

The background features a line graph with a white line and green circular markers. The line starts at a high level on the left, remains relatively flat with a slight downward trend, then drops sharply to a low point, and finally rises steeply. To the right of the line graph, there is a bar chart with vertical blue bars of varying heights. The overall background is a gradient from dark blue at the top to green at the bottom, with a grid of small white plus signs.

# MONTHLY ECONOMIC

SITUATION REPORT

OFFICE OF  
THE CHIEF  
ECONOMIST



2021

SEPTEMBER  
2021

## Main messages

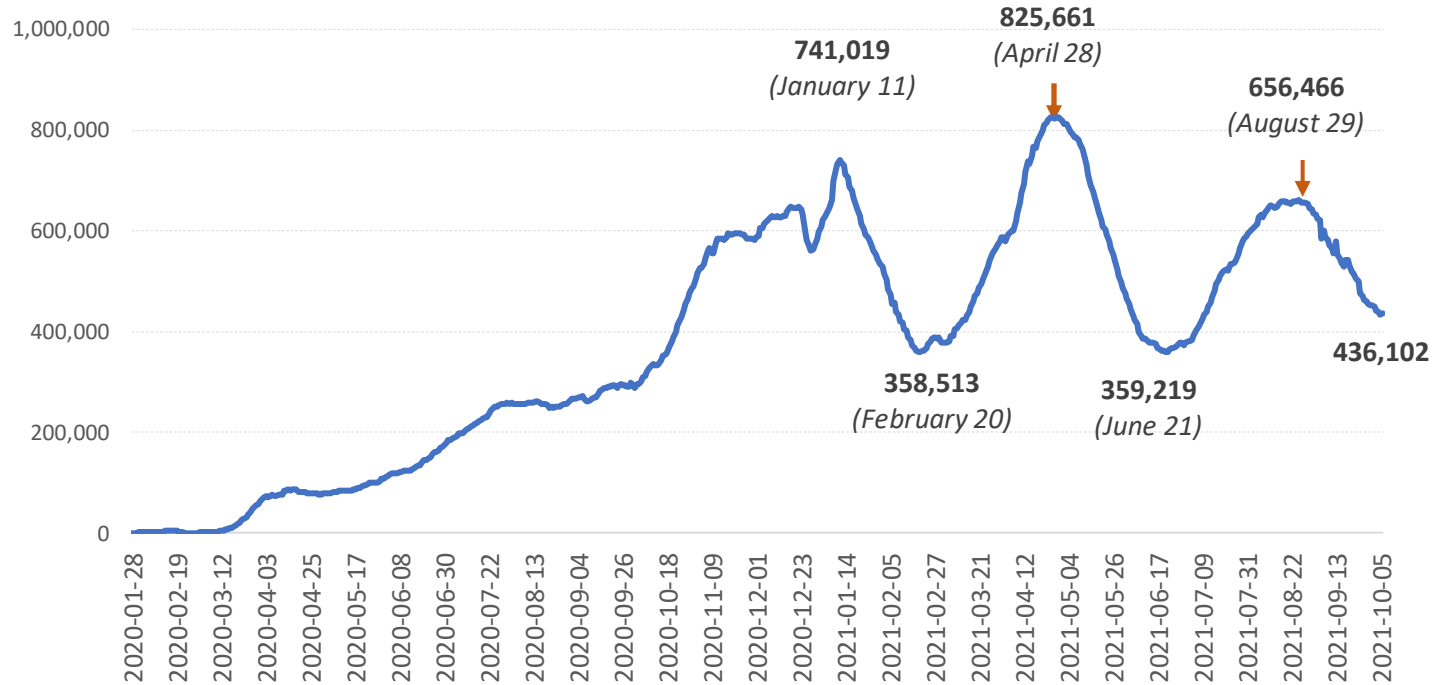
- Daily new infections of COVID-19 decreased in the last month due to the decrease in cases in the American continent and Asia.
- The US and extra-regional partners show some signs of an economic slowdown.
- The Fed has revealed early signs that it could adopt a less loose monetary policy in the short term.
- In Central America the dynamism of the economies continues to be reflected in the economic indicators:
  - all countries recorded growth in the IMEA, exports, imports, remittances and central government revenues
  - and in most countries upturns in international reserves are observed

