current account deficit was covered by US$ 5.9 billion in international reserves, and by larger portfolio investments, with net inflows of US$ 25.8 billion, nearly triple the figure for 2012. In the first four months of 2014, the share of portfolio investments expanded and was equivalent to 44.7% of the current account deficit. A considerable proportion of those investments were for the purchase of Brazilian securities (US$ 15.4 billion, equivalent to two thirds of inflows in 2013). Net FDI increased by 14.1%, owing to the slower outflow of Brazilian investments abroad, compared with the first four months in 2013.

At the end of April 2014, international reserves amounted to US$ 378 billion in terms of liquidity, or US$ 366.7 billion in cash terms. On that date swap contracts were worth a total of US$ 88.7 billion dollars, although payments are made in local currency.

Total external debt reached US$ 326.3 billion in April 2014, 5.7% higher than the amount at the end of 2013. Public external debt accounts for about 20% of the total and debt held abroad by Brazilian banks (under the category of private-sector external debt) represents about 43.6% of total debt.

(b) Economic activity

Brazil's economy grew by 2.5% in 2013 and expanded by 1.9% in the first quarter of 2014 over the year-earlier period. This is attributable to the loss of impetus in investment and consumption, and the subsequent impact on consumer and business confidence indicators. Investment has fallen consistently since the first half of 2013, eroding by 5.2% overall in the last three quarters, bringing the rate of investment down to 17.7% of GDP, which is the lowest level since the first quarter of 2009. Household consumption stagnated, slipping by 0.1% compared with the fourth quarter of 2013. This was the first time it had contracted since the first quarter of 2011, which is a reflection of dwindling consumer confidence: indicators showed a 23% drop between April 2013 and April 2014. Moreover, indicators also point to faltering expectations in business circles, where confidence levels fell by 12% over the same period.

In 2013, against the backdrop of slower growth in demand and more competitive imported products, the manufacturing industry grew by 2.7%, while construction expanded by 1.6% and mining fell by 2.2%. Agriculture remained the most buoyant sector with annual growth of 7.3%.

Services contributed positively to growth, expanding by 2.2% between the second quarter of 2013 and the first quarter of 2014. That uptick is associated with the favourable performance of commerce, transport and information services, which have expanded their activities at increasing rates, posting cumulative rates for the previous four quarters of 3.0%, 3.8% and 5.9%, respectively, in the first quarter of 2014.

(c) Prices, wages and employment

Inflation in Brazil has persistently held steady at about 6.0% throughout 2013 and in early 2014, though in some months of 2013 it exceeded the 6.5% ceiling of the inflation target range. In 2013, inflation, as measured by the broad consumer price index, stood at 5.91%, similar to the rate of 5.84% in 2012. In May 2014, the cumulative 12-month rate was 6.37%. That persistence is due to price movements for different groups of products that offset each other, as illustrated by the wholesale price indices. Wholesale agricultural prices tend to rise in particular in the first half of the year: to June 2013, they posted a 12-month increase of 8.0%, while over the calendar year they decreased by 1.74%. The pace of the increases in wholesale prices of industrial products picked up from 4.71% in the 12 months to July 2013 to 7.87% in December 2013 owing largely to the greater exchange-rate devaluation in the second half of 2013. However, the administered prices, such as for gasoline, energy and public transport, helped to ease inflationary pressures. In 2013 the broad consumer price index rose by 5.91%, while administered prices increased by 1.54% and the prices of all other groups of products went up by 7.29%. A process begun in 2014 to adjust energy prices had an impact on administered prices: in the 12 months to May 2014 the inflation rate for these goods was 4.08%, while the rate for other goods decreased slightly to 7.07%.

