

LATIN AMERICA and the CARIBBEAN

GLOBAL
ECONOMIC
PROSPECTS

January
2014

Chapter 2



Subdued global trade, softer commodity prices, and domestic challenges curbed regional growth in 2013, keeping it largely unchanged from 2012. However, with global economic conditions expected to improve, the regional economic outlook is positive, with growth picking up from 2.5 percent in 2013 to an average of 3.3 percent per annum over the medium term. Downside risks include a disorderly rise in global interest rates and a prolonged and deeper slump in commodity prices.

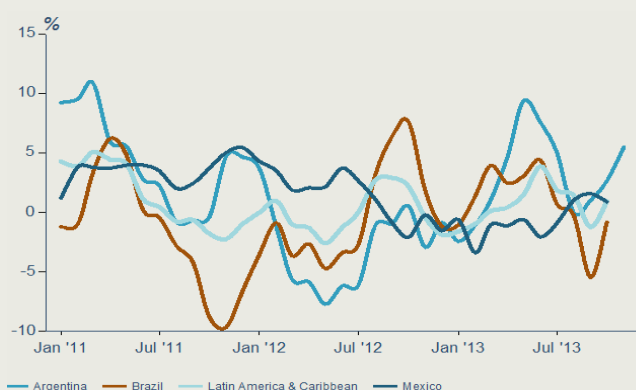
Recent developments

Amid a sluggish global recovery and lower commodity prices, regional economic activity was curbed in 2013. Regional real GDP growth edged down by 0.1 percentage point to 2.5 percent (y/y) in 2013, compared to 2.6 percent in 2012.¹ With GDP growing below its potential rate (estimated at 3.3 percent in 2013), the negative output gap that opened in 2012 further widened in 2013. However, overall regional growth conceals diversity across the sub-regions and countries. Output growth in Central and North America slowed sharply from 4.1 percent in 2012 to 1.7 percent in 2013, led by a sharp slowdown in Mexico. Similarly, with a weakening in Belize, the Dominican Republic and Suriname, growth in the Caribbean also eased to 2.2 percent in 2013 from 3.0 percent. In contrast, output growth in South America accelerated to 2.7 percent from 2.1 percent, led by stronger growth in Argentina, Brazil and Paraguay. Venezuela represented an outlier in the South America, with growth falling sharply to 0.7 percent in 2013 from 5.5 percent due to domestic challenges.

1. Regional aggregates are computed for low and middle-income countries in the region and do not include any of the region's high-income countries.

Despite a strong first half year and partial recovery in the last quarter, overall exports growth for 2013 has weakened considerably compared to 2012 reflecting mid-year weakness. Overall, for the 11 months through November, regional exports advanced by only 4.1 percent (y/y), compared with the 7.6 percent expansion observed over the same period in 2012. The regional outcome was generally consistent with global trends. Global import demand expanded in the first half of 2013, but contracted in Q3, partly reflecting uncertainty sparked by speculation about the future of U.S. monetary policy, before firming up again in Q4. Similarly, growth in the region's merchandise exports was also solid in the first half of 2013, expanding at an average annualized rate of more than 9 percent (q/q saar) through June, but fizzled out toward the end of Q3 (0.5 percent in September), before recovering somewhat in Q4 (more than 7 percent in October and November). Bolivia, Colombia, Costa Rica, Jamaica, and Mexico all saw marked decelerations in export growth, while export volumes contracted in 2013 in Honduras, Nicaragua and Peru. In contrast, thanks to a bumper harvest, Argentina's export volumes were up by 22 percent (y/y) through the first 11 months of 2013.

