Economic Outlook

Panama

Fist Half 2012
Economic Analysis

- **The global economy will pick up steadily in 2012** thanks to higher growth in Asia, while Europe will suffer a slight recession.
- **Panama will grow by 6.0% in 2012 and 6.2% in 2013,** in line with more moderate domestic demand and exports of goods and services.
- **Inflation will remain at close to 5.0% on average in 2012-2013,** against a backdrop of low interest rates abroad and high oil prices.
- **The foreign deficit will continue high in 2012** due to temporary factors that will ease over the coming years. The fiscal deficit will continue to reflect pressures associated with high capital expenditure.

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Closing date: May 25, 2012

1. Summary: global recovery, but risks reignite

Global economic activity will gradually recover, with wider regional growth differentials and risks tilted to the downside

After a gradual deceleration during 2011, especially in the last quarter, the global economy is starting to show signs of increased dynamism. Global growth in 2012Q1 is expected to have been higher than in Q4, given stronger growth in Asia ex China (including Japan) and Latin America and sustained –but modest– dynamism in the US. We estimate that global growth will continue increasing and surpass 1% quarter-on-quarter at the end of 2012 (0.6% in 2011Q4). This recovery will also be quite heterogeneous, increasing the divergence in growth rates between the main economic areas. The increase in growth in 2012 will be more evident in Asia, given the rebound from natural disasters in Thailand and Japan (affecting regional supply chains) and the partial turnaround of policy tightening measures implemented until mid-2011. Also, growth in Latin America is likely to pick up, as Brazilian growth rates increase on the back of easier monetary policy and Mexico maintains growth over 3.5% helped by US demand, improved competitiveness and supportive funding conditions. On the other hand, the US will continue sustaining quarterly growth rates of around 0.6% in 2012 and 2013, significantly lower than in previous recoveries. Still, this will be better than a basically stagnant activity in the euro-area in 2012, dragged in peripheral countries by aggressive fiscal consolidation and persistently high financial stress, after tensions eased temporarily in the first quarter.

Therefore, emerging economies will recover their growth differential vis-à-vis developed economies, of around 4 percentage points, for the whole of 2012 and 2013. In turn, Europe and the US also will continue to increase their growth gaps in the next two years, even as we expect European authorities to continue taking decisive actions which will slowly lower financial tensions.

All in all, our growth projections are not very different from those published in February. We expect global growth of 3.6% in 2012 and 4% in 2013, with emerging economies contributing around 80% of that increase in global activity (Chart 1). But, as mentioned before, this scenario is conditioned on the evolution of the crisis in Europe, and thus risks to these projections are still strongly tilted to the downside.

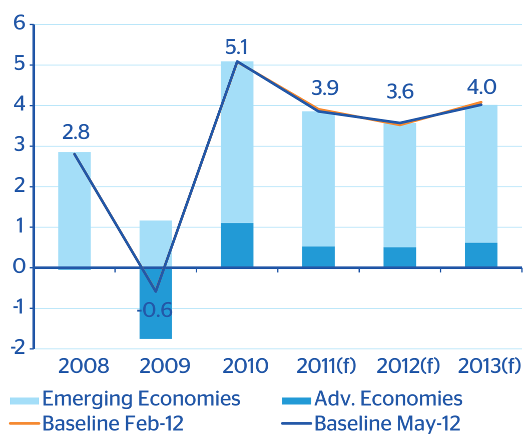
In this context, monetary policies in advanced economies will continue to be very accommodative for an extended period, fulfilling the role of bridging the slump in activity towards the medium and long-run. However, the effectiveness of further intervention (conventional or not) is decreasing, while at the same time the costs increase –including the risk of reduced central bank independence and the collateral damage from unconventional measures–. Thus, it is time for other policymakers and institutions in the US and Europe to decisively take up part of the burden of reviving growth from central banks, implementing economic and institutional reforms and managing fiscal risks. While these measures take effect, central banks should continue supporting an adequate functioning of the monetary transmission mechanism.

Easy monetary policies in advanced economies will mean favourable financing conditions in emerging countries. Here central banks will have to weigh the pressure from capital inflows and an uncertain external demand against inflationary risks (in part from oil prices) and strong domestic demand. The difference in inflation projections in Asia and Latin America –declining in the former but stable in the latter- will condition a different outlook for monetary policies. We expect the easing cycle to have ended in much of emerging Asia (except, notably, in China and India), and a cautious tightening bias in most of Latin America, except in Brazil.

