

BRAZIL

1. General trends

After two years of recession (2015 and 2016), in each of which GDP fell by 3.5%, the Brazilian economy returned to growth in 2017, with GDP rising by 1.0%. This modest expansion was mainly due to excellent harvests (13%), higher exports (5.2%) and a recovery in family consumption (0.1%). The country managed to continue growing at this slow pace in the early months of 2018 but struggled to approach the annual 2.0% rate that had been forecast. Not only were the results of the first quarter below the expected trend, but a nationwide truckers' strike lasting 11 days in May 2018 largely paralysed movements of goods and thence production. Although production and activity levels recovered in June, the losses sustained and uncertainties about the evolution of the economy due to the forthcoming elections and the deteriorating international environment and of the prospects for exports to Argentina cut Brazilian GDP growth estimates to 1.5%.

The inflation rate continued its decline throughout 2017, falling from an annual rate of 6.3% in December 2016 to 2.9% in December 2017 and posting 2.9% again in May 2018, thus remaining below the target of 4.5%. However, price rises resulting from the truckers' strike lifted the monthly June rate to 1.3% and the 12-month rate to 4.4%. The monthly change fell to 0.33% in July 2018, above the 0.24% of July 2017. This result showed the wisdom of the central bank's decision to end the series of reductions that had brought the benchmark interest rate (SELIC) down to an annual 6.5% in March 2018. This is the lowest level of nominal interest rates since the inflation targeting system was implemented in 1999. The higher inflation expected for 2018 (4.5%) could mean a very low real interest rate of just over 2.0%.

Brazil continues to face economic challenges in its efforts to restore growth and ensure that this feeds through to the incomes of families and the public sector. The unemployment rate remained high, with a monthly average of 12.7% in 2017. The average rate in the first half of 2018 was 12.8%. Average real wages rose by 1.29% in the quarter to May 2018 relative to the same quarter the previous year.

Federal tax revenues grew by 6.5% in real terms in the first half of 2018 relative to the same period in 2017 as the higher level of activity and programmes for the renegotiation of tax arrears lifted receipts. The constitutional rule limiting annual growth in federal government primary spending to the previous year's inflation made it possible to contain the first quarter federal government primary deficit, which dropped from 1.8% to 1.0% of GDP. With the fall in the interest rate, furthermore, interest payments by the public sector declined by some 6.4% of GDP in the first half of 2017, as compared to 5.4% in the first half of 2018.

In the external sector, there continued to be a substantial trade surplus. The surplus was US\$ 64 billion in 2017 and US\$ 27.5 billion in the period from January to June 2018, some 21% less than in the same period of 2017. This reduction was due to a rise of 18.4% in Brazilian imports, exceeding the export growth rate of 5.5% in the same period. The balance-of-payments current account in the period from January to June 2018 was in surplus by US\$ 3.6 billion, equivalent to 0.4% of GDP, as compared to a surplus of close to zero in the same period of 2017 (0.06% of GDP). In turn, the financial and capital accounts showed a fall of 17.3% in direct investment income for the first six months of 2018, offset by stronger issuance of Brazilian securities abroad, which resulted in international reserves stabilizing at

about US\$ 379.5 billion, equivalent to 3.74 times Brazil's external debt commitments over the coming 12 months.

2. Economic policy

Since May 2016, the top priority of Brazilian economic policy has been to contain the expansion of public debt and return to a path of growth by implementing a set of fiscal, labour market, trade and deregulation reforms. The government presented a number of initiatives in these areas and secured congressional approval for some of them (such as the labour market reform) that did not need constitutional amendments. The new political uncertainties arising in the first half of 2017 and the federal intervention to deal with the security situation in Rio de Janeiro in February 2018 resulted in postponement of the votes on constitutional reforms, such as the one affecting the social security system, which raised questions about the future state of the Brazilian public finances.