# RECENT DEVELOPMENTS OF THE PANDEMIC IN THE WORLD



# In the last month, there was a reduction in the daily new cases of COVID-19 worldwide

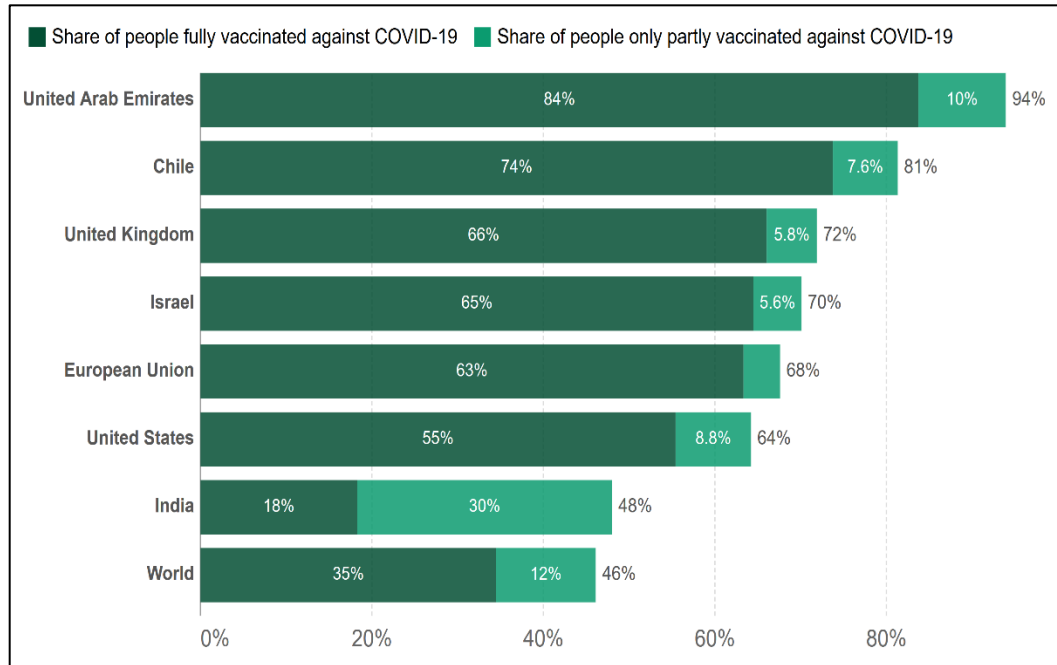
**Graph 1.** Evolution of new daily COVID-19 cases (7-day moving average).



Source: Our World in Data. Coronavirus (COVID-19) Vaccinations, October 7, 2021.

# Even though vaccination plans are progressing at different speeds, the gap between countries has begun to narrow.

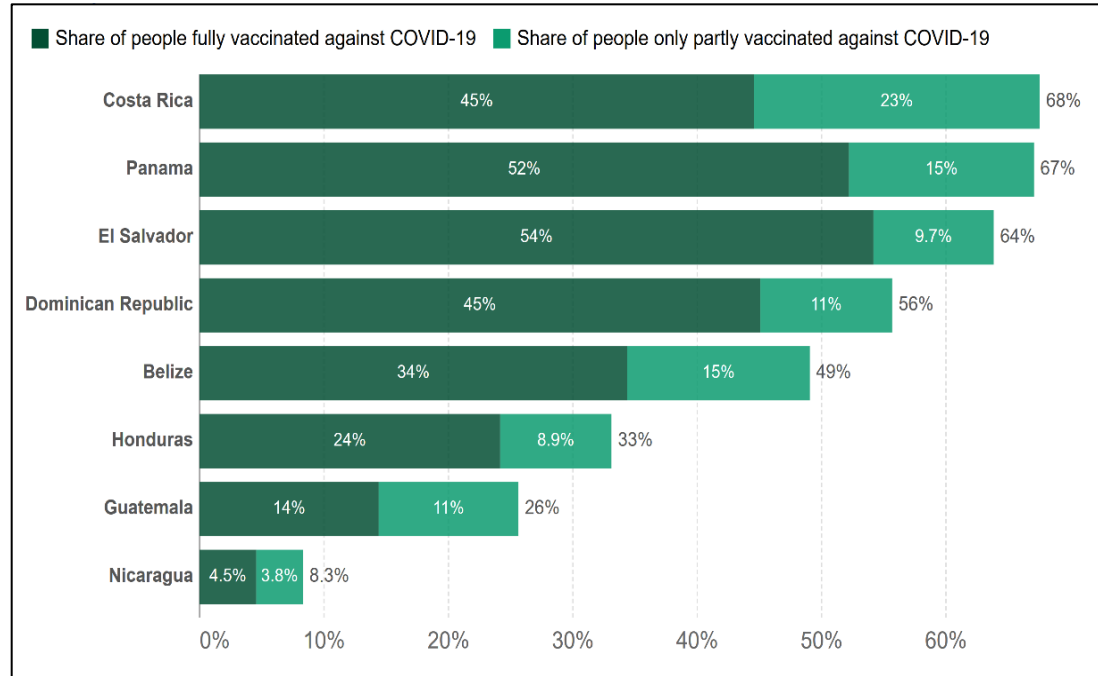
**Graph 2.** Percentage of population of persons fully vaccinated and percentage of persons who have received at least one dose. [Selected Countries and zones.](#)



Source: Our World in Data. Coronavirus (COVID-19) Vaccinations, October 7, 2021.