There have been some advances towards the solution to the European crisis, but crucial steps are still to be taken. Europe needs a clear roadmap to end the crisis

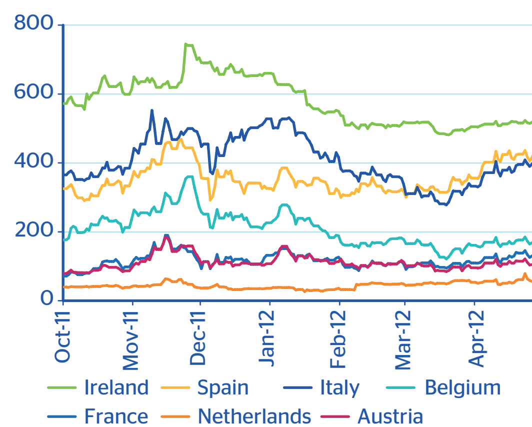
In the last months, there have been some advances towards the solution to the European crisis, but there are still many important pending issues. First, Greek sovereign debt held by the private sector was restructured, although substantial doubts about its long-run sustainability persist, including political division in the latest elections, reform fatigue, and a possible deeper recession than projected. Second, the European Stabilization mechanism (ESM) was provided with a fresh lending capacity of 500bn EUR (on top of 200bn already committed by the EFSF). However, that has not been enough to quell market anxiety, given its falling short of Spain and Italy's financing needs for the next 3 years and the presumption that ESM loans would be senior to existing private bondholders, thus seriously impairing its catalytic effect on further financing from the private sector. Further, it was not clear to what extent the increase in IMF resources by 430bn USD (approximately 330 bn EUR) could be targeted to European countries. Also, the fiscal compact was sanctioned (pending national approval), committing governments to structural deficits not bigger than 0.5% of GDP. This is a significant change towards controlling member's budgets, but the allowance for deviations to the rule under "exceptional circumstances" may depict it as not strong enough to justify a more forceful action by hardliners at the ECB of core countries in Europe. In addition, there have been no advances towards a fiscal union or Eurobonds. All in all, a clear roadmap to where Europe is heading continues to be missing.

Chart 1
Global GDP growth (%qoq)



Source: BBVA Research

Chart 2
European sovereign risk premia (10yr bond spreads to Germany, bps)



Source: Datastream and BBVA Research

A new flare-up of the European crisis is still the main global risk

Undoubtedly, one of the most important actions in the last four months was the provision of long-term liquidity by the ECB. This allowed, at least until March, a significant reduction in liquidity risk in European banks, a timid opening of wholesale funding markets and a compression of sovereign spreads in peripheral countries (Chart 2). But these positive effects proved temporary, as markets (i) detected some complacency on the part of policymakers as risk premia decreased in the first quarter of 2012, and (ii) they both doubted the ability of many peripheral countries to reach their fiscal targets and feared the fallout on growth of actually achieving them. Thus, since March, risk premia increased rapidly in Italy and Spain, in the latter to levels similar to the high tensions reached back in November (Chart 2).

The short-lived effect of the long-term liquidity injections and the conundrum between fiscal consolidation and restoring growth highlight two conclusions. First, ECB actions can only bridge

the short-run while the underlying economic and institutional problems are tackled. This means that talk of exit strategies for the ECB should not come too soon, but it also implies that economic reforms should be pushed forward, at the same time as demand is rebalanced within the Euro zone, with core countries stimulating it. Second, it is imperative to reconsider fiscal consolidation paths in a coordinated way (or risk being singled out by markets), targeting structural deficits –consistent with the spirit of the fiscal compact– in a more gradual trajectory. In exchange for more gradualism, member states must produce explicit, comprehensive, detailed and multi-annual consolidation plans. This way, sound public finances could be achieved without big damage to short-term growth. At the same time, this will allow to reap the benefits of long-term structural reforms that are being implemented in peripheral countries.

In this context, we still see a new flare-up of the European crisis as the main risk, with potentially very negative consequences for global growth. Increased tensions can come about from reform fatigue in peripheral countries coupled with bailout fatigue in core countries, in the context of electoral processes –and a referendum– in many European countries: Ireland and the Netherlands are holding them in the first half of this year (new elections in Greece), after those held in France and two German states.

