2021

Preliminary Overview of the Economies of Latin America and the Caribbean

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Preliminary Overview of the Economies of Latin America and the Caribbean

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Explanatory notes

- Three dots (...) indicate that data are not available or are not separately reported.
- A dash (-) indicates that the amount is nil or negligible.
- A full stop (.) is used to indicate decimals.
- The word "dollars" refers to United States dollars, unless otherwise specified.
- A slash (/) between years (e.g. 2020/2021) indicates a 12-month period falling between the two years.
- Figures and percentages in graphs and tables may not always add up to the corresponding total because of rounding.

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The global crisis caused by the coronavirus disease (COVID-19) pandemic has highlighted the asymmetries in response capacity between developed economies and emerging and developing economies, whether it comes to implementing policies to mitigate the health, economic and social effects of the crisis or to fostering a sustainable recovery.

The increasing concentration of vaccine procurement in higher-income countries is a case in point. These countries account for a higher proportion of vaccine procurement commitments than of the world's population. In fact, the European Union, the United States, the United Kingdom, Canada and Japan accounted for 39% of vaccine procurement commitments as of November 2021, despite having only 12.9% of the world's population. Moreover, their vaccination rates are above the average for developing and lower-income countries. The ability to vaccinate the population not only has an immediate effect on pandemic control, but also reduces the likelihood of new strains emerging. The lower a country's vaccination rate is, the more it will struggle to control the pandemic and thus to initiate a sustainable and inclusive recovery.

There are also large differences in countries' response capabilities in terms of fiscal efforts to mitigate the effects of the COVID-19 crisis and stimulate economic and social recovery: these have proved to be much more limited in emerging and developing economies, including those of Latin America and the Caribbean. The efforts of advanced economies, which have been unprecedented in scale, began with measures to sustain economic activity and mitigate the adverse social effects of the crisis and have continued with new fiscal initiatives aimed at promoting strong and sustainable growth. According to International Monetary Fund (IMF) figures, the fiscal measures announced by advanced economies totalled about US$ 14.9 trillion for the period between January 2020 and September 2021, while emerging economies had announced measures amounting to about US$ 2.7 trillion.

The response capacity of conventional and unconventional monetary policy has also differed significantly across countries. While most countries implemented expansionary monetary policies during 2020 via interest rates and the expansion of central bank balance sheets, rising inflation created uncertainty about their ability to sustain these policies. The balance sheets of the United States Federal Reserve, the Bank of England, the Bank of Japan and the European Central Bank currently represent about 60% of the GDP of the countries concerned, reflecting their efforts to provide liquidity. Although the inflationary dynamic has created further pressure for monetary policy rate normalization, the response of developed countries has so far been gradual and cautious, and rates have generally been held at historic lows.

By contrast, emerging and developing countries, including those of Latin America, have begun a more rapid process of policy rate normalization. Rates have risen in a great many countries, reflecting the asymmetries between the developed and developing world when it comes to dealing with the consequences and costs of inflationary pressures.

These disparities and asymmetries affect not only short-term growth dynamics, but also the ability to sustain growth in the medium term. In 2022, according to IMF estimates,[1] the group of advanced economies is the only one that is expected to return to, and perhaps even exceed, its pre-pandemic growth trajectory. The other groups of countries will remain on a much lower growth trajectory in the medium term (until 2025) than was projected before the pandemic, highlighting the lasting damage to growth that the pandemic inflicted on these economies.

[1] International Monetary Fund (IMF), *World Economic Outlook. Recovery During a Pandemic: Health Concerns, Supply Disruptions, and Price Pressures*, October 2021.

During 2021, commodity prices continued the upward trend that had started in May 2020, rising an estimated 42% from their 2020 average. Prices are expected to remain high in 2022, although slightly down (-3.2%) on their 2021 level.

Global financial markets performed well in 2021, despite some brief bouts of increased volatility linked not only to the evolution of the pandemic, but also to uncertainty about the inflation outlook and the possibility of monetary stimulus being withdrawn early. This has increased the likelihood that central banks in developed economies will reduce their monetary stimulus, which may have adverse effects on emerging markets.

A rise in policy rates or a reduction in asset purchases by central banks could generate volatility in financial markets and create difficulties, especially in emerging and developing economies. To mitigate these risks, monetary policy changes need to be made cautiously and signalled clearly and well in advance. Emerging and developing countries should also prepare for interest rate increases in advanced economies by extending debt maturities where feasible, thereby reducing their refinancing needs. Meanwhile, regulators should focus on limiting the build-up of currency mismatches on balance sheets and dealing with increased exchange-rate volatility.

Against this background, world economic growth is estimated at 5.8% for 2021, slowing to 4.9% in 2022. Growth rates in the United States and China, the region's two main trading partners, are projected to be substantially lower in 2022 than in 2021. Moreover, intensifying supply shocks due to difficulties in value chains are expected to persist, as are logistical problems and high transport costs. The monetary and fiscal stimulus programmes that propped up economies and served to reduce the negative impact of the pandemic during 2020 and 2021 are also expected to taper off in 2022. New variants of COVID-19, such as omicron, are casting a pall over growth dynamics in 2022 and beyond.

The group of developed economies is estimated to have grown by 5.2% in 2021, with the United States expanding by 6%, the eurozone by 5.2%, Japan by 2.4% and the United Kingdom by around 6.8%. Growth that year in the group of emerging and developing economies is put at 6.4%, led by China with 8.0% and India with 9.5%. Some emerging subregions, such as the Middle East and North Africa (4.1% growth) and Sub-Saharan Africa (3.7%), were less buoyant.

In 2022, the world economy is expected to grow by an average of 4.9%. Growth in developed economies is forecast at 4.2%, with the United States expanding by 3.9% and the eurozone by 4.6%. Emerging and developing economies are expected to grow by 5.1%, again driven by emerging and developing Asia (6.4%), including China (5.7%) and India (7.9%).

In line with the dynamics of global GDP growth, the volume of world trade in goods is also expected to increase more slowly in 2022 (by 4.7%, as against almost 11% in 2021), according to World Trade Organization (WTO) estimates.

From the perspective of the Latin American and Caribbean countries, the region's exports are estimated to have grown by 25% in value in 2021, with export prices rising by 17% and volume by 8%. Meanwhile, imports are estimated to have grown by 32% in value, the largest increase since 2010, when they rose by the same amount in the aftermath of the global financial crisis. After collapsing in 2020, the volume of imports is estimated to have risen by 20%, in line with the expansion of both domestic consumption and domestic investment in the region, with import prices also rising, by 12%.

While the favourable evolution of commodity prices in 2021 caused the terms of trade to increase by an estimated average of about 5% in the region, there are differences at the subregional level. The terms of trade fell by 5% in the Caribbean

(excluding Guyana, Jamaica and Trinidad and Tobago) and by 1% in Central America, partly as a result of the large share of energy in the import baskets of these countries. Conversely, it was precisely in the group of hydrocarbon-exporting countries that the terms of trade rose the most (15%).

Remittances have remained on an upward trajectory: after increasing by 8% in 2020, they are estimated to have risen by almost 30% in 2021. They continue to be a very important source of external resources for the countries of the region, particularly Central America, Mexico and some Caribbean countries.

The services deficit worsened in 2021, influenced mainly by a deterioration in the transport and other services account, whose imports increased in line with the rise in goods imports. The income deficit widened in 2021, meanwhile, mainly owing to higher profit remittances by foreign-owned enterprises in a context of rising commodity prices. As a result of these trends, after exhibiting a small surplus in 2020 (0.2% of GDP), the current account of the balance of payments went back into deficit in 2021 (-0.6% of GDP).

In line with developments in emerging markets generally, total financial flows into Latin America and the Caribbean continued to recover, and the region's countries retained their access to international financial markets. Indeed, debt issuance by the region in international markets continued to rise, with an increase of 12.3% in the first 10 months of 2021 compared to the same period in 2020, although now with a greater role for private debt and slower growth in sovereign issuance. Non-bank private sector issuance grew by 77%, while sovereign issuance increased by 14%, after being highly dynamic in 2020.

The recovery in financial flows has been accompanied, however, by a deterioration in the credit ratings of a number of countries in the region (there were 12 downgrades in 2021, while the outlook for almost all the countries was revised downward) as well as a slight increase in sovereign risk, which nevertheless still remains well below its levels of much of 2018 and 2019.

With regard to quarterly growth dynamics in the region, the gradual easing of pandemic containment measures and favourable external conditions translated into increasingly vigorous economic activity, with a slight contraction in the first quarter of 2021 followed by growth that peaked at an average of 16.1% in the second quarter of the year. This dynamism, which was much stronger than anticipated, was not sustained in the second half of the year, when there was a slowdown.

Growth dynamics in 2021 were led by domestic demand. Private consumption was a key driver, contributing around half of second-quarter growth. There was also a strong pick-up in investment, in a context of recovering demand and a higher level of construction activity. On the other hand, while exports grew significantly, the net external sector (exports minus imports) made a negative contribution to output growth, owing to a sharp increase in imports.

From a sectoral perspective, the expansion of economic activity was led by the recovery in the sectors worst affected by the pandemic (construction, retail, manufacturing, and transport and communications), all of which saw a broad-based rise. All other sectors of economic activity also recovered during the second quarter.

With regard to the dynamics of labour markets during 2021, they slowly recovered from the strong impact of the COVID-19 pandemic. As of the third quarter of 2021, the regional participation rate was 60.5% and the employment rate was 54.9%, so that both were higher than in the third quarter of 2020 but lower than in the same period of 2019. The increase in employment exceeded the number of people returning to the

labour market, so that the open unemployment rate gradually declined. This indicator trended downward throughout the year and averaged 9.1% for 14 countries in the third quarter of 2021.

However, employment has lagged significantly behind GDP, with new job creation trailing growth. Some 30% of the jobs lost in 2020 were not recovered in 2021. Moreover, the slow recovery in employment has accentuated inequality between men and women. In general, women have been returning to the labour market more slowly and struggling more to find employment, which has widened the gender gaps in the regional labour market. The female participation rate in the third quarter of 2021 was 49.7%, while the male participation rate was 71.5%, 2 percentage points lower than in the same period of 2019.

The greatest difficulties were observed among women with lower educational attainment. In 2020, this group of female workers was more affected by job losses than men with the same level of education and than more educated women. This group also struggled the most to re-enter the labour market during the early months of 2021, and its employment level was 16% lower in the second quarter of 2021 than in the same quarter of 2019.

During 2020, contrary to what usually happens in crises of economic origin, informal employment could not behave countercyclically and thus did not help to mitigate household income losses, with many jobs in the informal segment of the labour market being destroyed. In 2021, however, informal employment increased substantially. This has resulted in significant increases in the informality rate, implying that the greater number of employed persons has been associated with lower job quality.

The recovery in employment has been uneven across the different production sectors. By the second quarter of 2021, employment had almost fully recovered in construction, had partially recovered in retail and remained very depressed in hotel and restaurant-related sectors compared with the second quarter of 2019. In other sectors, such as manufacturing and community, social and personal services, it partially recovered and remains lower than before the pandemic. In contrast, employment in agriculture, financial and business services and basic services showed a positive change compared with the second quarter of 2019. The dynamics of job creation suggest that labour markets will not recover their pre-pandemic performance. The unemployment rate is expected to be around 9.7% in 2021, so lower than in 2020 (10.3%) but higher than in 2019 (8.1%).

Against a backdrop of growing uncertainties about the dynamics of the pandemic, growth, inflation and prolonged negative supply shocks, the global macroeconomic situation is being affected by increasing uncertainties about developed countries' monetary policy responses. As a result, the region is expected to face a more challenging external scenario in 2022, with reduced economic dynamism and greater monetary and financial volatility and uncertainty.

In the context of the region's countries, the macroeconomic environment will also become more uncertain and challenging in 2022, with slower than anticipated economic growth and jobs recovery, stronger inflationary pressures and elevated exchange-rate volatility, in addition to low levels of investment and productivity and high levels of informality, inequality and poverty.

To boost the economic recovery and manage real and nominal macrofinancial risks, it will be necessary to implement coordinated macroeconomic policies and use all the instruments at the authorities' disposal to appropriately prioritize growth challenges while maintaining monetary and financial stability. The urgent need to continue implementing

policies in support of economic expansion and decent job creation requires strong linkages between fiscal and monetary policies, as well as sectoral employment policies to boost new job growth.

In 2020, fiscal policy became one of the most important public policy tools for responding to the socioeconomic crisis caused by the COVID-19 pandemic. The countries of Latin America announced large fiscal packages of unprecedented scope, averaging 4.6% of GDP, to strengthen public health systems, support families and protect the production structure. Among the fiscal instruments employed, public spending played a leading role, with a substantial increase in subsidies and current transfers to mitigate the impact of the pandemic on household and business incomes.

These fiscal efforts, however, had a variety of effects on the public accounts, with implications for fiscal policy in 2021 and beyond. The increase in public spending, in a context of lower tax revenues, resulted in an expansion of fiscal deficits and a substantial increase in public debt. Despite the key role of fiscal policy in tackling the crisis, the budgets approved for 2021 showed a trend of declining fiscal deficits and stabilization of the public debt trajectory. This trend is reflected in the withdrawal of fiscal stimulus via a reduction in primary expenditure in a number of countries, partly due to the expiry of pandemic-related emergency programmes.

This dynamic has been most evident in Latin America, where the projected decrease in public spending (mainly due to a reduction in subsidies and current transfers) and the recovery of public revenues (especially tax revenues) will be reflected in lower fiscal deficits. According to official projections, overall central government deficits will come in at about 5.0% of GDP in 2021, down from 6.9% of GDP in 2020. The primary deficit is projected at 2.4% of GDP in 2021, compared to 4.2% of GDP in 2020. However, the level of central government gross public debt is expected to remain high.

In the Caribbean, the recovery in total revenues during 2021 should lead to a reduction in fiscal deficits. The overall deficit is expected to average 5.8% of GDP in 2021, compared to 7.0% of GDP in 2020, with the primary deficit ending 2021 at 2.8% of GDP, compared to 4.3% of GDP in 2020. Fiscal deficits are expected to narrow by less in the Caribbean than in Latin America because of a projected increase in total central government outlays, particularly capital spending on projects associated with reconstruction following natural disasters and adverse weather events. As in Latin America, central governments' gross public debt is projected to remain high.

The prevailing fiscal situation in the region creates the dilemma of how to maintain a pro-growth fiscal policy that can support the expansion of investment and help narrow social divides, in a context characterized by greater macroeconomic headwinds, less fiscal space and unequal access to financing. Historical experience shows that these factors should not be allowed to result in a contractionary fiscal policy that undermines the fragile process of economic recovery and neglects the need to increase the region's low levels of investment and reduce growing social divides.

Fiscal policy must continue to play a central role in mitigating the effects of the pandemic, boosting economic recovery and laying the foundations for sustained and sustainable growth. This process will require a fiscal sustainability framework focused on strengthening the generation of permanent revenues to finance permanent spending needs.

In a context where public expenditure levels are difficult to maintain, it is essential to adopt a strategic approach to spending focused on programmes with high economic, social and environmental returns that contribute to a shift towards sustainability in the region's development model. Public investment, which has been the main adjustment

variable over the last decade, must be protected so that quality employment-intensive, gender-equitable investments can be made in strategic sectors. To complement this, the universalization and financial sustainability of social protection systems must be at the heart of fiscal policy going forward.

For a development-oriented expenditure policy to be sustainable, a new generation of tax policies will be needed to strengthen tax revenues and improve their composition. Nevertheless, the processes involved in modifying tax systems require a medium-term outlook and a broad social and political consensus, especially in the current context. Short-term measures are therefore important, such as actions to reduce tax evasion, which amounted to US$ 325 billion or 6.1% of regional GDP in 2018, and a review of tax expenditures, which average 3.7% of GDP.

In the medium term, new tax policies should be based on direct taxation with greater vertical equity, on the principle that those who have most should contribute most. It is important to pursue reforms that consolidate personal and corporate income taxes and extend the scope of wealth and property taxes. In addition, new green taxes, taxes on the digital economy and taxes on the consumption of unhealthy products could be considered.

Multilateralism, via financing for development, is also necessary to generate the fiscal space that the region's countries require in the short term to pursue a pro-growth fiscal policy and avoid premature fiscal tightening. To this end, it is important for developed countries and international financial institutions to support economies suffering from financial constraints, including middle-income economies, so that they can access financing on favourable terms.

One of the main measures taken in 2021 to improve emerging and developing countries' access to liquidity was the general allocation by IMF in August that year of special drawing rights (SDRs) worth US$ 650 billion. While the allocation strengthened the international reserve position in all developing regions, in the aggregate its distribution has disproportionately benefited developed countries. Developing countries, which make greater use of SDRs, received only 35.6% of the total.

The new SDR allocation should be complemented by another liquidity access mechanism as part of a reform of the international financial architecture structured around five pillars: (i) the expansion and redistribution of liquidity through the establishment of funds that allow SDRs to be recirculated to developing countries; (ii) the strengthening of development banks' lending capacities through increased capitalization and the adoption of more flexible criteria for granting development financing; (iii) a reform of external debt management mechanisms, including a broadening of the scope of the Group of 20 (G20) Debt Service Suspension Initiative and a review of the IMF surcharge policy, as well as the role of credit rating agencies; (iv) the adoption of innovative development financing instruments, such as the inclusion of contingent clauses and the issuance of thematic bonds; and (v) the integration of liquidity and debt reduction measures into an integrated resilience strategy aimed at building a better future.

In the area of financial and monetary policy, the countries of the region are facing a testing situation in which they must try to reconcile more dynamic economic growth with objectives of domestic price stability and exchange-rate and financial stability. To avoid costly trade-offs between these objectives, they need to maintain complementarity between monetary, exchange-rate and macroprudential instruments, avoiding disproportionate use of only one instrument. Combining all the instruments available to the region's monetary authorities will make it possible to preserve nominal stability and achieve sustainable, inclusive and equalizing growth.

A central element that will affect monetary policy dynamics in the region is the evolution of inflation, which has been on an upward trend since the second half of 2020. While inflation has been rising in all the countries, it is highest in those of South America, where it reached 7.0% in September 2021, up 3.9 percentage points from December 2020. As in the rest of the world, particular supply and demand factors explain the pick-up in inflation in the region. Foremost among the supply factors are global trade tensions, disruptions in logistics chains and increasing depreciation of the region's currencies, which has strongly affected the dynamics of inflation in the region.

This has been compounded by rising energy and food prices in the first 10 months of the year. Between December 2020 and September 2021, West Texas Intermediate (WTI) oil prices increased by 54.6%, while in the case of foodstuffs, international market prices for meat and wheat rose by 3.5% and 13.3%, respectively. The prices of other goods imported by the region have also risen substantially, as reflected in the rise in inflation for goods exported by the United States from 0.4% year on year in December 2020 to 16.3% in September 2021.

Demand factors include substantial consumption growth and a rapid recovery in demand for durable goods and services, supported by the transfer programmes and strong monetary boosts to lending that were put in place during the crisis and extended into 2021 in some countries.

During 2020, the region's monetary authorities were able to significantly expand the range of instruments at their disposal to pursue expansionary policies. Conventional instruments such as interest rate cuts, changes in reserve requirement rates and the strengthening of mechanisms to support financial intermediation were supplemented by less conventional instruments, such as central bank purchases of private and government securities held by financial institutions and the direct transfer of resources to the public sector when it acted as a coguarantor of State-backed loans. In addition, macroprudential regulations were adjusted to maintain the stability of the financial system and the smooth functioning of the payments system and to reduce the impact of systemic risks on the performance of the region's economies. This involved increased interventions in exchange rate markets and changes in reserve requirements for deposits, alongside measures to regulate capital flows. These actions were usually accompanied by the establishment of currency swap agreements with central banks outside the region and the expansion of credit facilities offered by international organizations.

The rise in regional inflation in 2021 created a monetary policy dilemma: on the one hand, there is still a need for policies to support economic growth and job creation, while on the other, policies to mitigate inflationary pressures and exchange-rate volatility are required. In this context, some monetary authorities in the region tended to scale down policies to promote credit and aggregate demand growth during 2021, although the stance remains broadly expansionary. Policy rates were raised in eight of the economies that use them as their main monetary policy instrument, with an average increase of 2 percentage points. During 2021, however, benchmark policy rates remained broadly negative in real terms and monetary aggregates continued to grow more rapidly than in the pre-pandemic period.

Despite the policy rate increases, the downward trend in nominal lending rates observed in the region's economies since 2019 continued in 2021, except in countries with chronic inflation problems. Despite this, credit growth tended to slow, and overall lending to the private sector had contracted by the third quarter of 2021.

With regard to exchange-rate dynamics, the trend of depreciation against the dollar that had been observed since mid-2018 continued during 2021. In total, the currencies of 16 economies in the region depreciated against the dollar. While exchange-rate

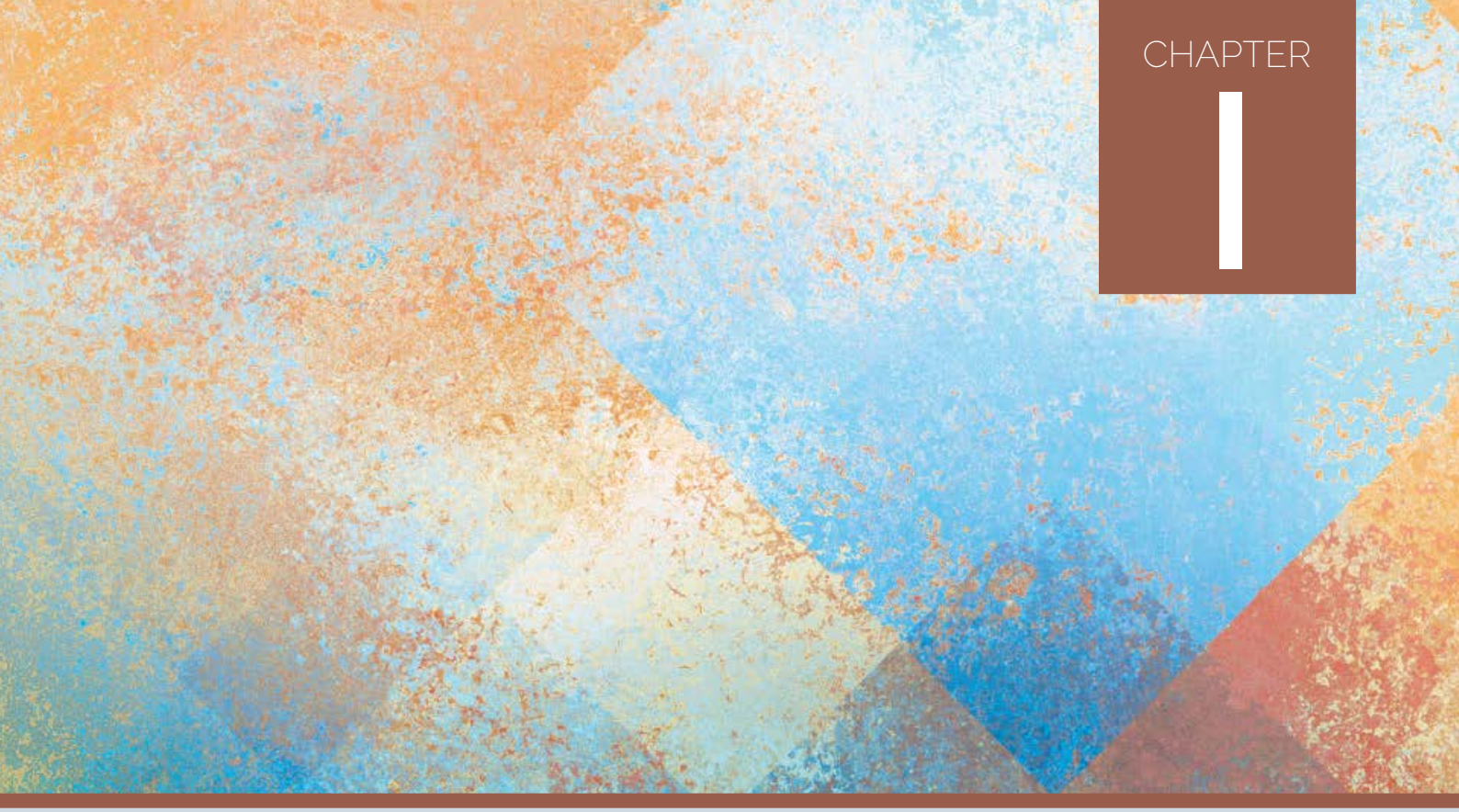
volatility declined from 2020 levels, it remained higher in 2021 than in 2019, reflecting the continuing uncertainty generated by the dynamics of the pandemic, the possible actions of the main central banks in the developing world, the direction and magnitude of possible changes in capital movements, and commodity price fluctuations. To mitigate volatility, the authorities implemented a number of measures, including higher levels of market intervention through the purchase or sale of foreign currency, and changes in regulations governing financial flows.

Meanwhile, the region's international reserves increased by an average of 5.2% in 2021, growing in 22 economies of the region. This dynamic of rising international reserves in Latin America and the Caribbean reflects a variety of factors, including the establishment of swap and liquidity lines with the United States Federal Reserve and various international financial institutions, increased issuance of securities in voluntary markets, improving terms of trade, particularly in 2021, and the issuance of new SDRs.

One of the lessons of monetary policy management in 2020 and 2021 is that the combination of macroprudential, monetary and exchange-rate instruments is essential to promote macrofinancial stability in the region's economies, mitigate the adverse effects of the crisis on the real sector and support expansionary policies to reactivate the economy. Given the increasing macrofinancial risks, the future actions of central banks in the region will depend on the specific characteristics of each country, namely the degree of openness of the current and capital account, the exchange-rate regime, macroprudential regulation and the ability to access external financing.

Growth is expected to average 6.2% for the region in 2021, with South America growing at 6.4%, Central America and Mexico at 6.0%, and the Caribbean (excluding Guyana) at 1.2%. In a context where the COVID-19 crisis exacerbated the region's structural problems, adding further uncertainties and macroeconomic risks, the region's economic growth is expected to slow from 2022, when it is projected to average 2.1%: 1.4% for South America, 3.3% for Central America and Mexico, and 6.1% for the Caribbean (excluding Guyana).

With the growth rates estimated for 2021 and 2022, less than half the countries in the region will have managed to recover the activity levels of 2019, before the crisis: 11 countries will achieve this in 2021 and a further 3 in 2022. This shows that the crisis caused by the pandemic has had lasting effects on economic growth in much of Latin America and the Caribbean and has aggravated the structural problems that already characterized the region before the crisis.



CHAPTER

1

Global economic trends

The COVID-19 pandemic revealed the asymmetries that exist between the developed and the emerging and developing economies, both in their capacity to implement policies to mitigate the effects of the crisis and boost recovery, and in their access to vaccines

Global economic growth in 2021 is forecast to be 5.8%, revised downward minimally from the mid-year projection; nonetheless, the region's two main trading partners, the United States and China, have seen their growth projection downgraded by several tenths of a percentage point

In 2021, global goods trade is expected to grow by nearly 11% in volume, according to the latest forecast from the World Trade Organization; and a further 4.7% expansion is projected for 2022

Commodity prices have continued the upward trend that began in May 2020; and, for the full year, they are projected to be 42% higher than their average level in 2020

International financial markets performed strongly in the first ten months of the year, despite brief episodes of increased volatility, linked not only to the evolution of the pandemic, but also to uncertainty about the outlook for inflation and the chances that monetary stimulus will be withdrawn early

In recent months, the risk that high inflation rates will persuade the central banks of the major economies to ease their monetary stimulus has increased, with potential adverse repercussions on emerging markets

Although the eventual withdrawal of monetary stimulus by the main central banks, especially the Federal Reserve, will have an impact on emerging markets, this is likely to be milder than in 2013, given the announced gradualness of the withdrawal

Bibliography

The COVID-19 pandemic revealed the asymmetries that exist between the developed and the emerging and developing economies, both in their capacity to implement policies to mitigate the effects of the crisis and boost recovery, and in their access to vaccines

In terms of fiscal measures to mitigate the effects of the crisis caused by the coronavirus disease pandemic (COVID-19), and to stimulate economic and social recovery, the response capacity in emerging and developing countries, including those of Latin America and the Caribbean, has been much weaker than in the developed economies.

The set of measures announced by the advanced economies amounted to an estimated US$ 14.9 trillion by the end of September 2021, while the emerging countries had mobilized some US$ 2.7 trillion (IMF, 2021b). Moreover, the fiscal space available to the latter to continue to underpin the recovery through policy support has narrowed. For example, in Latin America, in 2021 there is already a tendency to formulate budgets so as to reduce fiscal deficits and stabilize the level of public debt (see box VII.1 in the section on fiscal policy (chapter VII)).

There have also been significant asymmetries in monetary policy between the developed and the emerging and developing countries; and these will persist in the future. In the developed economies, interest rates were kept at historically low levels to support aggregate demand during the pandemic. This was accompanied by unconventional monetary easing policies on an unprecedented scale. In the emerging and developing countries, while the monetary policy of lowering rates (and, in several cases, also quantitative easing) played a very important role in 2020, rising inflation is becoming a challenge that has already led several countries to start normalizing policy by raising rates this year. In general, there is a perception that in the developed countries, where inflation expectations are more firmly anchored, rate hikes can be more gradual and start later than in the emerging and developing economies, where inflation expectations are rising faster.

Lastly, the access that countries have had, and still have, to vaccines to confront the pandemic has also differed widely. Vaccine procurement has been heavily concentrated in the higher-income countries, which have made vaccine purchase commitments in excess of their share of world population. For example, Canada, the European Union, Japan, the United Kingdom and the United States between them accounted for 39% of vaccine purchase commitments in November 2021, despite having just 12.9% of the world's population. Their vaccination rates are also above the average of emerging and lower-income countries (ECLAC, 2021b).

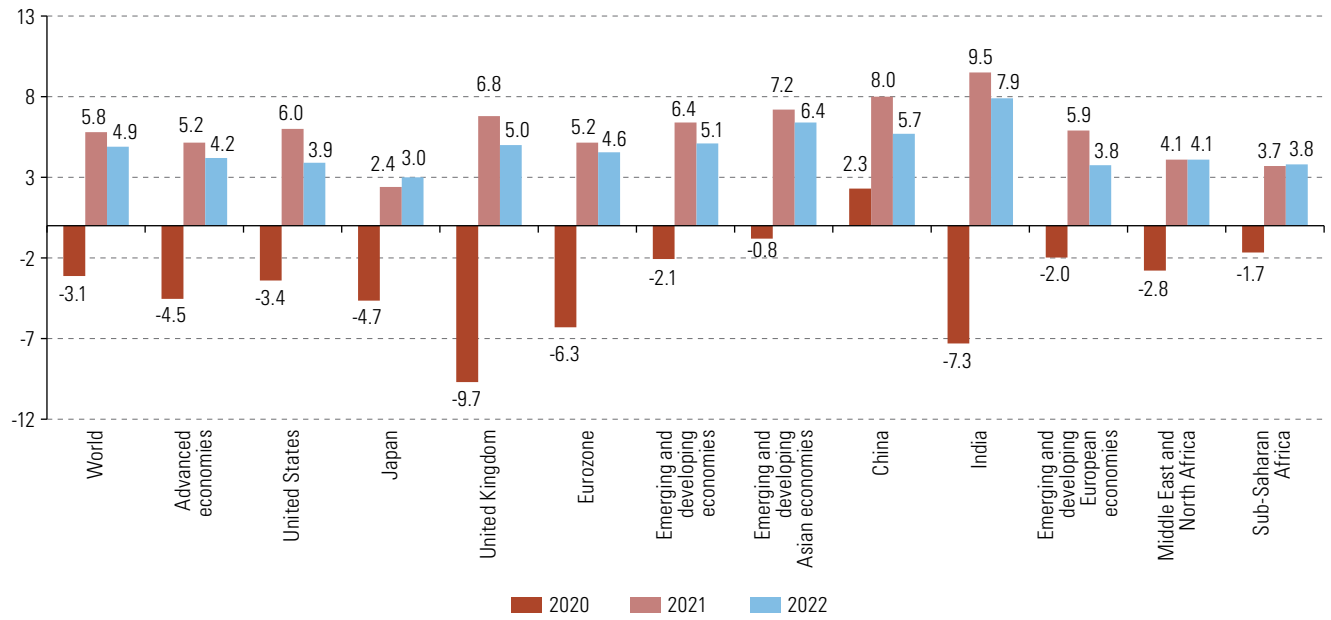
These disparities and asymmetries have jeopardized the capacity of several emerging and developing economies, including those of Latin America and the Caribbean, to sustain medium-term growth —notwithstanding the growth rebound recorded in 2021, which, in some cases, will continue in 2022.

In 2022, the developed economy group alone is expected to regain the pre-pandemic growth trajectory, and even surpass it. In contrast, the other country groupings will maintain a much lower growth path in the medium term (up to 2025) than had been projected before the pandemic. This underscores the lasting damage inflicted by the pandemic on the growth of these economies (IMF, 2021a).

Global economic growth in 2021 is forecast to be 5.8%, revised downward minimally from the mid-year projection; nonetheless, the region's two main trading partners, the United States and China, have seen their growth projection downgraded by several tenths of a percentage point

Although the global growth forecast for 2021 is only one tenth of a percentage point lower than the mid-year projection of 5.9%, growth in the emerging and developing countries is expected to rise slightly to 6.4%. In contrast, the developed economies are expected to expand by 5.2%, two tenths of a point less than projected a few months ago (see figure I.1). This downward revision is explained mainly by a reduction of almost one percentage point in the growth forecast for the United States, to 6% for this year. In the emerging and developing countries, the upward revision mainly reflects the improved outlook in several commodity-exporting countries, offsetting lower growth in China (now projected at 8%, four tenths of a percentage point less than forecast a few months ago).

Figure I.1
Selected regions and countries: GDP growth rate in 2020 and projections for 2021 and 2022[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organization for Economic Cooperation and Development (OECD), *OECD Economic Outlook, Interim Report: Keeping the Recovery on Track*, September 2021; International Monetary Fund (IMF), World Economic Outlook (WEO), October 2020; European Central Bank (ECB), "Eurosystem staff macroeconomic projections", September 2021 and Capital Economics.

[a] The figures for India are for the fiscal year, which begins in April and ends in March of the following year.

The downward revision of growth in the region's two main trading partners (the United States and China) reflects the slowdown that has been taking place in these economies since the third quarter of the year. In the first case, supply shortages and the spread of the delta variant of the virus affected domestic demand. In the case of China, in addition to the two aforementioned factors, problems in the real estate

sector, compounded by power outages and energy rationing, affected manufacturing production in general. The latter contracted in September for the first time since February 2020.

In the case of the eurozone, the projection was revised slightly upwards, and the bloc is now expected to grow by 5.2%. This is explained by a positive third quarter performance, which recorded a 2.2% expansion relative to the previous quarter, driven by stronger consumption of services as restrictions were eased and the vaccine rollout weakened the link between COVID-19 cases and hospitalizations. However, the fourth wave of infections that the continent is now facing could undermine the projection once more. Some countries are re-imposing restrictions on activity, although these are targeted measures as yet.

For 2022, global economic growth is expected to slow to 4.9% on average. Specifically, the advanced economies are likely to expand by 4.2% and emerging and developing economies by 5.1%.

Lower growth rates are to be expected in 2022 because, unlike in 2021, there will not be a low base for comparison. Moreover, the supply shocks that have now been visible for several months, and have been intensifying, can be expected to persist through the first half of 2022 or beyond. Logistical problems, high transportation costs,[1] rising input prices, and supply chain difficulties could last until mid-year.[2] Lastly, the monetary and fiscal stimulus programmes that have been buttressing the economies and have helped mitigate the negative impacts of the pandemic are expected to taper off next year (Bloomberg, 2021).

In 2021, global goods trade is expected to grow by nearly 11% in volume, according to the latest forecast from the World Trade Organization; and a further 4.7% expansion is projected for 2022

Following its March forecast of an 8% expansion in merchandise trade in 2021, the World Trade Organization (WTO) revised its forecast up to 10.8% in view of the strong performance in the year to date (see figure I.2), with the volume of global goods trade having now surpassed its pre-pandemic level.

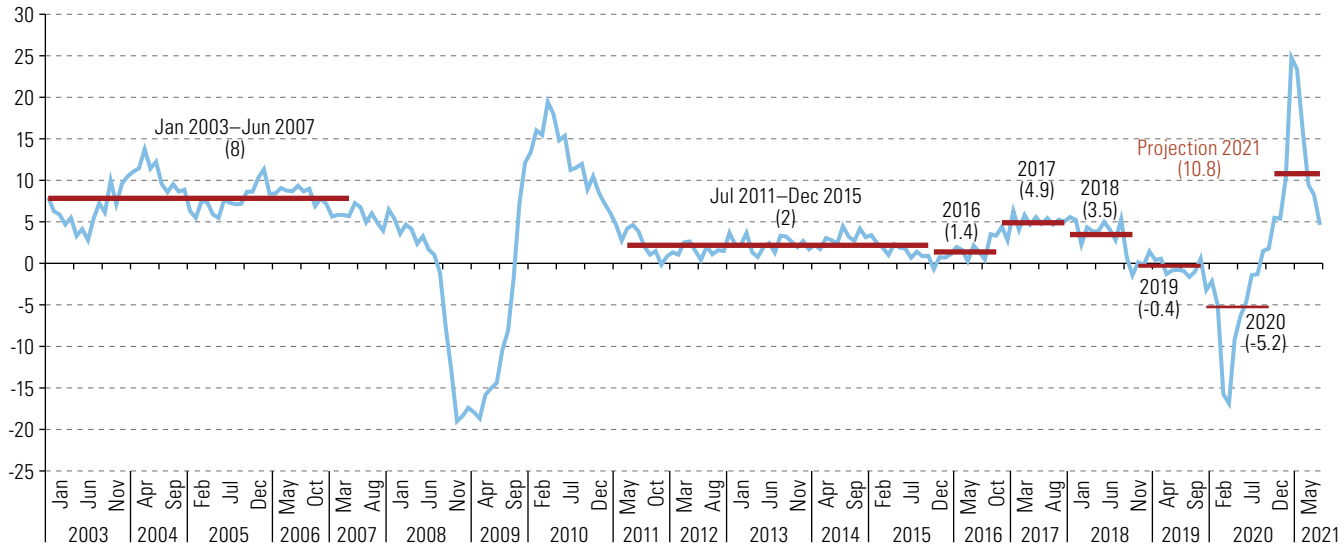
The buoyancy of global goods trade in 2021 reflects not only the low comparison base of 2020, but also an increase in aggregate demand fuelled by expansionary monetary and fiscal policies across the board. It has also been boosted by the resumption of economic activity in countries that have been able to roll out large-scale COVID-19 vaccination programmes. This situation, coupled with a shift in consumption patterns, away from services that were affected by mobility restrictions (restaurants, cinemas, travel, among others) towards goods (clothing, electronics, furniture and others), generated a major revival of merchandise trade (BCRP, 2021).

For 2022, WTO expects slower growth in trade volumes (+4.7%), aligned with the moderation of global GDP growth. This reflects not only the higher base of comparison, but also the fact that the supply shortages referred to above are projected to continue. In addition, WTO warns that the pandemic itself represents potentially an even greater risk to global trade and production, particularly if more lethal variants emerge (WTO, 2021).

1 The global pandemic caused several difficulties in maritime transportation, which resulted in higher freight costs. This shock has persisted and has even strengthened in recent months (BCRP, 2021).

2 See Capital Economics (2021a).

Figure I.2
World trade: year-on-year variation in volume, January 2003–September 2021
(Percentages, on the basis of a seasonally adjusted index, three-month rolling averages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Netherlands Bureau of Economic Policy Analysis (CPB), World Trade Monitor [online database] https://www.cpb.nl/en/worldtrademonitor and World Trade Organization (WTO), "Global trade rebound beats expectations but marked by regional divergences", *Press Release*, No. 862, 4 October 2021 [online] https://www.wto.org/spanish/news_s/pres20_s/pr862_s.htm.

Commodity prices have continued the upward trend that began in May 2020; and, for the full year, they are projected to be 42% higher than their average level in 2020

In the case of industrial metals and minerals, average prices have weakened in the second half of the year. Nonetheless, they are still well above their pre-pandemic levels. In the case of copper, for example, since attaining historical highs on 10 May (US$ 4.86 per pound), the daily price has remained above US$ 4 permanently up to the time of writing this chapter (14 November 2021).

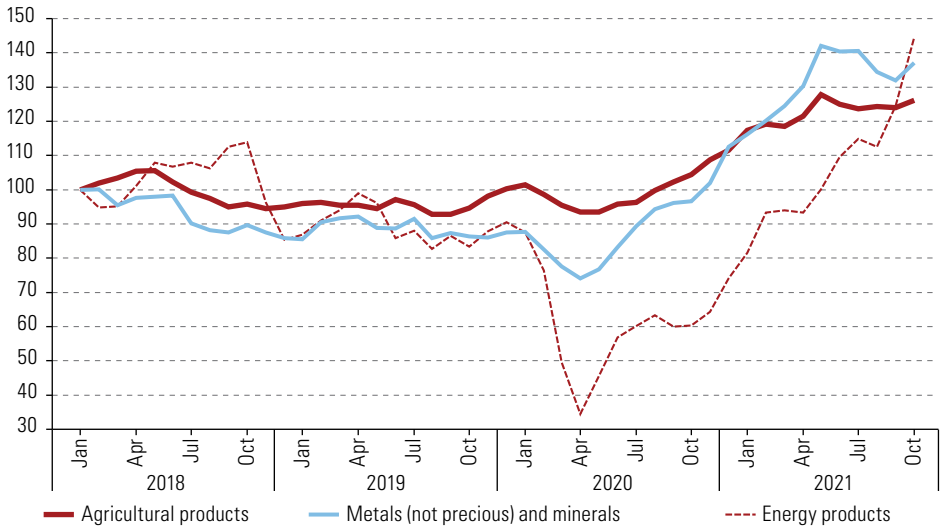
Agricultural prices have tended to stabilize in the second half of the year, also at well above pre-pandemic levels. Energy prices have maintained the upward trend that began in May 2020, without interruption (see figure I.3). For 2021 as a whole, the price of agricultural products is expected to be 22% higher than their average level in 2020; the prices of metals and minerals are expected to be up by 37%; and energy prices are forecast to rise by 74% (see figure I.3).

A slight reduction of around 3.2% in commodity prices is expected for 2022. Metals and minerals are likely to fall the most (by 8.4% compared to the average level in 2021). This would be explained by the economic slowdown, especially in China and its construction sector, which has been displaying problems. In the case of energy and agricultural products, prices are projected to remain broadly stable, with little variation from the average level of 2021 (0.3% and -0.4%, respectively). The supply of oil, natural gas and coal is expected increase to match higher demand resulting from the ongoing process of normalization of global transportation and production. In the

case of agricultural products, 2021 represents a high base for comparison, as there were several adverse weather events that pushed prices higher. On the other hand, this effect is counterbalanced by the fact that energy prices will affect agricultural production costs and the demand for biofuels, thereby helping to support price levels (Capital Economics, 2021b).

Figure I.3
International commodity price indices, January 2018–October 2021, and projections for 2021
(Percentages)

A. International commodity prices: indices, January 2018–October 2021
(index January 2018 = 100 and percentages)



B. International commodity prices: projected variation, 2021
(percentages)

Agricultural products	22
Food, tropical beverages and oilseed products	28
Food	20
Tropical beverages	34
Oils and oilseeds	36
Agroforestry materials	4
Minerals and metals	37
Energy[a]	74
Crude oil	69
Total commodities	42
Total commodities (excluding energy)	30

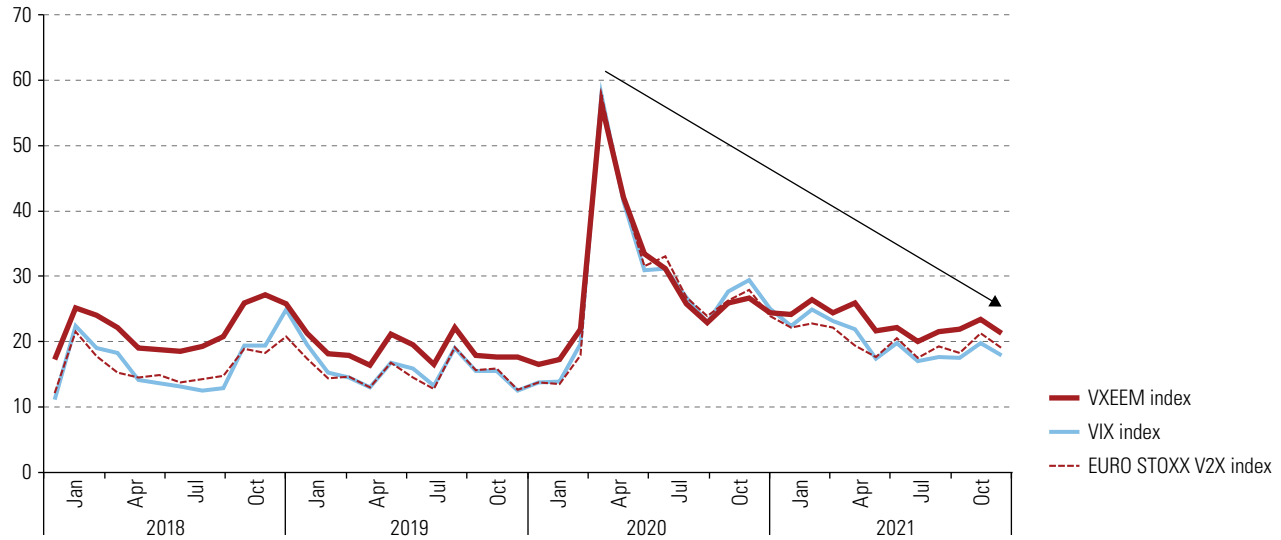
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from World Bank, *Commodity Markets Outlook: Urbanization and Commodity Demand, October 2021*, Washington, D.C.; International Monetary Fund (IMF); Economist Intelligence Unit; Bloomberg; Energy Information Administration (EIA), "Short-Term Energy Outlook", November 2021 [online] https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf; Capital Economics and for 2021 projections and Central Bank of Chile, *Informe de política monetaria*, September 2021, Santiago, for the price of copper.

[a] This category includes oil, natural gas and coal.

International financial markets performed strongly in the first ten months of the year, despite brief episodes of increased volatility, linked not only to the evolution of the pandemic, but also to uncertainty about the outlook for inflation and the chances that monetary stimulus will be withdrawn early

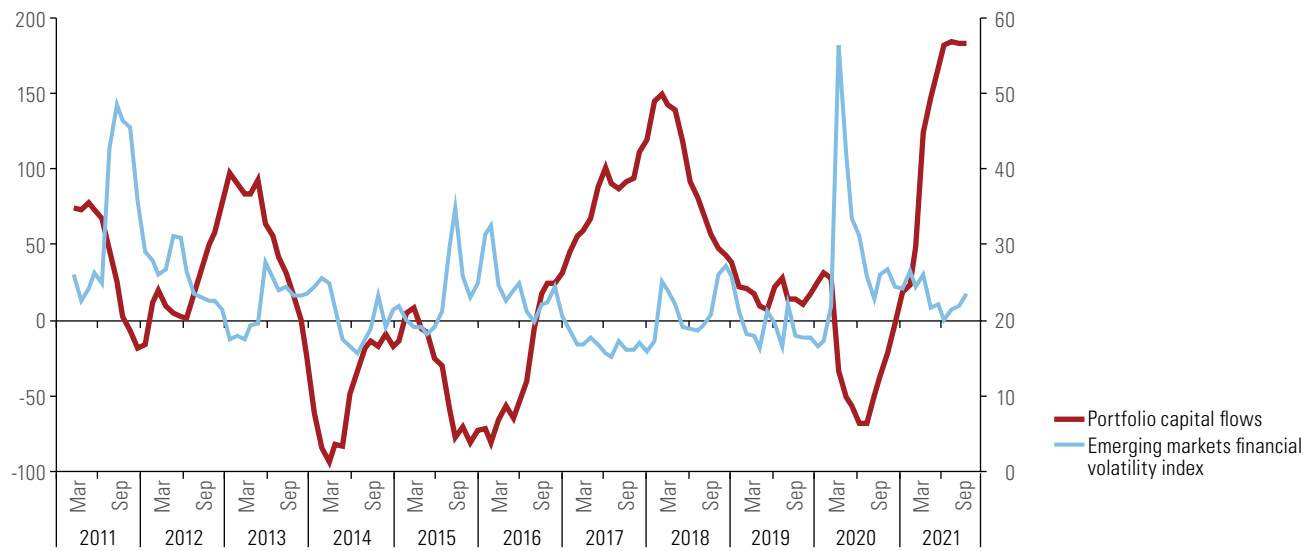
Financial volatility has continued the calming trend that began in April 2020, aside from a few short-lived rallies. In general, these have been associated with news about the spread of the delta and omicron variants of coronavirus, together with inflation data (mainly in the United States), which fed forecasts of a possible early tapering of monetary stimulus, as shown below in figure I.4.

Figure I.4
Financial volatility indices: VIX, V2X and VXEEM, January 2018–October 2021



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: The VIX Index is prepared by the Chicago Board Options Exchange (CBOE) from S&P 500 call and put option prices, and measures expected volatility over the next 30 days. Following the same logic, the CBOE also produces the VXEEM index, which measures volatility in emerging markets, while Deutsche Börse and Goldman Sachs produce the V2X index, which measures eurozone volatility.

Figure I.5
Portfolio capital: 12-month cumulative net flows to emerging markets and financial volatility in emerging markets, March 2011–September 2021
(Billions of dollars)

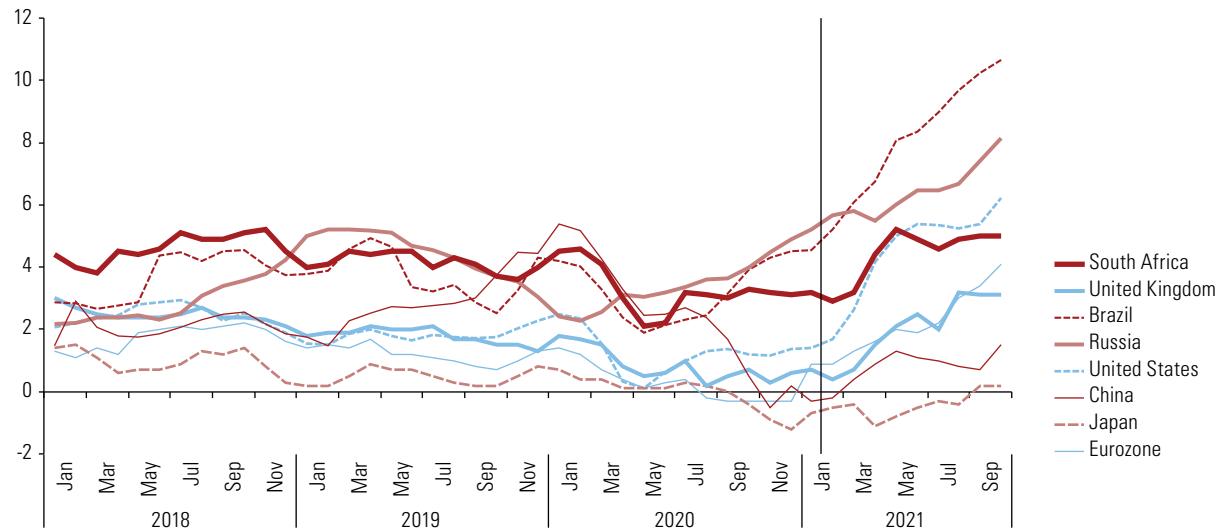


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the International Monetary Fund (IMF), 2021 and Bloomberg.

In recent months, the risk that high inflation rates will persuade the central banks of the major economies to ease their monetary stimulus has increased, with potential adverse repercussions on emerging markets

Strengthening domestic demand, higher energy (and commodity) prices, sharply rising international transportation costs and worsening supply-side problems have stoked inflationary pressures in several developed and emerging economies (see figure I.6 below).

Figure I.6
Consumer price inflation: year-on-year rates, January 2018–October 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

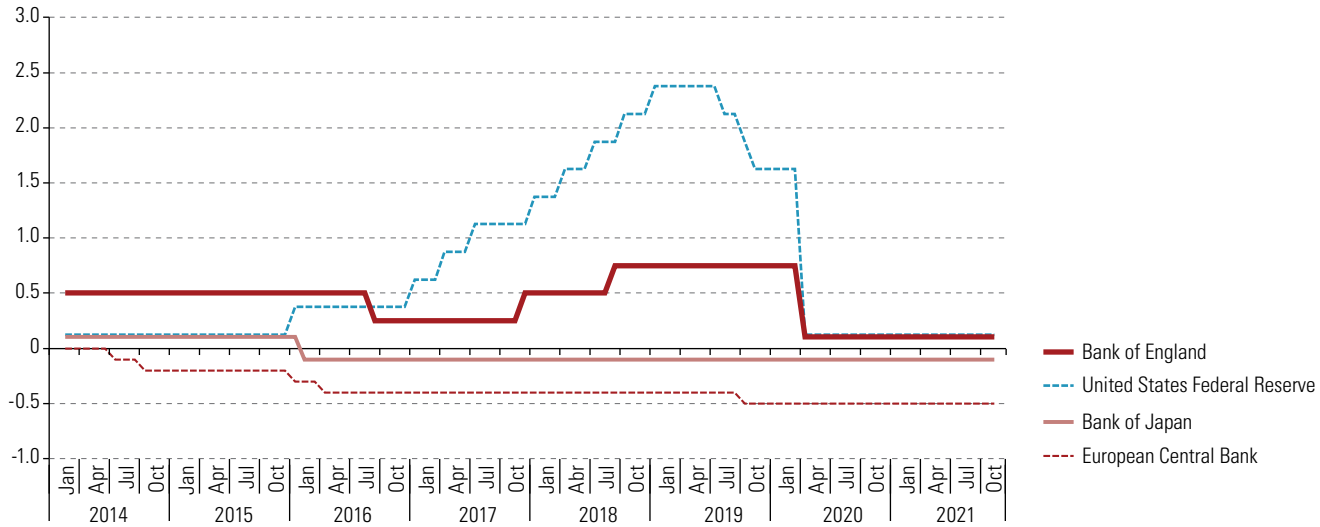
In the latter group of countries, there has been an upward trend in monetary policy (benchmark) interest rates, some of which have risen sharply. However, in the main developed economies, central banks are still keeping rates at historical minimum levels (see figure I.7); and, with the exception of the Bank of England, they have shown no signs of raising them soon.[3]

In the United States, consumer price inflation rose to an annual rate of 6.8% in November 2021, a peak not seen since 1990. However, Federal Reserve Chairman Jerome Powell stressed that he expects inflation to start moderating in the second or third quarter of 2022 and gave no indication of an imminent interest rate hike.

The federal funds (policy rate) futures markets predict a path of three rate hikes through end-2022. This would mean next year ending with a rate of just over 0.7% (today it is in a range of 0% to 0.25%, with a midpoint of 0.125%) (see figure I.8). In the case of the eurozone, the European Central Bank (ECB) considers the uptick in inflation to be a transitory phenomenon and expects pressures to ease in 2022. Accordingly, it has not signalled a rate hike for next year.[4]

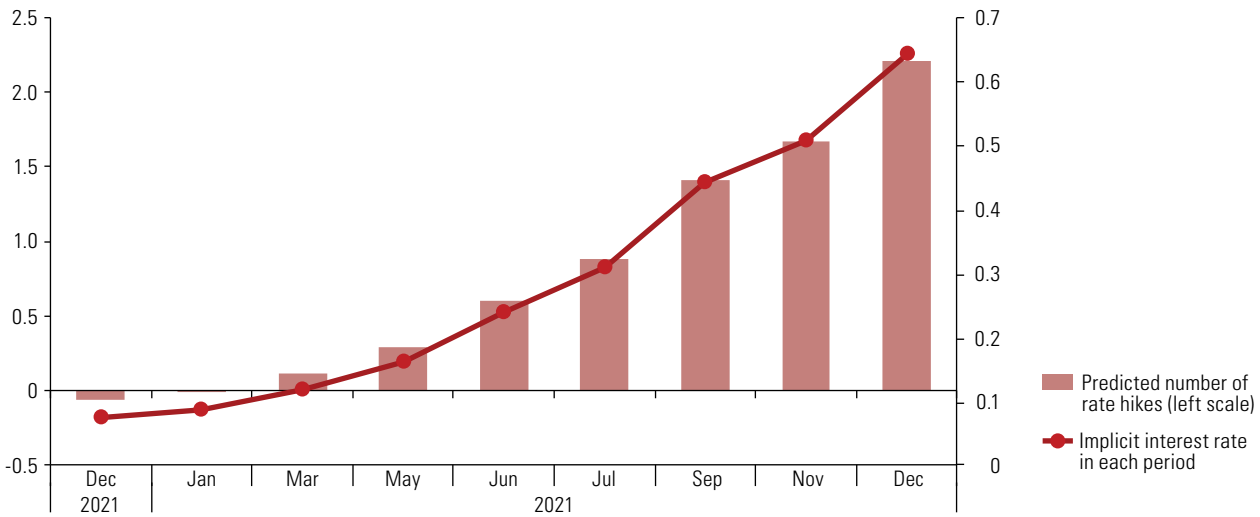
3 At its meeting in early November, the Bank of England stated that it will likely need to raise interest rates in the coming months to bring inflation back to the 2% annual target (Bank of England, 2021).
4 See [online] https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.mp211216~1b6d3a1fd8.en.html.

Figure I.7
Selected central banks: interest rate policy, January 2014–October 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

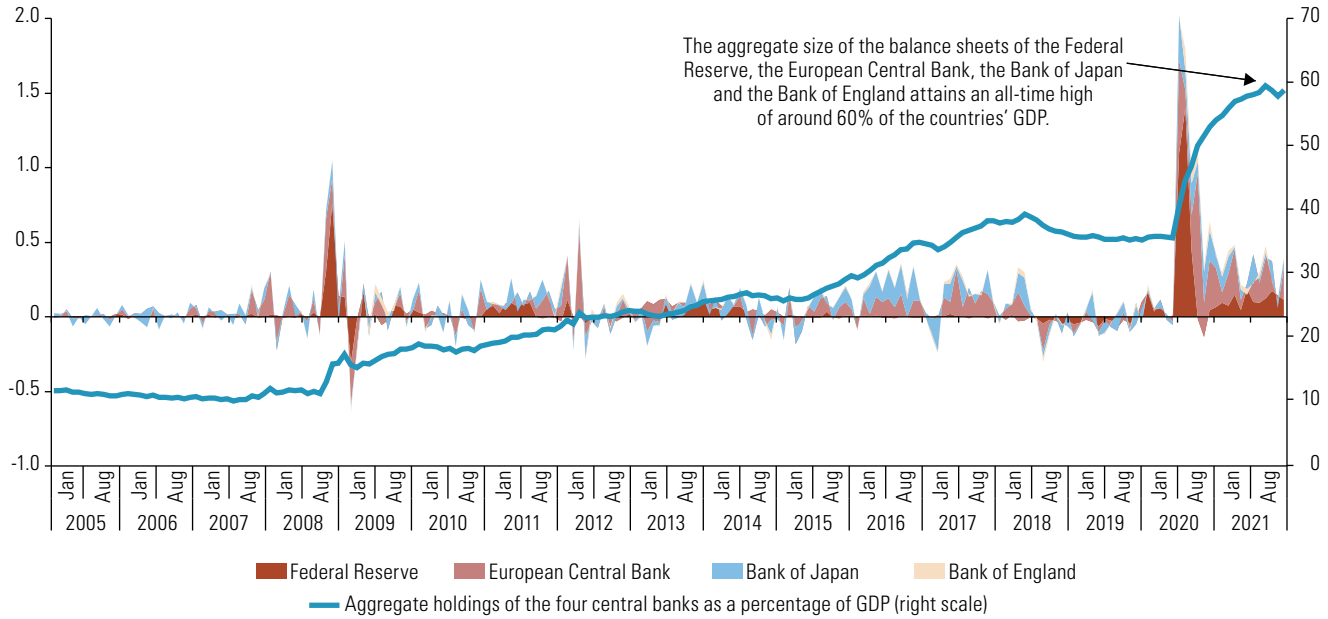
Figure I.8
United States: number of expected policy rate hikes and implied federal funds rate in each period
(On the basis of federal funds futures)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: Probabilities as of 15 November 2021, on the basis of federal funds futures markets.

With regard to asset purchase programmes, at its early-November meeting, the Federal Open Market Committee (FOMC), of the United States Federal Reserve, announced that it would start tapering its asset purchase programme as from that month. This does not mean a downsizing of the Federal Reserve balance sheet, but, instead, a slower pace of monthly growth. Although the balance sheets of the main central banks are expanding each month by less than at the start of the pandemic, they remain at record levels (close to 60% of GDP), which implies high levels of liquidity in the world economy (see figure I.9).

Figure I.9
Selected central banks: balance sheets, January 2005–August 2021
(Monthly variation in trillions of dollars and aggregate holdings of the four central banks as a percentage of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the International Monetary Fund (IMF), 2021.

Although the eventual withdrawal of monetary stimulus by the main central banks, especially the Federal Reserve, will have an impact on emerging markets, this is likely to be milder than in 2013, given the announced gradualness of the withdrawal

Hikes in United States interest rates have repercussions on emerging markets, by making dollar-denominated investments more attractive and hence reducing the demand for emerging market securities, including those of Latin America and the Caribbean. Portfolio shifts towards "safe" securities with rates that have become more attractive, put pressure on emerging market exchange rates and also on emerging market bond prices. Thus, with higher rates in the United States and wider sovereign spreads, the cost of financing for other countries increases; and with debt levels also higher because of the pandemic, these countries are rendered even more vulnerable.