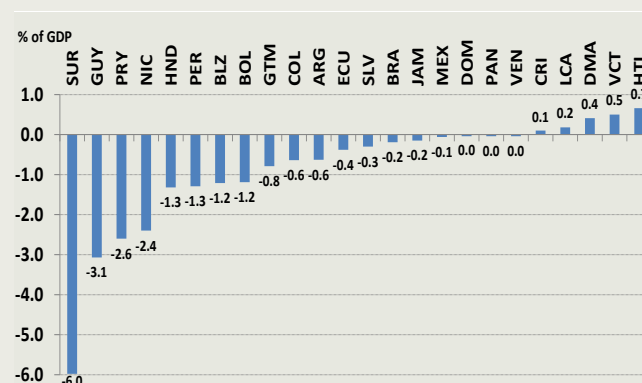
A short-lived upturn in industrial production gave way to broad-based weakness in the second half of 2013. For the first 10 months of 2013, regional industrial production increased by a dismal one half percent (y/y) over the same period in 2012. From a

Figure 2.12 Industrial production growth decelerates in Latin American and Caribbean countries

Source: Datastream, Haver Analytics.

contraction of 1.6 percent in January, output accelerated in the first half of 2013 peaking at an annualized pace of 3.9 percent (3m/3m saar) in June (figure 2.12). However, industrial activity growth has since decelerated, with output contracting at a 1.2 percent annualized rate in Q3. In Brazil, where industrial production has been particularly volatile, strong investment and exports pushed up industrial activity in the first half of the year. Due to monetary tightening that began in April and associated uncertainty, industrial production took a brief downturn in July, before making a recovery since August. Similarly, boosted by expansionary policies and a good harvest and consequently increased agricultural exports, Argentina's industrial production peaked in May, retreated sharply in June before making a recovery in July. Largely because of the delayed effects of weak export demand, developments among Central American economies also took on a similar path, with industrial activity contracting until July and signs of a recovery appearing for August through October.

A deterioration in the terms of trade worsened current account balances in the region's economies. For the region as a whole, lower commodity prices, together with the slowdown in export volumes, led the current account deficit as a share of GDP to increase from 1.7 percent in 2012 to 2.6 percent in 2013. The prices of agriculture products, metals and precious metals (in U.S. dollars) fell 7.2, 5.5 and 16.9 percent, respectively, in 2013. Given the commodity intensity of the region's exports, these price declines severely dented the region's value of exports, leading to a fall in export revenue and, in many cases, government revenue as well. Our calculations suggest that the income effect of the negative terms-of-trade shock led to a

Figure 2.13 Effect of lower commodity prices on the terms of trade

Source: World Bank.

deterioration of the region's trade balances by some 0.3 percent of GDP. Suriname, where commodities constituted 97.5 percent of exports in 2010, experienced a terms-of-trade hit of almost 6 percent of GDP, leading to a substantial increase in its current account deficit (figure 2.13). In contrast, in Haiti, where primary commodities make up only 3 percent of exports, the terms-of-trade changes were favorable and reflected by an improving trade balance and an easing of its current account deficit in 2013. Similarly, other Central American and Caribbean countries with low commodity export shares, such as Dominica, St. Lucia, and St. Vincent and the Grenadines observed varying degrees of improvement to their current account balances.

Table 2.7 Gross capital flows to Latin America and the Caribbean region

Billions of US\$	Total Gross Capital Flows	Equity Issue	Bond Issue	Bank Lending
Total flows 2012	149.5	19.8	92.8	36.9
Total flows 2013	177.6	29.2	98.3	50.1
Percentage Change	18.8	47.4	6.0	35.6
Average Jan - May 2012	11.6	1.2	8.6	1.9
Average Jul - Dec 2012	13.9	2.2	7.5	4.3
Percentage change	19.6	83.3	-13.0	126.5
Average Jan - May 2013	15.1	3.4	9.4	2.4
Average Jul - Dec 2013	16.1	1.7	8.6	5.8
Percentage Change	6.0	-51.5	-8.6	147.3

Source: World Bank.