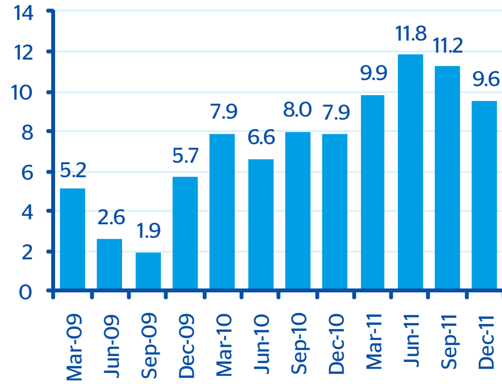
Current oil prices will have only a moderate impact on global growth. However, a big oil price spike constitutes a significant risk to growth.

A second threat to the global economy is a further increase in oil prices. The recent spike at the beginning of 2012 can be traced back in part to tightening fundamentals (demand and supply) but also to an increase in the geopolitical risk premium to around 10-15 USD per barrel, given tensions around Iran and very reduced market buffers (oil inventories and producer's spare capacity). In our baseline scenario, we consider prices around 120 USD per barrel of Brent oil for much of 2012, around 15% higher than in our February forecasts. In our view, this will only have a moderate negative impact on global growth, as central banks in advanced countries will view this as a temporary shock and their weak cyclical positions will prevent them from tightening monetary policy, one of the traditional channels of transmission to lower growth. Nevertheless, should the conflict in the Gulf escalates, there could be a very large spike in oil prices, and even if central banks still do not react, growth could be damaged through the associated increase in global risk aversion. We consider that the probability of an escalation in the Gulf is relatively reduced, but it is a scenario that would have a significant impact on global growth should it materialize.

2. Robust growth, despite a healthy slowdown towards potential

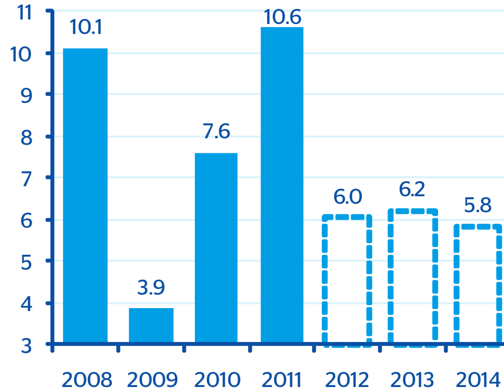
In 2010 and 2011, Panama recorded growth rates of 7.6% and 10.6% respectively, sustained by domestic demand and, in particular, the boost from public investment in major infrastructure projects and the expansion of the Panama Canal. In addition, exports of services in 2011 recovered strongly, in line with the improvement in world trade. In the second half of 2011, the economy posted a 10.4% year-on-year growth rate, maintaining the strong performance of the first half of the year (Chart 3). Recently, indicators suggest the economy continues showing robust growth reflecting a limited impact of the deterioration in global financial markets.

Chart 3
Quarterly gross domestic product (annual % change)



Source: INEC and BBVA Research

Chart 4
Gross domestic product (annual % change)

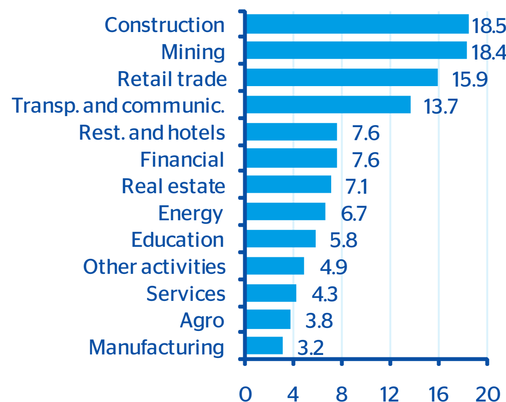


Source: INEC and BBVA Research

We expect robust growth in 2012-2013, although lower than in previous years

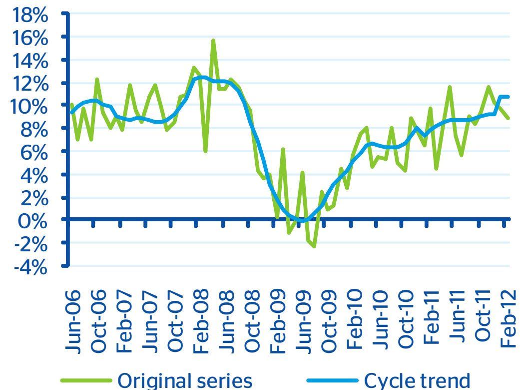
We expect GDP growth of 6.0% in 2012 and 6.2% in 2013 (Chart 4), sustained by domestic demand. Consumption growth will remain strong, with an average rate of 6.3% after the estimated 12.5% in 2011. This forecast considers a positive outlook for the labor market and credit expansion. Global fragile performance will mainly affect the service sector and activity in the Panama Canal, leading exports growth to moderate from 18.5% estimated for 2011 to 5.4% in 2012. At the same time, the rise in imports will slow down to 5.8% from 20% in 2011, such that the contribution of foreign demand to growth will be near null in 2012. In any event, the slowdown in activity will be limited by the boost from public investment, although with some moderation due to comparison with the high levels in 2011.

