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Summary of the economic survey of Latin America and the Caribbean, 1997

Executive summary

The Latin American and Caribbean economies put out in 1997 one of their best performances in a quarter of a century, combining an average growth rate of 5.3 per cent (compared to 3.2 per cent during the period 1991-1996) with an average rate of inflation of under 11 per cent. Per capita GDP increased by 3.6 per cent, marking an increase of 14 per cent since the start of the decade.

This growth was the consequence of a strong recovery in investment and continued expansion of exports, the latter due entirely to increases in volume. International trade showed great dynamism. Imports, however, exceeded exports and the current account deficit has widened considerably, for US$ 36 billion in 1996 to US$ 60 billion in 1997 (3.2 per cent of GDP). Nevertheless, inflows of foreign capital should more than cover the gap, totalling at least $73 billion. Of that amount, nearly two thirds was in the form of direct investment. In 1997 the region's total external debt expanded to US$ 645 billion, an increase of 2.5 per cent. External debt burden indicators reflected a general improvement; in fact, they were similar to those registered prior to the external debt crisis of the 1980s.

The restrictive fiscal and monetary policies applied in prior years helped reduce inflation to its lowest level in half a century, an accomplishment aided by sometimes overvalued exchange rates, which also contributed to the deterioration in the trade balance. In recent years, the average inflation rate for the region has dropped steadily, from 882 per cent in 1993 to 335 per cent in 1994, 26 per cent in 1995, 18 per cent in 1996 and 11 per cent in 1997, its lowest level in 50 years. Moreover, 13 of the 22 countries considered achieved single-digit inflation.

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The employment situation has improved slightly, although the percentage of the population unemployed continues to be very high in a number of countries. In many countries of the region, economic restructuring has caused the disappearance of many jobs, which the fastest-growing sectors of the economy have not been able to replace with high-quality employment. Thus, many of the new jobs created offer neither good benefits nor job security, and real wages either grew at moderate rates or held steady. High unemployment rates are undermining efforts to move ahead more rapidly in reducing the extent of poverty – a serious problem in an otherwise generally positive scenario.

The Asian financial crisis is expected to have moderate negative repercussions in the region in terms of both trade and capital movements. In some countries, short-term capital still dominates total capital flows, which introduces a note of instability into the picture. Nevertheless, the region should be less vulnerable financially because the composition of the capital entering Latin America is more stable than it was some years ago. Moreover, the banking sector is on its way to resolving some of its problems. The most likely scenario is that in 1998 the region will return to a lower rate of growth, perhaps close to the average for the 1990s, than it enjoyed this year. In that case, the employment situation will continue to be cause for concern. On the other hand, it is likely that inflation will continue to slow, and the current account deficit may be reduced.

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I. Introduction

1. Despite the instability in international financial markets in recent months and the turbulence it has created in Latin American stock markets, in 1997 the region's economies put out one of their best performances in a quarter of a century, combining an average growth rate of 5.3 per cent (compared to 3.2 per cent during the period 1991-1996) with an average rate of inflation of under 11 per cent. Although the current account deficit has widened considerably, from US$ 36 billion in 1996 to US$ 60 billion in 1997 (3.2 per cent of gross domestic product (GDP)), inflows of foreign capital will more than cover the gap; they are expected to reach unprecedented levels, totalling at least $73 billion. Of that amount, nearly two thirds will be in the form of direct investment. The employment situation has improved slightly, although the percentage of the population unemployed continues to be very high in a number of countries. High unemployment rates are undermining efforts to move ahead more rapidly in reducing the extent of poverty – a serious problem in an otherwise generally positive scenario.

2. This growth was the consequence of a strong recovery in investment and continued expansion of exports, the latter due entirely to increases in volume, since, on average, export prices for the region remained stationary. Intraregional trade showed great dynamism, reinforcing economic interdependence between some countries, especially in the Southern Cone. Imports, however, exceeded exports; in part this was due to increased investment, as imports of capital goods increased sharply. The restrictive fiscal and monetary policies applied in prior years helped reduce inflation to its lowest level in half a century, an accomplishment aided by sometimes overvalued exchange rates, which also contributed to the deterioration in the trade balance. Thanks to the improved macroeconomic environment, Governments were able to allocate more funds to public investment and apply more flexible credit policies without undermining domestic stability.

