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1) GLOBAL OVERVIEW

The main indicators at the end of 2006 confirmed the maintenance of a growing trend for the global economy in 2006. The worldwide economy has been really surprising: in accordance with the IMF, from 2003 to 2006 the actual average expansion was around 4%. Forecasts indicate that the global GDP expansion with inflation rates under control will continue in 2007 and 2008. The dropping trend for oil quotations in the recent period will certainly contribute to maintain inflation at levels favorable to a growth.

Commodity quotations continued increasing along 2006 – see Graph 1.1 and Table 21 of the section “Economic Forecasts and Indicators”. Perspectives are that China and India’s heat demand will continue increasing consumption in 2007 and 2008, supporting commodities higher prices.

As to the oil sector, after a fall in quotations, the barrel resumed its price increase, on account of the announcement of a new production cut by OPEC members – see Graph 1.2. In November, OPEC had already reduced the oil production by 1.2 million barrels per day and implemented a new reduction at the beginning of February, of 500 thousand barrels per day. The Brent oil price per barrel, for instance, which closed in December at US\$ 61 and quoted on January 11, 2007 at a minimum value of US\$ 51.70, increased to US\$ 58.42 on February 6. It is expected that the barrel price stabilizes between US\$ 55 and US\$ 60.

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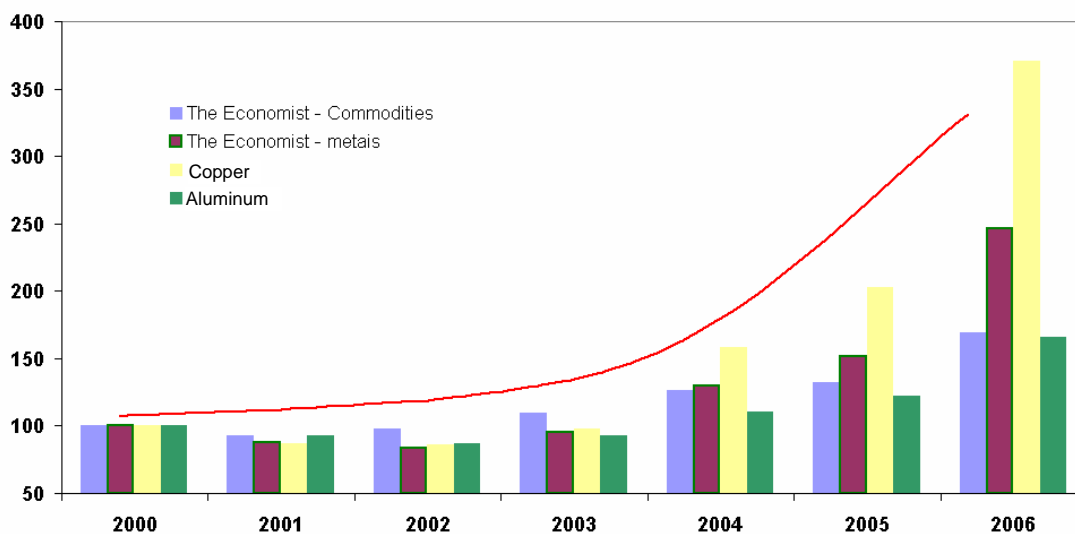
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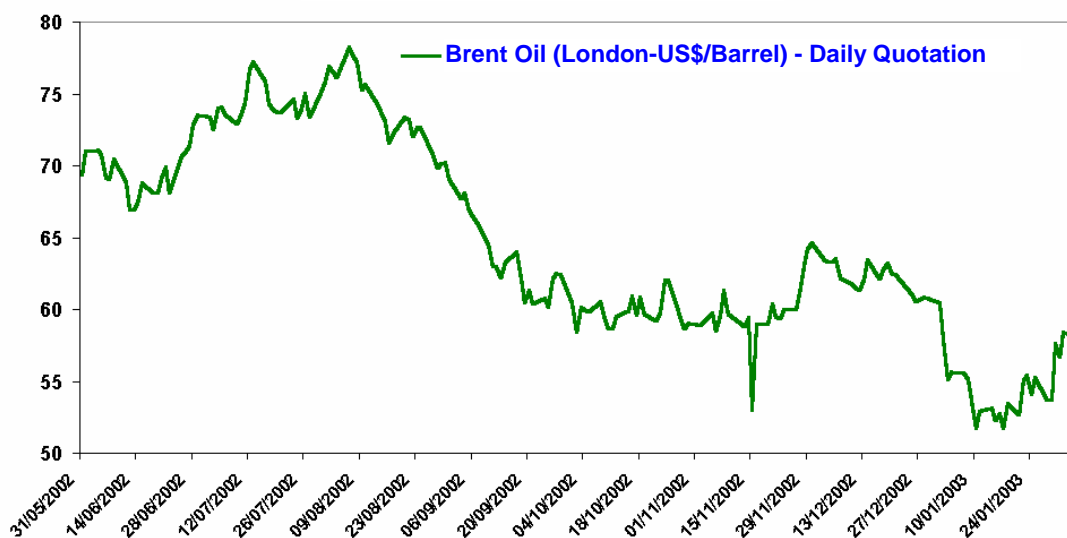
Forecasts for 2007 and 2008 suggest a higher convergence of the growth routes in developed countries. A less accelerated growth rate in the USA should be followed by a maintenance of the Japanese growth and a higher expansion in the Eurozone, as compared to the recent past. In relation to emerging markets, China and India will follow standing out in terms of GDP expansion and demand for commodities.

In accordance with estimates from several institutions, the international economy, after having increased somewhat around 5% in 2006 (preliminary data), should present an average real growth of about 4.0% in 2007 and 2008 - see Table 1 of the section "Economic Forecasts and Indicators". With respect to global trade, the IMF estimates a growth of 7.6% in 2007, a rate slightly lower than the 9% estimated for 2006. For the Organization for Economic Cooperation and Development (OCDE), the global trade will increase 7.7% and 8.4%, respectively, in 2007 and 2008, in relation to the 9.6% performed in 2006 (preliminary data).

Graph 1.1 - Evolution of Commodity Prices - 2000=100

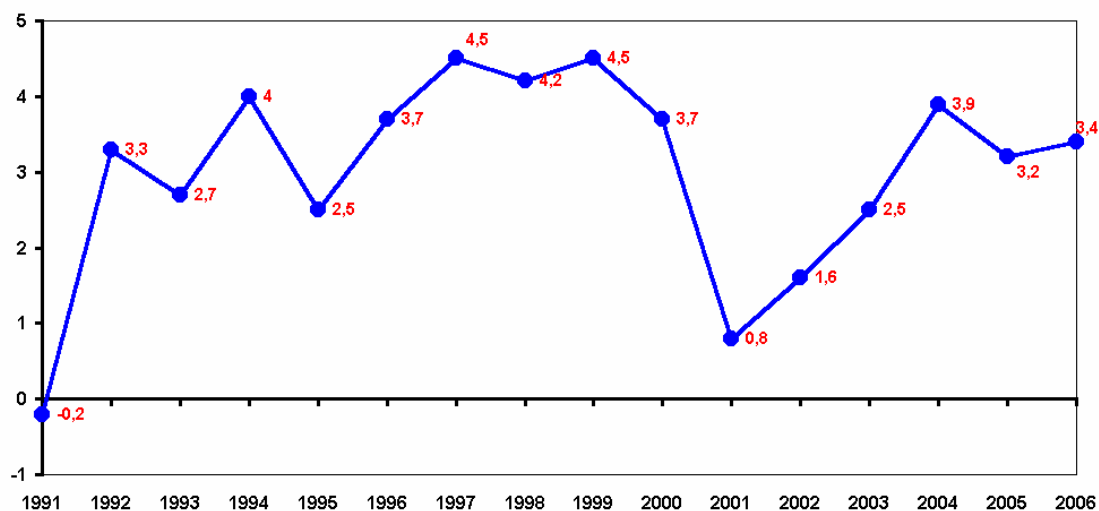


Graph 1.2 - Evolution of Oil Prices



In accordance with a first estimate from the Bureau of Economic Analysis (BEA) of the USA Department of Commerce, the GDP of that country grew in real terms by 3.4% in 2006, over the 3.2% performed in 2005 – see Graph 1.3. In the fourth quarter of 2006, the activity level resumed acceleration, expanding at an annualized rate of 3.5%, significantly over the 2.0% of third quarter. Average unemployment rate was 4.6% in 2006, lower than the 5.1% of 2005. For 2007 and 2008, the forecasts indicate a continuity in the growth route, with USA's GDP presenting an expansion of about 3.0% - see forecasts at Tables 1, 2, 3, 4, 5, 6 and 8 of the section "Economic Forecasts and Indicators".

Graph 1.3 - USA - GDP real annual growth (%)



The USA's GDP growth in 2006 surprised the most pessimistic analysts, who had been afraid of negative impacts from the strong deceleration in USA's real estate market. This was due to a high real estate valuation and family consumption as the main responsible for the USA's GDP growth in last years – it should be noted that consumption corresponds to about two thirds of GDP in that country. Despite the sales of used and new real estate having dropped 8.4% and 16.0%, respectively - in 2006, in relation to 2005 -, the National Association of Real Estate Brokers in the USA believes that the worst situation has passed. The last months of 2006 already presented a gradual recovery of that sector: in December, sales of new real estate, for instance, accomplished a growth of 14% in relation to the level reached in July, which was the worst result in 2006.

Inflation rates under control and maintenance of the basic interest rates at 5.25% by FED have certainly contributed to partially compensate the negative effects of the real estate market retraction on consumer expenditures. With respect to inflation, the last data disclosed suggest that a favorable scenario should continue along 2007. In accordance with the Bureau of Economic Analysis (BEA), the core of the Price Index for consumption expenditures (PCE) – that excludes food and energy price variations – increased in annual terms by 2.1% in the fourth quarter of 2006, a rate significantly lower than the 2.7% in second quarter. In the year, the PCE core accumulated a growth of 2.2%, in line with the 2.1% performed in 2005.

Having in mind that inflation remains slightly over the interval between 1% and 2% deemed favorable by FED, it is expected that such institution will act cautiously in the conduction of interest rates in the following months. For 2007 and 2008, the forecasts are that a variation in the core of PCE will fluctuate around 2% annually. The fa-

avorable performance of activity levels, combined with inflation rates under control, confirms a maintenance of the basic interest rates at 5.25% for some time.

Some prior indicators recently disclosed seem to confirm the maintenance of a favorable performance of activity levels in the following months. In accordance with the Conference Board, the North American consumer trust index reached 110.3 in January 2007, which represented a growth of 10% in relation to the 100.2 in August – that was the worst result of 2006.

With respect to the Asian continent, the Chinese economy had a performance in 2006 over the most optimistic forecasts. In accordance with the National Bureau of Statistics of China, there was a GDP real growth of 10.7% in 2006, in relation to 2005. The main growth went to industry's GDP, with a growth of 12.5% in the period. Fixed investment rate increased 24% in 2006 in relation to 2005, reaching 52% of GDP. The GDP growth in 2006 was 0.3 percentage points over the one performed in 2005, despite the series of measures adopted along last year to decelerate the activity level: such as the four increases in bank deposit rates between April and December, from 7.5% to 9.5% and the two increases that raised the annual interest rate to 5.85%.

The urban income per capita presented a real growth of 10% in the period. Exports and imports presented a growth of 27.2% and 20%, respectively. As a result, China accomplished a trade surplus record of US\$ 177.5 billion and the international reserves reached the amount of US\$ 1.1 trillion. With respect to imports, China bought 326 million tons of iron ore in 2006, which represented a growth of 18.6% in relation to 2005. The main suppliers of iron ore to China are: Australia, Brazil and India.

The consumer price index accumulated a growth of 1.5% in 2006, a rate 0.3 percentage points below the 1.8% of 2005. In 2007 and 2008, average estimates indicate to a maintenance of the Chinese real growth at high levels, of about 10%, followed by inflation rates under control, from 2.0 to 3.0% - see Tables 1, 2, 3, 4, 5, 6 and 8 of the section "Economic Forecasts and Indicators".

In accordance with preliminary estimates, the Japanese GDP presented a real increase of 2.7% in 2006, in relation to 2005. Such growth was conducted by an expansion in the fixed investment rate that accomplished a real expansion of 4.0% in 2006. The average forecasts indicate a GDP real growth rate of about 2.3% in 2007 and 2008, respectively - see Tables 1, 2, 3, 4, 5, 6 and 8 of the section "Economic Forecasts and Indicators". After consolidation of the Japanese growth, it is estimated that the unemployment rate, which reached 4.4% in 2005, dropped to 4.1% in 2006. Forecasts indicate that unemployment will remain around 4.0% in 2007 and 2008. In case these figures are confirmed, the unemployment reduction will be in relation to the peak of 5.4% reached in 2002. Inflation measured by the consumer price index accumulated a variance of 0.3% in 2006. For 2007 and 2008, the expected rates are 0.5% and 0.7%, respectively.

With relation to India, preliminary estimates by the Indian government indicate a GDP real growth of about 9% in 2006, the highest expansion in 18 years - India's fiscal year finishes at the end of March. If such growth is confirmed, it will represent four years presenting an average real annual expansion over 8%: a performance significantly over the average of 6% accomplished in the 1980's and 1990's. The investment rate is currently at a level of 35% of GDP.

The accelerated growth route within recent years has been characterized by a significant increase in the opening of the Indian economy abroad. It is estimated that

the trade of goods and services reaches 45% of GDP in 2006, as compared to the 17% performed in 1990. It is expected that international reserves reach about US\$ 160 billion in 2006.

Current forecasts indicate further a real growth of about 8% in 2007 and 2008, but, probably, these will be reviewed upwards along the following months – see first tables of the section “Economic Forecasts and Indicators”. It is estimated that inflation in 2006 accumulated a variation of about 6%. For 2007 and 2008, the forecasts indicate a rate of inflation between 5% and 6%. Basic interest rates of the economy are currently around 6.0% per annum, which have been contributed to an increase in the economy’s aggregate demand. It is expected that in the following two years India will increase the basic interest rates in order to contain possible inflationary pressures arising from the high level of expansion in the economy.

At the Eurozone, the preliminary data for 2006 closing confirmed a more dynamic performance of the activity levels, as compared to the recent past. It is estimated that the real GDP grew at an average of 2.4% in 2006, in relation to the weak 1.3% in 2005. Forecasts for 2007 and 2008 indicate an average growth between 2% and 3% – see section “Economic Forecasts and Indicators”. In accordance with OCDE, a better performance of GDP will lead to a reduction in the unemployment rates from a level of 8.6% performed in 2005, to 7.4% and 7.1%, respectively, in 2007 and 2008. For 2006, it is estimated that the unemployment rate was 7.6%. Such growth should continue being conducted by Germany and France, the two leading economies of the block. With relation to inflation in the Eurozone, the consumer price index accumulated a variance of 2.3% in 2006. For 2007 and 2008, forecasts are that inflation will remain at a level of about 2% per annum.

Germany grew 2.5% in 2006, after an expansion of 0.9% accomplished in 2005. The growth in 2006 was the highest since the 3.2% in 2000. The GDP expansion was conducted by an increase in investments and exports. In January 2007, the unemployment rate – seasonally adjusted – was 9.5%, below the 9.8% performed in December, and the lowest in 5 years. It is expected an expansion around 2% in 2007 and 2008. France’s GDP grew 2.4% in 2006, a rate significantly over the 1.2% performed in 2005. Forecasts are for a GDP real growth of about 2% in 2007 and 2008.

Outside the Eurozone, the United Kingdom presented a real expansion of 2.7%, in relation to the 1.9% performed in 2005. In 2007 and 2008 the growth should be even higher: average forecasts indicate a GDP expansion between 2.5% and 3.0%.

In accordance with the Preliminary Report of the Economic Commission for Latin America and the Caribbean (ECLAC) disclosed last December, the growth rate of countries in the region was estimated at 5.3% in 2006, in relation to 4.5% in 2005. In case such result is confirmed, it will be the first time in the last 25 years that Latin America and the Caribbean will have a growth over 4.0% for at least 3 consecutive years. Average forecasts point out to a real growth of 4.2% and 3.9%, respectively, in 2007 and 2008 – see Tables 1 and 8 of the section “Economic Forecasts and Indicators”; for a detailed analysis of that region, see the section “The Latin American economy”.

In accordance with the preliminary data disclosed by UNCTAD, the flows of foreign direct investment (FDI) reached US\$ 1.2 trillion in 2006, which represented an expansion of 34% in relation to 2005 – see Table 19 of the section “Economic Forecasts and Indicators”. The leading recipient were developed countries, with an amount of US\$ 800.7 billion, which was equivalent to an increase of 47.7% in relation to 2005

figures. Within this group, the USA received more investments, in a total of US\$ 177 billion. The flows to developing countries reached US\$ 367.7 billion, 10% over the performed in 2005. China was the developing country with the highest FDI inflows in 2006.

The Brazilian investment abroad was a record in 2006

In accordance with the Central Bank of Brazil, the Brazilian direct investments abroad reached a historical record in 2006, amounting to US\$ 27.3 billion. Such value exceeded the foreign direct investments in Brazil, which net inflows amounted to US\$ 18.8 billion in 2006, and is over ten times the amount accomplished in 2005.

The Brazilian direct investments were mainly carried out through equity interests, a modality that accounted for over 80% of the volume of funds invested abroad. The loans granted to branches of enterprises abroad reached US\$ 4.8 billion.

Even noticing an increasing internationalization of Brazilian enterprises, the result of 2006 was especially characterized by the purchase of the Canadian mining Inco by Companhia Vale do Rio Doce. This operation was carried out in October and its amount of US\$ 17.8 billion corresponded to about 65% of total Brazilian direct investments. It was also important the exchange of assets between Votorantim Celulose e Papel [VCP] and International Paper [IP] in the amount of US\$ 1.15 billion, and the Gerdau group acquisitions in the USA, Europe and Latin America. Mining and steel enterprises have been showing as the most active in search of assets abroad.

The internationalization of Brazilian enterprises follows a trend of expansion in investments carried out by developing countries, especially the Asian countries. In accordance with UNCTAD reports and OCDE studies, the inventory of foreign direct investments carried out by enterprises coming from such countries grew almost ten times between 1990 and 2005, reaching US\$ 1.4 trillion in 2005. Although its is still a small portion of total inventory - 13% of global FDI inventory in 2005 - the share of enterprises from developing countries has been cautiously seen by the developed countries, which are watchful to strategies of entrepreneurs like the Indian Lakshmi Mittal (responsible for the Arcelor-Mittal merge) and Chinese enterprises like Lenovo (which acquired IBM computers division).

The adoption of international insertion strategies not limited to the sales of Brazilian products abroad shows the strengthening and competitiveness of Brazilian enterprises. Through the installation or acquisition of assets abroad, such enterprises gain markets and overcome tariff and non-tariff barriers, as well as benefit from the access to international capital markets. Due to such advantages, the perspective is that the Brazilian investments abroad will be increasingly significant in the following years.

2) THE LATIN AMERICAN ECONOMY

In accordance with the Preliminary Report of the Economic Commission for Latin America and the Caribbean (ECLAC) disclosed last December, the growth rate of countries in the region was estimated at 5.3% in 2006. This is a rate higher than the growth of 4.5%, in 2005, and than the latest ECLAC's forecast (5.0%).

After this result, it is the first time in the last 25 years that Latin America and the Caribbean will show a growth over 4.0% for at least 3 consecutive years. The average growth of these three years was 5.2%, an amount more than two times over the average for the period between 1981 and 2002, which was 2.2%. In addition, ECLAC and IMF estimate that the economy will keep a growth pace in 2007, respectively 4.7% and 4.3%.

Some countries of this region continued having, in 2006, very high growth rates: Cuba (+12.5%), Venezuela (+10.0%), Dominican Republic (+10.0%) and Argentina (+8.7%). All these countries had an average growth rate in the last three years over 8.8% per annum, except for the Dominican Republic, which average growth was 7.3% per annum in the same period.