Gross capital flows to the region increased overall for 2013, despite a slump in equity issues in the second half of the year. Gross capital flows to the region, consisting of the new equity issues, new bond issues, and syndicated bank lending, totaled \$178 billion in 2013, an increase of 18.8 percent over the \$150 billion in 2012 (table 2.7). Boosted by strong flows to Brazil and Mexico, equity issues jumped 47 percent, reaching \$29 billion compared with the \$20 billion in 2012. After posting robust flows in the first five months of 2013, capital flows to the region fell sharply in June on the prospect of QE tapering. Flows then rebounded in July, and with the unexpected decision by the U.S. Fed that it would not taper in September, capital flows to the region surged to \$22 billion in September as the region's borrowers sold a record high \$20.6 billion worth of bonds. While total flows to the region did strengthen substantially overall in 2013, average monthly equity issues for July to December amounted to only \$1.7 billion, which is half the average amount of monthly equity issues from January to May of \$3.4 billion. The less financially integrated economies of Central America and the Caribbean observed less turbulence from a reduction in capital inflows.

Regional currencies depreciated after the May tapering announcement. With the sell-off in emerging market assets following mid-year expectations of QE tapering, regional currencies depreciated, and in particular those currencies that saw larger depreciations, were more likely to have benefited more from earlier capital inflows and had relatively larger domestic imbalances. Between May and August, the Brazilian real, Colombian peso, Peruvian Nuevo sol, and Mexican peso depreciated by some 13.0, 2.7, 5.6, and 4.7 percent respectively (figure 2.14). However, as

expectations of the tapering waned in September, regional currencies regained some of their depreciated value, but remained below their May 2013 levels. (In Brazil, the Central Bank did intervene in the currency market over the summer months, which led to its appreciation in September.) Bucking the trend, the Argentine peso continued to depreciate, even past September, in part reflecting loose monetary policy and weak investor sentiment. The broad depreciation in regional currencies has, however, been supportive of a nascent pick-up in regional exports starting in October, thereby cushioning the adverse effects of softer commodity prices.

Outlook

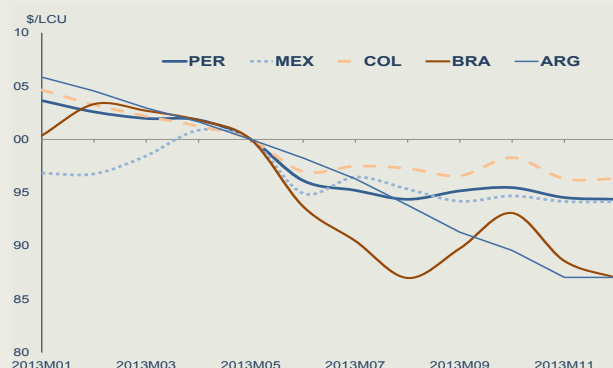
The regional economic outlook is projected to strengthen over the medium term, growing around potential — but below the boom years before the crisis. Regional GDP growth is forecast to strengthen from 2.9 percent in 2014 and 3.2 in 2015, and 3.7 percent in 2016 (table 2.8).

Strengthening global demand should support the region's growth over the forecast horizon. The baseline assumes that global economic activity will pickup over the projection horizon, supported in particular by a moderate acceleration of growth in high-income countries (see chapter one). Indeed, from a weak 2.4 percent (y/y) in 2013, global GDP is projected to gradually strengthen, reaching 3.5 percent in 2016. As a result, global trade growth will pick up from 3.1 percent in 2013 to 5.1 percent in 2016. The recovery in global trade, albeit it being modest compared with pre-crisis levels, will be supportive of exports from the Latin American and Caribbean region. We project that the region's export volumes will be expanding by more than 5 percent in 2016, up from the below 3 percent growth observed in both 2012 and 2013.

Continued decline in commodity prices will moderate export revenues. With few exceptions, commodity prices are projected to continue their downward trend in the medium term, yielding negative terms-of-trade developments for the majority of the region's commodity exporters along with decreases in export and government revenue, and, all else being equal, a worsening of the trade and current account balances. Countries such as Belize and Colombia where commodity exports make up about three-fourths of all exports, and Ecuador, a major exporter of bananas and crude oil, will see a deterioration of export revenues and trade balances and quite possibly their current account balances as well.

Figure 2.14 Regional currencies depreciate on prospect of QE tapering

(US\$/LCU exchange rate index, May 2013 = 100)



Source: World Bank.