(a) Fiscal policy

The management of fiscal policy remained a matter of great concern to the economic authorities. In 2017, the primary federal government deficit, which does not include interest spending, was 123.5 billion reais, or 1.9% of GDP, representing a deficit reduction of 160.4 billion reais, or 2.6% of GDP, from 2016.

The lower deficit was mainly due to a cut in primary spending. Total federal government primary spending dropped by 1.0% in real terms in 2017. However, this result involved a substantial drop in investment and outlays for subsidies and other programmes, which were cut by 32.2% and 10.5%, respectively, in real terms. At the same time, spending on social security benefits carried on growing at a rate of 6.1%, while payments to federal staff rose by 6.5%.

Federal receipts in 2017 were boosted in particular by the rise in special revenues, such as concessions and dividends, which increased by 42% to 37.8 billion reais, the bulk of this coming from oil and airport auctions and the rest from State banks. Where taxes were concerned, there was a large rise (9.1%) in proceeds from the industrialized products tax (IPI). As for social contributions, there were real-term increases of 11.2% and 12.0%, respectively, in those from the Contribution to the Financing of the Social Security System (COFINS) and the Social Integration Programme and Public Servants Assistance Plan (PIS/PASEP), which are charged as a sales tax, while net pension system contributions grew by 1.2%.

The higher level of activity in the first half of 2018 led to a rise in public revenues. The total tax take grew by 6.4% in real terms relative to 2017, with increases in all the main federal taxes. The rise in imports yielded an increase of 24.0% in the tax take from these. Revenues from goods sales taxes such as the federal industrialized products tax (IPI) and social contributions such as COFINS rose by 5.5% and 12.3%, respectively, in real terms.

Regarding mandatory spending, disbursements of pension system benefits carried on rising in the first half of 2018, growing by 2.2% in real terms, and personnel spending rose by 0.8% relative to the same period in 2017. Higher revenues allowed the national Treasury to restore some spending, for example on investment, which rose by 24.7% in real terms, while other expenditure such as current spending rose by 4.73%. The health and defence sectors registered spending increases of 9.6% and 39.2%, respectively.

With a public sector primary deficit of 0.43% of GDP and interest payments of 6.6% of GDP, the nominal central government deficit was 6.5% of GDP in the first six months of 2018. The continuing primary deficit and large interest payments affected the public debt. In late June 2018, gross debt was 77.2% of GDP, excluding the federal securities portfolio at the central bank, while net debt was 51.4% of GDP, the main offsetting item being international reserves, which were the equivalent of 21.6% of GDP.

(b) Monetary policy

Where monetary policy is concerned, the SELIC benchmark interest rate fell in 2017, so that from an annual 14.25% in November 2016 it had declined to just 6.5% by March 2018, having stood at 11.25% in May 2017, 10.25% in July and 7.0% at the end of the year. The volatile global economy, the rising United States interest rate and the domestic situation, with elections approaching and difficulties in the public finances, were factors that led the central bank to end the process of interest rate reduction.

The lower interest rate made it possible to halt the continuous decline in credit in the economy. Total credit dropped by 1.4% in nominal terms in 2017 and then by 0.4% up to June 2018, making for a decline of 1.7% in 12 months. New lending in the 12 months to June 2018 grew by 10.3% overall, 11.7% for individuals and 9.3% for firms. The average maturity of loans to business stabilized at 59.8 months in June 2018 after falling to 51.1 months in August 2017.

However, official lending policy constraints remained in place, like those applying to the National Development Bank (BNDES), whose operations declined by 13.1% in the 12 months to June 2018.

(c) Exchange-rate policy

The exchange-rate policy of the central bank in 2017 was to reduce its interventions in the currency market. Swap or derivatives operations in the futures market fell by more than US\$ 100 billion in 2016 and had all but ceased by the end of 2017. Thus, the evolution of the exchange rate was able to follow market trends, based on three main factors, namely the growing and substantial increase in the trade surplus and consequent reduction in the current account deficit, capital flows into the country because of the greater returns on Brazilian securities and shares, and a rising external debt.

