2022

Preliminary Overview of the Economies of Latin America and the Caribbean

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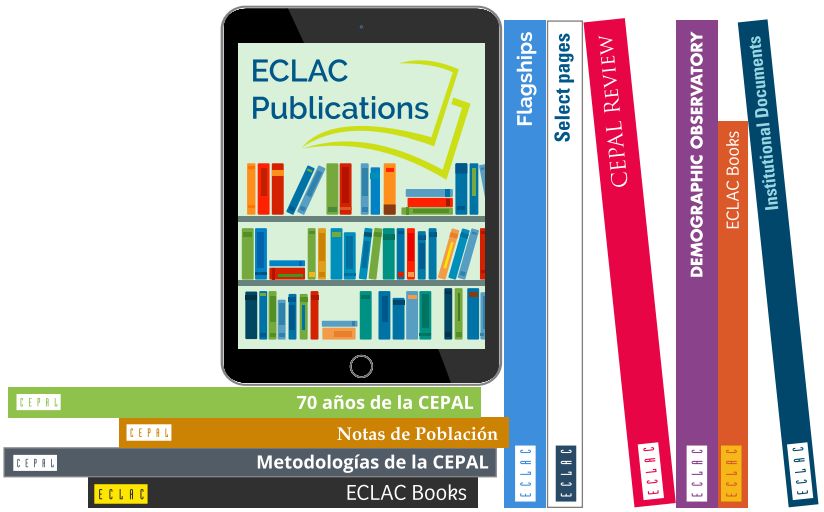

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The *Preliminary Overview of the Economies of Latin America and the Caribbean* is an annual publication prepared by the Economic Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC). This 2022 edition was prepared under the supervision of Daniel Titelman, Chief of the Division, while Ramón Pineda Salazar, Economic Affairs Officer in the same Division, was responsible for its overall coordination.

In the preparation of this edition, the Economic Development Division was assisted by the Statistics Division, the ECLAC subregional headquarters in Mexico, the ECLAC subregional headquarters for the Caribbean, and the Commission's country offices in Bogotá, Brasilia, Argentina, Montevideo and Washington, D.C.

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Explanatory notes for graphs and tables:

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. 2022/2023) indicates a 12-month period falling between the two years.

Individual figures and percentages in graphs and tables may not always add up to the corresponding total because of rounding.

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Growth in economic activity in 2022 was faster than expected in the first half of the year in Latin America and the Caribbean, but slowed in the second half. This slowdown will continue into 2023, meaning that the growth rate for the coming year will be significantly lower than in 2022.

The sharp slowdown in growth has been accompanied by continued inflationary pressures. Although inflation is not expected to accelerate, it will remain high in 2023, influencing monetary policy measures, especially policy rates in the region. On the fiscal side, although the primary deficit has narrowed, debt levels are still high. Fiscal space may therefore be expected to continue to determine public spending patterns. Added to these macroeconomic complexities are a decline in creation of formal jobs, a rise in informality, stagnation or falls in real wages, drops in investment and growing social demands. All this puts pressure on macroeconomic policy, which must reconcile efforts to promote economic recovery through investment and job creation, on the one hand, and to control inflation and pursue fiscal sustainability, on the other.

Not only is the region's internal situation complex, but the global panorama has continued to deteriorate and growth forecasts for world economic activity and trade have both been cut. Global GDP growth projections have been lowered, primarily in response to the effects of the Russian Federation's invasion of Ukraine. Growth is now expected to be 3.1% at the end of 2022, compared with the rate of 4.4% projected before the war. The slowdown is expected to intensify in 2023, with world GDP growing by 2.6%. Advanced economies are forecast to grow by 0.6% and emerging and developing economies by 3.7%.

Regarding the main trading partners of Latin America and the Caribbean, the United States is expected to grow by 1.9% in 2022, more than 2 percentage points below the forecast before the war. An even sharper slowdown is forecast for 2023, with growth of just 0.7%. For the eurozone, growth of 3.2% is forecast for 2022, as the bloc's activity has proven more resilient than originally anticipated. However, the effects of the war in Ukraine will be reflected more strongly in next year's growth rate, which is forecast to slow sharply to just 0.3% (2.4 points less than forecast before the war). Lastly, in China, growth is expected to be 3.3% in 2022 —the lowest rate in more than four decades— and slightly higher in 2023 (4.4%).

Based on the expected decline in global economic activity, projected world trade volume growth in 2023 was lowered from the figure of 3.4% given in April to just 1.0% in October.

The invasion of Ukraine last February, and the effect this has had on food and energy prices, accentuated inflationary trends that were already apparent in 2021. Producer and consumer price indexes increased across the board in 2022, in some cases hitting levels not seen for decades.

In this context of high inflation and a risk of expectations becoming unanchored, the global monetary policy response has been the most synchronized in several decades, with the largest number of simultaneous policy rate hikes since at least 1970. Among the major central banks, the United States Federal Reserve had raised its policy rate by 375 basis points by November 2022, putting it at 4.0%; the European Central Bank (ECB) set its rate at 1.5% in October; and the Bank of England had raised rates 275 basis points in 2022 to 3.0% by November. In all three cases, further rate hikes are expected until at least mid-2023.

In addition to higher monetary policy rates to reduce available liquidity, since early 2022 major central banks have also been shrinking their balance sheets, which reached unprecedented sizes in 2020 in the context of the crisis of the coronavirus disease (COVID-19) pandemic. For example, the Federal Reserve has adopted a

monetary strategy of quantitative tightening, part of which is reinvesting the principal of maturing long-term treasury bonds only to the extent that they exceed a monthly cap of US$ 60 billion, starting in September 2022. ECB decided to end net bond purchases in July 2022, although it will continue to reinvest the principal of bonds when they mature. The Bank of England began quantitative tightening in early November 2022, when it started selling government bonds.

These restrictive monetary policies caused global liquidity to tighten in 2022. From 2021 to 2022, the growth rate of the money supply fell from 15.8% to 2.07% in the United States, from 6.95% to 5.33% in Japan, from 11.2% to 10.5% in the United Kingdom and from 11.21% to 5.83% in the eurozone.

In recent months, commodity prices in general, and food and energy prices in particular, have been falling. This downtrend is expected to continue in 2023, but the prices of some commodities will nevertheless remain above 2021 levels. Specifically, in 2023 the prices of energy goods are forecast to be over 40% higher than in 2021 and prices for food 11% higher. However, in the case of base metals and minerals, prices are expected to be 17% lower than in 2021.

In addition to energy and food inflation easing, global supply chain disruptions —another of the supply-side factors that drove inflationary pressures from late 2020 onward— have also abated in recent months.

For advanced economies, inflation is projected to close 2023 at 4.4%, while for emerging and developing economies, the projection is 8.1%. Even though these rates are almost 3 and 2 percentage points lower, respectively, than in 2022, they are still much higher than the average rates for the decade prior to the pandemic (2010–2019): 2.0% in advanced economies and 5.1% in emerging and developing economies.

Global financial conditions have tightened, financial volatility has increased in both emerging and advanced economies, equity markets in much of the world have fallen sharply, risk appetite has declined, capital outflows from emerging markets have intensified, and the dollar has appreciated significantly worldwide.

On fixed-income markets, yields for the long-term bonds of countries considered risk-free benchmarks —such as the United States and Germany— have climbed sharply in response to inflationary pressures and the resulting tightening of monetary policy. Higher bond yields for these countries, together with diminished risk appetite, have pushed up the cost of financing for other economies. As a result of these higher financing costs, cross-border lending and debt issuance have been in decline since the fourth quarter of 2021. In fact, between December 2021 and June 2022, global growth in cross-border lending slowed from 6.8% to 1.2%, while in developing and emerging economies it slowed from 7.4% to 3.8%. Over the same period, growth in international debt issuance at the global level declined from 5.5% to 1.2%, and for the developing world from 9.0% to 5.5%.

Rising global borrowing costs are also increasing the risk of financial stress among some emerging market and developing economies, which over the past decade have accumulated debt at the fastest pace in more than half a century.

In 2022, the balance of payments current account deficit is expected to expand for the region as a whole to 1.9% of GDP, continuing the upward trend seen over the past three years. This larger deficit is primarily explained by a slight deficit in the goods balance.

The value of Latin America's goods exports will climb by 20% in 2022, less than the 28% recorded in 2021. Most of this growth —14 percentage points— will come from rises in export prices, while volume growth will be more modest, at 6%, given the weaker economic growth in the region's key trading partners.

The situation is similar for goods imports, which are set to increase in value by 24% in 2022. Of this rise, 18 percentage points are expected to come from higher prices of imports and the remaining 6 percentage points from larger volumes.

In 2022, terms of trade in the region are expected to fall by an average of 3.4%, reflecting a rise of 14% in export prices and 18% in import prices. However, patterns differ among the subregions. For example, a rise of 5.9% is projected for the Caribbean, and of 5.2% for the Andean Community countries, driven by higher prices for hydrocarbons, of which several members are net exporters. At the other extreme, the largest fall is expected for Central America, -8.9% with respect to 2021, mainly because the subregion's countries are net importers of energy and in several cases also of foodstuffs.

The deficit on the services balance is expected to narrow slightly in 2022, closing at -0.9% of GDP (compared to -1.0% of GDP recorded in 2021). The income deficit, meanwhile, is projected to be larger in 2022, at -3.3% of GDP, due to increased repatriation of investment earnings and larger interest payments on debt. Lastly, the transfer surplus is expected to continue to expand in 2022, mainly owing to further growth in migrant remittances to the region, which constitute the main item in this account.

In line with patterns in other emerging economies, financial flows to Latin America have declined in recent quarters. As global financing conditions continued to tighten, Latin American and Caribbean debt issuance on international markets reached US$ 58.5 billion in the first 10 months of 2022, down 58% from the same period in 2021, and at an average rate almost 1.5 percentage points higher.

Latin America's sovereign risk has increased over the course of 2022, reflecting rising global financing costs and heightened risk aversion. The J. P. Morgan EMBI Global Diversified Index, which measures the difference between the interest rate on debt commitments arising from bonds issued by emerging countries relative to the rate on United States bonds, which are considered the safest, reached an annual high of 525 basis points in September and subsequently eased to 447 basis points in mid-November. This is still 66 basis points above the 381 points recorded at the end of 2021 and 112 points above the level in January 2020 before the start of the pandemic.

The Economic Commission for Latin America and the Caribbean (ECLAC) estimates that the region's overall external financing needs for 2023 will be around US$ 571 billion. This amount reflects the countries needing to meet around US$ 462 billion in external debt repayments over the year and to finance a balance-of-payments current account deficit estimated at some US$ 109 billion.

In 2022, the region's economies continued to grow (an estimated 3.7% for the year overall), albeit at a lower rate than in 2021 (6.7%), and all indications are that they will start to trend towards pre-pandemic growth rates in 2023. Accordingly, year-on-year growth rates have been gradually slowing since the second quarter of 2021 and average economic growth is projected to slow for the countries of the region from the second half of 2022 onward, reflecting both the end of the rebound effect seen in the 2021 recovery and the impact of restrictive monetary policies, greater fiscal spending constraints, lower consumption and investment and a deterioration of global conditions.

In 2022, growth in public consumption slowed compared to previous quarters. The net external sector made a negative contribution to GDP growth, which appeared to be linked to a faster recovery of imports and weaker external demand.

After being the main driver of economic growth in the second quarter of 2022, with annual growth of 6.7%, private consumption is expected to slow in the third and fourth quarters, owing to the high level reached in the second quarter and the growing effects of inflation on households' purchasing power, the depletion of their savings surpluses and the rise in the cost of borrowing. Investment also contributed to GDP

growth in the first half of 2022, especially in the second quarter. This trend is primarily a reflection of the rise in investment in machinery and equipment, which offset a drop in gross fixed capital formation in construction.

The slowdown is expected to continue and steepen in 2023. GDP growth is therefore projected significantly slower than in 2022, at an average rate of 1.3% for the region.

Labour markets in the region continued to recover in 2022, maintaining a trend that had begun in 2021 with the acceleration of growth and the easing of the health measures adopted to address the pandemic. The labour force participation rate recovered to reach 62.9% by the end of the second quarter of 2022, 0.3 percentage points higher than in December 2021. The number of employed was also up in the first half of 2022. The unemployment rate fell from a third quarter high in 2020 of 11.5% to 7.0% in the second quarter of 2022, on the back of an increase in the number of employed and a recovery of the workforce absorption capacity.

Growth in the number of employed has been reflected in substantial rises in different sectors, with two-digit year-on-year percentage increases in activities such as commerce, restaurants and hotels (13.2%) and in the manufacturing industry (11.2%). More than half of the jobs created in the second quarter of 2022 were in commerce, restaurants and hotels and in community, social and personal services, while 17.4% were in manufacturing.

The labour market recovery has not been robust enough to bridge the persistent gender gaps in indicators such as the labour force participation and unemployment rates. By the end of the second quarter of 2022, the participation rate for women (52.1%) was 22.5 percentage points lower than for men (74.6%). That same gap was 22.3 percentage points in the fourth quarter of 2019.

The labour market recovery has been accompanied by higher informality. At the close of the first quarter of 2022, the average informality rate for the region was 48.8%, topping the 2021 rate by 0.3 percentage points (48.5%) and the 2020 rate by 2.1 percentage points (46.7%). After rising for six consecutive quarters, real wages began trending downward, with the regional median falling by 0.6% in the second quarter of 2022.

The performance of the labour market in the region will depend largely on economic activity and inflation, as well as the limited space to adopt policies to drive aggregate demand. The slowdown in GDP growth since the second quarter of 2022, which is expected to continue into 2023, is casting doubt on the possibility that labour indicators will continue improving in the region.

On the fiscal front, central government public revenues as a percentage of GDP are expected to increase in Latin America in 2022, contrary to previous projections. Tax revenue posted strong growth, driven by income tax collection, which has offset slow expansion of revenue from goods and services consumption tax. Weak growth in indirect taxes stems from dampened economic activity in the second half of the year and tax relief measures to address high inflation (such as exemptions for basic food basket items and fuels), which have depressed tax revenues. In the Caribbean, growth in public revenues is expected to slow, although performance will be uneven across countries.

Central government public spending in Latin America is expected to continue declining in 2022 in line with fiscal deficit reduction directives in annual budgets. Lower public spending is mainly the result of a reduction in current subsidies and transfers. Although countries have taken steps to counter inflation which have affected public spending (food and energy subsidies), in most cases this has been offset by the progressive withdrawal of pandemic-related emergency programmes. While a slight decrease in the level of capital expenditure is expected —relative to GDP— the implementation

of adjustments towards the end of the year could lead to a sharper fall as countries seek to meet their fiscal balance targets. Interest payments are being driven up by higher debt levels and deteriorating macrofinancial conditions. The same trends are observed in the Caribbean, although capital expenditure is expected to rise in several countries of the subregion.

In keeping with these trends, the region is expected to post smaller fiscal deficits. In Latin America, the overall deficit is expected to be -3.1% of GDP in 2022 compared to -4.2% in 2021. The primary deficit is forecast to return to pre-pandemic levels, at -0.5% of GDP in 2022 compared to the previous year's -1.7%. Deficit reduction in Latin America has been possible thanks to higher public revenue, which has also enabled countries to cut total spending by less than would otherwise have been required. In the Caribbean, fiscal deficits will continue to shrink, but will remain larger than before 2020. The overall deficit for the subregion is expected to be -3.1% of GDP in 2022, compared to -3.6% of GDP in 2021. The primary balance could remain in deficit throughout the year, contrasting with the surpluses recorded over the past decade.

Gross public debt in Latin America fell over the first nine months of 2022. Central government debt in Latin America averaged 51.2% of GDP in September 2022, compared to 53.1% of GDP at 2021 year-end. In the Caribbean, it sat at 77.8% of GDP in June 2022, compared to 85.8% of GDP in December 2021. The main driver of the improved debt-to-GDP ratio was growth in nominal GDP, since the nominal values of debt stocks were relatively stable through the year in several countries. This could change by the end of the year as budget execution concludes in the fourth quarter. In addition to concerns related to debt levels in the region, countries are facing less favourable macrofinancial conditions for refinancing public debt. Rising interest rates, currency depreciations and heightened sovereign risk are expected to complicate the financing of government operations in 2023, which could hurt public spending.

The region is at a development crossroads that calls for a fundamental change in the fiscal policy paradigm. The current macroeconomic foundations, which are characterized by slow growth and low levels of investment and productivity, are too weak to drive sustained, sustainable and inclusive growth. Meanwhile, persistent structural development gaps —inequality, poverty, informality, and weak social protection, health and education systems, among others— are increasingly limiting the economic and social potential of Latin America and the Caribbean. At the same time, the region, already highly vulnerable, is facing the existential threat posed by climate change. Active fiscal policy will be needed to confront these challenges, in order to create the conditions to boost growth and investment, guarantee social welfare and build resilience to climate change. However, given the intensive investment required to realize this agenda, it is crucial to implement measures to strengthen the fiscal capacity of the State and to incentivize private sector participation in development.

In turn, a stronger fiscal sustainability framework will be essential to ensure the viability of the public spending required to promote structural change in development patterns. The framework should prioritize domestic resource mobilization, in particular through public revenues, which have historically been insufficient to meet the demands of public spending. Tax collection in the region is low compared with that of the countries that are members of the Organisation for Economic Co-operation and Development (OECD) and with that of other countries with a similar level of development. Direct tax collection is low, in particular for personal income tax, which limits not only resource mobilization but also the redistributive power of the tax system as a whole. However, this framework must include and streamline efforts to encourage private investment, creating an institutional framework to adequately regulate tax incentives for investments that support emissions reduction, and to foster private green and social investment from national and international financial markets.

In a context of high demand and limited resources, it is important to take a strategic approach to public spending. Priority should be given to investments in programmes and projects with strong economic, social and environmental returns that create high-quality jobs, promote gender equality and drive transformation of the production structure. ECLAC has therefore proposed a set of possible development drivers for the region: the energy transition, e-mobility, the circular economy, the bioeconomy, the health-care manufacturing industry, the digital transformation, the care economy and sustainable tourism. Investments related to climate change adaptation and mitigation have particularly high development potential. Proactive investments in these areas will produce considerable economic and social dividends, driving creation of dynamic and competitive economies and fostering long-term social well-being.

The pattern of rising inflation that began in mid-2020 in the region seems to be easing. In fact, in recent months there have been signs of a slowdown in regional inflation, even though it is expected to remain relatively high.

In the first half of 2022, consumer price inflation at the regional level continued to accelerate, hitting 8.4% in June, the highest figure since 2005. Once again, higher food and oil prices and heightened exchange-rate volatility drove these price trends in Latin American and Caribbean economies. However, some changes in the direction of these variables in the second half of 2022, coupled with a sharp slowdown in economic activity, have brought average regional inflation down by 1.6 percentage points, to 6.8% in October, 0.2 percentage points higher than in December 2021. At the subregional level, in October 2022, average inflation for the economies of South America was 8.7%, for Central America and Mexico 7.7%, and for the Caribbean 7.4%.

Inflation of tradable goods prices was a significant 3.6 percentage points higher than in December 2021, while inflation of non-tradable goods was 1.5 percentage points lower.

Trends in the prices of energy and food, which in many countries of the region are imported goods, have been key to the pattern in the general consumer price index. Although food inflation has been accelerating since late 2018, the pace been quicker since the second half of 2020. Energy inflation, meanwhile, has been on the rise since March 2021. At the end of October 2022, food inflation was 11.6%, up 4.2 percentage points from December 2021 and 6.4 percentage points from May 2020. Notably, in July 2022, food inflation was 12.5%, the highest rate since the global financial crisis. Energy inflation, meanwhile, peaked in November 2021 (17.6%) and since then has tended to slow; in October 2022, it was 9.7 percentage points lower than in December 2021 (17.2%).

Future inflation patterns in the region will be intricately linked to inflation in the rest of the world, as the determinants are very similar. Based on an easing of food and energy prices and less tension in global supply chains, estimates suggest lower inflation in 2023. In addition, the measures adopted by central banks and their impact on aggregate demand should also lead to lower inflation in the future, in keeping with the slowdown in the second half of 2022.

Despite all of this, inflation is forecast to remain above pre-pandemic levels in 2023. Several central banks in the region have also indicated that they expect inflation to be close to the ranges set in their monetary programmes by mid-2024.

In 2022, monetary authorities' actions have been driven by rising inflation. Through to November, most of the central banks that use the monetary policy rate as their main instrument raised it substantially, to levels near those seen during the global financial crisis. The policy rate hikes were accompanied by declines in base money growth. As a result, lending rates have risen, while real domestic credit to the private sector has maintained the low growth registered since the pandemic.

Because of the deterioration in conditions —slower GDP growth, falling real wages, rising inflation and higher interest rates— credit quality worsened and, between December 2021 and the third quarter of 2022, 17 of the 32 economies analysed reported increases in the non-performing loan rate.

Monetary authorities have also faced greater financial volatility over first 11 months of 2022 as a result of the change in the monetary policy stances of developed economies, the resulting tightening of international financial conditions, a stronger dollar, and capital movements in and out of the region's economies. This heightened financial volatility and currency depreciation have been particularly significant since the second quarter of 2022 for the economies of the region with floating exchange rates that use the monetary policy rate as their main instrument.

As a result of efforts to stabilize exchange rates and reduce the impact of their volatility on macrofinancial stability, including the knock-on effect on inflation, some central banks in the region have made active use of international reserves, which shrank by 7.2% overall in the region. However, the current level of international reserves remains higher than the average registered between January 2010 and December 2019.

The prospect of lower inflation in 2023 —owing to slower rises in the prices of food and energy, the easing of certain global supply problems and lower demand— should reduce the pressure for monetary authorities to raise monetary policy rates further. However, because the abatement in inflation will be gradual and prices will remain high in historical terms, no major changes to monetary policy are expected. Nevertheless, other factors, such as the pace of the economic slowdown, international financial market volatility and the resulting exchange-rate fluctuations, will shape monetary policy and extent to which macroprudential tools —including international reserves— are used to preserve macrofinancial stability. Once again, monetary authorities will face the challenge of maintaining the policy space to mitigate damage to variables such as investment, which would hurt GDP trajectories over the medium and long terms, and to prevent higher inflation and disproportionate exchange-rate fluctuations from further eroding purchasing power and accentuating inequalities.

Monetary authorities should continue to pursue their agendas to lessen the financial risks linked to climate change, because the effects of various climate events on the financial system —due to resulting costs and economic losses (physical risks) and the preferential allocation of resources to low-carbon economies (transition risks)— tend to translate into traditional credit, market and liquidity risks, as well as operational risks. The climate change dimension should therefore be included in macroprudential regulatory frameworks and in the design of available instruments in the region, to fine-tune the targeting of sectors, agents or activities that may be more exposed, to address the systemic aspect of the risk posed by climate change, and to maintain financial stability.

In a complex macroeconomic context of mounting uncertainties, the countries of Latin America and the Caribbean are on course to grow by 3.7% in 2022, less than half the 6.7% recorded in 2021. Economic growth is expected to slow further in 2023, to 1.3%, less than 40% of the 2022 rate. This slowdown in growth reflects a tapering off of the rebound effect seen in 2021, a weaker global economy, greater uncertainty on international financial markets, a downturn in aggregate demand in the countries of the region and tighter macroeconomic policy.

All the subregions will post lower growth in 2023: South America is set to grow by 1.0% (3.7% in 2022); the group comprising Central America and Mexico by 1.6% (3.3% in 2022); and the Caribbean (excluding Guyana) by 3.3% (4.5% in 2022). With these growth estimates for 2022 and 2023, the region would complete the decade 2014–2023 with average growth of 0.9%, which is below —less than half, in fact— even that of the "lost decade" of the 1980s during the external debt crisis.

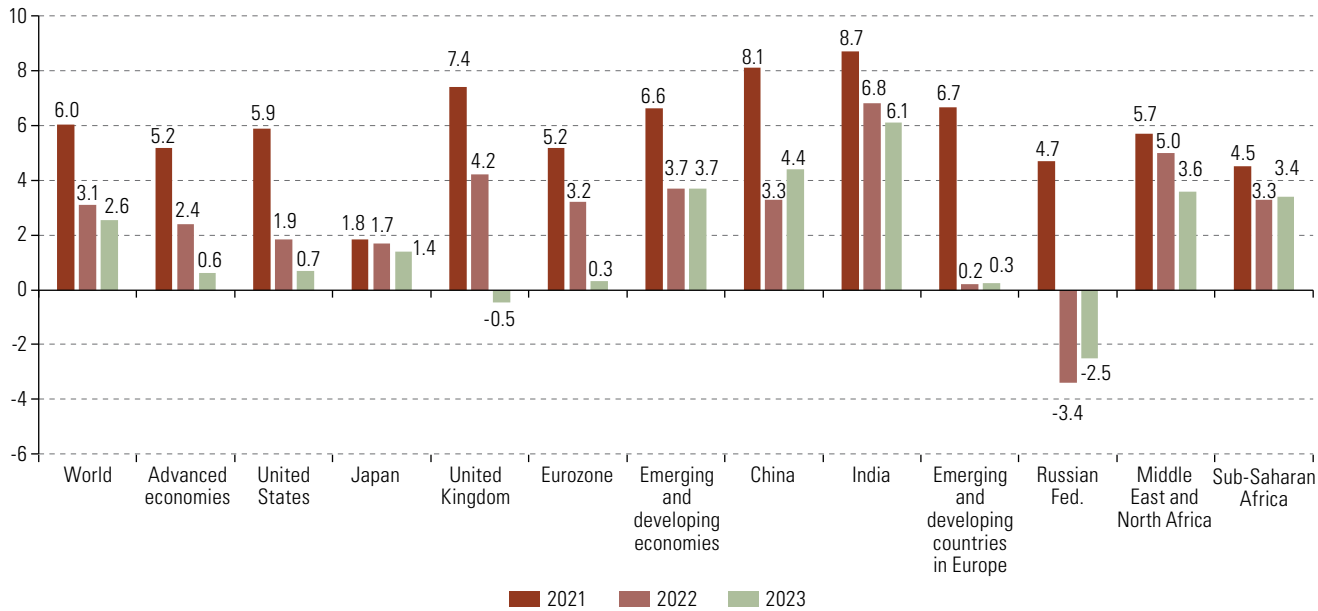
CHAPTER I

The global context

The global outlook has continued to deteriorate and growth forecasts for economic activity and world trade have both been cut

Projections for global GDP growth have been reduced over the course of the year, mainly because of the effects of the invasion of Ukraine. The growth rate now expected for the full year of 2022 is 3.1%, as opposed to 4.4% before the war began. In 2023, the rate is expected to slow further, with global GDP growth of 2.6%. The advanced economies are forecast to grow by 0.6%, and emerging and developing economies by 3.7% (see figure I.1).

Figure I.1
Selected regions and countries: GDP growth rate in 2021 and projections for 2022 and 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the International Monetary Fund (IMF), World Economic Outlook, October 2022; European Commission, "European Economic Forecast. Autumn 2022", 11 November 2022; Capital Economics to 16 November and Federal Reserve Bank of Philadelphia, "Fourth Quarter 2022 Survey of Professional Forecasters", 14 November [online] https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q4-2022.
Note: In India, the fiscal year begins in April and ends in March the following year.

While these forecasts do not yet suggest a global recession,[1] the International Monetary Fund (IMF) has estimated that more than one third of the world economy will enter a technical recession[2] sometime during 2022 or 2023.

Among Latin America and the Caribbean's main trading partners,[3] GDP growth of 1.9% is forecast for the United States, more than 2 percentage points below the pre-war forecast. The decline in real disposable income is continuing to dampen consumer demand, and higher interest rates are also constraining spending, especially in the sectors that are most sensitive to rate hikes, such as investment in residential property. Growth is forecast to slow to just 0.7% in 2023, down 1.5 percentage points from projections prior to the war.

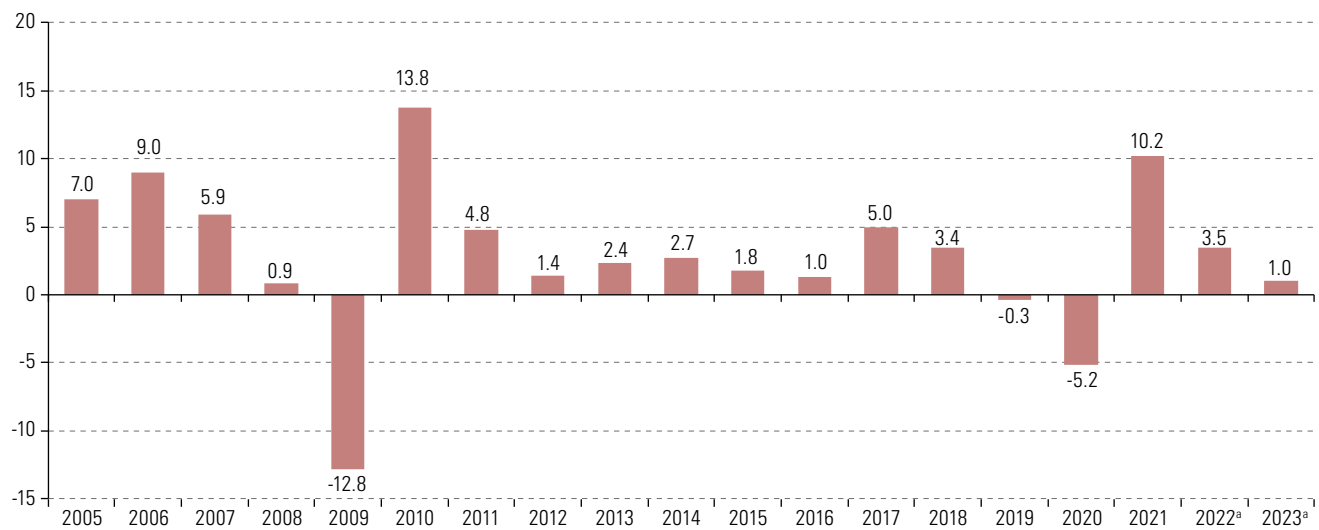
1 A global recession has been defined as an annual contraction in global real GDP per capita. Given the latest population growth projections, this definition means that the world economy would be in recession if annual global GDP growth were to fall below 1% (see Guénette, Kose and Sugawara, 2022).
2 Understood as quarter-on-quarter contractions in real GDP lasting at least two consecutive quarters (IMF, 2022).
3 In 2021, 42% of exports from Latin America and the Caribbean went to the United States, 13% went to China and 10% to the European Union.

In the case of the eurozone, in its 11 November 2022 report the European Commission forecast growth of 3.2% for the current year. While this projection is 0.8 percentage points below that given by the Commission prior to the war, activity has proven more resilient this year than originally forecast and the effects of the war in Ukraine will be reflected more strongly in next year's growth rate. For 2023, the European Commission projects a sharp slowdown —with growth of just 0.3% (2.4 percentage points less than forecast before the war)— in a context of high uncertainty, erosion of households' purchasing power, and natural gas supply problems related to the war (European Commission, 2022).

Lastly, in the case of China, the slowest growth rate in more than four decades is expected, at 3.3%, against a backdrop of a weakening real estate sector —which accounts for around one fifth of the country's economic activity— and lockdowns under the country's zero-COVID policy. In early November, some of the coronavirus disease (COVID-19) restrictions were eased and a set of measures to shore up the real estate sector was also announced. Therefore, growth can be expected to accelerate in the coming year, with projected growth slightly topping the rate for the current year (4.4%). Growth in 2023 should also be supported by economic policy measures for a total of up to 2% of GDP to bolster infrastructure investment. The low baseline from 2022 will also be a favourable factor (OECD, 2022).

In line with the expected slowdown in overall economic activity, the World Trade Organization (WTO) has lowered its projection for world trade volume growth in 2023. WTO now expects a rise of 1% next year, when in April of this year it had projected growth of 3.4% (see figure I.2) (WTO, 2022). Import demand will be affected as growth slows in the major economies and as monetary policy tightening affects spending in the economic sectors most sensitive to interest rates. Another factor with the same effect is the gradual return of previous consumption patterns in advanced economies, which are moving away from goods and back to services, after doing the opposite during the pandemic (Curtis and MacAdam, 2022).

Figure I.2
World trade volume: year-on-year variation and projections for 2022 and 2023
(Percentages, on the basis of a seasonally adjusted index)



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), "Trade growth to slow sharply in 2023 as global economy faces strong headwinds", *International Trade Statistics*, Press/909, 5 October 2022, for 2022 and 2023.

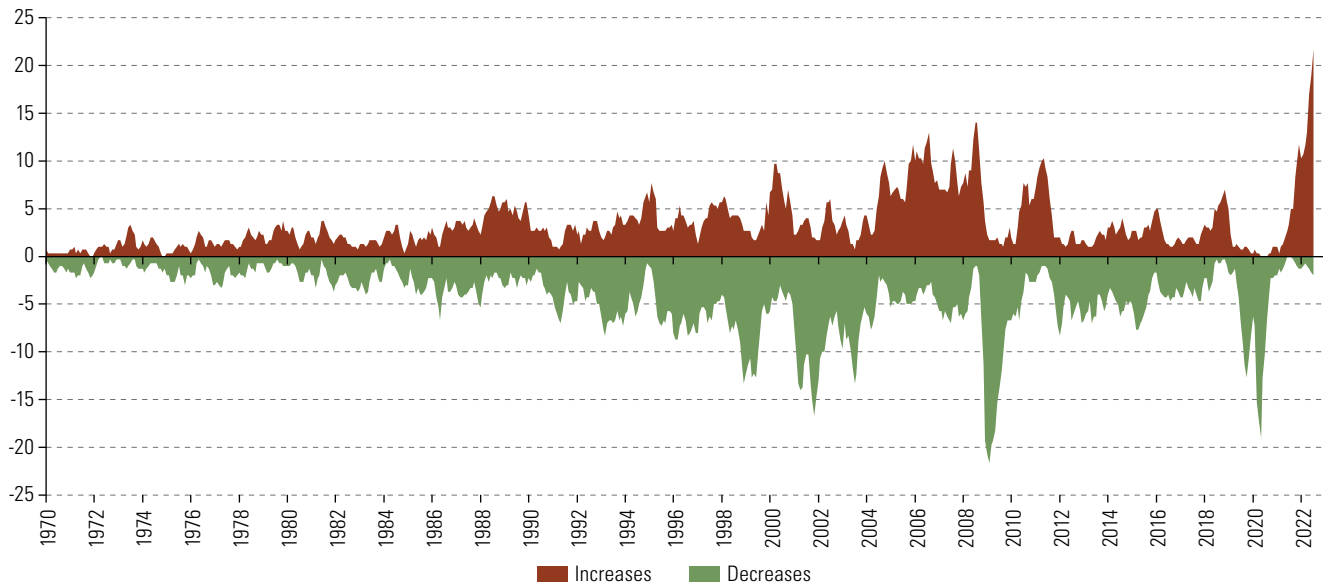
[a] Projections.

Mounting inflationary pressures led to one of the most internationally synchronous episodes of monetary policy tightening in five decades

In both developed and emerging economies, inflationary pressures had already been mounting since 2021 as a result of the post-crisis rebound in demand, supply chain and supply-side issues, high international transportation costs and rising commodity prices. The Russian Federation's invasion of Ukraine in February 2022 and the resulting international sanctions accentuated these trends by pushing commodity prices up further —mainly energy and food— and adding to supply problems. Producer and consumer price inflation rates increased across the board in 2022. In some cases, they reached levels not seen in several decades.[4]

In a context of high inflation and a risk of expectations becoming unanchored, the monetary policy response has also been the most synchronized globally in several decades, with the highest number of simultaneous policy rate hikes since at least 1970 (see figure I.3).

Figure I.3
Number of increases and decreases in global monetary policy rates, 1970–2022



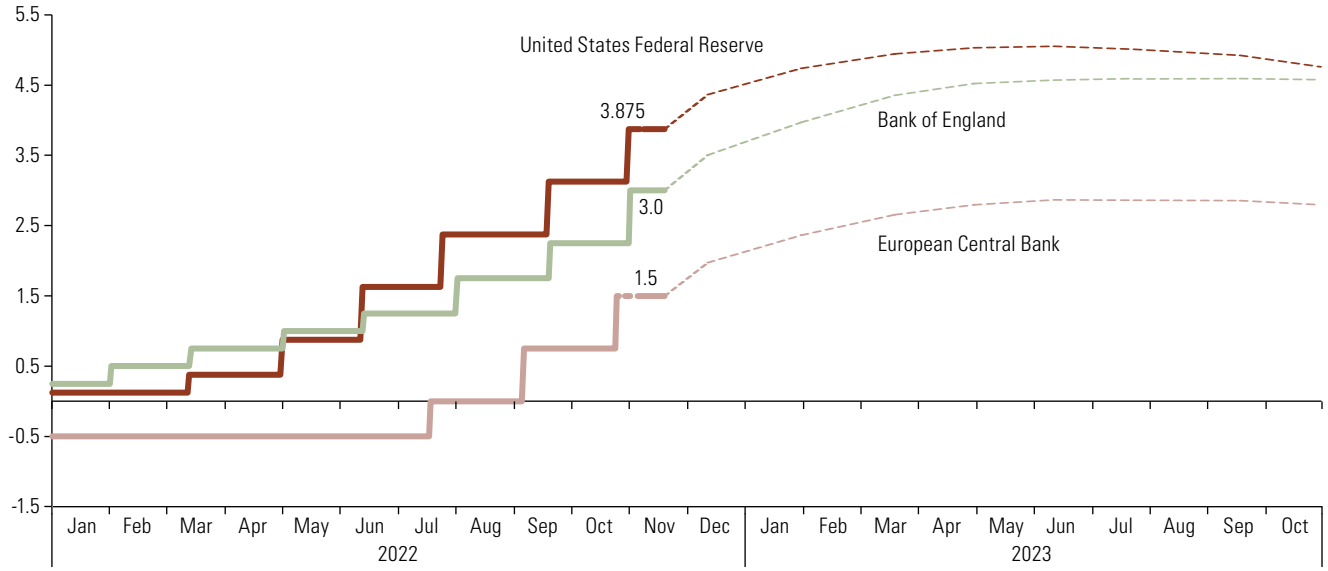
Source: J. D. Guénette, M. Kose and N. Sugawara, "Is a global recession imminent?", *EFI Policy Note*, No. 4, Washington, D.C., World Bank, 2022.
Note: Three-month average number of increases and decreases in official interest rates in the month in 38 countries, including the eurozone. The last observation is in July 2022.

Among the major central banks, from January to November 2022 the United States Federal Reserve raised policy rates by a total of 375 basis points, to a range of 3.75% to 4.00%. In Europe, the European Central Bank raised the benchmark marginal lending facility rate to 1.5% in October, while the Bank of England raised rates by 275 basis points to 3% between January and November 2022. In all three cases, further rate hikes are expected until mid-2023. Thereafter, in the case of the United States, gradual reductions are expected in the second half of the year, while in the eurozone rates are

[4] In the United States, consumer price inflation peaked in June 2022 at 9.1%, the highest rate in four decades. In the United Kingdom it is at the highest level in over 40 years (11.1% in October) and in the eurozone at the highest level since the creation of the euro (10.6% in October).

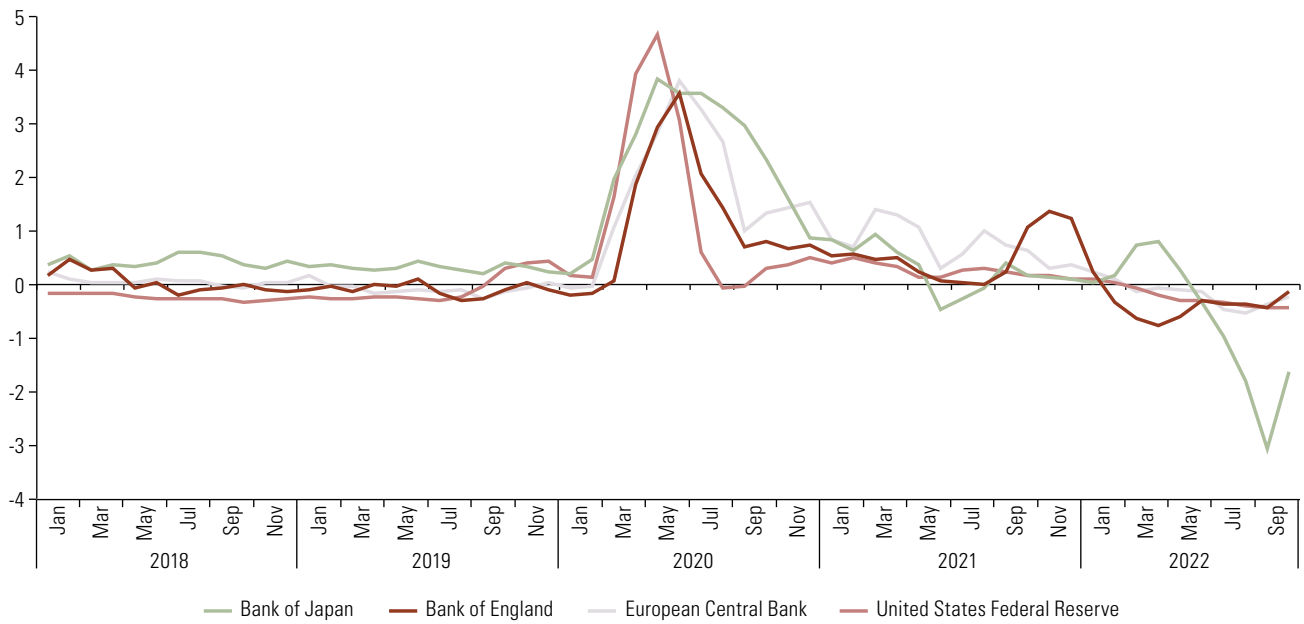
projected to remain stable and only be lowered slightly at the end of next year. In the United Kingdom, rates are expected to be stable in 2023 (see figure I.4). In addition to raising policy rates to reduce available liquidity, the major central banks have been shrinking their balance sheets since the start of 2022, after they reached record sizes owing to responses to the COVID-19 crisis (see figure I.5).

Figure I.4
Monetary policy rates of the major central banks, January–November 2022, and the rate path expected by the market
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: The dotted lines represent the market-expected trajectory in monetary policy interest rates. The implied interest rates in overnight indexed swaps (OIS) at 21 November 2022 are used.

Figure I.5
Growth in balance sheets of major central banks, January 2018–September 2022
(Monthly change, quarterly moving averages, as a percentage of GDP)



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

The synchronization seen in the tightening of monetary policy has set alarm bells ringing about whether the effects on economic activity could ultimately be greater than anticipated. In particular, Obstfeld (2022) speculates that central banks (especially those of richer countries) may be "underestimating the speed with which inflation could fall as their economies slow. And, as often is the case, by simultaneously all going in the same direction, they risk reinforcing each other's policy impacts without taking that feedback loop into account. The highly globalized nature of today's world economy amplifies the risk."

In recent months, commodity prices have trended down and global supply chain pressures have eased, contributing, in conjunction with tight monetary policy, to a decline in expected inflation for the coming quarters

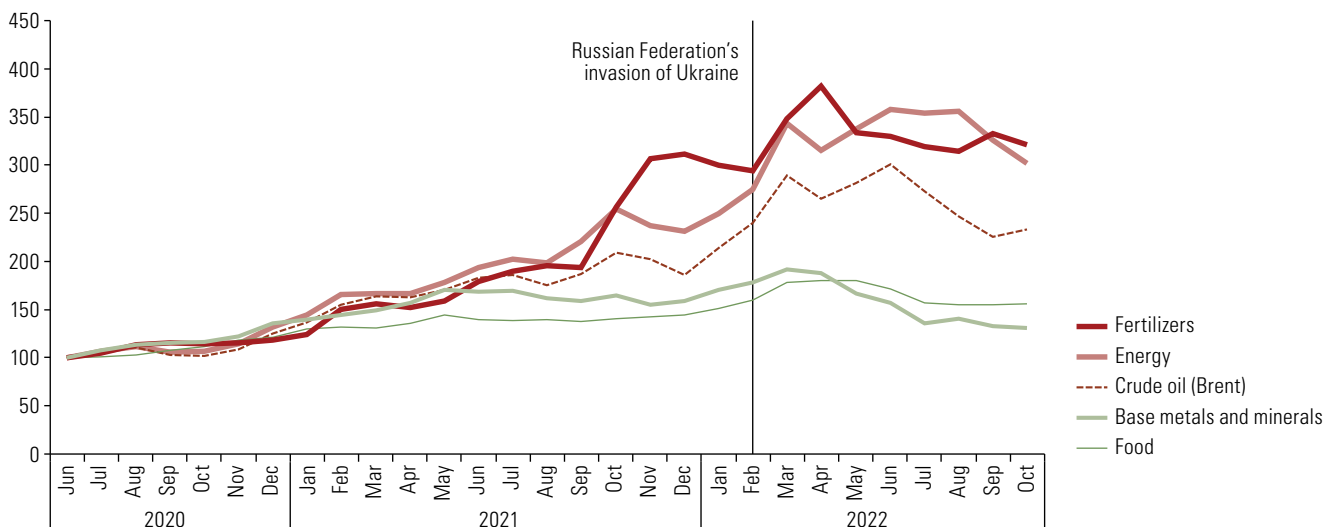
As a consequence of the war in Ukraine and the resulting supply disruptions, prices of some commodities hit record highs. However, in recent months, most prices have fallen again.

This trend is explained by the global economic slowdown and the appreciation of the United States dollar worldwide, and, in the case of food, by the agreement reached in July to unblock Ukrainian grain exports. However, the timing and extent of price declines for different products have been different, owing not only to different supply conditions, but also to each product's different reaction to weaker demand.

In the case of energy commodities, the price of Brent petroleum peaked last June and has fallen 22% since then. However, in October 2022 energy prices were still 9% above the pre-war level of January (see figure I.6). Meanwhile, the price of natural gas in Europe, affected by the drop in supply from the Russian Federation and by the actions of several countries to restore inventories, reached record highs in August 2022. Since then, the natural gas price has fallen substantially, as inventories reached target levels and demand eased, although in October it was still 38% above its pre-invasion level (see figure I.7) (World Bank, 2022).

Figure I.6
International commodity price indices, 2020–2022
(Baseline June 2020=100)

A. Energy, fertilizers, food and metals



B. Natural gas (Europe)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, "World Bank Commodities Price Data (The Pink Sheet)" [online] https://www.worldbank.org/en/research/commodity-markets.

In the case of base metals, the slowdown in China's economy, the main source of demand for several of these materials, drove the downward trend in prices from the peak in March.[5] By October, prices were already down 32% from the level in January, before the invasion by the Russian Federation. Finally, in the case of food, prices peaked in May, but had fallen 13% by October.

The World Bank projects further easing of commodity prices in 2023. The energy commodity index is expected to fall by 11% from its average level in 2022 and the non-energy commodity index is expected to fall by 8% (see table I.1). Brent petroleum is forecast to fall by 12% (to an average of US$ 92 per barrel in 2023) and base metals and minerals by 15%, in both cases mainly reflecting slow growth in the global economy and particularly in China's economy. Lastly, in the case of agricultural goods, the World Bank projects a 5% drop, assuming that Ukraine is able to continue to export grain.[6] Despite the expected falls in 2023, price levels for some basic goods will remain well above the levels recorded in 2021, before the war. For example, in 2023 energy goods are expected to remain more than 40% above 2021 levels and food 11% above. For base metals and minerals, prices are expected to be lower than in 2021 (-17%).

In addition to commodity prices, another of the supply factors that has contributed substantially to inflationary pressure since the late 2020s —namely global supply chain disruption— has also eased (see figure I.7) (Federal Reserve Bank of New York, n/d).[7]

5 In 2021, China accounted for 62% of global aluminium demand and 59% of global copper demand (World Bank, 2022).

6 All the forecasts are subject to a high degree of uncertainty with both downside and upside risks, as discussed in World Bank (2022).

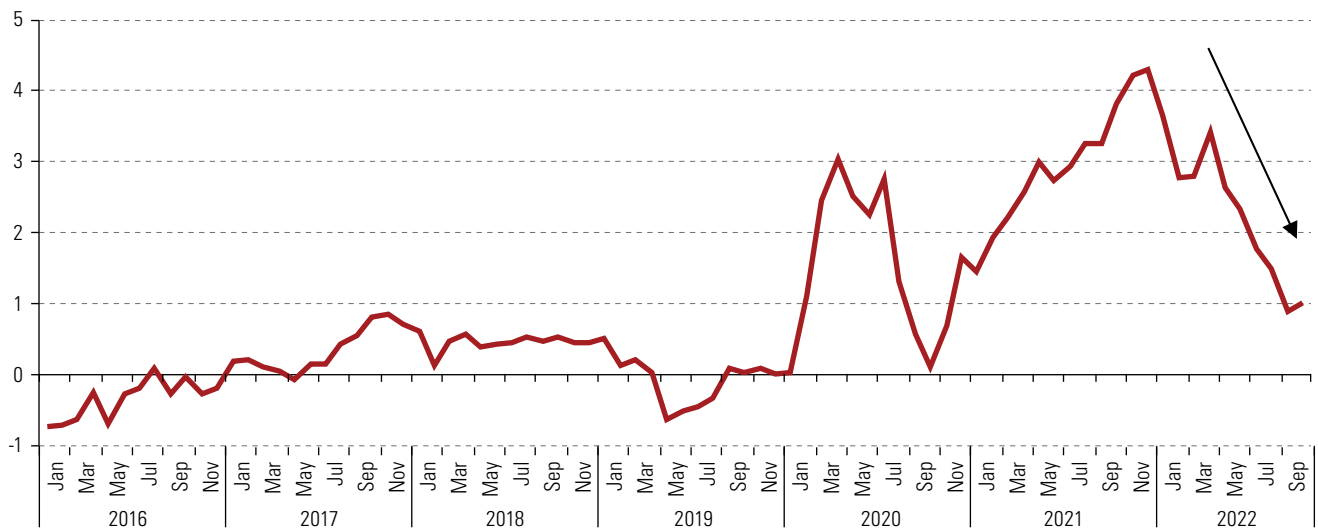
7 According to studies by the Federal Reserve Bank of New York, global supply factors are strongly linked to recent producer price index (PPI) inflation, as well as with consumer price index (CPI) goods inflation at the country level. This relationship has been apparent both historically and during the recent period of inflationary acceleration (Ozge and others, 2022).

Table I.1
International commodity price indices: projected variations for 2022 and 2023
(Percentages)

	Percentage variation	
	2022	2023
Energy[a]	59	-11
Non-energy	11	-8
Agriculture	13	-5
Beverages	16	-7
Food	18	-6
Oils and meals	15	-8
Grains	21	-6
Other food	20	-5
Raw materials	-4	4
Timber	-12	8
Other raw materials	6	0
Fertilizers	66	-12
Metals and minerals[b]	-2	-15
Precious metals	-4	-4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, *Commodity Markets Outlook, October 2022: Pandemic, War, Recession: Drivers of Aluminum and Copper Prices*, Washington, D.C., 2022.
Note: Figures are projections as at October 2022.
[a] The energy price index includes coal (Australia), petroleum (Brent) and natural gas (Europe, Japan and United States).
[b] Base metals and iron ore.

Figure I.7
Global Supply Chain Pressure Index, 2016–2022
(In standard deviations with respect to a historical average since 1997)

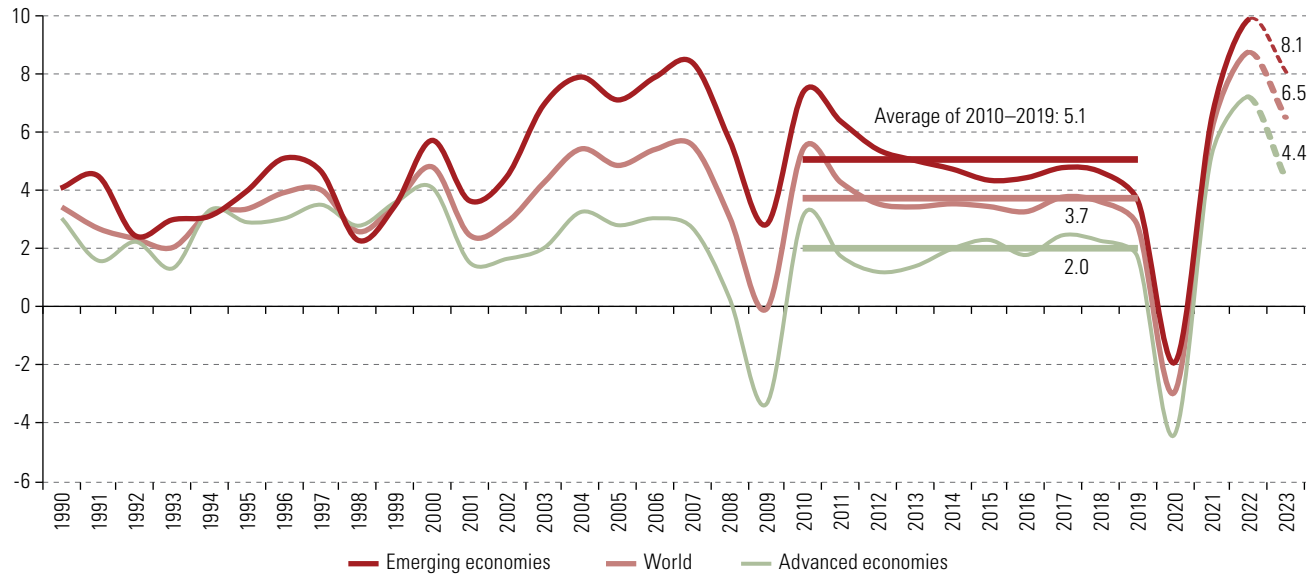


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of New York, "Global Supply Chain Pressure Index", 2022 [online] https://www.newyorkfed.org/research/gscpi.html.
Note: The Global Supply Chain Pressure Index (GSCPI), produced by the Federal Reserve Bank of New York, measures conditions in global supply chains by combining various indicators of commodity shipping costs (Baltic Dry index), container shipping rates (Harpex index), air freight costs and supply chain-related components from Purchasing Managers' Index (PMI) surveys of the manufacturing sector of a set of seven economies (China, the eurozone, Japan, the Republic of Korea, Taiwan Province of China, the United Kingdom, and the United States).

As a result of restrictive monetary policies and their effects on activity, as well as less supply-side pressure, inflation levels are expected to decline in 2023 in both advanced and emerging economies. The IMF has projected that inflation at the end of 2023 of 4.4%, with an average projected rate for emerging and developing economies of 8.1%.

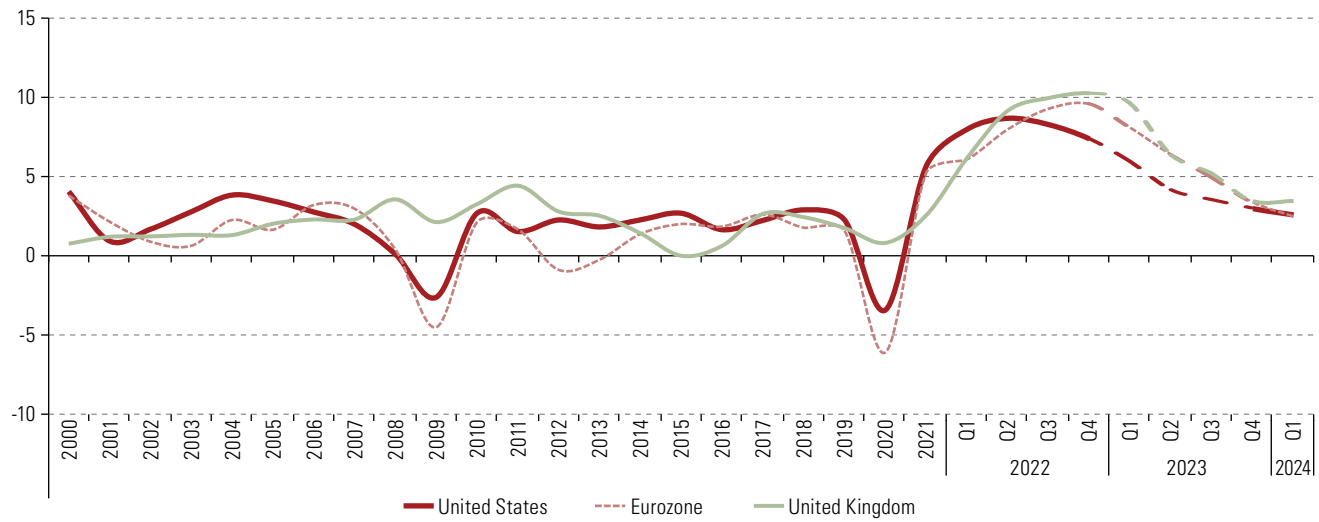
While these rates are almost 3 percentage points and 2 percentage points lower, respectively, than in 2022, they are well above rates from the pre-pandemic decade (2010–2019) (see figure I.8) (IMF, 2022). In the case of the United States, inflation eased over the four months to October, reaching 7.7% in that month compared to a peak of 9.1% in June. In the eurozone, although inflation is not yet slowing, it is expected to peak towards the end of 2022 and begin to ease at the start of 2023, as it is in the United Kingdom (see figure I.9).

Figure I.8
Advanced and emerging economies: year-on-year consumer price inflation rate, 1990–2021 and projections for 2022 and 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), World Economic Outlook, October 2022.

Figure I.9
Selected countries: year-on-year consumer price inflation rate, 2020–2024
(In percentages, observed rates to the third quarter of 2022 and then projections)



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

Global financial conditions have tightened, as the war in Ukraine has increased uncertainty and major central banks have made their monetary policy even more restrictive

As a result of further monetary tightening and uncertainty over the war in Ukraine, global financial conditions have become more restrictive in 2022 and financial volatility has increased in both developed and emerging countries (see figure I.10).[8]

Figure I.10
Financial market volatility indices, 2021–2022
(VIX, VSTOXX and VXEEM indices, 30-day moving averages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: The Cboe Volatility Index (VIX) 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, Cboe also produces the Cboe Emerging Markets Volatility Index (VXEEM), which measures volatility in emerging markets, while Deutsche Börse and Goldman Sachs produce the EURO STOXX 50 Volatility Index (VSTOXX), which measures eurozone volatility. Option prices rise when volatility is higher because investors are willing to pay more for protection. A VIX value above 30 reflects fear among investors.

Equity markets in much of the world have fallen sharply in 2022, affected by inflationary pressures that led to expectations of increasingly restrictive monetary policies, as well as by a worsening global economic outlook. By 14 November, the MSCI Emerging Markets Index was 24% below its end-2021 level, while the MSCI World Index was 17% below (see figure I.11). At the country or regional level, the MSCI USA Index was 17% below the level it had reached at the end of 2021; the MSCI Europe Index was 10% below; the MSCI China Index was 33% lower; and the MSCI Japan Index was just 1% lower.

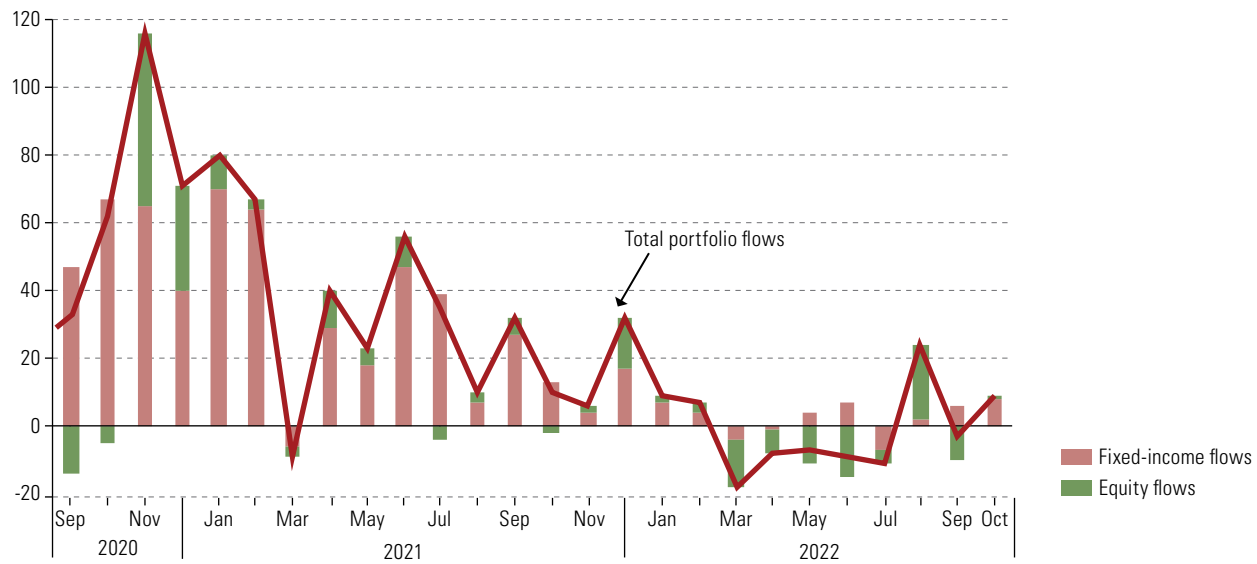
[8] This was compounded by recent financial tension in the United Kingdom. The new Government of the United Kingdom announced a fiscal package in September that included an unprecedented support plan to reduce household energy payments, plus a 45-billion-pound tax cut to stimulate economic growth. This raised doubts about the country's fiscal sustainability, as it was not clear where the resources to finance the stimulus package would come from. The result was a historic depreciation of the pound against the United States dollar and large rises in yields for United Kingdom government debt (gilts). After the change of Chancellor of the Exchequer and the reversal of most of these measures in October, both variables have already made a partial return towards their previous values.