Table 2.8 Latin America and the Caribbean forecast summary*
(annual percent change unless indicated otherwise)

	00-09 ^a	2010	2011	2012	2013 e	2014 f	2015 f	2016 f
GDP at market prices^b	2.7	6.0	4.1	2.6	2.5	2.9	3.2	3.7
(Sub-region totals -- countries with full NIA + BOP data) ^c								
GDP at market prices^c	2.7	6.0	4.1	2.6	2.5	2.9	3.2	3.7
GDP per capita (units in US\$)	1.5	4.8	2.9	1.4	1.3	1.7	2.1	2.7
PPP GDP	2.6	6.1	4.5	2.9	2.7	3.1	3.3	3.8
Private consumption	3.1	5.6	4.9	3.8	2.6	2.8	2.9	3.2
Public consumption	2.7	4.3	2.8	3.7	2.2	2.3	2.6	2.7
Fixed investment	3.6	13.1	8.3	1.7	2.9	2.7	3.6	4.3
Exports, GNFS ^d	2.8	11.3	6.1	2.5	2.2	4.0	4.7	5.4
Imports, GNFS ^d	3.6	21.6	10.1	3.8	3.7	3.1	3.6	3.6
Net exports, contribution to growth	-0.1	-1.9	-0.9	-0.4	-0.4	0.1	0.1	0.2
Current account bal/GDP (%)	-0.4	-1.4	-1.4	-1.7	-2.6	-2.5	-2.3	-2.0
GDP deflator (median, LCU)	6.5	5.1	6.9	5.8	4.2	4.4	4.3	4.4
Fiscal balance/GDP (%)	-2.6	-3.1	-2.6	-3.9	-3.1	-3.0	-2.5	-2.4
Memo items: GDP								
South America ^e	3.1	6.3	4.1	2.1	2.7	2.6	2.9	3.5
Developing Central and North America ^f	1.5	5.1	4.0	4.1	1.7	3.5	3.9	4.2
Caribbean ^g	3.2	4.4	3.9	3.0	2.2	3.4	3.9	4.2
Brazil	2.9	7.5	2.7	0.9	2.2	2.4	2.7	3.7
Mexico	1.3	5.1	4.0	3.8	1.4	3.4	3.8	4.2
Argentina	2.9	9.2	8.9	1.9	5.0	2.8	2.5	2.5

Source: World Bank

Notes: e = estimate, f = forecast

* Unless otherwise indicated, regional aggregates are computed for low and middle-income countries in the region and do not include any of the region's high-income countries.

a. Growth rates over intervals are compound weighted averages; average growth contributions, ratios and deflators are calculated as simple averages of the annual weighted averages for the region.

b. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.

c. Sub-region aggregate excludes Cuba and Grenada, for which data limitations prevent the forecasting of GDP components or Balance of Payments details.

d. Exports and imports of goods and non-factor services (GNFS).

e. South America: Argentina, Bolivia, Brazil, Colombia, Ecuador, Guyana, Paraguay, Peru, Venezuela

f. Developing Central & North America: Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, El Salvador.

g. Caribbean: Belize, Dominica, Dominican Republic, Haiti, Jamaica, St. Lucia, St. Vincent and the Grenadines, and Suriname.

Depreciated regional currencies will act as buffers to mitigate the adverse effects of the lower commodity prices on trade and current account balances, with the net effect being determined on a country-specific basis.

With global financing conditions further tightening, capital flows to the region will be further moderated. With the U.S. Fed's commencement of QE tapering in January 2014, long-term interest rates on U.S. Treasuries are expected to rise further, leading investors to demand higher interest rates on developing-country debts.

Increased capital costs will slow debt flows to developing countries, including to the Latin American and Caribbean region, which has been one of the largest beneficiaries of the increased capital flows to developing countries observed in recent years (table 2.9). Overall, total net capital flows to the region will decline by about 3.7 percent (y/y) in 2014, on top of the 5.1 percent decline saw in 2013. The weaker growth in capital flows will thus temper the contribution of domestic demand to overall GDP growth, an effect that should be partially offset by stronger exports.