Chart 5
GDP growth by sector in 2011 (annual % change)



Source: INEC and BBVA Research

Chart 6
Monthly economic activity index, IMAE (annual % change)



Source: INEC and BBVA Research

Construction, retail trade and transport and communications lead the way in economic growth

In 2011 four sectors recorded growth above GDP: mining, construction, retail trade and transport and communications (Chart 5). The construction sector contributed most to growth, with expansion of 18.5%, headed by investment in commercial projects and infrastructure. Expansion in the mining sector was mainly fueled by extraction of minerals for construction, and its growth picked up in line with the boost from this sector. In transport and communications, growth in the activity of the Panama Canal (up 8.5% y/y) and port services (16.6% y/y) were both outstanding, despite a slight moderation from the rates observed in 2010, as in the sector of hotels and restaurants. The agricultural, fisheries and manufacturing sectors were weakest, despite picking up somewhat compared to previous year figures.

The most recent indicators show that activity continues strong, driven by the construction and mining sectors. The monthly economic activity indicator (IMAE) suggests growth in the first quarter of 2012 will be slightly below the figure for the fourth quarter of 2011 (Chart 6). This is confirmed by strong retail trade indicators, as reflected in the growth in revenues from sales tax and imports of goods and services. At the same time, although vehicle sales moderated at the start of the year, in part due to the high rate of growth recorded in 2011 (26.5% y/y), the trend continues to be positive. In line with expectations, export figures show a clear slowdown in both goods and re-exports from the Colon Free Trade Zone. At the same time, the increases in tonnage and revenues from the Panama Canal have moderated, reflecting the slow expansion of the US economy and other trade partners, as well as the fading impact on revenues coming from the toll increase decreed in 2011.

Investment will continue to boost domestic demand despite some moderation in its rate of expansion

We estimate that investment would have increased by 12.5% in 2011 and will grow by 6.5% in 2012 (Chart 7). As the works on the Canal will have reached record high levels of execution in 2011-2012, their impact on domestic demand is expected to moderate gradually henceforth. This effect will be partially offset by private investment in energy, tourism, logistics and medium and low-end housing projects. Public investment will continue at high levels sustained by work on major infrastructure projects, among them highway construction and maintenance, expansion of Panama's international airport, sea ports, the Panama City metro and the Bay of Panama sanitation project (Table 1). Although we estimate lower growth in public investment this year, given the high levels achieved in 2011, it is important to note that the approval of a bill relaxing the restrictions on the fiscal rule - currently being debated in the National Assembly - would imply an upside bias on public investment forecasts and thus on our forecast scenario for GDP growth in 2012 and 2013 (see Section 4).

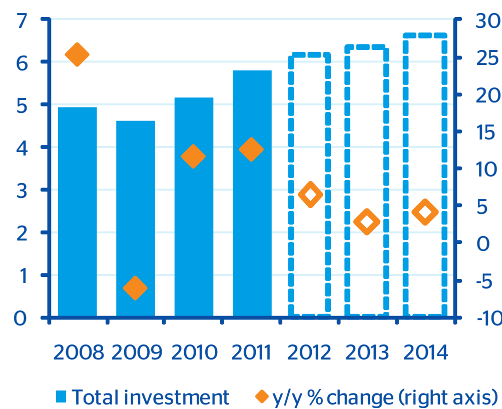
Thus, investment in construction is expected to continue boosted by the development of non-residential projects, with less activity in the high-end residential and hotel sectors, where there are signs of excess supply resulting from the high levels of investment over recent years.