# In Central America vaccination plans are progressing at different speeds, the gap between countries has begun to narrow.

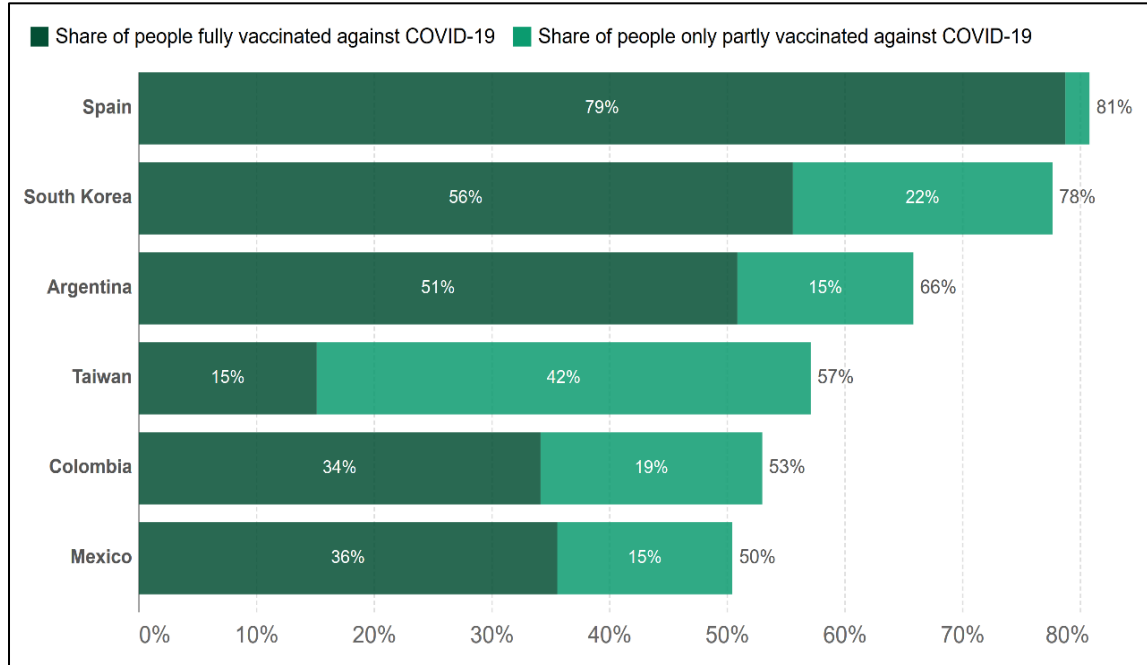
**Graph 3.** Percentage of population of persons fully vaccinated and percentage of persons who have received at least one dose. [CABEI Regional](#)



**Source:** Our World in Data. Coronavirus (COVID-19) Vaccinations, October 7, 2021.

In non-regional member countries vaccination plans are progressing at different speeds, the gap between countries has begun to narrow.

**Graph 4.** Percentage of population of persons fully vaccinated and percentage of persons who have received at least one dose. **Non-Regional members of CABI**



**Source:** Our World in Data. Coronavirus (COVID-19) Vaccinations, October 7, 2021.

A world map where the landmasses are depicted as a dense network of glowing yellow and white points, representing city lights or economic activity. The map is set against a dark blue background that resembles a night sky or deep water. The text is centered over the map.