Table 2.9 Net capital flows to Latin America and the Caribbean (\$ billions)

	2008	2009	2010	2011	2012	2013 e	2014 f	2015 f	2016 f
Capital Inflows	163.1	160.4	303.4	267.7	312.1	296.2	285.3	303.8	313.8
Private inflows, net	156.7	143.2	280.8	262.8	300.3	289.9	277.8	294.5	308.4
Equity Inflows, net	109.9	112.5	150.1	147.5	170.5	172.7	162.3	177.7	189.2
Net FDI inflows	121.5	71.2	110.9	145	150.3	158	144	152	160
Net portfolio equity inflows	-11.6	41.2	39.3	2.6	20.2	14.7	18.3	25.7	29.2
Private creditors. Net	46.8	30.7	130.7	115.3	129.8	117.2	115.5	116.8	119.2
Bonds	9.1	43.3	65.6	75.6	79.8	76.3	71.2	62.5	60.1
Banks	35.6	-4.2	18.3	46.1	28	23.4	20.1	35.4	36.2
Other private	-0.5	-0.5	0.9	-0.4	9.6	2.1	1.5	0.8	2.4
Short-term debt flows	2.6	-7.9	45.9	-5.9	12.3	15.4	22.7	18.1	20.5
Official inflows, net	6.4	17.2	22.6	4.9	11.8	6.3	7.5	9.3	5.4
World Bank	2.5	6.2	8.3	-2.9	3.6	2.2
IMF	0	0.4	1.3	0.2	-0.1	0.4
Other official	3.9	10.6	13	7.5	8.4	3.7

Notes: e = estimate, f = forecast

Source: World Bank

Performance across individual countries will vary. With strengthening exports growth, together with public investments for the upcoming World Cup in 2014 and summer Olympics in 2016, outweighing the adverse effects of lower commodity prices and tighter global financing conditions, Brazil, the largest economy in the region, is expected to see modest but sustained growth over the forecasting horizon from 2.4 percent (y/y) in 2014 accelerating to 3.7 in 2016 (table 2.10). Driven by a broad public transportation investment program that includes the expansion of the canal, Panama will continue to be an outlier, with high growth rates at 7.3 percent for 2014, moderating to above 6 percent for 2015 and 2016. Mexico is also expected to post a relatively robust performance, predominantly benefiting from a maturing recovery in the United States, and will see GDP growth steadily accelerate from 3.4 percent in 2014 to 4.2 percent in 2016. Similar to Mexico, other Central and North American economies with tight trade links to the strengthening United States are also expected to see growth rise from 3.5 percent in 2014 and to 4.2 percent in 2016. Likewise, the Caribbean economies are also anticipated to strengthen from 3.4 percent in 2014 to 4.2 percent in 2016, on stronger tourism income. In contrast, the Venezuelan economy is projected to undergo a drawn-out adjustment and weak growth in the medium term, as goods shortages and supply bottlenecks persist with high inflation.

Risks

Potential for a disorderly adjustment to higher long-term interest rates.

Prospects will be sensitive to the pace at which accommodative monetary policy in high-income countries is withdrawn. In the baseline, the incremental withdrawal of quantitative easing, and its effect on long-term interest rates in United States, is assumed to continue to follow a relatively gradual trajectory in line with improving economic conditions in the United States. However, if markets react sharply to the continued tapering, then capital flows to developing countries could decrease by as much as 80 percent, destabilizing current account balances, leading to disorderly depreciations of regional currencies, and quite possibly, increasing imported inflation. These outcomes would compel local governments to tighten monetary policies and further reduce growth prospects. Latin America will not be immune to such developments, particularly because is one of the developing regions that has benefited the most from higher capital flows arising from loose monetary policies in high-income countries. As earlier observed, equity issuances slumped by around 50 percent following the mid-2013 perturbations in global financial markets, and regional currencies depreciated by up to 13 percent over the same time

period. Econometric analysis (see chapter 3) suggests that because investors tend to discriminate among countries, those with poorer macroeconomic fundamentals (such as high current account and fiscal deficits) are likely to see larger adjustments on the prospects of a disorderly tapering process.