In addition, it should be noted that in 2006, also for the first time in the last 25 years, all the Latin American and the Caribbean countries showed a positive growth rate of GDP per capita. Should the ECLAC forecast for 2007 be accomplished, the economic recovery will conduct to a GDP growth per capita of 16% between 2003 and 2007, in contrast with the prior 20-year period stability by such indicator.

The good performance of Latin American countries suggests that they have been experiencing a cycle of sustained economic growth.

The external context is undoubtedly favorable:

- the global economy has been increasing at rates over 4% per annum, since 2003;
- there is plentiful liquidity in the international financial markets;
- there has been changes in the trade standards with positive consequences for Latin America and the Caribbean terms of trade; and
- there has been increase in the remittance from non-residents.

However, it is also clear that the current period of expansion has its own characteristics, importantly differentiating it from other periods of the Latin American history, not only due to the significant growth rates.

As highlighted in previous issues, the current period presents an original combination of a significant growth with improvement in external accounts, also including surpluses in current account and better indicators of external vulnerability. With respect to the growth's composition, the increase in exports has been followed by an expansion in domestic demand, especially in investment, characterizing a period of more balanced growth, with positive impacts also from a social point of view. Finally, it is important to mention that the current growth cycle has not been followed by a relaxation in public finances.

At the following subsections, some aspects of this growth cycle will be analyzed, as follows: the growth breakdown, foreign trade, external accounts, solvency indicators, inflation, social indicators and public accounts. The section will finish presenting the final comments.

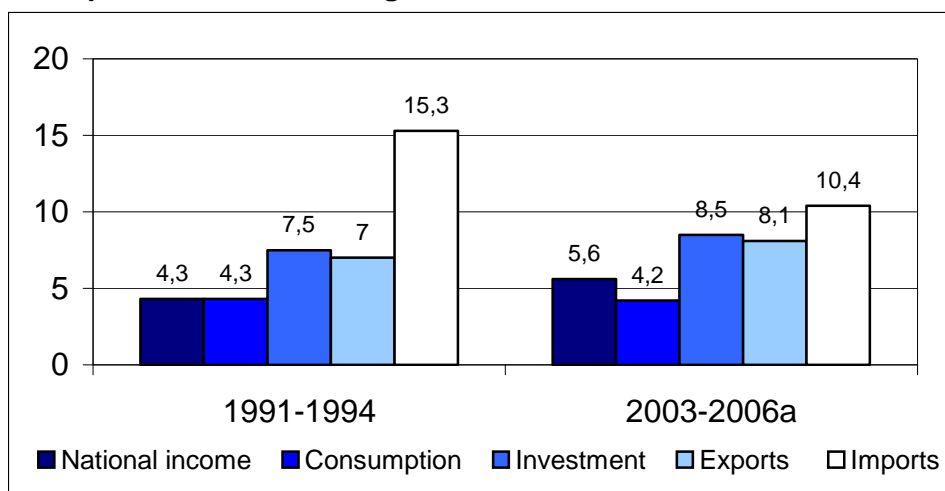
2.1) Growth breakdown

Based on the comparison between the periods 2003-2006 and 1991-1994, ECLAC's Preliminary Report concludes that the current growth cycle is much more balanced than the one in the beginning of the 1990's. The years between 1991 and 1994 were four years of continuous growth at rates close to 4% per annum, and have been selected for being those that most resemble to the current period.

Graph 2.1 shows a comparison between the behavior of aggregate demand components in the two periods selected. In the 2003-2006 period, the growth in volume imported (10.4%) was close to the exported one (8.1%). This means that an expansion in production followed mostly the growth in domestic demand. Between 1991 and 1994, the average growth rate of the volume imported (15.3%) exceeded by over two times the exported (7.0%), showing the imbalance between domestic demand and domestic production.

It should also be noted that, in current cycle, the national income has expanded (5.6%) more than consumption (4.2%) and investment increased at an average of 8.5% per annum. Both behaviors favor a maintenance of a growth in aggregate demand. In contrast, national income grew in line with consumption in the 1991-1994 cycle and an expansion in investment was less emphasized (7.5% per annum).

Graph 2.1 – Comparison between the behavior of aggregate demand components for two periods of economic growth in Latin America and the Caribbean



Source: ECLAC

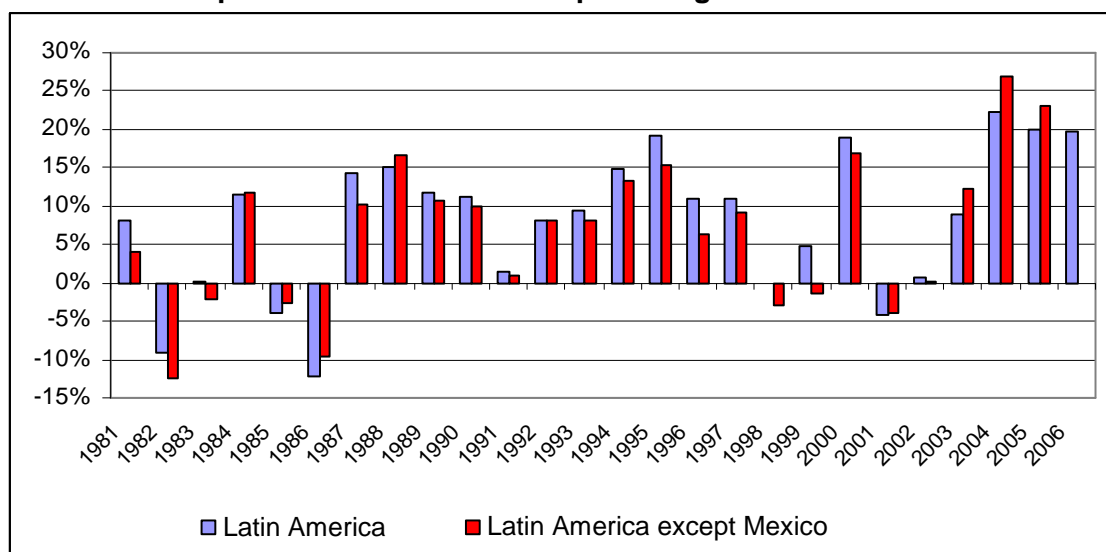
2.2) Foreign trade

The growth rate of Latin American exports was maintained at 20% per annum in 2006, that is, exports repeated the good performance reached in the two previous years, despite a much higher basis of comparison.

It is clearly seen in Graph 2.2 that Latin America and the Caribbean exports of goods and services in the last three years presented the highest rates within the past 25 years. The average growth rate of that region's exports since 1981 was 8.2% per annum. Such discrepancy in the growth rate of exports is even higher by excluding Mexican exports. In this case, exports in 2004 and 2005 increased at an average of

25% per annum, while the average expansion in the period between 1981 and 2005 was 6.7% per annum.

Graph 2.2 – Growth rate of exports of goods and services



Source: ECLAC and OMC

Since 2003, the increase in prices of exported products has been exceeding the growth in volume exported, showing the importance of high price increases of commodities in the performance of Latin American exports. Even so, the exported volume has been expanding more than GDP and has been contributing to the good economic performance of the region.

However, since 2004 the growth in imports has been following exports growth, probably as a consequence of the economic growth and of the foreign exchange valuation in several countries of the region. As the imported volume has been increasing more than exports, the foreign trade contribution to the aggregate demand of the region is limited. Even so, the balance of trade has accomplished increasing surpluses. The balance jumped from US\$ 24.0 billion in 2002 to US\$ 103.6 billion in 2006.

Lastly, the increase in prices of exported goods was higher than the imported ones, which meant a continuity of improvement in trade terms of the region. Between 2000 and 2006, there was an average increase in trade terms of 17.5% and the most benefited countries were Venezuela (+88.9%), Chile (+86.9%) and Peru (+50.1%). In general, countries exporting agricultural goods, like those in Central America and Antilles, Uruguay and Paraguay, presented a deterioration in trade terms in relation to 2000. Trade terms of countries with more diversified exports remained reasonably stable: Brazil (+2.4%) and Mexico (+7.6%).

2.3) External accounts

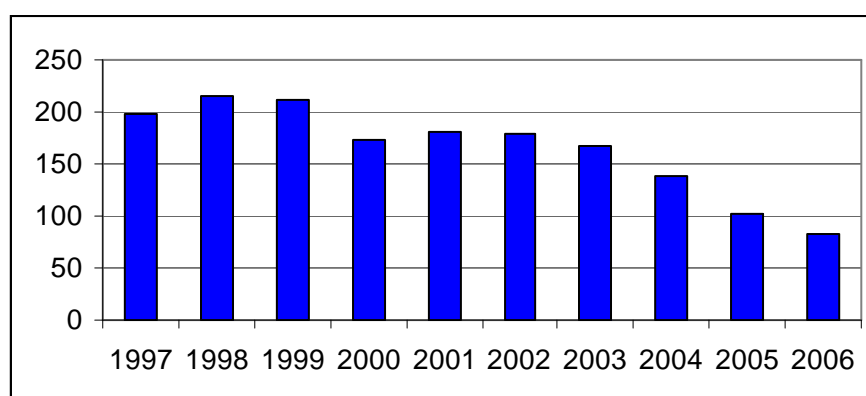
One of the most interesting aspects of the current period of growth is its combination with good results in external accounts. The position of current account in the balance of payments - traditionally a loss due to structural deficits in the balance of services - presented successive records in the 2003-2006 period. In accordance with ECLAC's preliminary data, the current account position of Latin America and the Caribbean was US\$ 51.3 billion in 2006, which meant a growth of 43% in relation to the previous year and contrasted with the deficit of US\$ 13.7 billion accumulated in 2002.

The main responsible facts for the growth in current account position have been an expansion in the balance of trade position (from US\$ 24.0 billion in 2002 to US\$ 103.6 billion in 2006) and the unilateral transferences (from US\$ 28.5 billion in 2002 to US\$ 58.7 billion in 2006). On the other hand, the balance of income and non-factor services continue increasing its deficits. The first increased its deficit from US\$ 52.0 billion in 2002 to US\$ 89.7 billion in 2006, while the latter presented a loss of US\$ 14.2 billion in 2002 and US\$ 21.3 billion in 2006.

2.4) Solvency Indicators

In contrast with the growth cycle in the first half of the 1990's and the second half of the 1970's, the current growth cycle shows a strong improvement in the solvency indicators – see Graph 2.3. The accumulation of foreign currencies, value reduction and time extension of the foreign debt, big trade balances and remittances from immigrants conduct the foreign solvency indicators to the best level of recent decades and reduced the risk that an international liquidity retraction may cause a crisis in the balance of payments.

Graph 2.3 - Relation between foreign debt and exports in Latin America and the Caribbean



Source: ECLAC

South American international reserves exceed US\$ 200 billion

International reserves work as an insurance for the countries against eventual foreign exchange crises. A high level of reserves provide the economic policy executors with a large margin of maneuver, because the countries will be less subject to crises caused by the high volatility of financial capital.

Traditionally, the cost of accumulating reserves in Latin America is reasonably high. As reserves are a very liquid assets, normally the remuneration is low. On the other hand, interests on foreign debt or interests on domestic debt necessary to attract capital to a region, in general, are much more higher.

However, since 2003 such situation has changed a lot. On one hand, the region, particularly the countries in South America, has been experiencing unprecedented surpluses in current account. Additionally, there has been a strong increase in the international liquidity. On the other hand, in the USA the short-term interest rates are significantly higher than long-term interests, such as securities for 10 or 30 years. In addition, the difference between interests on foreign debt securities paid by countries in South America and the USA debt are at the lower level ever performed.

With relation to domestic debt, interest rates are also much lower than historical rates. Venezuela and Argentina are using negative real interest rates, and the nominal interest rate in Brazil is the lowest in recent decades. This means that the cost of the strategy of acquiring reserves for protection against a possible increase in the USA interests and a retraction in international liquidity is very low.

In such context, the levels of international reserves have been breaking records in the main countries of the region, like Brazil, Argentina, Chile, Venezuela and Colombia. In the last 6 months, the international reserves of the countries in South America, except for Ecuador, Paraguay and of Guyana, increased 24% and reached US\$ 214 billion. International reserves have increased faster in the last 6 months in Brazil (+39%), Argentina (+38%) and Bolivia (+27%).

Table 1 – South American countries' international reserves in 2006

Countries	International reserve 29/12/2006	Growth in last six months	Relation reserves Dec06/ imports FOB 2006* (months)
Brazil	US\$ 85.8 billion	39%	11
Venezuela	US\$ 37.4 billion	17%	14
Argentina	US\$ 32.4 billion	38%	12
Chile	US\$ 19.2 billion	11%	6
Peru	US\$ 17.3 billion	19%	14
Colombia	US\$ 15.5 billion	7%	8
Bolivia**	US\$ 3.1 billion	27%	13
Uruguay	US\$ 3.1 billion	-11%	8
Total	US\$ 213.8 billion	24%	11

*2006 import data are CEPAL's estimates.

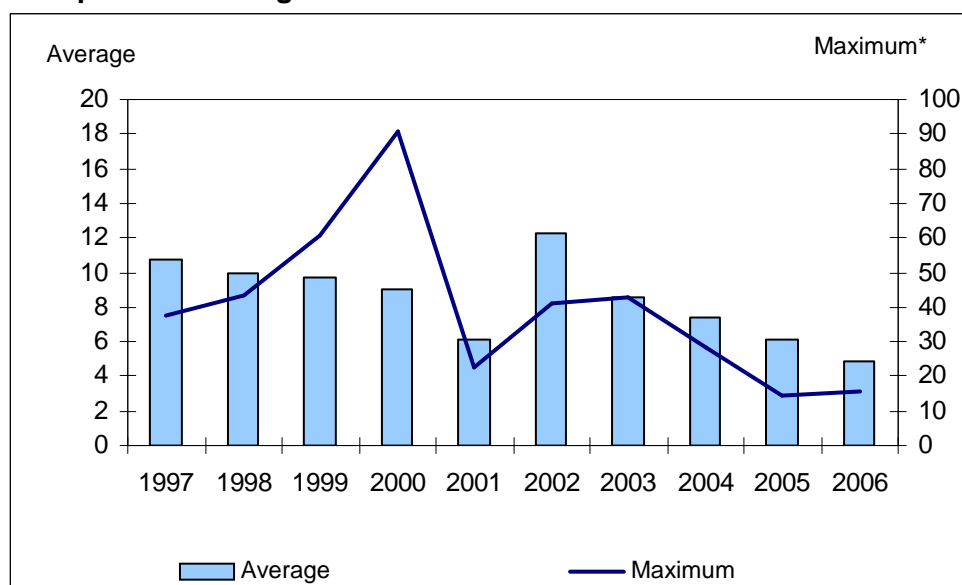
** These data are respectively of November and May 2006.

Source: Central Bank of the countries and CEPAL.

One of the indicators most used to measure whether the availability of foreign currencies is at an adequate level is the relation between imports and the volume of reserves. Generally, such indicator is measured by the volume of months of imports. It may be seen in the table that the countries with high volume of reserves by such indicator are: Venezuela (14 months of imports), Peru (14), Bolivia (13), Argentina (12) and Brazil (11). It is noted that, in accordance with ECLAC, all these countries showed a surplus in current account in the last three years.

2.5) Inflation

In accordance with the preliminary ECLAC's figures, last year the average inflation in Latin America was 4.8%, consolidating the generalized dropping trend in the inflation rate. Even countries giving priority to high rates of economic growth rather than a strict control of inflation, like Argentina and Venezuela, have managed to keep inflation rates under control. As we may see in graph 2.4, there is a trend of drop either in the average or in the maximum inflation rate in the leading economies of the region.

Graph 2.4 – Average and maximum inflation rates in Latin America

* Maximum inflation rate among the leading economies of the region
Source: ECLAC

2.6) Social indicators

The current growth cycle also stands out due to an improvement in social indicators, mainly an increase in employment and real remuneration of work. Differently from the 1990's and beginning of the current decade, the social indicators in Latin America have been substantially improved.

Between 1991 and 2002, in accordance with ECLAC, the average unemployment in the region increased from 5.8% to 11%. The unemployment grew, even in the period of economic expansion between 1991 and 1994. In the last four years, the unemployment rate has been dropping. In accordance with ECLAC's preliminary figures, unemployment dropped to 8.7% in 2006, in relation to an average unemployment of 11% in 2003.

Countries with accelerated economic growth have been managed to reduce more quickly the unemployment rate, as shown in the examples of Argentina (drop from 17.3% in 2003 to 10.4% last year), Venezuela (drop from 18.0% in 2003 to 9.8% last year) and Uruguay (drop from 16.9% in 2003 to 11.6% in 2006). On the other hand, countries like Brazil, Chile and Colombia presented a moderate drop in unemployment, while the unemployment rate in Mexico and Ecuador has been maintained stable.

In addition to a drop in unemployment, it should be noted a significant growth in the real remuneration of workers. The leading countries were Argentina, Chile and Venezuela. It should be mentioned that the average growth of real salary in Argentina was 8.4% per annum in the last 3 years. Such growth trend in real remuneration is in clear contrast against the previous period, between 1991 and 2003, in which several countries of the region experienced a drop in real salary.

2.7) Public sector accounts

The improvement in prices of basic products and the economic growth have conducted to a generalized increase in resources available for governments, especially by an increase in tax collection in countries specialized in non-renewable products. Bolivia, Chile and Venezuela have also benefited from the creation of new taxes, aiming at obtaining funds from the use of their natural resources, respectively, natural gas, copper and oil.

In contrast with other periods of growth, the countries in that region have tried to keep balanced public sector accounts during the last four years, without disregarding to meet the legitimate demands for increase in expenditures. Although many countries have increased their current spending, especially social security, it should be mentioned the cases of Argentina, Mexico and Venezuela as countries that have carried out a rearrangement in expenditures to favor a higher public investment.

2.8) Final comments

ECLAC summarizes the current stage of growth in Latin America and the Caribbean with the following statement: optimism with caution. In fact, the region has been experiencing a very favorable period in historical terms. Not only the growth rates are significant considering the last 25 years, as well as such growth is more balanced and sustainable than previous periods of expansion, as shown by data from the foreign sector, public sector accounts and social indicators.

The positive results, however, should be evaluated jointly with the international ones. The global economy grew at an average of 4.9% per annum between 2003 and 2006, while the Asian economies accomplished an average expansion of 8.7% per annum, and the countries in Central and West Europe increased at 5.5% per annum. In this same period, the Latin American economies increased at an average of 4.4% per annum.

At regional level, it should be noted that South America presented a performance significantly higher than Mexico and Central America. In the period under consideration, GDP growth in South America was 4.9%, while in Mexico and Central America it was 3.5%.

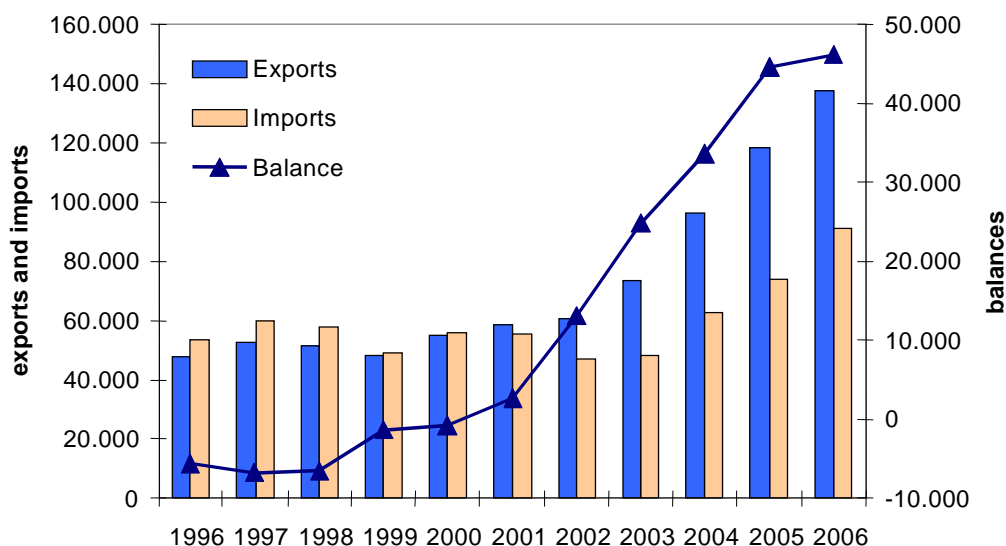
Due to the low risk of a foreign exchange crisis and contractionary monetary and fiscal policies, international agencies expect that in the following years Latin America and the Caribbean maintain a good economic performance, although with a slight deceleration in growth rates. However, such positive perspective does not exempt Latin America and the Caribbean from looking for solutions to guarantee the sustainability of high growth rates in the future.

