Preliminary Overview of the Economies of Latin America and the Caribbean 2023

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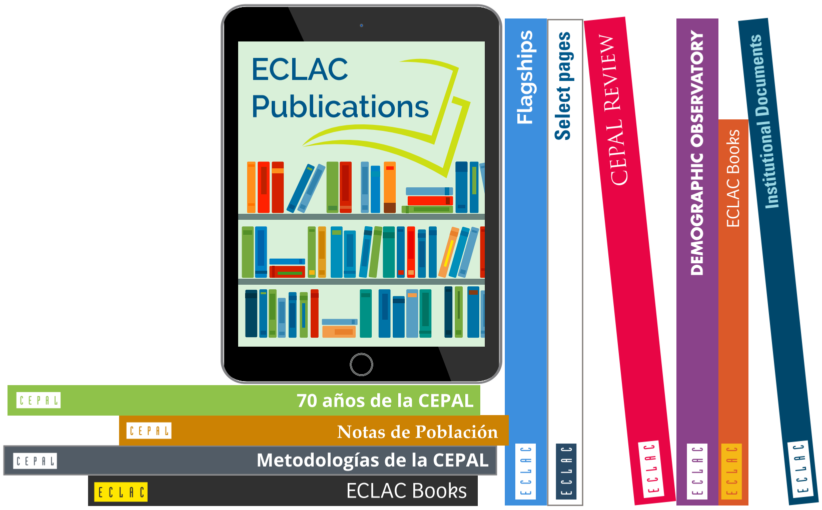

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The *Preliminary Overview of the Economies of Latin America and the Caribbean* is issued annually by the Economic Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC). This 2023 edition was prepared under the supervision of Daniel Titelman, Chief of the Division, while Ramón Pineda Salazar, Senior Economic Affairs Officer in the same Division, was responsible for its overall coordination.

In the preparation of this document, 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 Argentina, Bogotá, Brasilia, Montevideo and Washington, D.C.

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United Nations publication
ISBN: 978-92-1-122135-0 (printed version) • ISBN: 978-92-1-002250-7 (pdf)
Sales No.: E.23.II.G.6 • LC/PUB.2023/22-P • Distribution: G •
Printed at United Nations, Santiago • S.23-01112

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.

This publication should be cited as: Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2023* (LC/PUB.2023/22-P), Santiago, 2023.

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Executive summary

According to the data presented in the *Preliminary Overview of the Economies of Latin America and the Caribbean, 2023,* the region continues to experience slow economic growth. All subregions will grow less in 2023 than they did in 2022. The growth rate for 2024 is projected to be lower still, exacerbating the deceleration in gross domestic product (GDP) growth and job creation.

Globally, both GDP and trade growth remain sluggish. Despite easing global inflation, the leading developed economies have not reduced interest rates. As a result, financing costs were high throughout the year and are expected to remain so in the coming years.

Fiscal and monetary policy space continue to be limited in the countries of the region. Although sovereign debt levels have come down, they are still high; this substantial debt, when added to the increased cost of external and internal debt financing, is squeezing fiscal space. Regarding monetary policy, inflation continues to subside, but countries are maintaining their contractionary stance, wary of the effects that interest rate cuts could have on capital flows and exchange rates as long as developing countries' interest rates remain high.

The slowdown in economic activity and global trade continues

The global economy is expected to grow by 3.0% in 2023 and by 2.9% in 2024, well below the 3.8% averaged between 2000 and 2019. Growth in the advanced economies is projected to slow, from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024. The United States (the region's top trading partner) outstripped mid-year projections, while the European Union (the region's third largest trading partner) performed worse than expected. Emerging and developing economies are also expected to decelerate, though by a narrower margin, from 4.1% in 2022 to 4.0% in 2024. In China, the region's second largest trading partner, mid-year projections were revised downwards amid the continuing crisis in the real estate market and its implications for the rest of the economy. Growth is estimated at 5.0% for 2023 and 4.2% for 2024, down 0.2 and 0.3 percentage points, respectively, from July's projections. However, these projections are higher than the 3.0% growth recorded in 2022, when the Chinese economy was still suffering the effects of the "zero-COVID" policy.

The deceleration in the global economy overall is expected to hold true for growth in the volume of global trade, which will also be low. Increased borrowing costs in several advanced economies have dampened demand for imports. Together with the Chinese real estate crisis and intensifying geopolitical tensions, this has impacted international trade, which nevertheless is projected to register improved growth in 2024.

With regard to commodity prices, non-energy goods have continued to trend down since the second half of 2022. Meanwhile, energy prices, in particular oil, have risen since mid-year in response to the supply cuts agreed by the Organization of the Petroleum Exporting Countries Plus (OPEC+). Despite this, energy price estimates for 2023 are 21% lower than the averages recorded in 2022, and commodity prices for 2023 are projected to decrease by 11% relative to 2022. These declines are attributable not only to the high baseline set in 2022, when commodity prices soared to record levels following the invasion of Ukraine by the Russian Federation, but also to the worldwide economic slowdown.

In 2024, variations are expected to occur on a smaller scale in most cases, with prices projected to decrease by an average 1% year on year. Despite falling prices recorded in 2023 and projected for 2024, commodity prices in 2024 are expected to remain 30% higher than the average levels recorded in 2019 prior to the coronavirus disease (COVID-19) pandemic.

Global inflation eases, but monetary policy remains largely unchanged among the major central banks

Global price pressures have eased, but the major central banks have maintained a tight monetary policy stance while inflation exceeds targets. The leading factors behind falling inflation include the drop in commodity prices since mid-2022 and the easing of supply chain pressures. Average global inflation is projected to fall from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, which would still exceed the 3.6% averaged in the decade prior to the pandemic (2010–2019).

On the financial front, although average global financial volatility has been lower in 2023 than in 2022, financing conditions remain considerably restrictive when indicators of costs of access are taken into account. In fact, the current level of tightening was last been seen during the 2008–2009 global financial crisis. The tightening of financial conditions reflects a contraction in global liquidity in 2023, which occurred simultaneously in the United States, the eurozone and the United Kingdom, something rarely seen before. The trend in liquidity is not only a reflection of open market operations, which have been the main instrument used to control reserve levels in the financial system, but also of non-standard monetary policy, implemented through balance sheet management. Quantitative easing policies have given way to quantitative tightening, from 2022 onward in the case of the United States Federal Reserve, and from 2023 in the case of the European Central Bank (ECB) and the Bank of England.

In keeping with these monetary policy stances, monetary policy rates in the United States, the United Kingdom and the eurozone countries have been raised to their highest levels in around two decades. The central banks of these countries have opted to maintain current short-term interest rate levels for longer than on previous occasions, with a view to inflation rates converging toward their target ranges. The liquidity tightening has also had a significant impact on long-term interest rates. They have risen in tandem with short-term rates, which are at their highest level since 2007.

The higher short- and long-term interest rates have weakened commercial banks' balance sheets, one outcome of which has been a decline in lending to the real economy. The rate rises have also driven up the cost of borrowing for the real economy. This has led to an increase in bankruptcies in the corporate sector in the United States and Europe.

In this more restrictive financial context, global debt has risen to an all-time high, especially in developed economies. This, in turn, has added to the cost of borrowing for developing countries, including those in Latin America and the Caribbean. In fact, debt service in both emerging and developing economies is at its highest level since 2010. More importantly, the high cost of financing has increased the risk of default for several developing countries.

Capital flows to emerging markets remain at historically low levels. The three months to October 2023 saw net portfolio outflows from emerging markets, accompanied by increased demand for dollars and worldwide appreciation of the currency.

Despite a recent increase, the volume of debt issuances by the economies of the region on international markets remains at historically low levels

For the first three quarters of 2023, Latin American and Caribbean debt issuance on international markets totalled US$ 76.276 billion, up 31% year-on-year. The percentage increase is sizeable but this is because the baseline from 2022 is very low. The average coupon rate on dollar sovereign issues hit 6.3% in 2023, significantly higher than the low of 3.6% recorded in 2021. Thematic bonds linked to environmental, social or gender targets are becoming increasingly important, accounting for a growing proportion over recent years; thus far in 2023, they have accounted for 39% of the total amount issued, and the majority were sovereign issues.

Sovereign risk has remained stable in the year, in keeping with less financial volatility worldwide. On 31 October 2023, Latin America's sovereign risk reached 410 basis points, as measured by J. P. Morgan's EMBI Global Diversified Index (EMBIGD) of emerging market bonds. This represents almost no change with respect to the end of 2022, despite an uptick in March during the weeks of uncertainty over banking sector problems in the United States and Switzerland.

The region's current account balance has improved

Latin America's balance of payments current account is expected to record a deficit of 1.4% of GDP for 2023, narrowing from the deficit of 2.6% of GDP recorded for 2022. This improvement is a result of the goods balance posting a surplus rather than a deficit and smaller deficits for services and income, while the current transfers balance is on course to remain stable. Goods exports are projected to decline in value by 1.0% in 2023, owing to price falls that were not offset by rises in export volumes. On the import side, the value of inbound goods is expected to fall more sharply (by 6.0%) as a result of drops in both volume and price. In view of these trends, the goods balance is expected to show a surplus of 0.6% of GDP for the year.

Latin America's terms of trade are expected to deteriorate by 2.6% in 2023, as the price of exports is projected to fall by 5.0% and the price of imports is expected by 3.0%. South America's terms of trade are expected to decline by 4.4%, since the subregion mainly comprises exporters of food, minerals and energy goods, prices for which have fallen this year. However, in Central America, the impact will be positive, as the countries in the subregion are net importers of such products, meaning that a slight increase in its terms of trade is projected (0.9%).

Global financial context constrains fiscal policy space in the region

On the fiscal front, a more complex macrofinancial scenario in 2023 has made fiscal policy management more difficult. The slackening of economic growth and lower international prices for non-renewable natural resources have curbed public revenues, in particular the tax take. However, pressure on public spending persists. Meanwhile, high interest rates on both international and domestic financial markets have driven interest payments up, particularly for external debt, including loans from multilateral creditors.

In that regard, countries' official projections suggest that total spending in Latin America will rise in 2023, breaking the downward trend seen in both 2021 and 2022. As a result, the overall fiscal deficit is expected to widen in 2023 while the primary balance returns to a deficit following the surplus recorded in 2022. In the Caribbean, the primary surplus is expected to widen as a result of lower primary spending. However, interest payments are projected to rise.

The deteriorating global macrofinancial environment has put pressure on public debt in emerging markets and developing economies, including in Latin America and the Caribbean. Although public debt had fallen by September 2023, it remains high, suggesting that fiscal space will shrink in the region as a whole, in particular when taking into account the rise in domestic and international interest rates and the expected fall in tax revenues.

Monetary authorities in the region have begun lowering interest rates, subject however to core inflation and exchange rate trends

Inflation continued to ease in most of the region's economies after June 2022, a trend that has held in 2023. As a result, the median regional inflation rate in September 2023 was 4.4%, a decline of 4.2 percentage points compared with the September 2022 rate.

Lower inflation has prompted the region's monetary authorities to cautiously begin lowering monetary policy rates. The reluctance to adopt a more expansionary monetary policy is the result of both persistent core inflation, which in countries such as Mexico reflects higher prices for services driven by a strong labour market, and of concerns regarding the possible effect on the exchange rate and capital flows of narrowing rate differentials with respect to the rates in advanced countries. The uncertainty triggered by the global geopolitical situation —and the risk it poses for energy prices— is yet another consideration, along with the impacts of El Niño on food supply.

As the monetary policy stance in the region remains tight, driving a rise in bank interest rates, growth in net domestic lending continues to slow in 2023 in nominal terms. After flattening between December 2022 and February 2023, the domestic lending slowdown worsened owing to financial turbulence in developed countries in March 2023. Although most of the region's financial systems garner the bulk of their funds from domestic sources, the aforementioned turbulence increased uncertainty, prompting regional banks to shore up their liquidity position and heightening the risk of capital outflows and abrupt adjustments in asset prices.

Regarding exchange rates, despite the appreciation of the United States dollar, Latin American currencies tended to appreciate up to the second quarter of 2023 in countries with inflation targets, while depreciation slowed in countries with exchange rate and monetary aggregate targets and in those with chronic inflation. These trends have reversed in the third quarter of 2023. Higher third-quarter exchange rates in economies with inflation targets can be accounted for by the lowering of the respective monetary policy rates, which narrowed the rate differentials with respect to the United States policy rate.

In general terms, the nominal exchange rate in the region was less volatile up to the second quarter of 2023 than in 2022, a trend observed in most countries. In the quarterly analysis, nominal exchange rate volatility in Latin America and the Caribbean fell between the third quarter of 2022 and the second quarter of 2023. However, exchange rate volatility began to increase in the third quarter of 2023 and was higher in countries with inflation targets, since most have flexible or intermediate exchange rate policies. Despite the recent spike in exchange rate volatility in countries with exchange rate and monetary aggregate targets, there is less volatility than in 2020 during the pandemic, when volatility peaked.

Strategies aimed at strengthening international reserves were implemented throughout 2023

International reserves expanded in 2023, contrasting with the trend observed in 2022, hitting a cumulative balance of US$ 880 billion in September 2023, the result of an increase of US$ 9.521 billion compared with December 2022. The 2023 accumulation process therefore allowed a higher level of international reserves to be maintained than the 2018–2019 average (US$ 873 billion). This is part of a longer-term trend in the context of which international reserves nearly doubled over the past decade, reaching 14% of regional GDP in 2022.

Against the current backdrop of high uncertainty surrounding the upturn in international fuel prices, ongoing tight financial conditions and subdued global economic activity, coupled with escalating geopolitical tensions and increasingly intense effects of climate change, the region's monetary authorities continue to face significant challenges in managing international reserves, an area in which foreign exchange, liquidity and market risks play a major role. From this viewpoint, the need to preserve the value of foreign currency assets is particularly important amid high dollar dominance, global inflation, high interest rates and higher sovereign bond yields, which put reserve portfolio diversification strategies to the test, both with regard to composition by currency and different liquidity and investment tranches.

Economic outlook for Latin America and the Caribbean in 2023 and 2024

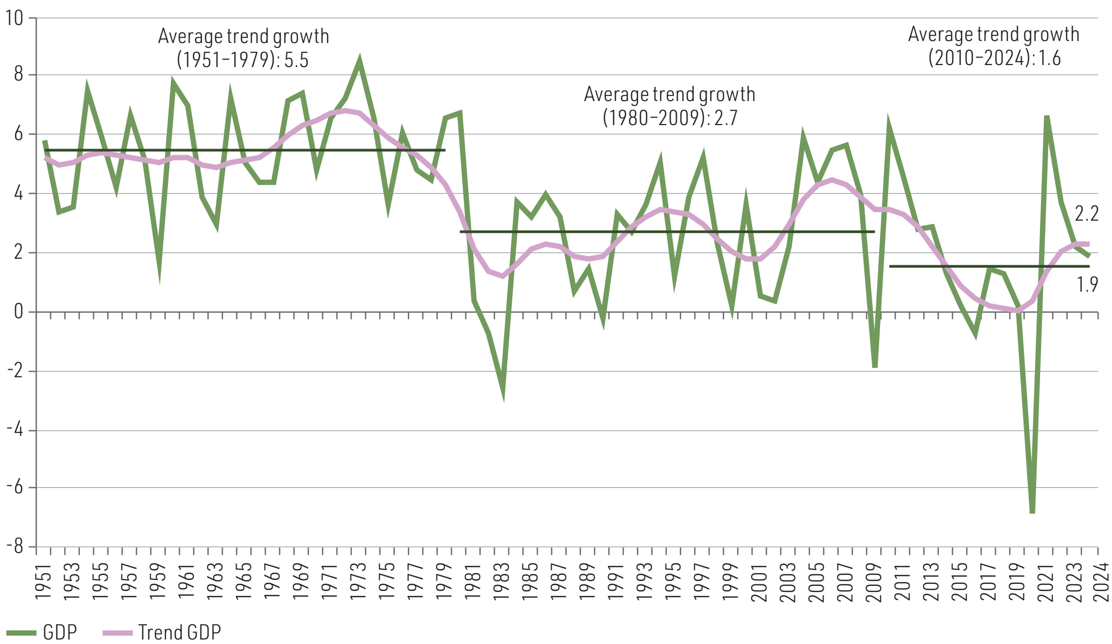
Latin America and the Caribbean remains on a low-growth path, with an estimated year-on-year variation in GDP of 2.2% in 2023. All the subregions will post lower growth in 2023 than in 2022: South America is set to grow by 1.5% (3.8% in 2022); the group comprising Central America and Mexico by 3.5% (4.1% in 2022); and the Caribbean (excluding Guyana) by 3.4% (6.4% in 2022).

In 2024, GDP is projected to grow by an average of 1.9% for Latin America and the Caribbean, maintaining the trend of low growth. All the subregions are expected to see lower growth than in 2023: projections are 1.4% for South America; 2.7% for the group comprising Central America and Mexico; and 2.6% for the Caribbean (excluding Guyana).

These projections are made at a time when countries of the region have limited fiscal and monetary policy space and little impetus from international conditions.

The low growth projected for the region's economies in 2023 and 2024 is not just a short-term issue, but reflects the fall in the trend growth rate of regional GDP. While the average trend GDP growth for the period 1951–1979 was above 5% per year, it averaged less than 3% per year for the period 1980–2009, and has averaged 1.6% per year for the period 2010-2024 (see figure 1).

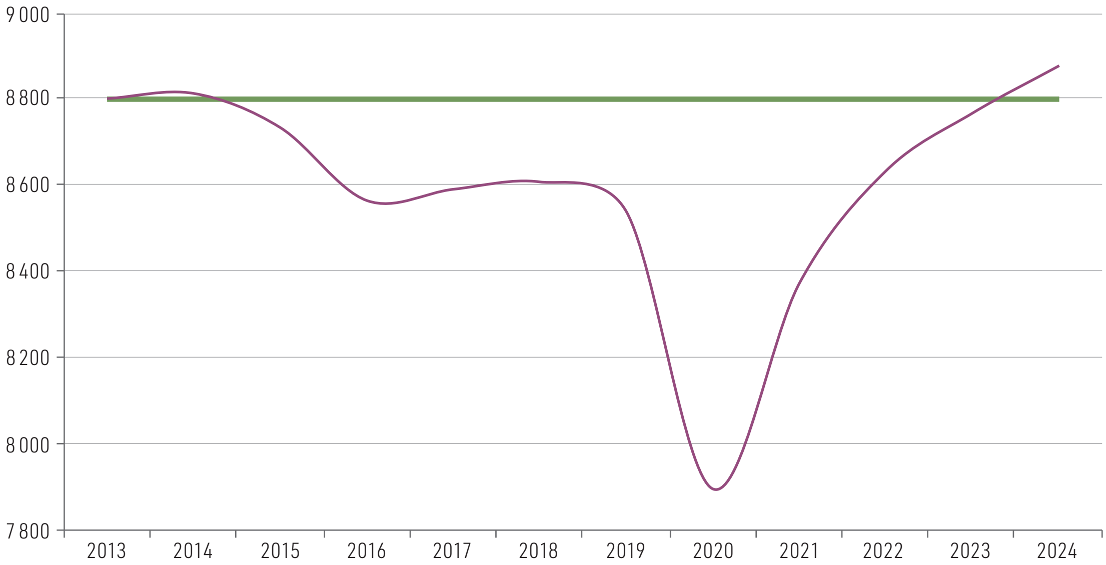
Figure 1
Latin America and the Caribbean: growth in GDP and trend GDP, 1951–2024
(Percentages on the basis of constant dollars at 2018 prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The Hodrick-Prescott filter was used to calculate GDP trend growth.

The sharp downturn in the region's economies caused by the economic crisis stemming from the coronavirus disease (COVID-19) pandemic led to a steep decline in regional per capita GDP, which had been either falling or stagnant since 2015. The crisis only deepened the decline. The projections included in this report indicate that it will not return to the levels seen in 2013–2014 until 2023.

Figure 2
Latin America and the Caribbean: per capita GDP, 2013–2024
(Constant dollars at 2018 prices)



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

Amid low economic growth, limited macroeconomic policy space and a sluggish external sector, the economies of Latin America and the Caribbean are also experiencing a slowdown in their capacity to create jobs, and it is estimated that, by the end of 2023, the number of employed persons will have grown by 1.4%, which is 4 percentage points lower than the 5.4% recorded in 2022. This trend is expected to continue in 2024, when the number of employed persons is projected to grow by 1.0%. In 2023, weak job creation was accompanied by an increase in the number of inactive persons (1.8%) compared to the levels seen in 2022, which contrasts with the reduction in this variable in 2021 and 2022, when the number of inactive persons declined by 5.9% and 1.5%, respectively. This trend in the number of people who are neither working nor actively looking for work is reflected in a drop in the regional participation rate, which is estimated to fall from 62.7% in 2022 to 62.5% in 2023 and 62.6% in 2024. The above-mentioned trends in employment and labour inactivity are expected to result in a further reduction in the regional unemployment rate, which is estimated at 6.5% for 2023 and 6.9% for 2024.

Informal employment levels in the region have remained close to 48% in 2023, and no significant changes are expected in this variable in 2024, especially if labour inactivity increases again. Bearing in mind labour market trends in the first half of 2023, along with the estimates for the rest of 2023 and for 2024, wide gender gaps will persist in indicators such as unemployment and participation rates, although they have been narrowing. Thus, while the unemployment rate among men is estimated at 5.5% for 2023, the unemployment rate among women is estimated at 8.0% (a difference of 2.5 percentage points). Meanwhile, the labour participation rate is estimated at 74.1% among men and 51.9% among women for 2023 (a difference of 22.2 percentage points) and at 74.2% among men and 52.3% among women for 2024.

Strategies for the expansion of policy space in the economies of the region

The region's economies have limited fiscal space to address the multiple challenges they face. The slowdown in economic growth underscores the persistence of the region's structural weaknesses, such as low public and private investment, weak productivity, the predominance of the informal economy and insufficient human capital development.

These issues are compounded by the challenge of climate change, to which the region is highly vulnerable. The transition to low-carbon economies and adaptation to climate change require a massive boost in investment. Changes in the energy mix and the adoption of new technologies must be leveraged to foster economic growth and formalization of the economy. Public investment in resilient infrastructure should translate into a public capital stock that can provide the economic services needed to foster dynamic and competitive economies. However, investment needs are immense and exceed current macrofiscal capacities to meet them.[1]

Bearing this in mind, the economies of the region must lay the foundations for a sustainable public finance framework centred on increasing permanent fiscal revenues to meet the need for well-being, investment and environmental sustainability through more efficient and effective public spending. This will require an increase not only in the level of tax collection, but also in its progressiveness and capacity to reduce income and wealth inequalities. Likewise, a strategy to strengthen fiscal institutions will be needed to improve the management of the economic cycle and strategically allocate public resources to boost economic growth in a sustained and sustainable manner.

This fiscal sustainability framework should leverage opportunities to strengthen revenues. One example is the need for measures to reduce the high level of tax evasion. Tax non-compliance in Latin America stood at US$ 325 billion, or 6.1% of regional GDP, in 2018. The revision of tax expenditures would also offer opportunities to bolster public revenues. In 2021, tax expenditures in Latin America averaged 3.7% of GDP, representing 19% of central government budget expenditures.

In addition, agreements must be forged to strengthen the design and collection of personal income tax, which represents the main tax gap between the countries of the region and those of the Organisation for Economic Co-operation and Development (OECD). It will also be crucial to expand the scope of estate and property taxes, and to consider the implementation of environmental taxes and taxes related to public health issues. In countries that produce non-renewable natural resources, the fiscal frameworks applied to the extractive sector could also be reviewed and updated to ensure they are more progressive.

Public spending policy should also be strategically geared towards more effectively narrowing social divides and boosting economic growth potential, prioritizing measures that yield high economic, social and environmental returns. Hence, it should be focused on meeting short-term needs and on driving productive, sustainable and inclusive development in the medium and long run.

Meanwhile, monetary authorities in the region must use a wide range of policy instruments to fulfil their respective mandates. Global financial risks remain amid considerable uncertainty about the duration and magnitude of monetary policy tightening in developed economies, the persistence of inflation and the outlook for growth in economic activity and world trade. This situation is compounded by new sources of risks, linked in particular to geopolitical tensions, which could result in a further spike in commodity prices and greater fragmentation of international trade, with global supply chain issues and consequences in terms of inflation. The frequency of extreme weather events and their adverse effects also exert additional pressure on agricultural product prices.

[1] See Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean, 2023* (LC/PUB.2023/11-P/Rev.1), Santiago, 2023.

Against this backdrop, the vulnerabilities of the region's financial systems and the potential accumulation of systemic risks, including new structural changes linked to climate change mitigation and adaptation and the rise of cryptoassets, represent urgent challenges for the region's monetary authorities as they seek to preserve macrofinancial stability and sustain economic activity. Consequently, macroprudential policy is an important tool to support monetary and exchange-rate policies in the event of external shocks and sudden capital movements. Hence, the challenge for monetary authorities is to find mechanisms to coordinate the use of the multiple monetary, foreign-exchange and prudential policy tools at their disposal, in order to fulfil the mandates of price and financial system stability, while striving to mitigate the effects on households' living conditions and companies' productive capacities.

CHAPTER

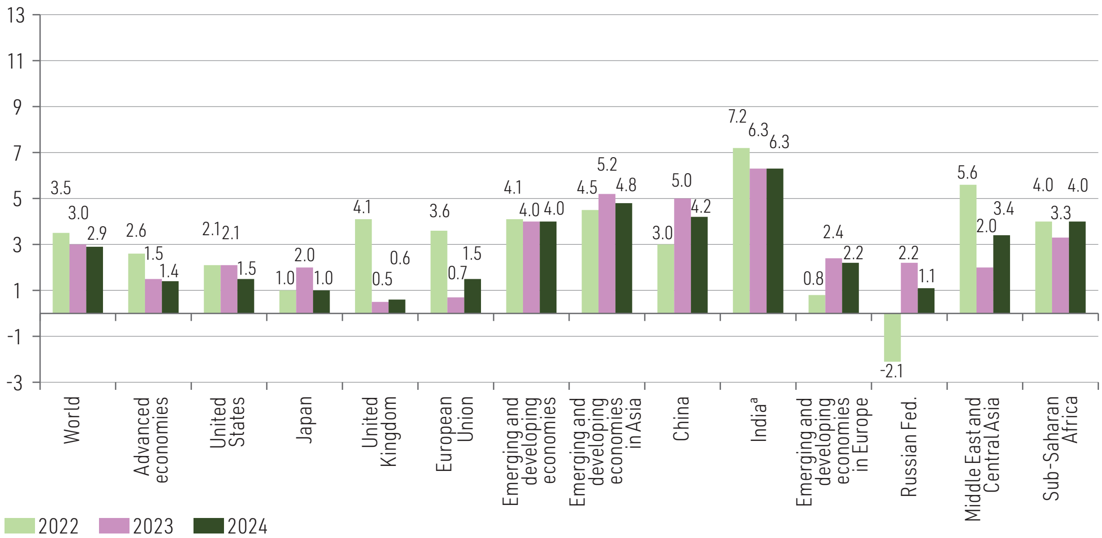
I

The global context

The slowdown in economic activity and global trade has continued, reflecting the lasting impact that the damaging events of recent years have had on the global economy

According to the projections published by the International Monetary Fund (IMF) in October 2023, the global economy is set to grow by 3% in 2023 and 2.9% in 2024 (see figure I.1). However, these rates remain below the average of 3.8% for 2000–2019. For the advanced economies, growth is expected to slow from 2.6% in 2022 to 1.5% in 2023 and then to 1.4% in 2024, in a context of better than projected out-turns for the United States at mid-year 2023, but worse than projected performance by the European Union (Latin America and the Caribbean's largest and third largest trading partners, respectively).[1]

Figure I.1
Selected regions and countries: GDP growth rate, 2022 and projections for 2023 and 2024
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), *World Economic Outlook*: Navigating Global Divergences, Washington, D.C., 2023.
[a] In India, the fiscal year begins in April and ends in March the following year.

In the European Union, persistently high inflation and restrictive monetary policy are still affecting economic activity, meaning that growth of just 0.7% is expected for 2023. The slow growth is expected to continue into 2024, with expansion of only 1.5%. For the trading bloc's main economy, Germany, GDP is forecast to contract by 0.5% in 2023 and grow by a modest 0.9% in 2024.

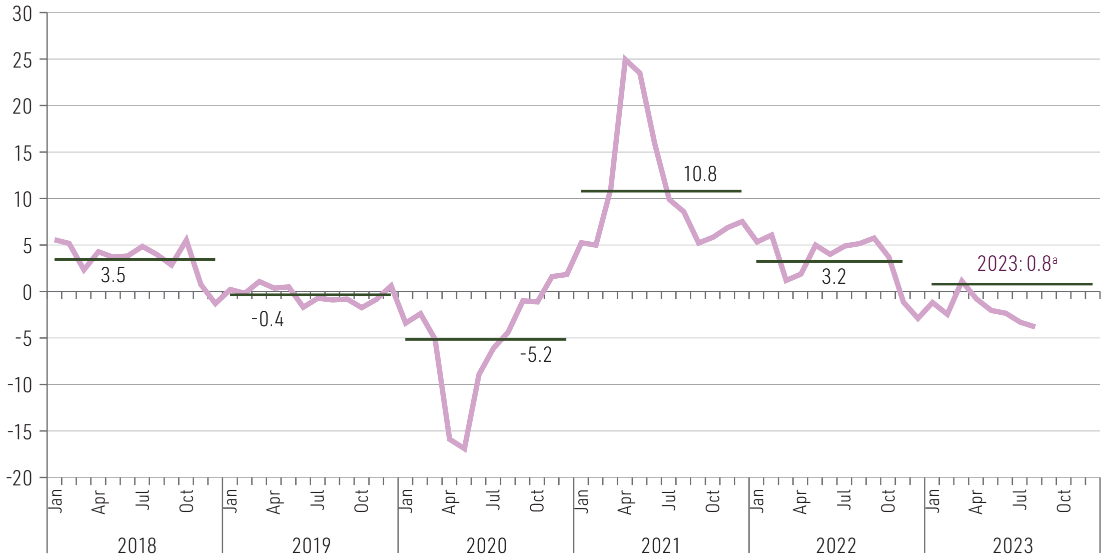
The United States has again proved more resilient than expected, and growth projections for 2023 have been raised once more. The country's GDP is now expected to expand by 2.1% in 2023, in a context of continued buoyant private consumption despite tight monetary policy from the Federal Reserve. The resilience of consumption in the United States can be attributed not only to robust labour markets, but also the lag between policy rate hikes and rises in average effective interest rates for households. However, effective rates have now started to climb, and that, together with households depleting savings accumulated during the coronavirus disease (COVID-19) pandemic and slower employment and wage growth, is expected to lead to less consumption and weaker activity in general in 2024 (Millard, 2023). As a result, economic growth is expected to slow in the country in 2024, to 1.5%.

[1] In 2022, 45% of exports from Latin America and the Caribbean went to the United States, 13% went to China and 9% to the European Union.

In the case of emerging market and developing economies, growth is projected to slow slightly from 4.1% in 2022 to 4.0% in both 2023 and 2024. Within this group, projected growth has been cut for China, the region's second largest trading partner, compared to the mid-year figure, given the continued real estate crisis in the country and its implications for the rest of the economy (ECLAC, 2023). Growth in China is now expected to be 5% in 2023 and 4.2% in 2024, 0.2 and 0.3 percentage points, respectively, below the July forecasts, but still well above growth in 2022, when the economy was suffering the repercussions of the country's "zero COVID" policies.

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. The revised projection for 2023 is 0.8%, while in April, WTO had projected growth of 1.7% (see figure I.2). The outlook for trade has been affected by import demand being dampened by rising borrowing costs in several advanced economies, the crisis in the Chinese real estate sector, and growing geopolitical tensions (WTO, 2023). For 2024, WTO has left its projection for world trade growth almost unchanged at 3.3%.

Figure I.2
World trade volume: year-on-year variation, January 2018–August 2023 and projection for 2023
(Percentages, on the basis of a seasonally adjusted index)



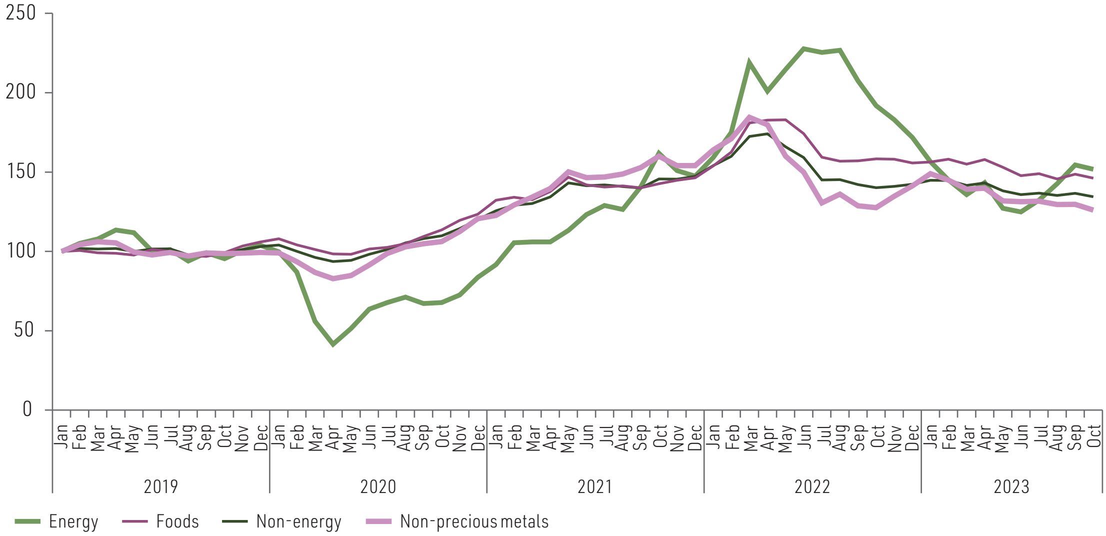
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Netherlands Bureau for Economic Policy Analysis (CPB), World Trade Monitor [online database] https://www.cpb.nl/en/worldtrademonitor; World Trade Organization (WTO), *Global Trade Outlook and Statistics Update: October 2023*, Geneva, 2023.
[a] WTO projection for 2023.

In 2023, prices of commodities, with the exception of energy goods, have continued the downward trend begun in the second half of 2022

In 2023, prices of non-energy commodities, including metals and food, have continued the downward trend begun in the second half of 2022 (see figure I.3A). In contrast, energy commodity prices have been on the rise since mid-year, especially for oil, in response to supply cuts by Organization of the Petroleum Exporting Countries Plus (OPEC Plus), withdrawing 1% of total supply from July 2023 onward (World Bank, 2023) (see figure I.3B).

Figure I.3
International commodity price indices

A. International commodity price indices, January 2019–October 2023
(Index: January 2019=100)



B. Spot price of a barrel of West Texas Intermediate (WTI) crude oil, 2 January 2023–3 November 2023
(Dollars)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, "World Bank Commodities Price Data (The Pink Sheet)", Washington, D.C., 2 November 2023; and Bloomberg.

Despite this rise, average prices of energy goods are expected to be 21% lower in 2023 than in 2022 (see table I.1) and average commodity prices 11% lower. This is not only a result of the high baseline from 2022 —when some commodity prices hit record levels following the Russian Federation's invasion of Ukraine early in the year— but also of the global slowdown in economic activity.

Table I.1
International commodity prices: year-on-year variation in 2022, projected year-on-year variations in 2023 and 2024 and comparison of average prices in 2019 and 2024
(Percentages)

	2022	2023	2024	Change from 2019 to 2024
Agricultural products	13	-3	-4	34
Foods, beverages and oilseeds	16	-3	-5	43
Foods	15	3	-4	36
Tropical beverages	20	0	-3	76
Oils and oilseeds	16	-11	-6	44
Forestry and agricultural raw materials	1	-1	1	3
Minerals and metals	-9	-5	-2	27
Energy	48	-21	2	36
Crude oil	39	-17	3	34
Petroleum products	59	-17	1	43
Coal	101	-50	-15	42
Natural gas	65	-60	30	29
Total	**15**	**-11**	**-1**	**32**
Total excluding energy	**1**	**-4**	**-3**	**30**

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, "World Bank Commodities Price Data (The Pink Sheet)", Washington, D.C., 2 November 2023; *Commodity Markets Outlook, October 2023*: Under the Shadow of Geopolitical Risks, Washington, D.C., 2023; International Monetary Fund (IMF), World Economic Outlook Database [online] https://www.imf.org/en/Publications/WEO/weo-database/2023/October; Economist Intelligence Unit (EIU), "CountryData" [online database] https://store.eiu.com/product/countrydata; United States Energy Information Administration (EIA), *Short-Term Energy Outlook*, Washington, D.C., September 2023; Central Bank of Chile, *Informe de Política Monetaria: septiembre 2023*, Santiago, 2023; Central Reserve Bank of Peru, *Reporte de inflación setiembre 2023: panorama actual y proyecciones macroeconómicas 2023-2024*, Lima, 2023; and Bloomberg.
Note: The figures for 2023 and 2024 are projections.

For 2024, in most cases smaller variations are anticipated. Average commodity prices are expected to be 1% lower than in 2023, despite energy goods prices rising slightly, by 2%. Prices for industrial minerals and metals such as iron and copper are forecast to fall by 2% in 2024, on the back of a 5% drop in 2023, affected by the economic slowdown —including problems in the construction sector in China— and resulting weaker demand. Lastly, agricultural product prices are expected to decline by 4% in 2024.

Notably, in spite of the price falls in 2023 and the projected declines for the coming year, in 2024 commodity prices are still forecast to be over 30% above average levels for 2019, before the pandemic.

Global inflation has eased, but major central banks are maintaining restrictive monetary policy stances until inflation levels are within target ranges

Rates of inflation are primarily lower because commodity prices have been falling since mid-2022, and because pressure on supply chains has returned to normal levels, even lower in fact than before the pandemic. Global average inflation is expected to slow from 8.7% in 2022 to 6.9% in 2023 and then to 5.8% in 2024, still above the pre-pandemic decade (2010–2019) average of 3.6%. IMF has forecast lower rates of inflation for almost three-quarters of the world's economies in 2023, although rates have slowed more sharply in advanced economies than in emerging and developing economies (see table I.2) (IMF, 2023).

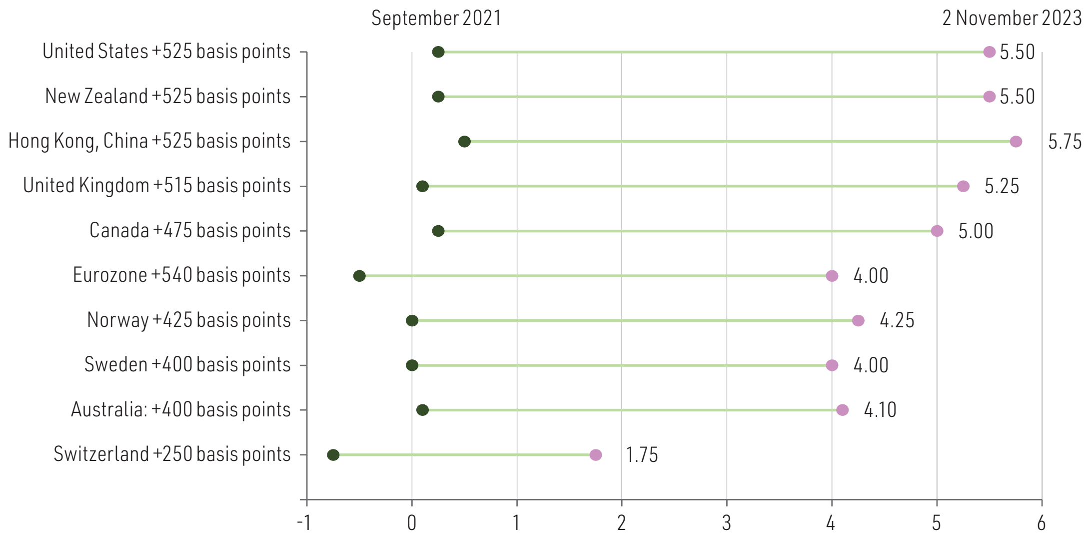
Table I.2
Selected groupings and countries: average year-on-year consumer price inflation, 2010–2019 and 2022–2024 rates
(Percentages)

	2010–2019 average	2022	2023	2024
World	3.6	8.7	6.9	5.8
Advanced economies	1.5	7.3	4.6	3.0
Eurozone	1.4	8.4	5.6	3.3
United States	1.8	8.0	4.1	2.8
United Kingdom	2.2	9.1	7.7	3.7
Emerging and developing economies	5.2	9.8	8.5	7.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Monetary Fund (IMF), *World Economic Outlook: Navigating Global Divergences*, Washington, D.C., 2023.
Note: The figures for 2023 and 2024 are projections.

In spite of these circumstances, inflation is generally still above the targets set by the main central banks, which is why monetary authorities have opted to maintain restrictive policy stances (see figure I.4).

Figure I.4
Selected countries, territories and groupings: monetary policy rates of central banks that oversee 10 of the most traded currencies worldwide, September 2021–2 November 2023
(Percentages and basis points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of W. Schomberg and A. Bruce, "Bank of England keeps rates at 15-year high", London, Reuters, 2 November 2023 [online] https://www.reuters.com/markets/rates-bonds/bank-england-keep-rates-15-year-high-rules-out-quick-cuts-help-economy-2023-11-02/; and Trading Economics [online database] https://tradingeconomics.com/.
Note: Data updated to 2 November 2023. Only includes central banks that have adopted restrictive monetary policy stances, with higher policy interest rates. Therefore, neither the Bank of Japan nor the People's Bank of China are included.

In the case of the United States, inflation was 3.2% for the 12 months ending October 2023, after peaking at 9.1% in June 2022. In the eurozone, after peaking in October 2022 at 10.6%, inflation has also been slowing, and stood at 2.9% in October 2023. However, in both cases, the projections for 2024 are above the 2% targets set by both the Federal Reserve and the European Central Bank (ECB).

Within the current cycle of interest rate hikes that began in March 2022, the United States Federal Reserve has raised its policy rate by 525 basis points. While it did not change the target range for the federal funds rate at the last meeting in November, leaving it 5.25%–5.5%, strong third-quarter economic growth data (4.9% annualized) has bolstered expectations that rate cuts will not begin until mid-2024.

In the case of the eurozone, ECB also left its deposit facility rate unchanged at 4% following the most recent meeting of its Governing Council in October, after raising the rate 10 times in a row by a total of 450 basis points since its current cycle of monetary tightening began in the second half of 2022. The market is not anticipating rate cuts from ECB before the second quarter of 2024.

The situation is different in the United Kingdom, as inflation is taking longer to ease. For the 12 months to October 2023, the rate of inflation was 4.6%, more than twice the Bank of England target. Therefore, given the continued weakness of the country's economy, the central bank's Monetary Policy Committee held Bank Rate at a 15-year high of 5.25% at its latest meeting in early November (Schomberg and Bruce, 2023).

Financing costs have risen, meaning that global financial conditions remain tight, despite less average volatility in 2023 than 2022

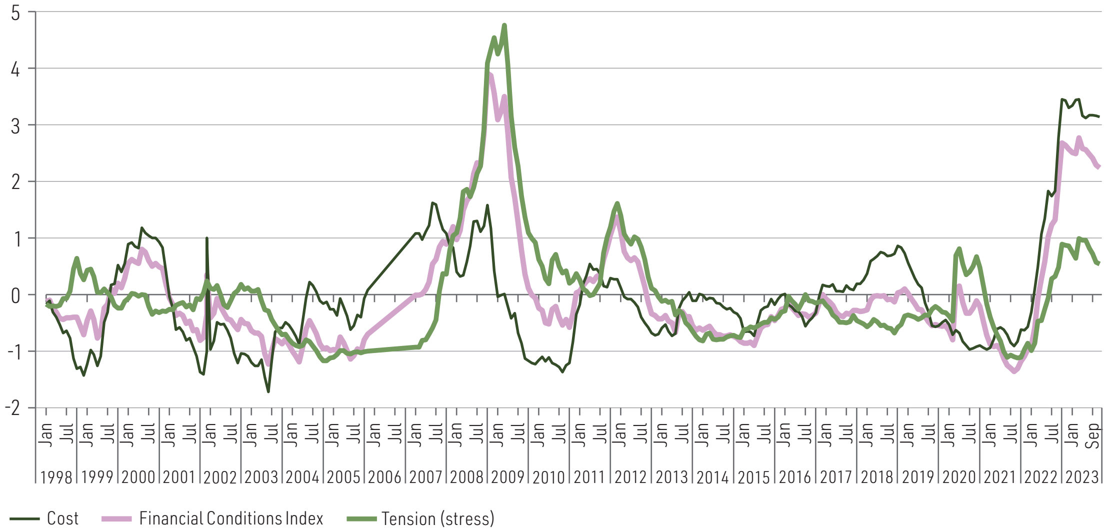
With the exception of short spikes in financial volatility —early in 2023 following banking problems in the United States and Switzerland and more recently when the conflict broke out between Hamas and Israel— levels of volatility have been lower than in 2022 (see figure I.5).

Figure I.5
Financial market volatility indices, 3 January 2022–3 November 2023
(VIX, V2TX and VXEEM indices, 30-day moving averages)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bloomberg.
Note: The VIX Index, compiled by the Chicago Board Options Exchange (CBOE), measures expected volatility over the next 30 days and is derived from prices of call and put options on the S&P 500 index. CBOE also produces the Emerging Markets Volatility Index (VXEEM), 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 Index value above 30 reflects fear among investors.

An analysis of financial conditions using indicators that measure variables relating to the cost of obtaining financing reveals that financing conditions are still clearly restrictive. In fact, according to Capital Economics' recently created Financial Conditions Index,[2] the current level of tightening has not been seen since the 2008–2009 global financial crisis and is mainly attributable to increased financing costs resulting from interest rate hikes (see figure I.6).[3]

Figure I.6
Capital Economics Financial Conditions Index by component, January 1998–September 2023



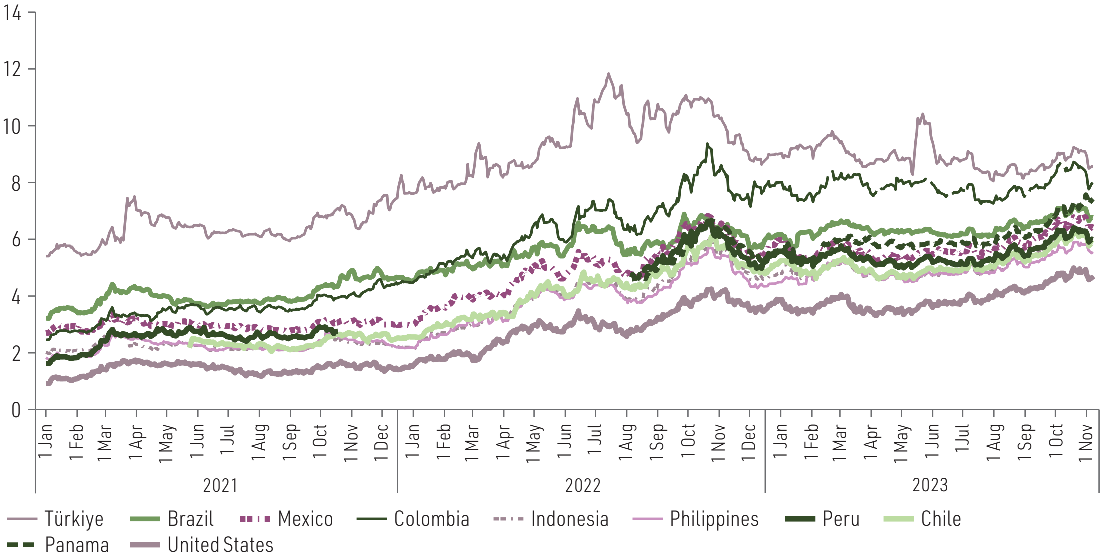
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Capital Economics, "Financial conditions" [online] https://www.capitaleconomics.com/global-economics-fci-dashboard.
Note: The new Capital Economics indicator launched in 2023 is constructed from a number of financial market variables, including those measuring market stress (such as financial asset volatility indices) and the cost of access. The variables are standardized to z-scores, whereby 0 represents historical average financial conditions and the index value represents the number of standard deviations above or below that average. Rises in the index indicate tighter conditions.

The repeated increases in policy interest rates by developed countries have not only driven up costs of access to financing in their own economies, but have also led to sweeping rises in the financing costs of emerging markets, including those of Latin America and the Caribbean (see figure I.7).[4] Yields on United States Department of the Treasury securities have risen steadily since the end of 2021, and in October 2023 they reached levels not seen since 2007 (the 10-year bond yield was over 5%). These increases came in a context of better-than-expected economic data, geopolitical impacts, continued quantitative restriction from the Federal Reserve, a sizeable fiscal deficit, and high levels of public debt.

Capital flows to emerging markets are still weak when compared to historical records. In fact, in the three months to October there were net portfolio outflows from emerging markets, coinciding with increased demand for dollars and appreciation of the currency worldwide (see figure I.8).

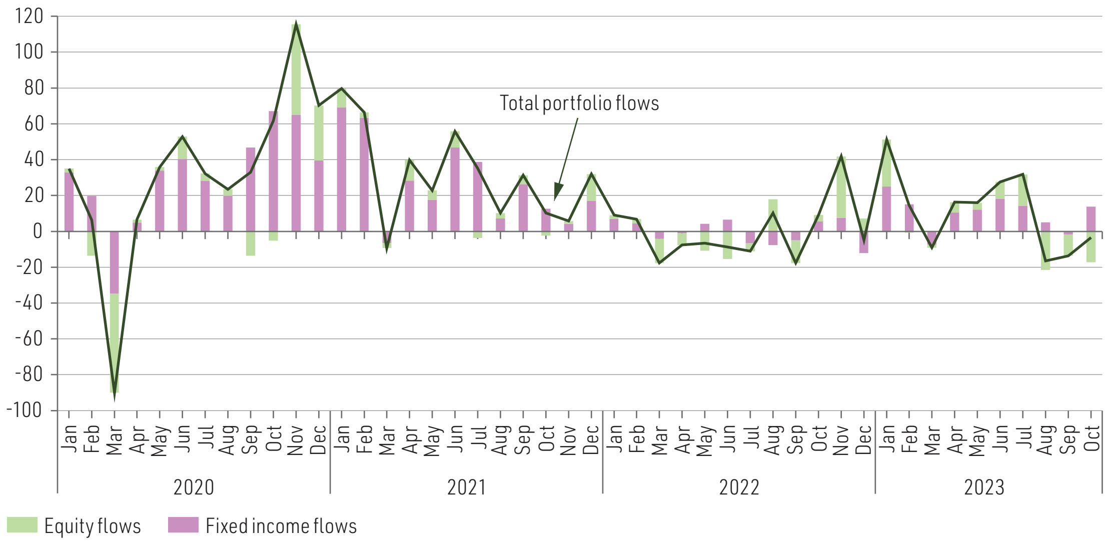
2 See Capital Economics, "Financial conditions" [online] https://www.capitaleconomics.com/global-economics-fci-dashboard.
3 The new Capital Economics indicator launched this year includes cost variables in addition to the traditional financial stress variables typically included in financial conditions indices.
4 Long-term bond yields are rising on expectations of higher short-term rates.

Figure I.7
Yields on 10-year United States Department of the Treasury bonds and 10-year dollar-denominated emerging economy sovereign bonds, 1 January 2021–7 November 2023
(Percentages)



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

Figure I.8
Net portfolio flows to emerging markets, January 2020–October 2023
(Billions of dollars)



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

Multiple risks remain and new risks are emerging, resulting in a complex global context

The conflict between Hamas and Israel has added to multiple sources of mounting geopolitical tension that are driving the world toward greater geoeconomic fragmentation and instability. In terms of the specific effects on markets, to mid-November 2023 the conflict has had a limited impact on commodity prices and global financial volatility. However, there is a risk that if it spreads to the wider region, there could be widespread rises in prices of oil and other commodities, potentially increasing global food insecurity, especially if the supply of commodities is affected.

On financial markets, as mentioned, conditions remain very restrictive in developed countries. If this trend were to worsen to the point of triggering a severe credit crunch, the impact on the real economy could be greater than presently expected.

In addition to limiting access to credit, high interest rates have added to the debt burdens of several emerging and developing economies, in many cases leading to debt overhang. Furthermore, high interest rates put the financial sectors of developed countries at risk, as illustrated by bank failures in the United States and Switzerland early in 2023. This danger remains, as interest rates are expected to stay at high levels for some time, and could even be raised further if there is renewed inflationary pressure.

Lastly, the real estate crisis in China adds a further threat to the global economic outlook. A sharper-than-expected slowdown in the country could severely affect the performance of the global economy, as well as having a particularly large impact on China's trading partners, including several countries in the region. The situation could also have a direct global impact on commodity prices.

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CHAPTER

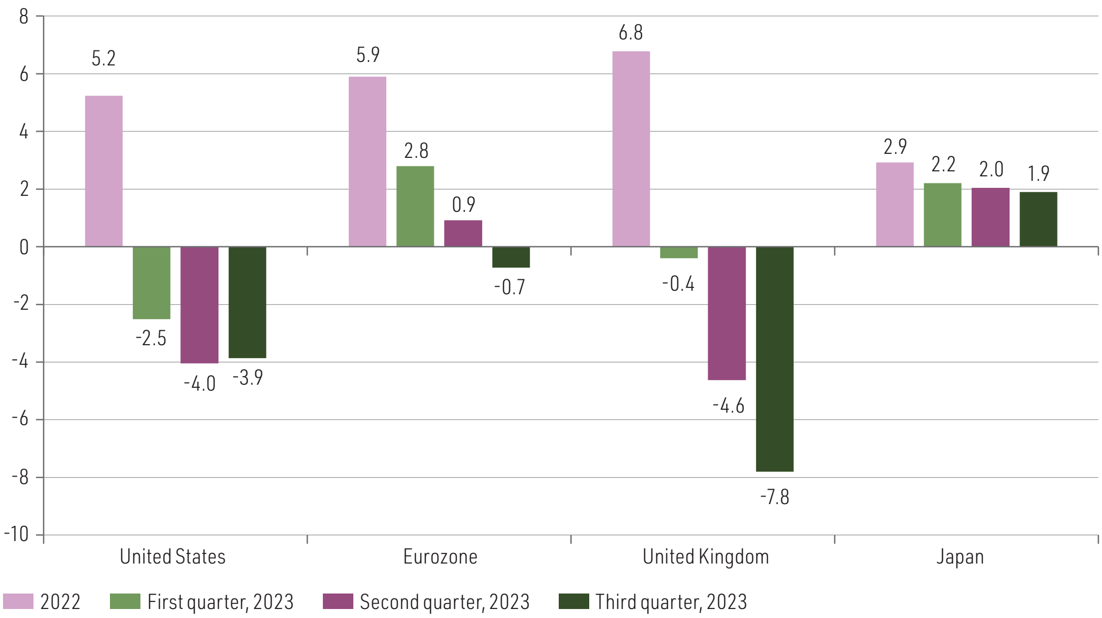
II

Global liquidity trends

Global liquidity tightened further in 2023

In 2023, the world's leading central banks intensified their restrictive monetary policy stance, which had been in place since December 2021 in the United Kingdom and since March and July 2022 in the United States and the eurozone, respectively. In the third quarter of 2023, the United States, the eurozone and the United Kingdom recorded liquidity contractions of 3.9%, 0.7% and 7.8%, respectively, while Japan was an outlier (see figure II.1).[1]

Figure II.1
Variation in money supply of world's leading central banks, 2022 and first three quarters of 2023
(Percentages)



Source: Federal Reserve Bank of St. Louis, "Economic Data", Federal Reserve Economic Data (FRED), 2023 [online] https://fred.stlouisfed.org/.
Note: Money supply refers to the M2 monetary aggregate in the case of the United States and to M3 in the eurozone, the United Kingdom and Japan.

In the United States, the money supply contraction is the steepest since the early 1960s; neither the eurozone nor the United Kingdom had experienced one since the eurozone crisis (2011–2013) and the global financial crisis (2008–2009), respectively. Consonant with this, the monetary policy stance has lifted policy interest rates to their highest levels in 24 years in the eurozone (in other words, since its inception in 1999), in 22 years for the United States and in 15 years for the United Kingdom. Although the United States Federal Reserve, the European Central Bank and the Bank of England decided to pause their policy rate hikes (at the meetings of the executive committees of the respective institutions held in August, September and November), they have all opted to maintain the current levels for a longer period of time, with the explicit aim of convergence of the inflation rate towards the established target.

1 Japan's monetary policy diverged from those of the United States, the eurozone and the United Kingdom because of the weakness of its economy (GDP declined by 2.1% year-on-year in the third quarter of 2023), which continues to require support from the government and the Bank of Japan (see Yokoyama, 2023).

Quantitative tightening policies have been a key driver of global liquidity trends and the rise in short- and long-term interest rates

A key factor in global liquidity tightening has been the implementation of quantitative tightening policies aimed at downsizing the balance sheets of the major central banks, which had expanded steadily in response to the economic and social impacts of the global financial crisis (2008–2009) and the coronavirus disease (COVID-19) pandemic.

Between 2008 and 2019, the aggregate balance sheet of this group of institutions grew from US$ 7 trillion to US$ 19 trillion. Balance sheet growth intensified between 2019 and the start of the implementation of quantitative tightening policies, with an increase from US$ 19 trillion to a record US$ 31 trillion. Since the introduction of these policies, the aggregate balance sheet has shrunk by US$ 4.6 trillion, amounting to a total of US$ 26.4 trillion in early November 2023.

The shrinking of balance sheets directly reduces the volume of reserves held by commercial banks at the central bank and, in the absence of other operations affecting the balance sheet, it therefore also reduces the monetary base. A decision by a central bank not to renew a government bond upon maturity implies a reduction in its assets, for which the counterpart is an equivalent decrease in its liabilities (in other words, reserves).[2]

Quantitative tightening policies also indirectly reduce the amount of commercial bank reserves. When a central bank decides not to reinvest in government bonds, private sector investors must absorb the government's issuance of such securities. If they exchange their bank deposits for government bonds, commercial banks experience a reduction in deposits (their liabilities), which must be accompanied by a corresponding reduction in reserves (their assets).

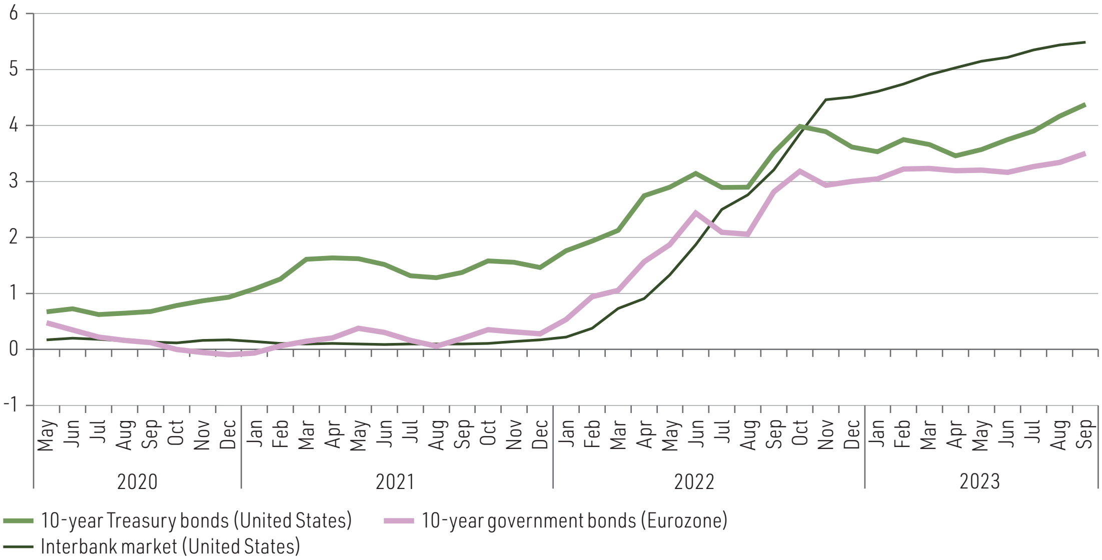
Thus, either directly or indirectly, quantitative tightening policies reduce bank liquidity by putting upward pressure on short-term interest rates in the interbank market. Data for the United States show that the interbank market rate tripled from 1.87% in June 2022 (when quantitative tightening policies began) to 5.49% in September 2023 (latest available data) (see figure II.2).

In addition, a reduction in the demand for long-term government bonds by the monetary authority (which is a major buyer of this type of security), assuming a given or growing supply of government securities (in the event of a larger deficit and greater government financing needs), reduces their present value and increases their yield. Thus, balance sheet downsizing among the world's main central banks has exacerbated the rising trend in long-term interest rates, which has been ongoing since the mid-2020s (at least in the United States).

Between June 2020 and June 2022, yields on 10-year and 30-year United States Treasury bonds rose from 0.7% to 3.1% and from 1.5% to 3.3%, respectively. Since then, both yields have moved in tandem and climbed to their highest levels (4.4% and 4.47% in September 2023) since June 2007, when the 10-year and 30-year yields had been 5.03% and 5.24%, respectively. Since the end of 2021, eurozone government bond yields have trended in line with United States Treasury bond yields (see figure II.2).

[2] An analysis of the accounts of the United States Federal Reserve, the European Central Bank and the Bank of England reveal homogeneity in the composition of liabilities, the bulk of which consists of reserves of the financial system.

Figure II.2
Variation in interbank market interest rates in United States and 10-year yields on United States Treasury and eurozone government bonds, May 2020–September 2023
(Percentages)



Source: Federal Reserve Bank of St. Louis, "Economic Data", Federal Reserve Economic Data (FRED), 2023 [online] https://fred.stlouisfed.org/.

Another significant factor contributing to the rise in long-term interest rates is the banking crisis that erupted in the United States in the second quarter of 2023, culminating in the failure of First Republic Bank, Silicon Valley Bank and Signature Bank (ranked fourteenth, sixteenth and twenty-ninth, respectively, among the largest banks in the country). Also in the United States, higher interest rates may signal expectations of higher rates lasting for a longer period and stronger-than-forecast economic growth. Lastly, a fourth factor that influences the behaviour of the long-term interest rate is the additional return that investors expect to compensate for the uncertainty associated with holding long-term bonds in a context of highly volatile international financial conditions.

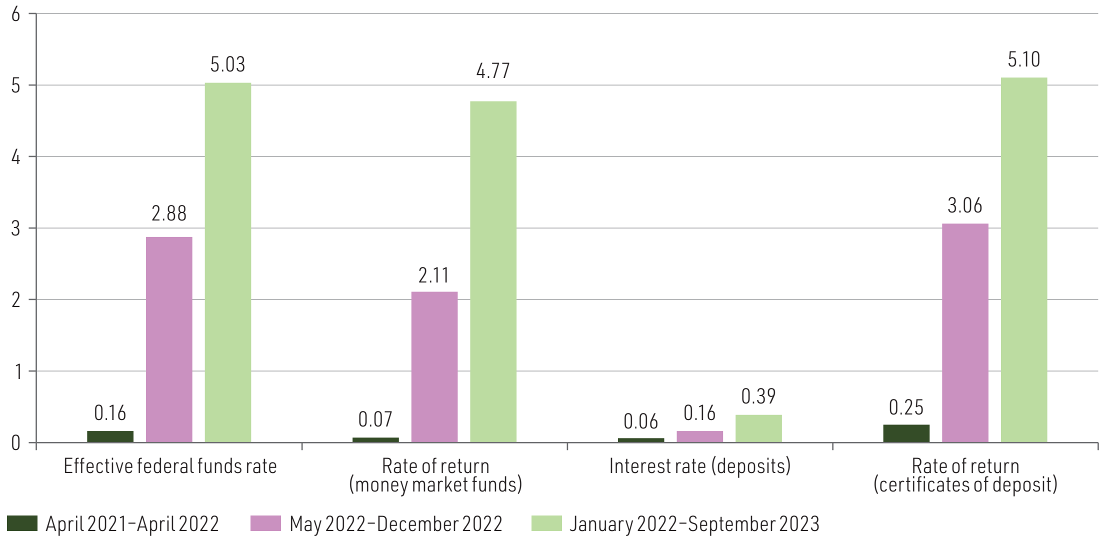
Rising short-term interest rates have reduced commercial bank deposits, while also stimulating growth in money market funds, which poses risks to financial stability

The rise in short-term interest rates has reduced the deposit base among commercial banks owing to the gradual pass-through of hikes in the federal funds rate to their deposit rates.[3]

The data show that deposit rates tend to react with a lag to policy rate hikes, especially when policy rates are rising rapidly and in succession, as is currently the case. In the fourth quarter of 2022, the federal funds rate averaged 3.7%, while the interest-bearing deposit rate averaged just 1.4%. The spread between the two interest rates, which has grown to its largest amount in almost two decades, reflects the high opportunity cost of keeping money in deposits relative to holding it in other securities (see figure II.3).

[3] This was one of the causes of the bank runs on and subsequent failures of Silicon Valley Bank in California and Signature Bank in New York.

Figure II.3
United States: rates of return on money market funds and certificates of deposit, interest rates on deposits and effective federal funds rate, April 2021–April 2022, May 2022–December 2022 and January 2022–September 2023
(Percentages)



Source: Federal Reserve Bank of St. Louis, "Economic Data", Federal Reserve Economic Data (FRED), 2023 [online] https://fred.stlouisfed.org/.

One of the most attractive alternatives are investments in guaranteed money market funds. The data indicate that as the federal funds rate increases by 1 percentage point, yields on money market funds rise by 0.86%, while rates of return on other financial instruments increase by just 0.26%.

Between the start of the cycle of Federal Reserve interest rate hikes in March 2022 and late September 2023, the total assets of money market funds grew by US$ 1.1 trillion (US$ 5.1 trillion as at 31 March 2022 compared to US$ 6.2 trillion on 30 September 2023).[4] At the same time, deposits in the banking system have decreased by US$ 800 billion see figure II.4).

The migration into money market funds has been accentuated by the inversion of the asset yield curve since late 2022, which encourages investment in short-term securities in preference to long-term ones.

Money market funds are a primary source of funding for the government, banks and companies in the United States, and they provide a key investment vehicle for a variety of investors. Although these funds have been subject to a number of regulations since the global financial crisis, they continue to pose significant risks to financial stability because of their vulnerability to runs and asset sales, and also because of the short-term nature of their investments.[5]

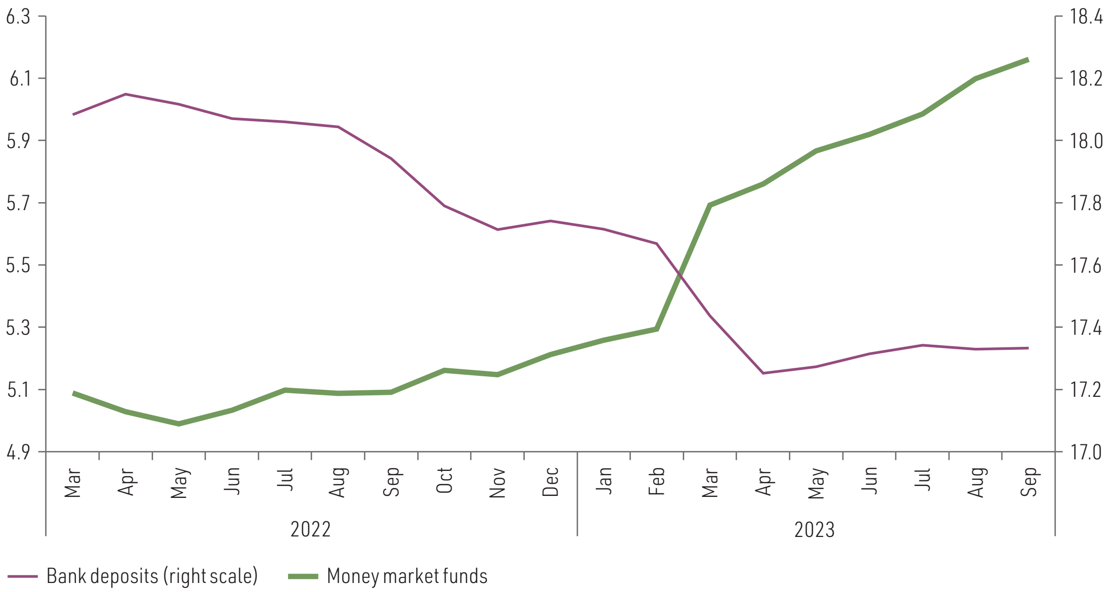
Although low deposit rates have been providing incentives for money market funds to place their investments in reverse repurchase agreements (reverse repos) since 2021, this trend has been strengthened by the United States Federal Reserve's tight monetary policy. Between April 2021 and February 2022, the total value of investments in reverse repos increased from US$ 72 billion to US$ 1.6 trillion. Between March 2022 and April 2023, the amount grew further to reach US$ 2.3 trillion.[6] Since then, according to the latest available data (October 2023), repo investments have receded by US$ 1.1 trillion to US$ 1.2 trillion.