The exchange rate of the real against the dollar held fairly steady in 2017. It was 3.25 reals to the dollar in late 2016 and 3.30 in December 2017, although the volatility index was high at certain points in the political crisis during May 2017. This stability was not maintained in the early months of 2018, particularly from April, when the rate increased to 3.48 reals per dollar, after which the trucking crisis weakened it to 3.73 by the end of May. With growing international uncertainty and the proximity of national elections, the exchange rate was more volatile in June and July, reaching 3.90 reals. The central bank had to intervene in the currency market again. Among other things, it carried out swap operations worth an estimated US\$ 60 billion or so in late June 2018 and rolled over repurchase lines for foreign loans using funds from international reserves worth US\$ 3 billion.

3. The main variables

(a) The external sector

In 2017, Brazil's external accounts reflected a degree of recovery in domestic demand and changes in world trade, with rising prices for commodities such as oil. The goods trade balance was in

surplus by an unprecedented US\$ 64 billion in 2017. This surplus was due mainly to the rise in exports, which totalled US\$ 217.2 billion dollars, 17.8% up on 2016. By contrast with previous years, imports grew by 9.9%. Exports rose by 5.5% and imports by 18.4% in the first six months of 2018 relative to the same period in 2017, yielding a goods trade surplus of US\$ 27.5 billion, 21.3% down on the same period in 2017.

Manufacturing exports were strong up to June 2018, totalling US\$ 41 billion or 9.1% more than in the same period of 2017. The impact of the truckers' strike should be highlighted here, as it resulted in manufacturing exports in May 2018 being 21.0% down on their level in April. Monthly exports of this type rose by 33.0% in June. Exports of other types of products such as commodities and semi-manufactures grew up to June 2018. Of the products exported, there were substantial rises up to July 2018 in sales of oil and gas (25.5%), worth US\$ 13.5 billion, and soybeans, which grew by 17.2% to US\$ 22.5 billion. In terms of markets, Brazil's sales to China grew by 18.4% and those to Chile by 19.6%. Chile replaced Germany as the fifth-largest market for Brazilian products. The countries with which Brazil has the largest trade deficits are Germany (US\$ 3.2 billion), the Republic of Korea (US\$ 1.5 billion) and the United States (US\$ 489 billion).

Regarding imports, the largest items in the first seven months of 2018 were capital and energy goods, with rises of 84.9% and 21.6%, respectively, relative to the same period of 2017. Despite slow growth in the economy, Brazilian purchases of consumer goods grew by 17.7%.

The substantial trade surplus has made it possible to finance the bulk of the deficit in services spending and other income (amounting to some US\$ 16.7 billion between January and June 2018), leaving the balance-of-payments current account deficit for the period at US\$ 3.6 billion, equivalent to 0.4% of GDP. On the capital and financial account, there were inflows of foreign direct investment worth US\$ 29.9 billion up to May, a 17.6% decline on the same period in 2017. Conversely, despite the political volatility, foreign portfolio investment inflows were worth US\$ 3.8 billion.

International reserves were US\$ 379.0 billion, an increase of US\$ 5.5 billion on the amount at the end of 2017. Brazil's external debt dropped by US\$ 42.9 billion in the first half of 2018 to US\$ 314.8 billion. Lending operations between firms, which had risen by over US\$ 22.1 billion between 2015 and 2017, fell by US\$ 3.1 billion to US\$ 231.0 billion.

(b) Economic activity

Brazil's GDP grew by 1.0% in 2017 after three consecutive years of declining or stagnating output. This outcome was mainly due to agriculture, whose output increased by 13% thanks to excellent harvests and higher production of different types of meat, and to the extractive industry, whose production increased by 4.3%. The processing industry grew by 1.7% after several years of declines. On the demand side, exports were the main factor in the expansion, growing by 5.2%, although this was partially offset by a 5.0% rise in imports. Family consumption presented positive results again in 2017, growing by 1.0% after a decline of 4.3% the year before.