3) THE FOREIGN SECTOR IN THE BRAZILIAN ECONOMY

In 2006, the Brazilian exports reached US\$ 137.5 billion, an amount record in the history of the Brazilian economy. Imports and the trade balance also reached the highest amounts ever achieved, of, respectively, US\$ 91.4 billion and US\$ 46.1 billion. The total trade (exports + imports) presented a growth of 20.2% in relation to last year.

Since 2001, the Brazilian exports have been exceeding imports, presenting a trend of positive positions in the balance of trade – see graph 3.1. In 2006, exports increased 17.1% and imports 25.2% in relation to 2005, that is, there was an increase in imports higher than in exports. However, there was no adverse effect in the position of the Brazilian trade balance, which increased US\$ 1.3 billion in absolute value, remaining at levels higher than in all previous years. Exports continued to present an absolute value sufficiently high to keep a high surplus in trade accounts, in spite of the growth in imports.

Graph 3.1 The Brazilian balance of trade: 1996 to 2006
(in US\$ million)



Source: Own preparation based on Secex/MDIC data

The Brazilian exports last year presented increases in all the aggregate value categories. Basic products, manufactured and semi manufactured products accomplished increases of, respectively, 16.9%, 15.6% and 23.3% in relation to the twelve months of 2005, and a total volume of US\$ 40.3 billion, US\$ 74.7 billion and US\$ 19.5 billion.

Among the basic products, the most significant growth in 2006 in relation to prior year was obtained in sales of wheat in grain, 340.2%, and a total volume of US\$ 64.4 million, which had as leading buyers the Philippines, Spain, Vietnam and Egypt. However, the product with higher volume of exports among the basic ones was iron ore, with a total of US\$ 8.9 billion, resulting in an increase of 22.6%, mainly destined to: China, Japan, Germany and Italy.

The main manufactured products presenting a growth in relation to 2005 were: ethyl alcohol (+109.6%; in a total of US\$ 1.6 billion), aluminum oxide and hydroxide

(+92.5%; in a total of US\$ 1.1 billion), refined soy oil (+63.3%; US\$ 399.4 million) and faucets and valves (+55.2%; US\$ 304.9 million).

In the ranking of large Brazilian exporters, there are as many enterprises producing and/or trading basic products as manufactured products – see Table 3.1. The twenty leading enterprises have increased in average 21 percentage points, while the other enterprises increased 14.2%, indicating a growth in total exports, mainly due to the leading exporters, which presented an increase in their share of the exports program, going from 30.5% in 2005 to 31.8% in 2006.

Petrobras ranked first, with a share of 8.1% on 2006 total exports, while in 2005 such share was 6.4%. It is important to note the growth in Petrobras exports, which was 46.2% in 2006, reaching an amount of US\$ 11.1 billion. Ranking second and third came Companhia Vale do Rio Doce [CVRD] and Embraer, with shares of 4.4% and 2.4%, respectively. Some enterprises showed a significant growth: Copersucar (56.8%), Albras (48.3%) and JBS (45.1%).

**Table 3.1 Main Brazilian exporters:
January to December 2005 and 2006 (US\$ million and %)**

Rk	Exporter enterprises	Exports		% Var. 2006/05	% Share	
		2006	2005		2006	2005
1	PETROLEO BRASILEIRO S A PETROBRAS	11.087.5	7.585.5	46.2	8.1	6.4
2	COMPANHIA VALE DO RIO DOCE	5.990.3	4.817.2	24.4	4.4	4.1
3	EMBRAER EMPRESA BRASILEIRA DE AERONAUTICA S A	3.269.1	3.266.6	0.1	2.4	2.8
4	VOLKSWAGEN LTDA	2.279.4	2.136.9	6.7	1.7	1.8
5	BUNGE ALIMENTOS S/A	2.267.1	2.193.9	3.3	1.7	1.9
6	CARGILL AGRICOLA S A	1.606.2	1.403.5	14.4	1.2	1.2
7	GENERAL MOTORS DO BRASIL LTDA	1.573.3	1.570.2	0.2	1.1	1.3
8	FORD MOTOR COMPANY BRASIL LTDA	1.564.9	1.462.0	7.0	1.1	1.2
9	MOTOROLA INDUSTRIAL LTDA	1.411.2	1.035.4	36.3	1.0	0.9
10	MINERACOES BRASILEIRAS REUNIDAS S A MBR	1.356.1	1.078.9	25.7	1.0	0.9
11	SADIA S.A	1.316.5	1.381.2	-4.7	1.0	1.2
12	COMPANHIA SIDERURGICA DE TUBARAO	1.313.6	1.188.0	10.6	1.0	1.0
13	DAIMLERCHRYSLER DO BRASIL LTDA	1.282.1	1.302.4	-1.6	0.9	1.1
14	ALBRAS ALUMINIO BRASILEIRO S/A	1.139.3	768.5	48.3	0.8	0.7
15	CATERPILLAR BRASIL LTDA	1.136.1	980.4	15.9	0.8	0.8
16	SAMARCO MINERACAO S.A	1.086.7	986.6	10.2	0.8	0.8
17	COPERSUCAR	1.068.4	681.4	56.8	0.8	0.6
18	BRASKEM S/A	983.3	880.7	11.7	0.7	0.7
19	SCANIA LATIN AMERICA LTDA	943.7	739.7	27.6	0.7	0.6
20	JBS S/A	922.4	635.9	45.1	0.7	0.5
Total enterprises listed above		43.597.1	36.094.8	20.8	31.8	30.5
Other enterprises		93.872.6	82.213.6	14.2	68.3	69.5
Grand Total		137.469.7	118.308.4	16.2	100.0	100.0

Source: MDIC / Secex

The main destinations of Brazilian exports in 2006 were the Latin American Integration Association [ALADI] countries, with a total of US\$ 31.4 billion, exceeding the European Union – see table 3.2. The Brazilian exports to those countries increased in absolute terms by US\$ 6.0 billion in relation to last year, meaning an increase of 23.4 in percentage points.

Table 3.2 The Brazilian balance of trade per economic blocks: January to December 2005 and 2006 (US\$ million and % variance)

	Exports		Var. % 2006/05	Imports		Var. % 2006/05
	2006	2005		2006	2005	
European Union	30,373.0	26,492.5	14.6	20,125.5	18,145.6	10.9
Holland	5,743.9	5,283.0	8.7	785.6	586.6	33.9
Germany	5,675.3	5,023.3	13.0	6,502.8	6,144.4	5.8
Italy	3,828.9	3,223.6	18.8	2,569.6	2,276.2	12.9
USA ⁽¹⁾	24,679.0	22,741.4	8.5	14,850.5	12,852.7	15.5
ALADI ⁽²⁾	31,382.0	25,428.3	23.4	16,327.3	11,616.5	40.6
MERCOSUR	13,950.4	11,726.1	19.0	8,970.6	7,053.7	27.2
Argentina	11,713.8	9,915.4	18.1	8,056.5	6,241.1	29.1
Uruguay	1,006.1	849.6	18.4	618.2	493.7	25.2
Paraguay	1,230.5	961.1	28.0	295.9	318.9	-7.2
Bolivia	693.9	580.1	19.6	1,448.4	989.8	46.3
Chile	3,896.0	3,612.2	7.9	2,908.0	1,746.0	66.5
Colombia	2,128.9	1,405.6	51.5	247.9	137.7	80.0
Cuba	343.3	245.5	39.8	31.6	38.9	-18.7
Ecuador	873.3	646.1	35.2	30.4	91.7	-66.9
Mexico	4,440.4	4,063.6	9.3	1,309.9	843.6	55.3
Peru	1,500.8	932.9	60.9	788.9	459.1	71.8
Venezuela	3,555.0	2,216.2	60.4	591.6	256.0	131.1
Asia ⁽³⁾	20,792.7	18,552.2	12.1	22,886.4	16,870.1	35.7
China	8,399.5	6,833.7	22.9	7,989.1	5,354.5	49.2
Japan	3,883.9	3,476.1	11.7	3,839.4	3,405.0	12.8
India	936.6	1,136.8	-17.6	1,473.9	1,202.9	22.5
Africa	7,448.6	5,977.3	24.6	8,088.8	6,662.0	21.4
South Africa	1,459.3	1,369.4	6.6	434.9	341.5	27.3
Nigeria	1,373.4	953.1	44.1	3,884.6	2,652.1	46.5
Middle East	5,745.3	4,286.1	34.0	3,160.2	2,509.6	25.9
Iran	1,567.9	968.5	61.9	30.9	3.0	943.2
Saudi Arabia	1,485.4	1,203.3	23.4	1,617.0	1,339.5	20.7
West Europe	4,496.1	3,860.7	16.5	1,508.4	1,173.8	28.5
Russia	3,443.1	2,917.3	18.0	942.5	722.1	30.5
Romania	341.2	300.6	13.5	30.6	16.3	88.2
Others	12,552.9	10,969.9	14.4	4,448.6	3,775.2	17.8
Total	137,469.7	118,308.4	16.2	91,395.6	73,605.5	24.2

Source: MDIC/Secex

⁽¹⁾ includes Puerto Rico.

⁽²⁾ includes Mercosur.

⁽³⁾ excludes Middle East.

However, the highest growth related to exports, among the blocks of destination, was the Middle East (34.0%), which had its share expanded in total exports from 3.6% in 2005, to 4.2% in 2006. The more important destination in that region was Iran, which imported US\$ 1.6 billion in Brazilian products, which represented an increase of 61.9% in relation to 2005.

In relative terms, the imports coming from ALADI countries reached the highest variation (40.6%). In absolute terms, the highest growth performed was the Asian imports, which were expanded by US\$ 6.0 billion, due to a high variance in the acquisition of Chinese products (US\$ 2.6 billion).

The United States and Argentina rank, respectively, the first and second positions, both as destination countries of the Brazilian exports and as origin countries of imports. Despite Brazil having showed a trade surplus in 2006 with these two countries (US\$ 9.7 billion and US\$ 3.7 billion), the variation of these balances, as compared to 2005, was negative by 0.7% with the United States and 0.5% with Argentina.

In percentage terms, the highest growth of Brazilian exports, among the Latin American countries, belonged to Peru. The foreign sales to that country increased by 60.9%, reaching US\$ 1.5 billion in 2006, mainly due to products such as: crude petroleum oils, wire rod, transmitter or receiver devices and cargo vehicles. With relation to imports, there was a purchase of Venezuelan products that presented the highest variance, 131.1%, mostly comprised of oil byproducts.

The Brazilian exports per shipment ports

The Port of Santos was the main shipment place for products exported from Brazil in 2006, accounting for 28.9% of the value sold abroad. Ranking second was the Port of Vitória (US\$ 12.5 billion; 9.1% of total Brazilian exports program) and in third position was the Port of Paranaguá (US\$ 9.1 billion; 6.6% of the program). The 15 main ports of the country operated 85.5% of Brazilian exports in 2006. Of these ports, 7 are located at the Southeast Region, 5 at the South, 2 at the Northeast and 1 at the North – see Table 3.3.

In 2006, the highest relative growth occurred in exports by the Port of Macaé. Oil sales increased the shipments from the port of that city by 135.3% last year. The port of Munguba, in the State of Pará, also presented a high growth rate in value of shipments (+61.4% in relation to 2005), mainly due to exports of aluminum and calcined alumina.

**Table 3.3: The 15 main Brazilian ports: 2006 and 2005
(in US\$ million)**

Port	State	2006	2005	2006/ 2005	Share in 2006
1 Santos	São Paulo	39,755	32,799	21.2%	28.9%
2 Vitória	Espírito Santo	12,522	11,328	10.5%	9.1%
3 Paranaguá	Paraná	9,061	8,595	5.4%	6.6%
4 Rio Grande	Rio Grande do Sul	7,645	7,141	7.1%	5.6%
5 Sepetiba	Rio de Janeiro	7,086	5,477	29.4%	5.2%
6 Rio de Janeiro	Rio de Janeiro	6,852	5,581	22.8%	5.0%
7 Itajaí	Santa Catarina	5,522	4,898	12.7%	4.0%
8 São Luis	Maranhão	4,804	3,828	25.5%	3.5%
9 Uruguaiana (road)	Rio Grande do Sul	4,554	4,570	-0.4%	3.3%
10 São Paulo (airport)	São Paulo	4,464	3,951	13.0%	3.2%
11 Campinas (airport)	São Paulo	3,567	2,809	27.0%	2.6%
12 Macaé	Rio de Janeiro	3,337	1,418	135.3%	2.4%
13 Salvador	Bahia	2,894	3,013	-4.0%	2.1%
14 São Francisco do Sul	Santa Catarina	2,819	2,771	1.8%	2.1%
15 Munguba	Pará	2,618	1,622	61.4%	1.9%
Others		19,968	18,507	7.9%	14.5%
Total		137,470	118,308	16.2%	100.0%

Source: Own preparation based on Secex/MDIC data.

The highest Brazilian trade deficit among the main blocks was with the Asian countries, reaching an amount of US\$ 2.1 billion last year. Sales of Brazilian products to those countries increased 12.1% in the period, but the growth in imports reached 35.7%. This was mostly due to the performance of imports from Chinese products, which increased 49.2% as compared to 2005, reaching a volume of US\$ 8.0 billion. The Brazilian exports to China also increased significantly, 22.9%, which provided for a surplus of US\$ 410.4 million. The main products exported were: iron ore, soy in grain, crude oil, cellulose, leather and fur. It is worth mentioning that China surpassed Germany in sales of goods to Brazil, assuming the third position in the ranking of countries.

As in 2005, the highest Brazilian deficit was with Nigeria, which reached an amount of US\$ 2.5 billion in 2006, representing an increase of 47.8% in relation to the prior year balance. Imports of Nigerian products were basically comprised of crude oil, representing 96.2%.

Total imports of fuels and lubricants represented 16.6% of the Brazilian exports in 2006, and just the imports of oil were US\$ 9.1 billion. Most of Brazilian imports are intermediate products and raw materials; including fuels and lubricants, the intermediate products represented 66.1% of the total program for last year. Capital goods represented 20.7% of imports, and consumption goods just 13.1%. Despite having been the category of lower share in the program, consumption goods increased most in 2006, presenting an increase of 42.5% in relation to 2005. The purchases of fuels and lubricants increased 28.4%; capital goods, 23.9% and raw materials and intermediate goods, 20.8%.

Following the technologically-intensive classification prepared by UNCTAD, the highest relative growth of Brazilian imports in 2006 occurred in the category of primary commodities (except oil): +40.7% in relation to 2005 – see table 3.4.

One of the main imported items was copper and its byproducts. Purchases of refined copper represented US\$ 1.2 billion in 2006, having more than doubled imports in relation to the prior year. Imports of copper ore amounted to US\$ 1.1 billion, presenting a growth (+135.5%) even higher than refined copper. Copper products were also present, but at a lower value. Copper wires represented US\$ 275 million in the year and also presented a high growth (+143.7%) in relation to 2005.

Another basic product imported by Brazil was the wheat, amounting to US\$ 988 million in 2006 (+52.7% in relation to 2005). Primary food products have not presented a much higher share in Brazilian imports in 2006, however, in addition to wheat, there were important purchases of non-toasted malt (US\$ 218 million; +12.4% in relation to 2005), wines (US\$ 118 million; +39.8%) and white rice (US\$ 116 million; +57.5%).

Table 3.4 - Brazilian imports by technologically-intensive category: 2006 and 2005 (in US\$ million)

Category	2006	2005	2006 / 2005	Share 2006
Primary commodities	10,099	7,179	40.7%	11.0%
Labor-intensive industries	4,497	3,356	34.0%	4.9%
Low technologically-intensive industries	4,127	3,063	34.7%	4.5%
Average technologically-intensive industries	23,001	19,111	20.4%	25.2%
High technologicaly-intensive industries	31,610	26,757	18.1%	34.6%
Fuels and non-classified products	18,062	14,138	27.8%	19.8%
Total	91,396	73,605	24.2%	100.0%

Source: Own preparation based on Secex/MDIC data and UNCTAD methodology

Brazil purchases abroad a few types of primary commodities; the three first items (refined copper, copper ore and wheat) accounted for 1/3 of the total category in 2006. Their share in total imports is small, just 11% in the year.

Imports of fuels, classified at a specific category by UNCTAD, occurred at a higher magnitude, accounting for 20% of total imports in 2006. Crude oil imports accounted for slightly over a half of the result, amounting to US\$ 9.1 billion in 2006.

The main category in Brazilian imports is high-intensive goods, which presented the highest absolute growth in 2006. The relative growth of that category was lower than the average, but in absolute terms there was an increase of over US\$ 4.9 billion in relation to 2005. Brazil imported in 2006 almost 1,200 items classified as highly technologically-intensive. There was a predominance of intermediate goods, mostly comprised by parts and pieces of electronic devices and chemical products – see Table 3.5. There were significant imports of parts for assembling and manufacturing cell phones and personal computers.

**Table 3.5
Brazilian imports under a high technologically-intensive category: 2006 and 2005 (in US\$ million)**

Product	Harmonized System Code	2006	2005	2006 / 2005
Pieces for telecommunication devices	852990	2,174	1,490	45.9%
Digital integrated circuits	854221	2,077	1,688	23.0%
Drugs	300490	1,258	918	37.0%
Pieces for computers	847330	1,252	929	34.8%
Manures or potassium fertilizers	310420	950	960	-1.0%
Pieces for aircrafts and helicopters	880330	944	788	19.7%
Liquid cristal devices (LCD)	901380	788	551	43.1%
Integrated circuits, except digital	854229	746	710	5.1%
Telecommunication devices	852520	536	457	17.3%
Computer memory units	847170	500	313	59.5%
Other products		20,385	17,953	13.5%
Total		31,610	26,757	18.1%

Source: Own preparation based on Secex/MDIC data and UNCTAD methodology

SPECIAL ISSUE:

The United States trade deficit and the structure of its imports program

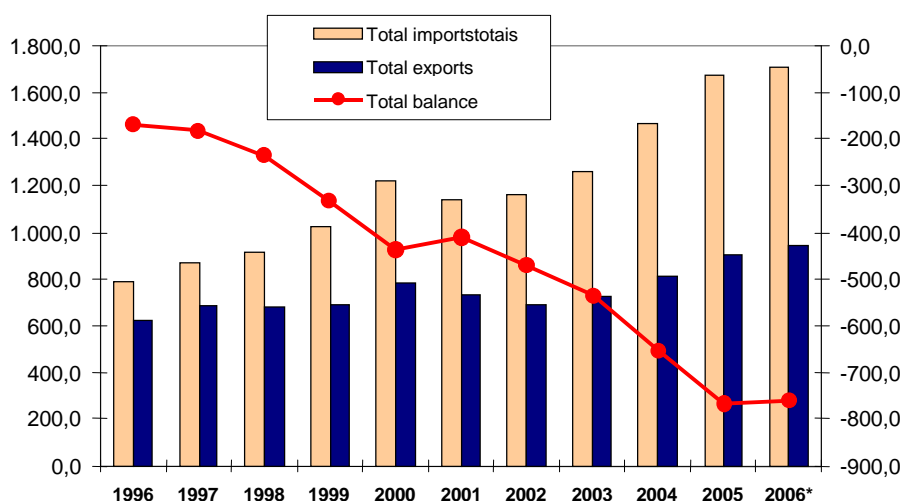
Fabrício Catermol

Thais Krutman

The United States trade deficit has been presenting successive historical records, having increased, in ten years, over 4 times. In 2005, the deficit in the North American balance of trade was US\$ 766.6 billion and, in the eleven first months of 2006, it performed an amount 8.0% higher than the same period of prior year. Despite having not yet exceeded the total for that year, the deficit increased US\$ 56.1 billion in the accumulated of 2006 in relation to same period of prior year.