Table 1
Main infrastructure investment projects (2010-2014)

Project	Total (millions of balboas)
Panama Canal expansion	5250
Panama City metro	1800
Cinta Costera III	777
Government City	450
Panama City and Panama Bay sanitation	449
Vía Brasil beltway (Sections I and II)	386
Cold Chain project (food logistics)	297
Airports	252
Hospitals (4) in the interior	237
Panama City-Colon highway (Phase II)	220
Tonosí irrigation project	187
Extension of the Arraiján Chorrera highway	153

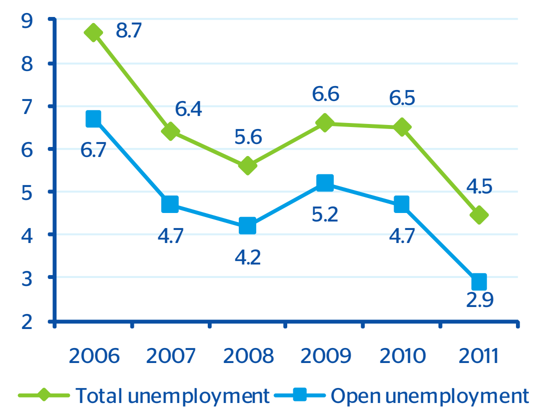
Source: Ministry of Economy and Finance, and BBVA Research

Chart 7
Total investment (USD billion, %)



Source: INEC and BBVA Research

Chart 8
Unemployment rate (%)



Source: INEC and BBVA Research

Exports will slow temporarily in 2012

The year 2011 was very positive for activity related to the Panama Canal and ports, with favorable figures for container movements (18.9% y/y) and volume through the Canal (6.6% y/y). Toll revenues increased by 18.4% y/y as a result of increased activity and the higher tariffs decreed in 2011. Tourism services, re-exports from the Colon Free Trade Zone and banking services grew significantly, while exports of goods and services began a process of recovery (8.3% y/y) driven by better local supply conditions. In addition, gold production, which in 2011 accounted for around 15% of exports of goods, was significantly up in response to the rise in demand and international prices.

In response to slower global growth and weaker international trade, exports of goods and services will likely underperform in 2012. However, we consider the slowdown will be temporary, as in 2013, exports should recover strength, consistent with a better outlook for global activity.

Furthermore, a remarkable event is the entry into force of the Free Trade Agreement with the United States in October this year. It is worth noting that the United States is Panama's main trading partner, accounting for 30% of exports and 28% of imports (average for the period 2006-2010).

The implementation of the agreement is expected to contribute to the expansion of exports over the coming years, boosting the potential gains from the modernization of the Canal's infrastructure and the port system. In addition, the agreement will attract further investments, mainly in the services and light manufacturing sectors, given the simplification of procedures and the tax system. Nevertheless, additional efforts will be necessary to promote non-traditional exports, if the agricultural sector is to access the benefits of the new trade agreement.

The unemployment rate drops to all-time lows, but economic expansion highlights rigidities in the labor market rigidities

In 2011 the rate of total unemployment reached a minimum of 4.5% (Chart 8), while the rate of open unemployment[1] stood at 2.9%. On the back of a strong economy, employment growth increased at a yearly rate of 3.1%. In 2012-2013, we forecast a more moderate increase in the number of those employed, translating into marginal improvements on the current unemployment figures. However, the labor market conditions will continue to favor household consumption.

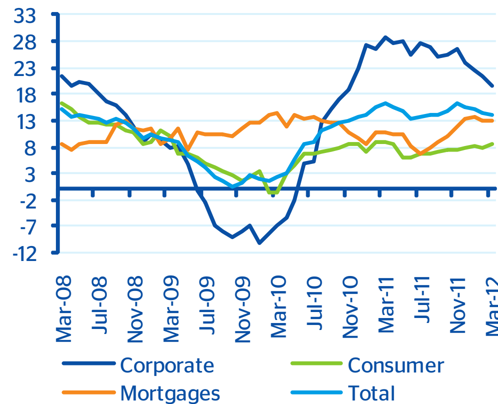
Despite the aforementioned results, youth unemployment remains high (12.5% in 2011) and near 40% of total jobs are informal, highlighting persistent rigidities in the labor market. The strong economic expansion is generating pressures on productive capacity, which could reflect weaknesses in the quality of human capital to cope with the strong pace in domestic activity. In this sense, the regulatory framework remains restrictive by placing limits on companies' hiring of workers from abroad. In this context, further steps are necessary to promote the quality of human capital and labor productivity by strengthening the educational system and improving worker training programs. In turn, this would contribute towards a better distribution of the benefits of economic growth and stronger sustainable economic growth in the medium term.