Monetary normalization, in the sense of shrinking the Federal Reserve balance sheet also has an impact on emerging markets. Suffice it to recall the announcement of the start of monetary normalization in May 2013 made by former Federal Reserve Chairman Ben Bernanke, in which he raised the prospect of tapering quantitative easing by reducing purchases of treasury bonds and other instruments. The announcement took much of the market by surprise and there was a massive sell-off of these bonds in anticipation of a fall in prices, which indeed occurred almost immediately (an episode known as the "taper tantrum"). Yields rose sharply to reach 3% by late 2013. In response, capital flows to emerging markets went into reverse, triggering steep depreciations among local currencies against the dollar.

In the current scenario of rising inflation, there have again been signs in recent months of an increase in the yield on long-term United States bonds, reflecting expectations that the monetary authority could withdraw stimulus sooner than expected. Nonetheless, yields remain low in historical terms, at around 1.5% (see figure 1.10).

Figure I.10
United States: ten-year sovereign bond yields, 1 January 2012–11 November 2021
(Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

This time, moreover, the Federal Reserve has been discussing the gradual withdrawal of monetary stimulus for several months, and has even trailed the likely sequence of the process. The 2013 precedent has been a learning experience for the Federal Reserve authorities. With this greater degree of communication and predictability of its movements, the surprise factor is expected to be more muted (Lema, 2021). Thus, the effects on emerging markets could also be less abrupt and more predictable than in 2013.

In this regard, the central banks of systemically important economies, particularly the United States, are expected to continue to issue clear guidance on their future monetary policy approach, and to manage the withdrawal of stimulus cautiously. The monetary authorities are weighing inflation control against other no less important objectives. For example, there is the need to avoid possible asset price deflation owing to a faster-than-expected rise in interest rates, to cope with the debt sustainability problems that could ensue, since debt ratios have risen across the board to finance pandemic-related spending.

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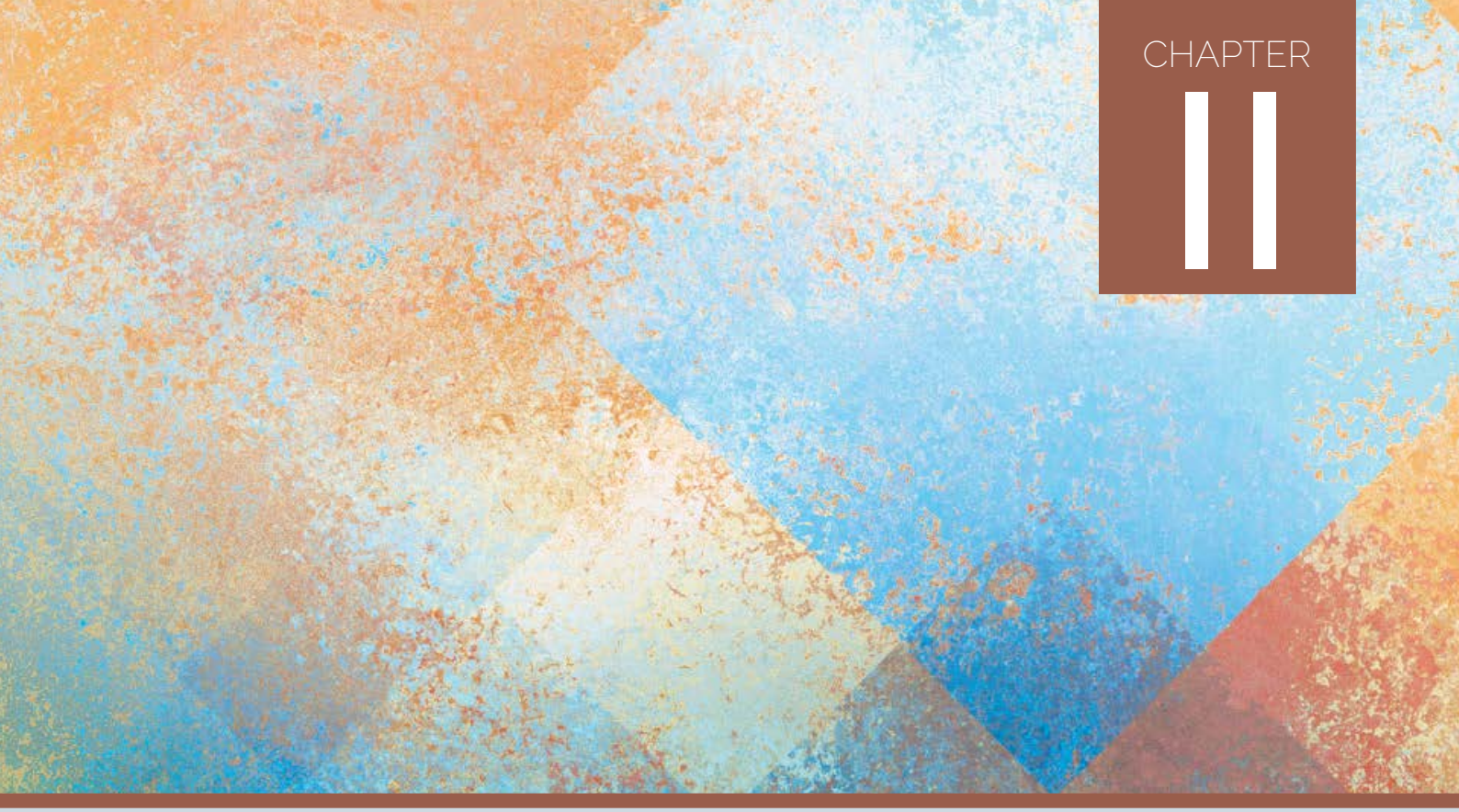


CHAPTER

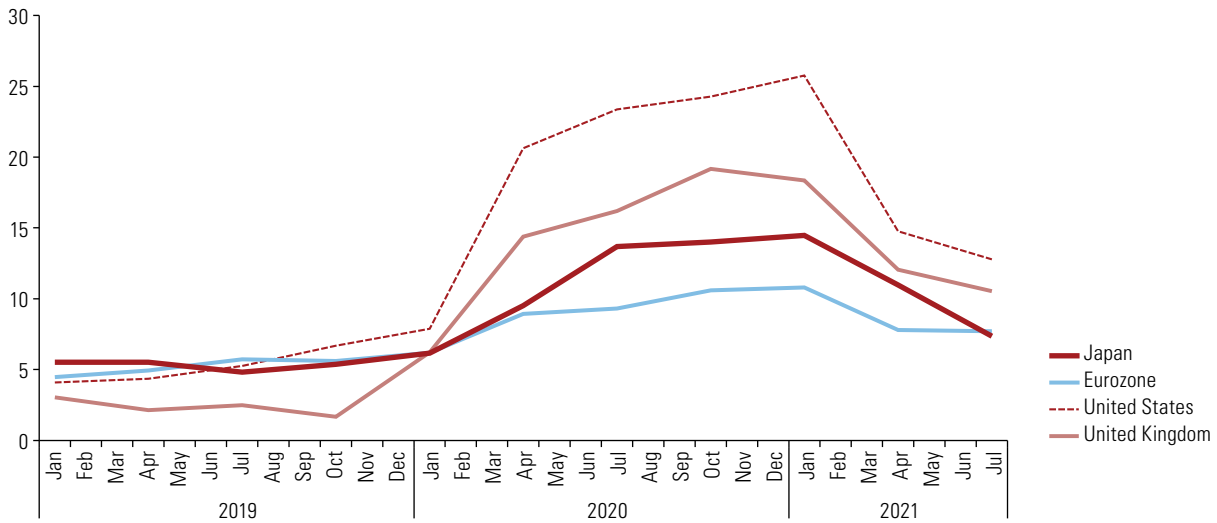
II

Global liquidity

In 2021, the world's main central banks maintained an expansionary monetary policy

Although the growth rate of money supply moderated over the course of the year, the world's main central banks (the United States Federal Reserve, the European Central Bank (ECB), the Bank of England and the Bank of Japan) maintained an expansionary monetary policy during 2021 (see figure II.1). In the first quarter of 2021, the rate of change in money supply was 25% for the United States, 10.8% for the eurozone, 18.4% for the United Kingdom and 14.5% for Japan. In the second and third quarters, the rate of change in money supply for the same countries averaged 13.8%, 7.8%, 11.3% and 9.2%, respectively.

Figure II.1
United States, Japan, United Kingdom and eurozone: rate of change in money supply, 2019–2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED), 2021 [online database] https://fred.stlouisfed.org/.
Note: For the United States, Japan and the United Kingdom, money supply refers to M1, while for the eurozone it refers to M3.

The money supply trend reflects the behaviour of the balance sheets of the above central banks. As an example, between 4 March 2020 and 28 December 2020, the United States Federal Reserve's balance sheet expanded by US$ 3 trillion (from US$ 4.1 trillion to US$ 7.4 trillion). Between 4 January 2021 and 15 November 2021, the Federal Reserve's balance sheet expanded again (albeit at a slower pace than in 2020), reaching US$ 8.7 trillion. By the same date, the balance sheets of the ECB and the Bank of Japan stood at US$ 9.7 trillion and US$ 6.4 trillion, respectively. In comparative terms, the assets of the United States Federal Reserve, the ECB, the Bank of England and the Bank of Japan amount to 33%, 60%, 43% and 129% of their respective GDPs (Atlantic Council, 2021).

Monetary policy based on balance-sheet expansion was also adopted by most central banks in developed countries (Australia, Canada, the Russian Federation, Sweden and Switzerland) and by some banks in developing countries (China, Indonesia, Malaysia and South Africa). Among the latter is the case of the People's Bank of China, whose assets rose from US$ 5.2 trillion to US$ 6.2 trillion between the beginning of 2020 and October 2021. This monetary policy stance is unprecedented, even compared to the policy adopted to deal with the global financial crisis and its fallout. By way

of comparison, between February 2020 and May 2021, the balance sheets of the Group of Ten (G10) central banks (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States) increased by US$ 11 trillion. In the case of the global financial crisis, by contrast, a similar expansion took 11 years (Marsh, 2021).

Monetary policies have supported countercyclical efforts

The monetary policy of balance-sheet expansion is remarkable not only for its magnitude, but also for its objective. Analysis of the balance sheets of the main central banks shows that, in the case of the United States, for example, the increase in the Federal Reserve's assets in the 2020–2021 biennium roughly coincides with the increase in the public deficit (ECLAC, 2021) and in government debt. To respond to the COVID-19 pandemic, the Federal Reserve combined the purchase of securities with the creation of nine financing instruments for businesses, municipalities, and small and medium-sized enterprises (SMEs), among others. Currently, securities purchases account for 98% of the Federal Reserve's total operations, with the remaining 2% going to financing instruments. As of November 2021, the breakdown of Federal Reserve assets shows that, out of a total of US$ 8.7 trillion, securities accounted US$ 8.2 trillion, while financing instruments amounted to just US$ 2 billion.

In the same way, ECB carried out security-purchase and long-term refinancing operations to encourage bank lending to companies and households. Security-purchase operations account for 68% of ECB operations, 98% of which are for the purchase of government securities. Operations to stimulate business and households account for the remaining 32%.

A similar pattern can be seen in the case of the Bank of England, which introduced three lending instruments to strengthen the private sector that account for 12% of its total operations, while the remaining 84% is for the purchase of securities, of which 95% are government securities and the rest are purchases of corporate securities.

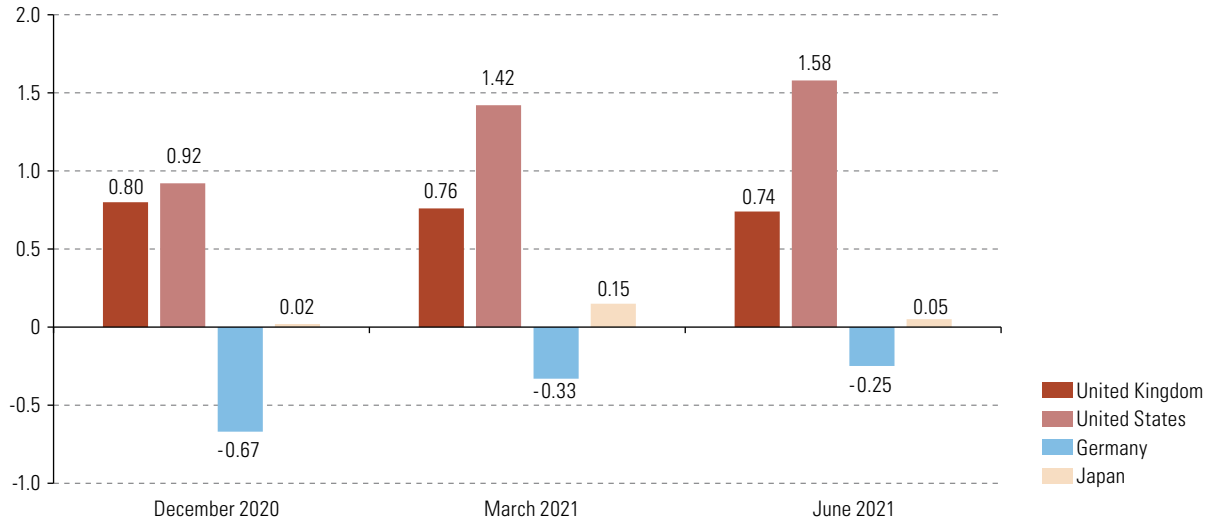
Lastly, the Bank of Japan established financing lines to support lending to the corporate sector and to stabilize repurchase markets, which account for 18% of the monetary authority's operations. The remainder (82%) involve purchases of securities, 95% of which are government securities.

Liquidity-expansion policies have not had a homogeneous effect on long-term interest rates

Balance-sheet expansion policies have not had a homogeneous effect on long-term interest rates in the economies of developing countries. Available data show that the United States maintains a significant spread in bond yields relative to other economies in the world, including Germany, Japan and the United Kingdom (see figure II.2).

This implies that treasury bonds remain the most attractive sovereign asset in the developing world, facilitating the financing of the United States public deficit, despite its growing public debt (125% of GDP as of the second quarter of 2021). Higher relative yields imply higher demand for treasuries relative to other sovereign investment alternatives. In turn, due to the negative relationship between the price of an asset and its interest rate, a greater demand for treasury bonds with respect to other alternatives increases their present value, which results in a lower interest rate. This is partly why Treasury bonds have been able to maintain low yields compared with their historical performance, despite the fact that yields have risen since the mid-2020s (see figure II.3).

Figure II.2
Selected developed economies: sovereign bond yields, December 2020, March 2021 and June 2021
(Percentages)



Source: Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Burgess, "The most important number of the week is $8 trillion", *Bloomberg*, 19 June 2021.

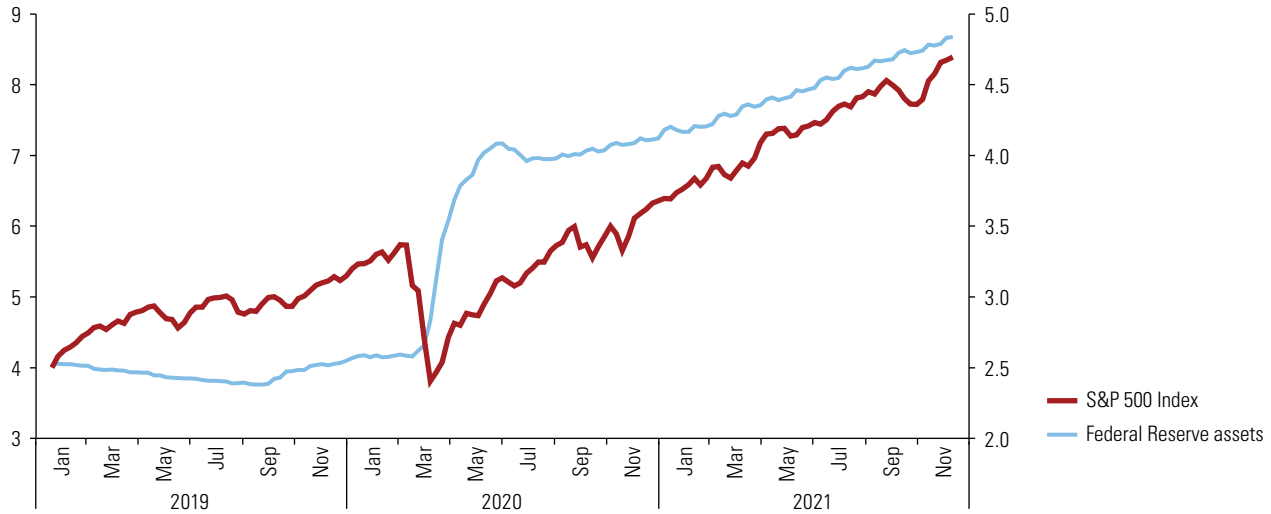
Figure II.3
United States: yield on 10-year treasury bonds, 2 December 2019–22 November 2021

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED), 2021 [online database] https://fred.stlouisfed.org/.

Liquidity expansion has, at the same time, benefited equity markets in developed countries

The balance sheet policy has continued to benefit equity markets, as reflected in figure II.4 which shows changes in Federal Reserve assets and the S&P 500 index. Between March 2020 and December 2020, Federal Reserve assets increased from US$ 4.2 trillion to US$ 7.4 trillion, while the S&P 500 index rose from 3,044 to 3,693. Between December 2020 and 13 December 2021, Federal Reserve assets grew from US$ 7.4 trillion to US$ 8.8 trillion and the S&P 500 index went up from 3,738 to 4,695 (see figure II.4).

Figure II.4
United States: changes in Federal Reserve assets and the S&P 500 index, 4 January 2019–19 November 2021
(US$ millions and S&P 500 Index)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED), 2021 [online database] https://fred.stlouisfed.org/.

According to empirical data provided by the Federal Reserve, household wealth has increased US$ 18 trillion since early 2020. This 17% increase over the last quarter of 2019 was driven by the accumulation of assets and, in particular, by their appreciation due to price increases that explain 80% of the increase in assets. Between the last quarter of 2019 and the first quarter of 2021, the wealth share of the top percentile increased by 2.2 percentage points, while that of the bottom 50% increased by only 0.2 percentage points (Batty, Deeken, and Henriques Volz, 2021).

Balance sheet expansion policies have not had the same effect on equity markets in emerging economies. In 2021, the Morgan Stanley Capital International (MSCI) Emerging Markets Index declined by approximately 1.7%, compared with a 25% gain for the S&P 500 index. As a result, the ratio between the two indices is at its lowest level since December 2001. In percentage terms, the change in estimated earnings for developed countries increased from 6% to 7% between August and November 2021, while for developing countries it stagnated between 1% and 2% for the same period (Srinivasan and Ismail, 2021).

One of the factors behind the underperformance of developing countries and emerging markets has to do with the problems in China's real estate market. This market has four characteristics: (i) there is an excess of construction of properties, far ahead of demand;[1] (ii) during its peak period, real estate prices in China were above the prevailing price in other real estate bubble episodes (such as in the United States in 1996 or Japan in 1982); (iii) real estate assets account for 61% of Chinese households' total assets (Authers, 2021), and (iv) some large companies, such as Evergrande (which is the second largest real estate company in China), are over-leveraged (Evergrande's debt is estimated at over US$ 300 billion) (Stevenson and Li, 2021).

The real estate sector in China is valued at US$ 55 trillion and is twice the size of its counterpart in the United States. Moreover, annual real estate activity accounts for about 29% of China's annual GDP, well above the 10% to 20% of most developed

[1] According to the National Institute for Finance and Development, a prominent Beijing think tank, the property market boom that began in 2016 has reached a turning point based on weak demand and slowing sales (Stevenson and Li, 2021).

countries (Magnus, 2021). Therefore, difficulties in this sector may result not only in a decline in aggregate demand and growth in the Chinese economy, but also in financial insolvency, with significant repercussions for the rest of the world, including developing economies.

Expansionary monetary policies have significantly increased liquidity in the financial system

The fact that the bulk of balance sheet expansion policies have focused on financing fiscal deficits has had important implications for the financial sector.

The United States Federal Reserve and ECB cannot buy government bonds directly. By law, they must buy bonds in the secondary market. That is, they must buy government securities through the financial system.[2] The government sells securities to the financial system, which in turn sells them to the Federal Reserve. As a result of these operations, liquidity levels in the financial sector have increased.

As shown in figure II.5, balance sheet expansion policies have resulted in a significant increase in commercial bank deposits. Between March 2020 and June 2021, the banking system in the euro area increased its deposit levels by US$ 3 trillion, while the banking systems in the United States and Japan increased their deposits by US$ 1.7 trillion and US$ 1 trillion, respectively. This represents 75%, 42% and 100% of central bank stimulus in the euro area, the United States and Japan.

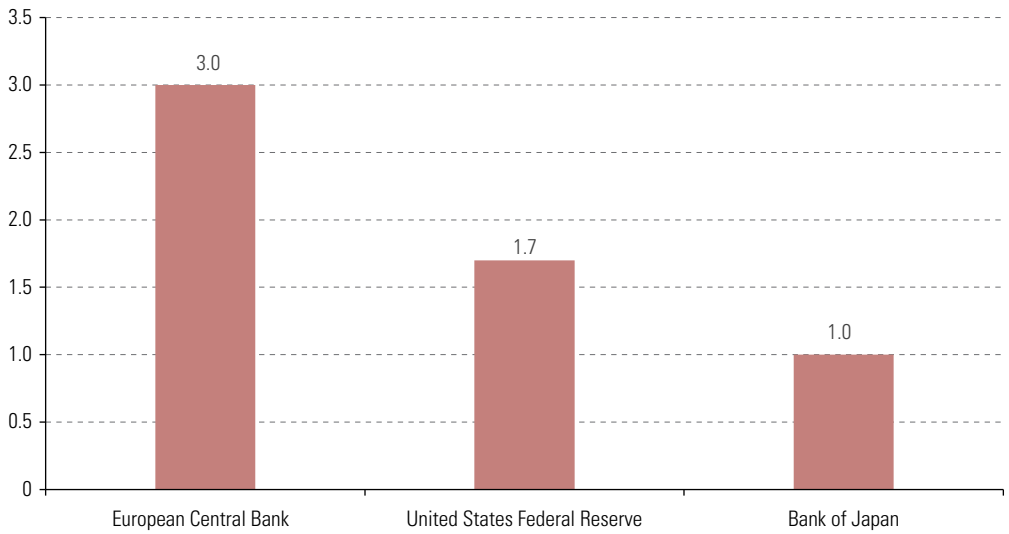


Figure II.5
Increase in bank deposits as a result of the expansionary policies of the European Central Bank, the United States Federal Reserve and the Bank of Japan, March 2020–June 2021
(Trillions of dollars)

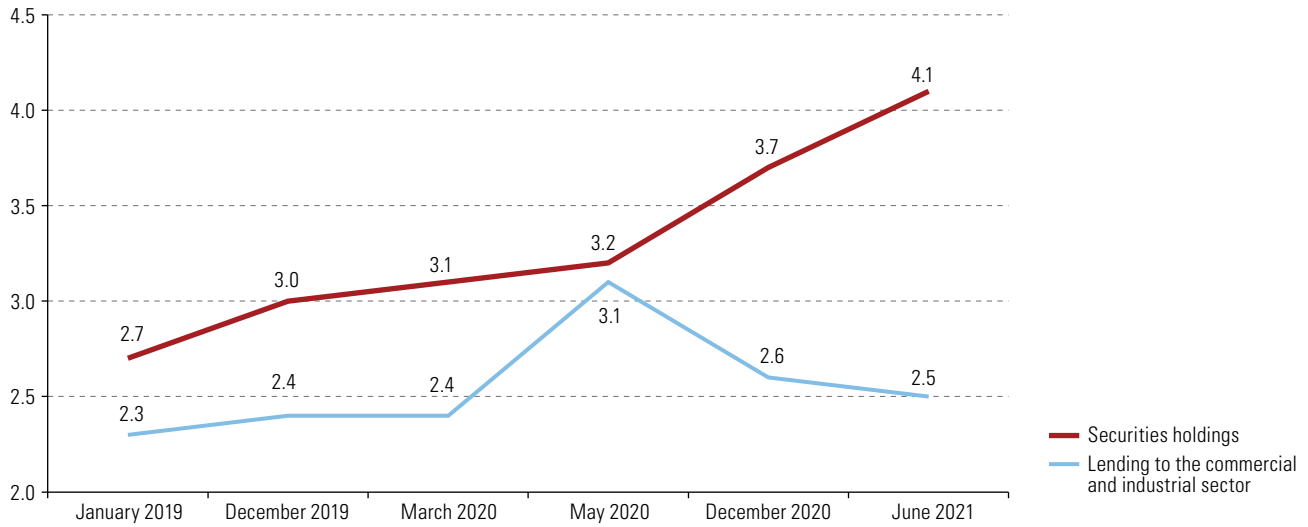
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of M. Scott, P. Jackson and J. Wu, "$9 trillion binge turns central banks into the market's biggest whales", Bloomberg, 7 July, 2021.

This has resulted in excess liquidity in the financial system. Empirical data available for the case of the United States show that excess liquidity in the banking system increased from US$ 3.2 trillion at the end of 2019 to US$ 6.7 trillion in June 2021.

[2] In the case of the United States, the Federal Reserve Act specifies that the Federal Reserve can only buy and sell treasury securities in the "open market". The Federal Reserve meets this statutory requirement by conducting its purchases and sales of securities primarily through transactions with a group of major financial firms, known as "primary dealers" that have an established business relationship with the Federal Reserve Bank of New York (Board of Governors of the Federal Reserve System, 2021). For the European Central Bank, see Cour-Thimann and Winkler (2013).

Some of the excess liquidity has been recycled into the purchase of government securities, allowing the continued financing of public deficits. As figure II.6 shows, since the start of the pandemic, the upward trend in the accumulation of securities by commercial banks has intensified. These have risen from US$ 3.2 trillion in March 2020 to US$ 4.1 trillion in June 2021. At the same time, lending to the real sector (commercial and industrial sector) declined from US$ 3.1 trillion to US$ 2.5 trillion over the same period.

Figure II.6
United States: commercial bank holdings of securities and lending to the commercial and industrial sector, January 2019–June 2021
(Trillions of dollars)



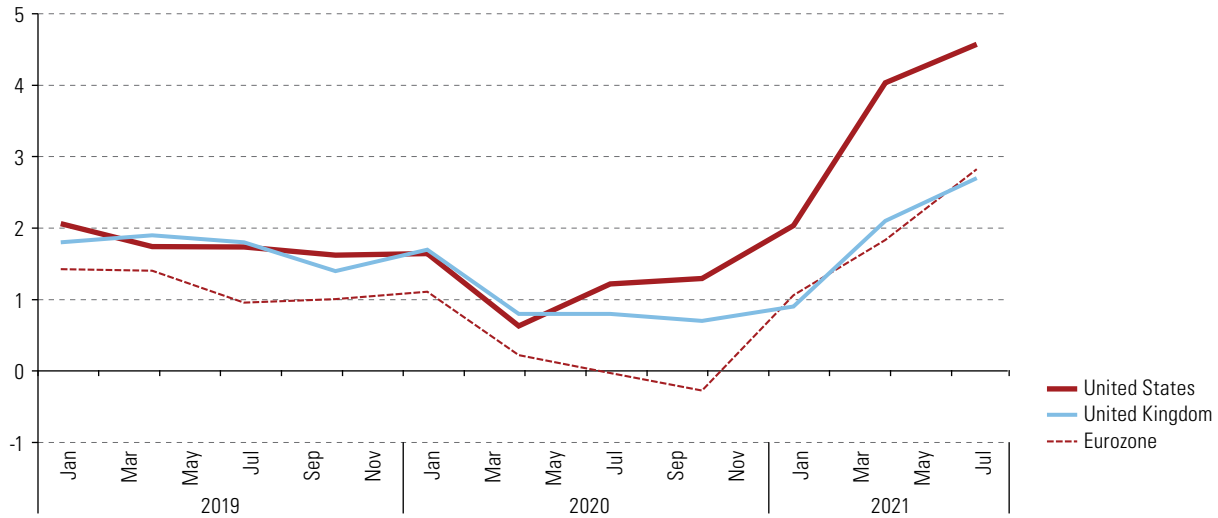
Source: Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Burgess, "The most important number of the week is $8 trillion", *Bloomberg*, 19 June 2021.

Despite the caution shown by monetary authorities in developed countries, inflation may affect the current dynamics of global liquidity expansion

The main obstacle to the continuation of global liquidity expansion policies through balance sheets is the rise in inflation since late 2020, not only in the world's major economies but also in developing countries. In the case of the United States, the inflation rate increased from 1.3% to 4.6% between the last quarter of 2020 and the third quarter of 2021. In the euro area and the United Kingdom, inflation rose from -0.3% to 2.8% and from 0.7% to 2.7%, respectively (see figure II.7).[3] Inflation rate expectations for 2022 put it at 3.7% for the United States and 3.5% for the United Kingdom (Capurro, 2021).

[3] For the Organisation for Economic Co-operation and Development (OECD), the inflation rate increased by 4.6% from September 2020 to September 2021.

Figure II.7
United States, euro area and United Kingdom: inflation rate, first quarter 2019 to third quarter 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of St. Louis, Federal Reserve Economic Data (FRED), 2021 [online database] https://fred.stlouisfed.org/.
Note: Inflation in the case of the United States refers to the rate of change of the implicit GDP deflator index and in the cases of the euro area and the United Kingdom, to the rate of change of the consumer price index.

Analysis of the determinants of inflation shows that the main component is energy prices, followed by food prices, implying that inflation is driven by costs rather than demand (see table II.1). However, there is concern that, by continuing to increase their balance sheets, central banks will continue to inject liquidity into the financial system, as they have done so far, thereby contributing to accelerating inflation, at a time when inflation has passed the thresholds for annual inflation rates consistent with full employment, which are between 2% and 3% per annum.

Table II.1
Selected developed countries and regions: annual inflation rate indicators, September 2021

Region/country	Inflation rate	Core inflation rate	Food inflation rate	Energy inflation rate	Inflation rate excluding energy and food prices
Organisation for Economic Co-operation and Development (OECD)	4.6	...	4.5	18.9	3.2
(Group of Seven) G7	3.6	...	3.5	19.8	2.9
Eurozone	...	3.4	1.9	17.6	1.9
United States	5.4	...	4.5	24.8	4.0
United Kingdom	2.9	3.0	0.8	9.7	2.7
Japan	-0.2	1.0	7.5	-0.8	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Organisation for Economic Co-operation and Development (OECD), "OECD Consumer Price Index News Release: September 2021", Paris, 4 November 2021.

Although, the responses of the central banks of developed countries to this inflationary context have been heterogeneous, they are aimed at avoiding monetary policy measures that endanger economic recovery, especially in view of the increase in cases of COVID-19 in some countries, despite the rise in inflation. The normalization of monetary policy, which involves a gradual reduction in purchases of government securities, implies, at the same time, a reduction in government deficits.

The United States Federal Reserve has announced, starting in November 2021, a tapering in the US$120 billion per month from bond buybacks that it has been injecting into the economy since the onset of the pandemic, to avoid sharp increases in long-term interest rates. In December 2021, persistent higher-than-anticipated inflation led the Federal Reserve to announce that it would accelerate its asset purchase programme and raise short-term interest rates in 2022 at a faster-than-expected pace (Smith and Golle, 2021). At the same time, the United States Government has announced that it will use part of its oil reserves, equivalent to 50 million barrels (2.5 days of oil consumption in the country), in order to increase supply and lower energy prices.

The ECB has also begun tapering its securities purchases, and its bond-buying program (1.9 trillion euros), which it adopted as an economic policy measure to deal with the pandemic, is expected to end in March 2022. In addition, the ECB has announced that it will not raise interest rates in 2022, since inflationary expectations are below its monetary policy target. However, it also announced that it would broaden the criteria for buying government bonds (Arnold, 2021).

Other central banks have adopted a more aggressive monetary stance. As of December 2021, 24 central banks in the world had raised their interest rates (six countries in Africa, three in Asia, seven in Latin America and eight in Europe) (Smith and Golle, 2021).

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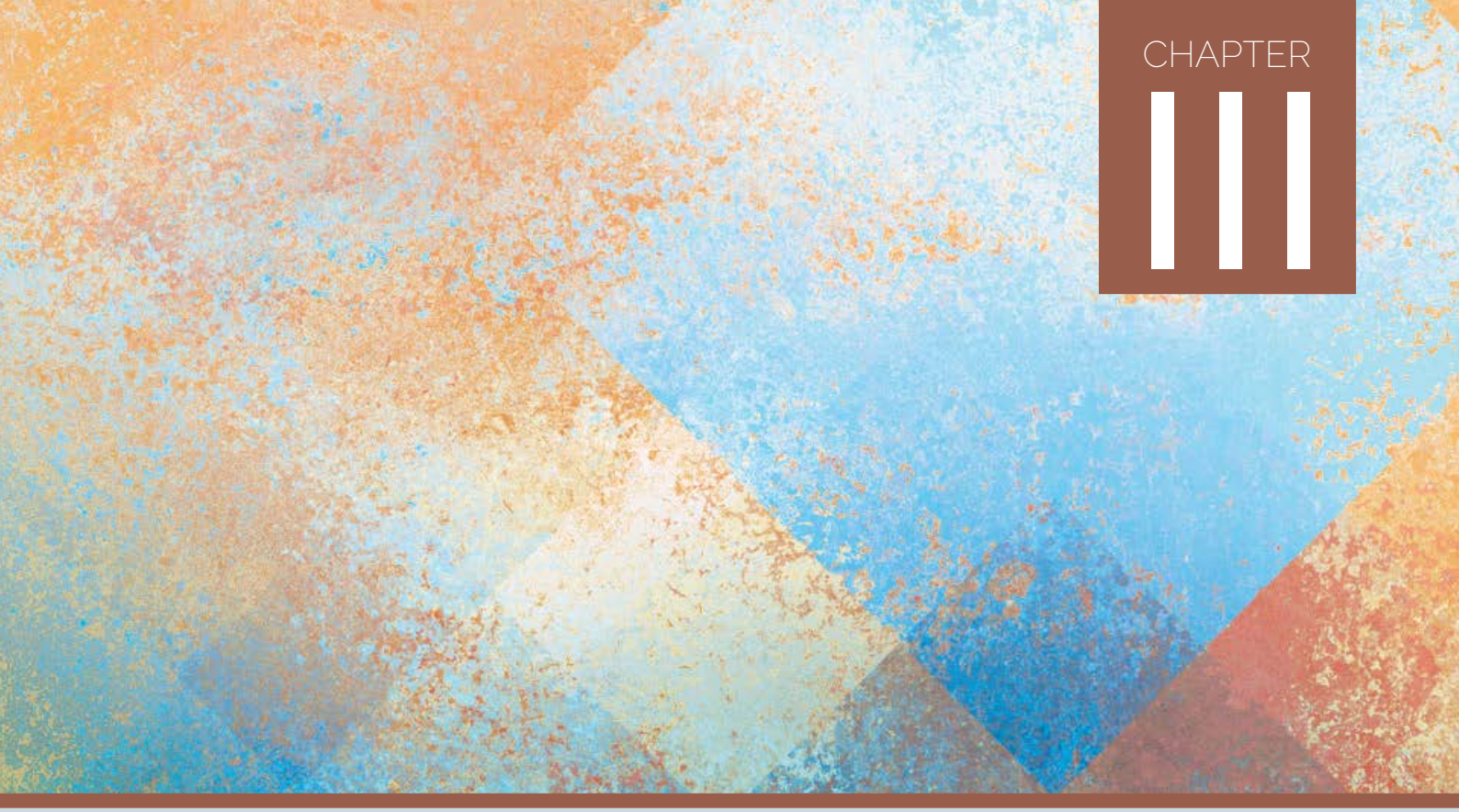


CHAPTER III

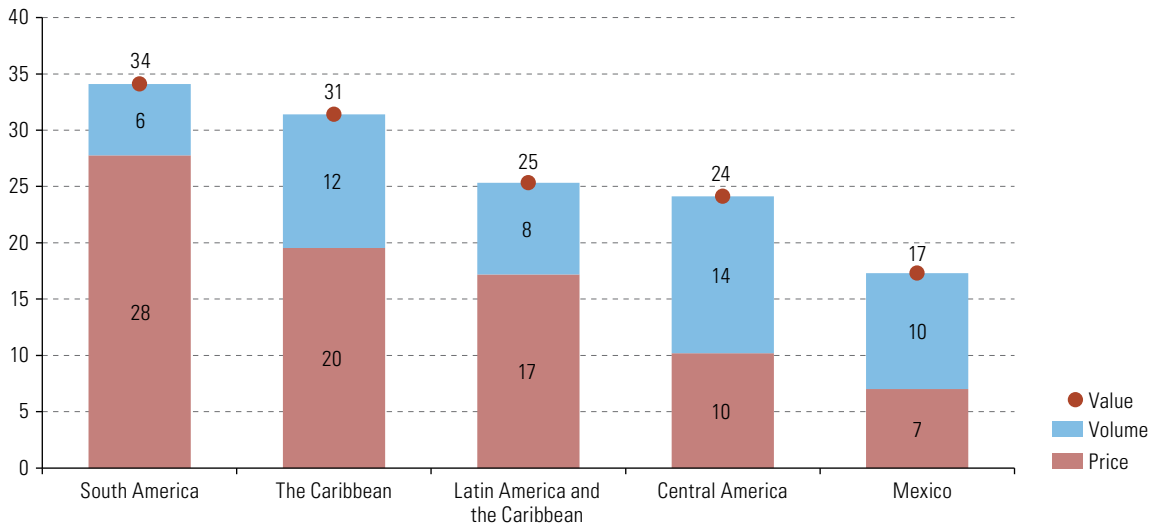
The external sector

Despite significant growth in exports in 2021 as a result of an increase in both prices and volume, imports grew even more, in line with the upturn in economic activity in the countries of the region

The value of the region's exports is estimated to grow by 25% in 2021, with export prices rising by 17% and export volume by 8%.

The increase in commodity prices mentioned in chapter I resulted in higher export prices in countries whose baskets are concentrated in commodities. For South American countries in particular, export prices are expected to increase by 28% this year (see figure III.1).

Figure III.1
Latin America and the Caribbean (selected subregions and countries): projected variation in goods exports, by volume and price, 2021
(Percentages)



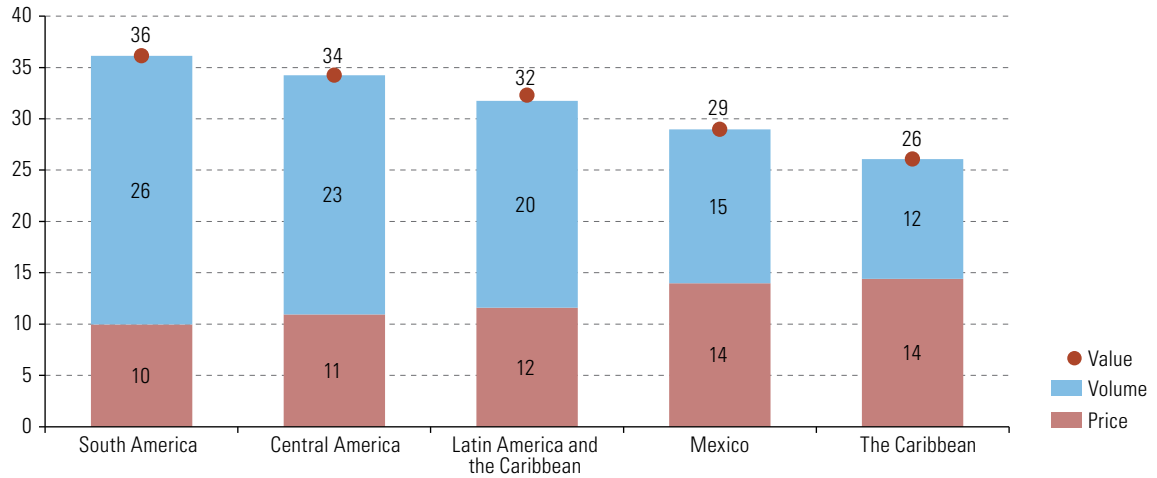
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

In terms of export volumes, all subgroups experienced increases, with the region's main trading partners, including China, the United States and the European Union showing a rebound in growth this year. This also increased the external demand faced by the region.

Meanwhile, imports of goods are expected to grow by 32% in value in 2021, the largest increase since 2010, when they grew by almost the same extent after the global financial crisis. By volume, imports look set to increase by 20% this year, in line with the expansion of domestic activity in the region (both consumption and investment) following the collapse in 2020. Import prices also appear likely to grow this year, reaching 12% (see figure III.2).

As a result of the above, the balance on the region's goods account, despite continuing remaining in surplus this year, is expected to slip by half of a percentage point to 1.3% of GDP.

Figure III.2
Latin America and the Caribbean (selected subregions and countries): projected variation in goods imports, by volume and price, 2021
(Percentages)

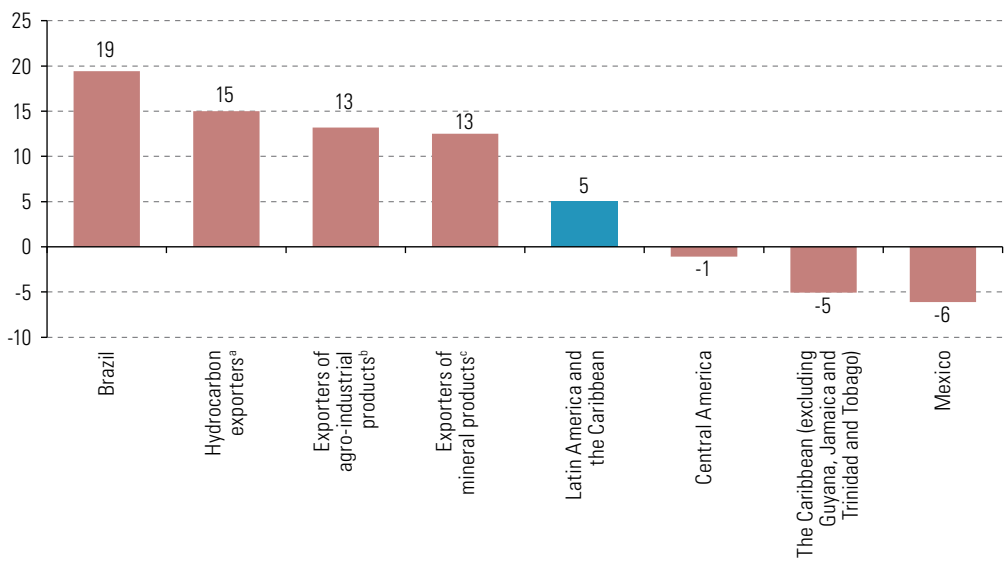


Source: Economic Commission for Latin America and the Caribbean (ECLAC).

In 2021, the terms of trade rose on average for the region, albeit with differences at the subregional level

While the favourable evolution of commodity prices in 2021 is projected to cause the terms of trade in the region to improve by about 5% on average, there are differences at the subregional level. The terms of trade are expected to decline by 5% in the Caribbean (excluding Guyana, Jamaica and Trinidad and Tobago) and by 1% in Central America, partly because of the sizeable energy component in their import baskets (see figure III.3). The group recording the largest increase in the terms of trade this year is precisely that of hydrocarbon exporters (15%), followed by the group of exporters of metals and minerals (13%) and that of agro-industrial products (13%).

Figure III.3
Latin America and the Caribbean (selected subregions, groupings and countries): projected variation in the terms of trade, 2021
(Percentages)

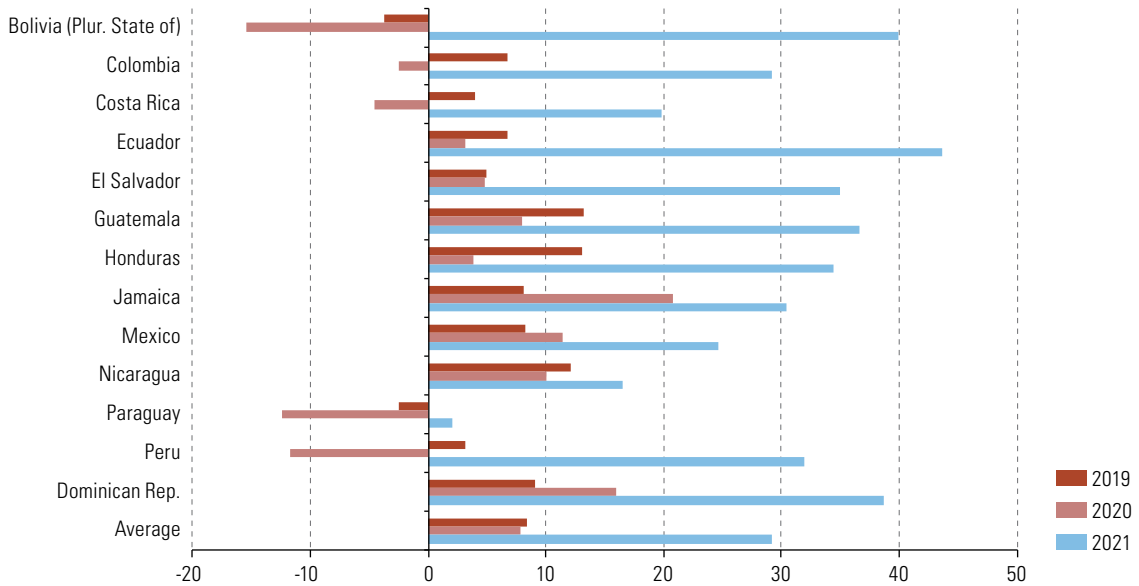


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Bolivia (Plurinational State of), Colombia, Ecuador, Guyana, Trinidad and Tobago, and Venezuela (Bolivarian Republic of).
[b] Argentina, Paraguay and Uruguay.
[c] Chile and Peru.

Migrant remittances have grown by almost 30% so far in 2021 and continue to be a very important source of external resources for the countries of the region, particularly for Central America, Mexico and some Caribbean countries

After growing by 8% in 2020, remittances to the region have risen by almost 30% so far in 2021. This is a generalized trend at the country level, as flows are increasing at double-digit rates in virtually all the region's main recipients (see figure III.4).

Figure III.4
Latin America and the Caribbean (selected countries): year-on-year variation in income from emigrant remittances, 2019–2021[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures for 2021 are for the period January–November for El Salvador, Guatemala and the Dominican Republic; January–October for Bolivia (Plurinational State of), Colombia, Honduras, Jamaica, Mexico and Paraguay; January–September for Nicaragua and Peru; and January–June for Costa Rica and Ecuador.

The dynamism of remittances is linked to the economic recovery in the countries of origin. It is also linked in part to the fact that migrants may have benefited from stimulus and employment support programmes in remittance-sending countries (primarily the United States and Spain) (World Bank, 2020). In addition, some migrants are employed in jobs associated with essential services, which enabled them to remain in employment during the 2020 lockdowns. For example, as of September 2021, unemployment among Mexican migrants in the United States was 4.1%, below average unemployment and below the pre-pandemic unemployment level (BBVA Research, 2021).

This would bring Latin America's transfer balance surplus to 2.5% of GDP (2.4% in 2020), owing, to some extent, to this significant increase in migrant remittances to the region, the main item in this account.

The deficit on the services account has worsened in 2021, influenced mainly by a deterioration in the transport and other services account, with imports increasing in line with the rise in goods imports

The services account deficit is expected to widen in 2021 to -1.2% of GDP (from -1.0% in 2020). This is mainly the result of a deterioration in the transport and other services account where imports have increased in line with goods imports partly because of their association with the latter. In the case of transport services, the deterioration is also due to high international freight payments linked to the recovery in global demand for goods and logistical bottlenecks. The travel services account has shown some recovery so far this year, influenced by improvements in inbound tourism in some economies in the region as restrictions on international travel have eased.

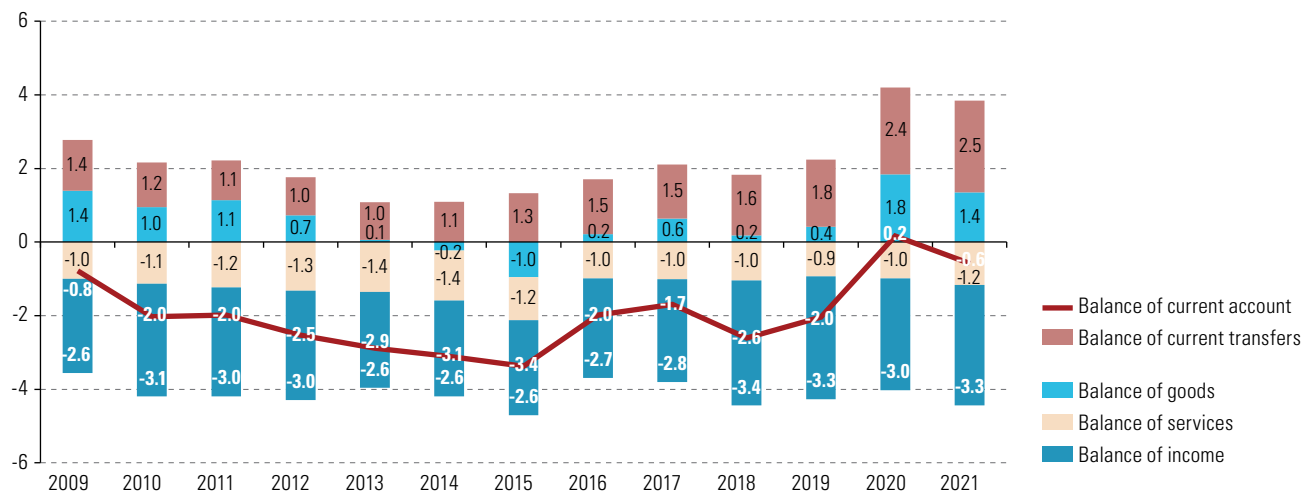
The income balance deficit is expected to widen in 2021, primarily as a result of higher earnings by foreign investment firms amid rising commodity prices

The deficit on the region's income balance is projected to increase from 3.0% of GDP in 2020 to 3.3% of GDP in 2021. The sharp rise in commodity prices has increased the profits of firms linked to foreign investment, which implies a rise in the share of profits that they remit to their parent companies abroad.

As a result of the above trends, after showing a small surplus in 2020, the current account of the balance of payments is expected again to turn into a deficit in 2021, with the current transfers account alone showing an improving surplus balance

In 2021, Latin America's current account deficit is projected to reach 0.6% of GDP, after a small surplus of 0.2% of GDP in 2020 (not seen since 2007) (see figure III.5).

Figure III.5
Latin America (19 countries): balance-of-payments current account, by component, 2009–2021[a]
(Percentage of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures for 2021 are projections.

Total financial flows to Latin America and the Caribbean remain on a path to recovery and countries in the region continue to have access to international financial markets

As regards direct investment flows, in the first half of this year the increased inflows of foreign direct investment from non-residents were more than offset by the increase in foreign investment outflows by Latin American companies abroad, with the result that net direct investment, though positive, showed a downward trend.

Outflows of the remaining financial flows —portfolio investment and other investment— have continued to recover so far in 2021 (up to the second quarter), following a similar pattern to other emerging markets. In the third quarter of the year, according to the leading indicator of financial flows prepared by ECLAC, flows continued to recover (see figure III.6).[1] This is also in line with the region's issuance of securities on international markets, as will be seen later in this report.

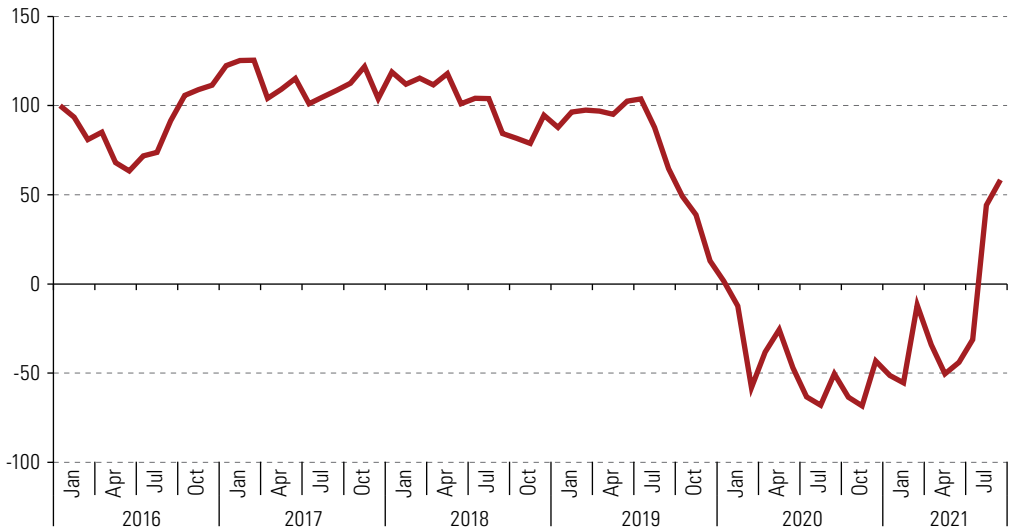


Figure III.6
Latin America (13 countries): proxy indicator of net financial flows, January 2016 to September 2021
(Index: 100=January 2016)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The countries included are Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Paraguay, Peru and Uruguay.

However, the recovery in financial flows has been accompanied by a deterioration in credit ratings in several countries in the region and a slight increase in sovereign risk

The credit quality of Latin American and Caribbean countries continued to deteriorate in recent months. Downgrades have outnumbered upgrades for eight consecutive years, and the imbalance worsened significantly in 2020 (ECLAC, 2021b). The pandemic led to large increases in the debt ratios of countries, which resorted to public debt issuance to cover the costs of mitigating its effects. Thus, in 2021, there have been 12 rating downgrades (two for the Bahamas, one for Chile, two for Colombia, one for El Salvador,

[1] The financial flows proxy makes it possible to estimate the dynamics of financial flows without direct investment (although not their level), based on high-frequency information, before the publication of the official balance-of-payments data, which normally emerge with a lag of several months. For a description of the methodology, see Carvallo and others (2019).

two for Panama, two for Peru, one for Suriname and one for Trinidad and Tobago), as well as downward revisions in outlook for almost all the countries in the region, while there has been only one upgrade (see table III.1).[2] The situation for the future may be more complex in terms of financing conditions, given that several of the region's main economies are under a negative outlook from one or more credit agencies.

Table III.1
Latin America and the Caribbean: ratings by Moody's, Standard & Poor's and Fitch, 31 December 2020 and 31 December

	Moody's		Standard & Poor's		Fitch	
	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021
Argentina	Ca	Ca	CCC+	CCC+	CCC	CCC
Bahamas	Ba2	Ba3	BB-	B+		
Barbados	Caa3	Caa3	B-	B-		
Belize	Caa3	Caa3	CCC+	B-		
Bolivia (Plurinational State of)	B2	B2	B+	B+	B	B
Brazil	Ba2	Ba2	BB-	BB-	BB-	BB-
Chile[a]	A1	A1	A+	A	A-	A-
Colombia[a]	Baa2	Baa2	BBB-	BB+	BBB-	BB+
Costa Rica	B2	B2	B	B	B	B
Dominican Republic	Ba3	Ba3	BB-	BB-	BB-	BB-
Ecuador	Caa3	Caa3	B-	B-	B-	B-
El Salvador	B3	Caa1	B-	B-	B-	B-↓
Guatemala	Ba1	Ba1	BB-	BB-	BB-	BB-
Honduras	B1	B1	BB-	BB-		
Jamaica	B2	B2	B+	B+	B+	B+
Mexico[a]	Baa1	Baa1	BBB	BBB	BBB-	BBB-
Nicaragua	B3	B3	B-	B-	B-	B-
Panama[a]	Baa1	Baa2	BBB	BBB	BBB	BBB-
Paraguay	Ba1	Ba1	BB	BB	BB+	BB+
Peru[a]	A3	Baa1	BBB+	BBB+	BBB+	BBB
Saint Vincent and the Grenadines	B3	B3				
Suriname	Caa3	Caa3	SD	SD	C	RD
Trinidad and Tobago[a]	Ba1	Ba2	BBB-	BBB-		
Uruguay[a]	Baa2	Baa2	BBB	BBB	BBB-	BBB-
Venezuela (Bolivarian Republic of)	C	C				

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: Shaded cells indicate a rating on 31 December 2021 that is lower than the country's rating on 31 December 2020.
[a] Country with an investment grade rating from at least one risk rating agency.

[2] Five countries in the region have investment grade ratings from the three credit agencies: Chile, Mexico, Panama, Peru and Uruguay. Colombia is rated investment-grade by Moody's, but was downgraded in 2021 by Standard & Poor's and Fitch, and Trinidad and Tobago has this rating with Standard & Poor's only. For a country to be included in this category, it must have a credit rating of BBB- or higher (according to Standard & Poor's and Fitch) or Baa3 or higher (according to Moody's).

In parallel to this ratings trend, sovereign risk in the region, as measured by the Emerging Markets Bond Index Global (EMBIG), has been on a slight upward track in recent months. The EMBIG closed October 2021 at 401 basis points, averaging 389 points in the year to date. Despite the rise seen in recent months, this indicator is at levels well below those recorded for much of 2018 and 2019. Most significantly, it is below the 2020 average, which reached 507 points owing to the sharp rise registered in the early months of the pandemic (see figure III.7). At the country level, it is striking that, with the exception of the Plurinational State of Bolivia, all countries increased their sovereign risk in the quarter from August to October 2021. Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia and Paraguay actually recorded the highest levels of the year in October. Uruguay is the country with the lowest level of sovereign risk, with 138 basis points.

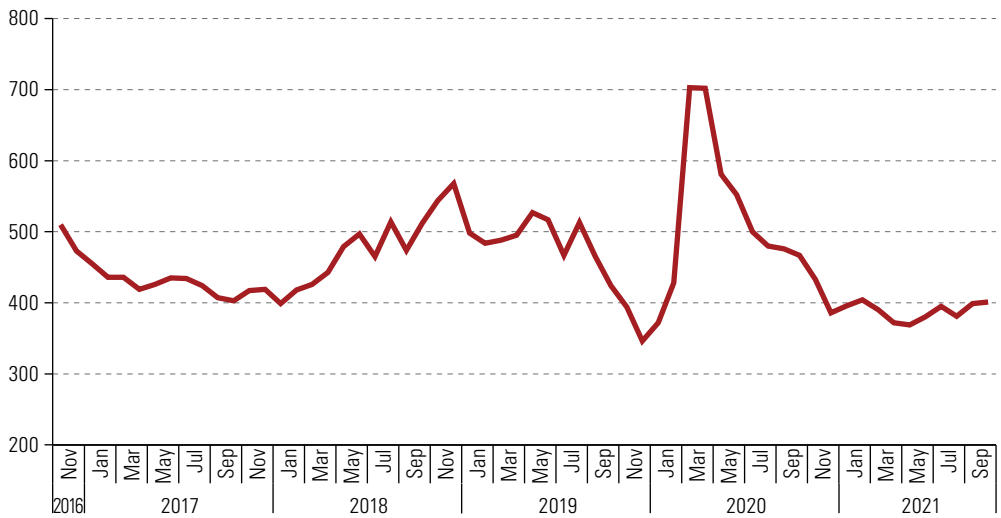


Figure III.7
Latin America: sovereign risk index, as measured by the Emerging Market Bond Index Global (EMBIG), November 2016–October 2021
(Basis points)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of J.P. Morgan.

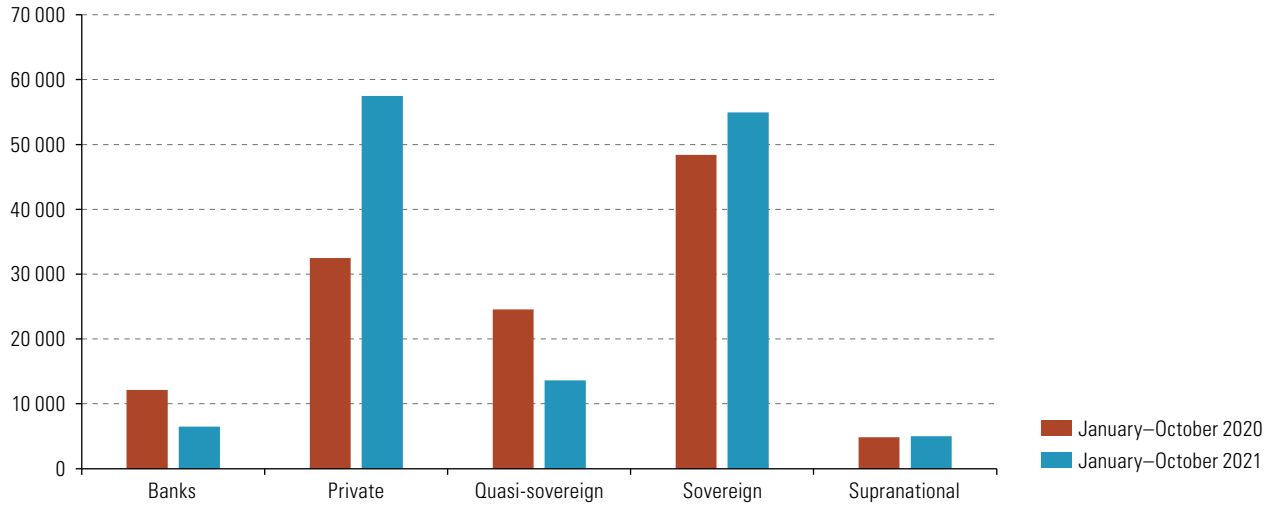
Debt issuance on international markets continues to grow, although private companies are now playing a greater role, while sovereign issuance has grown at a slower pace

During the first 10 months of 2021, total debt issuance amounted to US$ 137.513 billion, up 12.3% on the same period the previous year (see figure III.8).

