Growth in Latin America and the Caribbean eased further in 2013, amid subdued export performance and a continued slowdown in investment. Activity is expected to remain in low gear this year, and renewed turbulence in financial markets represents a downside risk, especially for economies with sizable external funding needs or domestic policy weaknesses.

Sources: Bloomberg, L.P.; Haver Analytics; IMF, International Financial Statistics database; national authorities; and IMF staff estimates.

Note: CPI = consumer price index; EMBI = J.P. Morgan Emerging Markets Bond Index; LAC = Latin America and the Caribbean. LA6 = Brazil, Chile, Colombia, Mexico, Peru, Uruguay. LA5 = LA6 excluding Uruguay.

1Weighted by GDP valued at purchasing power parity as a share of group GDP for Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Paraguay, and Peru.
2Data as of March 24, 2014.
3Simple average for Chile, Colombia, and Peru.
4Simple average.
5Weighted by GDP valued at purchasing power parity as a share of group GDP.