

BCIE



Banco
Centroamericano
de Integración
Económica

Monthly Economic Situation Report

May 2021

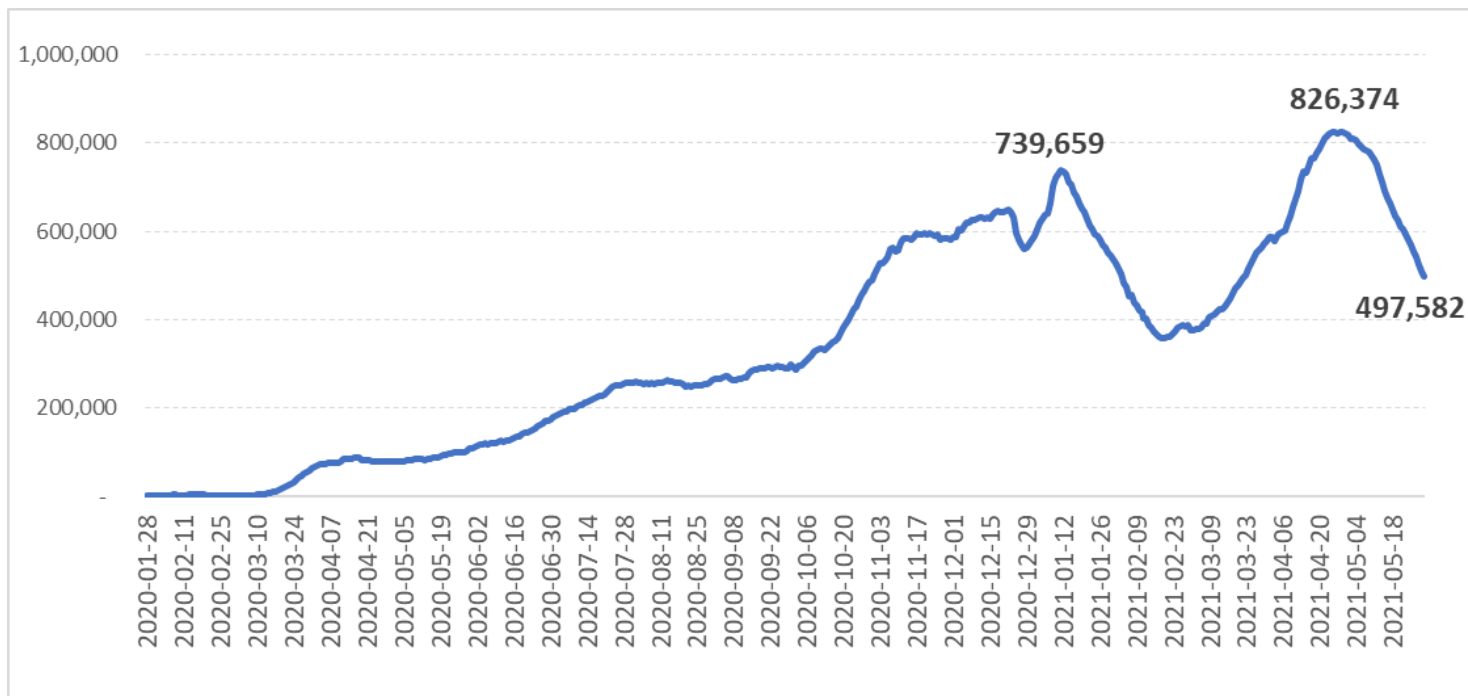
Office of the Chief Economist

RECENT DEVELOPMENTS OF THE PANDEMIC IN THE WORLD



Covid-19 infections show a slight decrease in May 2021

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



Source: Our World in Data. Corona virus (COVID-19) Vaccinations, May 31, 2021.

Vaccination plans are moving at different speeds, developed countries advancing rapidly.