The main sectors are sovereign and non-bank corporate debt, with 42% and 40% of the total issued, respectively, followed by issues by quasi-sovereign, bank and supranational entities, but at much lower levels. At the same time, there is a trend towards greater linkage of debt issuance to financing for sustainable projects. So far in 2021, green or sustainable issues have made up 29% of issuance, while in 2020, only 8% were in that category, and between 2017 and 2020, just 4%.

Non-bank private sector issuance totalled US$ 57.474 billion between January and October 2021. Issuance has risen 77% so far in 2021, due to the low base of comparison in 2020, when companies were cautious in their investment plans, given the uncertainty caused by the pandemic. Brazilian and Mexican companies are the largest participants in international debt markets, accounting for 70% of the total issued by that sector during the period under review. To date, 34% of issuance in this sector is linked to social or green sectors or is expected to meet sustainability-related targets.

Figure III.8
Latin America: total debt issuance on international markets, by sector, January–October 2020 and January–October 2021
(Millions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the Latin Finance Bonds Database and Dealogic.

The quasi-sovereign issuance sector saw a fall of 44%, amounting to US$ 13.636 billion, or 10% of the total. Bank issues fell by 47%, while supranational issues, which account for 4% of the total, grew by 3%.

Lastly, sovereign issues totalled US$ 54.968 billion between January and October 2021, in various operations carried out by just 10 countries in Latin America and the Caribbean. That issuance represented a rise of 14%, following the high growth of the previous year, in a context where governments were seeking sources of financing for their pandemic mitigation plans (see figure III.8).

Of the total issued, 84% are bonds from countries with investment grade ratings from rating agencies. The main issues come from Chile, Mexico and Peru, with 61% of total sovereign issues. In addition to the major operations carried out during the first half of this year, which are analysed by ECLAC (2021a), debt issues aimed at financing projects linked to the United Nations Sustainable Development Goals continue to stand out. They include several made by Chile in July and September, for US$ 5.8 billion and US$ 2.1 billion, respectively; Mexico, also in July, for almost US$ 1.5 billion, and Peru, which issued for the first time in October (see table III.2). Colombia and Guatemala also made debt issues in order to obtain resources to finance their respective budgets.

Table III.2
Latin America and the Caribbean: sovereign debt issues, January–October 2021

Date	Country	Amount *(millions of dollars)*	Interest rate *(percentages)*	Oversubscription *(number of times)*[a]
4 January 2021	Mexico	3 000	3.75	3.33
12 January 2021	Colombia[b]	2 840	3.47	-
13 January 2021	Dominican Republic[b]	2 500	4.98	4.00
14 January 2021	Mexico[b]	2 176	1.75	3.78
20 January 2021	Chile[b]	4 250	2.08	-
20 January 2021	Panama[b]	2 450	3.04	-
20 January 2021	Paraguay[b]	825	3.47	6.00

Table III.2 (concluded)

Date	Country	Amount *(millions of dollars)*	Interest rate *(percentages)*	Oversubscription *(number of times)*[a]
3 March 2021	Peru[b]	5 000	2.76	2.50
31 March 2021	Chile[b]	1 500	3.50	2.30
6 April 2021	Mexico[b]	2 500	4.28	5.00
19 April 2021	Colombia[b]	3 000	3.54	3.40
4 May 2021	Chile[b]	2 000	3.00	3.20
13 May 2021	Uruguay[b]	1 250	6.70	2.48
8 June 2021	Dominican Republic[b]	2 053	8.44	-
23 June 2021	Panama[b]	2 000	3.79	-
29 June 2021	Brazil[b]	2 250	4.08	
22 July	Chile[b]	2 062	0.6	2.6
22 July	Chile[b]	3 750	2.8	2.4
6 July	Mexico	1 483	2.3	2.6
14 September	Chile	1 000	3.3	5.0
14 September	Chile	1 083	0.6	4.1
30 September	Guatemala	1 000	4.2	6.4
14 October	Colombia	1 000	5.2	4.2
28 October	Peru	4 000	3.3	2.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
[a] Oversubscription refers to the number of times the amount demanded in a debt issue exceeds the amount supplied.
[b] Issuance made in several tranches.

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CHAPTER

IV

Economic activity

After a strong recovery in the second quarter of 2021, economic activity slowed earlier than expected, preventing a return to the 2020 pre-crisis level

From the third quarter onwards the activity indicators of the main sectors declined and stagnated

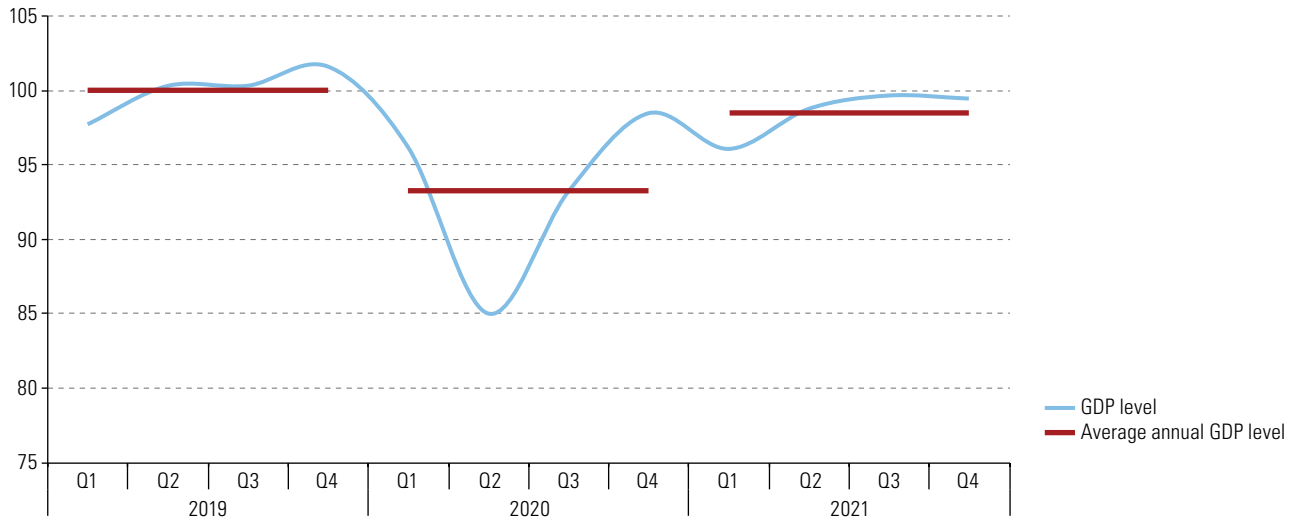
Exports and gross fixed capital formation combine with consumption for the second-quarter recovery, and private consumption was the main driver of GDP growth

The 16% growth in GDP in the second quarter is the result of the rebound effect in all the sectors that were hit hard by the health restrictions: construction, commerce, manufacturing and, to a lesser extent, transport and communications

After a strong recovery in the second quarter of 2021, economic activity slowed earlier than expected, preventing a return to the 2020 pre-crisis level

The gradual easing of pandemic containment measures from 2021 onwards allowed economic activity to gather pace in the second quarter of the year. That resulted in year-on-year GDP growth of 16.1% for that quarter, after a decline of 0.12% in the first quarter. This buoyancy in activity, which was notably stronger than expected for the regional average, did not, however, lead to a recovery of the pre-crisis level of activity because the slowdown in the second half of the year was greater than expected (see figure IV.1).

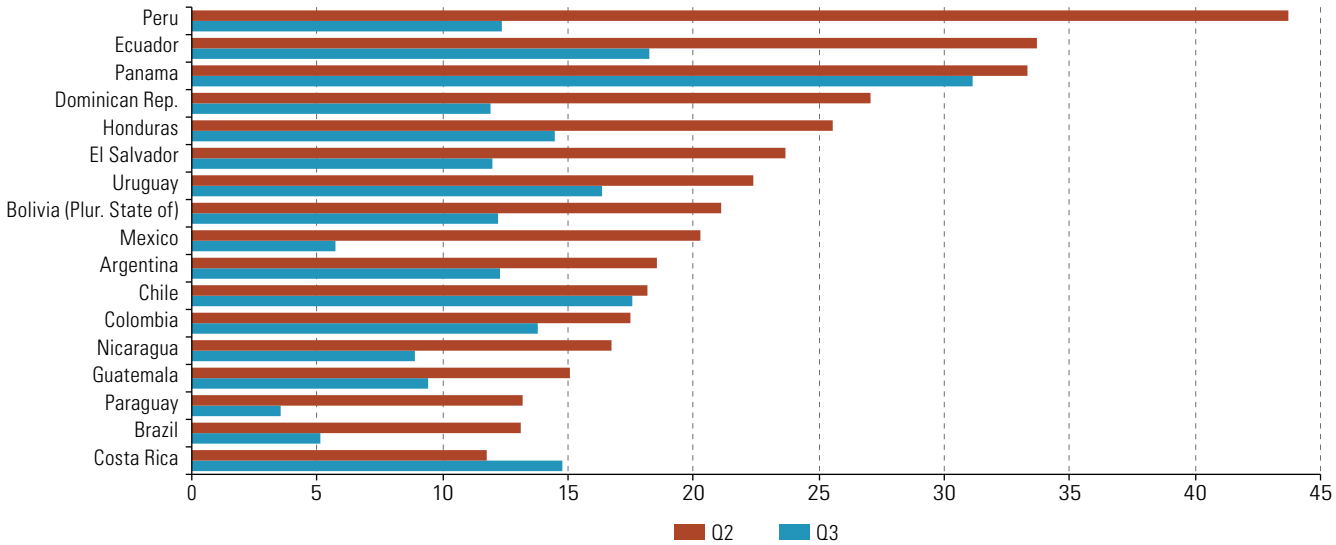
Figure IV.1
Latin America: GDP level, 2019–2021
(Index 2019=100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

GDP growth in the second quarter was underpinned by the strength of domestic demand and, in particular, private consumption, which recorded a very high year-on-year increase of 16.9%. In the third quarter of the year, according to the available activity indicators, economic activity was sluggish (see figure IV.2), despite a context of continued easing of the restrictions imposed as a result of the pandemic.

Figure IV.2
Latin America (17 countries): year-on-year GDP growth rates, second and third quarters of 2021
(Percentages, on the basis of dollars at constant 2010 prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

From the third quarter onwards the activity indicators of the main sectors declined and stagnated

The available information shows a marked slowdown in output in the main branches of activity in the third quarter compared with the second quarter. In particular, most activity indicators for manufacturing, construction and commerce showed declines and stagnation in their indices (see figure IV.3).

Figure IV.3
Latin America (6 countries): activity indicators in manufacturing, construction and commerce, January 2020–September 2021
(Index: January 2019=100)

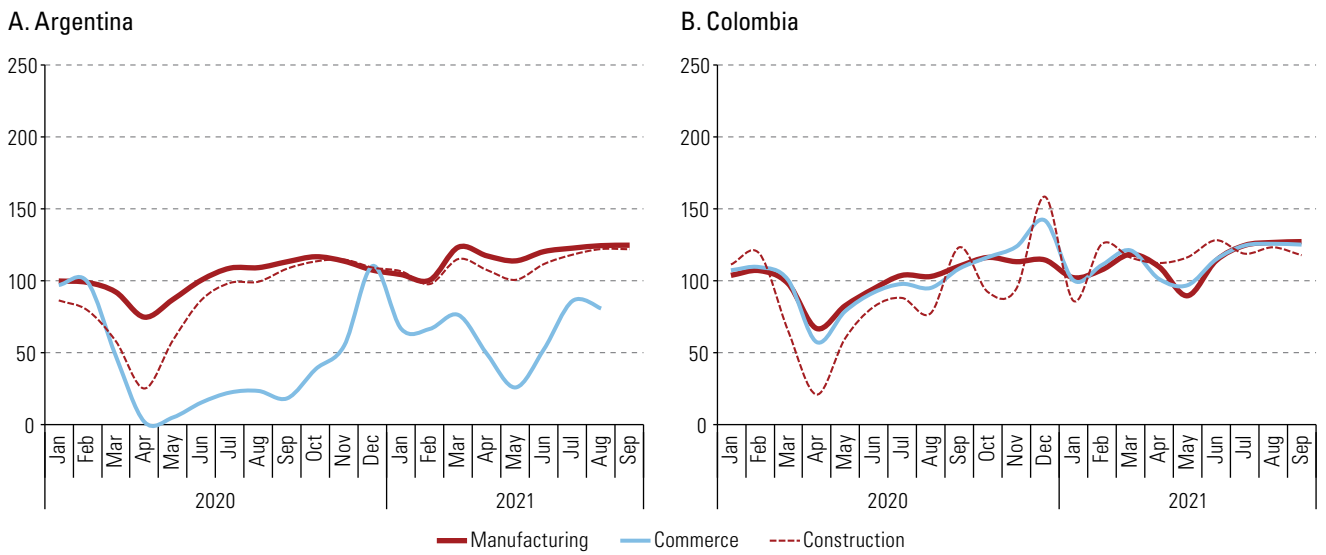


Figure IV.3 (concluded)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

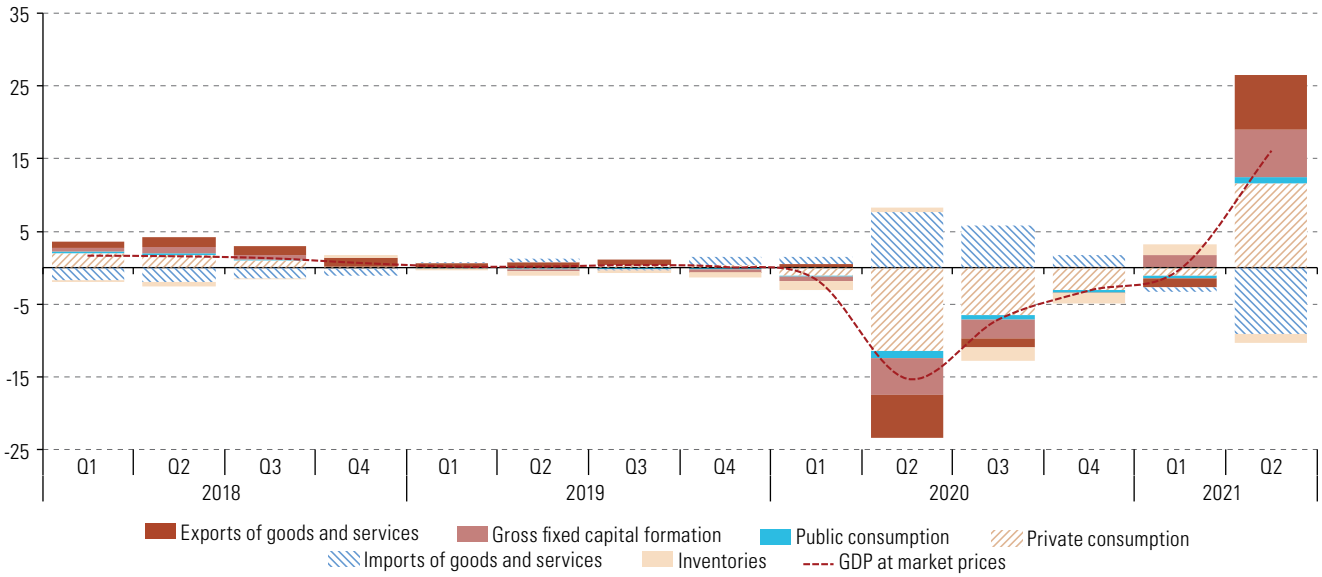
Exports and gross fixed capital formation combine with consumption for the second-quarter recovery, and private consumption was the main driver of GDP growth

By demand components, GDP growth in the second quarter was supported by domestic spending. Private consumption was a key driver of growth, contributing around half of second-quarter growth. Likewise, there was an upturn in investment, in a context of recovering demand and higher levels of activity in the construction sector. The net external sector made a negative contribution to GDP growth, which appeared more associated with the quickening pace of recovery of imports than with the increase in external demand.

In the third quarter, the low increase in the level of activity will mainly be the result of domestic demand, although the external sector is also expected to make a positive contribution to GDP growth. After the robust increases in the second quarter of 2021, all components of domestic demand are slowing (see figures IV.4 and IV.5). Private consumption will decelerate significantly in the last quarter as a result of the

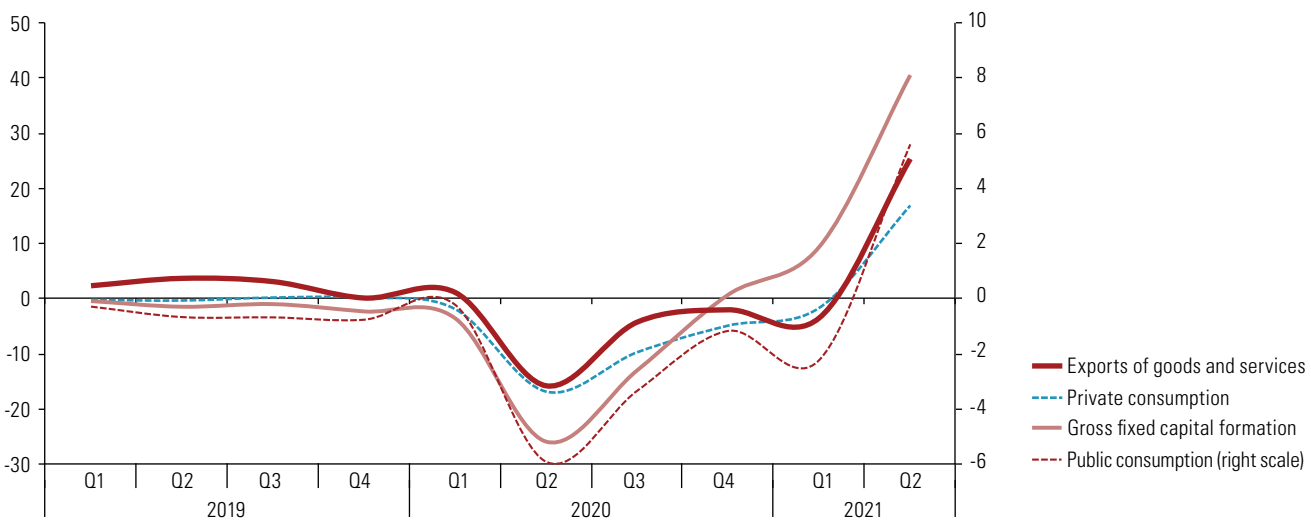
impact of the current upturn in inflation on household incomes and the withdrawal of household support measures. This is compounded by the slow recovery of the labour market, where participation rates have not recovered. As a result, household income remains below pre-crisis levels.

Figure IV.4
Latin America: GDP growth rates and contribution of aggregate demand components to growth, first quarter of 2018–second quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Figure IV.5
Latin America: growth rates in private consumption, public consumption, gross fixed capital formation and exports, first quarter of 2019–second quarter of 2021
(Percentages)

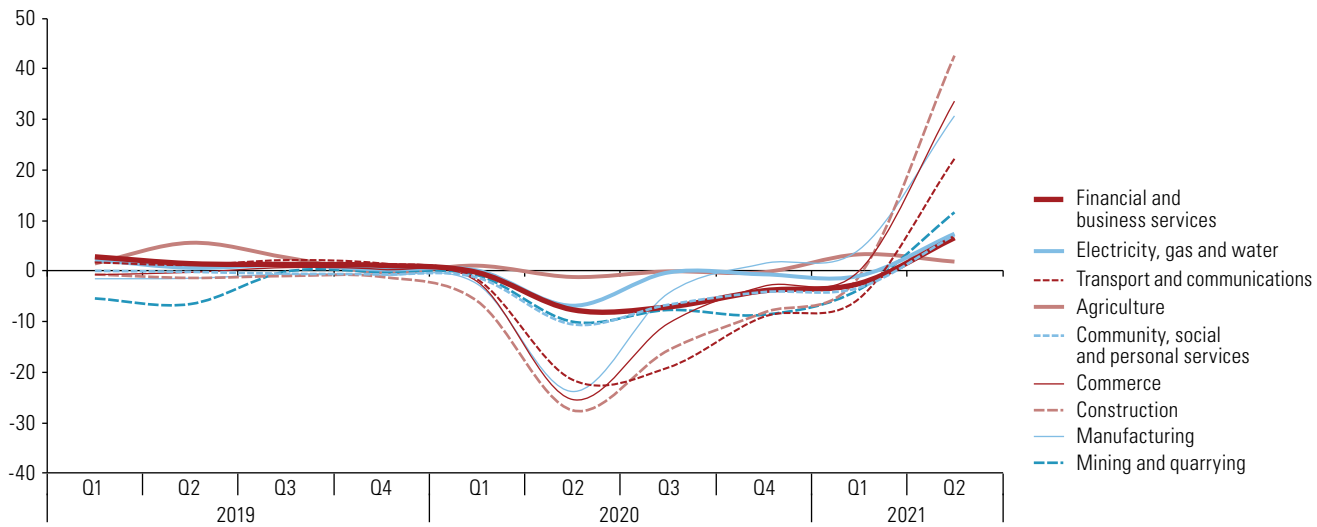


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The 16% growth in GDP in the second quarter is the result of the rebound effect in all the sectors that were hit hard by the health restrictions: construction, commerce, manufacturing and, to a lesser extent, transport and communications

In terms of origin, the expansion in economic activity was led by the recovery in the sectors of economic activity hardest hit by the pandemic. In all of them —construction, commerce, manufacturing, and transport and communications— there was a generalized increase in activity. The rest of the sectors of economic activity also saw recoveries in the second quarter (see figure IV.6).

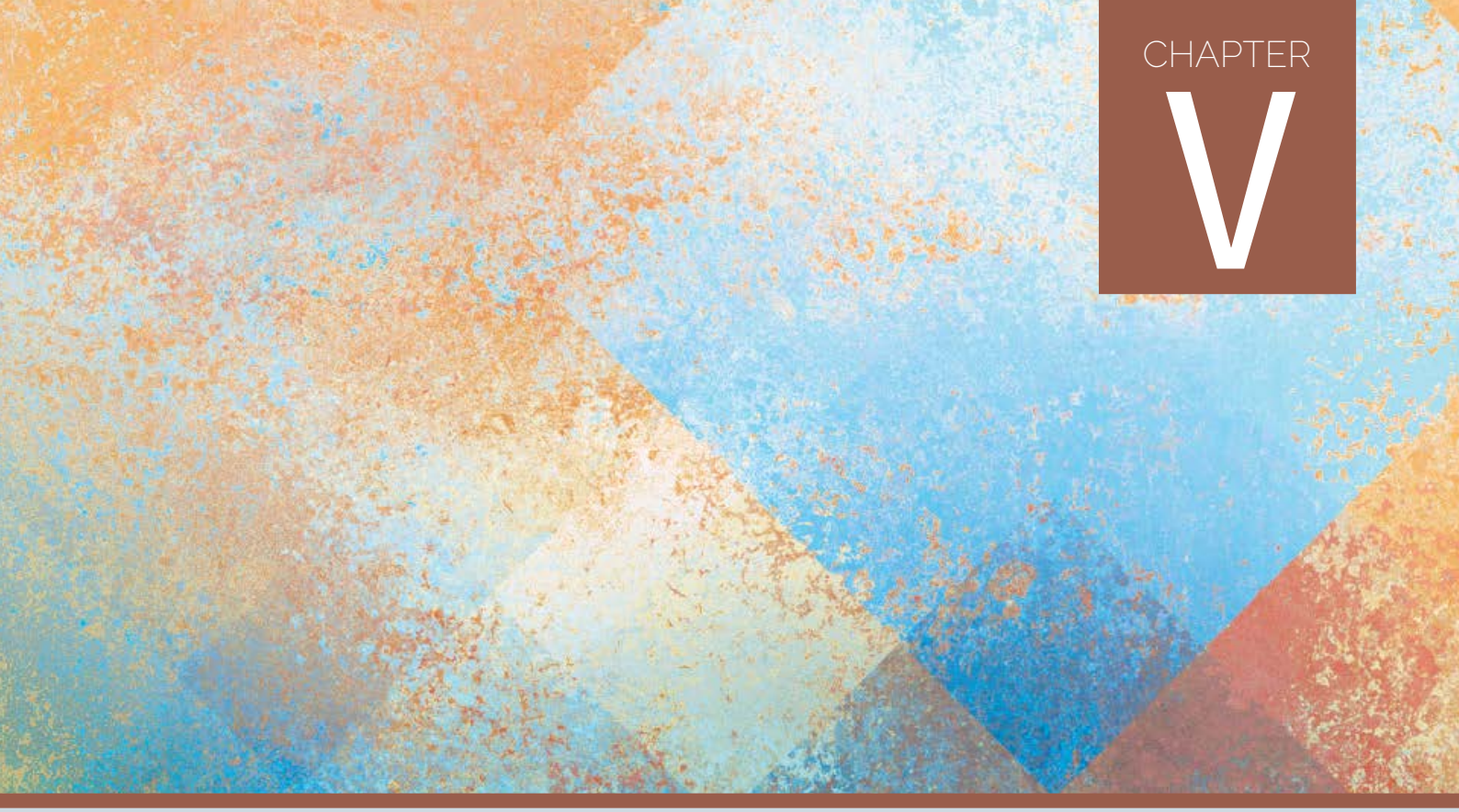
Figure IV.6
Latin America: growth rate of value-added by sector of economic activity, first quarter of 2019–second quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The across-the-board increase in activity was largely due to the low comparison base, associated with the pandemic, relative to the same quarter in 2019. Greater mobility of people and fewer restrictions favoured the various activities. The increase in economic activity was comparatively more marked in the services sector, where the level lags even further behind the pre-pandemic level. Particularly noteworthy is the improvement observed in commerce and hotels and restaurants, driven mainly by the recovery in demand. However, the recovery of other tourism-related activities continues to lag, as there are still some restrictions on the international movement of people, for one, and capacity controls also remain in place. These constraints have not prevented the gradual recovery of tourism, although the sector is still well below pre-pandemic levels.

In addition, the sluggish distribution of production inputs at the global level has had a more pronounced impact on some sectors whose activity has been affected. These supply difficulties pose a risk that could become an additional obstacle to output in certain sectors of activity.



CHAPTER V

Domestic prices

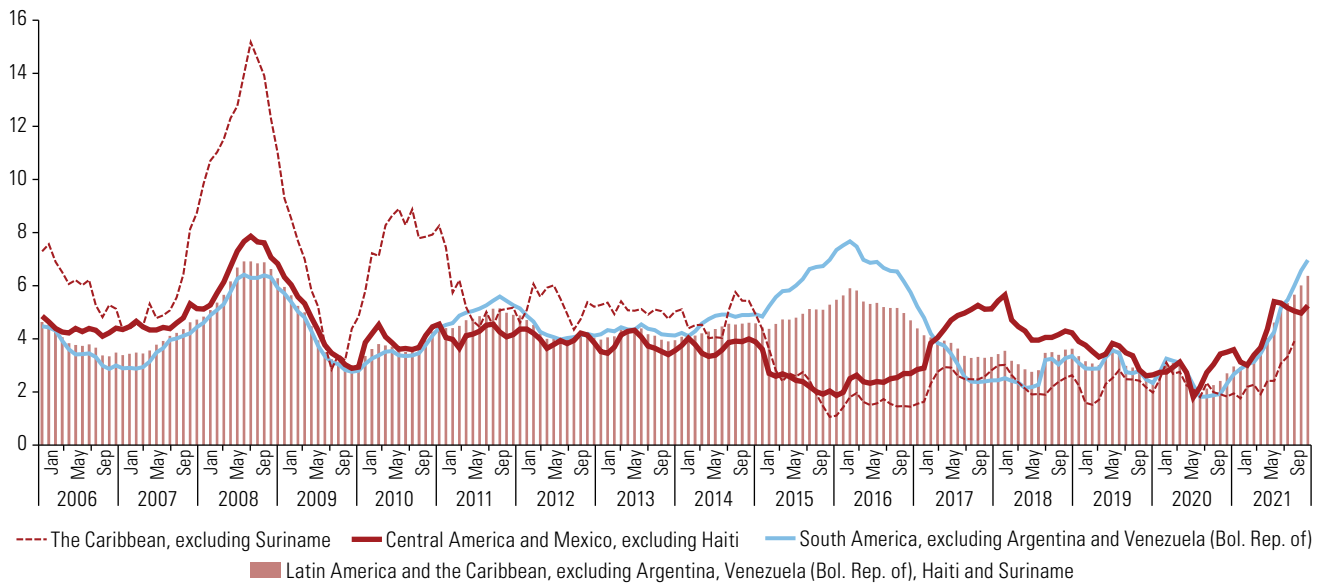
V

After falling to historically low levels during 2020, inflation in the Latin American and Caribbean economies increased in 2021, a situation that has combined with a tendency towards currency depreciation to create a dilemma for policymakers, since it has arisen at a time when the region has proved unable to change its low growth trajectory

The sharp fall in aggregate demand in the region during the first half of 2020 set regional inflation on a downward path. The regional inflation rate in May that year (1.9%) was the lowest in a decade, and by the close of the year it was still at historically low levels (3.0%). It began rising in the second half of 2020, however, putting the region in a very difficult predicament. Structural problems connected with low growth, low job creation capacity and high levels of informality, poverty and inequality, which predated the pandemic but were exacerbated by it, have now been compounded by rising inflation and high exchange-rate volatility.

Figure V.1 shows that regional inflation has been rising since June 2020. The regional inflation rate was 6.4% as of September 2021, its highest level since October 2008, when it reached 6.9% in the context of the global financial crisis.[1]

Figure V.1
Latin America and the Caribbean: 12-month rates of change in the consumer price index (CPI), weighted averages, January 2006–September 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

While inflation has risen in all subregions, it is highest in the economies of South America, where it reached 7.0% in September 2021, up 3.9 percentage points from December 2020 and 4.6 percentage points from the same month a year earlier. Meanwhile, inflation in the subregion comprising Central America and Mexico

[1] Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname have been excluded from the regional and subregional averages because their inflation levels have consistently been much higher than those of the rest of the region's economies, so that including these figures would affect the representativeness of the inflation dynamics described for the region as a whole.

was 5.3%, up 2.2 percentage points from December 2020 and 1.7 percentage points from September 2020. For the English-speaking Caribbean economies, inflation as of September is estimated at 4.2%, up 2.0 percentage points from December 2020. Interestingly, notwithstanding the rise over the past year, only in the subregion comprising the South American economies is inflation higher than in October 2008, during the global financial crisis.

Table V.1 shows how inflation has increased in 30 economies of Latin America and the Caribbean compared with the rates in the same period of 2020. In nine cases (Argentina, the Bolivarian Republic of Venezuela, Brazil, Cuba, El Salvador, Guyana, Paraguay, Panama and Suriname), the increases exceeded four percentage points. Only in three economies (Guatemala, Haiti and Uruguay) did the inflation rate decline between September 2020 and September 2021. Of the countries which have chronic inflation and are therefore not included in the regional and subregional averages (Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname), Argentina's inflation rate increased strongly in the first nine months of 2021, from 35.2% in September 2020 to 51.7% in September 2021. There were also large increases in Suriname, from 45.1% in September 2020 to 59.8% in August 2021, and in the Bolivarian Republic of Venezuela, from 1,813.1% to 1,946.0% over the same period. In Haiti, inflation declined over the period, from 25.1% in September 2020 to 12.1% in July 2021.

Table V.1
Latin America and the Caribbean: 12-month rates of change in the consumer price index (CPI), December 2019–September 2021[ab]
(Percentages)

	December 2019	December 2020	September 2020	September 2021
Latin America and the Caribbean (excluding countries with chronic inflation)	**3.1**	**3.0**	**2.7**	**6.4**
South America (excluding countries with chronic inflation)	**3.3**	**3.0**	**2.3**	**7.0**
Bolivia (Plurinational State of)	1.5	0.7	0.5	1.0
Brazil	4.3	4.5	3.1	10.2
Chile	3.0	3.0	3.1	5.3
Colombia	3.8	1.6	2.0	4.5
Ecuador	-0.1	-0.9	-0.9	1.1
Paraguay	2.8	2.2	1.6	6.4
Peru	1.9	2.0	1.8	5.2
Uruguay	8.8	9.4	9.9	7.4
Central America and Mexico (excluding countries with chronic inflation)	**2.7**	**2.7**	**3.5**	**5.3**
Costa Rica	1.5	0.9	0.3	2.1
Cuba[c]	-1.3	18.5	10.1	72.5
Dominican Republic[c]	3.7	5.6	5.0	7.9
El Salvador[c]	0.0	-0.1	-0.4	4.3
Guatemala	3.4	4.8	5.0	3.7
Honduras	4.1	4.0	3.4	4.6
Mexico	2.8	3.2	4.0	6.0
Nicaragua[c]	6.5	2.6	2.8	5.0
Panama[c]	-0.1	-1.6	-1.9	2.4
The Caribbean	**3.4**	**2.2**	**1.8**	**4.2**
Antigua and Barbuda[c]	0.7	2.8	0.8	1.1
Bahamas[d]	1.4	1.2	-0.7	2.7
Barbados[e]	7.2	1.3	0.6	2.9
Belize[c]	0.2	0.4	0.3	3.9
Dominica[e]	0.1	-0.7	-0.8	0.6
Grenada[e]	0.1	-0.8	-1.2	1.5
Guyana[f]	2.1	1.3	0.8	7.2
Jamaica[c]	6.2	4.5	4.2	6.0

Table V.1 (concluded)

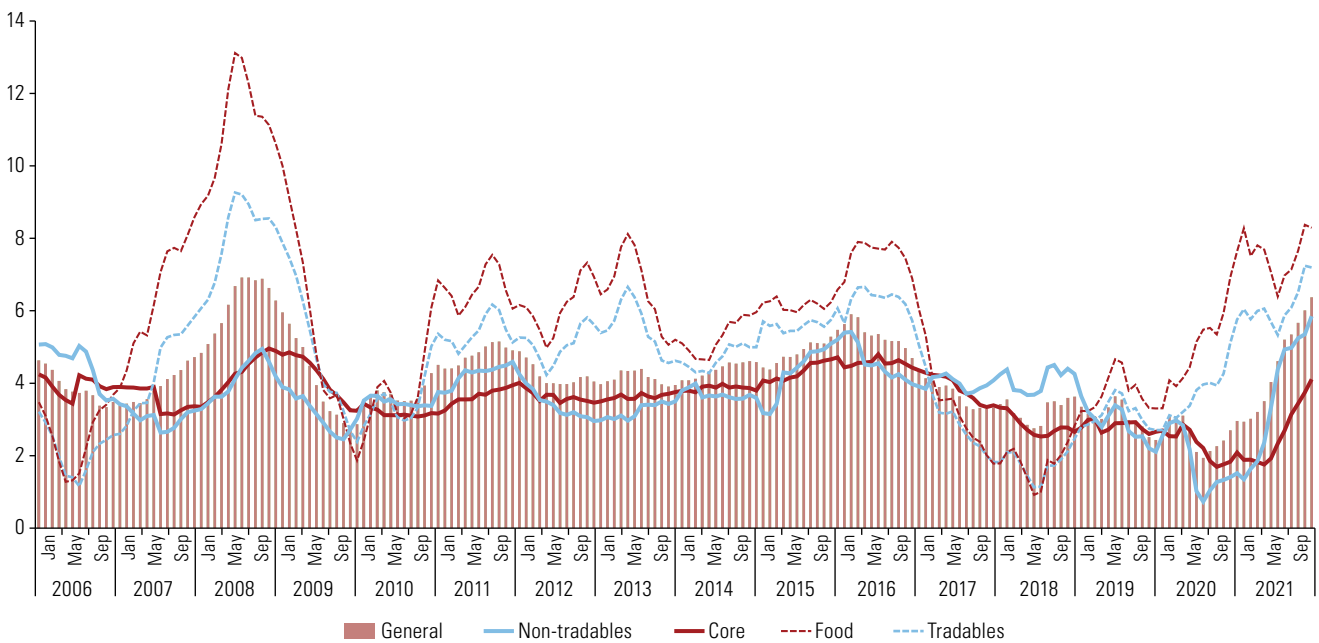
	December 2019	December 2020	September 2020	September 2021
Saint Kitts and Nevis[e]	-0.8	-1.2	-0.7	1.9
Saint Lucia[e]	-0.7	-0.4	0.0	2.5
Saint Vincent and the Grenadines[e]	0.5	-1.0	-1.2	1.9
Trinidad and Tobago[f]	0.4	0.8	0.7	2.2
Argentina	52.9	34.1	35.2	51.7
Haiti[f]	20.8	19.2	25.2	12.1
Suriname[c]	4.2	60.7	45.1	59.8
Venezuela (Bolivarian Republic of)	9 585.5	2 959.8	1 813.1	1 946.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Regional and subregional averages weighted by population size.
[b] The regional and subregional averages do not include data for economies with chronic inflation: Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname.
[c] Figures to August 2021.
[d] Figures to April 2021.
[e] Figures to June 2021.
[f] Figures to July 2021.

Inflation accelerated for all components during the first nine months of 2021, but the largest increases were in core and services inflation

Figure V.2 shows the increase in various CPI components across the region. One thing that stands out in this chart is that since April 2018, inflation has been higher for tradable goods than for non-tradable goods and services. This difference in inflation dynamics was accentuated during the COVID-19 crisis but has narrowed since November 2020. A second point worth noting is that tradable goods inflation as of September 2021 was the highest since the global financial crisis in late 2008. In the case of non-tradable goods and services, inflation was at its highest since January 2006.

Figure V.2
Latin America and the Caribbean: 12-month rates of change in the consumer price index (CPI), by type of inflation, weighted averages, January 2006–September 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The non-core components of the CPI, such as food and energy, have tended to show higher rates of inflation than the core component. Like the ratio of tradable goods inflation to non-tradable goods and services inflation, the difference between food and core inflation increased during the crisis and has tended to diminish more recently. In November 2020, the ratio of food to core inflation was 4.4, whereas at the start of the crisis in March 2020 it was 1.5. By September 2021, it was back down to 2.0.

A third point worth noting is that core inflation has been rising faster than food inflation since March 2021. While core inflation rose by 2.2 percentage points between March and September 2021, food inflation rose by 1.2 percentage points.

A combination of external and internal factors has driven up inflation in the region's economies

Rising energy and food prices on international markets, as well as rising global inflation, have contributed to higher inflation in the economies of Latin America and the Caribbean. West Texas Intermediate (WTI) oil prices increased by 54.6% between December 2020 and September 2021, in contrast to the evolution of this indicator during 2020, when it fell by over 20%. Meanwhile, inflation rates for foodstuffs such as meat and wheat increased by 3.5% and 13.3%, respectively, in the first nine months of 2021. Inflation rates for goods other than energy and food also increased in the first nine months of 2021. This is reflected in the rise in inflation for goods exported by the United States, from 0.4% year on year in December 2020 to 16.3% in September 2021. Global trade tensions and disruptions to logistics chains have also contributed to a rise in regional inflation, as have the depreciation of some regional currencies and the large nominal imbalances that have been building up. In some countries, moreover, wage increases have also fuelled the greater price dynamism in evidence since the second half of 2020.

Similarly, cost pressures have driven up inflation. They include higher prices for various production inputs, rising freight rates and wage increases. Widespread difficulties with the supply of inputs are one problem that has disrupted production chains and raised production costs. For example, several economies in the region have reported reduced availability of raw materials and inputs and lower input inventory levels over the past three months. The greatest constraints are associated with shortages of construction materials, spare parts and machinery and equipment. Similarly, there have been shortfalls in the supply of plastics, some foodstuffs, and oils for industrial sectors.

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CHAPTER VI

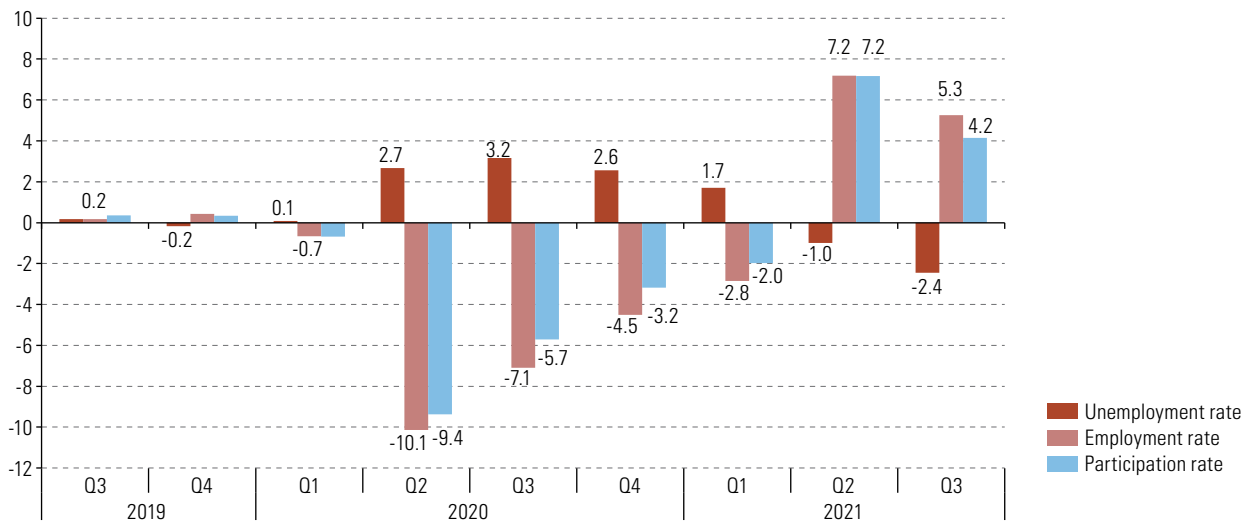
Employment and wages

The main employment indicators recovered partially during 2021

Almost two years since the start of the COVID-19 pandemic, the main labour indicators show that labour markets have still not recovered to their pre-crisis levels.

During 2020, the temporary or permanent closure of many economic activities led to a sharp drop in the level of employment in all countries in the region. That impact was particularly noticeable in the second quarter of the year, when, on average for 14 countries, the employment rate fell by 10.1 percentage points compared to the same period in 2019. That trend was accompanied by the withdrawal of a large number of people from the labour market, leading to a fall of 9.4 percentage points in the total participation rate. While the decline in the labour force mitigated the impact of the widespread job losses on the open unemployment rate, that rate still deteriorated significantly relative to the second quarter of 2019, rising by 2.7 percentage points in the second quarter of 2020 (see figure VI.1).

Figure VI.1
Latin America and the Caribbean (14 countries): year-on-year changes in participation, employment and unemployment rates, fourth quarter of 2019–third quarter of 2021
(Percentage points)

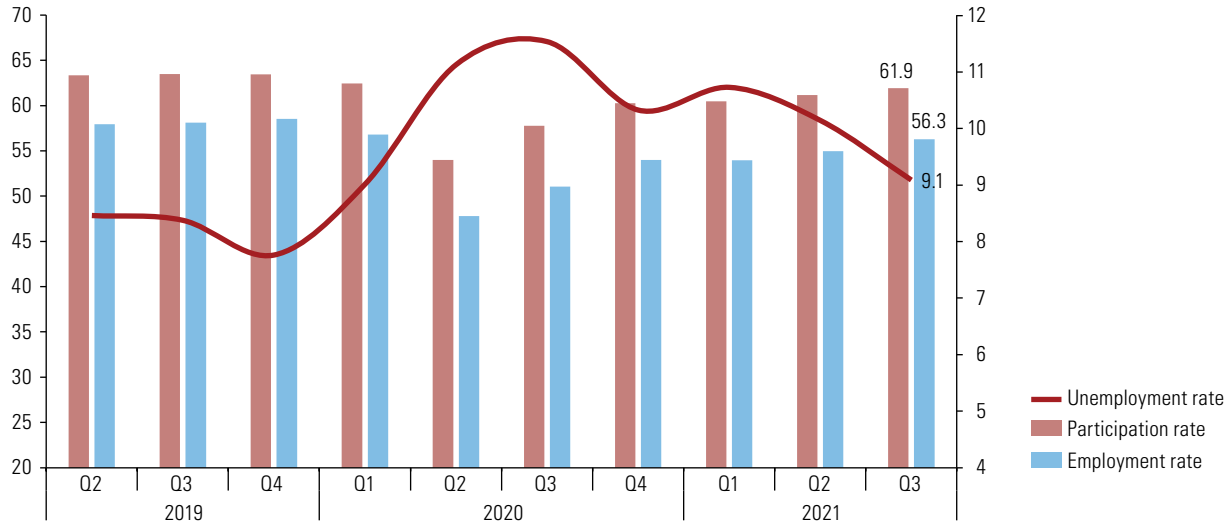


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
Note: Data refer to Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

After the second quarter of 2020, as economic activities gradually reopened, workers started returning to the labour market. This was reflected in an increase in the participation and employment rates in the following quarters (see figures VI.1 and VI.2).

The above trend continued throughout 2021. As of the third quarter, the regional participation rate stood at 61.9% and the employment rate at 56.3%, levels higher than in the third quarter of 2020, but still lower than for the same period in 2019. The magnitude of the rise in employment exceeded that of the return to the labour market, with the result that the open unemployment rate gradually lowered. That indicator has been on a downward trend throughout the year, and by the third quarter of 2021 stood at 9.1% for the average of 14 countries for which data was available (see figure VI.2).

Figure VI.2
Latin America and the Caribbean (14 countries): participation, employment and unemployment rates, second quarter of 2019–third quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
Note: Data refer to Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Labour markets have yet to recover to conditions on the eve of the pandemic. On the labour supply side, several factors could explain this situation. First, many activities, such as those related to leisure and events, tourism, restaurants and manufacturing, have not yet fully resumed. Second, most countries have only seen a partial return to school and day-care services. Third, there is also the perceived lack of job opportunities or fear of contagion among workers. These factors could encourage some workers to remain inactive while waiting for conditions to return to employment in their sector to improve.

On the demand side, employment has not recovered fully either. In addition to the sectoral considerations mentioned above, some companies have not yet fully reinstated all their staff or have not yet resumed production at full capacity, which is why they do not yet need new workers.

According to recent estimates, the region still lags well behind pre-pandemic levels and the recovery seen in developed countries in terms of hours worked, increasing the risk of wide productivity gaps, not only between small and large enterprises, but also between countries (ILO, 2021).

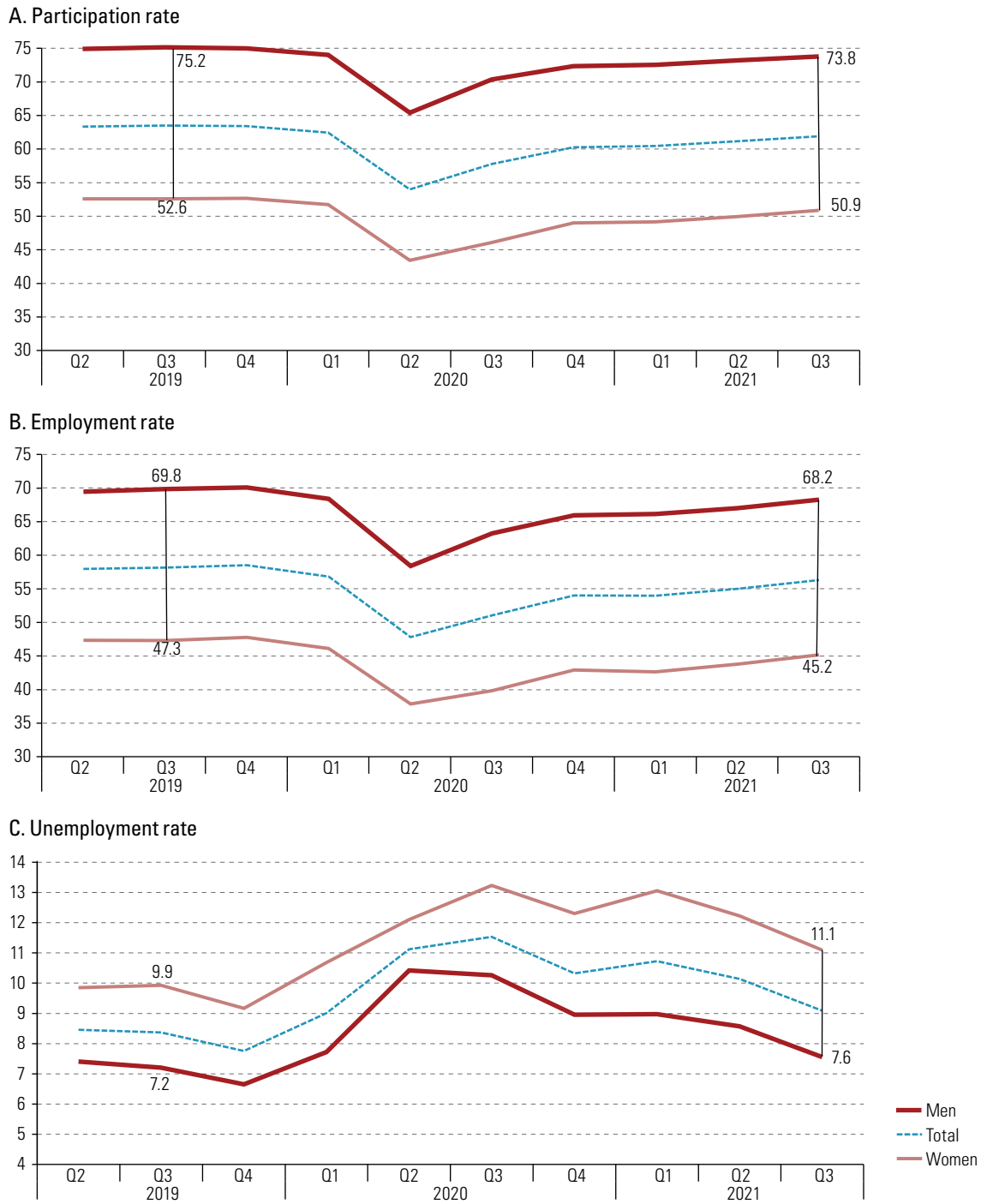
Widening gender gaps in the labour market

The recovery of labour indicators by gender has been uneven during 2021. The average for the 14 countries with available information shows that women are returning to the market more gradually and have greater difficulty finding employment, which has widened the gender gaps in the regional labour market.

The female participation rate in the third quarter of 2021 was 50.9%, 1.7 percentage points lower than in the same quarter of 2019 (52.7%), while the male participation rate was 73.8%, 1.4 percentage points lower than in the same period in 2019 (75.2%) (see figure VI.3A). The slower pace of women's return to the labour force has come in a context where many school and care activities have not yet fully resumed. Over the past 30 years, Latin America has seen a growing trend in the incorporation of women

into paid activities (ECLAC/ILO, 2019). However, the labour participation rate is relatively low compared to that of women in developed countries, and the 2020 crisis abruptly interrupted this trend with the widespread exit of women from the labour market, mainly to take on care work.

Figure VI.3
Latin America and the Caribbean (14 countries): participation, employment and unemployment rates, second quarter of 2019–third quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
Note: Data refer to Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Employment rates continued to rise after plummeting in the second quarter of 2020. However, employment among men grew faster than that of women. In the third quarter of 2021, the employment rate for women was 45.2%, 2.1 percentage points lower than in the third quarter of 2019 (47.3%), while that for men stood at 68.2%, 1.6 percentage points lower than in the third quarter of 2019 (69.8%) (see figure VI.3B). This suggests that women face greater difficulty successfully rejoining the labour market, possibly due to their greater participation in sectors that have not yet fully recovered, such as paid domestic work and employment in the service and commerce sectors.

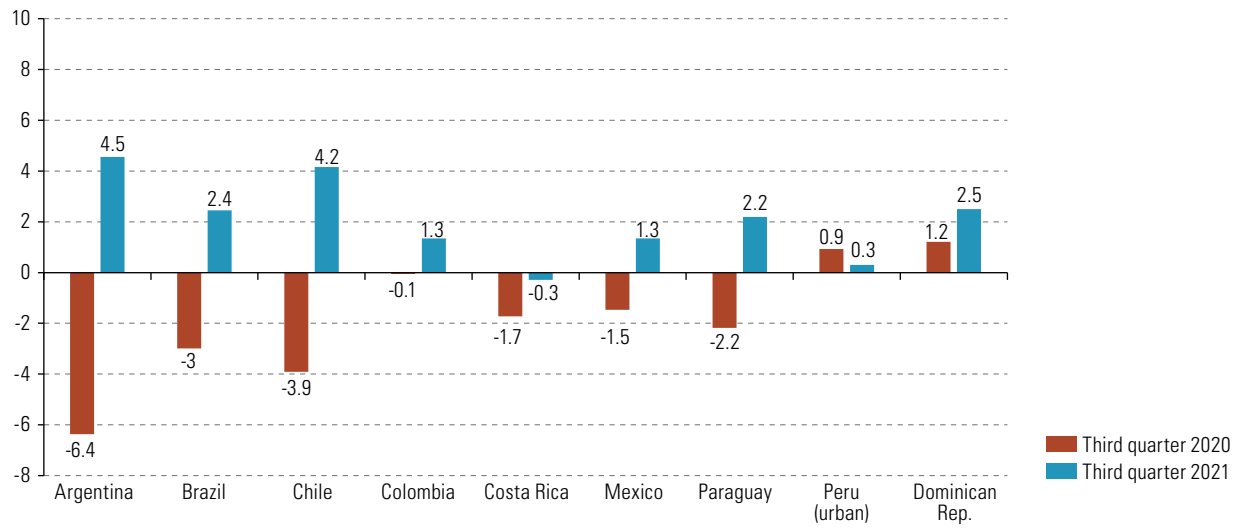
As a result of these trends, in the third quarter of 2021 the unemployment rate for women fell to 11.1%, while that of men declined to 7.6%. This meant that the unemployment rate gap between men and women widened from 2.7 percentage points in the third quarter of 2019 to 3.5 percentage points by the third quarter of 2021 (see figure VI.3C).

The greatest difficulties were encountered by women with lower levels of educational attainment. In 2020, this group of female workers was more affected by job losses than men with the same level of education and than more-educated women. During the first months of 2021, this group was the one that had most difficulty re-entering the labour market and in the second quarter of 2021 had an employment level 16% lower than in the same quarter of 2019 (ECLAC/ILO, 2021).

Return of informal workers to the labour market

During the pandemic that broke out in 2020, in contrast to what usually happens in economic crises, informality was not able to behave in a countercyclical way, so it did not help to mitigate household income losses. As a result of mobility restrictions and the inherent characteristics of many informal jobs, which prevented the adoption of alternative measures such as teleworking, many informal workers had to withdraw from the labour market. In addition, many activities considered essential, such as those in public administration, education and health services, accounted for the largest proportion of formal wage earners. Sectors with a higher proportion of informal employment, such as commerce, construction, and restaurants and hotels, contracted more. This meant that in 2020 most countries in the region recorded declines in the labour informality rate compared with 2019 (see figure VI.4).

Figure VI.4
Latin America (9 countries): year-on-year changes in informal employment rates, third quarter of 2020 and 2021
(Percentage points)

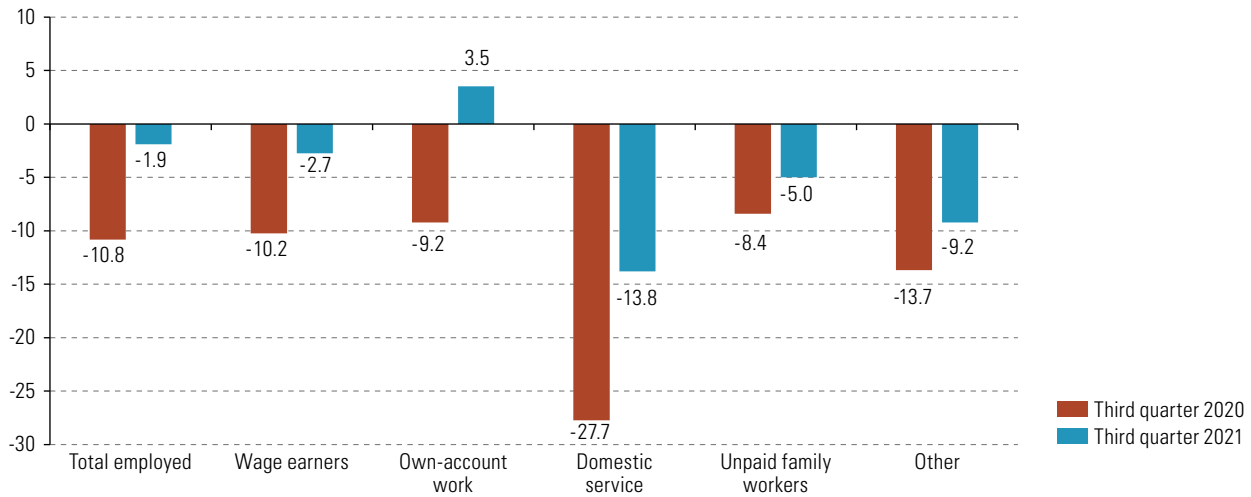


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

Given the need to generate income, in 2021 many informal workers had to return to the labour market, possibly under the same informal conditions as before the pandemic. An analysis of employment growth for six countries in the region shows that it has been driven almost entirely by the growth of informal employment, which has accounted for about 70% or more of net job creation in Argentina, Costa Rica, Mexico, Paraguay and Peru (Maurizio, 2021).[1] In this context, informality rates can be expected to grow again in 2021. During the third quarter of 2021, the informality rate increased in Argentina, Brazil, Chile, Colombia, the Dominican Republic, Mexico, Paraguay and Peru (see figure VI.4).

The trends in employment by occupational category during 2021 show a recovery in lower quality categories. Own-account workers, most of whom are informal, had a faster rate of employment recovery than wage earners. In the third quarter of 2021, self-employment was at higher levels than its pre-pandemic levels (see figure VI.5). Other sectors with a high incidence of informality, but with a lower relative share, are paid domestic service and unpaid family work. Employment levels in these groups were still much lower than in 2019. These categories, which include a very high percentage of women, have suffered because of both the characteristics of the work itself and the loss of income in many employer households.

Figure VI.5
Latin America (11 countries):[a] year-on-year changes in employment by occupational category relative to the third quarter of 2019
(Percentages)



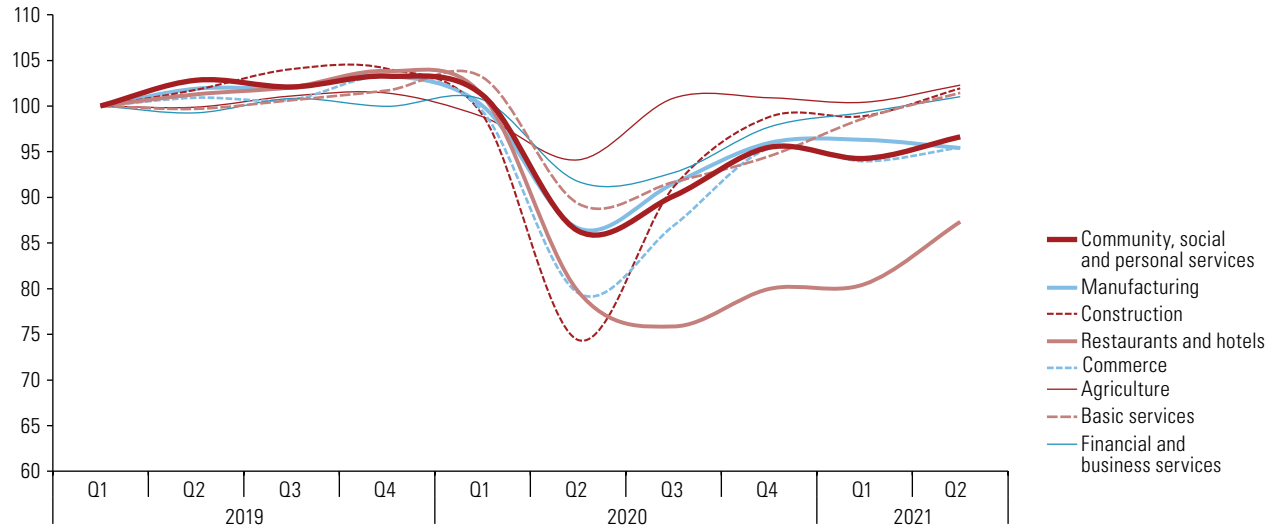
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
[a] Simple average for Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Plurinational State of Bolivia.

Disparate recovery in employment by sector

In 2020, there was generalized reduction in employment across all sectors. The sectors most affected were those whose characteristics required travel or closer person-to-person contact, such as construction, commerce, and hotels and restaurants (see figures VI.6 and VI.7).

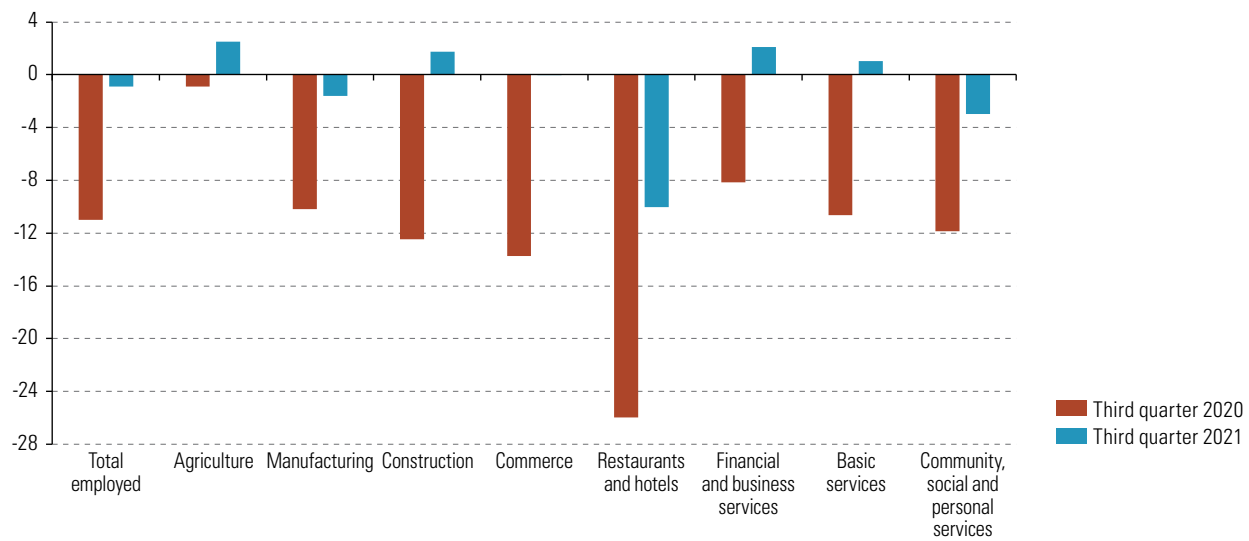
[1] Between the second quarter of 2020 and the second quarter of 2021.