The United States present the highest balance of trade in the world, accounting for about 25% of the global trade. Its total exports of goods ranks second in value, reaching US\$ 900 billion in 2005 and only slightly surpassed by Germany. In accordance with estimates from the U.S. Census Bureau (2007) there are over 239 thousand exporter enterprises in the United States, mostly small and medium enterprises. On the side of imports, the amounts are even more significant: the United States are the main global importers, surpassing the second position by about US\$ 1 billion in purchases of goods. The North American foreign purchases are significantly over the total of the two following countries in the global ranking of imports (Germany and China) and almost as big as the three main European countries (Germany, United Kingdom and France).

Graph 1
The United States balance of trade of goods: 1996 to November 2006
(in US\$ billion)



* up to November

Source: Own preparation based on data from the United States International Trade Commission

The deficit controversy

The high and increasing trade deficit of the United States represents a situation that has raised a wide debate among analysts of that country's economy.

Obstfeld and Rogoff (2000 and 2005) state that the deficit in current account over 6.0% of the United States GDP may cause a painful collapse of the dollar. The North American balance of payments would be at a medium term unsustainable trend. The inevitable reversal, if gradual, could precipitate a change in the real exchange rate over 10.0%; if abrupt, a big overshooting in quotation of the American currency. The situation would be similar to that experienced in the 1970's, with the collapse of the Bretton Woods system.

It seems to exist a consensus among the North American economy analysts that it is not a trivial question to change its trend of high and increasing deficits. The United States trade deficit should be based in long-term factors: dependence on energy, weak global demand by North American services and manufactured products and the dollar high quotation in the international market, despite the recent drops (Weller, 2006). However, it is not pacific to have an urgent adjustment and/or its necessity.

Truman (2005) reminds that the analyzes performed in 1998, when the deficit exceeded US\$ 200 billion (2.4% of GDP), already considered the existence of an unsustainable trend for the North American foreign accounts. After almost ten years elapsed, there was no adjustment and, on the contrary, the deficit volume and its share in the country's production has been increased. Despite that neither the American people, nor the foreign countries desire the adjustment, the author considers that it should occur within the following 5 years. The country's deficit in current account should decrease to 3.0% of GDP in such period.

Edwards (2005) warns that the adjustment will be necessary in the next future, even depending upon how much the international investors continue to demand North American assets in their portfolios. The international investors and foreign central banks may continue to demand North American assets significantly, but the deficit in current account should experience a strong drop in a not very distant future.

The apparent consensus on the inevitability of an adjustment in the North American's current account is not repeated when the deadline for occurrence of such event is mentioned. Debelli and Galati (2005), on a study carried out based on the history of industrialized countries in the last 30 years, conclude that adjustments of deficits in current account are difficult to foreseen. Although the adjustments are, after its deflagration, followed by a drop in the growth rate and strong depreciation of the country's currency, there are not perceptible changes in capital flows before the adjustment itself happens.

On the other hand, there is no unanimity about the North American deficit, despite a large convergence of opinions around its unsustainability. Dooley, Folkerts-Landau and Garber (2004) argue that the United States deficit in current account is not only unsustainable, but is also an integral part of a successful international monetary system, based on "net flows of savings from peripheral countries (poor) to central ones (rich), that is, of deficits in current account to the center and surpluses to the periphery" (p.2). The fast industrialization of peripheral countries – especially in East Asia, and notably the Chinese –, requires a large inflow of foreign direct investments and, therefore, a large deficit in current account of the developed countries for provision of collat-

eral. The international net reserves are an empiric compensation of the authors' definition of collateral, following a model similar to Obstfeld's (1994), by guessing that a fast growth of a country may be the result of exports of gross savings from distorted domestic markets and the return to the poor country through more efficient financial intermediation channels, such as by foreign direct investments.

Recognition of the long-term characteristics and the unpredictability of a possible adjustment of the North American current account enlightens the question without ignoring its complexity. However, despite of a great attention given the macroeconomic effects of the United States trade deficit in the international economy, a less perceived aspect is the own structure of its imports. The perception of components forming the United States imports program seems to strengthen the diagnosis of structural factors in its deficit also at the portion essentially for the trade of goods. The disaggregation per products and countries reflects a productive dependence in the international market, difficult to be changed in short-term.

The proportion between the number of countries with deficit and surplus in the trade of goods in relation to the United States is balanced. In 2005, there were 118 countries with which the United States had a trade deficit and 112 with which they presented a surplus. However, the countries having deficit trade accounts with the United States presents, in general, only a small portion of that result, but there are countries with large surpluses.

Holland was the only country with which the United States presented, in 2005, a trade balance over US\$ 10 billion, and such surplus continues increasing, since when comparing the eleven first months of 2006 to the same period of 2005, there is an increase of 19.9%. But there were 19 countries with which the United States presented a deficit over that value. There are large deficits with a relatively lower set of origins, although diversified by continents, including countries in Europe (Germany, Italy, Ireland, Sweden, etc.), Asia (China, Japan, Malaysia, South Korea, etc.), Latin America (Mexico and Venezuela), Africa (Nigeria) and Middle East (Saudi Arabia).

The United States average trade deficit with Brazil has been, in the last two years, of about US\$ 9.7 billion. Brazil was one of the few countries that presented a trend reversal along recent years. Until 2001, there was a surplus of the United States with Brazil, which reached US\$ 6.3 billion in 1997. The reversal occurred mainly for the exports of manufactured products, such as aircrafts, motors to vehicles, autoparts and footwear. Other rare examples of reversal from surplus to deficit were Korea, beginning in 1997, and the United Kingdom, beginning in 2002.

Table 1
The United States trade balance per countries: 10 first countries with surplus
and 10 first countries with deficit (in US\$ million and % variance)

Country	1996	1999	2002	2005	2006 (until November)	Variance 2005 / 1996	Variance 2006 / 2005 (Until nov)
1 Holland	9,997	10,939	8,471	11,634	12,507	16.4%	19.9%
2 Australia	8,137	6,520	6,606	8,430	8,815	3.6%	14.7%
3 Hong Kong	4,088	2,116	3,283	7,429	8,701	81.7%	29.4%
4 Arabian Emirates	2,031	2,002	2,661	7,007	9,563	245.0%	56.9%
5 Belgium	5,741	3,177	3,508	5,589	5,932	-2.6%	14.4%
6 Singapore	-3,655	-1,941	1,429	5,529	5,227	-	0.4%
7 Panama	1,032	1,376	1,105	1,842	2,120	78.5%	27.6%
8 Jamaica	652	616	1,028	1,310	1,338	100.9%	11.5%
9 Egypt	2,481	2,408	1,514	1,078	1,563	-56.6%	53.2%
10 Bahamas	560	648	517	1,069	1,682	91.0%	74.0%
10 Italy	-9,437	-12,344	-14,201	-19,496	-18,489	106.6%	2.4%
9 Saudi Arabia	-1,486	-336	-8,364	-20,398	-22,376	1272.8%	19.1%
8 Nigeria	-5,033	-3,733	-4,907	-22,573	-23,647	348.5%	16.1%
7 Malaysia	-9,303	-12,350	-13,662	-23,252	-21,753	149.9%	3.3%
6 Venezuela	-8,162	-5,896	-10,662	-27,556	-26,179	237.6%	4.2%
5 Mexico	-16,202	-22,662	-37,202	-50,149	-59,083	209.5%	28.8%
4 Germany	-15,469	-28,305	-35,852	-50,663	-43,563	227.5%	-5.6%
3 Canada	-23,922	-34,411	-49,790	-76,450	-67,586	219.6%	-1.2%
2 Japan	-47,683	-73,920	-70,055	-82,682	-80,986	73.4%	6.7%
1 China	-39,517	-68,668	-103,115	-201,626	-213,549	410.2%	15.2%
Total	-168,488	-331,945	-470,291	-766,561	-758,266	355.0%	8.0%

Source: Own preparation based on data from the United States International Trade Commission

China is the main country with surplus in relation to the United States. In 2005, China's trade balance was US\$ 201.6 billion, an amount more than double of the second country with highest surplus, Japan. In 2006, there was a variation of 15.2% in the Chinese surplus, keeping the above-mentioned relation. The Chinese surplus growth has been accelerated in the last years, having grown over 400% in the last ten years. Since 2000, China is the country with the highest trade surplus with the United States, year in which it surpassed Japan.

The imports structure

The United States imports more than doubled in the last ten years, although the growth rates among the main trade partners have been differentiated in the last decade.

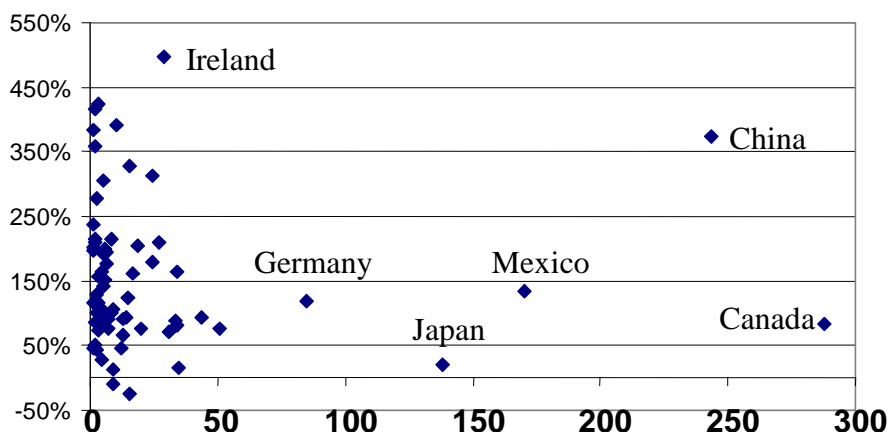
Canada is traditionally the main origin country of the United States foreign purchases. In 2005, there was US\$ 287.9 billion in Canadian exports to the United States, maintaining the country as first in the ranking, but the growth rate thereof in the last years is lower than total average. The United States total imports increased 111.2% from 1996 to 2005, while those from Canada, 83.9%.

The growth in the United States imports of Canadian products may not be considered small; despite lower than average, it represented an increase of US\$ 131.4

billion in absolute terms. Such amount was only defeated by the absolute increase from China, of US\$ 192.0 billion in the same period. Higher bases of comparison prevent higher growths, as well as an inverse effect also occurs. In such case, an important example comes from trade with Ireland. Exports from that country to the United States jumped from US\$ 4.8 billion in 1996 to US\$ 28.6 billion in 2005, that is, there was a fantastic record of 496.5% of sales growth. There are also several countries that exported less than US\$ 1 billion in 1996 and increased over 500%, like Slovakia, Latvia, Estonia and Central Asia countries also part of the old URSS. Not only a mere statistic effect, such result reflects a movement of manufacturing industries to countries with a cheaper labor in Europe itself and a diversification on the origin of fuels by its adjacencies.

Graph 2 shows a correlation between the amounts imported by the United States in 2005 and its growth rates in 67 countries. The data panel excludes countries with sales lower than US\$ 1.0 billion in 2005 and concentrates 97.0% of the United States imports program.

Graph 2
The United States imports growth rate between 1996 and 2005 per countries and respective amounts in US\$ billion in 2005



Source: Own preparation based on data from the United States International Trade Commission

It is possible to note in the graph that there is a big concentration of countries with exports in absolute amounts and growth rates in an intermediate range: 24 countries present exports lower than US\$ 50 billion in 2005 and growth rate between 50% and 150% in relation to 1996.

China is the great highlight by presenting absolute amounts and high growth rates. Its exports to the United States increased 373.0%, going from US\$ 51.5 billion in 1996 to US\$ 243.5 billion in 2005. The other big exporters to the United States – Mexico, Japan and Germany – present growth rates close to Canada, and sales of absolute value much lower than China and that country.

The increase in the United States deficit with China was already expected since mid-1990's. One of the main factors to influence such result was the displacement of the production of goods imported by the United States from East Asia countries to China, during the process of migration of labor-intensive manufacturing plants from other Asian countries to that country (Feenstra et al., 1998). However, despite the increasing importance of the Chinese products in the United States, as noted in Bown et

al. (2006), China accounts for just ¼ of the North American deficit. Protectionist measures against China would have little influence in the United States current account results, which carries out large purchases from other countries, both emerging (e.g.: textiles and clothing) and industrialized countries (e.g.: steel and autoparts).

Despite the big diversity in the number of origins and products, the United States imports program is relatively concentrated: the 20 main types of products purchased from the 5 main countries represented 55.3% of that country's total imports in 2005.

Table 2
The United States main imports per origin countries and their main products in 2005 (in US\$ million)

Product	Harmonized System Code (4 digits)	Canada	China	Mexico	Japan	Germany	Total
1 Cars	8703	36,606	175	10,826	35,216	20,353	103,177
2 Crude oil	2709	24,359	447	23,202	-	27	48,035
3 Computer material	8471	927	29,883	5,653	2,780	380	39,622
4 Auto parts	8708	11,886	1,993	7,779	9,233	2,784	33,675
5 Gas	2711	29,231	-	92	-	-	29,323
6 Telecommunication devices*	8525	1,553	12,409	2,827	4,593	211	21,593
7 Computer parts	8473	782	10,078	1,279	5,077	263	17,479
8 Reimported goods	9801	8,745	643	4,177	2,375	1,433	17,372
9 Trucks	8704	9,588	2	6,934	727	80	17,331
10 TVs and monitors	8528	33	4,883	9,633	1,890	13	16,452
11 Oil, except crude	2710	8,677	54	2,494	332	1,704	13,260
12 Special operations	9999	4,865	2,069	1,945	1,522	1,633	12,034
13 Furniture	9403	3,192	7,283	669	16	162	11,322
14 Furniture (seats and upholstery)	9401	1,849	4,622	3,510	194	177	10,352
15 Telephone devices	8517	1,866	4,227	2,597	699	201	9,590
16 Motorcar engines	8407	3,104	101	1,950	2,782	1,253	9,189
17 Wires and cables	8544	595	1,506	6,264	289	155	8,810
18 Footwear	6403	47	7,511	187	1	52	7,799
19 Toys	9503	82	7,299	126	43	48	7,599
20 Drugs	3004	2,127	6	294	1,667	3,360	7,453
Others		137,757	148,271	77,759	68,654	50,524	482,965
Total		287,870	243,462	170,198	138,091	84,813	924,434

Source: Own preparation based on data from the United States International Trade Commission

Oil is the product of highest imported value from the main origin for the United States foreign purchases, Canada; the same occurs in Mexico. Canada is the main supplier of mineral fuels (classified in chapter 27 of the Harmonized System) of the United States, accounting for the origin of 23% of that product in 2005 (US\$ 65.8 billion). Following came Venezuela (US\$ 31.6 billion in that year), Saudi Arabia (US\$ 26.5 billion), Mexico (US\$ 25.8 billion) and Nigeria (US\$ 24.1 billion).

Car purchases are also important among the main exporters to the United States, except China. The share of car purchases coming from Canada is slightly higher (US\$ 36.6 billion), but they are also significant to Japan (US\$ 35.2 billion), Germany (US\$ 20.4 billion) and Mexico (US\$ 10.8 billion).

In the United States imports from China, there is a big presence of goods of high technological content, but also many labor-intensive manufactured products. There are big imports from China of computer material and parts (US\$ 40.0 billion), telecommunication devices (US\$ 12.4 billion, 8525) and footwear (US\$ 12.7 billion).

In addition to the referred five leading countries, there is an intermediate range of other 16 countries that export significant amounts, between US\$ 15 and 50 billion. Such group is highly heterogeneous, involving, for instance, South Korea, Venezuela, Italy, Malaysia, India, Israel and Russia, besides Brazil itself.

The main products imported by the United States are fuels, computer materials, vehicles and parts thereof. These three types of products accounted for practically 1/4 of total imports from that country, both in 2005 and until November 2006.

Table 3
Main products imported by the United States: 1996 to November 2006
(in US\$ million)

Product	Harmonized System Code (4 digits)	1996	1999	2002	2005	2006 (until November)	Variance 2005 / 1996	Variance 2006 / 2005 (until Nov)
1 Crude oil	2709	50,582	50,662	79,368	182,752	208,986	261.3%	25.5%
2 Cars	8703	67,352	96,888	114,424	124,106	122,899	84.3%	9.5%
3 Computer material	8471	39,345	49,173	50,035	63,465	61,967	61.3%	7.4%
4 Petróleo, exceto bruto	2710	14,153	14,525	20,702	59,674	61,813	321.6%	13.2%
5 Auto parts	8708	20,360	25,320	29,347	41,320	39,967	102.9%	4.6%
6 Gas	2711	6,278	7,316	13,789	37,090	31,443	490.8%	-4.5%
7 Telecommunication devices*	8525	6,334	12,356	22,502	35,247	34,720	456.5%	7.1%
8 Reimported goods	9801	18,575	29,460	32,948	33,608	32,014	80.9%	3.7%
9 Computer parts	8473	21,313	30,522	24,121	30,370	31,244	42.5%	12.9%
10 Drugs	3004	3,357	8,695	17,794	28,597	31,491	751.9%	19.5%
11 Integrated circuits	8542	33,504	33,460	22,773	21,879	21,008	-34.7%	5.2%
12 TVs and monitors	8528	3,995	6,192	9,985	21,141	25,117	429.2%	30.0%
13 Telephone devices	8517	7,185	12,114	11,571	20,573	20,057	186.3%	7.6%
14 Trucks	8704	10,355	14,477	16,554	18,268	17,292	76.4%	4.4%
15 Special operations	9999	5,453	11,788	13,045	18,226	18,464	234.2%	11.5%
16 Diamonds	7102	6,625	9,929	12,132	16,307	16,152	146.1%	7.2%
17 Furniture	9403	4,773	8,478	11,566	16,075	15,572	236.8%	6.0%
18 Female clothing	6204	6,676	8,717	10,026	13,164	12,094	97.2%	-1.1%
19 Knitted clothing	6110	5,679	9,460	11,509	12,971	12,502	128.4%	2.8%
20 Furniture (seats and upholstery)	9401	4,374	7,150	9,108	12,753	12,595	191.6%	7.7%
Others		455,049	578,085	630,250	863,354	878,773	89.7%	11.2%
Total		791,315	1,024,766	1,163,549	1,670,940	1,706,169	111.2%	11.7%

Source: Own preparation based on data from the United States International Trade Commission

Other significant products, but not having their main origin from the 5 leading countries of the imports program, are drugs, diamonds and integrated circuits. Purchases of drugs had the highest increase when compared to imports of that product in the 1996-2005 period. The main origins of that product were: Ireland (US\$ 5.3 billion), France (US\$ 3.6 billion), Germany (US\$ 3.4 billion) and United Kingdom (US\$ 3.4 billion). As to imported diamonds, they come mainly from Israel (US\$ 8.1 billion), India (US\$ 3.1 billion) and Belgium (US\$ 2.8 billion). Integrated circuits come from Taiwan (US\$ 3.5 billion), Korea (US\$ 3.0 billion) and Malaysia (US\$ 2.9 billion).

Conclusions

The United States balance of trade is the highest in the world, presenting trade operations of about ¼ of the global one. Its deficit in current account is high and has been increasing in the last years. There is a wide discussion among the analysts of that country's economy about its future route and/or the necessity of adjustment in North America's foreign accounts. However, the structure of that country's imports program, significant to determine part of such deficit, does not usually receive the same atten-

tion. North American imports reflect long-term factors related to the country's current productive structure.