Table 1. Progress of vaccination plans in selected countries and geographic areas

Countries or geographic areas	Dose		Countries or geographic areas	Dose		Countries or geographic areas	Dose	
	Complete (%)	per 100 inhabitants		Complete (%)	per 100 inhabitants		Complete (%)	per 100 inhabitants
Israel	59.3	122.3	Costa Rica	11.59	28.6	Spain	18.8	55.9
Chile	41.6	96.6	El Salvador	11.00	28.3	Mexico	9.6	23.5
United States	40.4	88.2	Dominican Republic	9.60	38.8	Colombia	6.4	19.0
United Arab Emirates	38.8	129.5	Panama	8.70	23.9	Argentina	6.1	26.8
United Kingdom	37.3	95.2	Belize	2.81	18.9	Korea	4.2	14.7
European Union	17.8	55.0	Guatemala	0.37	2.7	Taiwan	n.d.	1.8
World	5.5	24.4	Honduras	0.28	2.1			
			Nicaragua	n.d.	2.5			

Source: Our World in Data. Coronavirus (COVID-19) Vaccinations, May 31, 2021.

The background of the slide is a dark, muted blue-grey color. It features a faint, semi-transparent globe centered on the right side, showing the outlines of continents and latitude/longitude lines. On the left side, there are faint, semi-transparent images of a pen and a line graph, suggesting a financial or economic context.

INTERNATIONAL ECONOMIC OUTLOOK

PÚBLICO

USA showed mixed signs of economic recovery in April and May

Figure 2.

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

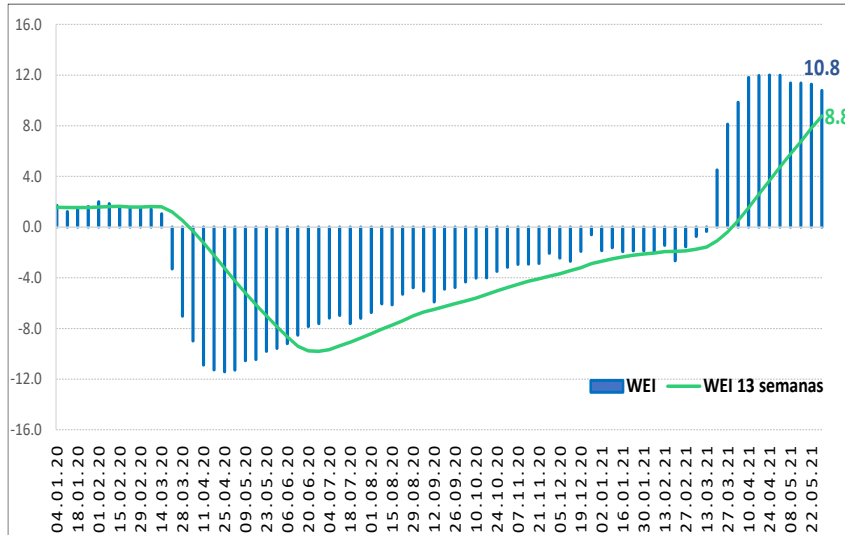
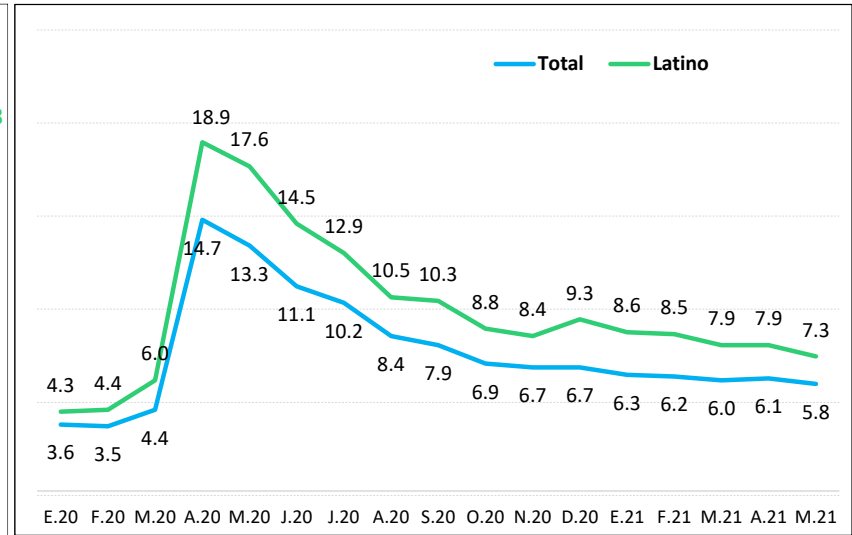


Figure 3.