Figure VI.6
Latin America and the Caribbean (12 countries):[a] year-on-year changes in employment by sector of activity, first quarter of 2019–second quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
[a] The countries are Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru and Plurinational State of Bolivia.

Figure VI.7
Latin America (12 countries):[a] year-on-year changes in employment by sector of activity relative to the third quarter of 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
[a] The countries are Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru and Plurinational State of Bolivia.

In the first months of 2021, however, the recovery in employment was uneven across different sectors, even among those hardest hit. By the third quarter of the year, employment in construction had almost fully rebounded and that in trade had partially recovered, whereas employment in tourism-related sectors such as hotels and restaurants was still very depressed compared with the third quarter of 2019 (see figure VI.7). Other sectors, such as manufacturing and community, social and personal

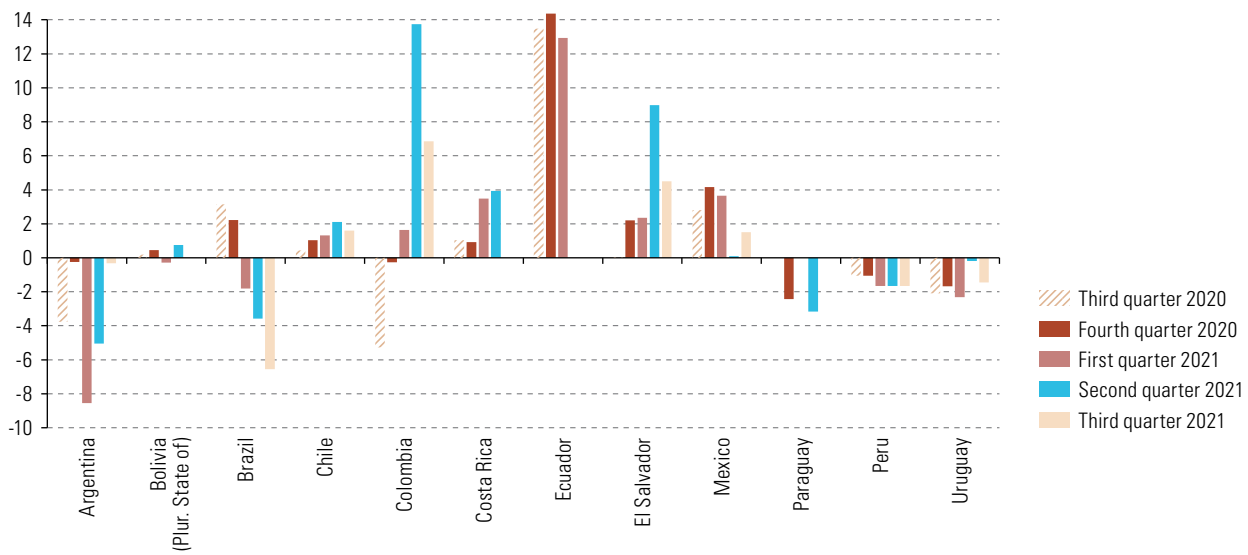
services, made partial recoveries but remain at lower levels than before the pandemic. By contrast, employment in agriculture, financial and business services and basic services showed a positive change from the second quarter of 2019.

Differential evolution of real wages in the formal sector

Since the beginning of the pandemic, analysing the evolution of average wages has been complicated by the significant employment restructuring that has taken place. Although it is to be expected that in periods of crisis average wages tend to fall, the fact that most job losses have been among workers with lower levels of education and, in general, lower incomes, raises the average income in an economy.

Over the past year, the evolution of average wages in formal employment varied from country to country. Real wages fell mainly in Argentina and Brazil, in contexts of high inflation, and to a lesser extent in Paraguay, Peru and Uruguay (see figure VI.8). However, average wages increased in some of the countries with information available, such as Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico and the Plurinational State of Bolivia.

Figure VI.8
Latin America (12 countries): year-on-year changes in real average wages in registered employment, third quarter of 2020–third quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

During 2021, the evolution of inflation has been a determinant of real wages. In September 2021, average inflation in the economies of Latin America and the Caribbean was at one of its highest levels for several years. In this context, a downward trend in real wages is to be expected owing to lags before nominal wages adjust. Ecuador was one of the countries where inflation was lower in 2020, and in the year to June 2021 it was actually negative.[2]

[2] Ecuador was one of the countries where inflation was lowest in 2020, and in the year to June 2021 it was actually negative.

Outlook

In the early months of the pandemic, and particularly during the second quarter of 2020, the fall in employment was greater than that in output, reflecting the uneven impact of the crisis, with greater job losses in low-productivity sectors (see figure VI.9). Starting in the second half of 2020 and during 2021, output began to rebound, but the recovery in employment has been less buoyant. This was helped by the fact that many workers who were employed but absent returned to the workplace and those who had reduced hours worked returned to their usual schedule, which increased output but not employment. As noted in previous chapters, 2021 is expected to end with output growth of 6.2% for the region overall. However, given the steep decline in 2020, output will not regain 2019 levels. Labour markets, too, will have failed to recover their pre-pandemic indicators. Labour supply will continue to lag, as will employment, and the unemployment rate is expected to be around 9.7%, lower than in 2020 (10.3%) but higher than in 2019 (8.1%).

Figure VI.9
Latin America: GDP and employment, first quarter of 2018–fourth quarter of 2021
(Index: first quarter of 2018=100)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.
[a] Estimate.

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CHAPTER VII

Macroeconomic policies

A. Fiscal policy

The prevailing macroeconomic environment is complicating fiscal policy management

Fiscal policy fulfilled a key role in the COVID-19 pandemic response in 2020. Countries in Latin America announced unprecedentedly large fiscal stimulus packages, equivalent to an average of 4.6% of GDP, to strengthen public health systems, support families, and protect the production structure. This involved the use of the full range of fiscal instruments, including tax policy and public spending, together with liquidity support and government-backed lending programmes. Nonetheless, the role of public expenditure was predominant, with considerable increases in subsidies and transfers to mitigate the effects of the pandemic on household and business incomes. Thus, fiscal policy played an important countercyclical role in cushioning the historic slump in economic activity in 2020.

However, the fiscal measures adopted in that year also had repercussions on the public accounts, with implications for fiscal policy in 2021 and beyond. The growth of spending and the contraction of public-sector revenue in 2020 engendered fiscal deficits and a substantial increase in the public debt. In 2021, the countries of the region are tending to design budgets that reduce fiscal deficits and stabilize the growth of public debt. Accordingly, fiscal stimulus in the region is being dialled down, and primary expenditure is retreating in several countries —partly due to the ending of pandemic-related emergency programmes.

This situation creates the dilemma of how to maintain a pro-growth fiscal policy that supports the expansion of investment and contributes to closing social gaps, in a context of greater macroeconomic complexities, less fiscal space and unequal access to financing. Historical experience teaches that these factors must not be allowed to trigger a contractionary fiscal policy that derails the fragile economic recovery process or ignores the challenges posed by the low levels of investment in the region and the growing social disparities, which the pandemic has aggravated further.

As analysed in this report, the region's macroeconomic context has become more complex, and this has made fiscal policy management more difficult. Although economic activity is expected to recover in 2021, this reflects a sharp statistical bounce. Economic growth is likely to be weak going forward, in line with the trend in the years leading up to the crisis. In addition, the risk of higher interest rates, as monetary stimulus in the developed economies is tapered and monetary policies are tightened in the region to curb inflationary pressures, could raise financing costs and interest payments. This is compounded by the risk of depreciations among national currencies, which would make servicing external debt more expensive and aggravate external debt balances in local currency terms. At the same time, countries are susceptible to credit rating downgrades owing to the deterioration of their fiscal indicators, which would affect financing conditions.

The fiscal space needed to implement a pro-development fiscal policy is limited. Although public debt levels remain lower than in developed countries, gross public debt in the region has reached levels not seen in recent decades. At the same time, the conditions that drive the debt dynamic—such as higher interest rates, national currency depreciations, projected low growth rates for the next few years, and persistent fiscal deficits— point to debt levels remaining high, which would continue to constrict the available fiscal space. In addition, government revenues remain insufficient to fully cover public spending needs.

Another consideration is that access to financing under favourable conditions has become an increasingly binding constraint on fiscal policy management in the region. The current situation is characterized by highly heterogeneous access to financing across the different countries. Some have been able to maintain access to the international financial market, issuing debt at favourable interest rates and maturities. For countries that do not have access to these markets, international financial institutions continue to be the main sources of financing, with the conditionalities that this can entail.

Despite the current complex situation, the central role of fiscal policy in mitigating the effects of the pandemic, boosting the recovery of economic activity and laying the foundations for growth that is both sustained and sustainable in the medium term, needs to be maintained. This will require a fiscal sustainability framework focused on strengthening the generation of permanent revenues to finance permanent expenditure demands.

In a context of pressures to maintain public expenditure levels, it is essential to adopt a strategic approach to spending, by targeting programmes with high economic, social and environmental returns that would contribute to a change in the development framework in the region. Public investment, which was the main adjustment variable used in the last decade, must be ring-fenced in order to undertake investments intensive in decent jobs in strategic sectors with gender equality. At the same time, the universalization of social protection systems and their financial sustainability must be key elements of fiscal policy going forward.

In this situation, new tax policies will be needed to underpin the sustainability of the public expenditure path that the region needs to follow. These should be based on direct taxes with greater vertical equity, founded on the principle that those who have more should contribute more. However, the processes involved in modifying tax systems require a medium-term vision and the forging of social and political consensus, especially in the current context. Accordingly, it is important to adopt short-term measures (such as actions to reduce tax evasion, which amounted to US$ 325 billion in 2018, equivalent to 6.1% of regional GDP) and review tax expenditures that represent an average of 3.7% of GDP (ECLAC, 2019 and 2020c) (see box VII.1). In addition, new green taxes, taxes on the digital economy, and other taxes on the consumption of unhealthy products could also be considered.

The expansion of fiscal space to avert the need for adjustments should also be a key multilateral priority. In this regard, it is important that the multilateral lending institutions support financially constrained economies, including middle-income ones, to obtain international liquidity on favourable terms. Moreover, public debt relief and debt standstills could perform an important role in opening up additional fiscal space. However, these actions should be developed in multilateral frameworks that encourage private sector participation.

Box VII.1
Opportunities to strengthen the measurement and governance of tax expenditures in Latin America

Tax expenditures are "resources forgone by the State, by the existence of incentives or benefits that reduce the direct or indirect tax burden of certain taxpayers in relation to a reference tax system, in order to meet certain economic or social policy objectives" (CIAT, 2011). These incentives or benefits are granted through various types of tax treatment, such as exemptions, deductions, credits and reduced rates, and also include tax deferrals and accelerated depreciation systems. Tax expenditures are not usually subject to the same control and evaluation mechanisms as direct expenditures, since they are not included in budgets and do not have a pre-established expiry date. This renders them less transparent and makes it difficult to identify their beneficiaries.

Countries of the region have made progress in periodically measuring the fiscal cost of these tax reductions and in improving the quantity and quality of the information published. Currently, an official quantification of these tax incentives and benefits is published periodically in 16 Latin American countries: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Box VII.1 (concluded)

However, there is scant information on their effectiveness in achieving the objectives for which they were created, or on the other costs they generate. In general, however, there are opportunities to improve the governance of tax expenditures; for example, in the design, definition, implementation, management, monitoring and evaluation processes.

Mexico's experience in estimating tax expenditure

An example of progress in the estimation of tax expenditure in the region is the document *Renuncias recaudatorias*,[a] which is published annually by the Mexican Ministry of Finance and Public Credit. This presents an estimate of the revenue loss generated by the differential tax treatments provided for in the laws and decrees that currently govern the tax structure. The document defines tax expenditure as tax treatments that deviate from the "normal" tax structure, giving rise to an exceptional regime that implies a lower or even a zero tax assessment. Tax expenditure is quantified using the revenue loss method, which consists of estimating the amount of resources forgone by the treasury through the application of a differential tax treatment.

The revenue forgone estimated in the aforementioned report covers income tax (both corporate and personal), value added tax, excise duties and fiscal stimulus measures, under both federal tax laws and presidential decrees. For these taxes, the incentives and benefits are identified by type of tax expenditure, which makes it possible to group those that operate in a similar way.

A major innovation in the estimation of revenue loss is the fact that, since 2019, the information used for this purpose has been obtained directly from tax returns, along with tax rulings submitted by taxpayers, and internet digital tax invoices (CFDI) for payroll and other sources provided by the Tax Administration Service (SAT). This provides accurate and detailed information on tax expenditures to improve decision making in this area.

As shown in the following table, which refers to corporate and personal income tax incentives and benefits, the report provides an in-depth estimation of tax expenditures for each branch of taxation, with breakdowns by type of differential treatment —including deductions, exemptions, special or sectoral regimes (including reduced rates), deferrals and administrative facilities (including employment subsidies) —and specific treatments— by economic sector, income level, income decile or gender, among others.

Estimated income tax revenue forgone
(Millions of pesos and percentages of GDP)

Type of treatment	Millions of pesos		Percentages of GDP	
	2021	2022	2021	2022
Business				
Deductions	29 943	32 040	0.1184	0.1184
Exemptions	10 535	11 274	0.0418	0.0418
Special or sectoral regimes	11 043	11 815	0.0437	0.0437
Deferrals	25 893	27 706	0.1025	0.1025
Administrative facilities	3 085	3 297	0.0122	0.0122
Employment subsidies	39 921	42 716	0.16	0.16
Individuals				
Deductions	28 375	30 360	0.1123	0.1123
Exemptions	237 216	265 572	0.9391	0.9826
Special or sectoral regimes	25 365	25 698	0.1004	0.095
Deferrals	119	127	0.0005	0.0005

Source: Secretariat of Finance and Public Credit (SHCP), *Renuncias recaudatorias 2021* [online] https://www.gob.mx/shcp/documentos/renuncias-recaudatorias-2021.

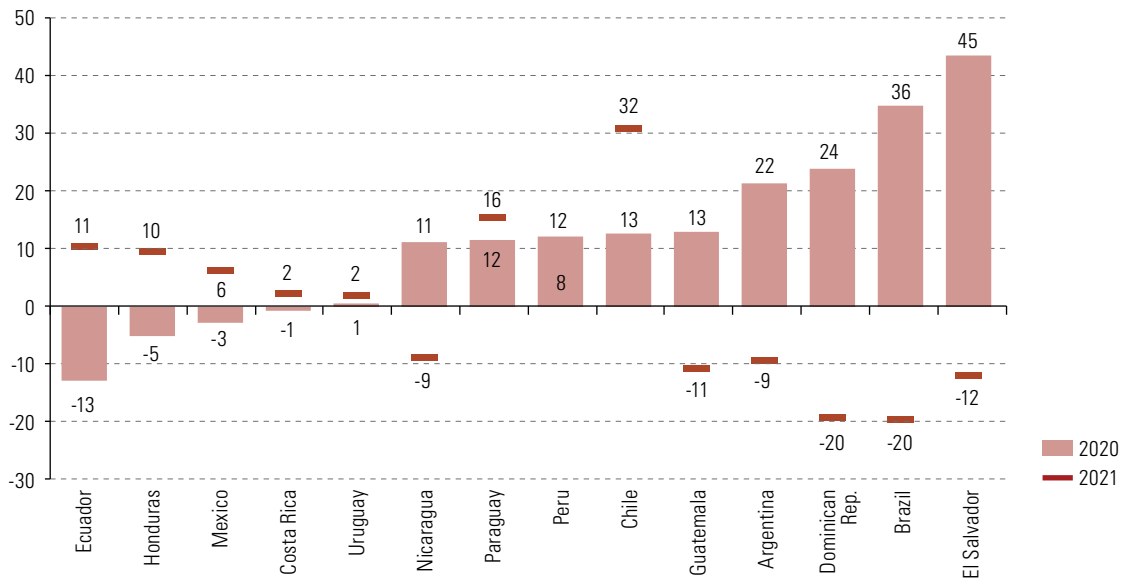
Source: Secretariat of Finance and Public Credit (SHCP), *Renuncias recaudatorias 2021* [online] https://www.gob.mx/shcp/documentos/renuncias-recaudatorias-2021; Economic Commission for Latin America and the Caribbean (ECLAC), *Fiscal Panorama of Latin America and the Caribbean, 2019* (LC/PUB.2019/8-P), Santiago; ECLAC/Oxfam Internacional, "Los incentivos fiscales a las empresas en América Latina y el Caribe", *Project Documents* (LC/TS.2019/50), Santiago, 2019; Inter-American Center for Tax Administrations (CIAT), *Handbook of Best Practices on Tax Expenditure Measurements: An Iberoamerican experience*, Panama City, 2011; *Diario Oficial de la Federación*, "Decreto por el que se expide la Ley de Ingresos de la Federación para el Ejercicio Fiscal de 2022", article 27.

[a] In compliance with the provisions of article 26 (a) of the "*Decreto por el que se expide la Ley de Ingresos de la Federación para el Ejercicio Fiscal de 2022*" [Decree enacting the Federal Revenue Act for the 2022 fiscal year], published in the Official Gazette.

Fiscal stimulus through government spending is being eased, although expenditure remains above pre-pandemic levels

As reported in *Economic Survey of Latin America and the Caribbean 2021*, countries used public expenditure as the main policy instrument to respond to the crisis generated by the COVID-19 pandemic in 2020. As a result, primary expenditure, which does not include interest payments, increased substantially in that year, growing by over 10% in several countries and by more than 20% in others (see figure VII.1). At the same time, this fiscal stimulus served to attenuate the slump in economic activity. Public expenditure thus played a countercyclical role, based mainly on discretionary spending, reflecting the limited impact of existing automatic stabilizers. This dynamic is expected to reverse in 2021, given the planned withdrawal of the emergency programmes deployed in 2020, with implications for economic growth and social welfare in the medium-term.

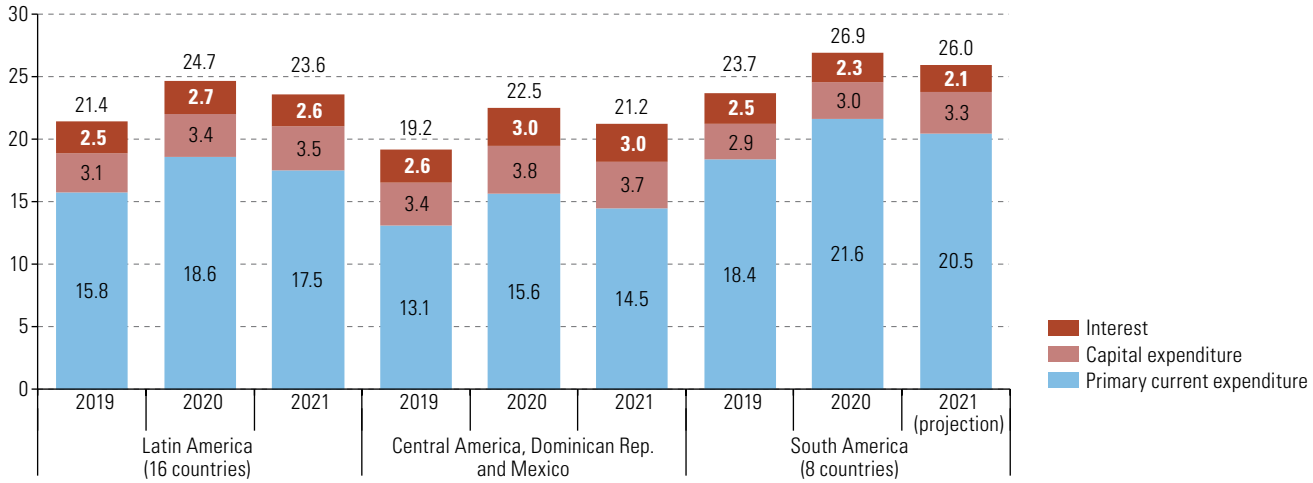
Figure VII.1
Latin America (14 countries): year-on-year variation in central government primary expenditure, January–September 2020 and 2021
(Percentages at constant prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Argentina, Mexico and Peru correspond to national public administration, the federal public sector and central government, respectively.

In this context, the slowdown, or even contraction, of primary expenditure in some Latin American countries is expected to result in a reduction in total expenditure as a percentage of GDP (see figure VII.2). In particular, primary current expenditure is projected to be lower, having been the fastest growing component in the previous year. Nonetheless, these general trends will not necessarily be replicated among the different subregions of Latin America. Total expenditure is projected to fall more steeply in the group of countries comprising Central America, the Dominican Republic and Mexico (-1.3 percentage points of GDP) than in those of South America (-0.9 percentage points). At the same time, current projections point to a degree of rebalancing in the composition of public expenditure, with an increase in capital expenditure and a reduction in interest payments in South America, while capital expenditures could contract by 0.1 percentage points of GDP in Central America, the Dominican Republic and Mexico.

Figure VII.2
Latin America (16 countries):[a] total central government spending, by component, 2019–2021
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2021 represent official estimates or budgets. The figures for the following countries correspond to the institutional coverage indicated in each case: Argentina, national public administration; Mexico, federal public sector; and Peru, general government.
[a]The countries included are: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Uruguay.

Considering the components of expenditure, primary current expenditure is expected to contract most sharply, both in Latin America as a whole and in its subregions. This dynamic responds mainly to the scheduled winding-down of certain measures adopted in 2020 to mitigate the impact of the crisis caused by the COVID-19 pandemic. These include cash transfer programmes for families and businesses, the implementation of which greatly increased spending on current subsidies and transfers. In some countries, there are also significant transfers from the central government to other public sector entities to strengthen health services and subsidize the consumption of public utilities, such as electricity and water. However, as shown in figure VII.3, in 2021 most countries report contractions, with reductions of more than 20% in some cases. Nonetheless, current subsidies and transfers are still above their 2019 levels, particularly in Chile, the Dominican Republic, El Salvador, Nicaragua and Peru.

Figure VII.3
Latin America (14 countries): growth of expenditure on current subsidies and transfers, January–September 2020 and 2021

A. Real year-on-year variation, January–September 2020 and 2021
(percentages)

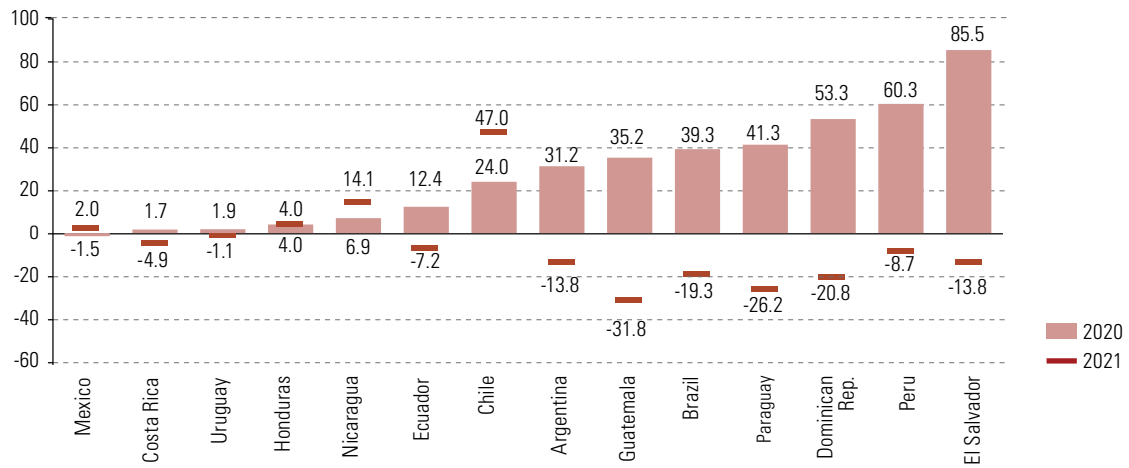
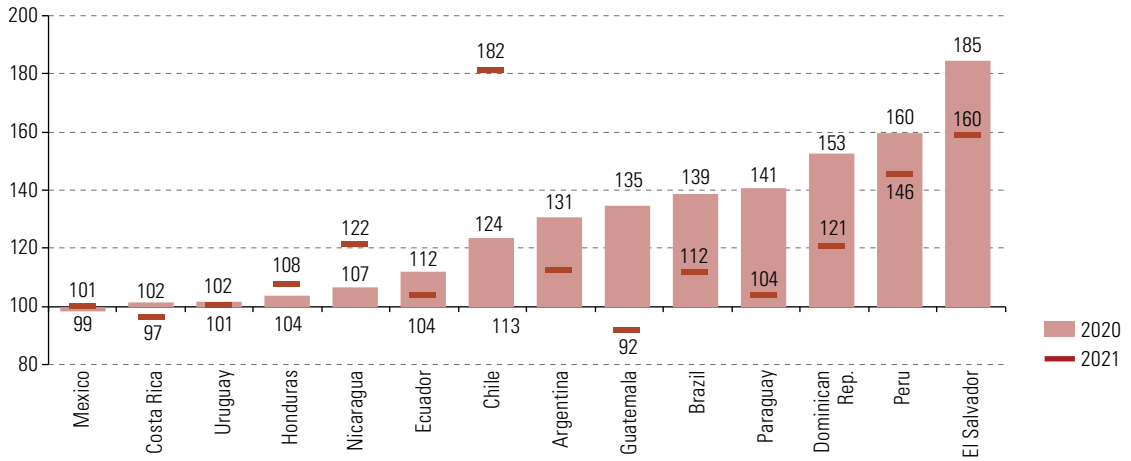


Figure VII.3 (concluded)

B. Level
(index January–September 2019 = 100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Argentina, Mexico and Peru correspond to national public administration, the federal public sector and central government, respectively.

In addition to the observed dynamic, the results for the first nine months of 2021 reveal significant differences between countries in the composition of current subsidies and transfers, in terms of both year-on-year variation and levels. Although the reduction in these expenditures corresponds mainly to the scheduled withdrawal of programmes deployed to mitigate the impact of the pandemic in 2020, some countries have adopted new measures or expanded the coverage of existing programmes. In Chile, the implementation of the Universal Family Emergency Income (IFE) 2.0 included the payment of economic assistance between June and November 2021 to the households most affected by the crisis (DIPRES, 2021). Along the same lines, despite a reduction in overall current subsidies and transfers, Peru approved a voucher for families living in regions with a high risk of contagion from COVID-19 and the *Yanapay Perú* voucher, targeted at persons living in poverty. Peru also expanded the coverage of existing programmes such as *Juntos, Contigo* and *Cuna Más* (MEF, 2021a). In the Dominican Republic, while several programmes associated with the pandemic expired, a new programme, *Supérate*, was introduced to consolidate a number of existing ones. However, the reduction in current subsidies and transfers in the Dominican Republic was offset by higher transfers to the Dominican Corporation of State Electrical Companies (owing to the rise in oil prices) (*Diario Libre, 2021*), and to the Central Directorate of the National Health Service to cover the payment of salaries to medical and administrative staff in the health system (DIGEPRES, 2021). In Nicaragua, central government transfers to the Road Maintenance Fund (FOMAV) were increased (Nicaraguan Ministry of Finance and Public Credit, 2021).

Capital expenditures in Latin America are set to increase, for several reasons. These include the implementation of employment-intensive economic reactivation programmes and the lifting of the mobility restrictions that had caused public works to be suspended in 2020. This has also been a feature of the new fiscal measures to boost economic recovery in the advanced economies (see Box VII.2). Data on expenditure execution for the first nine months of the year show strong year-on-year growth in several countries (see figure VII.4). As a result, capital outlays are approaching the levels recorded in 2019 and, in some cases, surpassing them in absolute terms. In contrast, there have been contractions in some countries which, in general, reflect a high base of comparison relative to 2020. An example is the Dominican Republic, where significant investments were made in the previous year. These included outlays for the purchase and delivery of computers to students (in the framework of the Digital Education programme), as well as capital transfers to the National Housing Institute to finance the *Dominicana Se Reconstruye* plan (DIGEPRES, 2020). It is important to note that the trends observed

in Latin America during the first nine months of the year are not necessarily indicative of the final year-end outturn. This is because the countries, on average, execute one third of their capital expenditures in the last quarter of the year.[1]

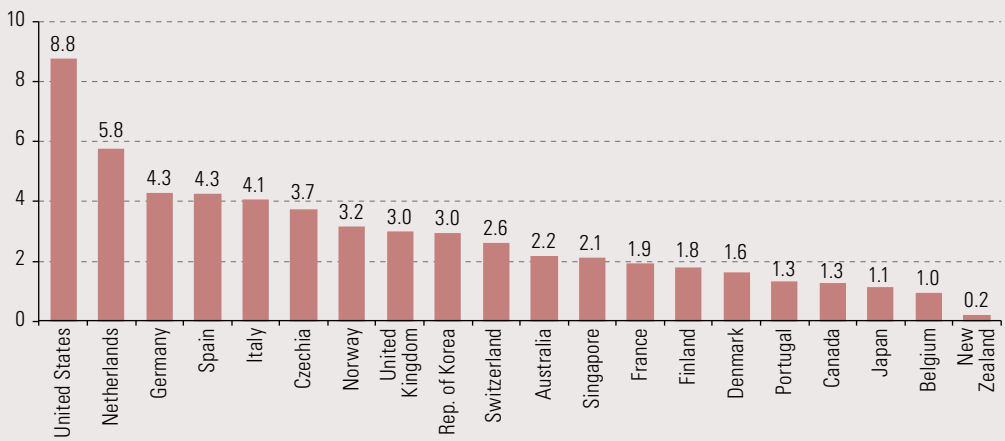
Box VII.2
Fiscal responses in advanced economies to expedite a sustainable recovery from the COVID-19 pandemic

Since the onset of the coronavirus pandemic (COVID-19) in early 2020, advanced economies have mobilized resources on an unprecedented scale to strengthen health systems, alleviate the loss of income among the most vulnerable households, and protect the production structure and jobs. According to estimations made by the International Monetary Fund (IMF), the set of measures announced by this group of countries amounted to nearly US$ 14.9 trillion by the end of September 2021 (IMF, 2021a). This includes about US$ 9.5 trillion in additional spending and tax relief, while the remaining US$ 5.4 trillion represents below-the-line liquidity instruments (including government guarantees for credit and quasi-fiscal operations). Emerging economies, meanwhile, mobilized about US$ 2 trillion in above-the-line discretionary measures and close to US$ 750 billion through below-the-line liquidity instruments.

These measures were largely implemented in 2020 through emergency plans aimed at strengthening health sector systems, protecting jobs and preventing mass bankruptcies, while also providing economic relief through current transfers to those hardest hit by the economic crisis caused by the pandemic. The scale of the funds involved had a major impact on fiscal balances and forced up the public debt. However, and in conjunction with the vaccination roll-out, the fiscal responses facilitated a significant economic recovery from the second half of 2020 in most of the advanced economies, which should enable them to regain pre-pandemic levels of economic activity by the end of 2021, according to recent estimations (IMF, 2021b).

In 2021, fiscal policy in advanced economies was geared toward a dual objective: first, to maintain support for the most vulnerable firms and individuals in the continuing pandemic; and second, to lay the groundwork for strengthening economies through green transition, digital transformation and other longer-term investments. As of end-September 2021, the new fiscal measures announced by the advanced economies totalled about US$ 2.5 trillion, mainly consisting of additional spending and tax relief measures. In the emerging economies, such measures amounted to US$ 330 billion between January and September 2021. As shown in the figure below, the United States announced recovery plans equivalent to about 9% of GDP in 2021; the Netherlands announced a package worth 6% of GDP; and Germany, Spain, Italy and the Czechia all had measures totalling approximately 4% of GDP.

Selected advanced economies (20 countries): discretionary expenditure and revenue measures announced or implemented to cope with the COVID-19 crisis, January–September 2021[a]
(Percentages of GDP in 2020)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (FMI), "Fiscal Monitor Update", Washington D.C., January 2021 [online] https://www.imf.org/en/Publications/FM/Issues/2021/01/20/fiscal-monitor-update-january-2021 and *Fiscal Monitor: Strengthening the Credibility of Public Finances*, October 2021 [online] https://www.imf.org/en/Publications/FM/Issues/2021/10/13/fiscal-monitor-october-2021.

[a] Includes measures announced or being implemented between January and September 2021.

[1] Simple average for 2015–2019 for the following countries: Argentina (national public administration), Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras and Mexico (federal public sector), Nicaragua, Paraguay, Peru (central government) and Uruguay.

Box VII.2 (concluded)

The need to "build back better" has been integrated into some of the strategic guidelines of the fiscal efforts announced by the advanced economies in 2021. This commitment is materialized through medium- and long-term plans that include a large component of investment in fixed and intangible assets. These include ambitious projects to modernize transportation, housing and energy infrastructures; advance the digital transformation in production processes; and improve energy efficiency to reduce the impact on climate change. These projects are expected to have a positive impact on economic activity and create new jobs. There are also numerous initiatives to mitigate the social impacts of the crisis resulting from the COVID-19 pandemic by strengthening social protection systems.

In 2020, the European Union approved an unprecedented budget of € 2 trillion for 2021–2027, targeted to post-pandemic reconstruction. This budget promotes modernization of the production and energy matrices to make them greener, more digital and more resilient. The funds in question will be channelled through the multi-year budget 2021–2027 (€ 1.2 trillion) and a new instrument called "NextGenerationEU" (€ 806.9 billion), which is conceived as a temporary mechanism for channelling resources to member countries through grants and loans. It is worth noting the firm commitment to target these resources to sectors with the greatest potential for achieving a sustainable, digital and resilient transformation. Thus, more than 50% of the approved resources must be used to finance research and development activities under the Horizon Europe programme, and to achieve a just climate and digital transition for all, through the Just Transition Fund and the Digital Europe Programme. This item also includes funding for the Recovery and Resilience Mechanism (rescUE) and the new health programme, EUproHealth. In addition, 30% of the budget was committed to financing climate transition; and, in 2026 and 2027, at least 10% of the budget will be allocated to reversing biodiversity loss.[a]

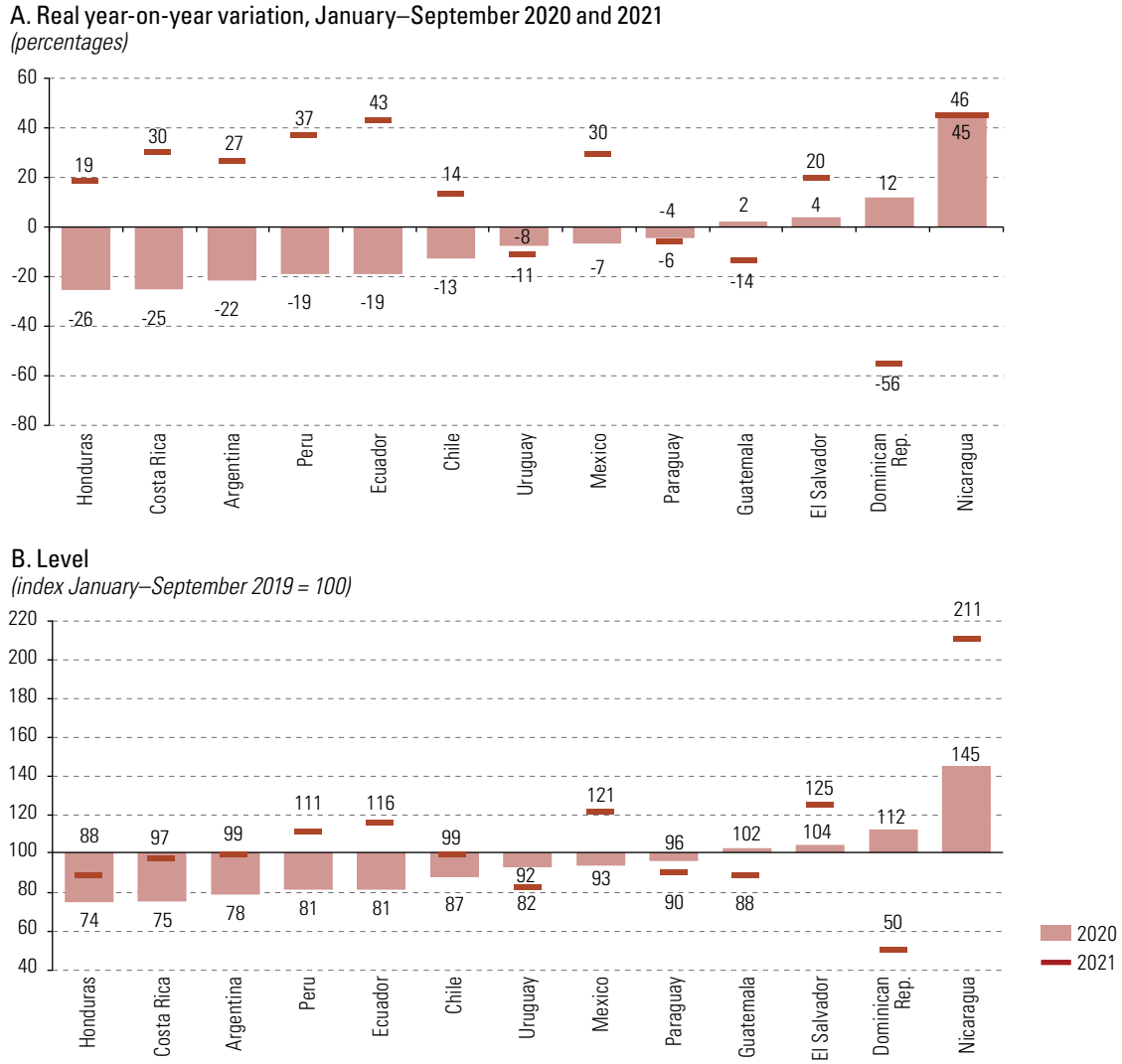
Other important initiatives have been announced by the United States government, which could inject close to US$ 2.3 trillion over the next 10 years through additional spending. The first package of the agreement to fund infrastructure works (under the bipartisan Infrastructure Investment and Jobs Act) gives a major boost to infrastructure investments by adding US$ 572 billion (about 2.6% of 2021 GDP) to the regular budget. This package, which was approved by Congress in early November 2021, aims to modernize more than 280,000 kilometres of highways and thousands of bridges across the United States, with the goal of closing gaps between communities and reshaping the country's rail network. It also seeks to expand access to drinking water, ensure that all Americans have access to high-speed Internet, and facilitate electromobility through new infrastructures and public transportation modalities, among other initiatives. In addition, the Biden Administration submitted a bill to Congress that forms the basis for the Build Back Better Framework, the main objectives of which are to strengthen the country's social protection system in health and education, and to address the climate crisis through changes in the energy matrix. With a total of US$ 1.7 trillion (about 7.8% of GDP) to be executed over the next ten years, this initiative is accompanied by an ambitious tax reform which, according to official estimates, would make it possible to fund the entire project, thus mitigating impacts on the fiscal balance.[b] With all the above, the two exceptional packages are expected to create 1.5 million new jobs per year and sustain solid economic growth in the long term (Moody's Analytics, 2021).

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Internacional Monetary Fund (IMF), *Fiscal Monitor: Strengthening the Credibility of Public Finances*, October 2021a [online] https://www.imf.org/en/Publications/FM/Issues/2021/10/13/fiscal-monitor-october-2021; *World Economic Outlook: October 2021*, 2021b [online] https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021; Moody's Analytics, *Macroeconomic Consequences of the Infrastructure Investment and Jobs Act & Build Back Better Framework*, 4 November 2021 [online] https://www.moodysanalytics.com/-/media/article/2021/macroeconomic-consequences-of-the-infrastructure-investment-and-jobs-act-and-build-back-better-framework.pdf.

[a] European Commission, "Recovery Plan for Europe" [online] https://ec.europa.eu/info/strategy/recovery-plan-europe_en.

[b] United States Department of the Treasury, "Preliminary Estimates Show Build Back Better Legislation Will Reduce Deficits" [online] https://home.treasury.gov/news/featured-stories/preliminary-estimates-show-build-back-better-legislation-will-reduce-deficits.

Figure VII.4
Latin America (13 countries): capital expenditure dynamics, January-September 2020 and 2021

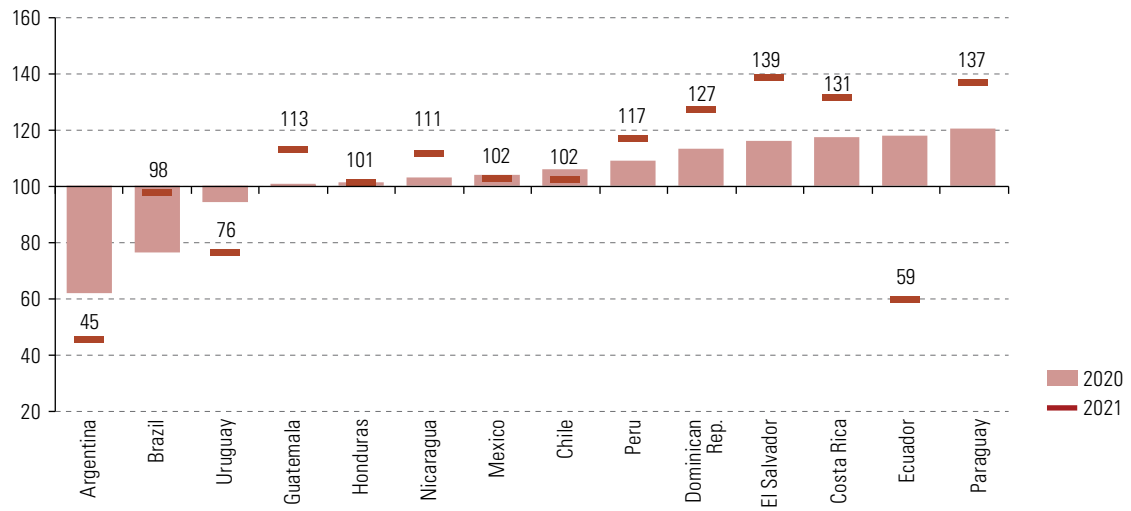


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Argentina, Mexico and Peru correspond to national public administration, the federal public sector and central government, respectively.

Among individual countries the patterns are heterogeneous, reflecting differences in the relative importance of direct fixed capital investment, capital transfers and financial investment. For example, in Nicaragua, public investment in transportation projects has been particularly vigorous (Nicaraguan Ministry of Finance and Public Credit, 2021). A similar pattern is seen in Peru, reflecting the roll-out of a variety of infrastructure projects, with transportation, education, sanitation, housing and agriculture and livestock the most prominent (MEF, 2021b). In Argentina, there have been higher expenditures in physical investment (especially in transportation works), but also a significant increase in capital transfers to housing funds and to provinces and municipalities for public works (Ministry of Economy of Argentina, 2021). The situation is similar in Ecuador, where significant capital transfers have been made to bolster financial funds associated with investment projects and social programmes (Ministry of Economy and Finance of Ecuador, 2021). In Mexico, the upturn in capital expenditure corresponds mainly to financial investment, reflecting capital injections to strengthen the financial position of PEMEX, as physical investment was almost unchanged from one year to the next (SHCP, 2021).

Interest payments in Latin America are rising in line with public debt levels, a trend that preceded the crisis but was accelerated by the measures deployed in 2020. As can be seen in figure VII.5, these outlays over the year to September reached levels well above those of 2019 in several countries. For example, in Costa Rica cumulative interest payments in the year to September reached their highest level in the last 15 years (Ministry of Finance of Costa Rica, 2021). In Brazil, interest payments have begun to increase, in line with the rise in the monetary policy rate, reflecting the heavy weight of short-term borrowing in the total debt stock. In Argentina and Ecuador, in contrast, interest payments were lower than in 2019. The agreements reached in 2020 in the framework of external debt restructuring processes have played a key role in both cases (Ministry of Economy of Argentina, 2021; Ministry of Economy and Finance of Ecuador, 2021).

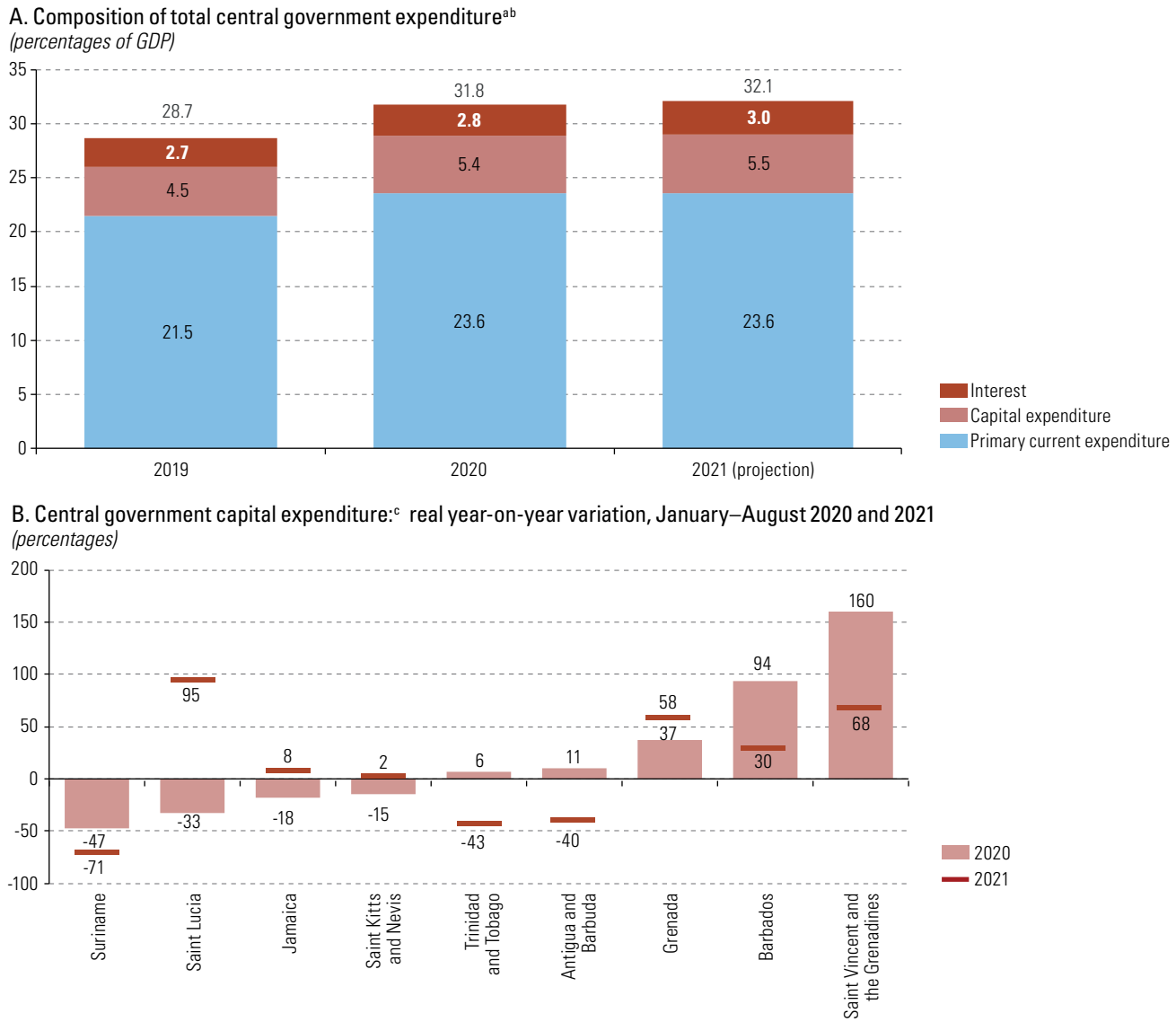
Figure VII.5
Latin America (14 countries): interest payments, January–September 2019, 2020 and 2021
(Index: January–September 2019 at constant prices = 100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Argentina, Mexico and Peru correspond to national public administration, the federal public sector and central government, respectively.

In the Caribbean, total central government expenditure is projected to rise slightly in 2021, although remaining well above its 2020 level (see figure VII.6). The countries of the subregion continue to battle with the effects of the pandemic, hampered by significant additional costs arising from natural disasters in 2021. For example, in Barbados, programme-based expenditures related to the COVID-19 pandemic are projected to represent 1.0% of GDP in 2021 (on top of the 2.5% of GDP spent in 2020), while expenditures related to extreme weather and geological events (Hurricane Elsa and the eruption of the La Soufrière volcano) are expected to represent 0.8% of GDP (Central Bank of Barbados, 2021). It should be noted that the demands on public accounts related to natural disasters are reflected in the dynamic of capital expenditures, which are set to remain high in 2021. This is exemplified in Saint Vincent and the Grenadines with expenditures associated with reconstruction programmes following the eruption of the La Soufrière volcano, which started in December 2020 and was followed by an explosive eruption in the following April (Ministry of Finance, Economic Planning and Information Technology of Saint Vincent and the Grenadines, 2021). At the same time, the increase in gross public debt in 2020 has pushed up interest payments in several countries.

Figure VII.6
The Caribbean (12 countries): dynamic of total and central government capital spending, 2019–2021



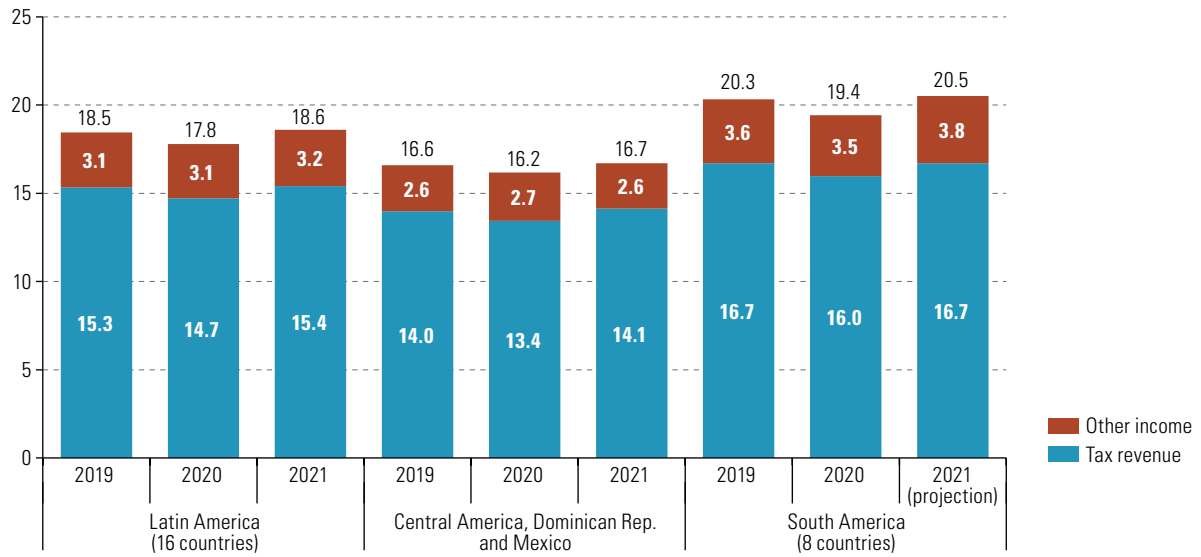
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The individual figures may not sum to the total owing to rounding.
[a] The 12 countries included in this panel are: Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, and Trinidad and Tobago.
[b] Simple averages. The figures for 2021 represent official estimates or budgets. The figures for the following countries have the institutional coverage indicated in each case: Barbados, nonfinancial public sector, and Saint Kitts and Nevis, federal government.
[c] The figures for the nine countries included in this panel correspond to the periods indicated, aligned with the fiscal years of each country: Antigua and Barbuda (January–April), Barbados (April–September), Grenada (January–June), Jamaica (April–August), Saint Kitts and Nevis (January–June), Saint Vincent and the Grenadines (January–June), Saint Lucia (January–June), Suriname (January–August), and Trinidad and Tobago (October–July).

Buoyant tax receipts have boosted the recovery of public revenue

The revival of economic activity and favourable commodities prices are expected to trigger a strong rebound in total central government revenue in Latin America —in particular, buoyant tax receipts, which could attain or exceed their 2019 levels. This trend is replicated both in the group of countries comprising Central America, the

Dominican Republic and Mexico, and in South America. Other revenues (composed of non-tax income, income from capital and grants) are expected to trend unevenly between the different subregions, with an increase in South America, reflecting higher royalties and dividends, offsetting a slight reduction in Central America, the Dominican Republic and Mexico.

Figure VII.7
Latin America (16 countries):[a] total central government income, by component, 2019–2021
(Percentages of GDP)

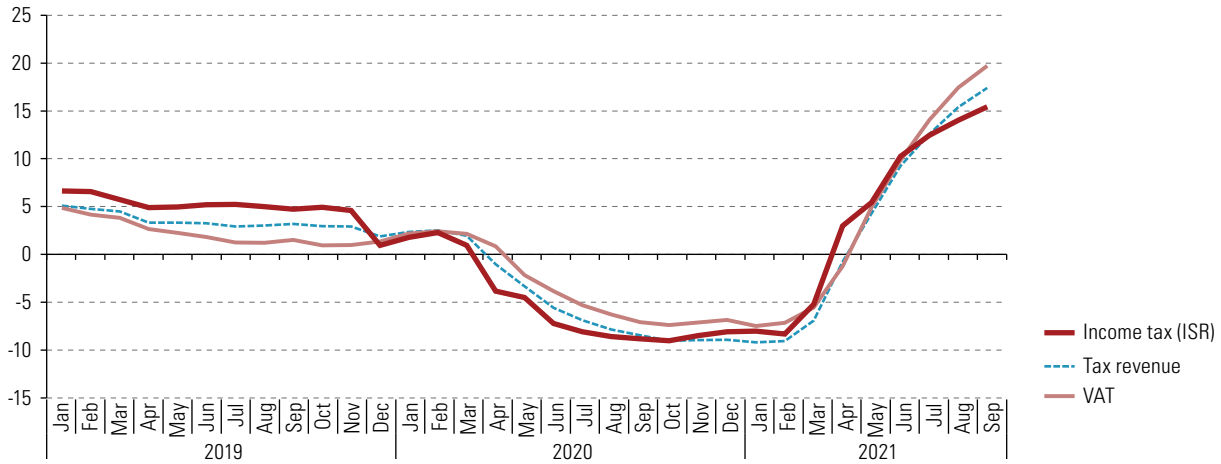


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2021 represent official estimates or budgets. The figures for the following countries correspond to the institutional coverage indicated in each case: Argentina, national public administration; Mexico, federal public sector; and Peru, general government.
[a] The countries included are: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

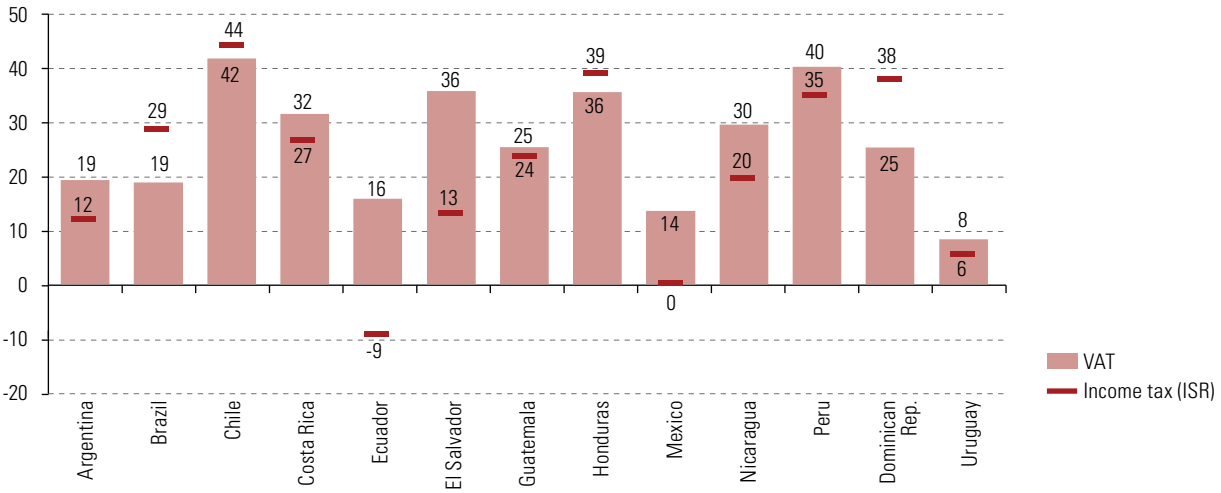
Tax collection gathered pace in the first nine months of the year, supported by the recovery of economic activity, higher commodity prices and the positive statistical effect caused by the low 2020 comparison base. The recovery of private consumption and imports boosted indirect tax revenue, with value added tax (VAT) receipts expanding rapidly (see figure VII.8). In some cases, this dynamic was reinforced by the public policy measures adopted in 2021 to underpin household liquidity. In Chile, for example, household liquidity was bolstered by the application of subsidies such as the Universal Emergency Family Income (IFE), and withdrawals from pension funds (DIPRES, 2021). The uptick in the international price of crude oil and increased fuel consumption also boosted VAT receipts (through both price and quantity effects) and revenues from specific fuel duties (quantity effect). Income tax revenue also grew strongly in most countries, partly as a result of higher advance payments for fiscal year 2021. In addition, in the case of the Dominican Republic, the reintroduction of the tax regularization programme had an impact on income tax receipts, generating the equivalent of 0.1% of GDP between July and September (DIGEPRES, 2021). In turn, the contraction in income tax collection in Ecuador is due to the high base of comparison with the previous year, resulting from the advance collection of income tax for fiscal year 2020, pursuant to Executive Decree No. 1109 (SRI, 2021).

Figure VII.8
Latin America (14 countries):[a] tax revenue dynamic, by selected taxes, January 2020–September 2021

A. Simple average real variation: 12 month rolling average
(percentages)



B. Real year-on-year variation, January 2020–September 2021
(percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: VAT: value added tax; ISR: income tax. Tax revenue excludes social contributions. The figures shown for Argentina, Mexico and Peru correspond to national public administration, the federal public sector and central government, respectively. In the case of Brazil, the value added tax figures represent revenue from the goods and services sales tax (ICMS), which is levied at the state level.
[a] Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay (included in average tax revenue only), Peru and Uruguay.

Another key factor driving the growth of tax revenue in the first nine months of the year is the expiry of the relief extended to taxpayers during 2020 as part of the fiscal packages deployed to respond to the pandemic. In Brazil, for example, it is estimated that the revenue intake of the Federal Internal Revenue Secretariat would have increased by 20.5% in real terms in the first three quarters of 2021, relative to the year-earlier period, instead of the 28.6% actually recorded (National Treasury of Brazil, 2021). In this regard, revenue obtained from the financial transactions tax (IOF), which was zero-rated between April and September 2021 to alleviate the costs associated with emergency credit lines, rebounded strongly. At the same time, receipts from the Contribution for the Financing of Social Security (COFINS) in the year to September

also posted significant growth. This reflects the extension of the deadline to pay the tax from May–June 2020 to October–November 2020. A similar situation is seen in Chile, where non-mining tax revenues are estimated to have grown by 11.8% in real terms, compared to the year-earlier period, instead of the 30.7% observed, owing to the deployment of exceptional tax measures in 2020 (DIPRES, 2021).

Public-sector revenue in commodity-producing countries benefited from a favourable international environment. Mining revenues grew strongly in the first nine months of 2021, relative to the same period of the previous year, and are now well above their 2019 levels (see table VII.1). In Chile, the historically high price of copper boosted revenues from the corporate income tax and the specific mining duty paid by large private mining companies, reflecting the increased operating profits obtained by the sector. In this context, the State-owned copper producer, Codelco, paid dividends to the Treasury equivalent to 0.4% of GDP in the first nine months of the year (DIPRES, 2021). A similar dynamic can be discerned in Peru, where higher operating profits and exports from the mining sector led to a substantial increase in corporate income tax and special mining duty revenues, and also in royalty payments (MEF, 2021b). At the same time, higher mining receipts in Peru were also attributable to exceptional revenues from the settlement of outstanding tax debts of two mining companies, Compañía Minera Buenaventura and Cerro Verde, for a total amount equivalent to 0.4% of GDP (SUNAT, 2021a and 2021b).