Weaker than expected growth in the global economy. The baseline forecast assumes the continued improvement of advanced economies namely, the United States and the Euro Area. Outturns in Central and North American and Caribbean developing economies are likely to be particularly sensitive to the U.S. economy and in particular the evolution of fiscal policy discussions in that country. Similarly, although

growth in the Euro Area has encouragingly turned positive in recent quarters, the nascent recovery is still too hesitant to decisively indicate whether the Euro Area is on the verge of regaining sustained growth in the immediate future.

Sharper-than-expected decline in commodity prices. The baseline also assumes a moderate decline in commodity prices. Given China's importance in global commodity markets (particularly in metal markets) a sharper-than-expected slowdown in China is likely to affect regional commodity exporters thereby eroding export and government revenues, and potentially aggravating current account imbalances.

Table 2.10 Latin America and the Caribbean country forecasts*

	00-09 ^a	2010	2011	2012	2013 e	2014 f	2015 f	2016 f
Argentina								
GDP at market prices (% annual growth) ^b	2.9	9.2	8.9	1.9	5.0	2.8	2.5	2.5
Current account bal/GDP (%)	2.7	0.4	-0.6	0.0	-0.8	-0.9	-0.8	-0.2
Belize								
GDP at market prices (% annual growth) ^b	5.0	2.7	1.9	5.3	1.8	2.7	3.3	3.4
Current account bal/GDP (%)	-12.7	-2.9	-1.1	-2.2	-1.8	-1.8	-1.7	-1.4
Bolivia								
GDP at market prices (% annual growth) ^b	3.4	4.1	5.2	5.2	5.3	4.7	4.0	3.6
Current account bal/GDP (%)	3.9	4.6	2.3	7.7	7.1	5.9	4.5	3.0
Brazil								
GDP at market prices (% annual growth) ^b	2.9	7.5	2.7	0.9	2.2	2.4	2.7	3.7
Current account bal/GDP (%)	-0.7	-2.2	-2.1	-2.4	-3.6	-3.7	-3.5	-3.2
Colombia								
GDP at market prices (% annual growth) ^b	3.7	4.0	6.6	4.2	4.0	4.3	4.2	4.0
Current account bal/GDP (%)	-1.4	-3.1	-2.9	-3.3	-3.5	-3.6	-3.3	-3.0
Costa Rica								
GDP at market prices (% annual growth) ^b	3.8	5.0	4.4	5.1	3.4	4.3	4.1	4.1
Current account bal/GDP (%)	-5.0	-3.5	-5.4	-5.6	-5.4	-5.6	-5.7	-5.7
Dominica								
GDP at market prices (% annual growth) ^b	2.4	1.2	1.0	1.7	1.1	1.7	1.8	2.1
Current account bal/GDP (%)	-18.4	-17.3	-14.7	-11.5	-10.0	-9.9	-9.6	-9.0
Dominican Republic								
GDP at market prices (% annual growth) ^b	4.5	7.8	4.5	3.9	2.5	3.9	4.6	4.9
Current account bal/GDP (%)	-2.6	-8.4	-8.2	-6.8	-4.8	-4.0	-3.2	-2.7
Ecuador								
GDP at market prices (% annual growth) ^b	4.2	3.5	7.8	5.1	4.0	4.1	4.2	4.3
Current account bal/GDP (%)	1.0	-2.3	-0.3	-0.3	-0.9	-0.8	-0.6	-0.5
El Salvador								
GDP at market prices (% annual growth) ^b	2.0	1.4	2.0	1.6	1.9	2.3	2.6	2.9
Current account bal/GDP (%)	-3.8	-2.7	-4.7	-5.1	-4.3	-3.5	-2.6	-1.1
Guatemala								
GDP at market prices (% annual growth) ^b	3.4	2.9	4.1	3.0	3.3	3.4	3.3	3.2
Current account bal/GDP (%)	-4.8	-1.6	-3.6	-2.9	-3.0	-2.8	-2.8	-2.9
Guyana								
GDP at market prices (% annual growth) ^b	2.1	4.4	5.4	4.8	4.4	3.9	3.5	3.5
Current account bal/GDP (%)	-10.0	-6.9	-14.4	-13.9	-17.0	-16.1	-15.4	-14.9
Honduras								
GDP at market prices (% annual growth) ^b	3.8	3.7	3.7	3.3	2.9	3.4	3.8	3.9
Current account bal/GDP (%)	-6.7	-5.4	-9.0	-9.7	-11.2	-8.2	-6.9	-6.0
Haiti								
GDP at market prices (% annual growth) ^b	0.6	-5.4	5.6	2.8	3.4	4.2	3.9	3.9
Current account bal/GDP (%)	-6.8	-29.4	-24.3	-16.1	-14.7	-14.0	-13.5	-12.0
Jamaica								
GDP at market prices (% annual growth) ^b	1.0	-1.5	1.7	-0.5	0.3	1.0	1.2	1.3
Current account bal/GDP (%)	-10.1	-7.1	-14.6	-12.7	-11.8	-9.4	-7.4	-6.1