4 Money market funds are highly concentrated; in late September 2023, 78% of the assets in this sector were held by just 10 companies.

5 United States Treasury Secretary, Janet Yellen, referred to structural vulnerabilities in money market funds that have not been addressed (see Duguid, Clarfelt and Smith (2023); United States Department of the Treasury (2023)).

6 The United States Federal Reserve steers its monetary policy through the federal funds rate. The target range of the federal funds rate is altered through two instruments: the interest rate earned on reserves held at the Federal Reserve by commercial banks, and the rate paid on reverse repo transactions (see Afonso and others, 2023).

Figure II.4
United States: money market funds and bank deposits, monthly data, March 2022–September 2023
(Trillions of dollars)



Source: Federal Reserve Bank of St. Louis, "Economic Data", Federal Reserve Economic Data (FRED), 2023 [online] https://fred.stlouisfed.org/ and Office of Financial Research (OFR), "U.S. Repo Markets Data Release Information", 2023 [online] https://www.financialresearch.gov/data/us-repo-data/.

While the growth of money market funds may make the United States financial system more fragile, the growth of reverse repos has provided the Federal Reserve with a substantial liquidity buffer against potential pressures in the interbank market caused by implementation of its quantitative tightening policy.[7]

The impact of rising long-term interest rates has weakened the capital base among commercial banks

The rise in long-term interest rates has weakened financial institutions' capital base by reducing the value of their financial asset holdings.

This pass-through mechanism has become more important owing to the increase in unrealized accounting losses arising from the growth of assets held to maturity,[8] which played a central role in the collapse of Silicon Valley Bank, Signature Bank and First Republic Bank in March and May 2023. Held-to-maturity accounting allows banks to value assets on their balance sheets at their accounting value rather than at current market prices. Hikes in long-term interest rates widen the gap between market and book value, which in turn increases unreported financial losses.

Accounting rules require banks to have not only the intent, but also the capacity to hold securities to maturity when using held-to-maturity accounting. The data show that banks with lower capital ratios, a higher proportion of uninsured depositors and greater exposure to interest rate risks were more

[7] This was an important lesson learned from the failed launch of a quantitative tightening policy in September 2019 (see ECLAC, 2022 and 2023).

[8] Assets held to maturity are recorded in the bank's balance sheet at their historical cost rather than at market value, provided they are not used before they reach maturity (see ECLAC, 2023).

likely to use this asset valuation method in 2021 and 2022. Between the second and third quarters of 2023, unrealized losses were estimated to have grown from US$ 558 billion to US$ 650 billion across the United States banking system as a whole.[9]

Unrealized losses affect bank liquidity by reducing the institution's market value and putting downward pressure on its share price. A lower share price reduces a financial institution's capacity to expand liquidity, thereby increasing its risk and funding cost.[10] A lower share price combined with lower securities valuations also reduces the bank's capacity to lend. If it decides to expand its balance sheet through external financing, its liabilities increase. Alternatively, a balance sheet expansion supported by additional capital implies higher costs owing to the increased demand for equity funding.[11]

The liquidity tightening policy has resulted in an increase in defaults and bankruptcies in the non-financial corporate sector

High short- and long-term interest rates have also harmed the non-financial corporate sector. Borrowing costs among United States firms tripled between 2020 and 2023, with non-investment grade companies hit hardest. In October 2023, financing costs for this group of enterprises averaged 9.4%, compared to 6.2% for firms of investment grade.[12]

In general, non-investment grade firms have high levels of debt relative to their income, and their debt issuance tends to be short-term. In the United States, the average maturity of a bond issued by this group of firms is five years, compared to up to ten years in the case of investment-grade companies.[13] The increase in financial costs has contributed to reducing profitability among non-financial corporates. The growth rate of reported post-tax profits in the United States dropped from 8.9% in the first quarter of 2022, when the Federal Reserve began hiking short-term interest rates, to a growth rate of minus 7.8% in the second quarter of 2023.[14]

Between 2022 and 2023, the number of bankruptcy filings registered in the United States increased by 95% from 235 to 459 (see figure II.5). The data available for Europe show a smaller increase of 19% between 2022 and 2023.[15] Nonetheless, both in the United States and in Europe, the number of bankruptcies in 2023 is one of the highest recorded since the global financial crisis (2008–2009). This situation poses risks to the stability of the financial system, as it could result in a deterioration of asset quality and lower profitability owing to the reduction in credit granted by the system, compounded by higher financing and provisioning costs.[16]

The sectoral breakdown shows that, in the United States, the main sectors affected include consumer goods, manufacturing, health care and financial services (accounting for 12.4%, 11.8%, 11.1% and 6.3% of the total, respectively, in September 2023). In Europe, the main sectors affected include accommodation and food services, transport and warehousing, and wholesale and retail trade (see table II.1).

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9 The latest available data, in the third quarter of 2023, put unrealized losses at US$ 131.6 billion and US$ 40 billion for Bank of America and JPMorgan Chase (the two largest United States banks), respectively. The other larger banks have yet to report their unrealized losses for that quarter. Citi Group and Wells Fargo (the third and fourth largest banks the United States) have only reported losses for the second quarter of 2023 (US$ 24 billion and US$ 38 billion, respectively) (Bary, 2023; Azhar and Anand, 2023). However, the 25% increase in profits of JP Morgan Chase, Bank of America, Wells Fargo and City Group recorded in the third quarter of 2023 may partly ameliorate the financial situation resulting from unreported losses. These four banks accounted for 45% of total bank profits in a sample of 4,400 banks (see Gandel, 2023).

10 A lower share price reduces the possibility of increasing liquidity, either by selling assets or by pledging collateral.

11 See Marsh and Laliberte (2023).

12 See Clarfelt (2023).

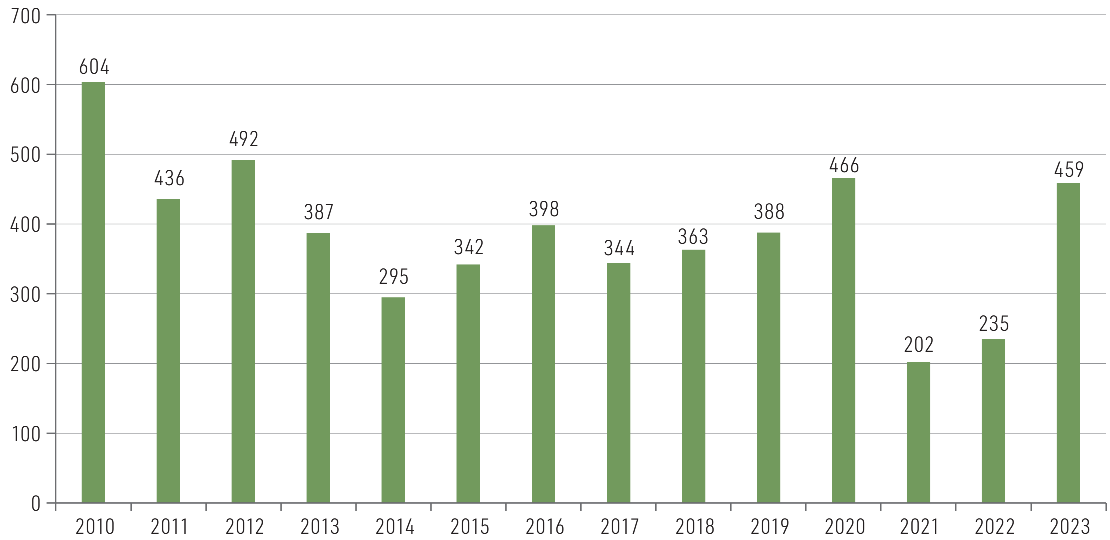
13 These data are as of September 2023 (see Martin, 2023).

14 See Federal Reserve Bank of St. Louis (2023).

15 Data for Europe include 27 countries (see Eurostat, 2023).

16 These risks have not yet materialized. In the European Union, financial sector profitability was at its highest level in 15 years in the second quarter of 2023 (see ECB, 2023).

Figure II.5
United States: bankruptcies filed in the non-financial corporate sector, 2010–2023
(Number of bankruptcies)



Source: I. Lexova and U. Kahn, "August adds 57 more US corporate bankruptcies; 2023 total tops prior 2 years", S&P Global Market Intelligence, 12 September, 2023.
Note: Data cover the period January-August of each year.

Table II.1
Europe (27 countries): bankruptcy filings by sector of economic activity, quarterly data, 2022–2023
(Percentages)

	First quarter 2022	Second quarter 2022	Third quarter 2022	Fourth quarter 2022	First quarter 2023	Second quarter 2023
Accommodation and food service activities	-17	-8	8	42	27	57
Transport and storage	-8	37	15	51	31	41
Wholesale and retail trade	-8	7	23	28	24	34
Information and communication	-8	3	13	50	23	29
Education and activities related to human health and social work	-19	8	8	28	34	29
Finance and insurance	-11	4	11	23	20	28
Industry	-14	2	13	13	22	25
Construction	11	1	-3	3	6	24

Source: Eurostat, "Business registration and bankruptcy index by NACE Rev.2 activity - quarterly data", 17 November 2023 [online] https://ec.europa.eu/eurostat/databrowser/view/STS_RB_Q__custom_7176438/default/table?lang=en.
Note: The rates of change were calculated relative to the same quarter of the previous year.

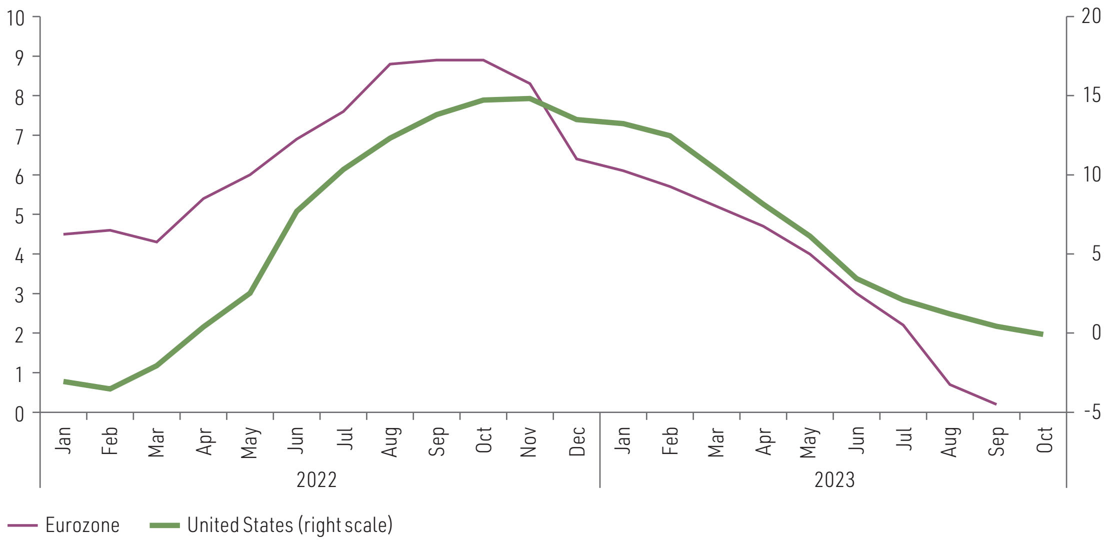
Bankruptcies have mainly affected the riskiest (non-investment grade) group of enterprises. Available estimates show that the average bankruptcy rate for this group is 34%, compared to 2.6% among investment grade companies.[17]

The increasing financial difficulty faced by the corporate sector, compounded by a weaker banking system, has hindered the expansion of credit to the productive sector. Data for both the eurozone and the United States show a clearly declining trend in commercial bank lending. The expansion of credit to the corporate sector in the eurozone slackened from 8.9% to 0.2% between October 2022

[17] This figure refers to the cumulative average over the last 15 years (see Martin, 2023).

and September 2023, while in the United States, the growth of bank lending to trade and industry registered a contraction between October 2022 and October 2023 (14.8% and -0.09%, respectively) (see figure II.6).

Figure II.6
Eurozone and United States: trends in rate of bank lending to corporate sector and to trade and industry sectors, January 2022–September 2023 (eurozone) and January 2022–October 2023 (United States)
(Percentages)



Source: Federal Reserve Bank of St. Louis, "Economic Data", Federal Reserve Economic Data (FRED), 2023 [online] https://fred.stlouisfed.org/ and European Central Bank, "ECB Data portal", 2023 [online] https://data.ecb.europa.eu/main-figures/banks-balance-sheet/loans.

In a more constrained financial environment, global debt climbed to a record level

Global debt grew from US$ 297.2 trillion in 2022 to US$ 307.3 trillion in the second half of 2023, to reach the highest level ever recorded (IIF, 2023). Developed economies account for 76% of this increase. This trend, led by the United States, Japan, the United Kingdom and France, is explained largely by an increase in financial sector debt and sovereign debt (US$ 3.5 trillion and US$ 1.7 trillion, respectively (see table II.2).

Table II.2
World, developed economies and emerging and developing economies: total debt, household, non-financial corporate sector, government and financial sector, second quarter of 2022 and second quarter of 2023
(Billions of dollars and percentages of the total)

	Households		Non-financial corporate sector		Government		Financial sector		Total	
	(Billions of dollars)									
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
World	56.1	57.8	88.4	90.2	84.3	87.4	68.4	71.9	297.2	307.3
Developed economies	38.1	39.4	47.6	48.8	59.4	61.1	54.3	57.8	199.4	207.1
Emerging and developing economies	18.0	18.4	40.8	41.4	24.9	26.3	14.1	14.1	97.8	100.2

	Households		Non-financial corporate sector		Government		Financial sector		Total	
	(Percentage of total)									
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
World	18.9	18.8	29.7	29.4	28.4	28.4	23.0	23.4	100	100
Developed economies	19.1	19.0	23.9	23.6	29.8	29.5	27.2	27.9	100	100
Emerging and developing economies	18.4	18.4	41.7	41.3	25.5	26.2	14.4	14.1	100	100

Source: Institute for International Economics (IIF), *Global Debt Monitor*, 19 September 2023.

In terms of sovereign debt, the United States has a total of US$ 33.7 trillion and is followed by Japan (US$ 9 trillion), the United Kingdom (US$ 3.3 trillion), France (US$ 3 trillion) and Germany (US$ 2.8 trillion). Debt service in the United States has doubled from US$ 500 billion to US$ 1 trillion in 2023, representing 3.8% of GDP.[18]

The reduction in bank lending resulted in lower household and non-financial corporate debt levels. In the second quarter of 2023, household debt in the advanced economies was at its lowest in two decades.[19]

In the case of emerging and developing countries, total debt grew from US$ 97.8 trillion to US$ 100 trillion between the second quarter of 2022 and the same period in 2023. This increase is concentrated in the government sector, followed by non-financial corporate sector and households (58.3%, 25% and 17.7% of the total increase in debt, respectively).[20]

High international interest rates have had a major impact on developing countries

Developing countries have incurred the highest interest payments relative to government income since 2010 (6.5% and 8.5%, on average, between 2010 and 2023).[21] Debt service among low-income countries is even higher at almost 10%.

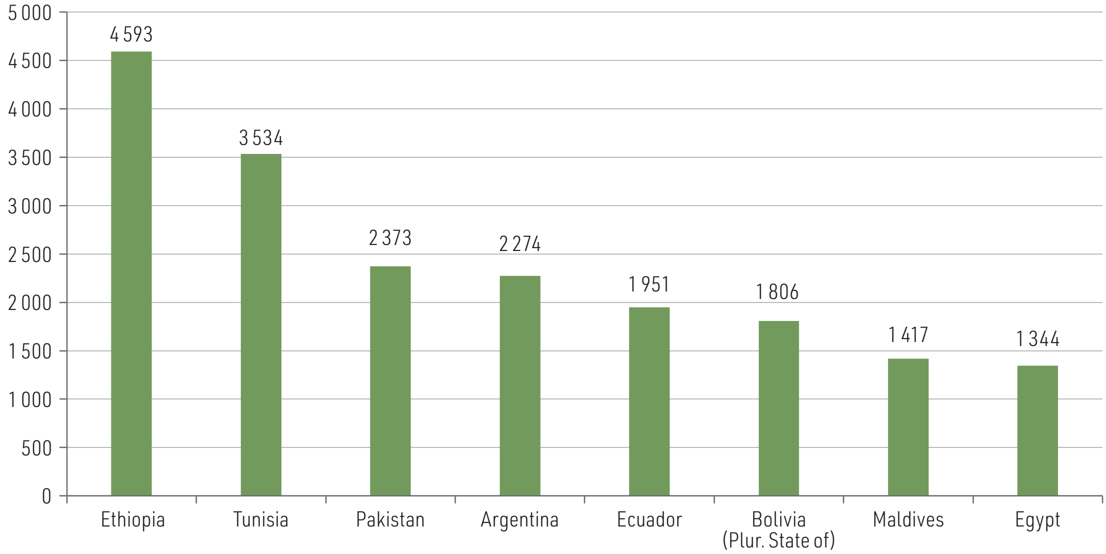
The volume of debt issued by developing countries on international capital markets has declined, owing to rising borrowing costs. In 2023, this group of countries issued foreign currency debt equivalent to US$ 360 billion, down from US$ 380 billion in 2022.[22]

More importantly, the high cost of debt, coupled with expectations that international interest rates will remain elevated for a lengthy period of time, has increased default risk for several developing countries.

There are currently 21 developing countries paying an interest rate on their debt that is 10 percentage points above the corresponding Treasury bond rate.[23] In 2019, fewer than five countries were in this situation (Fleming and MacDougal, 2023). The countries with the largest spreads between the interest rates they pay on external debt and the rates on United States Treasury bonds are, in descending order, Ethiopia, Tunisia, Pakistan, Argentina, Ecuador, the Plurinational State of Bolivia, Maldives and Egypt (see figure II.7).

18 The Congressional Budget Office estimates United States GDP at US$ 26.24 trillion in 2023.
19 Ibid.
20 See IIF (2023).
21 The data represent the average of 125 developing countries (Fleming and McDougal, 2023).
22 Debt of between US$ 700 billion and US$ 800 billion was issued on international bond markets in 2019–2021 (Fleming and McDougal, 2023).
23 This is considered an indicator of high risk of overindebtedness and possible suspension of payments.

Figure II.7
Developing countries for which interest rate on international debt issuance is more than 10 percentage points above yield on United States Treasury bonds, 2023
(Basis points)



Source: S. Gokoluk, "Distressed debt anxiety is spreading across emerging markets", Bloomberg, 9 October 2023.

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CHAPTER

III

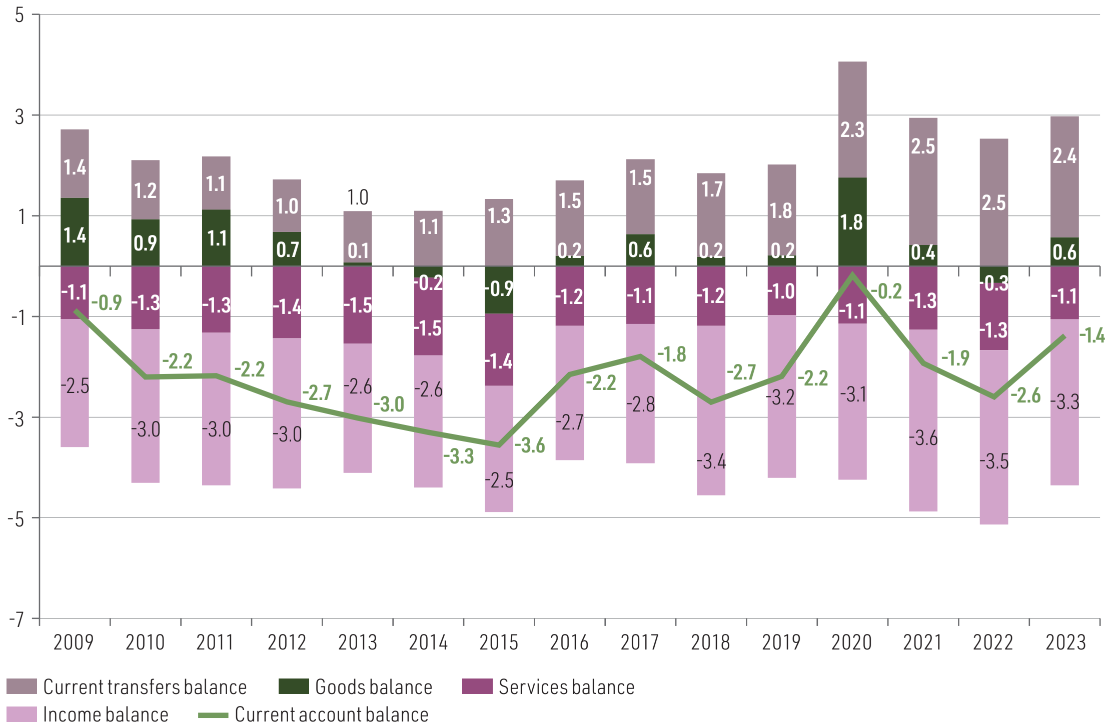
External sector

Latin America's current account deficit is expected to narrow to 1.4% of GDP in 2023

After closing out 2022 with a deficit equivalent to 2.6% of GDP, the current account of the balance of payments is projected to improve in 2023, posting a smaller deficit of US$ 89 billion, equivalent to 1.4% of GDP.

This would be based on the goods trade balance turning into a surplus, supported by reductions in the services and income account deficits. The balance of current transfers is expected to maintain a surplus similar to that of 2022 (see figure III.1).

Figure III.1
Latin America (19 countries): balance of payments current account, by component, 2009–2023[a]
(Percentages of GDP)



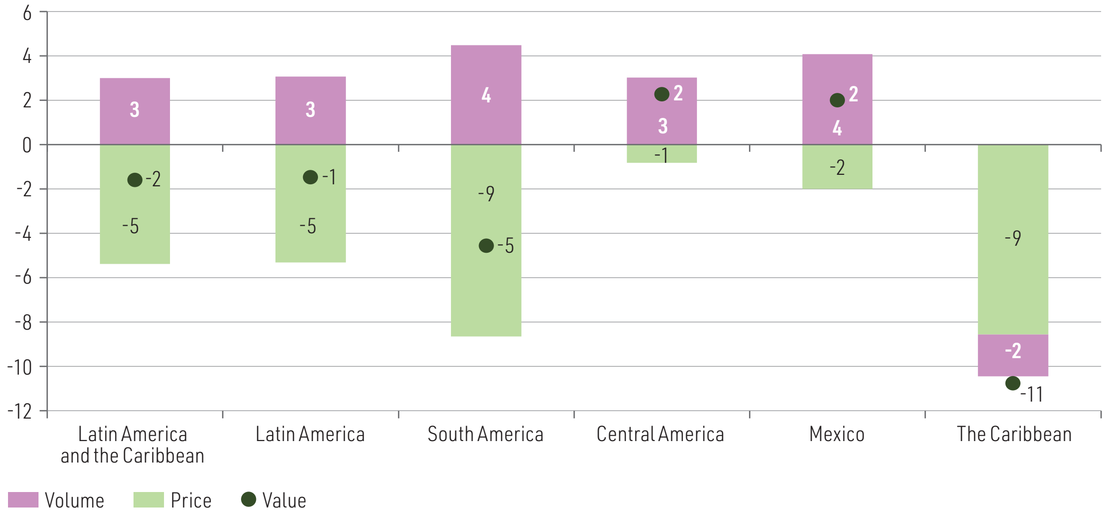
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures for 2023 are projections.

In 2023, the region's goods trade balance is expected to be in surplus, with weaker economic activity reducing imports by far more than exports

Having grown in value terms for two consecutive years, Latin American exports are set to decline by 1% in 2023 (see figure III.2), owing mainly to a 5% drop in prices that outweighs a 3% increase in volume exported.

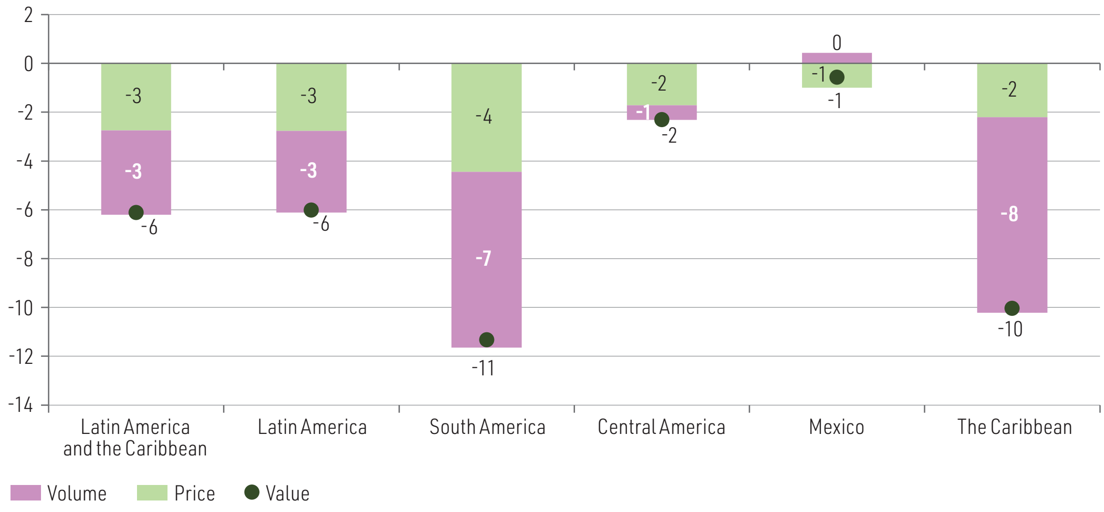
On the import side, a steeper reduction of 6% is projected, with reductions in both prices (-3%) and the volume imported (-3%) (see figure III.3). The lower volume chiefly reflects the less buoyant economic growth recorded in the region this year.

Figure III.2
Latin America and the Caribbean (selected subregions and countries): projected rate of change in goods exports, by volume and prices, 2023
(Percentages)



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

Figure III.3
Latin America and the Caribbean (selected subregions and countries): projected rates of change in goods imports, by volume and prices, 2023
(Percentages)



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

Based on the expected trend of exports and imports, the region's goods trade balance is expected to post a surplus equivalent to 0.6% of GDP in 2023.

Latin America's terms of trade are projected to fall by 2.6% in 2023

Latin America's average terms of trade are set to fall by 2.6% this year, as export prices are expected to decrease by more than those of imports (see figure III.4). The region's terms of trade are heavily influenced by the export and import prices of primary products, in many of the countries whose exports are concentrated in that category of goods or are commodity-based. In this context, the situation of the Chinese economy and its demand for goods of this type is a variable that needs to be taken into account when forecasting movements in the region's terms of trade (see box III.1). In South America, the terms of trade are expected to fall by 4.4%, since the countries in this subregion are mainly exporters of food, mining and energy products, whose prices have fallen this year. In Central America, in contrast, the fall in the prices of food and energy products that these countries import has a greater positive effect, so the terms of trade are expected to rise slightly by 0.9% in 2023.

Figure III.4
Latin America and the Caribbean (selected subregions): projected variation in the terms of trade, 2023
(Percentages)

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

Box III.1
The economic situation in China and the channels through which it affects Latin America

The size of the Chinese economy, together with its importance as a trading partner for the region and as a global consumer of raw materials, makes its situation crucially important for Latin America and the Caribbean. This is accentuated by the crisis currently afflicting the Chinese real estate sector.

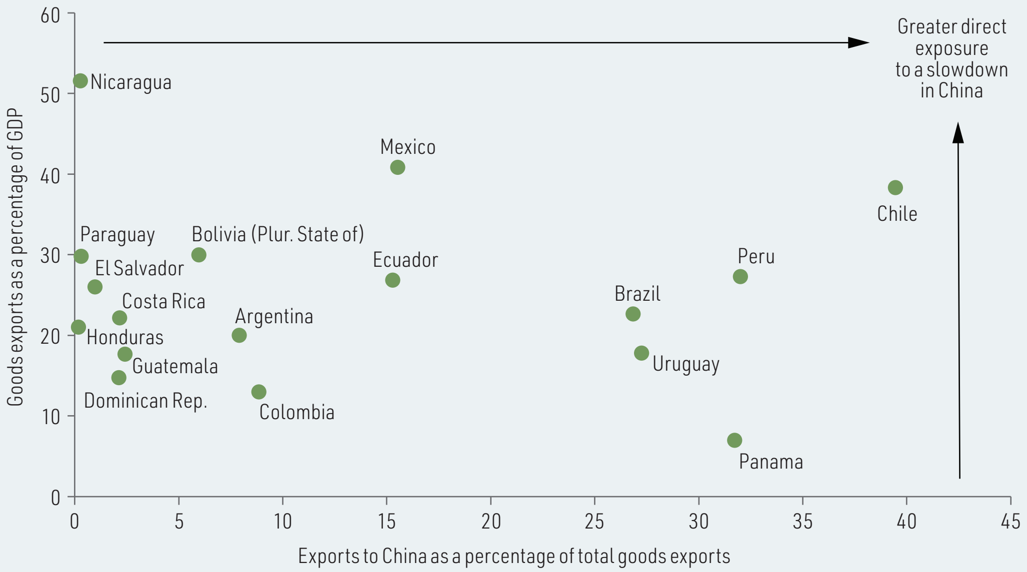
In 2022, China generated 18% of global GDP and 14.4% of goods exports. It also accounted for 23% of crude oil imports worldwide and was the largest importer of many of the world's most important metals and minerals, including iron ores and concentrates (69% of global imports), aluminium (80%), copper (58%), and nickel (73%) (ITC, 2023).

Consequently, the performance of the Chinese economy affects Latin America and the Caribbean indirectly through the prices of the commodities that many of the region's countries export. It also exerts a direct effect through its demand for those products, for which China is a major market. China is the region's second largest trading partner after the United States, having displaced the European Union in both exports and imports; and its share has continued to grow in recent years, despite the impact of the pandemic on world trade.

In Latin America, the countries most exposed to a slowdown in the Chinese economy are those that have China as their main trading partner, namely Chile, Panama, Peru, Brazil and Uruguay. China absorbs 39% of Chile's goods exports, 32% of those of both Panama and Peru, and 27% of those of Brazil and Uruguay. If, in addition, goods exports represent a significant part of a country's economic activity, then its exposure is even greater (see figure).

Latin America (17 countries): exports to China as a proportion of all goods exported, and total exports of goods as a share of GDP, 2022 or latest year available

(Percentages)



Source: United Nations, UN Comtrade [online database] https://comtradeplus.un.org/; International Monetary Fund (IMF), *World Economic Outlook: Navigating Global Divergences*, Washington, D.C., 2023.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Trade Centre (ITC), Trade Map [online database] https://www.trademap.org/Index.aspx; United Nations, UN Comtrade [online database] https://comtradeplus.un.org/; International Monetary Fund (IMF), *World Economic Outlook: Navigating Global Divergences*, Washington, D.C., 2023.

The services trade deficit is expected to narrow this year, thanks mainly to increased exports of tourism services

In 2023, the services trade deficit is expected to narrow in Latin America. Exports of services are projected to grow by 14%, or double the 7% growth forecast for the corresponding imports. The expected export growth will be based mainly on an increase in tourism receipts, in keeping with the observed growth in tourist arrivals.

Tourist arrivals are expected to continue trending up in 2023, as the sector stages a sustained recovery in the Caribbean, Central America and South America. In the year to date, tourist arrivals are up relative to their 2022 levels by 73% in South America, by 29% in Central America and by 19% in the Caribbean (see table III.1). The World Tourism Organization (UNWTO) reports that, despite the recovery of the sector in these regions, tourist arrivals remain generally lower than their 2019 pre-pandemic levels. The only exception is Central America, where between January and July 2023 arrivals were 2% above the pre-pandemic level.

In 2022, the region's earnings from international tourism continued to rebound, with revenue growth of 32% in the Caribbean, 23% in South America and 13% in Central America (see table III.2). In Mexico, income from international tourism exceeded pre-pandemic levels between January and July 2023, according to UNWTO.

Table III.1
The Caribbean, Central and South America: international tourist arrivals, 2019–July 2023

Region	Number (Millions)				Variation (Percentages)					Variation in 2023 compared to the same period of the previous year (Percentages)				
	2019	2020	2021	2022[a]	2020/2019	2021/2020[a]	2022/2021[a]	2021/2019[a]	2022/2019[a]	Year to date (YTD)	Q1	Q2	Jun	Jul
The Caribbean	26	10	15	23	-61	41	55	-45	-14	19	35	9	7	4
Central America	11	3	5	9	-72	51	98	-57	-15	29	43	19	19	23
South America	35	10	5	22	-72	-46	322	-85	-37	73	138	40	30	29

Source: World Tourism Organization (UNWTO), *UNWTO World Tourism Barometer*, vol. 21, No. 3, Madrid, 2023.
Note: Data are rounded to the nearest whole number.
[a] Provisional data.

Table III.2
The Caribbean, Central America and South America: international tourism receipts, 2019–2022

Region	Amount (Billions of dollars)				Variation (Percentages)				
					Compared to the previous year			Relative to 2019	
	2019	2020	2021	2022[a]	2020/2019	2021/2020[a]	2022/2021[a]	2021/2019[a]	2022/2019[a]
The Caribbean	35	14	21	32	-59	40	43	-43	-15
Central America	13	4	6	13	-68	55	90	-51	-6
South America	30	10	9	23	-63	-11	144	-71	-27

Source: World Tourism Organization (UNWTO), *UNWTO World Tourism Barometer*, vol. 21, No. 3, Madrid, 2023.
Note: Data are rounded to the nearest whole number.
[a] Provisional data.

For the rest of the year, however, UNWTO warns that difficult economic conditions, the rising cost of living and climate change could dampen spending patterns, as tourists seek value for money in destinations closer to home.

The income account deficit is likely to decrease in 2023, in keeping with this year's weaker commodity prices, which has resulted in foreign companies reducing profit remittances abroad

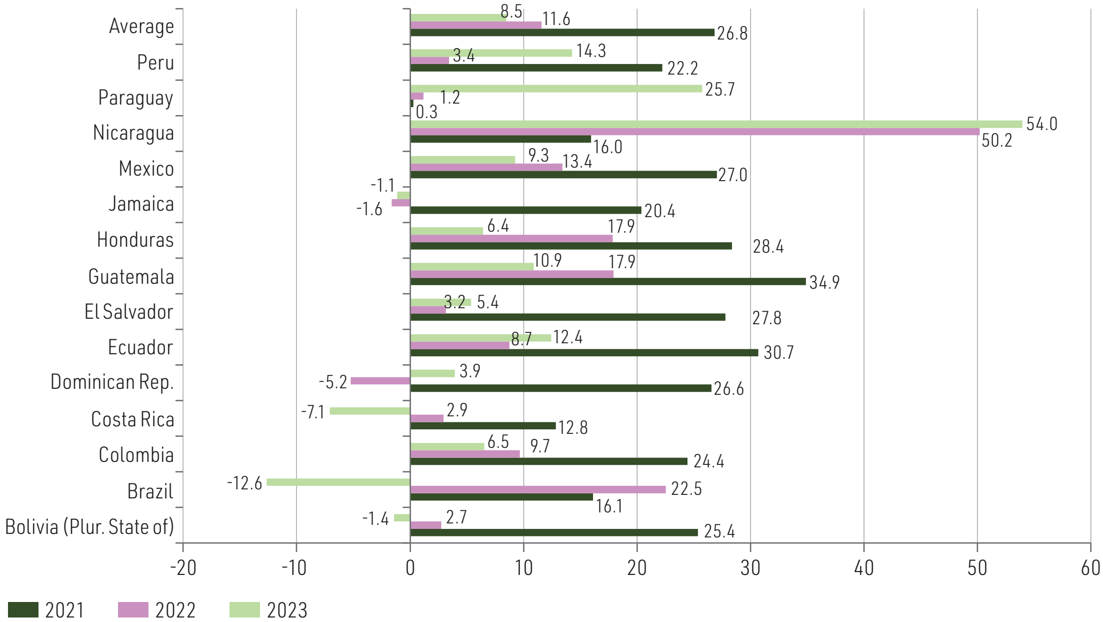
In 2023, the income account deficit is projected at 3.3% of GDP, down from the previous year's 3.5%. This is explained partly by the fall in commodity prices, which resulted in multinational companies based in the countries of the region remitting less profits abroad.

Interest payments on the external debt are expected to rise in 2023 because of the higher cost of financing in dollars (see chapter I). However, this impact should be offset by a reduction in profits sent abroad, thereby improving the income account balance.

The growth of worker remittances to the region is stabilizing around the pre-pandemic level, and the balance of current transfers is around 2.4% of GDP

Migrant workers' foreign exchange remittances, the main component of the balance of current transfers, grew by 8.5% year-on-year according to aggregate figures for the countries for which information is available (see figure III.5). This is down from the 11.6% growth recorded in 2022 and represents a return to pre-pandemic growth rates of 8.7% per year on average for 2015–2019.

Figure III.5
Latin America and the Caribbean (selected countries): rate of variation in income from emigrant remittances, 2020–2023[a]
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures for 2023 correspond to the following periods: January-October for Guatemala; January-September for Brazil, Colombia, Dominican Republic, El Salvador, Jamaica, Mexico, Nicaragua and Paraguay; January-August for Honduras and the Plurinational State of Bolivia; and between January-June for Costa Rica, Ecuador and Peru.

The growth of worker remittances to the region is driven largely by those from Mexico, which grew by 9.3% in the year to date and alone accounted for 43% of all remittances to Latin America and the Caribbean. Central American and Caribbean countries absorbed 41% of the total and grew by 9.4%. In South America, which accounts for the remaining 16%, remittances increased by 4.2%.

Remittance flows have grown the most in Nicaragua (+54% year-on-year to August 2023), followed by Paraguay (+26%), and Peru, where remittances were up by 14% year-on-year to June of this year. The steepest declines occurred in Brazil (-13% year-on-year to August 2023), followed by Costa Rica (-7% year-on-year to June) and the Plurinational State of Bolivia, where remittance inflows were down by 1.4% to July 2023.

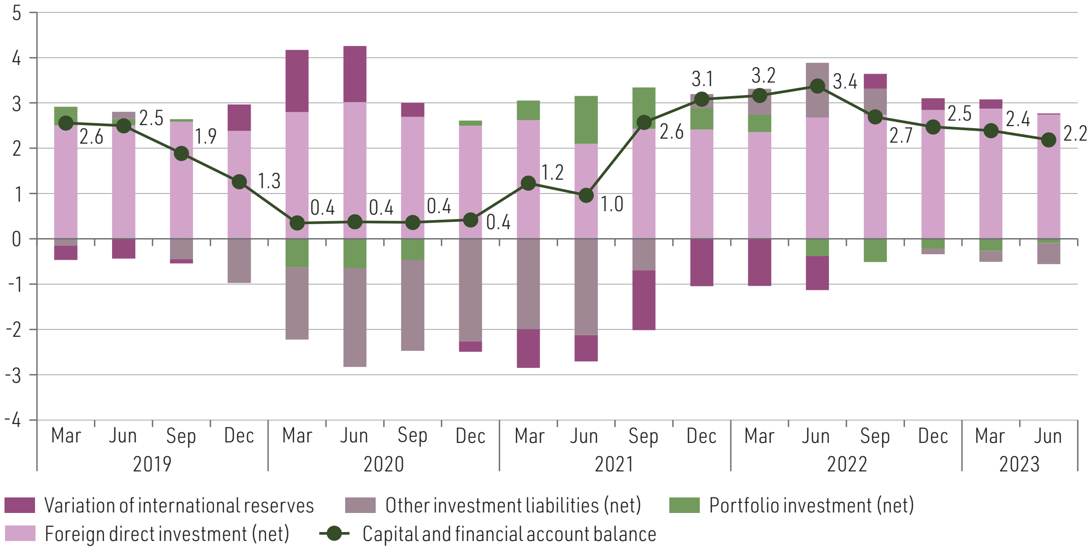
Financial inflows remain at a relatively stable level, sustained exclusively by direct investment, while other financial flows are recording net outflows from the region

The capital and financial account of Latin America's balance of payments reported a surplus of US$ 126.713 billion in the first half of 2023, equivalent to 2.2% of GDP (see figure III.6).[1]

As was the case in 2022, the net capital inflow is once again explained by net direct investment flows into the region, while portfolio and other investment (including cross-border loans and deposits, special drawing rights and trade credits) continue to maintain a net outflow.

1 The totals analysed in this section represent the sum of the last four quarters ending on the date indicated.

Figure III.6
Latin America (15 countries):[a] capital and financial account of the balance of payments, by component, first quarter of 2019–second quarter of 2023
(Percentages of GDP)[b]



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, Honduras, Mexico, Nicaragua, Paraguay, Peru and Uruguay.
[b] Cumulative total over four quarters.

Financial inflows to the region are slowing, having reached a peak at the end of the first half of 2022. The reduced inflow of financial resources reflects a global trend, characterized by heightened risk perception, increased international volatility and geopolitical conflicts in different parts of the world. Compounding this significantly is the effect on capital availability of persistently high interest rates in the developed countries.

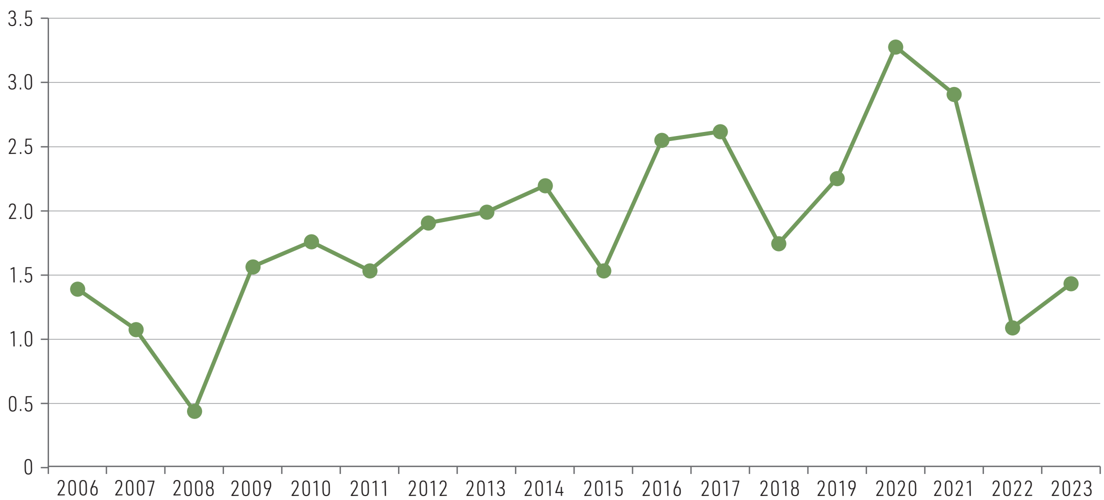
Net foreign direct investment (FDI) flows have remained stable, averaging nearly US$ 155 billion (approximately 2.8% of GDP) in the last four quarters ending June 2023. However, this result mainly reflects a reduction in investments by firms that are not resident in the region (inward FDI) and also in those made abroad by trans-Latin companies, with Latin American capital (outward FDI). Accordingly, although net inflows have generated a financial account surplus, both inflows and outflows of this type of investment are being affected by the general momentum of financial flows to emerging countries and regions, which have declined.

In contrast, in the case of portfolio investment, there were cumulative net outflows during the same period, owing mainly to divestments by non-residents who moved their assets to other markets. Assets classified as “Other investment” in the financial account have also registered net outflows repeatedly in the last three quarters. This reflects a near zero inflow of non-resident investment, coupled with a significant outflow in this category from investors residing in Latin America.

International debt issuance remains at a very low level, reflecting tight credit conditions and the emergence of new external risks, although thematic bond issuance remains significant

Latin American and Caribbean countries issued debt totalling US$ 76.276 billion on international markets between January and September 2023, which was 31% more than in the year-earlier period. Although the increase appears significant, 2022 provides a very low base for comparison, since issuance represented just 1.1% of GDP in that year, similar to the level recorded in the region more than 15 years earlier (see figure III.7). There are several reasons why 2022 is a low base for comparison. Firstly, the countries of the region had issued record amounts of debt in the two preceding years, equivalent to 3.3% of GDP in 2020 and 2.9% in 2021. This debt had been issued to pay for plans to address COVID-19 and to refinance existing debt at lower rates, taking advantage of the favourable credit conditions prevailing on the market. Secondly, financing costs increased because of the tight monetary policies implemented by the main central banks (see chapter I). Thus, as of the third quarter of 2023, total issues represented 1.4% of GDP, which along with the previous year's figure, is the lowest since 2008.

Figure III.7
Latin America and the Caribbean: total debt issuance on international markets relative to GDP, January 2006–September 2023
(Percentages)



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

Despite the sparse debt issuance described above, in the first three quarters of 2023 quasi-sovereign companies issued 109% more than in the year-earlier period to reach a level of US$ 10.9 billion, and supranational entities doubled their issuance to over US$ 5.6 billion (see table III.3).

Table III.3
Latin America: debt issuance on international markets, by sector, January–September 2023
(Millions of dollars and percentages)

	Private banks	Non-bank private companies	Quasi-sovereign companies	National governments (sovereign issues)	Supranational entities	Total
Amount	2 157	17 237	10 900	34 330	5 653	70 276
Year-on-year growth[a]	72.9	-5.6	109.3	32.1	99.0	31.2
Share in total	3.1	24.5	15.5	48.9	8.0	100.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Dealogic, LatinFinance, Cbonds and Bloomberg.
[a] With respect to January–September 2022.

Debt issued by non-bank private companies declined by 5.6% and accounted for a quarter of total issuance in the period. Major issues included those by the Brazilian firms JBS, Vale and Braskem, of US$ 1.6 billion, US$ 1.5 billion and US$ 1 billion, respectively. In addition, a US$ 1 billion green bond was issued by CEMEX, and a US$ 992 million sustainability bond was issued by América Móvil, both of Mexico.

The countries that issue the most debt on international markets are Brazil, which, as of September 2023, accounted for 21% of total issuance, followed by Chile and Mexico, with 19% and 18%, respectively. In Brazil, 69% of the total debt is issued by non-bank private firms, whereas, in Chile and Mexico, it mostly consists of bonds issued by the national government or by quasi-sovereign companies. These represent 82% of the total in the case of Chile and 71% in Mexico. Debt issuance in the other countries display similar patterns to that of Mexico, with sovereign or quasi-sovereign debt accounting for a large share of total issuance. In the Dominican Republic, Ecuador, Paraguay, Trinidad and Tobago and Uruguay, only sovereign issues have been made in the first nine months of 2023.

Sovereign bonds account for almost half of total issues; and, in January–September 2023, they grew by 32% relative to the year-earlier period (see table III.4). National governments generally issue debt to obtain budgetary funding or to refinance existing debt at better rates or maturities. There are also thematic bond issues, such as green or blue bonds, which finance projects aimed at contributing to sustainable development, carbon emissions reduction, conservation of the oceans and combating climate change. Other bond issues are linked to sustainability, in which the payment structure and rates depend on the fulfilment of specific related environmental goals. The issue by the Chilean government in July makes Chile the first country in the world to issue a sustainability-linked bond in local currency.[2]

Table III.4
Latin America: sovereign debt issuance, January–September 2023
(Millions of dollars and percentages)

Date	Country	Amount *(Millions of dollars)*	Interest rate *(Percentages)*
January 2023	Mexico[a]	4 000	6.05
	Colombia	2 200	7.60
February 2023	Dominican Republic	700	7.05
	Dominican Republic[b]	1 098	13.63
March 2023	Panama[a]	1 800	6.65
	Costa Rica	1 500	6.55
April 2023	Brazil	2 250	6.15
	Mexico	2 941	6.34
May 2023	Ecuador	656	5.65
	Chile[b]	2 230	6.00
	Peru[b]	2 494	7.30
June 2023	Chile[a]	2 250	5.14
	Chile[c]	821	4.13
	Guatemala	1 000	6.60
	Paraguay	500	5.85
July 2023	Uruguay[b]	1 261	9.75
	Chile[b]	2 153	5.30
	Panama	700	6.38
September 2023	Dominican Republic[b]	1 250	11.25
	Guatemala	565	7.05
	Panama[a]	1 400	6.87
	Trinidad and Tobago	560	5.95

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Dealogic, LatinFinance, Cbonds, Bloomberg and official figures.
Note: All issues were in dollars, unless otherwise indicated.
[a] Issue in several tranches.
[b] Issue in local currency.
[c] Issue in euros.

[2] The bond set targets for greenhouse gas emissions and participation by women on company boards of directors.

The share of thematic bonds in the total debt issued on international markets has grown steadily, from 5% in 2019 to a share of 30% that has remained stable between 2021 and the third quarter of 2023. Of these, 67% were sovereign issues made mainly by the Government of Chile and, in smaller amount, by the Governments of Mexico and Peru. In addition, one fifth of thematic issues were made by non-bank private firms, mostly in Mexico.

Also relevant is the fact that national governments have been issuing more debt in local currency: whereas in 2022 only 13% of sovereign issues were in the currency of the issuing country, in the first three quarters of 2023, the figure share had risen to 31%.

The more complex financing scenario described above is also reflected in the interest rates at which debt is issued. As noted in *Economic Survey of Latin America and the Caribbean, 2023* (ECLAC, 2023), rates on dollar-denominated sovereign issues on international markets fell steadily until 2021, when the average coupon reached 3.6%. Since then, however, there have been successive increases.

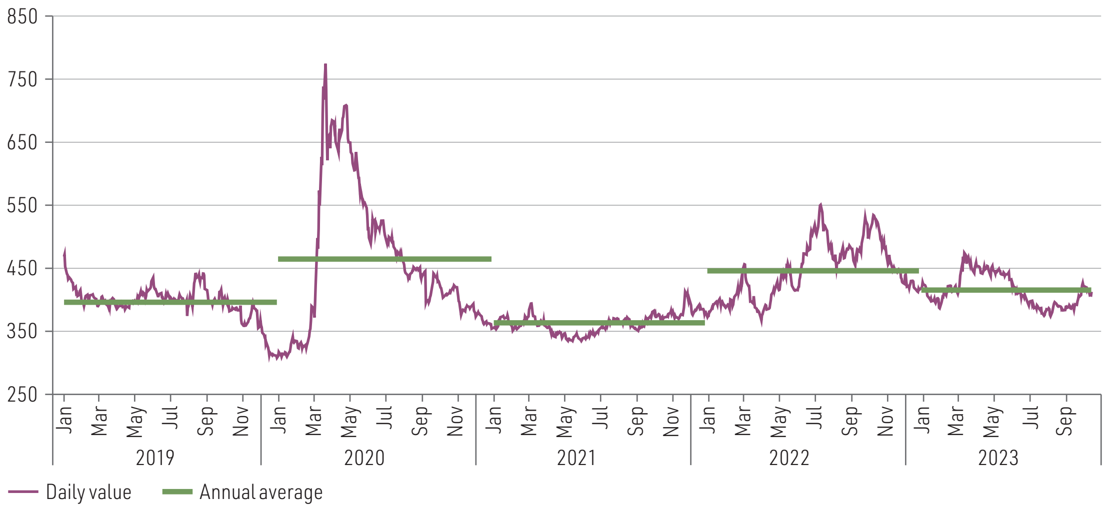
This adverse scenario also has a greater impact on the countries with the worst credit performance, as reflected in the ratings awarded by the specialized agencies. Investor-grade countries account for 72% of total sovereign issues in the region, and their average coupon as of September 2023 was 6.4%.[3] In contrast, non-investor grade countries, which account for the remaining 28%, paid an average coupon rate of 7.8%.

Sovereign risk has remained stable during the year, in keeping with less financial volatility worldwide

On 31 October 2023, Latin America's sovereign risk reached the level of 410 basis points, as measured by the J. P. Morgan EMBI Global Diversified Index (EMBIGD) of emerging markets. This indicator measures the spread between interest rates on a country's debt obligations and those of the United States, which are considered risk-free.

Although this indicator has varied to some degree over the course of the year, it has been much less volatile than in 2022, in keeping with less volatility on global financial markets during the current year (see figure III.8).

Figure III.8
Latin America: sovereign risk index as measured by the EMBI Global Diversified Index (EMBIGD), January 2019–October 2023
(Basis points)



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

3 The Latin American and Caribbean countries that are rated investment grade by Moody's, S&P Global and Fitch Ratings, are Chile, Mexico, Panama, Peru and Uruguay. Colombia is rated investment grade only by Moody's, and Trinidad and Tobago only by S&P Global.

At the start of 2023, sovereign risk was practically the same as in late October 2022; and the highest levels (around 466 basis points) were recorded in March, during the weeks of uncertainty caused by the banking difficulties in the United States and Switzerland. The average for the year to date is 415 basis points, compared to 446 basis points in 2022.

The countries with the lowest sovereign risk index are Uruguay (about 90 basis points since the second half of the year), followed by Chile and Peru (both below 200 basis points). At the other extreme are countries with the highest credit risk, namely the Bolivarian Republic of Venezuela, Argentina and Ecuador, followed by the Plurinational State of Bolivia and El Salvador (see table III.5).

Table III.5
Latin America (17 countries): sovereign risk index as measured by the EMBI Global Diversified Index (EMBIGD), 2020–October 2023
(Basis points, data as of the end of each period)

	2020	2021	2022	31 March 2023	29 June 2023	29 September 2023	31 October 2023
Latin America	**354**	**381**	**416**	**447**	**405**	**404**	**410**
Argentina	1 368	1 688	2 196	2 302	2 061	2 539	2 576
Bolivia (Plurinational State of)	461	412	563	1 561	1 112	1 463	1 599
Brazil	250	306	258	254	229	206	200
Chile	144	153	140	153	132	135	147
Colombia	206	353	369	382	370	335	323
Costa Rica	631	504	327	329	289	247	244
Dominican Republic	340	366	358	369	333	319	297
Ecuador	1 062	869	1 250	1 917	1 922	1 789	1 755
El Salvador	732	1 491	1 839	1 521	1 096	737	739
Guatemala	232	271	210	237	234	228	248
Honduras	271	313	529	585	495	355	373
Mexico	361	347	386	393	376	378	379
Panama	149	187	215	243	216	221	259
Paraguay	213	229	200	238	216	212	217
Peru	132	170	194	209	174	174	176
Uruguay	135	127	91	119	99	98	86
Venezuela (Bolivarian Republic of)	24 099	55 310	44 840	34 229	42 210	38 912	15 867

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

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CHAPTER

IV

Economic activity

Economic growth in Latin America and the Caribbean continues to slow, owing to the tightening of policy to suppress inflation and weaker external forces

Despite the uptick in economic activity, the region's per capita GDP in the second quarter of 2023 has only regained the level of 30 quarters earlier

The slowdown in economic activity reflects the weakening of private consumption and gross fixed capital formation

Owing to the slowdown in global economic activity, net exports have not contributed to GDP growth in the region

Economic growth has moderated across all sectors of activity, especially in the manufacturing industry

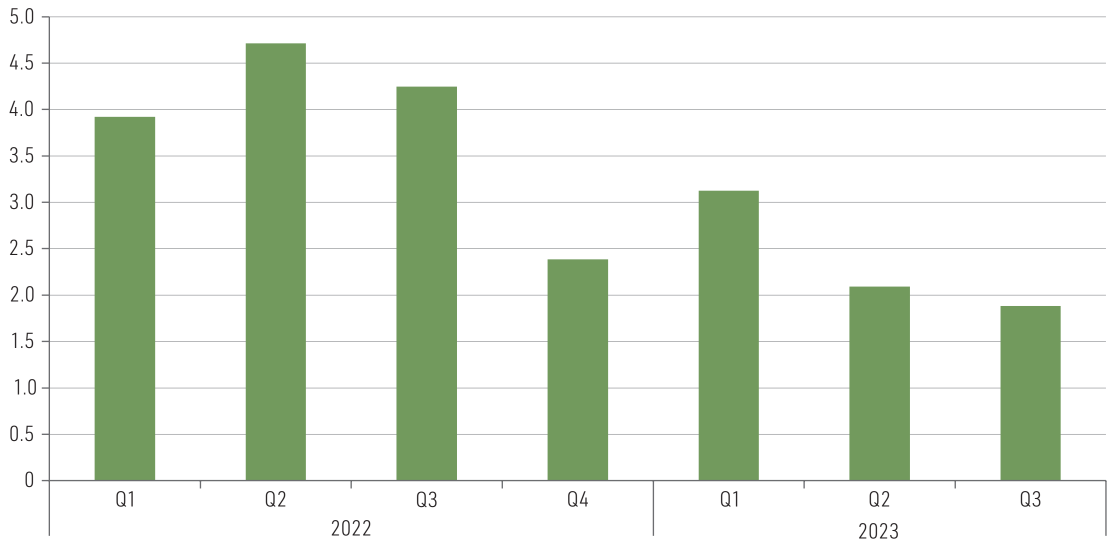
South America slowed more sharply than Mexico and Central America

Labour productivity in Latin America continues to decline and is retreating further from its 1980 levels

Economic growth in Latin America and the Caribbean continues to slow, owing to the tightening of policy to suppress inflation and weaker external forces

The annual GDP growth rate continued to decline in the second and third quarters of 2023, with the regional economy recording average annual growth of 2.0% in that period (see figure IV.1). The slacker pace of economic growth reflects the fact that the countries have withdrawn fiscal stimulus and tightened monetary policy in response to high inflation. Although inflation has now eased, it remains high and above the target set in many countries of the region, so monetary policy remains contractionary, and fiscal policy offers less room for manoeuvre. This is compounded by a weakened external environment, as global economic activity has slackened and commodity prices have fallen in recent months. The slowdown in regional economic activity reflects faltering domestic demand and a smaller external contribution. On the supply side, production increased in the different economic activities except manufacturing, although the increase is less than in previous quarters.

Figure IV.1
Latin America: year-on-year GDP growth rate, first quarter of 2022–third quarter of 2023
(Percentages, on the basis of constant dollars at 2018 prices)



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

In the subregions, since the second half of 2022, growth rates have declined in South America, Mexico and Central America. In South America, the slowdown is steeper excluding Brazil, which raises the overall subregional GDP growth rate owing to its size and strong performance. The GDP levels of the remaining nine South American countries in both the second and third quarters are lower than in the year-earlier periods, as a result of contractions in Argentina, Chile, Peru and Uruguay (see figure IV.2). In the third quarter of 2023, growth in the South American economies slowed to an average rate of 1.4% relative to the year earlier period, while the economies of Mexico and Central America also recorded a reduction in the GDP growth rate, with a year-on-year increase of about 3.3%.

Figure IV.2
Latin America: year-on-year GDP growth rate, by subregion, first quarter of 2022–third quarter of 2023
(Percentages, on the basis of constant dollars at 2018 prices)

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

The slowdown has been widespread and is set to continue, with economic activity forecasts indicating a deceleration in most countries when comparing growth in the second half of 2023 with the second half of 2022 (see figure IV.3).

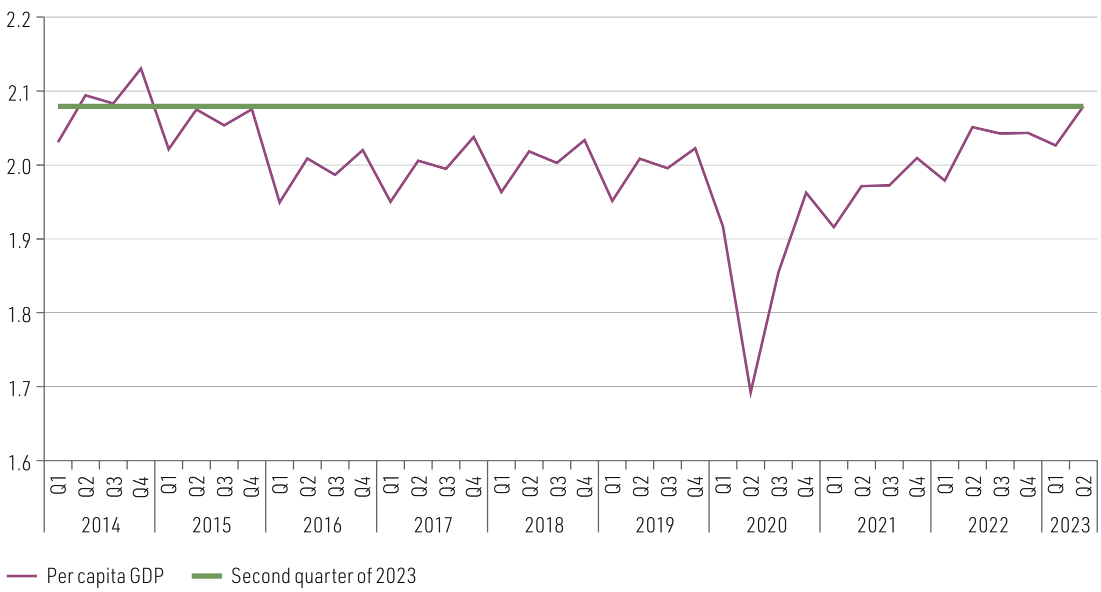
Figure IV.3
Latin America (15 countries): year-on-year GDP growth rate, by country, first half of 2022–second half of 2023
(Percentages, on the basis of constant dollars at 2018 prices)

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

Despite the uptick in economic activity, the region's per capita GDP in the second quarter of 2023 has only regained the level of 30 quarters earlier

Following the sharp contraction that the economic crisis generated by the coronavirus disease (COVID-19) pandemic caused in Latin America, the pre-crisis GDP level was regained in the fourth quarter of 2021. However, the region's per capita GDP had been declining since 2016, and in the second quarter of 2023 was only equivalent to its late-2015 level, 30 quarters earlier (see figure IV.4).

Figure IV.4
Latin America: quarterly per capita GDP, first quarter 2014–second quarter 2023
(Thousands of constant dollars at 2018 prices)

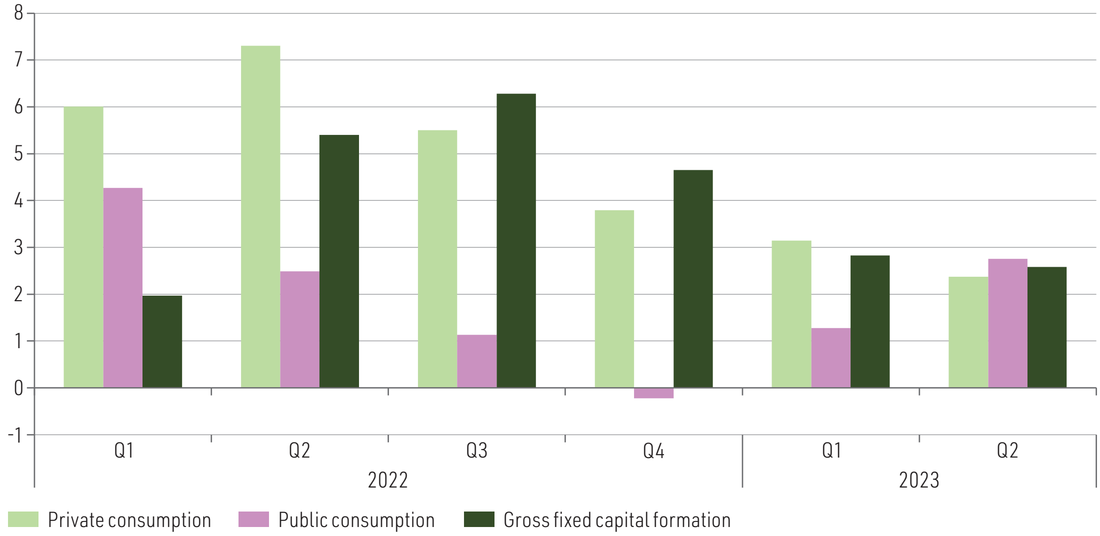


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The slowdown in economic activity reflects the weakening of private consumption and gross fixed capital formation

In the second quarter of 2023, private consumption grew more slowly year-on-year than in 2022, which meant deceleration for the fifth consecutive quarter (see figure IV.5). This trend in private consumption was widespread across the region: 12 of the 15 countries for which figures for the second quarter of 2023 are available report a year-on-year slowdown in that period. A breakdown of the behaviour of private consumption between goods and services shows that both weakened. However, the least momentum was observed in the goods segment, in which both production and import indicators contracted. By contrast, the production of services has displayed greater resilience, since services are non-tradable and consumed domestically.

Figure IV.5
Latin America: annual variation in components of domestic demand, first quarter 2022–second quarter 2023
(Percentages, on the basis of constant dollars at 2018 prices)



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

The slowdown in private consumption has occurred amid the declining purchasing power of real wages, compounded by ebbing confidence levels and depletion of the savings accumulated by households during the pandemic. This is being aggravated by a restrictive monetary policy in which credit flows are slowing as a result of tighter supply conditions and weaker demand.

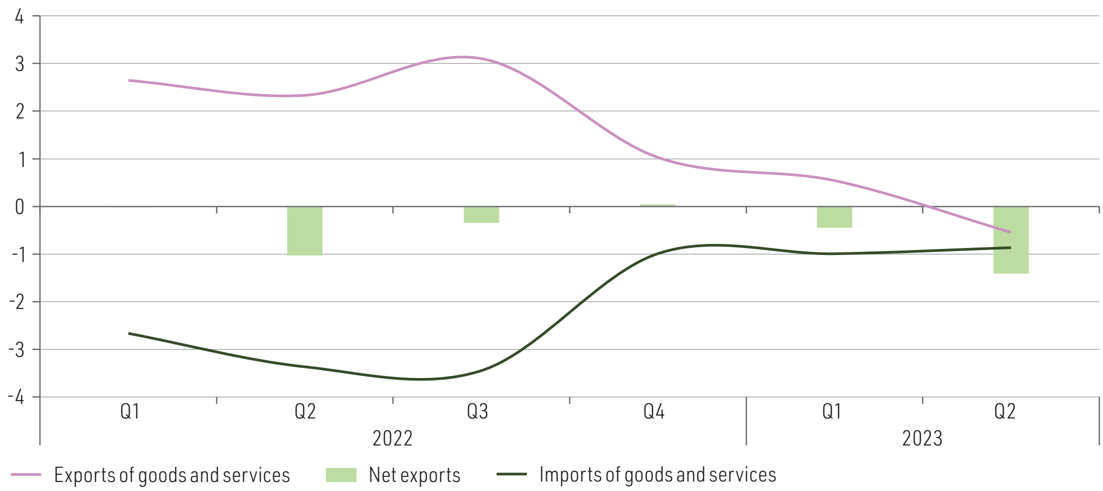
Meanwhile, the recovery of public consumption that had been seen at the start of the year persisted into the second quarter of 2023, contrasting with the year-on-year contraction registered in the last quarter of 2022. This trend in public consumption reflects the growth of public expenditure in 2023 following two years of contraction.