USA : 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.

In CABEI's non-regional member countries, economic recovery is strengthening, reflected in higher inflation, positive trends in industrial production and lower unemployment rates

Table 2. Selected economic indicators of CABEI'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	Apr.2021		Apr.2021		Apr.2021		Apr.2021		Apr.2021		Apr.2021	
		46.30	+	1.95	+	2.30	+	2.20	+	6.08	+	2.09	+
Monetary Policy Rate	percentage	May.2021		May.2021		May.2021		May.2021		May.2021		May.2021	
		38.00	=	1.75	=	0.50	=	-0.50	=	4.00	=	n.d.	
Industrial Production Index	interannual variation, percentage	Mar.2021		Mar.2021		Apr.2021		Mar.2021		Mar.2021		Apr.2021	
		32.80	+	9.10	+	12.40	+	15.10	+	1.65	+	13.62	-
Unemployment	percentage	IV.T 2020		Apr.2021		Mar.2021		I.T 2021		Apr.2021		Apr.2021	
		11.00	-	15.10	+	4.30	-	15.98	-	5.72	+	3.64	-

Note: The symbol Δ is = if the variable remained unchanged, + if it increased and - if it decreased, all with respect to the previous month.

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

Oil prices fell, gold prices rose, and the prices of Central America's main export commodities registered mixed changes in April 2021

Table 3. International prices of main Central American goods

Product	Average Price April 2021	Unit of measure	Variation	
			Monthly	Interannual
Crude oil (WTI)	61.7	USD/barrel	-1.0	273.5
Gold	1,760.0	USD/troy ounces	2.4	4.6
Arabic coffee	3.7	USD/kg	0.7	8.9
Banana	1.2	USD/kg	0.0	-4.3
Beef	5.2	USD/kg	9.6	16.4
Palm oil	1,074.6	USD/mt ¹	4.2	76.5
Shrimp	12.5	USD/kg	1.7	-10.0
Sugar	0.7	USD/kg	2.6	20.1

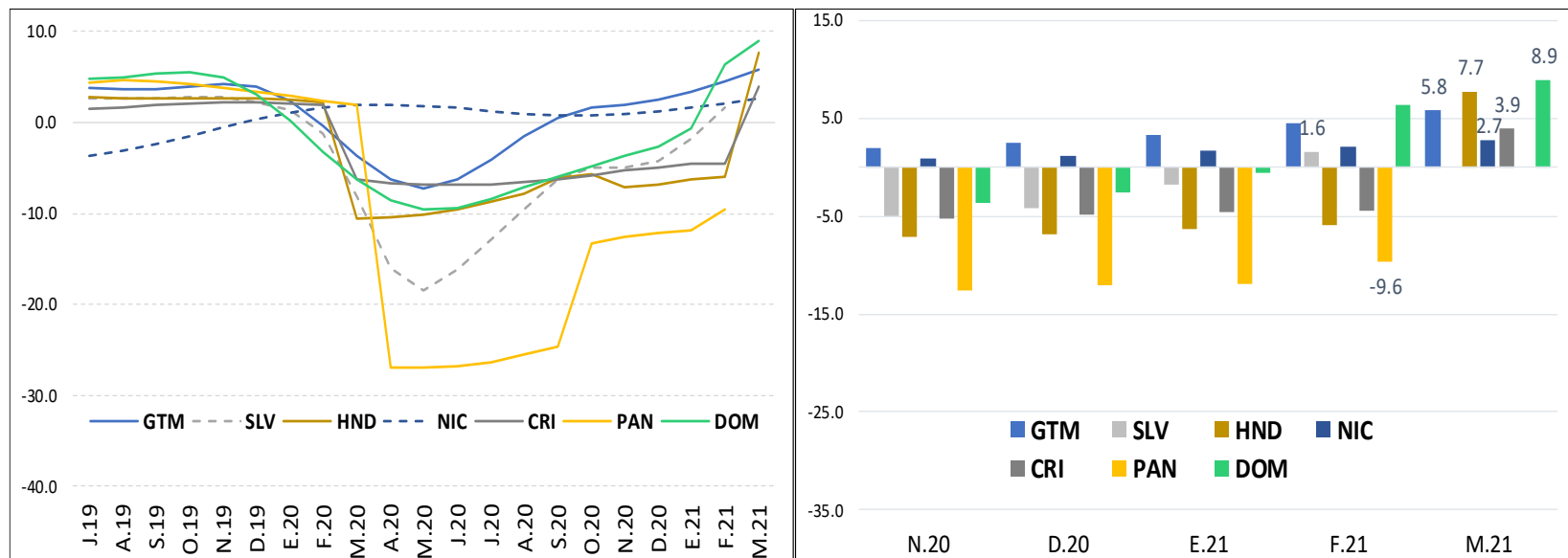
Note: 1/ MT is metric ton. **Source:** Office of the Chief Economist with information from COMMODITIES MARKETS, World Bank.