Figure I.11
Equity market price indices, 1 January 2020–14 November 2022
(MSCI Emerging Markets Index and MSCI World Index, baseline 1 January 2020=100)

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

Risk appetite has declined. Capital outflows from emerging markets have intensified (see figure I.12) and the dollar has appreciated significantly worldwide (9% in the year to 14 November, according to the BBDXY index having reached its highest level since the early 2000s in September (see figure I.13).[9] This could lead to valuation gains in certain sectors of economies with long foreign currency positions. However, it heightens the financial vulnerability of sectors and economies with a higher debt dollarization rate (see the chapter on international liquidity).

Figure I.12
Portfolio capital flows to emerging markets, September 2020–October 2022
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Institute of International Finance (IIF).

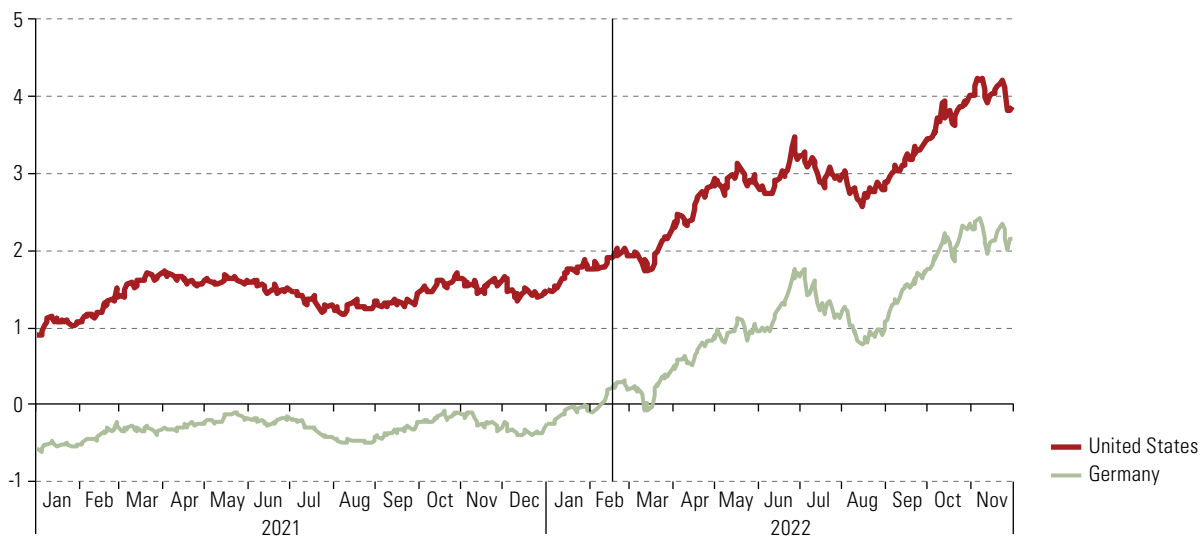
[9] The Bloomberg Dollar Spot Index (BBDXY) tracks the performance of a basket of ten leading currencies against the United States dollar. Each currency included in the basket and its weighting are determined each year on the basis of its share in international trade and its liquidity in the foreign exchange market.

Figure I.13
Exchange rate of the United States dollar against major world currencies, 1 January 2020–14 November 2022
(Bloomberg Dollar Spot Index (BBDXY): 1 January 2020=100)

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

In fixed-income markets, long-term bond yields for risk-free benchmark countries have risen sharply, owing to inflationary pressures and the resulting sharper tightening of monetary policy.[10] In the United States in particular, the yield on the ten-year bond reached 4.2% towards the end of October (see figure I.14), a level not seen since mid-2008. In Germany, in the same month, it reached a high not seen since 2011.

Figure I.14
United States and Germany: 10-year sovereign bond yields, 1 January 2021–14 November 2022
(Percentages)

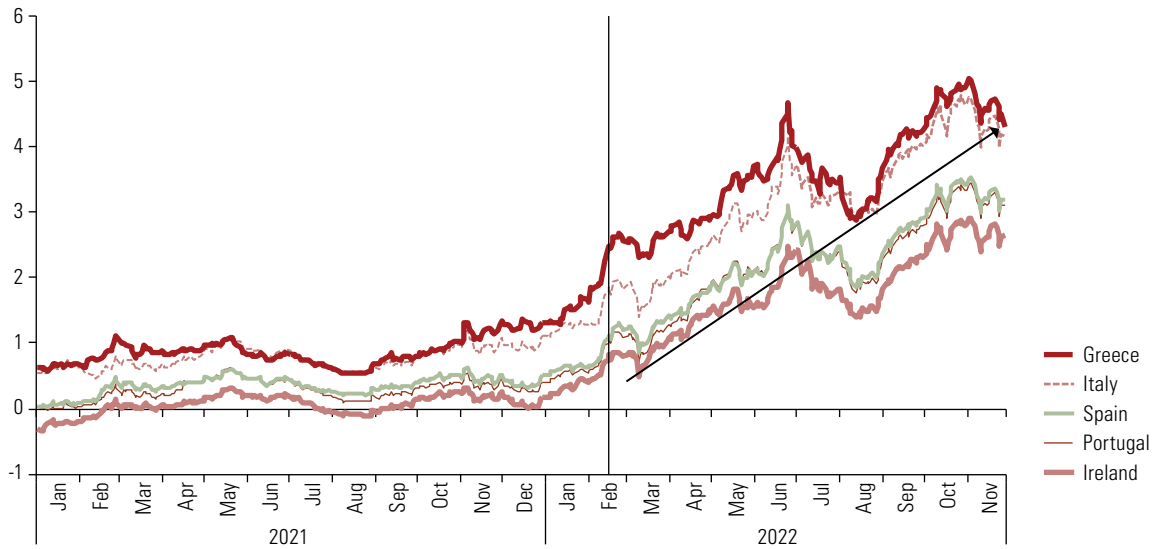


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.

[10] Long-term bond yields are rising on expectations of higher short-term rates.

Higher bond yields in these countries, together with less risk appetite, have passed through to the cost of financing for other economies. In Europe, for example, sovereign yields have soared in Greece, Ireland, Italy, Portugal and Spain (see figure I.15) because more restrictive monetary policy will drive up the governments' financial costs. A similar situation has been seen in emerging countries. The yield spread between the bonds of these countries and United States treasury bonds (as measured by the J. P. Morgan EMBI Global Diversified Index) has widened over the course of the year to November (see figure I.16). Rising global borrowing costs are increasing the risk of financial stress among some emerging and developing economies, which over the past decade have accumulated debt at the fastest pace in more than half a century (Guénette, Kose and Sugawara, 2022).

Figure I.15
Greece, Ireland, Italy, Portugal and Spain: 10-year sovereign bond yields, 1 January 2021–14 November 2022
(Percentages)



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

Figure I.16
J. P. Morgan EMBI Global Diversified emerging market sovereign risk index, 1 January 2021–14 November 2022
(Basis points)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Invenómica [online] www.invenomica.com.ar.

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CHAPTER II

Global liquidity trends

II

Global liquidity was tighter in 2022 as the world's major central banks adopted restrictive monetary policies

Global liquidity was lower in 2022 as a consequence of the tight monetary policies being applied by the world's main central banks since 2021. The growth rate of the money supply slid from 15.8% in 2021 to 2.1% in 2022 in the United States and, during that same period, from 7.0% to 5.3% in Japan, from 11.2% to 10.5% in the United Kingdom and from 11.2% to 5.8% in the eurozone. For that same period, the growth rate of the monetary base plummeted from 30.9% to -15.3% in the United States, from 11.7% to -3.3% in Japan, from 16.5% to 9.3% in the United Kingdom and from 35.6% to 3.9% in the eurozone (see table II.1).

Table II.1
Selected regions and countries: average annual variation in the money supply, the monetary base and central bank assets, 2020-2022
(Percentages)

	Money supply				Monetary base				Central bank assets			
	Eurozone	Japan	United Kingdom	United States	Eurozone	Japan	United Kingdom	United States	Eurozone	Japan	United Kingdom	United States
2020	12.9	14.2	16.2	337.9	40.8	14.1	46.9	52.4	39.2	21.1	45.9	85.1
2021	11.2	7.0	11.2	15.8	35.6	11.7	16.5	30.9	26.9	4.9	16.4	19.4
2022[a]	5.8	5.3	10.5	2.1	3.9	-3.3	9.3	-15.3	6.5	-5.4	7.7	4.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Federal Reserve Bank of St. Louis, "M1 for the United States" [online] https://fred.stlouisfed.org/series/MANMM101USM189S; "M1 for the United Kingdom", 2022 [online] https://fred.stlouisfed.org/series/MANMM101GBM189S; "M1 for Japan", 2022 [online] https://fred.stlouisfed.org/series/MANMM101JPM189S, for the money supply; Bank of England, "Notes and Coin and Reserves Balances", Bank of England Database, 2022 [online] https://www.bankofengland.co.uk/boeapps/database/index.asp?Travel=NIxSTxTAx&levels=2&XNotes=Y&A42425XNode42425.x=11&A42425XNode42425.y=17&Nodes=&SectionRequired=A&HideNums=-1&ExtraInfo=false#BM; Federal Reserve Bank of St. Louis, "M1 for Euro Area", 2022 [online] https://fred.stlouisfed.org/series/MANMM101EZM189S; Bank of Japan, "Monetary Base", Bank of Japan Statistics, 2022 [online] https://www.boj.or.jp/en/statistics/boj/other/mb/index.htm/, for the monetary base; "Bank of England Weekly Report", Bank of England Database, 2022 [online] https://www.bankofengland.co.uk/boeapps/database/index.asp?Travel=NIxSTxTBx&levels=2&XNotes=Y&A80967XBMX80961X80964.x=8&A80967XBMX80961X80964.y=15&Nodes=X80961X80964&SectionRequired=B&HideNums=-1&ExtraInfo=false#BM y Banco Federal de la Reserva de St. Louis, "Monetary Base; Total", 2022 [online] https://fred.stlouisfed.org/series/BOGMBASE, "Bank of Japan: Total Assets for Japan" [online] https://fred.stlouisfed.org/series/JPNASSETS, for total central bank assets.

Note: Annual rates of variation were calculated on the basis of monthly data.

[a] January to October.

Monetary policymakers have used their most traditional tool —short-term interest rate hikes— to curb price pressures generated by stronger aggregate demand and by higher prices for imported goods and inputs. In 2022 (up to November), the United States Federal Reserve raised the federal funds rate six times, boosting it from 0.25% to 4.00%, while the European Central Bank and the Bank of England raised their reference rates three times and seven times, respectively (see chapter I for an analysis of the international situation). The exception to this general pattern was the Bank of Japan, which did not change its interest rate.

In addition to short-term interest rates, the Federal Reserve has used the fairly uncommon monetary strategy known as "quantitative tightening", which entails reducing the Federal Reserve System's balance sheet as a means of helping to raise long-term interest rates. It is doing this by capping the reinvestment of the principal portion of long-term Treasury bonds when they mature at US$ 60 billion per month from September 2022 on.[1]

[1] At the same time, the Federal Reserve committed to a US$ 35 billion cap on the reinvestment of mortgage-backed securities per month starting in September 2022. Thus, using these Treasury bond and mortgage-backed securities caps, the Federal Reserve has been refraining from injecting the equivalent of US$ 95 billion into the economy each month since September.

The European Central Bank decided to halt its net bond purchases from July 2022 on, although it will continue to reinvest the principal portion of its bonds upon maturity in order to stabilize its balance sheet. The Bank of England embarked on a quantitative tightening exercise in November 2022 by starting to sell off government bonds.

Finally, the Bank of Japan has not formally announced that it is adopting a quantitative tightening strategy, although empirical data point to a reduction in its assets and liabilities.

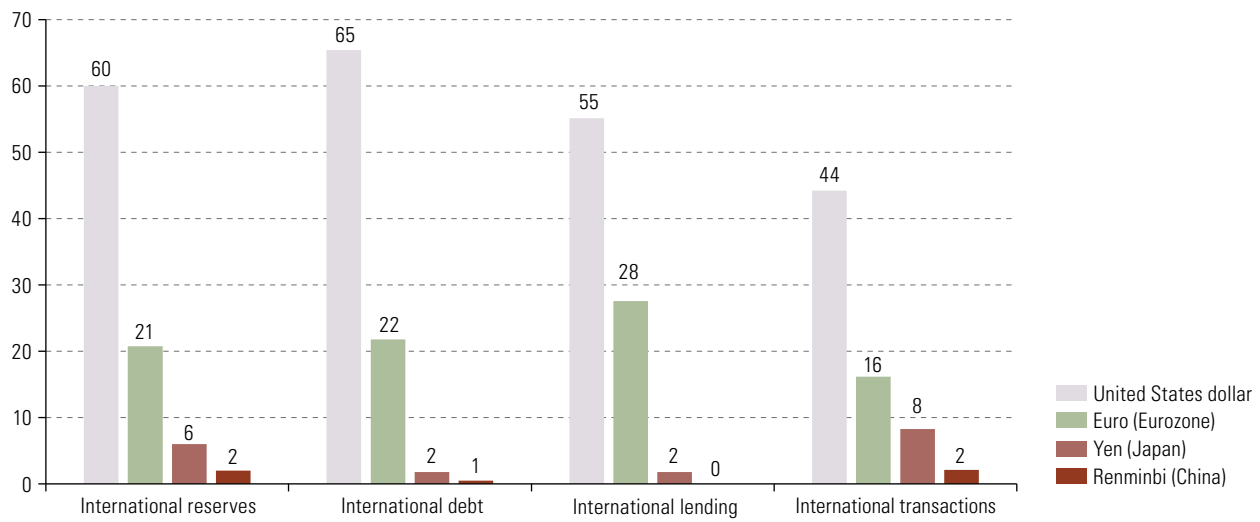
In keeping with the trends, the growth rate of total assets shrank from 19.4% in 2021 to 4.7% in 2022 in the Federal Reserve's case and, for that same period, fell from 4.9% to -5.4% for the Bank of Japan, from 16.4% to 7.7% for the Bank of England and from 26.9% to 6.5% in the case of the European Central Bank (see table II.1).

The monetary stance of the United States is the factor that exerts the greatest influence over global liquidity and its impact on the rest of the world owing to the dollar's position as the foremost international reserve currency

The monetary policy stance of the United States is the most influential factor in determining global liquidity trends because of the dollar's position as the main international reserve currency and means of exchange. The United States Federal Reserve is the world's most important central bank and has a decisive impact on international monetary policy.[2]

Data for 2020 and 2021 indicate that 60% of the world's international reserves are held in dollars. By comparison, 21% of the world's total international reserves are denominated in euros, 6% in yen and 2% in renminbi (see figure II.1), while 5% are denominated in pounds sterling.

Figure II.1
Shares of international reserves, international debt, international lending and international transactions denominated in dollars, euros, yen and renminbi in 2020–2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of C. Bertaut, B. Von Beschwitz and C. S. Curcuru, "The international role of the U.S. Dollar", FEDS Notes, 6 October 2021 [online] https://www.federalreserve.gov/econres/notes/feds-notes/the-international-role-of-the-u-s-dollar-20211006.html.

[2] The figures cited in this section are based on Bertaut, Von Beschwitz and Curcuru (2021).

The bulk of international reserves held outside the United States are denominated in United States Treasury bonds. In fact, the available empirical information indicates that 33% of Treasury bond holdings (equivalent to US$ 7 trillion) are in the hands of government or private foreign investors. The Federal Reserve holds some 25% of outstanding Treasury bonds. Along the same lines, half of all dollar bills and coins (the equivalent of approximately US$ 950 billion) are held by non-residents.

The available information also indicates that half of the world's GDP corresponds to countries that use the dollar as an anchor for their currencies. By comparison, just 5% of global GDP is generated by countries for which the euro acts as an anchor currency. The dollar is also the chief means of exchange in international trade and international finance.

According to estimates based on international trade invoicing data, between 1999 and 2019 the dollar accounted for 96% of international trade invoicing in Latin America and the Caribbean, 74% in the Asia-Pacific region and 79% in the rest of the world. More recent data indicate that dollars were bought or sold in 88% of all foreign exchange transactions (BIS, 2022b).

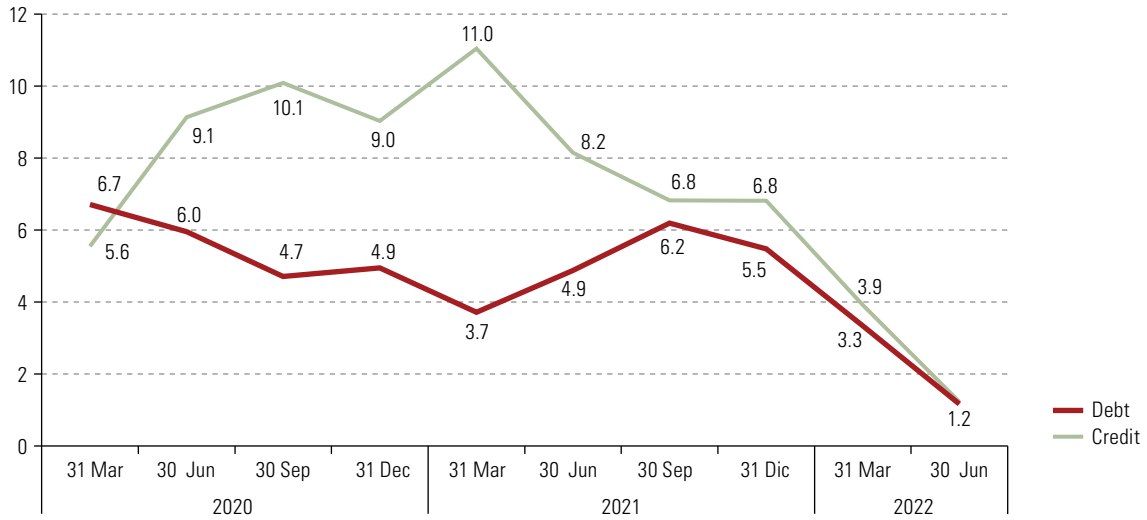
In financial markets, about 60% of foreign-currency deposits and claims (loans) are denominated in dollars, whereas no more than 15% are denominated in euros. Approximately 60% of all foreign-currency debt issued in the world's capital markets is denominated in dollars as well.

Tighter global credit conditions have made external finance more expensive and have reduced the availability of financing on local markets

The above figures show how important a role is played by the mechanisms that transmit the monetary policy position of the United States to the global economy and the economies of the developing world. More restrictive monetary policies at the international level have made external finance more expensive, increased the balance sheet restrictions of institutions holding dollar-denominated debt and reduced their appetite for risk (Hofman, Mehrtotra and Sandri, 2022). All this affects the different sectors of the economy, including the government and the non-financial business sectors, as well as the financial sector itself.

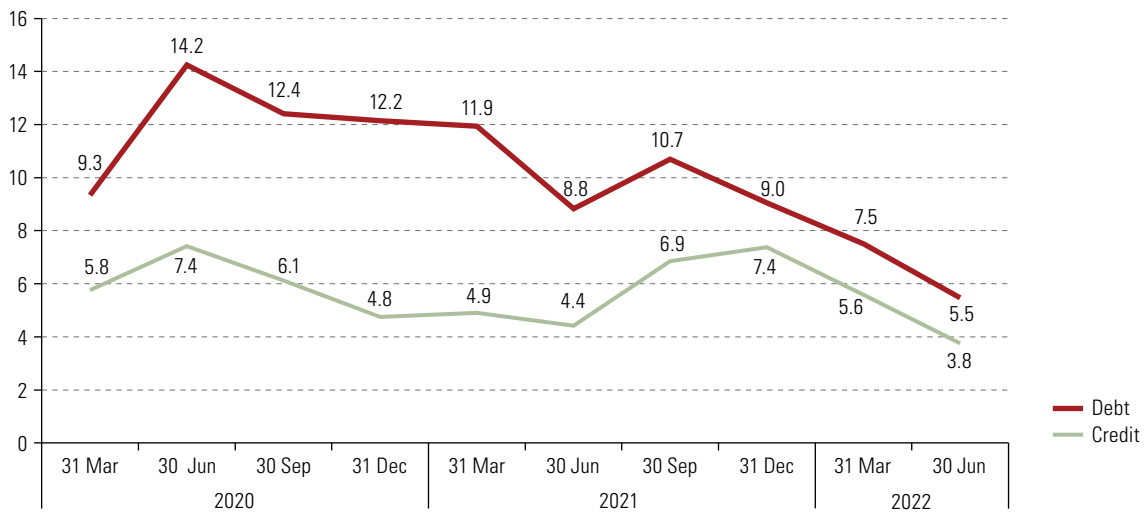
Figures II.2 and II.3 track the growth rates of cross-border credit and debt issues on international markets from the second quarter of 2020 to the second quarter of 2022. These rates began to slow in the final quarter of 2021, with the rate of variation in cross-border credit at the global level weakening from 6.8% in December 2021 to 1.2% in June 2022, while the corresponding rates for developing and emerging economies fell from 7.4% to 3.8%. During that same period, the growth rates for international debt securities at the world level dropped from 5.5% to 1.2%, while the rates for the developing world declined from 9.0% to 5.5%.

Figure II.2
Rate of variation in dollar-denominated cross-border credit and debt securities issues at the global level, 31 March 2020–30 June 2022
(Percentages)



Source: Bank for International Settlements (BIS), Debt Securities Statistics Indicators, 2022b [online] https://www.bis.org/STATISTICS/SECSTATS.HTM.

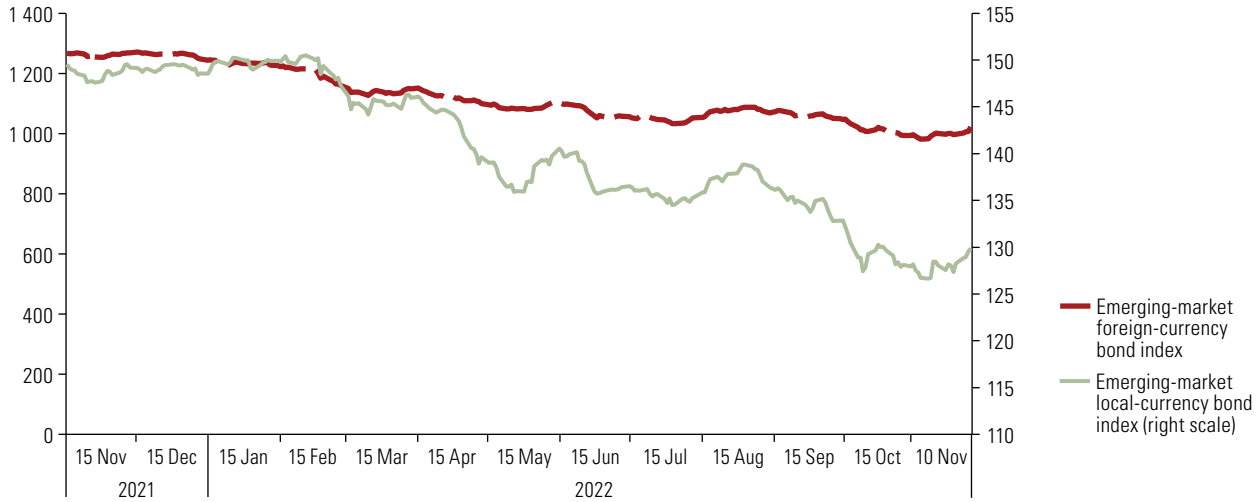
Figure II.3
Rate of variation in dollar-denominated cross-border credit and debt securities issues for emerging and developing economies, 31 March 2020–30 June 2022
(Percentages)



Source: Bank for International Settlements (BIS), Debt Securities Statistics Indicators, 2022b [online] https://www.bis.org/STATISTICS/SECSTATS.HTM.

This tighter monetary policy has influenced not only international borrowing conditions in emerging markets but also local borrowing conditions. The available empirical information on emerging and developing economies reflects price declines for sovereign and corporate debt denominated in foreign and local currencies (see figure II.4).

Figure II.4
Trends in the public dollar-denominated debt index and the public local-currency debt index for emerging markets, 15 November 2021–10 November 2022



Source: Bloomberg Finance L.P., 2022.
Note: The dollar-denominated public debt index for emerging markets measures the yield in dollars (calculated on the basis of bond prices) of investment-grade and high-yield securities issued by national and regional governments, government-sponsored institutions and domiciled companies in over 60 emerging markets. The local-currency public debt index for emerging markets measures the yield (calculated on the basis of bond prices) of local-currency emerging sovereign debt markets for securities having terms of between 2 and 30 years.

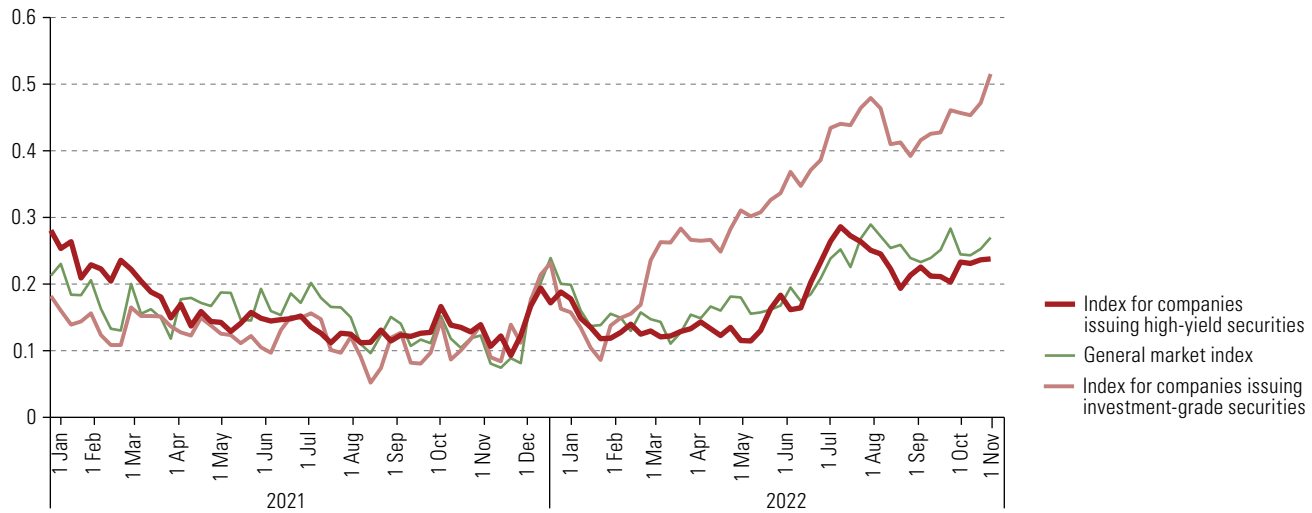
This stylized fact can be accounted for by the major role that foreign investors have come to play in local debt markets in many developing economies. Global liquidity conditions, as reflected in nominal exchange-rate variations, alter the yield for foreign investors of securities denominated in the local currency. A depreciation —whether actual or expected— of the local currency against an international reserve currency translates into actual and expected capital losses that increase the risk exposure of foreign investors holding local-currency securities. According to the available empirical data, a widespread appreciation of an international reserve currency and means of exchange (in this case, the dollar) can have an amplifying effect on risk conditions in local-currency securities markets.

Tight monetary policies can generate financial instability

The combination of short-term interest rate hikes and quantitative tightening policies can have significant repercussions for the stability of financial markets worldwide. These repercussions may be transmitted through the effect of those hikes and policies on corporate and Treasury bond markets and through the asymmetrical effects of monetary policy.

As was to be expected, the increase in short-term interest rates has had a negative impact on the corporate bond market, which is one of the chief sources of financing for the business sector. Between October 2021 and October 2022, the index of the value of the corporate market plunged by approximately 20%. At the same time, borrowing costs rose. According to some sources (Smith, 2022), corporate bond yields doubled in the space of one year. The Corporate Bond Market Distress Index began to climb in early 2022, especially for companies issuing investment-grade securities (see figure II.5).

Figure II.5
Corporate Bond Market Distress Index, 1 January 2021–21 October 2022
(Index: 0 to 1)



Source: Federal Reserve Bank of New York, *Corporate Bond Market Distress Index Report*, 2022 [online] https://www.newyorkfed.org/research/policy/cmdi.
Note: The Corporate Bond Market Distress Index uses scores ranging from 0 to 1. It is a composite of a wide range of indicators, including measures of primary market issuance and pricing, secondary market pricing and liquidity conditions, and relative pricing between traded and non-traded bonds.

The situation in the United States Treasury bond market could be another source of financial instability. That market, which is currently valued at nearly US$ 25 trillion, is the biggest and most important government securities market in the world. It is the main source of financing for the United States government and is the main point of reference for estimating borrowing costs for a wide range of assets.

As noted earlier, as part of the quantitative tightening policy being applied by the United States Federal Reserve, it has capped reinvestment of the principal portion of Treasury bonds when they mature at US$ 60 billion per month. As this means that the Federal Reserve's demand for Treasury bonds will be lower, the private sector (mainly investment banks) will have to take up the slack between bond supply and demand.

Otherwise, an excess supply of Treasury bonds would depress their price and thus raise their yield and this, in turn, would add to that market's liquidity constraints, especially for heavily indebted agents and those that have been hurt by the short-term interest rate hikes. However, even if the private sector (investment banks) do take up the slack between bond supply and demand, the stronger demand for financing that this would involve could put pressure on the interest rates for other types of instruments.

Yet another consideration is that the quantitative tightening policy may have uneven effects relative to the impact that quantitative easing had. Those quantitative easing policies resulted in a substantial expansion of the world's major central banks' balance sheets. In the years between 2008 and early 2022, the aggregate balance sheet of the banks making up the United States Federal Reserve System, the Bank of Japan, the European Central Bank and the People's Bank of China swelled from US$ 9 trillion to nearly US$ 33 trillion.[3]

When central banks increase the assets on their balance sheets, they fund that increase by issuing reserves, thereby creating an equivalent liability. In turn, commercial banks or financial institutions whose reserves with the central bank increase will balance that out with a concomitant increase in their liabilities in the form of bank deposits (Acharya and Rajan, 2022; Acharya and others, 2022).

[3] See Yardeni Research (2022).

Commercial banks and financial institutions also tend to generate other claims on liquidity, such as lines of credit backed by their reserves in the central bank. This means that there will be much less liquidity than there should be when credit and liquidity conditions become more restrictive as a consequence of the adoption of a quantitative tightening strategy. As a result, this strategy may have a much bigger impact than expected on the price of credit (short- and long-term interest rates) and on liquidity, thereby destabilizing financial markets, as occurred when the Federal Reserve experimented with a quantitative tightening strategy in 2019 but then had to backtrack because of the liquidity crunch that it triggered.

Conclusion

The tight monetary policies adopted by the world's major central banks, particularly the United States Federal Reserve, have limited the supply of international liquidity, pushed up its cost and increased the level of sovereign debt risk and non-financial corporate sector risk for developing countries, including those in Latin America and the Caribbean. Given the importance of nominal exchange rates as an international transmission mechanism and the developing world's position in the international market, international credit conditions also influence local-currency securities markets and, accordingly, the financing that they provide.

International liquidity constraints can lead to slower growth in developing economies by depressing the most dynamic components of aggregate demand: exports and investment. Slackening growth rates in developing economies will be reflected in a weaker demand for their exports. In addition, a more expensive dollar will also curb the supply of international trade credit and, through that transmission channel, diminish the volume of international trade. What is more, a more expensive dollar makes government and non-financial corporate balance sheets more fragile owing to mismatches between foreign-currency assets and liabilities, and this may interfere with investment plans. Yet another factor is that an increase in sovereign risk tends to spill over into the non-financial corporate sector.

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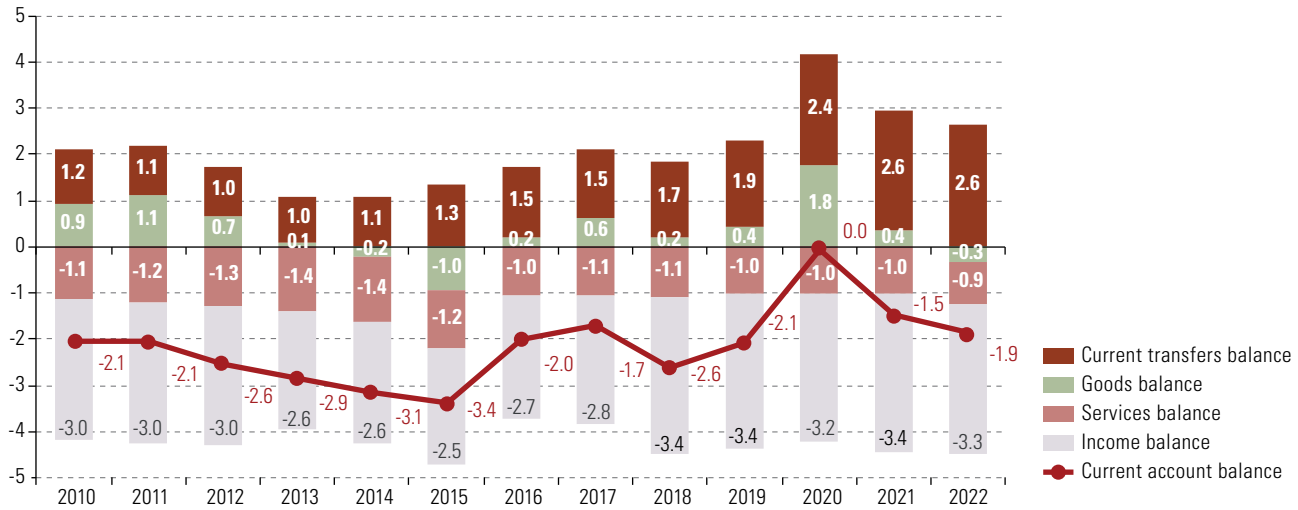
CHAPTER III

External sector

The balance-of-payments current account deficit is expected to widen in 2022, mainly due to the goods trade balance, which will post a deficit

In 2022, Latin America's balance-of-payments current account is expected to post a deficit of 1.9% of GDP, equal to US$ 105 billion, as it rises for the third consecutive year (see figure III.1). This trend is rooted in the goods trade balance, which has been worsening since 2020 and, in 2022, is expected to report a deficit for the first time since 2015; the balances of services, income and current transfers measured as a share of GDP, meanwhile, have remained relatively stable.

Figure III.1
Latin America (19 countries):[a] balance-of-payments current account, by components, 2010–2022[b]
(Percentages of GDP)

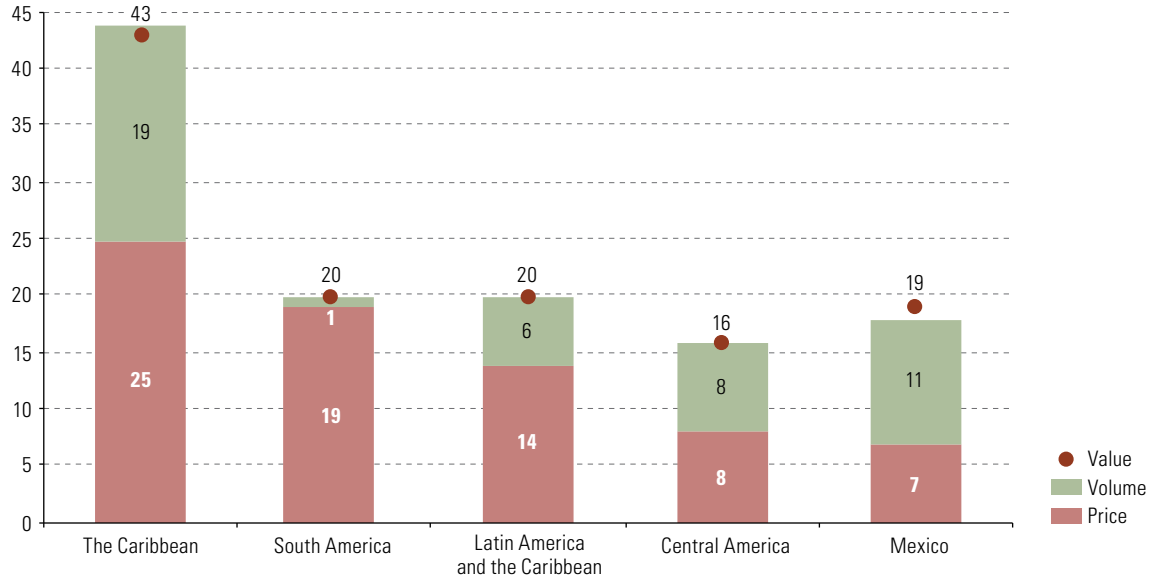


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Excludes Cuba.
[b] Figures for 2022 are projections.

A slight deficit is projected in the 2022 goods balance, for the first time in seven years, as imports rise faster than exports in value terms

The value of goods exports from Latin America and the Caribbean will rise by 20% in 2022, representing a slowdown from the 28% growth recorded in 2021. Most of this change —14 percentage points— is on account of rising export prices, while volume growth, at 6%, will be more modest and in line with the lower economic dynamism of the region's main trading partners (see chapter I, which analyses the international context). In Central America, Mexico and the Caribbean, increases in export value occurred alongside increases in export volumes. The situation is different in South America, in that the increase in export value is almost entirely on account of rising export prices, particularly in the hydrocarbon-exporting countries (the Bolivarian Republic of Venezuela, Colombia, Ecuador and the Plurinational State of Bolivia) (see figure III.2).

Figure III.2
Latin America and the Caribbean (selected subregions and countries) projected rate of change in goods exports, by volume and prices, 2022
(Percentages)

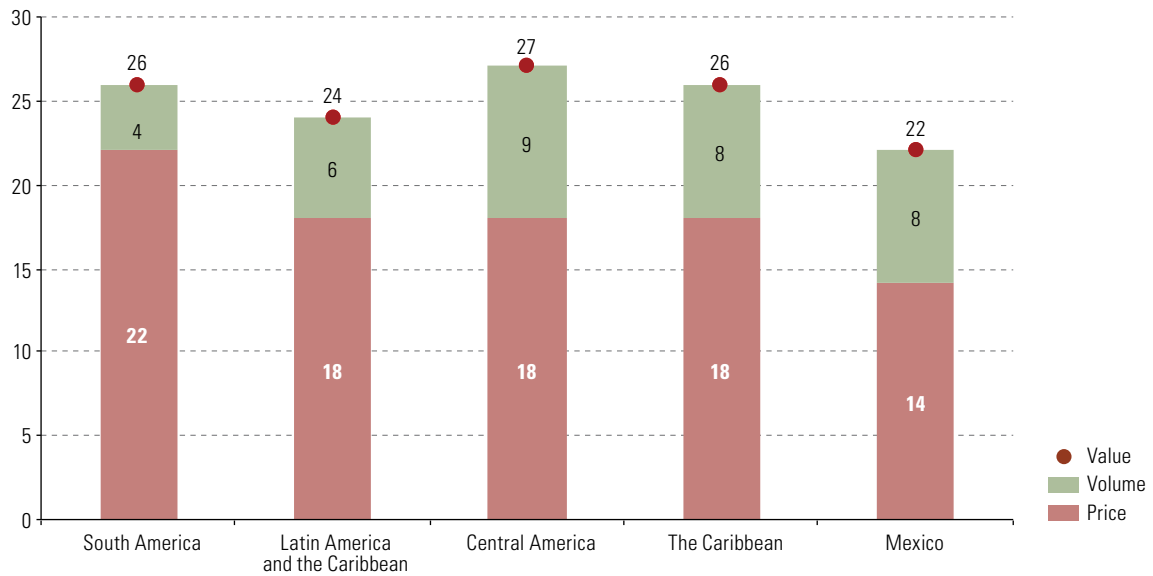


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The situation is similar in the region's goods imports, the value of which will increase by 24% in 2022. Of that increase, 18 percentage points are the result of rising import prices, with increased import volumes accounting for the remaining 6 percentage points (see figure III.3).

There is little variation from one subregion to the next, and nearly 70% of the change in import values can be explained by changes in price levels.

Figure III.3
Latin America and the Caribbean (selected subregions and countries), projected rate of change in goods imports, by volume and prices, 2022
(Percentages)



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

As a result of the projected change in the value of exports and imports, the region's trade balance for goods will be equal to -0.3% of GDP, a deficit situation not seen since 2015.

A 3.4% drop in the terms of trade is forecast for 2022, albeit with differences among subregions

The region's terms of trade are expected to fall by an average of 3.4% in 2022, as a result of a 14% increase in export prices and an 18% increase in import prices.

This behaviour is not uniform across the different subregions, however. For example, a positive change of 5.9% is forecast for the Caribbean and —thanks to rising prices for hydrocarbons, of which several of its members are net exporters— an increase of 5.2% is projected for the Andean Community countries (see figure III.4). In contrast, the largest drop is expected in Central America: -8.5% compared to the previous year, mainly because those countries are net importers of energy and, in several cases, of foodstuffs.

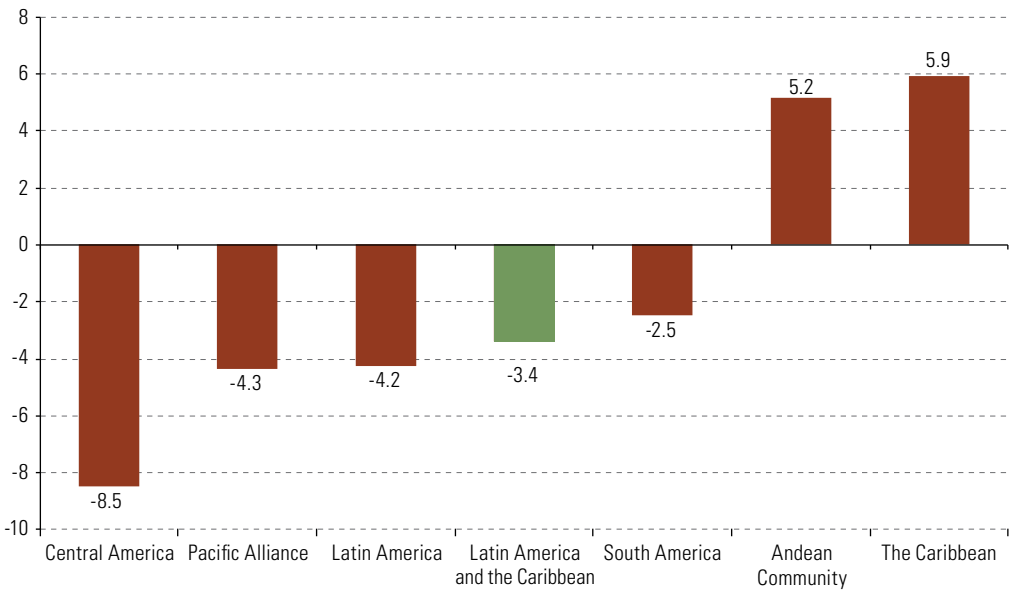


Figure III.4
Latin America and the Caribbean (selected subregions and blocs): projected change in the terms of trade, 2022
(Percentages)

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

The 2022 services balance deficit is expected to narrow slightly to -0.9% of GDP

A deficit equal to 0.9% of GDP is projected for Latin America's services balance in 2022: an improvement of 0.1 percentage points over the 2021 result, on account of service exports growing faster than service imports.

Imports of services are expected to expand by 28% in 2022, in line with the forecast growth in goods imports and, by extension, imports of transport and other associated services.

Exports of services are expected to grow by 39% in 2022. Among those exports, developments in the tourism sector are worthy of particular note. In 2022, tourism to the region benefited from the easing of restrictions imposed during the coronavirus disease (COVID-19) pandemic and also, in the months of June and July, from the summer

season in the northern hemisphere, which supplies most of the region's tourists. As a result, international tourist arrivals to South America rose by 371% in the first seven months of the year compared to the same period the previous year, followed by arrivals to Central America (up 129%) and, finally, to the Caribbean (up 50%) (UNWTO, 2022). Despite the rise in tourist arrivals across the region, however, the figures are still well below pre-pandemic levels. While the Caribbean and Central America report smaller shortfalls compared to the first seven months of 2019 (-18% and -20%, respectively), the gap for South America is significantly larger (-54%).

Compared to 2021, a larger income balance deficit in absolute terms is forecast for 2022, due to increased remissions of investment earnings and higher interest payments on debt

The current account's income balance deficit is estimated to reach 3.3% of GDP in 2022. While as a percentage of GDP this result represents an improvement over the 3.4% deficit recorded in 2021, in absolute terms (current dollars) the deficit is expected to rise by close to 8%.

The increase in the deficit is due to the fact that foreign companies established in the region have increased their profit remittances to their parent companies abroad, as they have benefited from the higher prices of the commodities they produce. In conjunction with this, the increase in the deficit is also because countries are paying higher interest on their external debt, due to both increases in the amounts owed and higher interest rates.

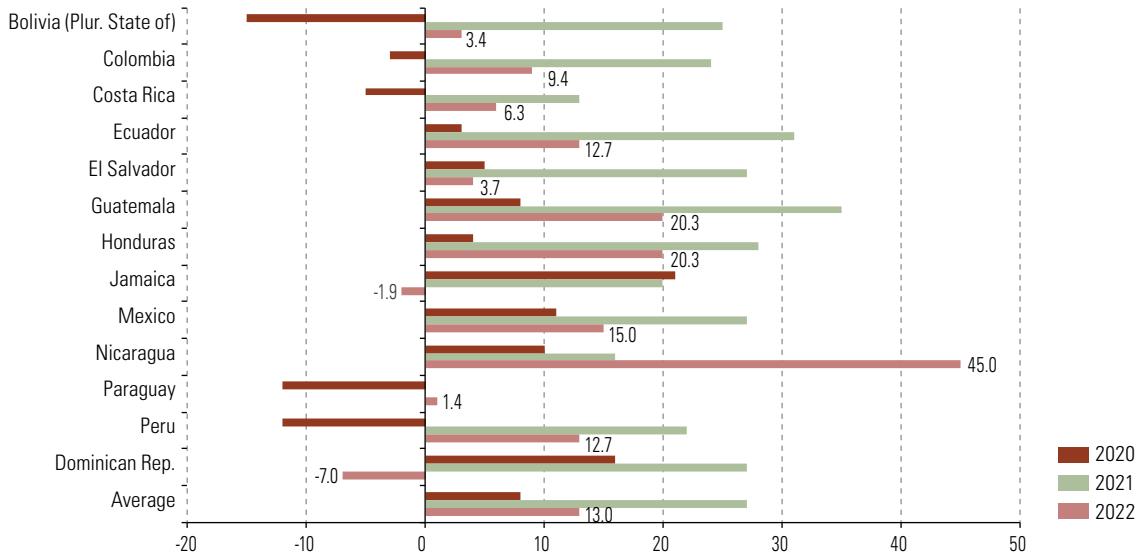
The transfer balance surplus is expected to continue rising in 2022, mainly on account of continued growth in migrant remittances to the region

Migrant remittances, which account for the lion's share of the regional transfers balance, recorded an increase of 13% in the period of 2022 for which information is available, compared to the same period in 2021 (see figure III.5).[1] This growth rate is lower than the previous year's (27%), and one of the reasons for that is a base effect: the growth rate in 2021 was of a magnitude not seen in the previous 10 years.

The trend is expected to be similar in most of the countries, in that they will close the year with a double-digit growth rate. Particularly notable is Nicaragua, with a remittance revenue growth rate of 45% (up to September 2022), followed by Guatemala and Honduras, with increases of around 20% (as of October and August 2022, respectively). They are followed by Ecuador, Mexico and Peru, with increases in remittance revenues of almost 13% and 15% (from January to September 2022 in the case of Mexico, and from January to June for the other two countries). The figures for El Salvador, Paraguay and the Plurinational State of Bolivia are well below those levels, while Jamaica and the Dominican Republic recorded drops of almost 2% and 7%, respectively.

[1] The number of months used to calculate the 2022 percentage change varies from one country to another, depending on the availability of information in each case (see note to figure III.5).

Figure III.5
Latin America and the Caribbean (selected countries): rate of change in migrant remittance revenues, 2020–2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The 2022 figures cover the period from January to October in the case of Guatemala; from January to September for Brazil, Colombia, the Dominican Republic, El Salvador, Jamaica, Mexico, Nicaragua and Paraguay; from January to August for Honduras and the Plurinational State of Bolivia; and from January to June for Costa Rica, Ecuador and Peru.

In line with the results posted by emerging economies, financial flows to Latin America have declined over recent quarters

The capital and financial account of Latin America's balance of payments posted a surplus of US$ 155.8 billion (3.1% of GDP) at the end of the first half of 2022.[2] This amount is more than enough to finance the current account deficit and, in addition, to accumulate international reserves of US$ 38.9 billion.

Net direct investment flows totalled US$ 123.3 billion and continue to grow after the contraction imposed by the pandemic. It should be noted that this increase is mainly explained by higher inflows of direct investment flows from non-residents, since outflows —that is, investments made by Latin American companies outside their countries of origin (i.e. trans-Latin companies)— have also risen in recent quarters.

Portfolio investment flows posted a deficit of US$ 16.9 billion, breaking the surplus trend that had characterized their results over recent quarters. This evolution was on account of divestments carried out by non-resident investors, which resulted in reduced liabilities in the region.

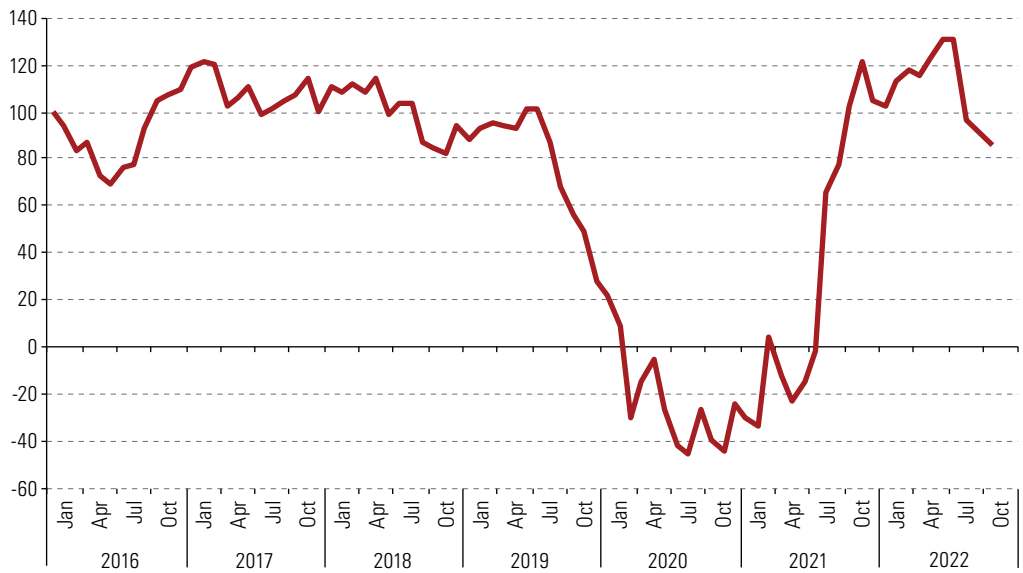
Flows classified as "other investments" within the financial account (which include trade credits, allocations of special drawing rights and others) recorded a surplus of US$ 48.3 billion, which can be explained by a reduction in foreign assets or by lower outward investments from resident investors.

[2] The figures analysed in this section are those available at the end of the second quarter of 2022, accumulated over four quarters. The countries included are Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, the Plurinational State of Bolivia and Uruguay.

Thus, financial flows to the region, excluding net direct investment, reported a net total of US$ 21.1 billion at the close of the first half of 2022, equal to 0.4% of GDP.[3] Although the region has now chalked up four quarters with net inflows after two years of net outflows, the amount of those inflows has been decreasing, in line with trends seen in emerging economies as a whole (see chapter I).

This downward dynamic is expected to have continued in the region during the third quarter of 2022, according to the preliminary indicator of net financial flows prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) (see figure III.6).[4] The evolution of this indicator is similar to that of the financial flows. In particular, it shows outflows in 2020 as a result of the pandemic, a recovery in 2021 and, as described above, the subsequent slowdown in net capital inflows in 2022.

Figure III.6
Latin America (14 countries):[a] net financial flow proxy indicator, January 2016–September 2022
(Monthly index, base 100=January 2016)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

As global financing conditions continued to tighten, Latin American and Caribbean debt placements on international markets fell by almost 60% in the first 10 months of 2022

Against the backdrop of steeper interest rates and higher borrowing costs across the world, Latin American and Caribbean issuers placed bonds worth almost US$ 58.5 billion on the international debt markets in the first 10 months of 2022: 58% less than in the same period of 2021 and at an average rate of almost 1.5% more. Concerns about global inflation, the war in Ukraine, the United States Federal Reserve's tighter monetary policy stance and the strength of the dollar all contributed to higher financing costs.

The biggest slowdown in debt issuance was reported in the corporate sector, which had been the main driver of the region's international debt issuance since 2009. Over the first 10 months of 2022, issuing by private banks and private non-bank entities fell

[3] "Errors and omissions" is included.
[4] This indicator, based on monthly figures, allows the behaviour of financial flows to be examined prior to the quarterly publication of official balance of payments data. For an explanation of how it is constructed, see Carvallo and others (2018).

by 78% and 69%, respectively, compared to the same months in 2021. Quasi-sovereign corporate issuance fell by 55%, sovereign issuance by 46% and supranational issuance by 31%. Sovereign issues accounted for more than half of the region's total international debt issued over the January to October 2022 period (see table III.1).

Table III.1
Latin America: debt issues in international markets, by sector, January–October 2022
(Millions of dollars, percentages and number of issues)

	Private banks	Non-bank private companies	Quasi-sovereign companies	National governments (sovereign issues)	Supranational entities	Total
Total, January–October 2022	1 347	18 263	5 208	29 639	3 992	58 450
Year-on-year change *(Percentages)*	-78	-69	-55	-46	-31	-58
Share of total *(Percentages)*	2	31	9	51	7	100
Number of issues	8	31	8	27	19	93
Year-on-year change *(Number of issues)*	-24	-72	-7	-20	-7	-130

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

Taking sovereign and corporate issuances together, Mexico, Chile and Brazil were the top three issuers in the region over the first 10 months of 2022. The three countries accounted for 64% of the region's total debt issued during that period. Mexico was the main issuer, with a 28% share of the total, followed by Chile (19%) and Brazil (17%). All the Brazilian debt issued was from the corporate sector. Mexico and Chile were the two largest sovereign debt issuers in the region, jointly accounting for more than half of the total sovereign debt issued (see table III.2). Around 65% of the revenues from sovereign debt issuing over the first 10 months of 2022 were used to manage liabilities and to cover national budget funding needs.

Table III.2
Latin America: sovereign debt issues
(Millions of dollars, percentages and number of issues)

Sovereign issuer	Total issues *(Millions of dollars)*	Percentage of total sovereign issuance	Number of issues
Mexico	9 471	32	9
Chile	7 026	24	5
Dominican Republic	6 907	23	5
Panama	25	8	2
Uruguay	15	5	1
Bolivia (Plurinational State of)	850	3	1
Paraguay	501	2	1
Guatemala	500	2	1
Bahamas	385	1	2
Total	**29 639**	**100**	**27**

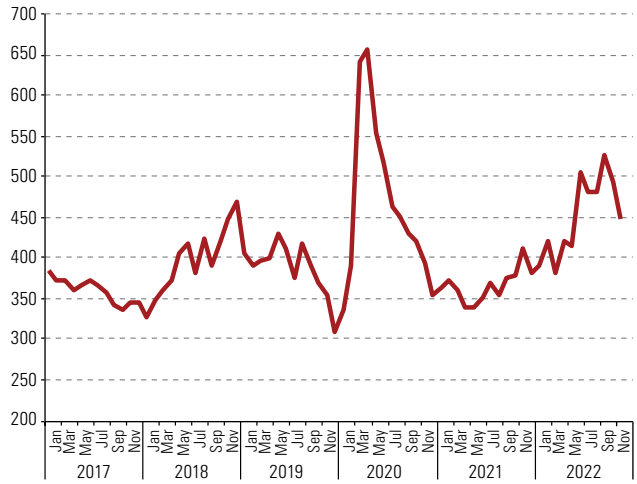
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Capital flows to Latin America and the Caribbean: first eight months of 2022* (LC/WAS/TS.2022/5), Santiago, 2022, updated as of October 2022.

In turn, almost 60% of all corporate debt issuance came from companies located in Brazil (35%) and Mexico (24%). Over the first 10 months of 2022, a total of 37 corporate issuers in the region sold US$ 29 billion in international bonds.

Latin American sovereign risk has increased, apace with rising global financing costs and investors' greater risk aversion

Latin American sovereign risk, as measured by the emerging markets bond index (EMBI), trended upward during 2022, as global uncertainty rose and investors became more cautious in their operations (see figure III.7). This rise came after the region's EMBI remained stable during 2021, at levels somewhat lower than those registered before the onset of the pandemic.

Figure III.7
Latin America (12 countries): sovereign risk as measured by the emerging market bond index (EMBI), December 2019–November 2022
(In basis points, data as of the end of each period)



	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Oct 2022	15 Nov 2022
Argentina	1 744	1 368	1 688	1 718	2 428	2 801	2 624	2 385
Bolivia (Plur. State of)	218	461	412	509	666	576	597	700
Brazil	212	250	306	280	357	295	269	263
Chile	135	144	153	158	196	208	193	160
Colombia	161	206	353	338	446	460	456	391
Ecuador	826	1 062	869	810	1 165	1 753	1 570	1 425
Mexico	292	361	347	349	473	483	428	386
Panama	114	149	187	192	246	286	274	238
Paraguay	203	213	229	239	357	330	268	252
Peru	107	132	170	171	235	246	228	195
Uruguay	148	135	127	127	162	158	141	127
Venezuela (Bol. Rep. of)	14 740	24 099	55 310	37 945	36 398	50 130	51157	45 009
Latin America	308	354	381	382	506	525	493	447

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

The indicator, which measures the difference between the interest rate on a country's debt commitments and that of the United States —considered the safest of harbours— peaked at 525 basis points in September 2022 and subsequently eased down to 447 basis points in mid-November. That result is 66 basis points above the 381 points registered at the end of 2021 and 112 points above the January 2020 level, before the onset of the pandemic.

As usual in the region, sovereign risk levels differ from one country to another. There are cases where the EMBI runs high, such as the Bolivarian Republic of Venezuela, where it stands at 45,000 basis points; Argentina, at around 2,300; and Ecuador, at close to 1,400.

Uruguay is the country with the lowest risk level in the region: its EMBI stands at around 130 basis points and its evolution remained relatively stable throughout the year. Chile and Peru also enjoy low levels, as well as similar and stable dynamics over the course of the year. Slightly higher levels are found in Brazil and Costa Rica, but with the particularity that these are the only two countries where the EMBI trended downwards over the year.

The credit ratings of the region's countries improved during the first half of the year, as the pressures that the pandemic had brought to bear on them began to ease. After nine years in which the number of negative reviews from rating agencies exceeded the number of positive actions (considering changes both in credit ratings

and in recommendation bias), positive actions over the first half of 2022 outnumbered the negative by two. These positive actions, according to the rating agencies, were on account of improvements in fiscal positions, while the negative actions reflected economic vulnerabilities and financial risks.

This slight improvement was only temporary, however, and in the second half of the year, the region's credit quality generally trended downwards. In September and October there were six negative actions and only one positive action. As of 31 October 2022, the balance sheet shows negative actions outnumbering positive actions by one (see figure III.8).

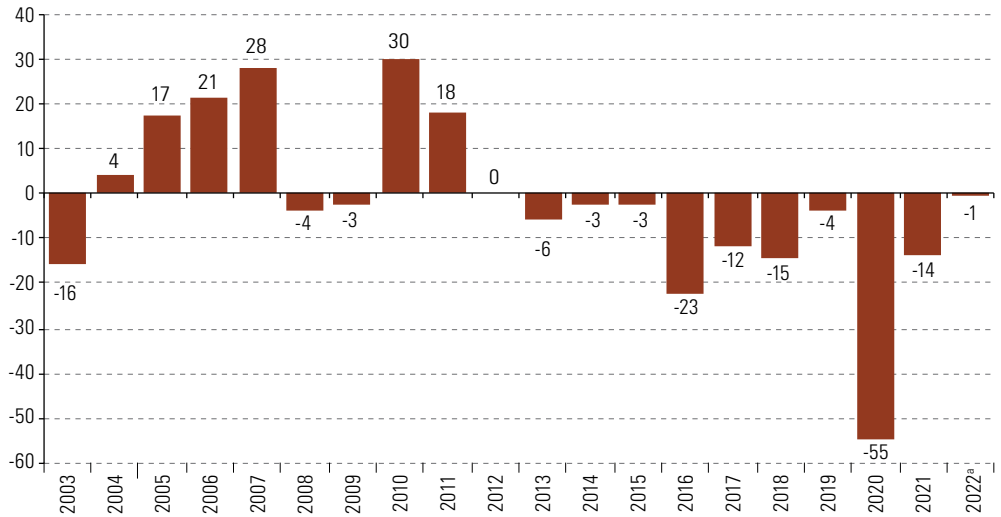


Figure III.8
Latin America and the Caribbean (33 countries): net total of credit rating actions, 2003–October 2022
(Number of actions)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Capital flows to Latin America and the Caribbean: first eight months of 2022* (LC/WAS/TS.2022/5), Santiago, 2022, updated as of October 2022.

Note: Credit rating actions include upward and downward revisions, as well as upward and downward outlook revisions. The net total of actions is the difference between total positive rating actions and total negative rating actions. A figure below zero indicates that the number of negative actions exceeded the number of positive actions over the period.

[a] Up to October.

Latin America's external financing needs in 2023 are expected to total around US$ 571 billion, meaning that the region needs to receive external financial flows in at least that amount

As noted above, there has been a drop in financial inflows to Latin American countries in recent months, and this could intensify if the trends in monetary policy, risk aversion and global appreciation of the dollar observed to date continue.

