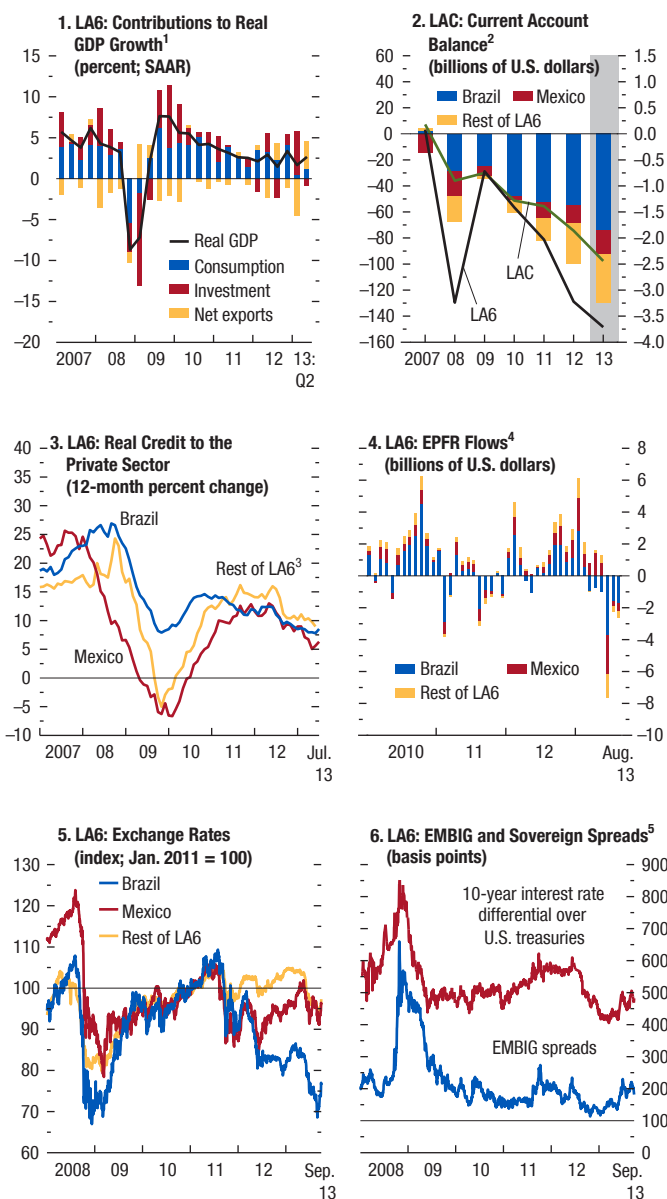


Figure 2.10. Latin America: Growth Is Subdued

Growth has slowed with weaker external and domestic demand. Despite increases in financial volatility and lower commodity prices, external conditions are still broadly supportive. Policies should aim at improving the quality and sustainability of growth and reducing domestic financial volatility.



Sources: Bloomberg, L.P.; EPFR Global/Haver Analytics; Haver Analytics; national authorities; and IMF staff estimates.

Note: LAC = Latin America and the Caribbean. LA6 = Brazil, Chile, Colombia, Mexico, Peru, Uruguay. Rest of LA6 refers to total for Chile, Colombia, Peru, and Uruguay (unless noted otherwise).

¹Purchasing-power-parity GDP-weighted averages of LA6. SAAR = seasonally adjusted annual rate.

²LA6: simple average; percent of GDP, right scale. LAC: percent of GDP, right scale.

³Simple average for Chile, Colombia, Peru, and Uruguay. Data are through June 2013.

⁴EPFR flows provide a limited proxy for overall balance of payments (BoP) flows, although recent studies have found a close match in the pattern of EPFR flows and BoP gross portfolio flows (see Fratzscher, 2012).

⁵Sovereign bond yields are average of Brazil, Chile, Colombia, Mexico, and Peru, depending on availability. EMBIG = JPMorgan EMBI Global Index.