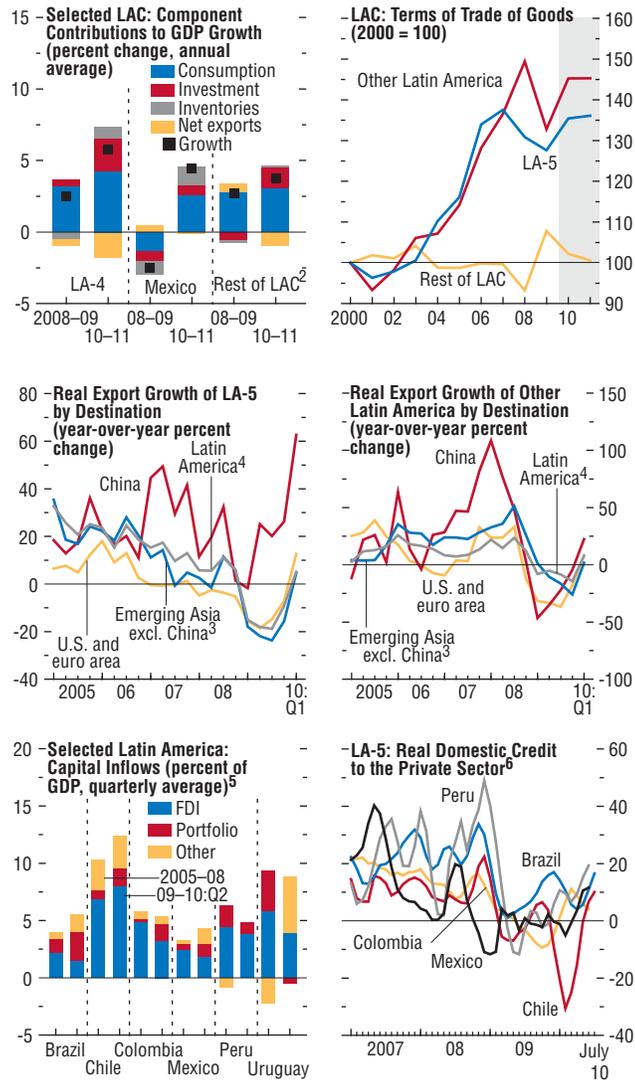


Figure 2.9. Latin America and the Caribbean (LAC): Advancing with Strength¹

A proactive crisis response and favorable terms of trade have driven Latin America's speedy recovery. Commodity exporters are also benefiting from increasing demand from emerging Asia, particularly China. Capital inflows have picked up sharply in some economies. Although inflows have boosted the equities market, the recovery in private credit has remained sluggish.



Sources: CEIC EMED database; Haver Analytics; IMF, *Balance of Payments Statistics*; IMF, *Direction of Trade Statistics*; and IMF staff estimates.

¹LA-4: Brazil, Chile, Colombia, and Peru; LA-5: LA-4 and Mexico; Other Latin America: Argentina, Bolivia, Ecuador, Paraguay, Uruguay, and Venezuela.

²Rest of LAC in this panel excludes Antigua and Barbuda, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines due to lack of data on GDP components.

³Emerging Asia: ASEAN-5, China, India, and NIEs. See Figure 2.3 for list of NIEs and ASEAN-5.

⁴Latin America: LA-5 and Other Latin America (see footnote 1).

⁵Data for Peru only up to 2009:Q4. Data for Colombia and Uruguay only up to 2010:Q1. FDI = foreign direct investment. Other investment includes financial derivatives.

⁶Annualized percent change of three-month moving average over previous three-month moving average.