The United States total imports are relatively concentrated in certain origins and products, but there is not one single market preponderant in the final result of their composition. China is certainly a highlight in the global trade and consequently in the North America's case, but does not determine essentially its deficit. China, Canada, Mexico, Japan and Germany explain a little more than a half of the United States imports program, existing a large intermediate range of countries that export significant volumes of various products. Such countries are spread by almost all continents and sell products to the United States so diverse among themselves as primary commodities and manufactured products highly technologically-intensive.

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FORECASTS AND MACROECONOMIC INDICATORS

FORECASTS

Table 1 – Forecasts

	Gross Domestic Product - %													
	IMF (1)	OECD (2)	BBVA	Citigroup (3)	Economist (4)	Santander (5)	World Bank (6)	Merrill Lynch (7)	United Nations	2007 f_2008 f	2007 f_2008 f	2007 f_2008 f	2007 f_2008 f	2007 f_2008 f
Developed Countries	2.7	-	-	2.5	2.9	-	2.4	2.8	-	-	-	-	-	-
Japan	2.1	2.0	2.0	2.3	2.5	-	2.4	2.5	-	-	-	-	-	2.0
United States	2.9	2.4	2.7	2.8	3.4	2.2	2.1	3.0	-	-	-	-	-	2.2
Canada	3.0	2.7	3.1	2.8	2.4	2.5	-	-	-	-	-	-	-	-
UK	2.7	2.6	2.8	2.6	3.0	2.4	-	-	-	-	-	-	-	-
Euro Zone	2.0	2.2	2.3	2.0	2.4	1.9	1.9	1.9	-	-	-	-	-	2.4
Germany	1.3	1.8	2.1	1.7	2.4	1.5	-	-	-	-	-	-	-	-
France	2.3	2.2	2.3	2.1	2.3	2.0	-	-	-	-	-	-	-	-
Italy	1.3	1.4	1.6	1.2	1.5	1.3	-	-	-	-	-	-	-	-
Developing Countries	7.2	-	-	6.4	6.5	-	6.4	6.1	-	-	-	-	-	5.9
Africa	5.9	-	-	-	-	-	-	-	-	-	-	-	-	5.6
Latin America and Caribbean	4.2	-	4.0	4.4	4.0	-	4.5	3.9	4.2	4.0	4.3	3.8	4.2	-
Argentina	6.0	-	6.8	4.7	7.1	3.3	6.3	6.9	4.6	5.6	4.0	7.2	4.0	6.1
Bolivia	3.9	-	-	-	-	-	-	-	-	3.1	3.2	-	-	-
Brazil	4.0	3.8	4.0	3.5	3.8	3.3	3.6	3.5	3.4	3.8	3.4	3.6	3.5	-
Chile	5.5	-	5.2	5.3	5.2	5.3	5.6	5.2	5.3	5.3	4.9	4.4	-	-
Colombia	4.0	-	4.6	5.7	4.5	4.5	4.5	4.0	4.2	4.0	4.4	3.8	-	-
Ecuador	3.2	-	-	4.0	3.5	-	-	-	3.0	3.0	4.1	3.0	-	-
Mexico	3.5	3.6	3.7	3.6	3.8	3.2	4.0	3.8	3.5	3.5	3.2	3.5	3.0	-
Paraguay	4.0	-	-	-	-	-	-	-	3.0	3.1	-	-	-	-
Peru	5.0	-	5.5	6.0	5.7	-	-	-	5.5	5.0	5.9	4.8	-	-
Uruguay	4.2	-	-	5.0	4.5	-	-	-	4.4	3.8	5.5	3.0	-	-
Venezuela	3.7	-	3.6	7.8	5.0	5.5	7.2	4.5	6.0	5.5	7.7	4.5	6.0	-
Dominican Republic	5.0	-	-	-	-	-	-	-	5.5	5.0	-	-	-	-
Asia and Pacific	8.6	-	-	7.6	8.2	-	-	-	-	-	7.9	7.9	-	-
China	10.0	10.3	10.7	9.5	9.8	9.4	9.6	8.7	9.6	9.3	8.9	8.9	-	-
South Korea	4.3	4.4	4.6	4.7	5.0	4.2	-	-	-	-	4.5	5.0	-	-
Indonesia	6.0	-	-	6.0	6.5	5.8	-	-	6.2	6.5	6.0	7.0	-	-
Tailand	5.0	-	-	4.7	5.0	4.3	-	-	4.6	5.0	4.4	5.0	-	-
India	7.3	7.5	7.0	8.0	8.0	7.4	-	-	7.7	7.2	8.0	7.6	7.9	-
Commonwealth of Independent States	6.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	6.5	6.0	5.5	6.5	6.5	6.5	6.0	5.5	6.0	5.5	6.3	5.8	5.8	-
World	4.9	-	-	3.4	3.8	-	3.2	3.5	3.2	3.5	3.5	3.2	3.2	-

Source: Prepared based on reports of the institutions.

(1) World Economic Outlook (September 2006) and Reports of countries

(2) OECD Economic Outlook No. 80 (November 2006) - Preliminary Version

(3) Prospects for Financial Markets (November 2006) and Emerging World (January 2007)

(4) Average of the predictions of a group of forecasters surveyed by The Economist in AEN Amro, Deutsche Bank, Economist Intelligence Unit, Goldman Sachs, HSBC Securities, KBC Bank, JP Morgan Chase, Morgan Stanley, Decision Economics, BNP Paribas, Royal Bank of Canada, Citigroup, Scotiabank and UBS

(5) Latin America Daily Perspectives (January 3rd, 2007)

(6) Global Economic Prospects 2007

(7) Emerging Markets Economics (November 2006)

Table 2 – Forecasts

Consumer Price Index - %														
	IMF ⁽¹⁾		OECD ⁽²⁾		BBVA		Citigroup ⁽³⁾		Economist ⁽⁴⁾		Santander ⁽⁵⁾		Merrill Lynch ⁽⁶⁾	
	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f
Developed Countries	2.3	-	-	-	-	-	1.7	1.9	-	-	-	-	-	-
Japan	0.7	-	0.3	0.8	0.5	-	0.3	0.5	0.5	-	-	-	-	-
United States	2.9	-	2.3	2.3	2.0	-	1.8	2.2	2.1	-	-	-	-	-
Canada	2.0	-	1.5	2.0	-	-	2.0	2.2	2.0	-	-	-	-	-
UK	2.4	-	2.0	1.9	1.9	-	2.2	2.0	2.1	-	-	-	-	-
Euro Zone	2.4	-	1.9	1.8	2.1	-	1.9	1.9	2.1	-	-	-	-	-
Germany	2.6	-	1.9	1.0	2.4	-	2.2	1.4	2.2	-	-	-	-	-
France	1.9	-	1.4	1.6	1.8	-	1.4	1.6	1.5	-	-	-	-	-
Italy	2.1	-	1.9	2.0	1.9	-	1.8	1.9	1.9	-	-	-	-	-
Developing Countries	5.0	-	-	-	-	-	4.5	4.9	-	-	-	-	-	-
Africa	10.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America and Caribbean	5.2	-	-	-	5.4	-	5.1	5.4	-	-	5.1	4.9	5.3	5.9
Argentina	11.4	-	-	-	10.0	12.0	9.7	11.5	9.8	-	12.0	11.0	10.2	10.1
Bolivia	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Brazil	4.1	-	3.8	3.6	4.5	-	3.5	3.8	3.7	-	3.8	3.5	3.6	4.3
Chile	3.1	-	-	-	2.5	2.9	2.8	3.1	2.3	-	3.0	3.0	3.0	3.0
Colombia	4.2	-	-	-	3.9	-	4.4	3.8	4.2	-	4.1	4.0	4.5	4.4
Ecuador	3.0	-	-	-	-	-	3.8	3.5	-	-	-	-	2.9	2.4
Mexico	3.3	-	3.6	3.2	3.5	3.5	4.0	3.1	3.8	-	3.7	3.5	3.8	3.6
Paraguay	4.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Peru	2.5	-	-	-	2.2	-	1.7	3.0	-	-	-	-	2.3	2.4
Uruguay	4.3	-	-	-	-	-	5.9	5.3	-	-	-	-	6.0	5.4
Venezuela	15.4	-	-	-	17.3	-	18.3	23.0	17.0	-	11.5	10.4	18.0	22.5
Asia and Pacific	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Dominican Republic	3.6	-	-	-	-	-	3.3	3.9	-	-	-	-	3.4	3.4
China	2.2	-	1.8	2.0	2.0	-	3.0	4.5	2.1	-	-	-	2.5	2.2
South Korea	2.7	-	2.9	3.0	-	-	2.4	2.6	2.3	-	-	-	2.6	3.0
Indonesia	5.9	-	-	-	-	-	6.4	6.5	6.6	-	-	-	7.0	7.5
Tailand	2.6	-	-	-	-	-	2.7	2.6	3.6	-	-	-	2.9	2.6
India	5.3	-	5.5	5.2	-	-	4.4	4.0	6.1	-	-	-	5.9	6.1
Commonwealth of Independent States	9.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	8.5	-	8.5	7.2	-	-	8.1	8.9	9.2	-	-	-	9.8	9.3
World	3.5	-	-	-	-	-	2.4	2.6	-	-	-	-	-	-

Source: Prepared based on reports of the institutions.

(1) World Economic Outlook (September/2006) and Reports of countries

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(5) Latin America Daily Perspectives (January 3rd, 2007)

(6) Global Economic Prospects 2007

(7) Emerging Markets Economics (November/2006)

Table 3 – Forecasts

Public Account Balance - % of GDP														
	IMF (1)		OECD (2)		BBVA		Citigroup (3)		Santander (4)		Merrill Lynch (5)		Economist (6)	
	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f
Developed Countries	-2,3	-	-	-	-	-	-1,7	-1,5	-	-	-	-	-	-
Japan	-4,9	-	-4,0	-3,7	-	-	-3,9	-3,2	-	-	-	-	-	-4,8
United States	-3,2	-	-2,8	-3,0	-2,2	-	-1,9	-1,9	-	-	-	-	-	-2,3
Canada	1,0	-	0,8	0,8	-	-	0,1	0,3	-	-	-	-	-	0,7
UK	-2,8	-	-2,7	-2,6	-	-	-2,8	-2,4	-	-	-	-	-	-2,7
Euro Zone	-1,9	-	-1,5	-1,4	-2,2	-	-1,6	-1,5	-	-	-	-	-	-1,7
Germany	-2,4	-	-1,4	-1,3	-	-	-1,7	-1,6	-	-	-	-	-	-1,7
France	-2,6	-	-2,5	-2,3	-	-	-2,7	-2,4	-	-	-	-	-	-2,5
Italy	-4,1	-	-3,2	-3,3	-	-	-2,7	-3,1	-	-	-	-	-	-3,5
Developing Countries	-	-	-	-	-	-	-1,4	-1,3	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America and Caribbean	-	-	-	-	-0,9	-	-1,1	-1,0	-0,5	-0,5	-	-	-	-
Argentina	-	-	-	-	1,8	2,1	1,3	0,9	1,7	1,7	1,7	1,6	1,4	-
Bolivia	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brazil	-	-	-1,5	-1,0	-2,5	-	-3,2	-2,0	-2,5	-1,5	-1,0	-0,4	-2,2	-
Chile	-	-	-	-	5,0	4,0	5,5	2,5	5,8	2,5	6,0	3	5,8	-
Colombia	-	-	-	-	-1,7	-	-1,3	-2,2	-	-	-1,7	-1,8	-1,5	-
Ecuador	-	-	-	-	-	-	2,8	0,0	-	-	0,2	-0,3	-	-
Mexico	-	-	-	-	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,3	-
Paraguay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Peru	-	-	-	-	-1,0	-	0,9	-0,1	-	-	-0,8	-0,6	-	-
Uruguay	-	-	-	-	-	-	-0,6	-0,5	-	-	-	-	-	-
Venezuela	-	-	-	-	-3,1	-	-2,4	-2,5	0,2	-2,0	-1,1	-2,4	-2,5	-
Dominican Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia and Pacific	-	-	-	-	-	-	-1,7	-1,7	-	-	-	-	-	-
China	-	-	1,0	0,9	-	-	-1,8	-2,0	-	-	-1,2	-	-1,9	-
South Korea	2,5	-	2,1	2,0	-	-	2,0	2,0	-	-	-	-	0,4	-
Indonesia	-	-	-	-	-	-	-0,9	-0,5	-	-	-1,1	-	-0,9	-
Tailand	-	-	-	-	-	-	-2,0	-1,3	-	-	-1,0	-	-1,2	-
India	-	-	-6,3	-6,0	-	-	-6,7	-6,4	-	-	-3,9	-3,6	-4,3	-
Commonwealth of Independent States	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	-	-	4,6	3,3	-	-	3,1	3,2	-	-	4,8	3,2	5,9	-
World	-	-	-	-	-	-	-1,5	-1,4	-	-	-	-	-	-

Source: Prepared based on reports of the institutions.

(1) World Economic Outlook (September/2006) and Reports of countries

(2) OECD Economic Outlook No. 80 (November/2006) - Preliminary Version

(3) Prospects for Financial Markets (November/2006) and Emerging World (January/2007)

(4) Latin America Daily Perspectives (January 3rd, 2007)

(5) Emerging Markets Economics (November/2006)

(6) Average of the predictions of a group of forecasters surveyed by The Economist in ABN Amro, Deutsche Bank, Economist Intelligence Unit, Goldman Sachs, HSBC Securities, KBC Bank, JP Morgan Chase, Morgan Stanley, Decision Economics, BNP Paribas, Royal Bank of Canada, Citigroup, Scotiabank and UBS.

Table 4 – Forecasts

Saldo da Balança Comercial - US\$ Bilhões						
	BBVA		Santander (1)		Merrill Lynch (2)	
	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f
Developed Countries	-	-	-	-	-	-
Japan	-	-	-	-	-	-
United States	-772,0	-	-	-	-	-
Canada	-	-	-	-	-	-
UK	-	-	-	-	-	-
Euro Zone	-	-	-	-	-	-
Germany	-	-	-	-	-	-
France	-	-	-	-	-	-
Italy	-	-	-	-	-	-
Developing Countries	-	-	-	-	-	-
Africa	-	-	-	-	-	-
Latin America and Caribbean	-	-	92,6	73,6	-	-
Argentina	10,8	9,9	10,3	9,0	10,0	8,0
Bolivia	-	-	-	-	-	-
Brazil	35,0	-	39,5	33,2	36,1	30,4
Chile	23,2	22,7	19,5	16,5	21,5	14,0
Colombia	-0,8	-	-	-	-0,6	-1,6
Ecuador	-	-	-	-	0,2	-0,8
Mexico	-15,8	-20,6	-11,2	-11,6	-10,1	-14,3
Paraguay	-	-	-	-	-	-
Peru	6,5	-	-	-	8,3	8,2
Uruguay	-	-	-	-	-	-
Venezuela	28,2	-	34,5	26,5	22,3	16,6
Dominican Republic	-	-	-	-	-	-
Asia and Pacific	-	-	-	-	-	-
China	-	-	-	-	206,0	-
South Korea	-	-	-	-	-	-
Indonesia	-	-	-	-	31,8	-
Tailand	-	-	-	-	-5,8	-
India	-	-	-	-	-67,7	-80,7
Commonwealth of Independent States	-	-	-	-	-	-
Russia	-	-	-	-	-	-
World	-	-	-	-	-	-

Source: Prepared based on reports of the institutions.

(1) Latin America Daily Perspectives (January 3rd, 2007)

(2) Emerging Markets Economics (November/2006)

Table 5 – Forecasts

Current Account Balance - % of GDP																
	IMF (1)		OECD (2)		BBVA		Citigroup (3)		Santander (4)		World Bank (5)		Merrill Lynch (6)		Economist (7)	
	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f
Developed Countries	-1.7	-	-	-	-	-	-2.0	-2.1	-	-	-	-	-	-	-	-
Japan	3.5	-	4.5	5.3	-	-	3.4	3.5	-	-	-	-	-	-	-	3.7
United States	-6.9	-	-6.5	-6.6	-	-	-6.2	-6.4	-	-	-	-	-	-	-	-6.4
Canada	1.9	-	0.1	0.0	-	-	0.0	0.1	-	-	-	-	-	-	-	0.6
UK	-2.3	-	-2.0	-2.1	-	-	-3.5	-4.1	-	-	-	-	-	-	-	-2.7
Euro Zone	-0.2	-	-0.1	-0.1	-	-	-0.2	-0.2	-	-	-	-	-	-	-	-0.1
Germany	4.0	-	4.8	5.2	-	-	4.0	4.5	-	-	-	-	-	-	-	3.2
France	-1.7	-	-1.8	-1.8	-	-	-2.4	-2.8	-	-	-	-	-	-	-	-1.3
Italy	-1.0	-	-2.2	-2.6	-	-	-1.6	-1.4	-	-	-	-	-	-	-	-1.9
Developing Countries	-	-	-	-	-	-	2.1	1.5	-	-	-	-	-	-	-	-
Africa	4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America and Caribbean	1.0	-	-	-	0.9	-	0.5	-0.4	1.1	0.4	1.4	1.0	0.6	-0.3	-	-
Argentina	0.6	-	-	-	2.0	2.4	2.8	2.3	1.6	1.4	1.4	0.9	1.2	0.3	1.6	-
Bolivia	4.8	-	-	-	-	-	-	-	-	-	4.0	3.9	-	-	-	-
Brazil	0.4	-	0.9	0.4	0.9	-	0.9	0.0	0.3	0.2	1.1	0.8	0.7	0.1	0.3	-
Chile	0.9	-	-	-	2.4	2.7	2.8	0.6	2.6	1.3	2.7	2.0	0.6	-1.8	2.2	-
Colombia	-1.7	-	-	-	-1.5	-	-2.0	-2.6	-	-	-3.0	-3.7	-2.3	-2.6	-2.1	-
Ecuador	3.7	-	-	-	-	-	-1.8	-0.8	-	-	-1.1	-2.7	0.3	-1.5	-	-
Mexico	-0.8	-	-1.0	-1.4	-1.3	-1.7	-1.8	-2.2	-0.8	-0.9	-0.2	0.4	-0.7	-1.1	-1.1	-
Paraguay	-2.0	-	-	-	-	-	-	-	-	-	-0.4	-0.3	-	-	-	-
Peru	0.2	-	-	-	0.4	-	0.6	-0.2	-	-	0.5	-0.4	0.9	0.4	-	-
Uruguay	-3.2	-	-	-	-	-	-1.2	-1.0	-	-	-2.2	-2.5	-3.6	-5.0	-	-
Venezuela	17.6	-	-	-	11.8	-	7.2	3.8	13.3	7.8	12.6	7.6	7.1	4.0	10.1	-
Dominican Republic	-2.9	-	-	-	-	-	-	-	-	-	-4.1	-3.6	-	-	-	-
Asia and Pacific	3.9	-	-	-	-	-	4.4	3.8	-	-	-	-	5.0	-	-	-
China	7.2	-	8.5	8.8	-	-	6.5	5.3	-	-	7.5	7.0	9.5	-	6.7	-
South Korea	0.3	-	0.0	-0.4	-	-	0.9	0.9	-	-	-	-	-	-	0.0	-
Indonesia	0.6	-	-	-	-	-	0.9	0.2	-	-	0.2	-0.5	1.8	1.1	1.4	-
Tailand	-1.3	-	-	-	-	-	2.3	1.9	-	-	2.2	2.5	-0.3	-1.4	0.0	-
India	-2.7	-	-1.7	-1.8	-	-	-1.5	-0.8	-	-	-	-	-2.0	-1.9	-2.2	-
Commonwealth of Independent States	9.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Russia	10.7	-	7.1	4.5	-	-	4.1	3.5	-	-	5.2	2.9	9.8	9.3	7.3	-
World	-	-	-	-	-	-	-0.8	-1.1	-	-	-	-	-	-	-	-

Source: Prepared based on reports of the institutions.

