

# Latin America: Current Economic Situation

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**Main Sources:**

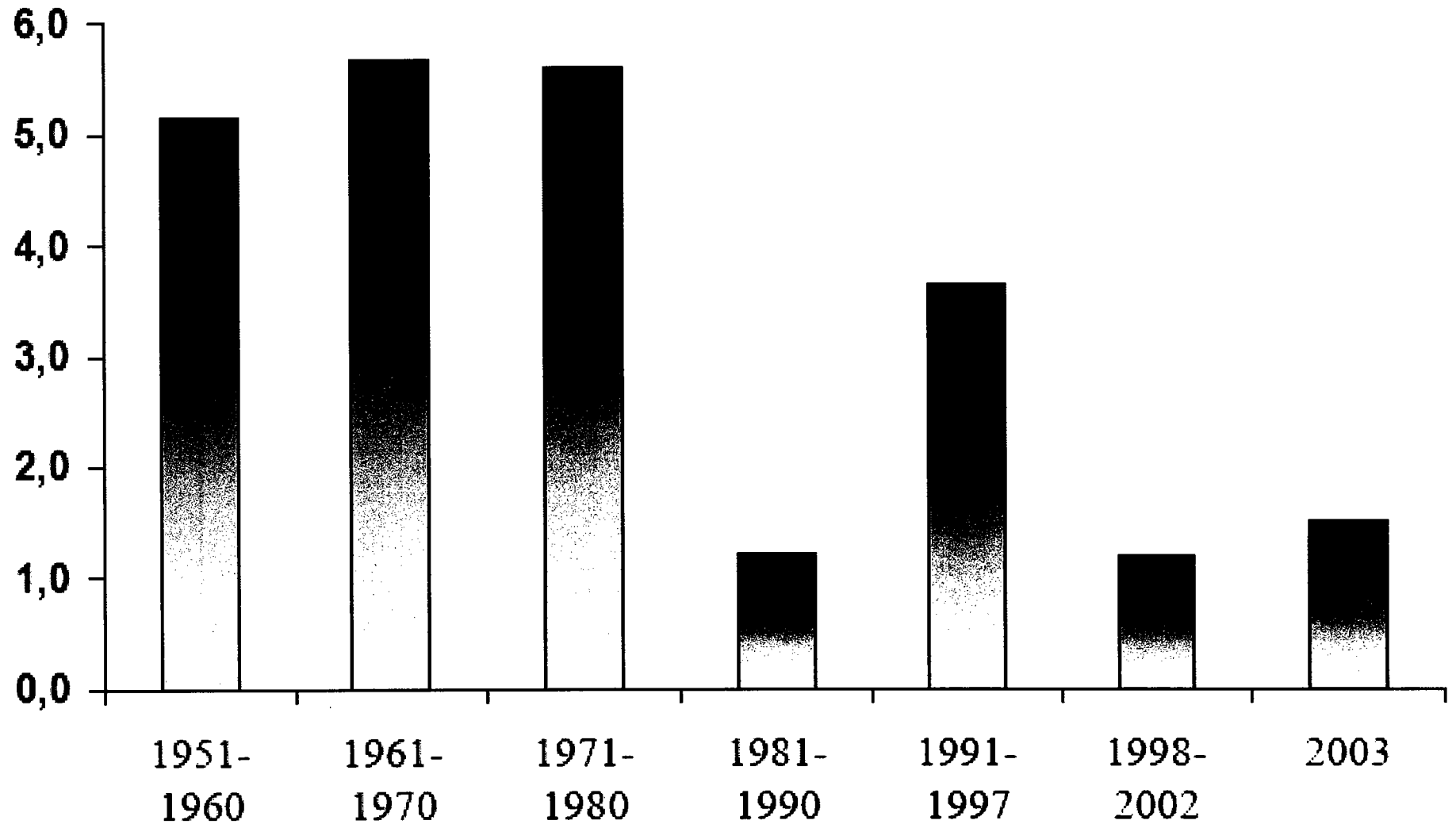
**Economic Commission for Latin America  
(ECLA)**

**International Monetary Fund (IMF)**

# A Little Bit of History

- Economic Performance: poor growth record overall, very variable.
- Social Indicators/ Poverty/Inequality: most do not show sustained improvement.
- Development approach:  
50-70's: Import Substitution Industrialization  
80-90's: opening, privatizations, large K-inflows , crisis (Mexico 95, Brazil 99, Argentina 2001)