Owing to the slowdown in global economic activity, net exports have not contributed to GDP growth in the region

The external conditions that fostered growth in 2022 and early 2023 have deteriorated, with global economic activity slackening in recent months. In the second quarter, the Chinese economy slowed sharply in the wake of weakness in the real estate sector. Nonetheless, other economies were more buoyant, particularly that of the United States, where the strength of the labour market kept domestic demand robust.

Export and import growth moderated symmetrically, and their contribution to growth was very similar. As a result, net exports made almost no contribution between the first quarter of 2022 and the first quarter of 2023. However, in the second quarter of this year, exports detracted from growth, compounding the effect of imports (see figure IV.6). The negative trend of exports in the second quarter of 2023 reflects the fact that they contracted in 10 of the 15 countries in the region for which data are available.

Figure IV.6
Latin America: contribution to GDP of exports and imports, first quarter of 2022–second quarter of 2023
(Percentages)



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

Economic growth has moderated across all sectors of activity, especially in the manufacturing industry

The growth of value added has moderated in all sectors of economic activity, except mining, which more than doubled the annual growth of the regional economy in the second quarter of 2023 (see figure IV.7). In terms of momentum, the mining sector is followed by construction and electricity, gas and water services, and then, to a lesser extent, by transport and communications. Agriculture recorded robust growth in the first quarter of 2023, owing specifically to the low base of comparison in Brazil and Paraguay, where the first quarter of 2023 saw recoveries of 18.3% and 38.3%, respectively, following a major setback in 2022 caused by drought. In addition, in the last quarter, the manufacturing industry contracted and trade expanded very slowly owing to more subdued private consumption.

Figure IV.7
Latin America: annual variation in value added, by economic sector, first quarter of 2022–second quarter of 2023
(Percentages, on the basis of constant dollars at 2018 prices)

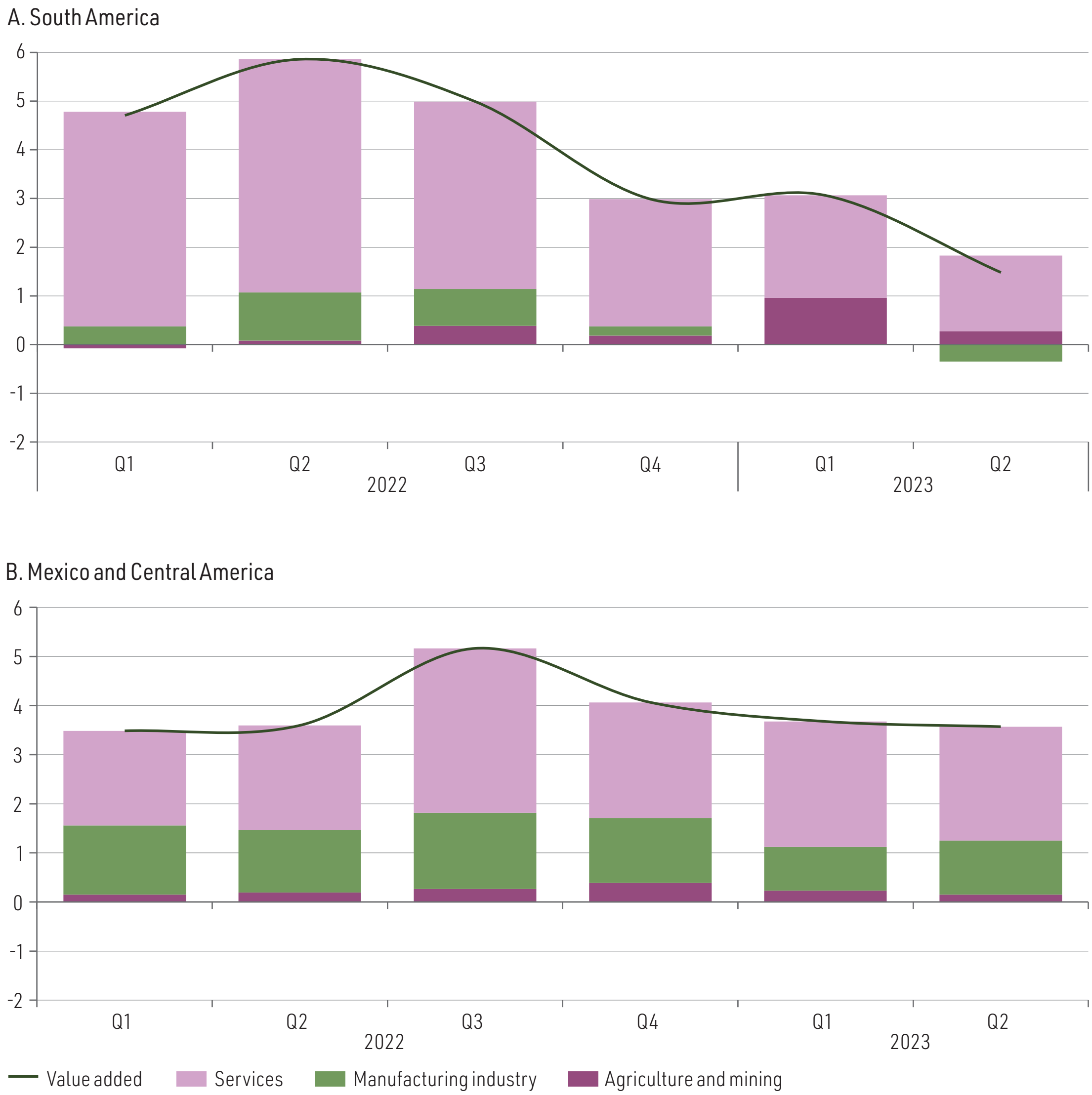
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

South America slowed more sharply than Mexico and Central America

The slowdown has been more pronounced in South America, particularly when Brazil is excluded, in which case the subregion contracted in the second and third quarters of 2023 with respect to the same period in 2022. In the subregion comprising Mexico and Central America, meanwhile, economic activity has continued to grow at a rate of about 3.5%.

In terms of economic sectors, the two subregions differ as a result of the greater resilience of Mexico and Central America, and the stagnation and decline of the manufacturing industry in South America (see figure IV.8).

Figure IV.8
Latin America: variation in value added and contribution of each economic sector to growth, first quarter of 2022–second quarter of 2023
(Percentages)

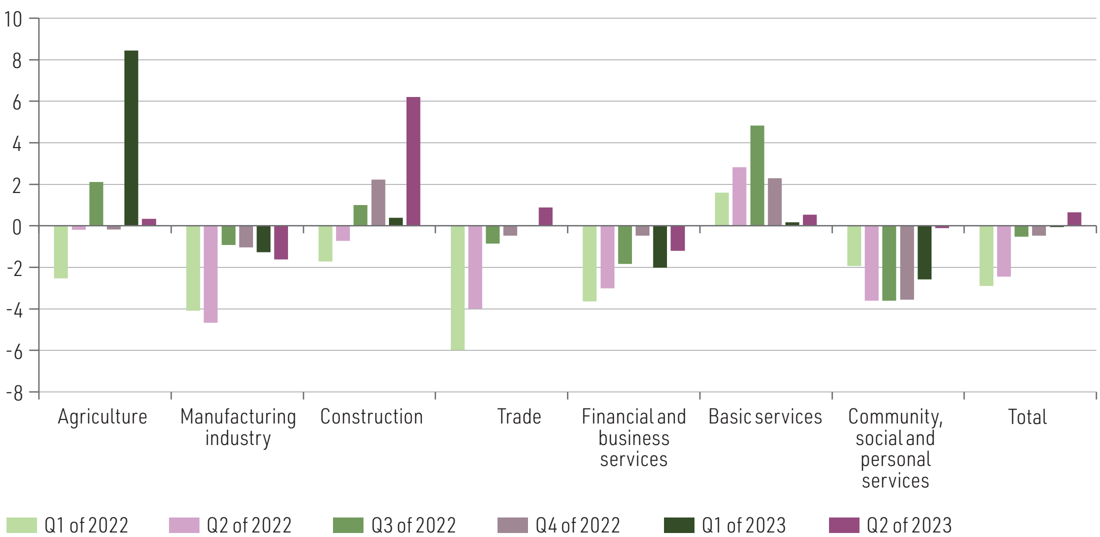


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Labour productivity in Latin America continues to decline and is retreating further from its 1980 levels

In 1980, the region recorded its highest level of labour productivity since 1950; but thereafter, productivity growth stalled and, between 1980 and 2023, it declined at an average rate of 0.1% year-on-year.[1] This means that, after 43 years, the region has been unable to regain the productivity levels it had attained before the debt crisis. Its performance between 2004 and 2013 brought its productivity level close to that of 1980, but the trend was broken by the ending of the commodity price boom; since then, there has been a steady decline. This has persisted in recent quarters and has been widespread across the different economic sectors. In agriculture and basic services (electricity, gas and water; and transport, storage and communications), the trend that has persisted since the 1990s continues: these are the only sectors of activity in which productivity has grown. In the construction sector, labour productivity continued its habitual decline in the first two quarters of 2022, but this has since reversed, and productivity has been increasing since the third quarter (see figure IV.9).

Figure IV.9
Latin America: annual variation in labour productivity, first quarter of 2022–second quarter of 2023
(Percentages, on the basis of constant dollars at 2018 prices)



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

[1] See Economic Commission for Latin America and the Caribbean/International Labour Organization (ECLAC/ILO), "Labour productivity in Latin America", *Employment Situation in Latin America and the Caribbean*, No. 27 (LC/TS.2022/213), Santiago, 2022.

CHAPTER

V

Domestic prices

Inflation continued to retreat in the region in 2023

Inflation fell everywhere except in economies with chronic inflation

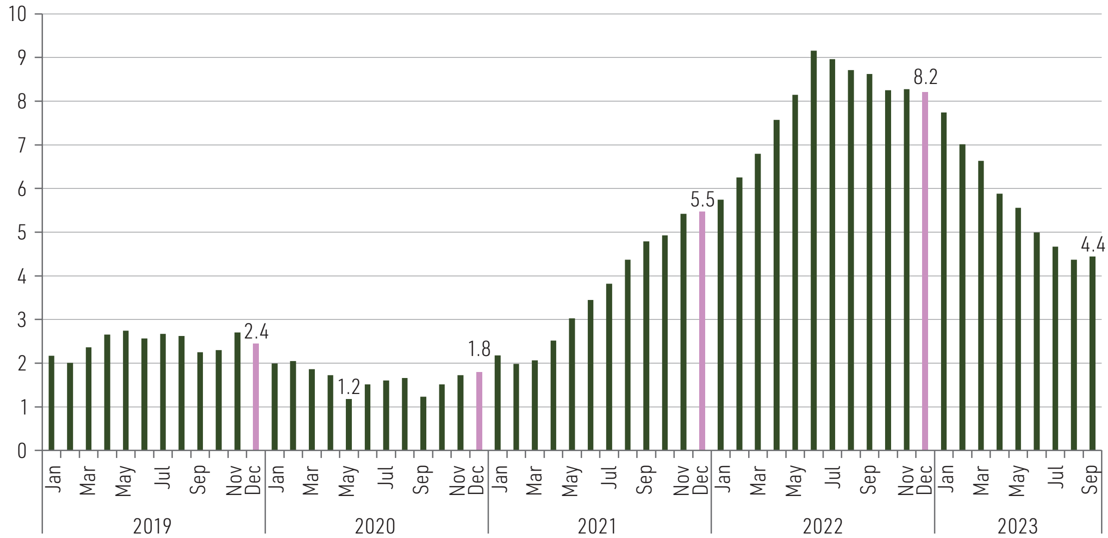
Food and energy inflation fell in 2023

Inflation declined for both goods and services, but services inflation picked up in the third quarter of 2023

Inflation continued to retreat in the region in 2023

Inflation rose steadily in the region between May 2020 and June 2022, from 1.2% to 9.2% (see figure V.1). This was followed by a downward trend in the great majority of the region's economies, which continued in 2023. As a result, the median regional inflation rate as of September 2023 was 4.4%, a fall of 4.2 percentage points from the regional median in September 2022.

Figure V.1
Latin America and the Caribbean: median annual rates of change in the consumer price index, January 2019–September 2023
(Percentages)



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

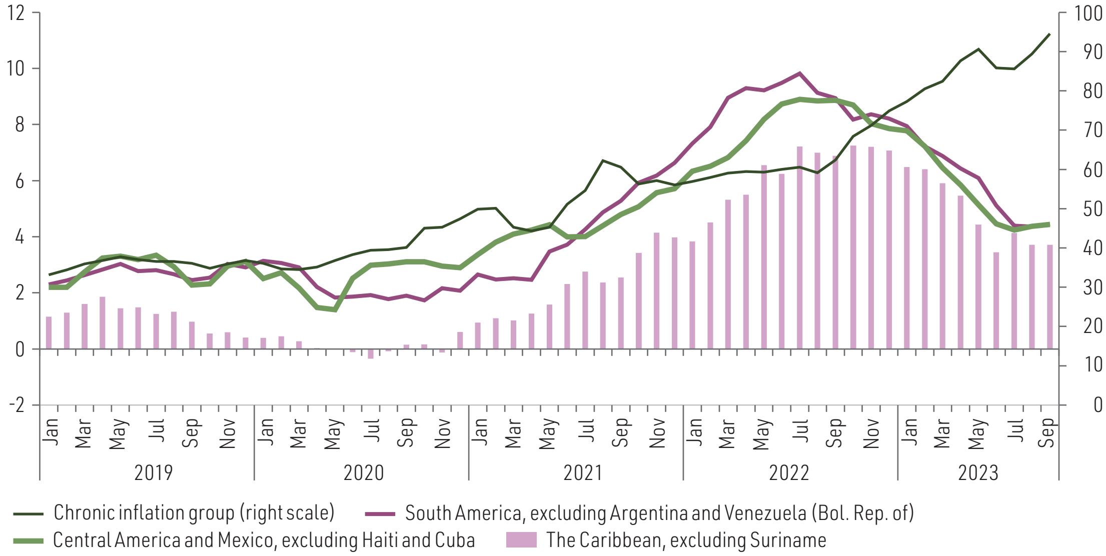
Inflation fell everywhere except in economies with chronic inflation

Figure V.2 shows the dynamics of inflation and groups the region's economies into three categories: (i) those of South America, (ii) those of Central America and Mexico and (iii) those of the Caribbean. These groups exclude economies currently experiencing chronic inflation, namely Argentina, the Bolivarian Republic of Venezuela, Cuba, Haiti and Suriname, which are grouped into a fourth category. The chart shows that inflation fell in 2023 in all but the chronic inflation group. In that group, inflation rose almost continuously, except in the period between May and July 2023, when median inflation declined from 90.6% to 85.6%; however, it began rising again in August and September.

Another development that can be seen in figure V.2 is that the downward trend in median regional inflation was interrupted in all the country groups in the third quarter of 2023.

Table V.1 shows that inflation declined in 29 of the region's 33 countries and that year-on-year inflation as of September 2023 was 5% or less in 19 of them as a result. This contrasts with September 2022, when only five countries had such low inflation. Inflation was between 5% and 10% in September 2023 in seven other economies of the region, while in a further seven, including those with chronic inflation, it was above 10%.

Figure V.2
Latin America and the Caribbean: median annual rates of change in the consumer price index, by country group, January 2019–September 2023
(Percentages)



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

Table V.1
Latin America and the Caribbean: 12-month rates of change in the consumer price index, December 2021, December 2022, September 2022 and September 2023
(Percentages)

	December 2021	December 2022	September 2022	September 2023
Latin America and the Caribbean	**7.6**	**7.6**	**8.2**	**5.2**
South America	**8.1**	**7.3**	**8.0**	**5.7**
Bolivia (Plurinational State of)	0.9	3.1	1.9	2.8
Brazil	10.0	5.8	7.2	5.2
Chile	7.2	12.8	13.7	5.1
Colombia	5.6	13.1	11.4	11.0
Ecuador	1.9	3.7	4.1	2.2
Paraguay	6.8	8.1	9.3	3.5
Peru	6.4	8.5	8.5	5.0
Uruguay	8.0	8.3	9.9	3.9
Central America and Mexico	**6.6**	**8.0**	**8.7**	**4.4**
Costa Rica	3.3	7.9	10.4	-2.2
Dominican Republic	8.5	7.8	8.6	4.4
El Salvador	6.1	7.3	7.5	3.0
Guatemala	3.1	9.2	9.0	4.7
Honduras	5.3	9.8	10.0	6.1
Mexico	7.4	7.8	8.7	4.5
Nicaragua	7.3	11.3	11.3	6.5
Panama	2.6	2.1	1.9	2.3

	December 2021	December 2022	September 2022	September 2023
The Caribbean	**5.5**	**8.4**	**7.6**	**4.5**
Antigua and Barbuda	1.2	9.2	8.6	5.6
Bahamas	4.1	5.5	6.5	2.3 [a]
Barbados	5.0	12.5	6.6	10.1 [b]
Belize	4.9	6.7	7.1	4.2
Dominica	3.8	8.4	9.8	3.6 [c]
Grenada	1.9	2.9	3.1	2.2 [c]
Guyana	5.7	7.2	6.5	1.0
Jamaica	7.3	9.3	9.2	5.9
Saint Kitts and Nevis	1.9	3.9	2.5	3.1 [c]
Saint Lucia	4.1	6.9	7.9	5.4 [c]
Saint Vincent and the Grenadines	3.4	6.7	7.3	3.0
Trinidad and Tobago	3.5	8.7	6.2	3.9
Countries with chronic inflation				
Argentina	51.4	95.2	82.9	138.3
Cuba	77.3	39.1	37.2	37.7
Haiti	24.6	48.1	38.8	31.9
Suriname	60.7	54.6	41.9	50.8
Venezuela (Bolivarian Republic of)	686.4	234.1	157.4	317.6

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 and do not include data for economies with chronic inflation (Argentina, the Bolivarian Republic of Venezuela, Cuba, Haiti and Suriname).
[a] Data to August 2023.
[b] Data to July 2023.
[c] Data to June 2023.

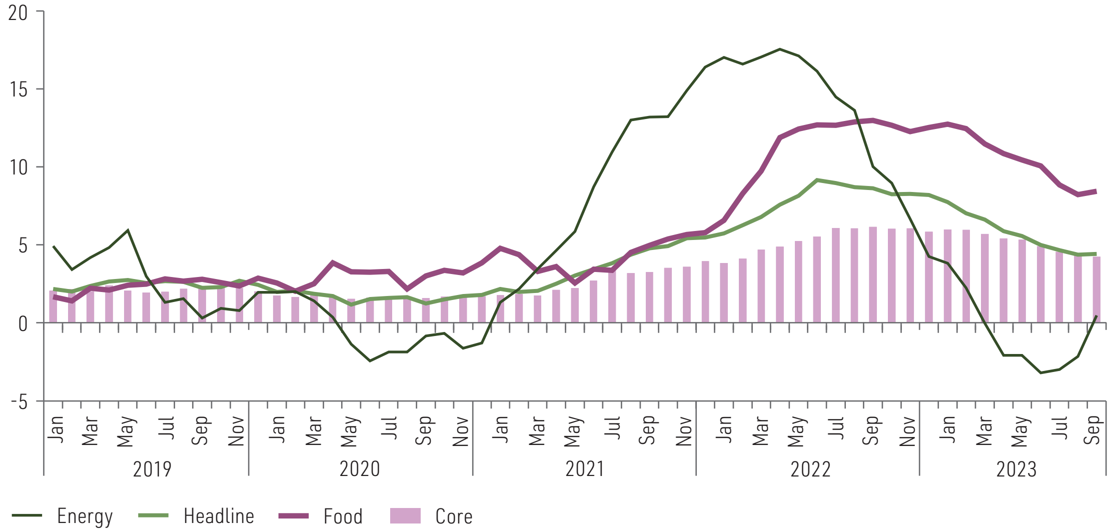
Food and energy inflation fell in 2023

As mentioned in the *Economic Survey of Latin America and the Caribbean 2023*,[1] the fall in food and energy prices in international markets was reflected in domestic prices for these goods and thus in headline inflation. Figure V.3 shows how the median regional consumer price index has fallen for food, energy and core inflation in the economies of the region. It shows that median energy inflation fell steadily from April 2022, was negative between April 2023 and August 2023 and turned positive again in September 2023.

The cumulative reduction in median energy inflation between December 2022 and September 2023 was 3.8 percentage points, from 4.3% in December 2022 to 0.5% in September 2023. On the other hand, median food inflation rose steadily between May 2021 and May 2022, increasing from 2.0% to 12.4% to give a cumulative rise of 10.4 percentage points. This variable held steady at around 12.7% between June 2022 and January 2023 before declining by 4.3 percentage points to 8.4% between February and September 2023. Median core inflation, which measures changes in the consumer price index net of food and energy, has been more resilient. It started to decline in October 2022, with a cumulative reduction of 1.8 percentage points by September 2023 (1.6 points between December 2022 and September 2023).

1 ECLAC, *Economic Survey of Latin America and the Caribbean 2023* (LC/PUB.2023/11-P), Santiago.

Figure V.3
Latin America and the Caribbean: median 12-month rates of change in the food, energy and core components of the consumer price index, January 2019–September 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The energy price index is estimated on the basis of information from 10 countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Peru, the Plurinational State of Bolivia and Uruguay.

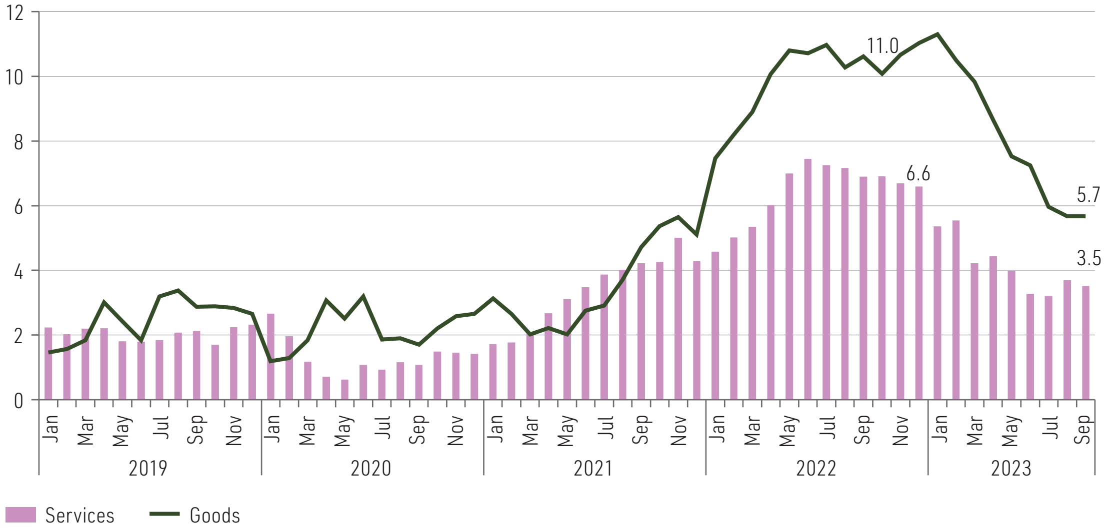
The rate of inflation increased in nine countries of the region in the third quarter of 2023, including Antigua and Barbuda (+2.3 percentage points), Argentina (+21.3 percentage points), Brazil (+2 percentage points) and Panama (+3 percentage points). Some of the factors contributing to lower inflation in the second half of 2022 and the first half of 2023 were not present in the third quarter of 2023. In particular, there was less of a downward trend in the wholesale prices of industrial goods, as international production chains have normalized and bottlenecks have been reduced. Other factors contributing to higher inflation in some countries of the region include increases in agricultural goods prices associated with the El Niño weather phenomenon and higher energy prices. Reductions in the energy subsidies still in place in certain countries have also led to increases in some administered prices. Moreover, greater exchange-rate volatility affecting some of the region's currencies has also spurred higher inflation since June 2023.

Inflation declined for both goods and services, but services inflation picked up in the third quarter of 2023

Figure V.4 shows that the decline in headline inflation encompassed both goods and services. Between December 2022 and September 2023, median goods inflation in the region dropped by 5.3 percentage points from 11.0% to 5.7%, while services inflation declined by 3.1 percentage points from 6.6% to 3.5%.

An important point is that, for both indicators, the downward trajectory seems to have come to an end in the third quarter of 2023: median goods inflation in the region held steady at 5.7% in August and September, and median services inflation rose by 0.3 percentage points between June and September.

Figure V.4
Latin America and the Caribbean: median 12-month rates of change in the goods and services components of the consumer price index, January 2019–September 2023
(Percentages)



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

CHAPTER

VI

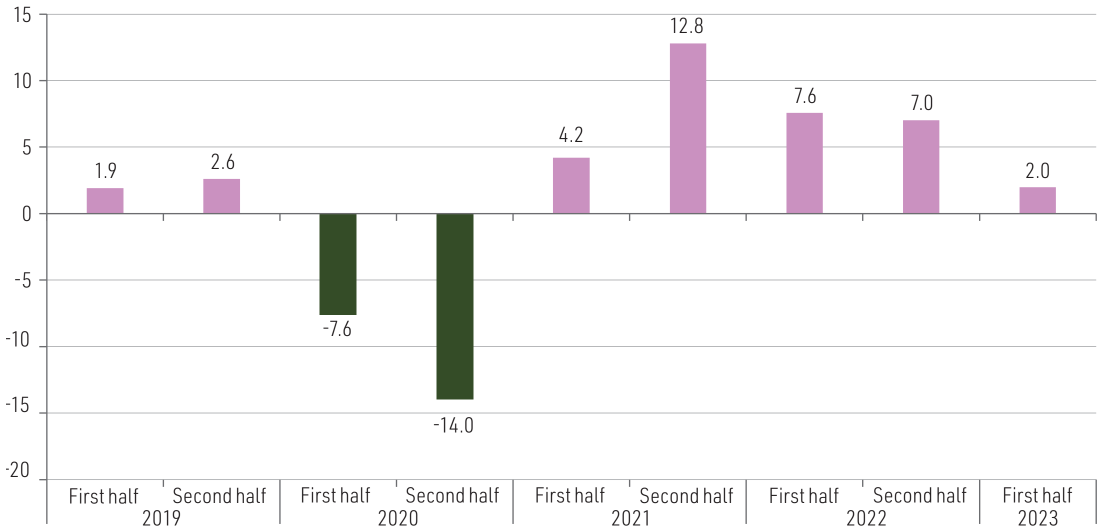
Employment and wages

During the first half of 2023, in a macroeconomic context characterized by low economic growth, the pace of recovery in labour markets slowed and some variables, such as participation, actually worsened. The economic slowdown in the region, which intensified in the second half of 2023 and will continue into 2024, will unfortunately make it more difficult to create quality jobs and prevent real wages and productivity from deteriorating. Moreover, while gender gaps and levels of informality have diminished since the pandemic, these indicators remain very high in comparison with other countries and regions. Another concern is that many people are still outside the labour market more than three years on from the start of the pandemic, with numbers recently increasing further.

Further slowdown in job creation in the economies of Latin America and the Caribbean in the first half of 2023

The number of employed persons in the economies of Latin America and the Caribbean continued to recover during the first half of 2023, growing by 2.0% over the same period in 2022. As with economic activity, however, the rate of growth in the number employed trended downward, falling from 7.6% in the first half of 2022 to 7.0% in the second half and 2.0%, as mentioned, in the first half of 2023 (see figure VI.1).

Figure VI.1
Latin America and the Caribbean (14 countries):[a] year-on-year changes in the number of employed, first half of 2019–first half of 2023
(Percentages)



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

Figure VI.2 shows that the regional trends described above were observed in 12 of the 14 countries for which information is available (the exceptions are Paraguay and Trinidad and Tobago). In Brazil, Chile, Colombia and Jamaica, the rate of growth in the number of people employed declined by more than 6 percentage points between the second half of 2022 and the first half of 2023, while in Costa Rica and Peru the number of employed actually fell in the first half of 2023 compared with the same period the previous year.

Figure VI.2
Latin America and the Caribbean (14 countries):[a] year-on-year changes in the number of employed, second half of 2022–first half of 2023
(Percentages)

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

Employment growth slowed in all branches of activity

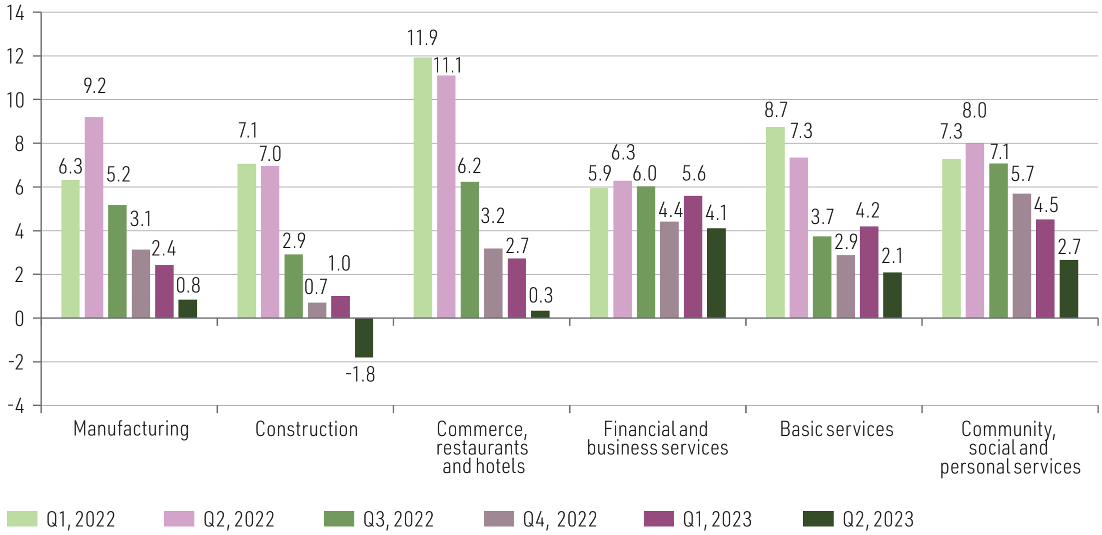
The decline in the regional rate of employment growth during the first half of 2023 was observed in most countries and across all branches of activity, albeit to differing degrees (see figure VI.3). While employment in activities such as industry, construction, and commerce, restaurants and hotels continued to rise, the year-on-year growth rate was significantly down from the second quarter of 2022, and year-on-year growth in the second quarter of 2023 was less than 1% (with an actual decline in the construction sector).

Rates of growth in the numbers employed in financial and business services, basic services and community, social and personal services also declined but exceeded 4% in the first quarter of 2023 and 2% in the second quarter of the same year in all cases.

Agricultural employment contracted year-on-year from the fourth quarter of 2022, with rates of -0.6%, -1.9% and -1.8% in that quarter and in the first and second quarters of 2023, respectively. As figure VI.4 shows, employment in agricultural activities only grew significantly between the fourth quarter of 2020 and the third quarter of 2021, very probably reflecting how limited the employment options were in other production sectors during the pandemic.

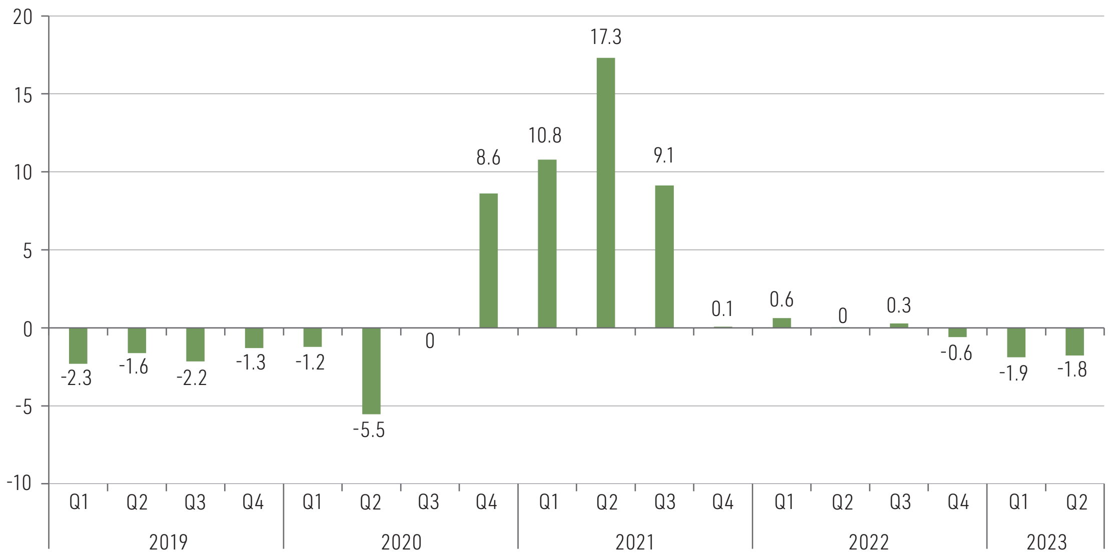
Slowing aggregate domestic demand, higher lending rates and the resulting credit slowdown undoubtedly contributed to the contraction of employment in sectors such as construction and the sharp deceleration of employment growth in manufacturing and in commerce, restaurants and hotels, which accounted between them for 44% of total employment in the second quarter of 2023.

Figure VI.3
Latin America and the Caribbean (14 countries):[a] year-on-year changes in the number of employed by branch of activity, first quarter of 2022–second quarter of 2023
(Percentages)



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

Figure VI.4
Latin America and the Caribbean (14 countries):[a] year-on-year changes in the number of employed in the agricultural sector, first quarter of 2019–second quarter of 2023
(Percentages)

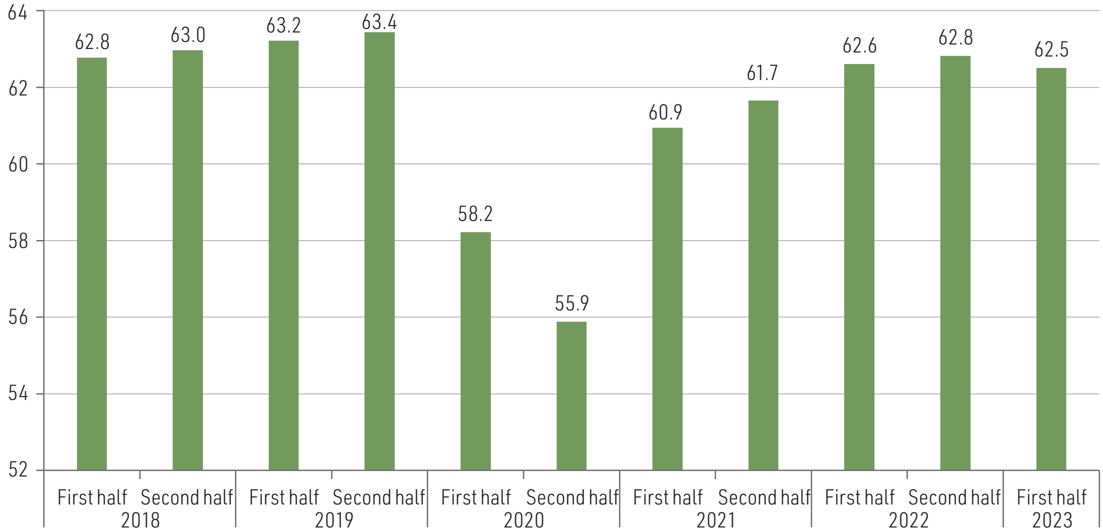


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Jamaica, Mexico, Nicaragua, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

The labour force participation rate fell in the first half of 2023

As has been pointed out on several occasions (see, for example, ECLAC, 2022 and 2023 and ECLAC/ILO, 2023), labour force participation[1] is one of the indicators whose recovery has lagged furthest behind in the aftermath of the COVID-19 pandemic. This recovery has been slow and incomplete, and three years on from the start of the pandemic, the regional participation rate has yet to recover to its pre-crisis levels (see figure VI.5).

Figure VI.5
Latin America and the Caribbean (15 countries):[a] labour force participation rate, first half of 2018–first half of 2023
(Percentages)



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

More worryingly, however, after showing a recovering trend for five consecutive half-year periods (between the second half of 2020 and the second half of 2022), the regional labour force participation rate fell by 0.1 percentage points in the first half of 2023 relative to the same period of 2022, from 62.6% to 62.5%. This could indicate that the post-pandemic recovery has come to an end and the new equilibrium is being disrupted by a fresh shock.

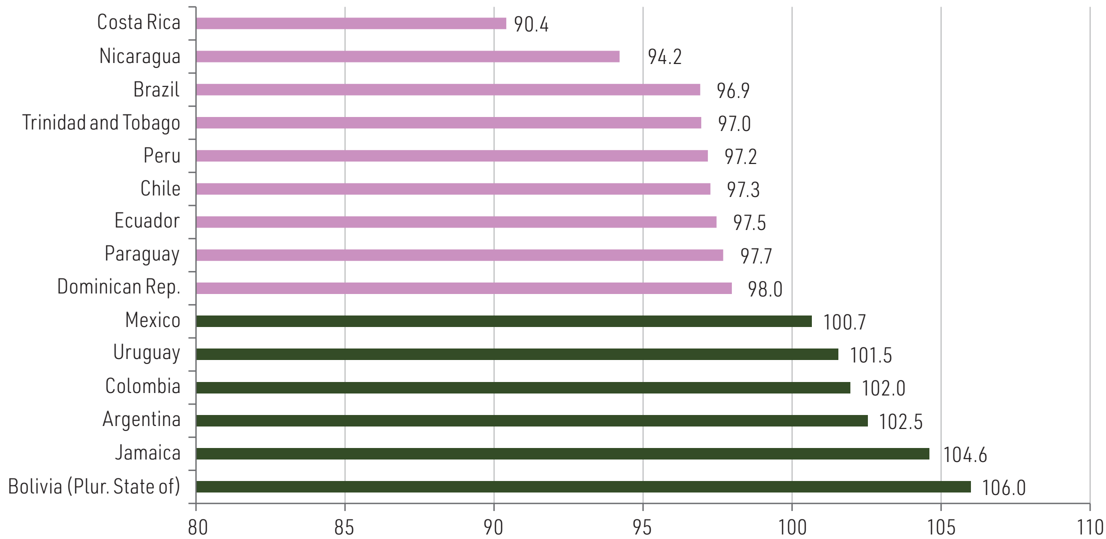
Recovery has been so slow that participation rates in 9 of the 15 countries for which quarterly information is available were still lower in the first half of 2023 than in the first half of 2019, and in Costa Rica, Nicaragua and Trinidad and Tobago the difference was more than 3 percentage points. On the other hand, participation levels in countries such as Argentina, Colombia, Jamaica and the Plurinational State of Bolivia were more than 2 percentage points higher in the first half of 2023 than in the same period of 2019 (see figure VI.6). As noted above, these countries are among those with the largest increases in the number of employed in the first half of 2023.

[1] The labour force participation rate is the ratio of the economically active population (employed plus unemployed) to the working-age population.

Figure VI.6

Latin America and the Caribbean (15 countries): labour force participation rates in the first half of 2023 relative to the first half of 2019

(Percentages)



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

ECLAC (2022) has noted that various factors have affected the evolution of the labour force participation rate in the region's economies and highlighted the importance of the business cycle in people's decisions as to whether to participate in the labour market. A context like the current one, characterized by low growth and slowing job creation and thence a relatively low probability of finding work, is not conducive to a return to the labour market for many of those who dropped out of the workforce during the pandemic. According to the labour force participation levels recorded for the first half of 2023, about 190 million people in the region were neither employed nor looking for work, an increase of 11.8 million inactive people[2] from the level in the first half of 2019, when the participation rate was 63.2%.

The unemployment rate has continued to fall in the economies of the region

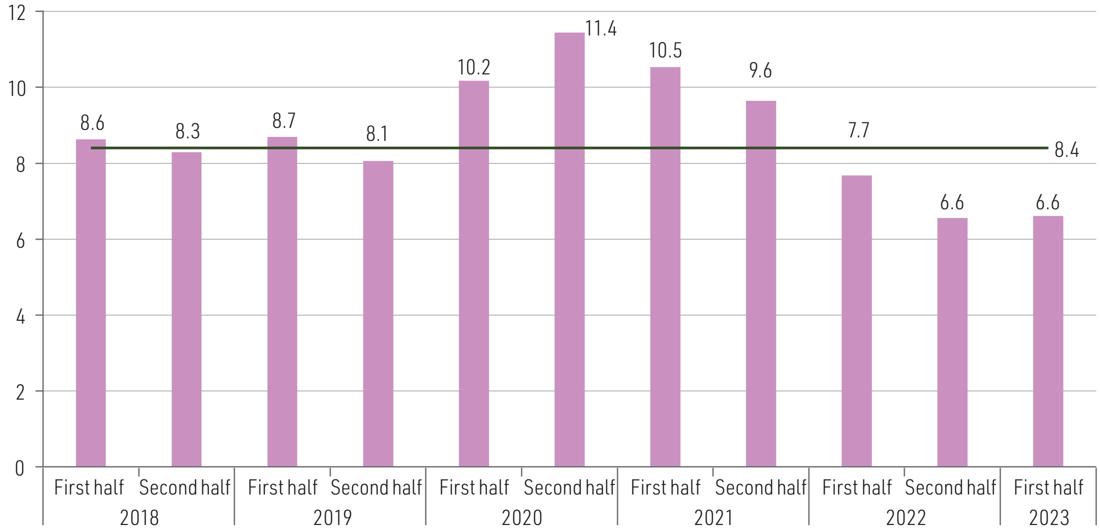
After reaching record highs in the first half of 2020 during the COVID-19 pandemic, the regional unemployment rate[3] declined steadily from the second half of 2020 onward, falling from 11.4% in the second half of 2020 to 6.6% in the first half of 2023 (see figure VI.7).

The value recorded for the first half of 2023 (6.6%) is 1.8 percentage points lower than the average between the first half of 2018 and the second half of 2019 (8.4%) and 1.1 percentage points lower than the unemployment rate in the first half of 2022 (7.7%).

[2] The economically inactive population is the portion of the working-age population who are neither employed nor actively seeking work (unemployed).

[3] Population who are unemployed but looking for work without obtaining it as a proportion of the economically active population.

Figure VI.7
Latin America and the Caribbean (15 countries):[a] regional unemployment rate, first half of 2018–first half of 2023
(Percentages)



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

ECLAC (2023) has argued that the evolution of the unemployment rate could be skewed downward by the increase in the economically inactive population since the pandemic.

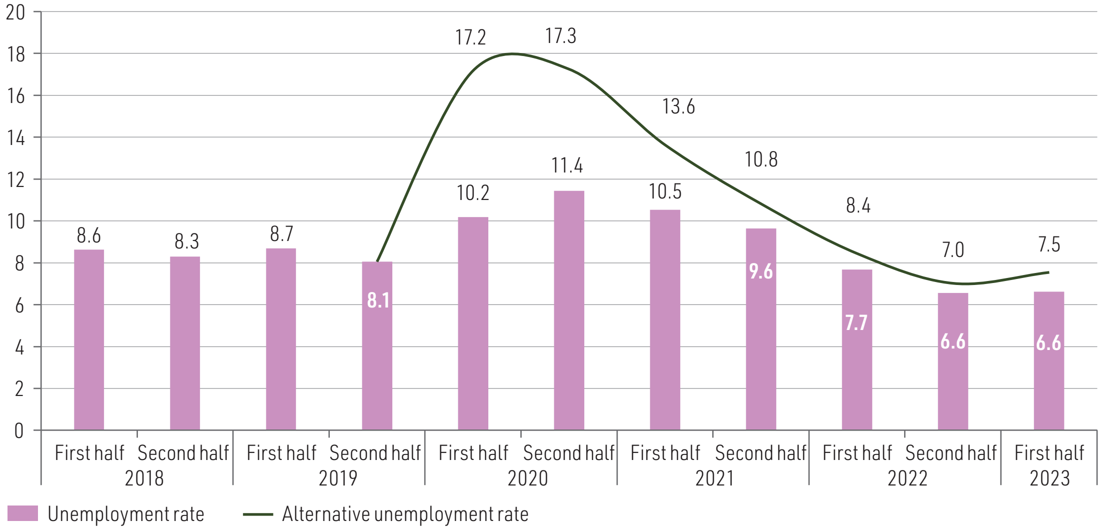
The publication cited presented an alternative measure of the unemployment rate imputing a portion of the inactive population who very probably decided not to look for work because they would not have found it if they had. When this alternative unemployment rate was estimated, assuming trend dynamics in regional labour force participation, it was found to be up to 7 percentage points higher than the rates actually recorded (see figure VI.8). Applying this adjustment to the unemployment rate in the first half of 2023 gives an alternative rate of 7.5%, 0.9 percentage points higher than the actual rate.

The unemployment rate fell almost everywhere in the first half of 2023 compared with the same period in 2022, with declines in 13 of the 15 economies that report this quarterly indicator (Chile and Uruguay being the exceptions). In the cases of Brazil, Colombia, Costa Rica, Jamaica and Paraguay, the reductions exceeded 1 percentage point (see figure VI.9). In Brazil and Costa Rica, where there were declines in the first half of 2023, the labour force participation rate has yet to recover to pre-pandemic levels. In Costa Rica, the unemployment rate fell by 2.5 percentage points and the number of employed by 0.9%. In both Colombia and Jamaica, by contrast, the labour force participation rate was higher in the first half of 2023 than in the first half of 2019.

Employment growth has slowed in all occupational categories, with only wage-earning employment growing by more than 1.0%

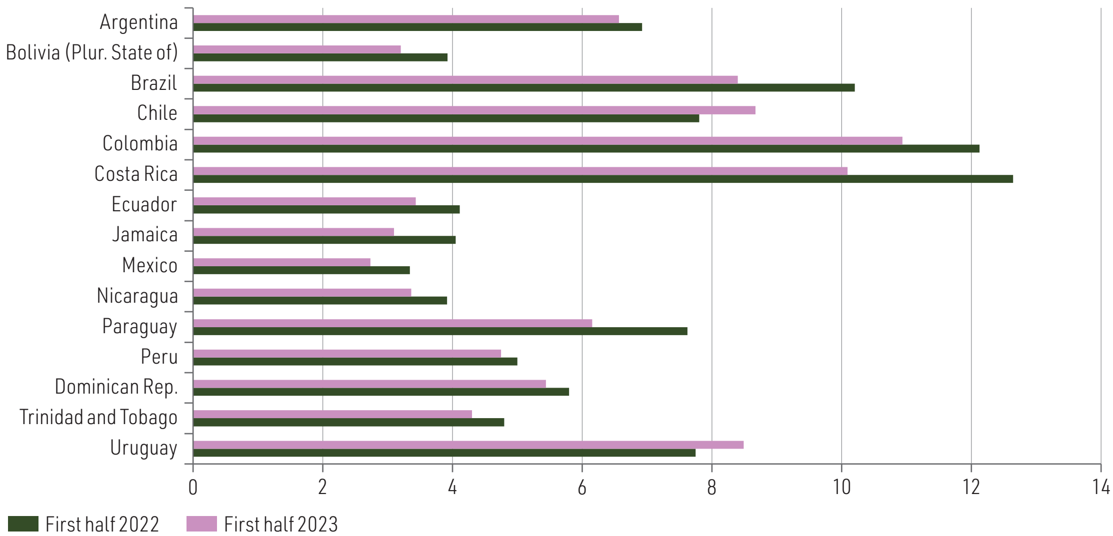
Figure VI.10 shows the evolution of the number of employed classified by the different occupational categories from the first half of 2021. Year-on-year growth was lower in the first half of 2023 than in the two halves of 2022 for all categories, and in the case of unpaid family workers there was actually a decline, with the number of employed in this category falling by 2.3%, 4.5% and 3.9% year-on-year in the first and second halves of 2022 and in the first half of 2023, respectively.

Figure VI.8
Latin America and the Caribbean (15 countries):[a] observed and alternative regional unemployment rate, first half of 2018–first half of 2023
(Percentages)



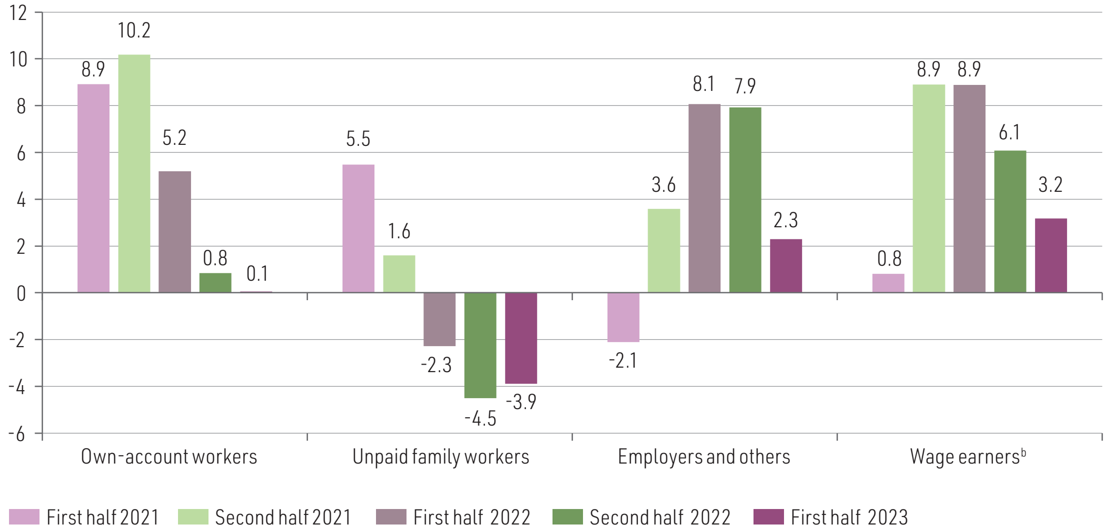
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

Figure VI.9
Latin America and the Caribbean (15 countries): observed unemployment rate, first half of 2022 and first half of 2023
(Percentages)



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

Figure VI.10
Latin America and the Caribbean (14 countries):[a] rates of growth in the number of employed by occupational category, first half of 2021–first half of 2023
(Percentages)



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

In the case of own-account workers, while there was growth year-on-year in the first half of 2023 compared with the same period in 2022, it was virtually zero (0.1%). The pace of growth in the employers and others category also slowed, from 8.1% year-on-year in the first half of 2022 (7.9% in the second half of 2022) to 2.3% in the first half of 2023. The wage-earning category, which includes those working in domestic service, showed the strongest year-on-year growth in the first half of 2023 (3.2%).

The growth trends in the various occupational categories have meant that, as of the first half of 2023, wage earners (including those employed in domestic service) accounted for 65.1% of the total number of employed, an increase of 0.7 percentage points over the first half of 2019. The share of own-account workers rose from 27.6% to 27.7% between the first half of 2019 and the first half of 2023, while that of unpaid family workers fell from 3.6% to 2.7%.

Figure VI.11, which shows employment trends in the domestic service sector, reveals a marked slowdown in the first half of 2023 relative to the same period in 2022, with growth of 0.6%. The drop of 7 percentage points from the level of growth in the second half of 2022 meant a widening of the gap in the number of employed in this category relative to the level in the first half of 2019.

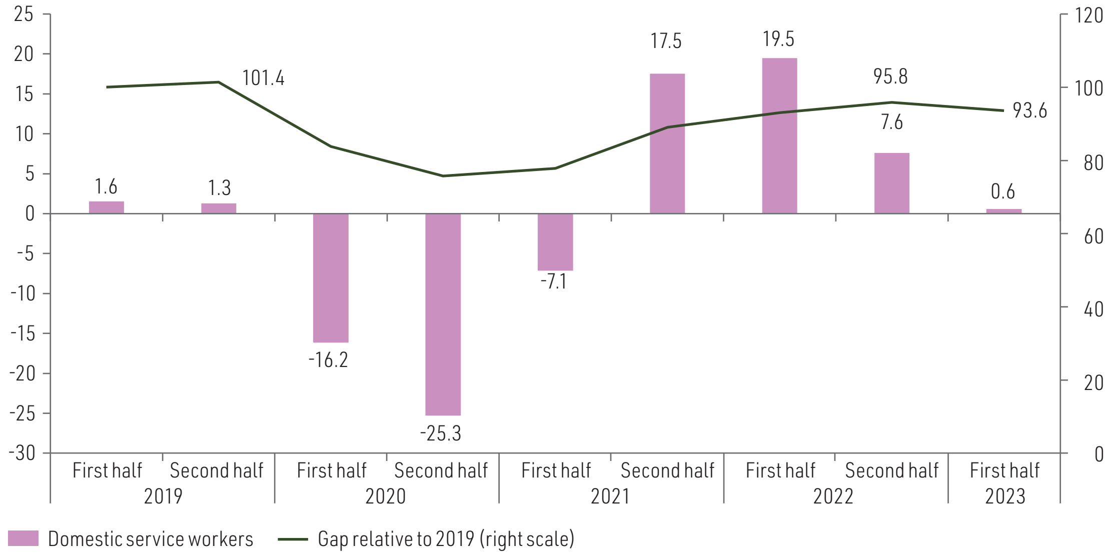
The average informal employment rate fell in the first half of 2023

Figure VI.12 shows that, as reported in ECLAC (2023), the average informal employment rate in the 11 economies reporting this indicator on a quarterly basis fell from the second half of 2021, when it stood at 48.2% of total employment. The trend was continuing as of the first half of 2023, when the average informal employment rate for the 11 countries was 47.3%, 0.5 percentage points lower than in the first half of 2022 and 0.9 percentage points lower than in the second half of 2021.

Figure VI.11

Latin America and the Caribbean (11 countries):[a] rates of growth in the number of employed in the domestic service sector, first half of 2019–first half of 2023

(Percentages)



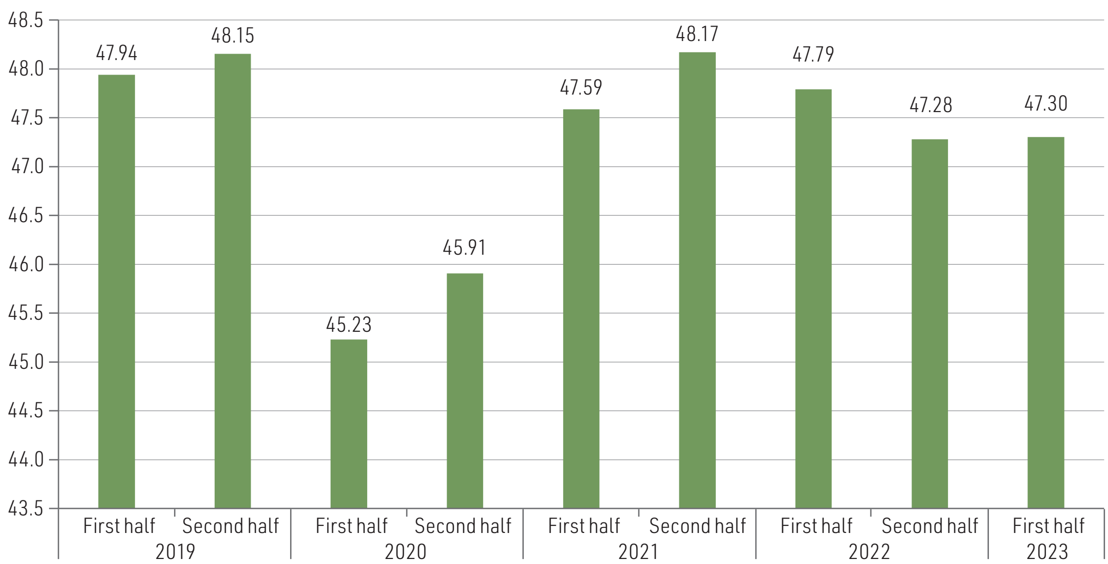
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

Figure VI.12

Latin America and the Caribbean (11 countries):[a] informal employment rate, first half of 2019–first half of 2023

(Percentages)

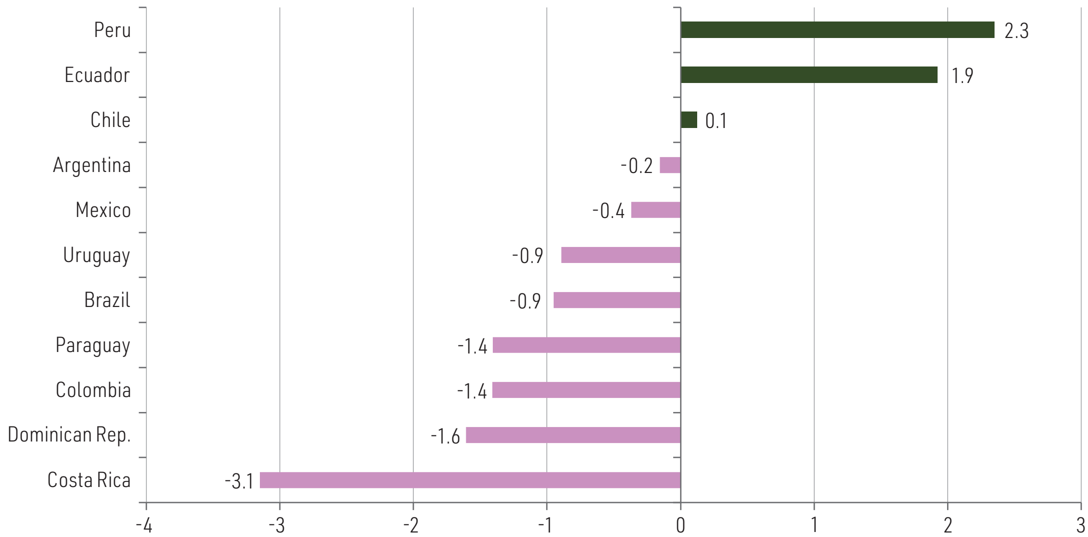


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Uruguay.

Figure VI.13 shows that informal employment fell in eight of the economies considered between the first half of 2022 and the same period in 2023, with declines of more than 1.4 percentage points in Colombia, Costa Rica, the Dominican Republic and Paraguay. Over this period, the informal employment rate rose in Chile, Ecuador and Peru, with increases of more than 1.9 percentage points in the latter two cases.

Figure VI.13
Latin America and the Caribbean (11 countries): year-on-year changes in the informal employment rate, first half of 2022–first half of 2023
(Percentages)



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

Despite the reduction in the informal employment rate, the number of people employed in the informal sector increased by 0.8% in the first half of 2023 over the same period in 2022.

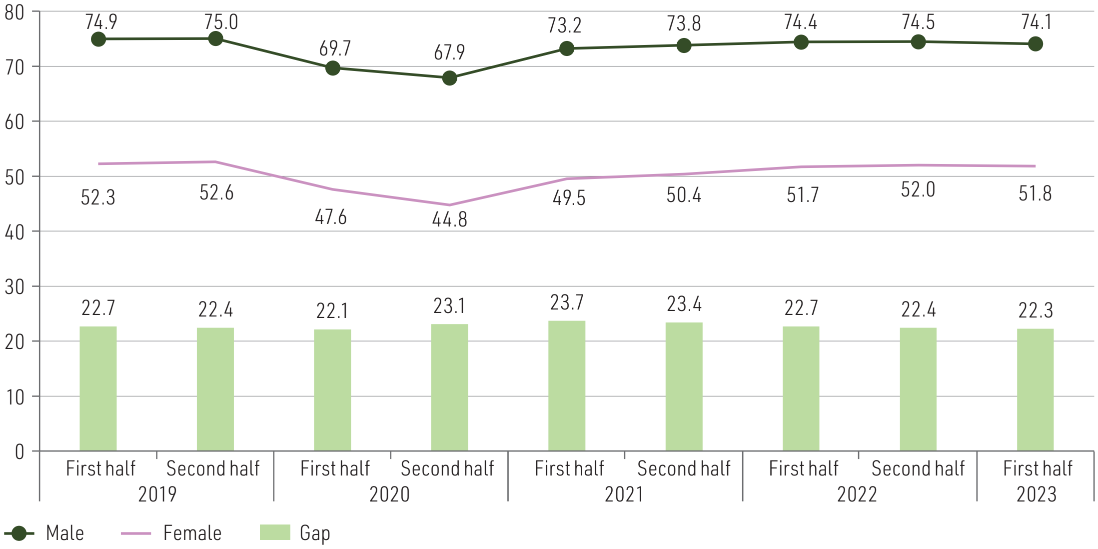
Gender gaps in labour markets have narrowed but remain significant

Gaps between men and women in key labour market indicators narrowed after the pandemic, and the trend continued in the first half of 2023.

Figure VI.14 shows that the reduction in the participation rate in the first half of 2023 compared with the second half of 2022 affected both men and women, although the fall was 0.4 percentage points for men and 0.2 percentage points for women. In this period, the difference between the male and female participation rates was 22.3 percentage points, 0.1 percentage points less than in the second half of 2022. This is the smallest gap recorded in the post-pandemic period. A comparison of these indicators with the values in the first half of 2022 shows that the gap in participation rates narrowed by 0.4 percentage points and that, in the period, the reduction was essentially due to a fall in male participation (0.3 percentage points), since female participation rose by 0.1 percentage points.

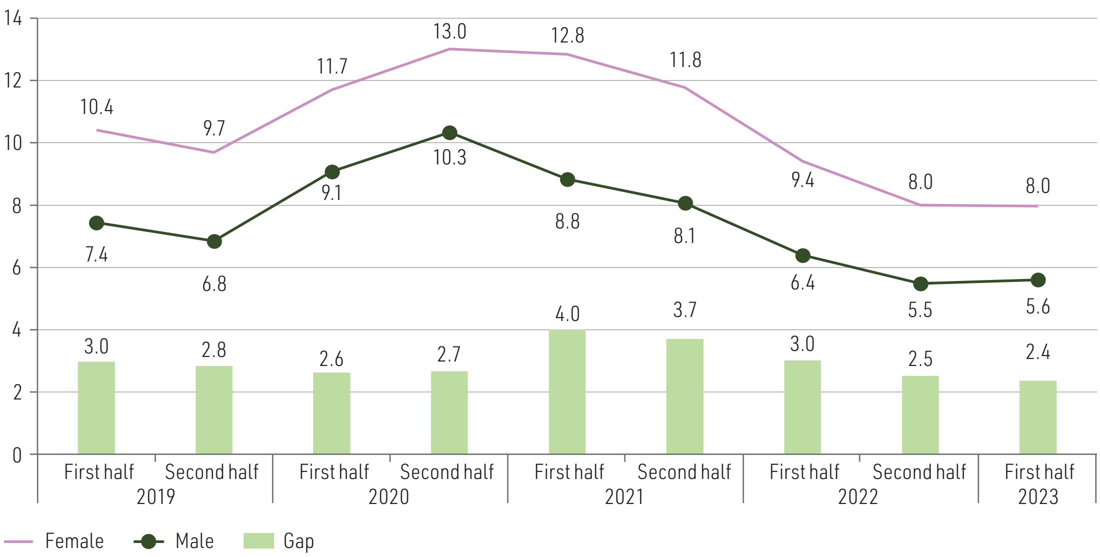
Figure VI.15 shows that the gap between the male and female unemployment rates also narrowed, from 3.0 percentage points in the first half of 2022 to 2.4 percentage points in the first half of 2023, a reduction of 0.6 basis points. Over this period, the female unemployment rate fell by 1.4 percentage points while the male rate fell by 0.8 percentage points. Comparing the values for the first half of 2023 with those for the second half of 2022 shows that the female unemployment rate held steady at 8.0% while the male rate increased by 0.1 percentage points, from 5.5% to 5.6%.

Figure VI.14
Latin America and the Caribbean (15 countries):[a] male and female participation rates and gap between them, first half of 2019–first half of 2023
(Percentages and 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, the Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

Figure VI.15
Latin America and the Caribbean (15 countries):[a] male and female unemployment rates and gap between the two rates, first half of 2019–first half of 2023
(Percentages and percentage points)



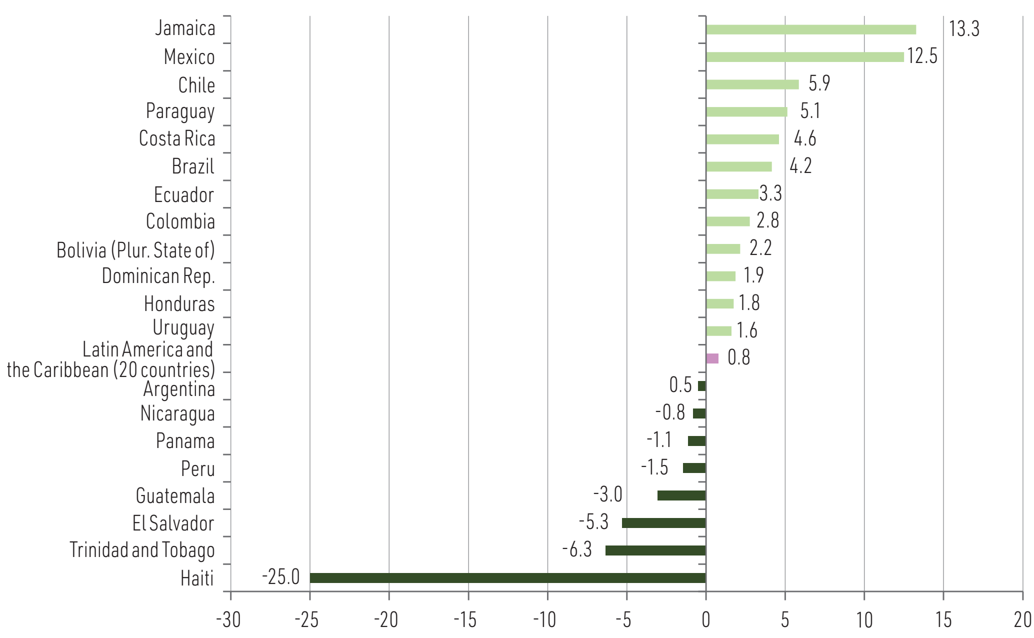
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Jamaica, Mexico, Nicaragua, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

Despite the above-mentioned reduction, large participation and unemployment gaps persist in the economies of Latin America and the Caribbean. The average participation gap in the region exceeds 20 percentage points, whereas in developed economies these gaps tend to be around 10 percentage points. In the case of the unemployment rate, gaps in the region are around 2.5 percentage points, while in developed economies they are below 0.5 percentage points (OECD, 2023).

Real wages are benefiting from lower inflation, although the purchasing power of wages has continued to deteriorate in a number of the region's countries

The reduction in inflation at the regional level, together with nominal minimum wage increases, caused minimum wages to rise in real terms in 12 of the 20 economies for which information is available, with increases of more than 10% over the levels of the first half of 2022 in Jamaica and Mexico and more than 4% in Chile, Costa Rica and Paraguay. Real minimum wages contracted in other economies of the region, however, with declines of more than 5% in El Salvador, Haiti and Trinidad and Tobago. The regional simple average increased by 0.8%, while the regional median rose by 1.8% (see figure VI.16).