3. As 1997 closed, the chief question was whether this relatively happy state of affairs could be maintained through the coming year. The main grounds for doubt are to be found in the external context: in prices of primary products, interest rates and foreign capital flows – the latter in particular. The Asian financial crisis is expected to have moderate negative repercussions in the region in terms of both trade and capital movements. In some countries, short-term capital still dominate total capital flows, which introduces a note of instability into the picture. Nevertheless, the region should be less vulnerable financially because the composition of the capital entering Latin America is more stable than it was some years ago. Moreover, the banking sector is on its way to resolving some of its problems.

4. Putting together the effects of the external factors, often contradictory in tendency, with macroeconomic policies adopted to reduce inflation or current account deficits, the most likely scenario is that in 1998 the region will return to a lower rate of growth, perhaps close to the average for the 1990s, than it enjoyed this year. In that case, the employment situation will continue to be cause for concern. On the other hand, it is likely that inflation will continue to slow, and the current account deficit may be reduced. In view of the determination already shown by a number of Governments to take hard measures when necessary to maintain macroeconomic stability, it seems unlikely that the Asian financial crisis will have repercussions powerful enough to provoke new foreign exchange crises in the region.

II. Macroeconomic policy

5. In the first three quarters of 1997, the countries of the region maintained the general thrust of the macroeconomic policy they had been following since the start of the decade. Improved expectations, however, made possible a qualitative leap in the macroeconomic environment compared with the two previous years. In 1997, countries were able to reap the fruits of their earlier efforts at domestic stabilization and rehabilitation of their banking systems. Progress was made possible not only by improved economic performance, but also by restored confidence on the part of national and foreign investors in the region's medium- and long-term prospects. Thus, in most countries, demand for money increased strongly and the local currency continued appreciating in real terms in foreign exchange markets. Renewed confidence and progress in reactivating the banking sector led to an expansion in bank lending and hence to increased investment. The effect was also observable in the public policy sphere, as the progress achieved in stabilization offered many countries the chance to ease up on some aspects of fiscal policy.

6. Turbulence in international financial markets following the crisis in South-East Asia dramatically changed the external environment and had obvious repercussions on the region's foreign exchange and financial markets.

7. The São Paulo stock exchange in Brazil – the region's largest by far, and the most active during the first half of the year – lost one third of its value, and the national authorities depleted their reserves by 13 per cent defending the exchange rate from a fierce speculative onslaught. The Government

responded first by doubling interest rates and then, on 10 November, with a 51-point emergency plan. The impact was not as great in the remaining Latin American economies, yet hampered external debt management and raised the cost of financing their current-account deficits. However, the good performance of the region's markets in comparison with what is happening in other emerging markets and the rapid response capacity of government economic teams has helped to reinforce the good opinion of investors about macroeconomic achievements in Latin America and the solidity of its prospects.

8. In any case, at the regional level, the shock was unable to reverse the cumulative gains in the financial markets up to the third quarter and had no effect on the tendency towards exchange-rate overvaluation, a trend that was on the increase during the first half.

A. Fiscal policy takes on a moderately pro-cyclical slant

9. Economic growth faster than expected in many countries of the region brought in greater tax revenues, particularly from domestic taxes and duties on consumer goods. In addition to this regionwide trend, a number of the countries that had been having problems with their public sector accounts the previous year adopted new measures to increase tax revenues, either by raising tax rates and tax bases (as in Colombia, Ecuador and Paraguay) or by postponing planned reductions in domestic or external taxes (as in Costa Rica and Barbados). Meanwhile, non-tax revenues tended to decline for reasons unrelated to fiscal policy. Such was the case in Chile in the second half of the year because of lower international prices for copper, and in Colombia and Peru because of a fall-off in capital revenues compared with the high levels recorded in 1996.

10. Expenditure generally increased more rapidly than revenue. Following several years of fiscal austerity, the countries of the region which found themselves in a somewhat easier fiscal situation resumed a policy of investment in new infrastructure projects and allocated more funds to social spending. This trend was most pronounced in Peru and Mexico. In some countries, increased spending was the result of mandatory increased transfers to pension and other social security systems as a result of social security reform (Argentina and Uruguay).

11. Owing to the combination of these revenue and expenditure trends, the fiscal deficit for the region as a whole increased slightly. The pattern noted is that the countries whose fiscal balance improved were those which had experienced fiscal problems the year before, with an average deficit of 2.5 per cent of GDP. In contrast, the fiscal situation tended to worsen in the countries whose public finances had previously been on a sounder footing, with an average deficit of barely half a per cent of output in 1996. In a few cases a wider deficit was the result of domestic emergencies; this was the case in Jamaica, which had to assume the cost of a serious banking crisis.

