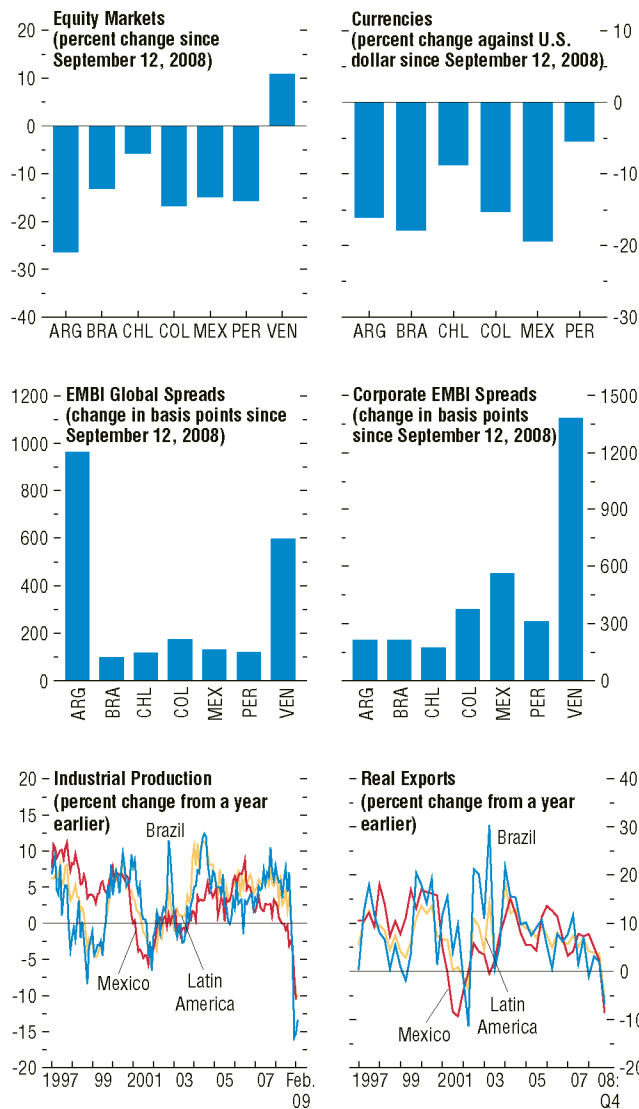


Figure 2.7. Latin America: Pressures Are Growing¹

The global financial crisis spread quickly to Latin America and the Caribbean, as local equity markets sold off heavily and domestic currencies depreciated. External borrowing costs rose sharply, especially for countries with weaker fundamentals. It did not take long for the crisis to affect real activity. With external demand and commodity prices slumping at the same time, industrial production and exports have plummeted.



Sources: Bloomberg Financial Markets; Haver Analytics; and IMF staff estimates.
¹ARG: Argentina; BRA: Brazil; CHL: Chile; COL: Colombia; MEX: Mexico; PER: Peru; VEN: Venezuela.