Table VII.1
Latin America (4 countries): tax revenues from non-renewable natural resources, real year-on-year variation and level, January–September 2019, 2020 and 2021
(Percentages and index: January–September 2019 at constant prices = 100)

	Country	Year-on-year variation		Level (index)		
		2020 vs. 2019	2021 vs. 2020	2019	2020	2021
Mining	Chile	-26.5	179.9	100	73	206
	Peru	-30.9	304.6	100	69	280
Hydrocarbons	Ecuador	-42.4	89.8	100	58	109
	Mexico	-52.0	24.9	100	48	60

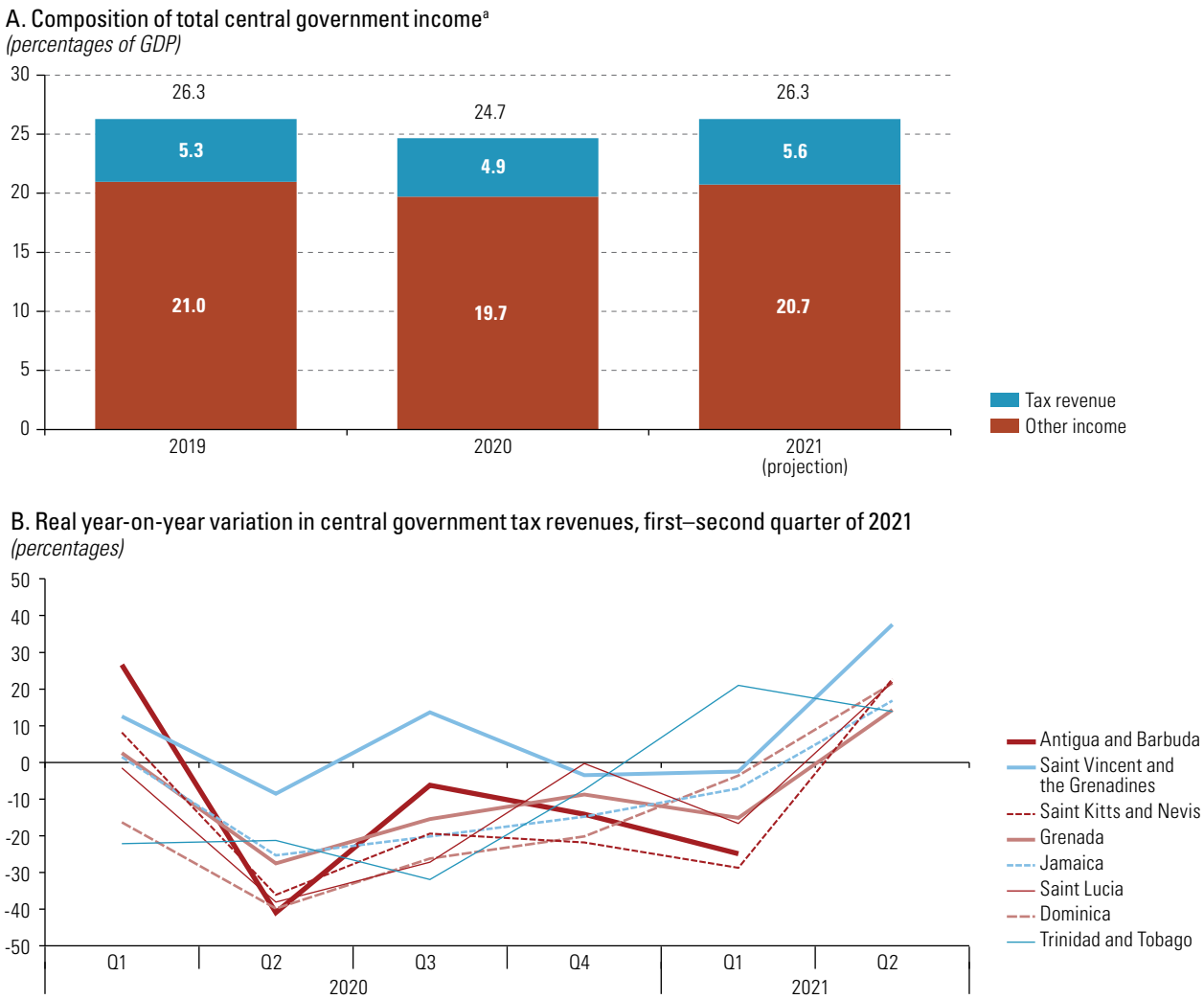
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Chile, Ecuador and Peru correspond to central government; and those for Mexico refer to the federal government.

Oil revenues also increased, but to a lesser extent. In Ecuador, the growth in oil revenues is due to higher oil prices and an increase in production and exports (Ministry of Economy and Finance of Ecuador, 2021). In Mexico, federal government oil revenues were less buoyant, owing partly to the deferrals granted to Pemex for the payment of the shared profit duty and payment of the monthly hydrocarbon extraction fee for July (FMP, 2021).

In the Caribbean, government revenues are also projected to increase, driven by higher tax revenues (see figure VII.9). In line with this projection, tax receipts surged in the second quarter of the year, posting growth rates above 10% in most countries, and above 20% in some cases. However, the factors responsible for this dynamic were not necessarily the same from one country to another. One example is the recovery in indirect tax revenue (especially VAT) in several countries, particularly in the Bahamas, Barbados, and Trinidad and Tobago. In contrast, in Saint Vincent and the Grenadines, revenue from property tax is the main driver, thanks to higher land sales (Ministry of Finance, Economic Planning and Information Technology of Saint Vincent and the Grenadines, 2021). Increased revenues are also expected from other sources. In Jamaica, income from grants have increased, mainly in respect of inflows associated with the Global Risk Financing Facility Grant Agreement (an agreement between Jamaica and the International Bank for Reconstruction and Development) to finance the premium

on a catastrophe bond (Ministry of Finance and the Public Service of Jamaica, 2021). Meanwhile, in Suriname, dividend and royalty receipts, mainly denominated in dollars but expressed in national currency, were sharply higher in the first half of the year (Ministry of Finance and Planning of Suriname, 2021).

Figure VII.9
The Caribbean: composition of total central government income by component (12 countries), 2019–2021, and year-on-year variation in central government tax revenue at constant prices (8 countries), first–second quarter of 2021
(Percentages of GDP and percentages)



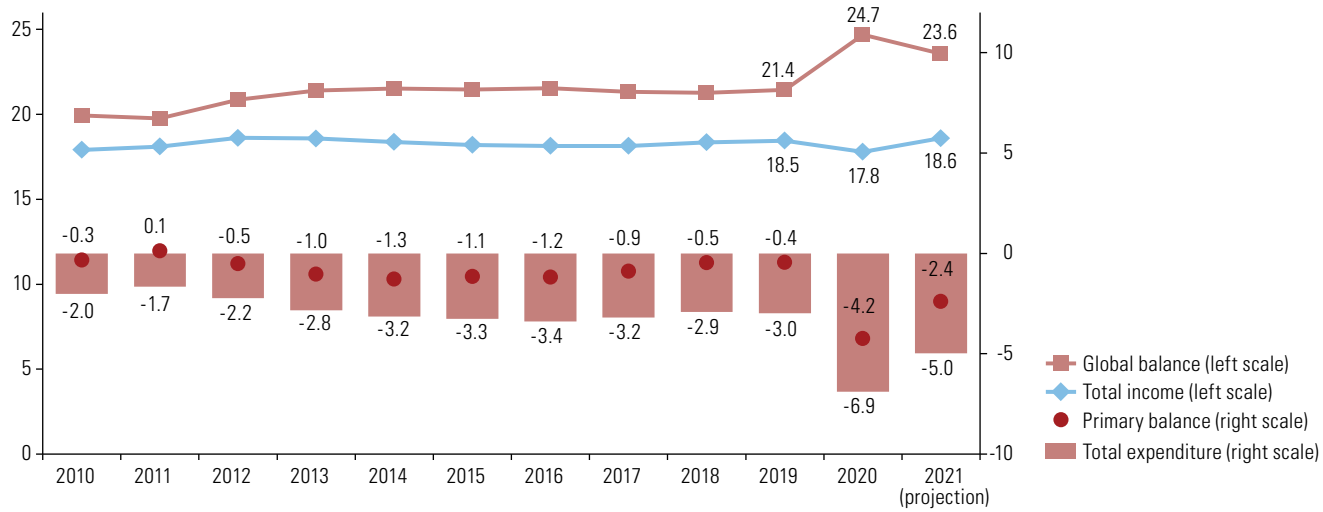
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2021 represent official estimates or budgets. The figures for the following countries correspond to the institutional coverage indicated in each case: Barbados, non-financial public sector, and Saint Kitts and Nevis, federal government.
[a] The 12 Caribbean countries included in this panel are: Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, and Trinidad and Tobago.

Fiscal outturns should improve in a scenario of lower expenditures and higher public-sector revenue

The expected reduction in public expenditure levels and the recovery of public-sector revenue will be reflected in fiscal balances in Latin America. The overall central government balance is projected to post a deficit of 5.0% of GDP in 2021, following a 6.9% shortfall in 2020 (see figure VII.10). Despite this improvement, the deficit remains large and is likely to exert significant pressure on gross financing needs. The primary balance is

forecast to come in at 2.4% of GDP in 2021, compared to the previous year's deficit of 4.2%. Despite this change, the size of the primary deficit is still likely to put greater pressure on public debt dynamics.

Figure VII.10
Latin America (16 countries):[a] central government fiscal indicators, 2010 and 2021
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2021 represent official estimates or budgets. The figures shown for Argentina, Mexico and Peru correspond to national public administration, federal public sector and general government, respectively.
[a] The countries included are: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

At the subregional level, similar reductions in fiscal deficits are expected in Latin America (see figure VII.11). However, the factors underlying these results can be nuanced. The reduction in the overall deficit in the group of countries comprising Central America, Mexico and the Dominican Republic is explained largely by the reduction in total expenditure (-1.3 percentage points of GDP) than by the increase in total income (+0.5 percentage points). In contrast, in South America, the effect of the stronger growth of total income (+1.1 percentage points of GDP) was offset by a smaller reduction in total expenditure (-0.9 points).

Figure VII.11
Latin America (16 countries): central government fiscal indicators, by subregion, 2015–2021
(Percentages of GDP)

A. Central America (6 countries):[a] Dominican Republic and Mexico

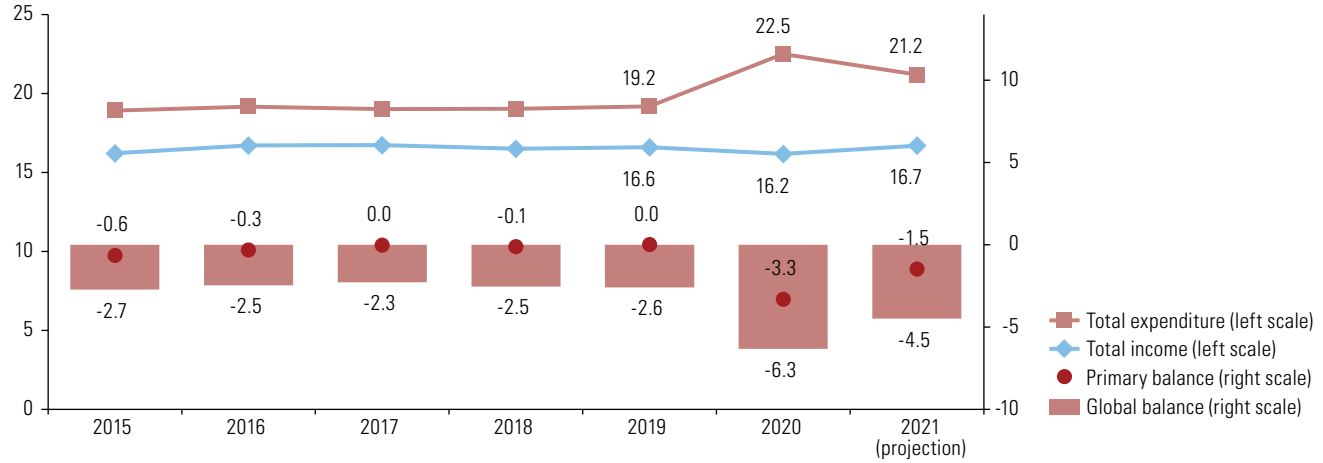
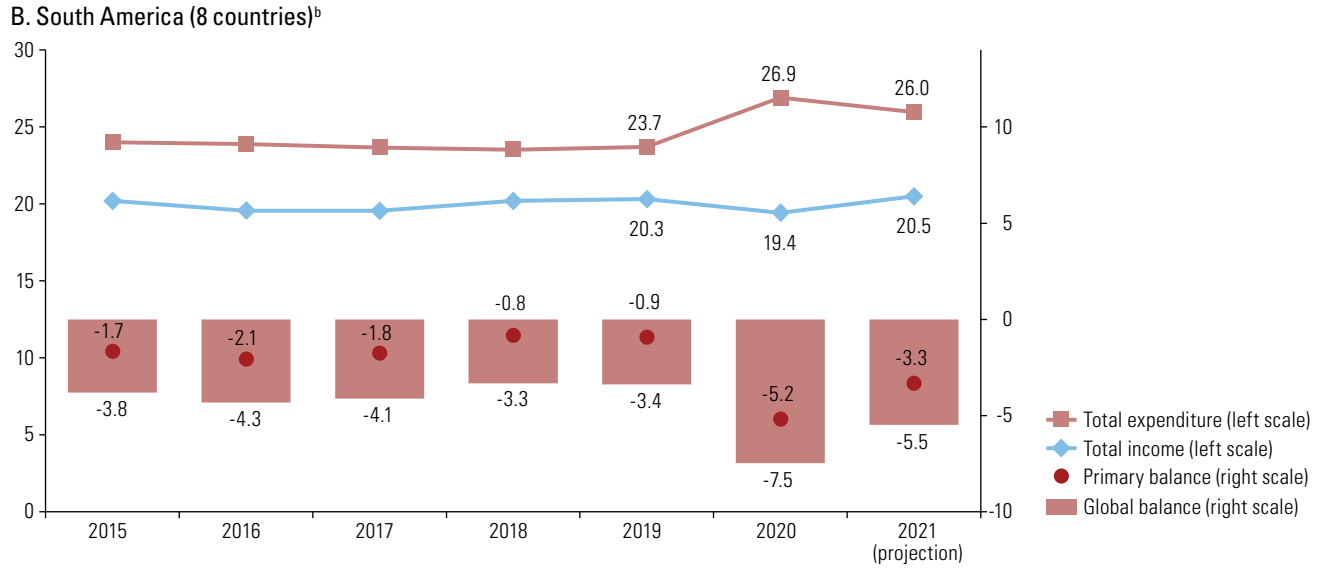


Figure VII.11 (concluded)

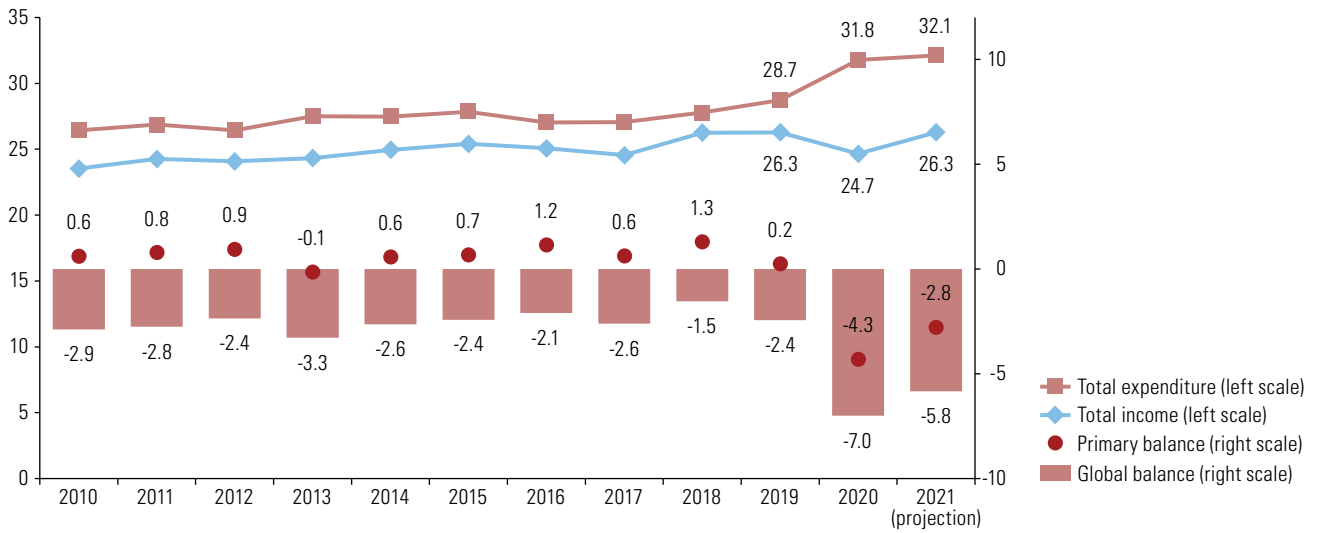


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2021 represent official estimates or budgets. The figures shown for Argentina, Mexico and Peru correspond to the national public administration, federal public sector and general government, respectively.
[a] The Central American countries included are: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
[b] The South American countries included are: Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.

In the Caribbean, the recovery of total revenue should reduce the fiscal deficits in 2021 (see figure VII.12), albeit by less than the deficit reduction expected in Latin America, given the dynamic of total spending. Total expenditures have risen in several Caribbean countries so far this year, owing to the costs generated by adverse weather and geological events. However, this context poses other challenges for the countries of the subregion, since the primary deficit will likely drive the already elevated public debt even higher.

Figure VII.12

The Caribbean (12 countries):[a] central government fiscal indicators, 2010–2021
(Percentages of GDP)



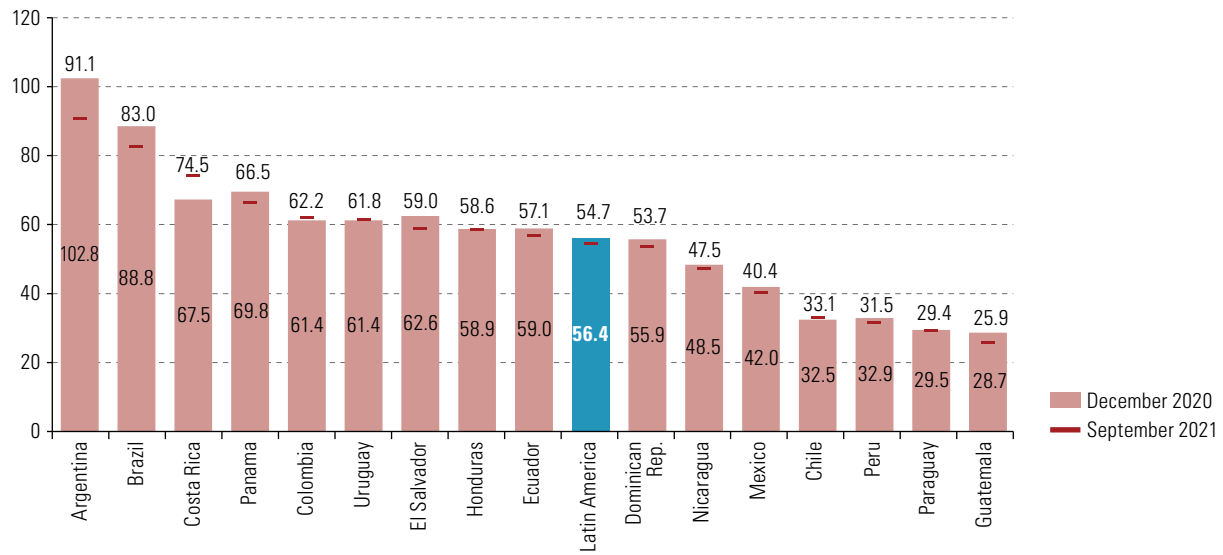
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2021 represent official estimates or budgets. The figures shown for Barbados and Saint Kitts and Nevis correspond to the non-financial public sector and the federal government, respectively.
[a] The Caribbean countries included are: Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, and Trinidad and Tobago.

Public debt remains at elevated levels

The continuing waves of the pandemic have heightened uncertainty surrounding the magnitude of the increase in public debt in the medium term. Fiscal accounts have remained under pressure throughout 2021. The exceptionally favourable conditions prevailing in international markets during the first few months of the year, with low interest rates and extended maturities, led investment-grade countries to increase their sovereign debt issuance in response to the rapid search for financing, and, in other cases, to refinance maturing debt. At year-end, this scenario has become more complex with a generalized increase in interest rates and weaker exchange rates, with potential effects on debt management in the medium term.

On the basis of preliminary official data, central government gross public debt in Latin America averaged 54.7% of GDP in September 2021, 1.7 percentage points lower than at the end of 2020 (see figure VII.13). The fall in the ratio of gross public debt to GDP is mainly explained by the effect of a higher denominator. At the subregional level, the public debt represented 56.1% and 53.3% of GDP in South America and Central America, respectively, in the third quarter of 2021. In individual countries, public debt rose to 91.1% of GDP in Argentina, 83% in Brazil, 74.5% in Costa Rica and 66.5% in Panama. Countries at the other extreme, with lower levels of public debt relative to GDP include Guatemala (26.5%), Paraguay (29.4%) and Peru with (31.5%).

Figure VII.13
Latin America (16 countries): central government gross public debt, December 2020 and September 2021
(Percentages of GDP)

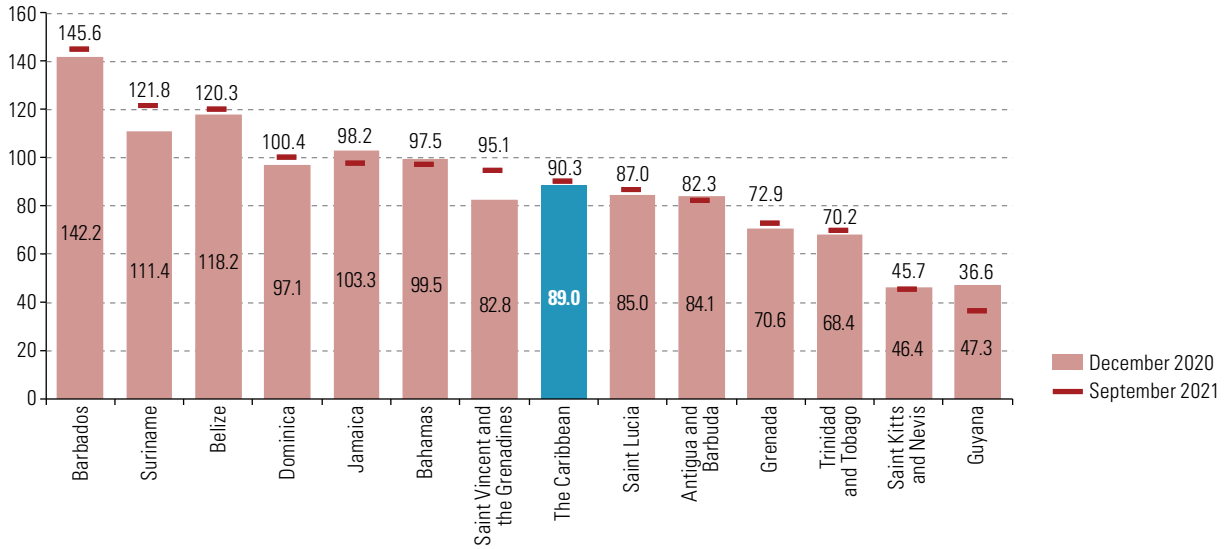


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Argentina, Chile, and Nicaragua are as of June 2021; those for Brazil correspond to general government.

In the case of the Caribbean, data on central government gross public debt are available up to September 2021 (see figure VII.14). Debt levels averaged 90.3% of GDP in the third quarter of the year, up slightly since the end of 2020. Of these countries, Barbados has the highest level of debt at 145.6% of GDP, followed by Suriname (121.8%), Belize (120.3%) and Dominica (100.4%). At the other extreme, Guyana's gross public sector debt represents 36.6% of GDP, which is 11 percentage points lower than at the end of 2020. In general, the Caribbean countries have financed the costs generated by

the COVID-19 crisis mainly by borrowing from multilateral organizations and through relief provided by the Debt Service Suspension Initiative (DSSI)[2] in the case of countries eligible for International Development Association (IDA) support.

Figure VII.14
The Caribbean (13 countries): central government gross public debt, December 2020 and September 2021
(Percentages of GDP)



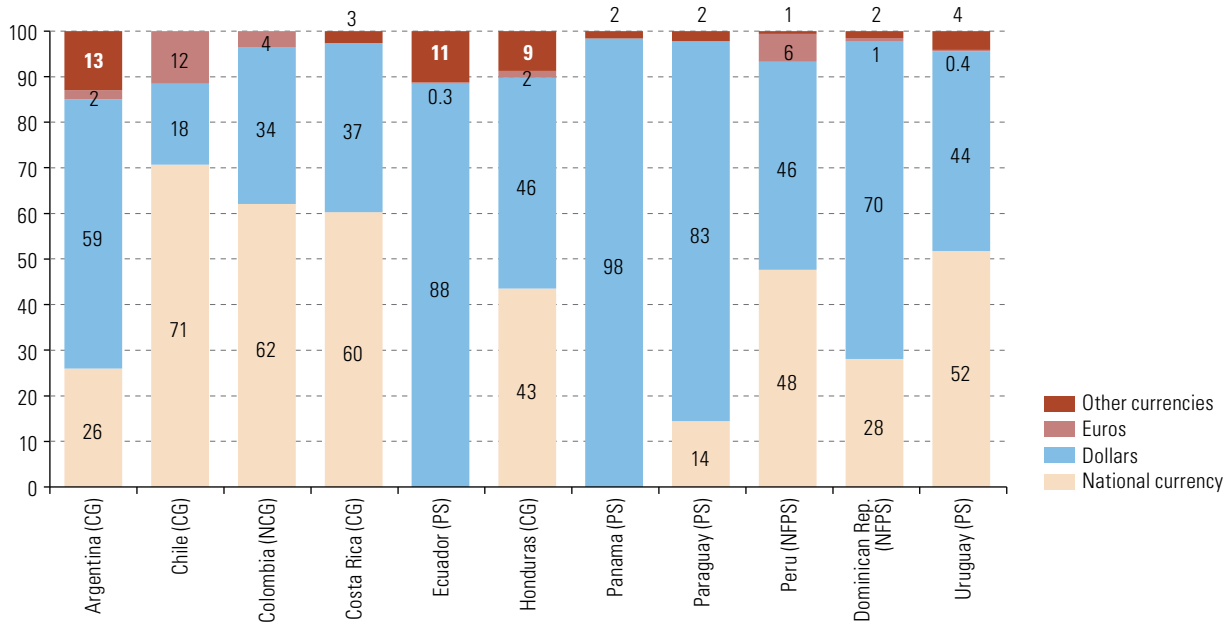
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures shown for Guyana are as of March 2021. For the Bahamas, Belize and Trinidad and Tobago, the figures are presented as of June 2021. In the case of Guyana, the figures correspond to the public sector.

The accumulation of public debt reflects both domestic and external factors, such as the primary fiscal deficit, the GDP growth rate, the implicit interest rate and the exchange rate. In an uncertain scenario, the interactions between these factors afford a more detailed view of the risks associated with the amount of financing required in 2021. In Latin American countries, the composition of public debt by type of currency and creditor residence plays an important role in the respective dynamics.

As shown in figure VII.15, a large proportion of the stock of foreign currency public debt in the region's countries is still denominated in dollars. In Argentina, Ecuador, Panama and Paraguay, almost 80% of the total debt is denominated in foreign currency (mostly dollars). Countries that hold debt mainly in national currency are Chile, Colombia and Costa Rica. These have low levels of external debt, and a dollar-denominated share of less than 40%. In the case of dollarized countries, such as Ecuador, El Salvador and Panama, their financing depends entirely on other economies. Exchange rate depreciations have affected most of the countries of the region, with a consequent generalized increase in the cost of foreign currency debt.

[2] The Debt Service Suspension Initiative (DSSI) is sponsored by the International Monetary Fund, the World Bank and the G20 member countries. Participating countries in the region include Dominica, Grenada, Saint Lucia and Saint Vincent and the Grenadines.

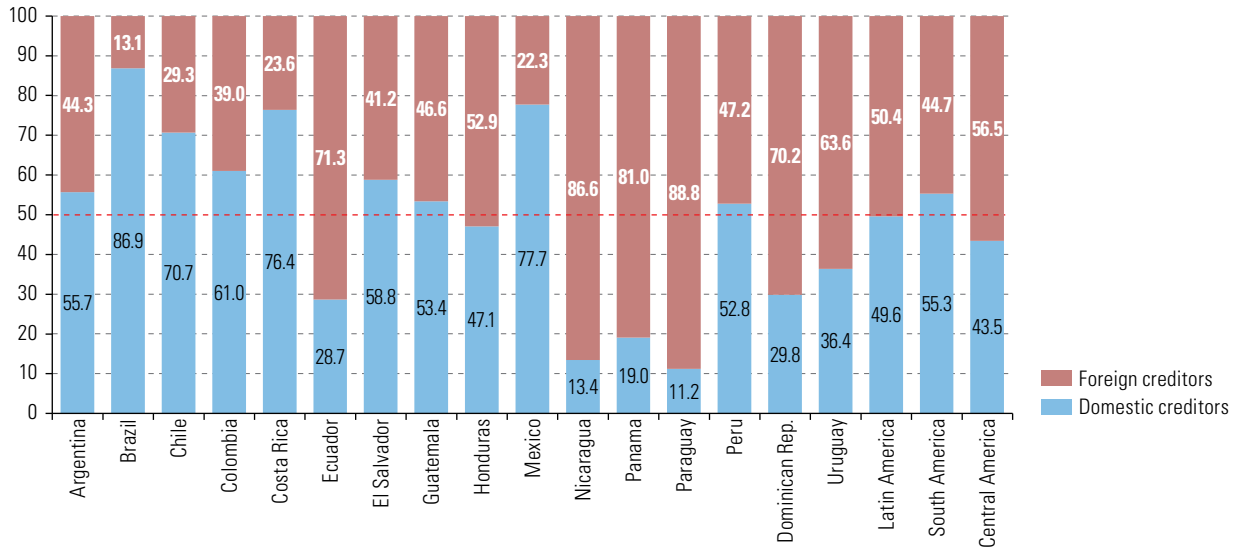
Figure VII.15
Latin America (11 countries): central government gross public debt by currency, September 2021
(Percentages of the total)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the cases of Argentina, Chile, Costa Rica and Honduras, public debt corresponds to central government; in the case of Colombia, to central national government; in Ecuador, Panama, Paraguay and Uruguay, to the public sector; and in Peru and the Dominican Republic, to the non-financial public sector. The figures shown for Argentina, Chile, Peru and Uruguay are as of June 2021. CG = central government, NCG = national central government, PS = public sector, NFPS = non-financial public sector.

Another relevant indicator is central government public debt classified by creditor residence. Although the region on average maintains a balance between the domestic and external markets, the situation in individual countries varies considerably. As figure VII.16 shows, among the 16 countries with information as of the third quarter of 2021, nearly 90% of the total debt in Nicaragua and Paraguay is held by external creditors. This level of obligation to external creditors exerts additional pressure on the fiscal accounts. Conversely, the countries with the highest levels of domestic financing, namely Brazil, Chile, Costa Rica and Mexico, in which more than 70% of total debt is domestic, are less exposed to external vulnerabilities; but they depend on other, no-less-important factors, such as interest rates and the economy's growth rate. In the case of Brazil, for example, the rise in the Special System for Settlement and Custody (SELIC) interest rate has added a cumulative 4 percentage points of GDP to the debt burden as of September 2021 (Central Bank of Brazil, 2021). At the same time, however, a substantial increase in the growth rate has mitigated this effect by contributing to a 9.7 percentage point reduction in the cumulative debt/GDP ratio.

Figure VII.16
Latin America (16 countries): central government gross public debt and subregional averages by creditor residence, September 2021
(Percentages of the total)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the case of Brazil, the figures correspond to general government. For Argentina, Chile, Nicaragua and Uruguay, the figures correspond to June 2021.

B. Monetary and exchange-rate policies

The economies of Latin America and the Caribbean are at a crossroads: in addition to the need to boost sustainable and inclusive growth, they face the challenge of containing the inflationary pressures and exchange-rate volatility that many economies in the region are experiencing

In the context of the COVID-19 crisis, the region's monetary authorities succeeded in significantly broadening the range of instruments at their disposal to promote expansionary policies. Conventional instruments, such as interest rate cuts, changes in reserve requirements and the strengthening of mechanisms to promote financial intermediation, were supplemented by less conventional instruments. These included the outright purchase by central banks of private and public securities held by financial institutions, the transfer of resources directly to the public sector, and standing as a co-guarantor of government-backed loans.[1] Macroprudential regulations were also adjusted to preserve the stability of the financial system and the smooth functioning of the payments system, and to reduce the impact of systemic risks on the performance of the region's economies. Thus, the treatment of debt rescheduling and provisions, regulatory requirements governing liquidity, capital and conservation and countercyclical *buffers*, and liquidity credit lines conditional on lending were all made more flexible. Similarly, interventions in the foreign exchange markets, changes in required reserve ratios on deposits and the adoption of measures to regulate capital flows were all increased. In general, these actions were supported by the establishment of currency swap arrangements with central banks outside the region, in addition to the expansion of credit facilities offered by international organizations.[2]

The efforts made by the monetary authorities to sustain aggregate demand in the region's economies were facilitated by historically low levels of inflation, and also by greater access to external financing on favourable terms in some Latin American and Caribbean economies. However, as noted in chapter V, since the middle of the second half of 2020 inflation has been gathering pace across the region; and the process has intensified in the first nine months of 2021. This has reduced the space available to the region's authorities, thereby creating a dilemma in monetary policy objectives: while there is still a need for policies that boost economic growth and job creation, inflationary pressures and exchange-rate volatility also need to be mitigated.

The challenge facing the region's monetary authorities at the current juncture is thus to contain the rise in inflation and exchange rate volatility without jeopardizing the economic growth prospects of the region's economies, beyond the outcome recorded in 2021. In this context, some of the region's monetary authorities have tended to reduce the intensity of policies that promote the growth of credit and aggregate demand, while keeping them broadly expansionary. In some cases this has entailed hikes in monetary policy interest rates, together with slower growth of the monetary aggregates. In 2021, however, monetary policy rates have generally remained negative in real terms, and the monetary aggregates have continued to expand faster than in the pre-pandemic period.

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1 Before adopting these measures, central banks purchased government securities from financial institutions under repo agreements.

2 For further details of the measures adopted by central banks in the context of the COVID-19 crisis, see *Economic Survey of Latin America and the Caribbean, 2021* (ECLAC, 2021b) and COVID-19 Observatory in Latin America and the Caribbean (ECLAC, 2021a).

After falling to the lowest levels of the last decade in 2020, some central banks in the region decided to raise their monetary policy rates in 2021

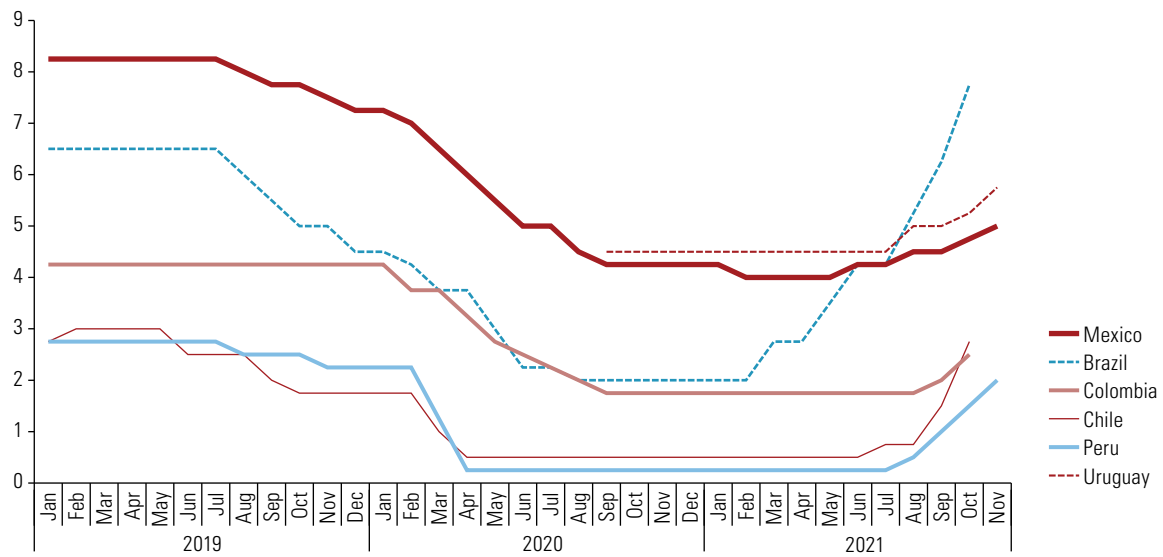
In 2020, the region's central banks adopted a range of monetary measures to shore up aggregate demand, support the smooth functioning of the payments system and provide assistance to different sectors of production and households. During the course of the year, 9 of the 12 central banks that use monetary policy rates as their main policy instrument decided to lower them.[3] The result was an average drop of 2.15 percentage points, with Jamaica being the only country in which the policy rate remained unchanged in 2020. As of December 2020, policy rates in all of these countries were at their lowest levels of the last decade; and they were below 1.0% in Chile, Costa Rica, Jamaica, Paraguay and Peru (see figure VII.17).

In 2021, as a result of the uptick in inflation and the depreciations experienced by most of the region's currencies, monetary policy rates have risen by an average of 2.0 percentage points in eight of the economies in which this is the main instrument, with Brazil, Chile and Paraguay all raising their rates by larger amounts. In terms of the frequency of adjustments, policy rates were adjusted six times in Brazil, five times in Mexico and four times in Peru. The four economies in which policy rates have not been adjusted thus far (Costa Rica, the Dominican Republic, Guatemala and Honduras) are those in which inflation has varied the least and where domestic currencies have stayed relatively stable.

Despite the rate hikes observed, however, policy rates are currently negative in real terms in all of the economies that use this instrument as their key monetary policy lever. This means the expansionary stance of monetary policy has been maintained thus far, although in some cases it has been eased somewhat.

Figure VII.17
Latin America and the Caribbean (12 countries): monetary policy rate in countries that use this variable as the main instrument, January 2016–November 2021
(Percentages)

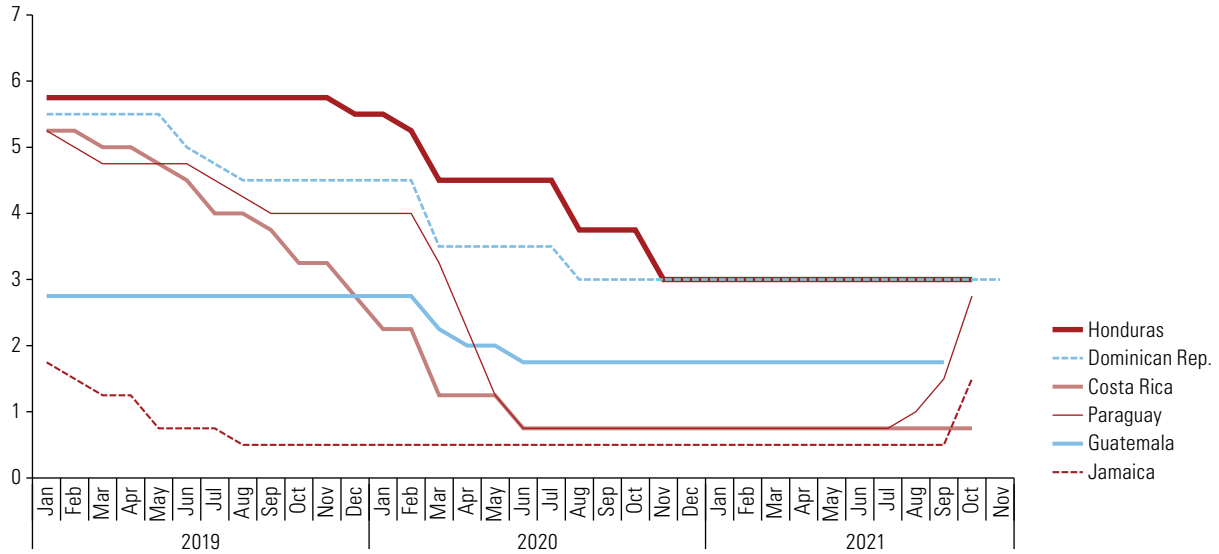
A. Countries with flexible exchange rate



[3] Brazil, Chile, Colombia, Dominican Republic, Guatemala, Honduras, Mexico, Paraguay and Peru.

Figure VII.17 (concluded)

B. Countries with intermediate exchange rates



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of the countries according to their monetary and exchange-rate system is based on that described by the International Monetary Fund (2020, p. 6).

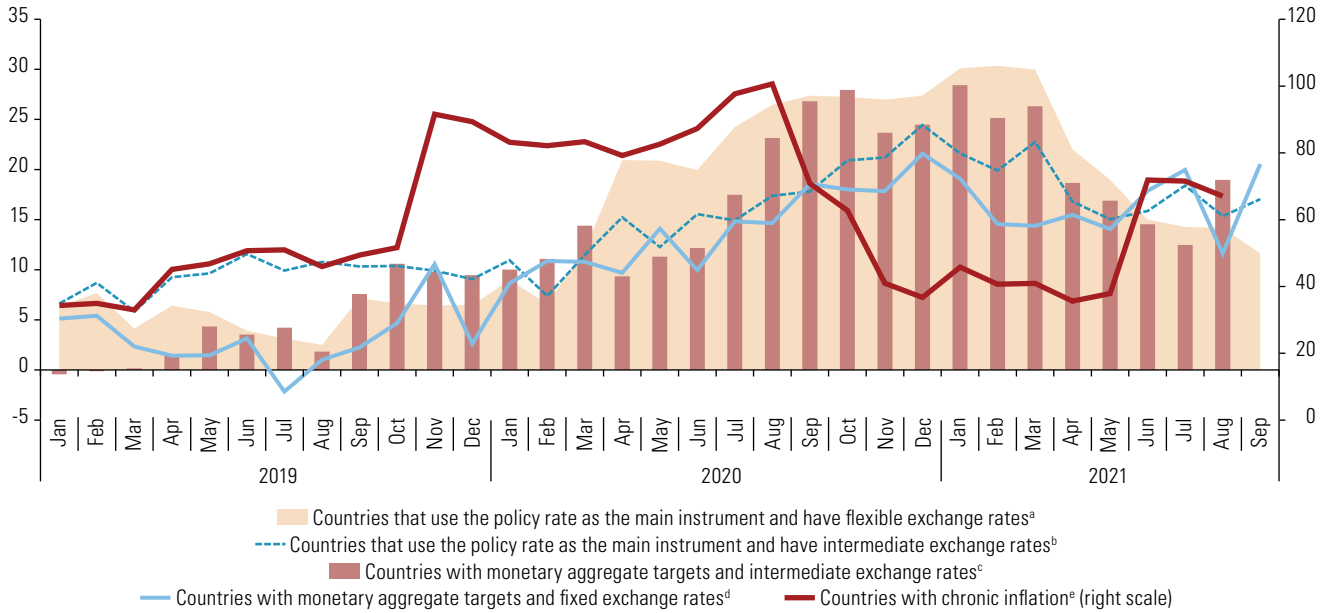
In 2021, the monetary aggregates in most of the region's economies have expanded faster than before the pandemic, but the pace has slackened since 2020

With the onset of the crisis in March 2020, the region's central banks adopted a range of measures to increase funding to financial institutions, with a view to preventing the health crisis from being compounded by a financial and credit squeeze that would have exacerbated the contraction in economic activity and employment. Bank reserve requirements (required reserve ratio) were altered, and interventions in the interbank markets were increased, mainly to provide facilities to institutions that might otherwise face short-term liquidity problems. These conventional measures were complemented by other less conventional ones, to provide additional funding for financial intermediation and also to finance expansionary public finance actions throughout the region.

Some central banks, especially those that use the interest rate as their main policy tool, made outright purchases of private and government securities held by financial institutions. Others provided financing directly to the public sector to support measures to combat the pandemic. Steps were also taken to mitigate the major impact that falling revenues could have on the public sector's spending capacity.

Figure VII.18 shows how the monetary base has trended since January 2019 in the region's economies, grouped according to their monetary and exchange-rate system. The figure shows how the measures adopted by central banks fuelled a substantial expansion in this variable in 2020, and then how the pace has slackened since March 2021. The figure also shows that this pattern prevailed in all monetary and exchange-rate policy frameworks. Nonetheless, in economies with chronic inflation problems, the expansion of the monetary base began to slow sooner than in the other groupings as of August 2020.

Figure VII.18
Latin America and the Caribbean: trend of the monetary base, median 12-month rate of variation by country grouping, January 2019–September 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of the countries according to their monetary and exchange-rate system is based on that described by the International Monetary Fund (2020, p. 6).
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Nicaragua, Guyana, Plurinational State of Bolivia, and Trinidad and Tobago.
[d] Economies with fixed exchange rates: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Dollarized economies: Ecuador, El Salvador and Panama.
[e] Argentina, Bolivarian Republic of Venezuela, Haiti and Suriname.

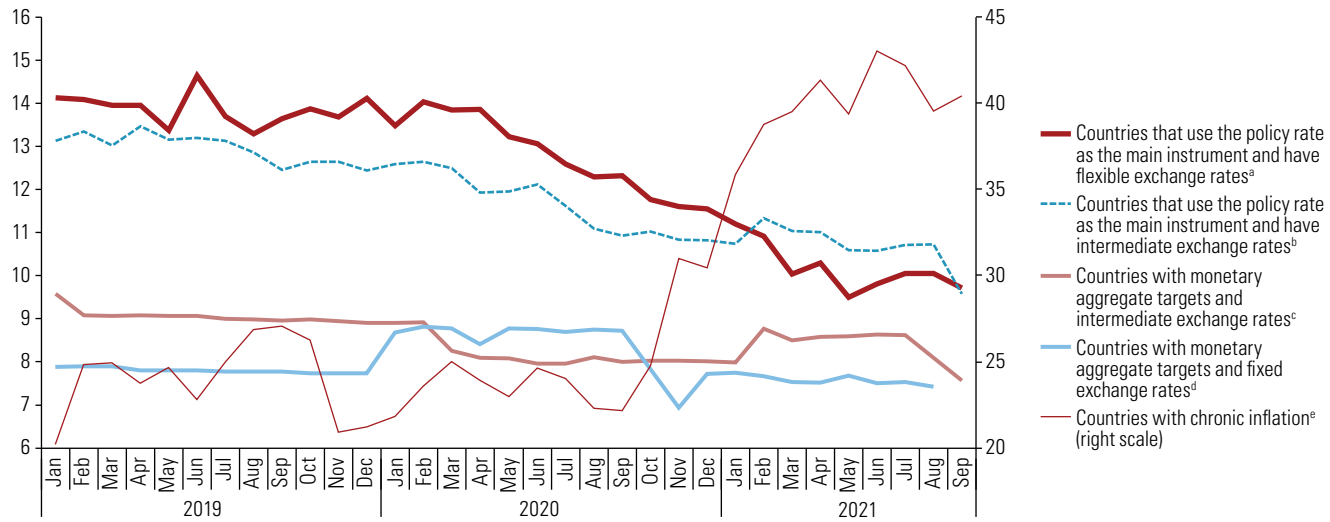
Another point to note in figure VII.18 is that, despite the slower growth recorded during 2021, between April and September of that year the monetary base grew by more than in 2019. In fact, this is the case in 20 of the 25 economies in the region for which up-to-date statistical data are available; and, in 17 of them, the most recent figure is higher than the average for 2019.

In 2021, lending interest rates have continued to fall, driven by monetary stimulus measures and still weak economic activity

Figure VII.19 shows how nominal interest rates on loans have trended down in the region's economies since 2019, except in the countries that have experienced chronic inflation. In the group of countries that use the monetary policy rate as their main instrument and have a flexible exchange rate, average lending rates declined by 2.56 percentage points in the 12 months to December 2020. Between December 2020 and September 2021, the equivalent reduction was 1.83 percentage points. In economies that use the policy rate as the main instrument and maintain an intermediate exchange rate system, the reduction was 1.62 percentage points in the 12 months to December 2020, and 1.24 percentage points between December 2020 and September 2021. For economies that target monetary aggregates and have an intermediate exchange rate

system, lending rates fell by 0.90 percentage points in the 12 months to December 2020, and by 0.45 percentage points between December 2020 and September 2021. The economies with fixed exchange rates have seen the most moderate reduction, with rates falling by 0.01 percentage points in the 12 months to December 2020, and by 0.30 percentage points between December 2020 and July 2021.

Figure VII.19
Latin America and the Caribbean (31 countries): median interest rates on loans by country grouping, January 2019–September 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of the countries according to their monetary and exchange-rate system is based on that described by the International Monetary Fund (2020, p. 6).
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Nicaragua, Guyana, Plurinational State of Bolivia, and Trinidad and Tobago.
[d] Economies with fixed exchange rates: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Dollarized economies: Ecuador, El Salvador and Panama.
[e] Argentina, Bolivarian Republic of Venezuela, Haiti and Suriname.

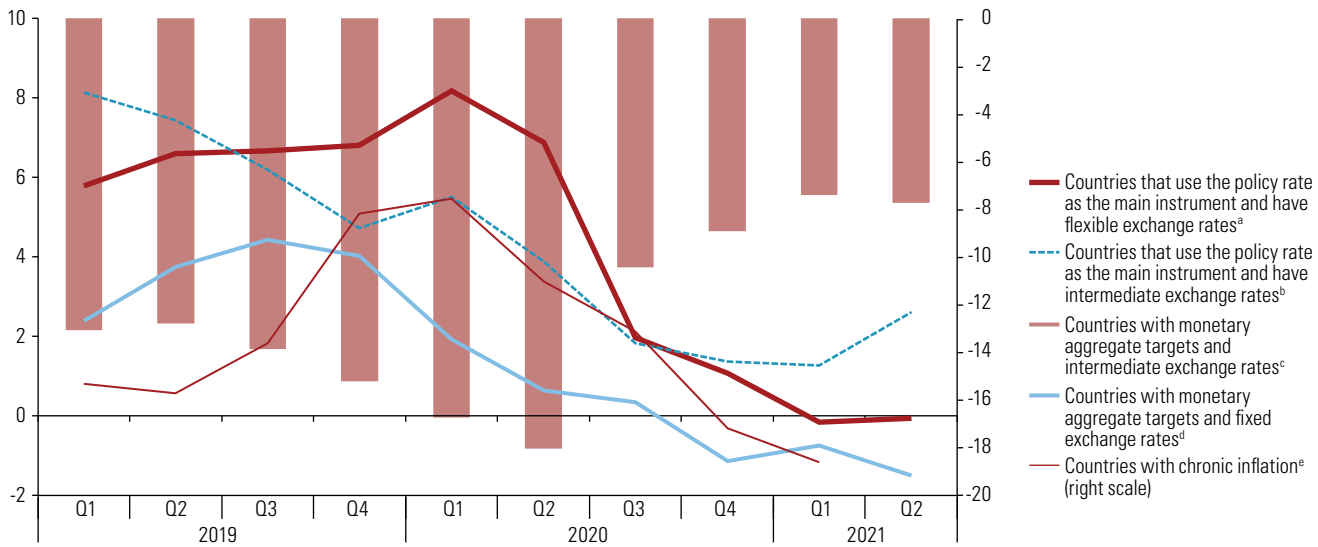
The monetary stimulus measures hastened the pace of real credit growth in the second quarter of 2020; since then, however, the credit expansion has tended to slow and, by the third quarter of 2021 lending to the private sector is generally declining

The significant monetary and fiscal stimulus measures approved by the authorities during the crisis boosted lending in the first half of 2020, and especially in the second quarter. This was the case in economies that use the policy rate as their main instrument (both those with flexible and those with intermediate exchange rates) and in economies that mainly target the monetary aggregates and have fixed exchange rates. However the pace of credit expansion slowed in real terms throughout the region, owing to heightened uncertainty about the prolongation of the health crisis (and, therefore, of physical distancing measures), as well as the magnitude of the economic crisis, compounded by levels of household and corporate indebtedness, the uptick in inflation, increased market risk and the consequent additional provisions made by financial institutions.

In economies that use the policy rate and maintain flexible exchange rates, the real growth of credit to the private sector increased from 6.7%, in the fourth quarter of 2019 to 8.2% in the second quarter of 2020. In this group of countries, credit expanded by 2.0% in the fourth quarter of 2020. In 2021, the trend has been accentuated, with lending to the private sector growing by 1.1%, in the first quarter of the year before turning negative in the second and third quarters (-0.2% and -0.1%, respectively). For economies that use the monetary policy rate and have intermediate exchange rates, private sector credit growth eased from 6.2% in the fourth quarter of 2019 to 5.5% in the second quarter of 2020, before dropping to 1.8% in the fourth quarter of that year. In the first three quarters of 2021, the rates have been 1.4%, 1.3% and 2.6%, respectively. In the economies with fixed exchange rates, the growth of domestic credit to the private sector increased from 1.8% in the fourth quarter of 2019 to 5.5% in the second quarter of 2020; and it ended with a year-on-year expansion of 2.2%. In 2021, however, growth rates have been negative, at -0.3% in the first quarter and -1.2% in the second.

In the economies that use monetary aggregate targets as the main policy instrument and maintain an intermediate exchange rate system, policymakers' efforts failed to boost credit growth, which has been in decline since the third quarter of 2019. The downward trend in the growth of credit to the private sector in these economies became more pronounced in the fourth quarter of 2020. Since then, lending to the private sector has actually contracted. Lastly, for economies with chronic inflation problems, credit to the private sector has been declining since 2015. In this group of countries, falling inflation and rising nominal credit growth have led to smaller real contractions in 2021 than those experienced between the first quarter of 2019 and the second quarter of 2020 (see figure VII.20).

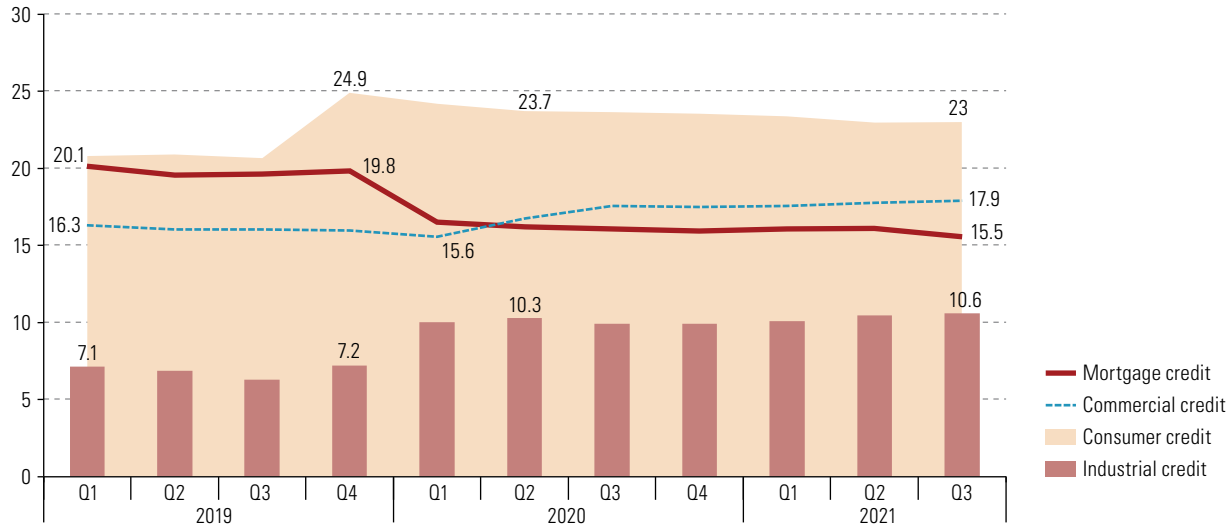
Figure VII.20
Latin America and the Caribbean: trend of real domestic credit to the private sector, median annualized rates by country grouping, first quarter of 2019 to third quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of the countries according to their monetary and exchange-rate system is based on that described by the International Monetary Fund (2020, p. 6).
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Nicaragua, Guyana, Plurinational State of Bolivia, and Trinidad and Tobago.
[d] Economies with fixed exchange rates: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Dollarized economies: Ecuador, El Salvador and Panama.
[e] Argentina, Bolivarian Republic of Venezuela, Haiti and Suriname.

In terms of the composition of lending to the private sector, the share of consumer credit has shrunk across the region since the onset of the crisis. Only the economies with fixed exchange rates saw an expansion in consumer credit between the fourth quarter of 2019 and the second quarter of 2021. Mortgage lending has also seen its share of total credit decline regionwide, with the fixed exchange rate economies experiencing the steepest decline in the mortgage share of total credit. This category experienced a slight upturn in the economies that use the policy rate as their main instrument. Between the fourth quarter of 2019 and the second quarter of 2021, credit to the industrial and the commercial sectors have both increased their shares of total credit. These variables have grown in economies that use the policy rate and have flexible exchange rates, and also in those with chronic inflation in the case of commercial credit, and in economies with fixed exchange rates in the case of industrial credit (see figure VII.21). Factors such as the increased cost of long-term financing have contributed to the smaller share of mortgages in the total loan portfolio.

Figure VII. 21
Latin America and the Caribbean: composition of domestic credit to the private sector, median shares by type of credit, first quarter of 2019 to third quarter of 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures:

In 2020, after the onset of the pandemic, non-performing loans became a smaller proportion of total loans. There are several reasons for this: a first reason is that the transfers received by households and businesses could be used partly for debt repayment. A second reason is the use of credit facilities granted by central banks through the banking system, and those guaranteed by the government, which may also have made it possible to prepay loans with a view to avoiding future complications, given the financial uncertainty caused by the COVID-19 crisis. A third reason relates to the different macroprudential measures implemented to reschedule, renegotiate, defer and reclassify loans, together with the implementation of technical standards to deal with defaults and credit risks. These measures have tended to dissipate over time, such that 2021 is likely to see an increase in arrears —which could intensify once these temporary changes to the regulations expire and the risks of the most vulnerable segments with lower recovery rates come into play. Nonetheless, in general the nonperforming loans rate remains lower than before the pandemic.

In 2021, most of the region's currencies lost value against the dollar, as the trend observed since 2018 continued

In the first 10 months of 2021, 16 of the region's economies were reporting currency depreciations against the dollar since late 2020, one more than a year earlier. The average depreciation of the region's currencies during that period, excluding the economies with chronic inflation, was smaller than in 2020: 5.9% compared to 8.7%. During that period, depreciations of more than 8% occurred in Brazil, Chile, Colombia, Jamaica and Peru (see table VII.2). In the chronically inflationary economies, the pace of depreciation slowed in 2021, although the rates in these countries exceeded 18% in the case of Argentina, 52% in the case of Suriname and 295% in the Bolivarian Republic of Venezuela. The Haitian gourde was the only currency in this group of inflation-prone countries to appreciate in nominal terms in 2021, following its 9.8% depreciation in 2020.

Table VII.2
Latin America and the Caribbean (17 countries): year-on-year variation in the nominal exchange rate against the dollar, 2018–2020 and December 2020–October 2021
(Percentages)

A

	Brazil	Chile	Colombia	Mexico	Peru	Uruguay
2018	17.2	12.8	9.0	0.0	4.1	12.8
2019	3.7	8.5	1.0	-3.7	-1.8	15.2
2020	29.0	-5.6	4.3	5.2	9.2	13.1
as of October 2021	8.5	14.6	9.9	3.3	10.4	4.4

B

	Costa Rica	Guatemala	Honduras	Jamaica	Paraguay	Dominican Republic
2018	6.5	5.2	3.2	3.2	6.7	4.5
2019	-5.8	-0.3	1.2	2.4	8.5	5.4
2020	7.3	1.2	-2.1	7.6	6.9	9.6
as of October 2021	4.3	-0.7	0.0	8.5	-0.1	-3.0

C

	Bolivia (Plurinational State of)	Nicaragua	Guyana	Trinidad and Tabago
2018	0.0	5.7	2.1	0.2
2019	0.0	5.3	-1.0	-0.2
2020	-0.4	2.5	1.0	-0.1
as of October 2021	0.3	1.0	0.0	0.2

D

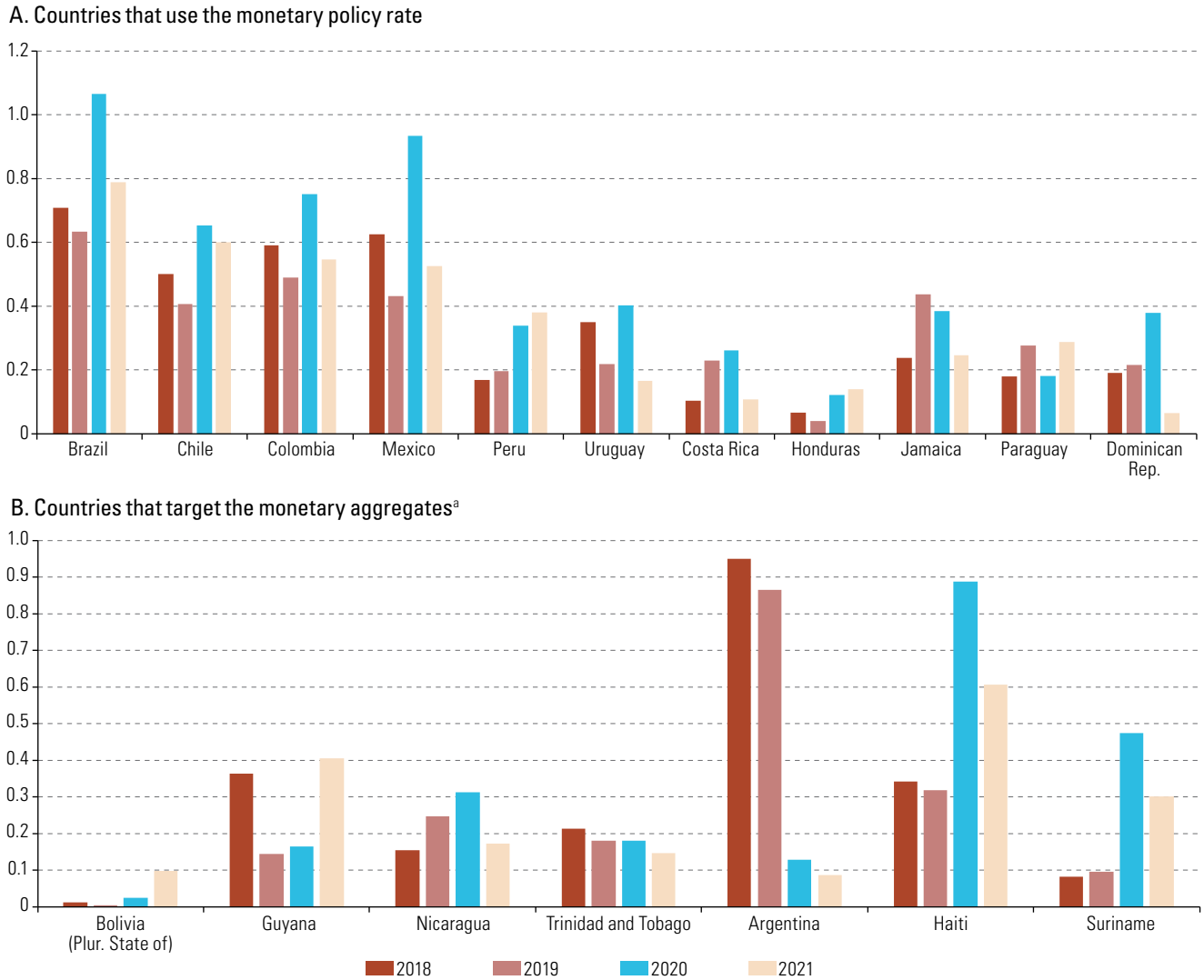
	Argentina	Haiti	Suriname	Venezuela (Bolivarian Republic of)
2018	102.3	21.5	0.9	1 907 762.5
2019	58.9	24.0	-1.5	7 205.3
2020	40.5	9.8	90.4	2 274.9
as of October 2021	18.5	-7.5	52.0	295.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Exchange rates were less volatile in 2021 than in 2020, albeit more so than in 2019

The smaller exchange-rate corrections recorded in 2021 were also accompanied by less exchange-rate volatility, as measured by the average absolute value of inter-day variations in the exchange rate during the first three quarters of the year. In fact, 13 of the 18 economies included in figure VII.22 displayed less volatility in 2021 than in 2020. Nonetheless, in 11 cases, exchange rates were still more volatile in 2021 than in 2019. In other words, volatility remains relatively high, despite having declined. On the other hand, in Guyana, Honduras, Paraguay, the Plurinational State of Bolivia and Uruguay average volatility in 2021 exceeded the 2020 levels.