ECONOMIC OUTLOOK OF CENTRAL AMERICA

Economic activity grew in all Central American countries except Panama

Figure 4. Inter-annual variation of the MAEI in Central American countries (cycle trend, percentages)



Source: Office of the Chief Economist with SECMCA information, as of June 1, 2021.

Exports grow or fall less while imports begin to improve

Figure 5. Accumulated Exports
Inter-annual variation (percentages)

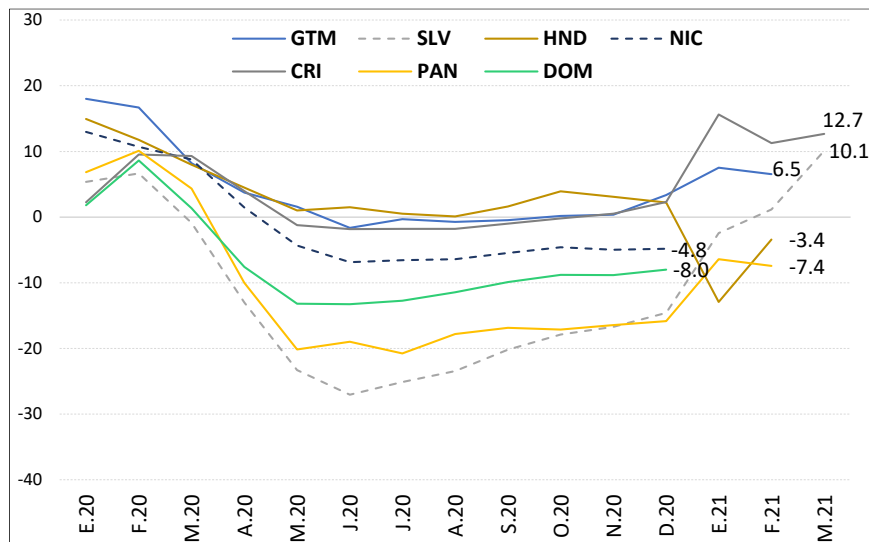
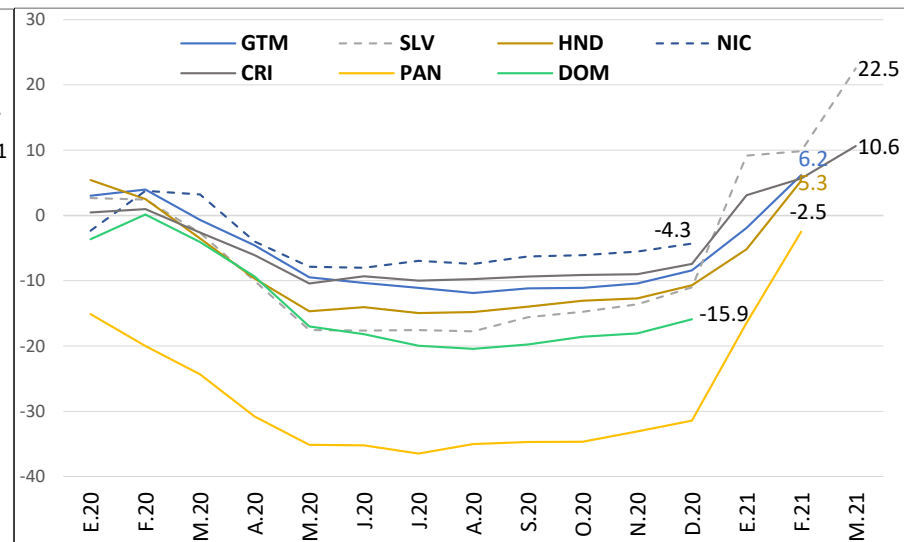