B. Foreign exchange policy responds to capital flows

12. During most of the year, foreign exchange policy was shaped by strong inflows of foreign capital that pushed nominal exchange rates downward, forcing monetary authorities to buy foreign currencies in order to stave off an even stronger real appreciation of the local currency and the consequent loss of competitiveness of the country's exports. The tendency towards currency appreciation was intensified in the first half, as the dollar strengthened in international markets and the cost of the regions' imports from Japan and Europe became relatively cheaper, a fact that helped to control domestic inflationary pressures.

13. Real currency appreciation moderated after the Asian crisis, which caused uneasiness in the region's main foreign exchange markets and led to fairly sizeable foreign exchange adjustments in some countries, among them Mexico and Chile. The region's currencies underwent an average real appreciation of 4 per cent. Colombia and Venezuela experienced the strongest appreciation (9.6 per cent and 20 per cent, respectively). Only three countries (El Salvador, Nicaragua and Trinidad and Tobago) saw significant real depreciation in 1997.

C. Monetary policy turns more expansive

14. The money supply grew strongly in 1997 as a result of monetization of incoming foreign capital, which continued to be abundant and resulted in an increase in net international reserves and an expansion in domestic credit, especially lending to the private sector. Despite sales of monetary stabilization bonds, the ratio of real local-currency liquidity to output rose by 5 per cent. The monetary expansion was in response to strong demand for local currency, often observed when economies that have suffered recent bouts of high inflation remonetize. The most notable examples of expansion occurred in Brazil and Venezuela. By adjusting the money

supply to greater demand for money, they avoided the destabilizing effects that usually accompany money creation on that scale. Hence, the expanded liquidity did not result in a deterioration in the external accounts, and monetary demand was accompanied by a slowdown in the rate of inflation.

15. Until the third quarter, nominal interest rates generally declined, for two main reasons. First, domestic financial markets finally responded to the slowing rate of inflation. Second, greater liquidity put downward pressure on interest rates. Since the decline in the inflation rate was even more rapid, the nominal drop was only partially reflected in real rates. It was significant that real lending rates were declining faster than deposit rates. In fact, between 1996 and 1997, real lending rates dropped on average from 16.6 per cent to 15.9 per cent, while real deposit rates rose from 2.6 per cent to 4.5 per cent. In most of the region, therefore, spreads were narrowing, although still high. Beginning in October 1997, international events forced some countries to raise domestic yields to stem an outflow of capital.

16. Greater liquidity in the banking system and the decline in the real cost of financing resulted in a significant increase in bank lending in a number of countries. Increased loan operations were also spurred by the measures adopted over the past three years to strengthen national financial markets by improving the regulatory framework and enabling stricken institutions to recapitalize. Easier access to bank financing was part of the reason for expanded investment in the region. Some countries, however, were still suffering the aftermath of prior (Paraguay) or recent (Jamaica) banking crises.

III. Domestic economic performance

A. Growth increases significantly

17. The rebound in activity levels in the Latin American and Caribbean countries in 1996 was accentuated in 1997. Average growth reached 5.3 per cent, nearly two points higher than the average for the 1990s and among the highest rates for the last 25 years. Per capita GDP increased by 3.6 per cent, marking an increase of 14 per cent since the start of the decade.

18. The improved regional economy is due especially to significant improvements in seven countries (Argentina, Costa Rica, El Salvador, Mexico, Peru, Uruguay and Venezuela) and continued strong growth in Chile and the Dominican Republic. Brazil, on the other hand, experienced only modest growth and because of the size of its economy kept the regional rate from showing even greater dynamism.

19. Growth in 1997 was experienced throughout the region, in confirmation of a trend already visible in 1996 and in contrast to the wide disparities observable in 1995. Not a single country experienced negative growth this year, and six (Argentina, Chile, Dominican Republic, Mexico, Peru and Uruguay) expanded activity by 6 per cent to 8 per cent. In seven economies the pace of growth was in the 4 per cent to 6 per cent range. In nine it was around 3 per cent. Only three countries (Haiti, Jamaica and Saint Lucia) experienced little or no growth.

20. The region’s overall progress in 1996-1997 was stimulated by growth in investment, which far exceeded growth in GDP. The ratio of investment to GDP is expected to reach 24 per cent for the year, the highest rate in the 1990s. Investment growth was especially marked in Argentina, Bolivia, Costa Rica, Dominican Republic, Mexico, Nicaragua and Venezuela. To a large extent it was financed by external capital, since domestic saving increased more slowly than GDP.