The results for the first quarter of 2018 showed signs of a slight recovery in the Brazilian economy. Agriculture and the extractive industries drove the expansion of economic activity, with increases of 1.4% and 0.6%, respectively, on the previous quarter. There were also favourable results for some services such as electricity and transport, with growth rates of 2.1% and 0.7%, respectively. On the demand side, exports and family consumption contributed positively, and so particularly did investment,

which grew by 0.6% in the first quarter of 2018, giving continuity to the positive change of 2.1% in the previous quarter.

Investment is the main challenge in the effort to place Brazil on a sustainable growth path. This did begin to rise in the second half of 2017, particularly in the machinery and equipment category, bringing an end to over three years of unbroken declines. Gross capital formation as a share of GDP together with inventories increased marginally, from 15.4% to 15.5% of GDP. However, this represented an investment amount 10% lower than in 2014. Construction is one of the sectors with the lowest levels of investment, having suffered continuous declines since 2014 because of a fall-off in investment by the public sector and State enterprises such as Petrobras, while housing starts also declined.

The government carried on trying to create more favourable investment conditions. Petrobras presented positive results and made new investments (growth of 0.5% in 2017), and new concessions for oil exploration areas in the country were awarded, with a greater presence of international firms. The government announced its intention of privatizing the State electricity firm (Eletrobras), including its holdings in energy distribution or generation companies. Brazil's Congress has yet to vote on the legislation for regulating the sales of Eletrobras group.

(c) Prices, wages and employment

The decline in inflation as measured by the extended national consumer price index (IPCA) consolidated in 2017, with a cumulative figure of 2.95%, the lowest since 1998. Lower food prices (with wholesale prices down 12.3%) and greater stability in the exchange rate, with its impact on industrialized products (1.22% for wholesale prices) helped to bring down inflation. However, 2017 saw the start of a new cycle of increases for administered goods and services, such as oil and electricity, reflecting higher international prices and greater use of fuel sources for power generation.

The decline in the inflation rate continued until May 2018. In the 12 months to May, the IPCA recorded a rate of 2.85%. Conversely, the trucking crisis led to a rise in prices. The observed price indices indicated substantial increases, with the general price index (IGP-DI) showing a monthly rate of 1.64% in May, which drove up the annual rate to 5.2%, while the wholesale price index (IPA-DI) registered a monthly increase of 2.34% and a 12-month rise of 6.38%.

The price indices for July 2018 show that the impact of the strike had already fed through, with price rises returning to low levels. The IPCA inflation rate was 0.33%, while the IGP-DI and the IPA-DI rose by 0.44% and 0.55%, respectively.

The inflationary pressure resulting from the strike may have been diluted, but there are still other factors that could have adverse effects, such as exchange-rate volatility, which could be prolonged for a greater period because of uncertainties about the economic policy options of the government due to be elected in October 2018.

The labour market reform passed by the country's Congress in 2016 began to be implemented in 2017. Its impact has been hard to measure, however. The federal Supreme Court has not made a definitive ruling on the reform following contradictory rulings at different levels of the employment tribunal system, some for, others against, and others still relating to the conditions under which the reform should take effect and the issue of whether the law applies to all workers or just those hired after the new law was passed.

The General Register of the Employed and Unemployed (CAGED) recorded a loss of 20,000 jobs in 2017, following declines of 1.3 million in 2016 and 1.5 million in 2014. The sectors that created most jobs in the formal sector in 2017 are expected to be the main beneficiaries of the new flexible employment legislation, among them commerce (40,000 jobs) and the agriculture and service sectors (37,000 apiece).