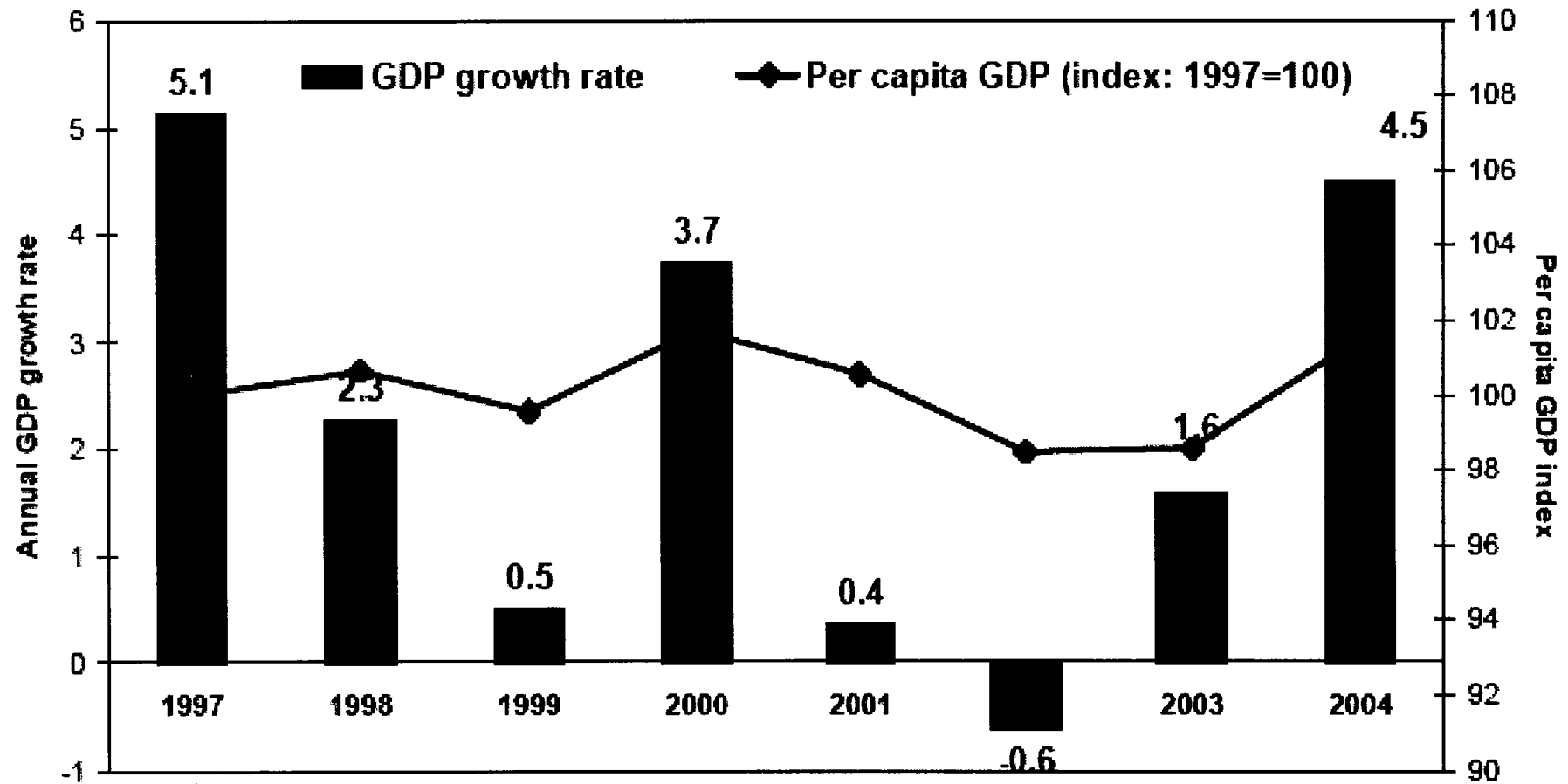
# GDP Growth rates: annual averages



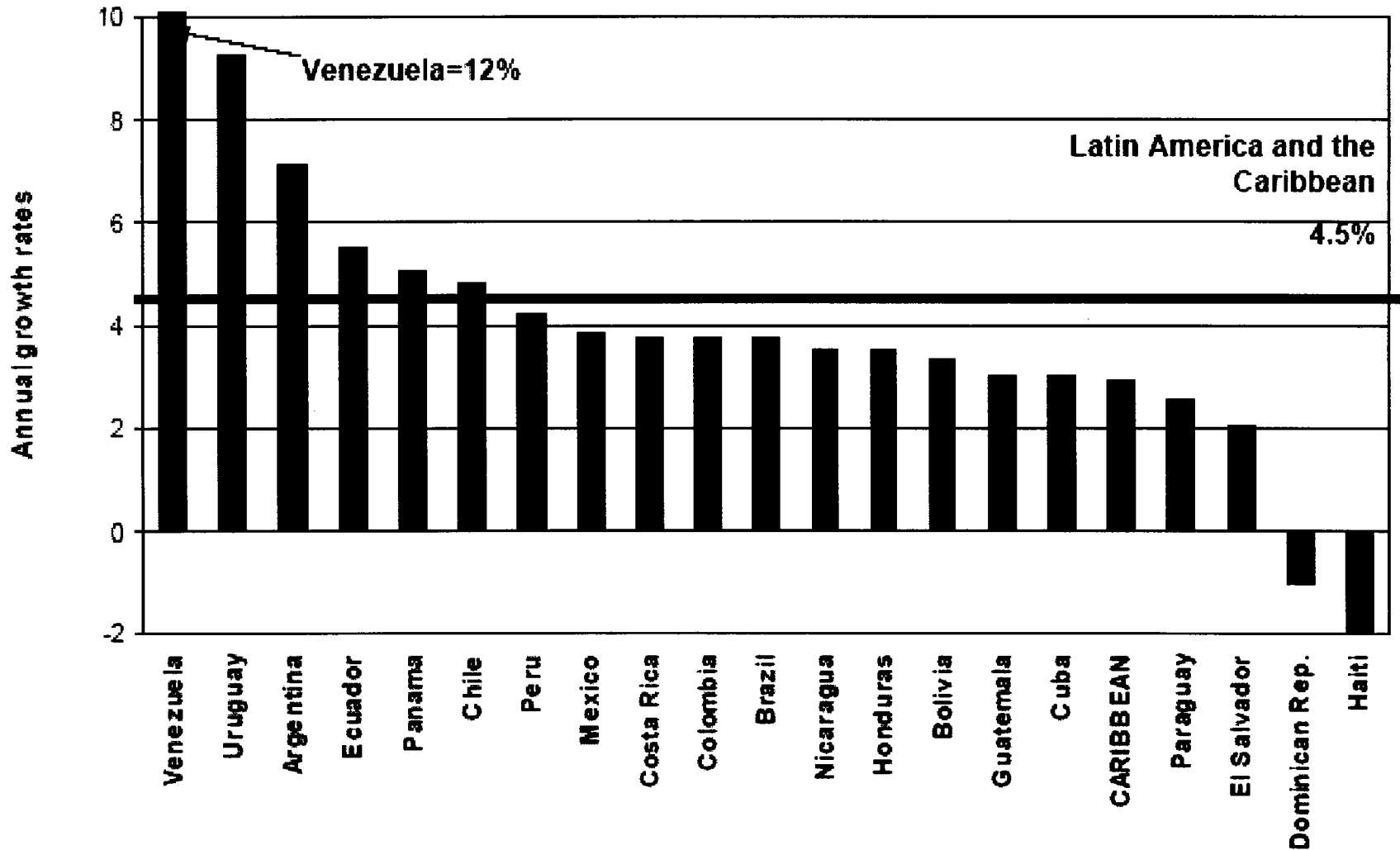
# 2003-04

- Substantial Improvement.
- Good international conditions: China, US, Japan are growing, favorable export prices.
- Argentina is planning to get out of the default (early 2005), should stimulate K-inflows.
- China is playing a major role in trade and investment.