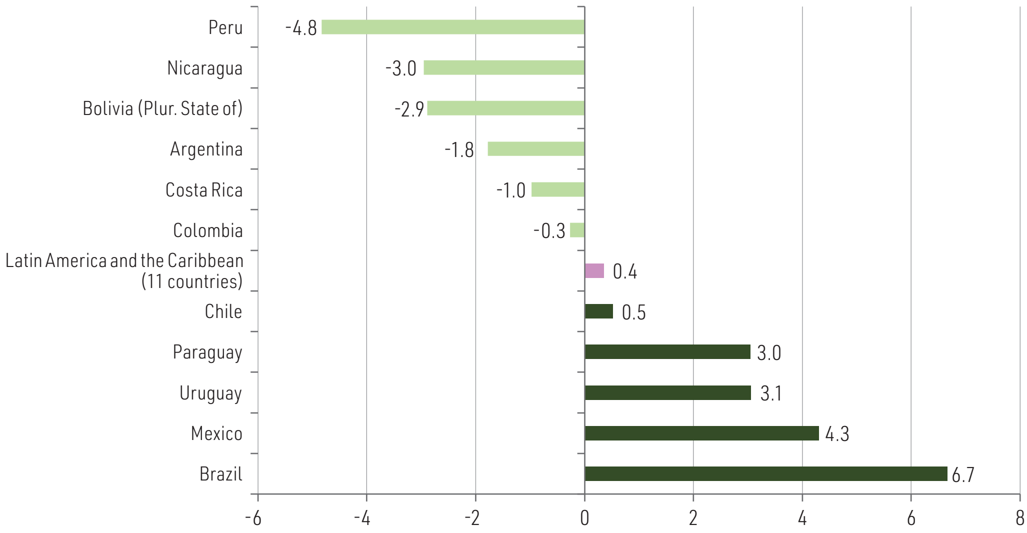
Figure VI.16
Latin America and the Caribbean (20 countries): year-on-year changes in average real minimum wages, first half of 2023
(Percentages)



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

In the first half of 2023, the average real wage in the 11 economies of the region for which information is available increased by 0.4%. This regional performance reflects a dynamic in which average real wages rose in five economies, with increases of more than 3% in Brazil, Mexico, Paraguay and Uruguay, while they fell in six economies, by more than 3% in Nicaragua and Peru (see figure VI.17).

Figure VI.17
Latin America and the Caribbean (11 countries):[a] year-on-year changes in average real minimum wages, first half of 2023
(Percentages)



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

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CHAPTER

VII

Macroeconomic policies

A. Fiscal policy

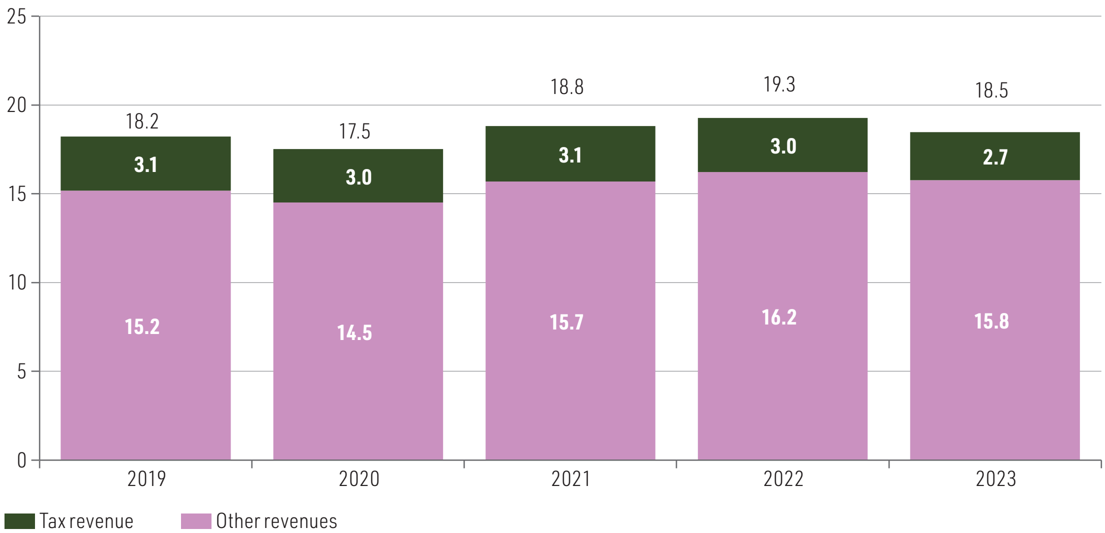
Government revenues are set to decline in the wake of sluggish growth and lower international commodity prices

According to updated official projections, total central government revenue in Latin America is expected to slip to 18.5% of GDP in 2023, compared to 19.3% in the previous year (see figure VII.1). Tax revenues are set to retreat from their 2022 peak of 16.2% of GDP. This is explained partly by the slowdown in economic activity and the fall in the prices of certain raw materials, particularly oil, minerals and metals. These projections are borne out by the behaviour of tax revenues in the first eight months of the year. In contrast to the high growth rates registered in 2022, tax revenues —particularly from the main taxes, such as value-added tax (VAT) and income tax— contracted in most countries between January and August 2023. Moreover, revenues from other sources (non-tax revenue, capital revenue and grants) are also expected to decline, particularly in countries that produce non-renewable natural resources.

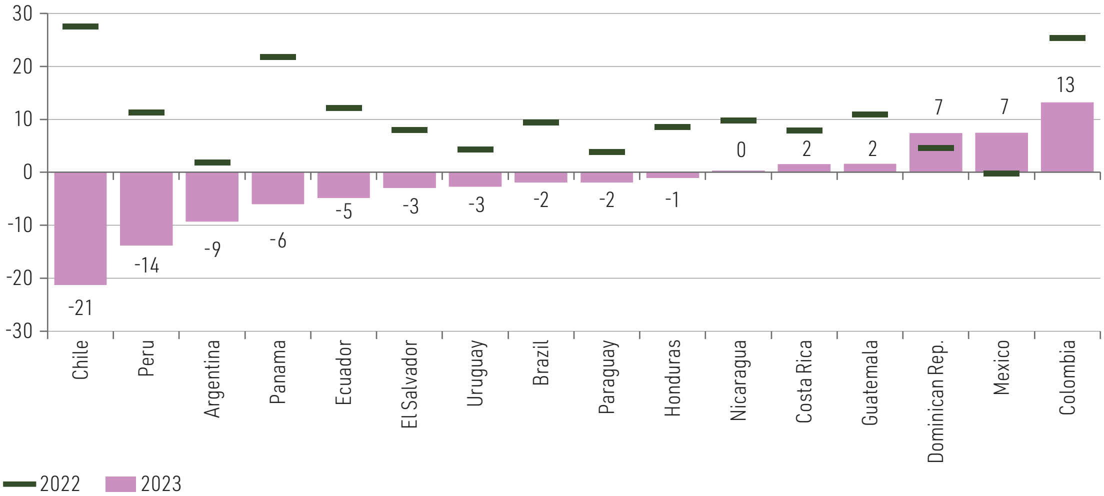
The decreased collection of value added tax (VAT) is explained mainly by revenue obtained from imports (see figure VII.2), which was affected by changes in relative prices that reduced the size of the tax base in the first eight months of the year. These included the drop in international oil prices, which meant less tax revenue from fuel imports (BCCR, 2023). There was also a reduction in the value and volumes of imported inputs and capital goods, a trend that was consistent with the weakening in gross fixed capital formation (BCRP, 2023). In some countries, such as Mexico, the appreciation of the national currency reduced the national currency value of imports, which represents the VAT tax base (SHCP, 2023).

Figure VII.1
Latin America (16 countries): central government total revenue and tax revenues, 2019–2023
(Percentages of GDP and percentages)

A. Total revenue by component, 2019-2023[a b]
(Percentages of GDP)



B. Year-on-year change in tax revenues, excluding social contributions, January–August 2023 and January–August 2022[c]
(Percentages on the basis of constant prices)

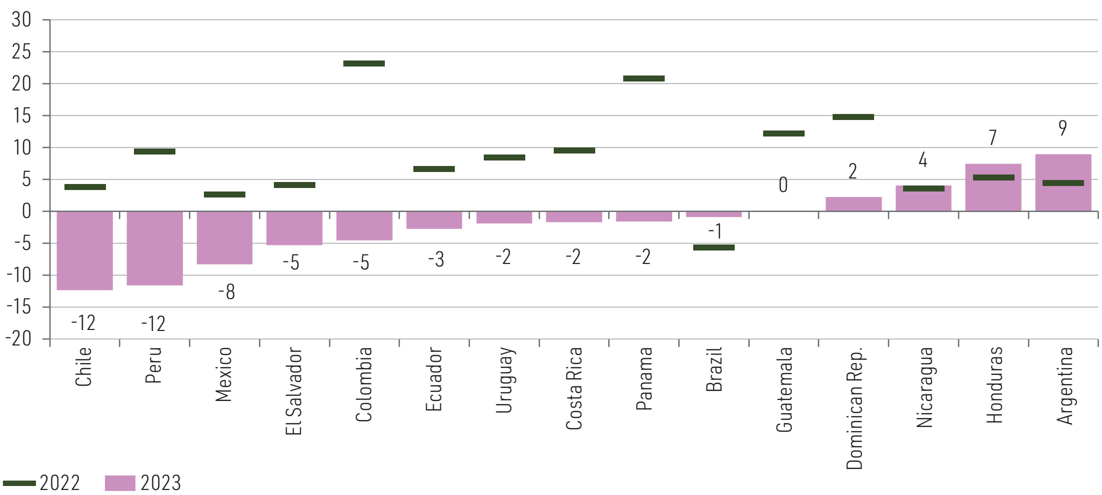


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[b] Simple averages. The figures for 2023 are official estimates for the year. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and general government, respectively.
[c] The figures for Colombia, Ecuador, Honduras and Nicaragua refer to January–July.

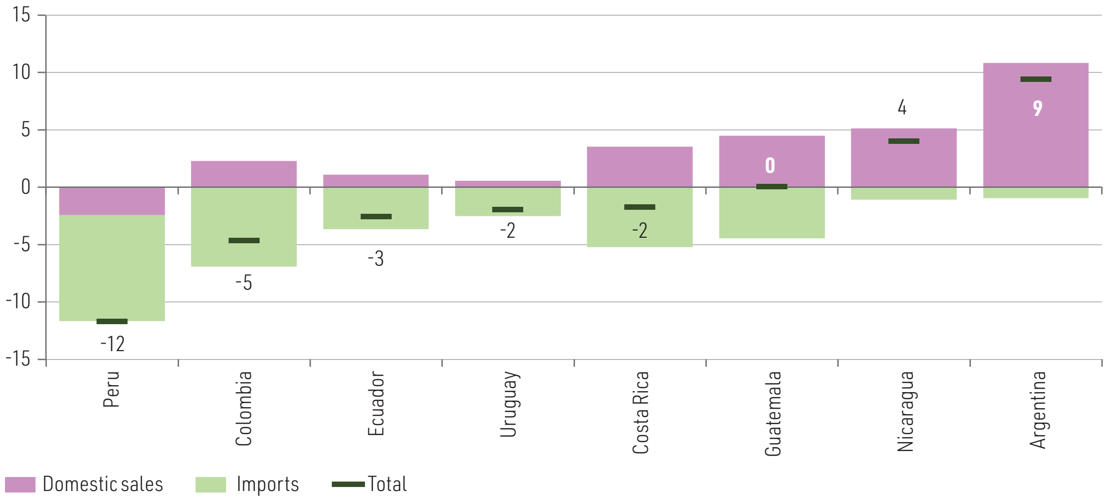
The knock-on effect of the contraction of VAT receipts from imports was offset in whole or in part by increased VAT revenue from domestic sales, in which private consumption displays a degree of resilience. This situation is particularly evident in the Central American countries —such as Costa Rica, Guatemala and Nicaragua— where private consumption has been boosted by buoyant family remittances, especially from the United States. In the case of Argentina, the increase in VAT collected on domestic-market sales partly reflects the bringing forward of private consumption in an inflationary context.

Figure VII.2
Latin America (15 countries): central government revenue from value added tax (VAT), January–August 2023 and January–August 2022[a]
(Percentages and percentage points)

A. Year-on-year change, January–August 2023 and January–August 2022
(Percentages on the basis of constant prices)



B. Contribution of each component to the change variation, January–August 2023
(Percentages on the basis of constant prices and percentage points)

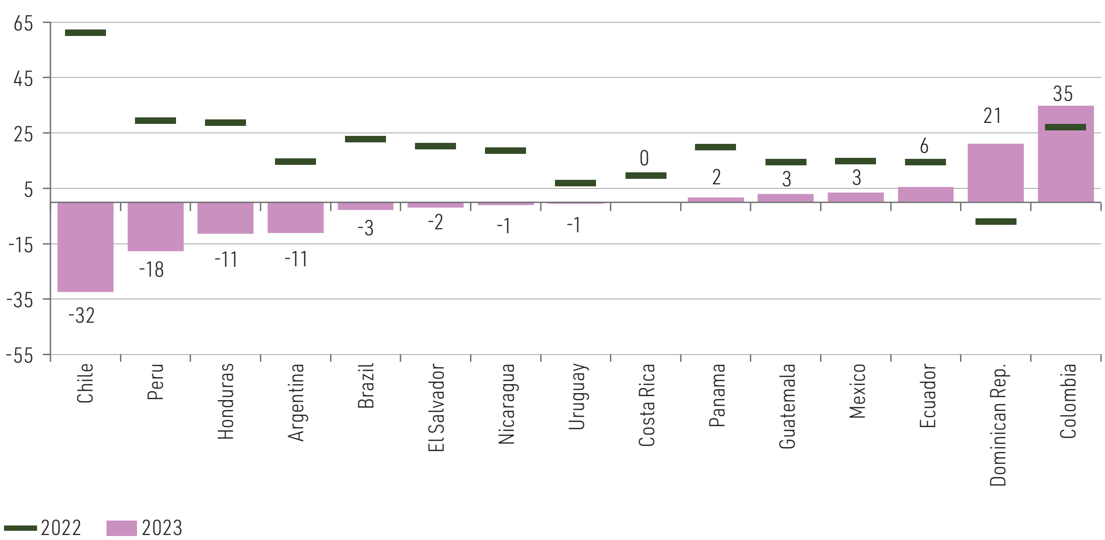


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures for Ecuador, Honduras and Nicaragua refer to January–July.

Income tax revenue slowed sharply, and even contracted, in the first eight months of the year (see figure VII.3). This is explained in part by reduced collection from annual returns, which in 2022 had attained record levels in some countries (DIPRES, 2023; BCRP, 2023; Ministry of Finance of Brazil, 2023). In keeping with the above, the decrease in the tax payment for the 2022 fiscal year implied lower coefficients when calculating payments on-account for fiscal 2023. These general trends largely reflect the performance of corporate income tax (IRPJ), which is the main component of income tax in the region. In this regard, the fall in commodity prices had a major effect, reducing corporate income tax revenues in Brazil and Peru —and to a lesser extent in Chile— from the extractive sector.

Figure VII.3
Latin America (15 countries): central government revenue from income tax, January–August 2023 and January–August 2022[a]
(Percentages and percentage points)

A. Year-on-year change in total income tax collection, January–August 2023 and January–August 2022
(Percentages on the basis of constant prices)



B. Year-on-year change in corporate income tax collection and contribution by sector to the change variation, January–August 2023[b]

(Percentages on the basis of constant prices and percentage points)

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

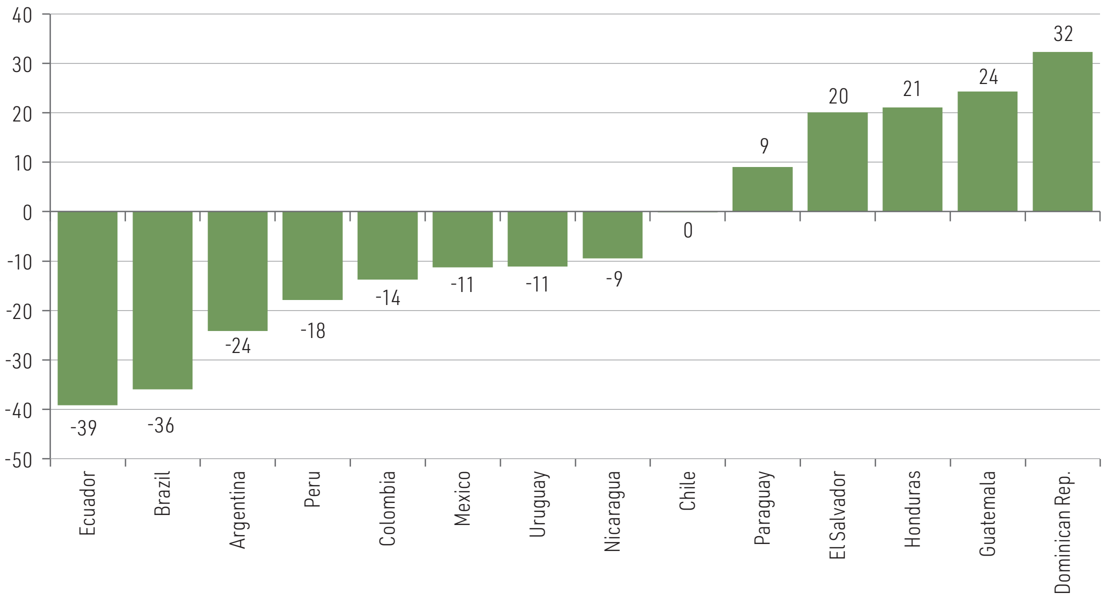
[a] The figures for Ecuador, Honduras and Nicaragua refer to January–July. The figures for Peru refer to revenue from income tax, the special mining tax and temporary tax on net assets.

[b] The figures for Chile refer to total income tax revenue and income tax payments by private mining enterprises.

In contrast, corporate income tax revenue grew strongly in some countries. In Colombia, this increase is explained mainly by the amendments made to the tax code in the tax reform adopted in late 2022. In the case of corporate income tax, in particular, the general statutory tax rate was raised (from 31% to 35%), and surcharges were imposed on financial institutions (an additional 5 percentage points between 2023 and 2027), and also on the extractive sector (progressive rates of 0, 10 or 15 percentage points, depending on the product and average price, on a permanent basis), and on hydroelectric power companies (a surcharge of 3 percentage points between 2023 and 2026). In addition, royalties were made non-deductible for corporate income tax, and measures were adopted to tackle tax-base erosion and profit shifting. In the Dominican Republic, the Government and a group of financial entities reached an agreement on an advance payment of corporate income tax, worth 0.4% of GDP (BCRD, 2023).

In line with official projections, revenues from other sources declined in the first eight months of the year (see figure VII.4). In countries that produce non-renewable natural resources —such as Brazil, Ecuador, Mexico and Peru— revenues from royalties and other participations in the commercial value of production fell sharply in the wake of the drop in the prices of oil and certain minerals and metals. In Brazil, this was compounded by a reduction in dividends received by the federal government from Petrobras, and the high basis of comparison represented by the 2022 figures. In that year, exceptional income had been received from signature bonuses related to the second round of bidding for the transfer of rights surplus (Secretariat of the National Treasury of Brazil, 2023). In Colombia too, the dividends received by the central government from Ecopetrol also decreased (Ministry of Finance and Public Credit of Colombia, 2023a). In Chile, the reduction in revenues obtained from copper mining was more than offset by property income associated with lithium mining contracts (DIPRES, 2023).

Figure VII.4
Latin America (14 countries): year-on-year change in central government revenues from sources other than tax revenues, January–August 2023[a]
(Percentages on the basis of constant prices)



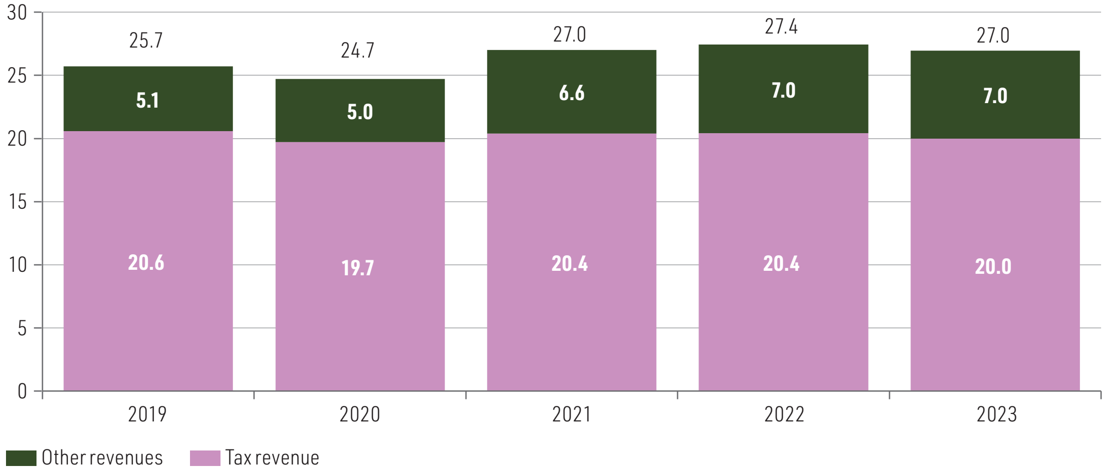
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures for Colombia, Ecuador, Honduras and Nicaragua refer to January–July.

In the Caribbean, updated official projections point to total revenue edging down slightly in 2023, to 27.0% of GDP compared to 27.4% in 2022 (see figure VII.5). This is explained by a reduction in tax revenues, as reflected in the figures for tax collection in several countries during the first half of the year. Receipts from corporate income tax levied on firms in the extractive sector fell sharply in Suriname and Trinidad and Tobago, in line with the drop in commodity prices (Ministry of Finance of Trinidad and Tobago, 2023). In Suriname, a value added tax replaced the sales tax in January and generated limited revenue in the first three months of the year, but began to strengthen in the second quarter (Ministry of Finance and Planning of Suriname, 2023). In contrast to the other Caribbean countries that produce non-renewable natural resources, in Guyana the expansion of oil production generated a significant increase in income tax payments by firms in the extractive sector.

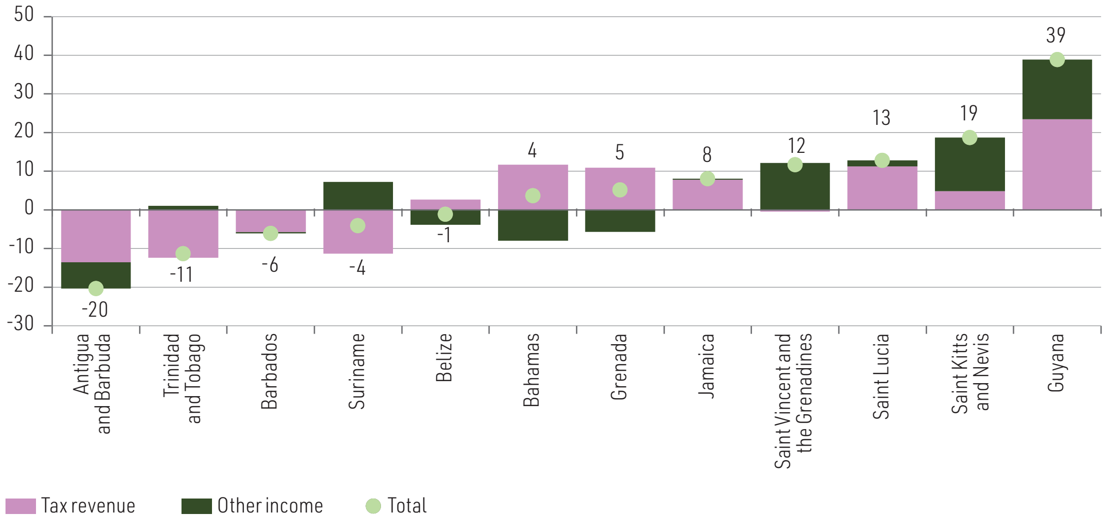
The stability of revenues from other sources projected for 2023 in the Caribbean is explained by growth in countries such as Guyana, Saint Kitts and Nevis, and Saint Vincent and the Grenadines. In the case of Guyana, the central government made withdrawals from the Natural Resource Fund, a sovereign wealth fund financed by oil revenues. Although of a lesser magnitude, it is important to note that Guyana received revenues from carbon credits for the first time during the first half of the year, having agreed the first commercial sale of carbon credits in December 2022, under the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD). The credits in question were sold to the Hess Corporation to finance projects aimed at protecting the country's forests (Guyana Ministry of Finance, 2023). In Saint Kitts and Nevis and Saint Vincent and the Grenadines, there were increased revenues from the citizenship-by-investment programmes.

Figure VII.5
The Caribbean (12 countries): central government total revenue and tax revenues, 2019–2023
(Percentages of GDP and percentages)

A. Composition of total revenue, 2019–2023[a b]
(Percentages of GDP)



B. Year-on-year change in total revenue by component, January–June 2023[c]
(Percentages on the basis of constant prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[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.
[b] Simple averages. The figures for 2023 are official estimates for the year. The figures for Barbados refer to the non-financial public sector and those for Saint Kitts and Nevis refer to the federal government.
[c] The figures for the Bahamas refer to January–May.

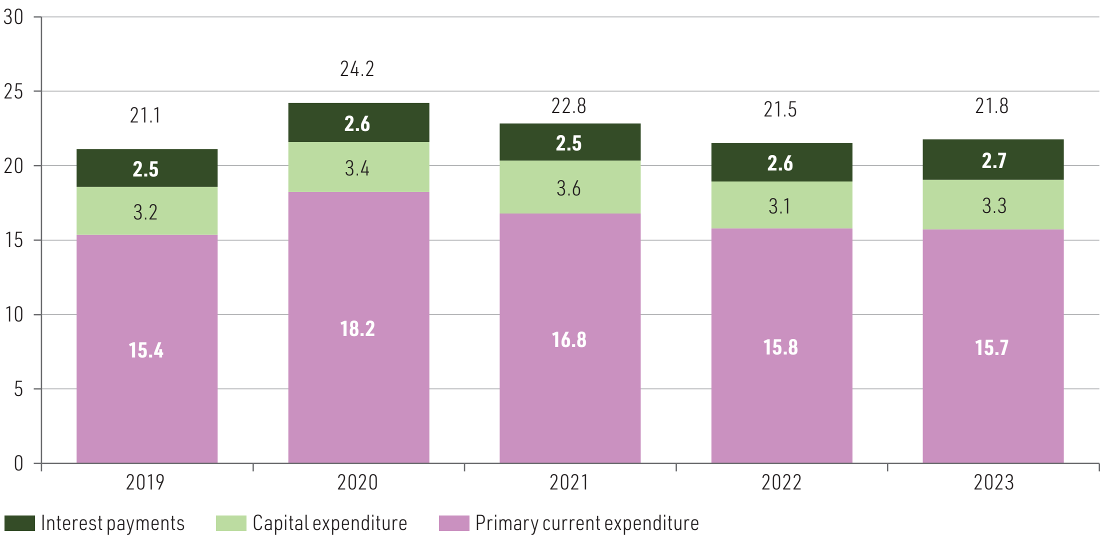
Public spending is expected to grow again, following two consecutive years of contraction

The latest official projections see total expenditure in Latin America rising slightly in 2023 to 21.8% of GDP from 21.5% in 2022 (see figure VII.6), owing to small increases in capital spending and interest payments. In contrast, primary current expenditure is expected to maintain the previous year's level.

As a result, overall primary expenditure is expected to increase slightly during the year; and the figures reported for the first eight months of 2023 are in line with these projections, as most countries posted positive growth rates. Meanwhile, the increase in interest payments reflects both the level of public debt and short-term contextual factors, including interest rate hikes and exchange rate fluctuations. It should be borne in mind that these projections for total expenditure could be affected by adjustments to close fiscal gaps at the end of the year, especially if tax collection contracts by more than expected.

Figure VII.6
Latin America (16 countries): central government total and primary expenditure, 2019–2023
(Percentages of GDP and percentages)

A. Composition of total expenditure, 2019–2023[a b]
(Percentages of GDP)

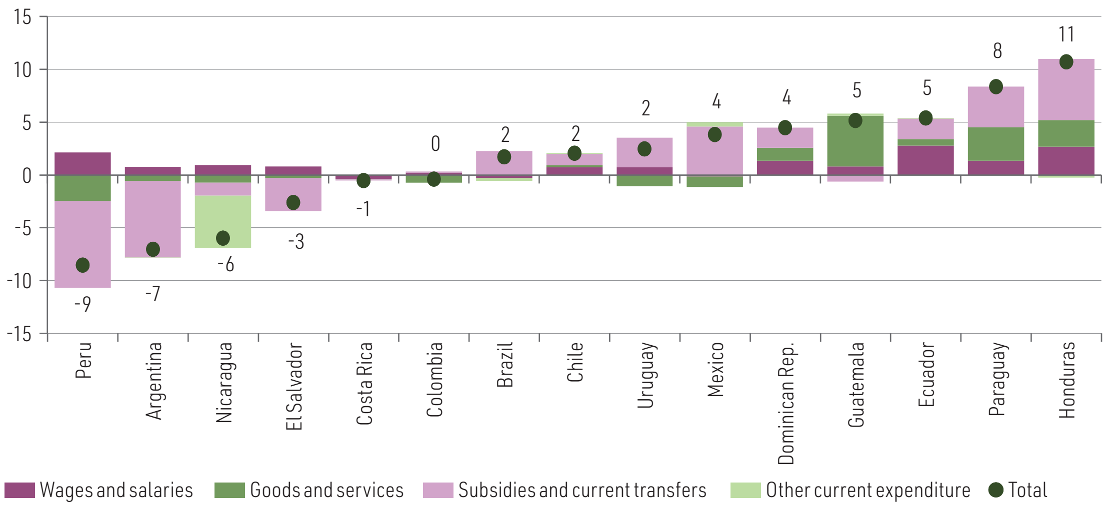


B. Year-on-year variation in primary expenditure, January–August 2023 and January–August 2022[c]
(Percentages on the basis of constant prices)

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, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[b] Simple averages. The figures for 2023 are official estimates for the year. In the cases of Argentina, Mexico and Peru, the figures refer to the national public administration, the federal public sector and general government, respectively.
[c] The figures for Colombia, Ecuador, Honduras and Nicaragua refer to January–July.

Although primary current expenditure is expected to remain stable relative to GDP, the situation in the first eight months of the year varies across countries (see figure VII.7). The behaviour of the various components of primary current expenditure lends itself to certain stylized facts. Firstly, subsidies and current transfers made a positive contribution in most countries, marking a break in the trend observed since 2021, when this expenditure component was reduced following the withdrawal of the emergency programmes implemented in response to the coronavirus disease (COVID-19) pandemic. Secondly, spending on goods and services increased in countries such as Guatemala and Honduras, partly because of increased purchases of inputs for public investment, and of health supplies, such as vaccines. Lastly, there were higher disbursements for wages and salaries, partly to offset rising prices.

Figure VII.7
Latin America (15 countries): year-on-year variation in central government primary current expenditure by component, January–August 2023[a]
(Percentages on the basis of constant prices)



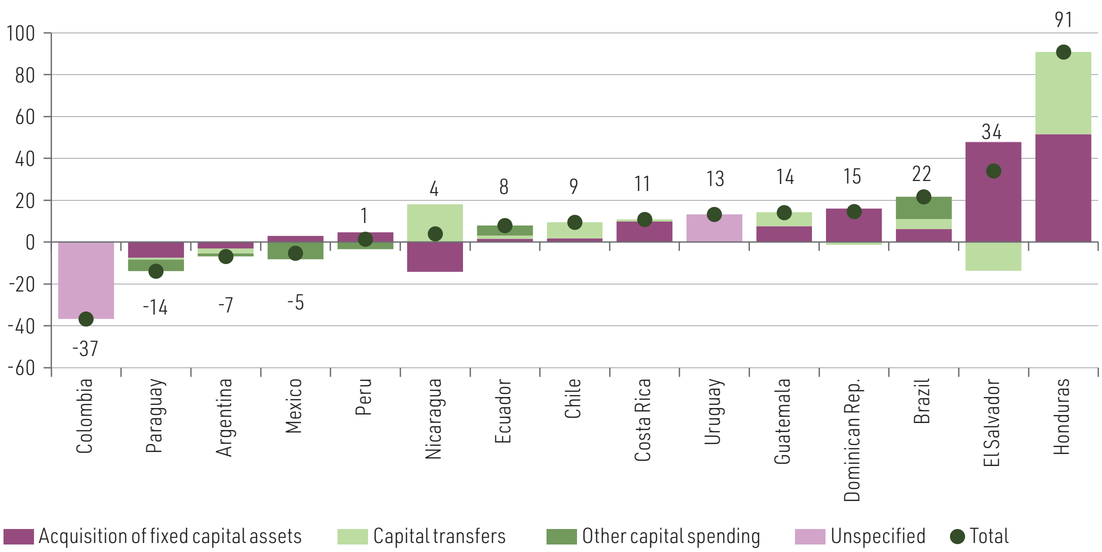
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures for Colombia, Ecuador, Honduras and Nicaragua refer to January–July.

In terms of subsidies and current transfers, there was an increase in spending associated with social programmes and measures to influence the price of basic goods and services. This was exemplified in Honduras by central government transfers to national electric power company, Empresa Nacional de Energía Eléctrica, partly as a continuation of the programme to mitigate the rise in household energy prices through a subsidy on electricity consumption (National Congress of Honduras, 2022). In Mexico, a 25% hike in the bimonthly instalment of the Pension for the Well-being of Older Persons (Secretariat of Welfare of Mexico, 2023) had a major impact. In Paraguay also, there were increased expenditures on retirement and other pensions, and on the Food Pension for Older Persons programme, as well as a 25% increase in the cash transfer provided by the *Tekoporâ Mbarete* programme (formerly *Tekoporâ*). The latter measure was applied retroactively as from July (Ministry of Economy and Finance of Paraguay, 2023; Paraguay, Office of the President of the Republic of, 2023).

In Peru, in contrast, expenditure contracted, owing to the progressive withdrawal of measures implemented to address the COVID-19 pandemic, compounded by the expiry of certain anti-inflation programmes that had been launched in 2022 (MEF, 2023). Nonetheless in 2023 a set of measures were implemented under the *Con Punche Peru* initiative, which includes transfers to support the most vulnerable households and individuals and promote economic reactivation. Similarly, expenditure in Argentina reflected the high comparison base of the previous year, when several emergency transfers were implemented to bolster the income of priority groups (OPC, 2023). In addition, expenditure on energy subsidies was cut back.

In terms of public investment, capital expenditures are expected to rise slightly in 2023; and figures reported for the first eight months of the year corroborate these projections in most countries. In Costa Rica, the Dominican Republic, El Salvador, Guatemala and Honduras, spending to acquire fixed assets made an important contribution to the growth of capital expenditure (see figure VII.8). In Costa Rica, road transport projects were significant (Ministry of Finance of Costa Rica, 2023); and in Honduras, the growth of public investment is due partly to the execution of electricity and road projects (BCH, 2023). In the Dominican Republic, transport-related projects —such as the expansion of the Santo Domingo subway— and the construction and rehabilitation of schools and hospitals, were among the leading expenditure items (Ministry of Finance of the Dominican Republic, 2023).

Figure VII.8
Latin America (15 countries): year-on-year variation in central government capital expenditure by component, January–August 2023[a]
(Percentages on the basis of constant prices)

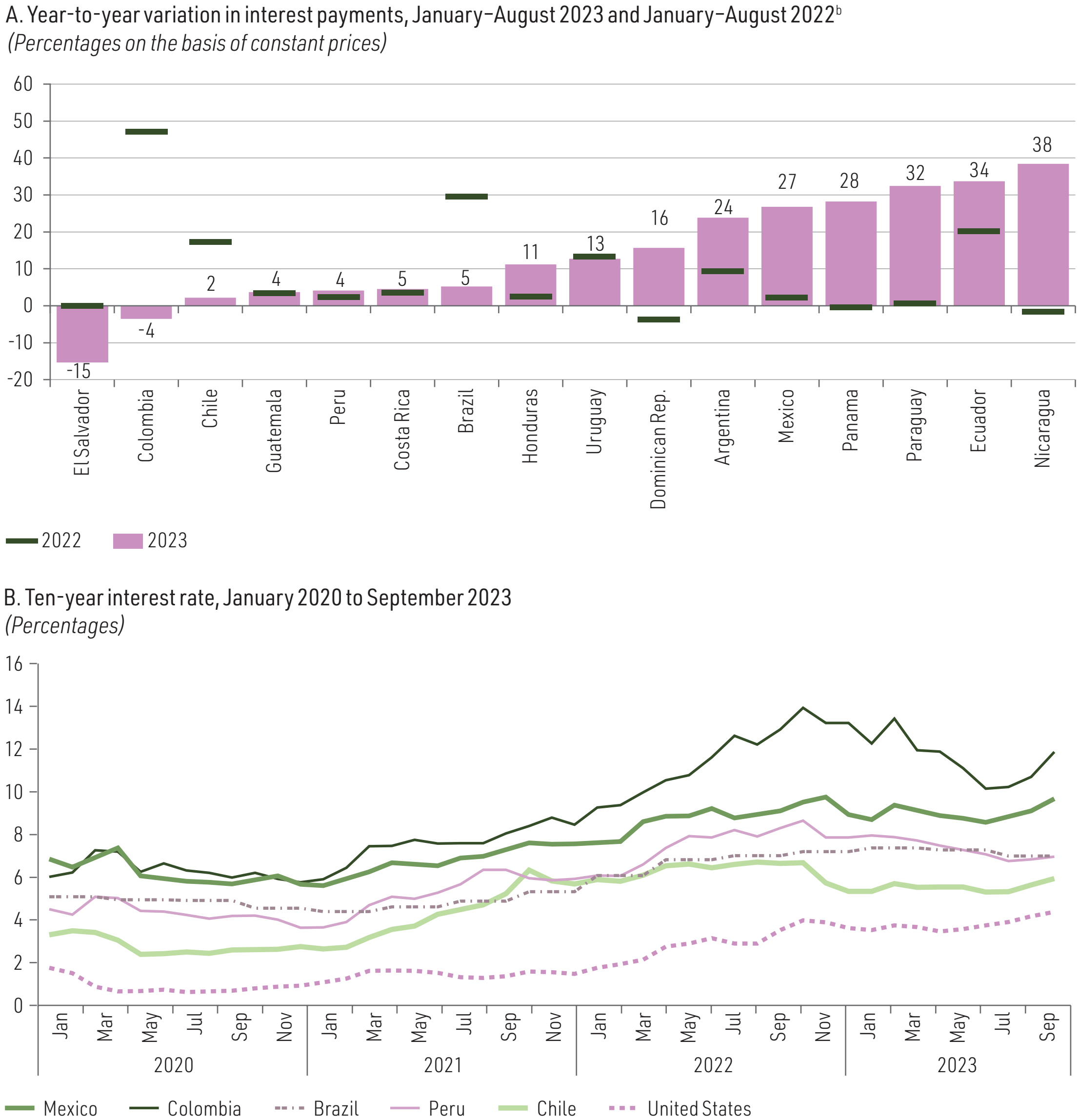


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The figures for Colombia, Ecuador, Honduras and Nicaragua refer to January–July.

Among the other components of capital spending, there were key contributions in Brazil, Honduras and Nicaragua. In Brazil, large capital transfers were made in July to relaunch the *Minha Casa, Minha Vida* (My House, My Life) programme (Brazil, Presidency of the Republic, 2023); in Honduras, major capital transfers were made to the National Agricultural Development Bank to finance the Productive Technology Bond and also to the National Electricity Company (BCH, 2023). In Nicaragua, capital transfers were led by resource transfers to the municipalities, which almost doubled compared to the previous year (BCN, 2023).

Interest payments grew significantly in the first eight months of the year (see figure VII.9). Interest payments on the external debt rose sharply as a result of the hike in international interest rates, particularly benchmark rates such as that of the United States 10-year bond. In Argentina, Ecuador and Mexico, higher rates on international bonds and loans had a major effect on interest payments (OPC, 2023; Ministry of Economy and Finance of Ecuador, 2023; SHCP, 2023). In contrast, in Nicaragua, Panama and Paraguay, the increase is due mainly to higher interest payments on debt contracted with multilateral lenders (Ministry of Finance and Public Credit of Nicaragua, 2023; Ministry of Economic Affairs and Finance of Panama, 2023; Ministry of Economic Affairs and Finance of Paraguay, 2023).

Figure VII.9
Latin America (16 countries) and the United States: central government interest payments[a] and 10 year interest rate on public debt, 2020–2023
(Percentages)



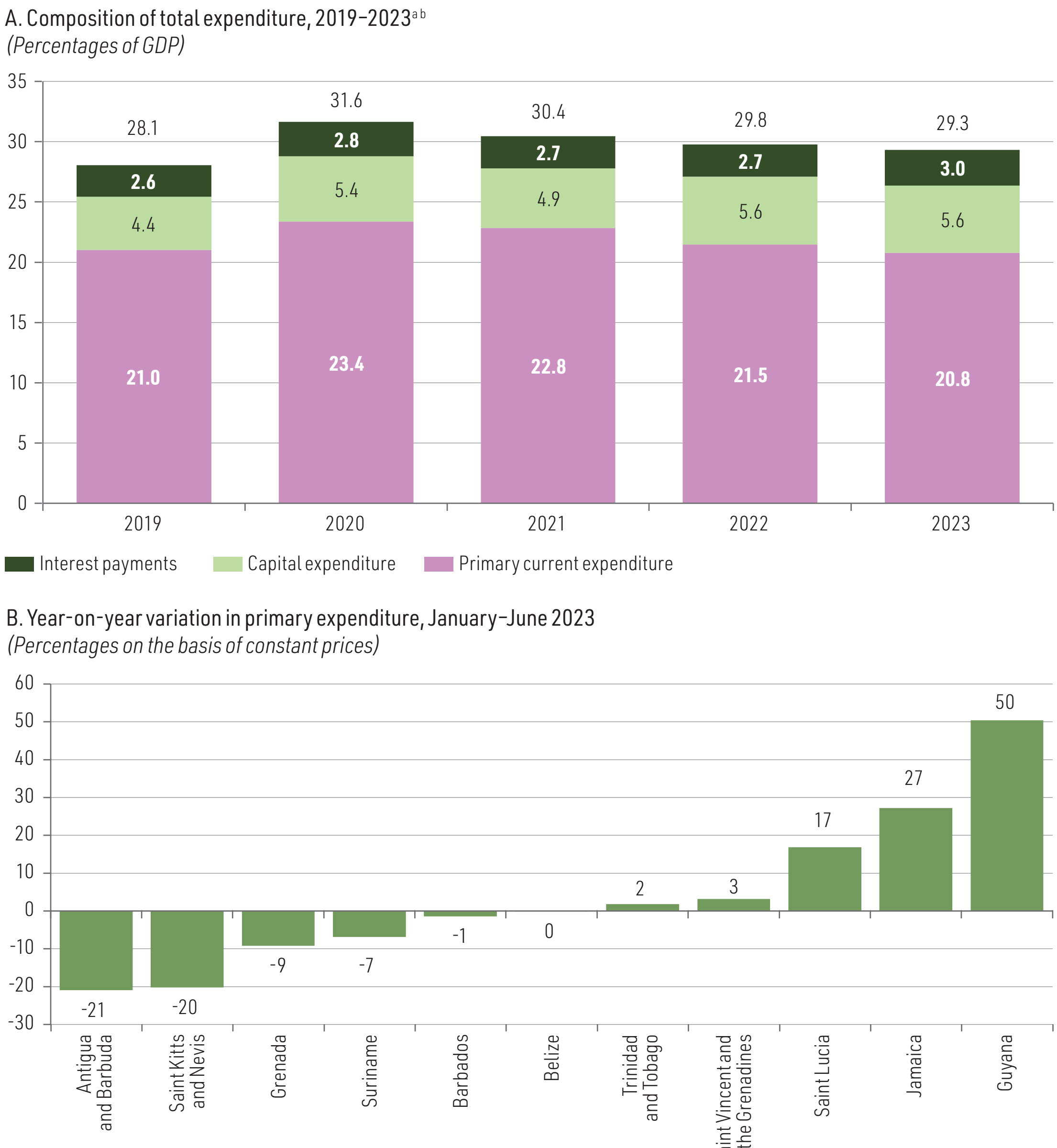
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and Organisation for Economic Co-operation and Development (OECD), OECD.Stat [online database] https://stats.oecd.org/.
[a] The figures for Argentina and Mexico refer to the national public administration and federal public sector, respectively.
[b] The figures for Colombia, Ecuador, Honduras and Nicaragua refer to January–July.

In the Caribbean, total spending in 2023 is projected to ease down to 29.3% of GDP from 29.8% in 2022 (see figure VII.10). The latest projections anticipate a sharp fall in primary current expenditure, with cuts in subsidies and current transfers. However, in the first half of the year, the performance of this expenditure component was mixed, with several countries making a positive contribution to the year-on-year variation. In Jamaica, payroll expenses increased, following the implementation of a new compensation system for public employees (Ministry of Finance and the Public Service of Jamaica, 2023). In Guyana, there were significant increases in the monthly instalments of the old age pension, starting in January, and in the cash transfer of the “Because We Care” programme, targeted at school-age children (Ministry of Finance of Guyana, 2023).

Figure VII.10

The Caribbean (12 countries): central government total and primary expenditure, 2019–2023

(Percentages of GDP and percentages)



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

[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.

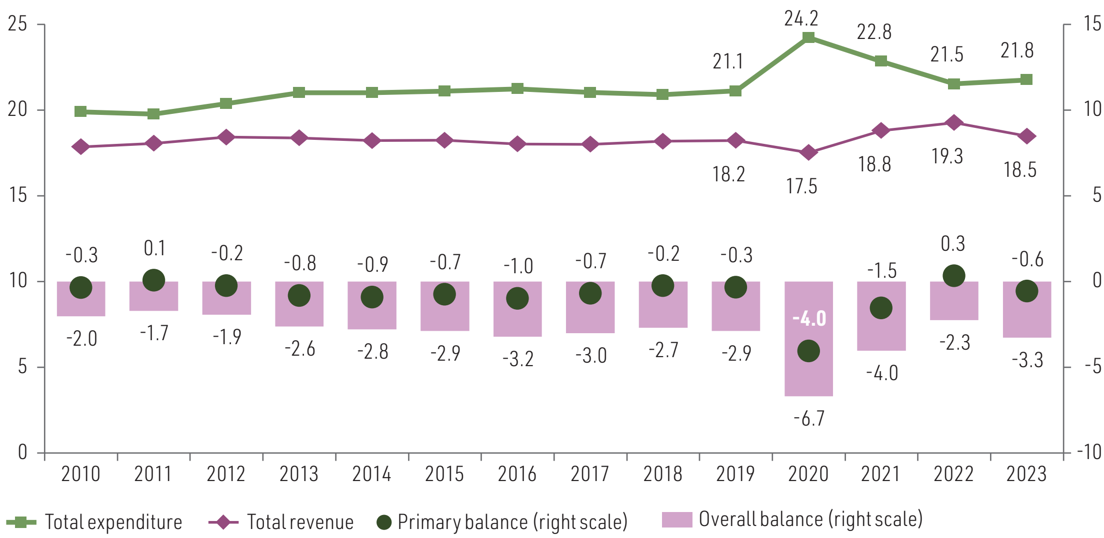
[b] Simple averages. The figures for 2023 are official estimates for the year. The figures for Barbados refer to the non-financial public sector and those for Saint Kitts and Nevis refer to the federal government.

Capital expenditures are expected to remain stable around their 2022 level, although the figures for the first half of the year vary across countries. In Guyana, expenditure on the public investment programme more than doubled, driven by the construction of hospitals, schools, housing, roads and agricultural infrastructure. It should be kept in mind that the execution of capital expenditures tends to be concentrated in the last quarter, so the figures for the first half of the year do not necessarily indicate the level of spending that will be achieved by the year-end. Interest payments are also expected to rise during the year, considering the increases recorded in the first six months. In particular, international interest rate hikes have had a major effect on interest payments on variable-rate debt (Central Bank of Barbados, 2023; Ministry of Finance of Guyana, 2023).

Primary fiscal balances are expected to return to deficit in Latin America, while the primary surplus is set to increase in the Caribbean

In Latin America, the fiscal position of central governments is expected to worsen in 2023, with an overall deficit of 3.3% of GDP, compared to 2.3% in 2022 (see figure VII.11). The primary balance is expected to register a deficit again after having posted its first surplus since 2011 (0.3% of GDP) in 2022. The main influence on the fiscal balances is the expected reduction in total revenue, reflecting the slackening of tax revenue intake in a lower growth context, compounded by lower international commodity prices. Moreover, the rebound in total revenue in 2021 and 2022, when it climbed to a record level, contributed significantly to reducing the fiscal deficits in both years. Total spending is expected to increase, in line with the demands faced by countries to alleviate the impact of price increases on households and the desire to boost public investment to reactivate economic growth.

Figure VII.11
Latin America (16 countries):[a] central government fiscal indicators, 2010–2023[b]
(Percentages of GDP)

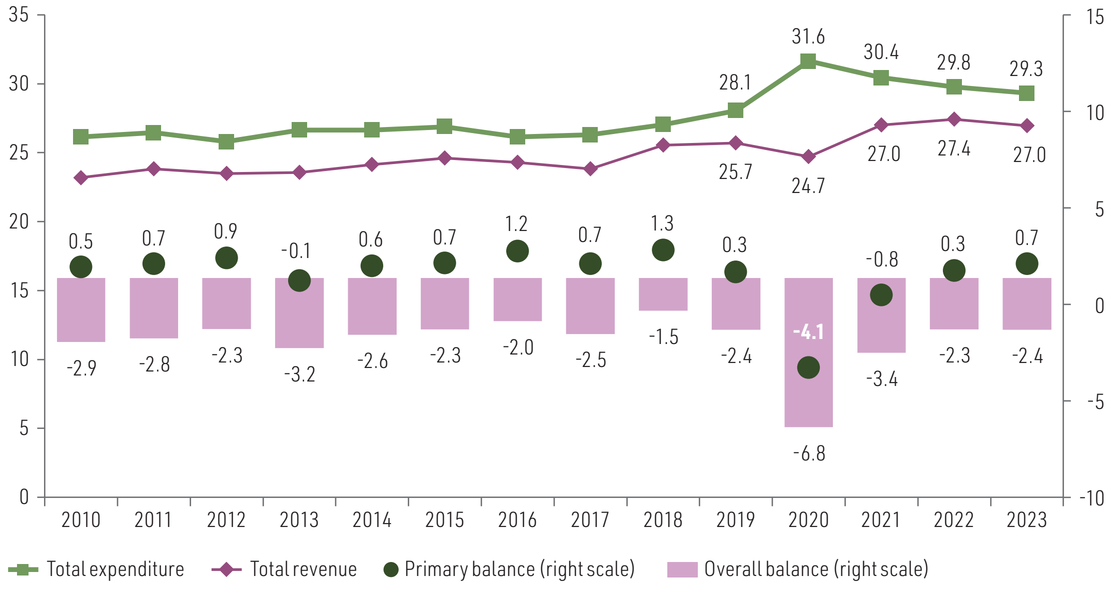


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.
[b] Simple averages. The figures for 2023 are official estimates for the year. The figures for Argentina, Mexico and Peru refer to the national public administration, the federal public sector and general government, respectively.

Despite the aforementioned public policy objectives, countries could face increasing pressures to curb public spending at the end of the year, as fiscal balances deviate from the targets set in budgets and fiscal rules. Capital expenditure, in particular, could be impacted, as it has been used as the main fiscal adjustment variable over the last decade. Moreover, fiscal space could shrink further as rate hikes boost interest payments —both domestic and international— in respect of floating-rate debt and new debt issuance.

In the Caribbean, the latest projections indicate a different fiscal balance trend than that observed in Latin America. The similar expected reduction in total revenue and expenditure would leave the overall deficit at a level close to that of the previous year (see figure VII.12). Nonetheless, the primary surplus is expected to grow to 0.7% of GDP, compared to 0.3% in 2022. This is explained by a significant curtailment of primary expenditure expected in several countries. Compounding this is the growth of interest payments resulting from the hike in international benchmark rates for variable-rate debt instruments. This factor has also affected interest payments on loans from multilateral organizations.

Figure VII.12
The Caribbean (12 countries):[a] central government fiscal indicators, 2010–2023[b]
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[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.
[b] Simple averages. The figures for 2023 are official estimates for the year. The figures for Barbados refer to the non-financial public sector, and those for Saint Kitts and Nevis figures refer to the federal government.

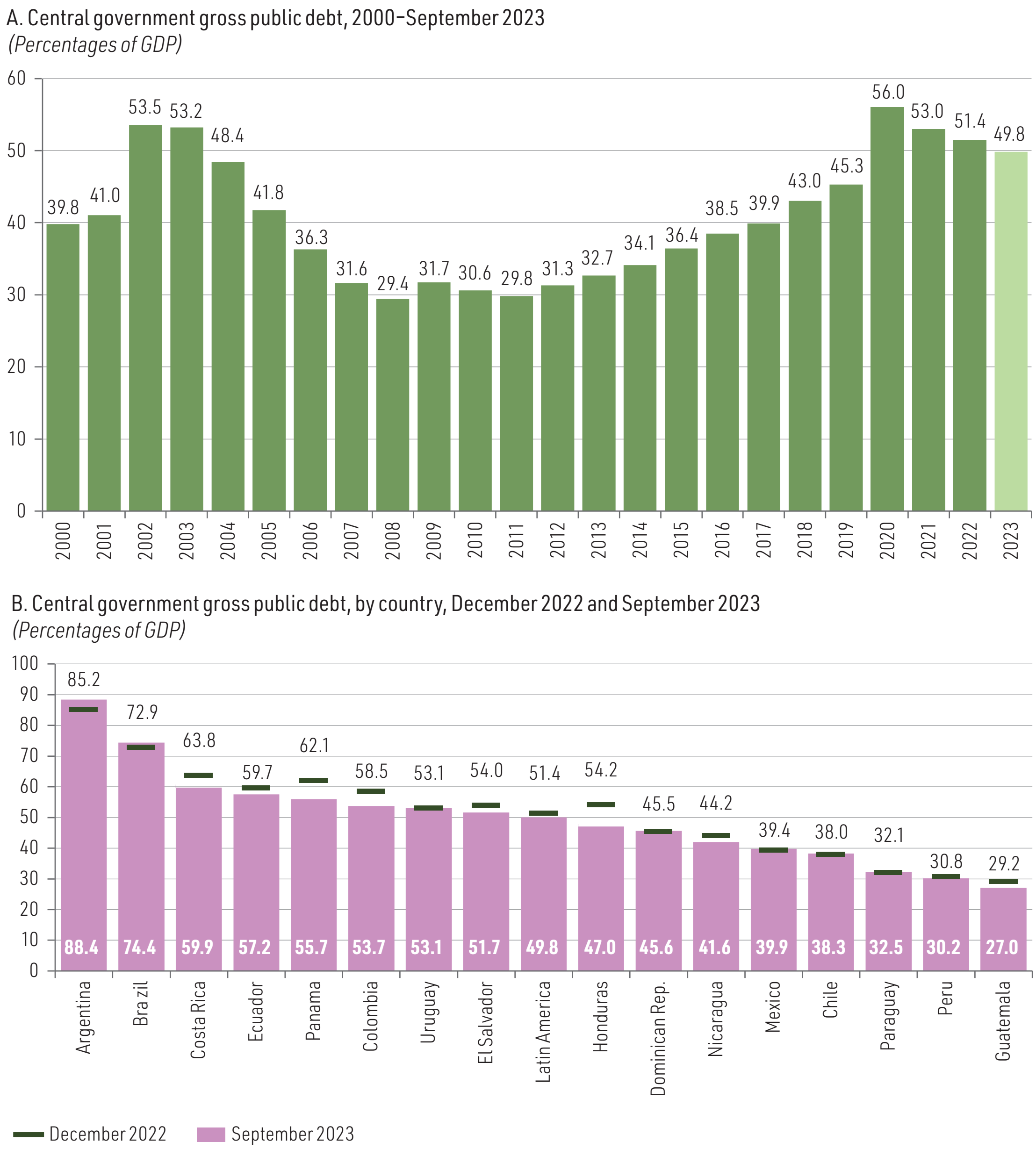
Public debt continues to trend down, but is still at high levels

Despite the worsening fiscal position in Latin America, central government gross public debt continued to trend down in the first nine months of the year, in several cases on the back of strong nominal GDP growth owing to high inflation. In September 2023, gross public debt was equivalent to 49.8% of GDP, 1.7 percentage points lower than at the end of 2022 (see figure VII.13). Although the debt level receded in most countries, the fall in the Latin American average is due largely to reductions in Colombia, Honduras and Panama while levels rose in Argentina and Brazil. It should be noted that public debt —although down significantly from the 56.0% of GDP recorded in the most intense period of the COVID-19 pandemic in 2020— remains elevated, at levels similar to those of the early 2000s, when countries endured a series of economic and financial crises.

Figure VII.13

Latin America (16 countries):[a] central government gross public debt, 2000–September 2023[b]

(Percentages of GDP)



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

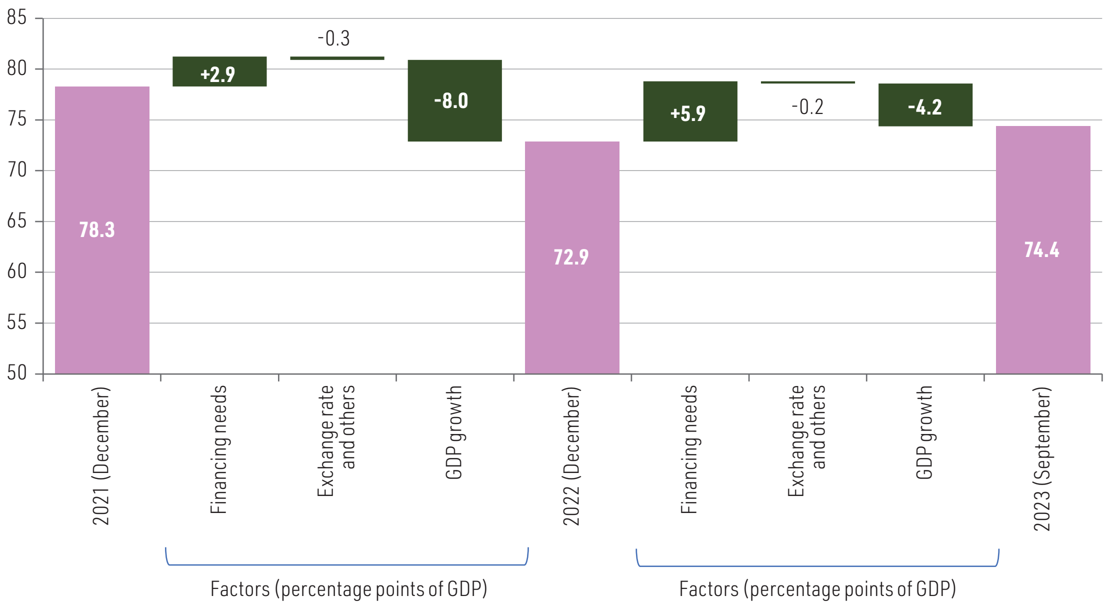
[a] Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay.

[b] The figures for 2023 refer to September, except as follows: June 2023 Argentina and Uruguay; and August 2023 in the case of Ecuador. Coverage in the case of Brazil refers to general government.

The reduction in the public debt-to-GDP ratio reflects the confluence of a set of factors —such as variations in economic growth and interest rates, and exchange rate movements— and not necessarily a reduction in the debt stock, which increased in most countries. The relative importance of each of these factors is highly country specific. For example, in Colombia the reduction results mainly from exchange rate appreciation (Ministry of Finance and Public Credit of Colombia, 2023b).

Nonetheless, a predominant factor in the public debt dynamic in Latin America in 2021 and 2022 was strong nominal GDP growth, as exemplified in Brazil. Figure VII.14 shows that output growth generated a significant reduction in the level of general government gross public debt in 2022 but has only partly offset higher financing needs in 2023. Thus, the slowdown in nominal GDP growth and increased financing needs —in line with an expansion of fiscal deficits— could suggest a resumption of the upward trend in the public debt-to-GDP ratio in Latin America.

Figure VII.14
Brazil: general government gross public debt, total and variation by component, December 2021, December 2022 and September 2023
(Percentages of GDP and percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Central Bank of Brazil, "Fiscal Statistics: Press Release 8 November 2023", Brasilia, 2023 [online] https://www.bcb.gov.br/content/statistics/fiscalstatistics_prev/202310_Fiscal_statistics_text.pdf.

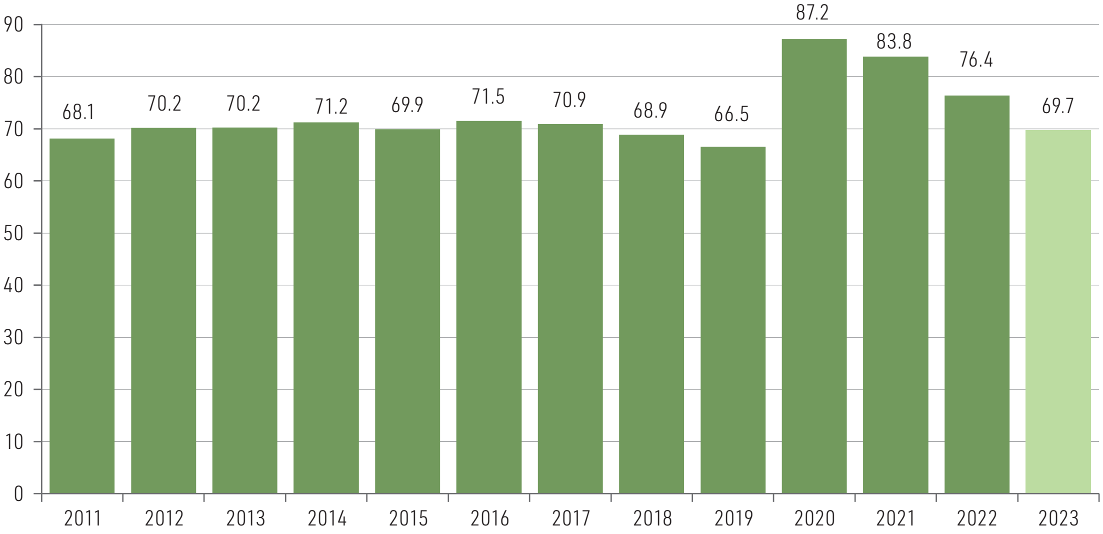
In the Caribbean, central government gross public debt was equivalent to 69.7% of GDP in September 2023, 6.7 percentage points lower than at the end of 2022 (see figure VII.15). Two Caribbean countries had public debt close to or above 100% of GDP in September 2023: Suriname (95.7%) and Barbados (115.1%). As in the case of Latin America, strong nominal GDP growth owing to high inflation generated a strong denominator effect, while public debt levels in absolute terms remained relatively stable during the year. In Guyana, the GDP growth rate is expected to be in double digits in 2023, close to 40% in real terms, as a result of the start-up of offshore oil production. Despite the relative fall in the subregional average, debt levels among Caribbean countries remain very high compared to other regions with similar incomes.

Although central government public debt-to-GDP ratios have fallen in the region, they remain elevated and are a source of vulnerability.

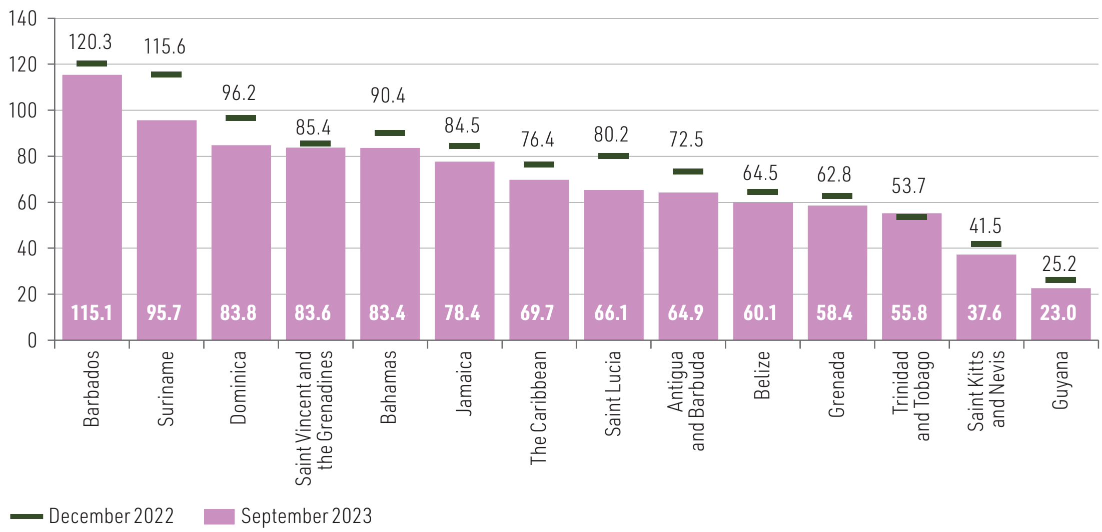
The risks associated with the accumulation of public debt also undermine the medium-term sustainability of the public finances, owing mainly to the increased cost of debt service, which erodes the fiscal balances. In this regard, various domestic and external factors, such as the primary fiscal deficit, the GDP growth rate, the implicit interest rate and the exchange rate, have a considerable impact on the accumulation of public debt.

Figure VII.15
The Caribbean (13 countries):[a] central government gross public debt, 2011–September 2023[b]
(Percentages of GDP)

A. Central government gross public debt, 2011–September 2023
(Percentages of GDP)



B. Central government gross public debt, by country, December 2022 and September 2023
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
[b] The figures for 2023 refer to September, except as follows: March in the case of Guyana; and June in the cases of Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Coverage in the case of Guyana refers to the public sector.

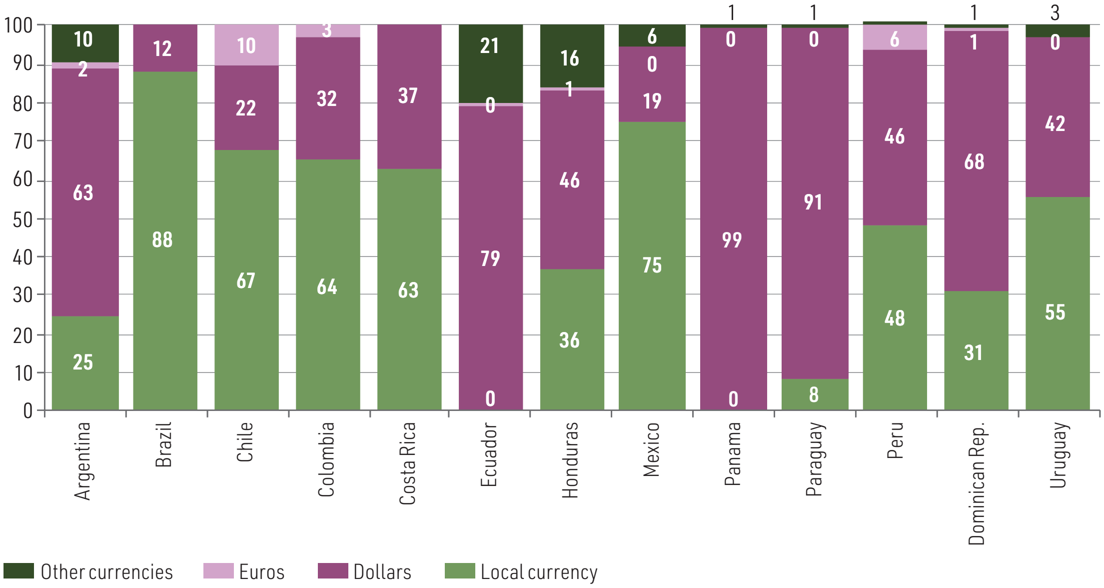
A factor that is highly relevant for the region is the deterioration of domestic and international financial market conditions, which has led to a progressive rise in interest rates. This has been compounded by the depreciation of the local currency and potential downgrades in credit ratings, which has made it difficult to manage the region's public liabilities. These factors will affect not only interest payments related to the existing stock of debt — insofar as countries have debt in foreign currency or at variable interest rates— but also those related to new issues. These less favourable financial market conditions will pose challenges for the region in terms of rolling over existing public debt.