(1) World Economic Outlook (September/2006) and Reports of countries

(2) OECD Economic Outlook No. 80 (November/2006) - Preliminary Version

(3) Prospects for Financial Markets (November/2006) and Emerging World (January/2007)

(4) Latin America Daily Perspectives (January 3rd, 2007)

(5) Global Economic Prospects 2007

(6) Emerging Markets Economics (November/2006)

(7) Average of the predictions of a group of forecasters surveyed by The Economist in AEN Amro, Deutsche Bank, Economist Intelligence Unit, Goldman Sachs, HSBC Securities, KBC Bank, JP Morgan Chase, Morgan Stanley, Decision Economics, BNP Paribas, Royal Bank of Canada, Citigroup, Scotiabank and UBS.

Table 6 – Forecasts

Foreign Currency Reserves - US\$ Billions								
	IMF ⁽¹⁾		BBVA		Santander ⁽²⁾		Merrill Lynch ⁽³⁾	
	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f	2007 f	2008 f
Developing Countries	3.694,6	-	-	-	-	-	-	-
Africa	306,2	-	-	-	-	-	-	-
Latin America and Caribbean	343,5	-	-	-	250,5	264,1	-	-
Argentina	-	-	40,2	-	36,1	38,0	38,7	40,4
Bolivia	-	-	-	-	-	-	-	-
Brazil	90,2	-	58,0	-	92,8	108,7	89,8	89,3
Chile	-	-	17,6	-	16,7	16,6	19,6	19,3
Colombia	-	-	16,3	-	-	-	-	-
Ecuador	-	-	-	-	-	-	3,1	2,8
Mexico	82,1	-	75,0	-	71,6	74,5	75,7	79,9
Paraguay	-	-	-	-	-	-	-	-
Peru	-	-	16,0	-	-	-	-	-
Uruguay	-	-	-	-	-	-	-	-
Venezuela	-	-	29,2	-	33,3	26,3	33,6	30,6
Dominican Republic	-	-	-	-	-	-	-	-
Asia and Pacific	1.733,6	-	-	-	-	-	-	-
China	1.302,6	-	-	-	-	-	1251,0	-
South Korea	-	-	-	-	-	-	-	-
Indonesia	-	-	-	-	-	-	-	-
Tailand	-	-	-	-	-	-	-	-
India	163,5	-	-	-	-	-	159,4	175,2
Commonwealth of Independent States	479,9	-	-	-	-	-	-	-
Russia	420,9	-	-	-	-	-	-	-
World	-	-	-	-	-	-	-	-

Source: Prepared based on reports of the institutions.

(1) World Economic Outlook (September/2006) e Reports of countries

(2) Latin America Daily Perspectives (January 3rd, 2007)

(3) Emerging Markets Economics (November/2006)

MACROECONOMIC INDICATORS AND FORECASTS FOR BRAZIL

Table 7 – Forecasts and Macroeconomic Indicators

Key Macroeconomic Indicators of Brazil and Forecasts												
	1999	2000	2001	2002	2003	2004	2005	2006	Central Bank of Brazil ⁽²⁾		International Bulletin ⁽¹⁾	
									2007 f	2008 f	2007 f	2008 f
GDP (Variation %) ⁽³⁾	0,8	4,4	1,3	1,9	0,5	4,9	2,3	2,7	3,5	3,6	3,5	3,7
Consumer Prices Index	8,9	6,0	7,7	12,5	9,3	7,6	5,7	3,1	4,1	4,1	3,9	3,8
Nominal Interest Rate (Selic end of period)	25,6	17,4	17,3	19,2	23,4	16,3	18,0	13,3	11,5	10,9	-	-
Public Sector Deficit (% of the GDP)	5,8	3,6	3,6	4,6	5,1	2,7	3,3	3,4	-	-	-2,2	-1,2
Public Sector Debt (% of the GDP)	49,7	48,8	52,6	55,5	57,2	51,7	51,5	50,0	48,9	46,9	-	-
Export (US\$ Billion)	48,0	55,1	58,2	60,4	73,1	96,5	118,3	137,5	145,8	154,5	-	-
Import (US\$ billion)	49,2	55,8	55,6	47,2	48,3	62,8	73,6	91,2	106,7	120,4	-	-
Trade Balance (US\$ Billion)	-1,2	-0,7	2,7	13,1	24,8	33,7	44,7	46,2	39,0	34,1	36,9	31,8
Current Account Balance (% of the GDP)	-4,7	-4,0	-4,6	-1,7	0,8	1,9	1,8	1,4	-	-	0,7	0,3
Foreign Direct Investment (US\$ billion)	26,9	30,5	24,7	14,1	9,9	8,7	15,1	18,8	17,0	17,8	-	-

Source: Central Bank of Brazil

(1) The forecasts for 2007 and 2008 are average expectations from the forecasts' tables.

(2) Average of market predictions surveyed by the Central Bank on 12/02/2007.

(3) For 2006, forecast of Central Bank

MACROECONOMIC INDICATORS OF SELECTED COUNTRIES

Table 8 – Macroeconomic Indicators

Gross Domestic Product - US\$ Billion							
	1999	2000	2001	2002	2003	2004	2005
Developed Countries							
Japan	4.363,11	4.650,95	4.090,19	3.911,58	4.237,07	4.587,15	4.567,44
United States	9.268,43	9.816,98	10.127,95	10.469,60	10.960,75	11.712,48	12.455,83
Canada	661,35	725,16	715,63	734,77	868,49	993,91	1.132,44
UK	1.467,03	1.445,19	1.435,63	1.574,47	1.814,64	2.155,16	2.229,47
Euro Zone							
Germany	2.146,43	1.905,80	1.892,60	2.024,06	2.444,28	2.744,22	2.791,74
France	1.456,78	1.333,00	1.341,43	1.463,90	1.805,03	2.059,72	2.126,72
Italy	1.202,40	1.100,56	1.118,32	1.223,24	1.510,06	1.726,79	1.765,54
Developing Countries							
Latin America and Caribbean							
Argentina	283,52	284,20	268,70	97,73	127,64	151,96	181,55
Bolivia	8,30	8,41	8,15	7,92	8,10	8,75	9,36
Brazil	536,69	601,55	510,38	460,61	505,54	603,78	795,67
Chile	73,00	75,21	68,57	67,27	73,70	95,00	115,31
Colômbia	86,19	83,79	81,99	81,12	79,46	96,79	122,27
Ecuador	16,67	15,93	21,25	24,90	28,64	32,64	36,49
Mexico	480,59	580,79	621,86	648,63	638,75	683,49	768,44
Paraguay	7,30	7,10	6,45	5,09	5,55	6,95	7,47
Peru	51,55	53,32	53,93	57,04	61,49	69,66	79,39
Uruguay	20,91	20,09	18,56	12,09	11,21	13,27	16,88
Venezuela	97,98	117,15	122,87	92,89	83,44	110,10	132,85
Dominican Republic	17,58	19,89	21,94	21,63	16,46	18,44	29,09
Asia and Pacific							
China	1.083,28	1.198,48	1.324,81	1.453,84	1.640,97	1.931,64	2.234,13
India	442,38	462,64	474,10	493,54	575,27	665,58	771,95
Commonwealth of Independent States							
Russia	195,91	259,70	306,58	345,49	431,43	589,03	763,29

Source: IMF

Note: Gross Domestic Product at the exchange in force.

Table 9 – Macroeconomic Indicators

Real GDP Growth - %										
	1999	2000	2001	2002	2003	2004	2005	2006E	2007f	2008f
Developed Countries	3,5	3,9	1,2	1,5	1,9	3,2	2,6	3,1	2,5	2,9
Japan	-0,2	2,9	0,4	0,1	1,8	2,3	2,6	2,7	2,3	2,3
United States	4,4	3,7	0,8	1,6	2,5	3,9	3,2	3,4	2,5	3,0
Canada	5,5	5,2	1,8	2,9	1,8	3,3	2,9	3,1	2,8	2,8
UK	3,0	3,8	2,4	2,1	2,7	3,3	1,9	2,7	2,6	2,9
Euro Zone	3,0	3,9	1,9	0,9	0,8	2,1	1,3	2,4	2,1	2,2
Germany	1,9	3,1	1,2	0,0	-0,2	1,2	0,9	2,5	1,6	2,3
France	3,0	4,0	1,8	1,1	1,1	2,0	1,2	2,4	2,1	2,3
Italy	1,7	3,0	1,8	0,3	0,1	0,9	0,1	1,5	1,4	1,6
Developing Countries	4,1	6,1	4,4	5,1	6,7	7,7	7,4	7,3	6,5	6,3
Africa	2,7	3,1	4,2	3,6	4,6	5,5	5,4	5,4	5,8	-
Latin America and Caribbean	0,5	3,9	0,5	0,1	2,2	5,7	4,3	5,3	4,2	3,9
Argentina	-3,4	-0,8	-4,4	-10,9	8,8	9,0	9,2	8,5	6,4	4,1
Bolivia	0,4	2,5	1,7	2,5	2,9	3,9	4,1	4,5	3,3	3,2
Brazil	0,8	4,4	1,3	1,9	0,5	4,9	2,3	2,8	3,5	3,7
Chile	-0,8	4,5	3,4	2,2	3,9	6,2	6,3	4,4	5,3	5,1
Colombia	-4,2	2,9	1,5	1,9	3,9	4,8	5,1	6,0	4,6	4,1
Ecuador	-6,3	2,8	5,3	4,2	3,6	7,9	4,7	4,9	3,4	3,2
Mexico	3,8	6,6	0,0	0,8	1,4	4,2	3,0	4,8	3,5	3,7
Paraguay	-1,5	-3,3	2,1	0,0	3,8	4,1	2,9	4,0	3,3	3,1
Peru	0,9	3,0	0,2	5,2	3,9	5,2	6,4	7,2	5,5	5,2
Uruguay	-2,8	-1,4	-3,4	-11,0	2,2	11,8	6,6	7,3	4,5	3,8
Venezuela	-6,0	3,7	3,4	-8,9	-7,7	17,9	9,3	10,0	5,8	4,9
Dominican Republic	8,1	7,8	4,0	4,5	-1,9	2,0	9,3	10,0	5,2	5,0
Asia and Pacific	6,2	7,0	6,1	7,0	8,4	8,8	9,0	8,7	8,0	8,1
China	7,1	8,4	8,3	9,1	10,0	10,1	10,2	10,0	9,6	9,9
South Korea	9,5	8,5	3,8	7,0	3,1	4,7	4,0	5,0	4,4	4,9
Indonesia	0,8	5,4	3,6	4,5	4,8	5,1	5,6	5,2	6,0	6,7
Tailand	4,4	4,8	2,2	5,3	7,0	6,2	4,5	4,5	4,6	5,0
India	6,9	5,3	4,1	4,3	7,2	8,0	8,5	8,3	7,7	7,5
Commonwealth of Independent States	5,2	9,0	6,3	5,3	7,9	8,4	6,5	6,8	6,5	-
Russia	6,4	10,0	5,1	4,7	7,3	7,2	6,4	6,5	6,2	5,8

Source: IMF and ECLAC

Note: The forecasts for 2007 and 2008 are average expectations from the forecasts' tables.

Table 10 – Macroeconomic Indicators

	Consumer Price Index - %									
	1999	2000	2001	2002	2003	2004	2005	2006E	2007f	2008f
Developed Countries	1,4	2,2	2,1	1,5	1,8	2,0	2,3	2,6	2,0	1,9
Japan	-0,3	-0,4	-0,8	-0,9	-0,3	0,0	-0,6	0,3	0,5	0,7
United States	2,2	3,4	2,8	1,6	2,3	2,7	3,4	3,6	2,2	2,3
Canada	1,7	2,7	2,5	2,3	2,7	1,8	2,2	2,2	1,9	2,1
UK	1,3	0,9	1,2	1,3	1,4	1,3	2	2,3	2,1	2,0
Euro Zone	1,1	2,1	2,3	2,2	2,1	2,1	2,2	2,3	2,1	1,9
Germany	0,6	1,5	2,0	1,4	1,0	1,7	2,0	2,0	2,3	1,2
France	0,5	1,8	1,8	1,9	2,2	2,3	1,9	2,0	1,6	1,6
Italy	1,7	2,6	2,3	2,6	2,8	2,3	2,3	2,4	1,9	2,0
Developing Countries	10,1	7,1	6,6	5,8	5,8	5,7	5,4	5,2	4,8	4,9
Africa	11,9	13,6	12,8	9,9	10,7	8,0	8,5	9,9	10,6	-
Latin America and Caribbean	9,7	9,0	6,1	12,2	8,5	7,4	6,1	4,8	5,2	5,4
Argentina	-1,8	-0,7	-1,5	4,1	3,7	6,1	12,3	10,0	10,5	11,2
Bolivia	3,1	3,4	0,9	2,4	3,9	4,6	4,9	4,7	4,0	-
Brazil	8,9	6,0	7,7	12,5	9,3	7,6	5,7	3,1	3,9	3,8
Chile	2,3	4,5	2,6	2,8	1,1	2,4	3,7	2,1	2,8	3,0
Colômbia	9,2	8,8	7,6	7,0	6,5	5,5	4,9	4,3	4,2	4,1
Ecuador	60,7	91,0	22,4	9,3	6,1	1,9	3,1	3,2	3,2	3,0
Mexico	12,3	9,0	4,4	5,7	4,0	5,2	3,3	4,1	3,7	3,4
Paraguay	5,4	8,6	8,4	14,6	9,3	2,8	9,9	8,9	4,9	-
Peru	3,7	3,7	-0,1	1,5	2,5	3,5	1,5	1,5	2,2	2,7
Uruguay	4,2	5,1	3,6	25,9	10,2	7,6	4,9	6,2	5,4	5,4
Venezuela	20,0	13,4	12,3	31,2	27,1	19,2	14,4	15,8	16,3	18,6
Dominican Republic	5,1	9,0	4,4	10,5	42,7	28,7	7,4	3,7	5,0	-
Asia and Pacific	2,5	1,7	2,7	2,0	2,5	4,1	3,5	3,8	3,4	3,7
China	-1,4	0,4	0,7	-0,8	1,2	3,9	1,8	1,5	2,3	2,9
India	4,7	3,9	3,7	4,5	3,7	3,9	4,0	5,6	5,4	5,1
Commonwealth of Independent States	69,6	24,6	20,3	13,8	12	10,3	12,3	9,6	9,2	-
Russia	85,7	20,8	21,5	15,8	13,7	10,9	12,6	9,7	8,8	8,5

Source: IMF, Central Bank of Brazil and ECLAC

Note: The forecasts for 2007 and 2008 are average expectations from the forecasts' tables.

Table 11 – Macroeconomic Indicators

Public Account Balance - % of GDP										
	1999	2000	2001	2002	2003	2004	2005	2006E	2007f	2008f
Países Desenvolvidos	-1,0	0,0	-1,5	-3,3	-3,9	-3,3	-2,7	-2,6	-2,0	-1,5
Japão	-7,5	-7,7	-6,4	-8,2	-8,1	-6,3	-5,6	-5,1	-4,4	-3,5
Estados Unidos	0,9	1,6	-0,4	-3,8	-4,8	-4,6	-3,7	-3,1	-2,5	-2,5
Canadá	1,6	2,9	0,7	-0,1	0,0	0,7	1,7	1,1	0,7	0,6
Reino Unido	1,2	1,7	1,0	-1,6	-3,3	-3,2	-3,3	-3,1	-2,8	-2,5
Zona do Euro	-1,3	-1,0	-1,9	-2,6	-3,0	-2,7	-2,2	-1,7	-1,8	-1,5
Alemanha	-1,5	1,3	-2,8	-3,7	-4,0	-3,7	-3,3	-2,6	-1,8	-1,5
França	-1,7	-1,5	-1,6	-3,2	-4,2	-3,7	-2,9	-1,8	-2,6	-2,4
Itália	-1,7	-0,7	-3,1	-2,9	-3,4	-3,4	-4,1	-3,3	-3,4	-3,2
Países em Desenvolvimento										
Africa ⁽¹⁾	-3,4	-1,2	-2,1	-2,3	-1,4	-0,2	1,5	4,2	-	-
Latin America and Caribbean ⁽¹⁾	-3,1	-2,7	-3,3	-3,2	-2,9	-1,9	-1,2	-0,3	-0,8	-0,8
Argentina	-3,1	-2,1	-4,0	-0,6	0,2	2,0	0,4	1,0	1,6	1,6
Bolívia	-3,5	-3,7	-6,8	-8,8	-7,9	-5,5	-2,3	5,2	-	-
Brazil ⁽¹⁾	-6,8	-3,1	-3,7	-6,4	-2,5	-1,3	-3,5	-4,0	-2,2	-1,2
Chile ⁽¹⁾	-2,1	-0,6	-0,5	-1,2	-0,4	2,1	4,7	7,6	5,6	3,0
Colômbia ⁽¹⁾	-6,1	-5,4	-5,3	-4,9	-4,7	-4,3	-4,8	-5,3	-1,6	-2,0
Ecuador ⁽¹⁾	-2,9	0,1	-1,0	-0,7	-0,4	-1,0	-0,5	0,6	1,5	-0,2
México	-1,1	-1,1	-0,7	-1,2	-0,6	-0,3	-0,1	-0,3	-0,1	0,0
Paraguay ⁽¹⁾	-3,8	-4,6	-1,2	-3,2	-0,4	1,6	0,8	0,8	-	-
Peru ⁽¹⁾	-3,1	-2,8	-2,8	-2,1	-1,7	-1,3	-0,7	0,3	-0,3	-0,4
Uruguay ⁽¹⁾	-3,9	-3,5	-4,5	-4,9	-4,6	-2,5	-1,6	-1,8	-0,6	-0,5
Venezuela ⁽¹⁾	-1,7	-1,7	-4,4	-4,0	-4,4	-1,9	1,7	1,0	-1,8	-2,3
Dominican Republic ⁽¹⁾	-1,8	-2,1	-2,4	-2,7	-5,2	-4,0	-0,7	-1,0	-	-
Asia and Pacific										
China ⁽¹⁾	-3,7	-3,3	-2,7	-3,0	-2,4	-1,5	-1,3	-1,2	-1,0	-0,6
India ⁽¹⁾	-6,5	-7,1	-6,6	-6,1	-5,3	-4,4	-4,2	-4,0	-5,3	-5,3
Commonwealth of Independent States										
Russia ⁽¹⁾	-4,2	0,8	2,7	1,3	1,7	4,3	7,5	8,5	4,6	3,2

Source: IMF, ECLAC, Mundial Bank, Asian Development Bank and African Development Bank

(1) Central Government, others General Government

Note: The forecasts for 2006 and 2007 are average expectations from the forecasts' tables.