ECLAC estimates indicate that the 2023 external financing needs for Latin America as a whole will be around US$ 571 billion (for a description of the calculation method, see box III.1).[5] These requirements arise from the fact that the countries will have to meet external financial commitments of some US$ 462 billion in 2023, as well as finance a deficit in the balance of payments current account for that year estimated at approximately US$ 109 billion (see figure III.9).[6]

5 Data from 17 countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

6 Forecast by Consensus Economics (2022).

Box III.1
Calculation method for estimating Latin America's 2023 external financing needs

An economy's external financing needs in year *t* are defined as the sum of the current account deficit forecast for that year and principal repayments on foreign debt, including both the short-term and the medium- and long-term portions maturing in year *t*.

Financing needs can be obtained from the balance of payments, whereby the sum of the current account balance (CAB) and the balance of the capital and financial account (CFA) is equal to the change in the international reserve stock (ΔIR). In other words:

(1) CAB + CFA = ΔΔIR

In turn, the balance of the capital and financial account can be expressed as the sum of the net increase in external liabilities (NIEL) and the net decrease in external assets (NDEA). In other words:

(2) CFA = NIEL + NDEA

The net increase in external liabilities is defined as the difference between the increase in external liabilities and the amortization of external liabilities during the year in question:

(3) NIEL = increase in external liabilities - amortization of external liabilities

Successively substituting the formula for (3) in (2) and (1) yields:

(4) CAB + increase in external liabilities - amortization of external liabilities + NDEA = ΔΔIR

If the aim is to avoid touching reserves —i.e. ΔΔIR ≥ 0— equation (4) becomes:

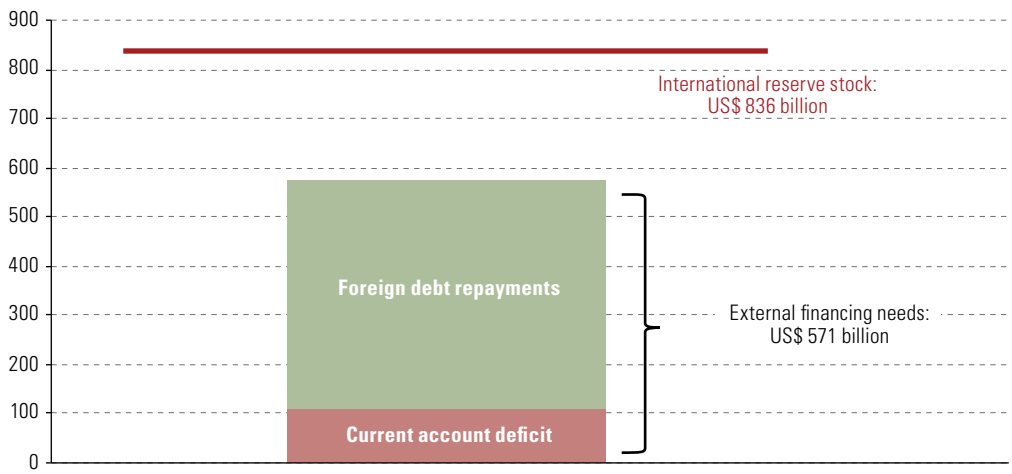
(5) Increase in external liabilities + NDEA ≥ - CAB + amortization of external liabilities

From (5) it can be seen that the external financing needed —i.e. capital inflows to the economy either by increasing liabilities abroad or liquidating assets located abroad— must be greater than or equal to the current account deficit plus the amortization of external liabilities, so that international reserves need not be used to cover the portion of financing that is missing.

The more negative the current account balance and the greater the amortization of liabilities maturing during the year, the greater will be the inflows of external financial flows needed to cover both items without the country using its international reserves or suffering an adjustment in its balance of payments current account.

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

Figure III.9
Latin America (17 countries):[a] 2023 external financing needs
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, International Debt Statistics (IDS) [online database] https://www.worldbank.org/en/programs/debt-statistics/ids/products; and Consensus Economics, *Latin American Consensus Forecasts*, London, 14 November 2022 (for the balance-of-payments current account deficit).

Note: Uses the most recent data available on international reserve stocks.

[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

If financial inflows of at least that magnitude do not materialize during 2023, the countries will have to use their international reserves to make up the shortfall. However, although the average foreign reserve stock in the region is sufficient to cover one and a half times its external financing needs, its distribution among individual countries is uneven.[7]

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[7] It should be noted that some countries have liquidity lines with multilateral institutions, such as the International Monetary Fund (IMF), and these are not included in the calculations. The alternative to using international reserves is for countries to be forced to reduce their requirements by adjusting the current account deficit. Such an adjustment, in a context where external demand will remain weak in 2023, would most likely not occur through increased exports, but through a recessionary adjustment of domestic absorption and, consequently, of imports.

CHAPTER IV

Economic activity

For the economies of Latin America and the Caribbean, 2022 was characterized by deceleration, particularly in the second half of the year

Quarterly GDP trends for 2022 show that after the growth observed in the first half of the year, there has been a slowdown in most of the region's countries since the third quarter

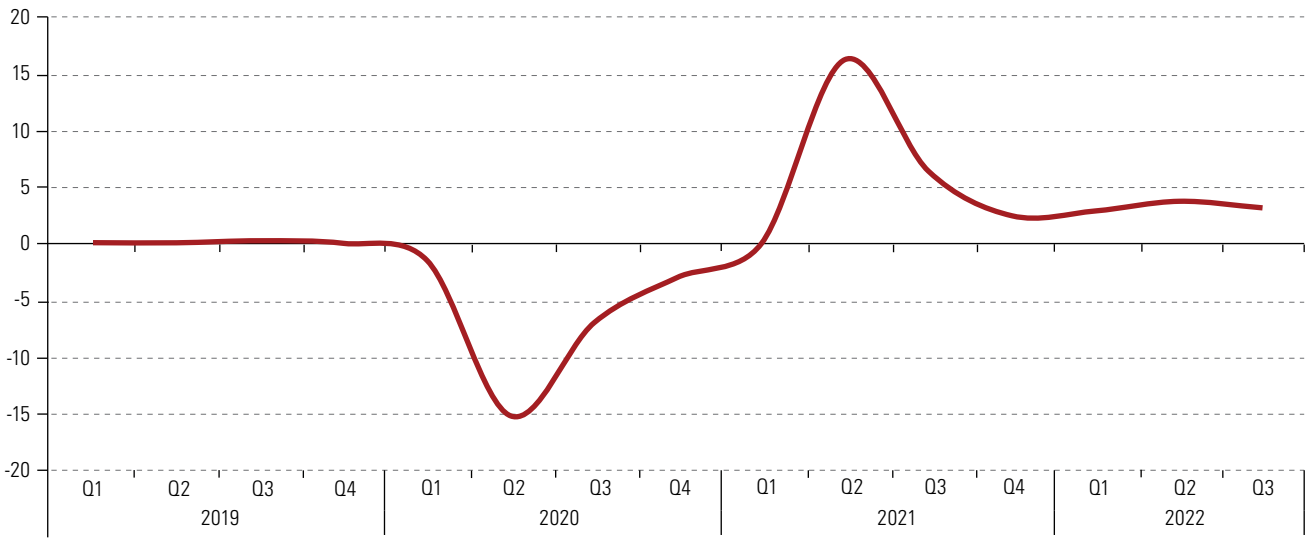
Two thirds of the economic growth in the second quarter of 2022 is because of the recovery of pre-pandemic levels, i.e. the rebound effect

Public consumption and exports deteriorated, while private consumption remained the mainstay of GDP growth

For the economies of Latin America and the Caribbean, 2022 was characterized by deceleration, particularly in the second half of the year

In 2022, the economies of the region continue to work on returning their activity levels to pre-crisis normalcy, and everything indicates that growth rates similar to those registered before the pandemic will be achieved by 2023. Thus, after the second quarter of 2021, Latin America's year-on-year growth rates steadily and gradually decelerated: from 16.3% in that quarter to an estimated 3.2% in the third quarter of 2022 (see figure IV.1).

Figure IV.1
Latin America: year-on-year GDP growth rate, first quarter of 2019–third quarter of 2022
(Percentages, based on dollars at constant 2018 prices)



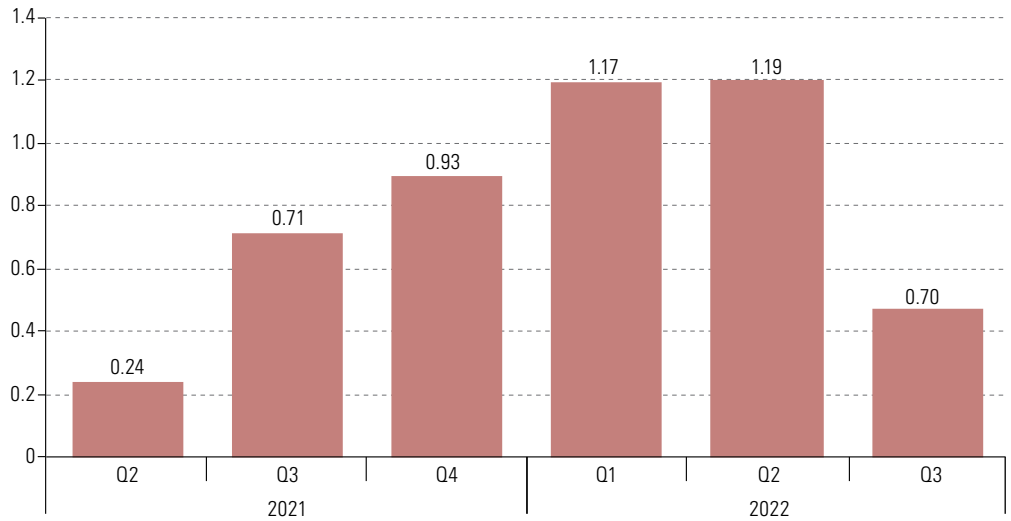
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Quarterly GDP trends for 2022 show that after the growth observed in the first half of the year, there has been a slowdown in most of the region's countries since the third quarter

In the first two quarters of 2022, economic activity maintained the momentum carried over from 2021 and the region's GDP recorded quarter-on-quarter growth of 1.17% in the first quarter and 1.19% in the second quarter. A slowdown in the growth rate can be seen from the third quarter onwards, however, on account of the unfavourable context in the region, and while economic activity continued to expand, it did so at a rate of 0.7%, slower than the results of recent quarters (see figure IV.2).

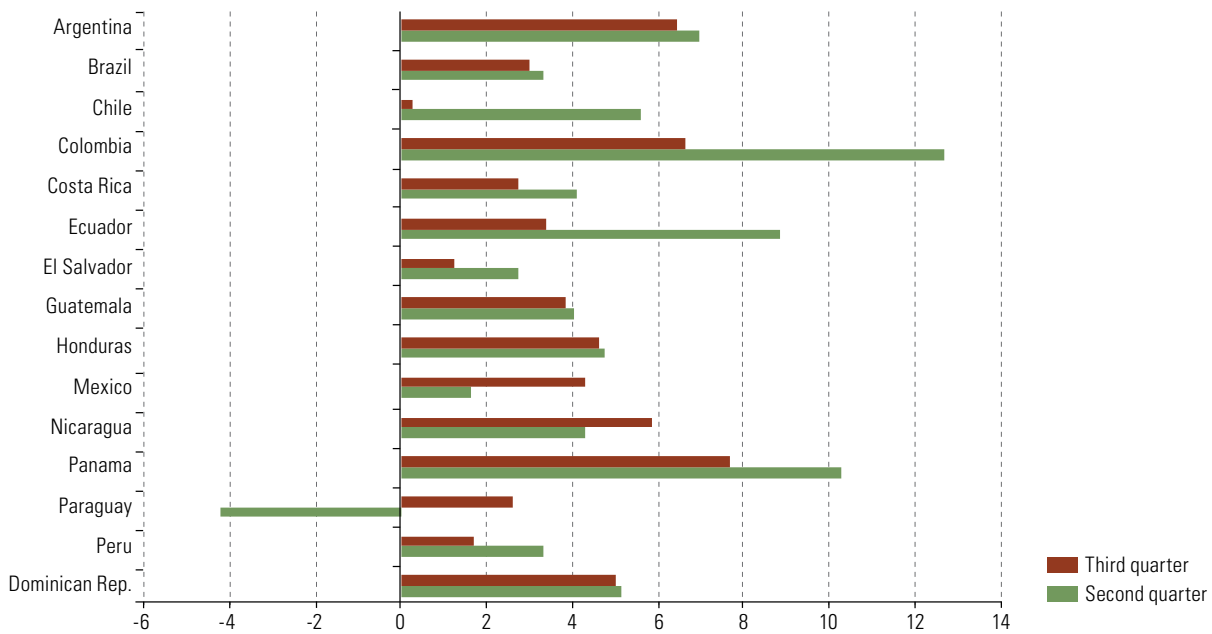
Monthly economic activity indicators for the third quarter of 2022 show a general deceleration among the region's countries (in 12 of the 15 countries for which this information is available), with year-on-year growth rates below those recorded in the previous quarter. Only three countries —Mexico, Nicaragua and Paraguay— posted higher rates of growth in the third quarter than in the second (see figure IV.3).

Figure IV.2
Latin America: quarter-on-quarter change in seasonally adjusted GDP, second quarter of 2021–third quarter of 2022
(Percentages, on the basis of dollars at constant 2018 prices)



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

Figure IV.3
Latin America (15 countries): year-on-year growth rates of economic activity indicators, second and third quarters of 2022
(Percentages, based on dollars at constant 2018 prices)



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

Two thirds of the economic growth in the second quarter of 2022 is because of the recovery of pre-pandemic levels, i.e. the rebound effect

As of the second quarter of 2022, Latin America and the Caribbean's GDP exceeds pre-pandemic levels. A breakdown of its increase compared to the corresponding quarter of 2021 indicates that more than two thirds is the result of efforts to return to pre-pandemic levels (i.e. the rebound effect), while the remaining third reflects an increase in activity above those levels (see figure IV.4).

Figure IV.4
Latin America: GDP, first quarter of 2019–third quarter of 2022
(Index: fourth quarter of 2019=100)

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

Indicators for different economic sectors show that mining, construction and general services reached pre-pandemic levels of activity (or were very close to doing so) in the second half of 2021, thereby bringing the rebound effect to an end. In the second quarter of 2022, however, those sectors recorded variations of 0.1%, 4.7% and 0.7%, respectively, with which they fell back below pre-pandemic levels of activity. The agriculture, electricity, gas and water, and transport and communications sectors have shown the strongest momentum, allowing them to reach much higher levels of activity than those of the pre-pandemic period (see figure IV.5).

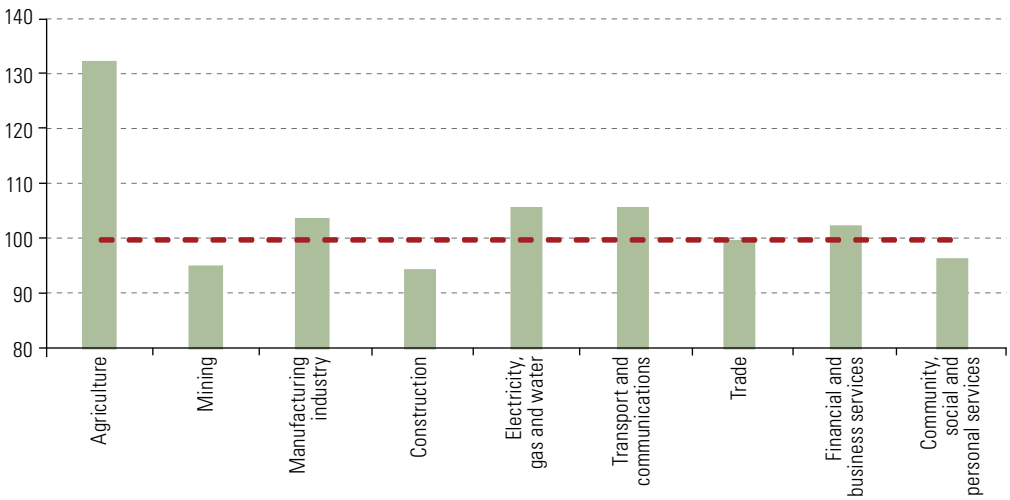


Figure IV.5
Latin America: value added by economic sector, second quarter of 2022
(Index: fourth quarter of 2019=100)

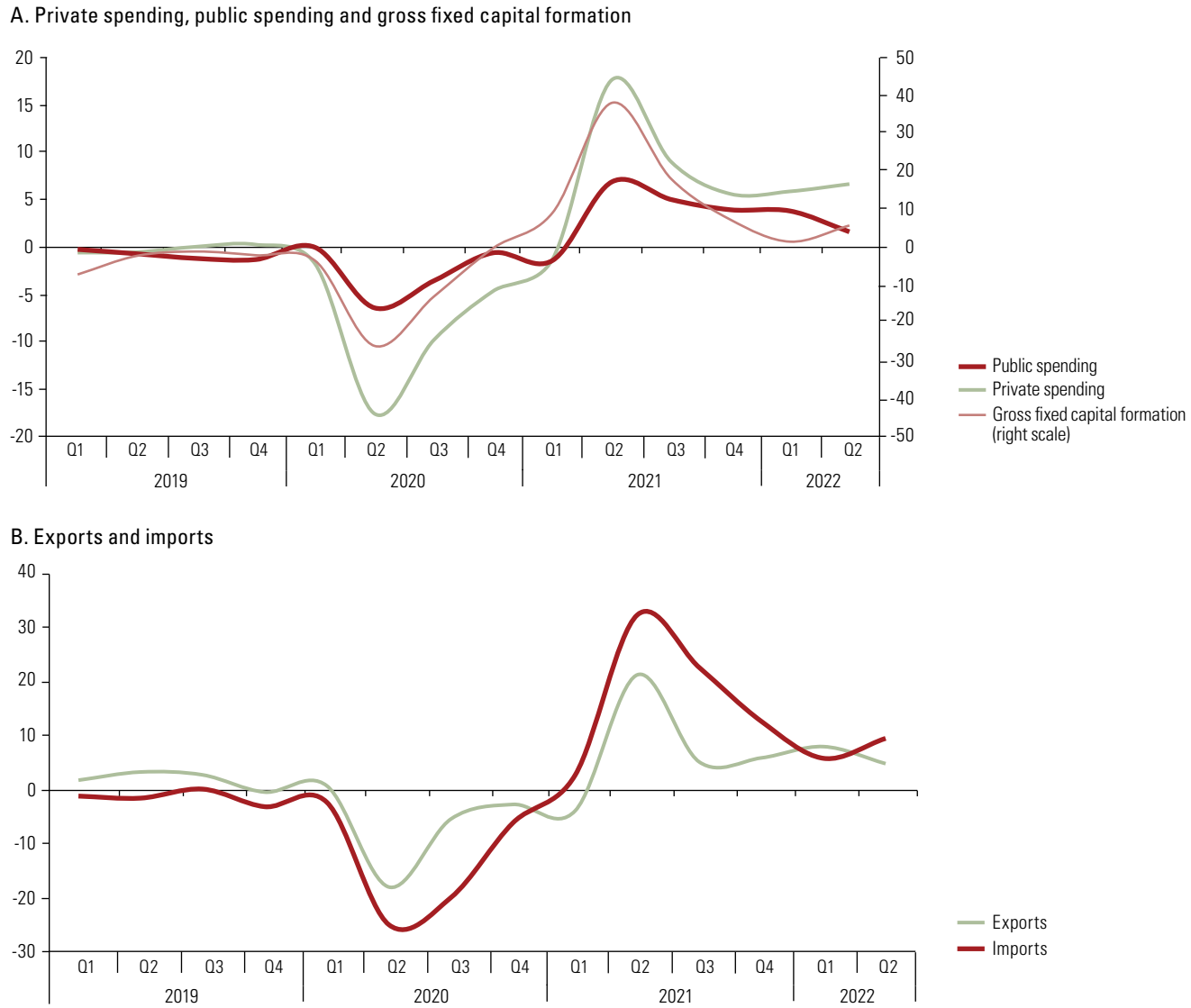
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Public consumption and exports deteriorated, while private consumption remained the mainstay of GDP growth

Because of more constrained fiscal space and adjustment policies, public consumption slowed down compared to the growth rates of previous quarters (see figure IV.6). In the third and fourth quarters of 2022, however, its (positive) contribution is expected to

increase, as a result of the higher levels of budget execution that are common at that time of year. In contrast, the net external sector made a negative contribution to GDP growth, on account of both rising imports and —due to the slowdown in GDP growth among the region's main trading partners— weaker external demand.

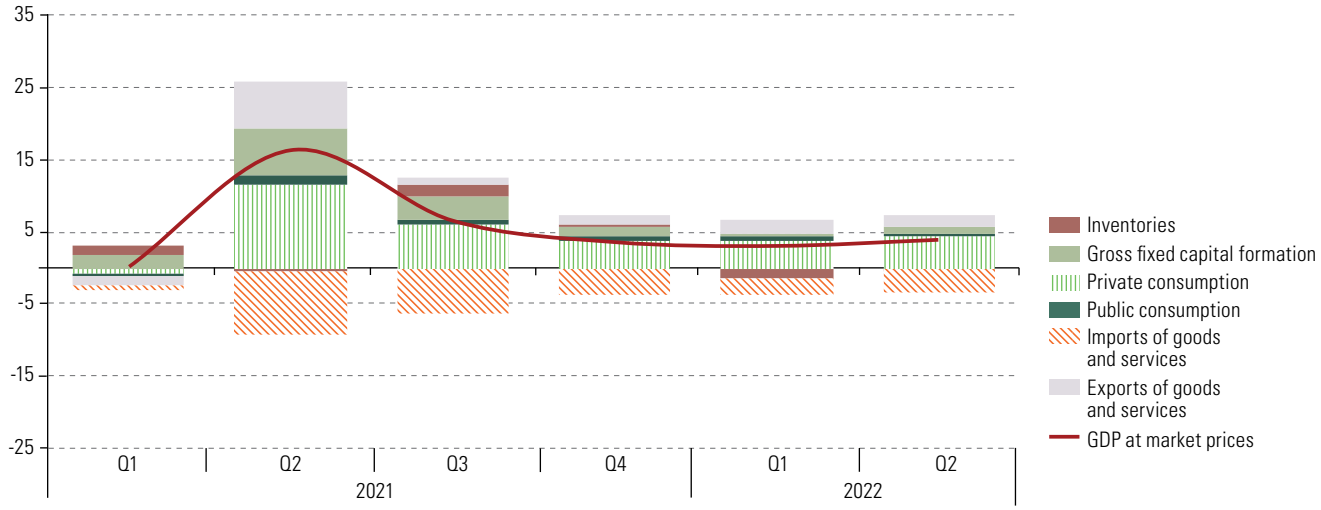
Figure IV.6
Latin America: rate of change in components of spending, first quarter of 2019–second quarter of 2022
(Percentages)



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

The negative contribution of inventory changes (see figure IV.7) continues, with two consecutive quarters of contraction. This reflects deteriorating expectations, which indicate conservative production increases: since constraints on production capacity are not expected if demand increases, there is no need for higher inventories.

Figure IV.7
Latin America: GDP growth rates and contribution to growth of spending components, first quarter of 2021–second quarter of 2022
(Percentages)

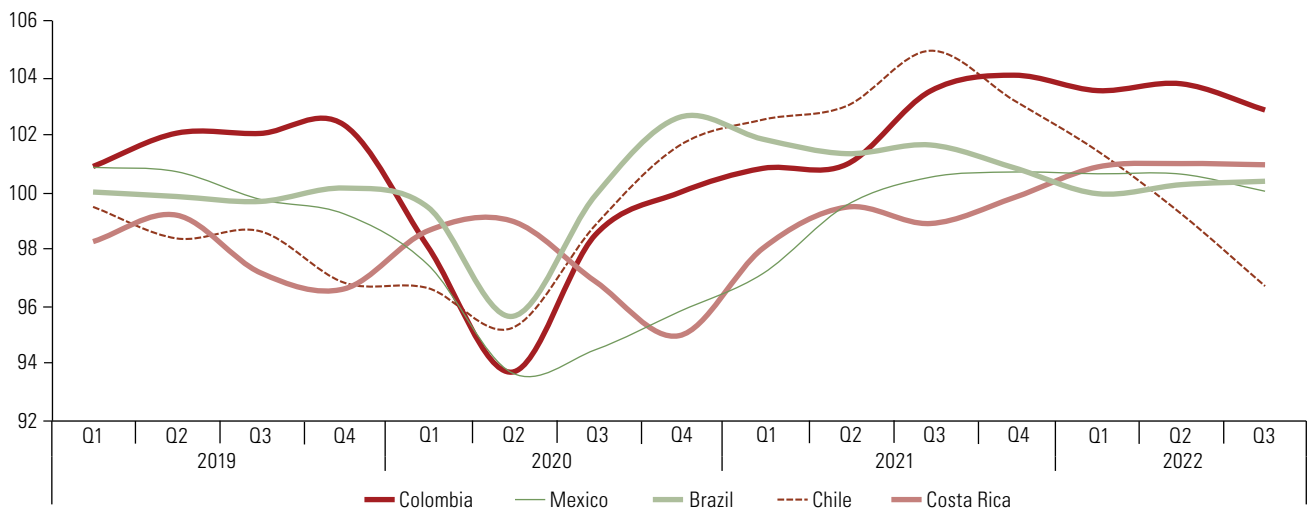


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

During the second quarter of 2022, growth in economic activity was driven mainly by private consumption. Over that period, the annual growth of this aggregate (6.7%) accelerated (see figure IV.6). With this, private consumption contributed more than three fifths of GDP growth in the second quarter (see figure IV.7). A rebound in investment can also be seen, especially in the second quarter of 2022. This trend is mainly on account of increases in machinery and equipment, which offset the drop in construction investment.

It should be noted that business confidence indicators have deteriorated (see figure IV.8) and this factor, together with higher production costs, could exacerbate the trend towards a slowdown in economic activity and, especially, in investment.

Figure IV.8
Latin America (selected countries): business confidence indicator, first quarter of 2019–third quarter of 2022
(Index: long-term average=100)



Source: Organisation for Economic Co-operation and Development (OECD).

CHAPTER V

Domestic prices

Patterns in global and regional inflation have been determined by the interaction of supply and demand factors, whose relative importance has changed over time

As noted in the *Economic Survey of Latin America and the Caribbean, 2022* (ECLAC, 2022), several factors have explained the rise in inflation around the world, including the region, in 2021 and 2022. On the supply side, these include the persistent disruptions that have affected global supply chains, with all their consequences for the availability of goods worldwide, and higher prices for commodities, especially energy and food.

The economies of Latin America and the Caribbean are highly exposed to the pass-through of upward pressures on international commodity prices to domestic prices. This is a result, first, of the importance within the consumer price index (CPI) basket of household spending on items such as food (24%) and transport (14%) and, second, of the effect that the prices of commodities such as energy, food and fertilizers have on local production costs because of the dependence of the region's economies on imports of these types of products, either as inputs for production processes or in the total supply of goods. Moreover, the impact of these external supply factors is amplified by exchange-rate fluctuations caused by international financial volatility.

Inflation has also been explained by demand-side factors, such as the significant fiscal and monetary efforts made in 2020 and 2021 to reactivate economies in the post-pandemic phase and the various social programmes implemented in an effort to support the consumption of the households most affected by the crisis.

Overall, these factors contributed significantly to the increase in inflation between the second half of 2020 and the first half of 2022. However, recent changes in the trajectory of oil and food prices on international markets and the considerable slowdown in domestic aggregate demand in the region have led to a reduction in regional inflation in the second half of 2022, which nevertheless remains relatively high.

Regional inflation trended upward in the first half of 2022

In the first six months of 2022, the economies of Latin America and the Caribbean, like those of the rest of the world, experienced an acceleration of the inflationary process seen since June 2020, when average inflation in the region, excluding countries with chronic inflation, stood at 1.8%. Inflationary pressures intensified between December 2020 and December 2021, with the variation in CPI increasing by 3.7 percentage points from 2.9% in 2020 to 6.6% in 2021 (see figure V.1).

Regional inflation continued to rise in the first half of 2022, reaching 8.4% in June, the highest level since 2005. Food and oil price increases, greater exchange-rate volatility and monetary expansion again drove these price trends in the Latin American and Caribbean economies. In the second half of the year, changes in the trajectory of these variables, combined with a sharp slowdown in economic activity, caused average regional inflation to slow by 1.6 percentage points, leaving it at 6.8% in October 2022, 0.2 percentage points above the rate of December 2021.

Figure V.1
Latin America and the Caribbean: 12-month variation in the consumer price index, January 2017–October 2022
(Percentages)

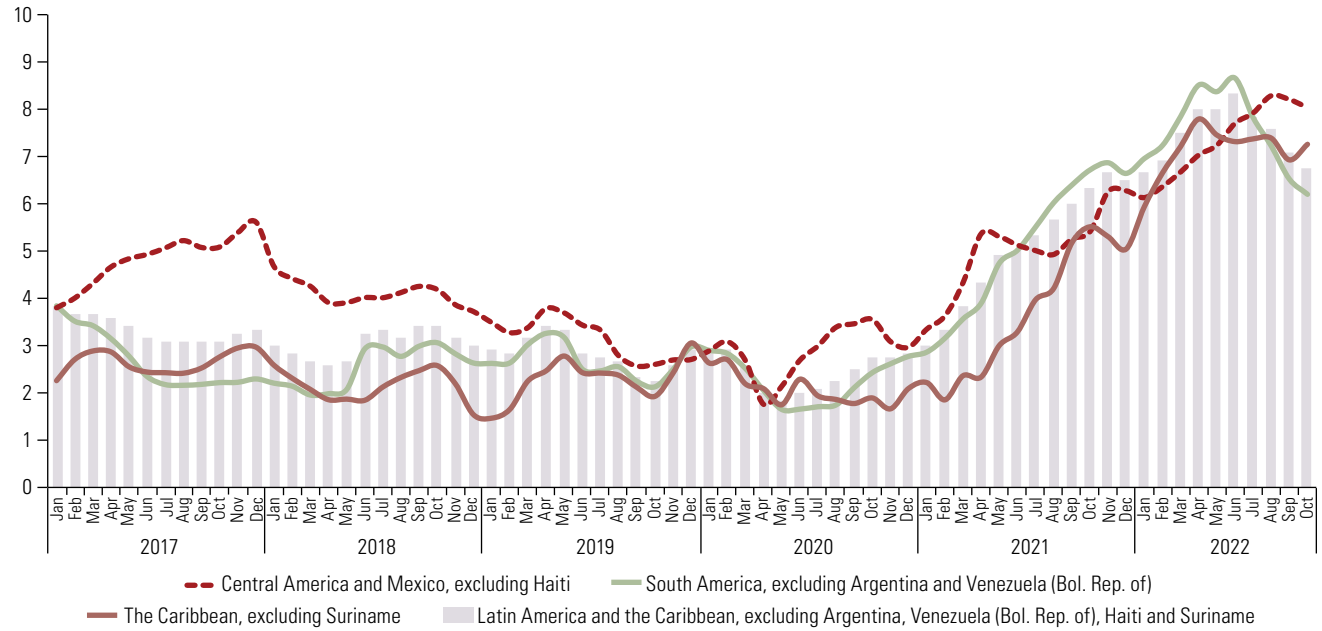
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The averages exclude data from economies with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname).

The pattern of inflation has been similar across the region, but with some differences between subregions and countries

Figure V.2 shows that the rise in inflationary pressures between May 2020 and June 2022 made itself felt in all subregions of Latin America and the Caribbean. In June 2022, the average inflation rate was 8.7% in the South American economies, 7.7% in Central America and Mexico and 7.4% in the Caribbean. These values were 7.1 percentage points, 5.6 percentage points and 5.6 percentage points higher, respectively, than the May 2020 levels, and were in all cases higher than those recorded during the global financial crisis.

Average inflation in the different subregions has been on a downward trend since the second half of 2022. However, these processes started at different times and have varied in intensity. In the English-speaking Caribbean economies, inflation peaked at 7.8% in April 2022, since when it has declined by 0.6 percentage points. Average inflation in the South American economies peaked at 8.7% in June 2022, with a drop of 2.4 percentage points by October. Inflation peaked latest (August 2022) in the economies of the group comprising Central America and Mexico, at 8.3%, which was 0.2 percentage points higher than in October 2022 (8.1%).

Figure V.2
Latin America and the Caribbean: 12-month variations in the consumer price index, by subregion, January 2017–October 2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The averages exclude data from economies with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname).

At the country level, table V.1 shows that inflation increased in 26 countries between December 2021 and October 2022 and decreased in another 7. Six countries in the region had double-digit inflation rates in December 2021: the countries with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname) plus Brazil. As of October 2022, there are nine countries in this situation: those with chronic inflation plus Chile, Colombia, Honduras and Nicaragua.

Table V.1
Latin America and the Caribbean: 12-month variations in the consumer price index, December 2020–October 2022
(Percentages)

	December 2020	December 2021	October 2021	October 2022
Latin America and the Caribbean (excluding countries with chronic inflation)	**2.9**	**6.6**	**6.3**	**6.8**
South America (excluding countries with chronic inflation)	**2.8**	**6.7**	**6.8**	**6.3**
Bolivia (Plurinational State of)	0.7	0.9	0.5	2.9
Brazil	4.5	10.0	10.6	6.5
Chile	3.0	7.2	6.0	12.8
Colombia	1.6	5.6	4.6	12.2
Ecuador	-0.9	1.9	1.4	4.0
Paraguay	2.2	6.8	7.6	8.1
Peru	2.0	6.4	5.8	8.3
Uruguay	9.4	8.0	7.9	9.0

	December 2020	December 2021	October 2021	October 2022
Central America and Mexico (excluding countries with chronic inflation)	**3.0**	**6.3**	**5.4**	**8.1**
Costa Rica	0.9	3.3	2.5	9.0
Dominican Republic	-0.1	6.1	5.5	7.5
El Salvador	4.8	3.1	3.0	9.7
Guatemala	4.0	5.3	4.7	10.2
Honduras	3.2	7.4	6.2	8.4
Mexico	2.6	7.3	6.6	11.9
Nicaragua	-1.6	2.6	2.9	1.7
Panama	5.6	8.5	7.7	8.2
The Caribbean (excluding countries with chronic inflation)	**2.1**	**5.1**	**5.6**	**7.3**
Antigua and Barbuda	2.8	1.2	2.9	8.6[a]
Bahamas	1.2	4.1	3.8	6.5[a]
Barbados	1.3	5.0	4.4	6.6[a]
Belize	0.4	4.9	5.2	7.1[a]
Dominica	-0.7	3.8	2.7	5.3[b]
Grenada	-0.8	1.9	1.8	2.9[b]
Guyana	0.9	5.7	5.5	6.5[a]
Jamaica	4.5	7.3	8.5	9.9[a]
Saint Kitts and Nevis	-1.2	1.9	1.2	1.2[b]
Saint Lucia	-1.0	3.4	2.8	7.4[c]
Saint Vincent and the Grenadines	-0.4	4.1	3.1	7.4[d]
Trinidad and Tobago	0.8	3.5	1.8	4.9[c]
Argentina	34.1	51.4	52.3	87.8
Cuba	18.5	77.3	72.8	34.2[c]
Haiti	19.2	24.6	19.5	30.7[d]
Suriname	60.7	60.7	60.6	41.9[a]
Venezuela (Bolivarian Republic of)	2 959.8	686.4	1 575.3	155.8

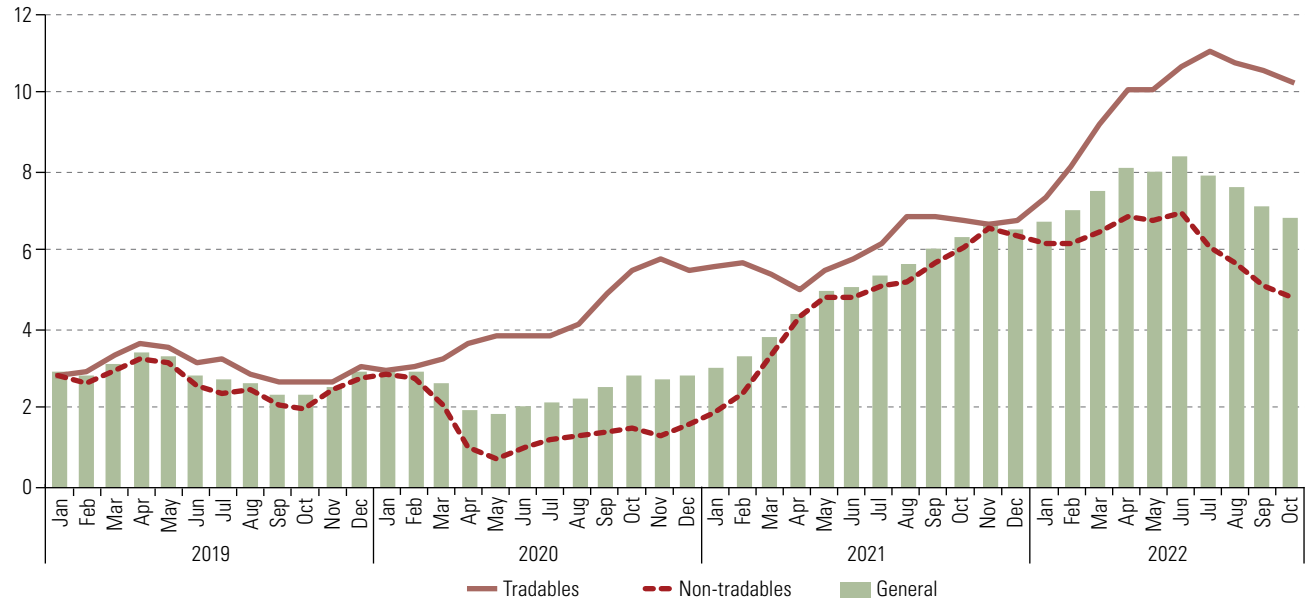
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The regional and subregional averages are weighted by population size, excluding data from economies with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname).
[a] Data to September 2022.
[b] Data to March 2022.
[c] Data to August 2022.
[d] Data to July 2022.

These differences in inflation patterns between the region's economies are explained by their different degrees of trade and financial integration, dependence on food and energy imports, the speed and magnitude of monetary policy adjustment, the severity of the slowdown in domestic aggregate demand, and exchange-rate movements.

Inflation has risen by differing degrees across the various components of the consumer price index, increasing most for tradable goods, especially energy and food

A breakdown of headline inflation into goods inflation and services inflation shows, first, quite different trends in its various components. While tradable goods inflation has risen by a significant 3.6 percentage points from its December 2021 level (6.7%), non-tradable goods inflation is 1.5 percentage points down on its December 2021 value (6.3%) (see figure V.3).

Figure V.3
Latin America and the Caribbean: 12-month variations in the tradable and non-tradable components of the consumer price index, January 2019–October 2022
(Percentages)

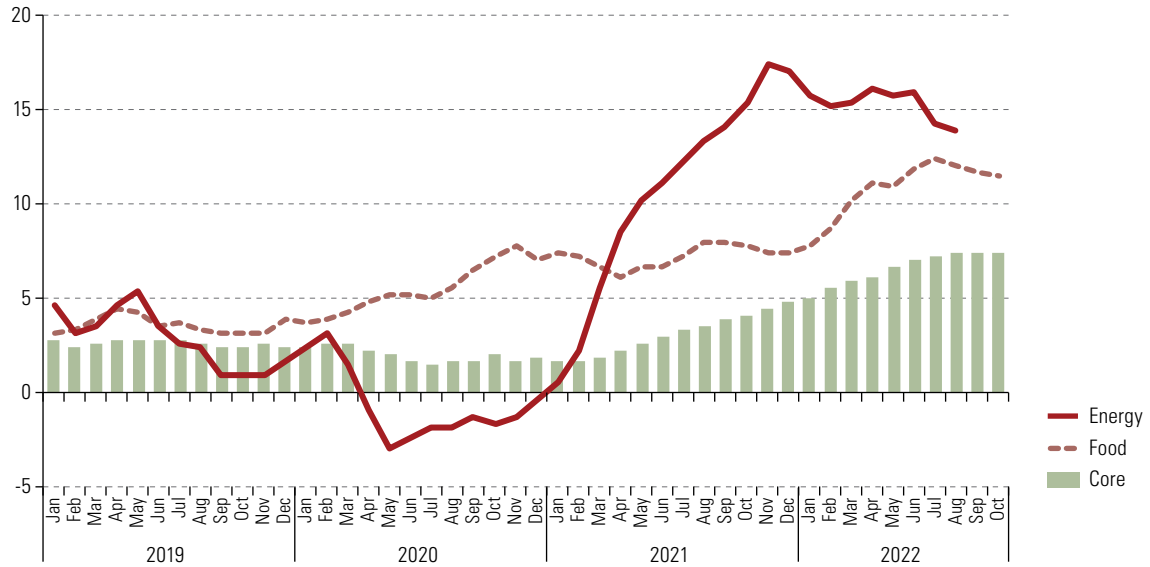


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Regional averages weighted by population size, excluding data from economies with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname).

Another feature shown in figure V.3 is the how different the trends of these variables were over the course of 2022. While both CPI components increased in the first half of the year and tended to decline in the second half, the strength of these movements was very different. Tradable goods inflation increased by more than non-tradable goods inflation in the first half of the year, while the latter has fallen more sharply in the second half. Tradable goods inflation increased by 4.0 percentage points in the first half, from a rate of 6.7% in December 2021 to a rate of 10.7% in June 2022. Non-tradables inflation increased by 0.7 percentage points, from 6.3% in December 2021 to 7.0% in June 2022. Between July and October 2022, non-tradables inflation declined by 1.2 percentage points, from 6.0% in July to 4.8% in October, while tradables inflation declined by 0.7 percentage points.

Breaking down the trend in CPI into food inflation, energy inflation and core inflation —which excludes the more volatile components of CPI— shows that both energy and food inflation have been well above the headline index, albeit with different patterns. Food inflation has been rising since late 2018, but the pace of increase has tended to intensify since the second half of 2020. In the case of energy, this upward movement began in March 2021. The food inflation rate was 11.6% at the end of October 2022, an increase of 4.2 percentage points from December 2021 and 6.4 percentage points from May 2020. Food inflation in July 2022 was 12.5%, the highest value since the global financial crisis. Energy inflation has also tended to be higher than headline inflation, as shown in figure V.4. It peaked in November 2021 at 17.6% and has since tended downward, declining by 3.2 percentage points.

Figure V.4
Latin America and the Caribbean: 12-month variations in the food, energy and core components of the consumer price index, January 2019–October 2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Regional averages weighted by population size, excluding data from economies with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname). The energy price index is estimated on the basis of information from 10 countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Peru, Bolivia (Plurinational State of) and Uruguay.

With regard to core inflation, the rate in October 2022 was 7.4%, an increase of 2.6 percentage points over December 2021 and 5.3 percentage points over May 2020. The values for core inflation in August and September 2022 were the highest for this variable since 2005, topping by 2.5 percentage points the level reached in November 2008 (4.8%) in the context of the global financial crisis.

Although inflation fell in the second half of 2022, it is expected to remain above pre-pandemic levels in 2023

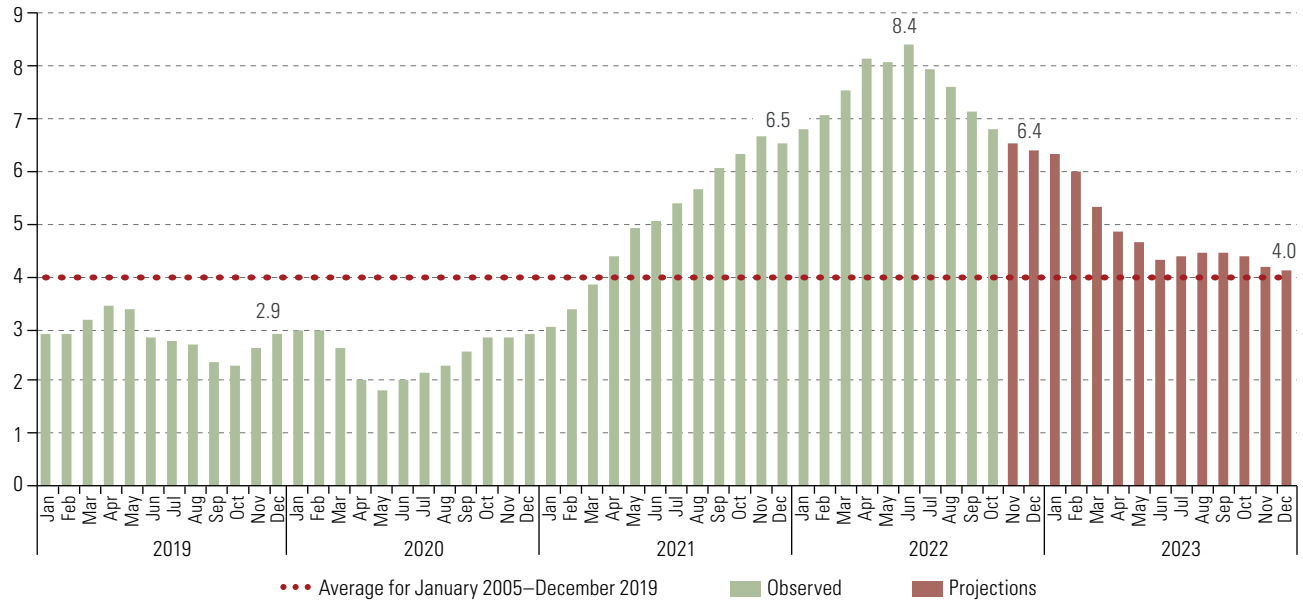
The future trends in inflation in the region will be intricately linked to what happens to global inflation, since their determinants are very similar. As mentioned in the discussion of the international context (see chapter I), lower commodity prices, especially energy and food prices, are expected for 2023, as is a lessening of stresses in global supply chains. Estimates thus suggest that global inflation should ease in 2023.

Moreover, the actions taken by central banks and their impact on global and regional aggregate demand should also mean lower inflation in the future, consistent with the decline in inflation rates during the second half of 2022 (see figure V.5).

In the region, demand factors that may have played a role in 2020 or 2021 do not look set to be key drivers of the future pattern of inflation, given the ongoing downward revisions to GDP and aggregate demand estimates for 2023.

Figure V.5 also shows inflation remaining higher in 2023 than before the pandemic, despite the projected decline. In addition, several central banks in the region have indicated that they expect inflation to return to their monetary programme target ranges in mid-2024.

Figure V.5
Latin America and the Caribbean: 12-month variations in the consumer price index, January 2019–October 2022, and projections, November 2022–December 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and Latin American Consensus Forecast, November 2022.
Note: Regional and subregional averages weighted by population size, excluding data from economies with chronic inflation (Argentina, Venezuela (Bolivarian Republic of), Cuba, Haiti and Suriname).

However, inflation could move at a different pace, or even in a different direction, if the problems with global and regional supply bottlenecks persist; if fresh changes in the geopolitical environment again disrupt energy and food prices; or if interest rates are raised further by developed country central banks, especially the United States Federal Reserve, which would undoubtedly lead to greater exchange-rate volatility in the region's economies.

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CHAPTER VI

Employment and wages

VI

The main employment indicators of the economies of Latin America and the Caribbean began to recover in the first half of 2022

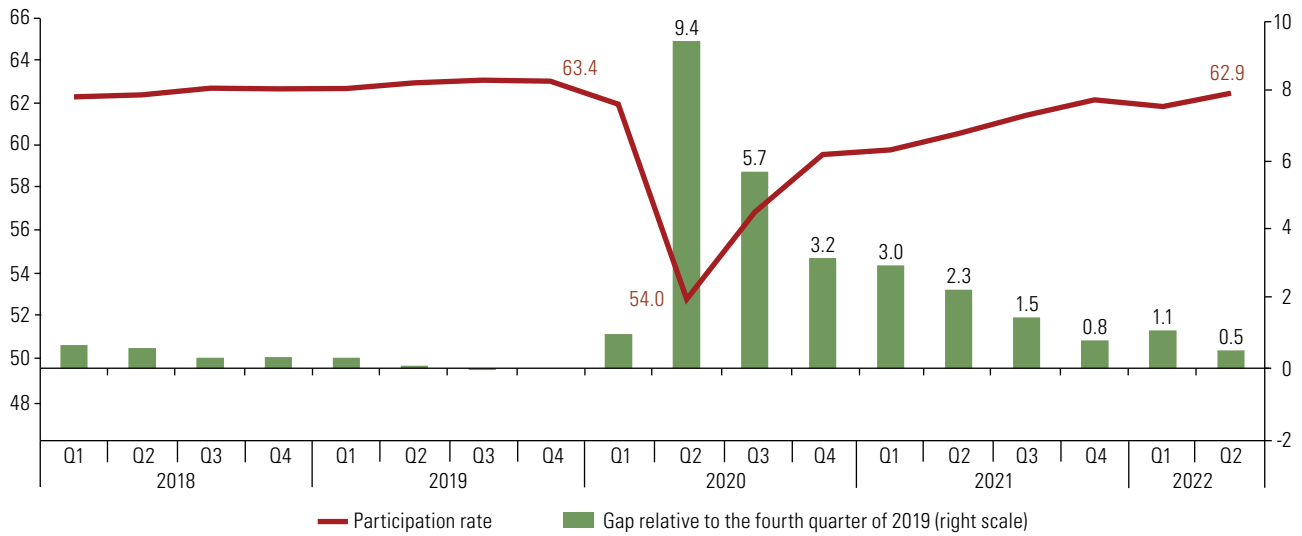
The region's labour markets, severely affected by the COVID-19 pandemic, saw historic declines in employment and participation along with equally historic increases in unemployment rates. The easing of health measures adopted to address the pandemic and the subsequent reopening of economies in 2021 set labour markets on the path to recovery, which, as noted, has been uneven, slow and, until very recently, only partial (ECLAC, 2021 and 2022; ECLAC/ILO, 2021 and 2022). The recovery of labour markets has continued in 2022 and, two years after the pandemic outbreak variables such as employment and unemployment rates have returned to pre-crisis levels, while others, including participation rates, are yet to recover entirely from the massive pandemic-induced shock.

The improvement of certain key labour indicators no doubt reflects a combination of effects related to the easing of all pandemic-related health measures and lockdowns as well as renewed labour demand in sectors that were badly affected during the crisis and have managed to recover. Likewise, factors such as higher inflation and subsequently depressed wages, a decline in support programmes for households due to more limited fiscal resources and high levels of household debt in a context of rising interest rates may have spurred a willingness and need among working-age people to enter the labour market.

Participation rates continued to recover in the first half of 2022 but remain below pre-crisis levels

Among the most notable changes caused by the pandemic is a decline in labour participation rates. Figure VI.1 shows that in the second quarter of 2020, the total participation rate was 9.4 percentage points below that of the fourth quarter of 2019, meaning that the workforce shrunk by more than 14% during the fourth quarter of 2019.

Figure VI.1
Latin America and the Caribbean (14 countries):[a] total participation rate and gap relative to the fourth quarter of 2019, first quarter of 2018–second quarter of 2022
(Percentages)



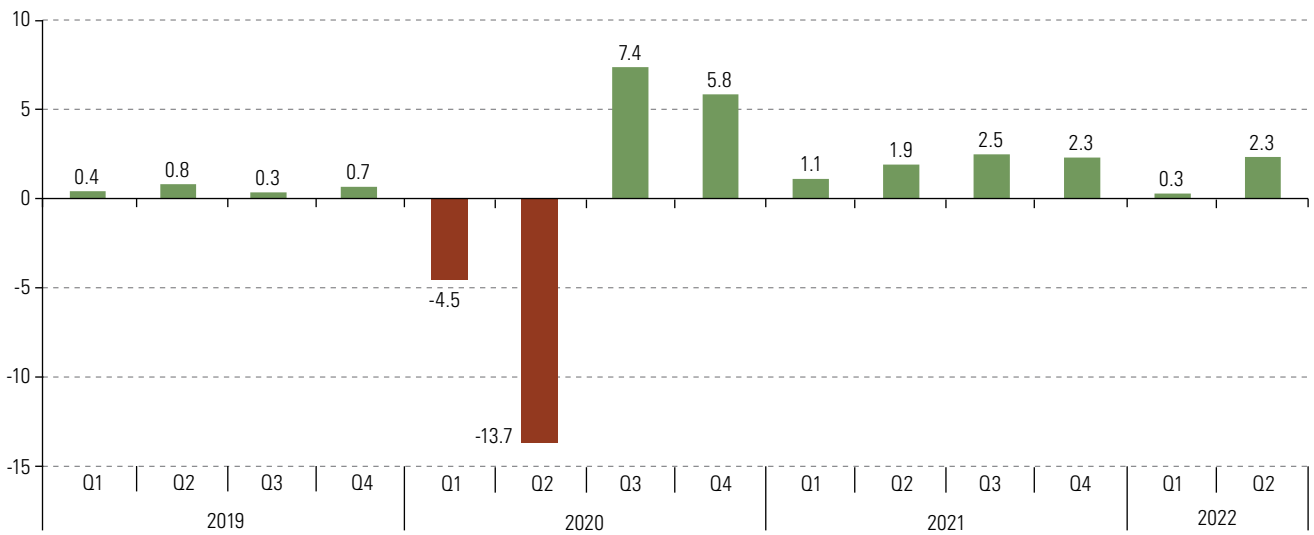
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

Participation levels improved in 2021 relative to 2020 and the average participation rate increased throughout the year. At the close of the fourth quarter of 2021, the average regional participation rate stood at 62.6%. Although it increased, the participation rate was still 0.8 percentage points lower than pre-crisis levels. The recovery of the participation rate continued in the first half of 2022, reaching 62.9% by the second quarter. Despite this two-year rally, the participation rate in the second quarter of 2022 stood 0.5 percentage points lower than the 63.4% observed in the fourth quarter of 2019.

Growth in the number of employed in Latin American and Caribbean economies picked up again in 2022

As with labour participation, the number of people employed in the region recorded an unprecedented contraction in the second quarter of 2020, down 13.7% from the fourth quarter of 2019. As economies reopened and production processes stabilized, employment levels climbed in the region, with very significant quarter-on-quarter increases in the third and fourth quarters of 2020 and more moderate growth in 2021 (see figure VI.2). By the fourth quarter of 2021, after six quarters of growth, employment in the region returned to pre-crisis levels.

Figure VI.2
Latin America and the Caribbean (14 countries):[a] quarter-on-quarter growth rates in the number of employed persons, first quarter of 2019–second quarter of 2022
(Percentages)



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

While the number of people in employment continued to grow in the first half of 2022, the pace slowed significantly in the first quarter of the year (0.3% down from the fourth quarter of 2021) before accelerating in the second quarter (to 2.3%).

The recovery in employment is reflected in increased employment rates

Figure VI.3 shows trends in employment rates, or the proportion of working-age people who are employed. This indicator has also grown steadily following the contraction recorded in the second quarter of 2020. Following average quarter-on-quarter increases of 0.9 and 0.5 percentage points in 2021 and 2022 respectively, the employment rate fell 0.4 percentage points, from 57.6% in the fourth quarter of 2021 to 57.2% in the first quarter of 2022. The increase in the number of people employed during the second quarter of 2022 pushed the employment rate up 1.3 percentage points to 58.5%, a level comparable to those recorded prior to the pandemic.

Figure VI.3
Latin America and the Caribbean (14 countries):[a] total employment rate, first quarter of 2019–second quarter of 2022
(Percentages)

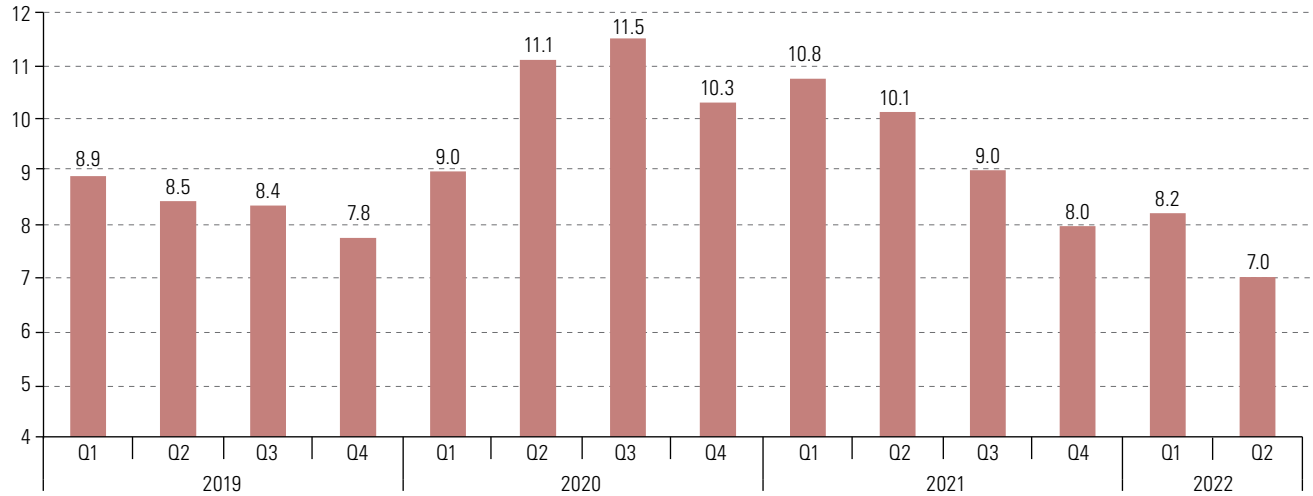
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

Amid the recovery in employment, unemployment rates fell to 7.0% by the end of the second quarter of 2022

The increase in the number of employed and a renewed capacity to absorb people entering the labour market pushed down the unemployment rate, which peaked in the third quarter of 2020 at 11.5%.[1] Unemployment fell on average by 0.6 percentage points quarter-on-quarter in 2021, with the largest drop —1.1 percentage points— recorded in the third quarter. In the first half of 2022, the unemployment rate rose to 8.2% in the first quarter, up from 8% at the end of the fourth quarter of 2021. It then fell 1.2 percentage points in the second quarter to 7% (see figure VI.4).

[1] As emphasized in the *Economic Survey of Latin America and the Caribbean, 2020*, the sharp fall in participation rates at the height of the pandemic in 2020 skewed unemployment rates, which were low in the second and third quarters of 2020. Because participation rates fell the most in the second quarter, downward bias was also greater during that period.

Figure VI.4
Latin America and the Caribbean (14 countries):[a] total unemployment rate, first quarter of 2019–second quarter of 2022
(Percentages)

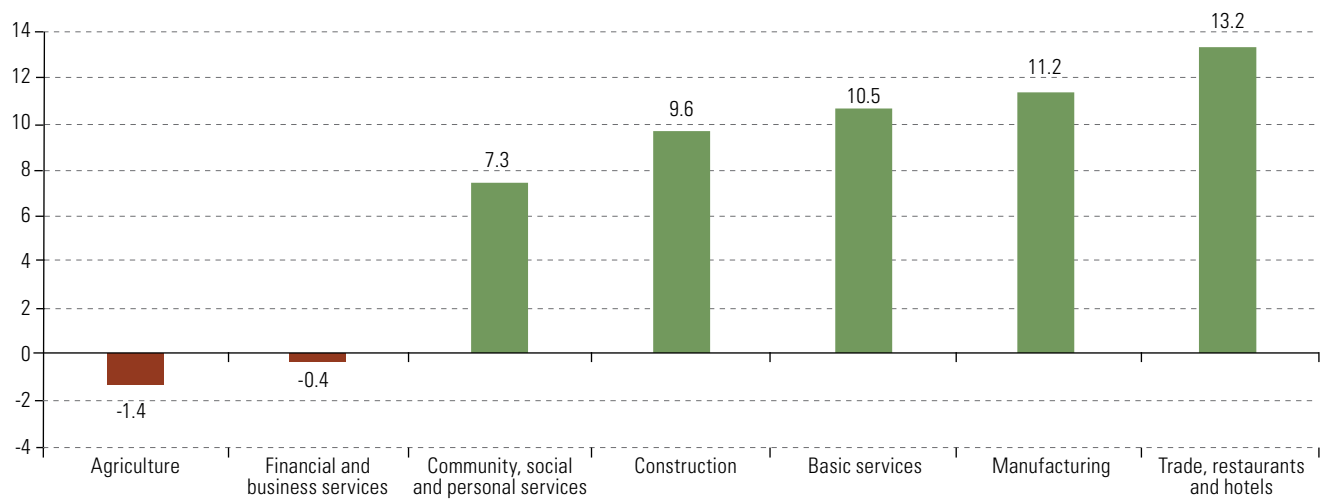


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

In the first half of 2022, the employment recovery was reflected in increased employment activity in most sectors

The growth in the number of employed persons in 2022 has been reflected in significant year-on-year increases in employment figures in various sectors of economic activity. These year-on-year increases were double-digit in sectors such as trade, restaurants and hotels (13.2%) as well as manufacturing (11.2%), though the recovery of the latter has been less buoyant (see figure VI.5).

Figure VI.5
Latin America and the Caribbean (11 countries):[a] year-on-year changes in employment by sector of activity, second quarter of 2022
(Percentages)



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

Over half of the jobs created in the second quarter of 2022 were in the trade, restaurants and hotels, and community, social and personal services sectors. The manufacturing sector generated 17.4% of all new employment.

The largest relative increase in the first half of 2022 was in the domestic service category

A breakdown of the recovery in employment by occupational category positions domestic work as the fastest growing category in the second quarter of 2022, up 16.7% from the year-earlier period (see figure VI.6). This category registered the largest contraction during the pandemic, falling 30.5% between the second quarter of 2019 and the same period in 2020. It has also been one of the slowest to rebound, with year-on-year growth only observed as of the second quarter of 2021. Two years after the pandemic began, employment in domestic work has yet to return to pre-crisis levels.