Credit continues to expand

Financial system indicators remain stable, as credit continues expanding accompanied by low ratios of non-performing loans. In the first quarter of 2012, total credit grew by 14.7% (Chart 9) on average, broadly in line with nominal GDP growth. At the same time, deposits were up by 15.5%. However, deposit interest rates remain low reflecting the import of lax monetary conditions from the US economy. Furthermore, the banks' liquidity indicators stand above the minimum of 30% of domestic deposits. In this context, credit to the private sector will continue to grow at robust rates. In particular, corporate portfolio growth will continue moderating after the strong upturn in 2011, while the consumer and mortgage portfolios have greater room for expansion, supported by low interest rates, improvements in the labor market, and strong performance in the construction of commercial projects.

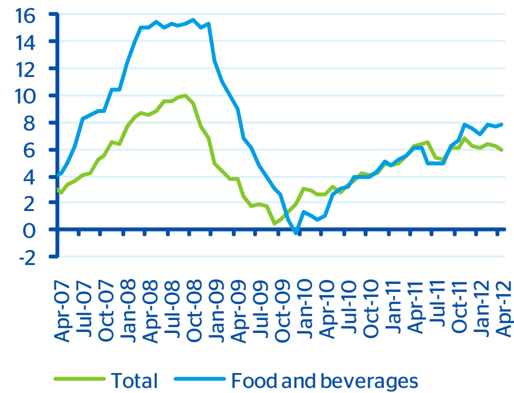
1: Open unemployment measures the number of people aged 15 or over who during the period of reference have taken some action to search for a job, or have already found a job and will begin work at a later date. In contract, total unemployment also includes those people who have given up looking for a job and so did not take any measures to find one.

Chart 9
Credit (annual % change)



Source: Banking Superintendency and BBVA Research

Chart 10
Inflation (Annual % change)



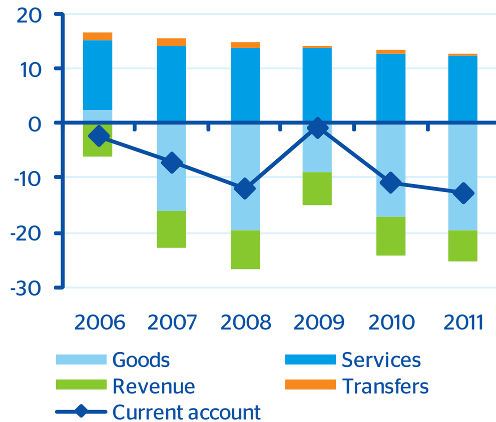
Source: INEC and BBVA Research

3. Inflation and the current-account deficit continue under pressure

Inflation rose sharply from 2.4% in 2009 to 6.3% at the end of 2011 (Chart 10), reflecting high international commodity prices and pressures from strong growth in domestic demand. In addition, over the last year the increase in VAT rates and a big hike in the minimum wage helped increase inflationary pressures. In this context, the authorities have taken measures to ease the impact of rising prices, including the introduction of a maximum price for some fuels, a mechanism to regulate taxes depending on the behavior of international prices, and subsidies on electricity tariffs. Low interest rates in the United States, the behavior of credit and still high international oil prices will continue to complicate the inflationary outlook, particularly when unemployment is at all-time lows and there is a positive output gap. We therefore expect inflation to stand at 5.2% at the end of 2012, with an average of 4.0% in 2013-2014, well above its historical average (close to 2.0%). In the medium term, this situation could affect the competitiveness of the external sector if inflation continues above the rate of the country's main trading partners.

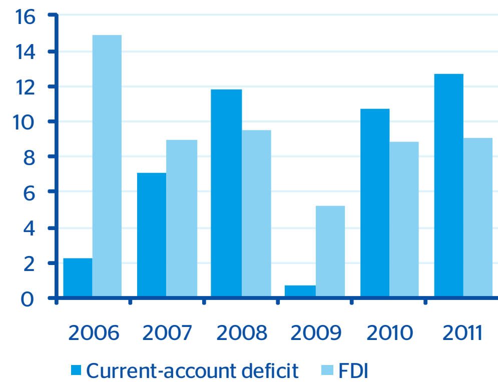
The above suggests a challenge for the authorities, particularly taking into account that both the banking system (through expansion of credit) and fiscal policy (through increased expenditure) will support domestic demand, adding to inflationary pressures. However, we expect that the gradual slowdown of activity towards potential growth and the uncertainty in global financial markets will help balancing the inflationary risks.