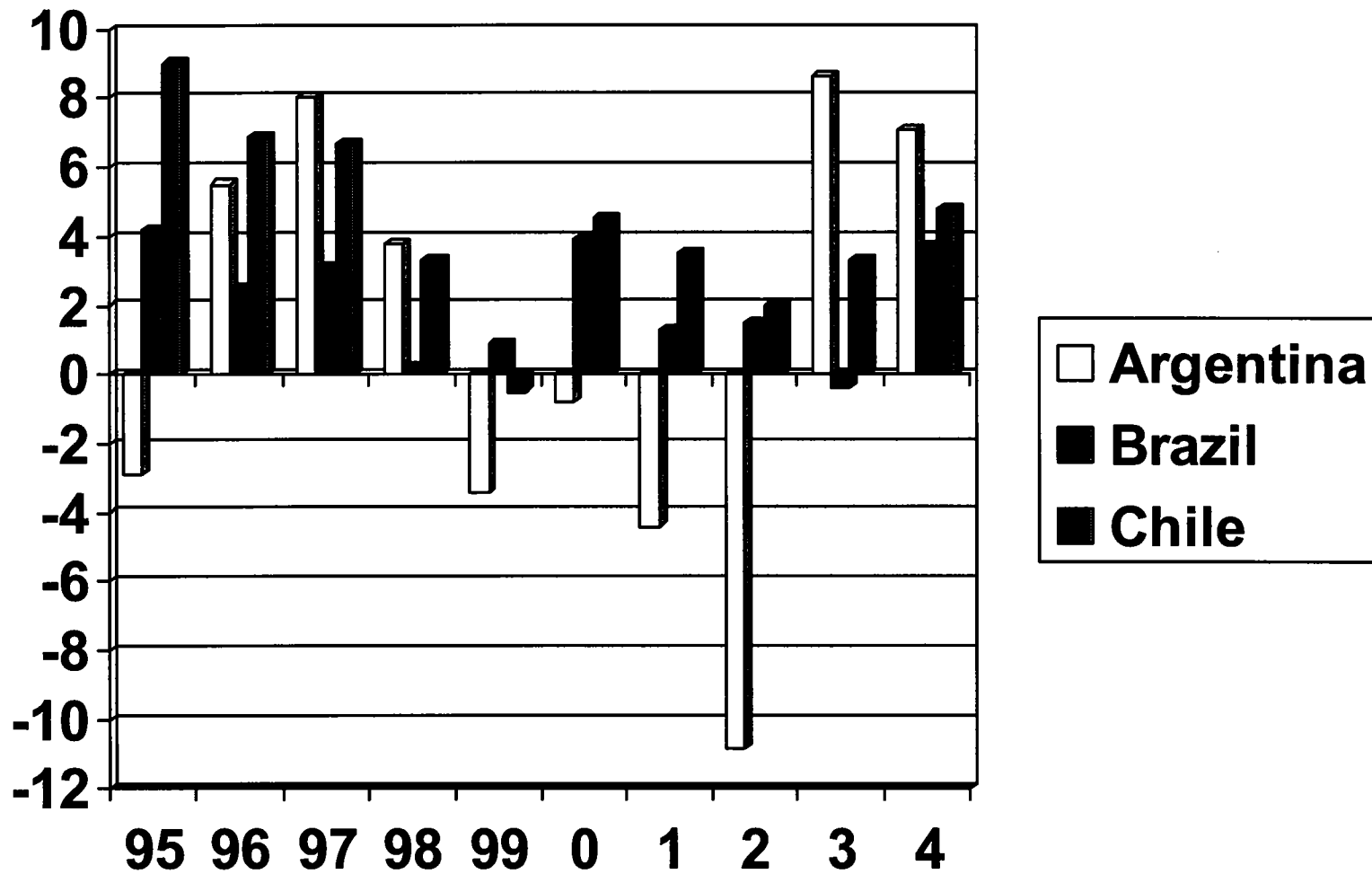
## LATIN AMERICA AND THE CARIBBEAN



# Positive Growth Estimates for 2004 are Widespread

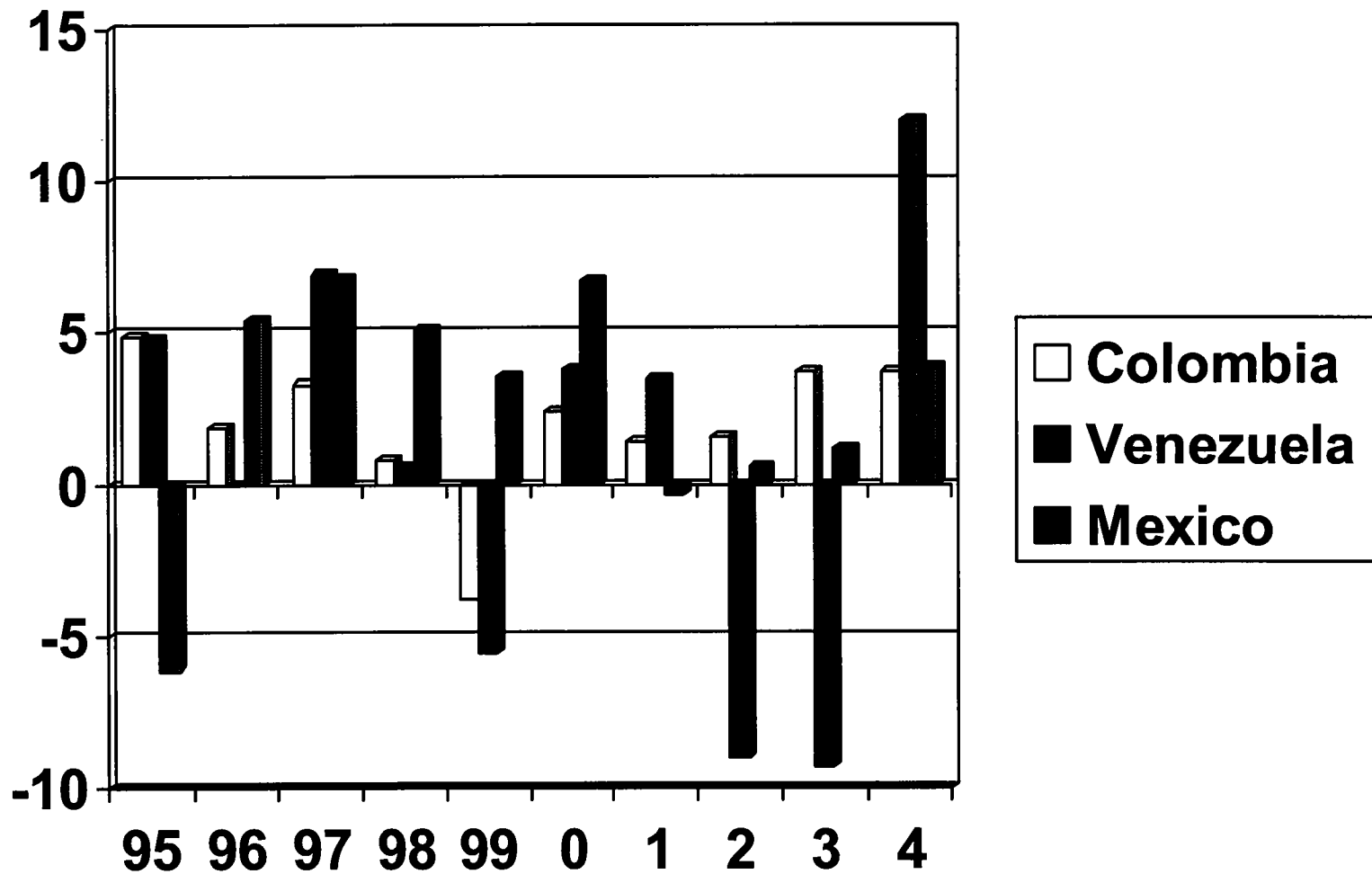


# Annual GDP Growth Rates