Figure VII.22
Latin America and the Caribbean (17 countries): nominal exchange rate volatility, average absolute daily variation during the first three quarters of the year, 2018–2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Includes countries with chronic inflation.

The aforementioned exchange rate corrections (both the appreciations and the depreciations), and the resulting greater volatility, reflected the uncertainty created by the spread of COVID-19 and its far-reaching effects on the region's economies. This was compounded by the large-scale capital movements that have taken place during the crisis, the uncertainty surrounding the actions planned by the main central banks of the developing world, and fluctuations in commodity prices. Increased liquidity in the region's economies also stimulates demand for foreign exchange, especially in situations where economic activity is expected to grow more slowly after 2021. Exchange rate volatility could aggravate vulnerability among economic agents where there are currency mismatches, since revenues are generated in local currency while expenditures are made in foreign currency or indexed units of account.

Even in the context of the COVID-19 crisis, most central banks in the region have increased their international reserves

Since the onset of the COVID-19 crisis, central banks have had to absorb large and sudden capital outflows, significant currency depreciations and rising risk premia. At the same time, they had to avert a collapse in economic activity and a sharp deterioration in labour markets. In these adverse circumstances, the monetary authorities have deployed a wide range of policy tools, including changes in monetary policy rates, international reserves management, adjustment of macroprudential rules and regulation of capital flows. These aimed to preserve macroeconomic and financial stability in the face of an accumulation of high risks linked to the real sector, the financial sector and external conditions. As documented in *Preliminary Overview of the Economies of Latin America and the Caribbean, 2020* and in *Economic Survey of Latin America and the Caribbean, 2021* (ECLAC, 2020b and 2021b, respectively), the region's central banks have adopted a variety of measures to mitigate exchange-rate volatility since the onset of the COVID-19 crisis. These include increased levels of market intervention, through the purchase or sale of foreign exchange, and changes in the regulations governing financial flows.

As shown in figure VII.23, international reserves generally increased in 2020; and this trend has persisted in 2021. At the regional level, total international reserves increased by 5.2% in 2021, and as in 2020, reserve levels rose in 22 countries. Although the average increase in 2021 was 15.7%, the Bolivarian Republic of Venezuela, Chile and Suriname all posted expansions of over 30%. International reserves fell in nine countries, with an average drop of 7.9%, and reductions of more than 10% in Ecuador, Panama and Saint Lucia.

Figure VII.23
Latin America and the Caribbean (32 countries): variation in international reserves, 2020–2021
(Percentages)

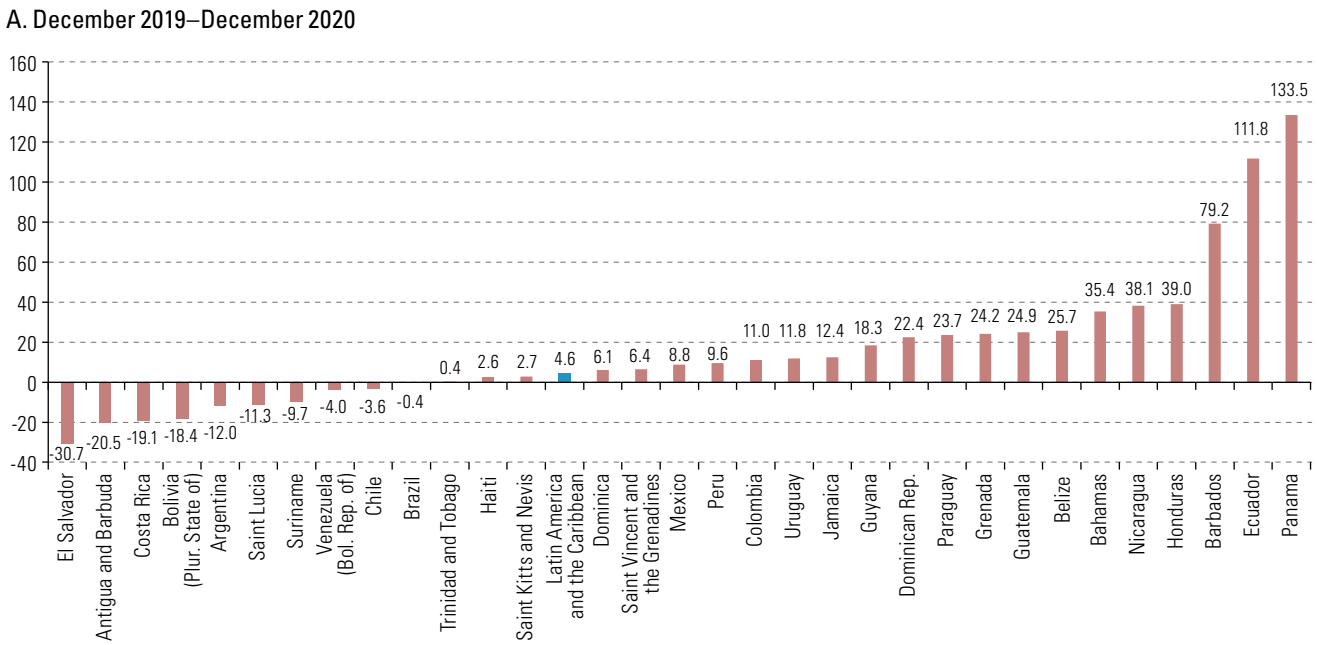
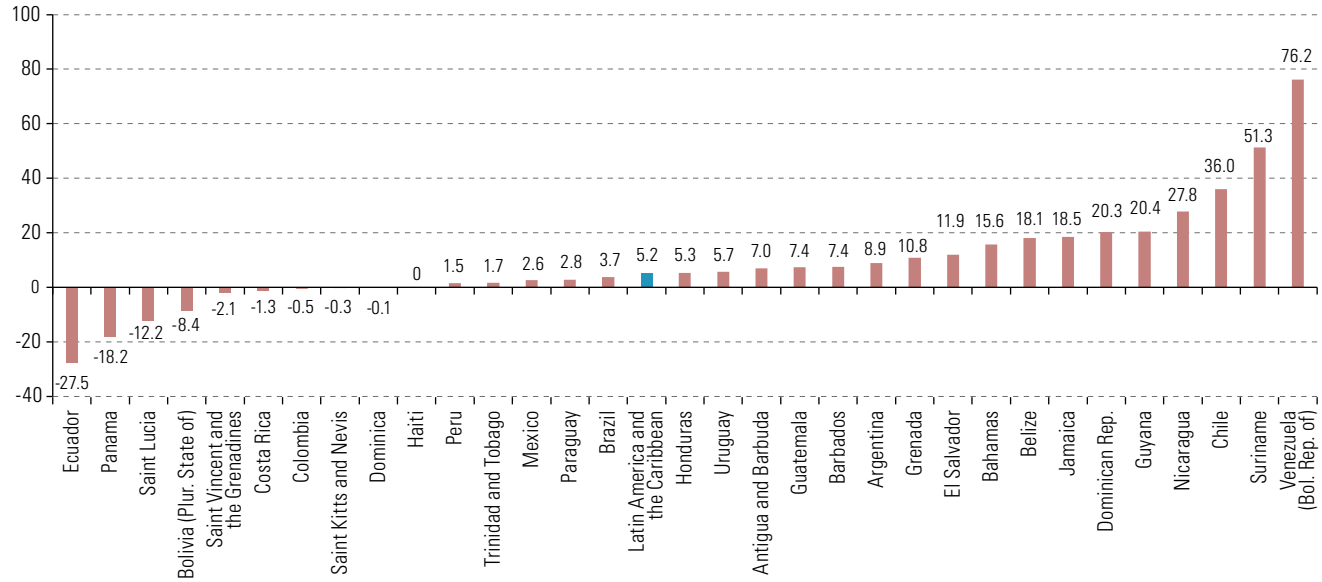


Figure VII.23 (concluded)

B. December 2020–October 2021



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The establishment of swap lines and liquidity facilities with the United States Federal Reserve and international financial institutions, together with increased bond issuance on the voluntary markets and the improvement in the terms of trade since mid-2020, which became more pronounced in 2021, were among the factors that enabled the countries to strengthen their foreign asset position. The uptrend in reserves has also benefited from a stronger recovery in exports than in imports, as well as an increase in remittances and the rise in value of central bank gold reserves. On the other hand, reduced revenues from tourism activities, increased imports and growing efforts to stabilize the exchange-rate market have dissipated reserves in some of the region's economies.

The strategic management of international reserves shows that a combination of macroprudential, monetary and exchange-rate instruments is essential for promoting macrofinancial stability in the economies of the region and for mitigating the impact of the crisis on the real sector

Since the onset of the COVID-19 crisis, international reserves management has become particularly important, not only as a tool of monetary policy but also as a key part of macroprudential policy.[4] As shown in panel A of figure VII.23, international reserves grew in 2020 and 2021. This is a significant development in the region's economic history, since international reserves have traditionally behaved procyclically in times of crisis. This was enabled by strategic reserves management on the part of the monetary authorities, combined with other macroprudential measures aimed at mitigating the adverse effects of the crisis on the real sector of the economy.[5] At the same time,

4 See, for example, Arce, Bengui and Bianchi (2019) and Jeanne (2016) for discussion on a macroprudential approach to international reserve accumulation. For examples of macroprudential reserve management by different central banks in the region, see BIS (2021).

5 This is in line with Bianchi and Lorenzini (2021) and Bussière and others (2013).

these measures also made it possible to sustain expansionary economic policies and social protection programmes aimed at reviving economic activity.

Given the intensification of macrofinancial risks, the future actions of central banks in the region will depend on the characteristics of each country, such as the degree of openness of the current and capital account, its exchange-rate regime, its macroprudential regulation, and its capacity to access external financing, among others.

Accordingly, given the limited role of the international financial safety net, the proactive management of international reserves represents a coherent policy option for responding rapidly to possible financial shocks. In the meantime, complementarity with other macroprudential instruments should be duly maintained to strengthen the resilience of the international liquidity position of the region's countries.

As shown in figure VII.18, the monetary base expanded in 2020 and has held sustained levels in 2021, which may be a source of heightened risks associated with volatile capital flows. To illustrate this, figure VII.24 shows an association between the balance of international reserves and money in circulation both relative to GDP, with heterogeneous situations pertaining among the different countries of the region, as reflected in the quadrants of the figure.

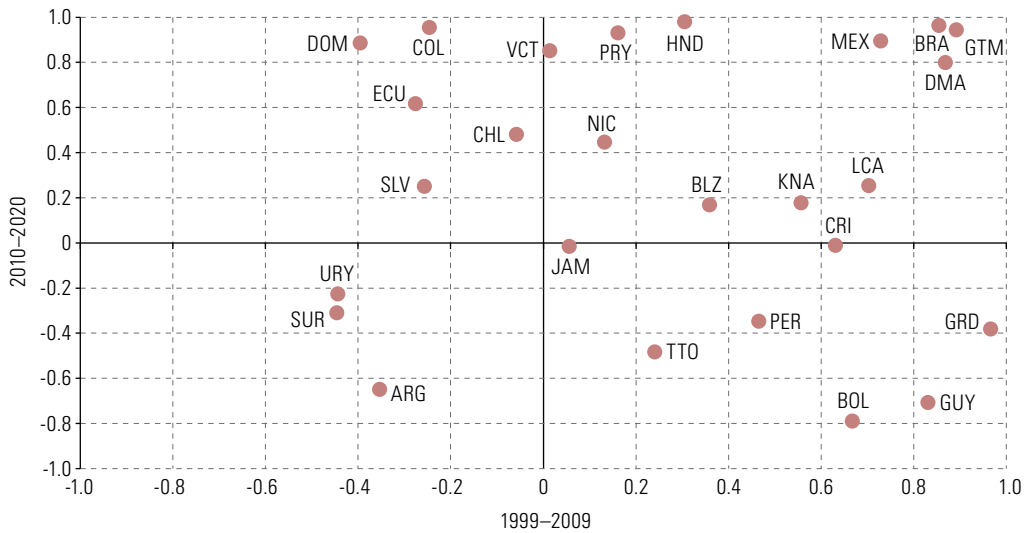


Figure VII.24
Latin America and the Caribbean: correlation between international reserves and currency in circulation relative to GDP, 1999–2009 compared to 2010–2020

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Currency in circulation is defined as broad money, that is the sum of all financial instruments held by the money-holding sectors that represent a widely used medium of exchange in an economy, or close substitutes for a medium of exchange that are considered a reliable store of value, as defined by IMF. In particular, these instruments can be converted in the short term without incurring a significant loss on the amount initially invested.

In particular, since the global financial crisis, this relation has been positive for a large group of countries, which lie above the horizontal line. The upper right quadrant indicates that the positive correlation can be high in certain countries, such as Brazil and Mexico, which are deeply integrated into financial markets and have a developed banking system. However, the quadrant also includes countries that are less integrated but, owing to their exchange rate system, the level of reserves has tended to become more closely correlated with the degree of liquidity. Honduras and Paraguay exemplify this. In other countries located in the upper left quadrant, the correlation turned from negative to positive after the global financial crisis, as in the cases of Chile and Colombia.

For this group of countries, which currently exhibit a positive correlation, it would seem that financial factors, such as financial deepening, capital flows and the degree of capital account openness, have tended to increase the demand for international reserves (Aizenman, Cheung and Hiro, 2015).

For countries in the lower quadrants, the correlation between reserves and the monetary base has either weakened or stayed the same, which suggests that other factors, such as the degree of trade openness, the exchange rate system and the short-term debt position, may be more decisive than financial factors when establishing criteria for the accumulation of international reserves.[6]

As financial risks intensify, the region's central banks should continue to deploy a strategy that effectively combines all of the policy tools at their disposal, to avoid a costly trade-off between macrofinancial stability and economic growth. In other words, the overuse of policy instruments that could inhibit the still-fragile recovery of economic activity should be avoided.

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[6] In keeping with the Greenspan-Guidotti rule.

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CAPÍTULO

VIII

Economic outlook and risks for Latin America and the Caribbean in 2022

Latin America and the Caribbean is expected to grow by 6.2% in 2021 and to decelerate in 2022

In addition to the structural problems exacerbated by the crisis, in the second half of 2021, growing macroeconomic challenges and other risks are expected to condition the performance of countries in the coming year and beyond

Latin America and the Caribbean's growth rate of almost zero before the COVID-19 crisis (0.3% in the six-year period ending in 2019) combined with a sharp contraction in 2020 (-6.8%) as a result of the pandemic, further exacerbated the structural problems already being experienced in the region: weak investment and productivity, informality, unemployment, weak coverage of social protection and health systems, and high levels of inequality and poverty (ECLAC, 2021).

These structural problems made even worse by the crisis were compounded in the second half of 2021 by growing macroeconomic uncertainties owing to inflation trends, both in the countries of the region and in developed economies. Latin American and Caribbean countries are also facing shrinking fiscal space and rising sovereign debt. Inflation and public debt dynamics are expected to condition the countries' macroeconomic policies in the coming years. Therefore, amid projections for weak growth, these policies will have to reconcile greater momentum in economic growth with the objectives of domestic price stability and exchange-rate and financial stability. This would require maintaining pro-growth fiscal and monetary policies and using monetary, exchange-rate and macroprudential instruments to advance in the nominal stabilization of economies.

Latin America and the Caribbean is expected to grow by 6.2% in 2021 and to decelerate in 2022

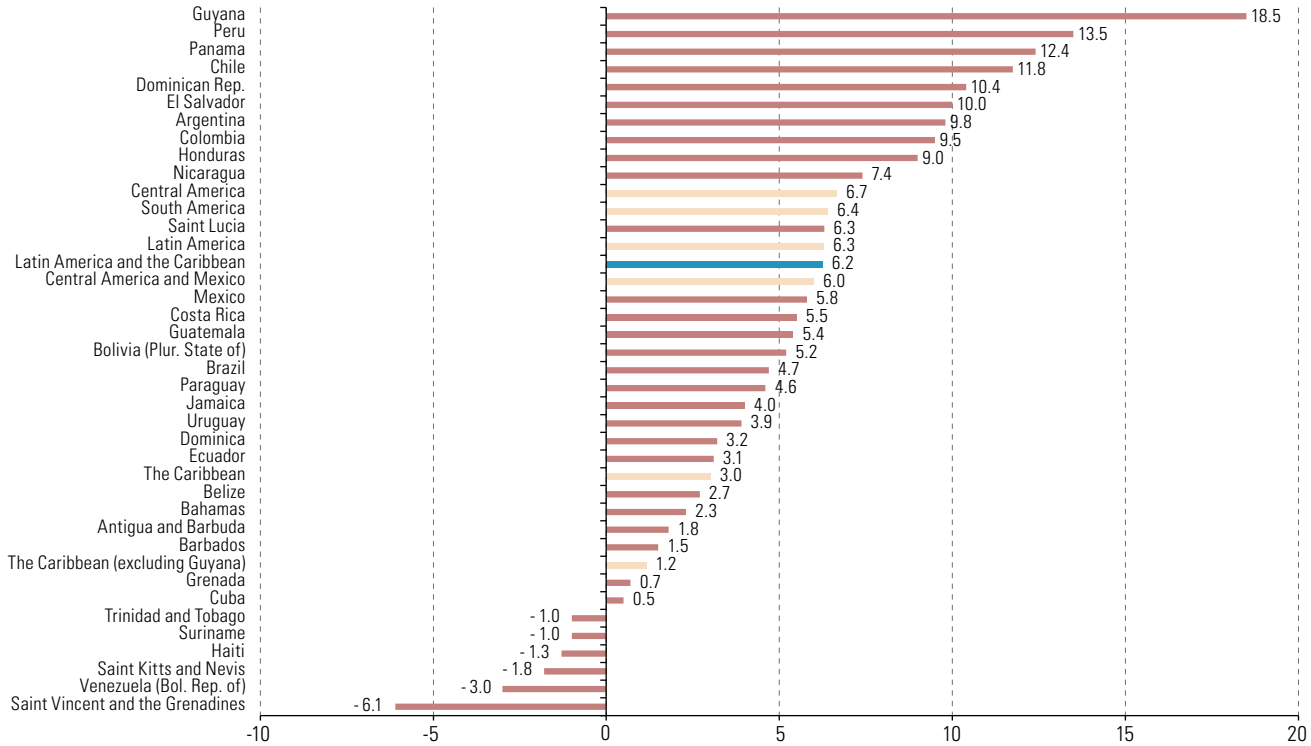
The region's growth in 2021 was stronger than expected at the beginning of the year. Favourable international trends —in terms of financial conditions, commodity prices and global trade flows— combined with increased mobility within countries and progress in immunization processes resulted in an improved growth outlook for 2021.

ECLAC projects 6.2% growth for the region, 6.4% in South America, 6.0% in Central America and Mexico, and 1.2% in the Caribbean (excluding Guyana) (see figure VIII.1). However, in contrast to the general trend in the region, this year supply chain bottlenecks have affected manufacturing output in countries with major manufacturing hubs, such as Brazil and Mexico, to a greater extent than expected. This largely explains the downward revisions in growth in these two countries.

The region's growth outlook for 2022 has been revised downward. ECLAC now projects a growth rate of 2.1% for Latin America and the Caribbean, 1.4% for South America, 3.3% for Central America and Mexico and 6.1% for the Caribbean (excluding Guyana) (see figure VIII.2).

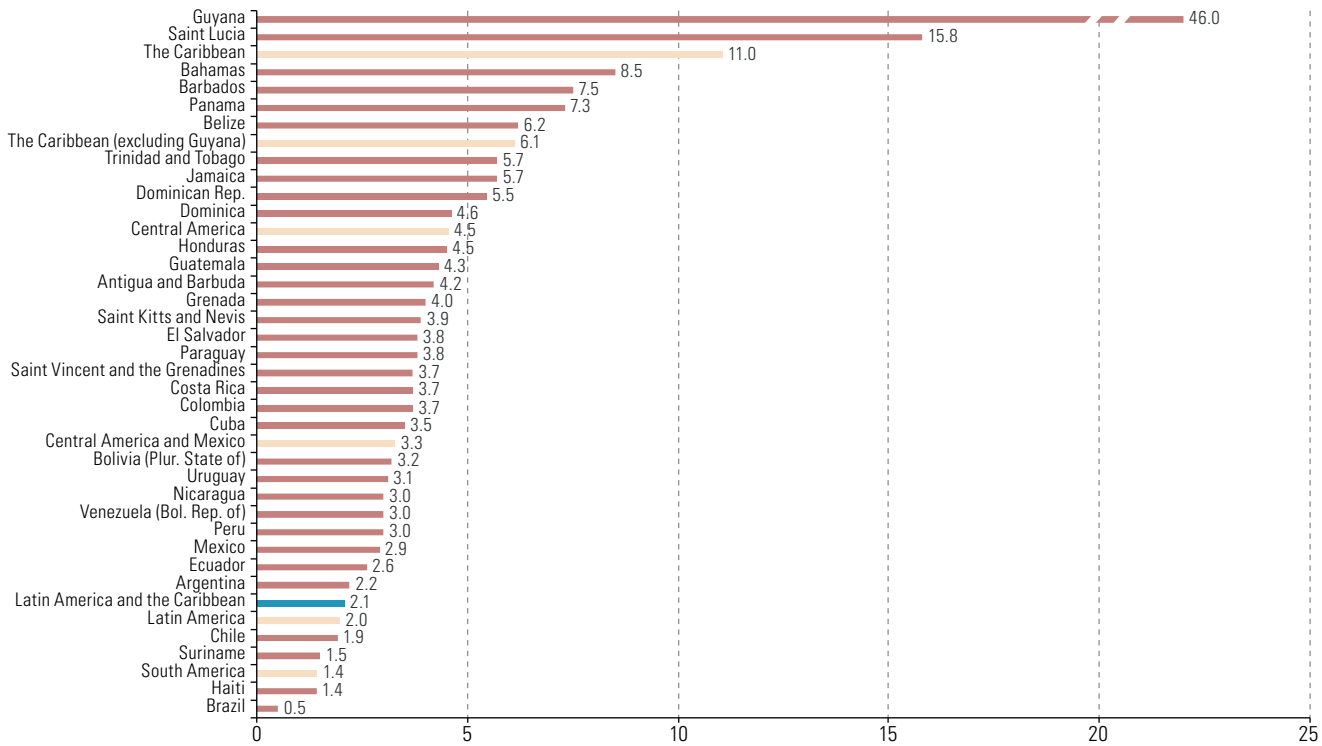
With regard to the composition of aggregate demand, the projected recovery is expected to rely mainly on the domestic component, since the contribution of the external sector to GDP growth is not expected to be significant (see figure VIII.3).

Figure VIII.1
Latin America and the Caribbean (33 countries): projected GDP growth rate, 2021
(Percentages)



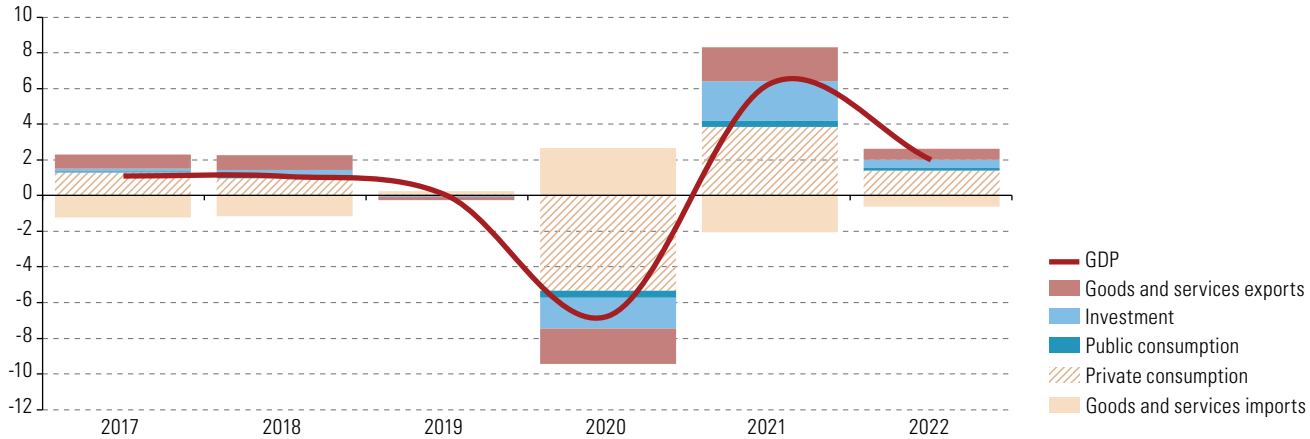
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Figure VIII.2
Latin America and the Caribbean (33 countries): projected GDP growth rate, 2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Figure VIII.3
Latin America: GDP growth rate and contribution of expenditure components to growth, 2017–2022[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Data for 2021 and 2022 are projections.

Following the sharp declines in 2020, all components of domestic demand are expected to rebound considerably this year. Private consumption is projected to have slowed from the third quarter of 2021 onward, following the strong increase in the first half of the year. The rate of growth in private consumption is expected to continue to ease at the end of the year as a result of the pressure on household incomes caused by the current upturn in inflation.

The slowdown in consumption growth rates is expected to intensify from the beginning of next year, amid a sluggish labour market recovery and an increase in inflation which is expected to weigh on households' disposable income and spending. Added to this is the uncertainty about the health situation, which is expected to persist in 2022. However, consumption is expected to continue to be the main contributor to spending.

Investment trends by sector of activity are expected to be mixed depending on the differentiated impact of the crisis on each and the possible permanent changes in the demand for different goods and services.

In terms of trade, the disruption in the trade in goods after the emergence of the pandemic was temporary, as seen particularly in the second quarter of 2020. Limitations on the movement of people, however, have been more permanent and have had a lasting impact on tourist flows. Goods exports are projected to rebound more sharply in 2021, given the low base of comparison, and less sharply in 2022. Meanwhile, imports are expected to recover on the back of increased consumption and investment.

In addition to the structural problems exacerbated by the crisis, in the second half of 2021, growing macroeconomic challenges and other risks are expected to condition the performance of countries in the coming year and beyond

The lower projected growth rate for 2022 is explained by a number of factors that are expected to weigh on countries' performance next year. In terms of the international context affecting the region, weaker global growth is expected in 2022, along with less dynamic external demand and slower growth in global trade. In addition, commodity prices are expected to remain stable or even be somewhat lower than in 2021.

Although international financial conditions remain favourable so far, the eventual withdrawal of monetary stimulus by the major central banks are expected to affect emerging markets, including Latin America and the Caribbean. The magnitude of these effects,

however, will depend on how gradually the United States transitions to a tighter monetary policy and how this affects global financial markets and the cost of financing for the region.

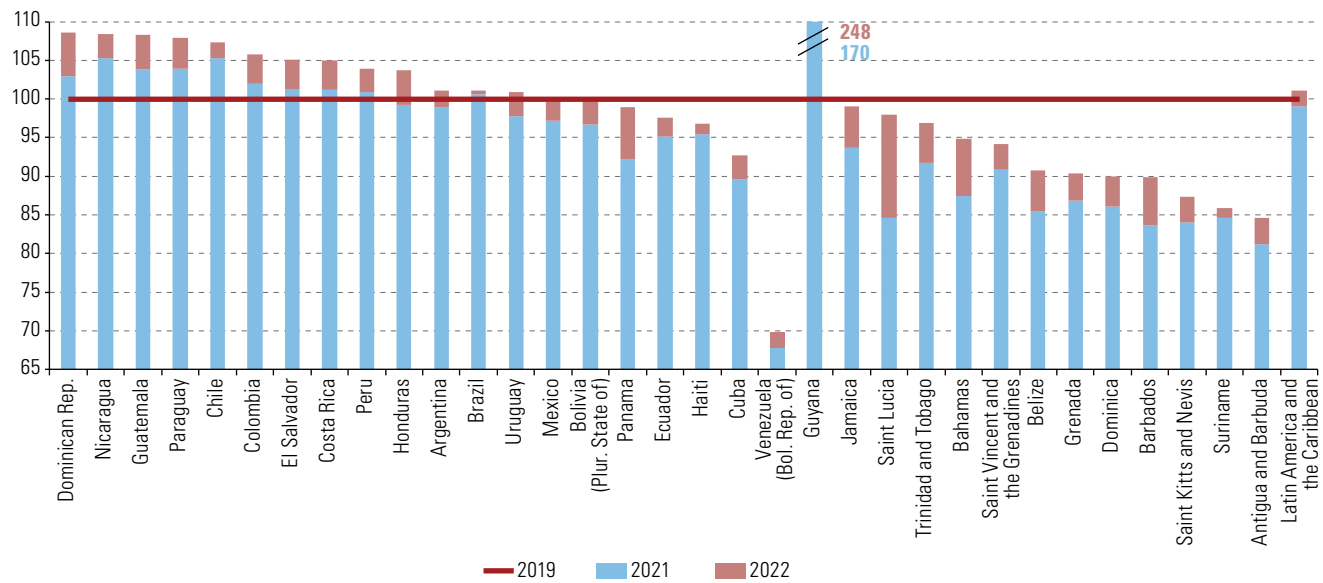
With regard to macroeconomic policies in the countries of the region, 2022 also presents growing challenges, as the countries have less monetary and fiscal space available to support the reactivation of economic activity. Inflation has been higher and lasted longer than expected a few months ago and this has led central banks in several countries in the region to start raising interest rates in order to keep inflation expectations close to their targets.

On the fiscal front, several countries have already adopted more restrictive budgets that seek to reduce fiscal deficits and stabilize debt ratios which rose significantly in 2020.

Finally, there is uncertainty associated with the evolution of the pandemic and the possibility that the appearance of new variants —like Omicron— could lead to new more or less widespread restrictions on mobility. This would have damaging impacts on economic activity that cannot be ruled out.

On the basis of the projected growth rates for 2021 and 2022, less than half of the countries in the region will manage to recover their pre-crisis activity levels of 2019. In 2021, 11 countries are expected to return to those levels, while in 2022, three more countries are expected to do so, bringing the total to 14 of the 33 countries in the region (see figure VIII.4).

Figure VIII.4
Latin America and the Caribbean: GDP in 2021 and 2022[a] compared with 2019
(Index: 2019=100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Data for 2021 and 2022 are projections.

This implies that by the end of 2022, almost three years after the start of the pandemic, more than half of the countries in the region will have failed to recover their 2019 GDP levels. In this regard, the pandemic has inflicted lasting damage on the growth of the economies of much of Latin America and the Caribbean, exacerbating the structural problems that already characterized the region before the crisis.

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Statistical annex

Table A1.1
Latin America and the Caribbean: main economic indicators

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
	Annual growth rates									
Gross domestic product[b]	2.8	2.9	1.1	-0.2	-1.2	1.1	1.1	0.0	-6.8	6.2
Per capita gross domestic product[b]	1.6	1.8	0.1	-1.3	-2.2	0.1	0.1	-0.9	-7.6	5.3
Consumer prices[c]	4.0	4.1	4.4	5.6	4.1	3.6	3.2	3.1	3.0	6.4[d]
	Percentages									
National unemployment	6.4	6.3	6.1	6.6	7.8	8.1	7.9	7.9	10.3	10.0
Total gross external debt/GDP[e]	23.1	24.7	27.1	27.6	25.7	35.3	36.7	38.9	47.7	...
Total gross external debt/ exports of goods and services[f]	110.3	121.2	137.9	159.1	170.0	161.2	155.7	163.7	192.1	...
Balance of payments[g]	Millions of dollars									
Current account balance	-147 457	-171 768	-183 153	-168 754	-98 768	-93 714	-141 586	-109 818	3 527	-29 040
Exports of goods f.o.b.	1 126 632	1 117 709	1 086 230	926 520	895 123	1 004 497	1 091 245	1 069 018	958 733	1 212 571
Imports of goods f.o.b.	1 085 595	1 114 615	1 103 318	979 830	891 382	975 344	1 087 622	1 056 540	885 313	1 145 044
Services trade balance	-76 200	-80 816	-78 338	-55 535	-45 331	-52 361	-51 983	-44 429	-42 753	-58 204
Income balance	-179 496	-160 966	-159 633	-131 819	-136 420	-152 795	-183 626	-177 007	-133 841	-163 011
Net current transfers	63 431	63 929	67 960	69 573	76 779	82 289	90 399	99 140	106 701	124 645
Capital and financial balance[h]	204 466	187 481	221 121	140 896	118 919	111 133	126 414	61 277	10 295	...
Net foreign direct investment	160 873	151 785	135 806	135 808	126 358	119 394	148 947	113 187	...	...
Other capital movements	43 593	35 696	85 315	5 087	-7 439	-8 261	-22 533	-51 910	...	...
Overall balance	57 010	15 712	37 969	-27 858	20 151	17 420	-15 172	-48 542	13 822	...
Variation in reserve assets[i]	-58 100	-16 144	-38 425	27 132	-19 453	-17 979	-13 205	30 517	-14 939	...
Other financing	1 091	433	456	726	-699	559	28 378	15 788	1 117	...
Net transfer of resources	26 948	61 945	9 803	-18 199	-41 102	-28 834	-99 942	-122 429	...	...
International reserves	834 208	830 209	857 638	811 962	831 571	859 610	868 029	852 243	891 560	943 466
Fiscal sector[j,k]	Percentages of GDP									
Overall balance	-2.2	-2.8	-3.2	-3.3	-3.4	-3.2	-2.9	-3.0	-6.9	...
Primary balance	-0.5	-1.0	-1.3	-1.1	-1.2	-0.9	-0.5	-0.4	-4.2	...
Total revenue	18.6	18.6	18.4	18.2	18.1	18.1	18.4	18.5	17.8	...
Tax revenue	15.0	15.2	15.2	15.4	15.4	15.3	15.4	15.3	14.7	...
Total expenditure	20.9	21.4	21.5	21.5	21.5	21.3	21.3	21.4	24.7	...
Capital expenditure	4.1	4.3	4.2	3.9	3.9	3.6	3.3	3.1	3.4	...
Central government public debt[k]	31.1	32.8	34.2	36.7	38.4	39.9	43.3	46.1	56.4	...
Public debt of the non-financial public sector[k]	33.8	35.2	37.1	40.0	41.7	43.4	46.8	50.1	60.2	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Based on official figures expressed in dollars at constant 2010 prices.
[c] December-December variation. Weighted average, does not include the Argentina, Haiti, Suriname and Bolivarian Republic of Venezuela.
[d] Twelve-month variation to September 2021.
[e] Weighted averages. Does not include Cuba and Bolivarian Republic of Venezuela.
[f] Estimates based on figures denominated in dollars at current prices. Does not include Cuba and Bolivarian Republic of Venezuela.
[g] Estimates based on figures denominated in dollars at current prices.
[h] Includes errors and omissions.
[i] A minus sign (-) indicates an increase in reserve assets.
[j] Coverage corresponds to the central government. Figures for Mexico and Peru correspond to the federal public sector and the general government, respectively.
[k] Simple averages. Does not include Bolivia (Plurinational State of) ,Cuba, Haiti and Venezuela (Bolivarian Republic of).

Table A1.2
Latin America and the Caribbean: annual growth rates in gross domestic product
(Constant prices)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America and the Caribbean[b]	**2.8**	**2.9**	**1.1**	**-0.2**	**-1.2**	**1.1**	**1.1**	**0.0**	**-6.8**	**6.2**
Latin America	**2.8**	**2.9**	**1.1**	**-0.2**	**-1.2**	**1.1**	**1.1**	**0.0**	**-6.8**	**6.3**
Argentina	-1.0	2.4	-2.5	2.7	-2.1	2.8	-2.6	-2.0	-9.9	9.8
Bolivia (Plurinational State of)	5.1	6.8	5.5	4.9	4.3	4.2	4.2	2.2	-8.0	5.2
Brazil	1.9	3.0	0.5	-3.5	-3.3	1.3	1.8	1.2	-3.9	4.7
Chile	5.3	4.0	1.8	2.3	1.7	1.2	3.7	0.9	-5.8	11.8
Colombia	3.9	5.1	4.5	3.0	2.1	1.4	2.6	3.3	-6.8	9.5
Costa Rica	4.9	2.5	3.5	3.7	4.2	4.2	2.6	2.3	-4.1	5.5
Cuba	3.0	2.8	1.0	4.4	0.5	1.8	2.2	-0.2	-10.9	0.5
Dominican Republic	2.7	4.9	7.1	6.9	6.7	4.7	7.0	5.1	-6.7	10.4
Ecuador	5.6	4.9	3.8	0.1	-1.2	2.4	1.3	0.0	-7.8	3.1
El Salvador	2.8	2.2	1.7	2.4	2.5	2.2	2.4	2.6	-7.9	10.0
Guatemala	3.0	3.7	4.4	4.1	2.7	3.1	3.3	3.9	-1.5	5.4
Haiti	0.5	4.3	1.7	2.6	1.8	2.5	1.7	-1.7	-3.3	-1.3
Honduras	4.1	2.8	3.1	3.8	3.9	4.8	3.8	2.7	-9.0	9.0
Mexico	3.6	1.4	2.8	3.3	2.6	2.1	2.2	-0.2	-8.2	5.8
Nicaragua	6.5	4.9	4.8	4.8	4.6	4.6	-3.4	-3.7	-2.0	7.4
Panama	9.8	6.9	5.1	5.7	5.0	5.6	3.6	3.0	-17.9	12.4
Paraguay	-0.7	8.3	5.3	3.0	4.3	4.8	3.2	-0.4	-0.6	4.6
Peru	6.1	5.9	2.4	3.3	4.0	2.5	4.0	2.2	-11.0	13.5
Uruguay	3.5	4.6	3.2	0.4	1.7	1.6	0.5	0.4	-5.9	3.9
Venezuela (Bolivarian Republic of)	5.6	1.3	-3.9	-6.2	-17.0	-15.7	-19.6	…	…	…
The Caribbean	**1.3**	**0.7**	**0.7**	**1.2**	**-1.5**	**0.2**	**1.6**	**0.9**	**-7.6**	**3.0**
Antigua and Barbuda	3.4	-0.6	3.8	3.8	5.5	3.1	6.9	4.9	-20.2	1.8
The Bahamas	3.1	-3.6	2.3	1.6	0.1	1.6	2.8	0.7	-14.5	2.3
Barbados	-0.4	-1.4	-0.1	2.5	2.5	0.4	-0.6	-1.3	-17.6	1.5
Belize	2.4	0.8	4.5	2.9	-0.2	2.1	2.0	2.0	-16.7	2.7
Dominica	-1.1	-1.0	4.8	-2.7	2.8	-6.6	3.5	5.5	-16.6	3.2
Grenada	-1.2	2.4	7.3	6.4	3.7	4.4	4.4	0.7	-13.8	0.7
Guyana	5.3	3.7	1.7	0.7	3.8	3.7	4.4	5.4	43.5	18.5
Jamaica	-0.6	0.5	0.7	0.9	1.4	1.0	1.9	0.9	-9.9	4.0
Saint Kitts and Nevis	-0.5	5.7	7.6	0.7	3.9	0.9	2.7	4.2	-14.4	-1.8
Saint Lucia	-0.1	-2.0	1.3	0.1	3.4	3.5	2.9	-0.1	-20.4	6.3
Saint Vincent and the Grenadines	1.4	1.8	1.2	1.3	1.9	1.0	2.2	0.5	-3.3	-6.1
Suriname	2.7	2.9	0.3	-3.4	-4.9	1.6	4.9	1.1	-14.5	
Trinidad and Tobago	1.3	2.3	-0.9	1.8	-6.3	-2.7	-0.7	-0.2	-6.8	-1.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Based on official figures expressed in dollars at constant 2010 prices.

Table A1.3
Latin America and the Caribbean: per capita gross domestic product
(Annual growth rates)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America and the Caribbean[b]	**1.6**	**1.8**	**0.1**	**-1.3**	**-2.2**	**0.1**	**0.1**	**-0.9**	**-7.6**	**5.3**
Latin America	**1.7**	**1.8**	**0.1**	**-1.3**	**-2.2**	**0.1**	**0.1**	**-0.9**	**-7.6**	**5.4**
Argentina	-2.1	1.3	-3.5	1.7	-3.1	1.8	-3.5	-2.9	-10.7	8.8
Bolivia (Plurinational State of)	3.5	5.1	3.8	3.3	2.7	2.7	2.8	0.8	-10.1	3.8
Brazil	1.0	2.1	-0.4	-4.4	-4.1	0.5	1.0	0.5	-4.6	4.0
Chile	4.3	3.0	0.7	1.1	0.4	-0.2	2.3	-0.2	-6.6	11.2
Colombia	3.0	4.2	3.4	1.8	0.7	-0.2	1.0	1.9	-7.8	8.7
Costa Rica	3.7	1.3	2.4	2.5	3.1	3.1	1.6	1.3	-4.9	4.6
Cuba	2.8	2.5	0.8	4.3	0.4	1.8	2.3	-0.1	-10.9	0.6
Dominican Republic	1.5	3.7	5.8	5.7	5.5	3.5	5.8	4.0	-7.7	9.3
Ecuador	4.1	3.4	2.2	-1.5	-2.9	0.6	-0.5	-1.7	-9.2	1.7
El Salvador	2.4	1.8	1.2	1.9	2.0	1.7	1.9	2.1	-8.4	9.5
Guatemala	0.8	1.5	2.3	2.0	0.6	1.1	1.3	1.9	-3.4	3.5
Haiti	-1.0	2.8	0.3	1.2	0.5	1.2	0.4	-2.9	-4.5	-2.5
Honduras	2.2	0.9	1.3	2.0	2.1	3.1	2.1	1.0	-10.4	7.3
Mexico	2.2	0.0	1.5	2.0	1.4	0.9	1.1	-1.3	-9.1	4.7
Nicaragua	5.1	3.5	3.4	3.4	3.2	3.3	-4.6	-4.9	-3.1	6.2
Panama	7.9	5.1	3.3	3.9	3.2	3.8	1.9	1.4	-19.2	10.7
Paraguay	-2.1	6.8	3.9	1.6	2.9	3.4	1.9	-1.7	-1.9	3.3
Peru	5.3	4.9	1.3	2.0	2.4	0.8	2.2	0.6	-12.2	12.2
Uruguay	3.2	4.3	2.9	0.0	1.3	1.3	0.1	-0.0	-6.2	3.6
Venezuela (Bolivarian Republic of)	3.9	-0.1	-4.7	-6.3	-16.4	-14.4	-18.2	...	...	...
The Caribbean	**0.6**	**0.0**	**0.0**	**0.5**	**-2.2**	**-0.4**	**1.0**	**0.3**	**-8.2**	**2.5**
Antigua and Barbuda	2.1	-1.8	2.6	2.7	4.4	2.2	5.9	4.0	-20.9	1.0
The Bahamas	2.0	-4.5	1.3	0.6	-0.9	0.6	1.7	-0.3	-15.3	1.4
Barbados	-0.7	-1.7	-0.3	2.3	2.4	0.3	-1.2	-0.7	-14.1	1.4
Belize	0.1	-1.4	2.2	0.7	-2.2	0.1	0.1	0.1	-18.3	0.9
Dominica	-1.1	-1.1	4.7	-2.9	2.6	-6.8	3.3	5.2	-16.8	2.9
Grenada	-1.8	1.7	6.6	5.8	3.1	3.9	3.8	0.2	-14.2	0.3
Guyana	4.8	3.1	1.1	0.2	3.3	3.2	3.9	4.8	42.8	17.9
Jamaica	-1.2	-0.1	0.1	0.4	0.8	0.5	1.4	0.4	-10.3	3.6
Saint Kitts and Nevis	-1.4	4.8	6.6	-0.1	3.1	0.1	1.9	3.4	-15.0	-2.4
Saint Lucia	-0.7	-2.5	0.9	-0.4	2.9	3.0	2.4	-0.6	-20.7	5.9
Saint Vincent and the Grenadines	1.3	1.7	1.0	1.1	1.6	0.7	1.8	0.2	-3.6	-6.4
Suriname	1.5	1.8	-0.8	-4.4	-5.9	0.6	3.9	0.2	-16.7	-1.9
Trinidad and Tobago	0.6	1.6	-1.5	1.2	-6.8	-3.1	-1.1	-0.5	-7.7	-1.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Preliminary figures.
[b] Based on official figures expressed in dollars at constant 2010 prices.

Table A1.4
Latin America and the Caribbean: gross fixed capital formation[a]
(Percentages of GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020[b]
Latin America and the Caribbean	**21.0**	**21.2**	**21.2**	**20.6**	**19.5**	**18.4**	**18.1**	**18.2**	**18.0**	**17.2**
Argentina	18.4	17.3	17.3	16.5	16.7	16.0	17.7	17.1	14.7	14.2
The Bahamas	27.6	30.1	27.9	30.7	24.5	25.8	27.7	26.1	26.4	19.7
Belize	15.0	14.6	18.0	18.0	22.0	23.6	19.9	19.8	21.5	22.7
Bolivia (Plurinational State of)	19.5	19.0	19.9	20.7	20.7	20.6	22.1	21.9	20.7	16.8
Brazil	21.1	20.9	21.4	20.4	18.2	16.6	15.9	16.5	16.9	17.5
Chile	23.6	24.9	24.8	23.1	22.6	21.9	21.0	21.2	22.0	20.6
Colombia	23.1	23.0	23.7	24.8	24.8	23.6	23.7	23.3	23.3	19.8
Costa Rica	19.2	19.9	20.4	20.4	20.4	20.8	20.0	19.8	18.1	19.0
Dominican Republic	23.9	23.1	21.5	22.0	24.4	25.7	24.5	26.0	26.7	25.2
Ecuador	26.1	27.3	28.7	28.3	26.5	24.5	25.2	25.3	24.5	23.4
El Salvador	15.7	15.7	16.3	14.5	15.4	15.6	15.8	16.5	17.2	17.2
Guatemala	16.1	16.2	15.9	15.9	15.0	14.4	14.5	14.7	15.3	14.7
Honduras	24.3	24.2	23.1	22.5	24.4	21.7	23.0	23.8	22.0	18.4
Mexico	22.5	22.7	21.7	21.7	22.0	21.6	20.9	20.6	19.7	17.5
Nicaragua	24.3	27.5	27.6	27.3	30.4	29.5	28.8	23.2	18.1	20.3
Paraguay	21.0	19.3	19.3	19.6	18.6	18.2	18.4	19.1	18.0	19.3
Peru	24.3	26.3	26.2	25.1	22.5	20.7	20.5	20.6	20.7	19.5
Uruguay	17.4	19.8	19.7	19.5	17.6	17.1	16.9	15.3	15.3	16.2
Venezuela (Bolivarian Republic of)	18.7	21.9	19.6	17.0	14.4	9.5	6.2	4.8	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Based on official figures expressed in dollars at constant 2010 prices.
[b] Preliminary figures.

Table A1.5
Latin America and the Caribbean: balance of payments
(Millions of dollars)

	Exports of goods f.o.b.			Exports of services			Imports of goods f.o.b.			Imports of services		
	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]
Latin America and the Caribbean	**1 069 018**	**958 733**	**...**	**179 712**	**112 408**	**...**	**1 056 540**	**885 313**	**...**	**224 140**	**155 161**	**...**
Latin America	**1 053 089**	**951 327**	**1 212 571**	**164 180**	**105 596**	**114 556**	**1 031 251**	**871 517**	**1 145 044**	**213 243**	**148 188**	**172 760**
Argentina	65 156	54 945	70 541	14 765	9 400	8 690	46 928	40 315	57 423	19 629	11 640	13 386
Bolivia (Plurinational State of)	8 819	6 953	10 320	1 443	605	528	9 055	6 517	8 398	2 893	1 842	2 210
Brazil	225 800	210 707	285 806	34 275	28 576	29 433	199 253	178 337	222 571	69 765	49 517	55 954
Chile	68 763	73 485	98 814	9 259	6 318	6 143	65 810	55 116	80 249	14 362	11 316	13 748
Colombia	40 656	32 309	40 586	10 668	5 747	6 754	50 708	41 290	52 245	14 952	10 137	11 658
Costa Rica	11 885	12 028	14 930	10 360	7 752	8 140	15 838	14 181	16 914	4 547	4 017	4 517
Dominican Republic	11 193	10 297	12 166	9 317	4 147	4 313	20 268	17 047	21 229	4 258	3 142	3 909
Ecuador	22 774	20 461	25 866	3 346	1 800	1 737	21 749	17 079	22 544	4 143	2 786	3 204
El Salvador	4 748	4 158	5 257	3 234	2 132	3 262	10 458	9 363	13 262	1 995	1 453	1 859
Guatemala	9 919	10 136	12 490	3 681	2 602	3 046	17 885	16 433	23 007	3 632	2 881	3 440
Haiti	1 201	886	1 043	385	251	119	4 198	3 473	4 164	1 003	621	606
Honduras	8 788	7 683	9 338	1 177	690	610	12 149	10 241	12 275	2 406	1 825	2 243
Mexico	460 939	417 151	504 808	31 695	17 028	20 434	455 772	383 172	503 724	39 976	28 082	33 699
Nicaragua	4 341	4 396	5 102	1 373	943	953	5 397	5 324	6 651	855	615	655
Panama	13 214	10 240	11 974	14 663	9 377	11 721	22 261	14 347	20 878	5 113	2 980	3 278
Paraguay	12 702	11 494	15 161	923	628	662	12 251	10 035	14 049	1 248	819	1 035
Peru	48 224	42 941	60 629	7 523	3 268	3 308	41 106	34 713	49 028	10 675	7 438	9 723
Uruguay	11 743	9 885	12 662	5 343	3 697	4 067	8 663	7 837	9 441	4 665	3 371	3 930
The Caribbean	**15 929**	**7 406**	**...**	**15 532**	**6 812**	**...**	**25 289**	**13 796**	**...**	**10 897**	**6 973**	**...**
Antigua and Barbuda	55	36	...	1 141	563	...	622	385	...	534	270	...
The Bahamas	654	400	...	3 923	1 288	...	2 966	2 224	...	1 825	1 414	...
Barbados	444	345	...	1 471	773	...	1 502	1 422	...	523	70	...
Belize	462	287	...	668	427	...	969	731	...	264	170	...
Dominica	18	15	...	182	85	...	281	188	...	150	86	...
Grenada	46	28	...	580	401	...	413	348	...	303	195	...
Guyana	1 567	2 587	...	225	201	...	4 040	2 073	...	1 111	1 994	...
Jamaica	1 640	1 219	...	4 338	2 146	...	5 685	4 149	...	2 632	1 741	...
Saint Kitts and Nevis	29	26	...	612	314	...	358	269	...	260	176	...
Saint Lucia	82	64	...	1 143	397	...	526	459	...	440	207	...
Saint Vincent and the Grenadines	38	54	...	286	114	...	295	267	...	144	87	...
Suriname	2 129	2 344	...	157	103	...	1 598	1 283	...	815	563	...
Trinidad and Tobago	8 764	...	...	808	...	...	6 034	...	...	1 896	...	...

Table A1.5 (continued)

	Goods and services balance			Income balance			Current transfers balance			Current account balance		
	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]
Latin America and the Caribbean	**-31 951**	**30 667**	**...**	**-177 007**	**-133 841**	**...**	**99 140**	**106 701**	**...**	**-109 818**	**3 527**	**...**
Latin America	**-27 226**	**37 219**	**9 323**	**-174 368**	**-132 218**	**-163 011**	**95 148**	**102 321**	**124 645**	**-106 446**	**7 322**	**-29 040**
Argentina	13 363	12 391	8 422	-17 892	-10 197	-12 000	819	1 119	1 533	-3 710	3 313	-2 045
Bolivia (Plurinational State of)	-1 685	-801	240	-847	-413	-1 069	1 134	1 025	1 255	-1 398	-189	426
Brazil	-8 942	11 428	36 714	-57 272	-39 696	-44 537	1 184	2 344	2 873	-65 030	-25 923	-4 950
Chile	-2 150	13 371	10 960	-10 144	-10 964	-18 426	1 840	963	-222	-10 454	3 370	-7 688
Colombia	-14 336	-13 371	-16 563	-9 710	-5 343	-7 365	9 055	8 788	10 636	-14 991	-9 927	-13 292
Costa Rica	1 860	1 582	1 639	-3 833	-3 499	-4 119	596	568	653	-1 376	-1 349	-1 828
Dominican Republic	-4 017	-5 744	-8 659	-4 069	-3 857	-4 593	6 898	8 060	10 364	-1 188	-1 541	-2 888
Ecuador	228	2 396	1 855	-3 028	-2 824	-3 000	2 739	2 993	3 714	-61	2 565	2 570
El Salvador	-4 472	-4 525	-6 602	-1 337	-1 314	-1 822	5 644	5 960	7 502	-165	121	-921
Guatemala	-7 918	-6 576	-10 911	-1 412	-1 379	-1 286	11 120	11 893	15 711	1 791	3 938	3 515
Haiti	-3 615	-2 956	-3 608	50	28	24	3 442	3 847	4 337	-123	918	753
Honduras	-4 589	-3 693	-4 570	-1 901	-1 616	-2 169	5 894	5 983	7 805	-596	674	1 065
Mexico	-3 114	22 924	-12 181	-37 038	-36 876	-38 000	36 207	40 074	48 644	-3 945	26 122	-1 536
Nicaragua	-537	-599	-1 251	-466	-582	-406	1 758	1 920	2 063	754	739	406
Panama	503	2 289	-461	-3 804	-1 187	-3 046	-31	131	222	-3 333	1 233	-3 285
Paraguay	126	1 268	739	-1 133	-1 075	-1 259	795	694	730	-212	887	209
Peru	3 966	4 058	5 186	-9 838	-6 546	-12 000	3 718	4 071	4 885	-2 154	1 583	-1 928
Uruguay	3 758	2 373	3 358	-2 961	-2 877	-4 438	189	187	240	986	-316	-839
The Caribbean	**-4 726**	**-6 551**	**...**	**-2 639**	**-1 623**	**...**	**3 992**	**4 380**	**...**	**-3 373**	**-3 794**	**...**
Antigua and Barbuda	40	-56	...	-106	-25	...	-46	-28	...	-112	-109	...
The Bahamas	-215	-1 950	...	-547	-489	...	846	373	...	84	-2 065	...
Barbados	-110	-374	...	...	...	...	-46	93	...	-156	-281	...
Belize	-103	-187	...	-158	-59	...	84	118	...	-177	-128	...
Dominica	-231	-174	...	-10	14	...	18	21	...	-223	-139	...
Grenada	-91	-114	...	-120	-81	...	8	20	...	-202	-175	...
Guyana	-3 359	-1 278	...	-47	-32	...	581	658	...	-2 824	-652	...
Jamaica	-2 339	-2 525	...	-441	-455	...	2 416	2 961	...	-364	-18	...
Saint Kitts and Nevis	22	-105	...	-48	-13	...	-30	-24	...	-56	-142	...
Saint Lucia	258	-204	...	-134	-37	...	5	22	...	129	-219	...
Saint Vincent and the Grenadines	-115	-185	...	-7	2	...	42	41	...	-80	-142	...
Suriname	-126	601	...	-413	-450	...	90	124	...	-449	275	...
Trinidad and Tobago	1 642	...	...	-608	...	...	22	...	...	1 056	...	...

Table A1.5 (concluded)

	Capital and financial balance[b]			Overall balance			Reserve assets (variation)[c]			Other financing		
	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]
Latin America and the Caribbean	**61 277**	**-8 354**	**...**	**-48 542**	**13 822**	**...**	**30 517**	**-14 939**	**...**	**15 788**	**1 117**	**...**
Latin America	**58 107**	**-13 570**	**...**	**-48 339**	**12 400**	**...**	**30 545**	**-13 444**	**...**	**15 586**	**1 043**	**...**
Argentina	-33 872	-11 040	...	-37 582	-7 727	...	21 375	7 727	...	16 208	...	...
Bolivia (Plurinational State of)	-1 441	-1 563	...	-2 839	-1 752	...	2 839	1 752	...	...	...	...
Brazil	38 974	-6 958	...	-26 055	-14 232	...	26 055	14 232	...	...	...	...
Chile	10 301	-6 265	...	-152	-2 895	...	152	2 895	...	...	...	...
Colombia	18 324	14 255	...	3 333	4 328	...	-3 333	-4 328	...	...	...	...
Costa Rica	2 768	-405	...	1 393	-1 754	...	-1 393	1 754	...	...	...	...
Dominican Republic	2 313	2 836	...	1 125	1 295	...	-1 150	-1 963	...	24	668	...
Ecuador	777	1 582	...	715	4 146	...	-715	-4 146	...	...	...	...
El Salvador	1 041	-1 508	...	876	-1 387	...	-876	1 387	...	...	...	...
Guatemala	7	-749	...	1 798	3 189	...	-1 798	-3 189	...	...	...	...
Haiti	-67	-918	...	-190	...	...	109	...	...	81	...	...
Honduras	1 585	1 239	...	988	1 913	...	-993	-2 381	...	5	468	...
Mexico	6 583	-14 133	...	2 638	11 990	...	-2 638	-11 990	...	...	...	...
Nicaragua	-635	168	...	119	907	...	-119	-907	...	...	...	...
Panama	5 291	4 410	...	1 958	5 643	...	-1 227	-5 550	...	-731	-93	...
Paraguay	157	918	...	-55	1 805	...	55	-1 805	...	...	...	...
Peru	9 062	3 718	...	6 909	5 301	...	-6 909	-5 301	...	...	...	...
Uruguay	-2 097	1 946	...	-1 111	1 630	...	1 111	-1 630	...	...	...	...
The Caribbean	**3 170**	**5 216**	**...**	**-203**	**1 422**	**...**	**-28**	**-1 496**	**...**	**201**	**74**	**...**
Antigua and Barbuda	62	52	...	-50	-57	...	50	57	...	0	0	...
The Bahamas	478	2 429	...	562	364	...	-562	-364	...	...	...	...
Barbados	396	871	...	241	590	...	-241	-590	...	...	...	...
Belize	160	197	...	-18	69	...	18	-69	...	...	...	...
Dominica	198	149	...	-25	10	...	25	-10	...	0	0	...
Grenada	204	232	...	2	57	...	-2	-57	...	...	...	...
Guyana	2 775	712	...	-49	61	...	-47	-105	...	96	44	...
Jamaica	463	467	...	99	449	...	-99	-449	...	...	...	...
Saint Kitts and Nevis	47	151	...	-9	9	...	-21	-9	...	0	0	...
Saint Lucia	-154	189	...	-25	-30	...	25	30	...	0	0	...
Saint Vincent and the Grenadines	104	156	...	24	13	...	-24	-13	...	...	...	...
Suriname	136	-388	...	-313	-113	...	208	83	...	105	30	...
Trinidad and Tobago	-1 699	...	...	-644	...	...	644	...	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Estimates.
[b] Includes errors and omissions.
[c] A minus sign (-) indicates an increase in reserve assets.