Figure 6. Accumulated Imports
Inter-annual variation (percentages)



Source: Office of the Chief Economist with SECMCA information, as of June 1, 2021.

Remittances grow at historic rates in 2021 driven by U.S. recovery

Figure 7. Accumulated remittances
Inter-annual variation (percentages)

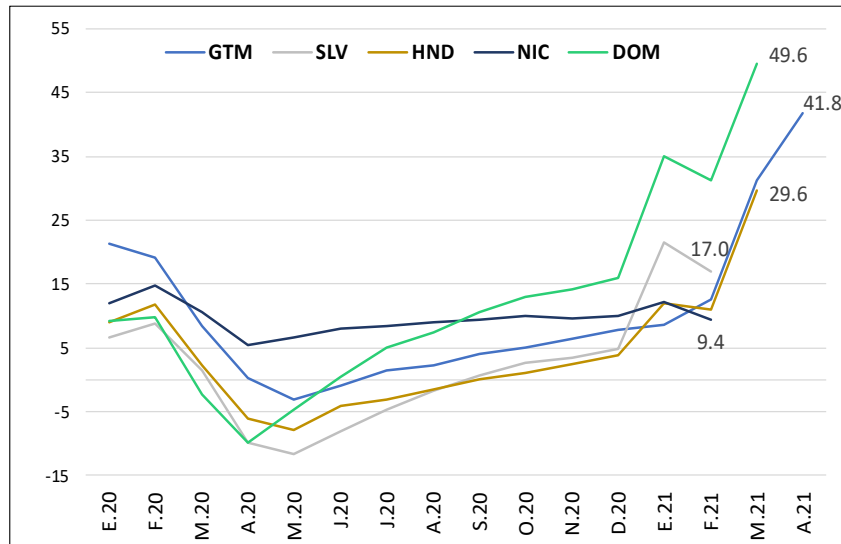
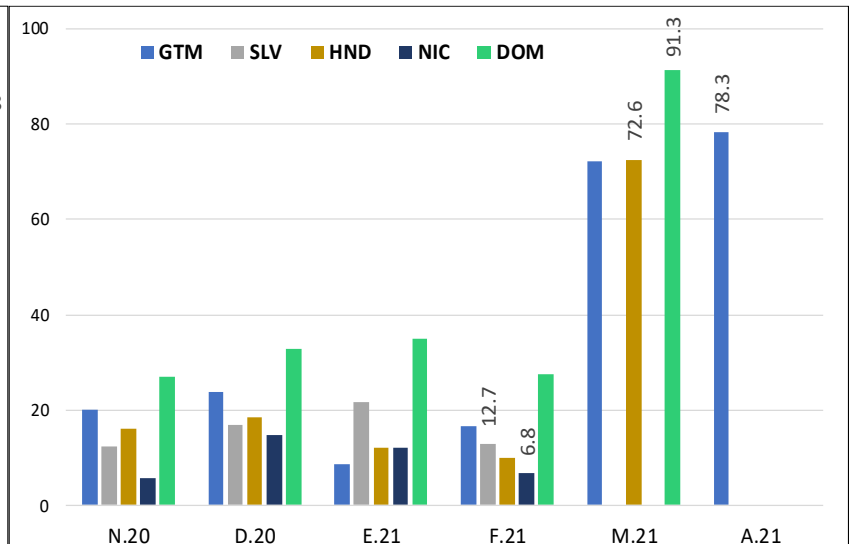


Figure 8. Monthly remittances
Inter-annual variation (percentages)



Source: Office of the Chief Economist with SECMCA information, as of June 1, 2021.