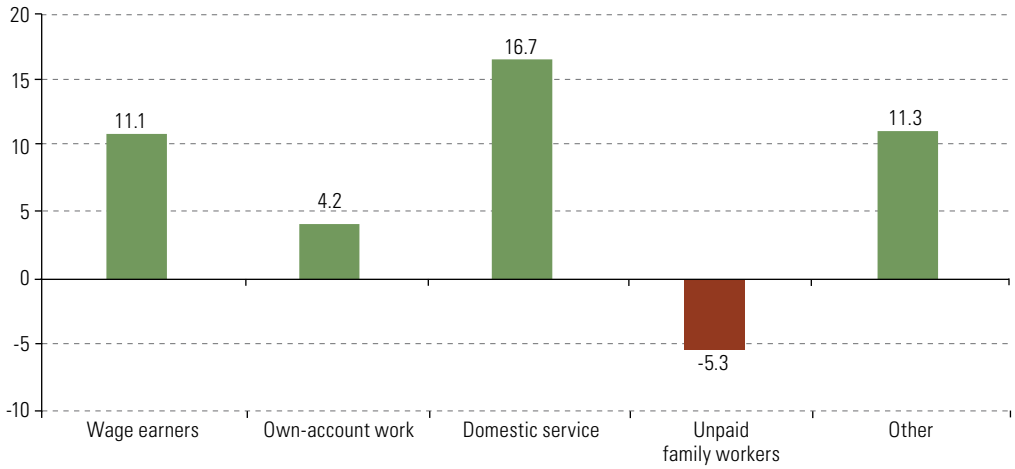


Figure VI.6
Latin America and the Caribbean (11 countries):[a] year-on-year changes in employment by occupational category, second quarter of 2022
(Percentages)

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

The wage earner category is another that has recovered significantly, registering average year-on-year growth of 10.8% in the first half of 2022, with 11.1% in the second quarter and 10.5% in the first. On average, own-account work grew 5.4% in the first half of 2022, at rates of 6.6% and 4.2% in the first and second quarters, respectively. Contrary to domestic and wage-earning work, the annual growth rate of own-account work has slowed since the second quarter of 2021, making it the first of the three categories to return to pre-crisis levels.

Informal employment is on the rise, driven by normalization of economic activity in the region

A notable feature of the pandemic was the decline of informal employment due to the severe mobility restrictions imposed to counter the pandemic. As figure VI.7 shows, this meant that the proportion of people working in the informal sector fell to 46.7% in the first half of 2022, down 2.5 percentage points from the first half of 2019. The reopening of economies in 2021 prompted an uptick in the number of informal workers and the labour informality rate rose to 48.5%, up 1.8 percentage points from the first half of 2020. The informality rate increased a further 0.3 percentage points in the first half of 2022 to 48.8%, albeit remaining below pre-crisis levels(see figure VI.7).

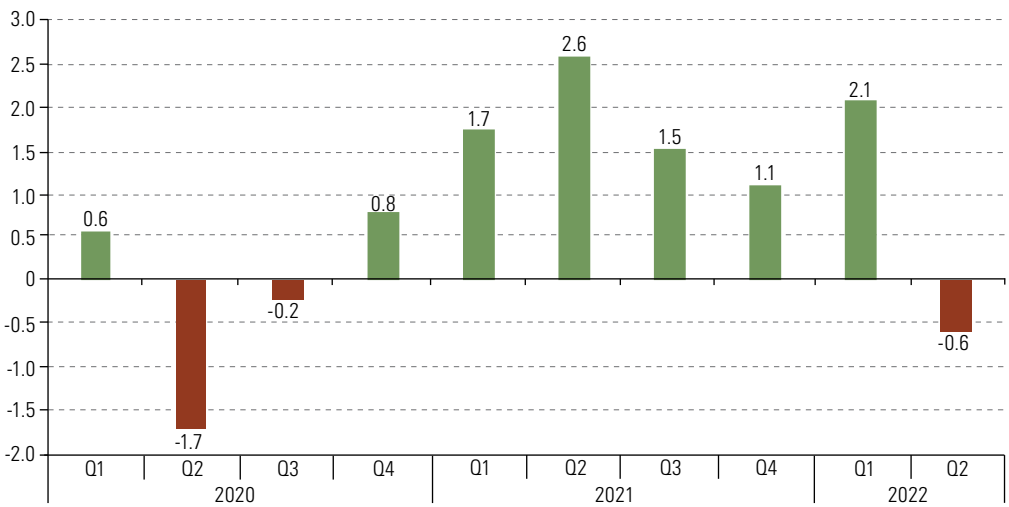
Figure VI.7
Latin America and the Caribbean (11 countries):[a] year-on-year changes in informal employment rates, first quarter of 2020, 2021 and 2022
(Percentage points)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Uruguay.

Accelerated inflation pushed down average real wages in the second quarter of 2022

After growing for six consecutive quarters, average real wages in the region fell in the second quarter of 2022 (the median rate of change for this variable is -0.6% in the countries that reported this figure). Trends in the second quarter of 2022 were nothing like those observed in 2021, when real wages grew 1.7% on average and the 2.1% in the first quarter of 2022 (see figure VI.8).

Figure VI.8
Latin America and the Caribbean (14 countries):[a] regional year-on-year changes in real average wages, first quarter of 2020–second quarter of 2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

Gender gaps in key employment indicators have tended to narrow but there are greater asymmetries than before the crisis

While the main labour market indicators in the region's economies have recovered, this improvement has been uneven between men and women. Unemployment rates dropped from their pandemic peaks, but more so for men, and the unemployment gap —the female unemployment rate relative to the male unemployment rate— has widened (see figure VI.9).

Figure VI.9
Latin America and the Caribbean (14 countries):[a] unemployment rates and gender gaps, first quarter of 2019–second quarter of 2022
(Percentages and percentage points)

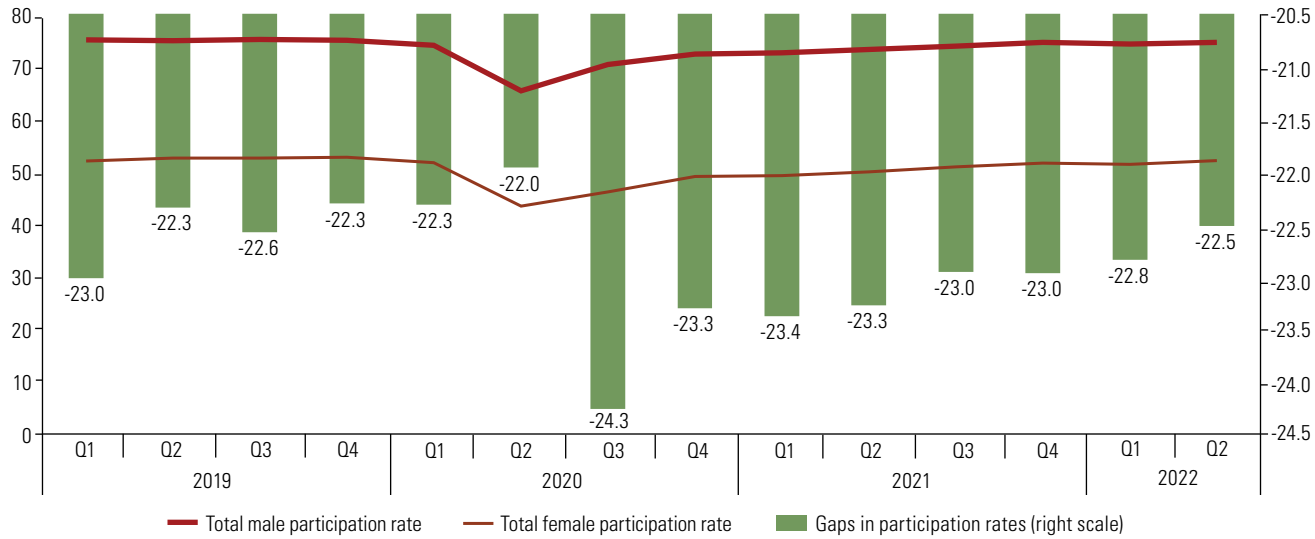
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

Analysis of trends in gender gaps recorded in the fourth quarter of 2019, when female unemployment stood at 9.2% (2.5 percentage points higher than the male rate, which was 6.7%), shows that the pandemic drove up unemployment rates considerably. In the second quarter of 2020, the female unemployment rate rose to 12.1%, while the male unemployment rate stood at 10.4%, reflecting a narrowing of the gender gap in this indicator. In that quarter, male unemployment was 3.7 percentage points higher than in the fourth quarter of 2019, and female unemployment was up 2.9 percentage points.

As the region's economies opened up, the gap widened with the male unemployment rate falling faster than the female rate. By end-2021, the unemployment gender gap stood at 3.0 percentage points, with 9.7% of women and 6.7% of men unemployed. In the second quarter of 2022, the gap narrowed to 2.6 percentage points, with 8.5% of women out of work and 5.9% of men. Despite this decrease, the gap remains wider than it was prior to the pandemic. Unemployment rates for both men and women are the lowest they have been since the fourth quarter of 2019.

Women were also more affected than men by the impact of the pandemic on another variable: participation. As seen above, participation has globally improved, but as is the case with employment, the recovery has been uneven. Here too, movement restrictions adopted during the pandemic significantly reduced male and female participation rates, but relative changes indicate that the gender gap narrowed in the second quarter of 2020, when women's labour force participation rate was 22 percentage points lower than men's (65.4% for men and 43.4% for women) (see figure VI.10).

Figure VI.10
Latin America and the Caribbean (14 countries):[a] participation rates by gender and gaps between men and women, first quarter of 2019–second quarter of 2022
(Percentages and percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

The revival of economic activity in the region, the reopening of schools, and the waning health crisis have pushed up participation rates, but again, the pace of recovery differs between men and women. In the fourth quarter of 2021, the female participation rate (51.6%) was 23 percentage points lower than the male rate (74.6%), while in the second quarter of 2022, 22.5 percentage points separated the two (74.6% and 52.1% respectively). In the second quarter of 2022, the male participation rate exceeded pre-pandemic levels, whereas female participation levels have not yet recovered.

Labour market outlook

Labour market outcomes in the region will depend heavily on GDP performance and inflation. The impact of a very difficult economic context, characterized by a slowdown in global economic activity, growing inflationary pressure, more volatile exchange rates and less room for expansionary policies, suggests a further slowdown in GDP. The better-than-expected performance in the first half of 2022 drove down the regional unemployment rate significantly. Nevertheless, the slowdown which began in the second half of 2022 and will continue in 2023 raises doubts as to the likelihood of ongoing improvements in employment indicators.

Moreover, sectors like construction and manufacturing could be severely affected by the interest rate hikes of central banks in the region to cope with higher inflation and exchange rate volatility, all the more so in a context of elevated household and corporate debt in certain Latin American and Caribbean countries. This type of scenario opens the door to higher levels of unemployment and informal work, together with an even larger drop in average wages.

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CHAPTER VII

Fiscal policy

VII

A. Fiscal policy

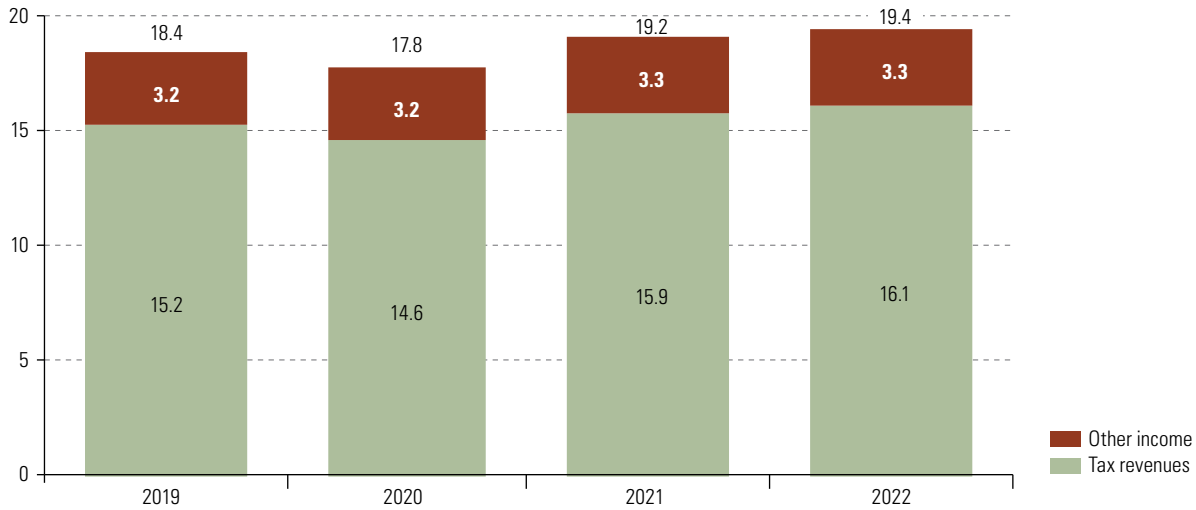
Public revenues have shown a stronger performance than expected, driven by tax collection

Despite the complex macroeconomic context in the region, public revenues in Latin America have continued to rise in 2022, after reaching an all-time high in 2021. Total revenues are expected to come to 19.4% of GDP, compared to 19.2% in 2021 (see figure VII.1). The strong performance of total revenues reflects the performance of tax income, and the forecast is based chiefly on high rates of growth in tax collection —at constant prices— in the first half of the year, compared to the prior-year period. Tax revenues were driven by the recovery in economic activity —although the rate of growth came down—, the rise in imports and the good performance of revenues from income tax. However, a steep slowdown began in the third quarter, in line with economic activity during the second half of the year and the progressive impact of the tax relief measures adopted to counteract inflation and protect household purchasing power. Revenue from other sources (non-tax, capital and foreign grants) will remain stable on average, although there are large differences between countries in this respect.

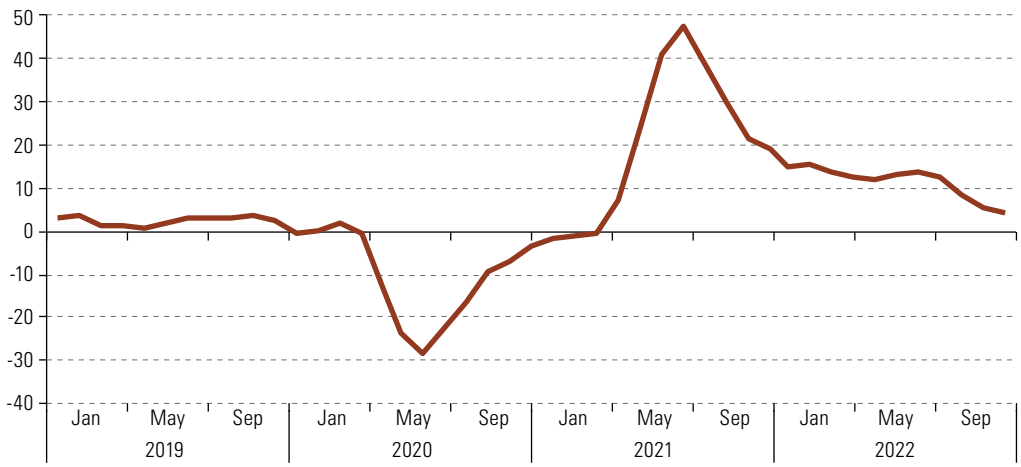
Income tax collection has been the main driver of tax revenues in the first nine months of the year (see figure VII.2). This category posted high rates of growth in most of the countries, varying between 15% and over 20%. It is interesting to note that income tax collection revenues not only showed strong growth over the previous year, but also stood well above the levels posted in the same period of 2019, before the pandemic. The rise in 2022 chiefly reflected the results of the annual declaration for fiscal year 2021. In countries such as Brazil, Chile and Peru, this trend owed much to the rise in earnings of oil and mining companies in 2021 (Federal Treasury of Brazil, 2022; DIPRES, 2022; SUNAT, 2022a). This factor was especially important in Peru, where the income tax exercise yielded a historic take, driven largely by the mining sector, whose tax payments were up by 157.3% and represented 43% of the total take (SUNAT, 2022b). Payments in instalments for the current fiscal year also rose significantly in several countries, where these are calculated based on the income tax paid in fiscal year 2021.

Figure VII.1
Latin America (16 countries):[a] central government revenues, 2019–2022
(Percentages)

A. Total revenues by component
(Percentages of GDP)



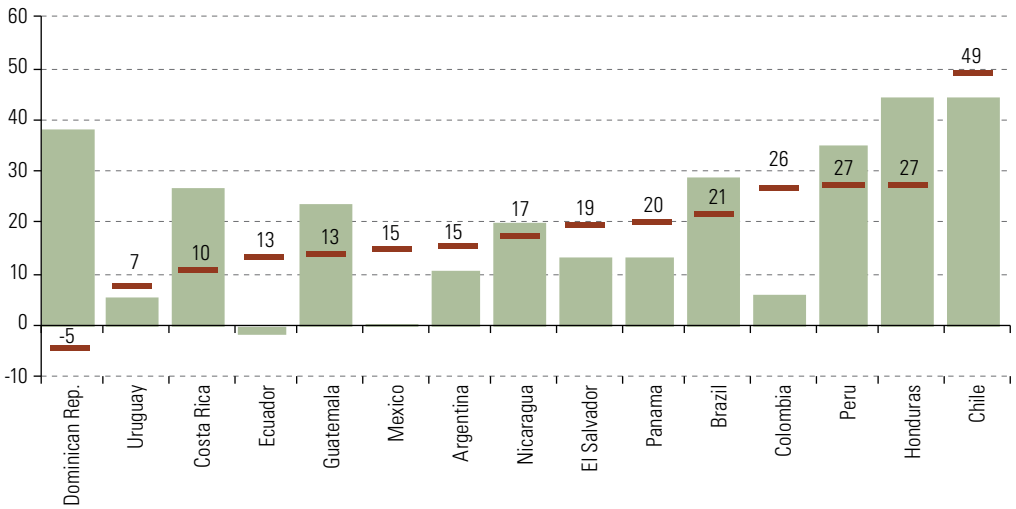
B. Year-on-year variation in the 3-month moving average of tax collection, excluding social contributions, at constant prices
(Percentages)



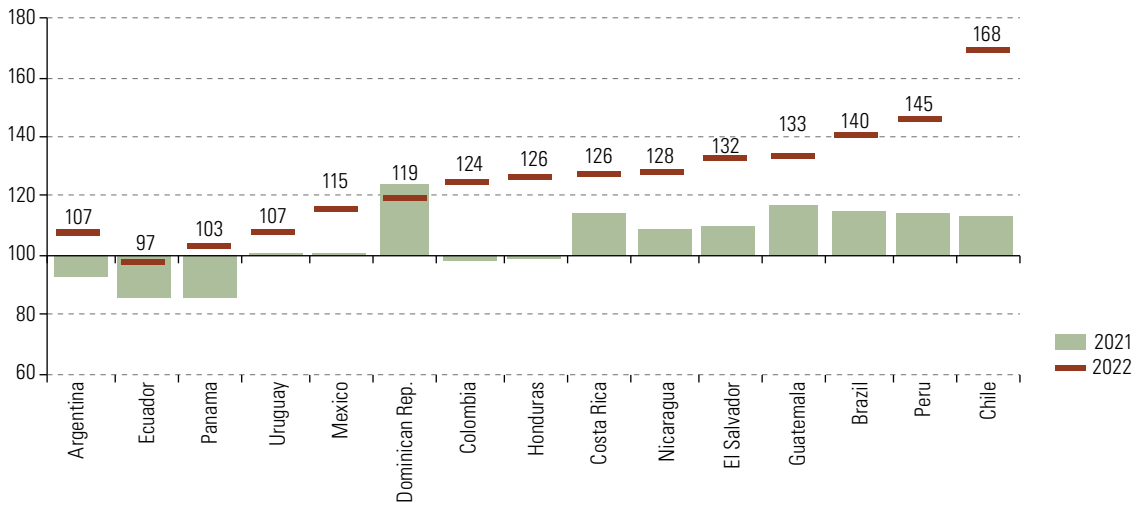
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The individual figures may not sum to the total owing to rounding. The figures for 2022 are projections and correspond to official estimates or modified budgets. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

Figure VII.2
Latin America (15 countries): income tax collection by the central government, January–September 2021 and 2022
(Percentages and index)

A. Year-on-year variation at constant prices
(Percentages)



B. Level of collection
(Index: 100=January–September 2019, at constant prices)

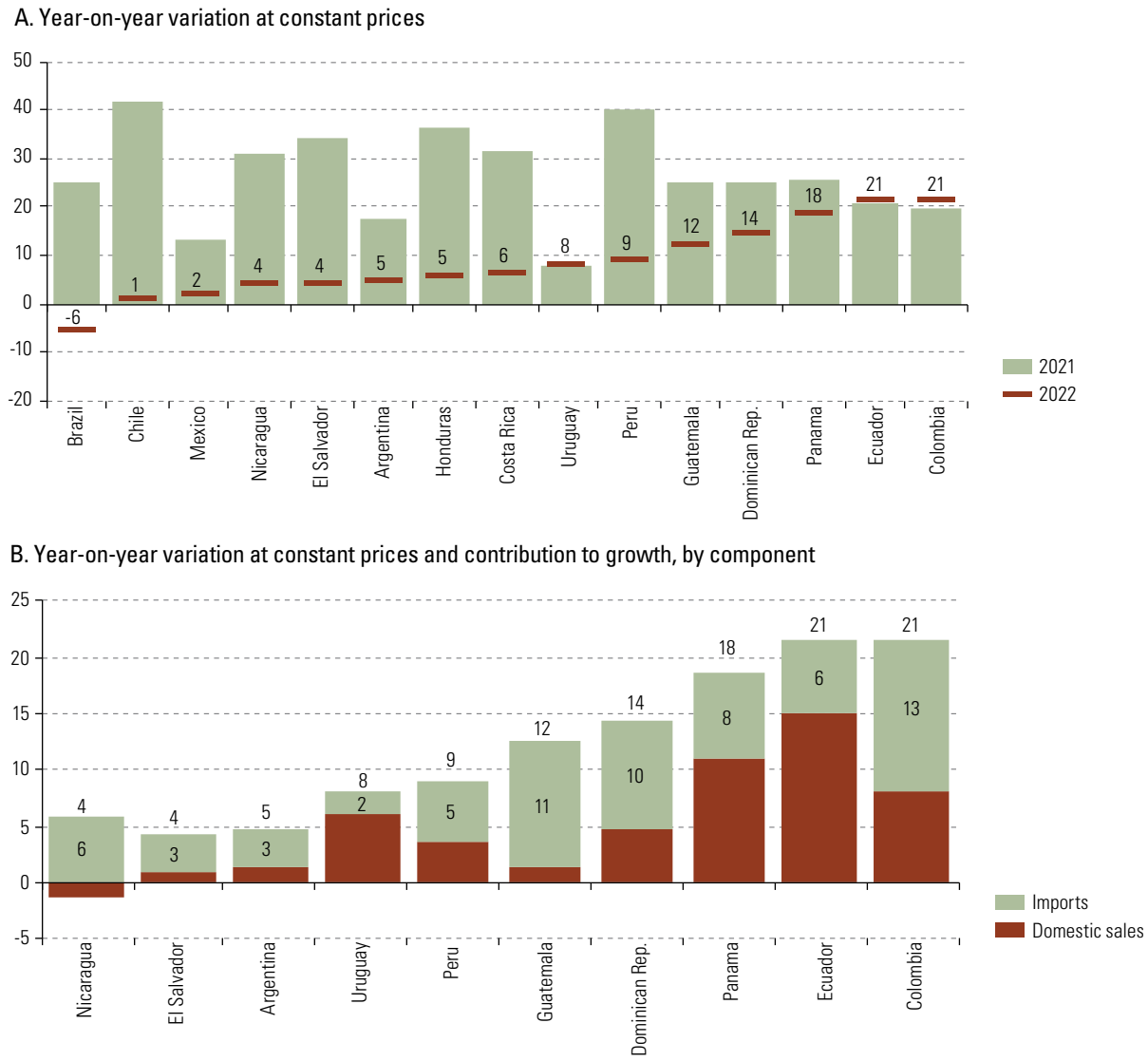


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.

Meanwhile, the collection of goods and services consumption taxes was less dynamic in the first nine months of the year. There was a sharp slowdown —in constant prices— in the take from value added tax (VAT) in several countries (see figure VII.3). This reflected several factors, including the high basis for comparison of the year-earlier period, the slowdown in private consumption and the application of tax relief measures aimed at offsetting the rise in inflation to protect household purchasing power. This last factor also heavily influenced the collection of excise taxes on fuels, which contracted strongly in several countries, notably in Argentina (-27.2% in the first nine months of the year), Honduras (-29.0%) and Peru (-30.5%). Although the fiscal cost of those tax

relief measures is hard to measure, in Peru it is estimated that revenue forgone through waivers of fuel excise tax and of VAT on items from the basic food basket between April and July was equivalent to 0.1% of GDP (Ministry of Economy and Finance of Peru, 2022a). These factors undermining the collection of VAT were offset in part by the takings from the tax on imports, which contributed over half of the growth in VAT in several countries.

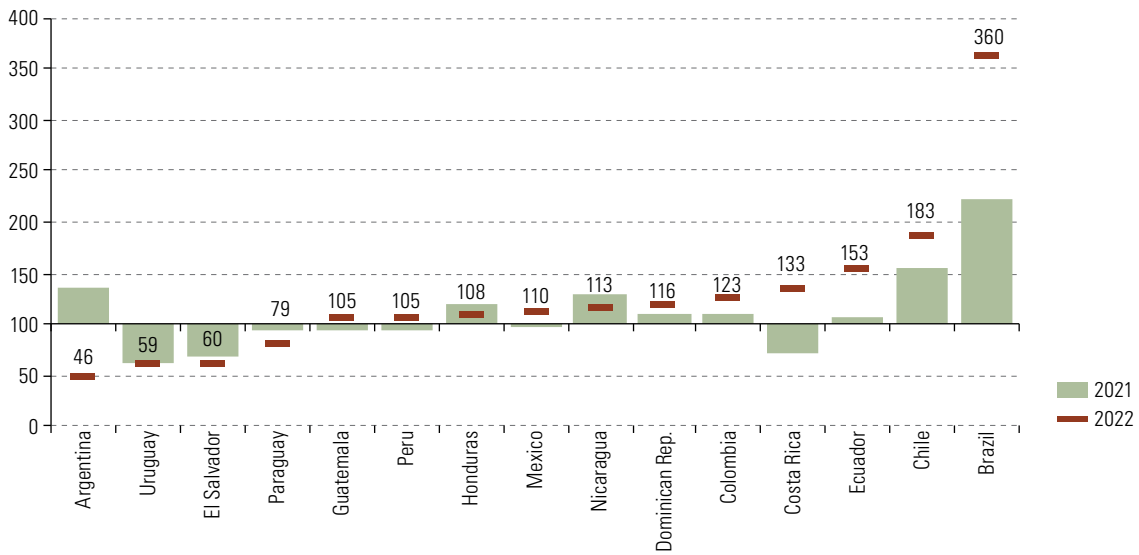
Figure VII.3
Latin America (15 countries): central government collection of value added tax, January–September 2021 and 2022
(Percentages)



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

Although income from other sources is expected to remain stable in 2022, up to September the situation was very uneven from one country to another (see figure VII.4). In several, revenues from the extractive sector were noteworthy. The rise posted in Brazil reflected signing bonuses from the second round of bidding for the transfer of rights auction in February, higher non-tax revenues from petroleum extraction given higher international oil prices and production, and dividends remitted to the central government by Petrobras (0.3% of GDP) (Federal Treasury of Brazil, 2022). Meanwhile, in Chile there were strong capital revenues from the State share in lithium sales, as set out in the contracts with the firms Sociedad Química y Minera de Chile (SQM) and Albemarle (DIPRES, 2022). Colombia saw substantial dividends remitted to the central government by Ecopetrol, amounting to 0.7% of GDP in the first half-year, compared to 0.1% in the prior-year period (Ministry of Finance and Public Credit of Colombia, 2022). In Ecuador, income from oil exports rose significantly on the back of higher prices in the international market. Conversely, income from other sources declined significantly in Argentina, where revenues from central bank profits in 2021 were not received again in 2022. Notably, in 2022, the Governments of Chile and Colombia presented tax reform proposals aimed at expanding the collection base and making taxes more progressive (see box VII.1).

Figure VII.4
Latin America (14 countries): central government revenues from other sources, January–September 2021 and 2022
(Index: 100=2019, on the basis of constant prices)



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

Box VII.1
Tax reforms to afford sustainability to permanent social spending programmes

In July and August 2022, the Governments of Chile and Colombia presented tax reform projects aimed at increasing the tax base and improving progressivity and efficiency. In both countries, the proposals are viewed as a pillar for building a new social compact that fosters greater equity, with a view to closing a series of structural gaps in terms of income distribution and social protection.

Colombia's tax reform for equality and social justice, presented at the beginning of August 2022 by the incoming government, is structured around four pillar: (i) reduction of tax exemptions that distort the tax base of higher-income taxpayers; (ii) efficiency improvements in resource allocation, prioritizing stimuli in strategic sectors, in accordance with the government's plan; (iii) expansion of revenue sources through measures to mitigate environmental and health externalities; and (iv) measures to combat tax evasion and avoidance.

The proposal, which was adopted on 11 November 2022, underwent some adjustments, especially with respect to the new mechanism created to tax windfall income from oil and coal exploitation. The initial proposal established a 10% tax on the export of crude oil, coal and gold on the basis of a reference price that exceeded historical prices. After intense debates in Congress, it was finally decided to adopt an income tax surcharge for the extraction of oil and coal, based on a progressive scale linked to international prices. In the case of oil, the scale will range from 5% to 15%, and will be applied when the price exceeds the average price of the last 10 years by 30%. The same scale will be applied in the case of coal, but when the price exceeds the average price of the last 10 years by 45%. In addition, the initial proposal to prevent the deduction of royalties on these activities from tax bases was upheld.

The reform in Colombia also includes the creation of a single table of marginal rates for all types of personal income (work, capital, pensions, dividends or occasional earnings), while keeping each exemption and deduction regime separate. This is intended to align the taxation of income from work and capital income. The reform also reduces the global nominal ceilings of exempt income and deductions for people with monthly income of more than 13 million Colombian pesos (Col$), which will allow the effective tax rate to be raised from 1.4% of higher incomes. Complementing and reinforcing the taxation of higher-income taxpayers, the wealth tax that had been in force since 2019 was made permanent, with a scale of progressive marginal rates of between 0.5% and 1.5% for net wealth exceeding Col$ 3.0 billion (US$ 600,000).

With regard to corporate income, the Government of Colombia intends to undertake a review of preferential treatment in order to align effective rates between the economic sectors, which currently mainly benefit certain service activities (including financial services) and construction. However, the tax benefits enjoyed by the education, health and environmental protection sectors will be maintained, in line with the priorities defined in the government programme. Other notable measures are the reform of the carbon tax, in force since 2016, to broaden the related tax base, and the creation of new taxes on sugary drinks, ultra-processed foods with a high content of added sugars and single-use plastics.

The measures described, as well as others contained in the reform, should generate an estimated collection of Col$ 21.5 trillion in 2023 (equivalent to 1.5% of GDP), gradually reaching Col$ 24.4 trillion in 2026 (equivalent to 1.4% of GDP) (see table below). In the first year, most (52.5%) of the additional tax resources will come from the taxation of oil and coal exploitation, though this share should gradually decrease in line with medium-term forecasts for the prices of these commodities. Direct taxation of individuals and companies should increase steadily as the distortions created by the various exemption regimes are regularized. The remaining measures are focused mainly on strengthening the of National Taxes and Customs Department (DIAN) to combat tax avoidance and evasion.

Colombia: estimated collection impact of the tax reform for equality and social justice adopted in November 2022
(Percentage shares and percentages of GDP)

	2023	2024	2025	2026	2023	2024	2025	2026
	Percentage share				Percentage of GDP			
Individuals	13.3	16.2	16.9	17.0	0.2	0.2	0.2	0.2
Income	8.8	11.6	12.2	12.2	0.1	0.2	0.2	0.2
Wealth	4.5	4.6	4.8	4.8	0.1	0.1	0.1	0.1
Legal persons	14.0	17.4	18.4	21.2	0.2	0.3	0.3	0.3
Underground resources	52.5	39.1	28.5	25.1	0.8	0.6	0.4	0.3
Health	5.9	11.5	16.7	16.8	0.1	0.2	0.2	0.2
Environment	0.4	0.7	1.1	1.4	0.0	0.0	0.0	0.0
Other measures	13.9	15.0	18.4	18.5	0.2	0.2	0.3	0.3
Total	100	100	100	100	1.5	1.4	1.4	1.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data and International Monetary Fund (IMF), World Economic Outlook Database, October 2022 [online] https://www.imf.org/en/Publications/WEO/weo-database/2022/October.

Chile's tax reform proposal towards a fiscal compact for development and social justice presented by the government on 7 July 2022 seeks to broaden the tax collection base and make the tax system more progressive in order to strengthen the redistributive capacity of tax policy and finance major social protection and decentralization initiatives.

The grounds of the original proposal include, firstly, significant changes to income tax for people in the higher income brackets and stronger taxation of capital income. On the one hand, the reform would increase the marginal rates of income tax for those with monthly income exceeding 4.03 million Chilean pesos and create a dual system to replace the existing semi-integrated system, in order to separate the taxation of companies from that of its partners, and thereby differentiate the tax treatment of labour and capital income. The reform also introduces a capital gains tax equivalent to 22% of company dividends or withdrawals. Starting in 2024, equity earnings from stock market instruments will be taxed at the same 22% rate, compared with 10% today.

The government proposes to alleviate the tax burden on lower-income households, by making rental costs tax deductible, up to a maximum of 450,000 pesos per month, and to do away with the exemptions currently applied to the rental income of owners of "affordable housing" (Decree with Force of Law No. 2 (DFL-2)). Another notable measure is the creation of a substitute tax on retained profits, which is intended to encourage the withdrawal of these profits from firms. The tax has a preferential rate of 10% between 2023 and 2025, then will rise to 12% in 2026 and 2027.

One of the pillars of the reform proposal, with the aim of making the tax structure more progressive, is the introduction of a net personal wealth tax. The marginal tax rate will be up to 1% of net worth of over US$ 4.9 million, and 1.8% in the case of net worth over US$ 14.7 million. The government's intention is to review tax exemptions for investment funds and for some corporate tax items, and to establish new preferential treatment for care activities and for research and development (R&D).

Lastly, the heart of the reform in terms of its collection impact is the drive to combat evasion and avoidance through changes to various legal bodies, registration of final beneficiaries and anonymous reporting, among other measures. Together with heavy investment in institution-building of the tax oversight agencies, affording them new attributes and resources for pursuing their institutional goals, Chile aims to advance with a medium-term plan capable of translating these new tools into annual targets. These oversight actions will generate additional resources equivalent to 0.4% of GDP in the first year of implementation. The reform proposal estimates a net collection effect of 0.6% of GDP in 2023, rising to 3.3% of GDP in 2026 (see table below).

Chile: estimated collection impact of the tax reform proposal towards a fiscal compact for development and social justice announced in July 2022

(Percentage shares and percentages of GDP)

	2023	2024	2025	2026	2023	2024	2025	2026
	Percentage share				Percentage of GDP			
Income tax	35.3	32.2	34.3	33.7	0.2	0.6	0.9	1.2
Wealth tax	-	20.1	18.0	13.8	0.0	0.4	0.5	0.5
Reduction of waivers	-	5.3	2.7	6.5	0.0	0.1	0.1	0.2
Evasion and avoidance	64.7	42.3	44.9	46.0	0.4	0.8	1.2	1.6
Increase in collection	100	100	100	100	0.6	1.9	2.7	3.5
New tax benefits	-1.2	-1.9	-1.3	-5.5	0.0	0.0	0.0	-0.2
Net rise in collection	99	98	99	94	0.6	1.9	2.6	3.3

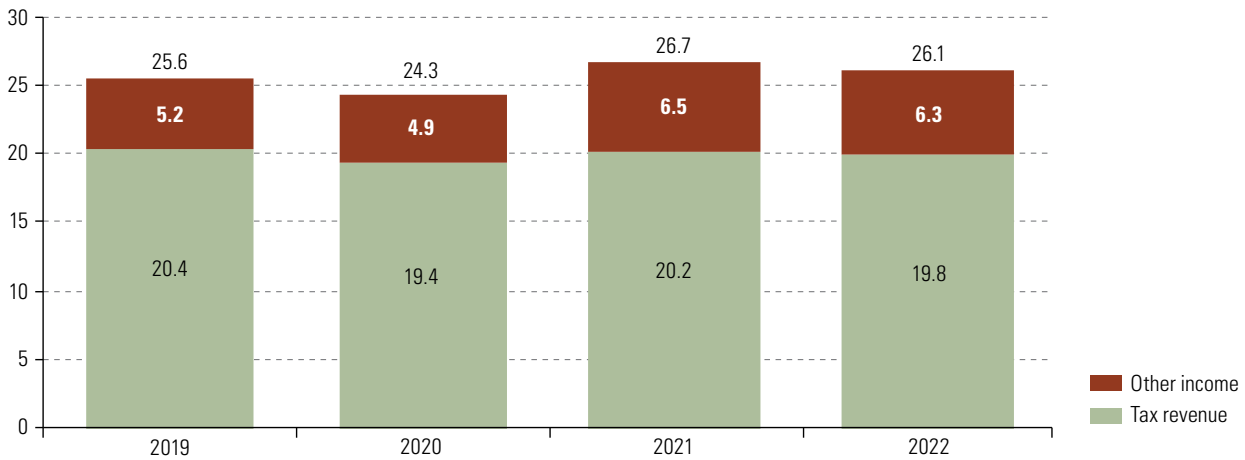
Source: Economic Commission for Latin America and the Caribbean, on the basis of Budget Directorate of Chile (DIPRES), "Proyecto de ley de reforma tributaria hacia un pacto fiscal por el desarrollo y la justicia social", *Informe Financiero*, Nº 100, 6 July 2022.

Source: Economic Commission for Latin America and the Caribbean, on the basis of official data.

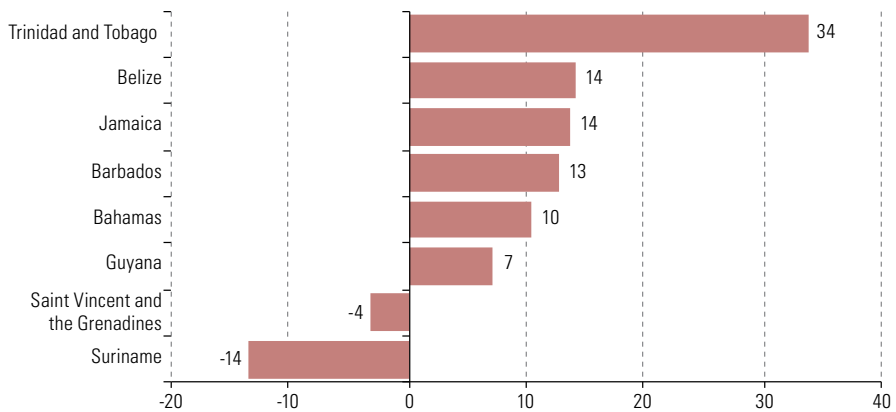
In the Caribbean, the average decline in total revenues expected in 2022 masks great differences between the countries. This is evident in the performance of tax revenues, which, on average, will decline in relation to output, but have nevertheless shown strong growth in several countries over the first nine months of the year (see figure VII.5). In these cases, income tax revenues have done much to drive tax collection. In Trinidad and Tobago, income tax collection expanded by 85% at constant prices in the first eight months of the year, boosted by the rise in payment of corporate income tax by oil companies (Ministry of Finance of Trinidad and Tobago, 2022). Similarly, there was a rise in payment of corporate income tax in Belize, which offset income forgone as a result of the measures adopted to stabilize fuel prices (Central Bank of Belize, 2022). Conversely, tax collection is expected to fall in 2022 in relation to output in Guyana —owing to the considerable real-term output growth in output of over 50%—, Saint Vincent and the Grenadines and Suriname. Revenues from other sources will also post a decline, although this is mainly due to the decrease anticipated in revenues from the citizenship-by-investment programme in Saint Kitts and Nevis.

Figure VII.5
The Caribbean (12 countries):[a] total central government revenues, by component, 2019–2022
(Percentages)

A. Total revenues, by component
(Percentages of GDP)



B. Year-on-year variation in tax revenues, excluding social contributions, January–September 2021 and 2022
(Percentages)



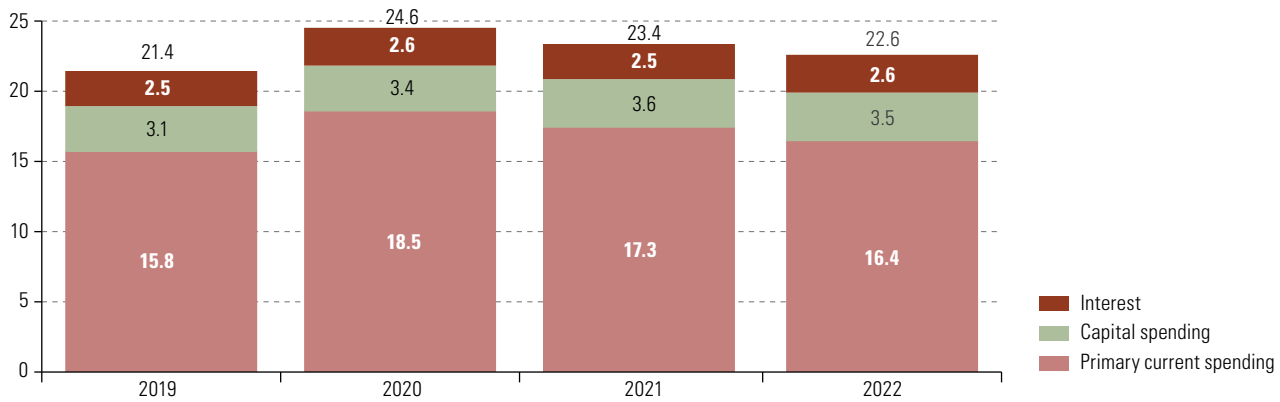
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The individual figures may not sum to the total owing to rounding. The figures for 2022 are projections and correspond to official estimates or modified budgets. In the cases of Barbados and Saint Kitts and Nevis, the figures refer to the non-financial public sector and the federal government, respectively.
[a] Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

Despite the pressures to respond to inflation, public spending growth is generally being contained

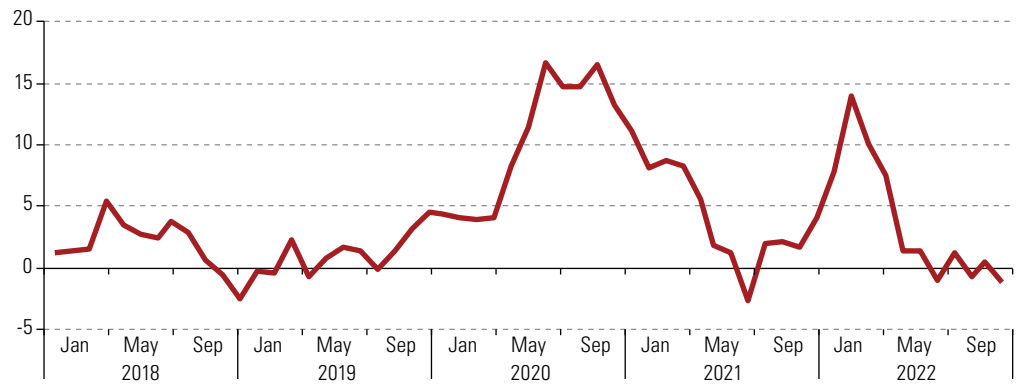
The stance on fiscal policy, and in particular on public spending, has been heavily impacted by the complex macrofinancial environment in the region in 2022. The countries had expressed their intention to continue reducing public spending relative to GDP in the budgets adopted at the end of 2021, with a view to closing fiscal gaps and ensuring public debt sustainability. However, they have come under increasing pressure in 2022 to take steps —via public spending— to soften the impact of rising inflation on purchasing power. This has translated into an increase in outlays on goods and services and a smaller-than-budgeted contraction in grants and current transfers. Estimates have been revised over the year in light of these pressures, but they nevertheless continue to point to a reduction in total spending in Latin America (see figure VII.6). These estimates appear to be borne out by the evolution of primary spending in the first nine months of the year. However, the deterioration in macroeconomic fundamentals could lead to cuts in other budget items not related to counter-inflationary policies. Key in this regard is capital expenditure, whose execution tends to be concentrated in the last quarter of the year and which has been the main variable of fiscal adjustment over the past decade.

Figure VII.6
Latin America (16 countries):[a] total central government spending, 2018–2022
(Percentages)

A. Total spending, by component, 2019–2022
(Percentages of GDP)



B. Year-on-year variation in the 3-month moving average of primary spending, at constant prices[b]
(Percentages)

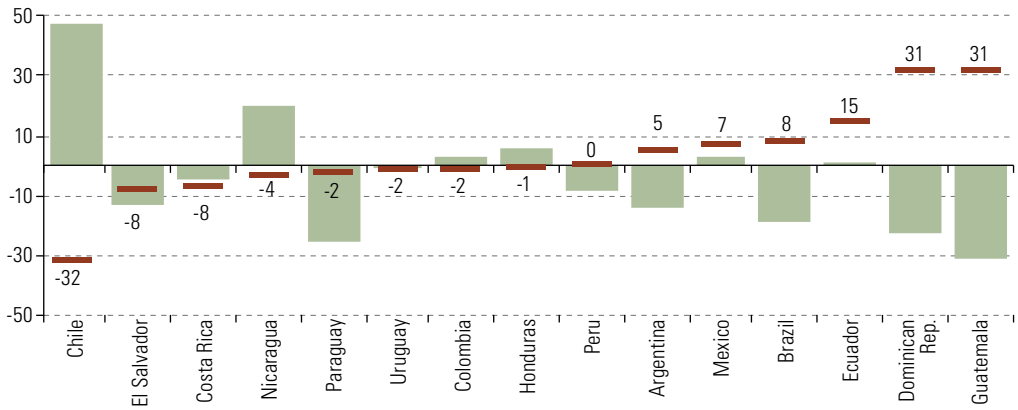


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The individual figures may not sum to the total owing to rounding. The figures for 2022 are projections and correspond to official estimates or modified budgets. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[b] Does not include Panama.

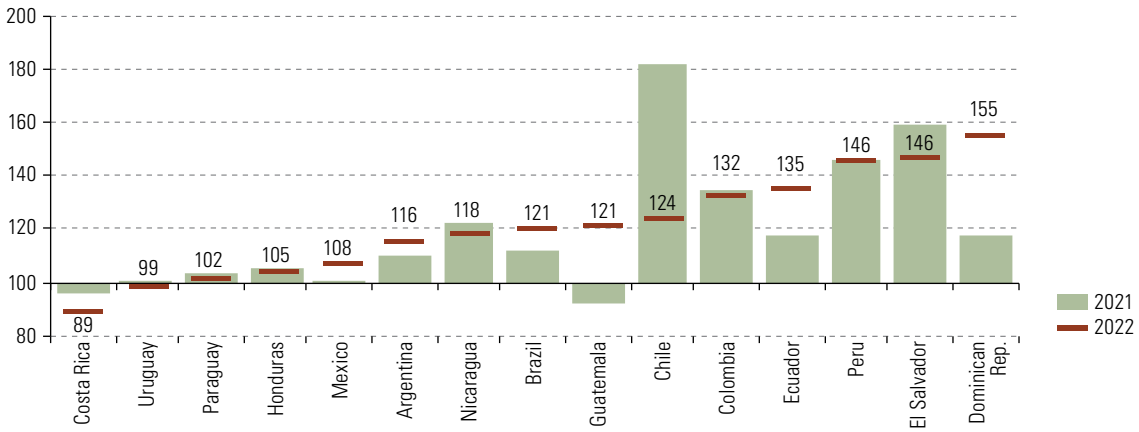
The decline in total spending projected for 2022 reflects the trend in primary current expenditure and, in particular, outlays on grants and current transfers. These outlays have contracted in several countries in the first nine months of the year (see figure VII.7). In some cases, this may be attributed to the gradual withdrawal of emergency measures adopted to deal with the COVID-19 pandemic. This is the case in Chile, for example, there several programmes that had been created or expanded in 2021, such as the universal emergency family income (IFE) (DIPRES, 2022) were terminated. However, this factor was mitigated in some countries by outlays on measures to counter inflation, such as food grants and mechanisms to stabilize fuel prices, which kept grants and transfers at a similar level to 2021. In Peru, transfers associated with COVID-19-related programmes are projected to amount to 0.2% of GDP in 2022, compared with 1.1% in 2021, and this figure will be offset in part by a one-time grant for economically vulnerable families, additional non-recurring payments under existing social programmes (such as *Juntos, Pensión 65* and *Contigo*) and the payment of liabilities under the fund for stabilization of oil-derived fuel prices (Ministry of Economy and Finance of Peru, 2022a and 2022b).

Figure VII.7
Latin America (15 countries): central government outlays on grants and current transfers, January 2021–September 2022
(Percentages and index)

A. Year-on-year variation at current prices, January–September 2021 and 2022
(Percentages)



B. Level of outlays, January–September 2021 and 2022
(Index: 100=January–September 2019, at constant prices)



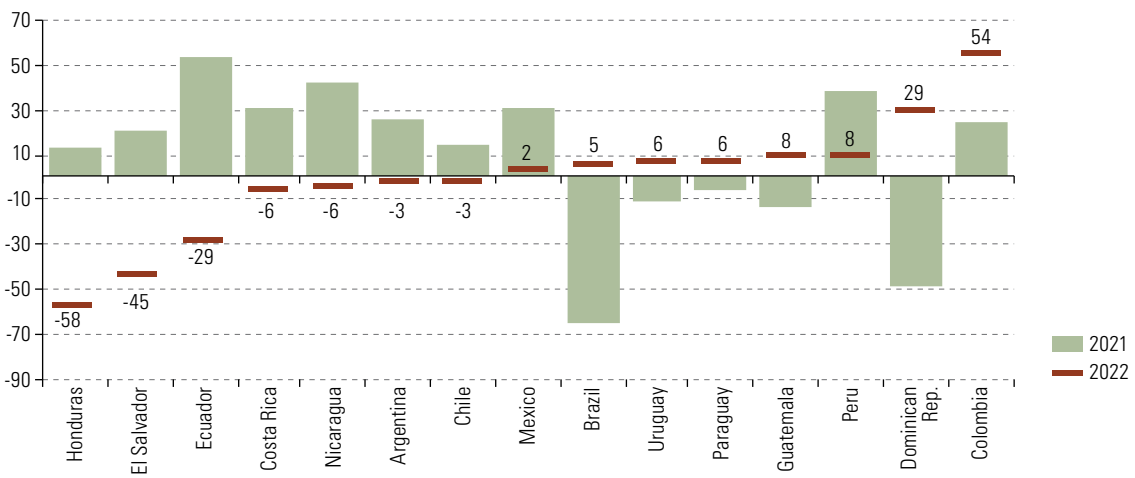
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.

By contrast, grants and current transfers expanded significantly in several countries during the first nine months of the year (see figure VII.7). In some cases, this is due to measures to counter inflation, particularly larger outlays on energy subsidies. In this regard, in Guatemala there was a notable effect from the ad hoc subsidy on propane gas —established in March under Decree 17-2022 for a period of three months then later extended, most recently in September— and on regular gasoline and diesel, in the framework of the Act on Temporary Social Support for Consumers of Diesel and Regular Gasoline (Ministry of Public Finance of Guatemala, 2022). In the case of the Dominican Republic, the rise in outlays on the electricity subsidy stands out (DIGEPRES, 2022). However, it is important to note that the variations in some countries reflect atypical factors. In Brazil, for example, outlays on the wage bonus rose, as a result of the operational changes made to the programme (Federal Treasury of Brazil, 2022). In Ecuador, the increased outlays were due to a substantial increase in transfers to social security institutions, particularly the Ecuadorian Social Security Institute (IESS) (Ministry of Economy and Finance of Ecuador, 2022).

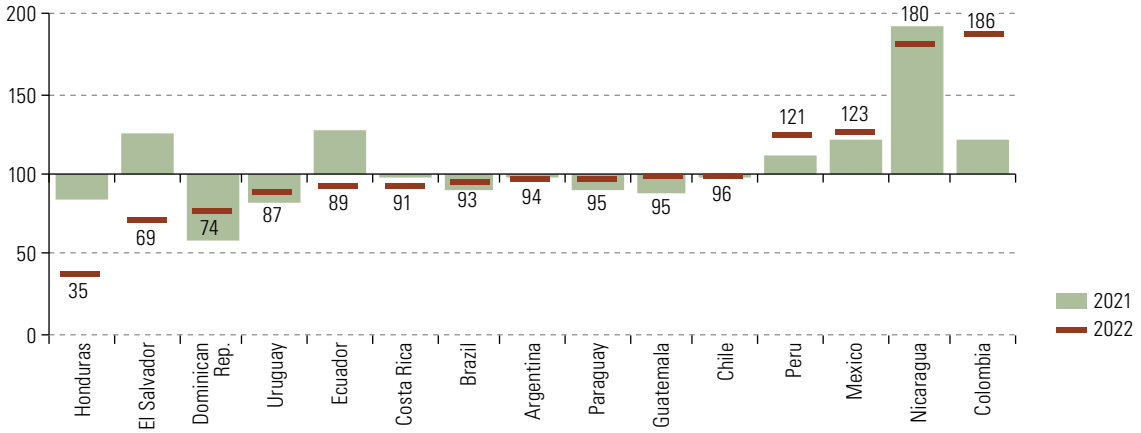
With regard to capital expenditures, although a slight decline is expected in 2022, this could be altered by budget changes in the fourth quarter, when most spending execution is concentrated. The performance of these outlays in the first nine months of the year reflects very different situations in the countries (see figure VII.8). Significant contractions were seen in Ecuador, El Salvador and Honduras. El Salvador stands out for the contraction in capital transfers, due to a reduction in transfers for investment projects (Ministry of Finance of El Salvador, 2022). Honduras shows the effect of the reorganization of the executing bodies that manage public investment projects, as well as the liquidation of certain trusts that finance investments (Ministry of Finance of Honduras, 2022). Conversely, dynamic capital expenditures in Colombia were partly due to resources channelled from other budget lines to finance investment projects, as part of a countercyclical policy (Ministry of Finance and Public Credit of Colombia, 2022). Notable in the Dominican Republic was the high level of execution of several housing and transport projects, such as the expansion of the Santo Domingo metro (DIGEPRES, 2022).

Figure VII.8
Latin America (15 countries): central government capital expenditure, January 2021–September 2022
(Percentages and index)

A. Year-on-year variation at current prices, January–September 2021 and 2022
(Percentages)



B. Level of capital expenditure, January–September 2021 and 2022
(Index: 100=January–September 2019, at constant prices)



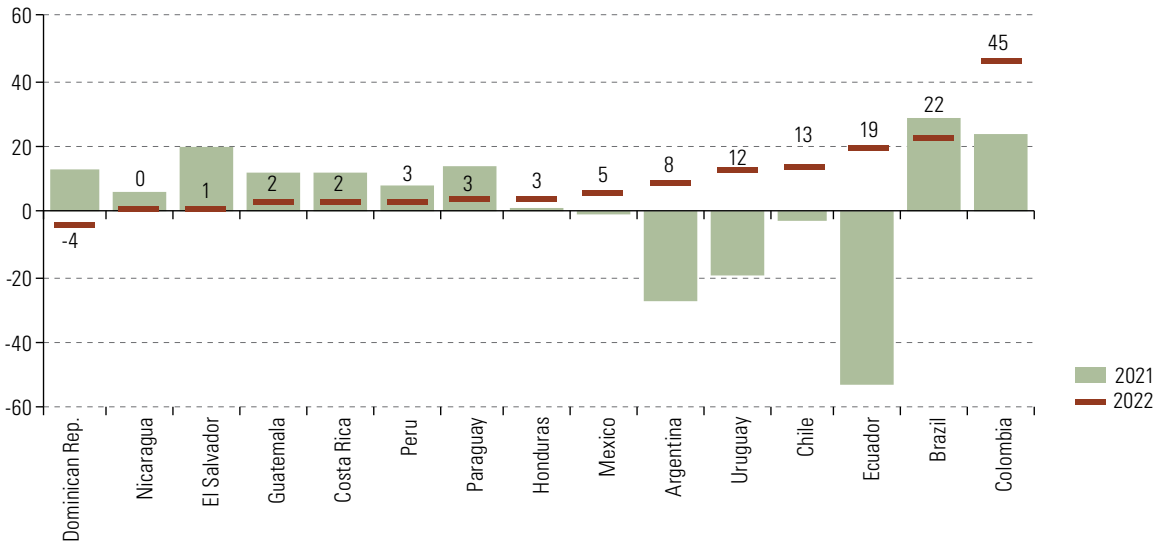
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.

After a slight decline in 2021, interest payments are projected to increase in 2022. In line with these forecasts, interest payments were up in most countries in the first nine months of the year (see figure VII.9). These payments have been driven by a significant increase in indebtedness between 2020 and 2021, as a result of the countries' efforts to respond to the COVID-19 pandemic, as well as various macrofinancial factors, such as currency depreciation and interest rate rises. In this connection, the increase in Brazil reflects the impact of the rise in the monetary policy rate —the Selic rate reached 13.75% in September, compared to the 6.25% at the same point of the previous year— as well as the significant share of short-term debt in total debt (Central Bank of Brazil, 2022). In Colombia, interest payments were pushed up by inflation-indexed public debt securities, as well as the higher interest rates on sovereign bond issuance (Ministry of Finance and Public Credit of Colombia, 2022). Outlays on interest payments began to climb in Argentina and Ecuador, after declining significantly in recent years as a result of debt restructuring processes.

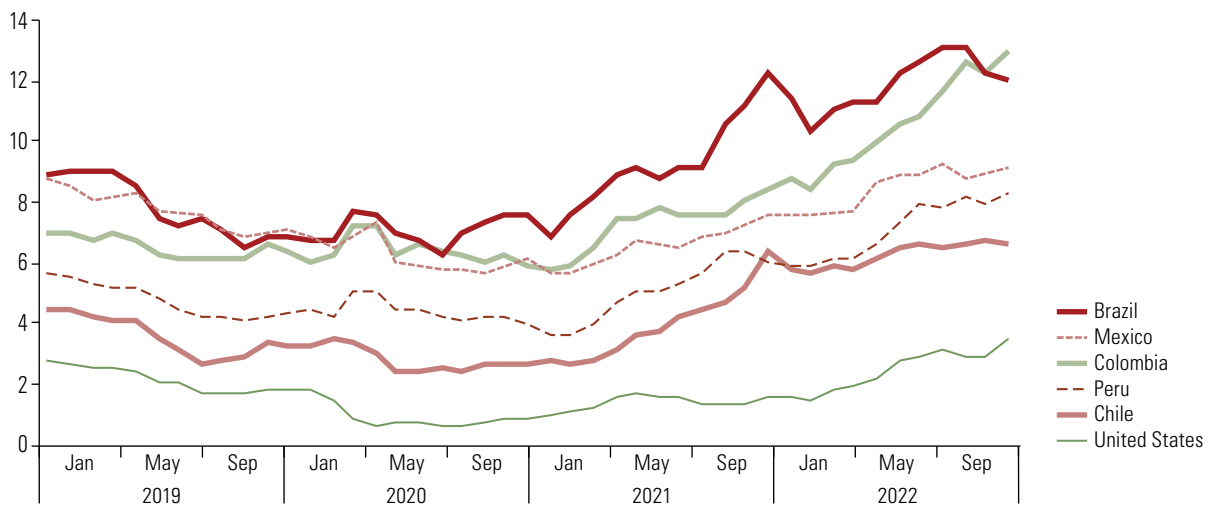
The Caribbean subregion is also expected to see a decrease in public spending in 2022, in line with a fiscal consolidation policy aimed at keeping the public debt in check (see figure VII.10). Unlike the situation described for Latin America, however, an increase in capital expenditures is expected in most countries. This has been partially confirmed by the figures for the first nine months of the year. Primary spending expanded significantly in Guyana, mainly due to advances in the execution of large infrastructure projects. However, Barbados posted a significant contraction in primary spending, mainly owing to lower capital expenditures as a result of the high basis for comparison the previous year, when the country recapitalized its National Insurance Scheme (Central Bank of Barbados, 2022). With regard to primary current spending, although a reduction is expected for the year overall, several countries have registered an increase in subsidies and transfers as a result of measures to alleviate the impact of rising inflation on the population. In this connection, Belize has made outlays on new subsidies and has reinstated the full amounts of civil servants' wages, which had taken a 10% cut in 2021 as a fiscal austerity measure (Central Bank of Belize, 2022).