Table 2.10 Latin America and the Caribbean country forecasts*

	00-09 ^a	2010	2011	2012	2013 e	2014 f	2015 f	2016 f
Mexico								
GDP at market prices (% annual growth) ^b	1.3	5.1	4.0	3.8	1.4	3.4	3.8	4.2
Current account bal/GDP (%)	-1.6	-0.2	-0.9	-0.9	-1.5	-1.5	-1.4	-1.4
Nicaragua								
GDP at market prices (% annual growth) ^b	2.8	3.6	5.4	5.2	3.8	4.2	4.4	4.3
Current account bal/GDP (%)	-17.3	-10.0	-13.2	-12.8	-13.6	-13.2	-12.2	-11.2
Panama								
GDP at market prices (% annual growth) ^b	5.6	7.6	10.6	10.5	7.9	7.3	6.9	6.5
Current account bal/GDP (%)	-4.8	-10.8	-12.8	-9.1	-12.5	-11.9	-11.1	-9.8
Peru								
GDP at market prices (% annual growth) ^b	4.8	8.8	6.9	6.3	4.9	5.5	5.9	5.8
Current account bal/GDP (%)	-0.7	-2.5	-1.9	-3.6	-4.9	-4.4	-3.8	-3.2
Paraguay								
GDP at market prices (% annual growth) ^b	2.0	13.1	4.3	-1.2	14.1	4.6	3.3	3.0
Current account bal/GDP (%)	2.0	-0.4	1.4	0.6	4.8	3.1	1.4	1.1
St. Lucia								
GDP at market prices (% annual growth) ^b	2.1	3.2	0.6	-0.9	0.7	1.5	1.7	1.8
Current account bal/GDP (%)	-19.6	-18.9	-21.7	-14.5	-14.6	-14.4	-13.9	-13.0
St. Vincent and the Grenadines								
GDP at market prices (% annual growth) ^b	2.9	-2.0	0.6	1.5	2.1	2.7	3.2	4.2
Current account bal/GDP (%)	-18.8	-30.9	-28.9	-30.3	-29.3	-28.3	-26.8	-25.3
Suriname								
GDP at market prices (% annual growth) ^b	4.4	4.1	4.7	4.5	3.9	4.1	3.5	3.5
Current account bal/GDP (%)	9.8	6.4	5.8	4.2	0.5	3.7	4.4	4.5
Venezuela, RB								
GDP at market prices (% annual growth) ^b	3.3	-1.5	4.2	5.5	0.7	0.5	1.7	2.3
Current account bal/GDP (%)	9.7	2.6	7.5	2.5	1.7	2.1	2.2	2.2

Source: World Bank

Notes: e = estimate, f = forecast

World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

Cuba, Grenada, St. Kitts and Nevis, are not forecast owing to data limitations.

* Published forecasts are for only low and middle-income countries in the region, hence no high-income countries are included.

a. GDP growth rates over intervals are compound average; current account balance shares are simple averages over the period.

b. GDP measured in constant 2010 U.S. dollars.