21. Another major factor in the acceleration of activity was export growth, which was strong in a number of countries. However, domestic activity was undercut to some extent by the diversion of a good portion of domestic demand to imports, a trend made possible by trade liberalization in recent years and favoured by a significant drop in real exchange rates in most countries of the region.

22. Regional economic activity was affected in 1997 by the “El Niño” phenomenon, which caused serious drought in some areas and heavy rainfall in others, hurting agricultural output in particular and causing some damage to infrastructure. It also reduced catches of cold-water fish species. Meteorological predictions are that the phenomenon will not subside until well into 1998. In most of the Central American and some Caribbean countries, the warm ocean current caused severe drought; in South America, it was excessive rainfall that disturbed economic activities.

B. Inflation is at its lowest level in decades

23. Inflation rates continued to decline. In recent years, the average inflation rate for the region has dropped steadily, from 882 per cent in 1993 to 335 per cent in 1994, 26 per cent in 1995, 18 per cent in 1996 and 11 per cent in 1997, its lowest level in 50 years. Moreover, 13 of the 22 countries considered achieved single-digit inflation. In most of the countries the rate of price increase slowed or remained low; only Barbados, Dominican Republic, Ecuador and Haiti showed an increased inflation rate, but in two of those countries it remained under 10 per cent. Although Venezuela

succeeded in reducing its inflation rate sharply from 103 per cent to 38 per cent, it continues to have the highest inflation in the region. Moreover, the declining trend observable in Venezuela since the second half of 1996 reversed itself, so that in the fourth quarter inflation was at an annualized rate of around 50 per cent.

24. Among the countries with the best results were Argentina, which repeated its 1996 feat of virtually no inflation, and Brazil, which significantly slowed the pace of price increase to only 4 per cent in 1997, in contrast to its four-digit inflation in the late 1980s and early 1990s. Progress was also made in countries that had recently suffered a fresh outbreak of inflation. In Mexico, for example, after a sharp rise in 1995, inflation declined to 28 per cent in 1996 and again to 16 per cent in 1997.

25. The dramatic slowdown in inflation in the 1990s has been due chiefly to the shift in economic policy in recent years to making inflation-fighting a top priority and has been helped along by deep structural reforms and a relatively healthy world economy. Governments of the region gave unequivocal signals of their commitment to stabilization, and this had a positive effect on the expectations of economic agents.

C. Unemployment remains high

26. In 1997 urban unemployment in the region declined slightly, from 7.7 per cent to 7.4 per cent, but remained high in historic terms. Moreover, the slight drop was due not to strong job creation, but to reduced labour force participation. The chief exceptions to this rule were Mexico and Argentina, where a resumption of faster growth did help to generate jobs and reduce unemployment. In Brazil, Colombia and Uruguay, on the other hand, the employment rate declined.

27. In many countries of the region, economic restructuring has caused the disappearance of many jobs, which the fastest-growing sectors of the economy have not been able to replace with high-quality employment. Many of the new jobs created offer neither good benefits nor job security.

28. In contrast to earlier years, the spread between countries in trends in real wages in formal sectors has narrowed, an observation that accords with the region's recent tendency towards convergence in other respects. This reflects the region's successful emergence from the Mexican crisis and from bouts of high inflation and the end to the initially recessive impact of stabilization programmes. Thus, real wages either grew at moderate rates (as in Brazil, Chile and Colombia) or held steady (as in Argentina, Peru and Uruguay).

IV. External sector

A. Imports surge and the current account deficit widens

29. The current account deficit for Latin America and the Caribbean as a whole increased from US$ 36 billion in 1996 to US$ 60 billion in 1997 (3.2 per cent of GDP). The result was heavily influenced by large deficits in Brazil, Argentina and Mexico and Venezuela's smaller than usual surplus (excluding the latter, the deficit would come to US$ 65 billion). In nine countries, the ratio of the deficit to GDP was over 4 per cent, and in six of them, it exceeded 5 per cent.

30. In 1997 the region's foreign trade returned to the pattern typical of the earlier part of the decade, when imports grew faster than exports. As a result, the region's trade deficit widened from around US$ 8 billion in the two previous years to over US$ 28 billion in 1997. More than four fifths of the bulge reflected the ballooning deficits of Brazil and Argentina and the sharp contraction of Mexico's surplus. Most of the region's growing trade deficit was attributable to the shift in the merchandise trade balance to a deficit of some US$ 11.6 billion, after two years of surpluses (US$ 4.6 billion in 1996).