The Brazilian labour market remained robust in 2013, with unemployment at 5.4%, the lowest annual average since 2002. This was attributable to the continuous creation of new jobs (about 1.1

million new formal jobs) and to the fall in the participation rate, which was 55.7% in April 2014, indicating that fewer people were seeking work. However, certain signals in the labour market warrant concern, such as the fall of the employment rate from 54.2% to 54.0% in 2013, the first time it has decreased since 2009, and the contraction of wage employment by 0.7% in the first quarter of 2014 in relation to the same quarter in 2013.

The minimum wage continued to increase in real terms, in accordance with the adjustment rule based on the previous year’s inflation rate plus the GDP growth rate of the year prior to that. In 2013 the minimum wage increased by 9.0% in nominal terms (a real increase of 2.7%) and in 2014 it went up by 6.8%, (a real increase of about 1.0%). Real average earnings were 3.9% higher in March 2014 than in March 2013.

Table 1
BRAZIL: MAIN ECONOMIC INDICATORS

	2005	2006	2007	2008	2009	2010	2011	2012	2013 a/
	Annual growth rates b/								
Gross domestic product	3.2	4.0	6.1	5.2	-0.3	7.5	2.7	1.0	2.5
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishi	0.3	4.8	4.8	6.3	-3.1	6.3	3.9	-2.1	7.3
Mining and quarrying	9.3	4.4	3.7	3.5	-3.2	13.6	3.2	-1.1	-2.2
Manufacturing	1.2	1.0	5.6	3.0	-8.7	10.1	0.1	-2.4	2.7
Electricity, gas and water	3.0	3.5	5.4	4.5	0.9	8.1	3.8	3.5	2.9
Construction	1.8	4.7	4.9	7.9	-0.7	11.6	3.6	1.4	1.6
Wholesale and retail commerce, restaurants and hotels	3.5	6.0	8.4	6.1	-1.0	10.9	3.4	0.9	2.9
Transport, storage and communications	3.6	2.0	5.5	7.4	-2.7	8.1	3.2	2.4	3.6
Financial institutions, insurance, real estate and business services	4.9	5.1	9.0	6.1	4.7	5.0	2.4	1.6	2.0
Community, social and personal services	3.2	3.7	3.6	2.7	3.1	3.0	2.3	2.2	1.4
Gross domestic product, by type of expenditure									
Final consumption expenditure	3.9	4.6	5.8	5.1	4.1	6.3	3.6	3.2	2.4
Government consumption	2.3	2.6	5.1	3.2	3.1	4.2	1.9	3.3	2.0
Private consumption	4.5	5.2	6.1	5.7	4.4	6.9	4.1	3.2	2.6
Gross capital formation	6.6	7.2	15.5	13.4	-6.5	21.2	4.6	-3.7	10.3
Exports (goods and services)	9.3	5.0	6.2	0.5	-9.1	11.5	4.5	0.5	2.5
Imports (goods and services)	8.5	18.4	19.9	15.4	-7.6	35.8	9.7	0.2	8.3
Investment and saving c/	**Percentajes of GDP**								
Gross capital formation	16.2	16.8	18.3	20.7	17.8	20.2	19.7	17.5	17.9
National saving	17.8	18.0	18.4	19.0	16.3	18.0	17.6	15.1	14.3
External saving	-1.6	-1.3	-0.1	1.7	1.5	2.2	2.1	2.4	3.6
Balance of payments	**Millions of dollars**								
Current account balance	13,985	13,643	1,551	-28,192	-24,302	-47,273	-52,473	-54,249	-81,075
Goods balance	44,703	46,457	40,032	24,836	25,290	20,147	29,793	19,395	2,553
Exports, f.o.b.	118,308	137,807	160,649	197,942	152,995	201,915	256,040	242,578	242,179
Imports, f.o.b.	73,606	91,351	120,617	173,107	127,705	181,768	226,247	223,183	239,626
Services trade balance	-8,309	-9,640	-13,219	-16,690	-19,245	-30,835	-37,932	-41,042	-47,216
Income balance	-25,967	-27,480	-29,291	-40,562	-33,684	-39,486	-47,319	-35,448	-39,778
Net current transfers	3,558	4,306	4,029	4,224	3,338	2,902	2,984	2,846	3,366
Capital and financial balance d/	13,606	16,927	85,934	31,161	70,953	96,374	111,110	73,148	75,148
Net foreign direct investment	12,550	-9,380	27,518	24,601	36,033	36,919	67,689	68,093	67,541
Other capital movements	1,056	26,307	58,415	6,560	34,920	59,455	43,421	5,055	7,607
Overall balance	27,590	30,569	87,484	2,969	46,651	49,101	58,637	18,900	-5,926
Variation in reserve assets e/	-4,319	-30,569	-87,484	-2,969	-46,651	-49,101	-58,637	-18,900	5,926
Other financing	-23,271	0	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f	100.0	89.0	82.8	80.5	82.3	71.9	69.2	78.0	83.0
Terms of trade for goods (index: 2005=100)	100.0	105.3	107.5	111.3	108.7	126.1	136.1	128.1	125.2
Net resource transfer (millions of dollars)	-35,633	-10,553	56,642	-9,401	37,269	56,887	63,791	37,701	35,371
Total gross external debt (millions of dollars)	169,399	172,621	193,159	198,492	198,136	256,804	298,204	312,898	308,625
Employment g/	**Average annual rates**								
Labour force participation rate	56.6	56.9	56.9	57.0	56.7	57.1	57.1	57.3	57.1
Open unemployment rate	9.8	10.0	9.3	7.9	8.1	6.7	6.0	5.5	5.4
Visible underemployment rate	3.7	4.1	3.6	3.1	3.1	2.7	2.3	2.0	1.8