Table A1.6
Latin America and the Caribbean: international trade of goods
(Indices: 2010=100)

	Exports of goods, f.o.b.								
	Value			Volume			Unit value		
	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]
Latin America	**120.6**	**109.0**	**138.9**	**128.2**	**121.8**	**132.0**	**94.1**	**89.5**	**105.3**
Argentina	95.4	80.4	103.3	100.3	87.1	88.0	95.1	92.4	117.3
Bolivia (Plurinational State of)	143.9	113.4	168.4	118.8	94.9	95.2	121.1	119.5	176.9
Brazil	112.2	104.7	142.1	127.6	127.8	134.4	87.9	81.9	105.7
Chile	96.7	103.3	139.0	113.0	116.4	125.2	85.6	88.8	111.0
Colombia	99.7	79.3	99.6	137.3	135.7	131.1	72.6	58.4	75.9
Costa Rica	158.6	160.5	199.3	151.0	152.6	173.8	105.0	105.2	114.6
Dominican Republic	164.2	151.1	178.5	159.6	136.7	153.8	102.9	110.5	116.0
Ecuador	125.6	112.8	142.6	132.2	138.7	139.1	95.0	81.3	102.5
El Salvador	136.7	119.7	151.4	117.1	102.2	118.5	116.7	117.2	127.7
Guatemala	137.8	140.9	173.6	149.2	151.0	167.6	92.4	93.3	103.6
Haiti	213.2	157.3	185.1	196.5	144.2	166.3	108.5	109.1	111.3
Honduras	140.3	122.7	149.1	139.4	116.1	124.9	100.7	105.6	119.3
Mexico	154.2	139.6	168.9	153.4	146.2	165.3	100.5	95.5	102.2
Nicaragua	159.2	161.2	187.2	178.6	170.4	186.6	89.2	94.6	100.3
Panama	104.3	80.8	94.5	115.4	86.9	94.9	90.3	93.0	99.5
Paraguay	121.3	109.7	144.7	102.3	90.7	95.7	118.6	121.0	151.2
Peru	134.7	119.9	169.3	136.2	116.9	133.1	98.9	102.6	127.2
Uruguay	146.2	123.1	157.7	147.8	126.3	140.7	98.9	97.4	112.0
	Imports of goods, f.o.b.								
	Value			Volume			Unit value		
	2019	2020	2021[a]	2019	2020	2021[a]	2019	2020	2021[a]
Latin America	**125.0**	**105.6**	**138.8**	**126.3**	**112.5**	**132.2**	**99.0**	**93.9**	**104.9**
Argentina	86.6	74.4	106.0	95.0	84.6	108.5	91.2	88.0	97.7
Bolivia (Plurinational State of)	180.8	130.2	167.7	105.0	76.0	88.3	172.3	171.2	190.0
Brazil	109.0	97.5	121.7	113.8	111.0	128.2	95.8	87.9	94.9
Chile	119.2	99.8	145.3	132.4	117.4	155.4	90.0	85.0	93.5
Colombia	132.0	107.5	136.0	156.3	133.8	151.2	84.5	80.3	90.0
Costa Rica	143.5	128.4	153.2	144.6	134.0	144.0	99.2	95.9	106.4
Dominican Republic	133.3	112.1	139.6	134.1	116.4	125.0	99.3	96.3	111.7
Ecuador	110.7	87.0	114.8	102.4	81.4	94.3	108.2	106.8	121.7
El Salvador	139.5	124.9	176.9	117.4	109.2	140.7	118.8	114.4	125.8
Guatemala	150.6	138.3	193.7	153.4	150.0	187.5	98.1	92.3	103.3
Haiti	139.5	115.4	138.3	112.3	93.4	100.0	124.2	123.5	138.4
Honduras	136.4	115.0	137.8	130.8	109.2	119.0	104.3	105.2	115.8
Mexico	151.0	127.0	166.9	147.6	129.1	148.9	102.3	98.4	112.1
Nicaragua	119.6	118.0	147.4	142.8	154.0	170.2	83.7	76.6	86.6
Panama	129.3	83.3	121.3	129.3	89.6	117.5	100.0	93.0	103.2
Paraguay	127.7	104.6	146.5	129.5	109.7	137.1	98.6	95.4	106.8
Peru	142.7	120.5	170.1	131.2	116.7	147.2	108.7	103.2	115.6
Uruguay	101.2	91.6	110.3	117.6	115.1	127.2	86.1	79.6	86.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
[a] Estimates.

Table A1.7
Latin America: terms of trade for goods f.o.b./f.o.b.
(Indices: 2010=100)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America	**102.5**	**100.4**	**98.0**	**88.7**	**89.7**	**93.9**	**94.6**	**95.1**	**95.3**	**100.3**
Argentina	115.7	108.1	106.0	101.0	107.3	104.1	105.1	104.4	105.0	120.1
Bolivia (Plurinational State of)	112.3	100.4	95.1	71.2	60.1	66.7	70.9	70.3	69.8	93.1
Brazil	101.5	99.4	96.1	85.5	88.1	93.2	91.3	91.8	93.2	111.3
Chile	94.6	91.6	89.8	87.2	90.4	99.7	96.7	95.1	104.4	118.7
Colombia	108.4	100.6	91.5	68.9	68.1	79.7	87.2	86.0	72.7	84.4
Costa Rica	97.6	96.5	98.9	106.4	109.9	107.0	105.1	105.9	109.7	107.7
Dominican Republic	98.8	96.5	96.1	104.4	109.0	104.1	99.1	103.6	114.8	103.9
Ecuador	112.9	113.5	106.3	80.6	76.9	83.5	91.0	87.8	76.2	84.2
El Salvador	99.4	98.6	96.7	100.9	102.6	100.6	98.0	98.3	102.4	101.5
Guatemala	95.2	92.9	93.8	94.3	102.1	99.7	93.6	94.1	101.1	100.2
Haiti	86.0	80.6	83.1	87.4	86.4	87.6	86.4	87.4	88.3	80.4
Honduras	101.4	95.4	98.9	104.3	104.6	104.9	98.4	96.5	100.3	103.1
Mexico	97.3	97.8	97.1	93.0	93.6	96.5	96.1	98.3	97.1	91.1
Nicaragua	106.7	98.4	98.3	115.8	114.7	112.2	103.0	106.5	123.5	115.8
Panama	96.4	91.3	92.9	90.6	89.0	90.6	92.2	90.3	100.0	96.4
Paraguay	102.5	113.3	126.4	128.5	128.9	127.5	124.6	120.2	126.9	141.6
Peru	104.7	98.4	93.1	86.7	86.5	93.0	92.6	91.0	99.4	110.0
Uruguay	106.3	108.1	112.3	114.5	117.6	117.2	111.5	114.9	122.5	129.2
Venezuela (Bolivarian Republic of)	120.8	119.8	115.9	66.7	57.5	63.9	80.8	69.4	53.6	67.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
[a] Estimates.

Table A1.8
Latin America and the Caribbean (selected countries): remittances from emigrant workers
(Millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Bolivia (Plurinational State of)	1 094	1 182	1 164	1 178	1 233	1 392	1 370	1 318	1 116	683
Brazil	2 191	2 124	2 128	2 459	2365	2 300	2 565	2 880	3 312	2 233[b]
Colombia	3 970	4 401	4 093	4 957	5147	5 784	6 636	7 087	6 909	6 285
Costa Rica	527	561	559	518	515	527	499	519	495	266[c]
Dominican Republic	4 045	4 262	4 571	4 961	5261	5 912	6 494	7 087	8 219	7 861
Ecuador	2 467	2 450	2 462	2 378	2 602	2 840	3 031	3 235	3 338	2 009
El Salvador	3 887	3 944	4 139	4 257	4544	4 985	5 391	5 656	5 930	5 488
Guatemala	4 783	5 105	5 544	6 285	7160	8 192	9 288	10 508	11 340	11 008
Honduras	2 842	3 093	3 437	3 727	3949	4 438	4 884	5 522	5 737	5 384
Jamaica	2 042	2 065	2 157	2 226	2071	2 157	2 226	2 406	2 905	2 605
Mexico	22 438	22 303	23 647	24 785	26993	30 291	33 677	36 439	40 605	37 350
Nicaragua	1 014	1 078	1 136	1 193	1264	1 391	1 501	1 682	1 851	1 557
Paraguay	528	519	422	461	547	587	569	555	486	354
Peru	2 788	2 707	2 637	2 725	2 884	3 051	3 225	3 326	2 938	2 658

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of September.
[b] Figures as of August.
[c] Figures as of June.

Table A1.9
Latin America and the Caribbean: net resource transfer[a]
(Millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[b]
Latin America and the Caribbean	**26 062**	**26 948**	**61 945**	**9 803**	**-18 199**	**-41 102**	**-28 834**	**-99 942**	**-122 429**	**...**
Latin America	**29 694**	**29 611**	**61 485**	**11 315**	**-18 342**	**-40 813**	**-27 860**	**-100 675**	**-126 096**	**-163 011**
Argentina	-14 921	-11 864	-1 240	611	17 224	29 327	19 710	-35 557	-21 237	-12 000
Bolivia (Plurinational State of)	-1 888	-1 838	-1 336	-811	-1 760	556	-480	-2 288	-1 976	-1 069
Brazil	39 455	36 580	63 085	18 423	-7 830	-16 043	-4 437	-18 297	-28 004	-44 537
Chile	-2 493	-486	-3 796	-1 460	-1 026	-7 757	-494	157	-17 228	-18 426
Colombia	2 038	5 310	12 147	13 668	7 439	2 609	3 933	8 614	8 912	-7 365
Costa Rica	3 065	1 064	226	185	-1 429	-1 391	-1 087	-1 064	-3 905	-4 119
Cuba	-3 377	-2 772	-4 166	-2 555	-3 080	...	...	...	...	...
Dominican Republic	933	735	-882	-1 249	-1 659	-2 930	-1 523	-1 732	-353	-4 593
Ecuador	-1 611	1 450	-1 286	-961	-1 088	-4 466	-1 325	-2 251	-1 243	-3 000
El Salvador	1 020	201	145	-225	-244	-615	-609	-296	-2 822	-1 822
Guatemala	1 340	1 741	518	-207	-639	242	-1 141	-1 405	-2 129	-1 286
Haiti	784	625	718	165	261	349	456	64	-890	24
Honduras	32	894	225	-144	-759	-234	-250	-312	91	-2 169
Mexico	9 501	10 815	9 070	-15 565	-5 176	-14 155	-7 687	-30 455	-51 008	-38 000
Nicaragua	804	942	788	968	436	575	-931	-1 101	-414	-406
Panama	1 667	2 096	4 134	171	1 684	-322	498	755	3 130	-3 046
Paraguay	-1 184	-1 127	-279	-1 775	-1 794	-1 545	-1 464	-975	-157	-1 259
Peru	7 738	1 214	-2 999	1 714	-3 749	-7 116	-11 622	-776	-2 827	-12 000
Uruguay	1 472	1 932	-528	-3 977	-5 296	-1 135	-3 776	-5 057	-931	-4 438
Venezuela (Bolivarian Republic of)	-14 681	-17 901	-13 062	4 339	-9 856	-16 763	-15 631	-8 698	...	...
The Caribbean	**-3 633**	**-2 663**	**460**	**-1 512**	**142**	**-289**	**-974**	**732**	**3 667**	**...**
Antigua and Barbuda	140	191	30	-55	-88	20	171	-44	27	...
The Bahamas	1 162	1 227	1 861	1 271	363	1 662	584	-69	1 941	...
Barbados	139	-38	188	-13	-154	76	521	396	871	...
Belize	-48	72	78	-24	-20	-46	-12	1	138	...
Dominica	77	23	26	32	119	38	218	188	163	...
Grenada	157	223	44	36	30	32	107	85	151	...
Guyana	466	411	344	146	-30	267	1 355	2 825	725	...
Jamaica	400	946	1 769	426	-269	473	-601	22	12	...
Saint Kitts and Nevis	52	50	-40	-23	97	107	10	-1	138	...
Saint Lucia	158	84	2	-92	-6	-72	-193	-288	152	...
Saint Vincent and the Grenadines	208	247	183	113	122	78	84	97	158	...
Suriname	-175	-84	196	507	74	-442	-121	-171	-808	...
Trinidad and Tobago	-6 369	-6 015	-4 222	-3 837	-96	-2 482	-3 097	-2 307	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The net resource transfer is calculated as total net capital income minus the income balance (net payments of profits and interest). Total net capital income is the balance on the capital and financial accounts plus errors and omissions, plus loans and the use of IMF credit plus exceptional financing. Negative figures indicate resources transferred outside the country.
[b] Preliminary figures.

Table A1.10
Latin America and the Caribbean: net foreign direct investment[a]
(Millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[b]
Latin America and the Caribbean	**150 240**	**160 873**	**151 785**	**135 806**	**135 808**	**126 358**	**119 394**	**148 947**	**113 187**	**...**
Latin America	**148 545**	**160 368**	**150 770**	**133 049**	**133 262**	**124 403**	**117 797**	**146 416**	**110 371**	**...**
Argentina	9 352	14 269	8 932	3 145	10 884	1 474	10 361	9 991	5 124	...
Bolivia (Plurinational State of)	859	1 060	1 750	690	556	246	633	387	-265	...
Brazil	86 360	90 485	59 568	67 107	61 604	59 601	47 545	76 138	46 355	...
Chile	5 313	10 812	12 322	10 758	4 948	5 334	993	6 450	3 247	...
Colombia	6 227	15 646	8 558	12 270	7 403	9 341	10 011	6 172	10 836	...
Costa Rica	2 328	1 803	2 401	2 818	2 541	2 127	2 652	2 434	2 695	...
Dominican Republic	2 277	3 142	1 991	2 209	2 205	2 407	3 571	2 535	3 021	...
Ecuador	646	567	727	777	1 331	756	625	1 388	974	...
El Salvador	218	466	179	306	396	348	889	826	636	...
Guatemala	1 140	1 226	1 449	1 388	1 048	965	934	778	799	...
Haiti	119	156	162	99	106	105	375	105	75	...
Honduras	1 012	851	992	1 315	952	900	1 035	895	500	...
Mexico	12 267	-565	32 761	22 975	24 821	31 012	30 291	25 565	23 568	...
Nicaragua	929	712	815	983	922	924	971	763	444	...
Panama	2 956	3 254	3 612	4 130	3 966	4 652	4 314	4 917	3 686	...
Paraguay	581	697	245	412	308	425	576	458	522	...
Peru	7 340	11 867	9 334	2 823	8 125	5 583	6 360	6 831	6 791	...
Uruguay	2 511	2 240	3 045	2 247	775	-1 823	-2 037	-443	1 363	...
Venezuela (Bolivarian Republic of)	6 110	1 679	1 928	-3 401	370	27	-2 302	225	...	...
The Caribbean	**1 696**	**505**	**1 015**	**2 757**	**2 546**	**1 955**	**1 597**	**2 530**	**2 816**	**...**
Antigua and Barbuda	65	133	95	40	100	59	144	193	84	...
The Bahamas	669	530	688	475	526	390	305	491	265	...
Barbados	83	565	-62	...	...	...	...	...	...	...
Belize	94	193	92	138	59	42	24	121	101	...
Dominica	35	59	23	14	19	41	23	77	59	...
Grenada	43	31	113	100	137	93	152	164	196	...
Guyana	247	294	214	255	122	6	212	1 232	1 695	...
Jamaica	144	323	470	523	891	658	855	762	219	...
Saint Kitts and Nevis	110	108	136	151	133	124	42	36	66	...
Saint Lucia	81	74	92	98	129	149	59	67	4	...
Saint Vincent and the Grenadines	86	115	160	119	116	89	143	34	75	...
Suriname	67	173	188	164	267	300	98	119	-20	...
Trinidad and Tobago	-26	-2 094	-1 192	679	48	2	-459	-765	70	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Corresponds to direct investment in the reporting economy after deduction of outward direct investment by residents of that country. Includes reinvestment of profits.
[b] Preliminary figures.

Table A1.11
Latin America and the Caribbean: gross external debt
(Millions of dollars, end-of-period stocks)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020[ab]
Latin America and the Caribbean[cd]		**1 243 746**	**1 381 093**	**1 513 896**	**1 689 666**	**1 696 952**	**1 768 386**	**1 872 334**	**1 950 190**	**2 017 860**	**2 058 185**
Latin America[cd]		**1 225 320**	**1 362 650**	**1 494 162**	**1 668 891**	**1 674 378**	**1 743 952**	**1 846 611**	**1 924 171**	**1 992 384**	**2 030 034**
Argentina	Total	156 300	156 478	155 489	158 742	167 412	181 432	234 549	277 932	278 489	271 443
Bolivia (Plurinational State of)	Total	6 298	6 625	7 756	8 543	9 445	10 703	11 702	12 491	13 473	14 205
Brazil	Total	516 030	570 831	621 439	712 655	665 101	675 841	667 103	665 777	675 789	639 308
Chile	Total	100 973	122 668	136 351	152 135	160 904	164 815	180 449	183 344	197 234	208 981
Colombia	Total	75 622	78 784	92 073	101 404	110 502	120 153	124 636	132 016	138 683	154 509
Costa Rica	Total	11 161	15 256	19 504	21 628	23 576	25 565	26 920	28 968	30 938	31 882
Dominican Republic	Public	11 625	12 872	14 919	16 074	16 029	17 567	18 821	21 565	23 383	30 703
Ecuador	Total	15 210	15 913	18 788	24 112	27 933	34 181	40 323	44 239	52 668	56 893
El Salvador	Total	11 858	13 353	14 035	14 800	15 217	16 376	16 474	16 603	17 390	18 349
Guatemala	Total	15 533	17 452	19 825	21 577	22 235	23 333	24 982	24 462	24 947	25 364
Haiti	Total	860	1 070	1 478	1 833	1 985	2 013	2 133	2 125	2 104	...
Honduras	Total	4 208	4 861	6 709	7 184	7 456	7 499	8 572	9 112	9 604	10 981
Mexico	Total	210 713	226 492	259 977	286 624	296 399	314 202	333 398	342 711	355 795	373 077
Nicaragua	Total	8 126	9 117	10 158	10 925	11 461	12 120	12 646	12 881	13 077	13 538
Panama	Public	10 858	10 782	12 231	14 352	15 648	16 902	18 390	20 575	24 223	29 817
Paraguay	Total	3 970	4 563	4 780	5 839	6 197	6 677	7 738	8 591	9 802	13 675
Peru	Total	47 630	59 131	60 559	69 271	73 129	74 571	76 499	78 170	80 200	88 768
Uruguay	Total	18 345	36 403	38 092	41 194	43 752	40 002	41 274	42 611	44 584	46 439
Venezuela (Bolivarian Republic of)	Total	118 285	130 785	132 362	135 767	149 755	149 859	148 328	148 432	147 899	...
The Caribbean	**Public**	**18 427**	**18 444**	**19 733**	**20 774**	**22 574**	**24 433**	**25 723**	**26 018**	**25 476**	**28 150**
Antigua and Barbuda	Public	467	445	577	560	573	562	584	614	650	662
The Bahamas	Public	1 045	1 465	1 616	2 095	2 176	2 373	3 234	3 172	3 121	4 478
Barbados	Public	1 385	1 322	1 434	1 521	1 460	1 442	1 413	1 599	1 545	1 987
Belize	Public	1 032	1 029	1 083	1 126	1 179	1 204	1 257	1 285	1 272	1 454
Dominica	Public	238	263	275	287	285	270	267	253	244	287
Grenada	Public	537	537	618	634	613	602	533	562	523	569
Guyana	Public	1 206	1 359	1 246	1 216	1 143	1 162	1 248	1 322	1 305	1 321
Jamaica	Public	8 626	8 256	8 310	8 659	10 314	10 244	10 103	9 937	9 253	9 123
Saint Kitts and Nevis	Public	320	317	320	284	214	199	156	149	142	135
Saint Lucia	Public	416	435	488	526	509	529	598	599	628	718
Saint Vincent and the Grenadines	Public	328	329	354	387	399	455	387	391	421	463
Suriname	Public	601	707	878	942	1 156	1 872	2 046	2 040	2 150	2 151
Trinidad and Tobago	Public	2 227	1 981	2 534	2 537	2 553	3 519	3 896	4 096	4 222	4 803

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures prepared on the basis of official information for external debt by sector.
[b] Includes debt owed to the International Monetary Fund.
[c] Figure does not include the Bolivarian Republic of Venezuela.
[d] Figure includes latest available figure for Haiti.

Table A1.12
Latin America and the Caribbean: sovereign spreads on EMBI global
(Basis points to end of period)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America	**326**	**393**	**508**	**605**	**473**	**419**	**568**	**346**	**386**	**401**
Argentina	991	808	719	438	455	351	817	1 744	1 368	1 712
Belize	2 245	807	819	822	1 837	771	858	869	1 406	1 238
Bolivia (Plurinational State of)	...	289	277	250	83	203	378	218	461	472
Brazil	140	230	270	548	330	232	273	212	250	338
Chile	116	148	169	253	158	117	166	135	144	161
Colombia	112	163	196	317	225	173	228	161	206	302
Dominican Republic	343	349	381	421	407	275	371	309	340	365
Ecuador	826	530	883	1 266	647	459	826	826	1 062	847
El Salvador	396	389	414	634	536	383	515	394	732	1 007
Jamaica	711	641	485	469	375	304	346	282	317	285
Mexico	155	177	213	315	296	245	357	292	361	353
Panama	129	199	185	214	187	119	171	114	149	190
Paraguay		240	291	338	281	200	260	203	213	245
Peru	114	162	182	240	170	136	168	107	132	181
Uruguay	127	194	208	280	244	146	207	148	135	138
Venezuela (Bolivarian Republic of)	786	1 141	2 457	2 807	2 168	4 854	6 845	14 740	24 099	32 198

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from J.P. Morgan.
[a] Figures as of October.

Table A1.13
Latin America and the Caribbean: sovereign risk premiums on five-year credit default swaps
(Basis points to end of period)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Argentina	1 442	1 654	2987	5 393	419	232	794	899	545	3 199
Brazil	108	194	201	495	281	162	208	99	143	257
Chile	72	80	94	129	83	72	94	41	56	103
Colombia	96	119	141	243	164	105	157	72	89	226
Mexico	98	92	103	170	156	106	155	79	81	119
Panama	98	111	109	182	127	67	85	41	48	103
Peru	97	133	115	188	108	72	94	41	56	103
Venezuela (Bolivarian Republic of)	647	1 150	3 155	4 868	3 750	15 047	8 281	5 381	5 381	1 644

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Bloomberg.
[a] Figures as of November.

Table A1.14
Latin America and the Caribbean: international bond issues[a]
(Millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[b]
Total	**114 241**	**123 332**	**133 056**	**79 783**	**129 364**	**144 702**	**94 058**	**118 576**	**145 286**	**137 513**
National issues	**111 757**	**121 518**	**129 743**	**76 613**	**124 528**	**140 855**	**88 582**	**114 687**	**140 333**	**132 541**
Argentina	663	1 025	1 941	3 586	33 783	27 676	13 367	1 720	386	1 766
The Bahamas	-	-	300	-	-	750	-	-	825	-
Barbados	-	-	2 500	320	-	-	-	-	-	400
Bolivia (Plurinational State of)	500	500	-	-	-	1 000	-	-	-	-
Brazil	50 255	37 262	45 364	7 188	20 481	32 066	18 979	29 147	26 975	29 515
Chile	9 443	11 540	13 768	7 650	5 336	14 449	8 635	12 629	20 129	28 764
Colombia	7 459	10 012	9 200	6 400	4 061	7 842	5 786	4 793	12 391	11 895
Costa Rica	1 250	3 000	1 000	1 127	500	300	-	1 500	-	300
Dominican Republic	750	1 800	1 500	6 407	1 960	9 062	5 876	10 002	10 800	13 001
Ecuador	-	-	2 000	3 500	1 870	2 017	3 118	2 500	7 565	4 853
El Salvador	800	310	800	1 500	2 750	5 800	3 000	4 525	327	-
Guatemala	1 400	1 300	1 100	300	-	951	-	1 097	1 000	-
Honduras	-	1 000	-	-	700	1 330	-	1 200	1 400	2 000
Jamaica	1 750	1 800	1 800	-	-	850	-	-	600	300
Mexico	28 147	41 729	37 592	2 925	364	869	-	1415	225	-
Panama	1 100	1 350	1 935	30 375	41 539	29 222	23 879	33 546	41 902	29 140
Paraguay	500	500	1 000	1 700	2 200	3 321	2 636	5 800	8 868	6 705
Peru	7 240	5 840	5 944	280	600	500	530	1 532	2 161	1 126
Suriname	-	-	-	-	636	-	-	125	-	-
Trinidad and Tobago	-	550	-	-	1 600	-	525	500	500	816
Uruguay	500	2 000	2 000	2 605	1 147	2 350	1 750	1 905	2 655	1 250
Venezuela (Bolivarian Republic of)	-	-	-	-	5 000	-	-	-	1 125	-
Others	-	-	-	750	-	500	500	750	500	711
Supranational issues	**2 484**	**1 814**	**3 313**	**3 171**	**4 837**	**3 847**	**5 476**	**3 889**	**4 953**	**4 971**
Central American Bank for Economic Integration (CABEI)	250	520	505	521	887	382	772	623	1 281	717
Caribbean Development Bank (CDB)	-	-	-	-	-	-	-	-	-	-
Foreign Trade Bank of Latin America (BLADEX)	400	-	-	-	73	-	-	76	435	87
Development Bank of Latin America (CAF)	1 834	1 294	2 808	2 650	3 376	3 465	4 503	3040	3 236	3 945
Inter-American Investment Corporation	-	-	-	-	500	-	-	-	-	-
Promerica Financial Corp	-	-	-	-	-	-	200	-	-	-

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Merrill Lynch, J.P. Morgan and Latin Finance.
[a] Includes sovereign, bank and corporate bonds.
[b] Figures as of October.

Table A1.15
Latin America and the Caribbean: stock exchange indices
(National indices to end of period, 31 December 2005=100)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Argentina	185	349	556	757	1 096	1 948	1 963	2 700	3 319	5 139
Brazil	182	154	149	130	180	228	263	346	356	305
Chile	219	188	196	187	211	283	260	238	213	226
Colombia	155	137	122	90	106	121	117	140	-	-
Costa Rica	45	78	88	80	114	116	92	77	61	95
Ecuador	135	148	168	161	150	185	203	195	190	159
Jamaica	88	77	73	144	184	276	363	488	379	381
Mexico	246	240	242	241	256	277	234	245	248	279
Peru	430	328	308	205	324	416	403	427	434	425
Trinidad and Tobago	100	111	108	109	113	119	122	138	124	136

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Bloomberg.
[a] Figures as of November.

Table A1.16
Latin America and the Caribbean: gross international reserves
(Millions of dollars, end-of-period stocks)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America and the Caribbean	**834 208**	**830 209**	**857 638**	**811 962**	**831 571**	**859 610**	**868 029**	**852 243**	**891 560**	**943 466**
Latin America	**818 328**	**813 981**	**839 372**	**795 049**	**814 680**	**842 966**	**852 282**	**836 221**	**873 741**	**923 788**
Argentina	43 290	30 599	31 443	25 563	38 772	55 055	65 806	44 781	39 387	43 004
Bolivia (Plurinational State of)	13 927	14 430	15 123	13 056	10 081	10 261	8 946	6 468	5 276	4 955
Brazil	373 147	358 808	363 551	356 464	365 016	373 972	374 715	356 884	355 620	369 382
Chile	39 954	41 094	40 447	38 643	40 494	38 983	39 861	40 657	39 200	53 309[b]
Colombia	37 474	43 639	47 328	46 740	46 683	47 637	48 402	53 174	59 039	58 730[b]
Costa Rica	6 857	7 331	7 211	7 834	7 574	7 150	7 501	8 937	7 232	7 141[c]
Dominican Republic	3 559	4 701	4 862	5 266	6 047	6 781	7 628	8 782	10 752	12 932[b]
Ecuador[d]	2 483	4 361	3 949	2 496	4 259	2 451	2 677	3 397	7 196	5 217[e]
El Salvador	3 175	2 745	2 693	2 787	3 238	3 567	3 569	4 446	3 083	3 450[b]
Guatemala[d]	6 694	7 273	7 333	7 751	9 160	11 770	12 756	14 789	18 468	19 827[b]
Haiti	1 337	1 690	1 163	977	1 105	1 258	1 309	1 352	1 386	…[e]
Honduras	2 629	3 113	3 570	3 874	4 100	5 012	5 073	6 029	8 381	8 824[e]
Mexico	167 050	180 200	195 682	177 597	178 025	175 450	176 384	183 028	199 056	211 590
Nicaragua	1 778	1 874	2 147	2 353	2 296	2 593	2 081	2 174	3 003	3 837[e]
Panama	2 441	2 775	3 994	3 911	4 511	3 531	2 932	4 146	9 682	7 919[e]
Paraguay	4 994	5 871	6 891	6 200	7 144	8 146	7 970	7 675	9 490	9 687
Peru	64 049	65 710	62 353	61 537	61 746	63 731	60 288	68 370	74 909	75 846
Uruguay	13 605	16 290	17 555	15 634	13 436	15 959	15 557	14 505	16 217	16 949
Venezuela (Bolivarian Republic of)	29 887	21 478	22 077	16 367	10 992	9 662	8 830	6 630	6 364	11 188
The Caribbean	**15 880**	**16 228**	**18 266**	**16 913**	**16 892**	**16 643**	**15 748**	**16 021**	**17 820**	**19 677**
Antigua and Barbuda[d]	161	202	297	356	330	314	328	279	222	237[f]
The Bahamas	812	740	787	808	902	1 408	1 197	1 758	2 381	2 753[e]
Barbados	631	521	471	484	320	206	500	739	1 325	1 424[b]
Belize	289	402	483	432	371	306	287	271	340	402[b]
Dominica[d]	92	85	100	125	221	211	189	166	176	176[f]
Grenada[d]	104	135	158	189	201	195	231	234	291	322[f]
Guyana	862	777	666	599	616	584	528	576	681	820[e]
Jamaica	1 981	1 818	2 473	2 914	3 291	3 781	3 532	3 631	4 081	4 835[b]
Saint Kitts and Nevis[d]	252	291	318	280	313	357	355	346	356	354[f]
Saint Lucia[d]	208	168	235	298	289	307	275	253	224	197[f]
Saint Vincent and the Grenadines[d]	109	133	156	165	191	180	168	192	204	200[f]
Suriname	1 008	779	625	330	381	424	581	648	585	885[b]
Trinidad and Tobago	9 371	10 176	11 497	9 933	9 466	8 370	7 575	6 929	6 954	7 073[b]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Latest data available to October.
[b] Figures as of September.
[c] Figures as of June.
[d] Net international reserves.
[e] Figures as of August.
[f] Figures as of January.

Table A1.17

Latin America and the Caribbean: real effective exchange rates[ab]

(Indices: 2005=100, average values for the period)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[cd]
Latin America and the Caribbean	**82.6**	**82.3**	**83.2**	**83.9**	**84.9**	**83.7**	**85.4**	**86.4**	**90.6**	**89.9**
Barbados	89.3	89.2	87.9	84.4	82.8	80.7	79.8	77.0	75.9	77.0
Bolivia (Plurinational State of)	87.0	81.7	74.7	65.1	62.0	64.0	60.6	57.1	53.3	55.1
Brazil	77.7	83.1	84.5	102.9	98.0	89.5	99.8	101.4	129.4	132.6
Chile	94.0	95.2	105.0	108.5	107.3	103.6	101.4	107.0	116.1	98.2
Colombia	76.5	80.1	83.0	99.5	102.4	97.8	96.1	101.2	110.8	113.8
Costa Rica	76.6	74.1	77.1	72.6	73.9	77.6	78.9	78.5	77.8	84.9
Dominica	110.9	112.7	113.7	112.4	111.9	113.3	115.0	113.9	115.2	118.7
Dominican Republic	112.2	115.7	115.2	110.8	110.8	114.2	117.0	117.2	125.7	125.8
Ecuador	98.2	96.5	92.5	82.8	81.0	83.5	85.2	83.4	83.0	87.1
El Salvador	103.2	104.2	103.9	100.9	100.3	102.1	102.6	102.4	103.5	105.6
Guatemala	88.3	87.2	83.1	77.0	72.5	68.6	69.1	68.2	66.2	67.0
Honduras	83.8	84.8	82.6	81.8	83.0	84.4	84.1	82.8	80.5	79.1
Jamaica	95.4	99.9	98.3	87.6	91.6	92.8	88.6	83.3	85.1	91.8
Mexico	112.6	106.8	107.8	121.5	139.8	136.7	135.8	131.7	143.4	134.1
Nicaragua	103.8	100.4	98.9	91.1	91.4	95.4	95.6	93.0	93.0	96.7
Panama	94.1	91.9	88.5	84.7	83.7	85.0	86.6	86.6	88.2	90.8
Paraguay	73.0	68.4	66.0	66.8	69.3	71.2	67.3	68.7	68.0	68.6
Peru	90.1	90.5	92.6	94.1	95.3	92.1	93.7	91.6	93.8	105.3
Trinidad and Tobago	73.7	70.7	66.9	60.6	61.2	63.0	63.9	63.1	62.3	63.7
Uruguay	76.3	70.8	71.7	69.8	69.3	65.4	63.5	64.7	67.8	69.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] A country's overall real effective exchange rate index is calculated by weighting its real bilateral exchange rate indices with each of its trading partners by each partner's share in the country's total trade flows in terms of exports and imports. The extraregional real effective exchange rate index excludes trade with other Latin American and Caribbean countries.

[b] A currency depreciates in real effective terms when this index rises and appreciates when it falls.

[c] Preliminary figures.

[d] Figures as of September.

Table A1.18
Latin America and the Caribbean: participation rate[a]
(Average annual rates)

			2014	2015	2016	2017	2018	2019	2020	2020	2021[ab]
										January to September	
Latin America and the Caribbean[c]		**Total**	**6.1**	**6.6**	**7.8**	**8.1**	**7.9**	**7.9**	**10.3**	**10.6**	**10.0**
		Female	**5.3**	**5.7**	**6.8**	**6.9**	**6.8**	**6.8**	**9.1**	**9.4**	**8.3**
		Male	**7.3**	**7.9**	**9.2**	**9.6**	**9.5**	**9.5**	**12.1**	**12.2**	**12.3**
Argentina[d]	31 urban agglomerates	Total	58.3	57.7	57.5	57.8	58.5	59.1	54.9	54.1	58.6
		Female	46.9	46.4	46.9	47.6	48.7	49.4	45.9	45.4	48.6
		Male	70.9	70.1	69.4	69.7	69.6	69.9	64.9	63.7	69.3
Bahamas[e]	Nationwide total	Total	73.7	74.3	77.1	80.5	82.8	80.3	...	...	...
		Female	70.1	71.7	73.1	75.1	76.7	75.5	...	...	...
		Male	77.8	79.5	81.7	83.6	85.5	83.0	...	...	...
Barbados[f]	Nationwide total	Total	63.9	65.1	66.5	65.4	64.8	63.7	60.6	...	...
		Female	60.4	61.7	62.8	61.5	60.6	59.7	56.7	...	...
		Male	67.7	68.7	70.4	69.7	69.4	68.0	64.8	...	...
Belize[g]	Nationwide total	Total	63.6	63.2	64.0	64.1	65.5	68.1	55.1	...	...
		Female	49.2	48.8	50.2	50.2	52.9	55.9	42.4	...	...
		Male	78.2	77.8	78.0	78.2	78.3	80.5	68.7	...	...
Bolivia (Plurinational State of)[h]	Nationwide total	Total	65.8	61.0|	66.0	67.4	70.9	73.0	65.8	66.3	76.2
		Female	57.1	50.4|	56.1	58.3	63.0	65.5	57.6	58.2	69.7
		Male	75.0	72.1|	76.4	76.8	79.1	80.7	74.4	74.6	83.1
Brazil	Nationwide total	Total	62.4	62.7	62.8	63.1	63.2	63.6	59.3	59.2	60.8
		Female	51.5	52.2	52.4	53.3	53.6	54.3	49.5	49.4	51.1
		Male	74.0	74.0	73.8	73.6	73.4	73.5	69.8	69.7	71.3
Chile[i]	Nationwide total	Total	61.9	62.0	62.1	62.7	63.0	62.8	56.1	55.9	56.8
		Female	50.2	50.3	50.7	51.6	52.3	52.5	45.3	45.3	45.8
		Male	74.1	74.4	74.1	74.3	74.2	73.6	67.3	67.0	68.2
Colombia[j]	Nationwide total	Total	63.8	64.3	64.1	64.0	63.6	62.9	58.6	57.6	60.1
		Female	53.5	54.2	54.0	53.9	53.2	52.5	47.3	46.3	48.7
		Male	74.7	74.9	74.6	74.5	74.4	73.7	70.3	69.9	72.0
Costa Rica	Nationwide total	Total	62.5	61.2	58.4	58.8	60.7	62.5	60.2	60.0	60.4
		Female	49.0	48.1	44.3	44.5	46.9	50.6	48.1	47.8	48.9
		Male	75.9	74.3	72.4	73.0	74.3	74.4	72.2	72.2	71.8
Cuba	Nationwide total	Total	71.9	67.1	65.2	63.4	63.8	65.2	66.4	...	...
		Female	56.3	52.6	50.9	49.4	49.5	53.3	54.9	...	...
		Male	86.2	80.4	78.2	76.2	76.9	76.0	76.8	...	...
Dominican Republic[q]	Nationwide total	Total	59.5|	61.8	62.3	62.2	63.6	65.1	60.2	59.9	62.4
		Female	45.4|	48.1	48.9	49.0	50.4	52.6	47.6	47.2	50.5
		Male	74.2|	76.3	76.6	76.1	77.8	78.4	74.0	73.6	75.3
Ecuador[jk]	Nationwide total	Total	62.6	65.6	67.7	68.1	66.7	66.2	62.2	61.9	65.6
		Female	47.9	52.1	55.6	56.4	54.6	54.5	51.9	51.0	53.9
		Male	78.2	80.0	80.5	80.6	79.3	78.3	77.7	72.6	77.9
El Salvador	Nationwide total	Total	62.8	62.1	62.2	61.9	61.3	62.2	61.4	...	...
		Female	47.8	46.7	47.3	46.3	46.1	46.8	46.6	...	...
		Male	80.7	80.2	80.1	80.6	79.5	80.5	79.0	...	...
Grenada	Nationwide total	Total	67.8	68.8	68.2	65.8	67.6	68.4	65.1	...	...
		Female	64.1	63.4	63.1	60.6	62.5	62.6	59.0	...	...
		Male	71.5	74.5	73.3	71.3	73.1	74.6	71.8	...	...
Guatemala	Nationwide total	Total	60.9	60.7	60.8	61.0	60.6	59.2	...	...	...
		Female	40.6	38.9	40.1	39.2	39.1	37.9	...	...	...
		Male	83.8	84.7	84.0	85.3	85.0	83.7	...	...	...
Honduras[l]	Nationwide total	Total	56.1	58.1	57.5	59.0	60.4	57.3	59.5	...	...
		Female	40.5	43.9	43.0	43.8	46.0	41.4	47.8	...	...
		Male	73.6	74.0	74.0	76.0	76.3	75.1	73.3	...	...

Table A1.18 (concluded)

			2014	2015	2016	2017	2018	2019	2020	2020	2021[ab]
										January to September	
Jamaica[im]	Nationwide total	Total	59.9	60.4	61.8	62.3	61.5	62.8	60.6	62.7	63.2
		Female	52.2	52.8	55.0	55.7	55.0	56.3	54.0	54.5	54.4
		Male	67.9	68.2	68.8	69.1	68.5	69.6	67.4	68.0	67.8
Mexico[n]	Nationwide total	Total	59.8	59.8	59.7	59.3	59.6	60.1	55.6	54.9	58.5
		Female	43.1	43.4	43.4	43.0	43.5	44.7	41.0	40.5	43.2
		Male	78.3	78.0	77.7	77.6	77.4	77.2	71.7	70.8	75.4
Nicaragua	Nationwide total	Total	74.0	72.4	73.6	73.5	71.6	71.1	69.1	68.5	67.5
		Female	63.0	60.9	63.1	63.2	61.6	61.0	58.7	58.0	56.5
		Male	85.8	84.6	84.9	84.7	82.6	82.3	80.6	80.4	79.6
Panama[jo]	Nationwide total	Total	63.2	63.4	63.7	63.1	64.7	65.7	63.0	…	…
		Female	49.1	50.1	50.4	50.4	52.2	54.2	53.2	…	…
		Male	78.3	77.4	77.8	76.6	78.0	77.9	74.0	…	…
Paraguay[p]	Nationwide total	Total	62.3	62.1	62.6 |	71.0	71.9	72.4	70.2	69.5	72.1
		Female	50.1	50.2	50.8 |	57.8	59.4	60.2	57.4	56.4	60.0
		Male	74.6	74.1	74.5 |	84.4	84.6	84.8	83.5	83.1	84.5
Peru	Nationwide total	Total	72.2	71.6	72.2	72.4	72.3	72.7	63.6	59.6	70.5
		Female	63.2	62.3	63.3	64.0	64.0	64.5	52.9	49.9	62.1
		Male	81.3	81.0	81.2	81.0	80.7	81.1	71.9	69.4	79.2
Saint Lucia	Nationwide total	Total	72.2	72.2	72.8	71.4	71.4	71.0	68.8	…	…
		Female	67.4	66.0	67.4	66.8	65.2	66.5	64.3	…	…
		Male	77.1	78.3	78.3	76.5	77.8	75.7	74.1	…	…
Trinidad and Tobago[r]	Nationwide total	Total	61.9	60.6	59.7	59.2	59.1	57.4	56.6	…	…
		Female	51.8	50.0	50.1	49.5	49.9	48.7	47.8	…	…
		Male	72.2	71.2	69.5	68.9	68.4	66.1	65.4	…	…
Uruguay[s]	Nationwide total	Total	64.7	63.8	63.4	62.9	62.4	62.2	60.5	60.2	61.3
		Female	55.9	55.4	55.4	55.0	54.9	54.9	53.8	53.4	54.8
		Male	74.3	73.0	72.2	71.6	70.7	70.1	67.9	67.7	68.3
Venezuela (Bolivarian Republic of)	Nationwide total	Total	65.1	63.7	63.9	66.2	66.8	65.1	…	…	…
		Female	51.3	49.9	50.2	52.7	53.7	50.9	…	…	…
		Male	79.1	77.8	77.9	79.9	80.1	79.4	…	…	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Preliminary figures.

[b] The average data for the first half of the year, as well as the annual average for 2020, may present comparability problems with the respective data for 2019 owing to adjustments in the statistical processes implemented by statistical and census institutions because of the coronavirus disease (COVID-19) pandemic.

[c] Weighted average. Does not include hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

[d] As a result of the statistical emergency declared in 2016, the National Institute of Statistics and Censuses (INDEC) of Argentina does not recognize the data for the period 2007–2015 for comparison and analysis of the labour market. The annual figure for 2016 corresponds to the average of the first, second, third and fourth quarters.

[e] The 2019 figures are preliminary and correspond to May.

[f] The 2020 figures correspond to the average of the third and fourth quarters.

[g] The 2018 figure corresponds to April, the 2019 figure to the average of April and September and the 2020 figure to September.

[h] New measurement from 2016 based on the Continuous Employment Survey (ECE). The data are not comparable with previous years. Figures for 2020 and 2021 correspond to urban areas.

[i] Series based on projections from the 2017 census.

[j] Does not include hidden unemployment.

[k] The average figure for the second quarter of 2020 coresponds to May and June, and the figure for the third quarter of 2020 corresponds to September.

[l] The 2020 figures are preliminary and correspond to telephone surveys conducted in November and December.

[m] The survey was not carried out in the second quarter (April) of 2020. The annual average for 2020 corresponds to figures for the first, third and fourth quarters.

[n] The average figures for the second and third quarters of 2019 come from the National Occupation and Employment Survey (ENOE). The figures for the second quarter of 2020 come from the Occupation and Employment Telephone Survey (ETOE). The figures for the third and fourth quarters of 2020 come from the new ENOE.

[o] The figure for 2020 corresponds to a telephone survey conducted between September and October.

[p] New measurements have been used since 2017. The data are not comparable with the previous series.

[q] New measurments have been used since 2015. The data are not comparable with the previous series.

[r] The 2019 figure corresponds to the average for March, June and December, and the 2020 figure corresponds to the March and June average.

[s] The average figures for the first quarter of 2020 come from the Continuous Household Survey (ECH) of January and February and from the telephone ECH of March. The average figures for the second quarter of 2020 correspond to April, May and June (telephone ECH). The figures for the third quarter correspond to July, August and September (telephone ECH). The figures for the fourth quarter correspond to October, November and December (telephone ECH).

Table A1.19
Latin America and the Caribbean: national unemployment[a]
(Average annual rates)

			2013	2014	2015	2016	2017	2018	2019	2020	2020[b]	2021[b]
											January to September	
Latin America and the Caribbean[c]		**Total**	**6.3**	**6.1**	**6.6**	**7.8**	**8.1**	**7.9**	**7.9**	**10.3**	**10.6**	**10.0**
		Female	**7.6**	**7.3**	**7.9**	**9.2**	**9.6**	**9.5**	**9.5**	**12.1**	**12.2**	**12.3**
		Male	**5.4**	**5.3**	**5.7**	**6.8**	**6.9**	**6.8**	**6.8**	**9.1**	**9.4**	**8.3**
Latin America												
Argentina[d]	31 urban agglomerates	Total	7.1	7.3	6.5	8.5	8.4	9.2	9.8	11.5	11.7	9.8
		Female	8.5	8.4	7.6	9.4	9.5	10.5	10.7	12.4	12.6	11.0
		Male	6.1	6.5	5.7	7.8	7.5	8.2	9.2	10.8	11.0	8.8
Bolivia (Plurinational State of)[e]	Nationwide total	Total	2.9	2.3	3.5|	3.5	3.6	3.5	3.7	8.3	7.8	5.5
		Female	3.5	3.1	4.2|	4.0	4.0	3.6	4.0	8.7	7.8	6.0
		Male	2.3	1.7	3.0|	3.1	3.3	3.4	3.4	7.9	7.8	5.0
Brazil	Nationwide total	Total	7.2	6.9	8.6	11.6	12.8	12.4	12.0	13.8	13.6	13.9
		Female	9.1	8.5	10.4	13.7	14.9	14.5	14.4	16.3	16.0	17.4
		Male	5.8	5.8	7.3	10.1	11.2	10.8	10.1	11.8	11.8	11.3
Chile[f]	Nationwide total	Total	6.1	6.5	6.3	6.7	7.0	7.4	7.2	10.8	10.9	9.4
		Female	7.1	7.1	7.0	7.2	7.5	8.3	8.0	11.0	11.0	9.8
		Male	5.4	6.1	5.8	6.3	6.5	6.7	6.7	10.6	10.9	9.2
Colombia[g]	Nationwide total	Total	9.0	8.5	8.3	8.6	8.8	9.1	9.9	15.1	15.8	14.0
		Female	11.7	11.0	10.8	11.1	11.4	11.6	12.6	19.2	19.7	18.1
		Male	7.0	6.7	6.4	6.8	6.9	7.1	7.8	12.3	13.1	11.0
Costa Rica	Nationwide total	Total	9.4	9.6	9.6	9.5	9.1	10.3	11.8	19.6	19.5	17.4
		Female	11.1	11.9	12.2	12.1	11.6	13.2	15.3	25.7	25.8	23.5
		Male	8.3	8.1	8.0	8.0	7.5	8.4	9.3	15.6	15.3	13.2
Cuba	Nationwide total	Total	3.3	2.7	2.5	2.0	1.7	1.7	1.3	1.4	...	...
		Female	3.5	3.1	2.6	2.2	1.6	1.8	1.2	1.6	...	...
		Male	3.1	2.4	2.4	1.9	1.7	1.6	1.2	1.3	...	...
Dominican Republic[m]	Nationwide total	Total	7.4	6.7|	7.3	7.1	5.5	5.7	6.2	5.8	5.3	7.7
		Female	10.5	9.7|	10.5	10.5	7.8	8.8	9.3	8.6	7.8	12.6
		Male	5.3	4.8|	5.2	4.8	4.0	3.5	3.9	3.9	3.6	4.3
Ecuador[gh]	Nationwide total	Total	3.0	3.4	3.6	4.5	3.8	3.5	3.8	6.2	6.9	4.7
		Female	3.7	4.1	4.5	5.8	4.9	4.4	4.6	7.6	8.3	6.0
		Male	2.7	3.0	3.0	3.7	3.0	2.9	3.2	5.3	5.9	3.8
El Salvador	Nationwide total	Total	5.9	7.0	7.0	7.1	7.0	6.3	6.3	6.9	...	...
		Female	4.7	4.7	5.0	5.3	5.2	4.9	5.4	6.6	...	...
		Male	6.8	8.6	8.4	8.1	8.3	7.3	7.0	7.1	...	...
Guatemala	Nationwide total	Total	3.1	2.9	2.6	2.7	2.5	2.4	2.2	...	...	...
		Female	3.7	3.5	3.6	3.5	3.5	2.9	3.0	...	...	...
		Male	2.7	2.6	2.0	2.2	2.0	2.1	1.8	...	...	...
Honduras[i]	Nationwide total	Total	3.9	5.3	7.3	7.4	6.7	5.7	5.7	10.9	...	...
		Female	4.9	6.7	11.8	10.7	10.8	7.4	8.1	13.7	...	...
		Male	3.3	4.5	4.4	5.1	4.0	4.5	4.2	8.7	...	...
Mexico[j]	Nationwide total	Total	4.9	4.8	4.3	3.9	3.4	3.3	3.5	4.4	4.5	4.3
		Female	5.0	4.9	4.5	3.9	3.6	3.4	3.5	4.1	4.1	4.3
		Male	4.9	4.8	4.3	3.8	3.3	3.2	3.5	4.7	4.7	4.3
Nicaragua	Nationwide total	Total	5.8	6.6	5.9	4.5	3.7	5.5	5.4	5.0	5.0	5.0
		Female	6.0	7.0	6.3	4.8	3.8	5.5	5.5	4.7	4.7	4.8
		Male	5.6	6.2	5.6	4.2	3.5	5.4	5.4	5.2	5.3	5.2
Panama[gk]	Nationwide total	Total	3.2	3.5	3.9	4.4	4.9	4.9	5.8	18.6	...	...
		Female	4.1	4.6	5.0	5.4	6.4	6.4	7.3	24.7	...	...
		Male	2.5	2.7	3.1	3.7	3.8	3.9	4.8	13.6	...	...
Paraguay[l]	Nationwide total	Total	5.0	6.0	5.4	6.0|	6.1	6.2	6.6	7.7	7.9	7.7
		Female	5.7	8.1	6.1	7.5|	7.6	7.4	8.0	10.2	10.2	9.8
		Male	4.5	4.6	4.9	5.0|	5.0	5.4	5.5	5.9	6.3	6.3

Table A1.19 (concluded)

			2013	2014	2015	2016	2017	2018	2019	2020	2020[b]	2021[b]
											January to September	
Peru	Metropolitan Lima	Total	4.0	3.7	3.5	4.2	4.1	3.9	3.9	7.7	7.8	6.1
		Female	4.7	4.0	3.6	4.6	4.4	4.4	4.5	7.7	7.6	7.0
		Male	3.4	3.4	3.4	3.9	3.8	3.5	3.5	7.6	8.0	5.4
Uruguay[n]	Nationwide total	Total	6.5	6.6	7.5	7.8	7.9	8.3	8.9	10.1	10.2	10.0
		Female	8.2	8.3	8.9	9.4	9.5	10.1	10.7	12.4	11.9	11.6
		Male	5.0	5.1	6.4	6.5	6.6	6.9	7.3	8.7	8.8	8.5
Venezuela (Bolivarian Republic of)	Nationwide total	Total	7.8	7.2	7.1	7.3	7.3	7.3	6.8	…	…	…
		Female	8.8	8.1	7.8	7.7	8.6	8.6	7.5	…	…	…
		Male	7.1	6.7	6.7	7.0	6.4	6.4	6.4	…	…	…
Caribbean												
Bahamas[o]	Nationwide total	Total	15.8	14.6	13.4	12.2	10.0	10.3	9.5	…	…	…
		Female	16.0	15.8	15.0	14.2	11.0	10.6	9.9	…	…	…
		Male	15.6	13.5	11.8	10.3	9.0	10.1	9.2	…	…	…
Barbados[p]	Nationwide total	Total	11.6	12.3	11.3	9.7	10.0	10.1	9.6	15.6	…	…
		Female	11.6	12.8	10.3	10.1	10.1	10.3	8.1	15.7	…	…
		Male	11.7	11.8	12.3	9.3	9.8	9.9	11.0	15.6	…	…
Belize[q]	Nationwide total	Total	14.3	11.6	10.1	9.5	9.3	9.4	9.1	13.7	…	…
		Female	20.0	19.9	15.4	15.6	14.6	14.9	13.5	17.0	…	…
		Male	10.6	6.3	6.8	5.6	5.9	5.6	5.9	11.6	…	…
Grenada	Nationwide total	Total	32.2	29.3	29.0	28.2	23.6	19.2	…	…	…	…
		Female	38.1	30.9	32.3	31.2	26.8	23.4	…	…	…	…
		Male	27.0	28.0	26.0	25.6	20.6	15.2	…	…	…	…
Jamaica[gr]	Nationwide total	Total	10.3	9.5	9.8	9.0	7.7	5.6	5.0	6.6	6.6	5.6
		Female	13.6	12.4	12.5	12.0	10.2	7.2	6.5	7.6	7.1	6.8
		Male	7.8	7.2	7.2	6.6	5.6	4.2	3.8	5.8	5.9	4.4
Saint Lucia	Nationwide total	Total	23.3	24.5	24.1	21.3	20.2	20.2	16.8	21.7	…	…
		Female	25.5	28.4	27.4	23.5	22.4	22.1	18.9	25.0	…	…
		Male	21.3	21.1	21.3	19.4	18.1	18.5	14.9	18.5	…	…
Trinidad and Tobago[s]	Nationwide total	Total	3.7	3.3	3.4	4.0	4.8	3.9	4.3	4.7	…	…
		Female	4.6	4.0	4.2	4.0	5.6	5.0	5.1	4.8	…	…
		Male	3.0	2.8	2.9	3.9	4.2	3.2	3.7	4.6	…	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household surveys.

[a] Percentage of unemployed population in relation to the economically active population.

[b] Preliminary data. The figures for 2020 and 2021 may present comparability problems with the 2019 data owing to adjustments in the statistical processes implemented by statistical and census institutions because of the coronavirus disease (COVID-19) pandemic.

[c] Weighted average. Does not include hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

[d] Data correspond to 31 urban agglomerations. As a result of the statistical emergency declared in 2016, the National Institute of Statistics and Censuses (INDEC) of Argentina does not recognize the data for the period 2007–2015 for comparison and analysis of the labour market. The annual figure for 2016 corresponds to the average of the second, third and fourth quarters.

[e] New measurement from 2016 based on the Continuous Employment Survey (ECE). The data are not comparable with previous years. Figures for 2020 and 2021 correspond to urban areas.

[f] Series based on projections from the 2017 census.

[g] Does not include hidden unemployment.

[h] The average figure for the second quarter of 2020 corresponds to May and June, and the figure for the third quarter of 2020 corresponds to September.

[i] The 2020 figures are preliminary and correspond to the telephone survey conducted in November and December.

[j] The average figures for the second and third quarters of 2019 come from the National Occupation and Employment Survey (ENOE). The figures for the second quarter of 2020 come from the Occupation and Employment Telephone Survey (ETOE). The figures for the third and fourth quarters of 2020 come from the new ENOE.

[k] The figure for 2020 corresponds to a telephone survey conducted between September and October.

[l] New measurements have been used since 2017. The data are not comparable with the previous series.

[m] New measurments have been used since 2015. The data are not comparable with the previous series.

[n] The average figures for the first quarter of 2020 come from the Continuous Household Survey (ECH) of January and February and the figures from March come from the telephone ECH. The average figures for the second quarter of 2020 correspond to April, May and June (telephone ECH). The figures for the third quarter correspond to July, August and September (telephone ECH). The figures for the fourth quarter correspond to October, November and December (telephone ECH).

[o] The 2019 figures are preliminary and correspond to May.

[p] The 2020 figures correspond to the average of the third and fourth quarters.

[q] The 2018 figure corresponds to April. The 2019 figure corresponds to the average for April and September. The 2020 figure corresponds to September.

[r] The survey was not carried out in the second quarter (April) of 2020. The annual average for 2020 corresponds to figures for the first, third and fourth quarters.

[s] The 2019 figure corresponds to the average for March, June and December. The 2020 figure corresponds to the March and June average.

Table A1.20
Latin America and the Caribbean: employment rate[a]
(Average annual rates)

			2013	2014	2015	2016	2017	2018	2019	2020	2020[b]	2021[b]
											January to September	
Latin America and the Caribbean[c]		**Total**	**58.7**	**58.7**	**58.3**	**57.7**	**57.8**	**58.0**	**58.2**	**52.8**	**51.9**	**55.0**
		Female	**46.5**	**46.5**	**46.3**	**45.7**	**46.0**	**46.4**	**46.9**	**42.0**	**41.3**	**43.8**
		Male	**72.5**	**72.4**	**71.9**	**70.5**	**70.5**	**70.5**	**70.4**	**64.5**	**63.3**	**67.1**
Latin America												
Argentina[d]	31 urban agglomerates	Total	54.7	54.0	53.9	52.6	52.9	53.1	53.3	48.6	47.8	52.9
		Female	…	…	…	42.5	42.7	43.6	44.1	40.2	39.6	43.3
		Male	…	…	…	64.0	64.4	63.9	63.5	57.9	56.8	63.2
Bolivia (Plurinational State of)[e]	Nationwide total	Total	61.5	64.3	58.9|	63.8	64.9	68.4	70.3	60.4	61.2	72.0
		Female	52.8	55.3	48.2|	53.9	56.0	60.8	62.9	52.5	53.8	65.5
		Male	71.0	73.7	70.0|	74.0	74.3	76.4	78.0	68.5	68.9	79.0
Brazil	Nationwide total	Total	58.1	58.0	57.3	55.5	55.0	55.3	56.0	51.1	51.1	52.4
		Female	46.9	47.1	46.7	45.3	45.3	45.8	46.5	41.4	41.5	42.2
		Male	70.0	69.7	68.5	66.4	65.3	65.5	66.1	61.5	61.5	63.2
Chile[f]	Nationwide total	Total	57.8	57.9	58.1	58.0	58.3	58.3	58.3	50.1	49.9	51.4
		Female	46.1	46.7	46.7	47.0	47.7	48.0	48.4	40.4	40.4	41.3
		Male	70.2	69.6	70.0	69.4	69.4	69.2	68.7	60.3	59.8	62.0
Colombia	Nationwide total	Total	58.0	58.4	59.0	58.5	58.4	57.8	56.6	49.8	48.6	51.7
		Female	47.1	47.6	48.3	48.0	47.8	47.0	45.9	38.3	37.3	39.9
		Male	69.4	69.7	70.1	69.6	69.4	69.1	67.9	61.8	60.5	64.1
Costa Rica	Nationwide total	Total	56.4	56.5	55.4	52.8	53.5	54.4	55.2	48.5	48.5	49.9
		Female	43.8	43.2	42.2	38.9	39.4	40.7	42.8	35.9	35.6	37.4
		Male	68.9	69.7	68.3	66.6	67.5	68.0	67.4	61.0	61.2	62.4
Cuba	Nationwide total	Total	70.5	70.0	65.4	63.8	62.4	62.7	64.4	65.4	…	…
		Female	55.3	54.6	51.2	49.8	48.6	48.6	52.7	54.0	…	…
		Male	84.4	84.2	78.5	76.7	75.0	75.7	75.1	75.8	…	…
Dominican Republic[l]	Nationwide total	Total	54.9	55.5|	57.3	57.9	58.7	60.0	61.0	56.7	56.7	57.6
		Female	40.4	41.0|	43.1	43.8	45.2	45.9	47.8	43.5	43.5	44.2
		Male	69.9	70.6|	72.3	72.9	73.1	75.1	75.3	71.1	71.0	72.1
Ecuador[g]	Nationwide total	Total	60.3	60.4	63.3	64.6	65.5	64.3	63.7	58.5	55.7	62.5
		Female	46.6	46.0	49.8	52.4	53.6	52.2	52.0	48.7	45.2	50.6
		Male	74.9	75.9	77.6	77.5	78.2	77.0	75.8	74.5	66.7	74.8
El Salvador	Nationwide total	Total	59.9	58.4	57.8	57.9	57.6	57.4	58.2	57.2	…	…
		Female	47.0	45.5	44.4	44.7	43.9	43.8	44.3	43.5	…	…
		Male	75.1	73.7	73.5	73.6	73.9	73.6	74.9	73.4	…	…
Guatemala	Nationwide total	Total	58.7	59.1	59.2	59.2	59.4	59.1	57.9	…	…	…
		Female	39.1	39.2	37.5	38.7	37.8	38.0	36.7	…	…	…
		Male	81.1	81.6	83.0	82.2	83.6	83.2	82.1	…	…	…
Honduras[h]	Nationwide total	Total	51.6	53.1	53.8	53.2	55.1	57.0	54.1	53.0	…	…
		Female	35.3	37.8	38.8	38.4	39.1	42.6	38.0	41.2	…	…
		Male	69.7	70.3	70.8	70.2	73.0	72.8	71.9	66.9	…	…
Mexico[i]	Nationwide total	Total	57.3	56.9	57.2	57.4	57.3	57.6	58.0	53.1	52.5	56.0
		Female	41.7	41.0	41.4	41.7	41.4	42.0	43.1	39.3	38.9	41.4
		Male	74.6	74.4	74.7	74.7	75.0	74.9	74.5	68.3	67.5	72.1
Nicaragua	Nationwide total	Total	71.4	69.1	68.1	70.2	70.8	67.7	67.2	65.6	65.1	64.1
		Female	61.2	58.5	57.1	60.1	60.8	58.2	57.7	56.0	55.3	53.8
		Male	82.3	80.5	79.9	81.3	81.7	78.1	77.8	76.4	76.1	75.5
Panama[j]	Nationwide total	Total	61.5	60.9	60.9	60.8	60.1	61.5	61.8	51.3	…	…
		Female	46.8	46.8	47.6	47.7	47.2	48.8	50.2	40.1	…	…
		Male	77.1	76.2	75.0	74.9	73.7	75.0	74.2	64.0	…	…
Paraguay[k]	Nationwide total	Total	59.3	58.6	58.7	58.9|	66.7	67.4	67.6	64.8	64.0	66.5
		Female	49.7	46.0	47.2	47.0|	53.4	55.0	55.3	51.6	50.6	54.1
		Male	70.7	71.1	70.5	70.8|	80.1	80.0	80.2	78.5	77.9	79.2

Table A1.20 (concluded)

			2013	2014	2015	2016	2017	2018	2019	2020	2020[b]	2021[b]
											January to September	
Peru	Metropolitan Lima	Total	70.3	69.6	69.1	69.2	69.5	69.4	69.8	58.8	55.0	66.2
		Female	61.5	60.7	60.1	60.4	61.1	61.3	61.8	49.5	46.3	57.6
		Male	79.2	78.5	78.2	78.1	77.8	77.3	77.7	67.4	64.6	74.9
Uruguay[m]	Nationwide total	Total	59.5	60.4	59.0	58.4	57.9	57.2	56.7	54.3	54.1	55.2
		Female	50.0	51.3	50.5	50.1	49.8	49.4	49.0	47.1	47.0	48.5
		Male	70.2	70.5	68.4	67.5	66.9	65.8	64.9	62.1	61.8	62.5
Venezuela (Bolivarian Republic of)	Nationwide total	Total	59.3	60.4	59.1	59.2	61.3	61.9	60.6	...	...	...
		Female	46.1	47.1	45.9	46.3	48.1	49.1	47.1	...	...	...
		Male	72.6	73.8	72.6	72.4	74.8	74.9	74.4	...	...	...
Caribbean												
Bahamas	Nationwide total	Total	61.6	62.9	64.4	67.7	72.5	74.2	...	...	...	...
		Female	58.8	59.0	61.0	62.7	66.8	68.5	...	...	...	...
		Male	64.9	67.2	70.1	73.3	76.0	76.9	...	...	...	...
Barbados[n]	Nationwide total	Total	58.9	56.0	57.7	60.0	58.9	58.3	57.6	51.1	...	...
		Female	54.8	52.6	55.3	56.5	55.3	54.4	54.9	47.8	...	...
		Male	63.6	59.7	60.2	63.9	62.9	62.5	60.6	54.7	...	...
Belize[o]	Nationwide total	Total	56.7	56.3	56.8	57.9	58.1	59.4	62.0	47.6	...	...
		Female	39.6	39.4	41.2	42.4	42.9	45.1	48.3	35.2	...	...
		Male	72.3	73.3	72.5	73.6	73.6	73.9	75.7	60.7	...	...
Grenada	Nationwide total	Total	45.3	47.9	48.9	49.0	50.3	54.8	57.9	50.5	...	...
		Female	51.8	51.5	55.2	54.5	56.6	61.6	64.4	58.5	...	...
		Male	38.7	44.3	42.9	43.4	44.3	48.4	54.0	43.1	...	...
Jamaica[p]	Nationwide total	Total	53.4	54.2	54.6	56.2	57.5	58.2	59.7	56.6	57.2	57.6
		Female	45.0	45.8	46.2	48.4	50.0	51.0	52.7	50.0	50.7	50.7
		Male	62.1	62.9	63.3	64.3	65.2	65.6	66.9	63.6	64.0	64.8
Saint Lucia[q]	Nationwide total	Total	54.4	54.5	54.8	57.4	57.0	57.0	59.0	53.9	...	...
		Female	49.1	48.3	47.9	51.6	51.4	50.8	53.9	48.7	...	...
		Male	60.0	60.9	61.6	63.1	62.9	63.4	64.4	59.4	...	...
Trinidad and Tobago[r]	Nationwide total	Total	59.1	59.9	58.5	57.4	56.3	56.8	54.9	53.9	...	...
		Female	48.8	49.7	47.9	48.0	46.7	47.4	46.2	45.5	...	...
		Male	69.5	70.1	69.2	66.8	66.0	66.2	63.6	62.4	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household surveys.