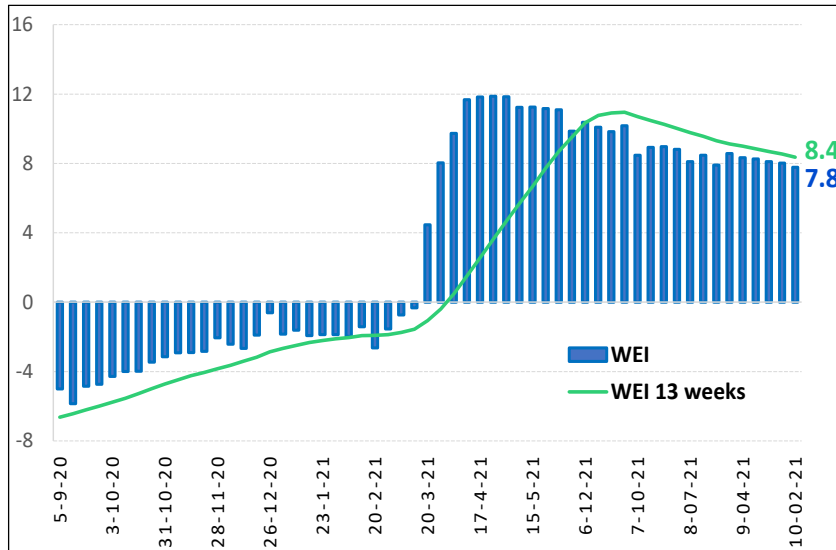
# **INTERNATIONAL ECONOMIC SITUATION**



# The United States shows signs of a slowdown in some economic indicators

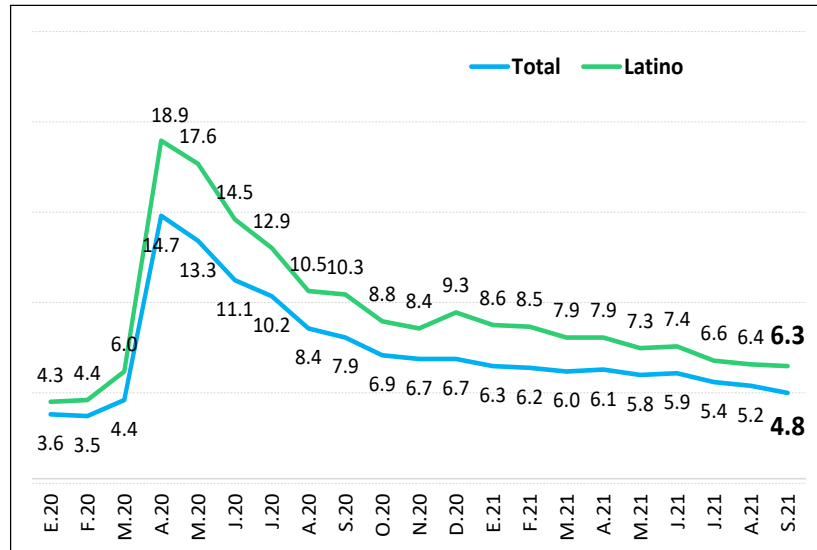
**Graph 5.**

U.S. Weekly Economic Index  
Inter-annual inflation (percentages)



**Graph 6.**

The US: Total and Latino unemployment (percentages).



**Source:** Prepared by the Office of the Chief Economist with data from US Bureau of Labor Statistics, Federal Reserve Bank of St. Louis.

# Inflation and industrial production reported mixed results among CABI's extra-regional partners, while there are lower unemployment rates in most of them

**Table 1.** Selected economic indicators of CABI's non-regional member countries.

| Variables                   | Unit of measure                   | Argentina | Δ | Colombia  | Δ | Korea     | Δ | Spain     | Δ | Mexico    | Δ | Taiwan    | Δ |
|-----------------------------|-----------------------------------|-----------|---|-----------|---|-----------|---|-----------|---|-----------|---|-----------|---|
| Inflation                   | interannual variation, percentage | Aug.2021  |   | Sep. 2021 |   | Sep. 2021 |   | Sep. 2021 |   | Sep. 2021 |   | Sep. 2021 |   |
|                             |                                   | 51.40     | - | 4.51      | + | 2.50      | - | 4.00      | + | 6.00      | + | 2.63      | + |
| Monetary Policy Rate        | percentage                        | Oct.2021  |   | Oct.2021  |   | Oct.2021  |   | Oct.2021  |   | Oct.2021  |   | Oct.2021  |   |
|                             |                                   | 38.00     | = | 2.00      | + | 0.75      | = | -0.50     | = | 4.75      | + | n.d.      |   |
| Industrial Production Index | interannual variation, percentage | Aug. 2021 |   | Jul.2021  |   | Aug.2021  |   | Aug.2021  |   | Jul.2021  |   | Aug.2021  |   |
|                             |                                   | 13.80     | + | 13.50     | + | 9.60      | + | 3.60      | - | 7.28      | - | 13.69     | - |
| Unemployment                | percentage                        | I.T 2021  |   | Jul.2021  |   | Jul.2021  |   | II.T 2021 |   | Aug.2021  |   | Aug.2021  |   |
|                             |                                   | 9.60      | - | 12.30     | - | 2.60      | - | 15.26     | - | 4.33      | + | 4.24      | - |

**Note:** The symbol Δ is = if the variable remained unchanged, + if it increased and - if it decreased, all with respect to the value of the previous month. As of this report, the urban unemployment rate in Mexico is replaced by the national unemployment rate.

**Source:** Prepared by the Office of the Chief Economist with information from the central banks and statistical institutes of each country.