Figure VII.9
Latin America (15 countries) and the United States: interest payments by the central government and interest rates on 10-year sovereign bonds, 2019–2022
(Percentages)

A. Year-on-year variation in interest payments at constant prices, January–September 2021 and 2022



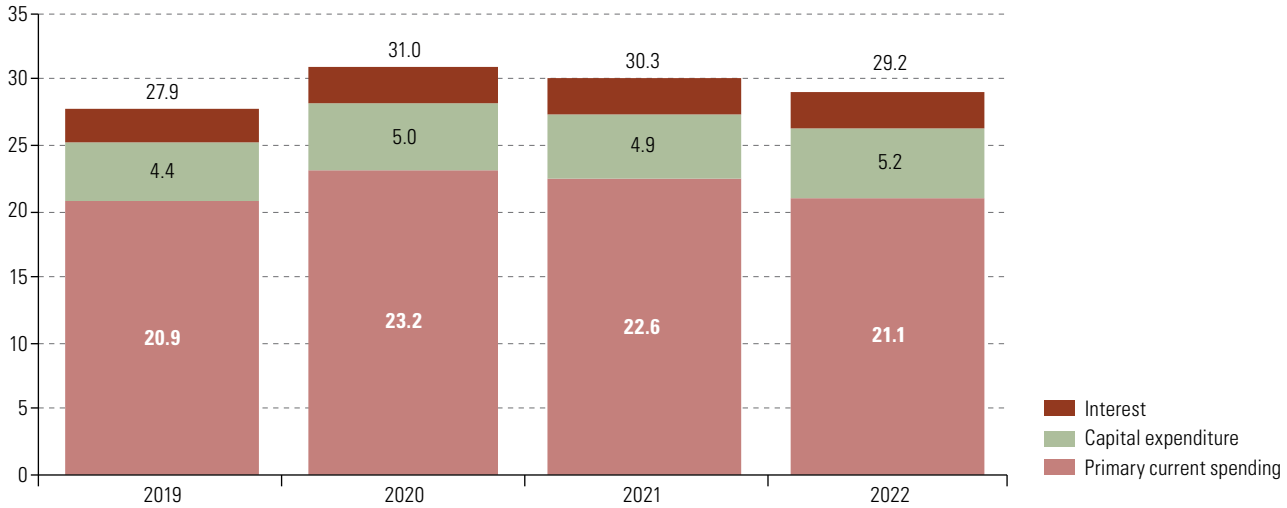
B. Interest rate on 10-year bonds, January 2019–September 2022



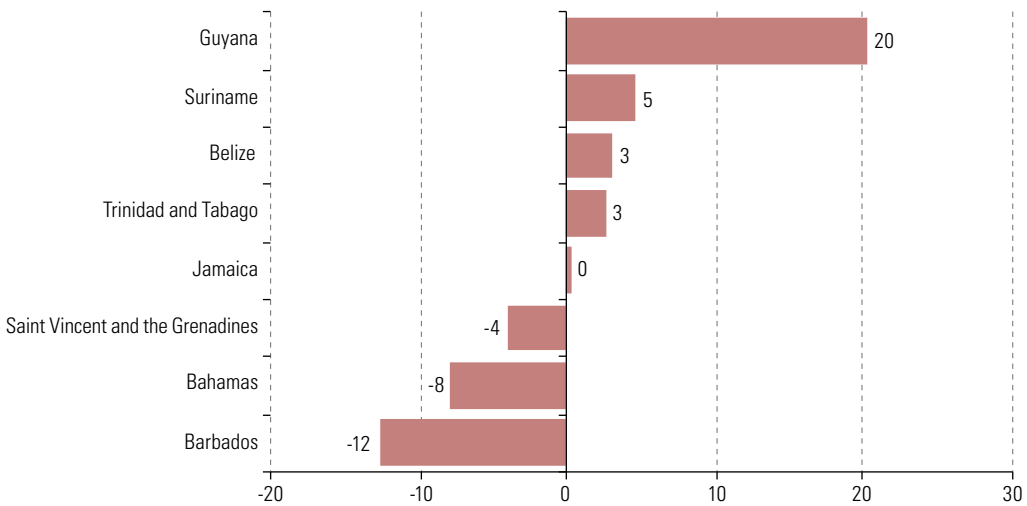
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.

Figure VII.10
The Caribbean (12 countries):[a] total central government expenditure, 2019–2022
(Percentages)

A. Total expenditure, by component
(Percentages of GDP)



B. Year-on-year variation in primary spending at constant prices, January–September 2021 and 2022
(Percentages)

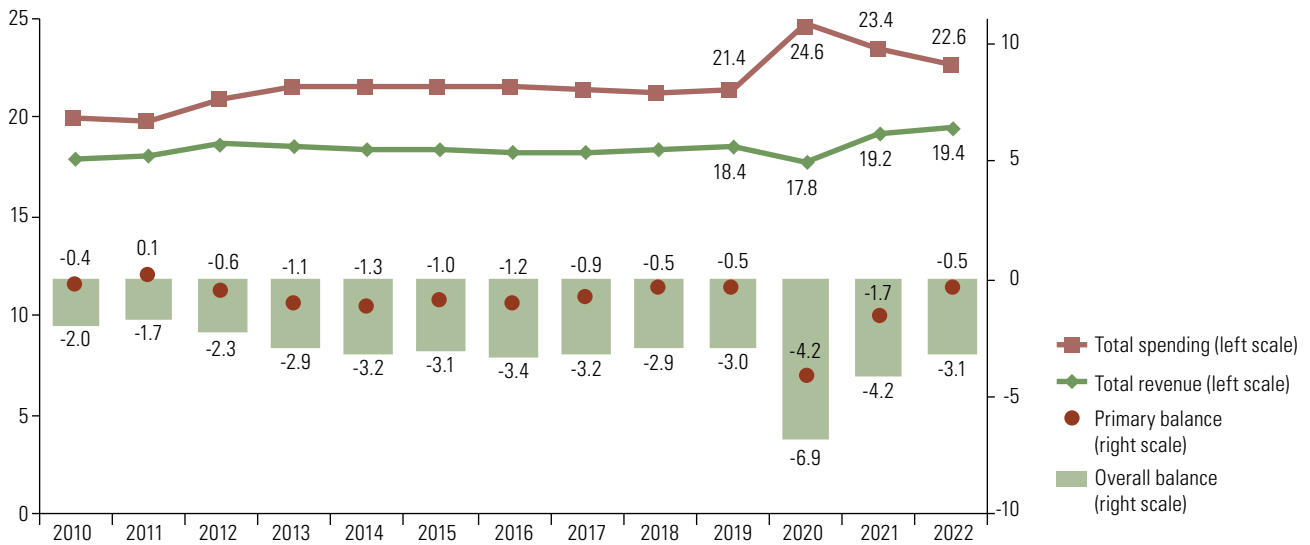


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The individual figures may not sum to the total owing to rounding. The figures for 2022 are projections and correspond to official estimates or modified budgets. In the cases of Barbados and Saint Kitts and Nevis, the figures refer to the non-financial public sector and the federal government, respectively.
[a] Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

Fiscal deficits are narrowing as spending falls and revenues hold steady

Although the macrofinancial environment has made managing fiscal policy more complex, the countries are broadly expected to meet the targets for fiscal deficit reduction established in their 2022 budgets. In some cases, this forms part of the targets set under fiscal rules that have been reinstated after being suspended in 2020 (ECLAC, 2022). Latin America as a whole is expected to post a deficit of 3.1% of GDP on average, compared to 4.2% in 2021 and 6.9% in 2020 (see figure VII.11). The primary deficit will narrow to an estimated 0.5% of GDP, from 1.7% of GDP in 2021, driven by the gradual reduction of public spending in relation to output, owing to scheduled withdrawals of the emergency measures adopted in 2020 and 2021. However, this last factor has been partly offset by the higher level of disbursements on subsidies adopted in several countries to counter inflation. In addition, stronger-than-expected public revenues, have opened up additional fiscal space which, in turn, could ease the adjustments potentially needed to budget ceilings to achieve fiscal targets.

Figure VII.11
Latin America (16 countries):[a] central government fiscal indicators, 2010–2022
(Percentages of GDP)

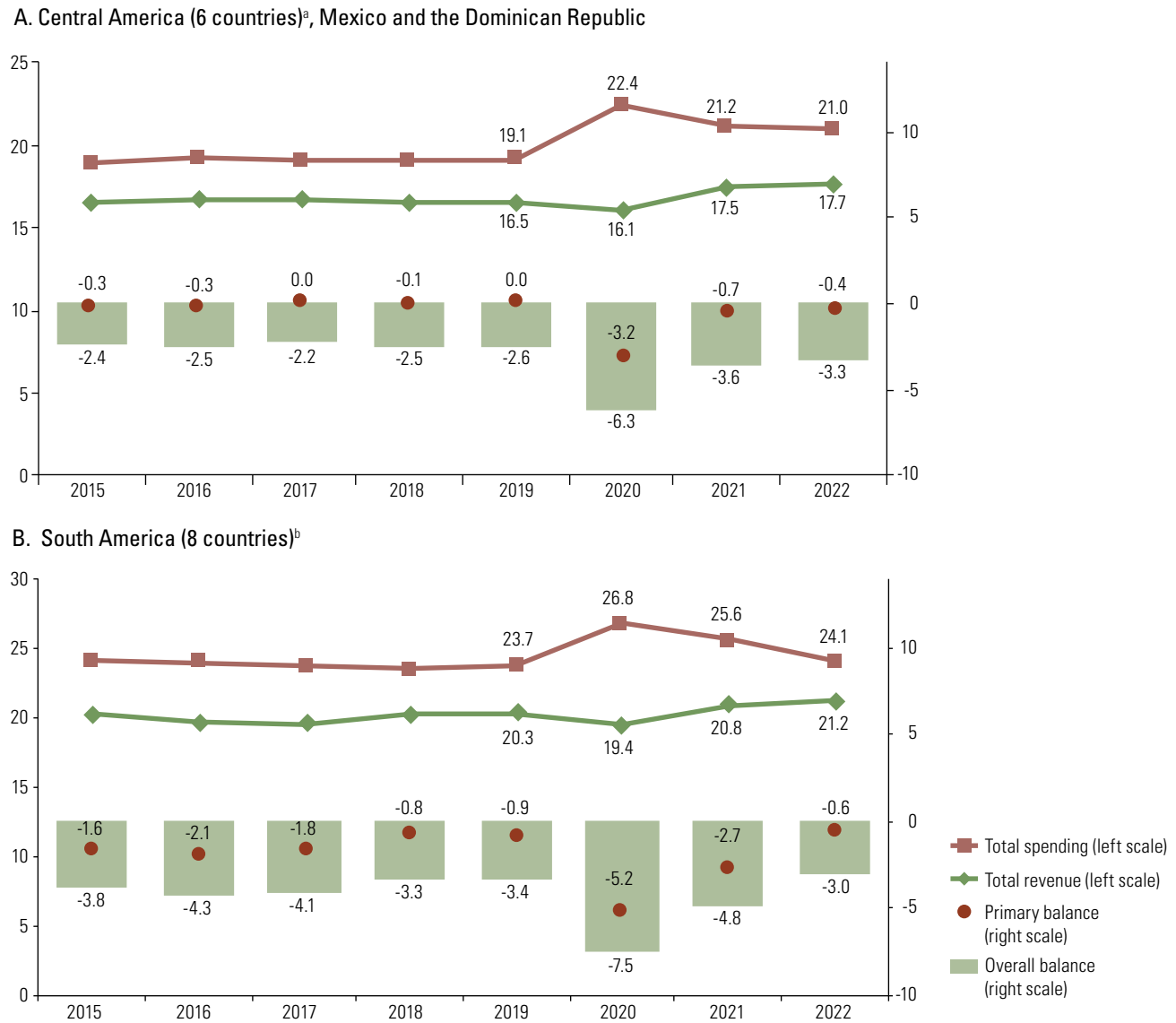


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The individual figures may not sum to the total owing to rounding. The data for 2022 are projections. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

This trend towards reduction of fiscal deficits is repeated in the group comprising Central America, Mexico and the Dominican Republic, as well as in South America (see figure VII.12). A contraction is expected in public spending in South America, along with the rise in public revenues, which should lead to a significant adjustment in fiscal balances. Conversely, in the group of Central American countries, Mexico and the Dominican Republic, fiscal deficits are expected to post a slight reduction,

but will remain higher than before the pandemic. This is mainly due to the dynamics of public spending, which will remain relatively stable, partly reflecting the magnitude of disbursements for energy subsidies among the countries in this group. However, these forecasts may vary depending on the execution of public investment projects and capital transfers, which tend to be the main variable of adjustment in the final months of the year, especially in Central America, Mexico and the Dominican Republic.

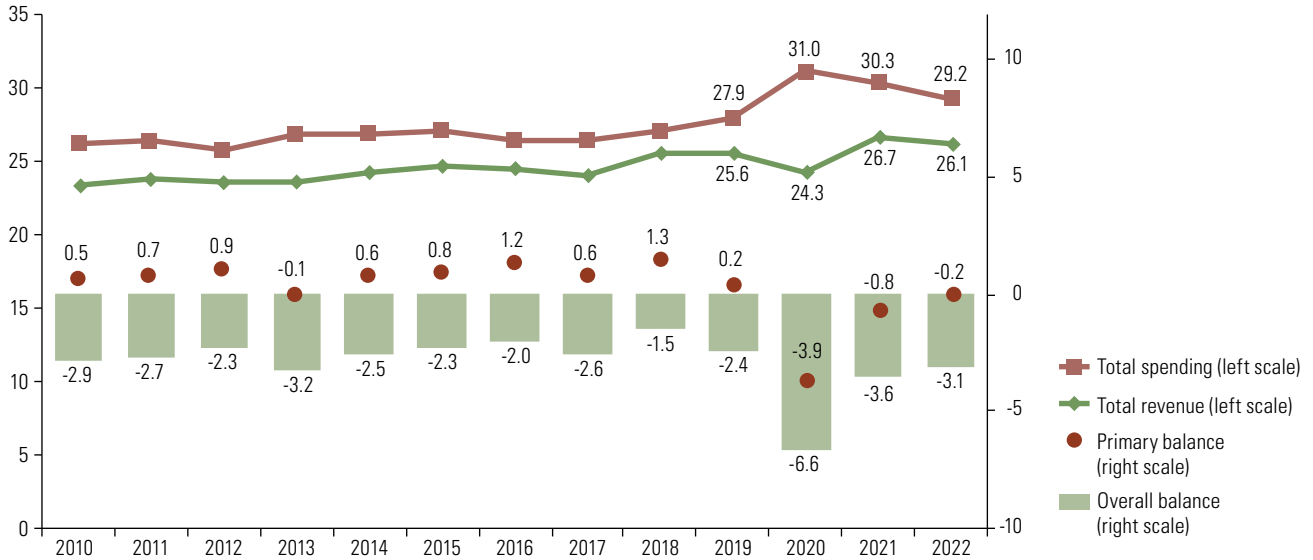
Figure VII.12
Latin America (16 countries): central government fiscal indicators, by subregion, 2015–2022
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The individual figures may not sum to the total owing to rounding. The figures for 2022 are projections. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and the general government, respectively.
[a] Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
[b] Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.

Fiscal deficits in the Caribbean are expected to narrow in 2022, driven by a drop in public spending. However, the public accounts are set to remain further in deficit than before the crisis, increasing the pressure for countries to adjust spending or increase revenues, in order to generate primary surpluses to ease debt dynamics (see figure VII.13). The overall balance is estimated to return a deficit of 3.1% of GDP, compared to deficits of 3.6% in 2021 and 6.6% in 2020. The primary deficit is expected to decline to 0.2% of GDP, compared to 0.8% in 2021, but this contrasts with the average surplus of 0.8% of GDP posted in the period 2015–2019. Contrary to expectations for Latin America, public revenue will fall in GDP terms in the Caribbean, limiting the impact of lower public spending on the fiscal balance. However, these averages are heavily influenced by outliers, such as those for Guyana and Saint Kitts and Nevis.

Figure VII.13
The Caribbean (12 countries):[a] central government fiscal indicators, 2015–2022[b]
(Percentages of GDP)



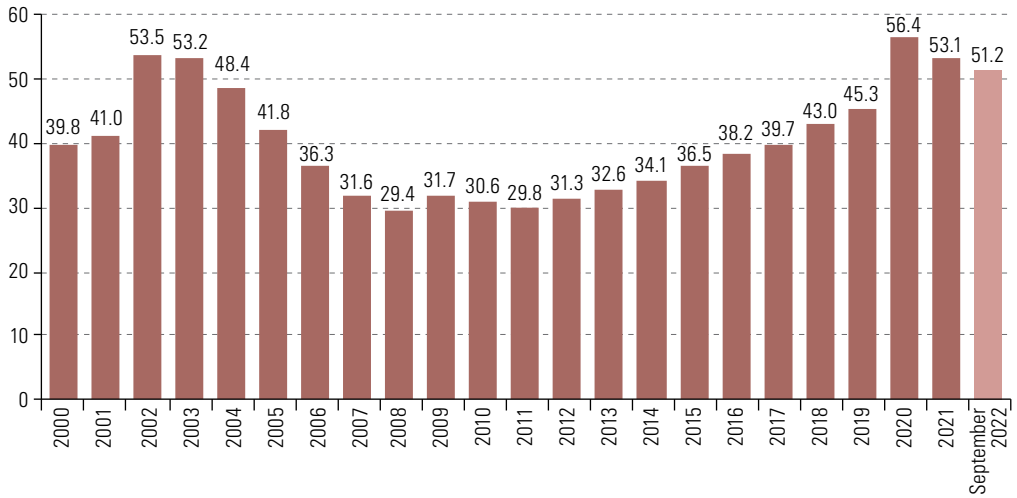
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Simple averages. The figures for 2022 are projections and correspond to official estimates or modified budgets. In the cases of Barbados and Saint Kitts and Nevis, the figures refer to the non-financial public sector and the federal government, respectively.
[a] Antigua and Barbuda, Bahamas, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

Public debt is falling but remains at high levels

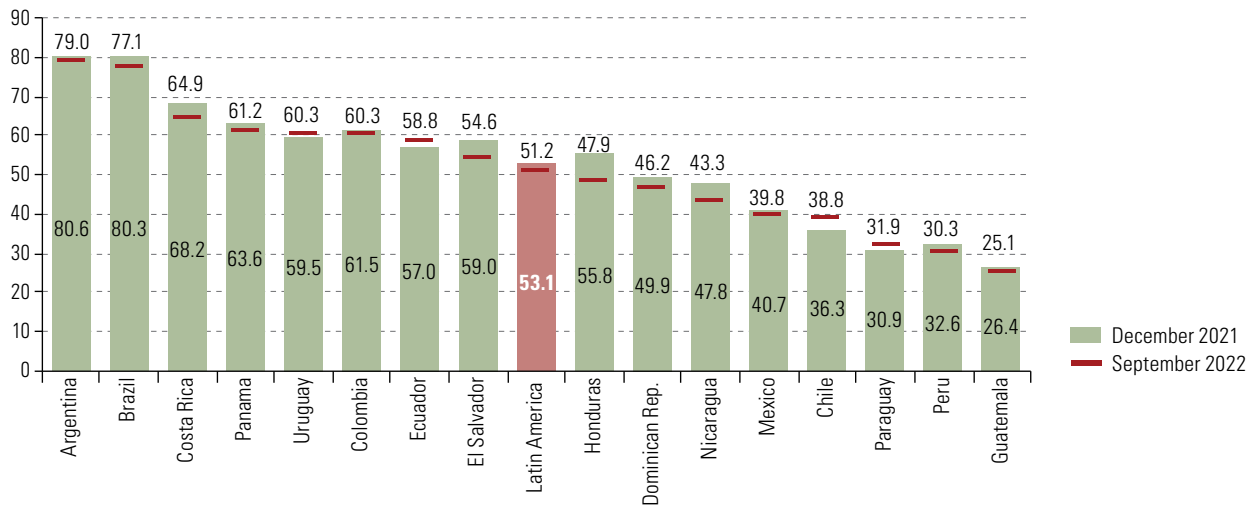
During the first nine months of 2022, central government gross public debt in Latin America shows a widespread fall in relation to output (see figure VII.14). In September, gross public debt stood at 51.2% of GDP on average, 1.9 percentage points lower than at the end of 2021 (53.1% of GDP). The decrease is mainly due to the denominator effect, in a context of significant nominal GDP growth. This dynamic was evident in Brazil, where output growth generated a large reduction of the country's debt in relative terms, enough to compensate for the impact of the increase in accrued nominal interest (Central Bank of Brazil, 2022). In Colombia, too, the decrease in public debt in relation to GDP is mainly due to the denominator effect, which offset the depreciation of the national currency (Ministry of Finance of Colombia, 2022). Despite this reduction in the average for Latin America as a whole, gross public debt remains historically high, at levels similar to those seen 20 years ago.

Figure VII.14
Latin America (16 countries): central government gross public debt, 2000–September 2022
(Percentages of GDP)

A. Central government gross public debt



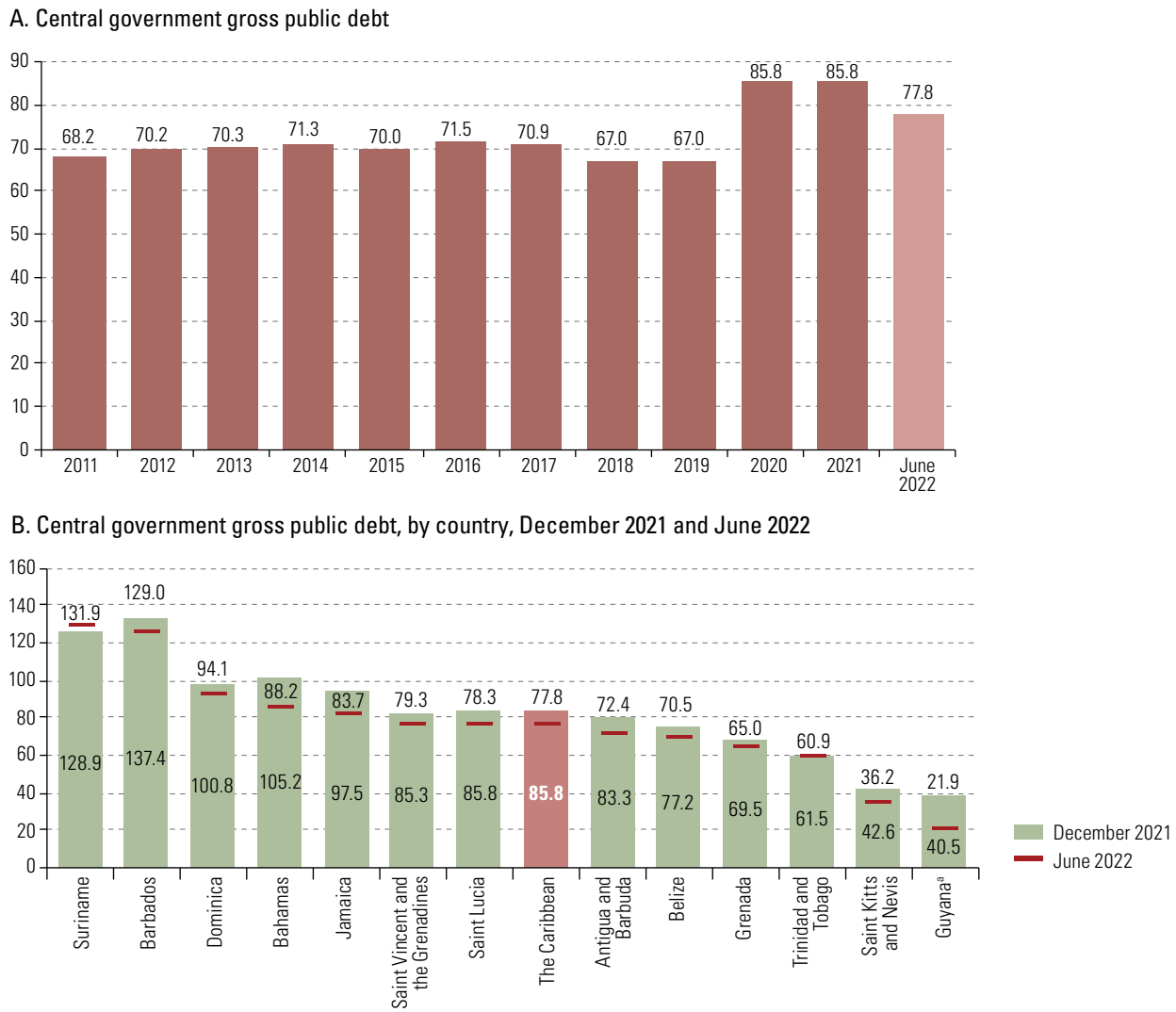
B. Central government gross public debt, by country, December 2021 and September 2022



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: In the case of Brazil, the figures refer to general government. The data for Argentina, Chile, Honduras and Uruguay refer to June 2022.

In the case of the Caribbean, central government gross public debt was 77.8% of GDP in June 2022, 8.0 percentage points below the level at end-2021 (85.8% of GDP) (see figure VII.15). As in the case of Latin America, the rebound in economic growth produced a strong denominator effect, as public debt levels in absolute terms remained relatively stable during the first half of the year. In this regard, notable falls were observed in Antigua and Barbuda, the Bahamas, Guyana and Jamaica. Guyana in particular stands out, as the country's output will rise by an estimated 50% in real terms, as a result of the start-up of offshore oil production. Conversely, indebtedness levels rose in Suriname, reflecting the impact of its currency devaluation on the debt stock denominated in foreign currency.

Figure VII.15
The Caribbean (13 countries): central government gross public debt, 2011–June 2022
(Percentages of GDP)



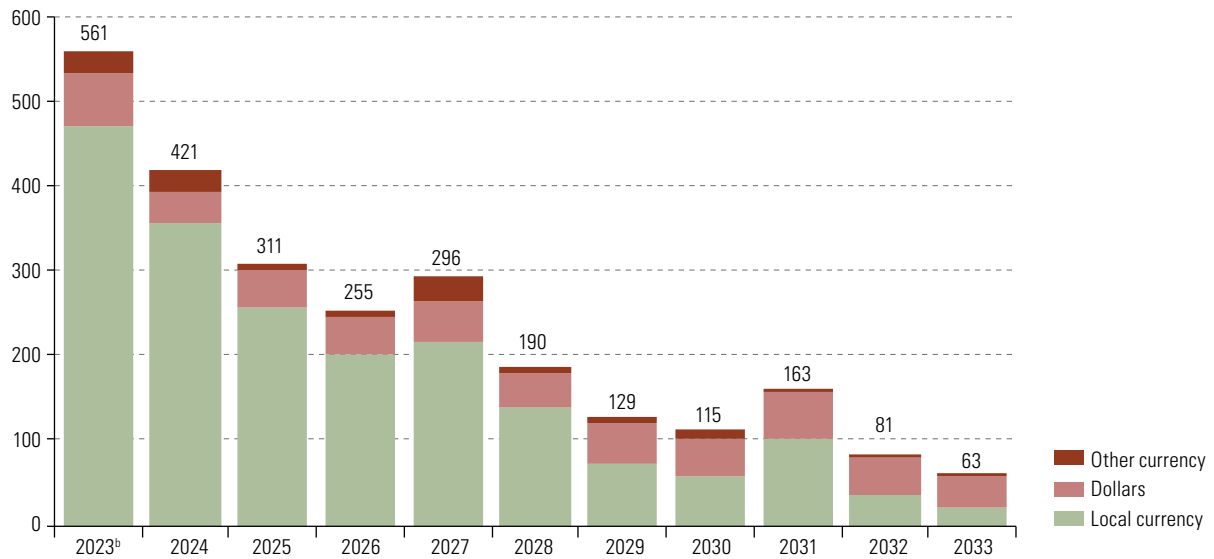
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] In the case of Guyana, the figures refer to the public sector.

Although the levels of public debt have decreased in relation to GDP in the region, they remain high and represent a source of vulnerability, given the current macrofinancial context. In this regard, various domestic and external factors have a significant effect on the accumulation of public debt, such as the primary fiscal deficit, the output growth rate, the implicit interest rate and the exchange rate. The complexity of managing public liabilities has been increased by a factor that is highly relevant for the region: the deterioration of domestic and international financial market conditions —with progressively rising interest rates— added to local currency depreciation and, potentially, reductions in credit ratings. Importantly, these factors will affect interest not only payments on the existing debt stock —to the extent that countries have debt denominated in foreign currency or with variable interest rates—, but also payments on any new issues, which will be under less favourable financial conditions. It should be noted that the pattern of interest payments also impacts countries' management of the

level and composition of public spending. Specifically, over the past decade countries have contained public spending via cuts in capital expenditure, partly offsetting the rise in interest payments over the period.

Less favourable financial market conditions will pose challenges for the region with respect to the rollover of existing public debt. According to Bloomberg figures on sovereign debt instruments for which there is a secondary market, over the next 10 years, Latin American countries will face credit obligations amounting to US$ 2.58 trillion —around 45.1% of 2022 regional GDP— in payment of debt principal and interest of (see figure VII.16).[1] Most (75%) of these obligations will be settled in local currency, while those denominated in dollars represent 19%. The breakdown of the data by year of maturity show that the profile is weighted towards the short term, since 50% of the debt principal and interest payments (US$ 1.29 trillion, equivalent to 22.5% of 2022 regional GDP) falls due between 2023 and 2025.

Figure VII.16
Latin America (17 countries):[a] maturity profile of public debt service by currency, 2023–2033
(Billions of dollars)

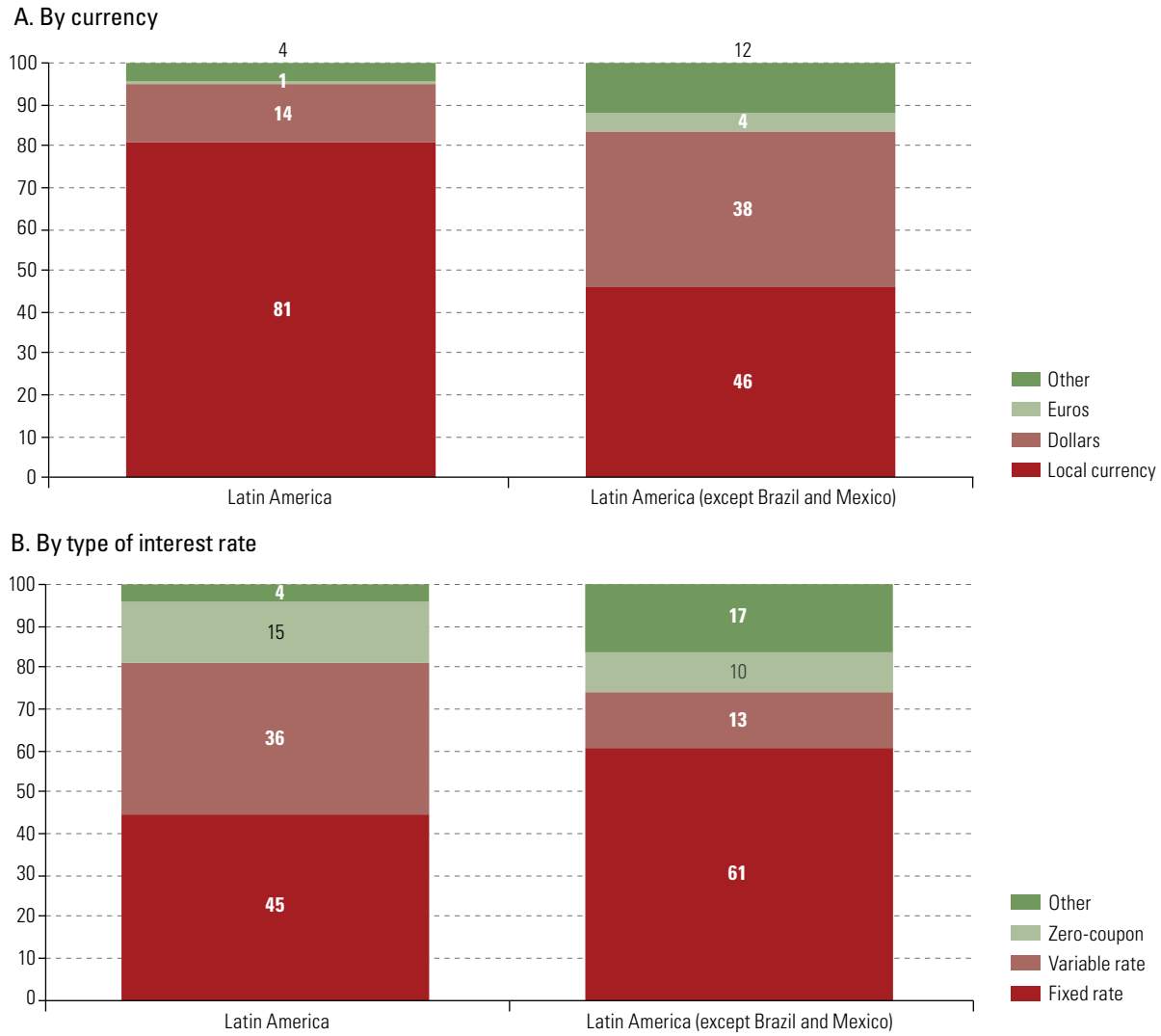


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from Bloomberg [online database] https://www.bloomberg.com/.
Note: The figures refer to instruments for which there is a secondary market, so they may not coincide with official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
[b] Includes cumulative arrears of Argentina and Ecuador.

Accordingly, 81% of the cumulative public debt service for the period 2023–2028 will be settled in local currency, while dollar-denominated debt will represent 14%. However, this composition is strongly influenced by the structures of Brazil and Mexico, where local currencies represent the vast majority of debt service to be settled over the next five years. When these two countries are excluded from the sample, credit obligations in local currency represent 46%, compared to 38% for those denominated in dollars and 12% for obligations in other currencies (see figure VII.17). Regarding the structure of debt service for 2023–2028 by type of interest rate, fixed-rate securities represent 45% and securities with variable-rate securities, 36%. The share of zero-rate coupons in the region is noteworthy, at 15% of the total. When the sample excludes Brazil and Mexico —whose variable-rate debt service represents 43% and 46%, respectively— the composition of debt service in the region leans mainly towards fixed rates.

[1] Figures to 8 November 2022.

Figure VII.17
Latin America (17 countries):[a] public debt service due within five years by currency and type of interest rate
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg [online database] https://www.bloomberg.com/.
Note: The figures refer to instruments for which there is a secondary market, so they may not coincide with official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

At the country level, the composition of the debt service falling due within five years is somewhat mixed (see table VII.1). In seven countries for which information is available, the share of foreign currency denomination is high, at 50% or more of the total debt service, while the share of variable rates is moderate. These countries could be affected by exchange-rate risk, insofar as local currency depreciation could increase the financial cost of the debt. Similarly external vulnerability could occur in Chile and Ecuador, where the share of local currency in total debt is 35% or less, and the share of variable rates is higher.[2] In the case of Brazil and Mexico, financial risk is linked more to possible changes in local monetary conditions, given that their debt

[2] Foreign-exchange risk is more limited in the case of Chile than in the other countries mentioned, since its foreign-currency debt service for the period 2023–2028 consists mainly of special drawing rights (SDRs). According to Bloomberg data (accessed 8 November 2022), Chile's SDRs represent US$ 39.975 billion in principal and interest for 2023–2028.

service is denominated mainly in local currency and at variable rates. Conversely, in Colombia, Costa Rica, Honduras, the Dominican Republic, Peru and Uruguay, debt maturities for 2023–2028 include a large share of local currency (over 50%) and fixed rates, which should limit external risks relating to the exchange rate and to external monetary policy interest rates.

Table VII.1
Latin America (17 countries): structure of public debt services, cumulative for 2023–2028
(Billions of dollars and percentages)

	Debt service *(Billions of dollars)*			Type of currency *(Percentages)*			Type of rate *(Percentages)*			
	Total	Principal	Interest	Local currency	Dollars	Other	Fixed	Variable	Zero-coupon	Other
Argentina	180	151	28	38	49	13	29	3	21	47
Bolivia (Plurinational State of)	4	2	2	39	54	7	92	8	0	0
Brazil	1 014	885	129	96	4	0	37	43	20	0
Chile	83	69	14	35	12	54	45	49	6	0
Colombia	71	40	30	68	22	10	89	8	3	0
Costa Rica	37	23	14	69	29	2	90	9	1	0
Dominican Republic	58	36	22	69	31	0	97	2	2	0
Ecuador	12	5	7	0	81	19	4	29	5	62
El Salvador	6	3	3	0	93	7	84	11	4	0
Guatemala	6	4	3	16	75	9	81	19	0	0
Honduras	4	3	1	57	36	7	71	8	21	0
Mexico	498	361	137	89	8	3	45	46	9	0
Panama	21	12	9	0	97	3	91	7	2	0
Paraguay	5	3	2	36	64	0	62	7	31	0
Peru	39	22	17	52	31	17	85	15	0	0
Uruguay	19	11	8	62	36	1	81	2	18	0

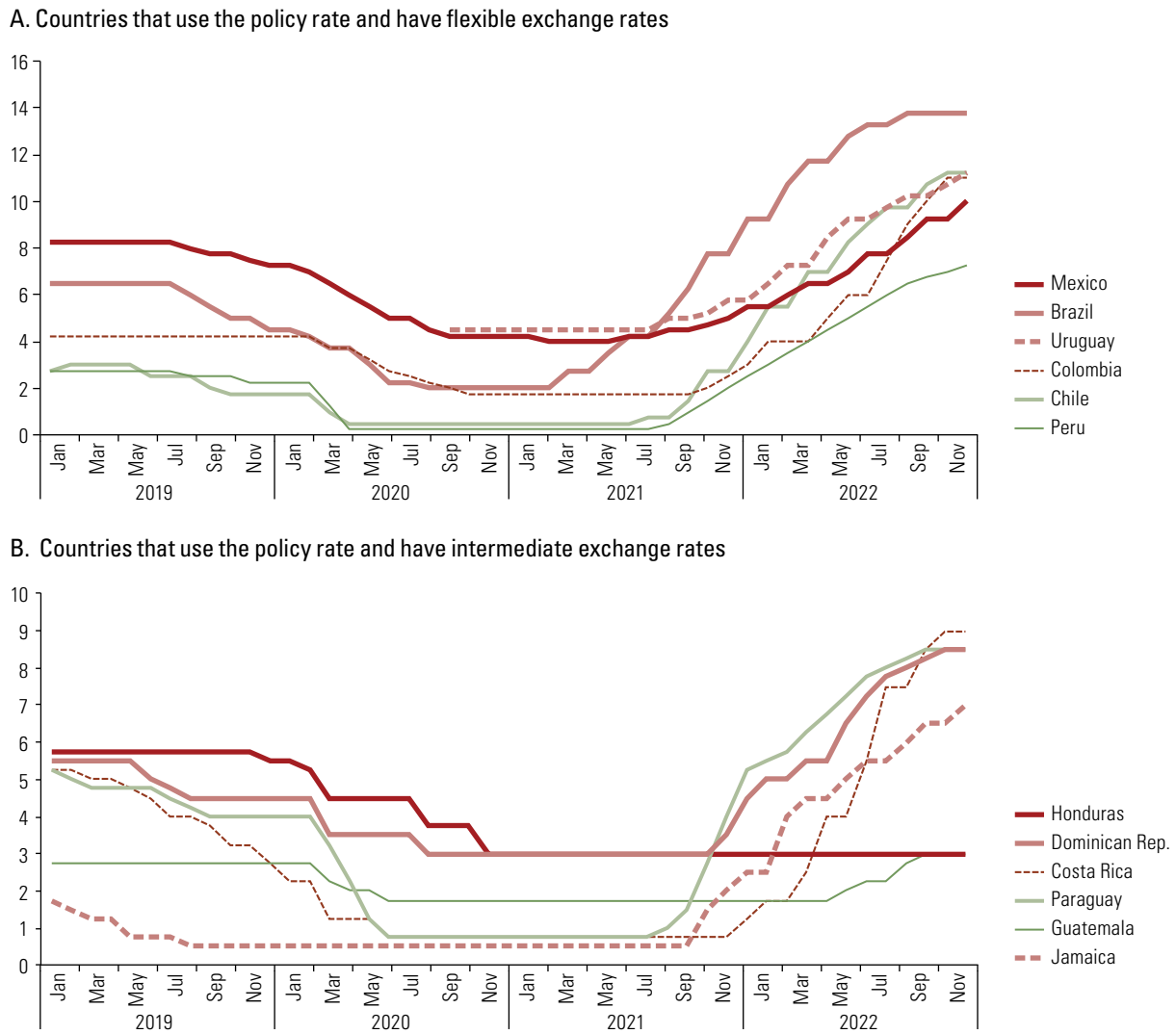
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from Bloomberg [online database] https://www.bloomberg.com/.
Note: The figures refer to instruments for which there is a secondary market, so they may not coincide with official figures.

B. Monetary and exchange-rate policies

In 2022, the actions of the monetary authorities have been conditioned by the rise in inflation, heightened exchange-rate volatility and the tightening of financial conditions on international markets

In the first 11 months of the year, most central banks that use the monetary-policy interest rate as their main instrument raised their rates significantly, to levels similar to those recorded during the global financial crisis. Figure VII.18 shows that policy rates have been rising since the second half of 2021 and that this trend has continued through 2022.

Figure VII.18
Latin America and the Caribbean (12 countries): monetary policy rate, January 2019–November 2022
(Percentages)



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

Table VII.2 shows that the adjustment process, in terms of its starting date and the frequency and magnitude of hikes, differs from country to country; but, on average, the countries have raised their policy rates 11 times since December 2020, resulting in a cumulative increase averaging 7 percentage points. Moreover, although regional inflation has moderated since July 2022, most central banks have continued to lift their policy rates; and of those that have done so, Brazil's is the only one that did not intervene in the last four months of 2022.

Table VII.2
Latin America and the Caribbean (12 countries): trend of the monetary policy rate in countries that use this as their main monetary policy instrument, December 2020–November 2022
(Percentages and percentage points)

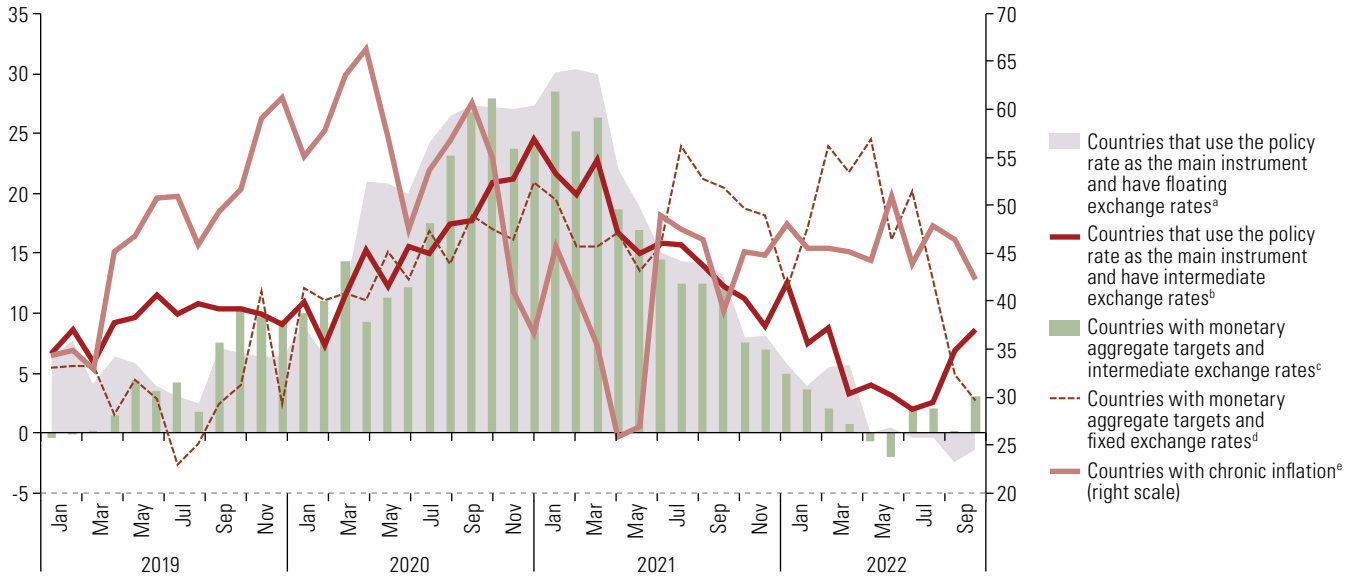
	Policy rate at 31 December 2020	Start of policy rate hikes	Most recent policy rate hike	Policy rate at 25 November 2022	Variation since December 2020 *(Percentage points)*	Number of rate hikes since December 2020
Brazil	2.00	March 2021	August 2022	13.75	11.75	12
Chile	0.50	July 2021	October 2022	11.25	10.75	11
Colombia	1.75	October 2021	October 2022	11.00	9.25	10
Costa Rica	0.75	December 2021	October 2022	9.00	8.25	8
Dominican Republic	3.00	November 2021	October 2022	8.50	5.50	10
Guatemala	1.75	May 2022	September 2022	3.00	1.25	4
Honduras	3.00	No change	November 2020	3.00	0.00	0
Jamaica	0.50	October 2021	November 2022	7.00	6.50	10
Mexico	4.00	June 2021	November 2022	10.00	6.00	12
Paraguay	0.75	August 2021	September 2022	8.50	7.75	14
Peru	0.25	August 2021	November 2022	7.25	7.00	16
Uruguay	4.50	August 2021	November 2022	11.25	6.75	11

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

In 2022, the rise in policy rates was accompanied by a slower expansion of the monetary base

In the first nine months of 2022, the expansion of the monetary base slackened in the economies of the region that use the policy rate as their main monetary policy instrument, and also in countries that target the monetary aggregates as their instrument and have intermediate exchange rates. In the first of these groups (economies that use the policy rate and have flexible exchange rates), the growth of the monetary base slumped from a monthly average of 17.5% in 2021 to 1.2% in 2022. In economies that use the policy rate and have intermediate exchange rates, the average growth of the monetary base fell from 15.6% in 2021 to 5.2% in 2022; while in economies that use monetary aggregate targets and have intermediate exchange rates, the average monthly expansion dropped from 15.5% in 2021 to 1.3% in 2022 (see figure VII.19).

Figure VII.19
Latin America and the Caribbean (32 countries): trend of the monetary base, median 12-month rate of variation, by country grouping, January 2019–September 2022
(Percentages)

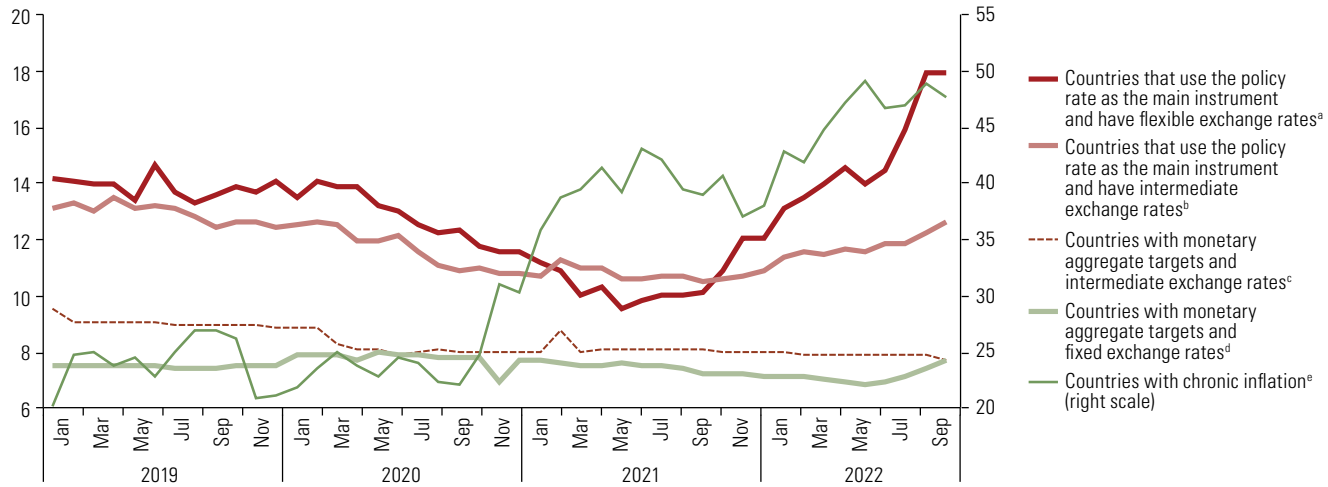


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of countries according to the monetary and exchange-rate system is based on the method described by the International Monetary Fund (IMF), *Annual Report on Exchange Arrangements and Exchange Restrictions 2019,* Washington, D.C., 2020, p. 6.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Guyana, Nicaragua, the 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, the Bolivarian Republic of Venezuela, Haiti and Suriname.

Interest rates on loans continued to climb in 2022, and domestic credit to the private sector maintained the low growth path it has been on since the pandemic

As a result of a tighter monetary policy, interest rates on loans rose again in 2022, continuing the trend that has begun in mid-2021. As shown in figure VII.20, in economies that use the policy rate and have flexible exchange rates, lending interest rates increased sharply by more than 4.5 percentage points, from a monthly average of 10.6% in 2021 to 15.1% in 2022.

Figure VII.20
Latin America and the Caribbean (32 countries): median interest rates on loans, by country grouping, January 2019–September 2022
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of countries according to the monetary and exchange-rate system is based on the method described by the International Monetary Fund (IMF), *Annual Report on Exchange Arrangements and Exchange Restrictions 2019,* Washington, D.C., 2020, p. 6.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Guyana, Nicaragua, the 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, the Bolivarian Republic of Venezuela, Haiti and Suriname.

In this context of rising lending rates, burgeoning inflation and slackening economic activity, domestic credit is tending to flatline, with growth rates similar to those observed in 2021. Figure VII.21 shows that in economies that use the policy rate as their main instrument and have flexible exchange rates, credit contracted in the second and third quarters of 2022. In economies that use monetary aggregate targets as their main instrument and have intermediate exchange rates, domestic credit has been weakening since the first quarter of 2021, posting average monthly contractions of 0.9% in 2021 and 1.7% in 2022.

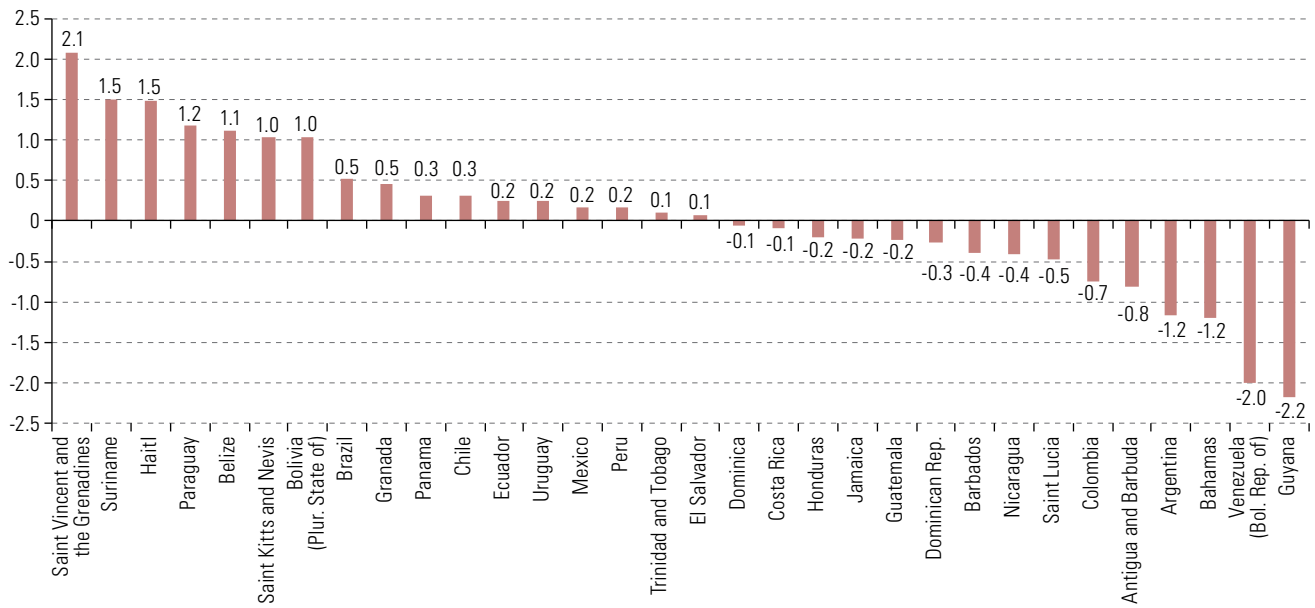
In contrast, in economies that use the policy rate as the main instrument and have intermediate exchange rates, domestic credit has expanded slightly faster in 2022 than in 2021, with quarterly average growth rates of 1.6% in 2021 and 2.2% in 2022. However, the graph shows that these remain well below the pre-pandemic levels.

Sluggish credit growth has gone hand-in-hand with a weakening of the quality of credit granted; and, between December 2021 and the third quarter of 2022, non-performing loan rates rose in 17 of the 32 economies analysed (see figure VII.22). The three countries with the steepest increases in non-performing loans have also been laggards in terms of the recovery of economic activity, and two of them have chronic inflation problems.

Figure VII.21
Latin America and the Caribbean (32 countries): trend of real domestic credit to the private sector terms, median annualized rates by country grouping, first quarter of 2019 to third quarter of 2022
(Percentages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of countries according to the monetary and exchange-rate system is based on the method described by the International Monetary Fund (IMF), *Annual Report on Exchange Arrangements and Exchange Restrictions 2019,* Washington, D.C., 2020, p. 6.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Guyana, Nicaragua, the 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, the Bolivarian Republic of Venezuela, Haiti and Suriname.

Figure VII.22
Latin America and the Caribbean (32 countries): non-performing loan rates, variation December 2021–September 2022
(Percentage points)



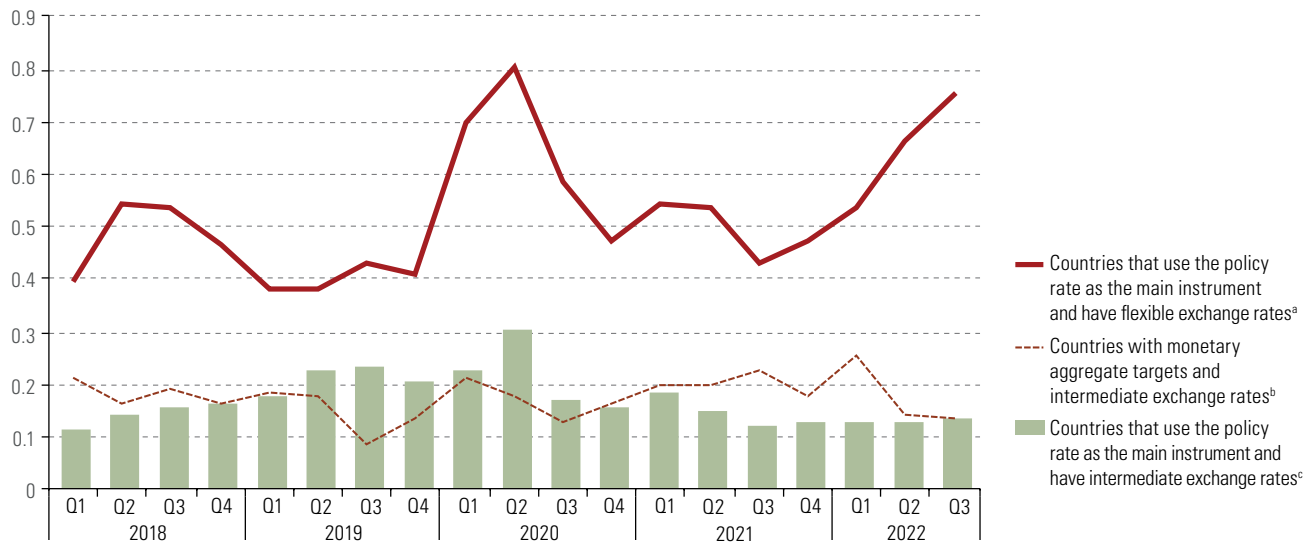
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Going forward, weaker economic growth and higher financial costs could lead to a further deterioration in credit quality. As of September 2022, four economies in the region had non-performing loan rates above 12%.[3] Also, falling house prices have reduced the value of assets typically used as collateral for mortgage loans.

Exchange rates have been more volatile and currencies have depreciated in most of the region's economies

The region's monetary authorities have also had to cope with increased international financial volatility in the first nine months of 2022, resulting from the change in monetary policy stance in the developed economies. This has been compounded by the consequent tightening of international financial conditions, the strengthening of the dollar, and capital movements to and from the region's economies. This greater volatility has been particularly accentuated in the second half of the year in the economies of the region that use the policy rate as their main instrument and have flexible exchange rates (see figure VII.23).

Figure VII.23
Latin America and the Caribbean (16 countries): nominal exchange rate volatility, median quarterly average of daily variations, by country grouping, first quarter of 2018–third quarter of 2022
(Percentages)

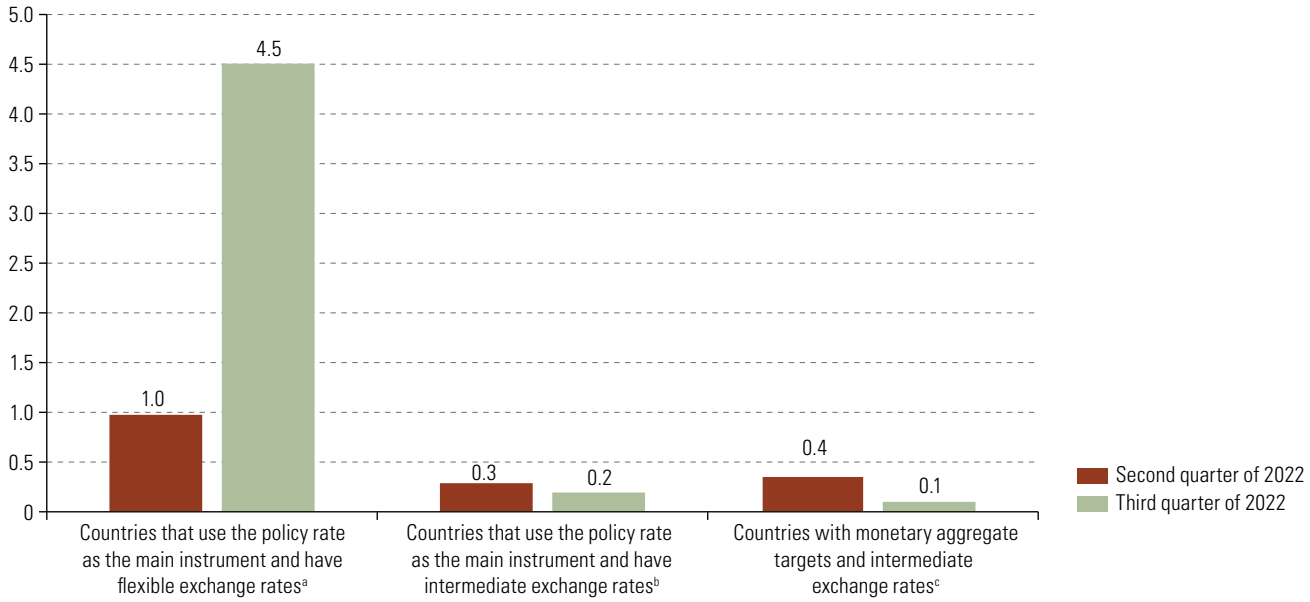


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of countries according to the monetary and exchange-rate system is based on the method described by the International Monetary Fund (IMF), Annual Report on Exchange Arrangements and Exchange Restrictions 2019, Washington, D.C., 2020, p. 6.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Guyana, Nicaragua, the Plurinational State of Bolivia, and Trinidad and Tobago.
[c] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.

In this group of economies, nominal exchange rates also depreciated sharply, by a median of 4.5% in the third quarter of 2022, 4.5 times more than in the second quarter of 2022 (see figure VII.24).

[3] 12% is the threshold that has been set since 2016 by the Single Supervisory Mechanism (SSM) —an institution comprising the European Central Bank (ECB) and national supervisory authorities— for banks with non-performing portfolios above that level to be brought under a special supervisory regime.

Figure VII.24
Latin America and the Caribbean (16 countries): median year-on-year variation in the nominal exchange rate against the dollar, by country grouping, second and third quarter of 2022
(Percentages)



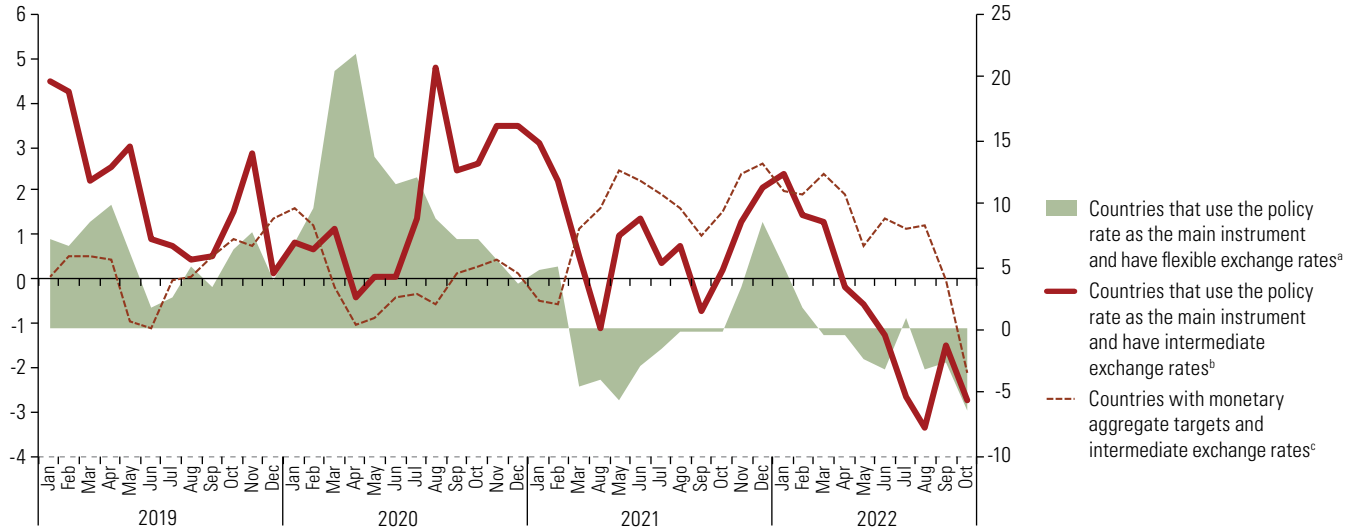
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of countries according to the monetary and exchange-rate system is based on the method described by the International Monetary Fund (IMF), Annual Report on Exchange Arrangements and Exchange Restrictions 2019, Washington, D.C., 2020, p. 6.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Guyana, Nicaragua, the Plurinational State of Bolivia, and Trinidad and Tobago.