Chart 11
Current account (% GDP)



Source: INEC and BBVA Research

Chart 12
Current-account deficit and FDI (% of GDP)



Source: INEC and BBVA Research

High external deficit financed by foreign direct investment

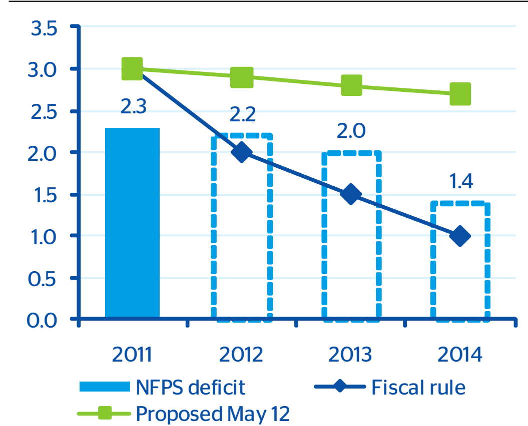
In 2011 the current-account deficit stood at USD 3,892 million, or 12.7% of GDP (Chart 11). Its main determinants were the imbalance of the trade in goods and the negative balance of factor income, which were only partially offset by the surplus in services. The deficit was mainly financed by FDI inflows, which in 2011 increased by 18.7% to 9.1% of GDP (Chart 12). We estimate that the current account deficit as a proportion of GDP will have peaked in 2011 and will moderate gradually over the coming years, in accordance with the rate of public investments that demand a significant volume of imported raw materials, including the work on the Panama Canal. Thus, the current-account deficit is expected to converge to more sustainable levels, from the prominent levels reached in previous years.

In any event, the external imbalances of the Panamanian economy appear a source of vulnerability, to the extent that a strong external shock that affects trade and global liquidity could generate an abrupt closure of the current account, with the consequent effects on economic activity. An unexpected additional increase in oil prices represents a further risk for the stability of the current account, as Panama is a major importer of this commodity.

4. The growing fiscal deficit obliges the government to raise the fiscal rule ceilings

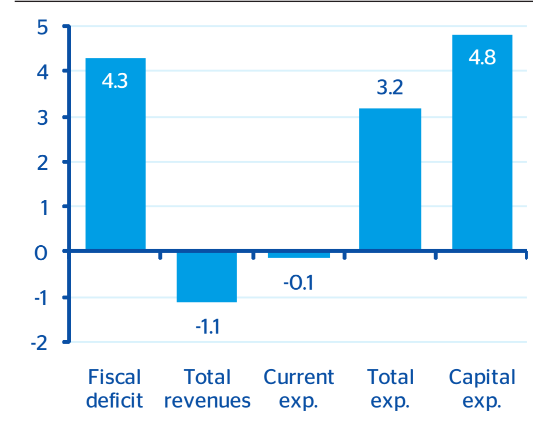
In 2011 the non-financial public sector (NFPS) deficit amounted to USD 703 million, equivalent to 2.3% of GDP (Chart 13), reflecting high capital expenditure and lower than expected growth in revenues. Total revenues were up 12.9% on 2010, as a result of strong economic activity and the impact of fiscal reforms over recent years, as well as the increase in the rate of VAT introduced in mid-2010. In addition, dividend transfers by the Panama Canal Authority reached record levels (USD 1,043 million), equivalent to 3.4% of GDP. Nevertheless, capital income and revenues from government agencies fell during the fiscal period, thus limiting the strength of total revenues.

Chart 13
Fiscal deficit and fiscal rule limits (% GDP)



Source: Banking Superintendency and BBVA Research

Chart 14
Expenditure, revenues and public deficit: 2011 and the 2006-2007 average (% GDP)



Source: Ministry of Economy and Finance, and BBVA Research

Meanwhile, government expenditure was up 14.6%, above the level of total revenues. In particular, capital expenditure was up by 20.6% to 8.8% of GDP and 31.8% of total spending. In addition, fiscal accounts reflected the impact of key social programs promoted by the government. These include the "Universal Grant," which provides financial support to primary and secondary students; and "100 for 70," which provides assistance to adults over the age of 70 who are not covered by a pension fund. In addition, current expenditure reflected increasing subsidies on gasoline and electricity fares. The accounts showed a major deterioration in the primary budget surplus to 0.1% of GDP, compared with 0.8% of GDP in 2010 and 1.9% in 2009.