# International oil prices rose, and gold prices fell in September, and the prices of Central America's main export commodities recorded mixed results

**Table 2.** International prices of main Central American goods.

| Product         | Average price<br>September 2021 | Unit of measure     | Variation |             |           |
|-----------------|---------------------------------|---------------------|-----------|-------------|-----------|
|                 |                                 |                     | Monthly   | Interannual | 2021/2019 |
| Crude oil (WTI) | 71.6                            | USD/barrel          | 5.7       | 80.7        | 25.7      |
| Gold            | 1,775.1                         | USD/troy ounces     | -0.6      | -7.6        | 17.5      |
| Arabic coffee   | 5.0                             | USD/kg              | 4.3       | 35.4        | 75.0      |
| Banana          | 1.2                             | USD/kg              | -3.6      | -4.4        | 3.0       |
| Beef            | 5.7                             | USD/kg              | 0.9       | 23.0        | 21.6      |
| Palm oil        | 1,181.4                         | USD/Tm <sup>1</sup> | 3.5       | 48.4        | 103.6     |
| Shrimp          | 14.7                            | USD/kg              | -6.9      | 23.8        | 10.9      |
| Sugar           | 0.8                             | USD/kg              | 3.7       | 33.1        | 39.4      |

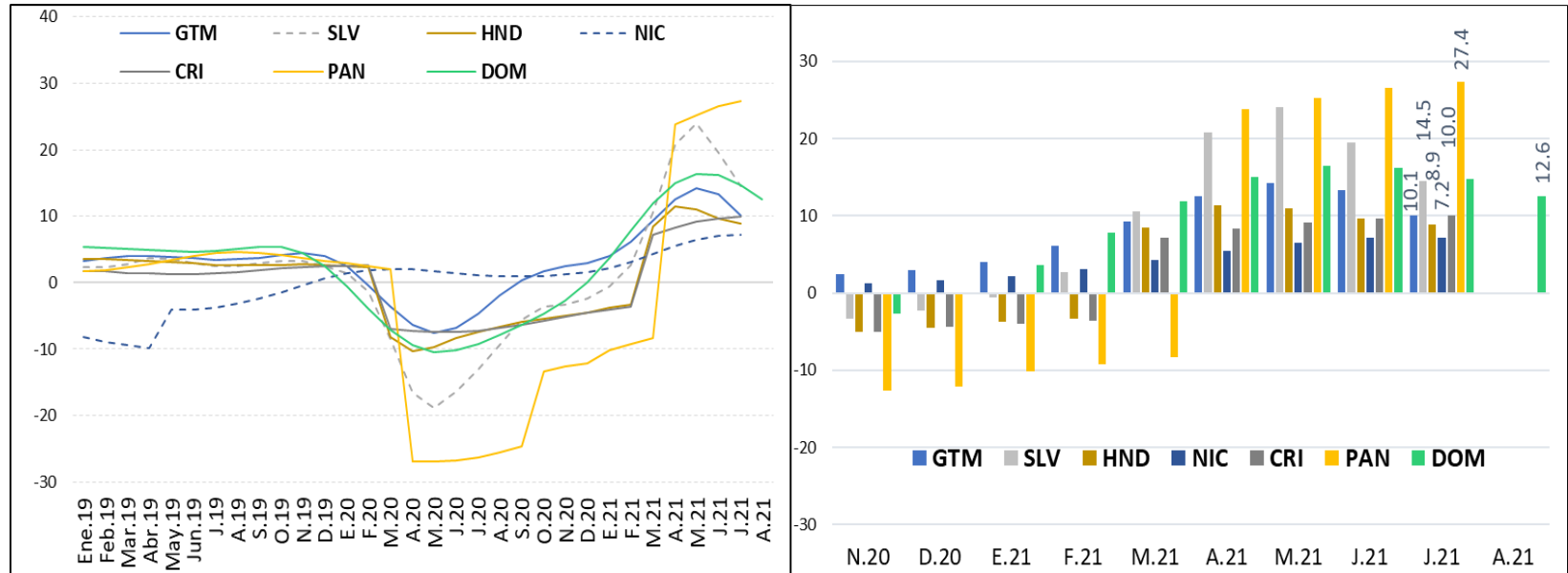
**Note:** 1/ MT is metric ton. **Source:** Office of the Chief Economist with information from COMMODITIES MARKETS, World Bank.



# ECONOMIC SITUATION OF CENTRAL AMERICA

# Economic activity grew in all Central American countries, and formal employment continues increasing

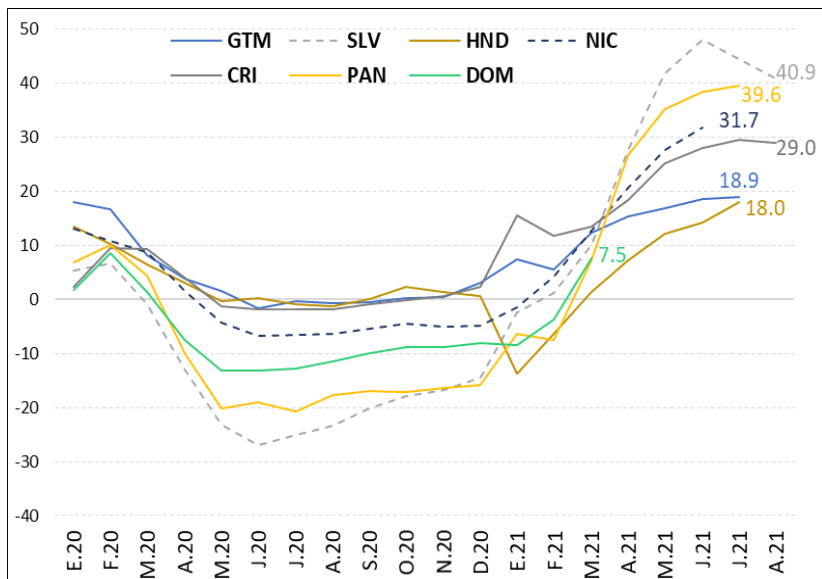
**Graph 7.** Inter-annual variation of the MAEI in Central American countries (*cycle trend, percentages*).



