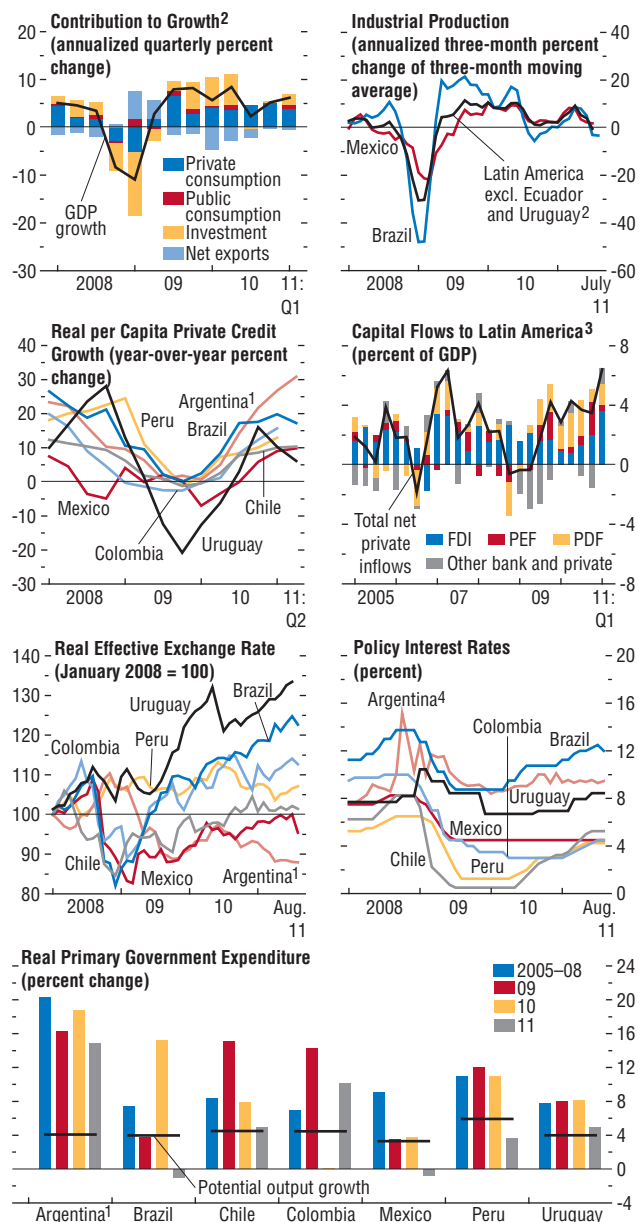


Figure 2.12. Latin America: Maintaining the Growth Momentum¹

Growth in the region remains strong, supported by buoyant domestic demand, easy external financial conditions, and still favorable terms of trade. The key now is to maintain healthier growth momentum as macroeconomic policies move to a more neutral position. Boom-bust risks must be contained, including through tighter fiscal and macroprudential policies.



Sources: Bloomberg Financial Markets; Haver Analytics; IMF, *Balance of Payments Statistics*; IMF, *International Financial Statistics*; and IMF staff estimates.

¹Calculations are based on the official consumer price index and GDP for Argentina.

²Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela. Aggregates are computed on the basis of purchasing-power-parity weights.

³FDI: foreign direct investment; PEF: portfolio equity flows; PDF: portfolio debt flows.

⁴The policy rate is proxied by the short-term interbank lending rate.