The pension reform has been postponed. After securing approval for a bill in the special committee of the Chamber of Deputies, the government did not put it to a vote of the full house, where it needs a 60% vote in favour, because of the political crises that took place over the course of 2017. In February 2018, the federal intervention in Rio de Janeiro resulted in the suspension, as constitutionally required, of any procedures to advance a constitutional amendment bill, which requires the votes of 60% of all deputies and senators in the Congress, with two votes in each house. The intervention is set to end on 31 December 2018, when President Temer's current term expires.

The average national unemployment rate was higher in 2017 than 2016, but unemployment fell slightly between the fourth quarter of 2016 (12.0%) and the fourth quarter of 2017 (11.8%). The rate was 13.1% in the first quarter of 2018 (as compared to 13.7% in 2017), this being explained by the fact that people resumed the effort to find work because of the prospect of an improvement in the labour market. The number of formal jobs increased by 392,461 in the period between January and June 2018.

The annual increase in the average real wage was 1.24% as of June 2018. According to the Inter-Union Department of Statistics and Socioeconomic Research (DIEESE), just 8.1% of the 643 labour agreements signed in 2017 and undergoing monitoring provided for increases below the national consumer price index (INPC).

Table 1
BRAZIL: MAIN ECONOMIC INDICATORS

	2009	2010	2011	2012	2013	2014	2015	2016	2017 a/
	Annual growth rates b/								
Gross domestic product	-0.1	7.5	4.0	1.9	3.0	0.5	-3.5	-3.5	1.0
Gross domestic product, by sector									
Agriculture, livestock, hunting, forestry and fishing	-3.7	6.7	5.6	-3.1	8.4	2.8	3.3	-4.3	13.0
Mining and quarrying	-2.1	14.9	3.5	-1.9	-3.2	9.1	5.7	-2.7	4.3
Manufacturing	-9.3	9.2	2.2	-2.4	3.0	-4.7	-8.5	-5.6	1.7
Electricity, gas and water	7.0	13.1	8.2	3.2	4.5	-2.1	-9.0	-5.6	-5.0
Construction	0.7	6.3	5.6	0.7	1.6	-1.9	-0.4	7.1	0.9
Wholesale and retail commerce, restaurants and hotels	-2.3	11.1	2.3	2.4	3.4	0.6	-7.3	-6.1	1.8
Transport, storage and communications	-4.4	11.2	4.3	2.0	2.6	1.5	-4.3	-6.8	0.9
Financial institutions, insurance, real estate and business services	8.8	9.3	6.2	1.5	1.8	-0.6	-1.2	-3.3	-1.3
Community, social and personal services	3.4	2.2	1.9	1.3	2.2	0.1	0.2	0.6	-0.6
Gross domestic product, by type of expenditure									
Final consumption expenditure	4.1	5.7	4.2	3.2	3.0	1.9	-2.8	-3.4	0.6
Government consumption	2.9	3.9	2.2	2.3	1.5	0.8	-1.4	-0.1	-0.6
Private consumption	4.5	6.2	4.8	3.5	3.5	2.3	-3.2	-4.3	1.0
Gross capital formation	-14.0	26.7	5.7	-2.6	5.7	-5.4	-18.2	-11.8	2.4
Exports (goods and services)	-9.2	11.7	4.8	0.3	2.4	-1.1	6.8	1.9	5.2
Imports (goods and services)	-7.6	33.6	9.4	0.7	7.2	-1.9	-14.2	-10.2	5.0
Investment and saving c/	Percentajes of GDP								
Gross capital formation	18.8	21.8	21.8	21.4	21.7	20.5	17.4	15.4	15.5
National saving	17.3	18.4	18.9	18.4	18.7	16.3	14.1	14.1	15.0
External saving	1.5	3.4	2.9	3.0	3.0	4.2	3.3	1.3	0.5
Balance of payments	Millions of dollars								
Current account balance	-24 302	-75 824	-77 032	-74 218	-74 839	-104 181	-59 434	-23 546	-9 762
Goods balance	25 290	18 491	27 625	17 420	389	-6 629	17 670	45 037	64 028
Exports, f.o.b.	152 995	201 324	255 506	242 283	241 577	224 098	190 092	184 453	217 243
Imports, f.o.b.	127 705	182 833	227 881	224 864	241 189	230 727	172 422	139 416	153 215
Services trade balance	-19 245	-30 156	-37 166	-40 168	-46 372	-48 107	-36 946	-30 447	-33 850
Income balance	-33 684	-67 055	-70 475	-54 308	-32 538	-52 170	-42 910	-41 080	-42 572
Net current transfers	3 338	2 896	2 984	2 838	3 683	2 725	2 751	2 944	2 632
Capital and financial balance d/	70 953	124 925	135 669	93 118	68 912	115 014	61 003	32 783	14 854
Net foreign direct investment	36 033	61 689	85 091	81 399	54 744	71 135	61 200	65 432	64 064
Other capital movements	34 920	63 236	50 578	11 719	14 168	43 879	-197	-32 649	-49 209
Overall balance	46 651	49 101	58 637	18 900	-5 926	10 833	1 569	9 237	5 093
Variation in reserve assets e/	-46 651	-49 101	-58 637	-18 900	5 926	-10 833	-1 569	-9 237	-5 093
Other financing	0	0	0	0	0	0	0	0	0
Other external-sector indicators									
Real effective exchange rate (index: 2005=100) f/	82.3	72.0	69.2	77.6	83.0	85.4	106.1	101.9	94.8
Terms of trade for goods (index: 2010=100)	86.2	100.0	107.8	101.5	99.4	96.1	85.5	88.1	93.2
Net resource transfer (millions of dollars)	37 269	57 870	65 194	38 810	36 374	62 844	18 094	-8 297	-27 717
Total gross external debt (millions of dollars)	333 607	452 780	516 030	570 831	621 439	712 655	665 101	676 647	667 103
Employment	Average annual rates								
Labour force participation rate g/	60.0	61.4	61.3	61.0	61.3	61.4	61.7
Open unemployment rate h/	8.1	6.7	6.0	8.2	8.0	7.8	9.3	13.0	14.5