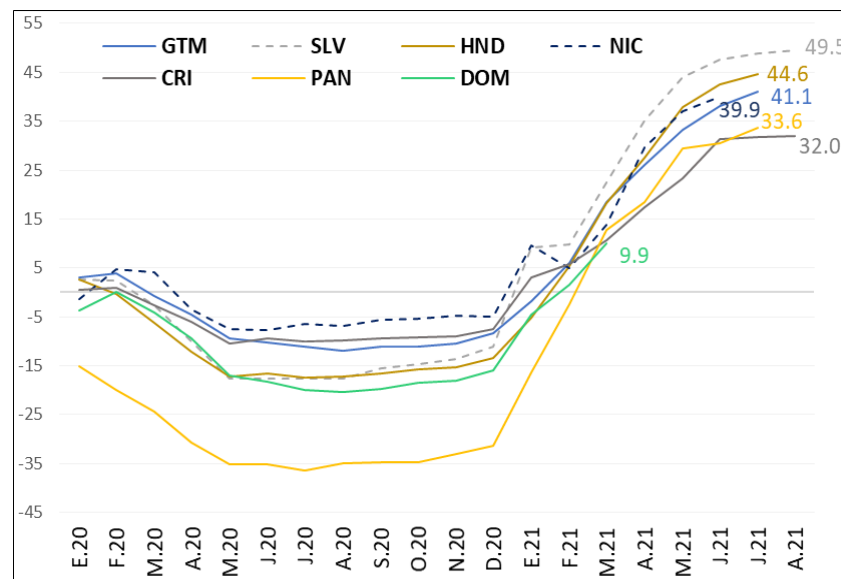
**Source:** Office of the Chief Economist with SECMCA information, as of October 7, 2021.

# Exports and imports continue growing in all Central American countries

**Graph 8.** Accumulated Exports  
Inter-annual inflation (percentages)



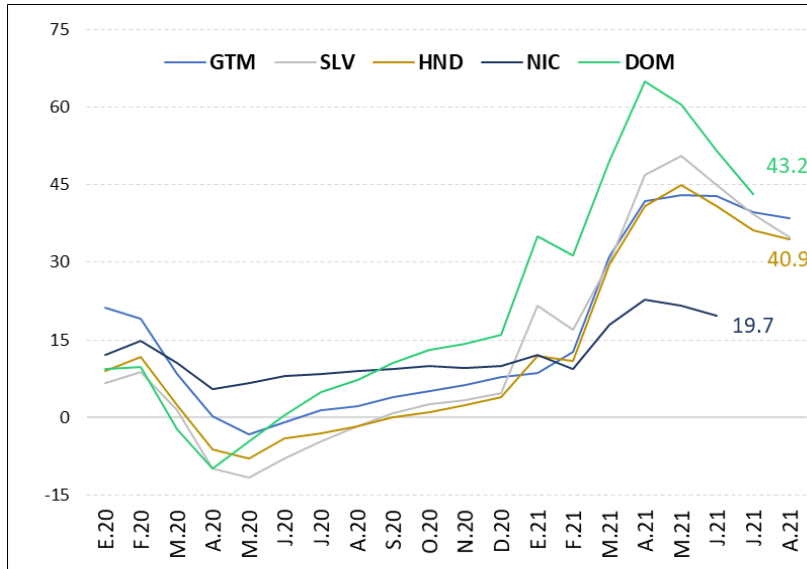
**Graph 9.** Accumulated Exports  
Inter-annual inflation (percentages)