Maintaining public account sustainability will require active management of debt liabilities. In this regard, it is extremely important for Latin American countries to analyse the risks associated with the composition of debt by type of currency and creditor residence. As shown in figure VII.16, much of the debt is denominated in dollars. In Argentina, the Dominican Republic, Ecuador, Panama and Paraguay, around 70% of the total debt is denominated in foreign currency (with a high percentage in dollars). The countries that maintain debt mainly in local currency are Brazil, Chile, Colombia, Costa Rica and Mexico, where dollar-denominated debt accounts for less than 40%. In the dollarized economies, such as Ecuador, El Salvador and Panama, financing is 100% dependent on other economies.

Figure VII.16

Latin America (13 countries): central government gross public debt,[a] by type of currency, September 2023[b]

(Percentages of the total)



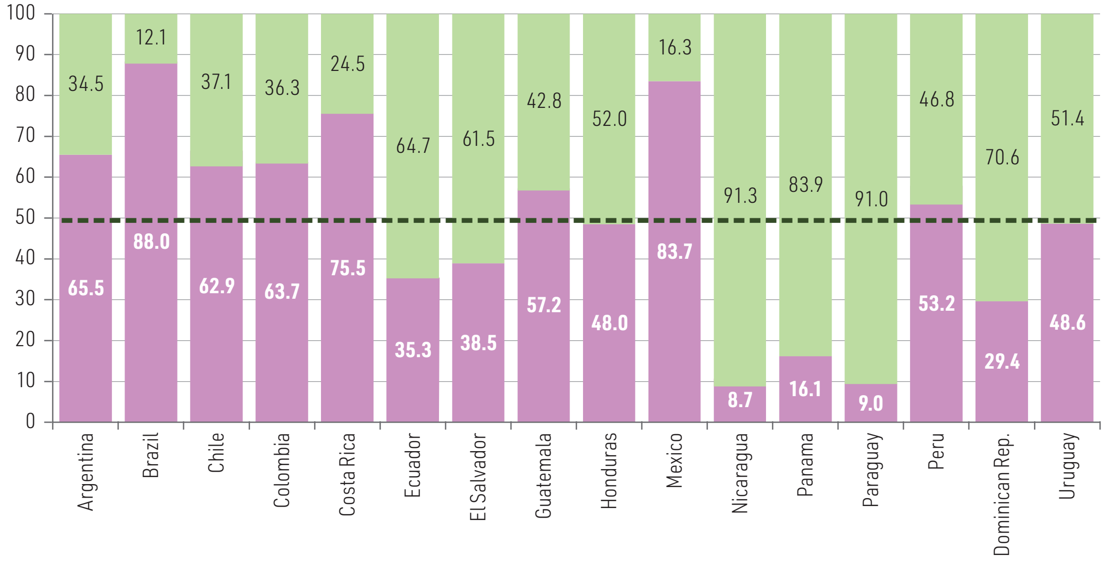
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

[a] In the cases of Argentina, Chile, Costa Rica, Honduras, Paraguay and Uruguay, public debt refers to central government; in the case of Brazil, to general government; in the case of Colombia, to central national government; in the case of Ecuador, Panama and Peru, to the public sector; in the case of Mexico to the federal public sector; and in the case of the Dominican Republic, to the non-financial public sector.

[b] The figures for 2023 refer to September, except as follows: June in the cases of Argentina, Chile and Uruguay, and August in the case of Ecuador.

Another significant factor is the residence of the creditor and the burden of this debt for the central governments of the different countries. Although the region on average displays a balance between domestic and external creditors, the situation varies considerably between countries. As figure VII.17 shows, external creditors hold around 90% of the total debt of Nicaragua and Paraguay. These countries could be subject to exchange rate risks, which could result in the depreciation of the local currency against the dollar and thus increase the financial cost of the debt. The same external vulnerability could occur in dollarized economies such as Ecuador, El Salvador and Panama, thereby exerting additional pressure on the fiscal accounts. In contrast, countries that finance themselves to a greater extent domestically, such as Brazil and Mexico, where more than 80% of the total debt is domestic, are less exposed to external vulnerabilities, although not to changes in local interest rates and the economy's growth rate, among other relevant domestic economic challenges.

Figure VII.17
Latin America (16 countries): central government gross public debt,[a] by creditor residency, September 2023[b]
(Percentages of total)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] In the case of Brazil, the figures refer to the general government.
[b] The figures for 2023 refer to September, except as follows: June in the cases of Argentina and Uruguay, and August in the case of Ecuador.

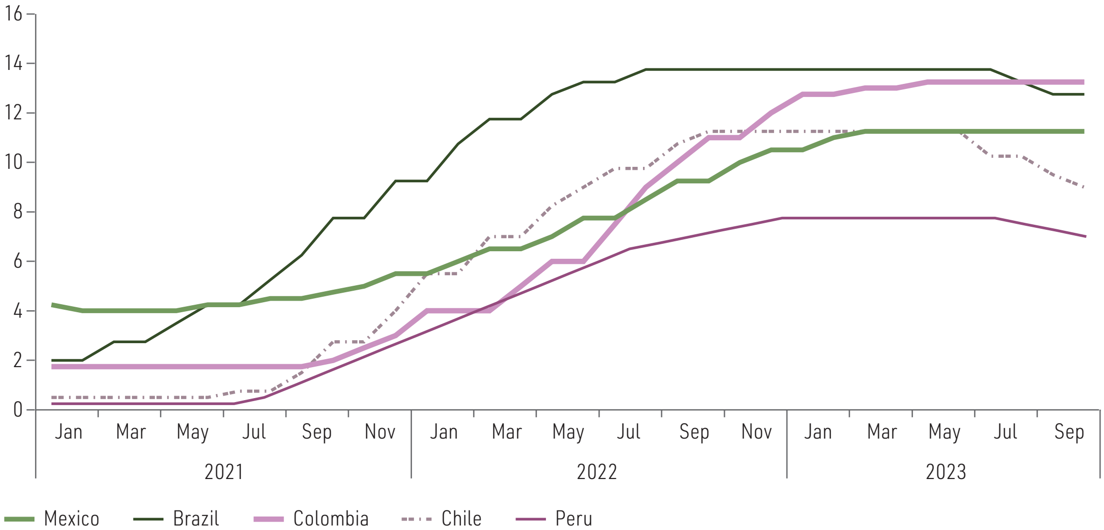
B. Monetary, exchange-rate and prudential policies

The region's monetary authorities have started to relax their policy stance

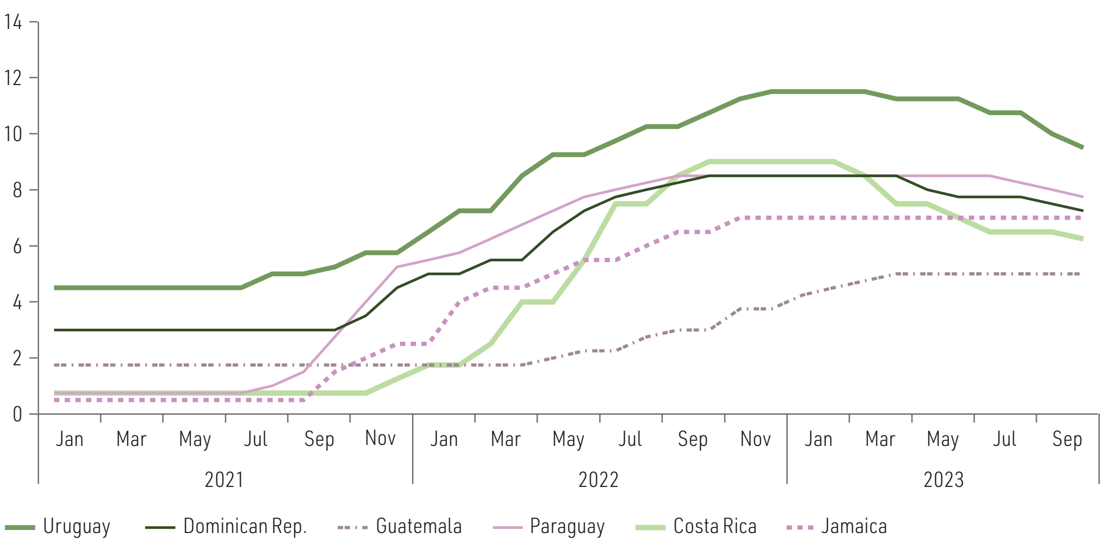
In most Latin American and Caribbean countries, headline inflation has been receding since the second half of 2022. By contrast, core inflation, which excludes the most volatile elements of the price index, has been persistent. Accordingly, the region's monetary authorities did not start to relax their monetary policy stance until the first quarter of 2023 (see figure VII.18).

Figure VII.18
Latin America and the Caribbean (11 countries): monetary policy interest rates, January 2021–October 2023
(Percentages)

A. Five countries



B. Six countries



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

Among the countries that have inflation targets, Costa Rica was the first to start the cycle of monetary policy interest rate cuts in March 2023, and was followed by Uruguay, the Dominican Republic, Chile, Brazil, Paraguay and Peru. By contrast, in October, Colombia, Guatemala, Jamaica and Mexico had not yet started to relax their monetary policy, although they stopped raising their rates in the second quarter of 2023 (see table VII.1).

Table VII.1
Latin America and the Caribbean (11 countries): changes in monetary policy rate, December 2021–to October 2023
(Percentages and percentage points)

Country	Most recent hike	Most recent cut	Rate in October 2023 *(Percentages)*	Variation compared to December 2021 *(Percentage points)*
Brazil	August 2022	September 2023	12.75	3.50
Chile	October 2022	October 2023	9.00	5.00
Colombia	May 2023	...	13.25	10.25
Costa Rica	October 2022	October 2023	6.25	5.00
Dominican Republic	October 2022	October 2023	7.25	2.75
Guatemala	April 2023	...	5.00	3.25
Jamaica	November 2022	...	7.00	4.50
Mexico	March 2023	...	11.25	5.75
Paraguay	September 2022	October 2023	7.75	2.50
Peru	January 2023	October 2023	7.25	4.75
Uruguay	December 2022	October 2023	9.50	3.75

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

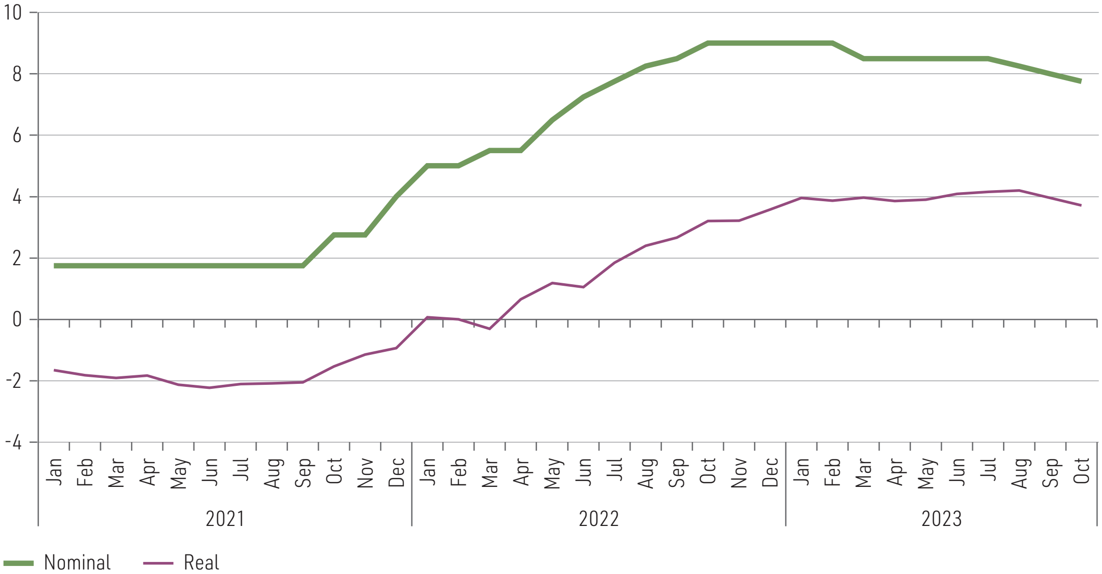
Interest rates have been lowered quite cautiously, however. Whereas the median of nominal policy rate hikes was 7.25 percentage points, measured from the levels prevailing at the start of the tightening cycle in mid-2022 to the peaks registered in the second half of that year, the reduction up to October 2023 was just 1.25 percentage points.

In all inflation-targeting countries, the monetary policy rates are still above their pre-pandemic levels, so the policy stance, while easing, remains restrictive. Adjusting nominal monetary policy rates for 12-month inflation expectations shows that real interest rates have remained close to the peak levels reached in late 2022 (see figure VII.19).

The caution in relaxing the monetary policy stance is explained, firstly, by the persistence of core inflation. In some countries, such as Mexico, this reflects the trend in service prices, which have been driven by labour market buoyancy. Secondly, there have been concerns about the possible exchange-rate effect of the narrowing of spreads relative to interest rates in advanced countries. Compounding the above are the uncertainty generated by the global geopolitical situation and the risk this could pose for energy prices, and the effects of the El Niño phenomenon on food supply.

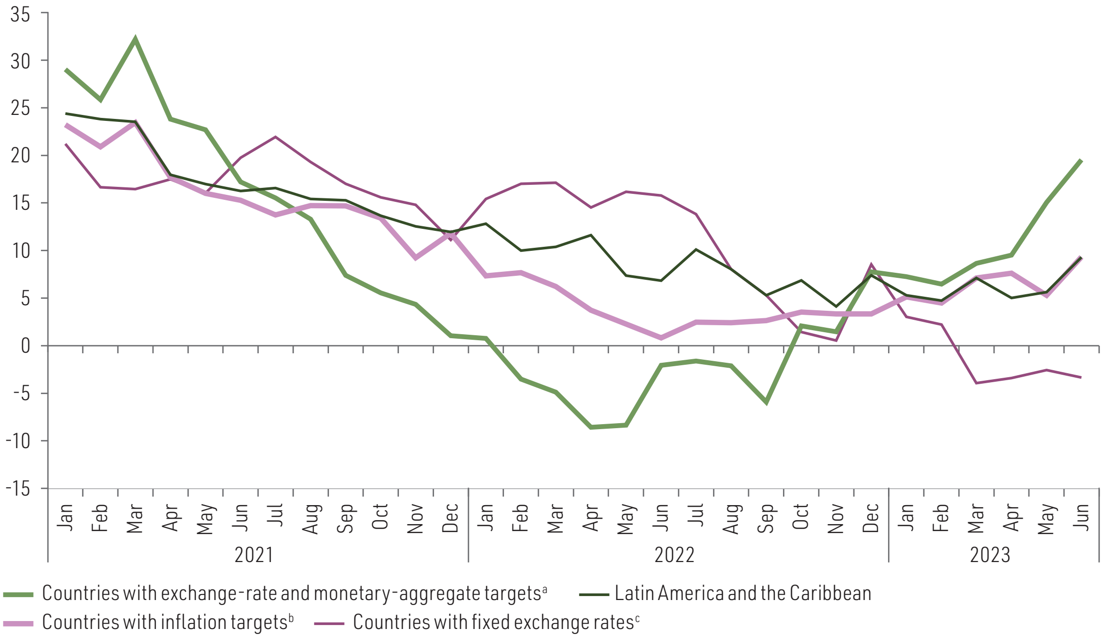
In the region as a whole, the median growth rate of the monetary base, which had been slowing until late 2022, stabilized close to its pre-pandemic level in the first half of 2023. By country grouping, however, the situation varies, with growth in the monetary base picking up both in countries with inflation targets and in those with exchange rate and monetary aggregate targets. By contrast, in the countries with fixed exchange rates, the monetary base has been contracting in nominal terms since the second quarter of 2023 (see figure VII.20).

Figure VII.19
Latin America and the Caribbean (10 countries):[a] median monetary policy rates, January 2021–October 2023
(Percentages)



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

Figure VII.20
Latin America and the Caribbean (28 countries): median variation in monetary base, by country grouping, first quarter of 2021–second quarter of 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Guyana, Honduras, Nicaragua, the Plurinational State of Bolivia, and Trinidad and Tobago.
[b] Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Jamaica, Mexico, Paraguay, Peru and Uruguay.
[c] Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Ecuador, El Salvador, Grenada, Panama, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines.

Over the course of 2023, 12-month inflation expectations have continued to decline. In Costa Rica, the Dominican Republic and Paraguay, they are aligned closely to the respective central bank inflation targets. In Brazil, Chile and Guatemala, inflation expectations, while still above the specific target, are located within the tolerance range, whereas they are very close to the target range in Mexico and Peru. Meanwhile, in Colombia, Jamaica and Uruguay, inflation expectations are still above the tolerance band (see figure VII.21).

Figure VII.21
Latin America and the Caribbean (11 countries): inflation targets and 12-month inflation expectations, December 2022 and October 2023
(Percentages)

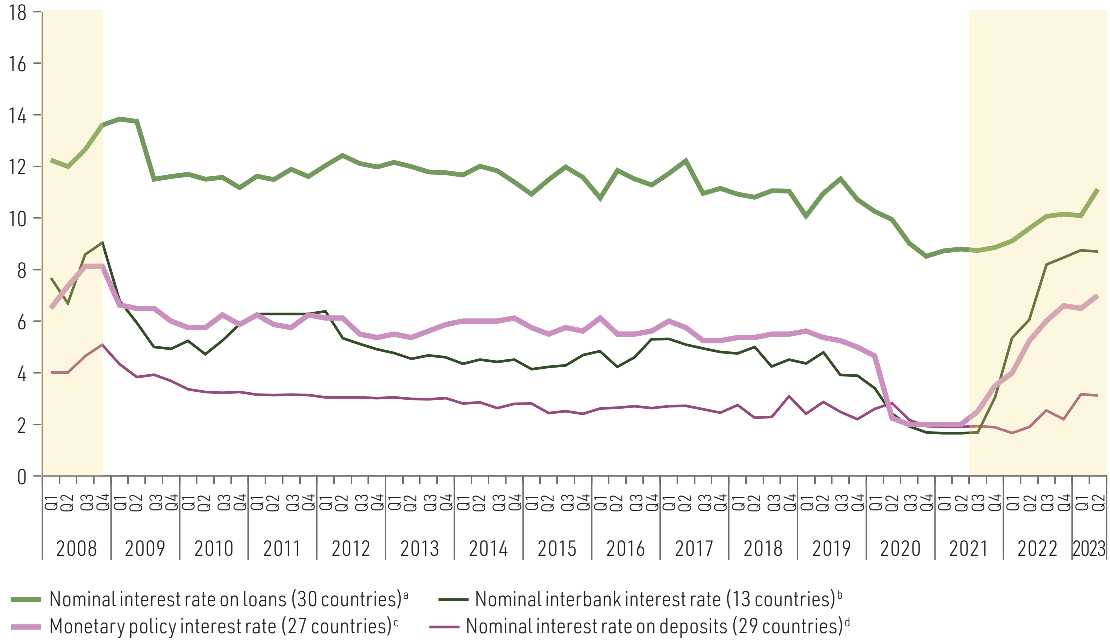
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Bank interest rates are at record levels, close to those prevailing in the 2008 global financial crisis

Owing to the tightening of the monetary policy stance since mid-2021, interbank interest rates in the region have reached levels close to the peaks of the 2008 global financial crisis. Although the rise in lending and deposit rates has not been as pronounced, both are at levels similar to those recorded in the post-crisis period (see figure VII.22). The upturn since the end of the first quarter of 2023 is explained mainly by the negative shock that affected the international banking system in March 2023.

Owing to the comfortable liquidity position enjoyed by the banks until early 2023, interest rates on deposits had been less responsive than lending rates to monetary shocks. The financial turbulence that originated in the United States and Swiss banking systems in March 2023 triggered adjustments in securities valuations and capital outflows in some of the region's countries, and divestments in unrestricted investment funds. Faced with higher liquidity risk, the banks had to strengthen their liquidity positions in order to capture additional saving from the population through a further hike in deposit interest rates.

Figure VII.22
Latin America and the Caribbean (30 countries):[a] trends in median nominal bank interest rates, first quarter of 2008–second quarter of 2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Excludes the Bolivarian Republic of Venezuela, Cuba and Haiti.
[b] Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica, Mexico, Paraguay, Peru and the Plurinational State of Bolivia.
[c] Excludes the Bolivarian Republic of Venezuela, Cuba, Ecuador, Panama, the Plurinational State of Bolivia and Suriname.
[d] Excludes the Bolivarian Republic of Venezuela, Cuba, Haiti, and Trinidad and Tobago.

This increase in financial institutions' funding cost was passed on to lending rates to a lesser extent and with a lag, owing to the higher credit risk they face and the weaker demand for credit.

Compared to 2008, interest rates on bank loans and deposits were affected with a greater lag and to a lesser extent by the monetary policy tightening. This is explained by the as yet insufficiently sterilized liquidity generated by the exceptional monetary stimulus that arose from the most recent financial crisis and, above all, by the liquidity created by the extra stimulus needed to confront the pandemic crisis. For these and other reasons, mitigation of the recent inflationary upsurge necessitated such sharp monetary policy rate hikes.

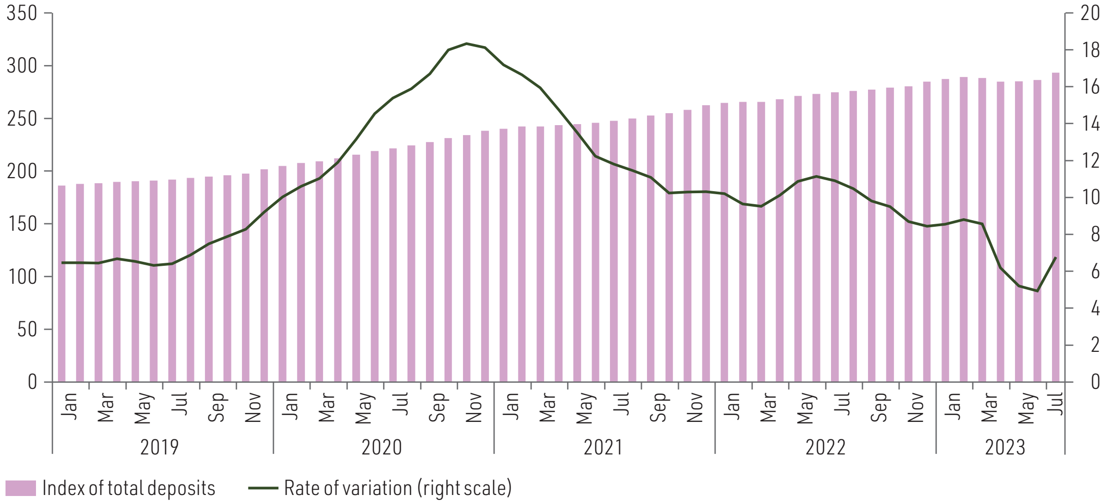
Deposits by the public in the banking system rebounded significantly in 2023

Following the considerable slowdown in the growth of the public's deposits in the banking system as the support provided to confront the pandemic was gradually withdrawn, compounded by the inflationary process that eroded disposable income, these deposits have bounced back significantly since the second quarter of 2023 (see figure VII.23). The faster deposit growth is explained by banks' efforts to attract more stable sources of funding, in order to more effectively manage liquidity risks, which had been exacerbated significantly by the turbulence in the banking systems of the United States and Switzerland in March 2023.

Figure VII.23

Latin America and the Caribbean (25 countries):[a] index and 12-month rate of variation of total deposits in financial system, January 2019–July 2023

(Basis points and percentages)



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

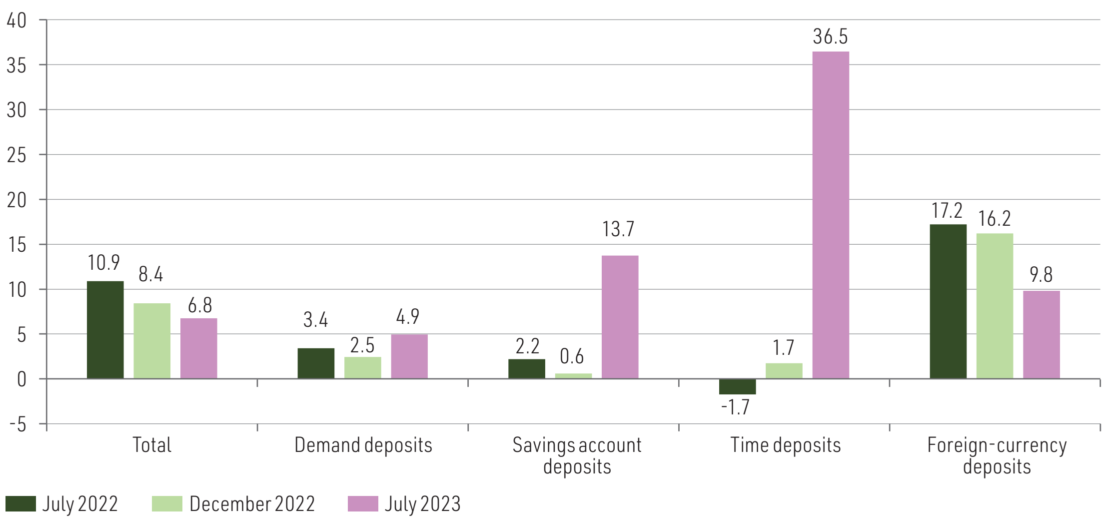
[a] Antigua and Barbuda, Argentina, Brazil, Chile, Colombia, Costa Rica, Dominica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Uruguay.

The resulting increases in deposit rates are concentrated in the savings account segment and the time deposit segment, considered to be more stable sources of funding; time deposit instruments are also easily negotiable in repurchase agreements (see figure VII.24). Consequently, the largest funding sources in 2023 are deposits in that category. In the case of foreign-currency deposits, the fact that interest rates on local currency deposits rose more sharply than those denominated in dollars, together with currency appreciation in the region as a whole until July 2023, resulted in a less dollarized expansion of savings.

Figure VII.24

Latin America and the Caribbean (25 countries):[a] 12-month rate of variation of deposits in financial system, by component, July 2022–July 2023

(Percentages)



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

[a] Antigua and Barbuda, Argentina, Brazil, Chile, Colombia, Costa Rica, Dominica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and Uruguay.

Net domestic credit weakened further in the wake of the financial turmoil in developed countries

As a result of the still-tight monetary policy stance in the region, the pace of net domestic credit growth continues to slacken in nominal terms (see box VII.1). Following a pause between December 2022 and February 2023, net domestic credit growth slowed further owing to the bank failures and mergers that occurred in developed countries in March 2023 (see figure VII.25). Although domestic deposits are the main funding source for most of the region's financial systems, uncertainty was heightened by the turbulence in the international financial system, which translated into larger liquidity positions for the region's banks. In addition, the risks of capital outflows and abrupt adjustments in asset prices increased.

The trends in components of net domestic credit were mixed (see figure VII.26). Net domestic credit growth to the public sector went from a negative trend in 2022 (its 12-month average growth rate was -5.6% in June) to an expansion in 2023, attaining a 12-month nominal growth rate of 10% in June of that year. The increased cost of external financing and reduced fiscal spaces explain the recomposition of funding sources —a process in which governments are probably prioritizing domestic sources, which, in addition to being less costly, are not exposed to exchange-rate risk.

Box VII.1
Regional index of nominal net domestic credit

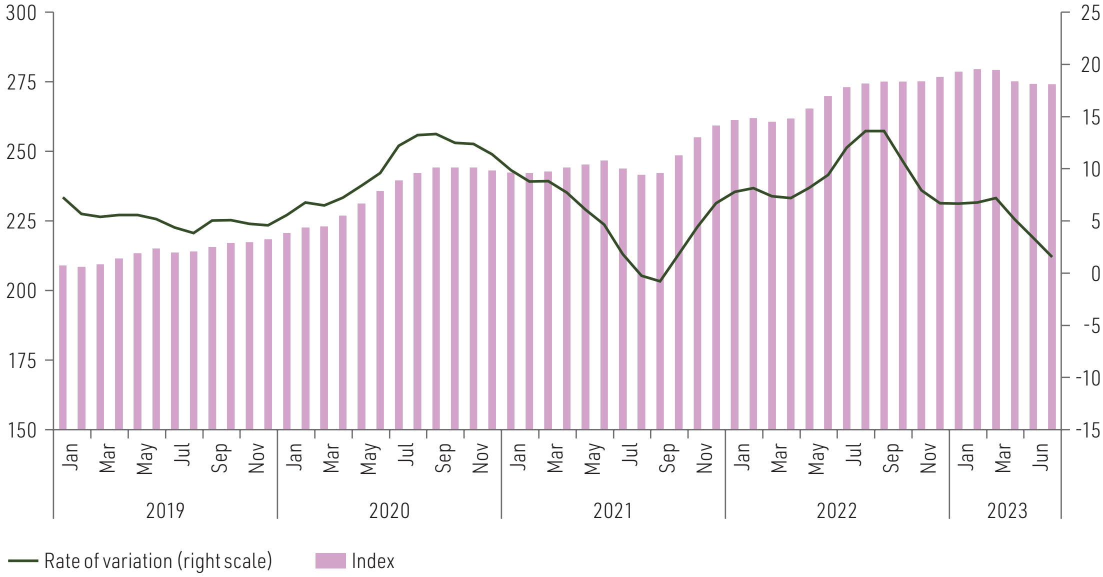
Unlike previous editions of *Preliminary Overview of the Economies of Latin America and the Caribbean*, this issue analyses the trend in net domestic credit in nominal rather than real terms. Although deflating net domestic credit enables a better approximation of the "real" effect of monetary shocks on the credit channel, the process can generate measurement biases. These underestimate the effect on credit of shocks to nominal variables, such as interest rates, in times of rising inflation, while overestimating it in situations of deflation. The greater the inflation rate in absolute terms, the greater the measurement bias (Fisher, 1933).

Apart from the bias in a given time period, temporal biases are also generated in the indicator, since monetary shocks are transmitted to nominal variables more directly. By contrast, the effect on real variables is mediated by the lagged effect on prices, and also by the trend in other variables, including activity levels or the output gap and liquidity. Meanwhile, converting net domestic credit into a single currency, such as the United States dollar, would add exchange rate noise to the measurement (Wasserfallen, 1990).

In this context, indices of net domestic credit, both total and by component, were constructed for each country, taking the 2010-2012 financial cycle as a base. This cycle displays fewer atypical features than more recent ones; and it is representative of the current situation, by showing progress in terms of financial deepening and inclusion and is close to an adverse shock on a global scale. Base years were not considered, since a single year might capture an expansionary, recessionary or neutral phase of the financial cycle (Borio, Disyatat and Juselius, 2013).

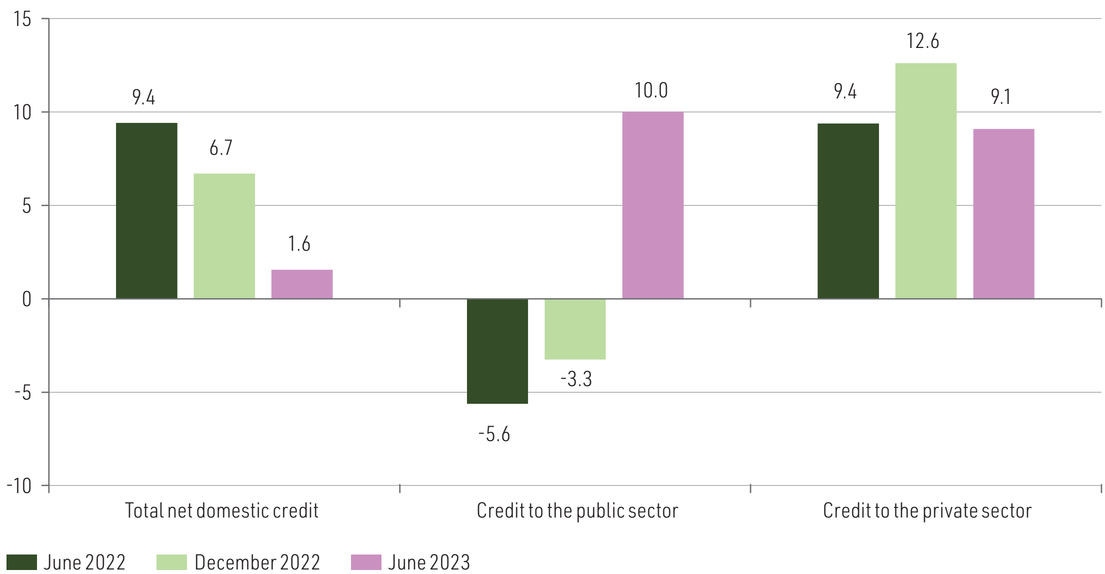
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of C. Borio, P. Disyatat and M. Juselius, "Rethinking potential output: Embedding information about the financial cycle", *BIS Working Papers*, No. 404, Basel, Bank for International Settlements (BIS), 2013; I. Fisher, "The debt-deflation theory of great depressions", *Econometrica*, vol. 1, No. 4, New Haven, The Econometric Society, 1933; W. Wasserfallen, "Expected and unexpected changes in nominal and real variables–evidence from the capital markets", *Journal of International Money and Finance*, vol. 9, No. 1, Amsterdam, Elsevier, 1990.

Figure VII.25
Latin America and the Caribbean (31 countries):[a] regional index and 12-month rate of variation of nominal net domestic credit, January 2019–June 2023
(Basis points and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The regional index corresponds to the median of the individual net domestic credit subindices of 31 countries in the region, constructed from the base financial cycle of 2010–2012.
[a] The Bolivarian Republic of Venezuela and Cuba are excluded, because the necessary information was not available.

Figure VII.26
Latin America and the Caribbean (31 countries):[a] 12-month rate of variation in nominal net domestic credit, by component, June 2022–June 2023
(Percentages)



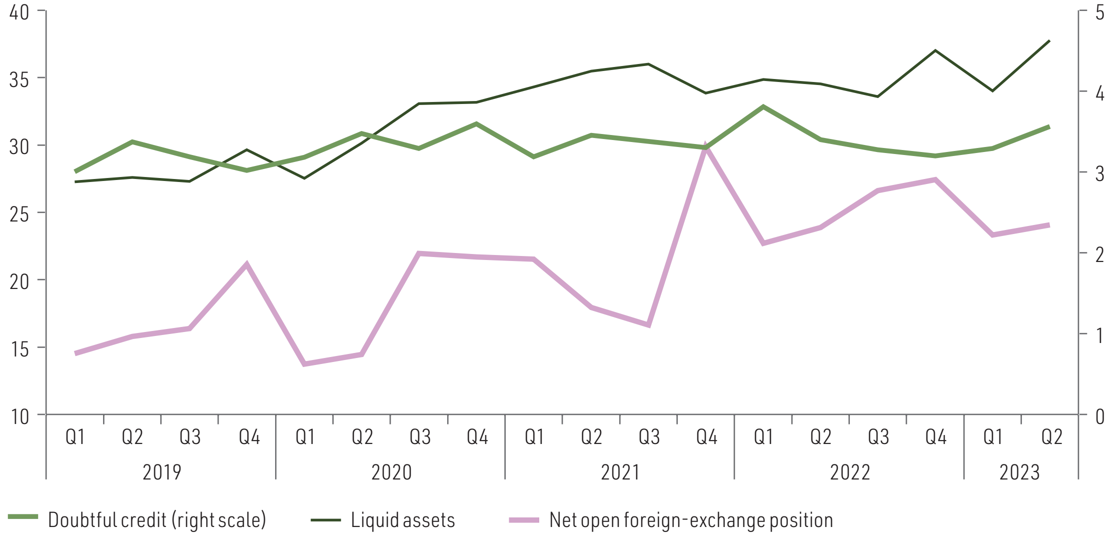
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] The Bolivarian Republic Venezuela and Cuba are excluded, because the necessary information was not available.

By contrast, net domestic credit to the private sector is responsible for the slowdown in total credit, since its nominal growth rate dropped from 12.6% in December 2022 to 9.1% in June 2023. As discussed below, one of the key determinants of this slowdown is an increase in household credit risk. This has been compounded by the rise in interest rates on government securities, which represent an alternative investment destination for banks and pension funds, and also by reduced demand for financing. The credit categories most affected are loans to the industrial sector and mortgage loans.

Although the liquidity and market risks of the banking system are under control, credit risk is increasingly materializing

Owing to the increase in liquidity risk, the liquid assets of the region's banks decreased during the first quarter of 2023. Subsequently, the banks strengthened their liquidity positions and raised their funding rates, especially in the case of time deposits (see figure VII.27), to underpin their funding sources.

Figure VII.27
Latin America and the Caribbean: indicators of banking system financial stability, first quarter of 2019–second quarter of 2023
(Percentages)

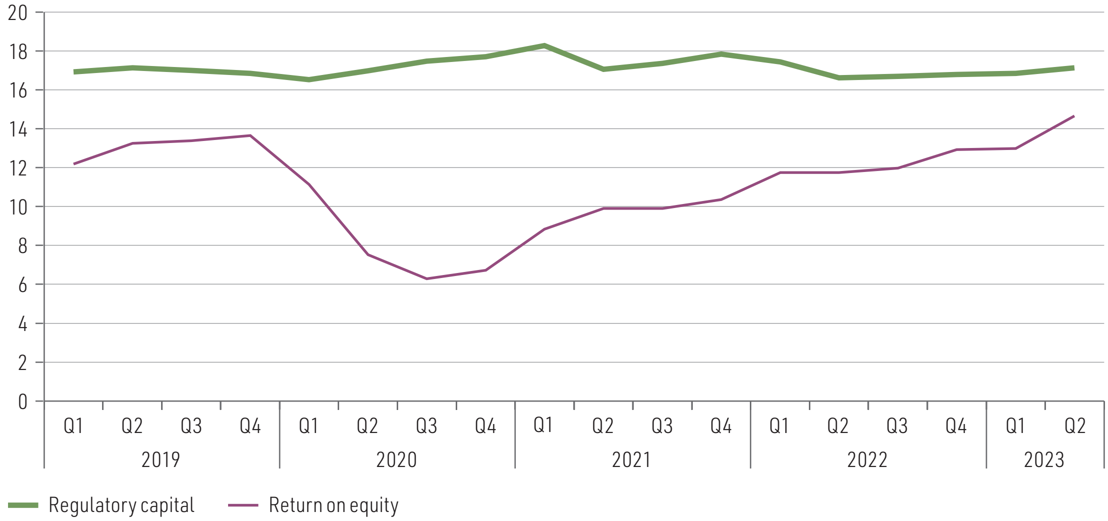


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The turbulence experienced in the first quarter of the year also affected the composition of the banking system's net assets by currency. Until March 2023, the net acquisition of foreign-currency assets had trended up, owing to both the strengthening of the dollar and the prospect of high international interest rates in the medium term. This trend eased in the second quarter. Since early 2023, the reduction in disposable income, compounded by the slowdown in economic activity, higher unemployment and elevated lending rates, have resulted in an increase in non-performing loans. This could be accentuated as debtor support programmes introduced during the pandemic are wound down, compounded by the feedback effect between real and financial cycles.

Despite the materialization of credit risk and externally generated liquidity stress, bank earnings continued to grow strongly (see figure VII.28). In this case, the considerable upturn in lending rates more than offset the losses generated by the weakening of the portfolio —which is just starting to materialize— and higher levels of provisioning.

Figure VII.28
Latin America and the Caribbean: profitability and solvency of banking systems, first quarter of 2019–second quarter of 2023
(Percentages)



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

At the regional level, both the level of the exchange rate and its volatility have decreased in 2023 relative to 2022, although this trend has been reversing since the third quarter

Despite the international appreciation of the dollar, up to the second quarter of 2023, the Latin American currencies tended to appreciate in countries with inflation targets and to depreciate less rapidly in countries with exchange rate and monetary aggregate targets, and also in countries with chronic inflation. These trends have reversed in the third quarter of the year.

In economies that use inflation targeting, the third-quarter rise in the exchange rate is explained by the lowering of the respective monetary policy rates, which has reduced the interest rate spread relative to the United States policy rate and made the dollar more attractive. The expectation that the United States Federal Reserve will maintain its tight monetary policy for longer, together with the heightened global risk perception, in view of trends in the Chinese economy, have also influenced exchange-rate depreciation in these economies.

In September 2023, exchange rates registered monthly average depreciations, relative to December 2022, in Chile, the Dominican Republic, Jamaica and Paraguay. The other countries maintain levels below those recorded in December 2022. The persistence of depreciation in economies with chronic inflation is due to factors internal to those economies (see figure VII.29).

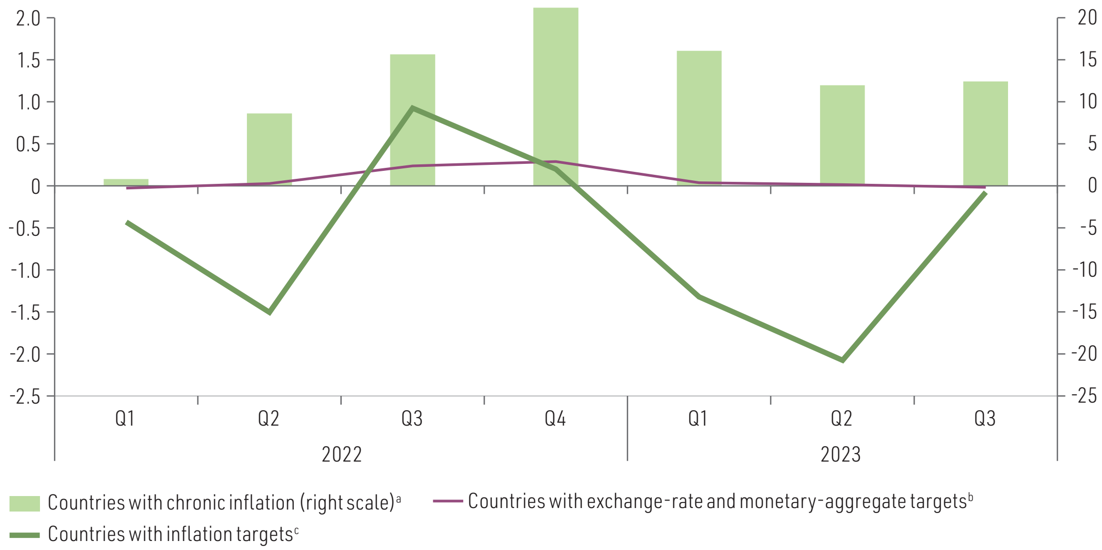
Until the second quarter of 2023, the nominal exchange rate was less volatile than in 2022 in most of the region's countries. A quarterly analysis shows that nominal exchange rate volatility in Latin America and the Caribbean decreased between the third quarter of 2022 and the second quarter of 2023.

However, exchange rates have become more volatile since the third quarter of 2023 —particularly in inflation-targeting countries, since most of them either have flexible exchange rates or intermediate exchange-rate policies. Despite the recent spike in volatility in countries with exchange rate and monetary aggregate targets, exchange rates are less volatile than the peaks attained in 2020, during the pandemic (see figure VII.30).

Figure VII.29

Latin America and the Caribbean (20 countries): variation in nominal exchange rate, quarterly average, median by country grouping, first quarter of 2022–third quarter of 2023

(Percentages)



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

[a] Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname.

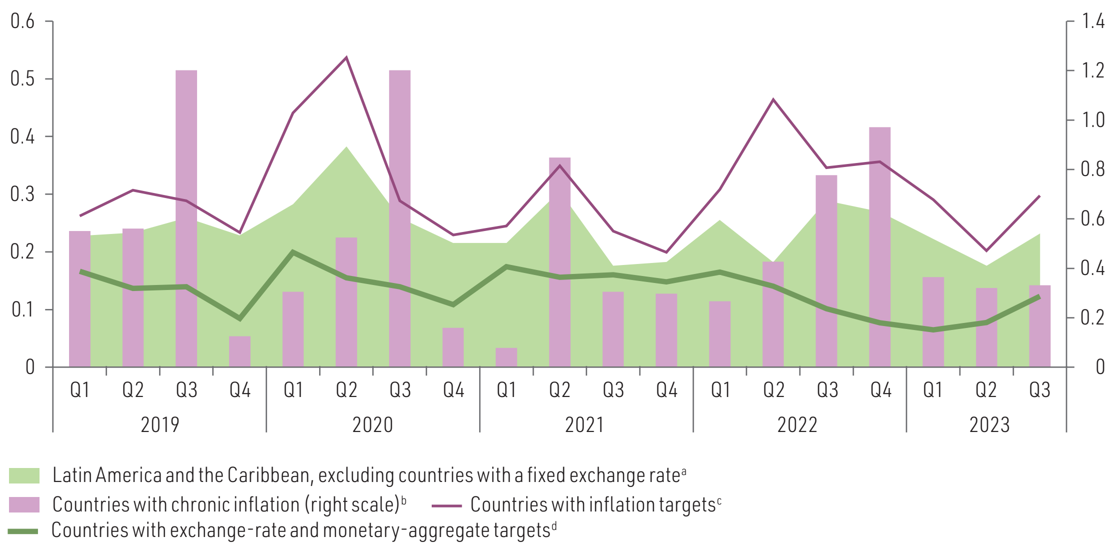
[b] Guyana, Honduras, Nicaragua, the Plurinational State of Bolivia, and Trinidad and Tobago.

[c] Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Jamaica, Mexico, Paraguay, Peru and Uruguay.

Figure VII.30

Latin America and the Caribbean (20 countries): nominal exchange-rate volatility, quarterly average of daily variations, median by country grouping, first quarter of 2019–third quarter of 2023

(Percentages)



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

[a] Countries with fixed exchange rates, which are excluded, are Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Ecuador, El Salvador, Grenada, Panama, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. Cuba is also excluded, as the necessary information is not available.

[b] Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname.

[c] Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Jamaica, Mexico, Paraguay, Peru and Uruguay.

[d] Guyana, Honduras, Nicaragua, the Plurinational State of Bolivia, and Trinidad and Tobago.

The extraregional real effective exchange rate continues to appreciate

Following the trend that started in the second half of 2022, the extraregional real effective exchange rate has continued to appreciate across the board (box VII.2 describes the methodology for estimating the real effective exchange rate). The factors that explain this result include the appreciation of the nominal exchange rate, which has had a greater impact in countries that employ inflation targets, although the trend in both domestic and external price indices has also played a role. In countries subject to chronic inflation, the appreciation of the real exchange rate is explained mainly by the rise in domestic price indices (see figure VII.31), which is also the case in countries with fixed exchange rates.

Box VII.2

Methodology for estimating the real effective exchange rate

The real exchange rate (TCR, by its Spanish acronym) is a ratio between the nominal exchange rate and the price levels of the countries to be compared. The real exchange rate can be used as an indicator of the competitiveness of one country relative to another, and also to identify external vulnerabilities through financial pressures in international exchange markets or inflationary pressures.

The traditional calculation is as follows:

$$TCR_i = \frac{TCN_i}{TCN_j} \times \frac{IPC_j}{IPC_i}$$

where TCR_i is the real exchange rate of country *i* relative to country *j*; TCN_i and TCN_j are the nominal exchange rates of countries *i* and *j*, respectively; and IPC_j and IPC_i correspond to the price indices of countries *j* and *i*, respectively.

When TCR_i rises, the real exchange rate of country *i* depreciates, which means that country *i*'s goods and services become relatively cheaper than those of country *j*. Conversely, if TCR_i falls, the real exchange rate of country *i* appreciates, so its products become more expensive relative to those of country *j*.

In practice, countries have more than one trading partner, which makes calculating the real exchange rate more complex. In this case, it is necessary to calculate the bilateral real exchange rates of country *i* with each of its trading partners, and then construct an overall indicator using weights that reflect the relative importance of the different trading partners.

The formula for calculating the real exchange rate establishes bilateral relationships between the exchange rates, TCB_{ij}, and the price indices between countries, $IPCB_{ij}$, as follows.

$$TCB_{ij} = \frac{TCN_i}{TCN_j}$$

$$IPCB_{ij} = \frac{IPC_i}{IPC_j}$$

In order to make a homogeneous calculation between country *i* and each trading partner, both the nominal exchange rate and the price index of each country are established as indices. In the methodology applied by ECLAC, the indices correspond to the geometric mean of these variables, normalized to 100 in 2015.

These indicators are used to construct real bilateral exchange rates with each trading partner, as follows:

$$TCBR_{ij} = \frac{TCB_{ij}}{IPCB_{ij}}$$

There are different methods of weighting the bilateral exchange rate and constructing a general index for each country, such as trade or product indicators or balance-of-payments indicators. ECLAC uses three weights for goods trade to calculate the real exchange rate, since information on trade in services is not always available. These weights are calculated as the share of each trading partner in country *i*'s total trade (exports plus imports), total imports, or total exports, depending on the price ratio to be calculated —the total real effective exchange rate (TCRE, by its Spanish acronym), the real exchange rate for imports (TCRM) or the real exchange rate for exports (TCRX), respectively.

The following product formulae are then used for weighting:

$$TCRE_i = \prod_i TCBR_{ij}^{\lambda_{XM}}$$

$$TCRX_i = \prod_i TCBR_{ij}^{\lambda_X}$$

$$TCRM_i = \prod_i TCBR_{ij}^{\lambda_M}$$

where λ_{XM} are country *i*'s exports plus imports to and from its trading partners, respectively, as a percentage of total trade; λ_X are country *i*'s exports to its trading partners as a percentage of its total exports, and λ_M are country *i*'s imports from its trading partners as a percentage of its total imports. The trade weights correspond to the values obtained from the exports and imports of each year, maintaining the last available value in case the corresponding data is not available.

It is also possible to calculate the real exchange rate by restricting the coverage of trading partners to countries inside or outside the region, to thus obtain an intraregional or extraregional exchange rate by including only the countries of interest in the calculation formulae.[a]

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
[a] ECLAC includes the following countries among intraregional partners: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Uruguay. Cuba is not included owing to lack of historical data.
The following countries and groupings are included among extraregional partners: Canada, China, European Union (consisting of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Kingdom of the Netherlands, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden), India, Japan, Republic of Korea, Russian Federation, Switzerland, United Kingdom and United States.

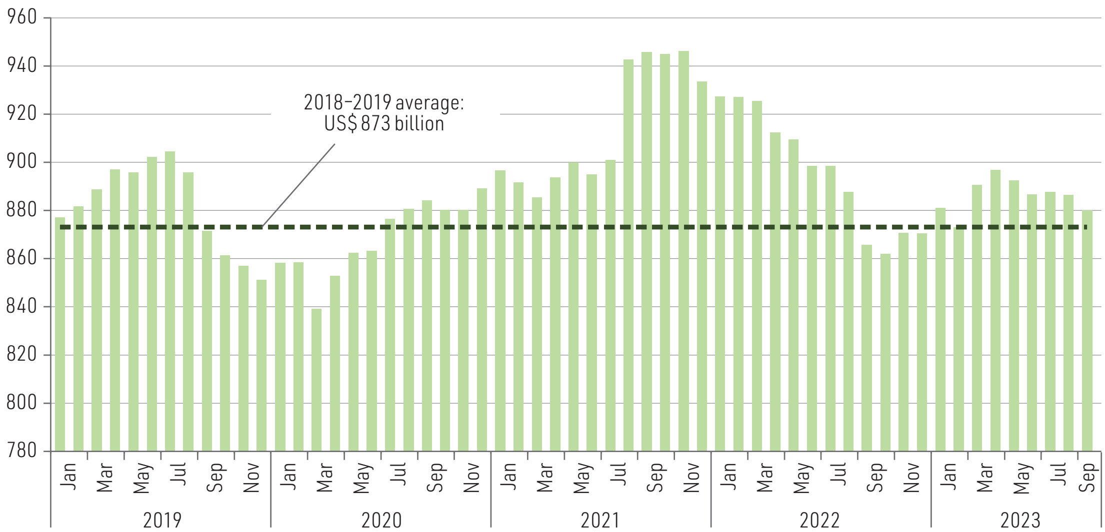
Figure VII.31
Latin America and the Caribbean (32 countries): median extraregional real effective exchange rate, by country grouping, January 2019–September 2023
(Index: December 2019=100)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Argentina, the Bolivarian Republic of Venezuela, Haiti and Suriname.
[b] Guyana, Honduras, Nicaragua, the Plurinational State of Bolivia, and Trinidad and Tobago.
[c] Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Ecuador, El Salvador, Grenada, Panama, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines.
[d] Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Jamaica, Mexico, Paraguay, Peru and Uruguay.

During the course of 2023, strategies have been implemented to rebuild or strengthen the level of international reserves

In 2023, the region's international reserves recovered slightly, in contrast to the trend in 2022 (see figure VII.32). The cumulative balance stood at US$ 880 billion in September 2023, following an increase of US$ 9.521 billion relative to the December 2022 level. This improvement reflects a combination of more favourable external conditions —in part linked to international commodity prices, global inflation, the growth prospects of the region's main trading partners, and their impact on external demand and the terms of trade— which tend to have a positive impact on exchange-rate fluctuations and movements in international reserves.

Figure VII.32
Latin America and the Caribbean (32 countries):[a] cumulative international reserves, January 2019–September 2023
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Based on information available as at 31 October 2023.
[a] Excludes Cuba.

The accumulation process in 2023 made it possible to maintain the level of international reserves above the 2018–2019 average of US$ 873 billion. This forms part of a longer-term trend, as the international reserves accumulated by the economies almost doubled in the last decade, to represent 14% of regional GDP in 2022.

International reserve trends varied between countries in 2023, depending on the type of macroeconomic policies implemented (monetary, exchange-rate and macroprudential), and on the degree of exposure to the highly uncertain international environment and access to international capital markets.

As shown in figure VII.33B, most of the economies in which international reserves decreased in 2022 managed to reverse this trend in the period up to September 2023, since the regional median rate reflects an expansion of 1.7% in 2023, following a 2.2% reduction in 2022.

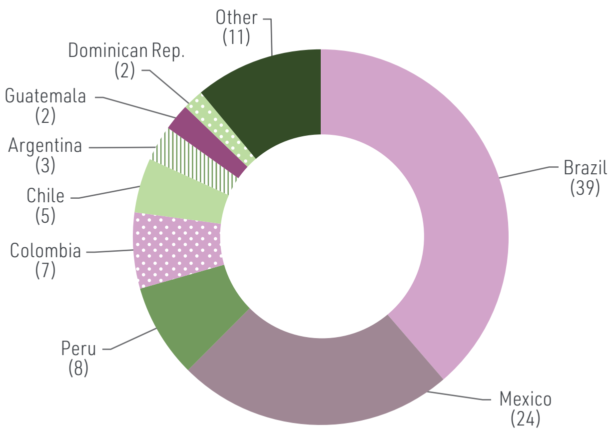
In countries that have adopted a flexible exchange-rate regime, foreign assets under the control of the monetary authorities increased, except in Peru where they retreated slightly.[1] The aforementioned recovery in the stock of international reserves in Latin America and the Caribbean has been driven

[1] In Peru, international reserves are projected to remain stable at around 27% of GDP in 2023.

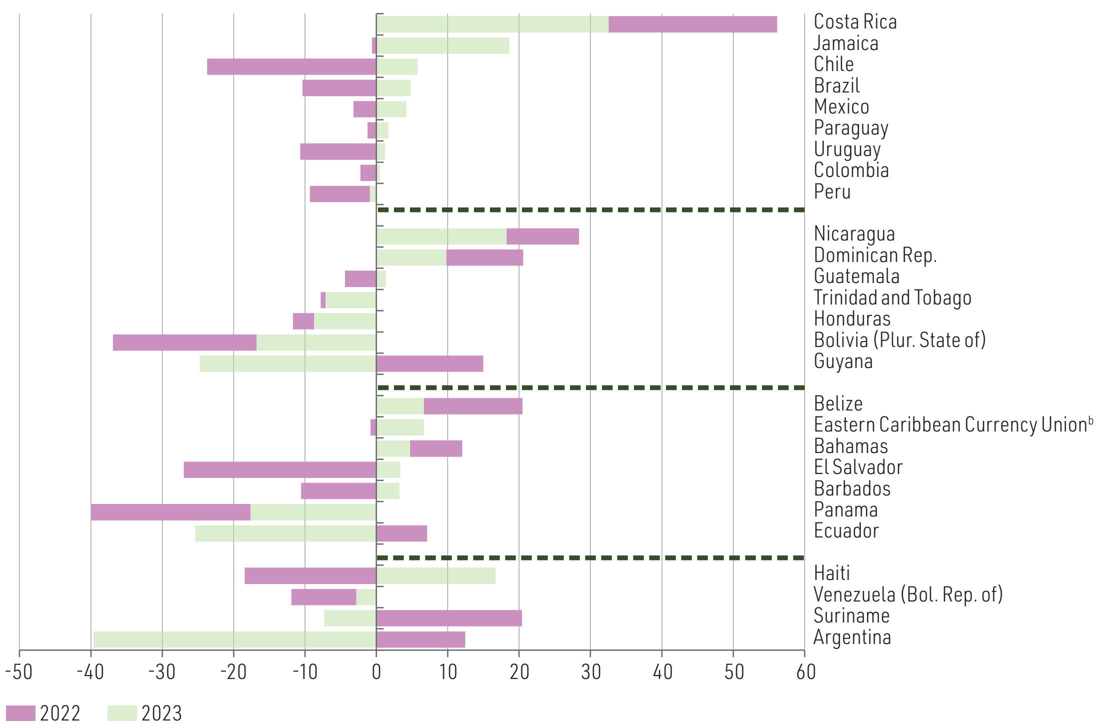
by improved international liquidity positions in Brazil, Mexico,[2] Colombia and Chile, given their large share in the regional aggregate (see figure VII.33A).

Figure VII.33
Latin America and the Caribbean (32 countries):[a] distribution and variation of international reserves, 2022 and 2023
(Percentages)

A. Distribution of total stock of international reserves, 2023



B. Rates of variation of international reserves, 2022 and 2023



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The rate of variation for 2023 is calculated as the difference in the balance of international reserves between September 2023 and December 2022, expressed as a percentage of the December 2022 balance and based on information available as of October 31, 2023.
[a] Excludes Cuba.
[b] Antigua and Barbuda, Dominica, Grenada, Saint Lucia, Saint Kitts and Nevis, and Saint Vincent and the Grenadines.

[2] In Mexico, in response to the appreciating trend of the local currency, in August 2023 the authorities announced the reduction of the foreign-exchange hedging programme that the central bank had launched in 2020 to cope with exchange-rate volatility.

Amid successive interest rate hikes in the United States, a strengthening dollar and high global inflation, foreign-exchange market interventions were intensified to mitigate the pass-through of exchange-rate fluctuations to domestic prices. This aimed to prevent a de-anchoring of inflation expectations and avert episodes of financial instability, for which most of the region's economies drew down their international reserves in 2022.

Strategies aimed at reconstituting or strengthening the level of reserves have been implemented throughout 2023, as in Brazil, Chile, Costa Rica[3] and Jamaica, to respond to potential external shocks, preserve macrofinancial stability and restore market confidence. In addition to dollar purchase programmes, bond placements on international markets and the use of specific exchange-rate instruments to alleviate pressures on the foreign-exchange reserves,[4] several countries (Colombia, Costa Rica, Jamaica, Peru and Mexico) drew on credit lines from the International Monetary Fund, either as sources of immediate financing or as a measure to avert greater exposure to exchange-rate risks.

In the other groups of countries, the outlook is varied owing to specific vulnerabilities, restricted access to financial markets, persistently high domestic inflation and more fragile external demand, compounded by the effects of climate change that exacerbate the intensity of weather patterns, such as the El Niño phenomenon. In this scenario, the strength of the dollar has reduced the level of reserves, while it has become important for local currencies to stabilize relative to this reference currency.

In most countries that have intermediate exchange-rate regimes and different monetary policy targets, reserves continued to decline as a result of the significant weakening of the local currency, the high cost of imported goods and the adoption of specific measures to control domestic inflation. By contrast, some countries were able to strengthen their reserve position thanks to their access to financial markets, through treasury bond issuance (Guatemala) or an increasing inflow of foreign currency in a context of incipient monetary policy normalization (the Dominican Republic).

In countries that have a fixed exchange rate, the need to preserve exchange-rate parity has led the monetary authorities to build up large volumes of reserves, mainly through remittance inflows, in the face of a depreciation of their real exchange rate, balance of payments deficits and heavy demand for foreign exchange. In several cases, this was compounded by higher external debt service payments and a reduction in foreign currency deposits held by commercial banks at the central banks. In the context of external financing needs and tighter financial conditions, multilateral loans are often the only source of foreign exchange.[5]

Lastly, among countries that are subject to chronic inflation, only Haiti reported an increase in its international reserve position in 2023, boosted by the current appreciation of its currency and weaker demand for imports, among other factors. By contrast, Argentina's reserves have declined sharply amidst strong exchange-rate fluctuations, which has motivated intervention by the monetary authorities through dollar purchase programmes on several occasions in 2023.[6]

In the current situation involving high uncertainty surrounding an upturn in international fuel prices, still-restrictive financial conditions and lacklustre global economic activity, aggravated by escalating geopolitical tensions and intensifying climate impacts, the region's monetary authorities continue to face major challenges in managing international reserves, an area in which exchange-rate, liquidity and market risks currently predominate. From this perspective, the need to preserve the value of

[3] Costa Rica is currently the only country in the region facing a deflationary shock, together with a tendency for its currency to appreciate, starting in the second half of 2022.

[4] Such as non-deliverable forwards, for example.

[5] In Honduras, for example, in September 2023 the International Monetary Fund approved arrangements under its Extended Fund Facility and Extended Credit Facility.

[6] In 2022, the Central Bank of the Argentine Republic made a *de jure* reclassification of its exchange-rate regime from flexible to crawling peg.

foreign-currency assets is crucial,[7] in an environment of dollar dominance, global inflation, and higher interest rates and sovereign bond yields. These conditions put reserve portfolio diversification strategies to the test, in terms of both currencies and different liquidity and investment tranches.

The region's monetary authorities are persevering with efforts to consolidate macroprudential regulation

Despite more benign external conditions in 2023, global financial risks persist, amid elevated uncertainty as to the duration and magnitude of monetary policy tightening, persistent inflation and prospects for slackening global growth. Compounding this are new sources of risk, relating particularly to geopolitical tensions, which could generate a new commodity price spike and further fragmentation of international trade, causing difficulties in global supply chains and consequences in terms of inflation. Furthermore, the frequency of extreme weather events and their adverse effects exert additional pressures on agricultural prices.

In this scenario, the vulnerabilities of financial systems and the potential accumulation of systemic risks, including new structural changes related to climate change mitigation and adaptation and the rise of cryptoassets, pose serious challenges for the region's monetary authorities in preserving macrofinancial stability and sustaining economic activity. Macroprudential policy is therefore an important tool for supporting monetary and exchange-rate policies in the event of external shocks and abrupt capital movements. The region's monetary authorities thus continue to take steps to consolidate macroprudential regulation and enhance the resilience of the financial system in light of the new measures adopted in 2023. Some initiatives related to financial supervision, systemic risk analysis and the expansion of the macroprudential toolbox are described below.

Financial sector supervision

In keeping with the Basel III standards, Chile plans to introduce a new deposit insurance scheme financed by the industrial sector, while also strengthening the supervision of financial conglomerates. In Costa Rica, supervisory agencies are developing specific regulations for assessing social and environmental risks, including those arising from climate change, in the banking sector's loan portfolio. In Jamaica, the implementation of the second pillar of the Basel III framework has been launched, and a framework has been developed to address the specific case of systemically important financial institutions. In addition, in Peru, the authorities have made progress in consolidating the financial system supervision framework by including the registration of credit unions. In the Dominican Republic, there is a plan to implement International Financial Reporting Standards and continue transitioning to Basel II/III.

Systemic risk analysis

Several countries have launched initiatives to improve risk assessment, by extending the scope of stress testing in the financial system. In Colombia, recent initiatives aim to modify stress tests to cover risks related to increased household leverage, as well as cross-border exposures of conglomerates to Central America. Mexico's central bank is weighing an extension of stress tests to encompass concentration risks, in addition to a comprehensive liquidity stress test project for the financial system, to measure the resilience of the different financial intermediaries. In Costa Rica, the improvement of macrofinancial stress test instruments, including coverage of climate risks, is high on the agenda.

[7] In 2022, foreign assets tended to devalue owing to changes in the price of United States securities held by central banks and the high international exchange rate of the dollar.

Expansion of the available macroprudential toolkit

In Mexico, the possibility of extending macroprudential instruments is being studied through the publication of a guide to the implementation of countercyclical capital requirements and the introduction of limits on the loan-to-value ratio and the debt service-to-income ratio, which are related to credit risks. In Costa Rica, a stricter definition of unhedged foreign-currency borrowers, related to currency mismatches, has been developed to mitigate risks arising from dollarization. This is aimed at the future application of additional capital requirements, together with the forthcoming introduction of the net stable funding ratio to address liquidity risks. Lastly, in Jamaica, additional capital and liquidity requirements have been implemented under the third pillar of Basel III.

In a complex global environment, the challenge facing the monetary authorities is to deploy a wide range of policy instruments to fulfil their respective mandates

In an environment in which both the monetary policy stance of developed countries and international financing conditions remain restrictive, worries about the effect of adjustments in the national monetary policy stance on capital flows and on the exchange rate continue to constrict the space for significantly lowering monetary policy interest rates in the region.

This situation imposes considerable costs by detracting from the momentum of economic activity, investment and job creation, in addition to the risk that the deterioration of financial conditions could morph into a larger crisis. In this situation, the challenge for monetary authorities is to find mechanisms to coordinate the use of the multiple monetary, foreign-exchange and prudential policy tools at their disposal, in order to fulfil the mandates of price and financial system stability, while striving to mitigate the effects on households' living conditions and companies' productive capacities.

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CHAPTER

VIII

Economic outlook for Latin America and the Caribbean in 2023 and 2024

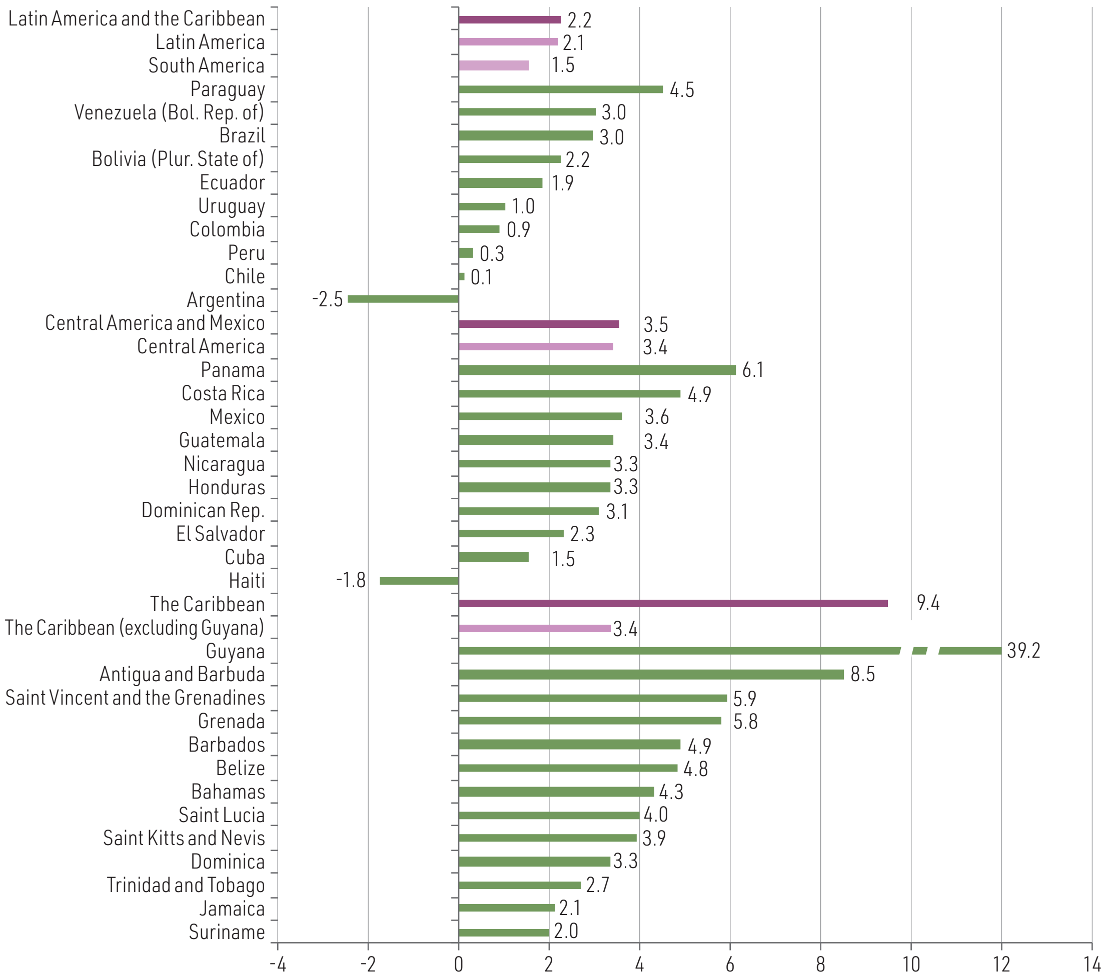
Global economic trends have not significantly boosted regional growth

Low growth expected in 2023 and 2024 is not only a short-term issue;
it reflects weaker trend growth of regional GDP

Slower regional growth to be accompanied by a slowdown in job creation

In 2023, economic activity in Latin America and the Caribbean continues to reflect weak growth, with an estimated increase of 2.2% in GDP. Slower growth is expected in all subregions in 2023 relative to 2022: South America is forecast to register an increase of 1.5%, compared with 3.8% in 2022; Central America and Mexico, 3.5%, compared with 4.1% in 2022; and the Caribbean (excluding Guyana), 3.4%, compared with 6.4% in 2022 (see figure VIII.1).