Table 1 (concluded)

	2005	2006	2007	2008	2009	2010	2011	2012	2013 a/
Prices	**Annual percentages**								
Variation in consumer prices (December-December)	5.7	3.1	4.5	5.9	4.3	5.9	6.5	5.8	5.9
Variation in wholesale prices (December-December)	-1.0	4.4	9.2	10.8	-4.4	13.9	4.3	8.6	5.1
Variation in nominal exchange rate (annual average)	-16.7	-10.8	-10.5	-5.7	8.9	-12.0	-4.9	16.7	10.5
Variation in average real wage	-0.3	3.46737	1.47392	2.1	1.3	2.1	2.4	3.7	1.1
Nominal deposit rate h/	9.2	8.3	7.7	7.9	6.9	6.9	7.5	6.5	6.4
Nominal lending rate i/	69.4	62.3	51.0	54.1	47.5	42.9	44.9	39.9	39.1
Central government	**Percentajes of GDP**								
Total revenue	22.7	22.9	23.2	23.6	22.8	24.3	23.8	24.1	24.3
Tax revenue	22.7	22.9	23.2	23.6	22.8	24.3	23.8	24.1	24.3
Total expenditure	26.3	25.8	25.1	24.3	26.2	26.0	26.4	26.4	27.2
Current expenditure	22.1	21.4	20.6	20.1	21.7	20.1	21.6	21.2	21.6
Interest	6.1	4.9	4.1	3.6	4.7	3.8	4.9	4.0	4.5
Capital expenditure	4.2	4.3	4.5	4.7	4.5	5.9	4.8	5.2	5.4
Primary balance	2.5	2.1	2.2	2.8	1.2	2.1	2.3	1.8	1.6
Overall balance	-3.6	-2.9	-1.9	-0.7	-3.5	-1.7	-2.6	-2.3	-2.9
General government public debt	67.4	56.7	58.5	58.9	61.3	53.6	53.6	60.5	56.8
Domestic	58.6	50.3	54.0	54.0	57.9	50.7	51.0	55.8	53.6
External	8.8	6.4	4.4	4.9	3.5	2.9	2.6	2.9	3.1
Money and credit	**Percentages of GDP, end-of-year stocks**								
Domestic credit	77.1	84.3	89.2	88.1	93.1	96.3	100.5	110.8	110.1
To the public sector	41.9	42.7	40.0	33.0	37.1	34.1	30.9	33.5	30.5
To the private sector	32.2	36.0	41.6	47.0	48.9	54.4	61.3	68.5	70.7
Others	3.0	5.6	7.7	8.2	7.2	7.8	8.3	8.7	8.9
Monetary base	4.7	5.1	5.5	4.9	5.1	5.5	5.2	5.3	5.2
M2	27.1	27.8	29.2	35.3	35.9	36.1	39.0	40.2	40.4