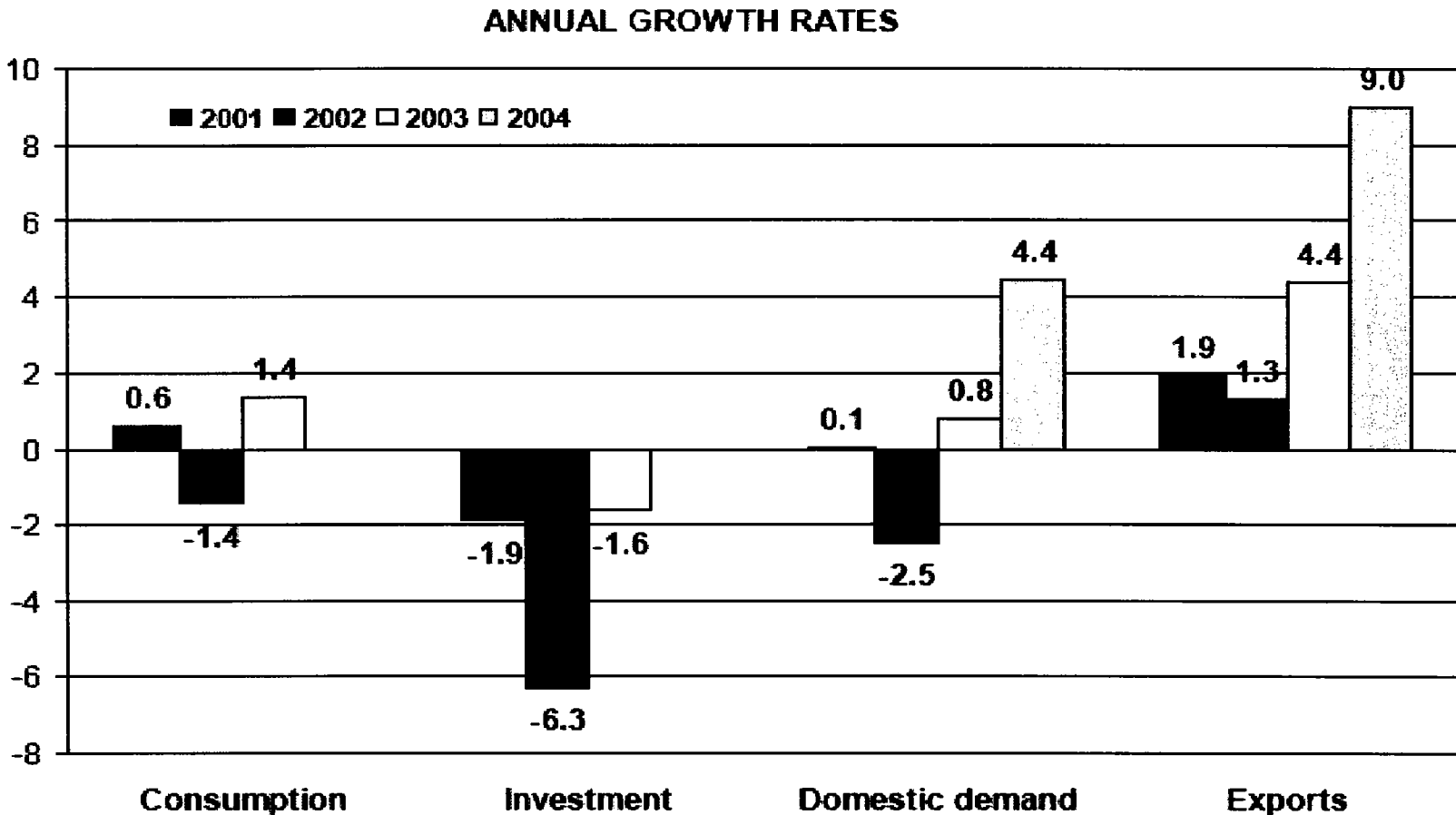




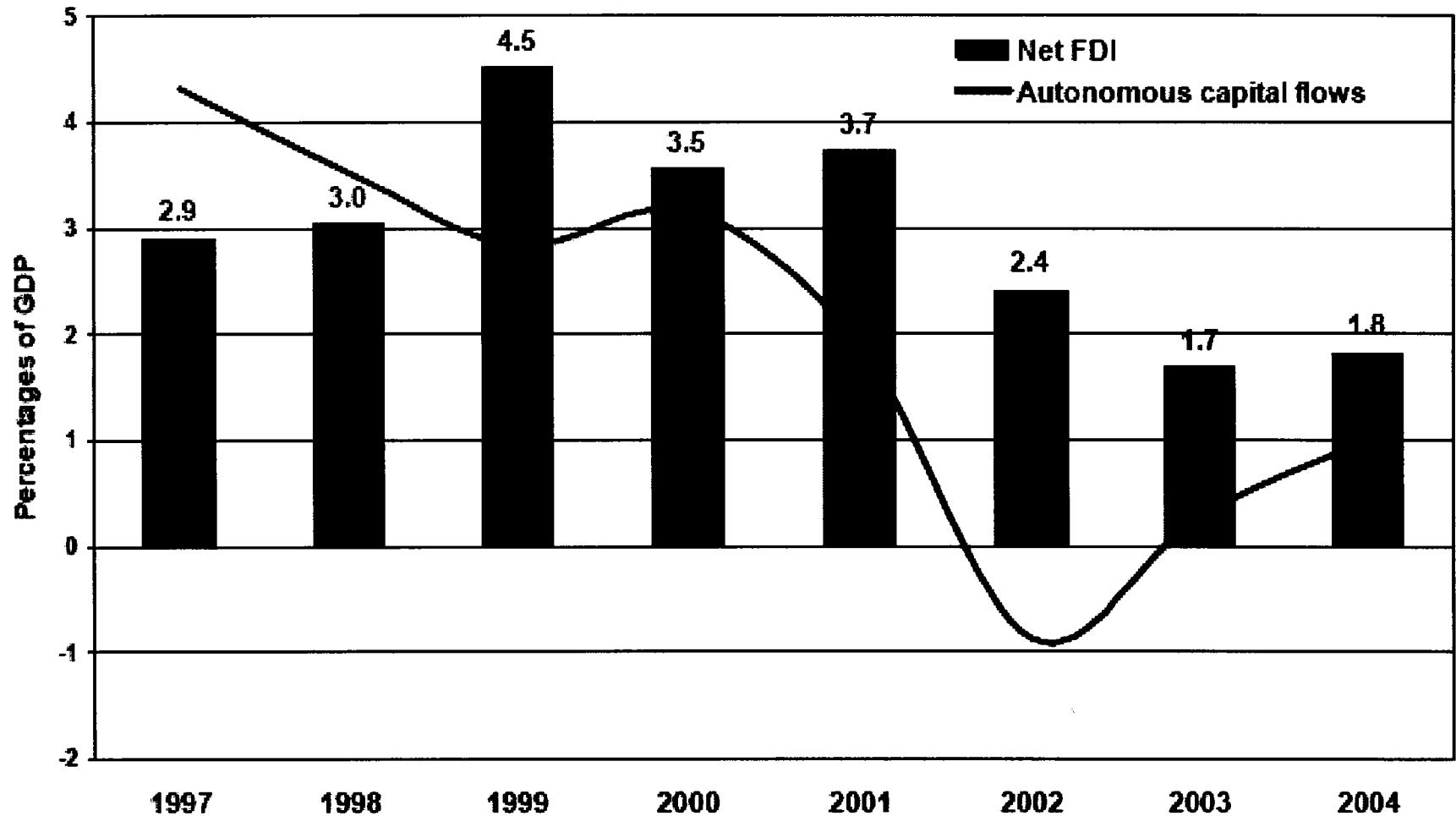
# GDP Annual Growth Rate



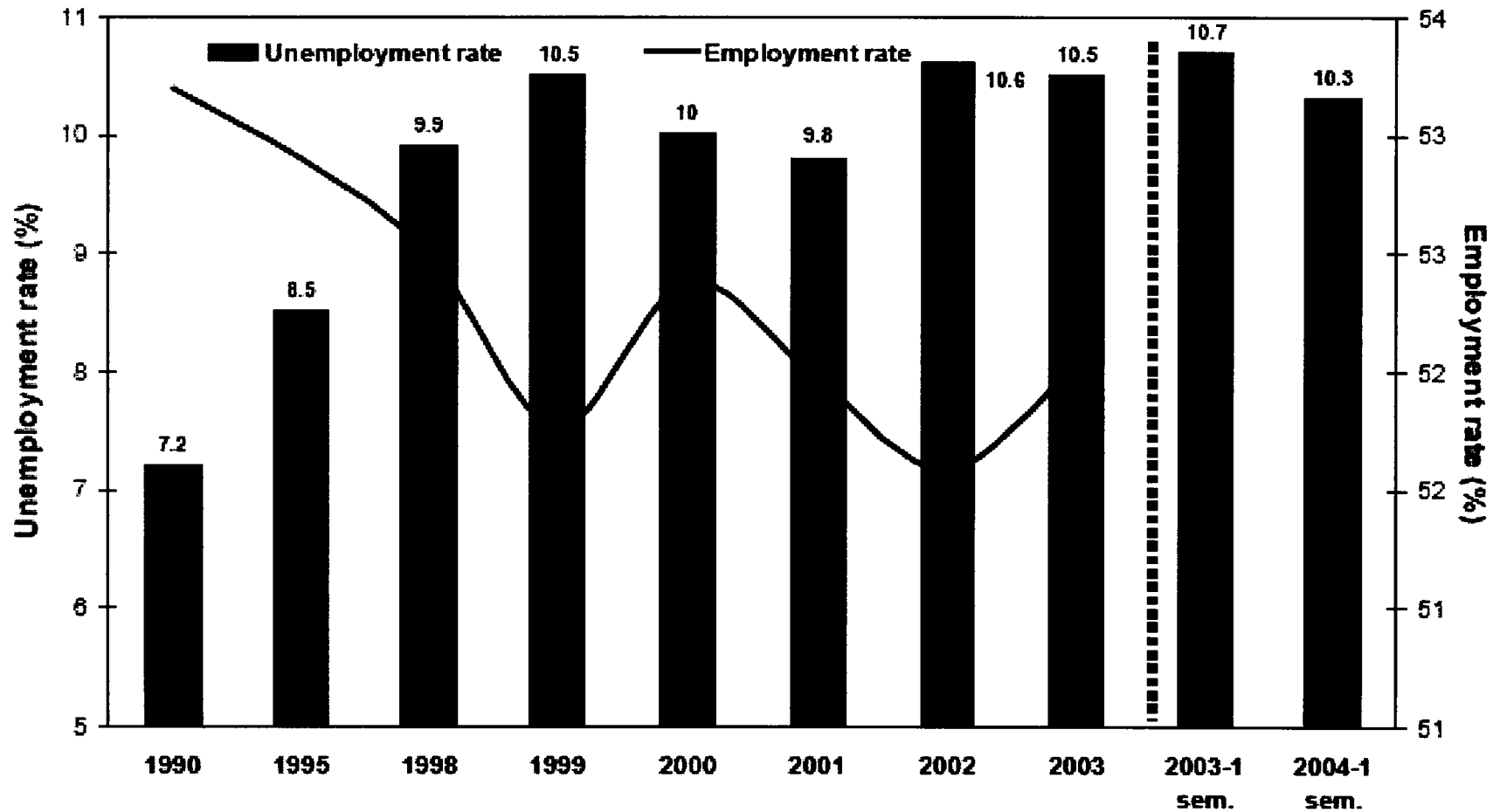
# Exports drive recovery but domestic demand improving



