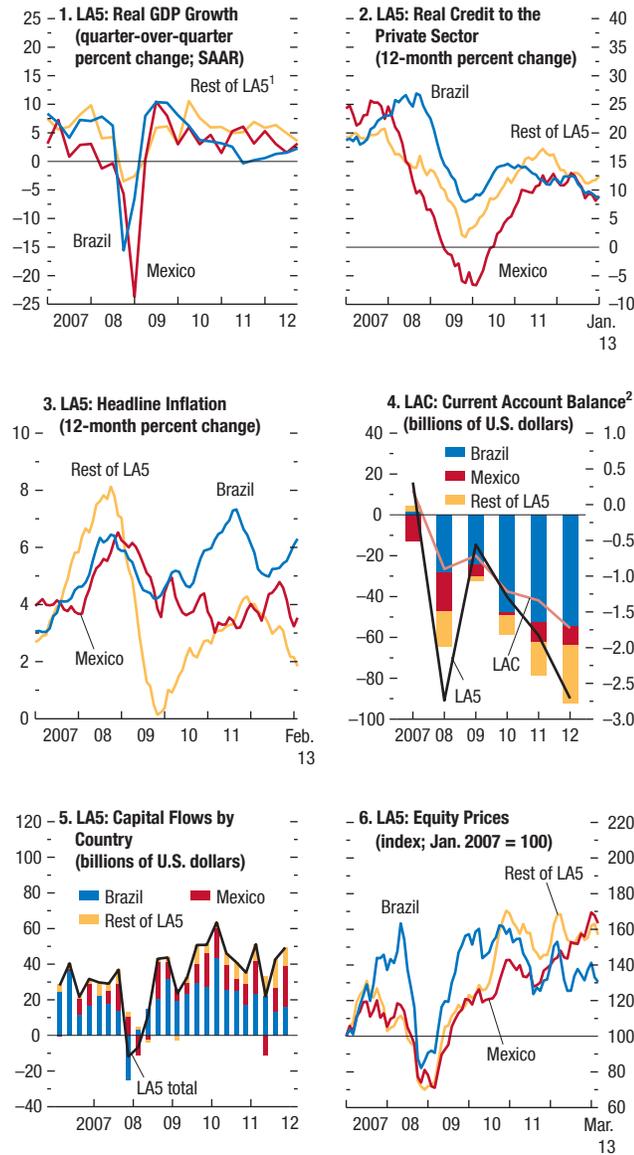


Figure 2.10. Latin America: Growth Supported by Easy Financing Conditions

Output growth moderated in much of the region, with Brazil observing the sharpest slowdown. Domestic demand and bank credit continue to grow at a fast pace; inflation has generally been contained, but current account deficits continue to widen. Capital flows remain buoyant, with a recent pickup in portfolio flows leading to a strengthening of both currencies and equity markets.



Sources: Haver Analytics; national authorities; and IMF staff calculations.

Note: LAC = Latin America and the Caribbean. LA5 includes Brazil, Chile, Colombia, Mexico, and Peru. Rest of LA5 refers to simple average for Chile, Colombia, and Peru (unless noted otherwise). SAAR = seasonally adjusted annualized rate.

¹For Colombia, growth is averaged over four quarters.

²Rest of LA5: total for Chile, Colombia, Peru. LA5: simple average; percent of GDP, right scale. LAC: percent of GDP, right scale.