Table 12 – Macroeconomic Indicators

Public Sector Net Debt - % of GDP								
	1999	2000	2001	2002	2003	2004	2005	2006
Developed Countries								
Japan	-	60,4	66,1	72,8	77,3	82,2	86,8	89,7
United States	-	39,5	38,3	41,0	43,8	45,4	46,1	46,3
Canada	-	65,3	60,2	58,0	51,5	46,7	41,9	38,7
UK	-	34,2	32,7	32,7	34,5	36,1	38,1	37,8
Euro Zone	-	57,7	57,5	57,5	59,0	60,1	61,0	60,1
Germany	-	51,5	52,1	54,3	57,8	60,1	62,5	63,5
France	-	47,0	48,2	48,5	52,6	54,8	57,0	54,8
Italy	-	103,4	103,0	100,4	100,5	102,7	105,4	106,4
Developing Countries								
Latin America and Caribbean								
Argentina ⁽¹⁾	43,5	45,6	53,6	162,5	138,2	126,5	72,8	-
Bolivia ⁽¹⁾	71,4	72,3	79,8	84,1	93,3	88,7	81,5	-
Brazil	48,7	48,8	52,6	55,5	57,2	51,7	51,5	-
Chile	10,4	11,4	11,3	11,4	13,4	11,1	8,0	-
Colômbia ⁽¹⁾	50,0	57,8	62,9	71,5	67,7	62,6	60,2	-
Equador ⁽¹⁾	102,3	88,9	66,7	56,9	50,6	44,1	40,1	-
Mexico	21,0	20,1	20,5	21,7	22,4	20,7	18,0	-
Paraguay ⁽¹⁾	34,2	35,9	44,7	63,9	47,4	42,1	35,0	-
Peru ⁽¹⁾⁽²⁾	49,1	46,1	45,2	46,8	47,3	43,3	39,8	-
Uruguay	27,4	31,0	39,4	84,0	76,5	63,3	52,1	-
Venezuela ⁽¹⁾	28,9	26,7	30,0	42,0	45,9	38,8	33,7	-
Dominican Republic ⁽¹⁾	21,1	18,9	19,6	23,9	44,2	25,5	26,6	-

Source: IMF, ECLAC and Central Bank of Brazil

(1) For this countries the index referees to Public Sector Gross Debt

(2) Central Government

Table 13 – Macroeconomic Indicators

External Debt - US\$ Billion								
	1999	2000	2001	2002	2003	2004	2005	2006E
Latin America and Caribbean	762,7	738,6	744,6	733,1	757,8	761,3	656,1	632,8
Argentina	152,6	155,0	166,3	156,7	164,6	171,1	113,5	106,8
Bolivia	4,6	4,5	4,5	4,4	5,1	5,0	4,9	4,7
Brazil	225,6	216,9	209,9	210,7	214,9	201,4	169,4	156,7
Chile	34,8	37,2	38,5	40,5	43,1	43,5	45,0	47,6
Colômbia	36,7	36,1	39,1	37,3	38,0	39,4	38,3	37,2
Ecuador	16,3	13,6	14,4	16,3	16,8	17,2	17,2	16,9
Mexico	166,4	148,7	144,5	135,0	132,3	130,9	127,1	130,9
Paraguay	2,7	2,9	2,7	2,9	3,0	2,9	2,8	-
Peru	28,6	28,0	27,2	27,9	29,6	31,1	28,6	27,9
Uruguay	8,3	8,9	8,9	10,5	11,0	11,6	11,4	11,5
Venezuela	37,0	36,4	35,4	35,5	39,7	44,5	47,2	43,1
Dominican Republic	3,7	3,7	4,2	4,5	6,0	6,4	6,8	7,0

Source: Balance Preliminar de las economías de América Latina y el Caribe 2006 (December)

Table 14 – Macroeconomic Indicators

Exports - US\$ Billion								
	1999	2000	2001	2002	2003	2004	2005	2006
Developed Countries								
Japan	417,6	479,2	403,5	416,7	471,8	565,7	595,8	-
United States	695,8	781,9	729,1	693,1	724,8	818,8	904,3	-
Canada	238,4	276,6	259,9	252,4	272,7	316,5	359,6	-
UK	272,2	285,4	272,7	280,2	305,6	347,5	377,9	-
Euro Zone								
Germany	543,5	551,8	571,6	615,8	751,6	909,9	970,7	-
France	325,5	327,6	323,4	331,7	392,0	452,1	459,2	-
Italy	235,6	240,5	244,5	254,4	299,3	353,8	366,8	-
Developing Countries								
Africa	116,7	147,1	137,4	140,6	176,5	230,0	295,8	-
Latin America and Caribbean	299,4	358,6	343,0	346,9	378,1	465,0	560,3	677,2
Argentina	23,3	26,3	26,5	25,7	29,7	34,6	40,1	47,0
Bolivia	1,1	1,2	1,3	1,3	1,6	2,1	2,7	3,9
Brazil	48,0	55,1	58,2	60,4	73,1	96,5	118,3	138,4
Chile	17,2	19,2	18,3	18,2	21,5	32,0	39,5	60,0
Colombia	12,0	13,7	12,8	12,3	13,8	17,2	21,7	24,2
Ecuador	4,6	5,1	4,8	5,3	6,4	8,0	10,4	12,7
Mexico	136,4	166,1	158,4	161,0	164,8	188,0	214,2	252,8
Paraguay	2,3	2,3	1,9	1,9	2,2	2,9	3,4	4,3
Peru	6,1	7,0	7,0	7,7	9,1	12,8	17,3	23,4
Uruguay	2,3	2,4	2,1	1,9	2,3	3,1	3,8	4,5
Venezuela	21,0	33,5	26,7	26,8	27,2	38,7	55,5	69,3
Dominican Republic	5,1	5,7	5,3	5,2	5,5	5,9	6,1	6,4
Asia and Pacific	1.547,2	1.836,2	1.673,3	1.808,2	2.136,6	2.652,3	3.045,1	-
China	194,9	249,2	266,1	325,6	438,2	593,3	762,0	-
India	35,7	42,4	43,4	49,3	57,1	75,6	89,8	-
Commonwealth of Independent States	106,5	145,7	144,3	153,2	194,6	265,5	341,9	-
Russia	75,7	105,6	101,9	107,3	135,9	183,2	245,3	-
World	5.713,0	6.451,0	6.184,0	6.484,0	7.572,0	9.191,0	10.393,0	-

Source: WTO, ECLAC

Table 15 – Macroeconomic Indicators

	Imports - US\$ Billion							
	1999	2000	2001	2002	2003	2004	2005	2006
Developed Countries								
Japan	310,0	379,5	349,1	337,2	382,9	454,5	516,1	-
United States	1059,4	1259,3	1179,2	1200,2	1303,1	1525,5	1732,7	-
Canada	220,2	244,8	227,3	227,5	245,0	279,8	320,1	-
UK	324,9	343,8	333,0	346,3	392,0	470,6	501,2	-
Euro Zone								
Germany	474,0	497,2	486,1	490,3	604,6	715,7	774,1	-
France	315,7	338,9	328,6	329,3	398,8	470,9	495,8	-
Italy	220,6	238,8	236,2	247,0	297,5	355,3	379,7	-
Developing Countries								
Africa	128,2	129,6	134,7	136,4	164,8	212,8	247,8	-
Latin America and Caribbean	306,2	355,4	347,1	322,7	333,2	405,9	479,1	573,5
Argentina	24,1	23,9	19,2	8,5	13,1	21,3	27,3	32,9
Bolivia	1,5	1,6	1,6	1,6	1,5	1,7	2,2	2,8
Brazil	49,2	55,8	55,6	47,2	48,3	62,8	73,6	92,7
Chile	14,7	17,1	16,4	15,8	18,0	23,0	30,4	35,7
Colômbia	10,3	11,1	12,3	12,1	13,3	15,9	20,1	24,8
Ecuador	3,0	3,7	5,2	6,2	6,4	7,7	9,7	11,6
Mexico	142,0	174,5	168,4	168,7	170,6	196,8	221,8	259,5
Paraguay	2,8	2,9	2,5	2,1	2,4	3,2	4,0	5,3
Peru	6,7	7,4	7,2	7,4	8,3	9,8	12,1	14,5
Uruguay	3,2	3,3	2,9	1,9	2,1	3,0	3,7	4,9
Venezuela	14,5	16,9	19,2	13,4	10,7	17,3	24,0	31,0
Dominican Republic	8,0	9,5	8,8	8,8	7,6	7,9	9,6	10,9
Asia and Pacific	1364,0	1677,1	1557,1	1653,4	1971,7	2480,9	2871,0	-
China	165,7	225,1	243,6	295,2	412,8	561,2	660,1	-
India	47,0	51,5	50,4	56,5	71,2	97,3	131,6	-
Commonwealth of Independent States	70,6	81,5	94,4	104,0	132,3	173,2	215,8	-
Russia	39,5	44,7	53,8	61,0	76,1	97,4	125,1	-
World	5919,0	6724,0	6482,0	6734,0	7855,0	9545,0	10753,0	-

Source: WTO, ECLAC

Table 16 – Macroeconomic Indicators

Trade Balance - US\$ billion										
	1999	2000	2001	2002	2003	2004	2005	2006	2007f	2008f
Developed Countries										
Japan	107,6	99,7	54,4	79,5	88,9	111,1	79,7	-	-	-
United States	-363,6	-477,4	-450,1	-507,1	-578,3	-706,7	-828,4	-	-772,0	-
Canada	18,3	31,8	32,6	24,9	27,7	36,8	39,5	-	-	-
UK	-52,7	-58,4	-60,3	-66,1	-86,3	-123,1	-123,4	-	-	-
Euro Zone										
Germany	69,5	54,6	85,5	125,5	146,9	194,1	196,6	-	-	-
France	9,8	-11,3	-5,2	2,5	-6,8	-18,8	-36,6	-	-	-
Italy	14,9	1,8	8,3	7,4	1,8	-1,5	-12,9	-	-	-
Developing Countries										
Africa	-11,5	17,5	2,7	4,2	11,7	17,2	48,0	-	-	-
Latin America and Caribbean	-6,8	3,2	-4,1	24,2	44,9	59,1	81,2	103,7	92,6	73,6
Argentina	-0,8	2,4	7,3	17,2	16,6	13,3	12,8	14,1	10,4	9,0
Bolivia	-0,4	-0,4	-0,3	-0,3	0,1	0,4	0,5	1,1	-	-
Brazil	-1,2	-0,7	2,6	13,2	24,8	33,7	44,7	45,7	36,9	31,8
Chile	2,5	2,1	1,9	2,4	3,5	9,0	9,1	24,3	21,4	17,7
Colômbia	1,7	2,6	0,5	0,2	0,5	1,3	1,6	-0,6	-0,7	-1,6
Ecuador	1,6	1,4	-0,4	-0,9	0,0	0,3	0,7	1,1	0,2	-0,8
Mexico	-5,6	-8,4	-10,0	-7,7	-5,8	-8,8	-7,6	-6,7	-12,4	-15,5
Paraguay	-0,5	-0,6	-0,6	-0,2	-0,2	-0,3	-0,6	-1,0	-	-
Peru	-0,6	-0,4	-0,2	0,3	0,8	3,0	5,2	8,9	7,4	8,2
Uruguay	-0,9	-0,9	-0,8	0,0	0,2	0,1	0,1	-0,4	-	-
Venezuela	6,5	16,6	7,5	13,4	16,5	21,4	31,5	38,3	28,3	21,6
Dominican Republic	-2,9	-3,8	-3,5	-3,6	-2,1	-2,0	-3,5	-4,5	-	-
Asia and Pacific	183,2	159,1	116,2	154,8	164,9	171,4	174,1	-	-	-
China	29,2	24,1	22,5	30,4	25,5	32,1	101,9	-	206,0	-
India	-11,3	-9,1	-7,0	-7,3	-14,2	-21,8	-41,8	-	-	-
Commonwealth of Independent States	35,9	64,2	49,9	49,2	62,3	92,3	126,1	-	-67,7	-80,7
Russia	36,1	60,9	48,1	46,3	59,9	85,8	120,1	-	-	-
World	-206,0	-273,0	-298,0	-250,0	-283,0	-354,0	-360,0	-	-	-

Source: WTO, ECLAC

Note: The forecasts for 2007 and 2008 are average expectations from the forecasts' tables.

Table 17 – Macroeconomic Indicators

Current Account Balance - US\$ Billion								
	1999	2000	2001	2002	2003	2004	2005	2006E
Developed Countries	-114,8	-267,1	-214,6	-229,5	-221,9	-267,2	-486,3	-571,1
Japan	114,5	119,6	87,8	112,6	136,2	172,1	165,7	167,3
United States	-299,8	-415,2	-389,0	-472,4	-527,5	-665,3	-791,5	-869,1
Canada	1,7	19,7	16,2	12,6	10,1	21,3	26,3	25,5
UK	-35,1	-37,6	-31,5	-24,8	-24,4	-35,4	-48,3	-55,9
Euro Zone	23,2	-40,9	3,6	42,4	34,4	82,5	-2,6	-9,6
Germany	-26,9	-32,6	0,4	41,0	45,6	101,9	114,9	120,6
France	42,0	18,0	21,5	14,5	7,9	-7,0	-33,6	-38,6
Italy	5,9	-6,1	-0,9	-8,1	-19,9	-15,6	-28,5	-25,6
Developing Countries	-24,0	79,6	40,0	78,5	147,8	211,9	424,7	586,7
Africa	-15,0	7,2	0,4	-7,8	-3,1	-0,4	18,4	33,1
Latin America and Caribbean	-56,6	-48,6	-54,1	-16,2	6,8	20,8	35,8	51,3
Argentina	-12,0	-9,0	-3,4	9,1	8,2	3,4	5,8	8,5
Bolivia	-0,5	-0,4	-0,3	-0,4	0,0	0,3	0,6	1,3
Brazil	-25,7	-24,2	-24,0	-8,1	4,2	11,7	14,2	13,1
Chile	0,1	-0,9	-1,1	-0,6	-1,0	1,6	0,7	5,9
Colômbia	0,7	0,8	-1,1	-1,4	-1,0	-0,9	-2,0	-2,4
Ecuador	1,0	0,9	-0,6	-1,3	-0,4	-0,6	0,2	0,5
Mexico	-14,2	-18,7	-18,0	-13,6	-8,5	-6,7	-5,0	-2,7
Paraguay	-0,2	-0,2	-0,3	0,1	0,1	0,1	0	-0,3
Peru	-1,5	-1,5	-1,2	-1,1	-0,9	0,0	1,1	2,3
Uruguay	-0,5	-0,6	-0,5	0,4	-0,1	0,0	0,0	-0,4
Venezuela	2,2	11,9	2,0	7,6	11,2	15,5	25,5	31,3
Dominican Republic	-0,5	-1,0	-0,8	-0,8	1,0	1,0	-0,5	-0,8
Asia and Pacific	38,3	38,2	37,7	66,9	86,1	94,2	165,3	184,6
China	15,7	20,5	17,4	35,4	45,9	68,7	160,8	184,2
India	-3,2	-4,6	1,4	7,1	8,8	1,4	-11,9	-17,6
Commonwealth of Independent States	23,7	48,2	33,1	30,2	35,9	62,5	87,7	127,1
Russia	24,6	46,8	33,9	29,1	35,4	58,6	83,6	120,1
World	-138,8	-187,4	-174,6	-151,0	-74,2	-55,3	-61,6	15,5

Source: IMF and ECLAC

Table 18 – Macroeconomic Indicators

Current Account Balance - % of GDP										
	1999	2000	2001	2002	2003	2004	2005	2006E	2007f	2008f
Developed Countries	-0,5	-1,1	-0,9	-0,9	-0,8	-0,8	-1,4	-1,6	-2,0	-2,1
Japan	2,6	2,6	2,1	2,9	3,2	3,8	3,6	3,7	3,9	4,4
United States	-3,2	-4,2	-3,8	-4,5	-4,8	-5,7	-6,4	-6,6	-6,3	-6,5
Canada	0,3	2,7	2,3	1,7	1,2	2,1	2,3	2,0	0,2	0,1
UK	-2,4	-2,6	-2,2	-1,6	-1,3	-1,6	-2,2	-2,4	-2,7	-3,1
Euro Zone	0,3	-0,7	0,1	0,6	0,4	0,9	0	-0,1	-0,2	-0,2
Germany	-1,3	-1,7	0	2	1,9	3,7	4,1	4,2	4,0	4,9
France	2,9	1,3	1,6	1	0,4	-0,3	-1,6	-1,7	-1,8	-2,3
Italy	0,5	-0,6	-0,1	-0,7	-1,3	-0,9	-1,6	-1,4	-1,9	-2,0
Developing Countries	-0,2	1,4	0,7	1,3	2	2,5	4,1	-	2,1	1,5
Africa	-3,4	1,6	0,1	-1,6	-0,5	-0,1	2,3	3,6	-	-
Latin America and Caribbean	-3,1	-2,4	-2,7	-0,8	0,5	1,0	1,5	1,8	0,9	0,2
Argentina	-4,2	-3,2	-1,2	8,5	6,2	2,3	3,2	4,0	1,8	1,5
Bolivia	-5,9	-5,3	-3,4	-4,5	0,9	3,9	6,6	12,0	4,0	3,9
Brazil	-4,7	-4	-4,6	-1,7	0,8	1,9	1,8	1,4	0,7	0,3
Chile	0,1	-1,2	-1,6	-0,9	-1,3	1,7	0,6	4,2	2,2	1,0
Colômbia	0,8	0,9	-1,3	-1,7	-1,2	-1,0	-1,6	-1,7	-2,2	-3,0
Ecuador	5,5	5,8	-2,9	-5,1	-1,5	-1,7	0,6	1,3	-0,9	-1,7
Mexico	-2,9	-3,2	-2,9	-2,2	-1,4	-1,0	-0,7	-0,3	-1,0	-1,2
Paraguay	-2,3	-2,3	-4,1	1,8	2,3	2	-0,3	-3,0	-0,4	-0,3
Peru	-2,8	-2,9	-2,1	-1,9	-1,5	0,0	1,4	2,5	0,6	-0,1
Uruguay	-2,4	-2,8	-2,7	3,1	-0,5	0,3	0,0	-2,1	-2,3	-2,8
Venezuela	2,2	10,1	1,6	8,2	14,1	14,1	18,2	17,5	10,4	5,8
Dominican Republic	-2,0	-4,4	-3	-3,2	5,3	4,8	-1,4	-2,1	-4,1	-3,6
Asia and Pacific	1,8	1,7	1,6	2,5	2,9	2,7	4,2	4,1	4,7	3,8
China	1,4	1,7	1,3	2,4	2,8	3,6	7,2	7,2	7,7	7,0
India	-0,7	-1	0,3	1,4	1,5	0,2	-1,5	-2,1	-1,9	-1,5
Commonwealth of Independent States	8,2	13,6	8	6,5	6,3	8,1	8,8	10,1	-	-
Russia	12,6	18	11,1	8,4	8,2	9,9	10,9	12,3	6,7	5,1

Source: IMF and ECLAC

Note: The forecasts for 2007 and 2008 are average expectations from the forecasts' tables.