Higher economic activity in the first quarter 2021 helped government revenues to increase

Figure 9. Central government: cumulative revenues. Inter-annual variation (percentages)

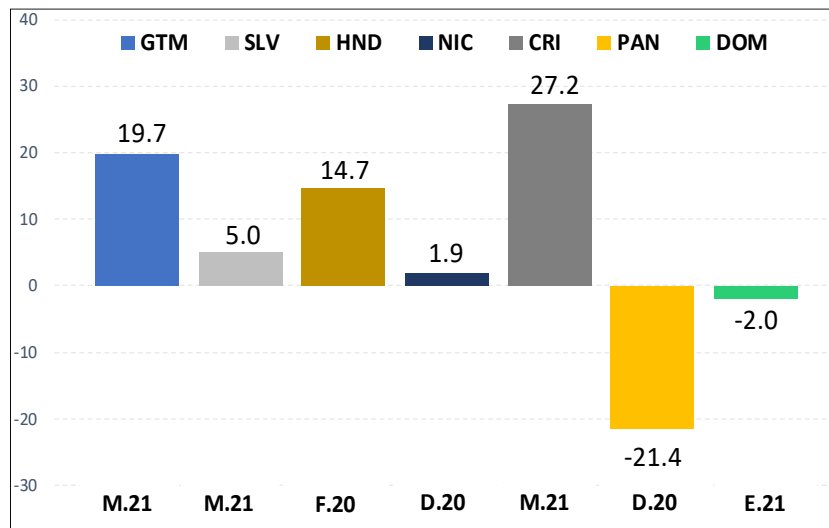
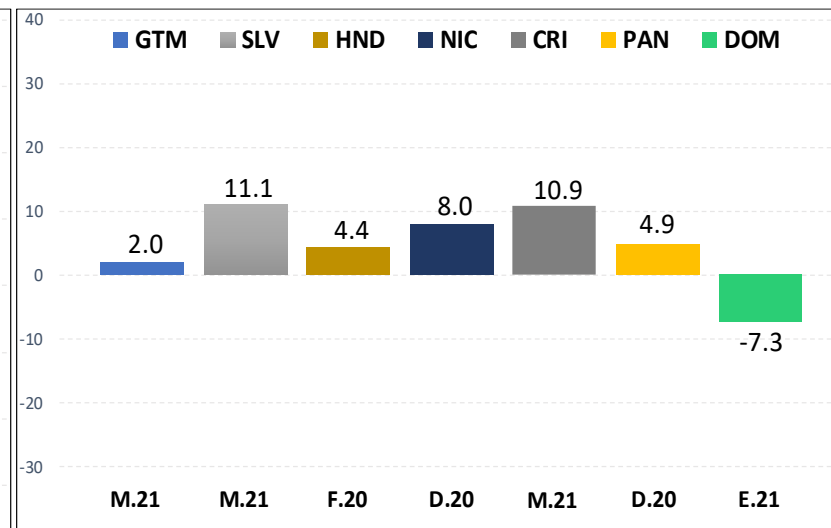


Figure 10. Central Government: accumulated expenses. Inter-annual variation (percentages)



Source: Office of the Chief Economist with SECMCA information, as of June 1, 2021.

The recent rating actions consider the fiscal situation of the countries and the expectation of economic recovery in 2021

- Fitch Ratings reaffirmed El Salvador's B- rating and kept the negative outlook.
- S&P Global Ratings downgraded Colombia to BB + (previously BBB-) with a stable outlook.
- Moody's Investors Service reaffirmed Mexico's Baa1 rating with a negative outlook.
- S&P Global Ratings lowered Belize's rating to SD / SD (selective default, formerly CC / C).

THANK-YOU

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