# Capital Inflows are recovering

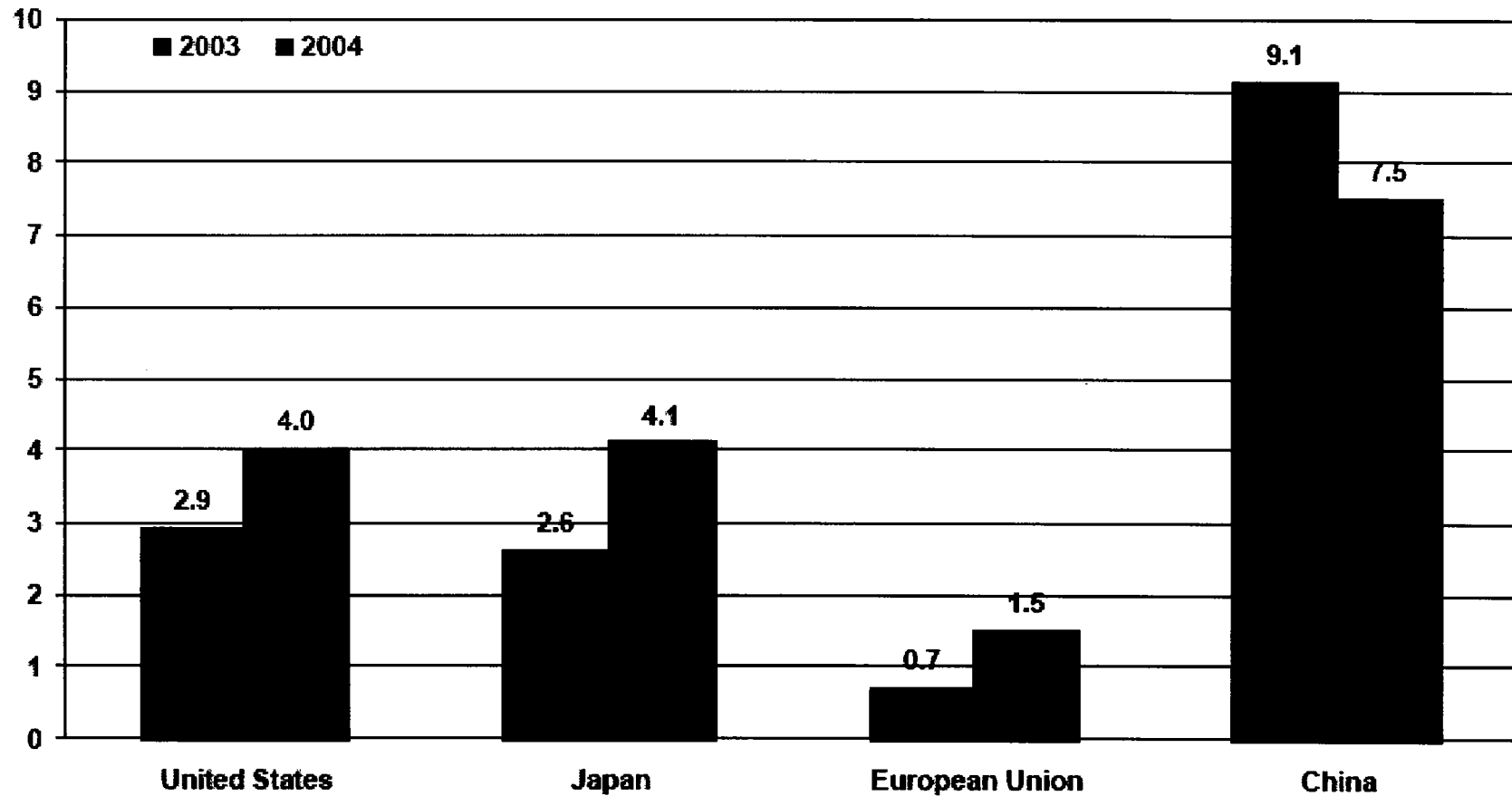


# Unemployment still high but employment rate improving



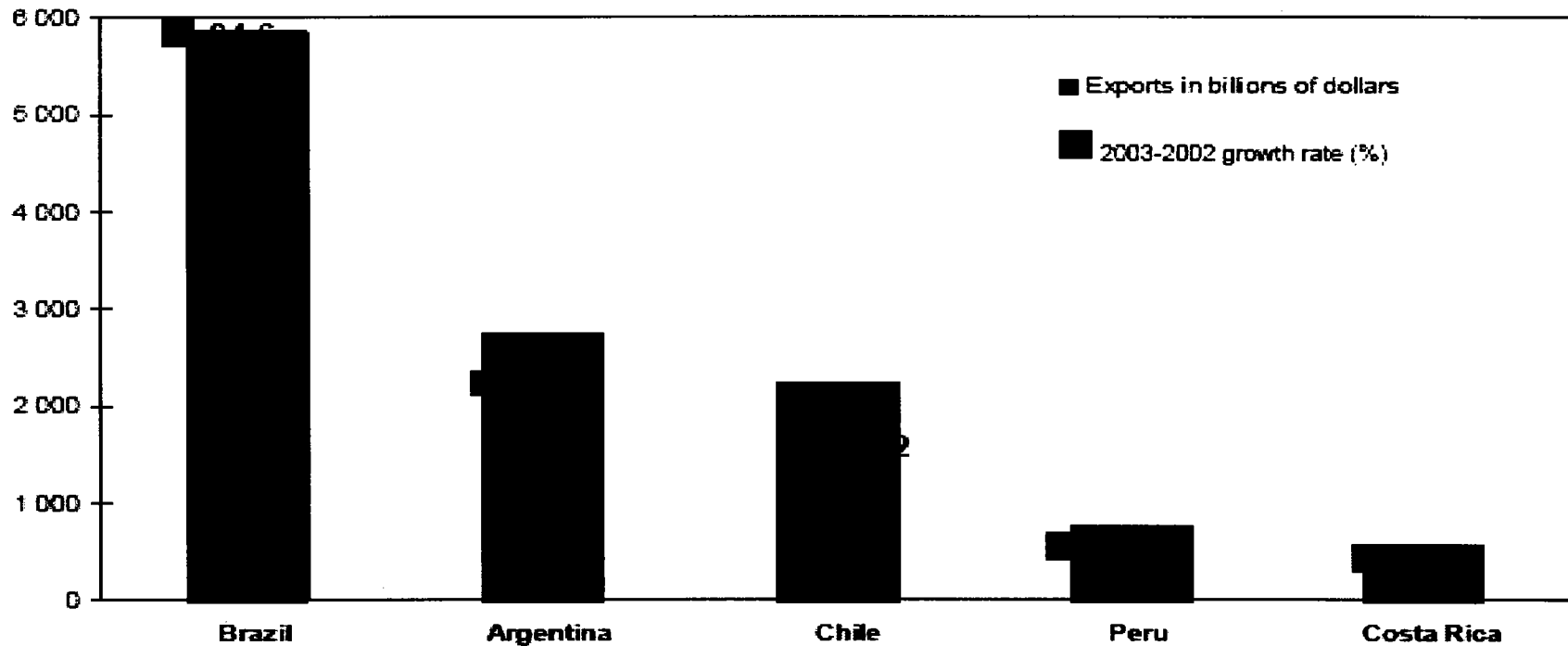
# Good performance of trading partners benefit region

GROWTH RATES 2003-2004



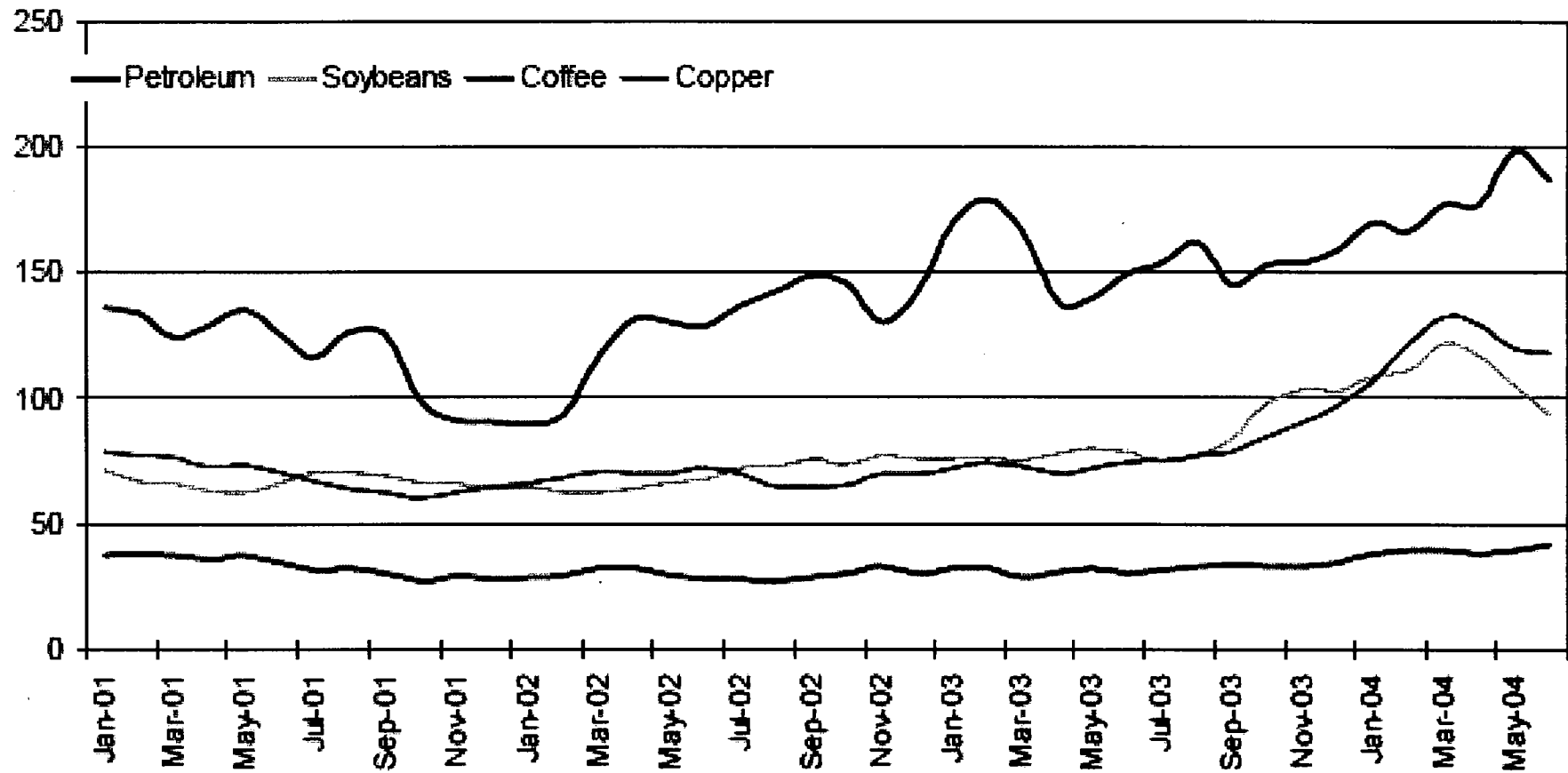
# Latin America's largest exporters to China