The extraregional real effective exchange rate has tended to appreciate in 2022

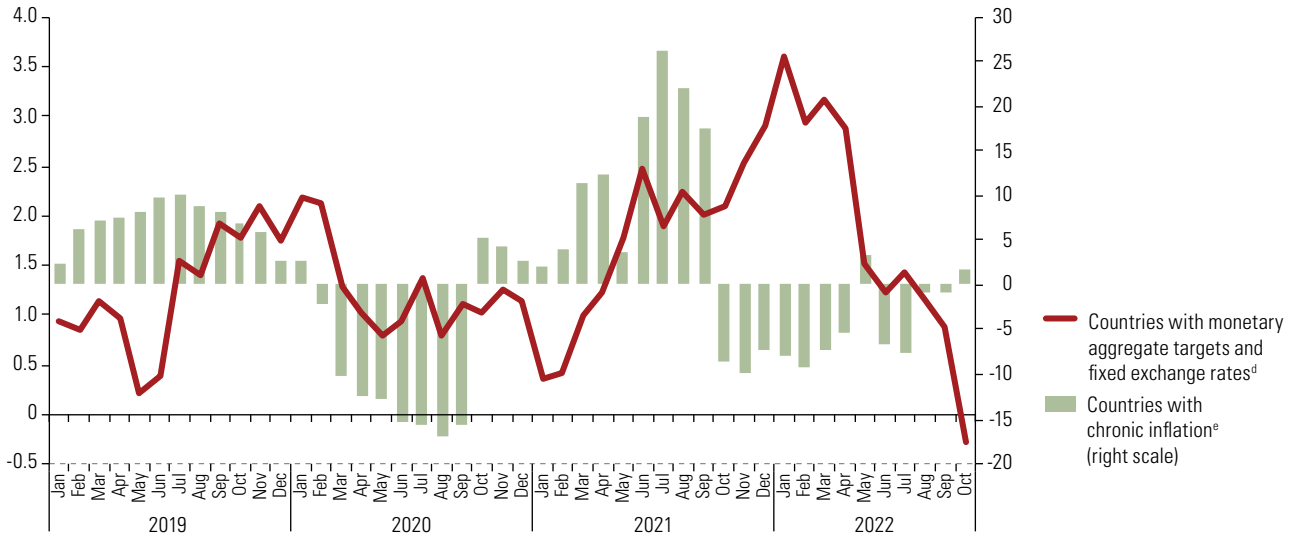
The dynamics of domestic and external inflation, combined with fluctuations in nominal exchange rates, both in the region's economies and among its main trading partners, have caused the extraregional real effective exchange rate to appreciate in 2022. Figure VII.25 shows that this trend has been fairly widespread across the different country groupings; but again the economies that use the policy rate and have flexible exchange rates display the greatest cumulative appreciation, at 6.3%, between October 2021 and October 2022.

Figure VII.25
Latin America and the Caribbean (30 countries): median year-on-year variation in the extraregional real effective exchange rate, by country grouping, January 2019–October 2022
(Percentages)

A. Countries that use the monetary policy rate as their main instrument and countries with intermediate exchange rates



B. Countries with fixed exchange rates and countries with chronic inflation



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Guyana, Nicaragua, the 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] Haiti and Suriname, excluding countries with multiple exchange rates during the period (Argentina and the Bolivarian Republic of Venezuela).

Heightened exchange-rate volatility has given rise to increased interventions in the foreign exchange market and greater use of international reserves

To stave off excessive exchange-rate fluctuations and reduce their repercussions on macrofinancial stability, including the second-order effect on inflation, the region's central banks have made active use of their international reserves. Figure VII.26 shows that, after increasing by 4.1% in 2021 to end the year at US$ 934 billion, the international reserves of the economies of Latin America and the Caribbean fell back by 7.2% in 2022, to stand at US$ 867 billion in October of that year. However, the current levels of international reserves are still above the average for January 2010 to December 2019.

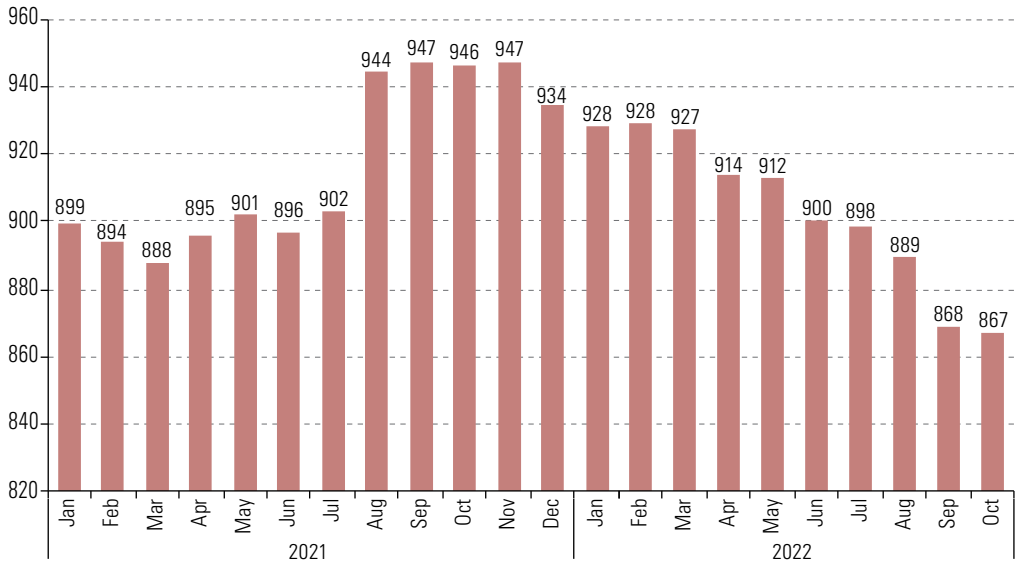
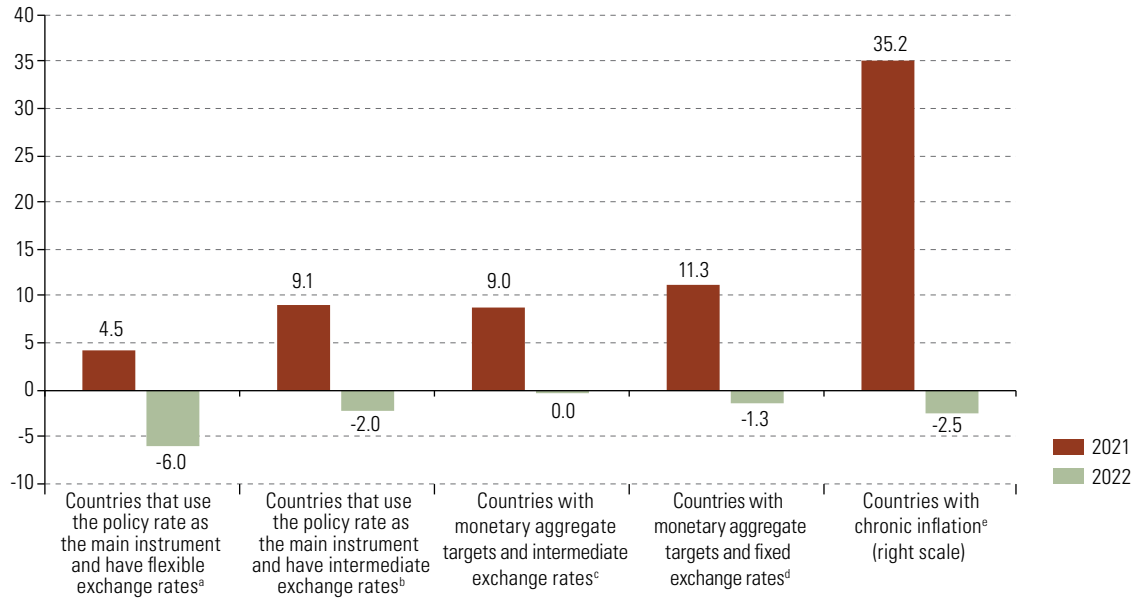


Figure VII.26
Latin America and the Caribbean: international reserves, January 2021–October 2022
(Billions of dollars)

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

Reserves declined in 21 of the region's economies, by an average of 7.7%. Figure VII.27 shows the variation in reserves in the different economies, grouped according to their monetary-exchange rate system. Those that use the policy rate as their main instrument and have floating exchange rates suffered the steepest fall in reserves, recording a median fall of 6.0% in the first ten months of the year.

Figure VII.27
Latin America and the Caribbean (32 countries): median variation in international reserves, by country grouping, 2021–2022
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The classification of countries according to the monetary and exchange-rate system is based on the method described by the International Monetary Fund (IMF), *Annual Report on Exchange Arrangements and Exchange Restrictions 2019,* Washington, D.C., 2020, p. 6.
[a] Brazil, Chile, Colombia, Peru, Mexico and Uruguay.
[b] Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica and Paraguay.
[c] Guyana, Nicaragua, the 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, the Bolivarian Republic of Venezuela, Haiti and Suriname.

Monetary, exchange-rate and macroprudential policy challenges in 2023

The prospects of more subdued inflation in 2023, resulting from smaller price increases among food and energy products, combined with the easing of some global supply issues and slackening demand, will ease pressure on the monetary authorities to hike monetary policy rates further. However, as inflation will only decline slowly and prices will remain at historically high levels, no drastic changes in monetary policy are foreseen.

Nonetheless, other factors, such as the speed of the slowdown in economic activity, volatility on international financial markets and the resulting exchange-rate fluctuations, will condition monetary policy and the use of macroprudential instruments, including international reserves, to preserve macrofinancial stability. In this regard, the significant repercussions that geopolitical conflicts such as the one in Ukraine, or crises such as the COVID-19 pandemic, can have on energy and food prices have recently become evident. The need to hasten the transition to renewable energies and reduce fossil fuel dependency, especially in the advanced countries, has been emphasized in this connection. The urgent need for a global "green" transformation could entail risks associated with abrupt capital

movements or excessive exchange rate fluctuations, thereby generating sources of systemic risk. Accordingly, the region's central banks urgently need to weigh the financial risks arising from climate change when defining the policy actions needed to preserve macrofinancial stability (see box VII.2).

Once again, the challenge for the monetary authorities involves creating the space needed to implement policies to mitigate these adverse effects on variables such as investment, which will affect the medium- and long-term path of GDP, and to prevent higher inflation and excessive exchange rate movements from continuing to erode purchasing power and accentuate inequalities.

Box VII.2
Climate risks and financial stability in Latin America and the Caribbean

Climate-related financial risks are especially relevant in the region for two reasons. Firstly, the transmission channels may be amplified by the geographic location and recurrence of climate shocks;[a] and, secondly, a structural shift towards sustainable and green activities would entail high costs for economies that rely heavily on crucial sectors of production, such as agriculture, natural resource extraction, transportation and construction. The region's monetary authorities are increasingly concerned to prevent and mitigate such risks, in order to preserve financial stability. This makes it possible to include such concerns among the grounds for intervention, even if there is no explicit reference to climate change in the corresponding legal mandates (Dikau and Volz, 2021). Considering that the primary objective of macroprudential policy is to achieve financial stability, one possible alternative might be to incorporate climate risks into the framework of macroprudential instruments already available in the region (D'Orazio and Popoyan, 2019; Masciandaro and Russo, 2022).

Climate risks and financial stability. Financial systems are exposed to climate-change risks through various transmission channels, which can become sources of systemic risk and lead to situations of financial instability (Apergis, 2022; Ojea Ferreiro, Reboredo and Ugolini, 2022; Brunetti and others, 2021). Climate-related financial risks are usually classified in two closely interconnected categories (Carney, 2015; TCFD, 2017). On the one hand, "physical" risks —that is, the effects of more frequent and more severe extreme weather events — can exacerbate the vulnerabilities of financial institutions, owing to the costs and losses they generate by disrupting ecosystems and economic and social conditions. On the other hand, the switch to low-carbon economies could entail "transition" risks and impose high costs on the financial system as a result of sudden and disorderly changes in public policy, access to technologies, and investor and consumer perceptions.[b] In particular, carbon-intensive activities would have to bear higher costs and earn lower revenues, which could result in stranded assets and abrupt corrections in asset prices, which would affect macrofinancial stability (Battiston and others, 2017; Cahen-Fourot and others, 2021).

Towards macroprudential management of climate risks in the region. Although the mandates of the region's monetary authorities do not have explicit objectives in terms of sustainability and the environment, there is a broad consensus regarding the important role they can play in preventing and mitigating the physical and transitional risks arising from climate change, through actions to preserve macrofinancial stability.[c] This is made clear in the various financial stability reports published by central banks that underpin macroprudential policy decision making and guidance. Topics associated with the relationship between climate risks and financial stability are becoming increasingly important, along with issues that warrant special attention according to the economic and social challenges faced by each country. In terms of priorities, special emphasis is placed on the following: (i) deepening understanding of the scope of the relationship between climate risks and financial stability, according to the specific characteristics of each country, in terms of financial development, for example; (ii) promoting the dissemination of knowledge and international and regional practices on the subject; (iii) advancing the development of "green" taxonomies for the evaluation of potentially risky activities, in order to calibrate actions related to the problems faced by the region; (iv) examining the relevance of environmental, social and governance criteria ratings, given that several countries in the region have expressed interest in broadening the concept

of climate risks and aligning it with achievement of the Sustainable Development Goals (SDGs); (v) identifying the sources of risks and factors that could exacerbate vulnerabilities in the banking sector, and quantifying the sector's exposure to a particular type of climate risk (physical and transitional); and (vi) assessing the gap between financing and green investment needs in key sectors and fostering the expansion of green financing, among other issues.

Strengthen the macroprudential instruments available in the region to address climate risks. The region's countries have extensive experience in macroprudential policy, given their high exposure to frequent banking and financial crises (ECLAC, 2020 and 2021). Climate-related financial risks tend to translate into traditional credit, market, liquidity and operational risks (BIS, 2021). Thus, appropriately defining the macroprudential instruments available in the region to encompass climate risks would lead to better targeting of certain sectors, actors or activities; and, at the same time, it would make it possible to address the systemic dimension of the risk. The menu of available instruments tends to focus on mitigating liquidity and capital risks, owing to the type of shocks that the region's countries have had to face (see table below). To illustrate this point, some of the proposals presented in different studies on the subject are discussed below.

Latin America and the Caribbean (25 countries):[a] main macroprudential instruments available, by risk category
(Percentages)

Intermediate objective	Instrument	Percentage
Mitigate foreign exchange and liquidity-related risks	Minimum liquidity coverage ratio	68
	Minimum net stable funding ratio	24
	Minimum liquid assets required as a fraction of total assets or short-term liabilities	44
	Limits on foreign exchange positions	76
	Legal reserve requirements for macroprudential purposes	48
Mitigate capital-related risks	Countercyclical capital buffer	32
	Capital conservation buffer	48
	Capital requirement targeting banks' exposures to the household sector	36
	Capital requirement targeting banks' exposures to the corporate sector	28
	Maximum leverage ratio	52
Mitigate credit-related risks (demand and supply)	Maximum loan-to-value ratio	32
	Minimum loan- loss provisioning requirement	52
	Maximum debt service-to-income ratio	24
	Other measures to increase resilience or address the risks of credit booms	32
Mitigate risks related to exposure (systemically important financial institutions) or interconnectedness	Measures to mitigate interconnectedness risks among systemically important institutions	64
	Additional positive capital buffer requirement imposed on systemically important institutions	40

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data and International Monetary Fund (IMF), Macroprudential Policy Survey [online database] https://www.elibrary-areaer.imf.org/Macroprudential/Pages/ChapterQuery.aspx.

Notes: The total number of macroprudential instruments in force in all countries was calculated, and the 17 countries with percentages above the median were selected. The percentages indicate the proportion of the countries that adopted the instrument in question.

[a] Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Suriname, Trinidad and Tobago, and Uruguay.

In terms of mitigating liquidity risk, the liquidity coverage ratio could be adapted by considering a measure of asset quality linked to climate risk exposure, using a taxonomy based on international or regional standards[d] (Baranović and others, 2021). From a macroprudential standpoint, this would imply additional capital requirements to

address climate-related short-term liquidity problems. Another alternative concerns bank reserve requirements, which are usually deployed in the region as a countercyclical macroprudential instrument. Given the various ways in which the countries differentiate (by deposits and currency), it would be feasible to include an environmental dimension to encourage credits to be channelled under preferential terms towards "green" projects (Campiglio and others, 2018). In terms of capital risk mitigation, there is still room to implement a countercyclical capital buffer, with the criteria for its activation altered by including climate risk factors (which are elevated in the case of loans to polluting sectors or activities). The criteria would be related, for example, to the credit-to-GDP ratio, which is the usual benchmark. Lastly, in the case of capital requirements, it would be important to weight risky assets using the mechanisms provided for in Basel III (Dikau and others, 2019; Lamperti and others, 2021).

The calibration and use of macroprudential instruments from this perspective depend heavily on the culmination of climate change dissemination and training efforts, the identification of risk sources according to each country's specific characteristics, or the development of consistent taxonomies, among other necessary preliminary steps.[e] Moreover, international and, in particular, regional cooperation are also important, to align the requirements of combating climate change with the specific characteristics of the region, in terms of both physical climate risks and transition risks. In this regard, it would be appropriate to develop regional taxonomies and common guidelines for implementing macroprudential measures to mitigate climate-related financial risks, given the similarities in the set of instruments available to the countries of the region.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of S. Dikau and U. Volz, "Central bank mandates, sustainability objectives and the promotion of green finance", *Ecological Economics*, vol. 184, June 2021; S. Dikau, N. Robins and M. Täger, "Building a sustainable financial system: the state of practice and future priorities", *Financial Stability Review*, vol. 37, *2019;* United Nations Office for Disaster Risk Reduction (UNDRR), Global Assessment Report on Disaster Risk Reduction 2022. Our World at Risk: Transforming Governance for a Resilient Future, Geneva, 2022; P. D'Orazio and L. Popoyan, "Dataset on green macroprudential regulations and instruments: objectives, implementation and geographical diffusion", *Data in Brief*, vol. 24, June 2019; D. Masciandaro and R. Russo, "Central banks and climate policy: unpleasant trade–offs? A principal–agent approach", *BAFFI CAREFIN Centre Research Paper*, No. 2022–181, Centre for Applied Research on International Markets, Money Banking and Regulation (BAFFI CAREFIN Centre), 2022; N. Apergis, "Do weather disasters affect banks' systemic risks? Two channels that confirm it", *Applied Economics Letters*, Taylor & Francis, 2022; J. Ojea Ferreiro, J. C. Reboredo and A. Ugolini, "The impact of climate transition risks on financial stability: a systemic risk approach", *JRC Working Papers in Economics and Finance*, No. 2022/1, 2022 [online] https://joint-research-centre.ec.europa.eu/publications/impact-climate-transition-risks-financial-stability-systemic-risk-approach_en; C. Brunetti and others, "Climate change and financial stability", *FEDS Notes*, Washington, D.C., Board of Governors of the Federal Reserve System, March 2021; M. Carney, "Breaking the tragedy of the horizon – climate change and financial stability speech by Mark Carney", Bank of England, 29 September 2015 [online] https://www.bankofengland.co.uk/speech/2015/breaking-the-tragedy-of-the-horizon-climate-change-and-financial-stability; Task Force on Climate-related Financial Disclosures (TCFD), *Recommendations of the Task Force on Climate-related Financial Disclosures*, 2017 [online] https://www.fsb-tcfd.org/recommendations/; Battiston, S. and others, "A climate stress-test of the financial system", *Nature Climate Change*, vol. 7, No. 4, April 2017; L. Cahen-Fourot and others, "Capital stranding cascades: the impact of decarbonisation on productive asset utilization", *Energy Economics*, vol. 103, November 2021; P. D'Orazio and L. Popoyan, "Realising central banks' climate ambitions through financial stability mandates", *Intereconomics*, vol. 57, No. 2, April 2022; ECLAC, Economic Survey of Latin America and the Caribbean, 2020 (LC/PUB.2020/12-P), Santiago, 2020; (ECLAC), Economic Survey of Latin America and the Caribbean, 2021 (LC/PUB.2021/10-P/Rev.1), Santiago, 2021; Bank for International Settlements (BIS), *Climate-related risk drivers and their transmission channels*, 2021 [online] https://www.bis.org/bcbs/publ/d517.htm; I. Baranović and others, "The challenge of capturing climate risks in the banking regulatory framework: is there a need for a macroprudential response?", *Macroprudential Bulletin*, vol. 15, European Central Bank (ECB), October 2021; E. Campiglio and others, "Climate change challenges for central banks and financial regulators", *Nature Climate Change*, vol. 8, No. 6, June 2018; F. Lamperti and others, "Three green financial policies to address climate risks", *Journal of Financial Stability*, vol. 54, June 2021.

[a] According to the United Nations Office for Disaster Risk Reduction (UNDRR, 2022), 175 natural disasters occurred in the region in 2020–2022.

[b] For information on the different transition scenarios and increase in associated risks, see Network of Central Banks and Supervisors for Greening the Financial System [online] https://www.ngfs.net/en.

[c] In this regard, the different governance configurations in the region generally show a structure organized in committees encompassing several institutions (central bank, committee external to the central bank involving several financial supervisors, or a supervisory body other than the central bank), which gives them the space and flexibility to include climate risks within the framework of a macroprudential approach (D'Orazio and Popoyan, 2022).

[d] As was done in the case of the Basel III regulatory framework, when a specific definition of asset quality was proposed after the 2008 global financial crisis.

[e] The intrinsic characteristics of climate change (radical uncertainty, endogeneity and non-linearity) pose major challenges for the monetary authorities in measuring and incorporating the associated financial risks in their policy decisions, given the shortcomings of the traditional models used.

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CHAPTER VIII

Economic outlook for Latin America and the Caribbean in 2023

In the 10 years between 2014 and 2023, economic growth in Latin America and the Caribbean has been slower than during the "lost decade" of the 1980s

Following growth of 3.7% in 2022, the slowdown is expected to worsen, with growth of 1.3% in 2023

Labour market trends in the region are expected to be shaped by a complex macroeconomic context and a new economic slowdown

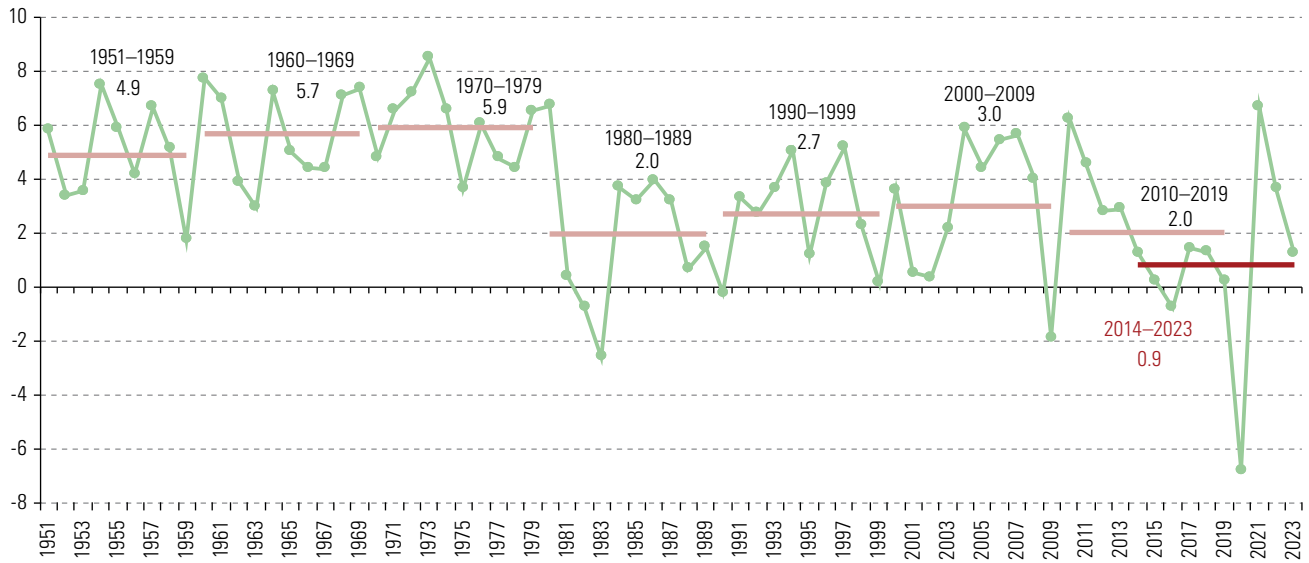
VIII

In the 10 years between 2014 and 2023, economic growth in Latin America and the Caribbean has been slower than during the "lost decade" of the 1980s

In 2021 and 2022, the historical structural problems in Latin America and the Caribbean that were worsened by the COVID-19 crisis[1] were further complicated by the growing challenges stemming from strong inflationary pressures, high levels of sovereign debt resulting from the crisis and —more recently— the war in Ukraine and its effects.

After growth in Latin America and the Caribbean of 3.7% in 2022, the slowdown is expected to worsen, resulting in growth of 1.3% in 2023 amidst significant constraints, both external and internal. These figures imply that, in the 10 years between 2014 and 2023, the region's growth would be even slower than during the "lost decade" of the 1980s (see figure VIII.1).

Figure VIII.1
Latin America and the Caribbean: GDP growth, 1951–2023
(Percentages)



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

Following growth of 3.7% in 2022, the slowdown is expected to worsen, with growth of 1.3% in 2023

Economic growth in 2022 in Latin America and the Caribbean was stronger than expected in the first half of the year and slowed in the second half.

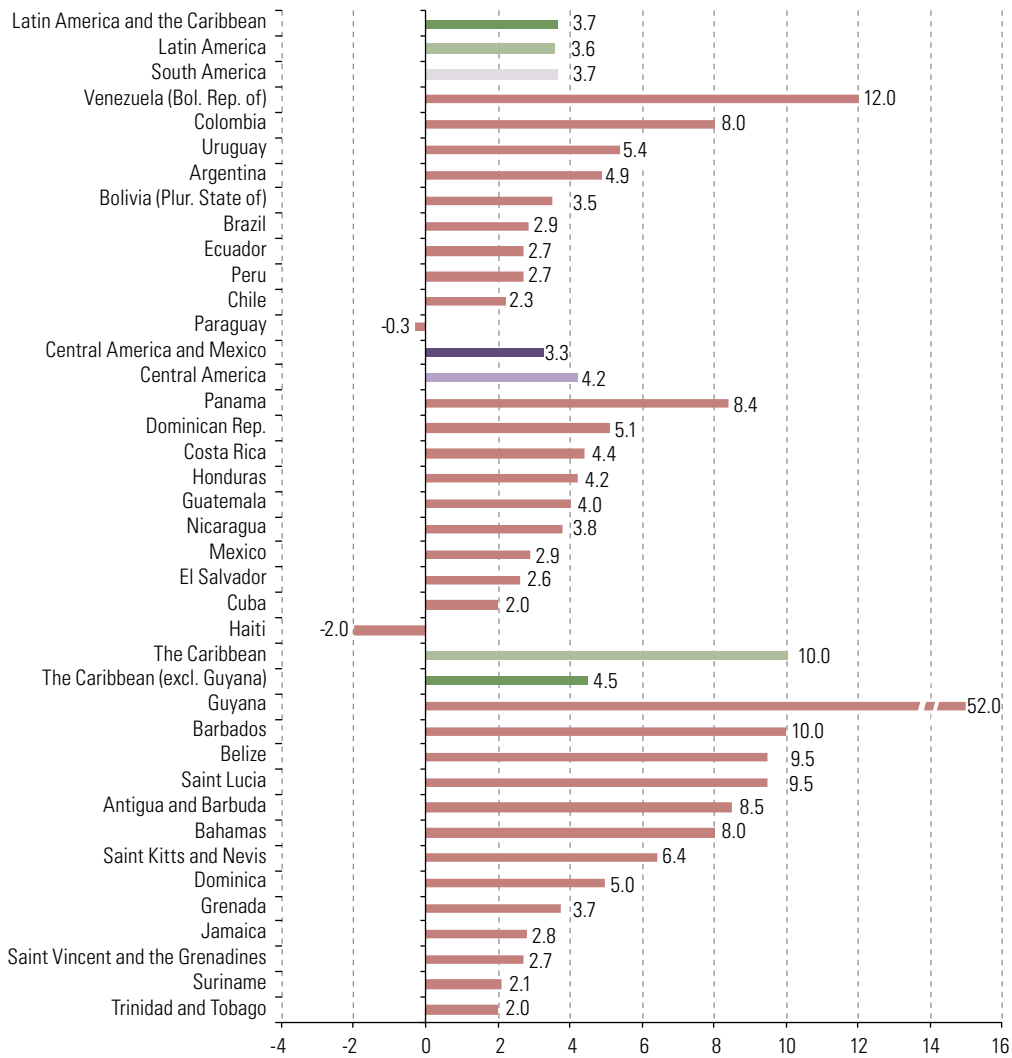
At the global level, the war between the Russian Federation and Ukraine weighed on global growth —and external demand in Latin America and the Caribbean— in addition to heightening inflationary pressure, volatility and financial costs. Greater risk

[1] Weak investment and productivity, informality, unemployment, weak coverage of social protection and health systems, and high levels of inequality and poverty (see Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2021* (LC/PUB.2021/10-P/Rev.1), Santiago, 2021).

aversion and the tighter monetary policy implemented by the main central banks of the world adversely affected capital flows towards emerging markets, including those of Latin America and the Caribbean, besides leading to the depreciation of local currencies and making it more burdensome for the countries of the region to obtain financing.

In 2022, GDP growth of 3.7% is projected for Latin America and the Caribbean, with forecasts of 3.7% for South America, 3.3% for Central America and Mexico and 4.5% for the Caribbean (excluding Guyana) (see figure VIII.2).

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



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

In 2023, the slowdown is expected to continue and worsen, leading to projections of significantly lower GDP growth than in 2022, with an average of 1.3% expected in Latin America and the Caribbean (see figure VIII.3).

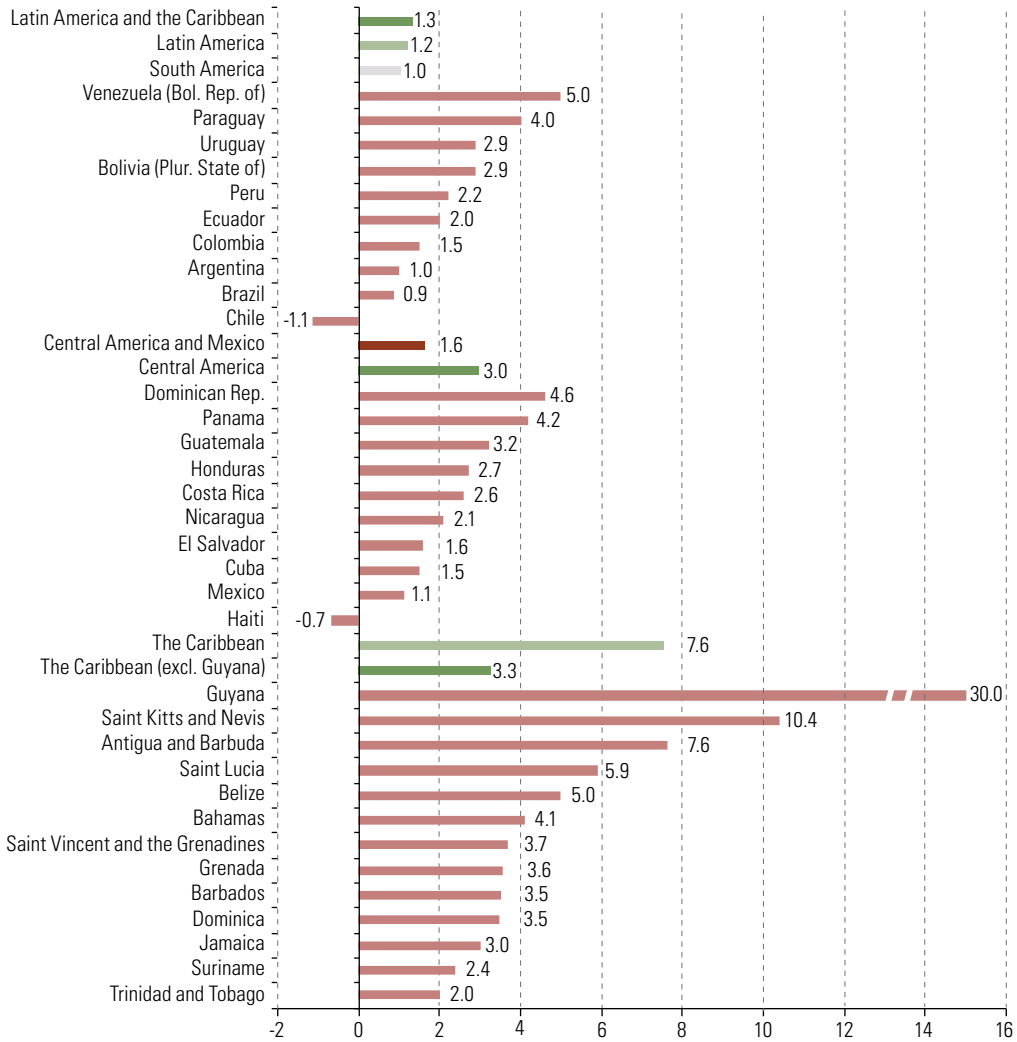


Figure VIII.3
Latin America and the Caribbean (33 countries): projected GDP growth rates, 2023
(Percentages)

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

The countries of the region are once again expected to be faced with an inauspicious international context, in which a sharper deceleration is projected for both growth and global trade, along with lower commodity prices than in 2022 —with negative effects on the terms of trade for countries that export raw materials— and global financial conditions that continue to be influenced by risk aversion and restrictive monetary policies in developed countries.

Domestically, the countries of the region are projected to once again face constrained macroeconomic policy space in 2023, both in fiscal and monetary terms. In the area of monetary policy, rising inflation prompted the central banks of the region, like those of most other countries, to increase monetary policy rates, significantly in some cases, and to dampen the growth of monetary aggregates. Although the anchoring of inflation expectations in the countries in 2023 should bring this process to an end, the effects of this restrictive policy on private consumption and investment are likely to intensify in 2023, given the lag in the monetary policy impact. On the fiscal front, although the primary deficit has narrowed, persistently high levels of public debt in many countries mean that authorities are facing reduced fiscal space. In a context of high demand for public spending, it will be necessary to strengthen fiscal sustainability and open up fiscal space through measures to enhance tax revenue collection and redistribution capacity.

All the subregions are expected to see slower growth in 2023: South America is forecast to grow by 1% (3.7% in 2022), Central America and Mexico by 1.6% (3.3% in 2022), and the Caribbean (excluding Guyana) by 3.3% (4.5% in 2022).

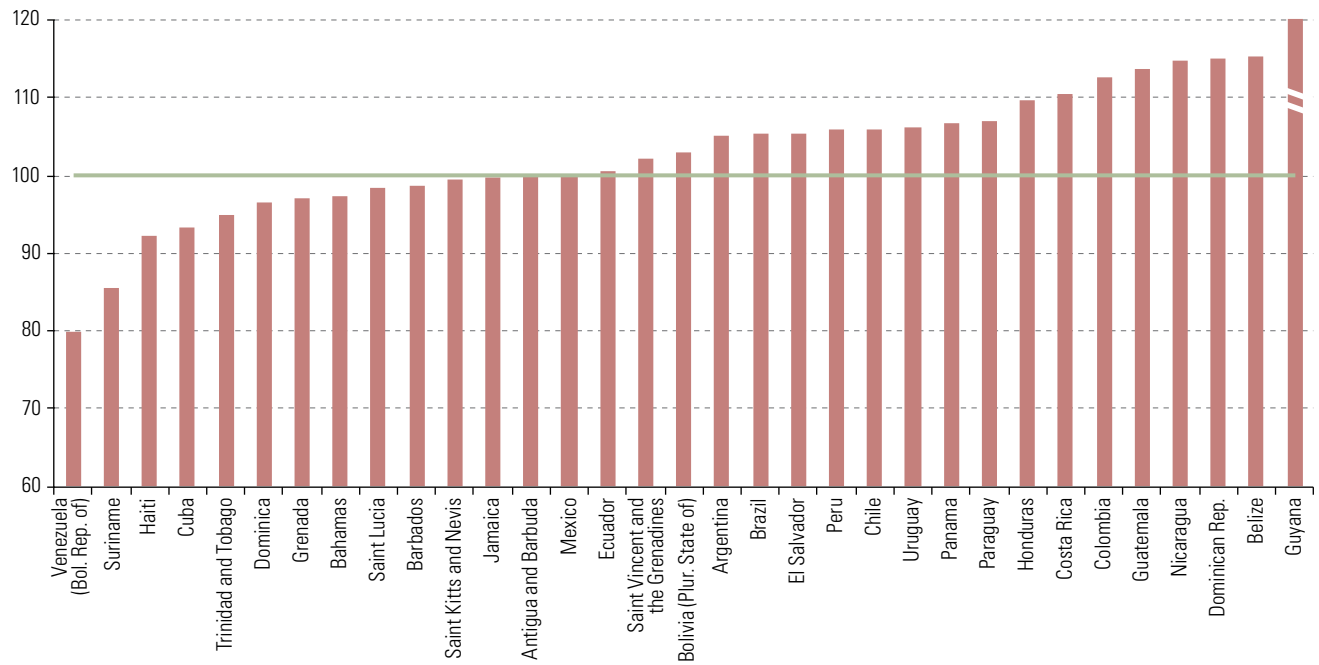
Some South American countries are expected to be particularly affected by lacklustre growth in China, the main market for their goods exports. This is the case for Brazil, Chile, Peru and Uruguay, for which China accounts for more than 30% of exports (and more than 40% in the case of Chile). South America is also projected to feel the effects of lower commodity prices and the impact of inflation on real incomes, with knock-on effects on private consumption and investment.

For the economies of Central America, weak growth in the United States, the main trading partner and primary source of remittances for the countries of the subregion, is projected to affect both the external sector and private consumption. In this case, however, lower commodity prices will be a boon to these economies, as several are net importers of food and energy.

Lastly, the impacts of inflation on the economies of the Caribbean have not only weighed on real incomes and in turn, consumption, but also on production costs, which has weakened the competitiveness of both goods exports and tourism.

With the growth rates in 2022 and 2023, and almost four years after the start of the pandemic, 12 of the 33 countries of the region will still not have managed to recover the levels of activity seen in 2019 prior to its onset (see figure VIII.4).

Figure VIII.4
Latin America and the Caribbean: GDP in 2023[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 2023 are projections.

Labour market trends in the region are expected to be shaped by a complex macroeconomic context and a new economic slowdown

Labour market trends in Latin America and the Caribbean will depend in large part on highly complex macroeconomic conditions. At the same time, the repercussions of the current context of a global economic slowdown, growing inflationary pressure, greater exchange-rate volatility and less room for expansionary policies mean that slower GDP growth is once again expected in the region in 2023.

Stronger-than-anticipated economic growth in the first half of 2022 enabled a significant reduction in the regional unemployment rate, among other impacts. However, the slower growth seen in the second half of the year, which is expected to extend into 2023, casts doubt on the possibility that the region's labour indicators will continue to improve.

As such, by the end of 2022, the labour participation rate is expected to reach 62.6%, a recovery of 1.2 percentage points compared with the end of 2021. For 2023, the labour participation rate is expected to increase again, by 0.5 percentage points, to close at 63.1%. Despite the increases expected, at the end of 2023, the participation rate is forecast to remain below the 2019 rate of 63.3%. In keeping with these labour participation trends and growth projections, the number of employed persons is expected to grow by 5.3% in 2022 and by 1.9% in 2023. The unemployment rates projected at the end of 2022 and in 2023 are 7.3% and 7.4%, respectively.

One cause for concern is that, just as in the first half of 2022, levels of informality have risen and there is a risk that this trend will continue in 2023, even more so given that activities such as construction and manufacturing may be affected by the interest rate hikes implemented by the region's central banks to address rising prices and greater exchange-rate volatility, in particular in the context of high household and corporate debt in some Latin American and Caribbean countries.

Statistical annex

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
	Annual growth rates									
Gross domestic product[b]	2.9	1.2	0.1	-0.9	1.3	1.1	0.1	-6.8	6.7	3.7
Per capita gross domestic product[b]	1.8	0.1	-0.9	-1.9	0.3	0.2	-0.9	-7.6	5.7	2.8
Consumer prices[c]	3.9	4.2	5.4	3.9	3.4	3.0	2.9	2.9	6.6	6.8[d]
	Percentages									
National unemployment	6.3	6.1	6.6	7.8	8.1	7.9	7.9	10.2	9.3	7.3
Total gross external debt/GDP[e]	30.2	33.1	36.5	36.4	37.5	39.7	41.4	42.8	43.3	44.8
Total gross external debt/exports of goods and services[f]	158.2	174.7	174.0	179.0	189.5	197.7	204.7	206.9	214.0	…
Balance of payments[g]	Millions of dollars									
Current account balance	-170 700	-186 028	-170 013	-99 285	-91 955	-139 723	-111 073	-3 586	-75 474	-109 539
Exports of goods f.o.b.	1 118 011	1 086 489	926 604	895 174	1 004 560	1 091 381	1 046 596	954 426	1 222 201	1 442 134
Imports of goods f.o.b.	1 114 435	1 103 309	979 825	891 851	975 649	1 087 701	1 045 068	883 456	1 207 775	1 471 422
Services trade balance	-82 532	-80 337	-59 425	-47 580	-54 809	-53 996	-40 063	-43 437	-51 723	-47 555
Income balance	-159 028	-161 149	-129 875	-134 946	-152 956	-183 082	-168 881	-135 716	-168 953	-177 770
Net current transfers	64 293	68 331	70 171	77 455	84 110	91 760	96 343	104 597	130 777	145 075
Capital and financial balance[h]	186 412	224 002	142 159	119 403	109 370	124 553	64 725	17 557	125 641	…
Net foreign direct investment	172 398	168 138	149 185	138 640	128 439	154 316	124 342	102 635	116 974	…
Other capital movements	28 797	28 797	28 797	28 797	28 797	28 797	28 797	28 797	28 797	…
Overall balance	15 712	37 974	-27 854	20 118	17 415	-15 170	-46 349	13 971	50 167	…
Variation in reserve assets[i]	-16 143	-38 431	27 128	-19 423	-17 968	-13 214	30 560	-15 293	-50 641	…
Other financing	-187	-456	-356	-117	36	28 319	16 175	1 183	156	…
Net transfer of resources	27 817	63 309	13 011	-16 238	-43 033	-30 146	-88 368	-116 837	-42 837	…
International reserves	830 209	857 638	811 962	831 571	859 610	868 029	852 243	891 560	934 271	866 660
Fiscal sector[jk]	Percentages of GDP									
Overall balance	-2.9	-3.2	-3.1	-3.4	-3.2	-2.9	-3.0	-6.9	-4.2	…
Primary balance	-1.1	-1.3	-1.0	-1.2	-0.9	-0.5	-0.5	-4.2	-1.7	…
Total revenue	18.6	18.4	18.4	18.1	18.1	18.3	18.4	17.8	19.2	…
Tax revenue	15.1	15.2	15.3	15.3	15.2	15.3	15.2	14.6	15.9	…
Total expenditure	21.5	21.5	21.5	21.5	21.3	21.3	21.4	24.6	23.4	…
Capital expenditure	4.3	4.1	3.9	3.9	3.6	3.3	3.1	3.4	3.6	…
Central government public debt[k]	32.6	34.1	36.5	38.2	39.7	43.0	45.3	56.4	53.1	…
Public debt of the non-financial public sector[k]	35.1	37.0	39.7	41.6	43.2	46.5	49.3	60.1	56.9	…

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Forecast.
[b] Based on official figures expressed in dollars at constant 2018 prices.
[c] December–December variation. Weighted average, does not include Argentina, Haiti, Suriname and Bolivarian Republic of Venezuela.
[d] Twelve-month variation to October 2022.
[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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America and the Caribbean[b]	**2.9**	**1.2**	**0.1**	**-0.9**	**1.3**	**1.1**	**0.1**	**-6.8**	**6.7**	**3.7**
Latin America	**2.9**	**1.2**	**0.1**	**-0.9**	**1.3**	**1.1**	**0.0**	**-6.8**	**6.7**	**3.6**
Argentina	2.4	-2.5	2.7	-2.1	2.8	-2.6	-2.0	-9.9	10.4	4.9
Bolivia (Plurinational State of)	6.8	5.5	4.9	4.3	4.2	4.2	2.2	-8.7	6.1	3.5
Brazil	3.0	0.5	-3.5	-3.3	1.3	1.8	1.2	-3.3	5.0	2.9
Chile	3.3	1.8	2.2	1.8	1.4	4.0	0.8	-6.0	11.7	2.3
Colombia	5.1	4.5	3.0	2.1	1.4	2.6	3.2	-7.0	10.7	8.0
Costa Rica	2.5	3.5	3.7	4.2	4.2	2.6	2.4	-4.3	7.8	4.4
Cuba	2.8	1.0	4.4	0.5	1.8	2.2	-0.2	-10.9	1.3	2.0
Dominican Republic	4.9	7.1	6.9	6.7	4.7	7.0	5.1	-6.7	12.3	5.1
Ecuador	4.9	3.8	0.1	-1.2	2.4	1.3	0.0	-7.8	4.2	2.7
El Salvador	2.2	1.7	2.4	2.5	2.2	2.4	2.4	-8.2	10.3	2.6
Guatemala	3.5	4.4	4.1	2.7	3.1	3.4	4.0	-1.8	8.0	4.0
Haiti	4.3	1.7	2.6	1.8	2.5	1.7	-1.7	-3.3	-1.8	-2.0
Honduras	2.8	3.1	3.8	3.9	4.8	3.8	2.7	-9.0	12.5	4.2
Mexico	1.4	2.8	3.3	2.6	2.1	2.2	-0.2	-8.0	4.7	2.9
Nicaragua	4.9	4.8	4.8	4.6	4.6	-3.4	-3.8	-1.8	10.3	3.8
Panama	6.9	5.1	5.7	5.0	5.6	3.7	3.0	-17.9	15.3	8.4
Paraguay	8.3	5.3	3.0	4.3	4.8	3.2	-0.4	-0.8	4.1	-0.3
Peru	5.9	2.4	3.3	4.0	2.5	4.0	2.2	-10.9	13.4	2.7
Uruguay	4.6	3.2	0.4	1.7	1.6	0.5	0.4	-6.1	4.4	5.4
Venezuela (Bolivarian Republic of)[c]	1.3	-3.9	-6.2	-17.0	-15.7	-19.6	-28.0	-30.0	-3.0	12.0
The Caribbean	**1.4**	**2.2**	**0.3**	**-1.9**	**-0.4**	**1.2**	**1.2**	**-9.5**	**5.4**	**10.0**
Antigua and Barbuda	-0.6	3.8	3.8	5.5	3.1	6.9	4.9	-20.2	7.4	8.5
Bahamas	-2.9	1.8	1.0	-0.9	3.0	1.8	1.9	-23.8	13.7	8.0
Barbados	-1.4	-0.1	2.5	2.5	0.5	-1.0	-0.6	-14.0	0.7	10.0
Belize	4.8	3.9	2.6	-2.3	-1.0	0.3	4.5	-13.7	16.3	9.5
Dominica	-1.0	4.8	-2.7	2.8	-6.6	3.5	5.5	-16.6	6.7	5.0
Grenada	2.4	7.3	6.4	3.7	4.4	4.4	0.7	-13.8	4.7	3.7
Guyana	3.7	1.7	0.7	3.8	3.7	4.4	5.4	43.5	18.5	52.0
Jamaica	0.5	0.7	0.9	1.4	1.0	1.9	0.9	-9.9	4.6	2.8
Saint Kitts and Nevis	5.7	7.6	0.7	3.9	0.0	2.1	4.0	-14.5	-0.9	6.4
Saint Lucia	-2.0	1.3	0.1	3.4	3.4	2.9	-0.7	-24.4	12.2	9.5
Saint Vincent and the Grenadines	2.5	1.1	2.8	4.1	1.7	3.1	0.4	-5.3	1.4	2.7
Suriname	2.9	0.3	-3.4	-4.9	1.6	4.9	1.1	-15.9	-2.8	2.1
Trinidad and Tobago	3.8	3.3	-0.8	-6.8	-4.7	-0.9	0.1	-7.7	-1.0	2.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Forecast.
[b] Based on official figures expressed in dollars at constant 2018 prices.
[c] Estimates for 2019, 2020 and 2021.

Table A1.3
Latin America and the Caribbean: per capita annualgrowth rates in gross domestic product
(Constant prices)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America and the Caribbean[b]	**1.8**	**0.1**	**-0.9**	**-1.9**	**0.3**	**0.2**	**-0.9**	**-7.6**	**5.7**	**2.8**
Latin America	**1.8**	**0.1**	**-0.9**	**-1.9**	**0.3**	**0.2**	**-0.9**	**-7.6**	**5.7**	**2.7**
Argentina	1.3	-3.5	1.7	-3.1	1.8	-3.5	-2.9	-10.8	9.4	4.0
Bolivia (Plurinational State of)	5.1	3.8	3.3	2.7	2.7	2.8	0.8	-10.0	4.7	2.1
Brazil	2.1	-0.4	-4.4	-4.1	0.5	1.0	0.5	-4.0	4.3	2.2
Chile	2.3	0.7	1.0	0.4	-0.1	2.6	-0.4	-6.8	11.1	1.7
Colombia	4.2	3.4	1.8	0.7	-0.2	1.0	1.8	-8.0	9.9	7.2
Costa Rica	1.3	2.4	2.5	3.1	3.1	1.6	1.4	-5.1	6.8	3.5
Cuba	2.5	0.8	4.3	0.4	1.8	2.3	-0.1	-10.9	1.3	2.1
Dominican Republic	3.7	5.8	5.7	5.5	3.5	5.8	4.0	-7.7	11.2	4.1
Ecuador	3.4	2.2	-1.5	-2.9	0.6	-0.5	-1.7	-9.2	2.8	1.3
El Salvador	1.8	1.2	1.9	2.0	1.7	1.9	1.9	-8.6	9.7	2.1
Guatemala	1.3	2.3	2.0	0.6	1.1	1.4	2.0	-3.6	6.0	2.1
Haiti	2.8	0.3	1.2	0.5	1.2	0.4	-2.9	-4.5	-3.0	-3.2
Honduras	0.9	1.3	2.0	2.1	3.1	2.1	1.0	-10.4	10.8	2.6
Mexico	0.0	1.5	2.0	1.4	0.9	1.1	-1.3	-9.0	3.7	1.9
Nicaragua	3.5	3.4	3.4	3.2	3.3	-4.6	-5.0	-3.0	9.1	2.6
Panama	5.1	3.3	3.9	3.2	3.8	1.9	1.3	-19.2	13.6	6.9
Paraguay	6.8	3.9	1.6	2.9	3.4	1.9	-1.7	-2.0	2.8	-1.5
Peru	4.9	1.3	2.0	2.4	0.8	2.2	0.6	-12.1	12.1	1.5
Uruguay	4.3	2.9	0.0	1.3	1.3	0.1	-0.0	-6.4	4.0	5.1
Venezuela (Bolivarian Republic of)[c]	-0.1	-4.7	-6.3	-16.4	-14.4	-18.2	-27.1	-29.8	-3.9	11.1
The Caribbean	**0.7**	**1.4**	**-0.4**	**-2.5**	**-1.1**	**0.6**	**0.6**	**-10.0**	**4.8**	**9.5**
Antigua and Barbuda	-1.8	2.6	2.7	4.4	2.2	5.9	4.0	-20.9	6.5	7.7
Bahamas	-3.8	0.9	0.0	-1.8	2.0	0.8	0.9	-24.6	12.7	7.1
Barbados	-1.7	-0.3	2.3	2.4	0.3	-1.2	-0.7	-14.1	0.6	9.9
Belize	2.5	1.7	0.4	-4.3	-2.9	-1.6	2.6	-15.3	14.2	7.7
Dominica	-1.1	4.7	-2.9	2.6	-6.8	3.3	5.2	-16.8	6.4	4.7
Grenada	1.7	6.6	5.8	3.1	3.9	3.8	0.2	-14.2	4.2	3.3
Guyana	3.1	1.1	0.2	3.3	3.2	3.9	4.8	42.8	17.9	51.5
Jamaica	-0.1	0.1	0.4	0.8	0.5	1.4	0.4	-10.3	4.2	2.4
Saint Kitts and Nevis	4.8	6.6	-0.1	3.1	-0.8	1.3	3.3	-15.1	-1.5	5.8
Saint Lucia	-2.5	0.9	-0.4	2.9	2.9	2.4	-1.1	-24.7	11.8	9.0
Saint Vincent and the Grenadines	2.3	0.9	2.5	3.9	1.3	2.7	0.1	-5.6	1.1	2.4
Suriname	1.8	-0.8	-4.4	-5.9	0.6	3.9	0.2	-16.7	-3.6	1.2
Trinidad and Tobago	3.2	2.7	-1.3	-7.3	-5.2	-1.3	-0.3	-8.0	-1.3	1.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Forecast.
[b] Based on official figures expressed in 2018 dollars.
[c] Estimates for 2019, 2020 and 2021.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[b]
Latin America	**22.8**	**21.9**	**20.6**	**18.9**	**18.2**	**18.2**	**17.6**	**16.5**	**17.9**	**17.7**
Argentina	15.4	14.7	14.9	14.3	15.8	15.3	13.1	12.6	15.3	16.1
Bolivia (Plurinational State of)	18.3	19.1	19.1	19.0	20.4	20.2	19.0	15.5	16.3	16.8
Brazil	19.7	18.7	16.7	15.2	14.6	15.1	15.5	15.8	17.5	16.8
Chile	26.6	25.1	24.6	23.6	22.5	23.0	23.9	23.1	24.3	23.3
Colombia	21.6	22.6	22.5	21.4	21.5	21.2	21.0	17.4	17.4	17.5
Costa Rica	18.8	18.8	18.8	19.1	18.4	18.2	16.3	16.5	17.0	17.2
Dominican Republic	21.4	21.8	24.3	25.5	24.3	25.8	26.5	25.0	27.2	27.5
Ecuador	29.0	28.6	26.8	24.7	25.4	25.6	24.7	21.7	21.7	22.0
El Salvador	16.9	15.0	16.0	16.2	16.4	17.2	17.8	18.1	20.4	20.2
Guatemala	14.8	14.8	14.0	13.4	13.6	13.7	14.3	13.7	15.3	15.0
Honduras	24.0	23.4	25.3	22.6	24.0	24.7	22.8	19.1	...	...
Mexico	23.1	23.1	23.5	23.1	22.3	22.0	21.0	18.8	19.6	20.4
Nicaragua	26.6	26.3	29.3	28.4	27.7	22.4	17.6	19.7	24.0	23.2
Panama	38.5	39.8	40.1	39.0	39.8	38.6	37.3	23.0	25.9	25.3
Paraguay	20.1	20.5	19.5	19.1	19.3	19.9	18.8	20.0	22.7	23.8
Peru	26.6	25.4	22.9	21.0	20.8	20.9	21.0	19.8	23.3	23.1
Uruguay	19.3	19.2	17.3	16.8	16.6	15.0	15.1	16.3	18.0	18.6

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 2018 prices.
[b] Forecast.

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		
	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]
Latin America and the Caribbean	**954 426**	**1 222 201**	**1 442 134**	**1 066 007**	**1 361 697**	**1 623 455**	**883 456**	**1 207 775**	**1 471 422**	**1 038 474**	**1 398 993**	**1 700 299**
Latin America	**940 988**	**1 201 863**	**1 442 134**	**1 045 406**	**1 332 405**	**1 623 455**	**864 614**	**1 185 223**	**1 471 422**	**1 010 953**	**1 364 596**	**1 700 299**
Argentina	54 946	77 987	90 465	64 431	87 415	104 803	40 315	59 291	80 043	52 339	72 362	99 650
Bolivia (Plurinational State of)	6 953	10 966	14 365	7 383	11 435	14 928	6 517	8 740	11 013	8 261	10 759	14 042
Brazil	210 707	284 012	346 494	239 283	317 175	387 702	178 337	247 648	312 037	227 854	297 924	374 881
Chile	74 086	94 677	100 357	79 733	100 634	108 794	55 110	84 148	98 454	68 118	102 086	119 978
Colombia	32 309	42 736	63 676	38 224	50 793	75 762	41 179	56 719	72 601	51 312	70 840	90 240
Costa Rica	11 991	14 823	16 602	19 996	23 761	28 076	13 699	17 671	21 559	17 701	22 298	26 778
Dominican Republic	10 302	12 462	14 830	14 889	20 509	27 705	17 105	24 143	31 869	20 302	28 541	37 147
Ecuador	20 591	27 236	35 951	22 401	29 325	38 729	17 092	23 975	33 805	19 877	28 567	38 923
El Salvador	4 143	5 385	6 246	6 295	8 491	10 425	9 289	13 592	16 175	10 764	15 754	18 919
Guatemala	10 127	12 414	15 020	12 713	15 318	18 767	16 441	23 300	31 222	19 267	27 388	36 332
Haiti	885	1 130	1 198	1 014	1 255	1 358	3 764	4 604	5 157	4 206	5 224	5 727
Honduras	7 683	10 216	13 076	8 389	11 069	14 157	10 241	15 034	19 845	12 049	17 623	23 031
Mexico	417 323	495 090	589 157	434 366	522 235	629 875	383 172	506 005	617 326	411 458	544 752	667 970
Nicaragua	4 396	5 575	6 523	5 342	6 617	8 005	5 324	7 451	8 643	5 939	8 306	9 740
Panama	10 223	14 889	16 973	19 612	26 791	32 756	14 435	20 368	26 275	17 417	24 545	31 953
Paraguay	11 494	14 025	14 867	12 116	14 663	15 521	10 035	13 086	14 918	10 783	13 963	15 883
Peru	42 905	63 151	76 413	45 624	66 098	81 585	34 709	48 317	57 015	42 093	58 611	70 148
Uruguay	9 924	15 092	19 921	13 596	18 820	24 507	7 848	11 129	13 466	11 213	15 051	18 957
The Caribbean	**13 439**	**20 339**	**...**	**20 601**	**29 291**	**...**	**18 843**	**22 552**	**...**	**27 521**	**34 397**	**...**
Antigua and Barbuda	36	37	...	599	749	...	385	532	...	655	869	...
Bahamas	393	609	...	1 650	3 202	...	2 024	3 241	...	3 411	4 924	...
Barbados	345	...	...	1 118	...	...	1 422	...	...	1 492	...	...
Belize	289	424	...	715	1 042	...	731	956	...	902	1 253	...
Dominica	15	16	...	100	100	...	188	177	...	274	265	...
Grenada	28	30	...	429	482	...	348	371	...	543	580	...
Guyana	2 590	4 356	...	2 791	4 627	...	2 250	4 376	...	4 239	7 233	...
Jamaica	1 251	1 441	...	3 343	4 385	...	4 199	4 266	...	5 911	7 414	...
Saint Kitts and Nevis	26	27	...	340	341	...	269	281	...	445	464	...
Saint Lucia	64	67	...	461	455	...	459	378	...	665	576	...
Saint Vincent and the Grenadines	54	47	...	168	141	...	267	265	...	353	351	...
Suriname	2 344	2 204	...	2 446	2 299	...	1 282	1 338	...	1 845	1 876	...
Trinidad and Tobago	6 003	11 082	...	6 440	11 467	...	5 019	6 370	...	6 785	8 592	...