The total deficit was higher than the official target of 2.0% of GDP, but below that demanded by the fiscal rule. In light of mounting pressures on the fiscal accounts, the government presented a bill to the National Assembly designed to increase the fiscal deficit ceilings, by using an escape clause within the Fiscal and Social Responsibility Act (LRSF). According to the authorities, the measure will provide flexibility in order to support economic growth in the event of a global downturn. The LRSF contains escape clauses that allow the deficit to be increased to 3% of GDP with a gradual adjustment towards the target if there is a major deterioration in local growth, a fall in global growth or a national emergency. The clauses have been used twice, in 2009 and 2010. The current bill increases the fiscal limit allowed for 2012 from 2.0% to 2.9% of GDP, and extends the period of convergence towards the long-term target of 1.0% from 2014 to 2017 (Chart 13). As in the last amendment, it is expected that a significant part of the increased fiscal expenditure will go toward funding the major infrastructure projects. This puts an upside bias on our NFPS deficit forecast of 2.2% of GDP in 2012 and 2.0% in 2013. In addition, the changes in the limits to the fiscal rule and the use of clauses in conditions that do not clearly meet those for which these exceptions were created constitute a negative signal that could generate problems of credibility.

The expected fiscal position does not imply major vulnerability in terms of its financing, and increased capital expenditure is boosting long-term potential growth; however, a more restrictive stance would be preferable in order to save for less favorable times and to reduce inflationary pressures. It is worth noting that despite strong economic growth, the public deficit and expenditure as a percentage of GDP remain above pre-crisis levels (Chart 14), which has not been offset by increased tax revenues. Although the government has taken recent measures in the direction of strengthening fiscal revenues, such as greater controls in the Colon Free Trade Zone, controls to prevent fraud and tax evasion, and the proposal to sell part of the state assets, these would not be free of complications, due to the opposition that some of them face and the market conditions needed for proper implementation. In addition, on the expenditure side, uncertainty persists on the fiscal impact that some "turnkey" projects will have starting in 2013, when payments have to be made to private contractors who are financing the projects during their execution stage.

In addition, with the aim of strengthening fiscal discipline in the medium term, a bill is currently under discussion to create a sovereign fund (Fondo de Ahorro de Panama - FAP), designed to save the additional transfers which will result from the expansion of the Panama Canal. The expansion of the Panama Canal is expected to double its current capacity and increase transfers to the government budget starting in 2015. The sovereign fund will act as a mechanism for macroeconomic stabilization and will contain expenditure pressure resulting from the steady increase in revenues starting in 2015. The bill is currently being debated at the National Assembly, where a broad-ranging discussion is expected regarding aspects such as the system for administering the fund, the conditions for the withdrawal of resources, and the role played by the Fondo Fiduciario para el Desarrollo (Fiduciary Fund for Development), designed to save money received from the privatization of state-owned companies.

5. The resurgence of the European crisis will impact growth, but buffered by investment

In the event of deterioration in global conditions arising from a resurgence of the European crisis, the effect on the Panamanian economy will be mainly through the strong contagion to the United States, and to a lesser extent to the emerging markets of Asia and Latin America. The slowdown in global trade will affect traffic through the Canal and impact the movement of containers, activity in the Colon Free Trade Zone and other services related to international trade. At the same time, a deepening crisis would increase the levels of global risk aversion, which in turn would trigger a reduction in foreign investment. This reduction in external financing would lead to an adjustment in private demand, although the final effects on expenditure would be mitigated by the expansion work on the Canal, which is currently fully financed. In turn, the fiscal balance would deteriorate due to lower economic growth and a reduction in transfers from activity in the Canal. In this situation, increased global risk aversion would more than offset the impact of accommodative policies by the Federal Reserve in the United States, making it difficult for the economy to finance itself abroad. As a result, public investment could reduce its rate of expansion. In any event, we expect that, as in 2009, investment in public works and the extension of the Panama Canal provide a major buffer against a possible deterioration of the global situation.

6. Tables

Table 2
Macroeconomic forecasts annual

	2010	2011	2012	2013
GDP (y/y %)	7.6	10.6	6.0	6.2
Private consumption (y/y %)	24.4	12.5	6.8	5.7
Public consumption (y/y %)	12.2	4.5	4.0	3.0
Fixed investment (y/y %)	11.6	12.5	6.5	2.8
Inflation (y/y %, EoP)	4.9	6.3	5.2	4.0
Exchange Rate (vs. USD, EoP)	1.0	1.0	1.0	1.0
Interest rate (%, EoP)	2.1	1.4	2.4	2.7
Fiscal balance (% GDP)	-1.9	-2.3	-2.2	-2.0
Current account (% GDP)	-10.8	-12.7	-11.6	-9.0

Source: Ministry of Economy and Finance , INEC, Banking Superintendency and BBVA Research Colombia

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