31. The 18 per cent growth in the value of imports was due entirely to the strong volume increase, since import prices were lower for almost all countries. The region benefited from the containment of inflation worldwide, which held the cost of manufactured products down; from the appreciation of the dollar, which made products purchased in other currencies cheaper; and from the decline in prices of some heavily imported commodities, such as petroleum and grains.

32. There were a number of reasons for the upswing in the volume of merchandise imports, which was large and occurred in all the countries. One reason was the accelerated growth of domestic demand in most countries, particularly investment. This trend was most striking in Argentina, Bolivia, Ecuador, Mexico, Nicaragua and Venezuela, which all had large increases in import volumes. Another important factor was real appreciation of the currency in practically all the countries, especially Mexico and Venezuela. Other contributing factors were tariff reductions and loosening of import restrictions in the Central American countries and on some products in Brazil.

B. Export growth continues

33. Some of the increased import volumes were financed by a widespread improvement in the terms of trade (though not in Mexico or Venezuela), which together with expanded export volumes enhanced the purchasing power of exports. The terms of trade improvement resulted not only from cheaper import prices, already mentioned, but even more importantly from increases in average export prices for most of the countries, with the exception of Argentina, Bolivia, Mexico, Uruguay and Venezuela.

34. What lowered the average export price for this latter group were falling international prices of petroleum and grains – which lost much of the ground gained in 1996 – and beef hides – which were continuing a downward spiral. Other products of great importance to the region, however, underwent price increases, most notably coffee and bananas, which were chiefly responsible for better export prices in Central America, where the trend was most pronounced; prices of beef, shrimp, aluminum, zinc and to a lesser extent copper also went up.

35. What is most interesting is that despite the general real appreciation of currencies, all the countries (except Paraguay) succeeded in increasing their quantities of exports, so that volume (except in Honduras) was chiefly responsible for the growth in export earnings. For the region as a whole, the increase was more than 11 per cent, twice the rate of increase in output, and exceeded the predicted increase (7 per cent) in world trade volume for 1997.

36. This fact highlights the relative importance that factors other than exchange rates have assumed in determining the export performance of the region. Some of these reasons, apart from supply factors, are: the sustained growth of the world economy, estimated at between 3 per cent and 3.5 per cent in 1997; increased trade within subregional trading blocs, especially MERCOSUR, in which intra-bloc trade increased faster than total trade; and the development of the *maquila* industry in Central America, Mexico and the Caribbean (especially Haiti and the Dominican Republic), where some of the highest growth rates in export volumes were recorded. In addition to the serious deterioration of the trade balance, increased factor service payments were partly to blame for the current account deficit. Profit remittances increased significantly and equalled 6 per cent of the region's exports of goods and services. The current account deficit was readily financed despite its size, and the region increased its reserves by over US$ 13 billion. Much of that increase was attributable to the substantial reserve increases in Chile, Mexico, Peru and Venezuela.

C. Long-term capital flows grow stronger

37. In 1997 Latin America and the Caribbean continued to receive a heavy influx of foreign capital, amounting to somewhat more than US$ 73 billion, although the flow slackened somewhat in the last quarter because of the turbulence in financial markets provoked by the Asian crisis. A large proportion of the external financing was in the form of direct investment, bonds and medium-term bank loans. Short-term capital now represents only a moderate portion of capital flows in most Latin American countries and is chiefly used to finance foreign trade transactions (see figure 7).

38. Foreign direct investment (FDI) in 1997 amounted to some US$ 44 billion, an unprecedented figure. FDI hit all-time highs in Brazil, Dominican Republic, Mexico and Venezuela. In seven of the region's economies it equalled over 3 per cent of GDP. FDI was encouraged by the ongoing process of deregulation and liberalization of the rules governing foreign investment and by greater macroeconomic stability. Its sources became more geographically diverse. In consequence, foreign direct investment covered much of the balance-of-payments current account deficit for nine Latin American and Central American countries. In some countries, Brazil in particular, privatization was an important component of FDI; for the region as a whole, however, its contribution was more moderate: it accounted for only one fourth of the total.

39. In the first ten months of 1997 bond issues grossed some US$ 54 billion. Unlike foreign direct investment, financing through placement of debt instruments in international markets has been concentrated in just a few of the region's economies, notably Argentina, Brazil and Mexico. Most have been central government issues, with firms accounting for a lesser volume. Because of the turbulence caused by the Asian financial crisis, in the fourth quarter 1997 some Latin American Governments postponed new international bond issues to await a return to normality in international financial markets. The few issues placed during the period met with less favourable conditions.