EXPORTS IN BILLIONS OF DOLLARS

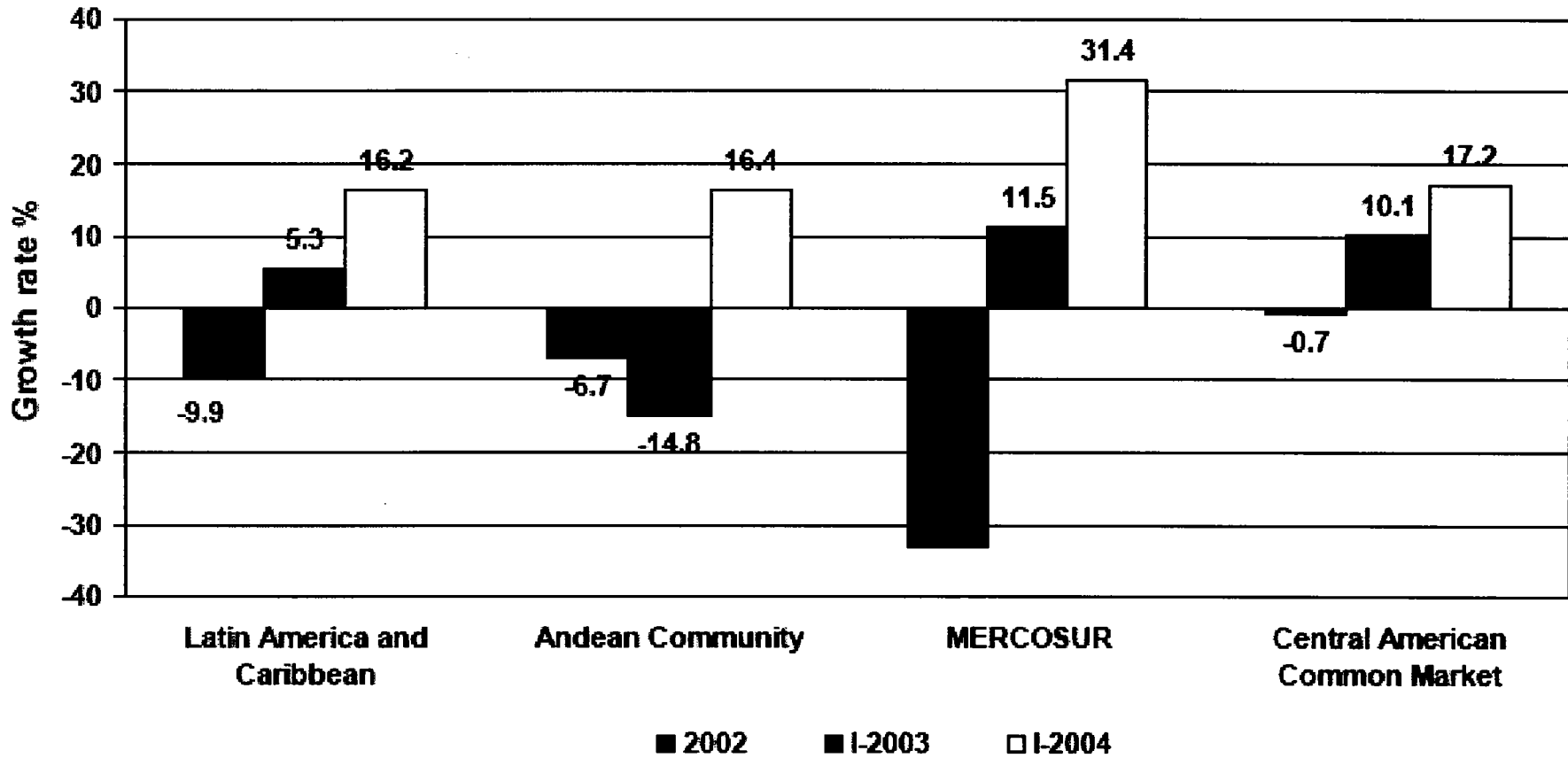


Total Latin American and Caribbean exports: US\$ 14.927 billion

# LATIN AMERICA AND THE CARIBBEAN: PRICES OF COMMODITY EXPORTS (index: 1997=100)

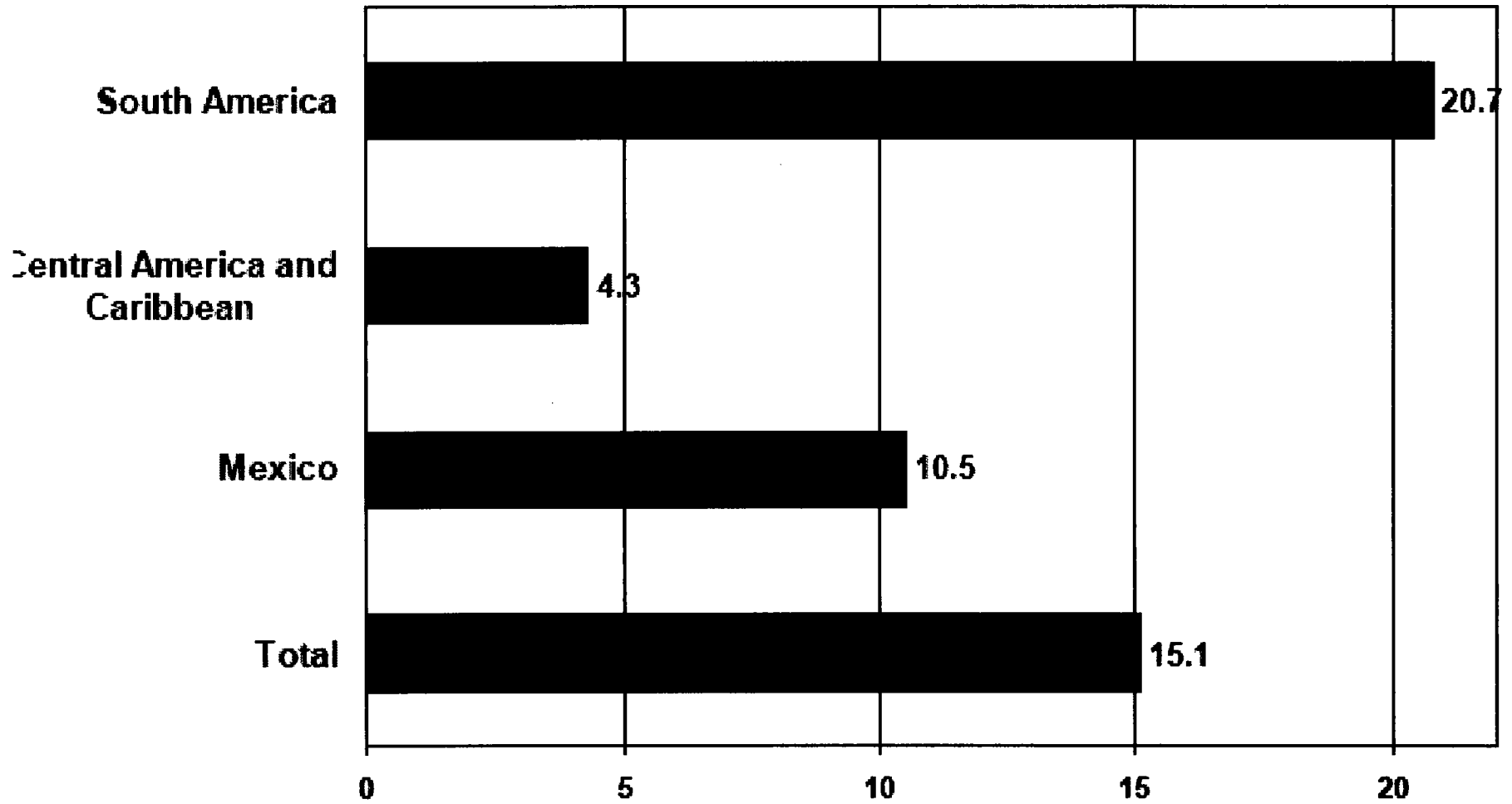


# Growth of intra block exports



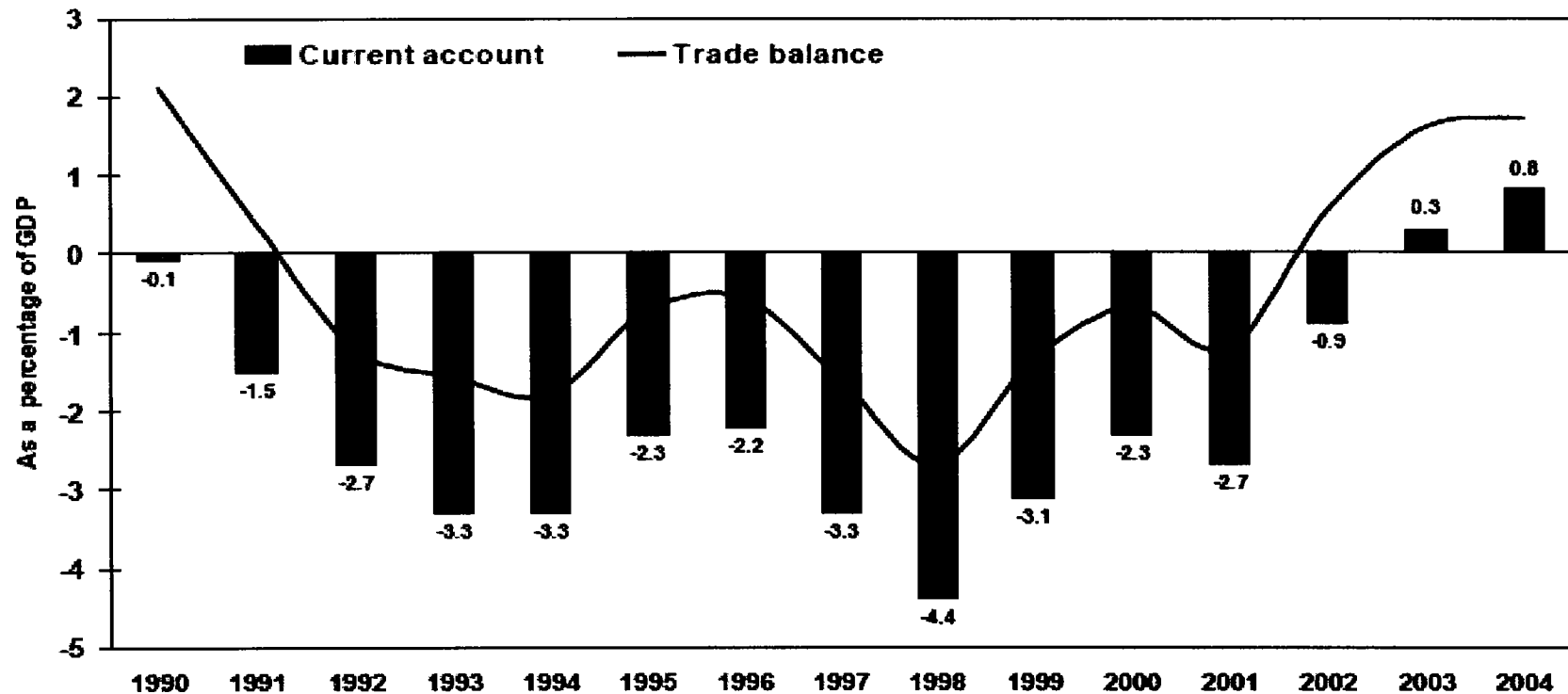