Figure VIII.1
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.

Global economic trends have not significantly boosted regional growth

Global growth remains below historical levels, at 3.0% in 2023. Growth in the volume of trade in goods is also weak, at 0.8%. Although inflation has declined worldwide, interest rates have not been cut in the major economies, so financing costs have remained high throughout the year.

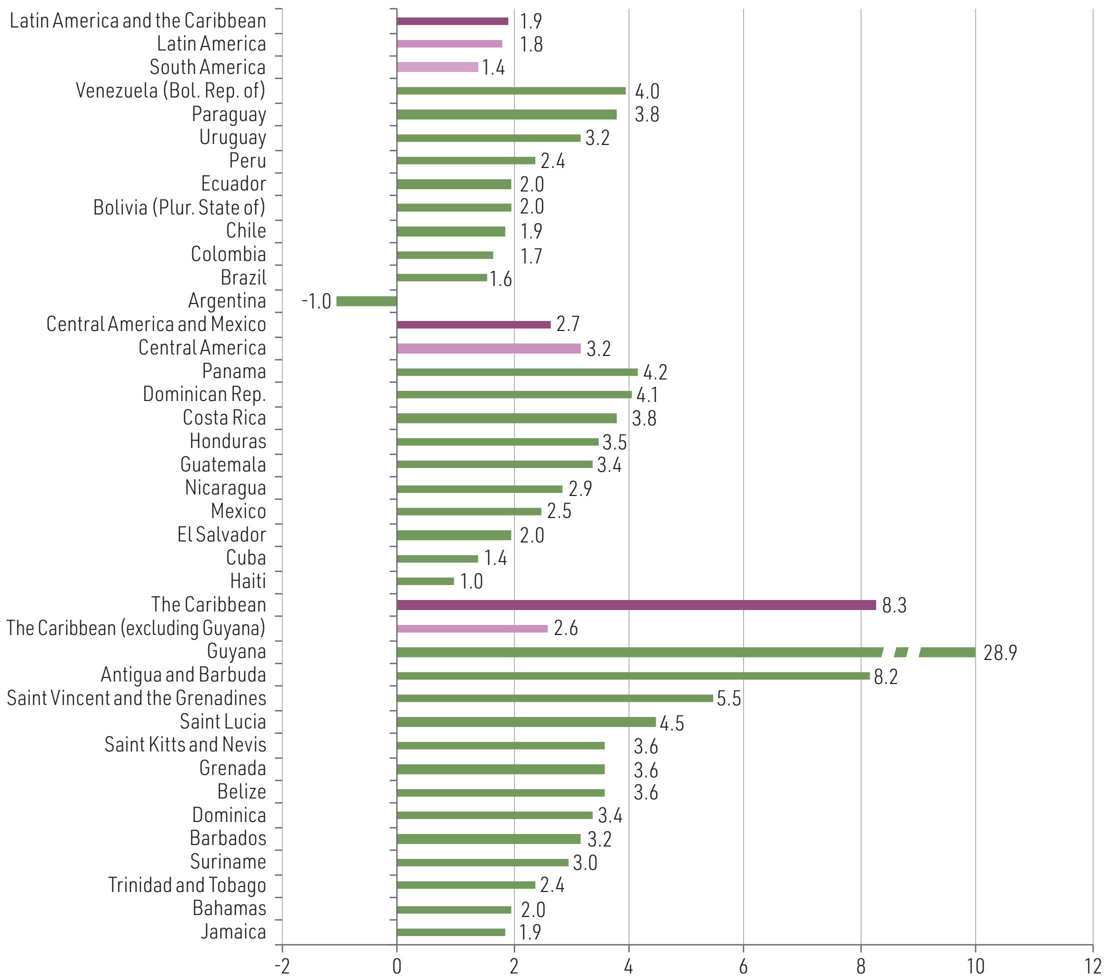
Domestically, the countries of the region once again faced constrained macroeconomic policy space in 2023, both in fiscal and monetary terms.

On the fiscal front, although gross public debt has decreased slightly since 2021, it remains high both in Latin America (accounting for almost 50% of GDP by the third quarter of 2023) and in the Caribbean (almost 70% of GDP). Amid high financing costs, interest payments have been increasing in both subregions, restricting countries' ability to implement active fiscal policies to boost growth.

On the monetary front, while inflation has continued to fall, the approach to rate cuts in 2023 remains cautious, and the monetary policy stance remains restrictive. This is as a result of the wariness of the countries of the region about the possible effects of faster or deeper cuts in policy interest rates on capital flows and exchange rates, given that high interest rates remain in place in developed countries.

In 2024, GDP in Latin America and the Caribbean is projected to grow by an average of 1.9%, maintaining the trend of low growth. All subregions are forecast to grow less than in 2023: projections are 1.4% for South America, 2.7% for Central America and Mexico, and 2.6% for the Caribbean (excluding Guyana) (see figure VIII.2).

Figure VIII.2
Latin America and the Caribbean (33 countries): projected GDP growth rates, 2024
(Percentages)



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

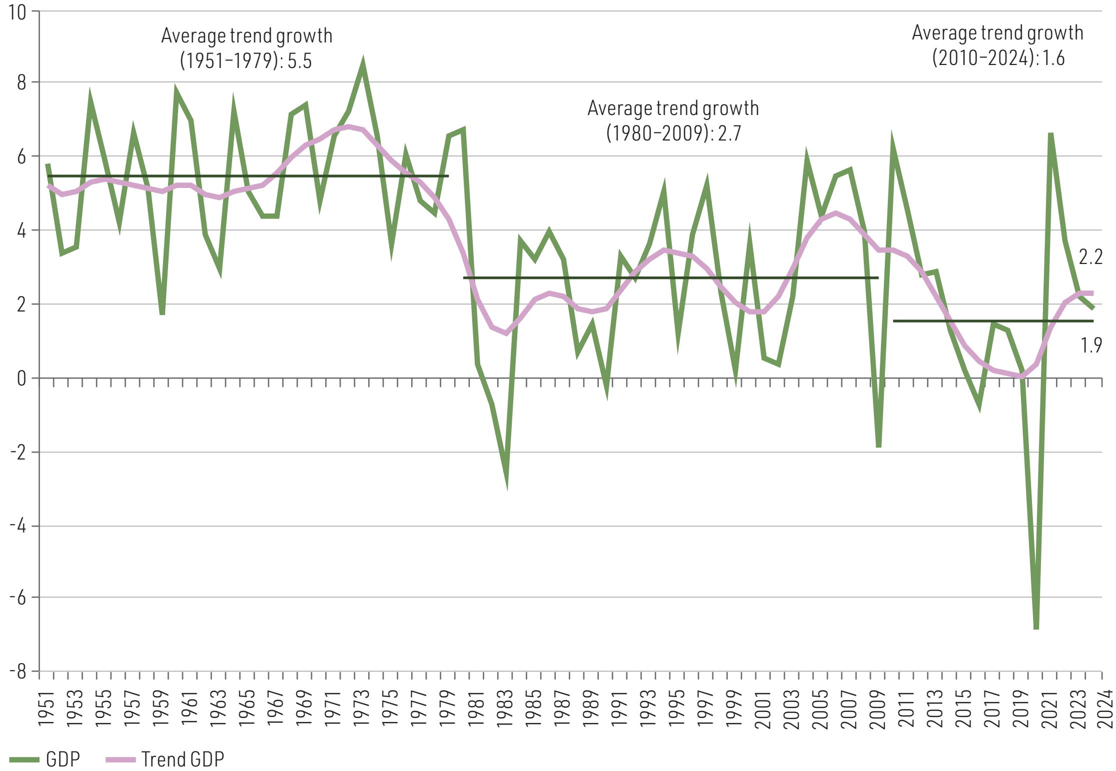
Low growth expected in 2023 and 2024 is not only a short-term issue; it reflects weaker trend growth of regional GDP

The low growth forecast for the economies of the region in 2023 and 2024 is not only a short-term issue; it reflects the decline seen in regional trend GDP growth following the debt crisis of the 1980s. Figure VIII.3 shows average growth of the economies of the region since 1951 and includes projections for 2023 and 2024. It also shows trend GDP growth for the region, and the average trend GDP growth for three periods: 1951–1979, 1980–2009 and 2010–2024. The average trend GDP growth rate has decreased since the debt crisis, and was at its lowest in 2010–2024, at 1.6%.

Figure VIII.3

Latin America and the Caribbean: growth in GDP and trend GDP, 1951–2024

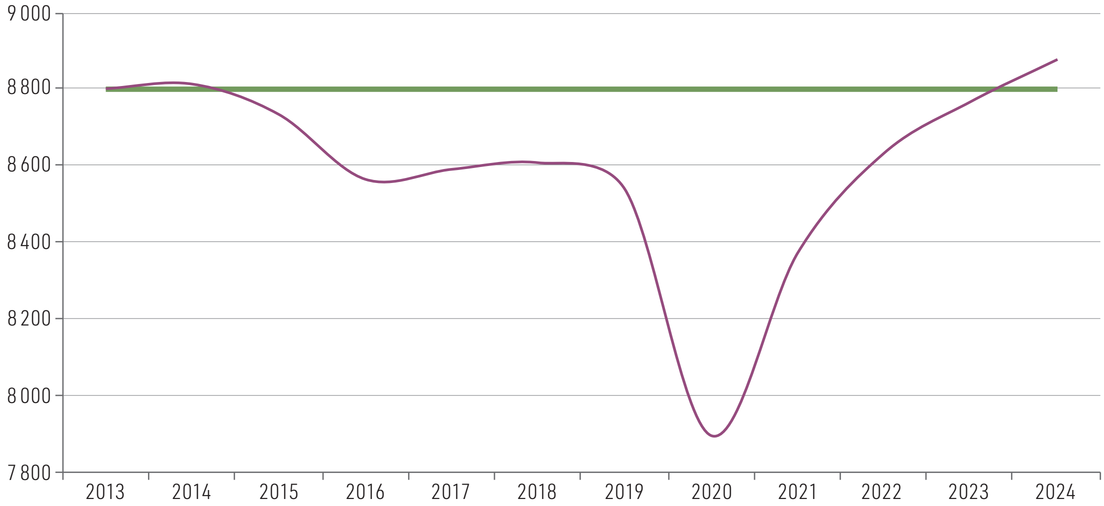
(Percentages on the basis of constant dollars at 2018 prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The Hodrick-Prescott filter was used to calculate GDP trend growth.

After either declining or remaining stagnant since 2015, regional per capita GDP fell even more sharply in 2020 because of the COVID-19 pandemic. Although this variable has since recovered, the projections included in this report indicate that it will not return to the levels seen in 2013–2014 until 2023, which means that the past 10 years may be considered another lost decade.

Figure VIII.4
Latin America and the Caribbean: per capita GDP, 2013–2024
(Constant dollars at 2018 prices)



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

Slower regional growth to be accompanied by a slowdown in job creation

Amid low economic growth, limited macroeconomic policy space and a sluggish external sector, the economies of Latin America and the Caribbean are also experiencing a slowdown in their capacity to create jobs, and it is estimated that, by the end of 2023, the number of employed persons will have grown by 1.4%, which is 4 percentage points lower than the 5.4% recorded in 2022. This trend is expected to continue in 2024, when the number of employed persons is projected to grow by 1.0%. In 2023, weak job creation was accompanied by an increase in the number of inactive persons (1.8%) compared to the levels seen in 2022, which contrasts with the reduction in this variable in 2021 and 2022, when the number of inactive persons declined by 5.9% and 1.5%, respectively. This trend in the number of people who are neither working nor actively looking for work is reflected in a drop in the regional participation rate, which is estimated to fall from 62.7% in 2022 to 62.5% in 2023 and 62.6% in 2024. The above-mentioned trends in employment and labour inactivity are expected to result in a further reduction in the regional unemployment rate, which is estimated at 6.5% for 2023 and 6.9% for 2024.

Informal employment levels in the region have remained close to 48% in 2023, and no significant changes are expected in this variable in 2024, especially if labour inactivity increases again. Bearing in mind labour market trends in the first half of 2023, along with the estimates for the rest of 2023 and for 2024, it is clear that wide gender gaps will persist in indicators such as unemployment and participation rates, although they have been narrowing. Thus, while the unemployment rate among men is estimated at 5.5% for 2023, the unemployment rate among women is estimated at 8.0% (a difference of 2.5 percentage points). Meanwhile, the labour participation rate is estimated at 74.1% among men and 51.9% among women for 2023 (a difference of 22.2 percentage points) and at 74.2% among men and 52.3% among women for 2024.

Statistical annex

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual growth rates									
Gross domestic product a/	1.2	0.0	-1.1	1.2	1.1	0.0	-7.0	7.0	4.0
Gross domestic product per capita a/	0.1	-1.0	-2.1	0.3	0.2	-0.8	-7.7	6.3	3.3
Consumer prices b/	4.9	6.2	4.6	3.9	3.5	3.4	3.3	7.6	7.6
Percentages									
National unemployment	6.1	6.6	7.8	8.1	7.9	8.0	10.3	9.3	7.0
Total gross external debt/GDP c/ d/	33.8	39.2	41.9	39.8	42.4	44.8	53.3	47.5	42.4
Total gross external debt/exports of goods and services c/ d/	1.6	1.6	1.6	1.7	1.8	1.9	1.9	1.9	2.0
Millions of dollars									
Balance of payments									
Current account balance	-203 809	-165 276	-105 842	-107 768	-154 402	-116 227	-13 518	-102 209	-147 653
Exports of goods f.o.b.	1 011 776	889 286	867 646	970 435	1 057 604	1 046 412	954 152	1 222 509	1 431 372
Imports of goods f.o.b.	1 055 467	945 873	875 074	963 356	1 074 682	1 044 504	883 024	1 208 359	1 457 479
Goods and services balance	-119 142	-114 446	-55 230	-46 374	-69 767	-43 151	19 741	-50 077	-98 988
Income balance	-153 428	-121 135	-127 354	-144 429	-173 596	-169 125	-136 953	-180 660	-194 571
Current transfers balance	68 761	70 305	76 742	83 035	88 961	96 049	103 694	128 528	145 906
Capital and financial balance e/	242 494	141 511	132 779	125 717	138 314	69 954	27 843	153 093	130 868
Net foreign direct investment	172 211	149 392	139 106	130 854	154 324	124 952	108 659	122 784	163 076
Other capital movements	78 321	1 191	-3 987	5 771	-1 116	-44 168	-83 631	38 402	-17 011
Overall balance	38 685	-23 765	26 937	17 949	-16 088	-46 273	14 325	50 885	-16 786
Variation in reserve assets f/	-39 148	23 066	-26 151	-17 955	-12 523	31 089	-14 948	-50 979	17 328
Use of IMF credits and loans	464	699	-789	44	28 604	15 156	657	187	-368
Net transfer of resources	89 529	21 074	4 637	-18 668	-6 677	-84 016	-108 453	-27 380	-64 072
Net international reserves	857 173	811 806	831 729	855 331	867 004	851 190	889 106	933 500	870 462
Percentages of GDP									
Fiscal sector g/ h/									
Overall balance	-2.8	-2.9	-3.2	-3.0	-2.7	-2.9	-6.7	-4.0	-2.3
Primary balance	-0.9	-0.7	-1.0	-0.7	-0.2	-0.3	-4.0	-1.5	0.3
Total revenue	18.2	18.2	18.0	18.0	18.2	18.2	17.5	18.8	19.3
Tax revenue	15.1	15.3	15.3	15.2	15.2	15.2	14.5	15.7	16.2
Total expenditure	21.0	21.1	21.2	21.0	20.9	21.1	24.2	22.8	21.5
Capital expenditure	4.1	3.9	3.8	3.6	3.3	3.2	3.4	3.6	3.1
Central-government public debt h/	34.1	36.4	38.5	39.9	43.0	45.3	56.0	53.0	51.4
Public debt of the non-financial public sector h/	37.0	39.7	41.9	43.4	46.5	49.2	59.7	56.6	54.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Based on official figures expressed in dollars at 2018 prices.
b/ Population-weighted average. Does not include Argentina, Cuba, Haiti, Suriname and Venezuela (Bolivarian Republic of)).
c/ Based on official figures expressed in dollars at constant prices.
d/ Weighted average for 18 countries (Latin America). Does not include Cuba and Bolivarian Republic of Venezuela.
e/ Includes errors and omissions.
f/ A minus sign (-) indicates an increase in reserve assets.
g/ Central government.
h/ Simple averages for 16 countries (Latin America). Does not include Bolivia (Plurinational State of), Cuba, Haiti and Venezuela (Bolivarian Republic of).

Table A2.1
Latin America and the Caribbean: total gross domestic product at constant prices
(Annual growth rates)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Latin America and the Caribbean	**1.2**	**0.0**	**-1.1**	**1.2**	**1.1**	**0.0**	**-7.0**	**7.0**	**4.0**
Latin America	**1.1**	**0.0**	**-1.1**	**1.3**	**1.1**	**0.0**	**-6.9**	**7.0**	**3.9**
Argentina	-2.5	2.7	-2.1	2.8	-2.6	-2.0	-9.9	10.7	5.0
Bolivia (Plurinational State of)	5.5	4.9	4.3	4.2	4.2	2.2	-8.7	6.1	3.6
Brazil	0.5	-3.5	-3.3	1.3	1.8	1.2	-3.3	5.0	3.0
Chile	1.8	2.2	1.8	1.4	4.0	0.7	-6.1	11.7	2.4
Colombia	4.5	3.0	2.1	1.4	2.6	3.2	-7.3	11.0	7.3
Costa Rica	3.5	3.7	4.2	4.2	2.6	2.4	-4.3	7.9	4.6
Cuba	1.0	4.4	0.5	1.8	2.2	-0.2	-10.9	1.3	1.8
Dominican Republic	7.1	6.9	6.7	4.7	7.0	5.1	-6.7	12.3	4.9
Ecuador	3.8	0.1	-1.2	2.4	1.3	0.0	-7.8	4.2	2.9
El Salvador	1.7	2.4	2.5	2.3	2.4	2.4	-7.8	11.2	2.6
Guatemala	4.4	4.1	2.7	3.1	3.4	4.0	-1.8	8.0	4.1
Haiti	1.7	2.6	1.8	2.5	1.7	-1.7	-3.3	-1.8	-1.7
Honduras	3.1	3.8	3.9	4.8	3.8	2.7	-9.0	12.5	4.0
Mexico	2.5	2.7	1.8	1.9	2.0	-0.3	-8.7	5.8	3.9
Nicaragua	4.8	4.8	4.6	4.6	-3.4	-2.9	-1.8	10.3	3.8
Panama	5.1	5.7	5.0	5.6	3.7	3.3	-17.7	15.8	10.8
Paraguay	5.3	3.0	4.3	4.8	3.2	-0.4	-0.8	4.0	0.1
Peru	2.4	3.3	4.0	2.5	4.0	2.2	-10.9	13.4	2.7
Uruguay	3.2	0.4	1.7	1.7	0.2	0.7	-6.3	5.3	4.9
Venezuela (Bolivarian Republic of) a/	-3.9	-6.2	-17.0	-15.7	-19.6	-28.0	-30.0	-3.0	12.0
The Caribbean	**2.3**	**0.3**	**-2.1**	**-0.6**	**1.5**	**0.9**	**-9.7**	**5.9**	**13.1**
Antigua and Barbuda	2.2	1.4	4.1	2.5	7.0	3.1	-18.9	8.2	9.5
Bahamas	1.8	1.0	-0.8	2.5	2.9	-0.7	-23.5	17.0	14.4
Barbados	-0.0	2.4	2.5	0.5	-0.9	0.3	-12.7	-0.8	11.3
Belize	4.0	3.2	-0.0	-1.8	1.1	4.2	-13.7	17.9	8.7
Dominica	4.8	-2.7	2.8	-6.6	3.5	5.5	-16.6	6.9	5.6
Grenada	7.3	6.4	3.7	4.4	4.4	0.7	-13.8	4.7	7.3
Guyana	1.7	0.7	3.8	3.7	4.4	5.4	43.5	20.1	63.4
Jamaica	0.7	0.9	1.4	1.0	1.9	0.9	-9.9	4.6	5.2
Saint Kitts and Nevis	7.6	0.7	3.9	0.0	2.1	4.0	-14.6	-0.9	8.8
Saint Lucia	1.3	0.1	3.4	3.4	2.9	-0.2	-23.6	11.3	15.7
Saint Vincent and the Grenadines	1.1	2.8	4.1	1.4	3.2	0.7	-3.7	0.8	7.2
Suriname	0.3	-3.4	-4.9	1.6	4.9	1.1	-15.9	-2.4	2.4
Trinidad and Tobago	3.9	-0.8	-7.5	-4.8	-0.6	0.4	-9.1	-1.0	1.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Based on official figures expressed in dollars at 2018 prices.
a/ Estimates from 2019.

Table A2.2

Latin America and the Caribbean: per capita total gross domestic product at constant prices

(Annual growth rates)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Latin America and the Caribbean	**0.1**	**-1.0**	**-2.1**	**0.3**	**0.2**	**-0.8**	**-7.7**	**6.3**	**3.3**
Latin America	**0.1**	**-1.0**	**-2.1**	**0.3**	**0.2**	**-0.8**	**-7.7**	**6.3**	**3.2**
Argentina	-3.5	1.7	-3.0	1.9	-3.4	-2.7	-10.5	10.1	4.4
Bolivia (Plurinational State of)	3.8	3.2	2.7	2.6	2.7	0.7	-10.0	4.9	2.4
Brazil	-0.4	-4.4	-4.1	0.5	1.0	0.4	-3.9	4.4	2.5
Chile	0.8	1.1	0.6	-0.2	2.1	-1.0	-7.4	10.6	1.9
Colombia	3.5	2.0	1.0	-0.2	0.6	1.3	-8.6	9.8	6.5
Costa Rica	2.4	2.6	3.2	3.1	1.7	1.5	-5.0	7.3	4.0
Cuba	1.0	4.4	0.5	1.9	2.3	-0.1	-10.8	1.7	2.2
Dominican Republic	5.7	5.7	5.4	3.5	5.8	3.9	-7.7	11.1	3.8
Ecuador	2.3	-1.4	-2.7	0.8	-0.6	-1.9	-9.1	3.0	1.8
El Salvador	1.3	2.0	2.2	2.0	2.3	2.3	-8.0	10.8	2.2
Guatemala	2.5	2.2	0.9	1.3	1.7	2.5	-3.2	6.5	2.7
Haiti	0.2	1.1	0.4	1.1	0.3	-3.0	-4.6	-3.0	-2.8
Honduras	1.2	2.0	2.1	3.0	2.1	0.9	-10.4	10.8	2.5
Mexico	1.2	1.5	0.6	0.8	1.0	-1.1	-9.3	5.2	3.2
Nicaragua	3.3	3.3	3.1	3.2	-4.7	-4.2	-3.1	8.8	2.3
Panama	3.3	3.9	3.1	3.8	2.0	1.6	-18.9	14.3	9.4
Paraguay	3.8	1.5	2.8	3.3	1.8	-1.7	-2.1	2.7	-1.1
Peru	1.3	2.0	2.5	1.0	2.0	0.3	-12.2	12.0	1.7
Uruguay	2.9	0.0	1.4	1.5	0.0	0.7	-6.3	5.4	5.0
Venezuela (Bolivarian Republic of) a/	-5.0	-7.3	-17.6	-15.2	-17.6	-25.9	-28.8	-2.0	11.6
The Caribbean	**1.7**	**-0.3**	**-2.7**	**-1.1**	**0.6**	**0.2**	**-9.9**	**5.4**	**12.8**
Antigua and Barbuda	1.4	0.7	3.3	1.9	6.4	2.5	-19.4	7.6	8.8
Bahamas	0.9	0.1	-1.6	1.8	2.2	-1.4	-23.9	16.6	13.8
Barbados	-0.2	2.2	2.4	0.2	-1.0	0.1	-12.9	-1.0	11.2
Belize	1.8	1.0	-2.0	-3.8	-0.9	2.4	-15.0	16.4	7.3
Dominica	3.9	-3.6	2.6	-7.0	3.0	4.6	-17.3	6.3	5.2
Grenada	6.3	5.6	2.9	3.7	3.6	-0.1	-14.5	3.9	6.6
Guyana	1.2	0.2	3.2	3.2	1.5	3.6	43.8	19.0	62.5
Jamaica	0.3	0.6	1.1	0.8	1.8	0.8	-10.1	4.3	5.2
Saint Kitts and Nevis	7.6	0.7	3.9	0.0	2.1	4.3	-14.4	-0.9	8.6
Saint Lucia	0.9	-0.4	3.0	2.9	2.5	-0.6	-23.8	11.0	15.5
Saint Vincent and the Grenadines	1.6	3.2	4.6	1.9	3.4	1.0	-3.5	1.0	7.6
Suriname	-0.8	-4.4	-5.9	0.5	3.9	-0.0	-16.9	-3.4	1.6
Trinidad and Tobago	3.1	-1.4	-8.1	-5.4	-2.3	-0.6	-9.0	-1.5	1.1

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

Note: Based on official figures expressed in dollars at 2018 prices.

a/ Estimates from 2019.

Table A2.3

Latin America and the Caribbean: total gross domestic product at constant prices

(Year-on-year growth rates)

	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Argentina	3.4	18.8	12.0	9.1	5.8	6.8	5.7	1.5	1.4	-4.9
Bahamas	-14.4	35.3	28.8	20.7	21.5	11.9	13.1	12.1	...	...
Belize	-4.2	28.7	18.1	18.0	7.7	9.3	9.8	8.2	8.6	2.6
Bolivia (Plurinational State of)	-0.6	23.1	5.2	0.5	4.8	4.6	4.1	1.3	2.4	2.0
Brazil	1.7	12.4	4.2	1.5	1.5	3.5	4.3	2.7	4.2	3.5
Chile	0.2	18.4	17.2	12.7	7.5	5.2	0.2	-2.3	-0.7	-0.8
Colombia	1.6	19.0	13.5	11.1	8.2	12.3	7.4	2.1	3.0	0.4
Costa Rica	-1.0	10.3	12.6	10.5	6.6	4.5	2.8	4.3	4.4	5.8
Dominican Republic	3.1	25.4	11.4	11.1	6.1	5.1	5.0	3.3	1.4	1.0
Ecuador	-4.1	11.6	5.5	4.9	3.4	1.4	2.7	4.3	1.0	3.3
El Salvador	3.3	27.3	11.3	5.8	4.5	2.5	2.2	1.2	0.8	3.1
Guatemala	4.5	15.4	8.2	4.9	4.8	4.5	3.8	3.5	3.7	3.8
Honduras	2.0	27.2	12.8	11.1	5.7	4.3	4.1	2.1	2.0	3.1
Jamaica a/	-6.6	14.2	5.9	6.7	6.5	4.8	5.9	3.8	4.2	2.3
Mexico	-3.2	21.0	4.6	1.5	2.4	2.8	4.7	3.9	3.7	3.6
Nicaragua	3.7	18.1	10.2	10.3	4.8	4.5	3.4	2.4	3.6	4.0
Panama	-8.4	40.0	25.5	16.3	13.6	9.8	9.5	...	...	...
Paraguay	0.6	14.0	2.6	0.3	-0.9	-3.3	2.9	1.7	4.9	5.9
Peru	4.5	41.2	11.9	3.2	3.9	3.4	2.0	1.7	-0.4	-0.5
Uruguay	-3.8	11.3	6.2	7.8	8.4	8.7	3.4	-0.1	1.5	-2.5

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

Note: Based on figures in local currency at constant prices.

a/ Gross domestic product measured in basic prices.

Table A2.4
Latin America and the Caribbean: gross fixed capital formation
(Percentages of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Latin America and the Caribbean	**22.4**	**21.1**	**19.4**	**18.7**	**18.7**	**18.5**	**17.5**	**18.9**	**19.1**
Argentina	14.7	14.9	14.3	15.8	15.3	13.1	12.6	15.3	16.1
Bahamas	29.8	24.0	25.5	27.3	25.3	26.2	23.4	22.5	17.8
Belize	15.6	15.9	18.1	15.8	16.6	16.8	17.4	18.6	19.3
Bolivia (Plurinational State of)	19.1	19.1	19.0	20.4	20.2	19.0	15.5	16.3	16.6
Brazil	18.7	16.7	15.2	14.6	15.1	15.5	15.8	17.5	17.1
Chile	25.1	24.6	23.6	22.5	23.0	23.9	22.7	23.5	23.6
Colombia	22.6	22.5	21.4	21.5	21.2	21.0	17.2	18.2	18.9
Costa Rica	18.8	18.8	19.1	18.4	18.2	16.3	16.5	16.5	16.0
Dominican Republic	21.8	24.3	25.5	24.3	25.8	26.5	25.0	27.2	27.0
Ecuador	28.6	26.8	24.7	25.4	25.6	24.7	21.7	21.7	21.6
El Salvador	15.0	16.0	16.2	16.4	17.2	17.8	17.8	20.1	20.1
Guatemala	14.8	14.0	13.4	13.6	13.7	14.3	13.9	15.5	15.4
Haiti	17.4	13.2	15.2	16.0	16.1	18.6	14.8	10.7	9.8
Honduras	23.4	25.3	22.6	24.0	24.7	22.8	19.1	...	...
Jamaica	23.3	21.9	21.7	22.4	23.3	23.5	...	...	...
Mexico	23.8	24.2	23.9	23.4	23.0	22.1	20.0	20.7	21.6
Nicaragua	26.3	29.3	28.4	27.7	22.4	16.7	18.9	23.0	21.2
Paraguay	20.5	19.5	19.1	19.3	19.9	18.8	20.0	22.7	22.2
Peru	25.4	22.9	21.0	20.8	20.9	21.0	19.8	23.3	22.8
Uruguay	19.1	17.3	16.7	16.6	14.8	14.4	15.6	17.2	18.0
Venezuela (Bolivarian Republic of)	58.1	49.4	32.6	21.2	16.5	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Based on official figures expressed in dollars at 2018 prices.

Table A3.1
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		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Latin America and the Caribbea	**1 222 509**	**1 431 372**	**673 788**	**150 552**	**206 647**	**100 188**	**1 208 359**	**1 457 479**	**647 233**	**214 778**	**279 527**	**128 688**
Latin America	**1 201 444**	**1 396 640**	**672 558**	**140 621**	**192 185**	**98 431**	**1 184 206**	**1 428 774**	**644 920**	**202 520**	**264 755**	**127 651**
Argentina	77 987	88 515	33 498	9 499	14 487	8 112	59 291	76 163	35 876	13 101	21 396	12 037
Bolivia (Plurinational State of)	10 966	13 541	2 540	458	926	293	8 740	11 846	2 542	1 986	2 731	632
Brazil	284 012	340 328	168 748	31 482	40 291	21 582	247 648	296 175	130 925	58 439	79 909	38 509
Chile	94 774	98 548	50 383	5 973	8 529	4 982	84 304	94 741	39 348	18 291	23 353	9 956
Colombia	42 736	59 624	26 239	8 171	13 488	7 176	56 719	71 652	29 892	14 190	17 888	8 014
Costa Rica	14 873	16 706	9 389	9 164	11 986	6 942	17 671	21 303	11 168	4 269	5 299	2 559
Dominican Republic	12 486	13 777	6 677	8 114	11 326	6 501	24 282	30 743	14 053	4 408	5 617	2 828
Ecuador	26 968	33 033	15 321	2 070	2 887	1 533	23 975	30 489	14 105	4 153	5 562	2 466
El Salvador	5 151	5 723	2 843	3 179	4 406	2 267	13 160	15 292	7 070	2 299	2 778	1 239
Guatemala	12 361	14 266	3 602	2 885	3 861	1 002	23 289	28 524	6 689	4 054	5 415	1 202
Haiti	1 130	1 282	...	142	101	...	4 416	4 762	...	632	689	...
Honduras	10 247	12 281	6 098	853	1 094	567	15 067	18 321	8 645	2 841	3 628	1 644
Mexico	495 275	578 223	292 228	37 945	48 075	25 502	506 005	605 302	298 614	52 965	63 288	34 506
Nicaragua	5 574	6 310	1 798	1 044	1 560	346	7 475	9 101	2 103	867	1 113	252
Panama	14 889	18 369	5 115	11 902	17 065	4 758	20 368	30 156	6 419	4 177	5 272	1 310
Paraguay	13 223	12 815	7 941	1 093	1 637	916	12 594	14 744	7 060	1 218	1 879	1 073
Peru	62 967	66 235	32 347	2 947	4 962	2 608	47 990	55 902	23 992	10 718	13 604	6 469
Uruguay	15 827	17 062	7 790	3 700	5 503	3 345	11 211	13 561	6 423	3 914	5 334	2 957
The Caribbean	**21 064**	**34 731**	**1 230**	**9 930**	**14 462**	**1 756**	**24 153**	**28 705**	**2 313**	**12 258**	**14 772**	**1 037**
Antigua and Barbuda	48	51	...	705	1 018	...	525	721	...	342	420	...
Bahamas	639	838	...	2 691	3 906	...	3 264	3 754	...	1 683	1 960	...
Barbados	647	822	...	834	1 177	...	1 589	2 039	...	372	430	...
Belize	422	517	117	621	851	308	956	1 224	302	293	350	70
Dominica	16	22	...	84	158	...	177	229	...	89	121	...
Grenada	30	...	...	452	...	...	371	...	...	209	...	...
Guyana	4 356	11 299	...	271	217	...	4 376	3 623	...	2 858	3 782	...
Jamaica	1 481	1 902	527	2 920	4 522	1 410	4 263	6 510	1 622	3 143	3 217	821
Saint Kitts and Nevis	27	21	...	314	490	...	281	328	...	183	203	...
Saint Lucia	67	66	...	388	910	...	378	673	...	198	359	...
Saint Vincent and the Grenadines	47	49	...	95	174	...	265	398	...	86	103	...
Suriname	2 204	2 457	586	96	143	39	1 338	1 701	388	538	640	146
Trinidad and Tobago	11 082	16 687	...	460	897	...	6 370	7 506	...	2 266	3 188	...

(continue)

Table A3.1 (continued)

Latin America and the Caribbean: balance of payments

(Millions of dollars)

	Goods and services balance			Income balance			Current transfers balance			Current account balance		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Latin America and the Caribbea	**-50 077**	**-98 988**	**-1 946**	**-180 660**	**-194 571**	**-109 814**	**128 528**	**145 906**	**64 573**	**-102 209**	**-147 653**	**-47 186**
Latin America	**-44 660**	**-104 704**	**-1 582**	**-178 017**	**-189 623**	**-109 568**	**123 555**	**140 888**	**63 687**	**-99 122**	**-153 439**	**-47 464**
Argentina	15 093	5 443	-6 304	-9 852	-11 858	-6 658	1 403	2 125	1 231	6 645	-4 290	-11 730
Bolivia (Plurinational State of)	698	-109	-340	-1 029	-1 274	-309	1 202	1 200	326	871	-184	-324
Brazil	9 406	4 536	20 897	-58 971	-61 897	-35 158	3 207	3 742	459	-46 358	-53 620	-13 803
Chile	-1 848	-11 017	6 062	-18 518	-16 520	-7 458	-2 827	434	313	-23 193	-27 102	-1 084
Colombia	-20 002	-16 427	-4 490	-8 723	-17 407	-7 535	10 775	12 308	6 115	-17 951	-21 526	-5 910
Costa Rica	2 096	2 091	2 604	-4 251	-5 129	-3 176	550	570	274	-1 605	-2 469	-297
Dominican Republic	-8 089	-11 257	-3 702	-4 711	-4 574	-2 650	10 114	9 504	4 787	-2 685	-6 327	-1 565
Ecuador	910	-131	283	-1 670	-1 864	-1 202	3 858	4 110	2 213	3 097	2 114	1 294
El Salvador	-7 129	-7 941	-3 200	-1 566	-1 867	-1 071	7 422	7 662	3 905	-1 272	-2 146	-365
Guatemala	-12 097	-15 812	-3 286	-2 127	-1 931	-379	16 115	18 986	4 638	1 890	1 243	973
Haiti	-3 776	-4 067	...	23	24	...	3 840	3 580	...	87	-464	...
Honduras	-6 807	-8 573	-3 624	-2 352	-2 444	-1 305	7 632	8 934	4 588	-1 528	-2 083	-341
Mexico	-25 750	-42 292	-15 389	-33 945	-33 831	-28 649	51 352	58 077	29 996	-8 343	-18 046	-14 042
Nicaragua	-1 724	-2 344	-210	-897	-1 128	-307	2 183	3 256	1 023	-438	-216	507
Panama	2 245	6	2 145	-3 979	-2 965	-1 044	321	-44	0	-1 412	-3 004	1 101
Paraguay	505	-2 171	724	-1 347	-1 163	-721	534	542	336	-308	-2 793	340
Peru	7 206	1 691	4 494	-18 067	-17 373	-8 633	5 797	5 773	3 396	-5 064	-9 908	-743
Uruguay	4 402	3 670	1 755	-6 035	-6 421	-3 315	78	130	85	-1 555	-2 620	-1 474
The Caribbean	**-5 417**	**5 716**	**-364**	**-2 643**	**-4 949**	**-245**	**4 973**	**5 018**	**886**	**-3 087**	**5 785**	**278**
Antigua and Barbuda	-115	-72	...	-64	-81	...	-66	-72	...	-244	-225	...
Bahamas	-1 617	-970	...	-734	-858	...	-82	68	...	-2 434	-1 760	...
Barbados	-479	-470	...	-96	-166	...	33	16	...	-542	-620	...
Belize	-207	-205	53	-78	-132	-16	127	103	38	-158	-235	74
Dominica	-166	-169	...	14	-1	...	22	26	...	-130	-144	...
Grenada	-99	...	...	-78	...	...	22	...	...	-155	...	...
Guyana	-2 606	4 110	...	-442	-1 342	...	1 053	1 056	...	-1 995	3 824	...
Jamaica	-3 005	-3 303	-506	-419	-347	-144	3 573	3 520	821	149	-130	171
Saint Kitts and Nevis	-123	-20	...	-14	-31	...	-25	1	...	-162	-49	...
Saint Lucia	-121	-56	...	-14	-79	...	23	10	...	-112	-125	...
Saint Vincent and the Grenadines	-210	-277	...	1	-20	...	34	87	...	-175	-210	...
Suriname	423	258	90	-393	-308	-85	146	126	27	176	76	32
Trinidad and Tobago	2 906	6 890	...	-326	-1 584	...	115	77	...	2 695	5 382	...

(continue)

Table A3.1 (concluded)

Latin America and the Caribbean: balance of payments

(Millions of dollars)

	Capital and financial balance			Overall balance			Reserve assets (variation) a/			Use of IMF credits and loans		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Latin America and the Caribbea	**153 093**	**130 868**	**58 805**	**50 885**	**-16 786**	**11 618**	**-50 979**	**17 328**	**-11 824**	**120**	**-1.6**	**-0.3**
Latin America	**148 214**	**136 376**	**58 915**	**49 092**	**-17 063**	**11 451**	**-49 087**	**16 999**	**-11 657**	**119**	**-2.9**	**...**
Argentina	-6 750	11 210	-4 331	-106	6 920	-16 062	106	-6 920	16 062	...	...	...
Bolivia (Plurinational State of)	-1 225	-680	-534	-354	-864	-857	354	864	857	...	...	...
Brazil	60 324	46 335	31 357	13 967	-7 284	17 554	-13 967	7 284	-17 554	...	...	...
Chile	35 405	17 901	1 213	12 211	-9 201	129	-12 211	9 201	-129	...	...	...
Colombia	18 604	22 097	6 583	654	571	673	-654	-571	-673	...	...	...
Costa Rica	1 342	4 272	2 877	-263	1 803	2 580	263	-1 803	-2 580	...	...	...
Dominican Republic	4 989	7 770	3 331	2 303	1 444	1 765	-2 304	-1 444	-1 765	...	...	...
Ecuador	-2 150	-1 546	-2 890	948	568	-1 596	-948	-568	1 596	...	...	...
El Salvador	1 631	1 444	510	359	-702	145	-359	702	-145	...	...	...
Guatemala	918	-1 210	-870	2 809	33	103	-2 809	-33	-103	...	...	...
Haiti	-313	250	...	-225	-214	...	-91	117	...	-5	-2.9	...
Honduras	1 986	1 956	-187	459	-127	-528	-587	122	527	124	...	...
Mexico	18 631	16 353	21 206	10 288	-1 692	7 164	-10 288	1 692	-7 164	...	...	...
Nicaragua	1 271	582	-68	833	367	438	-833	-367	-438	...	...	...
Panama	776	1 122	-1 308	-637	-1 882	-207	1 087	1 920	2	...	...	...
Paraguay	901	2 658	-577	593	-134	-237	-593	134	237	...	...	...
Peru	9 474	4 819	1 229	4 410	-5 089	486	-4 410	5 089	-486	...	...	...
Uruguay	2 399	1 042	1 374	843	-1 578	-101	-843	1 578	101	...	...	...
The Caribbean	**4 880**	**-5 508**	**-110**	**1 792**	**277**	**167**	**-1 893**	**330**	**-167**	**0.8**	**1.3**	**-0.3**
Antigua and Barbuda	347	313	...	103	88	...	-102	-92	...	...	...	...
Bahamas	2 485	1 938	...	51	178	...	-240	251	...	0.8	1.3	-0.3
Barbados	764	585	...	221	-35	...	-199	144	...	...	...	...
Belize	233	293	-71	75	58	4	-75	-58	-4	...	...	...
Dominica	151	147	...	21	3	...	-21	-5	...	...	...	...
Grenada	183	...	...	28	...	...	-28	...	...	...	...	...
Guyana	2 125	-3 703	...	130	122	...	-130	-122	...	...	...	...
Jamaica	603	-186	-4	752	-316	167	-752	316	-167	...	...	...
Saint Kitts and Nevis	166	-16	...	5	-65	...	-5	57	...	...	...	...
Saint Lucia	93	118	...	-19	-7	...	19	19	...	...	...	...
Saint Vincent and the Grenadines	192	217	...	17	7	...	-17	-3	...	...	...	...
Suriname	307	214	-36	483	291	-3	-417	-225	3	...	...	...
Trinidad and Tobago	-2 769	-5 429	...	-74	-47	...	74	47	...	...	...	...

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

Note: Figure for 2023 corresponds to the sum of the first and second quarters.

a/ A minus sign (-) indicates an increase.

Table A3.2
Latin America: international trade of goods
(Annual growth rates)

Exports of goods f.o.b.

	Value			Volume			Unit value		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Latin America	**27.8**	**16.3**	**-1.5**	**6.1**	**4.1**	**3.1**	**20.4**	**11.7**	**-5.3**
Argentina	41.9	13.5	-22.0	12.8	-2.3	-14.3	25.8	16.2	-9.0
Bolivia (Plurinational State of)	56.4	23.4	-17.0	5.7	0.3	-7.7	48.0	23.0	-10.0
Brazil	34.8	19.8	3.3	4.1	5.4	12.7	29.5	13.6	-8.4
Chile	28.0	4.0	-2.6	-0.5	-1.5	3.6	28.7	5.6	-6.0
Colombia	32.3	40.0	-13.6	-4.7	1.0	2.9	38.8	38.7	-16.0
Costa Rica	23.3	9.6	15.9	20.1	6.8	14.8	2.7	2.6	1.0
Dominican Republic	21.2	10.3	-3.2	16.3	6.1	-4.7	4.2	4.0	1.6
Ecuador	32.3	22.8	-6.4	4.0	-6.2	0.7	27.1	31.0	-7.0
El Salvador	31.4	11.1	-4.3	22.3	0.1	-2.4	7.4	11.0	-2.0
Guatemala	22.1	15.5	-4.7	13.4	5.0	-2.9	7.6	10.0	-1.9
Honduras	33.0	19.1	-3.1	23.1	7.3	-1.0	8.0	11.0	-2.1
Mexico	18.7	16.7	2.0	5.4	6.7	4.1	12.6	9.4	-2.0
Nicaragua	26.8	13.2	10.9	19.3	-2.1	9.0	6.3	15.6	1.7
Panama	45.6	23.4	-7.1	36.1	12.2	-3.2	7.0	10.0	-4.0
Paraguay	20.7	-3.1	21.4	-5.8	-24.9	26.5	28.1	29.0	-4.0
Peru	47.0	5.2	-12.5	12.5	3.3	-7.9	30.6	1.8	-5.0
Uruguay	56.1	9.3	-20.4	39.6	-0.5	-17.1	11.9	9.8	-4.0

Imports of goods f.o.b.

	Value			Volume			Unit value		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Latin America	**37.0**	**20.6**	**-6.0**	**20.4**	**4.9**	**-3.3**	**13.8**	**15.0**	**-2.8**
Argentina	47.1	28.5	-6.6	28.2	10.5	-2.7	14.7	16.3	-4.0
Bolivia (Plurinational State of)	38.0	35.7	-11.8	24.3	16.0	-8.2	11.0	17.0	-4.0
Brazil	38.9	19.6	-10.2	22.7	-2.3	-3.5	13.2	22.4	-7.0
Chile	53.0	12.4	-14.8	33.1	-2.2	-11.3	14.9	14.9	-4.0
Colombia	37.7	26.3	-19.8	19.0	11.1	-21.0	15.7	13.8	1.6
Costa Rica	25.5	13.8	4.2	17.4	1.1	5.2	6.9	12.5	-1.0
Dominican Republic	42.0	26.6	-6.3	23.0	5.5	-2.4	15.4	20.0	-4.0
Ecuador	40.3	27.2	-9.4	25.4	2.6	-3.7	11.9	24.0	-6.0
El Salvador	47.1	16.2	-8.1	26.4	0.2	-5.2	16.4	16.0	-3.0
Guatemala	41.7	22.2	-7.3	26.5	4.5	-3.9	12.0	17.0	-3.5
Honduras	47.0	16.7	-6.3	33.6	-4.4	-3.9	10.0	22.0	-2.5
Mexico	32.1	19.6	-0.6	15.6	8.7	0.4	14.2	10.1	-1.0
Nicaragua	40.0	21.8	-4.0	25.6	2.8	-1.5	11.5	18.4	-2.5
Panama	41.1	48.1	11.6	27.1	25.5	9.4	11.0	18.0	2.0
Paraguay	29.4	16.9	0.9	18.7	-12.7	-0.6	9.1	34.0	1.5
Peru	38.2	16.5	-15.7	18.5	2.4	-12.2	16.6	13.7	-4.0
Uruguay	41.9	21.4	-4.6	22.5	3.5	1.5	15.8	17.3	-6.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Figure for 2023 are forecasts.

Table A3.3

Latin America: terms of trade for goods f.o.b./f.o.b.

(Annual growth rates)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Latin America	**-9.3**	**0.8**	**4.8**	**0.0**	**0.5**	**1.5**	**5.5**	**-3.6**	**-2.6**
Argentina	-4.7	6.2	-2.9	0.9	-0.7	0.6	9.7	-0.1	-5.2
Bolivia (Plurinational State of)	-25.2	-15.5	14.8	0.0	-6.2	-13.4	10.9	-9.3	-6.3
Brazil	-11.6	2.4	5.7	-1.3	0.1	0.6	14.4	-7.2	-1.5
Chile	-2.5	3.7	10.2	-2.6	-1.8	11.3	12.0	-8.1	-2.1
Colombia	-24.7	-1.1	17.0	9.4	-1.4	-15.6	20.0	21.9	-17.3
Costa Rica	7.6	3.3	-2.6	-1.8	-0.1	2.3	-3.9	-11.8	2.0
Dominican Republic	8.6	4.5	-4.5	-4.8	4.5	11.0	-8.9	-9.8	5.8
Ecuador	-24.2	-4.6	8.4	9.4	-3.7	-13.2	13.6	6.4	-1.1
El Salvador	4.3	0.6	-2.2	-3.9	1.7	4.3	-8.5	-3.0	1.0
Guatemala	5.3	8.0	-5.2	-4.3	-1.2	7.4	-3.9	-6.0	1.7
Haiti	5.3	-1.2	3.0	-6.9	-1.0	3.7	-9.0	-8.7	2.3
Honduras	5.4	0.3	0.3	-6.2	-1.9	4.1	-1.6	0.7	0.4
Mexico	-3.9	0.9	3.4	-1.4	2.3	0.8	-1.7	-2.1	-1.0
Nicaragua	17.8	-0.9	-2.2	-8.2	3.4	17.8	-4.6	-2.3	4.3
Panama	-2.6	-3.1	-2.2	-1.4	0.2	10.8	-3.6	-6.8	-5.9
Paraguay	1.7	0.3	-1.1	-2.3	-3.5	33.5	17.4	-10.4	-5.4
Peru	-6.8	-0.3	7.5	-0.4	-1.7	9.1	12.0	-10.5	-1.0
Uruguay	1.9	2.8	-0.4	-4.8	3.1	7.2	-3.4	-6.4	2.1
Venezuela (Bolivarian Republic of)	-41.1	-16.1	17.1	21.3	-7.9	-19.4	28.4	32.8	-18.4

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

Note: Figure for 2023 are forecasts.

Table A3.4

Latin America and the Caribbean (selected countries): remittances from emigrant workers

(Millions of dollars)

	2018	2019	2020	2021	2022	2022				2023			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Bolivia (Plurinational State of)	1 370	1 318	1 116	1 399	1 437	365	359	334	379	377	329	116	*i/*
Brazil	2 565	2 880	3 312	3 845	4 712	1 084	1 266	1 228	1 133	1 054	1 042	668	*ii/*
Colombia	6 636	7 087	6 909	8 597	9 429	2 046	2 418	2 410	2 556	2 476	2 397	1 649	*ii/*
Costa Rica	499	519	495	559	575	141	143	150	141	163	101	…	
Dominican Republic	6 494	7 087	8 219	10 402	9 857	2 396	2 465	2 448	2 547	2 481	2 539	2 577	*iii/*
Ecuador	3 031	3 235	3 338	4 362	4 744	1 104	1 160	1 221	1 259	1 192	1 353	…	
El Salvador	5 395	5 656	5 930	7 579	7 819	1 824	1 996	1 925	2 074	1 913	2 107	2 034	*iii/*
Guatemala	9 288	10 508	11 340	15 296	18 040	3 937	4 775	4 610	4 719	4 433	5 225	5 116	*iii/*
Honduras	4 884	5 522	5 741	7 370	8 686	1 941	2 260	2 283	2 202	2 120	2 390	1 605	*ii/*
Jamaica	2 346	2 406	2 905	3 497	3 440	793	861	903	884	800	849	592	*ii/*
Mexico	33 677	36 439	40 605	51 586	58 510	12 522	14 994	15 462	15 532	13 970	16 274	11 215	*ii/*
Nicaragua	1 501	1 682	1 851	2 147	3 225	633	764	862	967	1 020	1 195	819	*ii/*
Paraguay	569	555	486	488	494	123	120	116	134	147	150	107	*ii/*
Peru	3 225	3 326	2 939	3 592	3 715	897	929	906	982	993	1 094	…	

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

i/ Figures as of July 2023.

ii/ Figures as of August 2023.

iii/ Figures as of September 2023.

Table A3.5
Latin America and the Caribbean: net foreign direct investment
(Millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023 a/
Latin America and the Caribbean	**149 762**	**139 133**	**128 552**	**154 549**	**124 952**	**108 659**	**122 784**	**163 076**	**92 246**
Latin America	**147 020**	**136 641**	**126 613**	**151 719**	**121 841**	**104 314**	**118 738**	**159 354**	**92 060**
Argentina	10 884	1 474	10 361	9 991	5 126	3 707	5 366	13 332	7 485
Bolivia (Plurinational State of)	556	246	633	387	-265	-1 018	492	328	-45
Brazil	61 604	59 601	47 545	76 138	46 355	41 254	30 200	53 890	18 146
Chile	19 681	14 850	7 939	14 039	16 813	16 497	17 920	28 954	16 297
Colombia	7 403	9 341	10 011	6 172	10 836	5 725	6 381	13 991	9 313
Costa Rica	2 541	2 127	2 652	2 434	2 695	1 644	3 146	3 060	1 905
Dominican Republic	2 205	2 407	3 571	2 535	3 021	2 560	3 197	4 010	2 153
Ecuador	1 331	764	630	1 389	979	1 095	648	833	107
El Salvador	396	348	889	826	636	272	308	-101	263
Guatemala	1 048	965	934	780	796	786	2 986	656	253
Haiti	106	105	375	105	75	25	51	39	...
Honduras	952	900	1 035	895	496	373	513	738	349
Mexico	25 272	31 029	30 070	25 612	23 860	26 486	33 954	21 864	27 222
Nicaragua	922	924	971	763	444	707	1 206	1 281	370
Panama	3 972	4 557	4 420	4 857	3 726	645	1 635	2 679	906
Paraguay	328	468	82	219	532	120	95	223	194
Peru	6 674	8 331	8 835	5 083	4 325	2 422	9 148	10 401	4 380
Uruguay	775	-1 823	-2 037	-729	1 391	1 016	1 493	3 175	2 763
Venezuela (Bolivarian Republic of)	370	27	-2 302	225	...	...	...	...	...
The Caribbean	**2 742**	**2 492**	**1 938**	**2 830**	**3 111**	**4 346**	**4 046**	**3 722**	**186**
Antigua and Barbuda	100	59	144	193	84	13	248	207	...
Bahamas	350	465	412	562	369	375	298	316	...
Belize	64	42	24	118	92	72	124	132	34
Dominica	19	41	23	77	59	25	24	25	...
Grenada	137	93	152	164	196	146	73	...	...
Guyana	122	6	212	1 232	1 695	2 060	4 453	4 389	...
Jamaica	891	658	855	762	219	258	264	258	124
Saint Kitts and Nevis	133	124	42	36	66	54	55	-8	...
Saint Lucia	129	149	59	67	4	54	33	138	...
Saint Vincent and the Grenadines	116	89	143	34	75	76	91	82	...
Suriname	267	300	98	119	-8	0	-124	3	28
Trinidad and Tobago	48	2	-459	-765	70	958	-1 702	-2 086	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Refers to direct investment in the reporting economy after deduction of outward direct investment by residents of that country. Includes reinvestment of profits.
a/ Figure for 2023 corresponds to the sum of the first and second quarters.

Table A3.6

Latin America and the Caribbean: other financial flows

(Millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023 a/
Latin America and the Caribbean	**19 215**	**-4 049**	**1 393**	**-5 528**	**-44 726**	**-89 054**	**37 940**	**-21 451**	**-35 157**
Latin America	**19 812**	**-4 995**	**-457**	**-6 381**	**-45 642**	**-86 919**	**37 877**	**-20 582**	**-34 840**
Argentina	2 708	26 802	35 468	993	-37 589	-12 796	-9 881	1 137	-8 801
Bolivia (Plurinational State of)	656	-1 032	1 755	1 139	192	238	-254	324	7
Brazil	5 394	-28 172	-22 046	-17 427	-5 063	-39 225	33 935	-9 813	12 044
Chile	-15 553	-8 813	-4 531	-1 303	-6 131	-11 675	19 044	-12 769	-16 920
Colombia	11 072	3 164	159	7 968	5 796	6 717	10 966	7 734	-2 962
Costa Rica	711	-816	-626	159	-35	-3 127	-1 675	696	653
Dominican Republic	-692	48	-1 450	548	118	938	2 201	3 462	1 481
Ecuador	-565	572	-2 484	485	-312	-230	-2 764	-2 582	-2 935
El Salvador	482	891	-29	424	379	-462	1 386	486	346
Guatemala	569	93	1 260	-177	-395	-861	-1 550	-1 794	-526
Haiti	84	-116	-195	217	-221	-187	-178	-19	...
Honduras	441	92	635	169	633	101	775	666	-764
Mexico	-6 966	1 736	-1 659	6 092	-5 312	-35 289	-21 947	-8 639	-10 050
Nicaragua	575	138	450	-661	-806	-5	321	165	27
Panama	1 523	4 431	449	778	2 951	3 433	275	2 434	-1 343
Paraguay	-351	-457	-105	446	-211	1 292	1 161	1 853	-711
Peru	3 759	-2 841	-6 369	-3 102	3 021	4 114	6 431	-1 155	-1 801
Uruguay	-1 897	-542	3 571	861	-2 655	103	-369	-2 771	-2 583
Venezuela (Bolivarian Republic of)	17 862	-171	-4 709	-3 990	...	...	...	...	...
The Caribbean	**-756**	**840**	**1 824**	**1 328**	**1 324**	**3 021**	**767**	**-916**	**-317**
Antigua and Barbuda	-134	-29	-91	-27	-57	25	15	83	…
Bahamas	299	402	1 294	139	-188	1 942	1 196	1 049	…
Belize	28	11	27	-16	44	97	-173	48	-73
Dominica	-20	-44	-325	22	144	47	105	37	…
Grenada	-48	-60	-80	-29	-88	-4	66	0	…
Guyana	-94	-60	-7	43	1 021	-459	-853	-1 448	…
Jamaica	-373	-690	1 091	365	475	380	459	-16	-134
Saint Kitts and Nevis	-95	8	63	1	-103	28	137	-63	…
Saint Lucia	-133	-82	-41	-151	-111	45	54	-66	…
Saint Vincent and the Grenadines	30	0	-85	-11	-31	12	35	125	…
Suriname	503	183	14	180	648	-185	271	81	-109
Trinidad and Tobago	-520	1 376	-18	600	-630	537	-940	-948	…

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

Note: Refers to the sum of net flows from portfolio investment and net flows from other investment.

a/ Figure for 2023 corresponds to the sum of the first and second quarters.

Table A3.7

Latin America and the Caribbean: net resource transfer

(Millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023 a/
Latin America and the Caribbean	**25 413**	**-5 219**	**-35 431**	**-22 308**	**-84 016**	**-108 453**	**-27 380**	**-64 072**	**-51 009**
Latin America	**27 271**	**-5 895**	**-34 442**	**-20 952**	**-84 339**	**-112 628**	**-29 805**	**-53 185**	**-50 653**
Argentina	611	17 224	29 327	19 710	-35 614	-20 921	-16 602	-648	-10 989
Bolivia (Plurinational State of)	-811	-1 760	556	-480	-2 309	-2 141	-2 254	-1 954	-843
Brazil	27 042	-1 776	-12 739	-1 102	-15 305	-24 288	1 354	-15 562	-3 802
Chile	858	1 404	-5 889	2 500	3 942	-13 807	16 887	1 381	-6 245
Colombia	13 668	7 439	2 423	3 786	8 426	8 645	9 881	4 690	-952
Costa Rica	185	-1 429	-1 391	-1 087	-1 612	-4 757	-2 909	-858	-299
Dominican Republic	-1 249	-1 659	-2 930	-1 523	-1 732	-525	278	3 197	680
Ecuador	-961	-1 074	-4 441	-1 348	-2 160	-1 346	-3 820	-3 410	-4 092
El Salvador	-225	-244	-615	-609	-352	-3 048	65	-423	-561
Guatemala	-207	-639	242	-1 164	-1 427	-2 139	-1 209	-3 141	-1 248
Haiti	165	395	585	563	95	327	31	371	...
Honduras	-144	-759	-234	-250	-327	69	-238	-483	-1 492
Mexico	-14 139	-3 542	-12 221	-6 115	-28 371	-47 490	-15 314	-17 477	-7 442
Nicaragua	968	434	614	-938	-1 238	-377	374	-546	-375
Panama	1 958	1 645	-322	503	926	3 224	-3 654	-1 884	-2 351
Paraguay	-1 932	-2 022	-1 774	-1 490	-997	-75	-446	1 495	-1 298
Peru	1 122	-4 381	-7 754	-12 499	-1 377	-3 119	-8 593	-12 554	-7 404
Uruguay	-3 977	-5 296	-1 116	-3 777	-4 906	-859	-3 636	-5 379	-1 941
Venezuela (Bolivarian Republic of)	4 339	-9 856	-16 763	-15 631	...	...	...	...	...
The Caribbean	**-1 858**	**676**	**-989**	**-1 357**	**323**	**4 175**	**2 425**	**-10 886**	**-356**
Antigua and Barbuda	-55	-88	20	171	-44	27	283	232	-0.3
Bahamas	1 060	946	1 184	480	-288	1 867	1 939	651	...
Barbados	-198	-230	-148	269	121	802	668	419	-87
Belize	26	7	-46	-16	3	139	155	160	...
Dominica	32	119	38	218	188	163	165	146	...
Grenada	36	30	32	107	85	151	104	0	...
Guyana	146	-30	267	1 355	2 825	895	1 683	-5 045	-148
Jamaica	426	-269	474	-610	-40	151	184	-533	...
Saint Kitts and Nevis	-23	97	107	10	-1	138	153	-46	...
Saint Lucia	-92	-6	-72	-193	-288	152	79	39	-120
Saint Vincent and the Grenadines	113	122	78	84	97	158	193	197	...
Suriname	507	74	-441	-121	-63	-774	-86	-93	...
Trinidad and Tobago	-3 837	-96	-2 482	-3 111	-2 271	305	-3 095	-7 014	...

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

Note: 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 International Monetary Fund (IMF) credit plus exceptional financing. Negative figures indicate resources transferred outside the country.

a/ Figure for 2023 corresponds to the sum of the first and second quarters.

Table A3.8
Latin America and the Caribbean: total gross external debt
(Millions of current dollars, end-of-period stocks)

		2014	2015	2016	2017	2018	2019	2020	2021	2022
Latin America and the Caribbean a/		**1 948 692**	**1 937 645**	**1 998 903**	**2 119 747**	**2 203 072**	**2 287 077**	**2 315 456**	**2 389 629**	**2 418 091**
Latin America a/		**1 929 400**	**1 916 363**	**1 975 823**	**2 094 647**	**2 177 954**	**2 262 074**	**2 287 262**	**2 360 488**	**2 388 327**
Argentina	Total	158 742	167 412	181 432	234 549	277 932	278 489	271 528	267 868	276 694
	Public	98 229	101 659	122 022	161 289	197 330	197 401	193 756	191 097	189 288
	Private	60 513	65 753	59 410	73 260	80 602	81 088	77 772	76 771	87 406
Bolivia (Plurinational State of)	Total	8 543	9 445	10 703	11 702	12 491	13 473	14 273	14 846	14 923
	Public	5 736	6 341	7 268	9 428	10 178	11 268	12 172	12 698	13 300
	Private	2 807	3 104	3 435	2 274	2 313	2 206	2 102	2 149	1 622
Brazil	Total	712 655	665 101	675 841	667 103	665 777	675 789	639 308	670 286	681 076
	Public	139 051	130 587	130 274	125 492	129 139	123 810	123 860	131 307	120 434
	Private	573 604	534 513	545 567	541 611	536 638	551 979	515 448	538 979	560 642
Chile	Total	153 696	159 613	165 217	179 976	184 220	198 396	208 485	237 690	233 325
	Public	31 373	31 817	35 697	47 559	51 463	59 826	68 521	81 468	71 981
	Private	122 323	127 796	129 519	132 418	132 757	138 570	139 964	156 222	161 343
Colombia	Total	101 404	110 502	120 153	124 636	132 016	138 683	154 507	171 303	184 052
	Public	59 767	66 158	71 308	71 870	72 999	73 835	89 959	102 395	104 643
	Private	41 637	44 344	48 844	52 767	59 017	64 848	64 548	68 909	79 409
Costa Rica	Total	21 628	23 576	25 565	26 920	29 135	30 795	30 926	31 640	35 050
	Public	5 393	6 267	6 884	7 647	9 836	11 370	11 319	12 522	13 295
	Private	16 235	17 309	18 682	19 274	19 299	19 425	19 607	19 118	21 755
Dominican Republic	Public	16 074	16 029	17 567	18 821	21 565	23 383	30 703	33 341	36 358
Ecuador	Total	24 112	27 933	34 181	40 323	44 239	52 668	56 893	57 583	60 115
	Public	17 582	20 226	25 680	31 750	35 730	41 496	45 369	46 534	48 339
	Private	6 531	7 707	8 909	8 573	8 508	11 172	11 524	11 048	11 777
El Salvador	Total	14 800	15 217	16 376	16 474	16 603	17 350	18 731	20 345	20 539
	Public	8 673	8 553	9 169	9 414	9 236	9 941	10 781	11 808	11 572
	Private	6 127	6 663	7 207	7 060	7 367	7 469	7 950	8 537	8 967
Guatemala	Total	21 577	22 235	23 333	24 928	24 378	24 489	24 938	25 817	24 734
	Public	7 617	8 007	8 645	8 858	8 654	9 743	11 488	11 997	11 014
	Private	13 960	14 228	14 687	16 071	15 725	14 747	13 451	13 820	13 720
Haiti	Total	1 833	1 985	2 013	2 133	2 121	2 100	2 218	2 254	2 268
	Public	1 830	1 981	2 009	2 129	2 121	2 100	2 218	2 254	2 268
	Private	4	4	5	4	…	…	…	…	…
Honduras	Total	7 184	7 456	7 499	8 572	9 112	9 604	10 981	11 355	11 804
	Public	5 569	5 927	6 108	7 145	7 375	7 699	9 108	9 242	9 548
	Private	1 616	1 530	1 391	1 428	1 736	1 905	1 873	2 114	2 256
Mexico	Total	544 167	538 015	543 012	578 618	592 652	621 607	628 510	602 086	582 239
	Public	306 628	303 882	288 223	308 781	204 488	331 993	339 435	321 162	317 534
	Private	237 539	234 134	254 789	269 837	388 164	289 615	289 075	280 924	264 705
Nicaragua	Total	10 925	11 461	12 120	12 667	12 881	13 498	13 785	14 607	14 910
	Public	4 796	4 804	5 042	5 546	5 950	6 279	6 957	7 806	8 123
	Private	6 129	6 656	7 078	7 121	6 931	7 220	6 828	6 801	6 787
Panama	Public	14 352	15 648	16 902	18 390	20 575	24 223	29 817	32 844	36 853
Paraguay	Total	7 083	7 845	8 500	9 686	10 502	11 471	14 853	15 883	17 851
	Public	3 680	3 993	4 823	5 592	6 403	7 230	10 182	11 850	13 397
	Private	3 403	3 852	3 678	4 094	4 099	4 241	4 671	4 032	4 454
Peru	Total	69 238	73 071	74 968	76 832	78 713	80 857	89 715	101 981	102 269
	Public	23 951	26 710	29 617	32 953	34 912	39 264	48 643	60 538	60 114
	Private	45 287	46 361	45 352	43 880	43 801	41 593	41 072	41 442	42 155
Uruguay	Total	41 390	43 825	40 446	42 318	43 044	45 198	47 089	48 757	53 268
	Public	18 774	18 612	17 581	18 183	18 705	19 795	21 692	23 105	23 370
	Private	22 617	25 212	22 865	24 136	24 339	25 403	25 396	25 653	29 898
Venezuela (Bolivarian Republic of)	Total	135 767	149 755	149 859	148 328	148 432	147 899	…	…	…
	Public	117 217	128 283	128 056	128 768	128 543	129 260	…	…	…
	Private	18 550	21 472	21 803	21 199	19 889	18 639	…	…	…

(continue)

Table A3.8 (concluded)
Latin America and the Caribbean: total gross external debt
(Millions of current dollars, end-of-period stocks)

		2014	2015	2016	2017	2018	2019	2020	2021	2022
The Caribbean		**19 292**	**21 282**	**23 080**	**25 100**	**25 118**	**25 002**	**28 194**	**29 141**	**29 764**
Antigua and Barbuda	Public	560	573	562	584	614	650	674	731	739
Bahamas	Public	2 095	2 176	2 373	3 234	3 172	3 123	4 478	4 761	5 225
Barbados	Public	1 628	1 687	1 671	1 631	1 687	1 581	2 014	2 266	2 396
Belize	Public	1 126	1 179	1 204	1 257	1 285	1 322	1 453	1 339	1 364
Dominica	Public	287	285	270	267	253	244	287	323	354
Grenada	Public	634	613	602	533	562	523	569	602	610
Guyana	Public	1 216	1 143	1 162	1 248	1 322	1 305	1 321	1 393	1 572
Jamaica	Public	7 069	8 815	8 680	9 307	8 951	8 703	9 127	9 214	8 664
Saint Kitts and Nevis	Public	284	214	199	156	149	142	136	134	132
Saint Lucia	Public	526	509	529	598	599	628	718	850	873
Saint Vincent and the Grenadines	Public	387	399	455	387	391	420	462	562	602
Suriname	Public	942	1 156	1 869	2 085	2 040	2 150	2 159	2 204	2 443
Trinidad and Tobago	Public	2 537	2 534	3 503	3 813	4 094	4 211	4 796	4 764	4 790

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Includes debt owed to the International Monetary Fund.
a/ Does not include Venezuela (Bolivarian Republic of).