Table 19 – Macroeconomic Indicators

Foreign Direct Investment Inflows - US\$ Billion								
	1999	2000	2001	2002	2003	2004	2005	2006
Developed Countries	861,7	1.145,9	610,2	442,8	360,8	396,1	542,3	800,7
Japan	12,7	8,3	6,2	9,2	6,3	7,8	2,8	-8,2
United States	283,7	314,0	159,5	74,5	53,1	122,4	99,4	177,3
Canada	24,7	66,8	27,7	22,2	7,6	1,5	33,8	-
UK	88,0	118,8	52,6	24,0	16,8	56,2	164,5	169,8
Euro Zone	316,7	498,3	287,4	241,0	216,2	127,1	204,6	-
Germany	56,1	198,3	26,4	53,5	29,2	-15,1	32,7	8,1
France	46,5	43,3	50,5	49,0	42,5	31,4	63,6	88,4
Italy	6,9	13,4	14,9	14,5	16,4	16,8	20,0	30,0
Developing Countries	227,7	254,6	210,5	162,1	172,8	275,0	334,3	367,7
Africa	12,5	9,6	19,9	13,0	18,5	17,2	30,7	38,8
Latin America and Caribbean	103,6	96,8	78,5	52,8	43,8	100,5	103,7	99,0
Argentina	24,0	10,4	2,2	2,1	1,7	4,3	4,7	3,3
Bolivia	1,0	0,7	0,7	0,7	0,2	0,1	-0,3	-
Brazil	28,6	32,8	22,5	16,6	10,1	18,1	15,1	18,8
Chile	8,8	4,9	4,2	2,5	4,3	7,2	6,7	9,9
Colômbia	1,5	2,4	2,5	2,1	1,8	3,1	10,2	4,9
Ecuador	0,6	0,7	1,3	1,3	1,6	1,2	1,9	-
Mexico	13,6	17,6	27,2	18,3	14,2	22,3	18,9	18,9
Paraguay	0,1	0,1	0,1	0,0	0,0	0,0	0,2	-
Peru	1,9	0,8	1,1	2,2	1,3	1,6	2,6	-
Uruguay	0,2	0,3	0,3	0,2	0,4	0,3	0,6	-
Venezuela	2,9	4,7	3,7	0,8	2,7	1,5	3,0	-
Dominican Republic	1,3	1,0	1,1	0,9	0,6	0,8	0,9	-
Asia and Pacific	134,7	181,4	134,7	131,1	141,1	157,3	200,0	229,9
China	40,3	40,7	46,9	52,7	53,5	60,6	72,4	70,0
India	2,2	3,6	5,5	5,6	4,6	5,5	6,6	9,5
Commonwealth of Independent States	6,8	5,4	7,3	9,0	15,7	26,3	27,2	-
Russia	3,3	2,7	2,7	3,5	8,0	15,4	14,6	28,4
Total	1.099,9	1.409,6	832,2	617,7	557,9	710,8	916,3	1.230,4

Source: UNCTAD

Table 20 – Macroeconomic Indicators

Foreign Currency Reserves - US\$ Billion										
	1999	2000	2001	2002	2003	2004	2005	2006	2007f	2008f
Developed Countries										
Japan	288,1	356,0	396,2	462,4	664,6	835,2	835,9	-	-	-
United States	73,1	68,5	69,2	80,4	88,5	90,1	67,2	-	-	-
Canada	28,2	32,0	34,0	37,0	36,2	34,4	33,0	-	-	-
UK	36,9	44,6	37,8	39,8	42,4	45,9	44,1	-	-	-
Euro Zone										
Germany	66,4	62,0	56,3	56,4	56,4	54,8	50,7	-	-	-
France	44,4	41,5	36,0	33,0	35,2	40,5	32,3	-	-	-
Italy	26,2	29,2	27,9	32,4	34,5	32,1	29,5	-	-	-
Developing Countries										
Africa	42,1	54,3	64,5	72,2	90,6	126,7	168,9	230,9	306,2	-
Latin America and Caribbean										
Argentina	26,3	25,1	14,6	10,5	14,2	19,0	27,3	-	38,3	39,2
Bolivia	1,0	0,9	0,9	0,6	0,7	0,9	1,3	-	-	-
Brazil	36,3	33,0	35,9	37,8	49,3	52,9	53,8	85,8	82,7	99,0
Chile	14,7	15,0	14,4	15,3	15,8	16,0	16,9	-	18,0	18,0
Colômbia	8,0	8,9	10,2	10,7	10,8	13,4	14,8	-	16,3	-
Ecuador	1,6	0,9	0,8	0,7	0,8	1,1	1,7	-	3,1	2,8
Mexico	31,8	35,5	44,8	50,6	59,0	64,1	74,1	72,8	76,1	77,2
Paraguay	1,0	0,8	0,7	0,6	1,0	1,2	1,3	-	-	-
Peru	8,7	8,4	8,7	9,3	9,8	12,2	13,6	-	16,0	-
Uruguay	2,1	2,5	3,1	0,8	2,1	2,5	3,1	-	-	-
Venezuela	12,3	13,1	9,2	8,5	16,0	18,4	23,9	-	32,0	28,5
Dominican Republic	0,7	0,6	1,1	0,5	0,3	0,8	1,8	-	-	-
Asia and Pacific										
China	158,3	168,9	216,3	292,0	409,2	615,5	822,6	1.062,6	1.276,8	-
India	33,2	38,4	46,4	68,2	99,5	127,2	141,7	154,5	161,45	175,2
Commonwealth of Independent States										
Russia	16,5	33,2	44,2	58,3	92,8	149,2	225,7	340,7	479,9	-
	9,1	24,8	33,1	44,6	73,8	121,5	186,3	288,9	420,9	-

Source: Central Bank of Brazil, IMF and Mundial Bank

Note: The forecasts for 2007 and 2008 are average expectations from the forecasts' tables.

OTHERS ECONOMIC INDICATORS

Table 21 – Economic Indicators

Average prices of Commodities: 2003 to 2006 ⁽¹⁾														
	Unidade	2003	2004	2005	2006 ⁽¹⁾	05 Q2	05 Q3	05 Q4	06 Q1	06 Q2	06 Q3	06 Q4 ⁽¹⁾	nov/06	dec/06 ⁽¹⁾
Foods														
Cereals														
Wheat	\$/MT	146	157	152	192	142	151	164	174	190	196	207	206	204
Maize	\$/MT	105	112	98	122	96	100	100	105	109	117	156	164	161
Rice	\$/MT	199	246	288	304	294	283	282	293	302	313	307	301	309
Barley	\$/MT	105	99	95	117	92	98	100	102	105	114	145	148	151
Vegetable oils and protein meals														
Soybeans	\$/MT	233	277	223	217	239	232	213	214	214	207	235	244	243
Soybean meal	\$/MT	215	257	206	194	223	217	196	198	193	180	205	214	206
Soybean oil	\$/MT	500	590	496	551	510	516	493	499	542	561	604	624	629
Palm oil	\$/MT	410	435	368	417	372	367	376	384	389	418	476	477	528
Coconut oil oil	\$/MT	462	673	620	605	659	569	571	576	576	598	671	657	732
Fish meal	\$/MT	650	693	744	1.074	696	741	832	909	949	1169	1270	1263	1285
Sunflower oil	\$/MT	650	734	1.145	713	1158	1152	1152	833	673	673	673	673	673
Olive oil	\$/MT	3.797	4.631	5.519	5.488	5493	5500	5559	5772	5637	5521	5020	5060	4760
Groundnuts	\$/MT	856	910	769	829	762	704	700	717	759	890	949	948	960
Meat														
Beef	cts/lb	90	114	119	116	120	121	116	113	112	117	120	121	121
Lamb	cts/lb	160	166	161	154	164	155	149	145	147	164	159	158	163
Swine Meat	cts/lb	53	71	68	64	70	68	62	58	66	70	62	62	61
Poultry	cts/lb	66	76	74	69	74	75	73	69	68	70	69	69	69
Seafood														
Fish	\$/kg	3.0	3.3	4.1	5.1	4.1	4.3	4.0	4.2	6.1	5.6	4.4	4.3	4.5
Shrimp	\$/lb	11.5	10.4	9.9	10.4	9.8	9.3	9.5	9.8	10.1	10.2	11.4	11.4	11.2
Sugar														
Free market	cts/lb	6.9	7.5	10.1	14.8	8.7	10.1	12.4	17.1	16.7	13.7	11.6	11.7	11.7
United States	cts/lb	21	21	21	22	21	21	22	24	23	22	20	20	20
EU	cts/lb	27	30	30	31	31	30	29	29	30	31	32	32	33
Bananas	\$/MT	375	525	577	683	569	463	510	792	777	559	604	603	656
Oranges	\$/MT	683	855	842	830	1065	752	722	809	755	815	942	931	860
Beverages														
Coffee														
Other milds	cts/lb	64	80	114	114	125	105	106	118	108	108	121	124	130
Robusta	cts/lb	38	37	53	70	58	55	55	65	64	74	78	80	78
Cocoa Benas	\$/MT	1.753	1.551	1.545	1.591	1.545	1.492	1.465	1.556	1.584	1.617	1.605	1.583	1.702
Metals														
Copper	\$/MT	1.779	2.863	3.676	6.731	3.387	3.750	4.304	4.948	7.229	7.680	7.069	7.029	6.681
Aluminum	\$/MT	1.433	1.719	1.901	2.573	1.788	1.831	2.081	2.423	2.656	2.486	2.728	2.702	2.824
Iron	cts/DMTU	32	38	65	77	65	65	65	77	77	77	77	77	77
Tin	\$/MT	4.890	8.481	7.385	8.755	7.946	7.060	6.451	7.602	8.504	8.589	10.325	10.038	11.126
Nickel	\$/MT	9.630	13.821	14.778	24.126	16.418	14.568	12.719	14.854	19.915	28.786	32.948	31.892	34.401
Zinc	\$/MT	828	1.048	1.381	3.266	1.272	1.298	1.638	2.246	3.270	3.352	4.197	4.379	4.381
Lead	\$/MT	514	882	974	1.288	983	893	1.046	1.240	1.101	1.193	1.620	1.626	1.709
Uranium	\$/lb	11.2	18.0	27.9	48	26.8	29.8	33.9	38.1	43	49	61	61	67
Energy														
Spot crude (APSP ²)														
U.K. Brent	\$/bbl	28.9	37.8	53.4	64.3	50.8	60.0	56.5	61.0	68.3	68.8	59.0	58.1	61.0
Dubai	\$/bbl	26.7	33.5	49.2	61.4	47.7	55.3	52.7	57.8	64.7	65.9	57.3	56.8	58.7
West Texas Intermediate	\$/bbl	31.1	41.4	56.4	66.1	53.1	63.1	60.0	63.3	70.5	70.4	60.0	59.1	62.0
Natural Gas														
Russian in Germany	\$/000M3	125.5	135.2	212.9	295.7	198.4	220.7	250.6	275.8	293.0	302.4	311.4	311.4	311.4
Indonesian in Japan (LNG)	\$/M3	104.8	123.9	148.0	171.3	145.9	154.2	162.8	162.3	175.4	180.3	167.1	167.1	167.1
US, domestic market	\$/000M3	197.8	212.7	319.0	242.7	250.0	355.0	443.8	277.1	235.4	218.4	239.8	266.8	242.3
Coal														
Australian export markets	\$/MT	28.0	56.7	51.0	52.6	54.8	51.9	42.4	50.2	56.4	53.9	49.9	49.3	53.3
South African export markets	\$/MT	30.0	54.7	46.1	50.7	46.8	49.1	40.6	49.5	52.6	51.2	49.4	48.2	50.7

¹ Provisory numbers since 2006 Q4.² Average Petroleum Spot Price. Média ponderada igualmente dos preços de UK Brent, Dubai e West Texas Intermediate.

Source: FMI

Table 22 – Macroeconomic Indicators

Currency Quotations (in R\$)			
Month	US \$	Euro €	UK £
jan/04	2,94	3,60	5,20
feb/04	2,91	3,70	5,46
mar/04	2,91	3,57	5,32
apr/04	2,94	3,49	5,26
may/04	3,13	3,71	5,52
jun/04	3,11	3,81	5,73
jul/04	3,03	3,74	5,60
ago/04	2,93	3,67	5,48
sep/04	2,86	3,54	5,20
oct/04	2,86	3,57	5,17
nov/04	2,73	3,63	5,20
dec/04	2,65	3,65	5,26
jan/05	2,62	3,55	5,07
feb/05	2,60	3,39	4,92
mar/05	2,67	3,57	5,16
apr/05	2,53	3,35	4,90
may/05	2,40	3,14	4,59
jun/05	2,35	2,94	4,40
jul/05	2,39	2,86	4,16
ago/05	2,36	2,90	4,23
sep/05	2,22	2,82	4,16
oct/05	2,25	2,71	3,98
nov/05	2,21	2,61	3,84
dec/05	2,34	2,71	3,98
jan/06	2,22	2,76	4,02
feb/06	2,14	2,59	3,79
mar/06	2,17	2,59	3,75
apr/06	2,09	2,62	3,77
may/06	2,30	2,99	4,38
jun/06	2,16	2,79	4,03
jul/06	2,18	2,78	4,06
ago/06	2,14	2,74	4,06
sep/06	2,17	2,76	4,07
oct/06	2,14	2,73	4,08
nov/06	2,17	2,87	4,24
dec/06	2,14	2,82	4,19

Source: Central Bank of Brazil and BNDES.

Table 23 – Macroeconomic Indicators

Currency Quotations (in m.u./US\$)					
Month	Peso (Argentina)	Peso (Chile)	Peso (Colombia)	Peso (Mexico)	Peso (Uruguay)
jan/04	2,87	572,38	2.749,39	10,93	29,42
feb/04	2,91	584,31	2.717,94	11,01	29,52
mar/04	2,88	603,91	2.670,80	11,00	29,66
apr/04	2,81	608,19	2.636,35	11,25	29,65
may/04	2,90	635,76	2.719,43	11,51	29,76
jun/04	2,94	643,18	2.716,56	11,38	29,74
jul/04	2,96	632,39	2.654,31	11,47	29,46
ago/04	2,99	635,93	2.598,59	11,40	28,89
sep/04	2,97	616,20	2.552,16	11,49	27,95
oct/04	2,95	607,28	2.580,70	11,39	27,18
nov/04	2,93	596,72	2.530,19	11,39	26,65
dec/04	2,95	576,17	2.416,92	11,21	26,58
jan/05	2,92	576,17	2.362,96	11,26	25,53
feb/05	2,90	573,58	2.340,49	11,15	24,93
mar/05	2,91	586,38	2.353,71	11,13	25,53
apr/05	2,88	580,61	2.350,01	11,13	25,21
may/05	2,87	578,03	2.339,22	10,99	24,49
jun/05	2,86	585,22	2.327,49	10,83	24,25
jul/05	2,85	575,77	2.324,30	10,69	24,61
ago/05	2,87	546,61	2.306,01	10,67	24,34
sep/05	2,89	536,70	2.294,52	10,78	24,09
oct/05	2,95	537,81	2.292,55	10,83	23,59
nov/05	2,95	529,88	2.279,85	10,69	23,52
dec/05	3,00	514,33	2.277,94	10,62	23,65
jan/06	3,07	530,23	2.359,52	10,90	24,19
feb/06	3,03	524,48	2.273,66	10,57	24,23
mar/06	3,05	525,70	2.256,24	10,48	24,27
apr/06	3,06	528,77	2.262,36	10,71	24,10
may/06	3,05	517,33	2.354,55	11,02	23,96
jun/06	3,04	520,79	2.397,76	11,08	23,88
jul/06	3,06	542,46	2.551,61	11,39	23,95
ago/06	3,06	540,62	2.524,75	11,03	23,98
sep/06	3,10	538,73	2.387,72	10,88	23,93
oct/06	3,11	538,00	2.398,17	10,98	23,86
nov/06	3,12	530,31	2.358,68	10,89	24,10
dec/06	3,10	527,52	2.290,83	10,92	24,40

Source: BCRP and Mecon

Table 24 – Macroeconomic Indicators

Month	TJLP	Selic (1)	TR (2)	Libor (3)		
				6 months	12 months	60 months
jan/04	10,00	16,32	1,55	1,19	1,40	3,56
feb/04	10,00	16,30	0,64	1,12	1,41	3,46
mar/04	10,00	16,19	1,97	1,16	1,33	3,17
apr/04	9,75	15,96	1,11	1,26	1,56	3,66
may/04	9,75	15,77	1,87	1,50	1,97	4,31
jun/04	9,75	15,80	2,13	1,78	2,32	4,40
jul/04	9,75	15,77	2,26	1,89	2,33	4,24
ago/04	9,75	15,86	2,32	1,94	2,30	4,11
sep/04	9,75	16,09	2,09	2,08	2,35	3,87
oct/04	9,75	16,41	1,41	2,21	2,46	3,82
nov/04	9,75	16,96	1,45	2,46	2,76	3,96
dec/04	9,75	17,50	2,66	2,70	3,00	4,05
jan/05	9,75	17,93	2,28	2,87	3,20	4,04
feb/05	9,75	18,47	1,36	3,02	3,35	4,15
mar/05	9,75	18,97	3,06	3,26	3,65	4,57
apr/05	9,75	19,32	2,55	3,38	3,75	4,56
may/05	9,75	19,61	3,07	3,46	3,74	4,36
jun/05	9,75	19,75	3,48	3,60	3,81	4,19
jul/05	9,75	19,72	3,13	3,82	4,03	4,38
ago/05	9,75	19,75	3,86	4,01	4,26	4,58
sep/05	9,75	19,61	3,21	4,03	4,20	4,42
oct/05	9,75	19,25	2,68	4,33	4,55	4,75
nov/05	9,75	18,87	2,46	4,54	4,78	4,95
dec/05	9,75	18,24	2,63	4,55	4,83	4,93
jan/06	9,00	17,65	2,70	4,72	4,83	4,82
feb/06	9,00	17,28	1,02	4,90	5,06	5,05
mar/06	9,00	16,74	2,29	5,04	5,17	5,18
apr/06	8,15	16,19	1,20	5,19	5,32	5,36
may/06	8,15	15,70	1,88	5,32	5,42	5,47
jun/06	8,15	15,18	2,35	5,62	5,74	5,75
jul/06	7,50	14,98	2,12	5,54	5,59	5,49
ago/06	7,50	14,66	2,70	5,46	5,47	5,29
sep/06	7,50	14,17	1,93	5,37	5,31	4,99
oct/06	6,85	13,95	2,27	5,40	5,37	5,10
nov/06	6,85	13,65	1,63	5,35	5,27	4,95
dec/06	6,85	13,19	1,93	5,36	5,29	5,00

Source: Central Bank of Brazil and BNDES.

Note: (1) Basic interest rate, annual average - 252 days; (2) Referencial interest rate - first day of the month; (3) Monthly average

Table 25 – Macroeconomic Indicators

Stock Index (basis points) - End of period						
Month	Bovespa (Brazil)	Dow Jones (USA)	Nasdaq (USA)	Merval (Argentina)	IPSA (Chile)	IPC (México)
jan/04	8.192	10.488	2.066	407,6	12,5	845
feb/04	7.480	10.584	2.030	382,3	12,5	897
mar/04	7.546	10.357	1.995	422,0	12,5	917
apr/04	7.508	10.229	1.920	407,5	12,3	941
may/04	6.085	10.188	1.987	327,2	11,3	859
jun/04	6.465	10.435	2.048	313,8	11,4	893
jul/04	7.146	10.140	1.887	327,5	12,2	875
ago/04	7.423	10.174	1.838	316,2	12,6	883
sep/04	7.850	10.080	1.897	350,0	13,5	929
oct/04	8.206	10.027	1.975	402,7	14,3	977
nov/04	8.612	10.428	2.097	423,8	14,8	1.046
dec/04	9.422	10.800	2.178	431,8	15,6	1.116
jan/05	9.066	10.490	2.062	454,1	15,2	1.132
feb/05	10.181	10.766	1.052	512,0	15,7	1.220
mar/05	10.203	10.504	1.999	496,9	15,9	1.187
apr/05	9.895	10.193	1.922	470,3	16,1	1.105
may/05	10.137	10.467	2.068	497,3	15,9	1.159
jun/05	10.543	10.275	2.057	504,0	16,1	1.236
jul/05	10.638	10.641	2.185	503,1	16,8	1.311
ago/05	11.442	10.482	2.152	527,4	18,1	1.365
sep/05	13.012	10.569	2.153	561,9	18,4	1.428
oct/05	13.238	10.440	2.120	546,8	18,7	1.417
nov/05	14.068	10.806	2.233	541,7	18,0	1.532
dec/05	14.510	10.718	2.205	508,4	18,0	1.658
jan/06	15.977	10.865	2.306	547,0	17,9	1.774
feb/06	17.453	11.062	2.287	556,8	18,2	1.775
mar/06	17.562	11.151	2.340	583,1	18,6	1.773
apr/06	18.407	11.367	2.323	611,2	19,2	1.800
may/06	15.834	11.094	2.165	535,8	18,6	1.647
jun/06	16.919	11.150	2.172	554,6	18,4	1.688
jul/06	17.027	11.186	2.091	553,9	18,3	1.833
ago/06	16.899	11.381	2.184	537,0	19,1	1.929
sep/06	16.805	11.679	2.258	527,5	20,0	1.997
oct/06	18.327	12.081	2.367	576,6	21,1	2.144
nov/06	19.368	12.222	2.432	641,0	22,25	2.275
dec/06	20.824	12.463	2.415	682,9	23,2	2.445

Source: Central Bank of Brazil and Mecon.