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 2008 prices. Up to 2008, local currency at constant 2003 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 2010; the data are not comparable with the previous series.
h/ Nationwide total. The 2004-2005, 2006-2009 and 2010-2012 series are not comparable. In the first series a different sample was used and in the later series different measurements were used.
i/ Non-adjustable 90-360 day operations.
j/ Does not include publicly guaranteed debt.

Table 2
BRAZIL: MAIN QUARTERLY INDICATORS

	2012				2013				2014	
	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/	4.2	3.3	2.1	1.4	0.8	0.5	0.9	1.4	1.9	...
Gross international reserves (millions of doll	317,146	335,775	349,708	352,012	365,216	373,910	378,726	373,147	376,934	374,417 c/
Real effective exchange rate (index: 2005=10	67.1	65.1	66.4	71.3	69.2	76.0	77.6	78.6	74.6	74.3 c/
Open unemployment rate e/	6.3	6.3	6.0	5.2	5.8	5.9	5.4	4.9	5.6	...
Employment rate e/	53.2	53.5	53.8	54.1	53.6	53.9	54.1	55.1	54.1	...
Consumer prices (12-month percentage variation)	6.3	6.7	7.3	6.5	5.2	4.9	5.3	5.8	6.6	6.5 c/
Wholesale prices (12-month percentage variation)	13.5	9.7	7.6	4.3	1.8	4.9	9.0	8.6	8.9	7.7 c/
Average nominal exchange rate (reais per dollar)	1.67	1.59	1.64	1.80	1.77	1.96	2.03	2.06	2.00	2.07
Average real wage (variation from same quarter of preceding year)	1.3	3.5	0.4	4.3	3.7	2.6	4.8	3.7	...	...
Nominal interest rates (annualized percentages)										
Deposit rate g/	7.2	7.5	8.0	7.1	7.0	6.5	6.3	6.2	6.2	6.2
Lending rate h/	46.4	44.5	44.7	43.8	44.7	39.6	38.1	37.2	37.5	36.8 c/
Interbank rate	11.2	11.9	12.2	11.3	10.2	8.8	7.7	7.1	7.0	7.2
Monetary policy rates	11.3	12.0	12.3	11.5	10.3	9.1	7.7	7.3	7.3	7.3
Sovereign bond spread, Embi + (basis points to end of period) i/	173	148	275	223	177	208	166	142	189	237
Risk premiia on five-year credit default swap (basis points to end of period)	111	110	202	162	122	157	112	108	137	185
International bond issues (millions of dollars	13,514	14,485	3,062	7,308	24,076	5,859	10,456	9,864	8,372	16,803
Stock price index (national index to end of period, 31 December 2005 = 100)	205	187	156	170	193	162	177	182	168	142
Domestic credit (variation from same quarter of preceding year)	20.6	18.7	16.1	15.5	17.5	16.1	16.9	16.7	14.0	14.6 h/
Non-performing loans as a percentage of total credit	3.3	3.4	3.5	3.6	3.8	3.8	3.8	3.7	3.6	3.6

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 2000 prices.
c/ Figures as of May.
d/ Quarterly average, weighted by the value of goods exports and imports.
e/ Six metropolitan areas.
f/Savings rate. Nominal yield, first business day.
g/ Interest rate on total consumer credit.
h/ Figures as of April.

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