Table A3.9

Latin America: sovereign spreads on EMBI global

(Basis points)

	2018	2019	2020	2021	2022	2022				2023			
						March	June	September	December	March	June	September	Octuber
Latin America	**470**	**308**	**354**	**381**	**416**	**382**	**506**	**525**	**416**	**447**	**405**	**404**	**410**
Argentina	817	1 744	1 368	1 688	2 196	1 718	2 428	2 801	2 196	2 302	2 061	2 539	2 576
Bolivia (Plurinational State of)	378	218	461	412	563	509	666	576	563	1 561	1 112	1 463	1 599
Brazil	273	212	250	306	258	280	357	295	258	254	229	206	200
Chile	166	135	144	153	140	158	196	208	140	153	132	135	147
Colombia	228	161	206	353	369	338	446	460	369	382	370	335	323
Costa Rica	540	402	631	504	327	427	478	443	327	329	289	247	244
Dominican Republic	371	310	340	366	358	394	512	474	358	369	333	319	297
Ecuador	826	826	1 062	869	1 250	810	1 165	1 753	1 250	1 917	1 922	1 789	1 755
El Salvador	515	394	732	1 491	1 839	1 774	2 704	2 256	1 839	1 521	1 096	737	739
Guatemala	272	215	232	271	210	260	361	333	210	237	234	228	248
Honduras	356	252	271	313	529	466	899	697	529	585	495	355	373
Mexico	357	292	361	347	386	349	473	483	386	393	376	378	379
Panama	171	114	149	187	215	192	246	286	215	243	216	221	259
Paraguay	260	203	213	229	200	239	357	330	200	238	216	212	217
Peru	168	107	132	170	194	171	235	246	194	209	174	174	176
Uruguay	207	148	135	127	91	127	162	158	91	119	99	98	86
Venezuela (Bolivarian Republic of)	6 845	14 740	24 099	55 310	44 840	37 945	36 398	50 130	44 840	34 229	42 210	38 912	15 867

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from J.P. Morgan, Emerging Markets Bond Index (EMBI).

Note: The figures are considered at the end of each period.

Table A3.10
Latin America and the Caribbean: international bond issues
(Millions of dollars)

	2018	2019	2020	2021	2022	2022				2023		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total	**94 458**	**118 576**	**145 286**	**148 699**	**63 789**	**35 397**	**9 950**	**8 197**	**10 245**	**24 730**	**26 315**	**19 231**
Latin America and the Caribbean	**89 182**	**114 687**	**140 333**	**143 158**	**59 298**	**33 679**	**9 552**	**7 221**	**8 846**	**20 093**	**25 824**	**18 932**
Argentina	13 367	1 720	386	1 892	615	-	-	-	615	57	72	389
Bahamas	-	-	825	55	385	-	385	-	-	-	-	-
Barbados	-	-	-	550	-	-	-	-	-	-	-	-
Bolivia (Plurinational State of)	-	-	-	-	850	850	-	-	-	-	-	-
Brazil	18 979	29 147	26 975	31 515	10 063	4 463	3 600	2 000	-	1 336	7 162	6 400
Chile	8 635	12 629	20 129	31 620	11 080	8 404	500	-	2 176	1 084	6 894	5 343
Colombia	5 786	4 793	12 391	12 725	1 883	259	-	-	1 624	4 200	1 900	-
Costa Rica	-	1 500	-	300	-	-	-	-	-	1 900	-	-
Dominican Republic	3 118	2 500	7 565	5 153	6 907	3 564	1 299	914	1 130	1 798	-	1 250
Ecuador	3 000	4 525	327	-	300	-	-	300	-	-	656	-
El Salvador	-	1 097	1 000	-	-	-	-	-	-	-	-	-
Guatemala	-	1 200	1 400	2 000	1 600	1 100	-	500	-	75	1 025	565
Honduras	-	-	600	300	-	-	-	-	-	-	-	-
Jamaica	-	1 415	225	-	-	-	-	-	-	-	-	-
Mexico	24 279	33 546	41 902	31 690	16 364	11 069	1 788	3 507	-	7 544	5 121	-
Nicaragua	200	-	-	-	-	-	-	-	-	-	-	-
Panama	2 636	5 800	8 868	6 705	4 000	2 500	-	-	1 500	2 100	-	2 479
Paraguay	530	1 532	2 161	1 126	501	501	-	-	-	-	500	-
Peru	5 876	10 002	10 800	14 159	1 430	-	1 130	-	300	-	2 494	686
Suriname	-	125	-	-	-	-	-	-	-	-	-	-
Trinidad and Tobago	525	500	500	816	570	70	500	-	-	-	-	560
Uruguay	1 750	1 905	2 655	1 842	1 850	-	350	-	1 500	-	-	1 261
Venezuela (Bolivarian Republic of)	-	-	1 125	-	-	-	-	-	-	-	-	-
Others	500	750	500	711	900	900	-	-	-	-	-	-
Supranational issues	**5 276**	**3 889**	**4 953**	**5 541**	**4 492**	**1 718**	**398**	**977**	**1 400**	**4 637**	**492**	**299**
Central American Bank for Economic Integration (CABEI)	772	623	1 281	1 114	1 113	-	398	180	536	1 433	283	20
Foreign Trade Bank of Latin America (BLADEX)	-	76	435	96	18	-	-	7	10	-	21	8
Development Bank of Latin America (CAF)	4 503	3 040	3 236	3 945	3 109	1 466	-	789	854	3 150	188	270
Financial Fund for the Development of the River Plate Basin (FONPLATA)	-	150	-	387	-	-	-	-	-	54	-	-
Other	-	-	-	-	252	252	-	-	-	-	-	-

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from Merrill Lynch, J.P. Morgan and LatinFinance.
Note: Includes sovereign, bank and corporate bonds.

Table A4.1
Latin America and the Caribbean: labour force participation rate
(Average rates)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Argentina a/	Total	**58.5**	**59.1**	**54.9**	**59.1**	**60.1**	**59.1**	**60.6**	**60.3**	**60.5**	**61.1**	**60.3**
	Men	69.6	69.9	64.9	69.4	69.9	68.6	70.1	70.3	70.7	70.9	69.8
	Women	48.7	49.4	45.9	49.5	51.0	50.2	51.7	51.1	51.0	52.2	51.5
Bahamas b/	Total	**82.8**	**80.3**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	85.5	83.0	...	...	...	...	...	...	...	...	...
	Women	76.7	75.5	...	...	...	...	...	...	...	...	...
Barbados b/ c/	Total	**64.8**	**63.7**	**60.6**	**61.2**	**62.9**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	69.4	68.0	64.8	65.3	67.3	...	...	...	...	...	...
	Women	60.6	59.7	56.7	57.6	59.0	...	...	...	...	...	...
Belize b/ d/	Total	**65.5**	**68.1**	**55.1**	**59.7**	**58.7**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	78.3	80.5	68.7	72.9	...	...	...	...	...	...	...
	Women	52.9	55.9	42.4	47.0	...	...	...	...	...	...	...
Bolivia (Plurinational State of) e/	Total	**70.8**	**73.0**	**67.0**	**76.7**	**77.2**	**77.2**	**77.4**	**77.7**	**76.7**	**77.1**	**77.0**
	Men	79.1	80.7	75.4	83.4	83.7	83.7	83.7	84.0	83.4	83.3	82.9
	Women	63.0	65.5	58.9	70.3	71.1	71.0	71.3	71.7	70.3	71.3	71.5
Brazil	Total	**63.2**	**63.6**	**59.3**	**61.3**	**62.4**	**62.1**	**62.6**	**62.7**	**62.1**	**61.6**	**61.6**
	Men	73.4	73.5	69.8	71.6	72.4	72.3	72.6	72.6	72.1	71.6	71.7
	Women	53.6	54.3	49.5	51.6	53.0	52.6	53.2	53.4	52.7	52.2	52.1
Chile	Total	**63.0**	**62.8**	**56.1**	**57.2**	**59.8**	**59.5**	**59.7**	**59.7**	**60.3**	**61.0**	**60.9**
	Men	74.2	73.6	67.3	68.5	70.2	70.3	70.1	70.2	70.2	71.4	70.7
	Women	52.3	52.5	45.3	46.4	49.8	49.2	49.7	49.7	50.8	51.1	51.5
Colombia	Total	**63.6**	**62.9**	**58.6**	**61.5**	**63.6**	**63.4**	**63.7**	**63.7**	**63.7**	**63.8**	**64.3**
	Men	74.4	73.7	70.7	75.7	76.5	76.5	76.6	76.3	76.6	76.5	76.7
	Women	53.2	52.5	47.3	48.4	51.8	51.4	51.7	52.1	51.9	52.1	52.8
Costa Rica	Total	**60.7**	**62.5**	**60.2**	**60.3**	**59.8**	**59.6**	**59.6**	**60.5**	**59.7**	**56.8**	**56.6**
	Men	74.3	74.4	72.2	71.8	71.5	70.8	71.1	72.1	71.1	68.9	69.5
	Women	46.9	50.6	48.1	48.7	48.5	48.4	48.0	48.8	48.3	44.5	43.6
Cuba	Total	**63.8**	**65.2**	**66.4**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	76.9	76.0	76.8	...	...	...	...	...	...	...	...
	Women	49.5	53.3	54.9	...	...	...	...	...	...	...	...
Dominican Republic	Total	**63.6**	**65.1**	**60.2**	**63.0**	**63.1**	**63.5**	**63.1**	**62.1**	**63.6**	**63.7**	**63.7**
	Men	77.8	78.4	74.0	75.7	76.8	76.9	77.0	76.4	77.0	76.5	76.2
	Women	50.4	52.6	47.6	51.2	50.7	51.3	50.7	49.3	51.5	52.0	52.2
Ecuador f/	Total	**66.7**	**66.2**	**62.5**	**66.1**	**66.3**	**65.9**	**66.6**	**67.0**	**65.7**	**65.5**	**64.4**
	Men	79.3	78.3	73.8	78.4	78.2	77.7	78.5	78.4	78.1	77.7	77.2
	Women	54.6	54.5	51.3	54.4	55.0	54.7	55.3	56.1	53.9	53.9	52.3
El Salvador b/	Total	**61.3**	**62.2**	**61.4**	**61.4**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	79.5	80.5	79.0	79.0	...	...	...	...	...	...	...
	Women	46.1	46.8	46.6	...	...	...	...	...	...	...	...
Grenada	Total	**67.6**	**68.4**	**65.1**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	73.1	74.6	71.8	...	...	...	...	...	...	...	...
	Women	62.5	62.6	59.0	...	...	...	...	...	...	...	...
Guatemala	Total	**60.6**	**59.2**	**...**	**63.0**	**60.2**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	85.0	83.7	...	85.6	...	...	...	...	...	...	...
	Women	39.1	37.9	...	43.3	...	...	...	...	...	...	...

(continue)

Table A4.1 (continued)

Latin America and the Caribbean: labour force participation rate

(Average annual rates)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Honduras g/	Total	**60.4**	**57.3**	**59.5**	**60.7**	**58.2**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	76.3	75.1	73.3	74.3	75.5	...	...	...	...	...	...
	Women	46.0	41.4	47.8	48.7	43.3	...	...	...	...	...	...
Jamaica b/ h/	Total	**61.5**	**62.8**	**62.5**	**63.2**	**64.3**	**64.4**	**64.7**	**...**	**...**	**65.4**	**...**
	Men	68.5	69.6	69.2	69.7	70.4	70.5	70.5	...	...	70.9	...
	Women	55.0	56.3	56.0	57.0	58.4	58.5	59.2	...	...	60.2	...
Mexico i/	Total	**59.6**	**60.1**	**55.6**	**58.8**	**59.8**	**58.7**	**59.9**	**59.9**	**60.4**	**60.2**	**60.2**
	Men	77.4	77.2	71.7	75.7	76.3	75.8	76.5	76.6	76.5	76.3	76.1
	Women	43.5	44.7	41.0	43.6	45.0	43.7	45.1	45.1	46.3	45.9	46.1
Nicaragua	Total	**71.6**	**71.1**	**69.1**	**67.5**	**66.7**	**66.9**	**66.5**	**66.3**	**67.1**	**67.2**	**66.9**
	Men	82.6	82.3	80.6	79.8	79.5	79.5	79.3	79.0	80.1	79.6	79.1
	Women	61.6	61.0	58.7	56.5	55.5	55.6	55.1	55.2	56.0	56.3	56.1
Panama j/	Total	**64.7**	**65.7**	**63.0**	**58.7**	**62.3**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	78.0	77.9	74.0	72.2	76.0	...	...	...	...	...	...
	Women	52.2	54.2	53.2	46.2	49.7	...	...	...	...	...	...
Paraguay k/	Total	**71.9**	**72.4**	**70.2**	**72.1**	**70.6**	**71.2**	**70.2**	**70.8**	**70.2**	**70.1**	**71.4**
	Men	84.6	84.8	83.5	84.4	82.5	82.7	82.2	82.3	82.9	83.1	82.3
	Women	59.4	60.2	57.4	60.1	59.0	60.0	58.6	59.6	57.7	57.4	60.7
Peru l/	Total	**72.3**	**72.7**	**62.3**	**70.9**	**72.0**	**72.9**	**72.4**	**71.5**	**71.2**	**70.2**	**70.6**
	Men	80.7	81.1	72.1	79.5	80.0	81.1	80.0	79.7	79.0	78.8	78.6
	Women	64.0	64.5	53.2	62.5	64.2	64.9	64.8	63.4	63.5	62.7	62.1
Saint Lucia m/	Total	**71.4**	**71.0**	**68.8**	**69.9**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	77.8	75.7	74.1	...	...	...	...	...	...	...	...
	Women	65.2	66.5	64.3	...	...	...	...	...	...	...	...
Trinidad and Tobago b/ n/	Total	**59.1**	**57.4**	**56.6**	**54.8**	**55.0**	**55.9**	**54.4**	**55.2**	**54.6**	**55.2**	**56.2**
	Men	68.4	66.1	65.4	63.1	62.7	63.5	62.8	62.0	62.3	65.6	65.4
	Women	49.9	48.7	47.8	46.8	47.6	48.3	46.3	48.5	47.3	45.4	47.0
Uruguay o/	Total	**62.4**	**62.2**	**60.5**	**61.8**	**62.0**	**62.1**	**61.7**	**61.7**	**62.4**	**62.7**	**63.2**
	Men	70.7	70.1	67.9	69.1	70.0	69.9	69.8	69.8	70.6	71.2	71.9
	Women	54.9	54.9	53.8	55.0	54.6	55.0	54.3	54.3	54.9	55.0	55.3
Venezuela (Bolivarian Republic of)	Total	**66.8**	**65.1**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	80.1	79.4	...	...	...	...	...	...	...	...	...
	Women	53.7	50.9	...	...	...	...	...	...	...	...	...

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

Note: Labour force participation rate, percentage of the labor force relative to the working-age population. The data relating to the different countries are not comparable owing to differences in coverage and in the definition of the working-age population. Data for 2020 and 2021 may present comparability problems with respect to the data for 2019, owing to adjustments to statistical processes made by national statistical offices in response to the COVID-19 pandemic.

a/ 31 urban agglomerates.

b/ Include hidden unemployment.

c/ Data for 2019 are preliminary and are being reviewed.

d/ Data for 2018 refer to April. Data for the third quarters of 2019 and 2020 are from the September survey and 2020 from the telephone survey.

e/ New measurement as of 2016 through the Continuous Employment Survey (ECE), data not comparable with previous years. Quarterly data for 2019 and 2020 include urban coverage.

f/ The average for the second quarter of 2020 refers to May and June; the averages for the third and fourth quarters of 2020 refer to September and December, respectively.

g/ The 2020 data are preliminary and refer to the telephone survey conducted in November and December.

h/ The 2020 annual average refers to the figures from the first, third and fourth quarters.

i/ The average data for the second and third quarters of 2019 are from the National Occupation and Employment Survey (ENOE), those for the second quarter of 2020 are from the Telephone

j/ The 2020 it is not comparable to the rest of the series. Data for the third quarter of 2020 refer to a telephone survey conducted between September and October. Data for 2021 refer to October. Data for 2022 refer to April.

k/ New measurement from 2017 onward through the Continuous Permanent Household Survey (EPHC), data not comparable with previous years.

l/ Data for the first, second, third and fourth quarters of 2020 are preliminary.

m/ The figure for the first half of 2020 refers to data from the first quarter.

n/ The 2020 annual average refers to the first half of the year.

o/ The averages for the first quarter of 2020 are from the Continuous Household Survey (ECH) for January and February; for March the data are from the Telephone Continuous Household Survey. The average for the second quarter of 2020 refers to April, May and June Telephone Continuous Household Survey; the averages for the third quarter refer to July, August and September Telephone Continuous Household Survey and those for the fourth quarter refer to October, November and December Telephone Continuous Household Survey. The annual

Table A4.2
Latin America and the Caribbean: unemployment rate
(Average rates)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Argentina a/	Total	**9.2**	**9.8**	**11.5**	**8.8**	**6.8**	**7.0**	**6.9**	**7.1**	**6.3**	**6.9**	**6.2**
	Men	8.2	9.2	10.8	7.9	6.1	5.9	6.1	6.5	6.0	6.1	5.7
	Women	10.5	10.7	12.4	9.9	7.6	8.3	7.8	7.8	6.7	7.8	6.9
Bahamas b/	Total	**10.3**	**9.5**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	10.1	9.2	...	...	...	...	...	...	...	...	...
	Women	10.6	9.9	...	...	...	...	...	...	...	...	...
Barbados c/	Total	**10.1**	**9.6**	**15.6**	**14.1**	**8.4**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	9.9	11.0	15.6	13.7	8.0	...	...	...	...	...	...
	Women	10.3	8.1	15.7	14.5	8.9	...	...	...	...	...	...
Belize d/	Total	**9.4**	**9.1**	**13.7**	**21.1**	**6.8**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	5.6	5.9	11.6	21.1	4.0	...	...	...	...	...	...
	Women	14.9	13.5	17.0	21.1	6.0	...	...	...	...	...	...
Bolivia (Plurinational State of) e/	Total	**3.5**	**3.7**	**4.2**	**5.1**	**3.5**	**4.5**	**3.4**	**3.0**	**3.2**	**3.6**	**2.8**
	Men	3.4	3.5	4.1	4.6	3.0	3.9	2.8	2.5	2.9	3.1	2.5
	Women	3.6	4.0	4.3	5.6	4.1	5.2	4.0	3.6	3.6	4.2	3.2
Brazil	Total	**12.4**	**12.0**	**13.8**	**13.2**	**9.3**	**11.1**	**9.3**	**8.7**	**7.9**	**8.8**	**8.0**
	Men	10.8	10.1	11.8	10.7	7.5	9.1	7.5	6.9	6.5	7.2	6.9
	Women	14.5	14.4	16.3	16.5	11.5	13.7	11.6	11.0	9.8	10.8	9.6
Chile	Total	**7.4**	**7.2**	**10.8**	**8.9**	**7.9**	**7.8**	**7.8**	**8.0**	**7.9**	**8.8**	**8.5**
	Men	6.7	6.7	10.6	8.6	7.4	7.2	7.4	7.9	7.3	8.3	8.2
	Women	8.3	8.0	11.0	9.2	8.5	8.7	8.4	8.3	8.6	9.5	8.9
Colombia	Total	**9.1**	**9.9**	**15.1**	**13.8**	**11.2**	**13.2**	**11.0**	**10.8**	**9.8**	**11.7**	**10.2**
	Men	7.1	7.8	12.3	11.3	9.0	10.4	8.9	8.8	7.8	9.2	8.1
	Women	11.6	12.6	19.2	17.3	14.3	17.1	14.0	13.5	12.6	15.1	12.9
Costa Rica	Total	**10.3**	**11.8**	**19.6**	**16.4**	**12.2**	**13.6**	**11.7**	**12.0**	**11.7**	**10.6**	**9.6**
	Men	8.4	9.3	15.6	12.7	9.4	10.9	9.2	8.9	8.7	8.4	8.0
	Women	13.2	15.3	25.7	22.0	16.5	17.5	15.4	16.5	16.0	14.1	12.1
Cuba	Total	**1.7**	**1.3**	**1.4**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	1.6	1.2	1.3	...	...	...	...	...	...	...	...
	Women	1.8	1.2	1.6	...	...	...	...	...	...	...	...
Dominican Republic	Total	**5.7**	**6.2**	**5.8**	**7.4**	**5.3**	**6.4**	**5.2**	**4.8**	**4.8**	**5.2**	**5.6**
	Men	3.5	3.9	3.9	3.9	3.2	4.1	3.0	2.7	2.9	3.4	3.4
	Women	8.8	9.3	8.6	12.1	8.2	9.6	8.1	7.7	7.4	7.6	8.6
Ecuador f/	Total	**3.5**	**3.8**	**6.2**	**4.6**	**3.8**	**4.4**	**3.8**	**3.7**	**3.4**	**3.4**	**3.5**
	Men	2.9	3.2	5.3	3.7	3.3	3.9	3.3	3.2	2.9	2.9	2.9
	Women	4.4	4.6	7.6	5.8	4.5	5.1	4.6	4.2	4.0	4.0	4.4
El Salvador	Total	**6.3**	**6.3**	**6.9**	**6.3**	**5.0**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	7.3	7.0	7.1	...	...	...	...	...	...	...	...
	Women	4.9	5.4	6.6	...	...	...	...	...	...	...	...
Grenada	Total	**19.2**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	15.2	...	...	...	...	...	...	...	...	...	...
	Women	23.4	...	...	...	...	...	...	...	...	...	...
Guatemala	Total	**2.4**	**2.2**	**...**	**2.2**	**3.0**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	2.1	1.8	...	1.8	...	...	...	...	...	...	...
	Women	2.9	3.0	...	2.9	...	...	...	...	...	...	...

(continue)

Table A4.2 (continued)
Latin America and the Caribbean: unemployment rate
(Average annual rates)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Honduras g/	Total	**5.7**	**5.7**	**10.9**	**8.6**	**8.2**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	4.5	4.2	8.7	7.0	4.7	...	...	...	...	...	...
	Women	7.4	8.1	13.7	10.7	11.4	...	...	...	...	...	...
Jamaica h/	Total	**5.6**	**5.0**	**6.6**	**5.2**	**3.9**	**3.8**	**4.3**	**...**	**...**	**3.1**	**...**
	Men	4.2	3.8	5.8	4.2	3.1	3.0	3.2	...	...	2.2	...
	Women	7.2	6.5	7.6	6.5	4.8	4.6	5.6	...	...	4.2	...
Mexico i/	Total	**3.3**	**3.5**	**4.4**	**4.1**	**3.3**	**3.5**	**3.2**	**3.4**	**3.0**	**2.7**	**2.8**
	Men	3.2	3.5	4.7	4.1	3.2	3.5	3.2	3.3	2.9	2.6	2.8
	Women	3.4	3.5	4.1	4.2	3.3	3.4	3.2	3.6	3.1	2.7	2.8
Nicaragua	Total	**5.5**	**5.4**	**5.0**	**4.5**	**3.5**	**4.2**	**3.6**	**3.3**	**2.9**	**3.2**	**3.6**
	Men	5.4	5.4	5.2	4.6	3.5	4.3	3.6	3.2	3.0	3.1	3.5
	Women	5.5	5.5	4.7	4.4	3.5	4.1	3.7	3.5	2.8	3.2	3.7
Panama j/	Total	**4.9**	**5.8**	**18.6**	**8.5**	**8.2**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	3.9	4.8	13.6	8.0	6.9	...	...	...	...	...	...
	Women	6.4	7.3	24.7	9.3	9.9	...	...	...	...	...	...
Paraguay k/	Total	**6.2**	**6.6**	**7.7**	**7.5**	**6.8**	**8.5**	**6.7**	**6.3**	**5.7**	**6.5**	**5.8**
	Men	5.4	5.5	5.9	5.9	5.9	7.5	5.9	5.4	4.7	4.8	5.2
	Women	7.4	8.0	10.2	9.7	8.1	9.8	7.9	7.6	7.1	8.9	6.6
Peru l/	Total	**3.9**	**3.9**	**7.7**	**5.9**	**4.4**	**6.0**	**4.0**	**4.0**	**3.6**	**4.6**	**4.9**
	Men	3.5	3.5	7.6	5.2	3.7	4.9	3.5	3.1	3.1	3.8	4.1
	Women	4.4	4.5	7.7	6.6	5.3	7.2	4.7	5.1	4.3	5.5	5.8
Saint Lucia m/	Total	**20.2**	**16.8**	**21.7**	**23.1**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	18.5	14.9	18.5	21.4	...	...	...	...	...	...	...
	Women	22.1	18.9	25.0	24.9	...	...	...	...	...	...	...
Trinidad and Tobago n/	Total	**3.9**	**4.3**	**4.7**	**5.4**	**4.9**	**5.1**	**4.5**	**5.4**	**4.7**	**4.9**	**3.7**
	Men	3.2	3.7	4.6	4.8	4.4	4.4	3.9	4.8	4.5	4.2	3.5
	Women	5.0	5.1	4.8	6.1	5.6	6.0	5.2	6.2	5.0	5.8	3.9
Uruguay o/	Total	**8.3**	**8.9**	**10.1**	**9.3**	**7.9**	**7.5**	**8.1**	**8.1**	**7.8**	**8.4**	**8.6**
	Men	6.9	7.3	8.7	7.9	6.9	6.3	6.9	7.3	7.1	7.6	7.5
	Women	10.1	10.7	12.4	11.0	9.0	8.8	9.4	9.1	8.8	9.3	9.8
Venezuela (Bolivarian Republic of)	Total	**7.3**	**6.8**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	6.4	6.4	...	...	...	...	...	...	...	...	...
	Women	8.6	7.5	...	...	...	...	...	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Unemployment rate, percentage of unemployed population in relation to the labor force. Data for different countries are not comparable owing to differences in coverage and in the definition of the working-age population. Data for 2020 and 2021 may present comparability problems with respect to the data for 2019, owing to adjustments to statistical processes made by national statistical and census offices in response to the COVID-19 pandemic.

a/ 31 urban agglomerates.

b/ Does not include hidden unemployment.

c/ Data for 2019 are preliminary and are being reviewed.

d/ Data for 2018 refer to April. Data for the third quarters of 2019 and 2020 are from the September survey and 2020 from the telephone survey.

e/ New measurement as of 2016 through the Continuous Employment Survey (ECE), data not comparable with previous years. Quarterly data for 2019 and 2020 include urban coverage.

f/ The average for the second quarter of 2020 refers to May and June; the averages for the third and fourth quarters of 2020 refer to September and December, respectively.

g/ The 2020 data are preliminary and refer to the telephone survey conducted in November and December.

h/ The 2020 annual average refers to the figures from the first, third and fourth quarters.

i/ The average data for the second and third quarters of 2019 are from the National Occupation and Employment Survey (ENOE), those for the second quarter of 2020 are from the Telephone

j/ The 2020 it is not comparable to the rest of the series. Data for the third quarter of 2020 refer to a telephone survey conducted between September and October. Data for 2021 refer to October. Data for 2022 refer to April.

k/ New measurement from 2017 onward through the Continuous Permanent Household Survey (EPHC), data not comparable with previous years.

l/ Data for the first, second, third and fourth quarters of 2020 are preliminary.

m/ The figure for the first half of 2020 refers to data from the first quarter.

n/ The 2020 annual average refers to the first half of the year.

o/ The averages for the first quarter of 2020 are from the Continuous Household Survey (ECH) for January and February; for March the data are from the Telephone Continuous Household Survey. The average for the second quarter of 2020 refers to April, May and June Telephone Continuous Household Survey; the averages for the third quarter refer to July, August and September Telephone Continuous Household Survey and those for the fourth quarter refer to October, November and December Telephone Continuous Household Survey. The annual average is preliminary.

Table A4.3
Latin America and the Caribbean: employment rate
(Average rates)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Argentina a/	Total	**53.1**	**53.3**	**48.6**	**53.9**	**56.0**	**54.9**	**56.4**	**56.0**	**56.7**	**56.9**	**56.5**
	Men	63.9	63.5	57.9	63.9	65.7	64.6	65.9	65.7	66.5	66.5	65.9
	Women	43.6	44.1	40.2	44.7	47.1	46.0	47.7	47.1	47.6	48.1	48.0
Bahamas b/	Total	**74.2**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	76.9	...	...	...	...	...	...	...	...	...	...
	Women	68.5	...	...	...	...	...	...	...	...	...	...
Barbados b/ c/	Total	**58.3**	**57.6**	**51.1**	**52.6**	**57.6**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	62.5	60.6	54.7	56.4	62.0	...	...	...	...	...	...
	Women	54.4	54.9	47.8	49.2	53.7	...	...	...	...	...	...
Belize b/ d/	Total	**59.4**	**62.0**	**47.6**	**53.0**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	73.9	75.7	60.7	62.5	...	...	...	...	...	...	...
	Women	45.1	48.3	35.2	37.5	...	...	...	...	...	...	...
Bolivia (Plurinational State of) e/	Total	**68.4**	**70.3**	**65.8**	**72.9**	**74.5**	**73.7**	**74.8**	**75.4**	**74.2**	**74.4**	**74.8**
	Men	76.4	78.0	74.4	79.6	81.2	80.4	81.4	81.9	81.1	80.7	80.8
	Women	60.7	62.9	57.6	66.4	68.2	67.3	68.5	69.2	67.7	68.3	69.2
Brazil	Total	**55.3**	**56.0**	**51.1**	**53.2**	**56.6**	**55.2**	**56.8**	**57.2**	**57.2**	**56.1**	**56.6**
	Men	65.5	66.1	61.5	64.0	67.0	65.7	67.1	67.6	67.5	66.4	66.8
	Women	45.8	46.5	41.4	43.1	46.9	45.3	47.1	47.5	47.5	46.5	47.1
Chile	Total	**58.3**	**58.3**	**50.1**	**52.1**	**55.1**	**54.9**	**55.0**	**54.9**	**55.5**	**55.7**	**55.7**
	Men	69.2	68.7	60.3	62.6	65.0	65.3	64.9	64.6	65.0	65.4	64.9
	Women	48.0	48.4	40.4	42.1	45.6	44.9	45.5	45.6	46.4	46.3	46.9
Colombia	Total	**57.8**	**56.6**	**49.8**	**53.1**	**56.5**	**55.0**	**56.7**	**56.8**	**57.5**	**56.4**	**57.7**
	Men	69.1	67.9	61.8	67.2	69.6	68.5	69.9	69.6	70.6	69.5	70.5
	Women	47.0	45.9	38.3	40.0	44.4	42.6	44.5	45.1	45.4	44.3	45.9
Costa Rica	Total	**54.4**	**55.2**	**48.5**	**50.4**	**52.5**	**51.5**	**52.6**	**53.3**	**52.8**	**50.7**	**51.2**
	Men	68.0	67.4	61.0	62.7	64.8	63.1	64.6	65.7	64.9	63.1	63.9
	Women	40.7	42.8	35.9	38.0	40.5	39.9	40.6	40.8	40.5	38.2	38.4
Cuba	Total	**62.7**	**64.4**	**65.4**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	75.7	75.1	75.8	...	...	...	...	...	...	...	...
	Women	48.6	52.7	54.0	...	...	...	...	...	...	...	...
Dominican Republic	Total	**60.0**	**61.0**	**56.7**	**58.3**	**59.8**	**59.4**	**59.9**	**59.2**	**60.6**	**60.4**	**60.1**
	Men	75.1	75.3	71.1	72.7	74.4	73.8	74.6	74.3	74.8	73.9	73.6
	Women	45.9	47.8	43.5	45.0	46.5	46.4	46.5	45.5	47.7	48.0	47.7
Ecuador f/	Total	**64.3**	**63.7**	**58.5**	**62.7**	**63.5**	**62.6**	**63.8**	**64.3**	**63.2**	**63.0**	**62.0**
	Men	77.0	75.8	74.5	75.1	75.3	74.3	75.5	75.6	75.6	75.1	74.7
	Women	52.2	52.0	48.7	51.0	52.2	51.4	52.5	53.5	51.5	51.5	49.8
El Salvador b/	Total	**57.4**	**58.2**	**57.2**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	73.6	74.9	73.4	...	...	...	...	...	...	...	...
	Women	43.8	44.3	43.5	...	...	...	...	...	...	...	...
Grenada	Total	**54.8**	**57.9**	**50.5**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	61.6	64.4	58.5	...	...	...	...	...	...	...	...
	Women	48.4	54.0	43.1	...	...	...	...	...	...	...	...
Guatemala	Total	**59.1**	**57.9**	**...**	**61.6**	**58.4**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	83.2	82.1	...	84.0	...	...	...	...	...	...	...
	Women	38.0	36.7	...	42.0	...	...	...	...	...	...	...

(continue)

Table A4.3
Latin America and the Caribbean: employment rate
(Average annual rates)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Honduras g/	Total	**57.0**	**54.1**	**53.0**	**54.7**	**54.0**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	72.8	71.9	66.9	69.1	70.3	...	...	...	...	...	...
	Women	42.6	38.0	41.2	43.5	38.4	...	...	...	...	...	...
Jamaica b/ h/	Total	**58.2**	**59.7**	**56.6**	**57.9**	**60.4**	**60.5**	**60.5**	**...**	**...**	**62.5**	**...**
	Men	65.6	66.9	63.6	65.0	67.1	67.2	66.9	...	...	68.5	...
	Women	51.0	52.7	50.0	51.1	53.9	54.1	54.3	...	...	56.8	...
Mexico i/	Total	**57.6**	**58.0**	**53.1**	**56.4**	**57.8**	**56.7**	**58.0**	**57.9**	**58.6**	**58.6**	**58.5**
	Men	74.9	74.5	68.3	72.6	73.8	73.1	74.0	74.0	74.2	74.3	74.0
	Women	42.0	43.1	39.3	41.8	43.5	42.2	43.7	43.5	44.8	44.7	44.8
Nicaragua	Total	**67.7**	**67.2**	**65.6**	**64.5**	**64.3**	**64.0**	**64.1**	**64.1**	**65.2**	**65.1**	**64.5**
	Men	78.1	77.8	76.4	76.1	76.7	76.1	76.5	76.5	77.7	77.1	76.4
	Women	58.2	57.7	56.0	54.0	53.5	53.3	53.1	53.3	54.4	54.5	54.0
Panama j/	Total	**61.5**	**61.8**	**51.3**	**53.5**	**56.1**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	75.0	74.2	64.0	66.2	69.3	...	...	...	...	...	...
	Women	48.8	50.2	40.1	41.8	44.0	...	...	...	...	...	...
Paraguay k/	Total	**67.4**	**67.6**	**64.8**	**66.7**	**65.8**	**65.2**	**65.5**	**66.3**	**66.2**	**65.6**	**67.2**
	Men	80.0	80.2	78.5	79.4	77.7	76.6	77.4	77.9	79.0	79.2	78.0
	Women	55.0	55.3	51.6	54.2	54.2	54.1	54.0	55.1	53.6	52.3	56.7
Peru l/	Total	**69.4**	**69.8**	**58.8**	**66.9**	**68.8**	**68.6**	**69.4**	**68.7**	**68.7**	**66.1**	**66.9**
	Men	77.3	77.7	67.4	75.4	77.1	77.1	77.2	77.5	76.6	75.8	75.4
	Women	61.3	61.8	49.5	58.6	61.4	60.2	61.8	61.5	62.0	59.3	58.5
Saint Lucia m/	Total	**57.0**	**59.0**	**53.9**	**53.7**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	63.4	64.4	59.4	...	...	...	...	...	...	...	...
	Women	50.8	53.9	48.7	...	...	...	...	...	...	...	...
Trinidad and Tobago b/ n/	Total	**56.8**	**54.9**	**53.9**	**51.9**	**52.3**	**53.0**	**52.0**	**52.2**	**52.0**	**52.5**	**54.1**
	Men	66.2	63.6	62.4	60.1	59.9	60.8	60.4	59.1	59.5	62.8	63.1
	Women	47.4	46.2	45.5	43.9	44.9	45.4	43.9	45.5	45.0	42.8	45.2
Uruguay o/	Total	**57.2**	**56.7**	**54.3**	**56.0**	**57.1**	**57.5**	**56.8**	**56.7**	**57.5**	**57.5**	**57.8**
	Men	65.8	64.9	62.1	63.7	65.2	65.4	65.0	64.7	65.6	65.7	66.5
	Women	49.4	49.0	47.1	49.0	49.7	50.2	49.2	49.4	50.1	49.9	49.9
Venezuela (Bolivarian Republic of)	Total	**61.9**	**60.6**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**	**...**
	Men	74.9	74.4	...	...	...	...	...	...	...	...	...
	Women	49.1	47.1	...	...	...	...	...	...	...	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Employment rate, percentage of employed population in relation to the labor force. Data for different countries are not comparable owing to differences in coverage and in the definition of the working-age population. Data for 2020 and 2021 may present comparability problems with respect to the data for 2019, owing to adjustments to statistical processes made by national statistical and census offices in response to the COVID-19 pandemic.
a/ 31 urban agglomerates.
b/ Does not include hidden unemployment.
c/ Data for 2019 are preliminary and are being reviewed.
d/ Data for 2018 refer to April. Data for the third quarters of 2019 and 2020 are from the September survey and 2020 from the telephone survey.
e/ New measurement as of 2016 through the Continuous Employment Survey (ECE), data not comparable with previous years. Quarterly data for 2019 and 2020 include urban coverage.
f/ Does not include hidden unemployment. The average for the second quarter of 2020 refers to May and June; the averages for the third and fourth quarters of 2020 refer to September and December, respectively.
g/ The 2020 data are preliminary and refer to the telephone survey conducted in November and December.
h/ Does not include hidden unemployment. The 2020 annual average refers to the figures from the first, third and fourth quarters.
i/ The average data for the second and third quarters of 2019 are from the National Occupation and Employment Survey (ENOE), those for the second quarter of 2020 are from the Telephone
j/ Does exclude hidden unemployment except for 2020, so it is not comparable to the rest of the series. Data for the third quarter of 2020 refer to a telephone survey conducted between September and October. Data for 2021 refer to October. Data for 2022 refer to April.
k/ New measurement from 2017 onward through the Continuous Permanent Household Survey (EPHC), data not comparable with previous years.
l/ Data for the second, third and fourth quarters of 2020 are preliminary.
m/ The figure for the first half of 2020 refers to data from the first quarter.
n/ The 2020 annual average refers to the first half of the year.
o/ The averages for the first quarter of 2020 are from the Continuous Household Survey (ECH) for January and February; for March the data are from the telephone ECH. The average for the second quarter of 2020 refers to April, May and June Telephone Continuous Household Survey; the averages for the third quarter refer to July, August and September Telephone Continuous Household Survey and those for the fourth quarter refer to October, November and December Telephone Continuous Household Survey. The annual average is preliminary.

Table A4.4

Latin America: real average wages

(Index: 2018 = 100)

	2018	2019	2020	2021	2022	2022				2023		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Argentina a/	100.0	92.0	91.6	88.5	88.5	88.9	88.6	88.0	88.4	87.6	86.7	59.1
Bolivia (Plurinational State of) b/	100.0	99.6	99.3	100.7	100.1	100.4	100.9	99.9	99.0	97.5	98.0	...
Brazil c/	100.0	100.5	105.4	97.8	97.0	94.8	95.4	98.7	100.7	101.5	101.3	103.2
Chile d/	100.0	102.1	102.6	103.7	101.9	103.4	101.9	101.3	100.9	102.8	103.5	104.3
Colombia e/	100.0	100.8	95.9	101.9	104.1	103.5	105.0	104.4	103.4	102.9	105.0	104.8
Costa Rica f/	100.0	103.7	106.1	105.9	101.3	106.1	102.5	100.5	95.9	101.8	104.9	105.8
Ecuador g/	100.0	101.0	114.6	120.8	...	...	...	...	...	...	...	...
El Salvador h/	100.0	101.3	101.2	105.8	103.9	104.6	105.3	103.0	102.9	101.7	...	...
Mexico i/	100.0	102.9	106.9	108.4	111.2	112.3	112.2	111.2	109.2	116.1	118.0	118.6
Nicaragua j/	100.0	99.5	98.5	98.0	95.5	96.1	95.8	94.7	95.5	92.0	94.3	94.5
Panama k/	100.0	102.4	101.0	107.3	...	106.9	...	...	...	...	...	...
Paraguay l/	100.0	101.5	100.6	97.7	95.5	...	93.5	...	97.6	...	96.3	...
Peru m/	100.0	99.4	94.3	98.3	98.0	103.4	87.9	100.1	100.5	97.4	84.6	106.0
Uruguay n/	100.0	101.3	99.5	98.1	97.5	97.9	96.7	97.8	97.5	100.6	100.0	102.1

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

Note: Average wage deflated by the official consumer price index of each country.

a/ Private-sector average wage index.

b/ Average nominal private-sector wage.

c/ Average income from main job.

d/ Compensation index. Private-sector workers.

e/ Manufacturing industry real wage index.

f/ Average monthly income in the main job.

g/ Compensation index.

h/ Average declared salary of private contributors to social security.

i/ Wages associated with workers insured by the Mexican Social Security Institute (IMSS).

j/ Average salary of workers insured with the Nicaraguan Social Security Institute (INSS).

k/ Remunerations paid (companies with five or more employees).

l/ Index of wages and salaries.

m/ Average income from work.

n/ Average Wage Index.

Table A4.5

Latin America: real minimum wages

(Index: 2018=100)

	2018	2019	2020	2021	2022	2022				2023		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Argentina	100.0	89.0	80.9	76.6	79.4	76.7	82.0	79.8	79.2	79.0	79.0	82.5
Bolivia (Plurinational State of)	100.0	101.2	100.2	101.4	103.7	104.7	104.3	103.4	102.2	107.0	106.6	105.6
Brazil	100.0	100.8	102.3	99.5	100.3	102.5	99.5	99.9	99.2	106.0	104.4	104.0
Chile	100.0	104.1	107.9	105.6	109.5	106.8	108.6	111.6	111.0	111.9	116.2	120.0
Colombia	100.0	102.4	105.9	105.9	105.9	110.4	106.9	104.4	101.7	113.0	110.3	108.7
Costa Rica	100.0	100.9	102.7	102.2	97.1	100.7	96.7	95.1	96.0	102.8	103.8	104.2
Dominican Republic	100.0	103.9	108.0	107.3	110.2	113.1	110.6	109.1	107.9	106.2	121.7	120.4
Ecuador	100.0	101.8	103.7	103.6	106.4	108.0	106.6	105.6	105.2	111.1	110.6	109.4
El Salvador	100.0	99.9	100.3	104.9	108.6	111.7	109.3	107.5	105.8	104.7	104.5	104.2
Guatemala	100.0	96.4	96.3	92.3	90.5	94.6	91.6	88.7	87.3	90.5	90.1	88.8
Haiti	100.0	99.5	93.8	81.9	...	77.6	90.1	81.0	73.0	63.9	61.9	59.4
Honduras	100.0	100.4	101.9	99.4	98.0	101.9	98.5	96.5	95.0	102.4	101.5	100.2
Jamaica	100.0	103.2	98.6	93.3	102.4	87.3	110.3	107.6	104.5	104.5	119.2	146.1
Mexico	100.0	112.1	130.1	141.6	160.2	164.7	161.7	158.4	155.8	183.8	183.5	181.7
Nicaragua	100.0	99.1	97.6	95.7	92.3	92.8	94.3	92.2	89.8	90.7	94.8	94.2
Panama	100.0	100.4	102.9	101.2	98.4	99.5	97.2	98.4	98.6	97.5	97.0	96.7
Paraguay	100.0	100.9	101.0	98.5	96.8	94.4	91.9	101.0	100.0	98.3	97.6	102.7
Peru	100.0	100.1	98.3	94.6	93.6	90.9	94.5	95.1	93.7	92.0	90.6	90.0
Uruguay	100.0	105.9	102.6	104.8	103.5	106.5	104.2	102.0	101.4	107.9	106.3	106.6

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

Note: Minimum wage deflated by the official consumer price index of each country.

Table A5.1
Latin America and the Caribbean: monetary indicators
(Percentage variation of mean balances with respect to the year-earlier period)

		2018	2019	2020	2021	2022	2022				2023			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Latin America and the Caribbean														
Argentina	Monetary base	33.7	23.0	55.4	29.5	43.6	44.5	44.8	45.5	40.2	41.4	44.8	50.5	
	Money (M1)	23.6	16.9	82.0	48.5	56.6	54.5	59.1	61.2	56.6	61.8	64.2	72.7	*i/*
	M2	37.8	25.4	71.4	55.0	69.4	56.1	68.0	73.5	81.3	90.9	101.0	105.6	*i/*
	Foreign-currency deposits	81.6	55.2	-4.4	31.5	35.7	20.5	28.0	30.8	63.5	91.6	90.5	112.7	*i/*
Bolivia (Plurinational State of)	Monetary base	8.7	8.5	15.5	13.2	4.8	6.9	6.1	3.7	2.7	2.2	…	…	*ii/*
	Money (M1)	6.4	0.7	5.1	4.7	…	3.0	…	…	…	…	…	…	
	M2	10.8	3.5	4.9	6.3	…	6.2	…	…	…	…	…	…	
	Foreign-currency deposits	-4.2	2.1	13.9	11.8	…	10.4	…	…	…	…	…	…	
Brazil	Monetary base	6.3	3.5	32.0	9.4	-3.2	-3.6	-3.5	-4.8	-0.7	2.0	0.7	1.2	*iii/*
	Money (M1)	8.3	5.7	36.2	17.8	-1.6	2.0	1.5	-5.1	-2.6	-0.6	-3.1	1.1	*iii/*
	M2	12.5	9.4	32.7	16.8	6.9	5.4	6.6	6.6	9.1	11.6	11.3	11.6	*iii/*
Chile	Monetary base	6.0	10.5	54.4	45.4	-21.5	-5.7	-32.8	-23.4	-22.7	-34.6	-22.5	6.9	
	Money (M1)	11.0	12.0	41.8	42.6	-13.8	8.1	-0.9	-22.7	-26.3	-22.4	-16.1	-10.2	*iii/*
	M2	7.0	5.6	12.7	11.6	0.1	5.0	1.3	-1.9	-0.6	3.2	4.2	4.2	*iii/*
	Foreign-currency deposits	-4.2	15.0	43.9	9.1	18.2	26.6	28.3	17.5	3.1	2.0	-6.9	-8.5	*iii/*
Colombia	Monetary base	7.3	11.7	18.7	14.2	10.9	14.1	11.3	10.8	8.0	4.4	-0.5	-3.2	*iii/*
	Money (M1)	6.7	11.1	24.8	19.0	8.5	15.7	13.3	6.9	2.0	-2.8	-6.2	-7.4	*iii/*
	M2	5.6	7.5	14.4	8.7	13.3	12.1	13.1	14.4	13.4	13.0	9.3	7.9	*iii/*
Costa Rica	Monetary base	4.1	-1.3	7.9	6.2	6.6	1.8	1.3	9.7	13.2	13.2	17.3	…	*iv/*
	Money (M1)	4.4	6.2	33.9	14.6	-3.6	6.0	-2.3	-7.4	-9.7	-7.5	0.4	…	*v/*
	M2	-1.4	1.3	16.7	5.3	-3.5	-1.2	-3.3	-5.0	-4.9	-1.4	2.3	…	*v/*
	Foreign-currency deposits	2.4	4.3	13.1	22.5	19.2	23.3	34.1	18.3	4.9	-8.7	-17.7	…	*v/*
Dominican Republic	Monetary base	-1.4	10.1	13.0	17.5	13.8	12.2	11.2	15.9	15.8	16.5	13.6	3.7	*iii/*
	Money (M1)	13.6	10.6	26.6	24.8	13.7	19.0	17.5	11.9	9.6	9.8	9.6	13.4	*iii/*
	M2	8.1	6.9	13.8	16.8	7.8	12.6	9.3	5.2	6.3	8.4	12.7	16.8	*iii/*
	Foreign-currency deposits	12.8	13.4	32.5	15.0	6.2	9.0	12.1	3.8	2.1	5.8	3.4	9.1	*iii/*
Ecuador	Monetary base	4.6	3.1	14.9	6.9	0.2	2.5	-0.3	1.7	-2.9	-1.3	0.3	-1.6	*i/*
	Money (M1)	5.6	3.4	7.9	6.0	3.6	6.2	4.8	2.9	0.5	1.5	0.9	0.6	*i/*
	M2	8.3	6.5	9.6	10.2	9.3	10.7	10.2	9.0	7.6	7.9	7.5	6.7	*i/*
El Salvador	Monetary base	5.5	10.5	-14.0	-17.3	8.5	25.4	29.8	6.9	-20.4	-14.7	-17.0	-14.4	*iii/*
	Money (M1)	5.8	7.3	13.2	11.3	2.5	6.0	9.9	1.0	-2.7	0.4	-4.4	-3.9	*iii/*
	M2	7.5	7.6	11.8	6.6	4.6	3.3	5.6	5.7	4.8	6.8	4.9	5.6	*iii/*
Guatemala	Monetary base	8.8	10.8	20.7	16.0	13.3	11.8	16.3	14.3	10.9	12.7	11.6	11.1	
	Money (M1)	8.1	11.6	20.7	17.1	12.0	11.9	13.0	12.0	12.0	11.7	12.8	12.5	*iii/*
	M2	8.8	10.5	15.1	13.9	10.8	10.8	11.8	10.7	10.7	9.8	10.2	9.8	*iii/*
	Foreign-currency deposits	6.8	5.0	12.5	8.2	-7.4	-3.6	-7.3	-9.9	-7.8	-5.9	-1.7	-1.2	*iii/*
Haiti	Monetary base	14.7	18.5	19.3	16.7	24.5	29.3	22.3	17.6	29.4	36.9	…	…	
	Money (M1)	22.3	11.3	29.6	26.7	21.3	16.9	18.5	25.5	25.1	32.1	…	…	
	M2	18.1	12.1	23.6	22.7	18.6	16.1	17.5	21.3	20.7	27.1	…	…	
	Foreign-currency deposits	5.4	28.1	8.5	10.5	31.6	45.3	36.4	19.9	33.7	43.8	…	…	
Honduras	Monetary base	8.2	10.0	49.8	27.4	-12.4	-6.3	-12.9	-17.3	-13.1	-13.0	-6.8	0.8	*i/*
	Money (M1)	7.4	8.2	24.5	22.1	16.9	11.8	12.2	22.9	22.1	14.6	16.6	11.1	*i/*
	M2	9.5	10.2	17.6	16.6	12.9	12.3	12.0	14.5	14.2	13.2	15.2	13.8	*i/*
	Foreign-currency deposits	4.8	4.0	7.9	4.0	7.8	6.2	7.6	8.6	9.2	9.5	9.5	5.9	*i/*
Mexico	Monetary base	10.2	4.0	17.4	17.5	13.8	16.0	14.6	13.4	11.3	8.1	8.6	8.9	
	Money (M1)	9.8	5.2	17.4	14.7	10.6	12.0	12.2	10.0	8.9	6.4	6.2	7.3	*iii/*
	M2	11.2	5.7	14.0	9.4	10.2	9.9	11.3	10.6	9.4	8.5	8.1	8.7	*iii/*
	Foreign-currency deposits	5.0	-7.2	8.3	5.9	12.8	14.8	16.1	11.9	9.4	0.0	-7.2	-8.0	*iii/*

continue)

Table A5.1 (continued)
Latin America and the Caribbean: monetary indicators
(Percentage variation of the average balances with respect to the year-earlier period)

		2018	2019	2020	2021	2022	2022				2023			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Nicaragua	Monetary base	3.7	-2.5	17.9	20.7	16.0	20.9	20.9	15.9	7.9	9.6	17.1	17.4	*i/*
	Money (M1)	0.1	-4.5	29.5	24.3	16.0	21.3	19.9	17.3	6.3	12.3	19.7	…	
	M2	0.1	-4.5	29.5	24.3	16.0	21.3	19.9	17.3	6.3	12.3	19.7	…	
	Foreign-currency deposits	-5.5	-13.6	9.2	11.5	12.3	12.3	12.3	12.8	12.9	13.2	13.1	…	
Panama	Monetary base	5.2	8.1	4.3	16.5	7.4	28.3	6.5	5.4	-5.8	-1.1	-6.9	…	
	Money (M1)	1.1	-3.2	4.6	12.2	-0.9	3.4	1.4	-3.6	-4.1	-3.9	-4.7	…	
	M2	3.0	2.4	5.2	-9.9	-2.9	-17.3	6.1	2.6	1.1	0.2	-1.3	…	
Paraguay	Monetary base	13.3	3.5	11.2	7.9	4.3	6.5	4.9	2.6	3.4	5.3	10.1	10.8	*iii/*
	Money (M1)	10.1	4.3	19.0	14.4	-0.5	3.9	-1.8	-2.8	-1.3	-1.8	3.9	5.0	*iii/*
	M2	11.0	6.8	14.9	12.6	1.1	3.5	0.0	-0.8	2.1	3.2	9.1	10.8	*iii/*
	Foreign-currency deposits	4.0	9.8	17.5	14.1	4.3	14.9	3.1	-0.6	3.2	2.4	12.6	13.2	*iii/*
Peru	Monetary base	8.1	5.7	25.3	22.5	0.3	5.0	1.6	-2.3	-2.9	-2.6	-3.7	-5.9	*iii/*
	Money (M1)	13.5	10.0	34.5	16.4	-5.2	-5.8	-5.3	-6.1	-4.2	-2.3	-4.3	-5.3	*iii/*
	M2	13.2	11.0	26.9	10.8	-1.8	-3.9	-3.5	-1.6	0.4	2.4	3.4	2.3	*iii/*
	Foreign-currency deposits	6.4	5.5	12.1	18.4	3.9	7.3	2.1	3.7	2.0	-1.2	-4.4	-7.3	*iii/*
Uruguay	Monetary base	0.9	6.0	12.5	6.8	-3.8	-6.2	-5.6	-0.8	-2.2	9.0	6.0	-2.3	
	Money (M1)	5.5	7.1	11.7	15.7	5.5	10.5	8.1	4.4	1.8	5.3	7.2	5.9	*iii/*
	M2	10.7	8.9	11.9	16.1	9.1	10.7	11.1	9.9	7.7	11.4	11.8	9.3	*iii/*
	Foreign-currency deposits	6.7	17.3	31.6	16.7	3.9	11.2	5.4	5.5	-4.2	-6.7	-5.3	-10.4	*iii/*
Venezuela (Bolivarian	Monetary base	30129.5	13737.7	1256.6	693.6	480.5	449.6	426.4	405.0	568.0	455.3	340.8	408.6	*i/*
Republic of)	Money (M1)	37111.7	9188.3	1347.4	1005.8	367.6	525.6	536.4	317.1	356.7	382.8	340.2	378.1	*iii/*
	M2	36973.8	9187.0	1345.3	1005.6	368.0	1255.7	2094.6	991.5	673.4	445.9	617.9	274.9	*iii/*
The Caribbean														
Antigua and Barbuda	Monetary base	5.3	-7.6	...	...	...	...	...	...	...	...	...	...	
	Money (M1)	11.8	11.1	-4.1	3.6	9.2	20.0	12.4	2.8	0.4	18.7	18.3	20.6	*i/*
	M2	8.5	-0.9	-12.0	7.0	13.1	14.5	19.0	12.1	8.9	-3.2	-6.9	-4.3	*i/*
	Foreign-currency deposits	33.0	5.6	-40.5	21.9	46.4	58.9	85.1	40.5	25.2	11.4	-6.3	8.2	*i/*
Bahamas	Monetary base	7.6	-0.6	33.3	21.3	35.5	25.3	36.3	34.6	44.6	0.8	-10.9	…	
	Money (M1)	6.3	8.5	17.3	4.4	14.5	11.6	17.9	13.6	14.5	9.3	3.2	…	
	M2	1.2	2.7	8.0	2.2	7.9	5.9	9.9	7.3	7.9	6.3	3.2	…	
	Foreign-currency deposits	29.7	16.1	14.9	-20.0	26.4	21.1	35.1	36.8	13.6	12.2	5.5	…	
Barbados	Monetary base	1.0	12.6	15.1	23.3	10.4	13.0	12.8	10.2	6.0	2.6	1.3	0.6	*i/*
	Money (M1)	0.6	2.8	6.7	7.7	7.3	8.0	9.2	6.7	5.5	4.2	4.1	…	
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Belize	Monetary base	-9.7	0.6	12.0	19.9	15.0	10.0	18.6	16.8	14.7	12.8	5.0	11.3	*i/*
	Money (M1)	6.5	4.4	9.8	17.1	10.9	14.8	13.0	8.8	8.5	11.6	8.3	9.8	*i/*
Dominica	Monetary base	-1.0	-21.2	...	...	...	...	...	...	...	...	...	...	
	Money (M1)	42.0	-14.2	-21.2	11.5	21.4	34.1	27.1	20.4	7.2	6.6	7.4	9.5	*i/*
	M2	17.2	-6.5	-16.0	2.4	1.3	2.0	1.6	1.4	-0.1	-2.6	-2.7	-2.3	*i/*
	Foreign-currency deposits	-7.7	33.2	21.3	-6.1	-6.4	-6.4	2.9	-11.0	-7.5	-10.9	-10.8	-5.8	*i/*
Grenada	Monetary base	2.1	4.6	...	...	...	...	...	...	...	...	...	...	
	Money (M1)	10.9	10.5	-8.7	14.8	34.7	32.1	36.0	29.2	41.5	28.0	20.0	20.8	*i/*
	M2	...	...	...	...	...	...	...	...	...	...	...	...	
	Foreign-currency deposits	10.8	33.8	-12.7	35.9	17.3	5.1	5.1	21.9	30.7	30.2	28.0	24.1	*i/*

(continue)

Table A5.1 (concluded)

Latin America and the Caribbean: monetary indicators

(Percentage variation of the average balances with respect to the year-earlier period)

		2018	2019	2020	2021	2022	2022				2023			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Guyana	Monetary base	10.5	10.8	25.4	22.1	-1.0	-2.5	-6.9	-3.3	9.3	16.1	27.7	31.7	*iii/*
	Money (M1)	8.9	20.7	41.8	17.2	14.5	13.5	15.8	14.1	15.2	18.5	22.6	25.5	*iii/*
Jamaica	Monetary base	17.9	22.6	17.6	21.7	-5.3	3.8	-4.3	-10.5	-9.3	7.7	10.5	27.7	
	Money (M1)	21.4	17.1	19.2	17.1	8.7	11.3	11.7	7.9	5.1	11.4	12.9	17.0	*iii/*
	M2	19.1	15.0	15.7	15.9	8.9	11.5	10.2	8.3	6.2	10.6	13.6	15.4	*iii/*
	Foreign-currency deposits	9.6	9.6	17.8	14.6	14.6	19.8	17.8	12.6	8.7	4.2	2.6	2.6	*iii/*
Saint Kitts and Nevis	Monetary base	3.5	-7.1	...	...	...	...	...	...	...	...	...	...	
	Money (M1)	-1.5	9.6	-6.3	0.0	39.0	34.7	42.8	43.0	34.2	7.8	3.5	1.6	*i/*
	M2	1.3	2.6	-0.5	3.2	3.1	5.2	3.7	2.7	1.0	1.5	3.4	2.4	*i/*
	Foreign-currency deposits	-12.7	-1.9	-13.7	-7.8	18.2	14.2	24.6	16.7	18.4	15.8	-1.1	-3.2	*i/*
Saint Lucia	Monetary base	5.9	-7.4	...	...	...	...	...	...	...	...	...	...	
	Money (M1)	9.6	8.3	-12.6	14.5	30.7	48.8	50.8	32.8	5.5	4.5	4.9	9.9	*i/*
	M2	2.4	3.4	-13.2	7.4	10.4	16.0	17.1	8.2	3.9	4.6	5.5	7.6	*i/*
	Foreign-currency deposits	-3.0	8.5	-3.3	12.1	9.0	13.3	25.9	5.3	3.7	13.0	46.7	25.4	*i/*
Saint Vincent and the Grenadines	Monetary base	-2.2	9.0	...	...	...	...	...	...	...	...	...	...	
	Money (M1)	0.1	10.4	1.7	13.6	21.7	10.8	23.7	22.5	21.1	20.8	12.6	7.4	*i/*
	M2	-0.4	5.7	-7.1	7.7	5.3	6.8	10.0	6.0	4.4	3.5	2.4	3.0	*i/*
	Foreign-currency deposits	-6.6	44.5	-17.8	75.4	7.8	54.8	57.8	16.7	2.6	-1.8	-19.5	-27.2	*i/*
Suriname	Monetary base	24.4	70.0	47.5	48.6	38.8	41.7	36.3	33.5	43.4	54.1	44.1	28.4	*iii/*
	Money (M1)	14.8	26.9	42.5	29.3	31.5	21.1	29.4	38.3	37.3	40.3	29.0	16.1	*iii/*
	M2	15.1	24.5	32.3	26.1	25.1	21.0	25.3	28.7	25.8	27.2	23.4	13.1	*iii/*
	Foreign-currency deposits	5.8	-3.0	22.3	97.9	38.9	55.6	58.0	19.6	49.6	68.9	82.7	67.8	*iii/*
Trinidad and Tobago	Monetary base	-2.6	-0.1	12.7	-2.3	-8.7	-12.8	-12.7	-8.4	-0.7	5.4	12.1	1.9	*i/*
	Money (M1)	0.1	-0.3	7.8	7.0	2.1	-1.8	0.1	4.3	4.2	4.1	2.1	2.1	*i/*
	M2	0.1	1.9	6.8	3.9	0.8	-0.9	0.1	1.7	1.8	1.9	2.0	3.8	*i/*
	Foreign-currency deposits	-1.3	3.9	-0.3	5.1	1.6	9.1	4.8	-2.7	-2.1	-2.0	-2.0	3.2	*i/*

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

i/ Figures as of July 2023.

ii/ Figures as of January 2023.

iii/ Figures as of August 2023.

iv/ Figures as of May 2023.

v/ Figures as of April 2023.

Table A5.2
Latin America and The Caribbean: monetary policy reference rates
(Percentages)

	2018	2019	2020	2021	2022	2022				2023		
						March	June	September	December	March	June	September
Latin America												
Argentina	59.4	61.4	38.0	38.0	75.0	44.5	52.0	75.0	75.0	78.0	97.0	118.0
Bolivia (Plurinational State of)	2.5	3.0	2.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	...	...
Brazil	6.5	4.5	2.0	9.3	13.8	11.8	13.3	13.8	13.8	13.8	13.8	12.8
Chile	2.8	1.8	0.5	4.0	11.3	7.0	9.0	10.8	11.3	11.3	11.3	9.5
Colombia	4.3	4.3	1.8	3.0	12.0	4.0	6.0	10.0	12.0	13.0	13.3	13.3
Costa Rica	5.3	2.8	0.8	1.3	9.0	2.5	5.5	8.5	9.0	8.5	7.0	6.5
Dominican Republic	5.5	4.5	3.0	4.5	8.5	5.5	7.3	8.3	8.5	8.5	7.8	7.5
Guatemala	2.8	2.8	1.8	1.8	3.8	1.8	2.3	3.0	3.8	4.8	5.0	5.0
Haiti	12.0	15.0	10.0	10.0	11.5	10.0	10.0	11.5	11.5	11.5	11.5	...
Honduras	5.5	5.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Mexico	8.3	7.3	4.3	5.5	10.5	6.5	7.8	9.3	10.5	11.3	11.3	11.3
Paraguay	5.3	4.0	0.8	5.3	8.5	6.3	7.8	8.5	8.5	8.5	8.5	8.0
Peru	2.8	2.3	0.3	2.5	7.5	4.0	5.5	6.8	7.5	7.8	7.8	7.5
Uruguay	...	...	4.5	5.8	11.5	7.3	9.3	10.3	11.5	11.5	11.3	10.0
The Caribbean												
Antigua and Barbuda	6.5	6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Bahamas	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	...
Barbados	7.0	7.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Belize	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	...
Dominica	6.5	6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Grenada	6.5	6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	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	5.0	5.0
Jamaica	1.8	0.5	0.5	2.5	7.0	4.5	5.5	6.5	7.0	7.0	7.0	7.0
Saint Kitts and Nevis	6.5	6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Saint Lucia	6.5	6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Saint Vincent and the Grenadines	6.5	6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Trinidad and Tobago	5.0	5.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: Figures at the end of each period.