	Goods and services balance			Income balance			Current transfers balance			Current account balance		
	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]
Latin America and the Caribbean	**27 533**	**-37 297**	**-76 843**	**-135 716**	**-168 953**	**-177 770**	**104 597**	**130 777**	**145 075**	**-3 586**	**-75 474**	**-109 539**
Latin America	**34 453**	**-32 191**	**-76 843**	**-133 169**	**-167 041**	**-177 770**	**100 720**	**125 930**	**145 075**	**2 004**	**-73 302**	**-109 539**
Argentina	12 092	15 053	5 153	-10 119	-9 825	-11 101	1 147	1 481	1 875	3 121	6 708	-4 073
Bolivia (Plurinational State of)	-878	676	886	-417	-1 029	-1 151	1 026	1 202	1 245	-269	849	980
Brazil	11 428	19 252	12 821	-38 264	-50 471	-55 000	2 344	3 294	4 144	-24 492	-27 925	-38 035
Chile	11 616	-1 451	-11 185	-15 927	-18 423	-15 120	28	-433	547	-4 283	-20 307	-25 757
Colombia	-13 089	-20 047	-14 478	-5 046	-8 349	-15 030	8 788	10 775	12 075	-9 347	-17 621	-17 433
Costa Rica	2 294	1 463	1 298	-3 501	-4 150	-4 965	568	551	586	-639	-2 136	-3 081
Dominican Republic	-5 413	-8 032	-9 442	-3 825	-4 706	-4 718	7 900	10 050	10 050	-1 337	-2 689	-4 110
Ecuador	2 523	758	-193	-2 827	-1 664	-1 541	2 993	3 858	4 420	2 690	2 952	2 686
El Salvador	-4 469	-7 263	-8 495	-1 315	-1 624	-1 822	5 987	7 431	7 706	203	-1 456	-2 611
Guatemala	-6 554	-12 070	-17 565	-1 407	-1 909	-1 542	11 879	16 093	19 775	3 918	2 113	669
Haiti	-3 192	-3 970	-4 369	29	23	20	3 321	4 044	4 500	158	98	151
Honduras	-3 660	-6 554	-8 873	-1 646	-2 289	-2 352	5 983	7 621	9 177	677	-1 222	-2 048
Mexico	22 908	-22 516	-38 094	-36 743	-33 575	-28 000	40 938	51 275	59 068	27 103	-4 817	-7 026
Nicaragua	-598	-1 689	-1 736	-826	-899	-1 298	1 920	2 187	2 756	497	-401	-279
Panama	2 195	2 245	803	-1 229	-3 979	-3 843	132	321	375	1 097	-1 412	-2 664
Paraguay	1 334	700	-361	-1 068	-1 085	-1 200	694	696	706	960	311	-856
Peru	3 531	7 486	11 436	-6 131	-18 127	-23 552	4 998	5 367	5 904	2 398	-5 273	-6 212
Uruguay	2 383	3 769	5 551	-2 906	-4 960	-5 555	73	118	166	-449	-1 073	161
The Caribbean	**-6 920**	**-5 106**	**...**	**-2 547**	**-1 912**	**...**	**3 877**	**4 847**	**...**	**-5 590**	**-2 172**	**...**
Antigua and Barbuda	-56	-119	...	-25	-48	...	-28	-53	...	-109	-221	...
Bahamas	-1 760	-1 722	...	-440	-734	...	-173	-136	...	-2 373	-2 592	...
Barbados	-374	...	...	...	...	...	93	...	...	-281	...	...
Belize	-187	-211	...	-59	-81	...	118	126	...	-128	-166	...
Dominica	-174	-166	...	14	14	...	21	22	...	-139	-130	...
Grenada	-114	-99	...	-81	-78	...	20	22	...	-175	-155	...
Guyana	-1 448	-2 606	...	66	-55	...	658	1 001	...	-724	-1 660	...
Jamaica	-2 568	-3 029	...	-455	-419	...	2 961	3 573	...	-61	125	...
Saint Kitts and Nevis	-105	-123	...	-13	-14	...	-24	-25	...	-142	-162	...
Saint Lucia	-204	-121	...	-37	-14	...	22	23	...	-219	-112	...
Saint Vincent and the Grenadines	-185	-210	...	2	1	...	41	34	...	-142	-175	...
Suriname	601	423	...	-466	-393	...	124	146	...	260	176	...
Trinidad and Tobago	-345	2 875	...	-1 056	-91	...	44	115	...	-1 356	2 900	...

	Capital and financial balance[b]			Overall balance			Reserve assets (variation)[c]			Other financing		
	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]
Latin America and the Caribbean	**17 557**	**125 641**	**...**	**13 971**	**50 167**	**...**	**-15 293**	**-50 641**	**...**	**1 183**	**156**	**...**
Latin America	**10 531**	**122 138**	**...**	**12 534**	**48 835**	**...**	**-13 793**	**-49 109**	**...**	**1 223**	**121**	**...**
Argentina	-10 848	-6 813	...	-7 727	-106	...	7 727	106	...	...	...	...
Bolivia (Plurinational State of)	-1 482	-1 202	...	-1 752	-354	...	1 752	354	...	...	...	...
Brazil	10 260	41 892	...	-14 232	13 967	...	14 232	-13 967	...	...	...	...
Chile	1 389	32 518	...	-2 895	12 211	...	2 895	-12 211	...	...	...	...
Colombia	13 675	18 275	...	4 328	654	...	-4 328	-654	...	...	...	...
Costa Rica	-1 116	1 873	...	-1 754	-263	...	1 754	263	...	...	...	...
Dominican Republic	2 632	5 022	...	1 295	2 333	...	-1 963	-2 334	...	651	...	...
Ecuador	1 457	-2 004	...	4 146	948	...	-4 146	-948	...	...	...	...
El Salvador	-1 590	1 815	...	-1 387	359	...	1 387	-359	...	...	...	...
Guatemala	-730	695	...	3 189	2 809	...	-3 189	-2 809	...	...	...	...
Haiti	-22	-330	...	136	-232	...	-350	-91	...	106	-3	...
Honduras	1 235	1 681	...	1 911	459	...	-2 381	-587	...	466	124	...
Mexico	-15 113	15 105	...	11 990	10 288	...	-11 990	-10 288	...	...	...	...
Nicaragua	411	1 225	...	907	824	...	-907	-824	...	...	...	...
Panama	4 546	776	...	5 643	-637	...	-5 550	1 087	...	...	...	...
Paraguay	846	10	...	1 805	321	...	-1 805	-593	...	...	...	...
Peru	2 903	9 684	...	5 301	4 410	...	-5 301	-4 410	...	...	...	...
Uruguay	2 079	1 916	...	1 630	843	...	-1 630	-843	...	...	...	...
The Caribbean	**7 027**	**3 503**	**...**	**1 436**	**1 332**	**...**	**-1 500**	**-1 533**	**...**	**-41**	**34**	**...**
Antigua and Barbuda	52	325	...	-57	104	...	57	-102	...	...	...	...
Bahamas	2 738	2 652	...	364	60	...	-364	-60	...	...	...	...
Barbados	871	...	...	590	...	...	-590	...	...	...	...	...
Belize	197	234	...	69	68	...	-69	-68	...	...	...	...
Dominica	149	151	...	10	21	...	-10	-21	...	...	...	...
Grenada	232	183	...	57	28	...	-57	-28	...	...	...	...
Guyana	829	1 791	...	105	130	...	-105	-130	...	...	...	...
Jamaica	511	627	...	449	752	...	-449	-752	...	...	...	...
Saint Kitts and Nevis	151	166	...	9	5	...	-9	-5	...	...	...	...
Saint Lucia	189	93	...	-30	-19	...	30	19	...	...	...	...
Saint Vincent and the Grenadines	156	192	...	13	17	...	-13	-17	...	...	...	...
Suriname	-407	38	...	-147	214	...	83	-416	...	-41	34	...
Trinidad and Tobago	1 361	-2 948	...	4	-48	...	-4	48	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Forecast.
[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: 2018=100)

	Exports of goods, f.o.b.								
	Value			Volume			Unit value		
	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]
Latin America	**88.2**	**113.2**	**136.4**	**94.3**	**103.8**	**110.6**	**93.5**	**109.1**	**123.3**
Argentina	88.9	126.2	146.4	97.5	110.0	106.3	91.2	114.8	137.7
Bolivia (Plurinational State of)	77.8	122.7	160.7	77.7	82.8	88.1	100.1	148.2	182.3
Brazil	88.0	118.6	144.7	98.7	117.6	121.6	89.1	100.8	119.0
Chile	99.0	126.5	134.1	100.3	99.4	96.6	98.7	127.3	138.8
Colombia	75.1	99.4	148.1	100.2	95.5	104.7	75.0	104.1	141.5
Costa Rica	102.2	126.4	141.5	100.8	121.0	124.3	101.4	104.4	113.8
Dominican Republic	96.8	117.1	139.4	90.9	105.5	120.7	106.5	111.0	115.5
Ecuador	92.9	122.9	162.3	112.0	116.5	117.4	83.0	105.5	138.2
El Salvador	87.5	113.7	131.9	87.7	106.1	110.9	99.8	107.2	119.0
Guatemala	105.0	128.7	155.7	106.4	121.2	133.3	98.7	106.2	116.8
Haiti	82.1	104.8	111.1	84.8	106.1	107.1	96.8	98.7	103.7
Honduras	88.9	118.2	151.3	86.5	106.4	122.7	102.8	111.0	123.3
Mexico	92.5	109.8	130.6	96.4	101.6	113.0	96.0	108.1	115.6
Nicaragua	104.7	132.8	155.4	101.2	121.3	132.6	103.5	109.5	117.2
Panama	76.6	111.5	127.1	75.5	102.8	106.5	101.4	108.5	119.4
Paraguay	83.7	102.1	108.3	78.5	74.7	61.4	106.7	136.7	176.3
Peru	87.4	128.7	155.7	87.3	98.6	110.5	100.2	130.5	141.0
Uruguay	85.5	130.0	171.6	89.6	121.1	137.8	95.3	107.3	124.5
	Imports of goods, f.o.b.								
	Value			Volume			Unit value		
	2020	2021	2022[a]	2020	2021	2022[a]	2020	2021	2022[a]
Latin America	**81.9**	**112.3**	**139.5**	**88.2**	**103.4**	**108.6**	**92.8**	**108.6**	**128.5**
Argentina	64.5	94.8	128.0	70.6	90.5	101.0	101.7	112.9	132.1
Bolivia (Plurinational State of)	70.1	94.0	118.4	68.9	83.2	89.6	89.8	116.2	147.6
Brazil	90.9	126.3	159.1	101.3	108.6	107.8	90.2	104.1	126.0
Chile	78.2	119.5	139.8	86.7	114.8	111.0	90.1	104.2	119.8
Colombia	83.4	114.8	147.0	92.6	110.2	122.7	97.2	106.8	122.9
Costa Rica	83.8	108.1	131.9	86.2	101.2	107.3	99.1	110.9	137.5
Dominican Republic	84.7	119.5	157.8	92.0	112.5	123.8	86.8	100.6	120.7
Ecuador	76.4	107.2	151.2	77.1	96.7	109.9	93.6	108.9	126.3
El Salvador	89.5	131.0	155.9	95.7	120.3	123.4	93.0	104.1	121.8
Guatemala	93.3	132.2	177.1	100.3	126.9	145.4	94.3	105.7	121.6
Haiti	78.3	95.7	107.2	83.0	90.5	88.2	100.8	110.9	135.3
Honduras	82.2	120.6	159.2	81.5	108.8	117.7	95.0	108.4	123.6
Mexico	82.4	108.9	132.8	86.8	100.4	107.4	86.2	96.3	114.6
Nicaragua	91.8	128.4	149.0	106.4	133.4	130.0	91.3	101.4	119.6
Panama	60.2	85.0	109.6	66.0	83.8	91.7	82.8	90.3	121.0
Paraguay	77.7	101.3	115.5	93.8	112.1	95.4	93.4	108.9	121.9
Peru	82.9	115.4	136.2	88.8	106.0	111.7	92.0	106.2	127.5
Uruguay	84.2	119.4	144.5	97.0	118.7	119.7	94.0	102.4	128.0

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

Table A1.7
Latin America: terms of trade for goods f.o.b./f.o.b.
(Indices: 2018=100)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America	**103.6**	**102.2**	**97.1**	**96.5**	**99.0**	**100.0**	**100.0**	**100.6**	**100.7**	**96.0**
Argentina	102.9	100.9	96.1	102.1	99.1	100.0	99.3	99.9	109.6	108.7
Bolivia (Plurinational State of)	141.5	134.1	100.4	84.8	94.1	100.0	99.1	98.4	131.3	138.0
Brazil	91.3	94.4	106.9	104.4	98.7	100.0	99.9	99.3	86.7	80.6
Chile	95.0	92.1	89.8	93.2	102.7	100.0	98.2	109.4	122.3	110.2
Colombia	115.4	105.0	79.0	78.1	91.4	100.0	98.6	83.2	99.9	118.1
Costa Rica	91.9	94.1	101.2	104.6	101.9	100.0	99.9	104.3	97.8	92.7
Dominican Republic	97.3	97.0	105.3	110.0	105.0	100.0	104.5	115.8	104.5	90.6
Ecuador	124.7	116.8	88.5	84.4	91.7	100.0	96.5	83.7	95.1	100.5
El Salvador	89.9	91.9	102.7	106.9	104.1	100.0	101.7	106.6	98.4	94.2
Guatemala	96.4	97.0	102.2	110.3	104.5	100.0	98.8	106.2	102.0	95.9
Haiti	97.4	100.3	105.6	104.3	107.4	100.0	99.0	102.6	93.4	85.3
Honduras	96.9	100.5	106.0	106.3	106.6	100.0	98.1	102.0	100.1	91.1
Mexico	101.8	101.0	96.7	97.4	100.4	100.0	102.2	101.1	99.6	93.5
Nicaragua	95.6	95.4	112.4	111.4	108.9	100.0	103.4	120.0	113.7	102.3
Panama	107.7	109.9	107.1	103.8	101.4	100.0	100.2	111.0	107.0	99.8
Paraguay	91.0	101.5	103.2	103.5	102.4	100.0	96.5	128.8	151.3	145.6
Peru	106.3	100.5	93.6	93.4	100.4	100.0	98.3	107.3	119.9	115.6
Uruguay	97.0	100.7	102.7	105.5	105.1	100.0	103.1	109.8	106.7	103.1
Venezuela (Bolivarian Republic of)	151.4	142.3	83.9	70.4	82.5	100.0	92.1	74.2	95.4	126.6

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bolivia (Plurinational State of)	1 182	1 164	1 178	1 233	1 392	1 370	1 318	1 116	1 399	949[a]
Brazil	2 124	2 128	2 459	2 365	2 300	2 565	2 880	3 312	3 845	3 578
Colombia	4 401	4 093	4 957	5 147	5 784	6 636	7 087	6 909	8 597	6 873
Costa Rica	561	559	518	515	527	499	519	495	559	283[b]
Dominican Republic	4 262	4 571	4 961	5 261	5 912	6 494	7 087	8 219	10 402	7 309
Ecuador	2 450	2 462	2 378	2 602	2 840	3 031	3 235	3 338	4 362	2 264[b]
El Salvador	3 944	4 139	4 257	4 544	4 985	5 395	5 656	5 930	7 517	5 689
Guatemala	5 105	5 544	6 285	7 160	8 192	9 288	10 508	11 340	15 296	14 944
Honduras	3 093	3 437	3 727	3 949	4 438	4 884	5 522	5 741	7 370	5 721[a]
Jamaica	2 065	2 157	2 226	2 071	2 305	2 346	2 406	2 905	3 497	2 555
Mexico	22 303	23 647	24 785	26 993	30 291	33 677	36 439	40 605	51 586	42 965
Nicaragua	1 078	1 136	1 193	1 264	1 391	1 501	1 682	1 851	2 147	2 258
Paraguay	519	422	461	547	587	569	555	486	488	359
Peru	2 707	2 637	2 725	2 884	3 051	3 225	3 326	2 939	3 592	1 835[b]

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 June.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Latin America and the Caribbean	**27 817**	**63 309**	**13 011**	**-16 238**	**-43 033**	**-30 146**	**-88 368**	**-116 837**	**-42 837**
Latin America	**30 610**	**63 211**	**14 965**	**-16 383**	**-42 803**	**-28 789**	**-89 498**	**-121 380**	**-44 630**
Argentina	-11 864	-1 240	611	17 224	29 327	19 710	-35 614	-20 967	-16 638
Bolivia (Plurinational State of)	-1 838	-1 336	-811	-1 760	556	-480	-2 309	-1 899	-2 232
Brazil	36 580	63 085	18 423	-7 830	-16 043	-4 437	-18 297	-28 004	-8 579
Chile	1 239	-1 536	858	1 404	-5 889	2 500	3 942	-14 539	14 095
Colombia	5 310	12 147	13 668	7 439	2 423	3 786	8 424	8 629	9 926
Costa Rica	1 064	226	185	-1 429	-1 391	-1 087	-1 613	-4 617	-2 277
Cuba	-2 772	-4 166	-2 555	-3 080	-3 253	-2 673	...	...	...
Dominican Republic	735	-882	-1 249	-1 659	-2 930	-1 523	-1 732	-525	316
Ecuador	1 450	-1 286	-961	-1 074	-4 439	-1 348	-2 253	-1 370	-3 668
El Salvador	201	145	-225	-244	-615	-609	-352	-2 905	191
Guatemala	1 741	518	-207	-639	242	-1 164	-1 427	-2 137	-1 214
Haiti	625	718	165	395	585	563	96	220	17
Honduras	894	225	-144	-759	-234	-250	-328	58	-480
Mexico	10 806	9 063	-15 575	-5 326	-14 448	-8 228	-30 823	-51 856	-18 470
Nicaragua	942	788	968	436	575	-931	-1 101	-416	326
Panama	2 097	4 075	1 958	1 645	-322	503	926	3 224	-3 654
Paraguay	-1 127	-279	-1 775	-1 794	-1 545	-1 464	-975	-223	-803
Peru	495	-3 466	1 270	-4 181	-7 524	-12 252	-1 011	-3 227	-8 443
Uruguay	1 932	-528	-3 977	-5 296	-1 116	-3 775	-5 050	-827	-3 044
Venezuela (Bolivarian Republic of)	-17 901	-13 062	4 339	-9 856	-16 763	-15 631	...	...	...
The Caribbean	**-2 793**	**98**	**-1 954**	**145**	**-229**	**-1 357**	**1 130**	**4 543**	**1 794**
Antigua and Barbuda	191	30	-55	-88	20	171	-44	27	277
Bahamas	1 096	1 499	829	366	1 722	215	305	2 298	1 918
Barbados	-38	188	-13	-154	76	521	396	871	...
Belize	72	78	-24	-20	-46	-12	1	138	153
Dominica	23	26	32	119	38	218	188	163	165
Grenada	223	44	36	30	32	107	85	151	104
Guyana	411	344	146	-30	267	1 355	2 825	895	1 735
Jamaica	946	1 769	426	-269	473	-601	8	56	208
Saint Kitts and Nevis	50	-40	-23	97	107	10	-1	138	153
Saint Lucia	84	2	-92	-6	-72	-193	-288	152	79
Saint Vincent and the Grenadines	247	183	113	122	78	84	97	158	193
Suriname	-84	196	507	74	-442	-121	-171	-809	-153
Trinidad and Tobago	-6 015	-4 222	-3 837	-96	-2 482	-3 111	-2 271	305	-3 039

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.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Latin America and the Caribbean	**172 398**	**168 138**	**149 185**	**138 640**	**128 439**	**154 316**	**124 342**	**102 635**	**116 974**
Latin America	**171 689**	**165 605**	**147 089**	**136 685**	**126 842**	**151 786**	**121 410**	**98 544**	**113 049**
Argentina	8 932	3 145	10 884	1 474	10 361	9 991	5 126	3 430	5 420
Bolivia (Plurinational State of)	1 750	690	556	246	633	387	-265	-1 018	492
Brazil	59 568	67 107	61 604	59 601	47 545	76 138	46 355	41 254	27 285
Chile	32 919	40 976	19 681	14 850	7 939	14 039	16 813	11 705	16 049
Colombia	8 558	12 270	7 403	9 341	10 011	6 172	10 836	5 773	6 546
Costa Rica	2 401	2 818	2 541	2 127	2 652	2 434	2 695	1 644	3 110
Dominican Republic	1 991	2 209	2 205	2 407	3 571	2 535	3 021	2 560	3 102
Ecuador	727	777	1 331	764	630	1 389	975	1 095	647
El Salvador	179	306	396	348	889	826	636	281	313
Guatemala	1 449	1 388	1 048	965	934	780	796	783	3 290
Haiti	162	99	106	105	375	105	75	25	51
Honduras	992	1 315	952	900	1 035	895	496	373	344
Mexico	32 799	22 845	25 290	31 037	30 044	25 720	23 734	25 832	33 043
Nicaragua	815	983	922	924	971	763	444	707	1 206
Panama	3 236	4 130	3 972	4 557	4 420	4 857	3 726	645	1 635
Paraguay	432	604	378	505	336	156	225	120	122
Peru	9 808	5 100	6 674	8 331	8 835	5 083	4 325	2 363	9 190
Uruguay	3 045	2 247	775	-1 823	-2 037	-708	1 397	974	1 203
Venezuela (Bolivarian Republic of)	1 928	-3 401	370	27	-2 302	225	...	...	...
The Caribbean	**710**	**2 533**	**2 096**	**1 955**	**1 597**	**2 530**	**2 932**	**4 091**	**3 925**
Antigua and Barbuda	95	40	100	59	144	193	84	13	113
Bahamas	382	251	76	390	305	491	369	375	298
Barbados	-62	...	...	...	...	...	...	...	...
Belize	92	138	59	42	24	121	101	72	126
Dominica	23	14	19	41	23	77	59	25	24
Grenada	113	100	137	93	152	164	196	146	73
Guyana	214	255	122	6	212	1 232	1 695	2 060	4 453
Jamaica	470	523	891	658	855	762	219	258	264
Saint Kitts and Nevis	136	151	133	124	42	36	66	54	55
Saint Lucia	92	98	129	149	59	67	4	54	33
Saint Vincent and the Grenadines	160	119	116	89	143	34	75	76	91
Suriname	188	164	267	300	98	119	-8	0	-124
Trinidad and Tobago	-1 192	679	48	2	-459	-765	70	958	-1 482

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.

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

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021[ab]
Latin America and the Caribbean[cd]		**1 605 592**	**1 762 272**	**1 944 849**	**1 938 167**	**1 995 211**	**2 112 729**	**2 202 794**	**2 279 263**	**2 306 055**	**2 385 655**
Latin America[cd]		**1 587 149**	**1 742 539**	**1 924 075**	**1 915 612**	**1 970 777**	**2 087 071**	**2 176 665**	**2 253 714**	**2 277 911**	**2 356 076**
Argentina	Total	156 478	155 489	158 742	167 412	181 432	234 549	277 932	278 489	271 528	267 868
Bolivia (Plurinational State of)	Total	6 625	7 756	8 543	9 445	10 703	11 702	12 491	13 473	14 273	14 846
Brazil	Total	570 831	621 439	712 655	665 101	675 841	667 103	665 777	675 789	639 308	670 286
Chile	Total	122 668	136 351	152 135	160 904	165 217	179 976	184 220	198 396	209 591	239 002
Colombia	Total	78 784	92 073	101 404	110 502	120 153	124 636	132 016	138 683	154 507	171 209
Costa Rica	Total	15 256	19 504	21 628	23 576	25 565	26 920	28 968	30 795	31 570	33 015
Dominican Republic	Public	12 872	14 919	16 074	16 029	17 567	18 821	21 565	23 383	30 703	33 341
Ecuador	Total	15 913	18 788	24 112	27 933	34 181	40 323	44 239	52 668	56 893	57 597
El Salvador	Total	13 353	14 035	14 800	15 217	16 376	16 474	16 603	17 350	18 731	20 286
Guatemala	Total	17 452	19 825	21 577	22 235	23 333	24 982	24 462	24 571	25 337	26 894
Haiti	Total	1 070	1 478	1 833	1 985	2 013	2 133	2 125	2 104	…	…
Honduras	Total	4 861	6 709	7 184	7 456	7 499	8 572	9 112	9 604	10 981	11 363
Mexico	Total	452 014	509 693	543 277	539 077	541 590	575 582	595 410	617 359	619 901	599 143
Nicaragua	Total	9 117	10 158	10 925	11 461	12 120	12 646	12 881	13 077	13 488	14 383
Panama	Public	10 782	12 231	14 352	15 648	16 902	18 390	20 575	24 223	29 817	32 844
Paraguay	Total	4 632	4 817	6 235	6 795	7 329	8 286	8 860	10 035	13 611	14 923
Peru	Total	59 108	60 659	69 238	73 071	74 968	76 832	78 713	80 857	90 958	101 996
Uruguay	Total	36 403	38 092	41 194	43 752	40 002	41 274	42 842	44 962	46 714	47 078
Venezuela (Bolivarian Republic of)	Total	130 785	132 362	135 767	149 755	149 859	148 328	148 432	147 899	…	…
The Caribbean	**Public**	**18 444**	**19 733**	**20 774**	**22 555**	**24 433**	**25 658**	**26 128**	**25 549**	**28 145**	**29 579**
Antigua and Barbuda	Public	445	577	560	573	562	584	614	649	662	720
Bahamas	Public	1 465	1 616	2 095	2 176	2 373	3 234	3 172	3 123	4 478	4 761
Barbados	Public	1 322	1 434	1 521	1 460	1 458	1 431	1 712	1 578	1 989	2 243
Belize	Public	1 029	1 083	1 126	1 179	1 204	1 257	1 285	1 322	1 453	1 339
Dominica	Public	263	275	287	285	270	267	253	244	287	323
Grenada	Public	537	618	634	613	602	533	562	523	569	608
Guyana	Public	1 359	1 246	1 216	1 143	1 162	1 248	1 322	1 305	1 321	1 393
Jamaica	Public	8 256	8 310	8 659	10 314	10 244	10 103	9 937	9 253	9 123	9 233
Saint Kitts and Nevis	Public	317	320	284	214	199	156	149	142	136	128
Saint Lucia	Public	435	488	526	509	529	598	599	628	718	850
Saint Vincent and the Grenadines	Public	329	354	387	399	455	387	391	420	462	564
Suriname	Public	707	878	942	1 156	1 872	2 046	2 040	2 150	2 151	2 204
Trinidad and Tobago	Public	1 981	2 534	2 537	2 534	3 503	3 813	4 094	4 211	4 796	5 218

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America	**393**	**508**	**605**	**473**	**419**	**568**	**346**	**386**	**399**	**514**
Argentina	808	719	438	455	351	817	1 744	1 368	1 688	2 624
Belize[b]	807	819	822	1 837	771	858	869	1 406	1 197	...
Bolivia	289	277	250	83	203	378	218	461	412	597
Brazil	230	270	548	330	232	273	212	250	306	269
Chile	148	169	253	158	117	166	135	144	153	193
Colombia	163	196	317	225	173	228	161	206	353	456
Dominican Republic	349	381	421	407	275	371	309	340	366	431
Ecuador	530	883	1 266	647	459	826	826	1 062	869	1 570
El Salvador	389	414	634	536	383	515	394	732	1 491	2 072
Jamaica	641	485	469	375	304	346	282	317	295	254
Mexico	177	213	315	296	245	357	292	361	347	428
Panama	199	185	214	187	119	171	114	149	187	274
Paraguay	240	291	338	281	200	260	203	213	229	268
Peru	162	182	240	170	136	168	107	132	170	228
Trinidad and Tobago	244	239	373	283	203	303	253	300	339	206
Uruguay	194	208	280	244	146	207	148	135	127	141
Venezuela (Bolivarian Republic of)	1 141	2 457	2 807	2 168	4 854	6 845	14 740	24 099	55 310	51 157

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from J.P. Morgan.
[a] Figures as of October.
[b] Latest data available to October 2021.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Argentina	1 654	2 987	5 393	419	232	794	899	545	1 228	5 966
Brazil	194	201	495	281	162	208	99	143	205	247
Chile	80	94	129	83	49	63	42	45	71	113
Colombia	119	141	243	164	105	157	72	89	205	285
Mexico	92	103	170	156	106	155	79	81	90	127
Panama	111	109	182	127	67	85	41	48	77	116
Peru	133	115	188	108	72	94	41	56	76	113
Venezuela (Bolivarian Republic of)	1 150	3 155	4 868	3 750	15 047	8 281	5 381	5 381	942	863

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

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

	2017	2018	2019	2020	2021				2022			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[b]
Total	145 502	94 058	118 576	145 286	52 427	39 733	32 178	24 732	35 497	9 950	8 197	4 806
National issues	141 155	88 082	113 987	139 833	49 429	38 628	31 528	23 162	32 879	9 552	7 221	4 806
Argentina	27 676	13 367	1 720	386	1 100	300	366	126	...	...	...	...
Bahamas	750	...	...	825	...	...	...	55	...	385	...	...
Barbados	...	...	...	...	...	400	...	150	...	...	...	...
Bolivia (Plurinational State of)	1 000	...	...	...	...	...	...	...	850	...	...	...
Brazil	32 066	18 979	29 147	26 975	10 044	13 395	5 910	2 166	4 463	3 600	2 000	...
Chile	14 449	8 635	12 629	20 129	7 752	3 357	13 975	6 536	8 404	500	...	2 176
Colombia	7 842	5 786	4 793	12 391	2 840	5 755	300	3 830	259	...	...	...
Costa Rica	300	...	1 500	...	...	...	300	...	...	...	...	...
Dominican Republic	9 062	5 876	10 002	10 800	7 571	...	930	5 657	...	1 130	...	...
Ecuador	5 800	3 000	4 525	327	...	...	...	...	100	...	300	...
El Salvador	951	...	1 097	1 000	...	...	...	...	...	...	...	...
Guatemala	1 330	...	1 200	1 400	300	700	1 000	...	1 100	...	500	...
Honduras	850	...	...	600	...	300	...	...	...	...	...	...
Jamaica	869	...	1 415	225	...	...	...	...	...	...	...	...
Mexico	29 222	23 879	33 546	41 902	14 047	8 418	5 775	3 750	11 069	1 788	3 507	...
Panama	...	...	...	...	...	...	...	...	-	...	...	...
Paraguay	3 321	2 636	5 800	8 868	2 450	2 400	1 855	...	2 500	...	...	...
Peru	500	530	1 532	2 161	826	...	300	...	501	...	...	...
Suriname	2 017	3 118	2 500	7 565	2 500	2 353	...	300	3 564	1 299	914	1 130
Trinidad and Tobago	...	...	125	...	...	...	...	...	...	...	...	...
Uruguay	800	525	500	500	...	...	816	...	70	500	...	...
Venezuela (Bolivarian Republic of)	2 350	1 750	1 905	2 655	...	1 250	-	592	...	350	...	1 500
Others	...	...	50	1 125	...	...	...	...	...	...	...	...
Supranational issues	**4 347**	**5 976**	**4 589**	**5 453**	**2 998**	**1 106**	**651**	**1 570**	**2 618**	**398**	**977**	...
Central American Bank for Economic Integration (CABEI)	382	772	623	1 281	500	...	217	397	...	398	180	...
Foreign Trade Bank of Latin America (BLADEX)	...	...	76	435	59	27	-	9	...	...	7	...
Development Bank of Latin America (CAF)	3 465	4 503	2 990	3 236	2 216	704	97	1 000	1 466	...	789	...
Inter-American Investment Corporation (IIC)	...	...	...	...	...	...	...	...	...	...	...	...
Financial Fund for the Development of the River Plate Basin (FONPLATA)	...	...	150	...	223	...	...	164	...	...	...	...
Others	500	700	750	500	...	375	336	...	1 152	...	...	...

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 2015=100)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Argentina	46	73	100	145	258	259	357	439	715	1 443
Brazil	119	115	100	139	176	203	267	275	242	259
Chile	101	105	100	113	151	139	127	114	117	144
Colombia	153	136	100	118	134	130	155	155	155	155
Costa Rica	98	110	100	143	145	115	97	77	118	118
Ecuador	92	104	100	93	115	126	121	118	99	102
Jamaica	53	51	100	128	191	252	338	263	263	225
Mexico	99	100	100	106	115	97	101	103	124	120
Peru	160	150	100	158	203	196	-	-	-	-
Trinidad and Tobago	102	99	100	104	109	112	126	114	129	112
Venezuela (Bolivarian Republic of)	19	26	100	217	8 658	11 003 976	618 481	9 131 204	40 572 251	100 742 117

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America and the Caribbean	**830 209**	**857 638**	**811 962**	**831 571**	**859 610**	**868 029**	**852 243**	**891 560**	**934 271**	**866 660**
Latin America	**813 981**	**839 372**	**795 049**	**814 680**	**842 966**	**852 282**	**836 221**	**873 741**	**914 615**	**846 892**
Argentina	30 599	31 443	25 563	38 772	55 055	65 806	44 781	39 387	39 662	38 676
Bolivia (Plurinational State of)	14 430	15 123	13 056	10 081	10 261	8 946	6 468	5 276	4 753	3 844
Brazil	358 808	363 551	356 464	365 016	373 972	374 715	356 884	355 620	362 204	325 546
Chile	41 094	40 447	38 643	40 494	38 983	39 861	40 657	39 200	51 330	37 784
Colombia	43 639	47 328	46 740	46 683	47 637	48 402	53 174	59 039	58 588	56 340
Costa Rica	7 331	7 211	7 834	7 574	7 150	7 501	8 937	7 232	6 921	7 566
Dominican Republic	4 701	4 862	5 266	6 047	6 781	7 628	8 782	10 752	13 034	13 549
Ecuador[b]	4 361	3 949	2 496	4 259	2 451	2 677	3 397	7 196	7 898	7 739
El Salvador	2 745	2 693	2 787	3 238	3 567	3 569	4 446	3 083	3 426	3 777
Guatemala	7 273	7 333	7 751	9 160	11 770	12 756	14 789	18 468	20 940	20 138
Haiti	1 690	1 163	977	1 105	1 258	1 309	1 352	1 386	1 264	1 264[c]
Honduras	3 113	3 570	3 874	4 100	5 012	5 073	6 029	8 381	8 571	8 549
Mexico	180 200	195 682	177 597	178 025	175 450	176 384	183 028	199 056	207 745	202 135
Nicaragua	1 874	2 147	2 353	2 296	2 593	2 081	2 174	3 003	3 827	4 015
Panama	2 775	3 994	3 911	4 511	3 531	2 932	4 146	9 682	8 099	6 492
Paraguay	5 871	6 891	6 200	7 144	8 146	7 970	7 675	9 490	9 947	9 551
Peru	65 710	62 353	61 537	61 746	63 731	60 288	68 370	74 909	78 539	74 031
Uruguay	16 290	17 555	15 634	13 436	15 959	15 557	14 505	16 217	16 953	15 905
Venezuela (Bolivarian Republic of)	21 478	22 077	16 367	10 992	9 662	8 830	6 630	6 364	10 914	9 989
The Caribbean	**16 228**	**18 266**	**16 913**	**16 892**	**16 643**	**15 748**	**16 021**	**17 820**	**19 655**	**19 769**
Antigua and Barbuda[b]	202	297	356	330	314	328	279	222	324	355[d]
Bahamas	740	787	808	902	1 408	1 197	1 758	2 381	2 459	3 205
Barbados	521	471	484	320	206	500	739	1 325	1 516	1 397
Belize	402	483	432	371	306	287	271	340	415	464
Dominica[b]	85	100	125	221	211	189	166	176	165	164[d]
Grenada[b]	135	158	189	201	195	231	234	291	324	302[d]
Guyana	777	666	599	616	584	528	576	681	811	823
Jamaica	1 818	2 473	2 914	3 291	3 781	3 532	3 631	4 081	4 833	4 350
Saint Kitts and Nevis[b]	291	318	280	313	357	355	346	356	313	285[d]
Saint Lucia[b]	168	235	298	289	307	275	253	224	351	367[d]
Saint Vincent and the Grenadines[b]	133	156	165	191	180	168	192	204	272	258[d]
Suriname	779	625	330	381	424	581	648	585	992	1 029
Trinidad and Tobago	10 176	11 497	9 933	9 466	8 370	7 575	6 929	6 954	6 880	6 769

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of September 2022.
[b] Net international reserves.
[c] Figures as of November 2021.
[d] Figures as of February 2022.

Table A1.17

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

(Indices: 2015=100, average values for the period)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[cd]
Latin America and the Caribbean	**89.3**	**92.0**	**100.0**	**102.3**	**100.3**	**104.8**	**109.4**	**112.0**	**111.6**	**109.6**
Antigua and Barbuda	101.0	100.8	100.0	102.8	102.1	101.6	101.3	100.6	102.6	100.3
Bahamas	101.5	101.4	100.0	101.7	102.2	102.0	101.4	101.9	103.3	106.1
Barbados	97.2	97.4	100.0	99.3	96.7	94.3	92.4	91.1	90.4	89.6
Belize	99.5	99.7	100.0	99.0	100.9	102.4	104.1	108.5	109.8	111.0
Bolivia (Plurinational State of)	121.8	111.1	100.0	95.4	97.5	92.0	87.8	82.9	86.0	90.5
Brazil	75.7	77.2	100.0	95.0	86.2	94.6	99.1	125.1	126.8	117.4
Chile	84.3	92.9	100.0	99.0	95.3	92.0	98.5	106.2	101.7	109.7
Colombia	76.7	79.2	100.0	103.2	97.8	95.1	102.7	111.1	113.7	122.8
Costa Rica	97.4	101.3	100.0	101.9	106.7	107.5	108.8	107.3	116.4	122.6
Dominican Republic	107.3	103.9	100.0	100.3	102.7	105.1	107.7	114.4	111.3	106.6
Dominica	98.3	98.7	100.0	101.0	102.0	103.1	102.8	102.5	103.9	106.2
Ecuador	112.1	107.6	100.0	98.0	100.3	101.1	101.0	99.7	103.6	104.8
El Salvador	103.2	101.8	100.0	99.1	99.6	99.9	100.7	100.6	101.8	100.4
Grenada	111.4	108.5	100.0	99.8	100.7	101.3	102.1	102.8	104.5	105.4
Guatemala	110.3	105.3	100.0	94.4	89.5	89.5	89.3	86.2	86.8	86.9
Guyana	128.6	119.0	100.0	99.1	99.2	98.9	95.3	94.8	94.6	96.0
Haiti	99.0	99.1	100.0	108.7	100.1	91.1	101.7	95.4	82.3	78.1
Honduras	100.3	96.9	100.0	101.5	102.2	100.8	100.4	96.9	94.4	94.5
Jamaica	122.6	115.9	100.0	104.8	105.1	103.2	104.1	104.3	108.1	107.0
Mexico	85.6	86.3	100.0	115.4	112.4	110.9	108.6	118.0	110.0	108.8
Nicaragua	112.5	115.2	100.0	99.8	103.8	105.4	106.3	106.1	107.9	106.8
Panama	123.9	110.1	100.0	98.6	100.0	99.3	97.8	97.7	104.1	106.2
Paraguay	98.5	95.5	100.0	104.2	105.6	97.8	99.1	97.6	98.3	100.2
Peru	93.8	94.3	100.0	101.6	97.8	98.2	97.2	98.8	110.6	106.6
Saint Kitts and Nevis	96.9	97.7	100.0	102.2	103.2	106.1	108.1	109.1	111.2	115.5
Saint Lucia	99.8	97.6	100.0	104.9	106.5	106.2	107.3	109.5	109.8	109.1
Saint Vincent and the Grenadines	106.4	108.2	100.0	101.7	101.4	100.2	101.0	101.8	103.2	106.8
Suriname	98.9	101.1	100.0	115.9	115.9	107.0	106.2	95.6	119.4	115.3
Trinidad and Tobago	117.7	109.0	100.0	101.5	104.7	103.9	104.5	103.0	104.2	107.5
Uruguay	104.0	104.0	100.0	99.0	93.4	89.6	93.4	95.8	96.8	92.8

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 October.

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

			2015	2016	2017	2018	2019	2020	2021	2022	
										Q1	Q2
Latin America											
Argentina[a]	31 urban agglomerates	Total	57.7	57.5	57.8	58.5	59.1	54.9	59.1	59.1	60.6
		Male	70.1	69.4	69.7	69.6	69.9	64.9	69.4	68.6	70.1
		Female	46.4	46.9	47.6	48.7	49.4	45.9	49.5	50.2	51.7
Bolivia (Plurinational State of)[b]	Nationwide total	Total	61.0	66.0	67.4	70.8	73.0	73.7	76.7	77.2	77.4
		Male	72.1	76.4	76.8	79.1	80.7	81.0	83.4	83.7	83.7
		Female	50.4	56.1	58.3	63.0	65.5	66.6	70.3	71.0	71.3
Brazil[c]	Nationwide total	Total	62.7	62.8	63.1	63.2	63.6	59.3	61.3	62.1	62.6
		Male	74.0	73.8	73.6	73.4	73.5	69.8	71.6	72.3	72.6
		Female	52.2	52.4	53.3	53.6	54.3	49.5	51.6	52.6	53.2
Chile[d]	Nationwide total	Total	62.0	62.1	62.7	63.0	62.8	56.1	57.2	59.5	59.7
		Male	74.4	74.1	74.3	74.2	73.6	67.3	68.5	70.3	70.1
		Female	50.3	50.7	51.6	52.3	52.5	45.3	46.3	49.2	49.7
Colombia[e]	Nationwide total	Total	64.3	64.1	64.0	63.6	62.9	58.6	61.5	63.4	63.7
		Male	74.9	74.6	74.5	74.4	73.7	70.3	75.7	76.5	76.6
		Female	54.2	54.0	53.9	53.2	52.5	47.3	48.4	51.4	51.7
Costa Rica[f]	Nationwide total	Total	61.2	58.4	58.8	60.7	62.5	60.2	60.3	59.6	59.6
		Male	74.3	72.4	73.0	74.3	74.4	72.2	71.8	70.8	71.1
		Female	48.1	44.3	44.5	46.9	50.6	48.1	48.7	48.4	48.0
Ecuador[g]	Nationwide total	Total	65.6	67.7	68.1	66.7	66.2	62.2	65.8	65.9	66.6
		Male	80.0	80.5	80.6	79.3	78.3	77.7	78.0	77.3	78.5
		Female	52.1	55.6	56.4	54.6	54.5	51.9	54.1	54.2	55.3
El Salvador	Nationwide total	Total	62.1	62.2	61.9	61.3	62.2	61.4	61.7	...	...
		Male	80.2	80.1	80.6	79.5	80.5	79.0	79.8	...	...
		Female	46.7	47.3	46.3	46.1	46.8	46.6	46.9	...	...
Guatemala[h]	Nationwide total	Total	60.7	60.8	61.0	60.6	59.2	...	63.0	...	...
		Male	84.7	84.0	85.3	85.0	83.7	...	85.6	...	...
		Female	38.9	40.1	39.2	39.1	37.9	...	43.3	...	...
Honduras[i]	Nationwide total	Total	58.1	57.5	59.0	60.4	57.3	59.5	60.7	...	...
		Male	74.0	74.0	76.0	76.3	75.1	73.3	74.3	...	...
		Female	43.9	43.0	43.8	46.0	41.4	47.8	48.7	...	...
Mexico[j]	Nationwide total	Total	59.8	59.7	59.3	59.6	60.1	55.6	58.8	58.7	59.9
		Male	78.0	77.7	77.6	77.4	77.2	71.7	75.7	75.8	76.5
		Female	43.4	43.4	43.0	43.5	44.7	41.0	43.6	43.7	45.1
Nicaragua	Nationwide total	Total	72.4	73.6	73.5	71.6	71.1	69.1	67.4	66.6	66.4
		Male	84.6	84.9	84.7	82.6	82.3	80.6	79.7	80.7	79.6
		Female	60.9	63.1	63.2	61.6	61.0	58.7	56.4	59.4	54.7
Panama[k]	Nationwide total	Total	63.4	63.7	63.1	64.7	65.7	63.0	60.4	...	...
		Male	77.4	77.8	76.6	78.0	77.9	74.0	74.4	...	...
		Female	50.1	50.4	50.4	52.2	54.2	53.2	47.3	...	...
Paraguay[l]	Nationwide total	Total	62.1	62.6	71.0	71.9	72.4	70.2	72.1	71.2	70.2
		Male	74.1	74.5	84.4	84.6	84.8	83.5	84.4	82.7	82.2
		Female	50.2	50.8	57.8	59.4	60.2	57.4	60.1	60.0	58.6
Peru[m]	Nationwide total	Total	71.6	72.2	72.4	72.3	72.7	63.6	70.9	72.9	72.4
		Male	81.0	81.2	81.0	80.7	81.1	71.9	79.5	81.1	80.0
		Female	62.3	63.3	64.0	64.0	64.5	52.9	62.5	64.9	64.8
Uruguay[n]	Nationwide total	Total	63.8	63.4	62.9	62.4	62.2	60.5	61.8	62.1	61.7
		Male	73.0	72.2	71.6	70.7	70.1	67.9	69.1	69.9	69.8
		Female	55.4	55.4	55.0	54.9	54.9	53.8	55.0	55.0	54.3
Venezuela (Bolivarian Republic of)	Nationwide total	Total	63.7	63.9	66.2	66.8	65.1	...	...	...	...
		Male	77.8	77.9	79.9	80.1	79.4	...	...	...	...
		Female	49.9	50.2	52.7	53.7	50.9	...	...	...	...

			2015	2016	2017	2018	2019	2020	2021	2022	
										Q1	Q2
Spanish-speaking Caribbean											
Cuba	Nationwide total	Total	67.1	65.2	63.4	63.8	65.2	66.4	…	…	…
		Male	80.4	78.2	76.2	76.9	76.0	76.8	…	…	…
		Female	52.6	50.9	49.4	49.5	53.3	54.9	…	…	…
Dominican Republic[o]	Nationwide total	Total	61.8	62.3	62.2	63.6	65.1	60.2	63.0	63.5	63.1
		Male	76.3	76.6	76.1	77.8	78.4	74.0	75.7	76.9	76.9
		Female	48.1	48.9	49.0	50.4	52.6	47.6	51.2	51.3	50.7
English-speaking Caribbean											
Bahamas	Nationwide total	Total	74.3	77.1	80.5	82.8	80.3	…	…	…	…
		Male	79.5	81.7	83.6	85.5	83.0	…	…	…	…
		Female	71.7	73.1	75.1	76.7	75.5	…	…	…	…
Barbados[p]	Nationwide total	Total	65.1	66.5	65.4	64.8	63.7	60.6	61.2	…	…
		Male	68.7	70.4	69.7	69.4	68.0	64.8	65.3	…	…
		Female	61.7	62.8	61.5	60.6	59.7	56.7	57.6	…	…
Belize[q]	Nationwide total	Total	63.2	64.0	64.1	65.5	68.1	55.1	59.7	…	…
		Male	77.8	78.0	78.2	78.3	80.5	68.7	72.9	…	…
		Female	48.8	50.2	50.2	52.9	55.9	42.4	47.0	…	…
Grenada	Nationwide total	Total	68.8	68.2	65.8	67.6	68.4	65.1	…	…	…
		Male	74.5	73.3	71.3	73.1	74.6	71.8	…	…	…
		Female	63.4	63.1	60.6	62.5	62.6	59.0	…	…	…
Jamaica[r]	Nationwide total	Total	60.4	61.8	62.3	61.5	62.8	60.6	63.2	64.0	64.4
		Male	68.2	68.8	69.1	68.5	69.6	67.4	69.7	70.1	70.5
		Female	52.8	55.0	55.7	55.0	56.3	54.0	57.0	58.0	58.5
Saint Lucia[s]	Nationwide total	Total	72.2	72.8	71.4	71.4	71.0	68.8	69.9	…	…
		Male	78.3	78.3	76.5	77.8	74.5	73.7	75.0	…	…
		Female	66.0	67.4	66.8	65.2	68.4	64.4	65.5	…	…
Trinidad and Tobago[t]	Nationwide total	Total	60.6	59.7	59.2	59.1	57.4	56.6	…	…	…
		Male	71.2	69.5	68.9	68.4	66.1	65.4	…	…	…
		Female	50.0	50.1	49.5	49.9	48.7	47.8	…	…	…
Latin America and the Caribbean[u]	**Nationwide total**	**Total**	**62.5**	**62.6**	**62.9**	**63.0**	**63.3**	**59.0**	**61.4**	**62.3**	**62.9**
		Male	**75.8**	**75.6**	**75.8**	**75.7**	**75.5**	**71.0**	**73.7**	**74.2**	**74.6**
		Female	**50.0**	**50.4**	**50.9**	**51.3**	**51.8**	**47.9**	**50.0**	**51.4**	**52.1**

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

[a] 31 urban agglomerates. The INDEC, within the framework of the statistical emergency declared in 2016, recommends disregarding the series published between 2007 and 2015 for purposes of comparison and analysis of the labor market in the Argentine Republic. The 2016 annual figure is the average of the II, III and IV quarters.

[b] New measurement as of 2016 through the Continuous Employment Survey (ECE), data not comparable with previous years. Quarterly figures for 2019 and 2020 are with urban coverage.

[c] New measurement as of 2012 through the Pesquisa Nacional por Amostra de Domicilios Continua (PNADC), data not comparable with previous years.

[d] In this edition of the Labor Panorama, the series for Chile was adjusted from 2010 based on the 2017 census projections. The series that appear in previous Panorama Laborales are based on the 2002 census.

[e] Does not include hidden unemployment.

[f] The figure for 2010 is the average of the III and IV quarters.

[g] Does not include hidden unemployment. The average figure for the second quarter of 2020 corresponds to the months of May and June; the figures for the third and fourth quarters of 2020 correspond to September and December, respectively.

[h] Since 2011, the age of the working-age population has changed from 10 to 15 years old, which may affect the comparability of the figures.

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

[j] The average figures for the II and III quarter 2019 come from the ENOE, those for the II quarter 2020 come from the ETOE, those for the III and IV quarter 2020 from the new edition of the ENOE.

[k] Does not include hidden unemployment except for 2020, so it is not comparable to the rest of the series. The figure for the III quarter 2020 corresponds to the telephone survey conducted between September and October. The figure for 2021 corresponds to October.

[l] New measurement from 2017 using the Continuous Permanent Household Survey (EPHC), data not comparable with previous years.

[m] Figures for the first, second, third and fourth quarters of 2020 are preliminary.

[n] The average figures for the I quarter of 2020 come from the ECH for the months of January and February; the month of March comes from the telephone-ECH. The average figures for the II quarter 2020 correspond to the months of April, May and June telephone-ECH; those for the III quarter correspond to the months of July, August and September telephone-ECH and those for the IV quarter are from October, November and December telephone-ECH. The annual average is preliminary.

[o] Series 2010–2014 based on reweighted National Labor Force Survey (ENFT). New measurement as of 2015 using the Continuous National Continuous Labor Force Survey (ENCFT), data not comparable with previous years.

[p] Figures for 2019 are preliminary and under revision.

[q] The figure for 2018 corresponds to April. The figure for the third quarter of 2019 and 2020 corresponds to the September survey and that for 2020 is by telephone survey.

[r] Does not include hidden unemployment. The annual average for 2020 corresponds to figures for the first, third and fourth quarters.

[s] The figure for the first half of 2020 corresponds to data from the first quarter.

[t] The annual average for 2020 corresponds to the I semester.

[u] Weighted average. Excludes hidden unemployment in Colombia, Ecuador and Panama.

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

			2015	2016	2017	2018	2019	2020	2021	2022	
										Q1	Q2
Latin America											
Argentina[a]	31 urban agglomerates	Total	6.5	8.5	8.4	9.2	9.8	11.5	8.8	7.0	6.9
		Male	5.7	7.8	7.5	8.2	9.2	10.8	7.9	5.9	6.1
		Female	7.6	9.4	9.5	10.5	10.7	12.4	9.9	8.3	7.8
Bolivia (Plurinational State of)[b]	Nationwide total	Total	3.5	3.5	3.6	3.5	3.7	4.2	5.1	4.5	3.4
		Male	3.0	3.1	3.3	3.4	3.5	4.1	4.6	3.9	2.8
		Female	4.2	4.0	4.0	3.6	4.0	4.3	5.6	5.2	4.0
Brazil[c]	Nationwide total	Total	8.6	11.6	12.8	12.4	12.0	13.8	13.2	11.1	9.3
		Male	7.3	10.1	11.2	10.8	10.1	11.8	10.7	9.1	7.5
		Female	10.4	13.7	14.9	14.5	14.4	16.3	16.5	13.7	11.6
Chile[d]	Nationwide total	Total	6.3	6.7	7.0	7.4	7.2	10.8	8.9	7.8	7.8
		Male	5.8	6.3	6.5	6.7	6.7	10.6	8.6	7.2	7.4
		Female	7.0	7.2	7.5	8.3	8.0	11.0	9.2	8.7	8.4
Colombia[e]	Nationwide total	Total	8.3	8.6	8.8	9.1	9.9	15.1	13.8	13.2	11.0
		Male	6.4	6.8	6.9	7.1	7.8	12.3	11.3	10.4	8.9
		Female	10.8	11.1	11.4	11.6	12.6	19.2	17.5	17.1	14.0
Costa Rica[f]	Nationwide total	Total	9.6	9.5	9.1	10.3	11.8	19.6	16.4	13.6	11.7
		Male	8.0	8.0	7.5	8.4	9.3	15.6	12.7	10.9	9.2
		Female	12.2	12.1	11.6	13.2	15.3	25.7	22.0	17.5	15.4
Ecuador[g]	Nationwide total	Total	3.6	4.5	3.8	3.5	3.8	6.2	4.5	4.4	3.9
		Male	3.0	3.7	3.0	2.9	3.2	5.3	3.6	3.9	3.3
		Female	4.5	5.8	4.9	4.4	4.6	7.6	5.7	5.1	4.6
El Salvador	Nationwide total	Total	7.0	7.1	7.0	6.3	6.3	6.9	6.3	...	...
		Male	8.4	8.1	8.3	7.3	7.0	7.1	6.3	...	...
		Female	5.0	5.3	5.2	4.9	5.4	6.6	6.3	...	...
Guatemala[h]	Nationwide total	Total	2.6	2.7	2.5	2.4	2.2	...	2.2	...	...
		Male	2.0	2.2	2.0	2.1	1.8	...	1.8	...	...
		Female	3.6	3.5	3.5	2.9	3.0	...	2.9	...	...
Honduras[i]	Nationwide total	Total	7.3	7.4	6.7	5.7	5.7	10.9	8.6	...	...
		Male	4.4	5.1	4.0	4.5	4.2	8.7	7.0	...	...
		Female	11.8	10.7	10.8	7.4	8.1	13.7	10.7	...	...
Mexico[j]	Nationwide total	Total	4.3	3.9	3.4	3.3	3.5	4.4	4.1	3.5	3.2
		Male	4.3	3.8	3.3	3.2	3.5	4.7	4.1	3.5	3.2
		Female	4.5	3.9	3.6	3.4	3.5	4.1	4.2	3.4	3.2
Nicaragua	Nationwide total	Total	5.9	4.5	3.7	5.5	5.4	5.0	4.5	3.8	3.1
		Male	5.6	4.2	3.5	5.4	5.4	5.2	4.6	5.2	3.2
		Female	6.3	4.8	3.8	5.5	5.5	4.7	4.4	4.6	2.9
Panama[k]	Nationwide total	Total	3.9	4.4	4.9	4.9	5.8	18.6	11.3	...	...
		Male	3.1	3.7	3.8	3.9	4.8	13.6	11.0	...	...
		Female	5.0	5.4	6.4	6.4	7.3	24.7	11.8	...	...
Paraguay[l]	Nationwide total	Total	5.4	6.0	6.1	6.2	6.6	7.7	7.5	8.5	6.7
		Male	4.9	5.0	5.0	5.4	5.5	5.9	5.9	7.5	5.9
		Female	6.1	7.5	7.6	7.4	8.0	10.2	9.7	9.8	7.9
Peru[m]	Nationwide total	Total	3.5	4.2	4.1	3.9	3.9	7.7	5.9	6.0	4.0
		Male	3.4	3.9	3.8	3.5	3.5	7.6	5.2	4.9	3.5
		Female	3.6	4.6	4.4	4.4	4.5	7.7	6.6	7.2	4.7
Uruguay[n]	Nationwide total	Total	7.5	7.8	7.9	8.3	8.9	10.1	9.3	7.4	8.1
		Male	6.4	6.5	6.6	6.9	7.3	8.7	7.9	6.3	6.9
		Female	8.9	9.4	9.5	10.1	10.7	12.4	11.0	8.8	9.4
Venezuela (Bolivarian Republic of)	Nationwide total	Total	7.1	7.3	7.3	7.3	6.8	...	...	...	...
		Male	6.7	7.0	6.4	6.4	6.4	...	...	...	...
		Female	7.8	7.7	8.6	8.6	7.5	...	...	...	...

			2015	2016	2017	2018	2019	2020	2021	2022	
										Q1	Q2
Spanish-speaking Caribbean											
Cuba	Nationwide total	Total	2.5	2.0	1.7	1.7	1.3	1.4	…	…	…
		Male	2.4	1.9	1.7	1.6	1.2	1.3	…	…	…
		Female	2.6	2.2	1.6	1.8	1.2	1.6	…	…	…
Dominican Republic[o]	Nationwide total	Total	7.3	7.1	5.5	5.7	6.2	5.8	7.4	6.4	5.2
		Male	5.2	4.8	4.0	3.5	3.9	3.9	3.9	4.1	3.0
		Female	10.5	10.5	7.8	8.8	9.3	8.6	12.1	9.6	8.1
English-speaking Caribbean											
Bahamas[p]	Nationwide total	Total	13.4	12.2	10.0	10.3	9.5	…	…	…	…
		Male	11.8	10.3	9.0	10.1	9.2	…	…	…	…
		Female	15.0	14.2	11.0	10.6	9.9	…	…	…	…
Barbados[q]	Nationwide total	Total	11.3	9.7	10.0	10.1	9.6	15.6	14.1	…	…
		Male	12.3	9.3	9.8	9.9	11.0	15.6	13.7	…	…
		Female	10.3	10.1	10.1	10.3	8.1	15.7	14.5	…	…
Belize[r]	Nationwide total	Total	10.1	9.5	9.3	9.4	9.1	13.7	10.2	…	…
		Male	6.8	5.6	5.9	5.6	5.9	11.6	6.8	…	…
		Female	15.4	15.6	14.6	14.9	13.5	17.0	15.2	…	…
Grenada	Nationwide total	Total	29.0	28.2	23.6	19.0	15.4	24.9	17.6	…	…
		Male	26.0	25.6	20.6	15.8	13.6	20.4	14.7	…	…
		Female	32.3	31.2	26.8	22.5	17.5	29.8	21.0	…	…
Jamaica[s]	Nationwide total	Total	9.8	9.0	7.7	5.6	5.0	6.6	5.2	4.0	3.9
		Male	7.2	6.6	5.6	4.2	3.8	5.8	4.2	3.2	3.1
		Female	12.5	12.0	10.2	7.2	6.5	7.6	6.5	5.1	4.7
Saint Lucia	Nationwide total	Total	24.1	21.3	20.2	20.2	16.8	21.7	23.1	…	…
		Male	21.3	19.4	18.1	18.5	14.9	18.5	21.4	…	…
		Female	27.4	23.5	22.4	22.1	18.9	25.0	24.9	…	…
Trinidad and Tobago[t]	Nationwide total	Total	3.4	4.0	4.8	3.9	4.3	5.7	5.4	…	…
		Male	2.9	3.9	4.2	3.2	3.7	5.4	4.8	…	…
		Female	4.2	4.0	5.6	5.0	5.1	6.0	6.1	…	…
Latin America and the Caribbean[u]	**Nationwide total**	**Total**	**6.6**	**7.8**	**8.1**	**7.9**	**7.9**	**10.2**	**9.3**	**8.2**	**7.0**
		Male	**5.7**	**6.8**	**6.9**	**6.8**	**6.8**	**9.0**	**7.7**	**6.9**	**5.9**
		Female	**7.9**	**9.2**	**9.6**	**9.5**	**9.5**	**12.0**	**11.3**	**10.0**	**8.5**

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

[a] 31 urban agglomerates. The INDEC, within the framework of the statistical emergency declared in 2016, recommends disregarding the series published between 2007 and 2015 for purposes of comparison and analysis of the labor market in the Argentine Republic. The 2016 annual figure is the average of the II, III and IV quarters.

[b] New measurement as of 2016 through the Continuous Employment Survey (ECE), data not comparable with previous years. The figures for 2020 and 2021 are for urban coverage.

[c] New measurement as of 2012 using the Pesquisa Nacional por Amostra de Domicilios Continua (PNADC), data not comparable with previous years.

[d] Series based on 2017 census projections.

[e] Does not include hidden unemployment.

[f] The figure for 2010 is the average of the III and IV quarters.

[g] Does not include hidden unemployment. The average figure for the II quarter of 2020 corresponds to May and June and for the III quarter of 2020 to September.

[h] Since 2011, the age of the working-age population has changed from 10 to 15 years, which may affect the comparability of the figures.

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

[j] The average figures for the II and III quarter 2019 come from the ENOE, those for the II quarter 2020 come from the ETOE, those for the III and IV quarter 2020 come from the new edition of the ENOE.

[k] Does not include hidden unemployment except for 2020. The figure for 2020 corresponds to a telephone survey conducted between September and October. The 2021 figure corresponds to October.

[l] New measurement as of 2017 using the Continuous Permanent Household Survey (EPHC), data not comparable with previous years.

[m] The figures for 2020 and 2021 are preliminary.

[n] The average figures for the I quarter of 2020 come from the ECH for the months of January and February; the month of March comes from the telephone-ECH. The average figures for the II quarter of 2020 correspond to the months of April, May and June telephone-ECH; those of the III quarter correspond to the months of July, August and September telephone-ECH and those of the IV quarter are from October, November and December telephone-ECH. The annual average is preliminary.

[o] Series 2010–2014 based on reweighted National Labor Force Survey (ENFT). New measurement as of 2015 based on the Continuous National Labor Force Survey (ENCFT), data from the Labor Force Survey (ENCFT), figures not comparable with previous years.

[p] 2019 figures are preliminary and correspond to May.

[q] 2020 figures correspond to the average of the III and IV quarters.

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

[s] Does not include hidden unemployment. The survey was not conducted in the II quarter (April) of 2020; the 2020 annual average corresponds to data from the I, III and IV quarters.