[a] Employed population as a percentage of the working-age population.

[b] Preliminary data. The figures for 2020 and 2021 may present comparability problems with the 2019 data owing to adjustments in the statistical processesimplemented by statistical and census institutions because of the coronavirus disease (COVID-19) pandemic.

[c] Weighted average.

[d] Data correspond to 31 urban agglomerations. As a result of the statistical emergency declared in 2016, the National Institute of Statistics and Censuses (INDEC) of Argentina does not recognize the data for the period 2007–2015 for comparison and analysis of the labour market. The annual figure for 2016 corresponds to the average of the second, third and fourth quarters. These data are therefore preliminary and will be replaced when new official data are published. The 2016 annual data is the average of the second, third and fourth quarters.

[e] New measurement from 2016 based on the Continuous Employment Survey (ECE). The data are not comparable with previous years. Figures for 2020 and 2021 correspond to urban areas.

[f] Series based on projections from the 2017 census.

[g] The average figure for the second quarter of 2020 corresponds to May and June, and the figure for the third quarter of 2020 corresponds to September.

[h] The 2020 figures are preliminary and correspond to the telephone survey conducted in November and December.

[i] The average figures for the second and third quarters of 2019 come from the National Occupation and Employment Survey (ENOE). The figures for the second quarter of 2020 come from the Occupation and Employment Telephone Survey (ETOE). The figures for the third and fourth quarters of 2020 come from the new ENOE.

[j] The figure for 2020 corresponds to a telephone survey conducted between September and October.

[k] New measurements have been used since 2017. The data are not comparable with the previous series.

[l] New measurements have been used since 2015. The data are not comparable with the previous series.

[m] The average figures for the first quarter of 2020 come from the Continuous Household Survey (ECH) of January and February and the figures from March come from the telephone ECH. The average figures for the second quarter of 2020 correspond to April, May and June (telephone ECH). The figures for the third quarter correspond to July, August and September (telephone ECH). The figures for the fourth quarter correspond to October, November and December (telephone ECH).

[n] The 2020 figures correspond to the average of the third and fourth quarters.

[o] The 2018 figure corresponds to April. The 2019 figure corresponds to the average for April and September. The 2020 figure corresponds to September.

[p] The survey was not carried out in the second quarter (April) of 2020. The annual average for 2020 corresponds to figures for the first, third and fourth quarters.

[q] The figures for 2019 and 2020 correspond to the first quarter of each year.

[r] The annual average for 2020 corresponds to the first half of the year.

Table A1.21
Latin America: real average wages[a]
(Index 2010=100)

	2013	2014	2015	2016	2017	2018	2019	2020	2020	2021[b]
									January to September	
Bolivia (Plurinational State of)[c]	100.3	101.8	107.7	109.5	111.5[d]	115.0	114.6	114.2	114.2	114.1
Brazil[e]	107.4	108.4	108.9	107.6	110.2	110.0	110.3	115.5	115.3	110.6
Chile[f]	109.9	111.9	113.9	115.4	119.0	121.3	123.8	124.5	124.2	126.3
Colombia[g]	104.0	104.5	105.7	103.4	106.6	107.7	108.6	103.3	101.5	108.7
Costa Rica[h]	108.5	110.7	115.2	118.2	119.6	121.7	123.6	123.7	123.3	127.3
El Salvador[h]	97.8	98.5	100.9	102.3	103.4	103.4	104.7	104.7	103.4	108.8
Guatemala[h]	104.3	106.8	110.4	108.2	107.2	107.9	…	…	…	…
Mexico[i]	101.3	101.7	103.2	104.1	102.9	103.7	106.7	110.8	111.2	113.1
Nicaragua[h]	100.7	102.4	105.1	107.5	109.1	114.1	113.5	112.4	111.8	112.1
Panama[j]	103.8	109.5	113.1	117.5	122.1	127.0	130.1	126.3	126.3	122.1
Paraguay[k]	105.7	107.0	107.5	108.2	108.5	110.4	112.0	111.1	112.3	108.8
Peru[l]	114.7	117.9	117.5	122.2	121.8	125.8	125.0	123.7	121.1	119.1
Uruguay[m]	111.7	115.4	117.3	119.1	122.6	122.8	124.4	122.2	122.7	121.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures deflated by the official consumer price index of each country.
[b] Preliminary figures.
[c] Private-sector average wage index.
[d] The figures correspond to the average of March and June.
[e] Private-sector workers covered by social and labour legislation. New series from 2013.
[f] General index of hourly remuneration.
[g] Manufacturing. New series from 2015.
[h] Average wage declared by workers registered with and paying into social security.
[i] Average wage declared by private workers covered by social security.
[j] Average wage declared by workers covered by social security. As from 2013, corresponds to workers in small, medium and large businesses, in manufacturing, commerce and services.
[k] Wage and salary index.
[l] Average income in the formal sector. Until 2015, wages of employed workers in Lima metropolitan area.
[m] Average salary index.

Table A1.22
Latin America and the Caribbean: monetary indicators
(Percentage variation of the average balances with respect to the year-earlier period)

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America											
Argentina	Monetary base	34.9	30.2	19.7	33.2	27.9	31.0	33.7	23.0	55.4	27.5
	Money (M1)	33.3	29.5	26.1	31.6	20.2	29.4	23.6	16.9	82.0	48.0[b]
	M2	32.4	30.9	23.1	33.2	23.9	28.0	37.8	25.4	71.4	55.7[b]
	Foreign-currency deposits	-22.6	-6.1	51.7	38.5	172.5	96.1	81.6	55.2	-4.4	30.4[b]
Bolivia (Plurinational State of)	Monetary base	18.2	10.8	9.5	19.2	3.9	0.1	8.7	8.5	15.5	16.7[c]
	Money (M1)	18.3	13.5	15.4	9.4	9.6	2.0	6.4	0.7	5.1	5.0[b]
	M2	31.3	22.6	18.8	18.4	12.5	7.7	10.8	3.5	4.9	6.1[b]
	Foreign-currency deposits	-5.0	-4.1	-3.4	3.7	-1.0	-2.7	-4.2	2.1	13.9	12.0[b]
Brazil	Monetary base	9.4	5.5	7.2	3.0	3.2	6.2	6.3	3.5	32.0	14.9
	Money (M1)	6.2	11.1	5.1	-1.1	0.2	4.4	8.3	5.7	36.2	24.6[b]
	M2	6.6	3.7	4.6	-0.9	3.7	12.2	12.5	9.4	32.7	22.4[b]
Chile	Monetary base	13.7	16.3	5.3	9.6	11.4	7.1	6.0	10.5	54.4	77.9
	Money (M1)	9.1	10.1	12.1	14.3	6.4	8.7	11.8	12.6	41.5	46.6
	M2	18.3	10.3	7.7	11.3	9.8	4.9	9.8	7.8	6.8	5.1
	Foreign-currency deposits	8.9	18.7	29.0	18.7	8.0	-2.8	3.5	16.2	41.9	3.7
Colombia	Monetary base	9.5	12.5	16.7	15.0	8.8	1.3	7.3	11.7	18.7	14.9[b]
	Money (M1)	6.7	14.3	14.8	10.4	3.9	1.1	6.7	11.1	24.8	19.6[b]
	M2	16.9	17.5	12.9	10.2	10.5	5.7	5.6	7.5	14.4	7.4[b]
Costa Rica	Monetary base	12.1	14.1	11.7	11.1	10.1	7.5	4.1	-1.3	7.9	10.3[d]
	Money (M1)	8.4	13.2	12.3	9.6	17.8	1.7	4.4	6.2	33.9	20.3[e]
	M2	13.1	13.6	14.0	8.9	4.1	0.5	-1.4	1.3	16.7	10.7[e]
	Foreign-currency deposits	-0.6	0.8	15.9	0.8	1.4	11.6	2.4	4.3	13.1	24.7[e]
Dominican Republic	Monetary base	9.0	3.9	3.3	22.1	9.1	1.7	-1.4	10.1	13.0	18.4[b]
	Money (M1)	7.3	12.1	13.6	12.9	13.9	6.2	13.6	10.6	26.6	27.0[b]
	M2	12.1	8.0	11.2	10.7	12.2	7.5	8.1	6.9	13.8	17.4[b]
	Foreign-currency deposits	18.4	16.1	11.5	11.9	8.9	9.9	12.8	13.4	32.5	17.9[b]
Ecuador	Monetary base	16.1	23.3	17.5	16.9	22.8	12.9	4.6	3.1	14.9	9.2[b]
	Money (M1)	14.0	14.8	14.4	10.6	10.4	13.1	5.6	3.4	7.9	5.7[b]
	M2	17.8	13.4	14.5	6.7	6.6	13.5	8.3	6.5	9.6	10.1[b]
El Salvador	Monetary base	1.8	4.8	2.8	1.2	3.5	9.3	5.5	10.5	-14.0	-27.1[b]
	Money (M1)	4.4	2.9	4.1	5.0	3.9	6.5	5.8	7.3	13.2	14.5[b]
	M2	1.7	2.7	1.5	3.2	5.7	7.3	7.5	7.6	11.8	8.7[b]
Guatemala	Monetary base	5.8	9.2	5.8	12.1	9.7	11.3	8.8	10.8	20.7	17.3
	Money (M1)	5.8	6.9	5.2	11.9	6.1	7.7	8.1	11.6	20.7	20.6[b]
	M2	9.3	9.7	8.1	11.5	7.9	8.4	8.8	10.5	15.1	15.9[b]
	Foreign-currency deposits	3.2	11.2	9.4	6.0	4.2	-1.9	6.8	5.0	12.5	11.4[b]
Haiti	Monetary base	9.2	0.3	-1.0	15.4	26.2	15.6	14.7	18.5	19.3	7.6[f]
	Money (M1)	8.7	11.1	8.7	12.7	6.0	16.6	22.3	11.3	29.6	37.2[f]
	M2	5.7	9.4	8.4	12.5	8.5	13.5	18.1	12.1	23.6	27.6[f]
	Foreign-currency deposits	6.9	8.2	8.5	18.5	27.7	18.2	5.4	28.1	8.5	-10.7[f]
Honduras	Monetary base	11.3	4.0	9.7	16.6	14.9	18.8	8.2	10.0	49.8	49.3[c]
	Money (M1)	2.1	-5.0	8.4	18.9	10.2	18.3	7.4	8.6	25.1	27.9[b]
	M2	8.7	3.6	9.1	12.7	10.9	18.2	9.3	10.3	17.8	18.7[b]
	Foreign-currency deposits	15.3	12.6	7.3	11.3	8.3	16.3	4.9	4.2	8.2	4.1[b]

Table A1.22 (continued)

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Mexico	Monetary base	13.9	6.3	13.5	20.1	15.9	10.9	10.2	4.0	17.4	18.4
	Money (M1)	13.7	7.5	13.9	16.1	11.9	10.0	9.8	5.2	17.4	15.3[b]
	M2	11.2	6.7	11.1	11.7	10.6	9.5	11.2	5.7	14.0	9.0[b]
	Foreign-currency deposits	17.5	12.5	26.1	39.7	30.2	29.6	5.0	-7.2	8.3	6.6[b]
Nicaragua	Monetary base	18.3	6.3	12.9	17.4	11.3	7.4	3.7	-2.5	17.9	20.9[c]
	Money (M1)	17.7	8.5	16.4	21.0	9.5	8.8	0.1	-4.5	29.5	25.9[c]
	M2	17.7	8.5	16.4	21.0	9.5	8.8	0.1	-4.5	29.5	25.9[c]
	Foreign-currency deposits	20.5	13.9	19.5	16.5	14.0	11.6	-5.5	-13.6	9.2	12.1[c]
Panama	Monetary base	12.7	16.0	-1.2	28.5	7.9	3.2	5.2	8.1	4.3	11.5[b]
	Money (M1)	17.1	6.8	15.1	-0.4	0.2	0.5	1.1	-3.2	4.6	14.1[b]
	M2	10.8	6.3	13.3	4.8	6.1	5.4	3.0	2.4	5.2	-6.6[b]
Paraguay	Monetary base	11.8	5.1	8.3	11.3	2.7	11.1	13.3	3.5	11.2	6.7[b]
	Money (M1)	8.6	15.6	9.6	11.6	3.1	14.2	10.1	4.3	19.0	17.7[b]
	M2	13.7	17.4	10.6	11.2	3.9	13.2	10.8	6.7	15.1	15.5[b]
	Foreign-currency deposits	14.9	15.8	29.3	22.3	13.9	1.8	4.0	9.8	17.5	16.1[b]
Peru	Monetary base	31.2	21.1	-8.6	-0.9	3.3	5.5	8.1	5.7	25.3	25.0
	Money (M1)	17.1	13.7	6.4	6.6	5.1	7.9	13.5	10.1	34.4	24.3[b]
	M2	22.7	18.3	8.0	5.2	7.8	11.0	13.2	10.7	27.0	16.0[b]
	Foreign-currency deposits	-0.2	9.3	15.2	20.8	9.6	-4.7	6.4	5.7	12.1	21.6[b]
Uruguay	Monetary base	21.8	15.3	11.0	11.5	10.9	13.2	0.9	6.0	12.5	8.4
	Money (M1)	18.4	11.7	6.1	7.1	2.2	13.1	5.5	7.1	11.7	15.8[b]
	M2	17.4	12.4	8.7	9.4	11.1	15.4	10.7	8.9	12.1	16.7[b]
	Foreign-currency deposits	19.6	14.8	25.8	26.6	17.2	-6.9	6.7	17.3	31.6	17.7[b]
Venezuela (Bolivarian Republic of)	Monetary base	40.8	61.1	86.5	95.2	144.2	873.1	30 129.5	13 737.7	1 256.6	943.9[b]
	Money (M1)	62.0	66.1	69.5	85.1	116.6	551.7	37 111.7	9 188.3	1 347.4	1 298.4[b]
	M2	57.5	65.4	69.1	84.9	116.4	544.9	36 973.8	9 187.0	1 345.3	1 298.1[b]
The Caribbean											
Antigua and Barbuda	Monetary base	29.5	9.5	22.7	19.6	12.5	-17.1	5.3	-7.6	...	...
	Money (M1)	-2.1	3.1	11.5	4.4	12.0	12.6	8.8	11.8	...	...
	M2	1.7	2.8	3.5	2.5	0.1	5.1	4.8	2.3	...	...
	Foreign-currency deposits	-12.8	0.9	20.0	17.0	17.3	18.3	32.9	9.1	...	...
The Bahamas	Monetary base	-7.8	2.2	13.8	-1.8	24.7	9.9	7.6	-0.6	33.3	15.5[d]
	Money (M1)	8.6	5.6	8.4	18.7	9.0	13.6	6.3	8.5	17.3	3.5[d]
	M2	1.1	-0.6	0.1	1.5	2.7	4.9	1.2	2.7	8.0	1.4[d]
	Foreign-currency deposits	11.6	15.8	-1.5	-19.9	1.2	32.2	29.7	16.1	14.9	-33.0[d]
Barbados	Monetary base	-1.5	10.1	5.5	29.2	23.4	11.7	1.0	12.6	15.1	25.3
	Money (M1)	...	3.7	7.5	8.8	6.1	4.1	0.6	2.8	6.7	8.1[c]
Belize	Monetary base	17.5	19.2	18.8	24.6	12.6	-11.9	-9.7	0.6	12.0	25.6[c]
	Money (M1)	24.0	13.7	14.0	14.6	10.3	-4.9	6.5	4.4	9.8	18.7[c]
Dominica	Monetary base	18.2	-0.1	14.6	22.9	40.7	25.4	-1.0	-21.2	...	...
	Money (M1)	9.8	2.5	2.2	7.8	18.1	13.2	42.9	-14.3	-16.9	...
	M2	7.0	4.5	6.5	4.3	6.0	7.5	17.4	-7.2	-15.2	...
	Foreign-currency deposits	25.4	-6.1	13.5	1.3	3.2	-20.6	-7.7	30.8	20.4	...
Grenada	Monetary base	4.6	6.1	19.7	10.2	5.6	1.7	2.1	4.6	...	...
	Money (M1)	2.9	5.4	24.1	20.6	11.1	3.0	11.0	9.8	6.8	...
	M2	1.8	3.0	5.2	3.7	1.7	0.9	4.2	3.8	4.2	...
	Foreign-currency deposits	5.5	-18.8	7.8	17.4	35.9	10.2	0.5	16.9	16.3	...

Table A1.22 (concluded)

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Guyana	Monetary base	15.2	6.6	2.5	14.3	13.5	6.2	10.5	10.8	25.4	31.1[b]
	Money (M1)	16.1	6.7	10.1	7.9	7.1	9.0	8.9	20.7	41.8	18.9[b]
Jamaica	Monetary base	6.3	6.3	5.9	9.9	15.5	19.1	17.9	22.6	17.6	23.7
	Money (M1)	4.7	5.9	5.0	15.7	21.8	11.2	19.8	17.3	19.2	17.3[b]
	M2	3.3	6.4	2.6	9.9	15.2	24.1	18.3	15.0	15.7	16.3[b]
	Foreign-currency deposits	6.8	28.5	9.2	13.6	19.4	21.0	10.5	9.6	17.8	14.7[b]
Saint Kitts and Nevis	Monetary base	15.4	22.8	11.5	-13.3	15.8	2.3	3.5	-7.1	...	...
	Money (M1)	17.3	10.8	1.5	10.8	-0.7	-7.9	-1.4	10.7	-1.3	...
	M2	8.6	4.5	6.4	5.9	0.2	-4.2	1.3	3.0	2.7	...
	Foreign-currency deposits	15.1	18.4	46.4	16.3	-6.3	-5.9	-12.9	-4.1	-10.4	...
Saint Lucia	Monetary base	11.8	26.8	19.5	15.6	8.9	2.4	-2.2	9.0	...	...
	Money (M1)	-0.4	9.6	5.8	8.6	10.0	4.6	0.2	11.1	4.4	...
	M2	1.2	8.6	8.1	5.6	4.6	3.6	0.4	6.0	-4.2	...
	Foreign-currency deposits	-7.3	28.9	15.8	17.6	6.4	-7.4	-7.9	47.1	-16.6	...
Saint Vincent and the Grenadines	Monetary base	2.7	7.8	9.6	28.5	3.3	-4.9	5.9	-7.4	...	...
	Money (M1)	3.2	2.2	7.1	3.0	6.5	8.3	9.0	7.1	-6.0	...
	M2	3.7	3.5	-1.0	1.6	3.1	1.3	2.0	3.6	-9.6	...
	Foreign-currency deposits	14.0	-10.1	45.0	20.1	11.1	5.5	-10.5	0.4	22.8	...
Suriname	Monetary base	27.0	13.8	-7.2	-6.2	30.3	23.9	24.4	70.0	47.5	50.9[b]
	Money (M1)	17.0	11.3	5.4	-4.5	15.0	14.1	14.8	26.9	42.5	30.5[b]
	M2	20.0	17.7	8.1	-2.4	12.4	11.7	15.1	24.5	32.3	27.1[b]
	Foreign-currency deposits	13.6	10.8	11.4	9.9	85.5	20.3	5.8	-3.0	22.3	138.7[b]
Trinidad and Tobago	Monetary base	15.4	19.5	8.0	-7.9	-7.3	-8.4	-2.6	-0.1	12.7	7.8[c]
	Money (M1)	15.4	19.2	19.8	0.0	1.2	-1.9	0.1	-0.3	7.8	11.8[c]
	M2	12.0	11.8	11.6	3.8	2.8	-1.4	0.1	1.9	6.8	6.0[c]
	Foreign-currency deposits	4.7	12.6	-5.7	1.6	7.3	0.4	-1.3	3.9	-0.3	3.6[c]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of September.
[b] Figures as of August.
[c] Figures as of July.
[d] Figures as of June.
[e] Figures as of May.
[f] Figures as of February.

Table A1.23
Latin America and the Caribbean: domestic credit
(Percentage variation with respect to the year-earlier period)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America										
Argentina	33.0	42.2	24.4	35.2	25.0	35.0	41.4	30.2	65.2	54.8[b]
Bolivia (Plurinational State of)	22.7	21.6	17.6	16.7	18.5	16.9	13.7	10.3	11.0	8.6[c]
Brazil	16.8	11.9	9.5	9.0	9.5	7.9	2.7	9.7	15.5	13.0[b]
Chile	15.1	9.3	7.6	20.0	8.8	5.5	10.2	8.2	10.2	1.7[b]
Colombia	15.7	13.8	12.2	16.6	8.4	9.8	9.3	10.0	10.7	...
Costa Rica	13.7	12.0	19.5	13.1	13.5	11.0	5.8	2.3	5.8	10.2[d]
Dominican Republic	12.1	12.4	11.6	15.0	14.5	8.6	9.4	11.3	9.7	5.9
Ecuador	21.5	16.7	16.2	10.1	5.6	12.0	10.4	10.8	9.6	7.6[b]
El Salvador	9.6	5.5	9.4	7.4	8.2	4.6	7.8	7.5	9.1	8.8[b]
Guatemala	11.3	12.6	12.0	12.0	6.0	2.2	3.2	2.9	5.6	10.2
Haiti	11.4	70.0	30.4	18.2	10.2	12.2	23.0	25.3	27.8	28.9[e]
Honduras	19.3	9.0	7.1	7.7	7.4	19.1	13.3	10.7	6.0	10.5[b]
Mexico	10.9	9.4	9.9	12.6	14.1	8.0	10.1	9.4	8.3	2.9[f]
Nicaragua	21.0	20.8	11.6	11.8	14.2	15.7	0.2	-19.6	-11.1	-11.5[f]
Panama	19.7	13.0	15.9	5.8	10.4	10.3	8.9	0.8	-7.4	-5.5[c]
Paraguay	28.4	20.8	12.0	26.0	5.9	-1.1	12.2	15.9	6.9	12.7
Peru	10.4	8.5	43.0	21.2	12.8	11.3	37.7	5.8	26.9	14.4[b]
Uruguay	19.4	16.5	18.6	12.9	33.4	4.1	-3.7	21.4	11.5	6.8[b]
Venezuela (Bolivarian Republic of)[f]	56.1	61.9	63.8	74.5	100.1	302.9	23 1191.5	14 049.8	2 166.7	1 606.8[b]
The Caribbean										
Antigua and Barbuda	-3.0	-4.9	-0.4	-5.9	-10.5	5.1	-1.7	4.7	...	...
The Bahamas	4.0	1.9	0.0	0.7	0.7	1.9	-3.5	0.5	0.5	-2.1[c]
Barbados	...	3.8	-0.9	2.7	5.8	4.7	-1.6	-13.4	-0.4	1.3[b]
Belize	0.4	-2.6	-0.6	8.9	18.5	2.5	6.2	6.4	5.2	5.3[f]
Dominica	7.6	7.7	1.7	-1.8	-24.3	-24.6	24.4	39.7	...	...
Grenada	5.0	-2.1	-9.0	-10.2	-11.2	-6.7	-5.5	-8.2	...	...
Guyana	40.1	26.3	16.0	11.3	11.3	9.3	19.0	15.1	15.4	-14.6
Jamaica	9.4	12.3	10.1	0.4	10.5	18.3	10.5	10.8	15.8	13.5[b]
Saint Kitts and Nevis	-6.8	-25.0	-18.7	-79.9	-78.8	105.8	-0.1	44.0	...	...
Saint Lucia	6.6	5.4	-3.1	-12.2	-6.1	-8.0	-6.5	-1.0	...	...
Saint Vincent and the Grenadines	-1.0	6.5	3.5	5.4	0.3	0.1	3.0	-3.2	...	...
Suriname	10.3	23.5	21.5	23.5	33.8	13.3	-3.0	16.1	41.1	41.3[b]
Trinidad and Tobago	7.9	-20.4	-23.8	3.2	36.6	13.5	12.7	16.6	13.4	16.8[f]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of September.
[b] Figures as of August.
[c] Figures as of June.
[d] Figures as of May.
[e] Figures as of February.
[f] Figures as of July.
[g] Credit granted by the commercial and universal banks.

Table A1.24
Latin America and the Caribbean: monetary policy rates
(Average rates)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America										
Argentina	12.8	14.6	26.7	27.0	28.8	26.4	44.4	65.2	39.7	38.0
Bolivia (Plurinational State of)	4.0	4.1	5.1	2.7	2.5	2.4	2.4	2.6	2.5	5.0
Brazil	8.5	8.4	11.0	13.6	14.2	9.8	6.6	6.0	2.8	4.1
Chile	5.0	4.9	3.7	3.1	3.5	2.7	2.6	2.5	0.8	0.9
Colombia	4.9	3.4	3.9	4.7	7.1	6.0	4.3	4.3	2.8	1.8
Costa Rica	5.0	4.4	4.9	3.5	1.8	3.5	5.0	4.2	1.1	0.8
Dominican Republic	5.8	5.3	6.3	5.4	5.1	5.4	5.4	5.0	3.5	3.0
Guatemala	5.2	5.1	4.6	3.3	3.0	3.0	2.8	2.8	2.0	1.8[b]
Haiti	3.0	3.0	4.8	12.3	14.7	12.0	12.0	16.7	10.8	10.0[b]
Honduras	6.6	7.0	7.0	6.5	5.7	5.5	5.5	5.7	4.2	3.0
Mexico	4.5	3.9	3.2	3.0	4.2	6.8	7.7	8.0	5.3	4.3
Paraguay	6.0	5.5	6.7	6.1	5.7	5.4	5.3	4.5	1.7	1.1
Peru	4.3	4.2	3.8	3.4	4.2	3.8	2.8	2.6	0.7	0.5
Uruguay[cd]	8.8	9.3	…	…	…	…	…	…	4.5	4.7
Venezuela (Bolivarian Republic of)	6.4	6.2	6.4	6.2	6.5	6.4	6.2	16.5	…	…
The Caribbean										
Antigua and Barbuda	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0
The Bahamas	4.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0[b]
Barbados	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	3.3	2.0[e]
Belize	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0[e]
Dominica	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0
Grenada	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0
Guyana	5.4	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0[b]
Jamaica	6.3	5.8	5.8	5.5	5.1	4.2	2.3	0.9	0.5	0.6
Saint Kitts and Nevis	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0
Saint Lucia	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0
Saint Vincent and the Grenadines	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0
Trinidad and Tobago	2.9	2.8	2.8	4.1	4.8	4.8	4.9	5.0	3.8	3.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of October.
[b] Figures as of September.
[c] As of June 2013, the interest rate was no longer used as an instrument of monetary policy.
[d] On 4 September (2020), the Central Bank of Uruguay adopted an inflation-targeting monetary policy, using the monetary policy rate as the reference rate.
[e] Figures as of August.

Table A1.25
Latin America and the Caribbean: representative lending rates
(Average rates)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America										
Argentina[b]	19.3	21.6	29.3	28.2	33.3	26.8	47.7	66.9	36.8	40.7
Bolivia (Plurinational State of)[c]	6.7	7.0	6.5	6.4	6.2	6.0	6.4	6.4	6.3	8.0[d]
Brazil[e]	39.9	39.1	45.0	49.5	53.7	49.9	45.2	42.7	33.8	33.2
Chile[f]	13.5	13.2	10.8	9.3	10.4	11.5	10.6	8.5	8.0	9.1
Colombia[g]	13.7	12.2	12.1	12.1	14.7	13.7	12.1	11.8	9.9	9.1
Costa Rica[h]	19.7	17.4	16.6	15.9	14.7	14.5	15.6	13.0	10.9	9.7
Dominican Republic[h]	15.5	13.6	13.9	14.9	15.1	13.9	12.5	12.5	11.0	9.6
Ecuador[i]	8.2	8.2	8.1	8.3	8.7	7.9	7.7	8.6	8.9	8.3
El Salvador[j]	5.6	5.7	6.0	6.2	6.4	6.5	6.5	6.6	6.6	6.4
Guatemala[h]	13.5	13.6	13.8	13.2	13.1	13.1	12.9	12.7	12.5	12.2
Haiti[k]	19.4	18.9	18.6	18.8	19.7	18.0	17.7	18.7	16.2	…[l]
Honduras[h]	18.4	20.1	20.6	20.7	19.3	19.3	17.8	17.3	17.0	16.2[m]
Mexico[n]	28.6	27.9	28.6	28.4	26.8	27.0	28.3	30.3	30.2	29.5[m]
Nicaragua[o]	12.0	15.0	13.5	12.0	11.4	10.9	10.9	12.5	11.2	9.8[p]
Panama[q]	7.7	7.4	6.9	6.5	6.6	6.8	6.9	7.1	7.0	6.9[m]
Paraguay[r]	16.6	16.6	15.7	14.4	15.6	14.3	12.9	12.7	10.7	9.8[m]
Peru[s]	19.2	18.1	15.7	16.1	16.5	16.8	14.5	14.4	12.9	11.1
Uruguay[t]	12.0	13.3	17.2	17.0	17.6	15.4	14.2	13.3	12.7	8.7[m]
Venezuela (Bolivarian Republic of)[u]	16.4	15.7	17.1	19.9	21.4	21.5	21.9	29.3	33.2	43.0
The Caribbean										
Antigua and Barbuda[v]	9.4	9.4	9.6	8.7	9.2	9.0	8.8	8.6	…	…
The Bahamas[w]	10.9	11.2	11.8	12.3	12.5	11.8	11.4	11.2	10.3	10.0[m]
Barbados[v]	7.2	7.0	7.0	6.9	6.7	6.6	6.7	6.5	6.1	5.8[p]
Belize[x]	12.3	11.5	10.9	10.3	9.8	9.5	9.1	9.1	8.7	8.4[p]
Dominica[v]	8.9	9.0	8.8	8.6	8.2	8.0	7.7	7.5	…	…
Grenada[v]	9.5	9.1	9.1	8.8	8.4	8.2	7.7	7.3	…	…
Guyana[y]	14.0	12.1	11.1	10.8	10.7	10.6	10.4	8.9	8.5	8.6[m]
Jamaica[z]	18.6	17.7	17.2	17.0	16.5	14.9	14.1	13.0	12.1	11.6[m]
Saint Kitts and Nevis[v]	8.5	8.4	8.8	8.5	8.5	8.5	8.2	8.0	…	…
Saint Lucia[v]	8.6	8.4	8.4	8.5	8.2	8.1	8.0	7.6	…	…
Saint Vincent and the Grenadines[v]	9.3	9.2	9.3	9.3	9.1	8.7	8.4	8.3	…	…
Suriname[z]	11.7	12.0	12.3	12.6	13.5	14.4	14.3	15.0	14.8	14.8[m]
Trinidad and Tobago[v]	8.0	7.8	7.7	8.3	9.1	9.1	9.1	9.3	7.9	7.6[m]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of September.
[b] Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.
[c] Nominal local-currency rate for 61–90 day operations.
[d] Figures as of February.
[e] Interest rate on total consumer credit.
[f] Non-adjustable 90–360 day operations.
[g] Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.
[h] Weighted average of the system lending rates in local currency.
[i] Effective benchmark lending rate for the corporate commercial segment.
[j] Basic lending rate for up to one year.
[k] Average of minimum and maximum lending rates.
[l] Figures as of October.
[m] Figures as of August.
[n] Average interest rate for credit cards from commercial banks and the TAC rate (Total Annual Cost).
[o] Weighted average of short-term lending rates in local currency.
[p] Figures as of July
[q] Interest rate on one-year trade credit.
[r] Commercial lending rate, local currency.
[s] Market lending rate, average for transactions conducted in the last 30 business days.
[t] Business credit, 30–367 days.
[u] Average rate for loan operations for the six major commercial banks.
[v] Weighted average of lending rates.
[w] Weighted average of lending and overdraft rates.
[x] Rate for personal and business loans, residential and other construction loans; weighted average.
[y] Basic prime lending rate.
[z] Average of lending rates.

Table A1.26
Latin America and the Caribbean: consumer prices
(12-month percentage variation)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[a]
Latin America and the Caribbean[b]	**4.0**	**4.1**	**4.4**	**5.6**	**4.1**	**3.6**	**3.2**	**3.1**	**3.0**	**6.4**
Latin America										
Argentina[c]	10.8	10.9	23.9	27.5	38.5	25.0	47.1	52.9	34.1	51.7
Bolivia (Plurinational State of)	4.5	6.5	5.2	3.0	4.0	2.7	1.5	1.5	0.7	1.0
Brazil	5.8	5.9	6.4	10.7	6.3	2.9	3.7	4.3	4.5	10.2
Chile	1.5	2.8	4.8	4.4	2.7	2.3	2.6	3.0	3.0	5.3
Colombia	2.4	1.9	3.7	6.8	5.7	4.1	3.1	3.8	1.6	4.5
Costa Rica	4.5	3.7	5.1	-0.8	0.8	2.6	2.0	1.5	0.9	2.1
Cuba[d]	2.0	0.0	2.1	2.4	-3.0	0.6	2.4	-1.3	18.5	72.1
Dominican Republic	3.9	3.9	1.6	2.3	1.7	4.2	1.2	3.7	5.6	7.9[e]
Ecuador	4.2	2.7	3.7	3.4	1.1	-0.2	0.3	-0.1	-0.9	1.1
El Salvador	0.8	0.8	0.5	1.0	-0.9	2.0	0.4	-0.0	-0.1	4.3[e]
Guatemala	3.4	4.4	2.9	3.1	4.2	5.7	2.3	3.4	4.8	3.7
Haiti	7.6	3.4	6.4	12.5	14.3	13.3	16.5	20.8	19.2	12.1[f]
Honduras	5.4	4.9	5.8	2.4	3.3	4.7	4.2	4.1	4.0	4.6
Mexico	3.6	4.0	4.1	2.1	3.4	6.8	4.8	2.8	3.2	6.0
Nicaragua	7.1	5.4	6.4	2.9	3.1	5.8	3.4	6.5	2.6	5.0[e]
Panama	4.6	3.7	1.0	0.3	1.5	0.5	0.2	-0.1	-1.6	2.4[e]
Paraguay	4.0	3.7	4.2	3.1	3.9	4.5	3.2	2.8	2.2	6.4
Peru	2.6	2.9	3.2	4.4	3.2	1.4	2.2	1.9	2.0	5.2
Uruguay	7.5	8.5	8.3	9.4	8.1	6.6	8.0	8.8	9.4	7.4
Venezuela (Bolivarian Republic of)	20.1	56.2	68.5	180.9	274.4	862.6	130 060.2	9 585.5	2 959.8	1 946.0
The Caribbean										
Antigua and Barbuda	1.8	1.1	1.3	0.9	-1.1	2.4	1.7	0.7	2.8	1.1[e]
The Bahamas	0.7	0.8	0.2	2.0	0.8	1.8	2.0	1.4	1.2	2.7[g]
Barbados	2.4	1.1	2.3	-2.3	3.8	6.6	0.6	7.2	1.3	2.9[h]
Belize	0.8	1.6	-0.2	-0.6	1.1	1.0	-0.1	0.2	0.4	3.9[e]
Dominica	1.3	-0.4	0.5	-0.7	0.7	-1.5	4.0	0.1	-0.7	0.6[h]
Grenada	1.8	-1.2	-0.6	1.1	0.9	0.5	1.4	0.1	-0.8	1.5[h]
Guyana	3.4	0.9	1.2	-1.8	1.4	1.5	1.6	2.1	1.3	7.2[f]
Jamaica	8.0	9.7	6.2	3.7	1.7	5.2	2.4	6.2	4.5	6.0[e]
Saint Kitts and Nevis	0.5	0.6	-0.5	-2.4	0.0	0.8	-0.8	-0.8	-1.2	1.9[h]
Saint Lucia	5.0	-0.7	3.7	-2.6	-2.8	2.0	1.6	-0.7	-0.4	2.5[h]
Saint Vincent and the Grenadines	1.0	0.0	0.1	-2.1	1.0	3.0	1.4	0.5	-1.0	1.9[h]
Suriname	4.4	0.6	3.9	25.2	49.2	9.3	5.4	4.2	60.7	59.8[e]
Trinidad and Tobago	7.2	5.6	8.5	1.5	3.1	1.3	1.0	0.4	0.8	2.2[f]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Twelve-month variation to September 2021.
[b] Weighted average; does not include Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname.
[c] As from 2017, the data are spliced with those for Greater Buenos Aires, in order to effect an interannual comparison.
[d] Refers to national-currency markets.
[e] Twelve-month variation to August 2021.
[f] Twelve-month variation to July 2021.
[g] Twelve-month variation to April 2021.
[h] Twelve-month variation to June 2021.

Table A1.27
Latin America and the Caribbean: fiscal balances
(Percentages of GDP)

	Primary balance			Overall balance		
	2018	2019	2020	2018	2019	2020
Latin America and the Caribbean[a]	**0.3**	**-0.2**	**-4.3**	**-2.3**	**-2.8**	**-6.9**
Latin America[b]	**-0.5**	**-0.4**	**-4.2**	**-2.9**	**-3.0**	**-6.9**
Argentina	-1.9	0.3	-1.5	-5.6	-4.0	-3.8
Bolivia (Plurinational State of)[c]	-5.2	-6.1	-12.1	-6.0	-6.9	-13.1
Brazil	-1.7	-1.3	-10.0	-7.2	-5.7	-13.8
Chile	-0.8	-1.9	-6.3	-1.7	-2.9	-7.3
Colombia	-0.6	0.1	-5.1	-3.1	-2.5	-7.8
Costa Rica	-2.3	-2.7	-3.4	-5.7	-6.7	-8.1
Dominican Republic	0.3	0.7	-5.1	-2.3	-2.1	-8.3
Ecuador	-1.1	-2.0	-4.2	-3.8	-5.0	-7.6
El Salvador	2.3	1.8	-5.0	-1.1	-1.6	-9.2
Guatemala	-0.3	-0.6	-3.2	-1.9	-2.2	-4.9
Haiti[d]	-2.4	…	…	-2.7	…	…
Honduras	0.9	0.6	-3.5	-2.1	-2.5	-7.0
Mexico[e]	0.6	1.1	0.1	-2.0	-1.7	-2.8
Nicaragua	-0.8	1.6	0.2	-1.9	0.3	-1.0
Panama	-1.4	-2.3	-6.6	-3.2	-4.1	-9.2
Paraguay	-0.6	-2.0	-5.1	-1.3	-2.8	-6.2
Peru[c]	-0.7	-0.1	-6.9	-2.0	-1.4	-8.4
Uruguay	0.7	-0.4	-2.4	-1.9	-2.8	-5.0
The Caribbean[f]	**1.3**	**0.2**	**-4.3**	**-1.5**	**-2.4**	**-7.0**
Antigua and Barbuda	-0.7	-1.2	-3.0	-3.2	-3.8	-5.5
Bahamas[g]	-0.8	0.8	-3.8	-3.3	-1.7	-6.6
Barbados[hi]	3.5	6.1	-0.8	-0.3	3.7	-4.0
Belize[h]	2.4	-1.2	-8.2	-0.9	-4.4	-9.8
Dominica	-4.6	-12.9	3.0	-6.6	-15.0	0.6
Grenada	6.9	7.0	-2.6	4.9	5.1	-4.6
Guyana	-1.8	-2.0	-7.2	-2.7	-2.8	-7.9
Jamaica[h]	7.5	7.1	3.5	1.2	0.9	-3.1
Saint Kitts and Nevis	4.3	1.7	-4.3	3.0	0.6	-5.5
Saint Lucia	1.0	0.7	-5.9	-1.8	-2.2	-9.7
Saint Vincent and the Grenadines	0.8	-1.0	-4.0	-1.6	-3.5	-6.4
Suriname[j]	-6.8	-15.7	-7.5	-10.1	-18.6	-9.7
Trinidad and Tobago[d]	-0.6	0.6	-7.8	-3.6	-2.6	-11.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Simple averages. Does not include Bolivarian Republic of Venezuela,Cuba, Dominica, Haiti or Plurinational State of Bolivia.
[b] Simple averages. Does not include Bolivarian Republic of Venezuela,Cuba, Haiti or Plurinational State of Bolivia.
[c] General government.
[d] Fiscal years, from 1 October to 30 September.
[e] Federal public sector.
[f] Simple averages. Does not include Dominica.
[g] Fiscal years, from 1 July to 30 June.
[h] Fiscal years, from 1 April to 31 March.
[i] Non-financial public sector.
[j] Cash basis. Includes statistical discrepancy.

Table A1.28
Latin America and the Caribbean: central government revenues composition
(Percentages of GDP)

	Total revenue			Tax revenue		
	2018	2019	2020	2018	2019	2020
Latin America and the Caribbean[a]	**21.7**	**21.8**	**20.7**	**17.7**	**17.8**	**16.8**
Latin America[b]	**18.4**	**18.5**	**17.8**	**15.4**	**15.3**	**14.7**
Argentina	17.1	18.2	22.1	14.5	14.6	14.8
Bolivia (Plurinational State of)[c]	28.0	27.0	23.6	19.0	18.4	15.7
Brazil	21.2	22.1	19.7	20.5	20.3	19.3
Chile	22.0	21.7	20.0	19.4	19.1	17.7
Colombia	15.1	16.2	15.2	13.7	14.0	13.0
Costa Rica	13.8	14.3	13.3	12.9	13.2	12.3
Dominican Republic	14.2	14.7	14.2	13.0	13.6	12.4
Ecuador	24.4	22.8	19.7	14.3	13.4	12.5
El Salvador	19.3	19.0	19.9	18.0	17.7	18.5
Guatemala	11.3	11.2	10.7	11.0	11.0	10.5
Haiti[d]	13.2	...	...	12.6	...	...
Honduras	20.2	19.2	16.6	18.4	17.5	14.8
Mexico[e]	21.7	22.0	23.1	13.0	13.1	14.5
Nicaragua	17.6	19.6	19.1	15.7	17.5	17.2
Panama	13.9	12.7	12.5	9.1	8.2	7.5
Paraguay	14.1	14.2	13.6	11.0	10.9	10.5
Peru[c]	19.4	20.0	18.0	16.7	17.0	15.7
Uruguay	28.2	27.5	27.0	24.7	24.2	24.3
The Caribbean[f]	**26.3**	**26.3**	**24.7**	**20.8**	**21.0**	**19.7**
Antigua and Barbuda	19.8	18.6	21.2	15.7	14.8	16.5
Bahamas[g]	16.4	18.8	17.0	14.8	17.0	15.2
Barbados[hi]	29.4	28.7	24.2	27.6	26.7	22.6
Belize[h]	31.0	29.5	26.4	27.0	26.4	22.7
Dominica	49.9	40.7	53.0	26.4	26.2	21.8
Grenada	27.0	27.2	28.6	23.0	23.0	23.1
Guyana	22.9	23.4	20.6	20.0	20.9	19.1
Jamaica[h]	30.6	30.6	29.1	26.4	27.3	25.6
Saint Kitts and Nevis	39.8	37.2	33.1	18.5	17.6	17.1
Saint Lucia	21.4	20.8	21.9	18.6	18.6	19.8
Saint Vincent and the Grenadines	29.1	30.5	32.7	23.3	23.1	24.0
Suriname[j]	20.0	20.4	18.4	13.9	15.0	13.4
Trinidad and Tobago[d]	27.6	29.6	22.6	20.5	21.4	17.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Simple averages. Does not include Bolivarian Republic of Venezuela,Cuba, Dominica, Haiti or Plurinational State of Bolivia.
[b] Simple averages. Does not include Bolivarian Republic of Venezuela,Cuba, Haiti or Plurinational State of Bolivia.
[c] General government.
[d] Fiscal years, from 1 October to 30 September.
[e] Federal public sector.
[f] Simple averages. Does not include Dominica.
[g] Fiscal years, from 1 July to 30 June.
[h] Fiscal years, from 1 April to 31 March.
[i] Non-financial public sector.
[j] Cash basis. Includes statistical discrepancy.

Table A1.29
Latin America and the Caribbean: central government expenditure composition
(Percentages of GDP)

	Total expenditure			Interest payments on public debt			Capital expenditure		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Latin America and the Caribbean[a]	**24.1**	**24.6**	**27.7**	**2.6**	**2.6**	**2.7**	**3.6**	**3.7**	**4.3**
Latin America[b]	**21.3**	**21.4**	**24.7**	**2.5**	**2.5**	**2.7**	**3.3**	**3.1**	**3.4**
Argentina	22.7	22.2	25.9	3.7	4.3	2.3	1.3	1.3	1.3
Bolivia (Plurinational State of)[c]	34.0	33.9	36.7	0.8	0.8	1.0	10.4	9.7	5.9
Brazil	28.5	27.7	33.5	5.5	4.4	3.8	1.0	0.9	1.7
Chile	23.7	24.5	27.3	0.8	0.9	1.0	3.7	3.8	3.4
Colombia	18.2	18.7	23.0	2.5	2.5	2.7	1.5	1.8	2.2
Costa Rica	19.4	21.0	21.3	3.4	4.0	4.7	1.3	1.9	1.2
Dominican Republic	16.5	16.8	22.5	2.6	2.8	3.2	3.1	2.5	3.8
Ecuador	28.2	27.8	27.2	2.8	3.0	3.3	7.1	5.2	5.2
El Salvador	20.4	20.7	29.1	3.4	3.5	4.2	3.0	3.1	3.3
Guatemala	13.2	13.5	15.6	1.5	1.6	1.7	2.6	2.7	3.0
Haiti[d]	13.9	…	…	0.3	…	…	1.9	…	…
Honduras	22.3	21.6	23.6	3.0	3.0	3.4	5.3	4.6	4.2
Mexico[e]	23.8	23.7	26.0	2.6	2.7	3.0	3.1	3.0	3.4
Nicaragua	19.6	19.3	20.1	1.1	1.3	1.3	5.0	4.1	5.1
Panama	17.1	16.9	21.7	1.8	1.9	2.7	5.9	5.5	6.7
Paraguay	15.4	17.0	19.8	0.7	0.8	1.1	3.1	4.0	4.4
Peru[c]	21.4	21.3	26.4	1.2	1.3	1.5	4.9	4.5	4.5
Uruguay	30.1	30.3	32.1	2.6	2.4	2.7	1.4	1.4	1.2
The Caribbean[f]	**27.8**	**28.7**	**31.8**	**2.8**	**2.7**	**2.8**	**3.9**	**4.5**	**5.4**
Antigua and Barbuda	23.0	22.4	26.8	2.5	2.5	2.6	1.9	1.9	2.9
The Bahamas[g]	19.8	20.5	23.7	2.5	2.5	2.8	2.2	1.7	3.0
Barbados[hi]	29.7	25.0	28.2	3.8	2.4	3.2	1.8	1.8	2.6
Belize[h]	31.9	33.8	36.2	3.3	3.2	1.6	4.2	6.4	8.6
Dominica	56.5	55.7	52.4	2.0	2.1	2.4	25.2	18.2	11.4
Grenada	22.1	22.1	33.2	2.0	1.9	2.0	2.8	2.7	9.7
Guyana	25.6	26.2	28.5	0.9	0.8	0.7	5.5	6.1	6.7
Jamaica[h]	29.4	29.7	32.2	6.3	6.2	6.5	3.2	3.3	2.5
Saint Kitts and Nevis	36.8	36.6	38.7	1.3	1.1	1.2	10.4	10.6	9.0
Saint Lucia	23.2	23.0	31.5	2.9	3.0	3.7	4.2	3.5	5.2
Saint Vincent and the Grenadines	30.7	34.1	39.1	2.4	2.5	2.4	4.5	7.2	9.7
Suriname[j]	29.9	39.0	29.6	3.1	2.9	3.7	4.1	6.6	2.2
Trinidad and Tobago[d]	31.2	32.2	33.7	3.1	3.2	3.3	2.2	2.4	2.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Simple averages. Does not include Bolivarian Republic of Venezuela,Cuba, Dominica, Haiti or Plurinational State of Bolivia.
[b] Simple averages. Does not include Bolivarian Republic of Venezuela,Cuba, Haiti or Plurinational State of Bolivia.
[c] General government.
[d] Fiscal years, from 1 October to 30 September.
[e] Federal public sector.
[f] Simple averages. Does not include Dominica.
[g] Fiscal years, from 1 July to 30 June.
[h] Fiscal years, from 1 April to 31 March.
[i] Non-financial public sector.
[j] Cash basis. Includes statistical discrepancy.

Table A1.30
Latin America and the Caribbean: central government gross public debt
(Percentages of GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Latin America and the Caribbean[a]	**47.3**	**48.8**	**49.6**	**50.9**	**51.6**	**52.7**	**54.4**	**55.1**	**56.3**	**71.0**
Latin America[a]	**29.9**	**31.3**	**32.7**	**34.2**	**36.6**	**38.3**	**39.7**	**43.0**	**45.3**	**56.4**
Argentina[b]	38.9	40.4	43.5	44.7	52.6	53.3	56.5	85.2	88.8	102.8
Bolivia (Plurinational State of)	34.5	29.1	28.4	27.7	29.5	31.4	34.4	36.0	40.4	55.4
Brazil[c]	50.8	55.2	56.7	58.9	66.5	70.0	74.0	77.2	74.3	88.8
Chile	11.1	11.9	12.7	15.0	17.3	21.0	23.6	25.6	28.2	32.5
Colombia	36.5	34.5	37.1	40.2	45.0	46.0	44.9	48.6	48.6	61.4
Costa Rica	29.9	34.3	35.9	38.5	41.0	44.9	48.4	51.7	56.5	67.5
Dominican Republic	28.3	31.5	37.2	35.9	34.4	34.5	36.1	36.8	39.6	55.9
Ecuador	17.3	20.1	22.9	27.5	30.9	35.7	41.3	42.2	48.2	59.0
El Salvador	47.6	50.9	49.2	49.6	49.7	49.6	48.2	47.6	48.8	62.6
Guatemala	23.8	24.5	25.0	24.7	24.8	25.0	24.6	26.0	25.8	28.7
Haiti[d]	23.9	28.0	30.5	35.1	39.7	40.8	38.3	39.9	47.0	...
Honduras	32.8	34.4	43.4	44.4	44.4	46.1	47.5	48.8	48.9	58.9
Mexico[e]	27.3	27.8	29.8	31.7	34.1	37.0	35.2	35.4	36.1	42.0
Nicaragua	31.8	31.2	30.8	30.2	29.9	31.2	34.0	37.6	42.3	48.5
Panama	36.4	34.8	34.4	36.2	37.1	37.0	37.3	39.3	46.4	69.8
Paraguay	6.9	9.5	9.7	12.1	13.3	15.1	15.7	16.9	19.6	29.5
Peru	18.4	18.3	17.3	18.2	19.7	21.6	23.3	23.8	24.8	32.9
Uruguay	40.0	41.4	37.4	39.0	44.3	45.5	44.6	45.6	48.8	61.4
Venezuela (Bolivarian Republic of)	25.1	27.5	32.9	28.5	31.7	31.1	34.9	...	...	...
The Caribbean[f]	**68.9**	**70.2**	**70.5**	**71.5**	**70.2**	**70.5**	**72.5**	**70.0**	**69.7**	**89.0**
Antigua and Barbuda	77.1	72.9	78.7	84.1	71.1	67.8	67.2	64.2	64.9	84.1
The Bahamas	43.3	46.5	52.5	57.5	56.6	58.8	63.8	64.3	64.2	99.5
Barbados	96.8	106.3	116.2	121.9	129.6	138.4	136.9	122.7	117.3	142.2
Belize	77.0	74.0	76.4	75.3	78.4	84.8	92.4	90.4	88.1	118.2
Dominica	54.6	64.6	65.1	65.2	64.0	57.4	62.3	64.0	72.0	97.1
Grenada	89.7	93.0	94.6	89.6	82.7	75.7	65.8	62.7	57.8	70.6
Guyana[g]	51.6	44.5	41.6	38.7	36.0	35.7	35.2	35.8	32.6	47.3
Jamaica[g]	130.6	129.4	130.2	129.4	112.9	108.4	104.4	97.1	92.4	103.3
Saint Kitts and Nevis	105.1	99.7	72.2	59.9	51.3	47.9	47.6	41.5	40.1	46.4
Saint Lucia	53.3	61.5	56.9	57.6	57.4	57.6	55.2	56.5	57.6	85.0
Saint Vincent and the Grenadines	58.5	57.1	59.1	68.7	67.6	65.9	67.2	69.4	71.2	82.8
Suriname	26.8	27.3	35.6	33.3	52.3	57.7	86.9	81.4	86.6	111.4
Trinidad and Tobago	31.0	36.4	37.5	48.2	52.8	59.8	57.5	60.2	61.2	68.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Simple averages. Does not include Bolivarian Republic of Venezuela, Haiti or Plurinational State of Bolivia.
[b] Central administration.
[c] General government.
[d] Data to September 2013. Does not include public sector liabilities owed to commercial banks.
[e] Federal government.
[f] Simple averages.
[g] Public sector.

Table A1.31
Latin America and the Caribbean: non-financial public sector gross public debt
(Percentages of GDP)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Latin America and the Caribbean[a]	**52.8**	**54.2**	**55.4**	**56.4**	**57.2**	**58.3**	**59.8**	**60.2**	**61.4**	**76.5**
Latin America[a]	**32.4**	**33.8**	**35.2**	**37.1**	**39.8**	**41.7**	**43.2**	**46.5**	**49.3**	**60.2**
Argentina[b]	38.9	40.4	43.5	44.7	52.6	53.3	56.5	85.2	88.8	102.8
Bolivia (Plurinational State of)[c]	33.7	31.3	30.4	30.0	31.6	34.1	37.2	37.9	43.1	58.5
Brazil[d]	50.8	55.2	56.7	58.9	66.5	70.0	74.0	77.2	74.3	88.8
Chile	17.8	18.9	20.3	24.0	27.4	30.3	32.1	34.9	38.4	42.7
Colombia	43.1	40.7	41.9	47.5	54.9	54.9	54.4	57.5	57.3	71.5
Costa Rica	37.2	41.5	44.1	46.9	49.2	52.8	58.0	61.8	71.9	77.9
Dominican Republic	28.5	32.2	37.4	36.0	35.1	35.3	36.9	37.6	40.4	56.6
Ecuador	18.3	21.1	24.0	29.6	33.0	38.2	44.5	45.0	52.3	63.1
El Salvador	50.3	53.3	51.3	51.8	52.2	52.7	52.2	51.4	52.6	66.6
Guatemala[e]	23.8	24.5	25.0	24.7	24.8	25.0	24.6	26.0	25.8	28.7
Haiti[ef]	23.9	28.0	30.5	35.1	39.7	40.8	38.3	39.9	47.0	…
Honduras[e]	32.8	34.4	43.4	44.4	44.4	46.1	47.5	48.8	48.9	58.9
Mexico[g]	34.1	33.9	36.8	40.1	44.2	49.4	46.9	46.9	46.7	53.9
Nicaragua	32.6	32.0	31.5	30.7	30.4	31.8	34.5	38.0	42.7	48.8
Panama	36.9	35.3	34.9	36.5	37.4	37.4	37.6	39.4	46.4	69.8
Paraguay	8.1	10.7	10.8	13.5	15.1	17.3	18.2	19.7	22.7	33.6
Peru	22.0	20.4	19.6	20.0	20.9	22.7	24.9	25.8	26.8	34.7
Uruguay	43.4	45.7	41.5	44.6	49.0	49.5	48.4	49.3	52.8	65.4
Venezuela (Bolivarian Republic of)[e]	25.1	27.5	32.9	28.5	31.7	31.1	34.9	…	…	…
The Caribbean[h]	**77.9**	**79.4**	**80.4**	**80.1**	**78.6**	**78.7**	**80.2**	**77.0**	**76.4**	**96.5**
Antigua and Barbuda	92.2	87.7	101.1	100.2	86.9	82.6	83.4	78.5	76.3	97.6
Bahamas	45.7	50.3	65.4	71.4	69.7	72.0	76.9	77.9	77.1	113.5
Barbados	109.6	120.3	131.5	137.0	142.4	151.2	148.5	123.5	118.0	142.8
Belize	81.6	77.4	79.4	77.7	80.9	87.3	95.0	93.6	91.5	122.6
Dominica	67.5	77.6	76.4	76.9	75.0	67.7	74.4	74.5	83.1	109.1
Grenada	100.8	103.3	103.7	96.9	88.6	80.0	69.7	66.3	59.8	72.9
Guyana	51.6	44.5	41.6	38.7	36.0	35.7	35.2	35.8	32.6	47.3
Jamaica[e]	130.6	129.4	130.2	129.4	112.9	108.4	104.4	97.1	92.4	103.3
Saint Kitts and Nevis	129.0	126.1	93.3	71.7	63.7	59.0	59.3	57.3	57.6	67.9
Saint Lucia	60.0	67.2	61.3	61.1	60.4	59.9	59.0	59.9	61.0	89.8
Saint Vincent and the Grenadines	69.9	68.7	71.4	80.3	79.1	82.1	74.1	75.5	74.9	86.2
Suriname[e]	26.8	27.3	35.6	33.3	52.3	57.7	86.9	81.4	86.6	111.4
Trinidad and Tobago	48.1	52.2	53.8	66.5	73.5	80.1	75.8	79.1	81.7	90.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Simple averages. Does not include Bolivarian Republic of Venezuela, Haiti or Plurinational State of Bolivia.
[b] Central administration.
[c] Refers to the external debt of the non-financial public-sector and central-government domestic debt.
[d] General government.
[e] Central government.
[f] Data to September 2013. Does not include public sector liabilities owed to commercial banks.
[g] Federal public sector.
[h] Simple averages.

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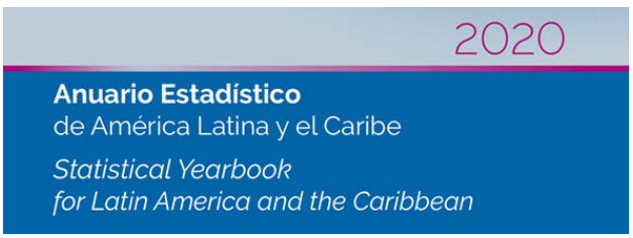

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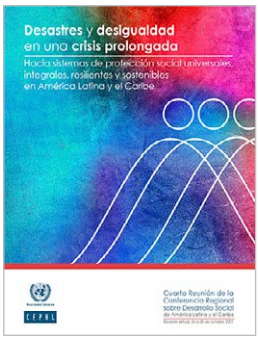

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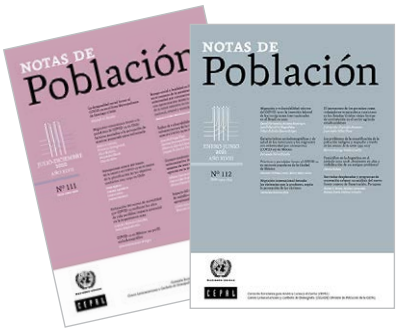

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