Table A5.3
Latin America and the Caribbean: representative lending rates
(Average rates and percentages)

	2018	2019	2020	2021	2022	2022				2023		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Latin America												
Argentina a/	47.7	66.9	36.8	40.2	56.9	43.1	48.0	62.0	74.3	73.9	91.0	108.6
Bolivia (Plurinational State of) b/	6.4	6.4	6.3	6.9	6.5	6.7	5.9	6.7	6.7	10.9	6.7	7.2
Brazil c/	45.2	42.7	33.8	34.0	40.6	39.1	40.6	40.8	41.7	42.0	42.9	42.3
Chile d/	10.6	8.5	8.0	10.0	16.8	15.2	16.0	17.9	18.2	20.1	20.0	18.8
Colombia e/	12.1	11.8	9.9	9.3	15.8	11.9	13.8	17.2	20.3	22.7	20.8	20.7
Costa Rica f/	14.3	13.0	10.9	9.5	10.9	9.5	9.7	11.5	12.8	13.3	12.9	12.9
Dominican Republic f/	12.5	12.5	11.0	9.6	11.9	10.0	11.1	12.7	13.6	15.0	14.7	14.1
Ecuador g/	7.7	8.6	8.9	8.1	7.7	7.3	7.0	8.0	8.4	8.8	9.0	9.3
El Salvador h/	6.4	6.6	6.6	6.2	6.3	6.1	6.1	6.4	6.8	7.1	7.3	7.8
Guatemala f/	12.9	12.7	12.5	12.2	11.9	11.9	12.0	12.0	11.8	11.9	12.0	12.0
Haiti i/	17.7	18.7	16.2	...	...	...	...	...	...	...	...	...
Honduras f/	17.8	17.3	17.0	16.0	14.6	15.0	14.8	14.4	14.3	14.2	14.3	14.4
Mexico j/	28.3	30.3	30.2	29.4	29.5	29.7	30.6	30.9	31.8	31.8	32.4	32.4
Nicaragua k/	10.9	12.5	11.2	9.6	9.2	9.2	9.3	9.1	9.3	8.7	10.0	9.3
Panama l/	6.9	7.1	7.0	6.9	6.9	6.9	6.9	6.9	6.9	7.3	7.5	7.7
Paraguay m/	12.9	12.7	10.7	9.8	12.7	11.4	12.4	13.4	13.8	14.0	13.3	13.4
Peru n/	14.5	14.4	12.9	11.0	12.6	11.3	12.2	13.0	13.9	14.7	15.3	15.8
Uruguay o/	14.2	13.3	12.7	8.7	11.6	9.7	11.1	12.0	13.6	13.7	13.2	12.3
Venezuela (Bolivarian Republic of) p/	21.9	29.3	33.2	43.4	49.2	50.1	48.2	47.9	50.7	52.4	48.9	48.6
The Caribbean												
Antigua and Barbuda q/	8.8	8.6	7.7	7.5	7.5	7.5	7.6	7.5	7.5	7.4	7.1	...
Bahamas r/	11.4	11.2	10.3	10.0	11.1	10.6	11.2	11.0	11.4	10.9	11.1	11.2
Barbados q/	6.7	6.5	6.1	5.8	5.6	5.6	5.6	5.6	5.5	5.5	5.5	5.4
Belize s/	9.1	9.1	8.7	8.4	8.4	8.4	8.4	8.5	8.6	8.4	8.4	8.5
Dominica q/	7.7	7.5	6.8	6.3	6.5	6.6	7.3	6.2	6.2	6.0	6.0	...
Grenada q/	7.7	7.3	6.5	6.3	6.2	6.0	6.0	6.0	6.9	6.8	6.8	...
Guyana t/	10.4	8.9	8.5	8.5	8.3	8.3	8.3	8.2	8.2	8.2	8.2	8.2
Jamaica s/	14.1	13.0	12.1	11.5	11.4	11.6	11.4	11.3	11.4	11.5	14.3	14.4
Saint Kitts and Nevis q/	8.2	8.0	7.2	6.9	6.8	6.7	6.7	6.9	6.8	6.6	6.5	...
Saint Lucia q/	8.0	7.6	7.0	6.7	6.6	6.5	6.6	6.6	6.7	6.6	6.7	...
Saint Vincent and the Grenadines q/	8.4	8.3	8.0	7.7	7.4	7.5	7.5	7.4	7.3	7.2	7.1	...
Suriname u/	14.3	15.0	14.8	14.8	14.7	15.0	15.0	14.8	14.2	13.5	13.5	13.9
Trinidad and Tobago t/	9.1	9.3	7.9	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Local-currency loans to the non-financial private sector, at fixed or renegotiable rates, signature loans of up to 89 days.
b/ Nominal local-currency rate for 60-91-day operations.
c/Interest rate on total consumer credit for individuals.
d/ Non-adjustable 90-360 day operations.
e/ Weighted average of consumer, prime, ordinary and treasury lending rates for the working days of the month.
f/ Weighted average of the system lending rates in local currency.
g/ Effective benchmark lending rate for the corporate commercial segment.
h/ Basic lending rate for up to one year.
i/ Average of minimum and maximum lending rates.
j/ Average interest rate for credit cards from commercial banks and the TAC rate (Total Annual Cost).
k/ Weighted average of short-term lending rates in local currency.
l/ Interest rate on one-year trade credit.
m/ Commercial lending rate in local currency.
n/ Market lending rate, average for transactions conducted in the last 30 business days.
o/ Business credit, 30-367 days.
p/ Average rate for loan operations for the six major commercial banks.
q/ Weighted average of lending rates.
r/ Weighted average of lending and overdraft rates.
s/ Rate for personal and business loans, residential and other construction loans; weighted average.
t/ Basic prime lending rate.
u/ Average of lending rates.

Table A5.4
Latin America and the Caribbean: real domestic credit
(Percentage variation)

	2018	2019	2020	2021	2022	2022				2023			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Latin America													
Argentina	5.0	-14.3	14.6	5.8	3.2	10.0	5.9	3.2	-5.5	-8.4	-2.9	1.7	*i/*
Bolivia (Plurinational State of)	11.2	8.3	10.0	5.1	...	...	...	...	...	...	...	...	
Brazil	-1.0	5.9	12.2	3.8	2.2	-0.6	-0.3	3.6	6.3	6.0	6.7	6.4	*ii/*
Chile	7.3	5.8	7.0	-1.2	-1.2	-1.7	-0.3	-1.3	-1.7	1.8	0.1	-0.2	*i/*
Colombia	5.9	6.3	8.0	0.0	-0.0	5.0	2.2	-2.4	-4.4	-6.6	-4.1	...	
Costa Rica	3.5	0.2	5.1	6.9	-3.7	1.9	-1.6	-6.2	-8.5	-7.5	-5.9	...	*iii/*
Dominican Republic	5.6	9.3	5.7	-0.4	5.1	8.1	4.4	4.0	3.9	5.3	8.9	10.5	*ii/*
Ecuador	10.7	10.5	9.9	11.5	12.3	18.9	15.5	8.3	7.7	6.9	8.1	9.2	*ii/*
El Salvador	6.9	7.4	7.7	4.9	1.4	1.1	0.6	2.3	1.9	4.6	5.0	3.5	*ii/*
Guatemala	-0.6	-0.8	2.3	5.3	6.0	5.9	6.4	4.6	7.2	5.5	5.6	5.4	*ii/*
Haiti	7.7	5.1	4.1	9.1	-5.2	3.1	-1.6	-6.1	-15.8	-19.3	...	...	
Honduras	8.2	6.1	2.2	9.2	11.2	17.9	11.5	9.8	6.5	5.4	11.9	14.0	*i/*
Mexico	5.0	5.6	4.8	-1.6	0.1	1.4	0.3	-0.8	-0.3	0.4	1.6	4.1	*i/*
Nicaragua	-3.8	-27.6	-15.6	-14.8	-7.2	-6.5	-8.0	-5.4	-8.7	-6.2	-5.9	...	
Panama	8.0	1.1	-6.0	0.1	3.9	5.5	1.4	4.6	4.1	5.3	3.6	...	
Paraguay	7.9	12.8	5.1	8.7	7.6	12.5	8.3	5.7	4.5	4.1	7.8	9.4	*ii/*
Peru	35.9	4.3	24.6	2.3	-1.6	-5.9	-6.3	-1.3	8.1	3.1	6.0	6.4	*ii/*
Uruguay	-10.7	12.5	1.6	1.4	4.3	1.3	6.3	7.6	2.3	10.8	10.3	-1.2	*ii/*
Venezuela (Bolivarian Republic of) a/	158.1	2.4	-17.4	-39.9	-28.1	-47.7	-36.4	-17.7	3.1	20.8	10.1	13.5	
The Caribbean													
Antigua and Barbuda	-0.6	1.7	-2.7	2.8	-6.7	-2.8	-8.8	-7.8	-7.3	-6.9	-4.7	-5.1	*i/*
Bahamas	-5.7	-1.9	0.4	-4.1	-5.0	-2.5	-5.3	-8.0	-4.3	-0.1	2.6	...	
Barbados	-5.1	-16.8	-3.3	-1.9	-3.9	-3.2	-5.9	-2.3	-4.2	-6.9	-5.4	...	
Belize	5.9	6.2	10.1	1.0	-5.1	-4.7	-6.7	-6.9	-1.9	-0.8	0.1	2.4	*i/*
Dominica	23.6	39.1	11.6	4.5	1.6	8.5	2.3	-1.9	-2.2	-14.8	-15.2	-8.6	*i/*
Grenada	-3.0	-3.7	-17.7	18.9	4.6	8.5	3.1	3.4	3.6	3.2	7.9	6.0	*i/*
Guyana	17.6	12.7	14.3	-23.4	-6.1	-32.9	-16.2	32.0	22.2	16.4	25.3	50.4	*ii/*
Jamaica	7.2	6.9	9.8	4.9	-4.4	-4.9	-3.6	-4.9	-4.1	-0.2	3.4	2.3	*i/*
Saint Kitts and Nevis	0.9	14.5	122.0	24.2	21.9	0.4	28.8	25.9	33.0	17.2	-17.4	-12.9	*i/*
Saint Lucia	-6.7	-0.5	4.8	-0.1	-9.0	-6.4	-9.2	-11.4	-9.0	-7.5	-4.4	-1.9	*ii/*
Saint Vincent and the Grenadines	-0.3	-4.3	-2.5	1.6	-6.3	-8.2	-8.9	-1.8	-5.7	-3.8	-3.6	-0.4	*i/*
Suriname	-9.5	11.0	7.5	-17.7	-30.5	-35.8	-34.5	-27.1	-21.4	-26.6	-26.4	-27.3	*ii/*
Trinidad and Tobago	11.5	15.4	12.8	12.2	-4.7	0.8	-5.1	-3.9	-10.5	-14.6	-7.5	1.8	*i/*

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures are considered average balances with respect to the same period of the previous year.
a/ Credit granted by commercial, universal and development banks.
i/ Figures as of July 2023.
ii/ Figures as of August 2023.
iii/ Figures as of April 2023.

Table A5.5
Latin America and the Caribbean: net international reserves
(Millions of dollars)

	2018	2019	2020	2021	2022	2022				2023			
						March	June	September	December	March	June	September	
Latin America and the Caribbean	**867 004**	**851 190**	**889 106**	**933 500**	**870 462**	**925 423**	**898 396**	**865 742**	**870 462**	**890 534**	**886 626**	**879 102**	
Latin America	**851 861**	**835 801**	**872 453**	**914 908**	**851 533**	**907 031**	**879 319**	**846 680**	**851 533**	**871 289**	**867 567**	**859 953**	
Argentina a/	65 786	44 848	39 387	39 662	44 598	43 137	42 787	37 625	44 598	39 060	27 926	26 925	
Bolivia (Plurinational State of)	8 946	6 468	5 276	4 752	3 796	4 599	4 505	3 844	3 796	3 112	3 158	…	*ii/*
Brazil	374 715	356 884	355 620	362 204	324 703	353 169	341 958	327 580	324 703	341 158	343 620	340 324	
Chile	39 861	40 657	39 200	51 330	39 154	48 320	45 821	37 784	39 154	39 304	39 497	41 402	
Colombia	48 393	53 167	59 031	58 579	57 269	58 004	57 164	56 326	57 269	57 966	57 839	57 566	
Costa Rica	7 495	8 912	7 225	6 918	8 550	7 054	6 197	7 566	8 550	9 137	11 139	11 334	
Dominican Republic	7 627	8 781	10 752	13 034	14 437	14 596	14 455	13 806	14 437	16 017	16 197	15 851	
Ecuador	2 677	3 397	7 196	7 898	8 459	9 226	8 585	8 381	8 459	8 190	6 967	6 312	
El Salvador	3 354	3 937	2 915	3 342	2 440	3 335	3 483	2 941	2 440	2 556	2 580	2 523	
Guatemala	12 756	14 789	18 468	20 940	20 020	20 764	19 876	20 428	20 020	20 344	21 161	20 293	
Haiti	1 563	1 620	1 659	1 469	1 198	1 342	1 191	1 110	1 198	1 399	1 399	…	*i/*
Honduras	4 853	5 809	8 149	8 678	8 422	8 543	8 353	8 209	8 422	8 134	7 914	7 687	
Mexico	176 412	183 057	199 052	207 739	201 066	209 567	203 565	202 082	201 066	206 216	210 324	209 508	
Nicaragua	2 039	2 209	3 074	3 955	4 356	4 129	4 278	4 186	4 356	4 818	4 968	5 151	
Panama	2 907	4 142	8 672	8 099	6 291	8 966	8 188	5 783	6 291	6 291	5 417	4 208	
Paraguay	7 970	7 675	9 490	9 947	9 825	9 506	9 422	9 444	9 825	9 684	9 745	10 107	
Peru	60 121	68 316	74 707	78 495	71 883	75 324	73 335	74 201	71 883	72 734	72 943	71 234	
Uruguay	15 557	14 505	16 217	16 953	15 144	16 645	15 821	15 378	15 144	15 560	15 100	15 329	
Venezuela (Bolivarian Republic of)	8 830	6 630	6 364	10 914	9 921	10 806	10 335	10 005	9 921	9 610	9 674	9 644	
The Caribbean	**15 144**	**15 389**	**16 654**	**18 592**	**18 929**	**18 392**	**19 077**	**19 062**	**18 929**	**19 245**	**19 060**	**19 148**	
Antigua and Barbuda	328	279	222	324	346	394	459	416	346	355	341	294	*iii/*
Bahamas	1 196	1 758	2 382	2 433	2 611	3 002	3 236	3 200	2 611	2 668	2 697	2 734	*iii/*
Barbados	416	570	1 104	1 303	1 165	1 267	1 269	1 161	1 165	1 393	1 348	1 203	
Belize a/	295	279	350	424	483	433	457	477	483	497	523	515	*iii/*
Dominica	189	155	166	165	182	167	199	172	182	158	136	123	*iii/*
Grenada	231	234	291	324	352	290	327	344	352	366	360	433	*iii/*
Guyana	528	576	681	811	932	679	711	823	932	757	736	676	
Jamaica	3 005	3 163	3 126	4 001	3 976	3 676	3 805	3 807	3 976	4 152	4 283	4 717	
Saint Kitts and Nevis	355	355	365	313	270	275	253	256	270	286	262	267	*iii/*
Saint Lucia	275	253	224	351	310	401	355	331	310	317	338	414	*iii/*
Saint Vincent and the Grenadines	168	192	204	272	273	257	268	276	273	326	349	318	*iii/*
Suriname	581	647	585	992	1 195	899	982	1 029	1 195	1 186	1 091	1 107	
Trinidad and Tobago	7 575	6 929	6 954	6 880	6 832	6 652	6 757	6 769	6 832	6 785	6 596	6 346	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures are considered as balances at the end of the period.
a/ Refers to gross international reserves.
i/ Figures as of March 2023.
ii/ Figures as of April 2023.
iii/ Figures as of August 2023.

Table A5.6

Latin America and the Caribbean: real effective exchange rates

(Index: 2015=100)

	2018	2019	2020	2021	2022	2022				2023		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Latin America												
Bolivia (Plurinational State of)	92.0	87.9	83.0	86.2	90.6	90.1	92.5	90.6	89.3	109.3	163.4	160.8
Brazil	94.6	99.2	125.2	127.0	118.5	120.5	112.4	121.4	119.7	115.9	110.1	107.4
Chile	92.0	98.5	106.3	101.8	109.3	106.4	108.2	114.0	108.8	102.8	100.7	106.2
Colombia	95.1	102.8	111.1	113.7	125.7	117.9	117.6	129.2	138.2	130.4	120.7	108.8
Costa Rica	107.4	108.6	107.1	116.4	121.0	121.8	126.3	121.9	114.0	105.6	103.7	104.6
Dominican Republic	105.1	107.7	114.4	111.4	106.6	109.1	107.3	104.9	105.0	104.8	99.8	102.5
Ecuador	101.1	101.0	99.7	103.7	106.1	105.5	107.3	106.4	105.1	106.1	105.8	104.2
El Salvador	99.9	100.7	100.6	101.8	100.4	101.2	101.2	100.3	99.0	99.6	100.1	100.4
Guatemala	89.5	89.3	86.2	86.8	87.1	88.0	87.6	86.3	86.3	104.3	158.6	158.4
Haiti	91.1	101.7	95.4	82.3	76.5	77.1	79.4	78.2	71.3	77.9	74.0	66.3
Honduras	100.7	100.4	96.9	94.6	95.0	96.0	95.3	94.8	93.8	92.5	91.7	91.4
Mexico	110.9	108.6	118.0	110.0	107.9	110.7	108.7	108.5	103.5	97.0	92.7	88.9
Nicaragua	105.4	106.3	106.1	107.9	106.9	107.2	108.0	107.0	105.5	104.8	102.4	102.3
Panama	99.3	97.8	97.7	104.2	106.5	106.3	105.7	107.1	106.9	107.9	107.2	107.0
Paraguay	97.8	99.2	97.9	98.8	102.8	102.1	103.3	101.4	104.3	105.4	106.0	106.1
Peru	98.2	97.2	98.9	110.6	106.5	108.5	105.8	106.9	104.6	111.3	133.6	131.2
Uruguay	89.6	93.4	96.0	97.7	92.4	97.6	93.2	91.0	87.8	85.1	83.5	81.7
The Caribbean												
Antigua and Barbuda	100.5	101.0	100.2	101.8	101.2	102.1	101.0	101.4	100.2	100.0	100.4	100.8
Bahamas	102.0	101.4	101.9	103.3	106.1	105.6	106.7	105.9	106.0	108.0	106.9	105.8
Barbados	94.3	92.4	91.1	90.4	89.2	90.1	89.5	90.3	86.9	83.0	83.7	84.6
Belize	102.4	104.1	108.5	109.8	111.2	111.3	111.4	111.0	111.0	111.9	111.3	110.8
Dominica	103.1	102.8	102.5	103.8	105.1	104.8	106.0	106.2	103.5	102.9	104.5	103.6
Grenada	101.3	102.1	102.8	104.5	109.5	107.8	109.6	110.0	110.5	110.3	110.0	110.6
Guyana	98.9	95.3	94.8	94.6	95.8	96.6	97.3	94.7	94.4	97.4	105.0	103.2
Jamaica	103.2	104.1	104.3	107.9	106.7	108.5	109.3	105.6	103.4	104.0	102.9	101.8
Saint Kitts and Nevis	106.1	108.1	109.1	111.2	114.8	114.5	115.1	115.1	114.3	114.8	114.2	115.2
Saint Lucia	106.2	107.3	109.5	109.8	111.0	111.1	112.1	110.9	109.9	109.9	103.9	94.8
Saint Vincent and the Grenadines	100.2	101.5	103.3	103.2	105.5	105.5	106.2	105.5	104.7	106.6	105.0	102.6
Suriname	107.0	106.2	95.6	119.4	116.7	113.7	110.6	117.1	125.6	122.6	124.7	118.8
Trinidad and Tobago	103.9	104.5	103.0	104.2	106.7	106.6	108.8	107.6	103.9	104.8	107.1	106.9

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

Note: The figures are considered average values for the period. 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. A currency depreciates in real effective terms when this index rises and appreciates when it falls.

Table A5.7
Latin America and The Caribbean: Financial soundness indicators of deposit takers
(Percentage at end of period)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Latin America and the Caribbean												
Argentina	Regulatory capital to risk-weighted assets	16.0	17.5	24.2	26.2	29.9	27.6	28.2	28.6	29.9	31.2	29.5
	Nonperforming loans to total gross loans	3.0	5.7	4.2	4.3	3.1	3.9	3.2	3.1	3.1	3.1	3.0
	Return on equity	36.1	46.4	16.4	7.2	11.4	6.2	6.0	8.7	11.4	11.9	16.8
	Liquid assets to total assets	41.8	43.2	48.0	50.6	54.0	48.6	51.0	52.7	54.0	54.9	57.3
	Net open position in foreign exchange to capital	9.4	8.0	12.4	11.7	29.3	9.3	10.8	26.7	29.3	31.9	44.3
Bolivia (Plurinational State of)	Regulatory capital to risk-weighted assets	12.8	13.0	13.1	12.9	12.8	13.0	13.1	13.0	12.8	13.0	13.7
	Nonperforming loans to total gross loans	1.7	1.8	1.5	1.5	2.1	1.8	1.9	2.1	2.1	2.5	2.6
	Return on equity	10.9	11.8	4.8	7.1	8.2	5.9	6.8	7.0	8.2	5.5	6.5
	Liquid assets to total assets	22.3	16.9	17.6	18.4	17.2	16.9	16.2	16.2	17.2	14.5	17.5
	Net open position in foreign exchange to capital	-8.5	-4.6	4.9	7.5	7.0	9.0	8.2	7.2	7.0	7.8	13.4
Brazil	Regulatory capital to risk-weighted assets	19.5	19.4	19.1	18.4	17.5	18.2	17.7	17.8	17.5	17.4	…
	Nonperforming loans to total gross loans	2.9	2.9	2.1	2.3	3.0	2.6	2.7	2.9	3.0	3.3	3.6
	Return on equity	12.6	15.8	11.7	14.9	15.3	16.7	16.6	16.1	15.3	12.3	…
	Liquid assets to total assets	14.2	13.6	16.3	12.7	11.7	11.2	11.7	11.8	11.7	11.8	…
	Net open position in foreign exchange to capital	0.5	0.2	0.6	2.3	3.3	3.2	3.8	3.2	3.3	3.2	…
Chile	Regulatory capital to risk-weighted assets	13.3	12.8	14.7	14.8	15.6	15.2	14.7	15.1	15.6	15.4	…
	Nonperforming loans to total gross loans	1.9	2.1	1.6	1.2	1.7	1.3	1.4	1.6	1.7	1.9	2.0
	Return on equity	12.5	12.4	5.6	16.6	0.0	22.2	24.6	22.9	…	…	…
	Liquid assets to total assets	14.2	15.3	22.2	20.1	0.0	19.9	16.3	14.8	…	…	…
	Net open position in foreign exchange to capital	3.7	8.5	14.3	0.0	0.0	…	…	…	…	…	…
Colombia	Regulatory capital to risk-weighted assets	17.8	16.9	19.2	22.2	18.9	18.3	18.0	18.4	18.9	18.4	18.0
	Nonperforming loans to total gross loans	10.0	9.2	12.3	8.9	7.9	8.6	8.2	7.8	7.9	8.5	8.9
	Return on equity	17.3	13.2	5.9	14.3	13.7	19.0	17.9	16.6	13.7	11.9	8.6
	Liquid assets to total assets	18.4	17.0	19.5	20.1	17.0	19.4	18.2	16.6	17.0	16.8	17.0
	Net open position in foreign exchange to capital	9.3	0.9	1.1	0.7	1.1	1.3	0.9	0.9	1.1	1.6	0.8
Costa Rica	Regulatory capital to risk-weighted assets	16.6	17.4	16.7	16.4	17.6	16.7	16.5	16.0	17.6	18.0	18.3
	Nonperforming loans to total gross loans	2.1	2.4	2.4	2.3	2.1	2.3	2.2	2.2	2.1	2.0	2.0
	Return on equity	6.4	6.8	4.5	6.0	7.4	9.5	9.2	7.6	7.4	2.6	4.4
	Liquid assets to total assets	27.8	29.5	33.2	35.4	38.1	35.3	34.9	34.3	38.1	34.0	33.4
	Net open position in foreign exchange to capital	23.4	26.5	28.8	31.0	26.2	31.5	31.1	28.5	26.2	23.7	22.8
Dominican Republic	Regulatory capital to risk-weighted assets	17.1	16.6	21.0	19.1	16.7	17.7	16.4	17.3	16.7	17.3	17.2
	Nonperforming loans to total gross loans	1.8	1.7	2.2	1.4	1.1	1.2	1.1	1.1	1.1	1.1	1.1
	Return on equity	20.1	19.1	15.4	20.7	23.0	21.4	22.0	22.7	23.0	27.5	26.0
	Liquid assets to total assets	25.3	…	…	…	…	…	…	…	…	…	…
	Net open position in foreign exchange to capital	15.6	…	…	…	…	…	…	…	…	…	…
Ecuador	Regulatory capital to risk-weighted assets	17.1	16.7	17.3	15.8	15.7	15.5	15.7	15.5	15.7	14.7	15.1
	Nonperforming loans to total gross loans	2.9	3.2	3.6	3.7	3.7	3.8	3.8	3.8	3.7	4.7	4.6
	Return on equity	11.1	8.8	3.1	2.3	9.5	7.9	8.3	9.1	9.5	11.1	11.8
	Liquid assets to total assets	17.2	16.4	23.6	20.7	18.3	18.5	16.3	17.2	18.3	17.0	15.2
El Salvador	Regulatory capital to risk-weighted assets	17.9	16.0	15.4	15.8	15.4	15.3	15.5	15.5	15.4	15.3	15.4
	Nonperforming loans to total gross loans	1.8	1.7	1.6	1.8	1.8	1.9	1.9	1.9	1.8	1.8	1.8
	Return on equity	7.8	9.1	6.9	11.5	13.0	14.3	13.7	13.3	13.0	14.5	14.2
	Liquid assets to total assets	22.1	23.3	19.7	20.1	15.8	19.4	19.5	17.7	15.8	17.5	17.3
	Net open position in foreign exchange to capital	108.8	108.3	104.0	108.0	105.6	104.7	103.5	105.0	105.6	101.4	103.1
Guatemala	Regulatory capital to risk-weighted assets	15.9	16.4	16.2	17.4	16.6	17.3	16.8	16.5	16.6	16.5	16.6
	Nonperforming loans to total gross loans	2.2	2.2	1.8	1.7	1.3	1.7	1.5	1.5	1.3	1.3	1.5
	Return on equity	12.0	14.2	15.3	15.2	18.6	20.6	20.8	18.5	18.6	19.9	19.4
	Liquid assets to total assets	41.2	42.4	45.9	44.6	42.2	44.4	43.5	42.6	42.2	41.9	41.3
	Net open position in foreign exchange to capital	18.8	14.5	14.6	11.5	11.2	8.6	10.6	10.3	11.2	8.3	11.1
Haiti	Regulatory capital to risk-weighted assets	17.0	21.1	15.3	34.6	22.8	21.4	35.1	31.9	22.8	19.4	16.6
	Nonperforming loans to total gross loans	2.9	6.9	5.4	6.3	10.9	7.8	8.7	6.7	10.9	11.1	11.3
	Return on equity	18.6	14.7	20.2	20.2	16.7	21.6	26.1	21.2	16.7	21.2	26.8
	Liquid assets to total assets	46.6	48.3	53.2	54.1	51.8	54.6	54.6	54.0	51.8	52.5	53.3
	Net open position in foreign exchange to capital	0.4	0.2	0.1	0.1	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Honduras	Regulatory capital to risk-weighted assets	13.8	14.1	14.5	14.4	14.0	14.4	14.3	13.9	14.0	13.7	13.7
	Nonperforming loans to total gross loans	2.3	2.4	3.2	2.8	2.4	2.8	2.8	2.6	2.4	2.2	2.3
	Return on equity	11.4	12.1	7.2	10.7	13.6	13.6	13.8	13.6	13.6	13.7	14.7
	Liquid assets to total assets	26.2	26.8	34.3	33.5	28.7	34.4	32.3	31.1	28.7	27.1	26.6
	Net open position in foreign exchange to capital	9.2	9.4	10.3	9.3	5.2	9.7	7.2	6.0	5.2	5.2	7.4
Mexico	Regulatory capital to risk-weighted assets	15.9	16.0	17.7	19.5	19.0	19.7	18.7	18.8	19.0	19.3	18.1
	Nonperforming loans to total gross loans	2.1	2.2	2.6	2.0	2.1	2.4	2.3	2.1	2.1	2.1	2.2
	Return on equity	16.0	15.5	9.0	14.6	17.6	15.6	16.5	17.5	17.6	18.6	18.9
	Liquid assets to total assets	30.0	29.6	33.1	34.5	30.1	32.1	30.6	30.0	30.1	28.3	…
	Net open position in foreign exchange to capital	5.8	10.6	4.2	14.9	7.0	13.6	10.0	7.0	7.0	9.9	…

(continue)

Table A5.7 (continued)

Latin America and The Caribbean: Financial soundness indicators of deposit takers

(Percentage at end of period)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
Nicaragua	Regulatory capital to risk-weighted assets	17.0	19.5	19.5	18.9	17.6	19.0	18.5	18.0	17.6	17.1	17.0
	Nonperforming loans to total gross loans	2.4	3.1	3.7	2.4	1.5	2.2	2.0	1.9	1.5	1.4	1.3
	Return on equity	10.5	7.2	6.0	9.9	11.2	11.7	11.5	10.9	11.2	15.0	14.4
	Liquid assets to total assets	23.6	40.4	46.2	47.5	44.7	47.9	46.7	46.1	44.7	42.9	43.3
	Net open position in foreign exchange to capital	97.2	107.4	110.6	118.6	120.6	126.2	122.2	120.9	120.6	136.7	143.7
Panama	Regulatory capital to risk-weighted assets	15.7	15.2	15.7	15.8	15.3	15.3	14.9	15.0	15.3	15.8	15.5
	Nonperforming loans to total gross loans	3.3	2.0	2.0	2.3	2.5	2.5	2.7	2.6	2.5	2.9	2.7
	Return on equity	13.1	11.5	6.4	9.1	12.8	10.9	12.2	11.9	12.8	14.4	16.6
	Liquid assets to total assets	10.3	10.0	10.7	11.4	9.5	10.8	10.6	10.2	9.5	9.4	9.8
Paraguay	Regulatory capital to risk-weighted assets	17.5	17.2	19.1	18.8	17.3	20.5	19.6	18.0	17.3	19.4	18.4
	Nonperforming loans to total gross loans	2.5	2.6	2.4	2.3	2.9	2.6	3.1	3.3	2.9	3.3	3.7
	Return on equity	17.6	18.4	13.0	12.8	14.5	13.4	14.1	13.6	14.5	15.0	15.6
	Liquid assets to total assets	9.7	9.1	14.9	8.7	9.3	10.4	9.3	8.8	9.3	10.0	9.8
	Net open position in foreign exchange to capital	17.3	15.8	13.9	9.3	9.6	8.9	9.4	11.2	9.6	7.2	9.7
Peru	Regulatory capital to risk-weighted assets	14.7	14.7	15.6	15.0	14.5	15.1	14.8	14.6	14.5	15.6	16.2
	Nonperforming loans to total gross loans	3.0	3.0	3.8	3.8	4.0	3.8	3.8	4.0	4.0	4.0	4.1
	Return on equity	17.9	18.0	3.1	12.1	16.5	17.0	17.0	17.1	16.5	16.2	15.8
	Liquid assets to total assets	21.6	22.6	30.9	25.7	22.7	25.5	22.8	23.6	22.7	23.6	21.7
	Net open position in foreign exchange to capital	1.8	1.7	0.8	2.1	1.3	2.3	1.0	1.6	1.3	1.4	1.2
Uruguay	Regulatory capital to risk-weighted assets	16.6	16.8	17.7	16.3	16.9	16.3	15.9	16.9	16.9	16.8	17.1
	Nonperforming loans to total gross loans	2.8	2.6	2.3	1.3	1.4	1.4	1.7	1.5	1.4	1.6	1.8
	Return on equity	19.1	21.5	20.8	15.4	11.6	10.7	9.1	12.6	11.6	15.6	19.3
	Liquid assets to total assets	53.4	70.2	59.4	59.5	55.9	59.9	58.6	58.7	55.9	56.7	54.9
	Net open position in foreign exchange to capital	35.7	36.2	32.6	29.9	30.6	25.6	27.7	30.9	30.6	35.4	35.4
The Caribbean												
Antigua and Barbuda	Regulatory capital to risk-weighted assets	36.3	39.4	34.6	32.7	26.7	30.8	32.6	26.1	26.7	23.1	23.3
	Nonperforming loans to total gross loans	6.4	5.3	7.4	7.8	6.9	8.5	7.7	6.9	6.9	6.7	6.9
	Return on equity	19.8	22.5	4.7	6.8	9.0	7.3	2.6	4.0	9.0	11.6	17.1
	Liquid assets to total assets	57.8	46.5	36.9	40.5	43.6	46.8	46.4	44.0	43.6	44.8	43.2
	Net open position in foreign exchange to capital	107.6	203.9	168.9	83.7	85.8	202.2	142.1	44.6	85.8	116.6	123.3
Bahamas	Regulatory capital to risk-weighted assets	34.1	30.8	30.9	28.7	34.5	0.0	0.0	0.0	34.5	0.0	36.0
	Nonperforming loans to total gross loans	9.1	8.0	8.5	9.6	7.7	9.3	9.0	8.1	7.7	7.5	7.4
	Return on equity	8.8	10.7	-0.3	10.9	17.9	0.0	0.0	0.0	17.9	0.0	18.7
	Liquid assets to total assets	26.6	30.1	32.4	33.8	37.0	36.4	37.6	38.1	37.0	37.1	37.8
	Net open position in foreign exchange to capital	88.0	82.8	86.8	93.0	92.0	90.9	89.5	97.2	92.0	80.3	75.7
Barbados	Regulatory capital to risk-weighted assets	14.1	14.0	16.4	16.7	17.7	17.9	18.1	18.2	17.7	18.6	18.5
	Nonperforming loans to total gross loans	6.5	6.1	6.7	7.2	5.8	6.6	6.5	6.1	5.8	5.5	4.8
	Return on equity	-5.0	6.1	6.9	10.0	11.6	12.6	9.6	9.5	11.6	13.0	11.7
	Liquid assets to total assets	24.0	26.1	27.7	31.4	32.1	34.4	34.2	32.9	32.1	32.7	32.5
	Net open position in foreign exchange to capital	59.3	67.3	47.4	46.8	38.2	47.4	42.3	37.2	38.2	38.8	35.7
Belize	Regulatory capital to risk-weighted assets	23.2	22.4	20.5	20.2	17.1	16.6	17.9	17.6	17.1	16.9	18.1
	Nonperforming loans to total gross loans	6.5	5.1	6.5	3.9	4.9	4.3	4.3	4.8	4.9	4.5	4.2
	Return on equity	17.2	14.1	6.5	9.4	7.5	7.4	7.4	8.2	7.5	4.2	16.4
	Liquid assets to total assets	27.7	23.9	28.0	33.4	31.0	31.7	32.0	31.7	31.0	31.7	31.6
	Net open position in foreign exchange to capital	52.9	49.7	59.3	103.8	0.8	2.5	2.1	0.7	0.8	0.8	0.9
Dominica	Regulatory capital to risk-weighted assets	12.5	13.9	18.9	18.3	15.9	17.7	17.7	16.4	15.9	18.0	22.9
	Nonperforming loans to total gross loans	17.0	12.2	15.0	15.7	13.8	13.1	14.3	13.8	13.8	12.2	12.9
	Return on equity	-15.0	60.4	24.0	3.0	-14.3	-6.3	-11.0	-10.1	-14.3	-8.2	1.1
	Liquid assets to total assets	56.3	46.7	48.9	46.1	48.1	44.5	49.4	45.2	48.1	50.5	52.6
	Net open position in foreign exchange to capital	434.5	474.8	74.4	232.0	304.1	215.7	299.4	258.8	304.1	293.0	-276.2
Grenada	Regulatory capital to risk-weighted assets	13.2	11.9	15.1	15.8	14.1	14.6	16.0	13.1	14.1	14.0	14.4
	Nonperforming loans to total gross loans	2.4	2.2	2.2	2.9	3.6	3.9	3.7	3.5	3.6	3.2	4.0
	Return on equity	1.0	1.4	0.4	0.3	0.5	0.4	0.3	0.2	0.5	0.5	0.7
	Liquid assets to total assets	45.0	43.7	46.8	44.9	49.1	50.0	47.7	47.7	49.1	50.3	49.6
	Net open position in foreign exchange to capital	267.3	238.5	172.7	168.4	179.0	166.4	177.2	166.5	179.0	170.6	183.4

(continue)

Table A5.7 (concluded)
Latin America and The Caribbean: Financial soundness indicators of deposit takers
(Percentage at end of period)

		2018	2019	2020	2021	2022	2022				2023	
							Q1	Q2	Q3	Q4	Q1	Q2
												0.0
Guyana	Regulatory capital to risk-weighted assets	28.7	28.0	29.1	27.9	17.2	20.1	18.6	13.9	17.2	18.5	18.4
	Nonperforming loans to total gross loans	11.9	11.1	10.8	7.8	4.7	6.8	5.6	5.2	4.7	4.3	3.4
	Return on equity	4.0	4.9	4.2	3.7	4.1	3.7	4.4	5.4	4.1	4.1	4.5
	Liquid assets to total assets	30.2	31.7	41.1	33.8	32.3	32.1	31.2	30.3	32.3	28.8	27.6
Jamaica	Regulatory capital to risk-weighted assets	…	14.3	14.3	14.2	14.2	14.3	14.1	13.8	14.2	14.2	14.9
	Nonperforming loans to total gross loans	2.4	2.2	2.9	2.9	2.5	2.8	2.7	2.5	2.5	2.4	2.5
	Return on equity	22.7	19.9	9.2	16.4	14.6	0.0	0.0	0.0	14.6	14.9	10.2
	Liquid assets to total assets	11.3	10.1	10.8	11.4	9.3	10.0	10.0	9.4	9.3	8.9	9.5
	Net open position in foreign exchange to capital	11.4	-13.3	7.8	-6.9	-3.3	-4.0	-6.4	-4.2	-3.3	13.2	7.6
Saint Kitts and Nevis	Regulatory capital to risk-weighted assets	17.4	20.2	24.5	21.8	11.1	18.5	15.4	10.8	11.1	9.8	10.4
	Nonperforming loans to total gross loans	24.7	24.0	23.5	20.9	21.8	21.2	21.9	21.8	21.8	21.8	20.3
	Return on equity	1.3	0.9	2.6	1.9	-3.5	-0.9	-4.4	-3.9	-3.5	-1.9	1.1
	Liquid assets to total assets	60.3	55.9	58.4	51.6	51.8	52.2	51.8	51.9	51.8	52.1	51.5
	Net open position in foreign exchange to capital	150.2	148.2	72.5	196.1	276.0	227.1	279.0	273.8	276.0	330.6	327.4
Saint Lucia	Regulatory capital to risk-weighted assets	19.1	25.6	19.0	16.8	15.9	16.6	15.1	16.1	15.9	16.2	16.9
	Nonperforming loans to total gross loans	10.0	8.2	11.3	13.8	14.2	13.1	13.3	12.9	14.2	14.1	13.6
	Return on equity	35.2	25.9	7.0	9.8	16.2	12.0	11.7	13.2	16.2	16.8	15.3
	Liquid assets to total assets	39.7	40.7	37.7	39.3	43.6	40.5	41.2	42.9	43.6	46.1	45.5
	Net open position in foreign exchange to capital	210.9	84.3	103.3	143.7	182.7	133.5	153.2	177.6	182.7	178.2	187.3
Saint Vincent and Grenadines	Regulatory capital to risk-weighted assets	23.1	22.2	22.4	22.4	23.4	21.9	21.5	22.6	23.4	16.2	16.5
	Nonperforming loans to total gross loans	6.5	6.4	7.4	7.8	10.1	9.5	9.9	10.2	10.1	8.8	9.3
	Return on equity	0.5	1.1	0.1	0.4	0.3	0.4	0.1	0.0	0.3	0.2	0.7
	Liquid assets to total assets	38.1	41.7	44.0	47.2	48.1	47.6	45.8	46.9	48.1	46.8	46.4
	Net open position in foreign exchange to capital	24.0	77.7	183.6	153.1	99.0	165.9	176.3	152.4	99.0	102.3	89.6
Suriname	Regulatory capital to risk-weighted assets	…	…	…	…	16.8	15.6	15.4	17.1	16.8	17.5	18.4
	Nonperforming loans to total gross loans	12.0	10.6	14.6	12.8	12.4	13.3	12.1	15.0	12.4	15.8	16.1
	Return on equity	…	…	…	…	48.1	9.2	18.3	34.0	48.1	13.9	16.0
	Liquid assets to total assets	…	…	…	…	54.3	57.9	56.5	58.4	54.3	52.0	52.3
	Net open position in foreign exchange to capital	…	…	…	…	22.1	42.6	40.2	26.5	22.1	15.3	21.0
Trinidad and Tobago	Regulatory capital to risk-weighted assets	20.9	21.2	16.4	17.1	16.7	17.6	17.5	17.0	16.7	16.8	17.2
	Nonperforming loans to total gross loans	3.1	2.9	3.2	3.3	3.2	3.4	3.4	3.2	3.2	3.2	3.1
	Return on equity	14.4	17.3	8.6	11.4	13.4	12.1	13.7	12.0	13.4	11.5	12.8
	Liquid assets to total assets	41.8	41.5	44.8	43.9	42.6	42.5	41.3	40.8	42.6	39.9	40.8
	Net open position in foreign exchange to capital	14.2	8.9	12.3	22.3	28.7	19.8	20.0	24.9	28.7	23.0	25.3

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

Table A6.1
Latin America and the Caribbean: central government fiscal balances
(Percentages of GDP)

	Primary balance					Overall balance				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Latin America and the Caribbean a/	**0.4**	**-0.1**	**-4.1**	**-1.2**	**0.3**	**-2.2**	**-2.7**	**-6.7**	**-3.8**	**-2.3**
Latin America b/	**-0.2**	**-0.3**	**-4.0**	**-1.5**	**0.3**	**-2.7**	**-2.9**	**-6.7**	**-4.0**	**-2.3**
Argentina	-1.8	0.3	-1.5	-2.6	-3.0	-5.5	-4.0	-3.7	-4.2	-4.9
Bolivia (Plurinational State of) c/	-5.2	-6.1	-12.1	-7.4	...	-6.0	-6.9	-13.1	-8.5	...
Brazil	-1.7	-1.3	-9.8	-0.4	0.5	-7.2	-5.7	-13.5	-4.8	-4.4
Chile	-0.8	-1.9	-6.3	-6.8	2.1	-1.7	-2.9	-7.3	-7.7	1.1
Colombia	-0.3	0.4	-5.0	-3.6	-1.0	-3.1	-2.5	-7.8	-7.0	-5.3
Costa Rica	-2.2	-2.7	-3.4	-0.3	2.1	-5.7	-6.7	-8.0	-5.0	-2.5
Dominican Republic	0.4	-0.7	-4.7	0.2	-0.4	-2.2	-3.5	-7.9	-2.9	-3.2
Ecuador	2.2	0.6	-2.3	0.0	3.6	-0.6	-2.4	-5.6	-1.8	1.5
El Salvador	2.3	1.8	-5.0	-0.6	2.4	-1.1	-1.6	-9.1	-4.8	-1.8
Guatemala	-0.3	-0.6	-3.2	0.6	-0.0	-1.9	-2.2	-4.9	-1.2	-1.7
Honduras	0.9	0.6	-3.6	-1.8	1.7	-2.1	-2.5	-7.0	-5.0	-1.3
Mexico d/	0.5	1.1	0.0	-0.3	-0.5	-2.1	-1.6	-2.9	-2.9	-3.3
Nicaragua	-0.8	1.5	0.2	0.5	2.6	-1.9	0.3	-1.1	-0.7	1.3
Panama	-1.4	-2.2	-6.2	-4.4	-2.3	-3.1	-4.0	-8.6	-6.7	-4.1
Paraguay	-0.6	-2.0	-5.1	-2.5	-1.7	-1.3	-2.8	-6.1	-3.6	-3.0
Peru c/	-0.7	-0.1	-6.8	-1.1	0.0	-2.0	-1.4	-8.3	-2.5	-1.4
Uruguay	0.7	-0.4	-2.4	-1.6	-0.8	-1.9	-2.8	-5.1	-3.7	-3.0
The Caribbean e/	**1.3**	**0.3**	**-4.1**	**-0.8**	**0.3**	**-1.5**	**-2.4**	**-6.8**	**-3.4**	**-2.3**
Antigua and Barbuda	-0.7	-1.2	-2.9	-2.0	-1.0	-3.2	-3.8	-5.4	-4.4	-3.6
Bahamas f/	-0.8	0.8	-4.3	-9.0	-1.4	-3.3	-1.7	-7.3	-13.1	-5.8
Barbados g/ h/	3.5	6.1	-0.8	-0.8	2.8	-0.3	3.7	-4.1	-4.5	-2.2
Belize g/	2.0	-0.9	-8.5	-0.0	1.2	-0.8	-3.5	-10.1	-1.3	-0.6
Dominica	-4.7	-14.2	-1.0	-3.9	-4.7	-6.8	-16.6	-3.4	-6.0	-7.0
Grenada	6.9	6.8	-2.6	2.1	2.6	4.9	5.0	-4.5	0.3	0.9
Guyana	-1.8	-2.0	-7.3	-6.7	-4.8	-2.7	-2.8	-7.9	-7.2	-5.1
Jamaica g/	7.5	7.1	3.5	6.8	5.8	1.2	0.9	-3.1	0.9	0.3
Saint Kitts and Nevis	4.4	1.8	-1.2	7.7	-1.6	3.0	0.6	-2.6	6.5	-2.9
Saint Lucia	1.0	0.7	-5.8	-2.1	1.0	-1.8	-2.3	-9.5	-5.3	-1.8
Saint Vincent and the Grenadines	0.9	-0.9	-3.6	-3.8	-4.7	-1.5	-3.3	-5.9	-6.4	-7.1
Suriname i/	-6.8	-15.7	-7.5	3.6	0.9	-9.9	-18.6	-9.7	1.7	-0.9
Trinidad and Tobago j/	-0.6	0.6	-8.0	-4.9	3.4	-3.5	-2.5	-11.5	-8.1	0.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Dominica, Haiti and Venezuela (Bolivarian Republic of).
b/ Simple averages for 16 countries. Does not include Bolivia (Plurinational State of), Cuba, Haiti and Venezuela (Bolivarian Republic of).
c/ General government.
d/ Federal public sector.
e/ Simple averages for 12 countries. Does not include Dominica.
f/ Fiscal years, from 1 July to 30 June.
g/ Fiscal years, from 1 April to 31 March.
h/ Non-financial public sector.
i/ Includes statistical discrepancy.
j/ Fiscal years, from 1 October to September 30.

Table A6.2

Latin America and the Caribbean: central government public income and expenditure

(Percentages of GDP)

	Total income		Tax revenues		Other revenue		Total expenditure		Primary current expenditure		Interest payments		Capital expenditure	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Latin America and the Caribbean a/	**22.3**	**22.8**	**17.7**	**18.0**	**4.6**	**4.7**	**26.1**	**25.1**	**19.4**	**18.2**	**2.6**	**2.6**	**4.1**	**4.2**
Latin America b/	**18.8**	**19.3**	**15.7**	**16.2**	**3.1**	**3.0**	**22.8**	**21.5**	**16.8**	**15.8**	**2.5**	**2.6**	**3.6**	**3.1**
Argentina	19.0	16.4	14.8	14.9	4.2	1.5	23.2	21.3	19.0	17.8	1.7	1.9	2.6	1.6
Bolivia (Plurinational State of) c/	24.3	...	16.6	...	7.7	...	32.7	...	25.5	...	1.1	...	6.2	...
Brazil	21.7	23.3	19.1	19.9	2.6	3.5	26.5	27.7	21.4	22.2	4.4	4.9	0.7	0.6
Chile	24.1	26.1	20.0	22.1	4.1	4.1	31.8	25.0	27.6	20.5	0.9	1.0	3.3	3.5
Colombia	16.1	16.3	13.6	14.5	2.5	1.8	23.1	21.6	17.3	14.6	3.3	4.3	2.4	2.7
Costa Rica	15.8	16.6	15.0	15.4	0.7	1.2	20.8	19.1	14.5	13.1	4.7	4.6	1.5	1.4
Ecuador	20.4	22.2	12.8	13.1	7.5	9.1	22.2	20.7	13.4	14.1	1.8	2.1	7.0	4.5
Dominican Republic	15.6	15.3	14.4	13.9	1.2	1.4	18.3	18.7	12.5	13.1	3.1	2.8	2.7	2.7
El Salvador	20.5	20.5	19.6	19.7	0.9	0.7	25.3	22.3	17.3	16.0	4.2	4.2	3.7	2.1
Guatemala	12.4	12.7	12.1	12.4	0.2	0.2	13.5	14.4	9.4	10.2	1.7	1.7	2.4	2.5
Honduras	19.1	19.6	17.3	17.7	1.8	1.9	24.1	20.9	15.7	14.9	3.1	3.0	5.3	3.1
Mexico d/	23.1	23.2	13.8	13.4	9.3	9.8	26.1	26.5	18.9	19.2	2.7	2.9	4.5	4.5
Nicaragua	21.1	21.7	18.9	19.8	2.2	1.8	21.8	20.4	14.6	14.2	1.2	1.3	5.9	4.9
Panama	11.8	12.1	6.8	7.6	5.0	4.5	18.4	16.2	11.2	9.6	2.3	1.7	5.0	4.9
Paraguay	13.7	14.1	10.8	11.5	2.9	2.6	17.3	17.1	12.4	12.0	1.1	1.2	3.8	3.8
Peru c/	21.0	22.1	18.4	19.2	2.6	2.9	23.5	23.5	17.1	15.9	1.4	1.5	5.0	6.1
Uruguay	25.6	26.1	23.5	24.3	2.2	1.8	29.3	29.1	26.1	25.4	2.1	2.2	1.1	1.6
The Caribbean e/	**27.0**	**27.4**	**20.4**	**20.4**	**6.6**	**7.0**	**30.4**	**29.8**	**22.8**	**21.5**	**2.7**	**2.7**	**4.9**	**5.6**
Antigua and Barbuda	19.4	19.2	15.8	15.8	3.5	3.4	23.7	22.8	19.1	17.5	2.3	2.6	2.3	2.8
Bahamas f/	18.8	21.1	15.8	17.4	2.9	3.6	31.9	26.9	24.1	20.1	4.2	4.5	3.6	2.3
Barbados g/ h/	26.1	30.1	24.4	28.2	1.6	1.9	30.6	32.3	23.0	23.0	3.7	5.0	3.9	4.3
Belize g/	22.8	22.8	20.1	20.3	2.7	2.5	24.1	23.4	17.6	15.5	1.3	1.8	5.3	6.1
Dominica	58.4	47.4	21.4	19.5	37.0	27.9	64.4	54.4	35.0	29.2	2.1	2.3	27.2	22.8
Grenada	31.6	33.2	21.2	22.3	10.4	10.8	31.2	32.2	20.9	20.2	1.8	1.6	8.6	10.4
Guyana	17.0	14.4	16.0	9.7	1.0	4.8	24.2	19.6	17.2	10.8	0.5	0.3	6.5	8.5
Jamaica g/	31.0	30.1	26.5	27.4	4.5	2.7	30.1	29.8	22.0	22.4	5.9	5.5	2.2	1.9
Saint Kitts and Nevis	51.2	52.3	19.0	19.1	32.1	33.3	44.7	55.2	35.1	39.2	1.2	1.2	8.3	14.8
Saint Lucia	21.8	19.3	18.7	16.4	3.1	2.9	27.1	21.1	19.0	15.5	3.2	2.8	4.9	2.8
Saint Vincent and the Grenadines	32.9	28.7	27.1	25.1	5.8	3.6	39.3	35.8	26.9	23.9	2.6	2.4	9.8	9.5
Suriname i/	27.2	28.2	20.1	19.6	7.1	8.5	25.7	29.1	21.9	24.9	2.1	1.8	1.7	2.4
Trinidad and Tobago j/	24.5	29.8	19.9	23.7	4.6	6.1	32.7	29.1	27.4	24.6	3.3	2.7	2.1	1.8

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

a/ Simple averages. Does not include Bolivia (Plurinational State of), Cuba, Dominica, Haiti and Venezuela (Bolivarian Republic of).

b/ Simple averages for 16 countries. Does not include Bolivia (Plurinational State of), Cuba, Haiti and Venezuela (Bolivarian Republic of).

c/ General government.

d/ Federal public sector.

e/ Simple averages for 12 countries. Does not include Dominica.

f/ Fiscal years, from 1 July to 30 June.

g/ Fiscal years, from 1 April to 31 March.

h/ Non-financial public sector.

i/ Includes statistical discrepancy.

j/ Fiscal years, from 1 October to September 30.

Table A6.3

Latin America and the Caribbean: non-financial public sector gross public debt

(Percentages of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Latin America and the Caribbean a/	**56.2**	**57.0**	**58.9**	**59.2**	**59.2**	**59.8**	**75.7**	**71.8**	**67.4**
Latin America a/	**37.0**	**39.7**	**41.9**	**43.4**	**46.5**	**49.2**	**59.7**	**56.6**	**54.8**
Argentina b/	44.7	52.6	53.3	56.5	85.2	89.8	103.8	80.5	85.2
Bolivia (Plurinational State of) c/	30.4	31.2	34.8	36.7	36.8	43.0	61.1	65.6	65.6
Brazil d/	58.9	66.5	70.0	74.0	77.2	74.3	88.6	78.3	72.9
Chile	24.0	27.4	30.3	32.1	34.9	38.6	42.7	46.6	48.7
Colombia	47.5	54.9	54.9	54.4	57.5	57.3	71.5	71.8	69.5
Costa Rica	45.6	47.8	51.3	58.0	61.8	71.9	77.1	75.5	69.6
Dominican Republic	36.0	35.1	35.3	36.9	37.6	40.4	56.7	50.4	45.5
Ecuador	29.6	33.0	38.2	44.5	45.0	52.3	63.1	61.8	65.1
El Salvador	51.8	52.2	52.7	52.2	51.4	51.7	65.8	60.7	56.8
Guatemala e/	24.6	24.8	24.9	25.1	26.4	26.4	31.5	30.7	29.2
Haiti e/ f/	20.3	23.3	23.3	38.3	39.9	47.0	...	...	...
Honduras e/	44.4	44.7	46.3	47.7	48.5	48.7	58.9	59.3	54.2
Mexico g/	40.1	44.2	49.4	46.9	46.9	46.7	53.1	50.7	48.3
Nicaragua	30.7	30.4	31.8	34.5	38.1	41.7	48.1	47.1	44.4
Panama	36.5	37.4	37.4	37.6	38.2	44.5	64.7	63.5	62.1
Paraguay	13.5	15.1	17.3	18.2	19.7	22.9	33.8	33.8	36.0
Peru	19.9	20.9	22.7	24.9	25.8	26.8	34.6	35.9	33.8
Uruguay	44.6	47.7	53.7	51.3	49.4	53.0	61.2	58.7	55.8
Venezuela (Bolivarian Republic of) e/	28.5	31.7	31.1	34.9	...	...	...	...	...
The Caribbean h/	**79.8**	**78.3**	**79.8**	**78.5**	**74.8**	**72.8**	**95.4**	**90.5**	**82.8**
Antigua and Barbuda	100.2	86.9	82.6	83.4	79.0	76.8	96.5	92.5	84.5
Bahamas	71.4	69.7	72.0	76.9	78.4	77.8	115.4	105.1	92.9
Barbados	137.0	142.4	150.5	148.9	126.0	113.6	143.6	127.9	116.5
Belize	77.7	80.9	87.3	95.0	93.6	77.8	101.4	80.1	68.6
Dominica	76.9	75.0	67.7	74.4	73.9	78.0	109.1	109.2	104.3
Grenada	96.9	88.6	80.0	69.7	66.4	59.7	72.9	71.4	64.8
Guyana	38.7	36.0	35.7	35.2	35.9	32.5	47.4	40.8	25.2
Jamaica e/	129.4	112.9	108.4	104.4	97.1	92.4	103.3	97.5	84.5
Saint Kitts and Nevis	71.7	63.7	59.0	59.3	53.8	54.3	68.0	68.9	60.3
Saint Lucia	61.1	60.4	59.9	59.0	59.9	61.8	96.0	95.5	85.6
Saint Vincent and the Grenadines	80.3	79.1	82.1	74.1	69.3	67.9	81.2	89.9	87.8
Suriname e/ i/	29.9	48.6	72.0	67.3	62.7	70.9	120.9	111.7	115.6
Trinidad and Tobago	66.5	73.5	80.1	73.6	77.0	83.4	83.9	86.2	86.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Simple averages. Does not include Bolivia (Plurinational State of), Haiti and Venezuela (Bolivarian Republic of).
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/ Does not include public sector commitments to commercial banks.
g/ Federal public sector.
h/ Simple averages.
i/ International definition.

Table A6.4
Latin America and the Caribbean: central government gross public debt
(Percentages of GDP)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Latin America and the Caribbean a/	**50.7**	**51.4**	**53.3**	**53.8**	**54.6**	**54.8**	**70.0**	**66.8**	**62.6**
Latin America a/	**34.1**	**36.4**	**38.5**	**39.9**	**43.0**	**45.3**	**56.0**	**53.0**	**51.4**
Argentina b/	44.7	52.6	53.3	56.5	85.2	89.8	103.8	80.5	85.2
Bolivia (Plurinational State of)	28.0	29.0	32.0	34.0	35.0	40.2	57.9	63.0	63.1
Brazil c/	58.9	66.5	70.0	74.0	77.2	74.3	88.6	78.3	72.9
Chile	15.0	17.3	21.0	23.6	25.6	28.3	32.5	36.3	38.0
Colombia	40.2	45.0	46.0	44.9	48.6	48.4	61.4	60.1	58.5
Costa Rica	37.5	39.8	43.6	48.4	51.7	56.5	67.6	68.4	63.8
Dominican Republic	35.9	34.4	34.5	36.1	36.8	39.6	56.0	49.9	45.5
Ecuador	27.5	30.9	35.7	41.3	42.2	48.2	59.0	57.0	59.7
El Salvador	49.6	49.7	49.6	48.2	47.6	48.8	62.4	57.6	54.0
Guatemala	24.6	24.8	24.9	25.1	26.4	26.4	31.5	30.7	29.2
Haiti d/	20.3	23.3	23.3	38.3	39.9	47.0	...	...	...
Honduras	44.4	44.7	46.3	47.7	48.5	48.7	58.9	59.3	54.2
Mexico	31.7	34.1	37.0	35.2	35.4	36.1	41.4	40.2	39.4
Nicaragua	30.2	29.9	31.2	34.0	37.7	41.7	48.1	47.3	44.2
Panama	36.2	37.1	37.0	37.3	39.3	44.5	64.7	63.5	62.1
Paraguay	12.1	13.3	15.1	15.7	16.9	19.6	29.7	30.1	32.1
Peru	18.1	19.7	21.6	23.3	23.8	24.8	32.9	33.1	30.8
Uruguay	39.0	43.1	49.4	47.3	45.7	49.0	57.8	55.7	53.1
Venezuela (Bolivarian Republic of)	28.5	31.7	31.1	34.9	...	...	...	...	...
The Caribbean e/	**71.2**	**69.9**	**71.5**	**70.9**	**68.9**	**66.5**	**87.2**	**83.8**	**76.4**
Antigua and Barbuda	84.1	71.1	67.8	67.2	64.5	64.8	82.6	78.4	72.5
Bahamas	57.5	56.6	58.8	63.8	64.7	64.8	101.1	101.8	90.4
Barbados	121.9	129.6	137.6	137.4	136.4	116.4	134.1	135.1	120.3
Belize	75.3	78.4	84.8	92.4	90.1	74.3	97.5	75.2	64.5
Dominica	65.2	64.0	57.4	62.3	63.6	67.7	97.1	99.0	96.2
Grenada	89.6	82.7	75.7	65.8	62.8	57.7	70.6	69.4	62.8
Guyana f/	38.7	36.0	35.7	35.2	35.9	32.5	47.4	40.8	25.2
Jamaica	129.4	112.9	108.4	104.4	97.1	92.4	103.3	97.5	84.5
Saint Kitts and Nevis	59.9	51.3	47.9	47.6	38.9	37.8	46.5	47.0	41.5
Saint Lucia	57.6	57.4	57.6	55.2	56.5	58.4	90.8	89.6	80.2
Saint Vincent and the Grenadines	68.7	67.6	65.9	67.2	63.7	64.6	78.1	87.2	85.4
Suriname g/	29.9	48.6	72.0	67.3	62.7	70.9	120.9	111.7	115.6
Trinidad and Tobago	48.2	52.8	59.8	55.8	58.6	62.5	63.4	56.9	53.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Simple averages. Does not include Bolivia (Plurinational State of), Haiti and Venezuela (Bolivarian Republic of).
b/ Central administration.
c/ General government.
d/ Does not include public sector commitments to commercial banks.
e/ Simple averages.
f/ Public sector.
g/ International definition.

Table A7.1
Latin America and the Caribbean: consumer prices
(12-month percentage variation)

	2018	2019	2020	2021	2022	2022			2023		
						March	June	September	March	June	September
Latin America and the Caribbean a/	**3.5**	**3.4**	**3.3**	**7.6**	**7.6**	**8.7**	**9.7**	**8.2**	**6.7**	**4.9**	**5.2**
Latin America											
Argentina	47.1	52.9	34.1	51.4	95.2	55.9	65.0	82.9	105.3	117.0	138.3
Bolivia (Plurinational State of)	1.5	1.5	0.7	0.9	3.1	0.8	1.8	1.9	2.5	2.7	2.8
Brazil	3.7	4.3	4.5	10.0	5.8	11.3	11.9	7.2	4.7	3.2	5.2
Chile	2.6	3.0	3.0	7.2	12.8	9.4	12.5	13.7	11.1	7.6	5.1
Colombia	3.1	3.8	1.6	5.6	13.1	8.5	9.7	11.4	13.3	12.1	11.0
Costa Rica	2.0	1.5	0.9	3.3	7.9	5.8	10.1	10.4	4.4	-1.0	-2.2
Cuba b/	2.4	-1.3	18.5	77.3	39.1	21.7	28.9	37.2	46.4	45.5	37.7
Dominican Republic	1.2	3.7	5.6	8.5	7.8	9.1	9.5	8.6	5.9	4.0	4.4
Ecuador	0.3	-0.1	-0.9	1.9	3.7	2.6	4.2	4.1	2.8	1.7	2.2
El Salvador	0.4	-0.0	-0.1	6.1	7.3	6.7	7.8	7.5	6.1	3.8	3.0
Guatemala	2.3	3.4	4.8	3.1	9.2	4.2	7.6	9.0	8.7	4.9	4.7
Haiti	16.5	20.8	19.2	24.6	48.1	25.9	29.2	38.8	48.1	46.2	31.9
Honduras	4.2	4.1	4.0	5.3	9.8	7.0	10.2	10.0	9.1	5.6	6.1
Mexico	4.8	2.8	3.2	7.4	7.8	7.5	8.0	8.7	6.8	5.1	4.5
Nicaragua	3.4	6.5	2.6	7.3	11.3	8.7	10.2	11.3	10.1	9.2	6.5
Panama	0.2	-0.1	-1.6	2.6	2.1	3.2	5.2	1.9	1.3	-0.6	2.3
Paraguay	3.2	2.8	2.2	6.8	8.1	10.1	11.5	9.3	6.4	4.2	3.5
Peru	2.2	1.9	2.0	6.4	8.5	6.8	8.8	8.5	8.4	6.5	5.0
Uruguay	8.0	8.8	9.4	8.0	8.3	9.4	9.3	9.9	7.3	6.0	3.9
Venezuela (Bolivarian Republic of)	130 060	9 585	2 960	686	234	284	157	157	440	404	318
The Caribbean											
Antigua and Barbuda	1.7	0.7	2.8	1.2	9.2	6.1	10.5	8.6	4.6	4.6	5.6
Bahamas	2.0	1.4	1.2	4.1	5.5	4.7	6.2	6.5	4.1	4.0	2.3 *ii/*
Barbados	0.6	7.2	1.3	5.0	12.5	9.3	11.5	6.6	12.6	11.6	10.1 *i/*
Belize	-0.1	0.2	0.4	4.9	6.7	5.7	6.7	7.1	5.9	3.7	4.2
Dominica	4.0	0.1	-0.7	3.8	8.4	5.2	9.0	9.8	7.1	3.6	...
Grenada	1.4	0.1	-0.8	1.9	2.9	1.8	3.1	3.1	3.7	2.2	...
Guyana	1.6	2.1	0.9	5.7	7.2	6.8	5.0	6.5	4.9	3.0	1.0
Jamaica	2.4	6.2	4.5	7.3	9.3	11.3	10.9	9.2	6.2	6.3	5.9
Saint Kitts and Nevis	-0.8	-0.8	-1.2	1.9	3.9	1.2	3.1	2.5	5.9	3.1	...
Saint Lucia	1.6	-0.7	-0.4	4.1	6.9	5.5	6.3	7.9	7.1	5.4	...
Saint Vincent and the Grenadines	1.4	0.5	-1.0	3.4	6.7	3.6	5.2	7.3	5.5	5.3	3.0
Suriname	5.4	4.2	60.7	60.7	54.6	62.2	55.1	41.9	59.5	54.6	50.8
Trinidad and Tobago	1.0	0.4	0.8	3.5	8.7	4.1	4.9	6.2	7.3	5.8	3.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
a/ Does not include data on economies with chronic inflation (Argentina, Cuba, Haiti, Suriname and Venezuela (Bolivarian Republic of)).
b/ Refers to national-currency markets.
i/ Figures as of July 2023.
ii/ Figures as of August 2023.

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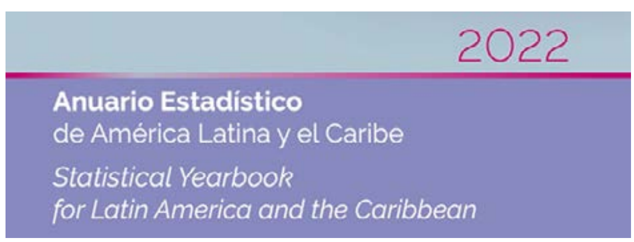

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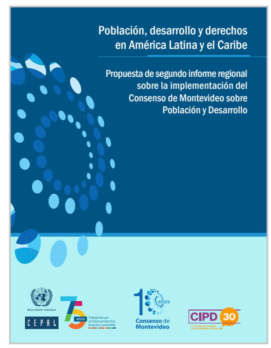

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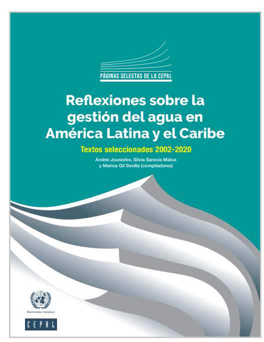

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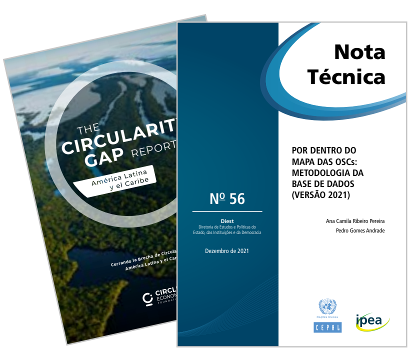

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One of the Indigenous symbols featured in the craftwork of the peoples of the Americas, an essential part of their culture and economy.
Bas-relief on the spiral tower at ECLAC headquarters in Santiago.

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The *Preliminary Overview of the Economies of Latin America and the Caribbean, 2023* shows that economic activity in Latin America and the Caribbean is still on a path of low growth. For 2023, growth in all subregions is expected to be lower than in 2022. In 2024, the growth rate is expected to be lower than in 2023, with GDP growth and job creation slowing further. Importantly, the low growth projected in 2023 and 2024 is not just a temporary problem, but reflects the fall in the trend growth rate of regional GDP.

As noted in this report, the region faces multiple challenges in boosting growth in the short term. The global economy remains sluggish in terms of GDP growth rate and trade. There continues to be limited space for fiscal and monetary policy in the region. Against this backdrop, the report argues that macroeconomic policies are essential to boost and facilitate greater investment and thus build resilience to climate change and strengthen the region's capacity for growth.

ISBN 978-92-1-122135-0

Economic Commission for Latin America and the Caribbean (ECLAC)
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