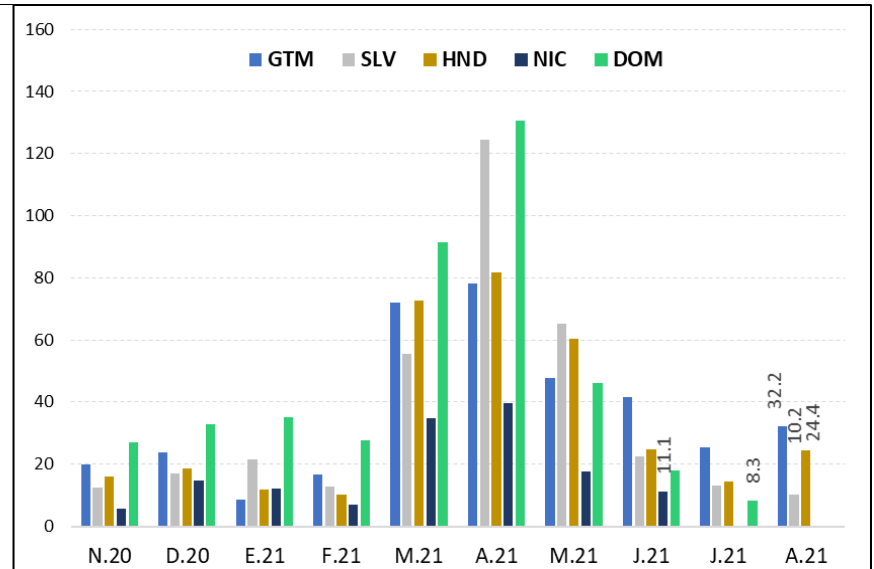
Source: Office of the Chief Economist with SECMCA information, as of October 7, 2021.

# Remittances continue growing at historic rates driven by the U.S. recovery.

**Graph 10.** Accumulated remittances Inter-annual inflation (percentages)



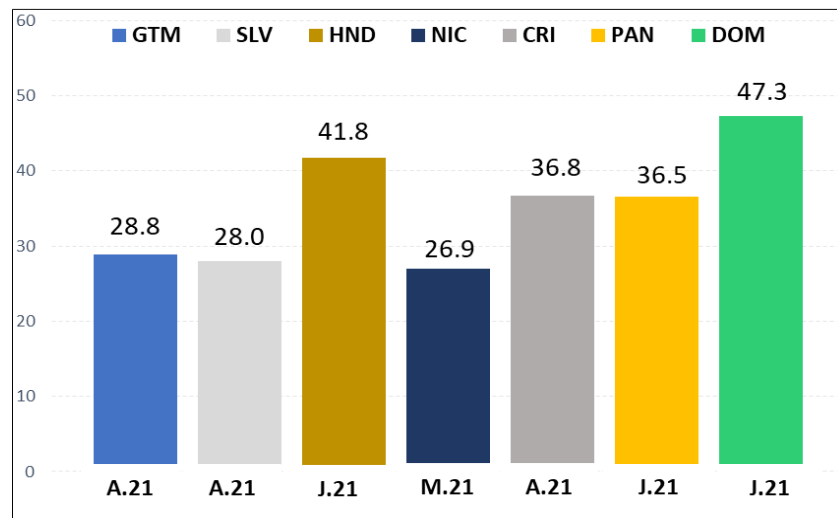
**Graph 11.** Monthly remittances Inter-annual inflation (percentages)



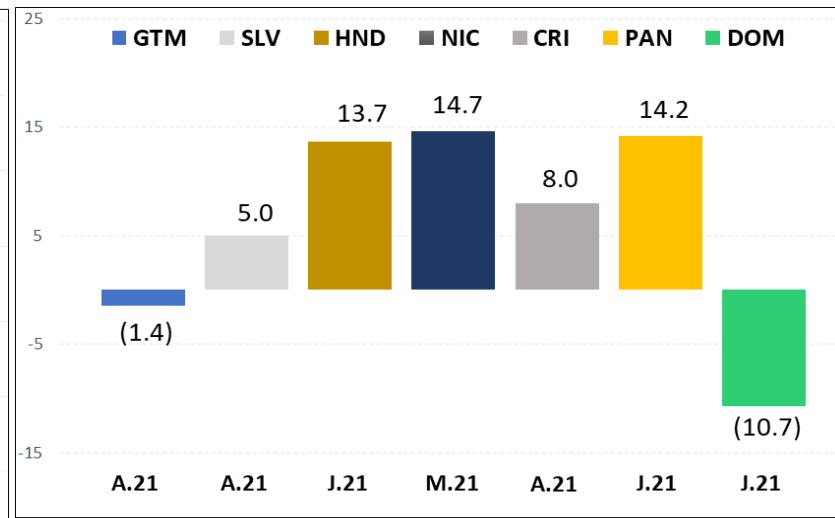
Source: Office of the Chief Economist with SECMCA information, as of October 7, 2021.