40. Since 1995 there has been a steady increase in foreign bank loans. In the first half of 1997 they amounted to US$ 12 billion and contributed much of the financing (77 per cent) to private firms in the region. Most of the loans were granted by bank consortiums in the form of syndicated loans for terms of up to eight years, often three to five years, and spreads of 100 to 200 points above base rates. At the end of the year, this panorama was also negatively affected by the uncertainties created by the Asian turmoil.

41. Equity investment continued to account for a relatively small share of the short-term capital entering the region; it

reached significant levels only in Argentina, Brazil, Chile and Mexico. Purchases of American depositary receipts (ADRs), representing equity in the region's firms, between January and September 1997 are estimated at US$ 4.2 billion, a figure that indicates a rebound, especially for Argentina and Brazil.

42. During the first half-year, prices rose spectacularly on most Latin American stock exchanges, especially Brazil's, where value doubled in dollar terms. The rise was due for the most part to positive expectations generated by the performance of the Latin American economies, but to some extent by speculative movements in some large international mutual funds. Due to the heavy financial turbulence in the Asian economies, most of the Latin American stock markets began to suffer sharp drops beginning in July, with some rebounds, and more decisively in October.

D. External debt grows moderately

43. In 1997 the region's total external debt expanded to US$ 645 billion, an increase of 2.5 per cent, which was less than the previous year's. Only Brazil, Chile and Colombia recorded significant increases in external liabilities, due largely to increased private sector borrowing, while Argentina's increase reflected expansion of public external debt. A number of Governments followed a prudent policy of improving the structure of the maturities on their public external debt, while continuing efforts to reduce the cost of financing. To achieve that, they turned to international bond markets to take advantage of the liquidity and better conditions that prevailed to September 1997. Some used part of the plentiful funds thus obtained to pay off short-term debt, while others used it to trade in Brady bonds. External debt burden indicators for 1997 reflected a general improvement; in fact, they were similar to those registered prior to the external debt crisis of the 1980s. For a few countries, however, particularly some in Central America, the indicators still reveal cause for concern.

44. Peru and Bolivia made progress in external debt negotiations. In March 1997 the Government of Peru signed an agreement restructuring some US$ 8 billion in external commercial debt, including late instalments and interest. In August 1997, the World Bank approved a debt relief programme for Bolivia under the terms of the heavily indebted poor countries initiative.

Latin America and the Caribbean: main economic indicators[a]

	1980	1990	1991	1992	1993	1994	1995	1996	1997[b]
Indices 1990 = 100									
Gross domestic product	90.9	100.0	103.6	106.8	111.1	117.3	117.5	121.8	128.2
Per capita gross domestic product	111.6	100.0	101.8	103.1	105.4	109.4	107.9	110.0	114.0
Annual rates of variation									
Gross domestic product	6.0	(0.3)	3.6	3.1	4.0	5.6	0.2	3.6	5.3
Per capita gross domestic product	3.6	(2.2)	1.8	1.3	2.2	3.8	(1.4)	2.0	3.6
Consumer prices	56.0	1 188.3	199.4	426.2	882.2	335.1	25.8	18.3	11.5
Terms of trade (goods f.o.b./f.o.b.)	10.1	1.4	(1.4)	0.5	(1.1)	4.2	3.4	0.7	2.0
Percentages									
Urban unemployment rate	6.2	5.9	5.8	6.2	6.2	6.3	7.2	7.7	7.4
Billions of dollars									
External sector									
Exports (goods)	91.6	136.3	137.1	146.4	160.8	186.9	226.8	252.7	281.9
Imports (goods)	92.5	105.2	123.9	151.2	168.8	200.5	224.9	248.1	293.5
Merchandise trade balance	(0.9)	31.1	13.2	(4.8)	(8.0)	(13.6)	1.9	4.6	(11.6)
Balance on current account	(30.1)	(2.0)	(17.2)	(34.1)	(44.2)	(48.5)	(32.3)	(35.6)	(59.9)
Balance on capital and financial account[b]	28.8	(7.9)	21.8	47.0	59.8	38.8	26.0	62.7	73.5
Balance-of-payments position	(1.3)	(9.9)	4.6	12.9	15.6	(9.7)	(6.3)	27.1	13.6
Total disbursed external debt	220.4	447.0	453.3	469.3	523.9	556.8	608.0	629.0	645.0

Source: ECLAC, on the basis of official figures.

[a] Preliminary.

[b] Includes errors and omissions.