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

[u] Weighted average. Excludes hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

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

			2015	2016	2017	2018	2019	2020	2021	2022	
										Q1	Q2
Latin America											
Argentina[a]	31 urban agglomerates	Total	53.9	52.6	52.9	53.1	53.3	48.6	53.9	54.9	56.4
		Male	...	64.0	64.4	63.9	63.5	57.9	63.9	64.6	65.9
		Female	...	42.5	42.7	43.6	44.1	40.2	44.7	46.0	47.7
Bolivia (Plurinational State of)[b]	Nationwide total	Total	58.9	63.8	64.9	68.4	70.3	65.8	72.9	73.7	74.8
		Male	70.0	74.0	74.3	76.4	78.0	74.4	79.6	80.4	81.7
		Female	48.2	53.9	56.0	60.7	62.9	57.6	66.4	67.3	68.5
Brazil[c]	Nationwide total	Total	57.3	55.5	55.0	55.3	56.0	51.1	53.2	55.2	56.8
		Male	68.5	66.4	65.3	65.5	66.1	61.5	64.0	65.7	67.1
		Female	46.7	45.3	45.3	45.8	46.5	41.4	43.1	45.3	47.1
Chile[d]	Nationwide total	Total	58.1	58.0	58.3	58.3	58.3	50.1	52.1	54.9	55.0
		Male	70.0	69.4	69.4	69.2	68.7	60.3	62.6	65.3	64.9
		Female	46.7	47.0	47.7	48.0	48.4	40.4	42.1	44.9	45.5
Colombia	Nationwide total	Total	59.0	58.5	58.4	57.8	56.6	49.8	52.5	55.0	56.7
		Male	70.1	69.6	69.4	69.1	67.9	61.8	65.4	68.5	69.9
		Female	48.3	48.0	47.8	47.0	45.9	38.3	40.4	42.6	44.5
Costa Rica[e]	Nationwide total	Total	55.4	52.8	53.5	54.4	55.2	48.5	50.4	51.5	52.6
		Male	68.3	66.6	67.5	68.0	67.4	61.0	62.7	63.1	64.6
		Female	42.2	38.9	39.4	40.7	42.8	35.9	38.0	39.9	40.6
Ecuador[f]	Nationwide total	Total	63.3	64.6	65.5	64.3	63.7	58.5	62.8	62.6	63.8
		Male	77.6	77.5	78.2	77.0	75.8	74.5	75.1	74.3	75.5
		Female	49.8	52.4	53.6	52.2	52.0	48.7	51.0	51.4	52.5
El Salvador	Nationwide total	Total	57.8	57.9	57.6	57.4	58.2	57.2	57.8	...	...
		Male	73.5	73.6	73.9	73.6	74.9	73.4	74.7	...	...
		Female	44.4	44.7	43.9	43.8	44.3	43.5	43.9	...	...
Guatemala[g]	Nationwide total	Total	59.2	59.2	59.4	59.1	57.9	...	61.6	...	...
		Male	83.0	82.2	83.6	83.2	82.1	...	84.0	...	...
		Female	37.5	38.7	37.8	38.0	36.7	...	42.0	...	...
Honduras[h]	Nationwide total	Total	53.8	53.2	55.1	57.0	54.1	53.0	55.5	...	...
		Male	70.8	70.2	73.0	72.8	71.9	66.9	69.1	...	...
		Female	38.8	38.4	39.1	42.6	38.0	41.2	43.5	...	...
Mexico[i]	Nationwide total	Total	57.2	57.4	57.3	57.6	58.0	53.1	56.4	56.7	58.0
		Male	74.7	74.7	75.0	74.9	74.5	68.3	72.6	73.1	74.0
		Female	41.4	41.7	41.4	42.0	43.1	39.3	41.8	42.2	43.7
Nicaragua	Nationwide total	Total	68.1	70.2	70.8	67.7	67.2	65.6	64.4	64.1	64.3
		Male	79.9	81.3	81.7	78.1	77.8	76.4	76.0	76.5	77.0
		Female	57.1	60.1	60.8	58.2	57.7	56.0	53.9	56.7	53.1
Panama[j]	Nationwide total	Total	60.9	60.8	60.1	61.5	61.8	51.3	53.5	...	...
		Male	75.0	74.9	73.7	75.0	74.2	64.0	66.2	...	...
		Female	47.6	47.7	47.2	48.8	50.2	40.1	41.8	...	...
Paraguay[k]	Nationwide total	Total	58.7	58.9	66.7	67.4	67.6	64.8	66.7	65.2	65.5
		Male	70.5	70.8	80.1	80.0	80.2	78.5	79.4	76.6	77.4
		Female	47.2	47.0	53.4	55.0	55.3	51.6	54.2	54.1	54.0
Peru[l]	Nationwide total	Total	69.1	69.2	69.5	69.4	69.8	58.8	66.9	68.6	69.4
		Male	78.2	78.1	77.8	77.3	77.7	67.4	75.4	77.1	77.2
		Female	60.1	60.4	61.1	61.3	61.8	49.5	58.6	60.2	61.8
Uruguay[m]	Nationwide total	Total	59.0	58.4	57.9	57.2	56.7	54.3	56.0	57.5	56.8
		Male	68.4	67.5	66.9	65.8	64.9	62.1	63.7	65.4	65.0
		Female	50.5	50.1	49.8	49.4	49.0	47.1	49.0	50.2	49.2
Venezuela (Bolivarian Republic of)	Nationwide total	Total	59.1	59.2	61.3	61.9	60.6	...	...	...	...
		Male	72.6	72.4	74.8	74.9	74.4	...	...	...	...
		Female	45.9	46.3	48.1	49.1	47.1	...	...	...	...

			2015	2016	2017	2018	2019	2020	2021	2022	
										Q1	Q2
Spanish-speaking Caribbean											
Cuba	Nationwide total	Total	65.4	63.8	62.4	62.7	64.4	65.4	…	…	…
		Male	78.5	76.7	75.0	75.7	75.1	75.8	…	…	…
		Female	51.2	49.8	48.6	48.6	52.7	54.0	…	…	…
Dominican Republic[n]	Nationwide total	Total	57.3	57.9	58.7	60.0	61.0	56.7	58.3	59.4	59.9
		Male	72.3	72.9	73.1	75.1	75.3	71.1	72.7	73.8	74.6
		Female	43.1	43.8	45.2	45.9	47.8	43.5	45.0	46.4	46.6
English-speaking Caribbean											
Bahamas	Nationwide total	Total	64.4	67.7	72.5	74.2	…	…	…	…	…
		Male	70.1	73.3	76.0	76.9	…	…	…	…	…
		Female	61.0	62.7	66.8	68.5	…	…	…	…	…
Barbados[o]	Nationwide total	Total	57.7	60.0	58.9	58.3	57.6	51.1	52.6	…	…
		Male	60.2	63.9	62.9	62.5	60.6	54.7	56.4	…	…
		Female	55.3	56.5	55.3	54.4	54.9	47.8	49.2	…	…
Belize[p]	Nationwide total	Total	56.8	57.9	58.1	59.4	62.0	47.6	54.6	…	…
		Male	72.5	73.6	73.6	73.9	75.7	60.7	69.4	…	…
		Female	41.2	42.4	42.9	45.1	48.3	35.2	40.4	…	…
Grenada	Nationwide total	Total	48.9	49.0	50.3	54.8	57.9	50.5	…	…	…
		Male	55.2	54.5	56.6	61.6	64.4	58.5	…	…	…
		Female	42.9	43.4	44.3	48.4	54.0	43.1	…	…	…
Jamaica[q]	Nationwide total	Total	54.6	56.2	57.5	58.2	59.7	56.6	57.9	60.0	60.5
		Male	63.3	64.3	65.2	65.6	66.9	63.6	65.0	66.7	67.2
		Female	46.2	48.4	50.0	51.0	52.7	50.0	51.1	53.5	54.1
Saint Lucia[r]	Nationwide total	Total	54.8	57.4	57.0	57.0	59.0	53.9	53.7	…	…
		Male	61.6	63.1	62.9	63.4	63.4	60.0	59.0	…	…
		Female	47.9	51.6	51.4	50.8	55.6	48.4	49.4	…	…
Trinidad and Tobago[s]	Nationwide total	Total	58.5	57.4	56.3	56.8	54.9	52.8	51.9	…	…
		Male	69.2	66.8	66.0	66.2	64.0	61.3	60.1	…	…
		Female	47.9	48.0	46.7	47.4	46.0	44.4	43.9	…	…
Latin America and the Caribbean[t]	**Nationwide total**	**Total**	**58.3**	**57.7**	**57.8**	**58.0**	**58.2**	**52.9**	**55.9**	**57.2**	**58.5**
		Male	**71.9**	**70.5**	**70.5**	**70.5**	**70.4**	**64.7**	**68.2**	**69.1**	**70.2**
		Female	**46.3**	**45.7**	**46.0**	**46.4**	**46.9**	**42.1**	**44.4**	**44.5**	**46.1**

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

[a] 31 urban agglomerates. INDEC, in the framework of the statistical emergency declared in 2016, recommends disregarding the series published between 2007 and 2015 for purposes of comparison and analysis of the labor market in the Argentine Republic. The 2016 annual figure is the average of the II, III and IV quarters.

[b] New measurement as of 2016 through the Continuous Employment Survey (ECE), data not comparable with previous years. The average figures for the I quarter of 2020 are with national coverage and preliminary. The figures for the II, III and IV quarters of 2020 are with urban coverage.

[c] New measurement as of 2012 through the National Continuous Household Sample Survey (PNADC), data not comparable with previous years.

[d] In this edition of the Labor Panorama, the series for Chile was adjusted from 2010 based on the 2017 census projections. The series that appear in previous Panorama Laborales are based on the 2002 census.

[e] The 2010 figure is the average of the III and IV quarters.

[f] The survey was not conducted in the I quarter (March) of 2020, the average figure for the II quarter of 2020 corresponds to the months of May and June, III quarter of 2020 corresponds to September.

[g] Since 2011, the age of the PET has changed from 10 to 15 years, which may affect the comparability of the figures.

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

[i] The average data for the second and third quarters of 2019 come from the ENOE, those for the second quarter of 2020 come from the ETOE and those for the third and fourth quarters of 2020 come from the new edition of the ENOE.

[j] The figure for the III quarter 2020 corresponds to the telephone survey conducted between September and October, and the figure for 2021 corresponds to October.

[k] New measurement from 2017 using the Continuous Permanent Household Survey (EPHC), data not comparable with previous years.

[l] Figures for I, II, III and IV quarters of 2020 are preliminary.

[m] The average figures for the I quarter of 2020 come from the ECH for the months of January and February; the month of March comes from the telephone-ECH. The average figures for the II quarter of 2020 correspond to the months of April, May and June telephone-ECH; those of the III quarter correspond to the months of July, August and September telephone-ECH and those of the IV quarter are from October, November and December telephone-ECH. The annual average is preliminary.

[n] Series 2010–2014 based on reweighted National Labor Force Survey (ENFT). New measurement as of 2015 based on the Continuous National Labor Force Survey (ENCFT), data from the Labor Force Survey (ENCFT), figures not comparable with previous years.

[o] The figures for 2020 correspond to the average of the III and IV quarters.

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

[q] The survey was not conducted in the 2nd quarter (April) of 2020; the 2020 annual average corresponds to data from the first, third and fourth quarters.

[r] The annual figure for 2019 and 2020 corresponds to data from the I quarter respectively and 2021 to the I semestre.

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

[t] Weighted average. Excludes hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	
									Q1	Q2
Bolivia (Plurinational State of)[b]	101.8	107.7	109.5	111.5[c]	115.0	114.6	114.2	116.3	116.1	…
Brazil[d]	108.4	108.9	107.6	110.2	110.0	110.3	115.5	108.4	108.2	…
Chile[e]	111.9	113.9	115.4	119.0	121.3	123.8	124.5	125.8	123.5	122.9
Colombia[f]	104.5	105.7	103.4	106.6	107.7	108.6	103.3	109.8	113.1	112.4
Costa Rica[g]	110.7	115.2	118.2	119.6	121.7	123.6	121.4	129.9	…	…
El Salvador[g]	98.5	100.9	102.3	103.4	103.4	104.7	104.7	109.4	…	…
Guatemala[g]	106.8	110.4	108.2	107.2	107.9	…	…	…	…	…
Mexico[h]	101.7	103.2	104.1	102.9	103.7	106.7	110.8	112.4	116.4	
Nicaragua[g]	102.4	105.1	107.5	109.1	114.1	113.5	112.4	111.8	115.1	115.6
Panama[i]	109.5	113.1	117.5	122.1	127.0	130.1	128.3	136.2	…	…
Paraguay[j]	107.0	107.5	108.2	108.5	110.4	112.0	111.1	107.9	97.0	…
Peru[k]	117.9	117.5	122.2	121.8	125.8	125.0	118.6	123.6	109.3	134.0
Uruguay[l]	115.4	117.3	119.1	122.6	122.8	124.4	122.2	120.4	118.8	125.4

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] Private-sector average wage index.
[c] The figures correspond to the average of March and June.
[d] Private-sector workers covered by social and labour legislation. New series from 2013.
[e] General index of hourly remuneration.
[f] Manufacturing. New series from 2015.
[g] Average wage declared by workers registered with and paying into social security.
[h] Average wage declared by private workers covered by social security.
[i] 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.
[j] Wage and salary index.
[k] Average income in the formal sector. Until 2015, wages of employed workers in Lima metropolitan area.
[l] 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)

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America											
Argentina	Monetary base	30.2	19.7	33.2	27.9	31.0	33.7	23.0	55.4	29.5	44.5
	Money (M1)	29.5	26.1	31.6	20.2	29.4	23.6	16.9	82.0	48.5	56.6[b]
	M2	30.9	23.1	33.2	23.9	28.0	37.8	25.4	71.4	55.0	64.4[b]
	Foreign-currency deposits	-6.1	51.7	38.5	172.5	96.1	81.6	55.2	-4.4	31.5	25.8[b]
Bolivia (Plurinational State of)	Monetary base	10.8	9.5	19.2	3.9	0.1	8.7	8.5	15.5	13.2	5.6[b]
	Money (M1)	13.5	15.4	9.4	9.6	2.0	6.4	0.7	5.1	4.7	...
	M2	22.6	18.8	18.4	12.5	7.7	10.8	3.5	4.9	6.3	...
	Foreign-currency deposits	-4.1	-3.4	3.7	-1.0	-2.7	-4.2	2.1	13.9	11.8	...
Brazil	Monetary base	5.5	7.2	3.0	3.2	6.2	6.3	3.5	32.0	9.4	-4.0[b]
	Money (M1)	11.1	5.1	-1.1	0.2	4.4	8.3	5.7	36.2	17.8	-1.8[b]
	M2	3.7	4.6	-0.9	3.7	12.2	12.5	9.4	32.7	16.8	6.0[b]
Chile	Monetary base	16.3	5.3	9.6	11.4	7.1	6.0	10.5	54.4	45.4	-21.3
	Money (M1)	10.1	12.1	14.3	6.4	8.7	11.8	12.6	41.5	39.7	-11.8
	M2	10.3	7.7	11.3	9.8	4.9	9.8	7.8	6.8	6.2	3.1
	Foreign-currency deposits	18.7	29.0	18.7	8.0	-2.8	3.5	16.2	41.9	10.2	20.2
Colombia	Monetary base	12.5	16.7	15.0	8.8	1.3	7.3	11.7	18.7	14.2	12.0[b]
	Money (M1)	14.3	14.8	10.4	3.9	1.1	6.7	11.1	24.8	19.0	10.8[b]
	M2	17.5	12.9	10.2	10.5	5.7	5.6	7.5	14.4	8.7	13.3[b]
Costa Rica	Monetary base	14.1	11.7	11.1	10.1	7.5	4.1	-1.3	7.9	6.2	2.9[c]
	Money (M1)	13.2	12.3	9.6	17.8	1.7	4.4	6.2	33.9	14.3	-0.0[c]
	M2	13.6	14.0	8.9	4.1	0.5	-1.4	1.3	16.7	5.2	-3.4[c]
	Foreign-currency deposits	0.8	15.9	0.8	1.4	11.6	2.4	4.3	13.1	21.9	25.9[c]
Dominican Republic	Monetary base	3.9	3.3	22.1	9.1	1.7	-1.4	10.1	13.0	17.5	13.1[b]
	Money (M1)	12.1	13.6	12.9	13.9	6.2	13.6	10.6	26.6	24.8	15.2[b]
	M2	8.0	11.2	10.7	12.2	7.5	8.1	6.9	13.8	16.8	8.3[b]
	Foreign-currency deposits	16.1	11.5	11.9	8.9	9.9	12.8	13.4	32.5	15.0	7.5[b]
Ecuador	Monetary base	23.3	17.5	16.9	22.8	12.9	4.6	3.1	14.9	6.9	1.5[c]
	Money (M1)	14.8	14.4	10.6	10.4	13.1	5.6	3.4	7.9	6.0	4.6[b]
	M2	13.4	14.5	6.7	6.6	13.5	8.3	6.5	9.6	10.2	9.9[b]
El Salvador	Monetary base	4.8	2.8	1.2	3.5	9.3	5.5	10.5	-14.0	-17.3	20.0[b]
	Money (M1)	2.9	4.1	5.0	3.9	6.5	5.8	7.3	13.2	11.3	4.4[b]
	M2	2.7	1.5	3.2	5.7	7.3	7.5	7.6	11.8	6.6	4.6[b]
Guatemala	Monetary base	9.2	5.8	12.1	9.7	11.3	8.8	10.8	20.7	16.0	13.9
	Money (M1)	6.9	5.2	11.9	6.1	7.7	8.1	11.6	20.7	17.1	12.1[b]
	M2	9.7	8.1	11.5	7.9	8.4	8.8	10.5	15.1	13.9	10.8[b]
	Foreign-currency deposits	11.2	9.4	6.0	4.2	-1.9	6.8	5.0	12.5	8.2	-7.3[b]
Haiti	Monetary base	0.3	-1.0	15.4	26.2	15.6	14.7	18.5	19.3	15.2	...
	Money (M1)	11.1	8.7	12.7	6.0	16.6	22.3	11.3	29.6	25.5	...
	M2	9.4	8.4	12.5	8.5	13.5	18.1	12.1	23.6	21.7	...
	Foreign-currency deposits	8.2	8.5	18.5	27.7	18.2	5.4	28.1	8.5	8.9	...

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Honduras	Monetary base	4.0	9.7	16.6	14.9	18.8	8.2	10.0	49.8	27.4	-11.9[c]
	Money (M1)	-5.0	8.4	18.9	10.3	18.3	7.4	8.2	24.5	22.1	15.3[b]
	M2	3.6	9.1	12.7	11.1	20.0	9.5	10.2	17.6	16.6	12.5[b]
	Foreign-currency deposits	12.6	7.3	11.3	8.4	18.4	4.8	4.0	7.9	4.0	7.3[b]
Mexico	Monetary base	6.3	13.5	20.1	15.9	10.9	10.2	4.0	17.4	17.5	14.4
	Money (M1)	7.5	13.9	16.1	11.9	10.0	9.8	5.2	17.4	14.7	11.1[b]
	M2	6.7	11.1	11.7	10.6	9.5	11.2	5.7	14.0	9.4	10.5[b]
	Foreign-currency deposits	12.5	26.1	39.7	30.2	29.6	5.0	-7.2	8.3	5.9	14.0[b]
Nicaragua	Monetary base	6.3	12.9	17.4	11.3	7.4	3.7	-2.5	17.9	20.7	19.2[b]
	Money (M1)	8.5	16.4	21.0	9.5	8.8	0.1	-4.5	29.5	24.3	20.5[c]
	M2	8.5	16.4	21.0	9.5	8.8	0.1	-4.5	29.5	24.3	20.5[c]
	Foreign-currency deposits	13.9	19.5	16.5	14.0	11.6	-5.5	-13.6	9.2	11.5	12.0[c]
Panama	Monetary base	16.0	-1.2	28.5	7.9	3.2	5.2	8.1	4.3	16.5	33.2[g]
	Money (M1)	6.8	15.1	-0.4	0.2	0.5	1.1	-3.2	4.6	12.2	2.3[f]
	M2	6.3	13.3	4.8	6.1	5.4	3.0	2.4	5.2	-9.9	-9.4[f]
Paraguay	Monetary base	5.1	8.3	11.3	2.7	11.1	13.3	3.5	11.2	7.9	4.6[b]
	Money (M1)	15.6	9.6	11.6	3.1	14.2	10.1	4.3	19.0	14.4	-0.3[b]
	M2	17.4	10.6	11.2	3.9	13.2	10.8	6.7	15.1	12.8	0.7[b]
	Foreign-currency deposits	15.8	29.3	22.3	13.9	1.8	4.0	9.8	17.5	14.1	4.7[b]
Peru	Monetary base	21.1	-8.6	-0.9	3.3	5.5	8.1	5.7	25.3	22.5	1.1
	Money (M1)	13.7	6.4	6.6	5.1	7.9	13.5	10.0	34.5	16.4	-5.5[b]
	M2	18.3	8.0	5.2	7.8	11.0	13.2	11.0	26.9	10.8	-2.4[b]
	Foreign-currency deposits	9.3	15.2	20.8	9.6	-4.7	6.4	5.5	12.1	18.9	5.1[b]
Uruguay	Monetary base	15.3	11.0	11.5	10.9	13.2	0.9	6.0	12.5	6.8	-3.8
	Money (M1)	11.7	6.1	7.1	2.2	13.1	5.5	7.1	11.7	15.7	6.8[b]
	M2	12.4	8.7	9.4	11.1	15.4	10.7	8.9	11.9	16.1	9.6[b]
	Foreign-currency deposits	14.8	25.8	26.6	17.2	-6.9	6.7	17.3	31.6	16.7	6.8[b]
Venezuela (Bolivarian Republic of)	Monetary base	61.1	86.5	95.2	144.2	873.1	30 129.5	13 737.7	1 256.6	693.6	421.2[b]
	Money (M1)	66.1	69.5	85.1	116.6	551.7	37 111.7	9 188.3	1 347.4	1 005.8	375.8[b]
	M2	65.4	69.1	84.9	116.4	544.9	36 973.8	9 187.0	1 345.3	1 005.6	376.2[b]
The Caribbean											
Antigua and Barbuda	Monetary base	9.5	22.7	19.6	12.5	-17.1	5.3	-7.6	...	...	...
	Money (M1)	3.1	11.5	4.4	12.0	12.6	8.8	11.8	...	...	...
	M2	2.8	3.5	2.5	0.1	5.1	4.8	2.3	...	...	...
	Foreign-currency deposits	0.9	20.0	17.0	17.3	18.3	32.9	9.1	...	...	...
Bahamas	Monetary base	2.2	13.8	-1.8	24.7	9.9	7.6	-0.3	38.1	16.8	31.0[e]
	Money (M1)	5.6	8.4	18.7	9.0	13.6	6.3	8.5	17.3	4.4	13.1[e]
	M2	-0.6	0.1	1.5	2.7	4.9	1.2	2.7	8.0	2.2	7.2[e]
	Foreign-currency deposits	15.8	-1.5	-19.9	1.2	32.2	29.7	16.1	14.9	-20.0	25.3[e]
Barbados	Monetary base	10.1	5.5	29.2	23.4	11.7	1.0	12.6	15.1	23.3	12.0[b]
	Money (M1)	3.7	7.5	8.8	6.1	4.1	0.6	2.8	6.7	7.7	8.1[c]
Belize	Monetary base	19.2	18.8	24.6	12.6	-11.9	-9.7	0.6	12.0	19.9	14.4[d]
	Money (M1)	13.7	14.0	14.6	10.3	-4.9	6.5	4.4	9.8	17.1	12.1[c]

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Dominica	Monetary base	-0.1	14.6	22.9	40.7	25.4	-1.0	-21.2	…	…	…
	Money (M1)	2.5	2.2	7.8	18.1	13.2	42.9	-14.3	-16.9	…	…
	M2	4.5	6.5	4.3	6.0	7.5	17.4	-7.2	-15.2	…	…
	Foreign-currency deposits	-6.1	13.5	1.3	3.2	-20.6	-7.7	30.8	20.4	…	…
Grenada	Monetary base	6.1	19.7	10.2	5.6	1.7	2.1	4.6	…	…	…
	Money (M1)	5.4	24.1	20.6	11.1	3.0	11.0	9.8	6.8	…	…
	M2	3.0	5.2	3.7	1.7	0.9	4.2	3.8	4.2	…	…
	Foreign-currency deposits	-18.8	7.8	17.4	35.9	10.2	0.5	16.9	16.3	…	…
Guyana	Monetary base	6.6	2.5	14.3	13.5	6.2	10.5	10.8	25.4	22.1	-4.2[b]
	Money (M1)	6.7	10.1	7.9	7.1	9.0	8.9	20.7	41.8	17.2	14.2[b]
Jamaica	Monetary base	6.3	5.9	9.9	15.5	19.1	17.9	22.6	17.6	21.7	-4.7
	Money (M1)	6.4	4.8	15.6	17.1	14.4	21.4	17.1	19.2	17.1	10.1[c]
	M2	6.7	2.5	9.8	13.1	25.7	19.1	15.0	15.7	15.9	9.8[c]
	Foreign-currency deposits	27.5	9.4	13.5	22.9	18.6	9.6	9.6	17.8	14.6	17.0[c]
Saint Kitts and Nevis	Monetary base	22.8	11.5	-13.3	15.8	2.3	3.5	-7.1	…	…	…
	Money (M1)	10.8	1.5	10.8	-0.7	-7.9	-1.4	10.7	-1.3	…	…
	M2	4.5	6.4	5.9	0.2	-4.2	1.3	3.0	2.7	…	…
	Foreign-currency deposits	18.4	46.4	16.3	-6.3	-5.9	-12.9	-4.1	-10.4	…	…
Saint Lucia	Monetary base	7.8	9.6	28.5	3.3	-4.9	5.9	-7.4	…	…	…
	Money (M1)	2.2	7.1	3.0	6.5	8.3	9.0	7.1	-6.0	…	…
	M2	3.5	-1.0	1.6	3.1	1.3	2.0	3.6	-9.6	…	…
	Foreign-currency deposits	-10.1	45.0	20.1	11.1	5.5	-10.5	0.4	22.8	…	…
Saint Vincent and the Grenadines	Monetary base	26.8	19.5	15.6	8.9	2.4	-2.2	9.0	…	…	…
	Money (M1)	9.6	5.8	8.6	10.0	4.6	0.2	11.1	4.4	…	…
	M2	8.6	8.1	5.6	4.6	3.6	0.4	6.0	-4.2	…	…
	Foreign-currency deposits	28.9	15.8	17.6	6.4	-7.4	-7.9	47.1	-16.6	…	…
Suriname	Monetary base	13.8	-7.2	-6.2	30.3	23.9	24.4	70.0	47.5	48.6	36.9[b]
	Money (M1)	11.3	5.4	-4.5	15.0	14.1	14.8	26.9	42.5	29.3	29.3[b]
	M2	17.7	8.1	-2.4	12.4	11.7	15.1	24.5	32.3	26.1	24.8[b]
	Foreign-currency deposits	10.8	11.4	9.9	85.5	20.3	5.8	-3.0	22.3	97.9	34.4[b]
Trinidad and Tobago	Monetary base	19.5	8.0	-7.9	-7.3	-8.4	-2.6	-0.1	12.7	-2.3	-12.0[c]
	Money (M1)	19.2	19.8	0.0	1.2	-1.9	0.1	-0.3	7.8	7.0	1.0[c]
	M2	11.8	11.6	3.8	2.8	-1.4	0.1	1.9	6.8	3.9	0.3[c]
	Foreign-currency deposits	12.6	-5.7	1.6	7.3	0.4	-1.3	3.9	-0.3	5.1	3.7[c]

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] Figures as of August.
[d] Figures as of July.
[e] Figures as of June.
[f] Figures as of May.
[g] Figures as of February.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America										
Argentina	42.2	24.4	35.2	25.0	35.0	41.4	30.2	65.2	56.6	74.4[b]
Bolivia (Plurinational State of)	21.6	17.6	16.7	18.5	16.9	13.7	10.3	11.0	8.6	…[c]
Brazil	11.9	9.5	9.0	9.5	7.9	2.7	9.7	15.5	12.4	11.4[b]
Chile	9.3	7.6	20.0	8.8	5.5	10.2	8.2	10.2	3.3	9.4[c]
Colombia	13.8	12.2	16.6	8.4	9.8	9.3	10.0	10.7	3.6	14.2[e]
Costa Rica	12.0	19.5	13.1	13.5	11.0	5.8	2.3	5.8	8.5	6.2[c]
Dominican Republic	12.4	11.6	15.0	14.5	8.6	9.4	11.3	9.7	7.9	14.8
Ecuador	16.7	16.2	10.1	5.6	12.0	10.4	10.8	9.6	11.7	17.8[b]
El Salvador	5.5	9.4	7.4	8.2	4.7	8.0	7.5	9.1	9.9	8.2[b]
Guatemala	12.6	12.0	12.0	6.0	2.2	3.2	2.9	5.6	9.7	12.3
Haiti	70.0	30.4	18.2	10.2	12.2	23.0	25.3	27.8	24.8	…[e]
Honduras	9.0	7.1	7.7	7.7	21.9	13.3	10.5	5.8	14.3	22.6[b]
Mexico	9.4	9.9	12.6	14.1	8.0	10.1	9.4	8.3	4.0	8.3[c]
Nicaragua	20.8	11.6	11.8	14.2	14.8	0.9	-23.8	-12.4	-10.5	2.7[b]
Panama	13.0	15.9	5.8	10.4	10.3	8.9	0.8	-7.4	1.2	7.4
Paraguay	20.8	12.0	26.0	5.9	-1.1	12.2	15.9	6.9	14.0	20.0[b]
Peru	8.5	43.0	21.2	12.8	11.3	37.7	6.5	26.9	6.6	3.6[b]
Uruguay	16.5	18.6	12.9	33.4	4.1	-3.7	21.4	11.3	9.4	14.9[b]
Venezuela (Bolivarian Republic of)[f]	61.9	63.8	74.5	100.1	302.9	231 191.5	14 049.8	2 166.7	829.0	100.1[b]
The Caribbean										
Antigua and Barbuda	-4.9	-0.4	-5.9	-10.5	5.1	-1.7	4.7	…	…	…
Bahamas	1.9	-0.0	0.7	0.7	1.9	-3.5	0.5	0.5	-1.3	0.8[d]
Barbados	3.8	-0.9	2.7	5.8	4.7	-1.6	-13.4	-0.4	1.7	3.8
Belize	-2.6	-0.6	8.9	18.5	2.5	6.2	6.4	5.2	4.2	-0.6[c]
Dominica	7.7	1.7	-1.8	-24.3	-24.6	24.4	39.7	…	…	…
Grenada	-2.1	-9.0	-10.2	-11.2	-6.7	-5.5	-8.2	…	…	…
Guyana	26.3	16.0	11.3	11.3	9.3	19.0	15.1	15.4	-20.4	-7.1[b]
Jamaica	12.3	10.1	0.4	10.5	18.3	10.5	10.8	15.8	12.0	…[b]
Saint Kitts and Nevis	-25.0	-18.7	-79.9	-78.8	105.8	-0.1	44.0	…	…	…
Saint Lucia	5.4	-3.1	-12.2	-6.1	-8.0	-6.5	-1.0	…	…	…
Saint Vincent and the Grenadines	6.5	3.5	5.4	0.3	0.1	3.0	-3.2	…	…	…
Suriname	23.5	21.5	23.5	33.8	13.3	-3.0	16.1	41.1	26.8	5.4[b]
Trinidad and Tobago	-20.4	-23.8	3.2	36.6	13.5	12.7	16.6	13.4	14.5	1.7[c]

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] Figures as of August.
[d] Figures as of June.
[e] Figures as of April.
[f] Figures as of March.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America										
Argentina	14.6	26.7	27.0	28.8	26.4	44.4	65.2	39.7	38.0	55.5
Bolivia (Plurinational State of)	4.1	5.1	2.7	2.5	2.4	2.4	2.6	2.5	5.2	6.0
Brazil	8.4	11.0	13.6	14.2	9.8	6.6	6.0	2.8	4.8	12.4
Chile	4.9	3.7	3.1	3.5	2.7	2.6	2.5	0.8	1.3	8.4
Colombia	3.4	3.9	4.7	7.1	6.0	4.3	4.3	2.8	1.9	6.7
Costa Rica	4.4	4.9	3.5	1.8	3.5	5.0	4.2	1.1	0.8	5.2
Dominican Republic	5.3	6.3	5.4	5.1	5.4	5.4	5.0	3.5	3.2	6.7
Guatemala	5.1	4.6	3.3	3.0	3.0	2.8	2.8	2.0	1.8	2.1[b]
Haiti	3.0	4.8	12.3	14.7	12.0	12.0	16.7	10.8	10.0	10.5[b]
Honduras	7.0	7.0	6.5	5.7	5.5	5.5	5.7	4.2	3.0	3.0
Mexico	3.9	3.2	3.0	4.2	6.8	7.7	8.0	5.3	4.4	7.4
Paraguay	5.5	6.7	6.1	5.7	5.4	5.3	4.5	1.7	1.6	7.3
Peru	4.2	3.8	3.4	4.2	3.8	2.8	2.6	0.7	0.8	5.2
Uruguay[cd]	9.3	…	…	…	…	…	…	4.5	4.9	8.9
Venezuela (Bolivarian Republic of)	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	3.1	2.0	2.0
Bahamas	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0
Barbados	7.0	7.0	7.0	7.0	7.0	7.0	7.0	3.3	2.0	2.0[b]
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	3.1	2.0	2.0
Grenada	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0	2.0
Guyana	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0[b]
Jamaica	5.8	5.8	5.5	5.1	4.2	2.3	0.9	0.5	0.9	5.1
Saint Kitts and Nevis	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0	2.0
Saint Lucia	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0	2.0
Saint Vincent and the Grenadines	6.5	6.5	6.5	6.5	6.5	6.5	6.5	3.1	2.0	2.0
Trinidad and Tobago	2.8	2.8	4.1	4.8	4.8	4.9	5.0	3.8	3.5	3.5[b]

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 July.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America										
Argentina[b]	21.6	29.3	28.2	33.3	26.8	47.7	66.9	36.8	40.2	53.5
Bolivia (Plurinational State of)[c]	7.0	6.5	6.4	6.2	6.0	6.4	6.4	6.3	6.9	6.5
Brazil[e]	39.1	45.0	49.5	53.7	49.9	45.2	42.7	33.8	34.0	40.2[d]
Chile[f]	13.2	10.8	9.3	10.4	11.5	10.6	8.5	8.0	10.0	16.6
Colombia[g]	12.2	12.1	12.1	14.7	13.7	12.1	11.8	9.9	9.3	14.3[d]
Costa Rica[h]	17.4	16.6	15.9	14.7	14.5	14.3	13.0	10.9	9.5	10.5
Dominican Republic[h]	13.6	13.9	14.9	15.1	13.9	12.5	12.5	11.0	9.6	11.5
Ecuador[i]	8.2	8.1	8.3	8.7	7.9	7.7	8.6	8.9	8.1	7.5
El Salvador[j]	5.5	5.7	5.9	6.1	6.3	6.4	6.6	6.6	6.2	6.2[d]
Guatemala[h]	13.6	13.8	13.2	13.1	13.1	12.9	12.7	12.5	12.2	11.9
Haiti[k]	18.9	18.6	18.8	19.7	18.0	17.7	18.7	16.2	…	…
Honduras[h]	20.1	20.6	20.7	19.3	19.3	17.8	17.3	17.0	16.0	14.8[l]
Mexico[n]	27.9	28.6	28.4	26.8	27.0	28.3	30.3	30.2	29.4	29.5[m]
Nicaragua[o]	15.0	13.5	12.0	11.4	10.9	10.9	12.5	11.2	9.6	9.2[i]
Panama[p]	7.4	6.9	6.5	6.6	6.8	6.9	7.1	7.0	6.9	6.9[d]
Paraguay[q]	16.6	15.7	14.4	15.6	14.3	12.9	12.7	10.7	9.8	12.4[d]
Peru[r]	18.1	15.7	16.1	16.5	16.8	14.5	14.4	12.9	11.0	12.3
Uruguay[s]	13.3	17.2	17.0	17.6	15.4	14.2	13.3	12.7	8.7	10.9[d]
Venezuela (Bolivarian Republic of)[t]	15.7	17.1	19.9	21.4	21.5	21.9	29.3	33.2	43.4	48.7[d]
The Caribbean										
Antigua and Barbuda[u]	9.4	9.6	8.7	9.2	9.0	8.8	8.6	…	…	…
Bahamas[v]	11.2	11.8	12.3	12.5	11.8	11.4	11.2	10.3	10.0	10.9[d]
Barbados[u]	7.0	7.0	6.9	6.7	6.6	6.7	6.5	6.1	5.8	5.6[l]
Belize[w]	11.5	10.9	10.3	9.8	9.5	9.1	9.1	8.7	8.4	8.5[l]
Dominica[u]	9.0	8.8	8.6	8.2	8.0	7.7	7.5	…	…	…
Grenada[u]	9.1	9.1	8.8	8.4	8.2	7.7	7.3	…	…	…
Guyana[x]	12.1	11.1	10.8	10.7	10.6	10.4	8.9	8.5	8.5	8.3[d]
Jamaica[y]	17.7	17.2	17.0	16.5	14.9	14.1	13.0	12.1	11.5	11.4[l]
Saint Kitts and Nevis[u]	8.4	8.8	8.5	8.5	8.5	8.2	8.0	…	…	…
Saint Lucia[u]	8.4	8.4	8.5	8.2	8.1	8.0	7.6	…	…	…
Saint Vincent and the Grenadines[u]	9.2	9.3	9.3	9.1	8.7	8.4	8.3	…	…	…
Suriname[y]	12.0	12.3	12.6	13.5	14.4	14.3	15.0	14.8	14.8	14.6[d]
Trinidad and Tobago[x]	7.8	7.7	8.3	9.1	9.1	9.1	9.3	7.9	7.6	7.6[l]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of October.
[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 September.
[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 August.
[m] Figures as of April.
[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] Interest rate on one-year trade credit.
[q] Commercial lending rate, local currency.
[r] Market lending rate, average for transactions conducted in the last 30 business days.
[s] Business credit, 30–367 days.
[t] Average rate for loan operations for the six major commercial banks.
[u] Weighted average of lending rates.
[v] Weighted average of lending and overdraft rates.
[w] Rate for personal and business loans, residential and other construction loans; weighted average.
[x] Basic prime lending rate.
[y] Average of lending rates.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022[a]
Latin America and the Caribbean[b]	**3.9**	**4.2**	**5.4**	**3.9**	**3.4**	**3.0**	**2.9**	**2.9**	**6.6**	**6.8**
Latin America										
Argentina[c]	10.9	23.9	27.5	38.5	25.0	47.1	52.9	34.1	51.4	87.8
Bolivia (Plurinational State of)	6.5	5.2	3.0	4.0	2.7	1.5	1.5	0.7	0.9	2.9
Brazil	5.9	6.4	10.7	6.3	2.9	3.7	4.3	4.5	10.0	6.5
Chile	2.8	4.8	4.4	2.7	2.3	2.6	3.0	3.0	7.2	12.8
Colombia	1.9	3.7	6.8	5.7	4.1	3.1	3.8	1.6	5.6	12.2
Costa Rica	3.7	5.1	-0.8	0.8	2.6	2.0	1.5	0.9	3.3	9.0
Cuba[d]	0.0	2.1	2.4	-3.0	0.6	2.4	-1.3	18.5	77.3	37.2[e]
Dominican Republic	3.9	1.6	2.3	1.7	4.2	1.2	3.7	5.6	8.5	8.2
Ecuador	2.7	3.7	3.4	1.1	-0.2	0.3	-0.1	-0.9	1.9	4.0
El Salvador	0.8	0.5	1.0	-0.9	2.0	0.4	-0.0	-0.1	6.1	7.5
Guatemala	4.4	2.9	3.1	4.2	5.7	2.3	3.4	4.8	3.1	9.7
Haiti	3.4	6.4	12.5	14.3	13.3	16.5	20.8	19.2	24.6	30.7[f]
Honduras	4.9	5.8	2.4	3.3	4.7	4.2	4.1	4.0	5.3	10.2
Mexico	4.0	4.1	2.1	3.4	6.8	4.8	2.8	3.2	7.4	8.4
Nicaragua	5.4	6.4	2.9	3.1	5.8	3.4	6.5	2.6	7.3	11.9
Panama	3.7	1.0	0.3	1.5	0.5	0.2	-0.1	-1.6	2.6	1.7
Paraguay	3.7	4.2	3.1	3.9	4.5	3.2	2.8	2.2	6.8	8.1
Peru	2.9	3.2	4.4	3.2	1.4	2.2	1.9	2.0	6.4	8.3
Uruguay	8.5	8.3	9.4	8.1	6.6	8.0	8.8	9.4	8.0	9.0
Venezuela (Bolivarian Republic of)	56.2	68.5	180.9	274.4	862.6	130 060.2	9 585.5	2 959.8	686.4	155.8
The Caribbean										
Antigua and Barbuda	1.1	1.3	0.9	-1.1	2.4	1.7	0.7	2.8	1.2	8.6[e]
Bahamas	0.8	0.2	2.0	0.8	1.8	2.0	1.4	1.2	4.1	6.5[e]
Barbados	1.1	2.3	-2.3	3.8	6.6	0.6	7.2	1.3	5.0	6.6[e]
Belize	1.6	-0.2	-0.6	1.1	1.0	-0.1	0.2	0.4	4.9	7.1[e]
Dominica	-0.4	0.5	-0.7	0.7	-1.5	4.0	0.1	-0.7	3.8	5.3[g]
Grenada	-1.2	-0.6	1.1	0.9	0.5	1.4	0.1	-0.8	1.9	2.9[g]
Guyana	0.9	1.2	-1.8	1.4	1.5	1.6	2.1	0.9	5.7	6.5[e]
Jamaica	9.7	6.2	3.7	1.7	5.2	2.4	6.2	4.5	7.3	9.8
Saint Kitts and Nevis	0.6	-0.5	-2.4	0.0	0.8	-0.8	-0.8	-1.2	1.9	1.2[g]
Saint Lucia	-0.7	3.7	-2.6	-2.8	2.0	1.6	-0.7	-0.4	4.1	7.4[f]
Saint Vincent and the Grenadines	0.0	0.1	-2.1	1.0	3.0	1.4	0.5	-1.0	3.4	7.4[h]
Suriname	0.6	3.9	25.2	49.2	9.3	5.4	4.2	60.7	60.7	41.9[e]
Trinidad and Tobago	5.6	8.5	1.5	3.1	1.3	1.0	0.4	0.8	3.5	6.3[h]

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures as of October 2022.
[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] Figures as of September 2022.
[f] Figures as of July 2022.
[g] Figures as of March 2022.
[h] Figures as of August 2022.

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

	Primary balance			Overall balance		
	2019	2020	2021	2019	2020	2021
Latin America and the Caribbean[a]	**-0.2**	**-4.1**	**-1.3**	**-2.7**	**-6.8**	**-3.9**
Latin America[b]	**-0.5**	**-4.2**	**-1.7**	**-3.0**	**-6.9**	**-4.2**
Argentina	0.3	-1.5	-2.9	-4.0	-3.7	-4.5
Bolivia (Plurinational State of)[c]	-6.1	-12.1	…	-6.9	-13.1	…
Brazil	-1.3	-10.0	-0.4	-5.7	-13.8	-4.9
Chile	-1.9	-6.3	-6.8	-2.9	-7.3	-7.7
Colombia	0.1	-5.1	-4.2	-2.5	-7.8	-7.1
Costa Rica	-2.7	-3.4	-0.3	-6.7	-8.0	-5.0
Dominican Republic	0.6	-4.7	0.2	-2.2	-7.9	-2.9
Ecuador	-2.0	-4.2	-2.1	-5.0	-7.5	-3.9
El Salvador	1.8	-5.0	-0.6	-1.6	-9.2	-4.9
Guatemala	-0.6	-3.2	0.6	-2.2	-4.9	-1.2
Haiti[d]	…	…	…	…	…	…
Honduras	0.6	-3.5	-1.8	-2.5	-7.0	-5.0
Mexico[e]	1.1	0.0	-0.3	-1.6	-2.9	-2.9
Nicaragua	1.6	0.2	0.5	0.3	-1.1	-0.7
Panama	-2.2	-6.4	-3.9	-4.1	-9.1	-6.3
Paraguay	-2.0	-5.1	-2.6	-2.8	-6.1	-3.7
Peru[c]	-0.1	-6.8	-1.2	-1.4	-8.3	-2.6
Uruguay	-0.4	-2.4	-1.6	-2.8	-5.1	-3.8
The Caribbean[f]	**0.2**	**-3.9**	**-0.8**	**-2.4**	**-6.6**	**-3.6**
Antigua and Barbuda	-1.2	-3.0	-2.1	-3.8	-5.5	-4.6
Bahamas[g]	0.8	-4.1	-8.9	-1.7	-7.1	-12.9
Barbados[hi]	6.1	-0.8	-0.9	3.7	-4.1	-4.6
Belize[h]	-1.1	-7.2	1.3	-3.7	-8.8	-0.5
Dominica	-13.0	-1.0	-5.1	-15.1	-3.6	-7.3
Grenada	6.8	-2.6	1.7	5.0	-4.5	-0.2
Guyana	-2.0	-7.3	-6.4	-2.8	-7.9	-6.9
Jamaica[h]	7.1	3.5	6.7	0.9	-3.1	0.9
Saint Kitts and Nevis[j]	1.7	-1.0	7.7	0.6	-2.2	6.6
Saint Lucia	0.8	-5.2	-4.7	-2.2	-9.2	-8.4
Saint Vincent and the Grenadines	-0.9	-3.9	-3.1	-3.2	-6.1	-5.1
Suriname[k]	-15.7	-7.5	3.8	-18.6	-9.7	1.8
Trinidad and Tobago[d]	0.6	-7.7	-5.2	-2.5	-11.0	-8.8

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] Federal government.
[k] Cash basis. Includes statistical discrepancy.

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

	Total revenue			Tax revenue		
	2019	2020	2021	2019	2020	2021
Latin America and the Caribbean[a]	**21.5**	**20.6**	**22.4**	**17.4**	**16.7**	**17.7**
Latin America[b]	**18.4**	**17.8**	**19.2**	**15.2**	**14.6**	**15.9**
Argentina	18.1	22.0	18.7	14.5	14.7	14.8
Bolivia (Plurinational State of)[c]	27.0	23.6	...	18.4	15.7	...
Brazil	22.1	19.7	22.3	19.0	18.0	19.6
Chile	21.7	20.0	24.1	19.2	17.7	20.0
Colombia	16.2	15.3	16.3	14.0	13.1	13.8
Costa Rica	14.2	13.1	15.9	13.1	12.2	15.1
Dominican Republic	14.4	14.2	15.6	13.3	12.4	14.4
Ecuador	22.8	19.6	23.6	13.4	12.5	12.8
El Salvador	19.1	19.9	21.0	17.7	18.5	20.1
Guatemala	11.2	10.7	12.4	10.9	10.5	12.1
Haiti[d]	...	...	...	...	...	...
Honduras	19.2	16.6	19.1	17.5	14.8	17.3
Mexico[e]	22.0	22.9	22.7	13.1	14.3	13.6
Nicaragua	19.6	19.2	21.3	17.6	17.2	19.1
Panama	12.7	12.5	12.2	8.2	7.4	7.1
Paraguay	14.2	13.5	14.0	10.9	10.5	11.1
Peru[c]	19.9	17.9	21.1	17.0	15.5	18.5
Uruguay	27.5	27.1	26.5	24.2	24.3	24.3
The Caribbean[f]	**25.6**	**24.3**	**26.7**	**20.4**	**19.4**	**20.2**
Antigua and Barbuda	18.6	21.2	20.5	14.8	16.5	16.8
Bahamas[g]	18.7	18.2	17.9	16.9	16.2	15.3
Barbados[hi]	28.7	24.2	26.6	26.7	22.5	24.9
Belize[h]	24.6	22.7	24.6	22.1	19.5	21.6
Dominica	41.0	53.3	59.5	26.4	23.6	23.5
Grenada	26.6	28.1	31.0	22.5	22.8	21.0
Guyana	23.4	20.6	16.2	20.9	19.1	15.2
Jamaica[h]	30.6	29.1	30.4	27.3	25.6	26.0
Saint Kitts and Nevis[j]	37.2	33.7	45.9	17.6	16.9	17.2
Saint Lucia	21.1	23.6	22.9	18.8	20.9	19.5
Saint Vincent and the Grenadines	27.7	29.1	31.8	20.9	22.1	24.5
Suriname[k]	20.4	18.4	28.5	15.0	13.4	21.0
Trinidad and Tobago[d]	29.0	22.6	23.8	20.9	17.5	19.1

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] Federal government.
[k] 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		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Latin America and the Caribbean[a]	**24.2**	**27.4**	**26.3**	**2.6**	**2.7**	**2.6**	**3.7**	**4.1**	**4.1**
Latin America[b]	**21.4**	**24.6**	**23.4**	**2.5**	**2.6**	**2.5**	**3.1**	**3.4**	**3.6**
Argentina	22.1	25.7	23.3	4.3	2.3	1.7	1.3	1.3	2.6
Bolivia (Plurinational State of)[c]	33.9	36.7	…	0.8	1.0	…	9.7	5.9	…
Brazil	27.8	33.4	27.2	4.4	3.8	4.5	0.9	1.7	0.7
Chile	24.6	27.3	31.7	0.9	1.0	0.9	3.8	3.4	3.3
Colombia	18.7	23.1	23.4	2.5	2.7	2.9	1.8	2.2	2.5
Costa Rica	20.8	21.1	20.9	4.0	4.6	4.8	1.9	1.2	1.5
Dominican Republic	16.7	22.5	18.6	2.7	3.2	3.1	2.8	3.8	2.8
Ecuador	27.8	27.1	27.5	3.0	3.3	1.8	5.2	5.1	7.0
El Salvador	20.7	29.2	25.9	3.5	4.2	4.3	3.1	3.3	3.8
Guatemala	13.4	15.6	13.5	1.6	1.7	1.7	2.7	3.0	2.4
Haiti[d]	…	…	…	…	…	…	…	…	…
Honduras	21.6	23.6	24.1	3.0	3.4	3.1	4.6	4.2	5.3
Mexico[e]	23.7	25.7	25.7	2.7	2.9	2.6	3.0	3.4	4.5
Nicaragua	19.4	20.2	22.0	1.3	1.3	1.3	3.6	4.6	6.0
Panama	16.8	21.5	18.6	1.9	2.6	2.4	5.5	6.7	4.5
Paraguay	17.0	19.7	17.8	0.8	1.1	1.1	4.0	4.4	3.9
Peru[c]	21.3	26.2	23.7	1.3	1.5	1.4	4.5	4.5	5.0
Uruguay	30.3	32.2	30.3	2.4	2.7	2.2	1.4	1.3	1.1
The Caribbean[f]	**27.9**	**31.0**	**30.3**	**2.6**	**2.8**	**2.7**	**4.4**	**5.0**	**4.9**
Antigua and Barbuda	22.4	26.7	25.2	2.5	2.6	2.5	1.9	2.9	2.5
Bahamas[g]	20.4	25.3	30.8	2.5	3.0	4.0	1.7	3.3	3.5
Barbados[hi]	25.0	28.2	31.2	2.4	3.2	3.8	1.8	2.6	4.0
Belize[h]	28.4	31.5	25.1	2.6	1.6	1.8	5.3	8.1	5.0
Dominica	56.1	56.9	66.8	2.1	2.6	2.2	18.3	12.6	29.2
Grenada	21.6	32.7	31.2	1.9	2.0	1.9	2.6	9.6	8.7
Guyana	26.2	28.5	23.1	0.8	0.7	0.5	6.1	6.7	6.2
Jamaica[h]	29.7	32.1	29.5	6.2	6.5	5.8	3.3	2.5	2.1
Saint Kitts and Nevis[j]	36.6	36.0	39.3	1.1	1.2	1.1	10.6	6.7	9.1
Saint Lucia	23.3	32.8	31.3	3.0	4.0	3.7	3.6	4.9	5.5
Saint Vincent and the Grenadines	30.9	35.2	37.0	2.3	2.2	2.1	6.5	8.0	8.3
Suriname[k]	39.0	29.6	26.9	2.9	3.7	2.2	6.6	2.2	1.7
Trinidad and Tobago[d]	31.5	33.6	32.7	3.1	3.3	3.7	2.4	2.6	2.0

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] Federal government.
[k] Cash basis. Includes statistical discrepancy.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Latin America and the Caribbean[a]	**48.7**	**49.5**	**50.8**	**51.5**	**53.1**	**53.7**	**53.7**	**55.0**	**69.5**	**67.8**
Latin America[a]	**31.3**	**32.6**	**34.1**	**36.5**	**38.2**	**39.7**	**43.0**	**45.3**	**56.4**	**53.1**
Argentina[b]	40.4	43.5	44.7	52.6	53.3	56.5	85.2	89.8	103.8	80.6
Bolivia (Plurinational State of)	29.0	28.0	28.0	29.0	32.0	34.0	35.0	40.2	57.9	63.0
Brazil[c]	55.2	56.7	58.9	66.5	70.0	74.0	77.2	74.3	88.6	80.3
Chile	11.9	12.8	15.0	17.3	21.0	23.6	25.6	28.3	32.5	36.3
Colombia	34.5	37.1	40.2	45.0	46.0	44.9	48.6	48.4	61.4	61.5
Costa Rica	33.8	35.1	37.5	39.8	43.6	48.4	51.7	56.5	67.6	68.2
Dominican Republic	31.5	37.2	35.9	34.4	34.5	36.1	36.8	39.6	56.0	49.9
Ecuador	20.1	22.9	27.5	30.9	35.7	41.3	42.2	48.2	59.0	57.0
El Salvador	50.9	49.2	49.6	49.7	49.6	48.2	47.6	48.8	63.4	59.0
Guatemala	24.5	25.0	24.7	24.8	25.0	24.6	25.9	25.7	28.6	26.4
Haiti[d]	16.1	17.3	20.3	23.3	23.3	38.3	39.9	47.0	...	...
Honduras	34.4	43.4	44.4	44.4	46.0	47.6	48.5	48.7	58.9	55.8
Mexico[e]	27.8	29.8	31.7	34.1	37.0	35.2	35.4	36.1	41.5	40.7
Nicaragua	31.2	30.8	30.2	29.9	31.2	34.0	37.7	42.0	48.4	47.8
Panama	34.8	34.4	36.2	37.1	37.0	37.3	39.3	46.3	68.4	63.6
Paraguay	9.5	9.7	12.1	13.3	15.1	15.7	16.9	19.6	29.7	30.9
Peru	18.2	17.2	18.1	19.7	21.6	23.3	23.8	24.8	32.9	32.6
Uruguay	41.4	37.4	39.0	44.3	45.3	44.2	45.2	48.3	61.0	59.5
Venezuela (Bolivarian Republic of)	27.5	32.9	28.5	31.7	31.1	34.9	...	...	...	...
The Caribbean[f]	**70.2**	**70.3**	**71.3**	**70.0**	**71.5**	**70.9**	**67.0**	**67.0**	**85.8**	**85.8**
Antigua and Barbuda	72.9	78.7	84.1	71.1	67.8	67.2	64.2	64.3	85.4	83.3
Bahamas	46.5	52.5	57.5	56.6	58.8	63.8	64.7	64.1	78.7	105.2
Barbados	106.3	116.2	121.9	129.6	137.6	137.4	122.7	117.3	136.6	137.4
Belize	74.0	76.4	75.3	78.4	84.8	92.4	76.5	75.8	100.4	77.2
Dominica	64.6	65.1	65.2	64.0	57.4	62.3	64.0	72.0	97.1	100.8
Grenada	93.0	94.6	89.6	82.7	75.7	65.8	62.7	57.7	70.6	69.5
Guyana[g]	44.7	41.6	38.7	36.0	35.7	35.2	35.8	32.6	47.4	40.5
Jamaica[g]	129.4	130.2	129.4	112.9	108.4	104.4	97.1	92.4	103.3	97.5
Saint Kitts and Nevis	99.7	72.2	59.9	51.3	47.9	47.6	41.5	37.8	46.4	42.6
Saint Lucia	61.5	56.9	57.6	57.4	57.6	55.2	56.5	57.7	85.1	85.8
Saint Vincent and the Grenadines	57.1	59.1	68.7	67.6	65.9	67.2	63.7	64.7	77.8	85.3
Suriname	27.0	33.5	31.0	49.9	72.0	67.3	62.7	71.5	122.5	128.9
Trinidad and Tobago	36.4	37.5	48.2	52.8	59.8	55.8	58.6	62.5	63.4	61.5

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, 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Latin America and the Caribbean[a]	**54.2**	**55.3**	**56.3**	**57.1**	**58.7**	**59.0**	**59.1**	**60.2**	**74.5**	**72.9**
Latin America[a]	**33.7**	**35.1**	**37.0**	**39.7**	**41.6**	**43.2**	**46.5**	**49.3**	**60.1**	**56.9**
Argentina[b]	40.4	43.5	44.7	52.6	53.3	56.5	85.2	89.8	103.8	80.6
Bolivia (Plurinational State of)[c]	31.4	30.1	30.4	31.2	34.8	36.7	36.8	43.0	61.1	65.6
Brazil[d]	55.2	56.7	58.9	66.5	70.0	74.0	77.2	74.3	88.6	80.3
Chile	18.9	20.5	24.0	27.4	30.3	32.1	34.9	38.6	42.7	46.6
Colombia	40.7	41.9	47.5	54.9	54.9	54.4	57.5	57.3	71.5	72.8
Costa Rica	40.8	43.0	45.6	47.8	51.3	58.0	61.8	71.9	77.1	75.5
Dominican Republic	32.2	37.4	36.0	35.1	35.3	36.9	37.6	40.4	56.7	50.4
Ecuador	21.1	24.0	29.6	33.0	38.2	44.5	45.0	52.3	63.1	61.8
El Salvador	53.3	51.3	51.8	52.2	52.7	52.2	51.4	52.6	66.6	64.6
Guatemala[e]	24.5	25.0	24.7	24.8	25.0	24.6	25.9	25.7	28.6	26.4
Haiti[ef]	16.1	17.3	20.3	23.3	23.3	38.3	39.9	47.0	…	…
Honduras[e]	34.4	43.4	44.4	44.4	46.0	47.6	48.5	48.7	58.9	55.8
Mexico[g]	33.9	36.8	40.1	44.2	49.4	46.9	46.9	46.7	53.1	51.3
Nicaragua	32.0	31.5	30.7	30.4	31.8	34.5	38.1	42.4	48.8	48.1
Panama	35.3	34.9	36.5	37.4	37.4	37.6	39.6	46.3	68.5	63.7
Paraguay	10.7	10.8	13.5	15.1	17.3	18.2	19.7	22.9	33.8	34.6
Peru	20.4	19.5	19.9	20.9	22.7	24.9	25.8	26.8	34.6	35.9
Uruguay	45.7	41.5	44.6	49.0	49.3	48.0	48.9	52.3	64.6	62.7
Venezuela (Bolivarian Republic of)[e]	27.5	32.9	28.5	31.7	31.1	34.9	…	…	…	…
The Caribbean[h]	**79.4**	**80.2**	**79.9**	**78.4**	**79.8**	**78.5**	**74.6**	**73.5**	**92.3**	**92.6**
Antigua and Barbuda	87.7	101.1	100.2	86.9	82.6	83.4	78.5	75.6	98.9	97.4
Bahamas	50.3	65.4	71.4	69.7	72.0	76.9	78.4	77.0	81.7	108.6
Barbados	120.3	131.5	137.0	142.4	150.5	148.9	123.6	118.0	137.2	137.9
Belize	77.4	79.4	77.7	80.9	87.3	95.0	93.6	79.2	104.5	82.3
Dominica	77.6	76.4	76.9	75.0	67.7	74.4	74.5	83.1	109.1	111.1
Grenada	103.3	103.7	96.9	88.6	80.0	69.7	62.7	59.7	72.9	71.4
Guyana	44.7	41.6	38.7	36.0	35.7	35.2	35.8	32.6	47.4	40.5
Jamaica[e]	129.4	130.2	129.4	112.9	108.4	104.4	97.1	92.4	103.3	97.5
Saint Kitts and Nevis	126.1	93.3	71.7	63.7	59.0	59.3	57.3	54.3	67.8	62.5
Saint Lucia	67.2	61.3	61.1	60.4	59.9	59.0	59.9	61.1	90.0	91.5
Saint Vincent and the Grenadines	68.7	71.4	80.3	79.1	82.1	74.1	69.2	68.0	80.9	88.1
Suriname[e]	27.0	33.5	31.0	49.9	72.0	67.3	62.7	71.5	122.5	128.9
Trinidad and Tobago	52.2	53.8	66.5	73.5	80.1	73.6	77.0	83.4	83.9	86.2

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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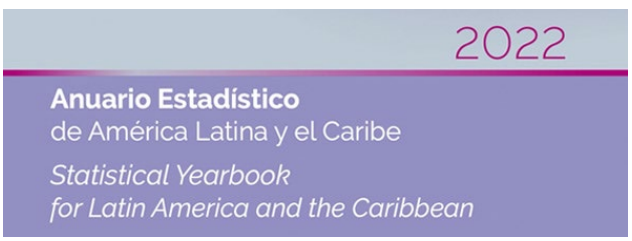

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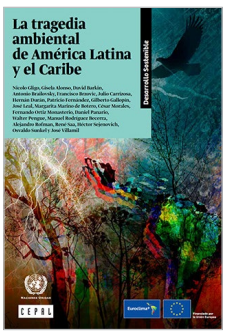

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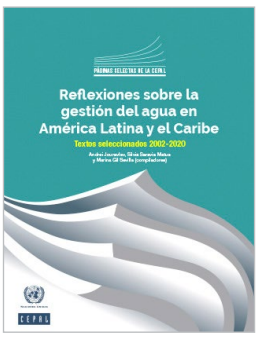

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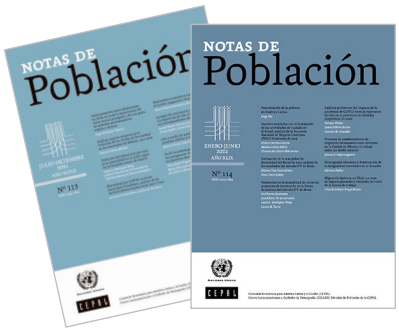

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