Table 1 (concluded)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Prices	Annual percentages								
Variation in consumer prices (December-December)	4.3	5.9	6.5	5.8	5.9	6.4	10.7	6.3	2.9
Variation in wholesale prices (December-December)	-4.4	13.9	4.3	8.6	5.1	2.1	11.2	7.4	6.9
Variation in nominal exchange rate (annual average)	8.9	-12.0	-4.9	16.7	10.5	9.1	41.5	4.6	-8.4
Variation in average real wage	2.3	1.5	1.4	3.4	2.4	0.9	0.5	-1.2	2.4
Nominal deposit rate i/	6.9	6.9	7.5	6.5	6.4	7.1	8.1	8.3	6.8
Nominal lending rate j/	47.5	42.9	44.7	39.9	39.1	45.0	49.5	53.7	49.9
Central government	Percentajes of GDP								
Total revenue	22.1	23.6	22.6	22.3	22.1	21.1	20.8	21.0	21.1
Tax revenue	20.2	20.3	21.2	20.5	20.5	19.9	19.7	19.8	19.6
Total expenditure	25.5	25.3	25.0	24.1	24.8	26.2	29.9	28.6	28.8
Current expenditure	24.4	24.0	23.7	22.7	23.3	24.6	28.0	27.2	27.8
Interest	4.6	3.7	4.6	3.6	4.1	4.7	7.1	5.2	5.9
Capital expenditure	1.1	1.3	1.4	1.4	1.4	1.6	1.8	1.4	1.0
Primary balance	1.2	2.0	2.1	1.8	1.4	-0.3	-1.9	-2.5	-1.8
Overall balance	-3.4	-1.6	-2.5	-1.8	-2.6	-5.0	-9.1	-7.6	-7.7
General government public debt	59.6	52.0	50.8	55.2	56.7	58.9	66.5	70.0	74.0
Domestic	56.2	49.2	48.3	55.8	53.6	55.5	62.1	66.3	70.5
External	3.4	2.8	2.5	2.9	3.1	3.4	4.4	3.7	3.5
Money and credit	Percentages of GDP, end-of-year stocks								
Domestic credit	90.5	93.4	95.2	101.1	100.1	103.5	107.1	111.4	111.3
To the public sector	36.0	33.1	29.2	30.6	27.7	28.8	31.5	40.6	46.4
To the private sector	47.5	52.8	58.1	62.5	64.2	66.0	66.8	62.3	59.7
Others	7.0	7.6	7.8	8.0	8.1	8.6	8.8	8.4	5.1
Monetary base	5.0	5.3	4.9	4.8	4.7	4.6	4.3	4.3	4.5
M2	34.9	35.0	37.0	36.7	36.7	37.2	38.1	37.9	37.9