# Central government revenues consolidate their upward trend in all countries in the face of a rebound in economic activity

**Graph 12.** Central government: cumulative revenues  
Inter-annual inflation (percentages)



**Graph 13.** Central Government: accumulated expenses  
Inter-annual inflation (percentages)



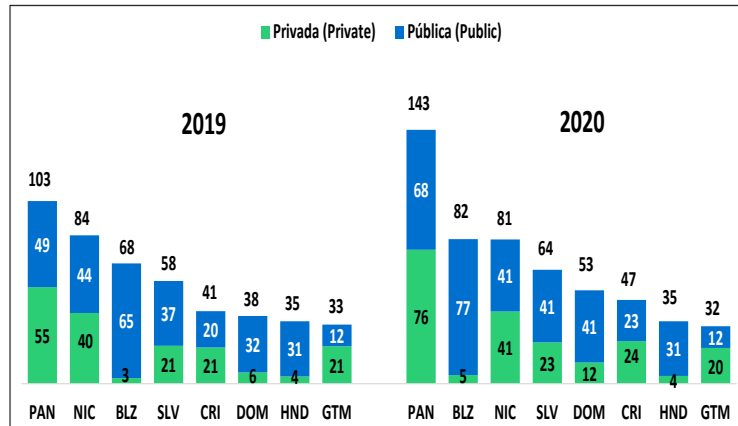
Source: Office of the Chief Economist with SECMCA information, as of October 7, 2021.



# Central America Debt - Major findings

- Central American total debt averaged 111.9% of the GDP in 2020. Total public and private debt in Central America, averaged 67.4% of the GDP in 2020.
- Public debt service in Central America accounted for 7.3% of the GDP and 36.0% of total public revenues, both in 2020.

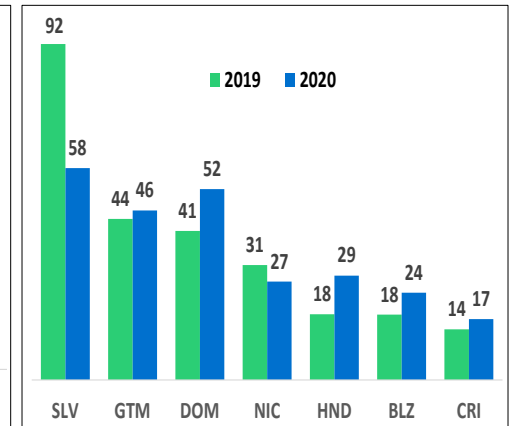
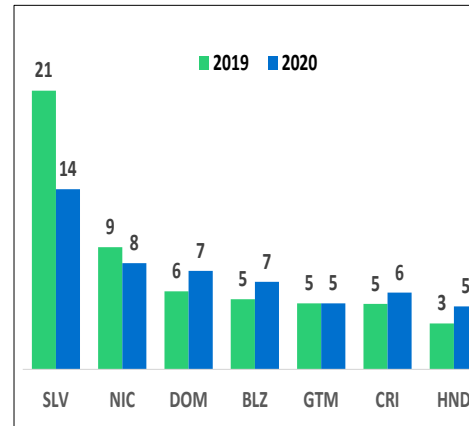
**Graph 14.** Total foreign debt to GDP (percentages).



**Graph 15.** Total public debt service to

GDP (percentages)

Total public revenues (percentages)



**Note:** To estimate the total debt for 2020, the assumption that the private domestic debt of 2020 was equal to that of 2019 was used.

**Source:** Office of the Chief Economist with Fitch Solutions information.

## Sovereign Debt Ratings - Major findings

- Moody's affirmed Colombia's long-term sovereign debt rating at Baa2 and upgraded the negative outlook to stable.
- Fitch Rating upgraded the debt rating of the Republic of China (Taiwan) from AA- to AA and maintained the stable outlook.
- The Organization for Economic Co-operation and Development (OECD) revised downward its global growth outlook to 5.7% in September (5.8% in its May release).

# Sovereign Debt Ratings - Major findings

**Graph 16.** Long-term foreign currency sovereign debt ratings

| Rating Agency  | BLZ    | GTM      | SLV      | HND  | NIC      | CRI      | PAN      | DOM      | COL           | TWN           | MEX      |
|----------------|--------|----------|----------|------|----------|----------|----------|----------|---------------|---------------|----------|
| <b>Moody's</b> | Caa3   | Ba1      | Caa1     | B1   | ---      | B2       | Baa2     | ---      | <b>Baa2</b>   | Aa3           | Baa1     |
|                | Stable | Negative | Negative | ---  | ---      | Negative | Stable   | ---      | <b>Stable</b> | Positive      | Negative |
| <b>S&amp;P</b> | SD     | BB-      | B-       | ---  | ---      | B        | BBB      | BB-      | BB+           | AA            | BBB      |
|                | n.a.   | Stable   | Stable   | ---  | ---      | Negative | Negative | Negative | Stable        | Positive      | Negative |
| <b>Fitch</b>   | n.a.   | BB-      | B-       | n.a. | B-       | B        | BBB-     | BB-      | BB+           | <b>AA</b>     | BBB-     |
|                | n.a.   | Stable   | Negative | n.a. | Negative | Negative | Negative | Negative | Negative      | <b>Stable</b> | Stable   |

**Note:** n.a. is for not applicable.

**Source:** Office of the Chief Economist with SECMCA information of Rating Agencies, as of October 6, 2021.



# THANK-YOU

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