Economic activity across Latin America and the Caribbean has continued to slow, reflecting less supportive external conditions and domestic policy uncertainties. Even so, spare capacity remains limited, as evidenced by above-target inflation, still-tight labor markets, and persistent external current account deficits. Meanwhile, financial markets have recovered from their January 2014 trough but remain vulnerable to new shocks.


Note: CPI = consumer price index; LA6 = Brazil, Chile, Colombia, Mexico, Peru, Uruguay. Country group aggregates are weighted by purchasing-power-parity GDP as a share of group GDP unless noted otherwise. Data labels in the figure use International Organization for Standardization country codes.

1Seasonally adjusted. Inventories include statistical discrepancies.
2Seasonally adjusted. Latest observation for Brazil is for April 2014.
3The scale reflects the percentile distribution for each respective survey; higher scores reflect higher performance.
4Yield on external bonds is J.P. Morgan Emerging Markets Bond Index Plus yield for Latin America. Equity index is MSCI Emerging Markets Latin America Index equity local net total return index. Currency index is Bloomberg J.P. Morgan Latin America Currency Index. The equity and currency indices are rebased to January 2, 2013 = 100. Data are through September 24, 2014.