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/ Twenty metropolitan regions. Up to 2011, six metropolitan areas.

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

j/ Interest rate on total consumer credit.

Table 2
BRAZIL: MAIN QUARTERLY INDICATORS

	2016				2017				2018	
	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2	Q.3	Q.4	Q.1	Q.2 a/
Gross domestic product (variation from same quarter of preceding year) b/	-5.2	-3.4	-2.7	-2.5	0.0	0.4	1.4	2.1	1.2	...
Gross international reserves (millions of dollars)	358 191	363 267	369 766	365 490	368 933	376 204	381 372	378 460	377 438	380 676
Real effective exchange rate (index: 2005=100) c/	114.0	103.6	94.9	94.9	90.5	92.9	95.1	99.0	96.6	103.2
Open unemployment rate d/	10.9	11.3	11.8	12.0	13.7	13.0	12.4	11.8	13.1	...
Employment rate d/	54.7	54.6	54.0	54.0	53.1	53.7	54.1	54.5	53.6	...
Consumer prices (12-month percentage variation)	9.4	8.8	8.5	6.3	4.6	3.0	2.5	2.9	2.7	4.4
Wholesale prices (12-month percentage variation)	13.0	14.0	12.0	7.41	5.0	-0.8	-1.4	-0.52	0.2	6.9
Average nominal exchange rate (reais per dollar)	3.9	3.5	3.2	3.3	3.1	3.2	3.2	3.3	3.2	3.6
Average real wage (variation from same quarter of preceding year)	0.2	2.0	0.6	-0.8	-0.7	-3.8	-1.1	0.9	0.1	...
Nominal interest rates (average annualized percentages)										
Deposit rate e/	8.1	8.3	8.6	8.3	7.7	6.7	6.7	6.2	6.2	6.2
Lending rate f/	52.4	54.0	53.9	54.4	53.6	49.7	49.5	46.9	46.6	45.4 g/
Interbank rate	14.1	14.1	14.1	13.8	12.7	10.9	9.2	7.5	6.7	6.4
Monetary policy rates	14.3	14.3	14.3	13.9	12.5	10.6	8.9	7.3	6.8	6.5
Sovereign bond spread, Embi + (basis points to end of period) h/	409	350	319	328	270	289	247	240	248	332
Risk premiia on five-year credit default swap (basis points to end of period)	366	317	273	281	226	242	196	162	164	270
International bond issues (millions of dollars)	1 500	10 047	8 934	-	9 950	6 050	4 125	11 941	10 800	3 129
Stock price index (national index to end of period, 31 December 2005 = 100)	150	154	174	180	194	188	222	228	255	217
Domestic credit (variation from same quarter of preceding year)	9.0	10.2	10.4	8.4	10.4	5.9	7.1	6.7	3.1	3.3 g/
Non-performing loans as a percentage of total credit	3.5	3.6	3.6	3.8	3.8	3.9	3.7	3.4	3.4	3.2

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/ Nationwide total.

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

f/ Interest rate on total consumer credit.

g/ Figures as of May.

h/ Measured by J.P.Morgan.