### ANNUAL EXPORT GROWTH RATES (2004-2003)

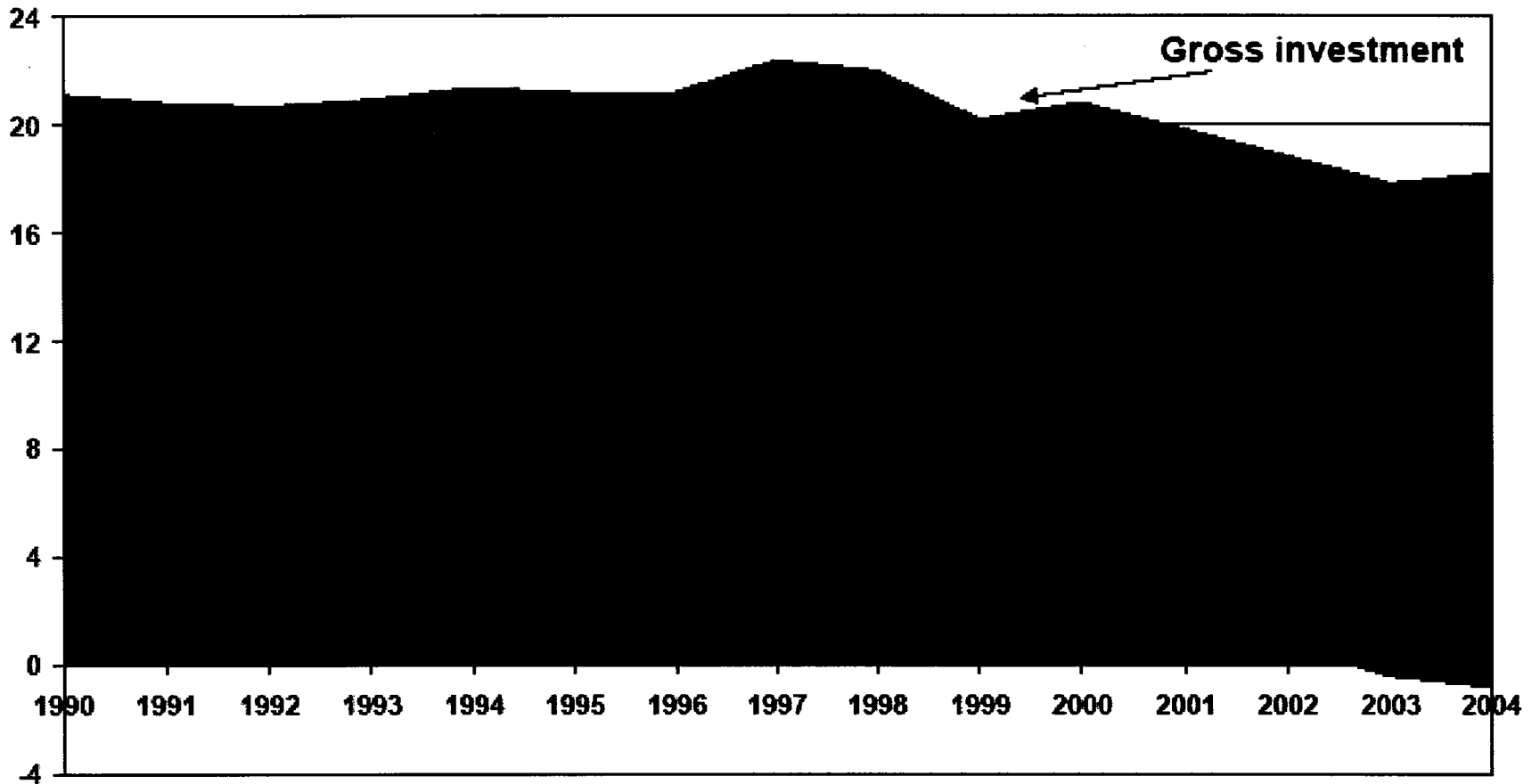


# Improvement in Current Account

LATIN AMERICA: CURRENT ACCOUNT AND TRADE BALANCE

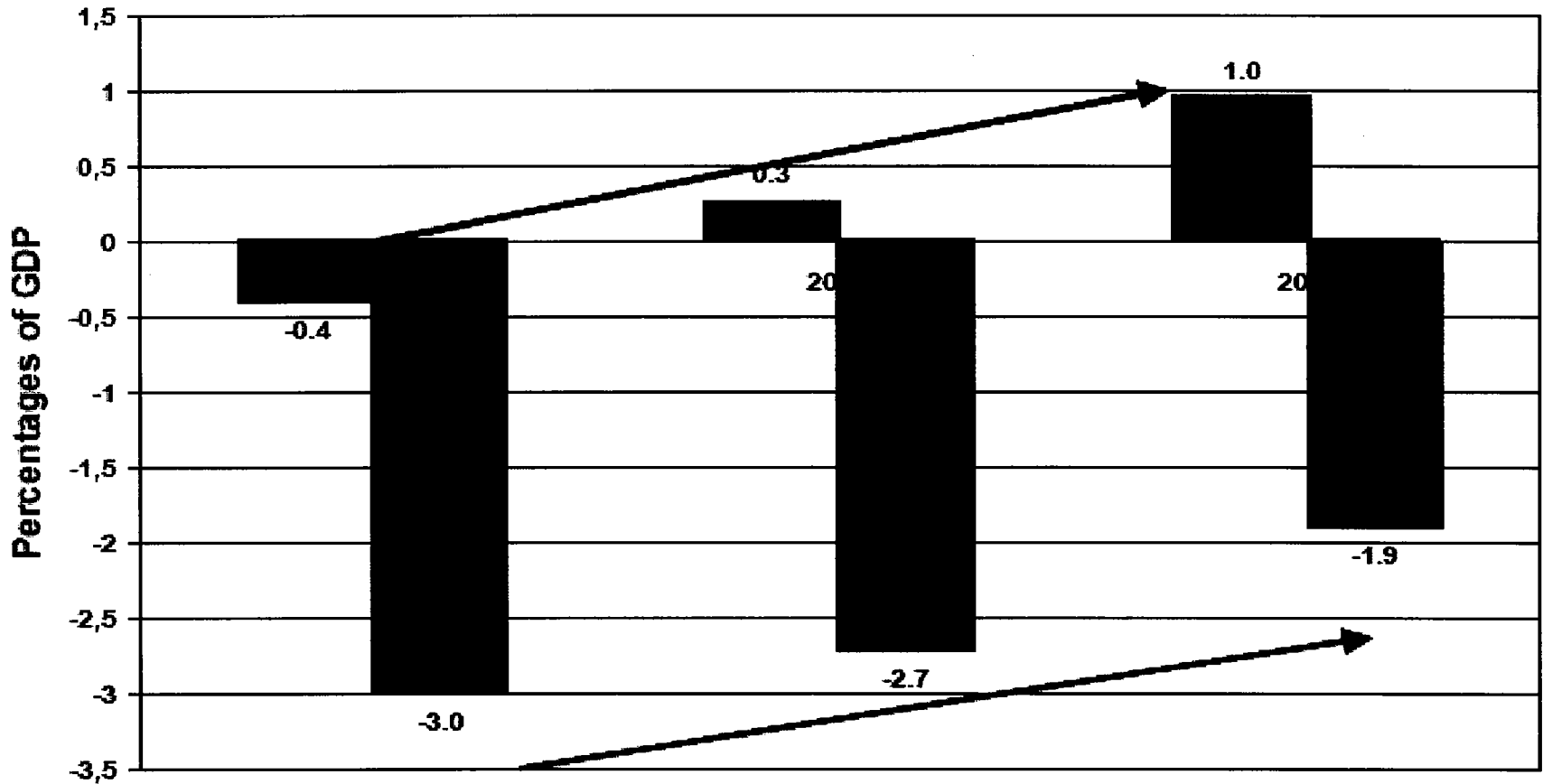


# External savings are still negative Gross investment /GDP is at its lowest level since 1970

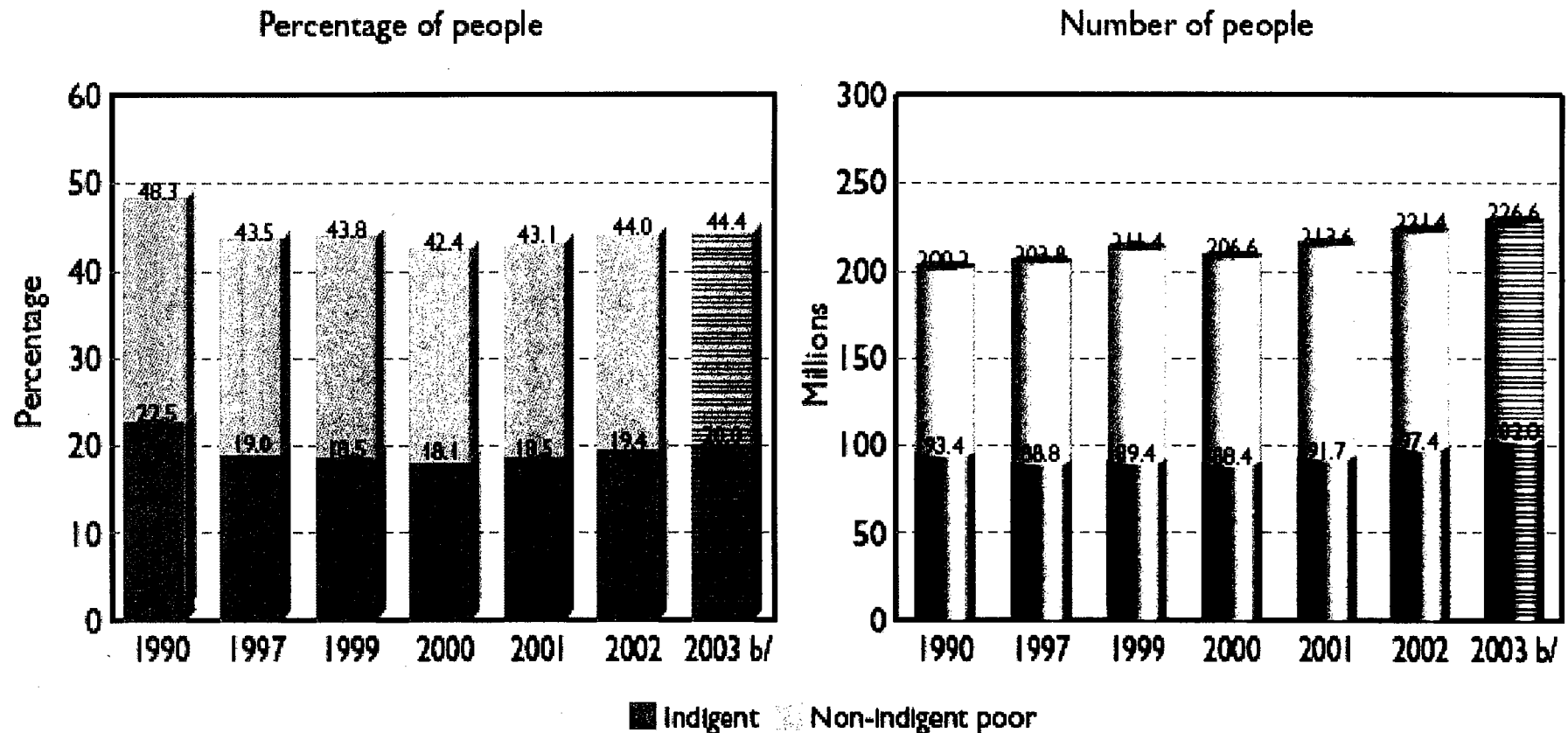


# Fiscal situation improving

Red: Primary Balance of Central Gov.  
Blue: Overall Gov. Balance



## LATIN AMERICA: POVERTY AND INDIGENCE, 1990–2003 a/



**Source:** ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant countries.

a/ Estimates for 19 countries of the region. The figures appearing above the light-coloured bars represent the total number of poor people (indigent plus non-indigent poor).

b/ The figures for 2003 are projections.