Growth in Latin America and the Caribbean has slowed further as falling commodity prices have hit the region’s commodity exporters. External current account deficits have continued to widen in most countries in the region, although the recent collapse in oil prices has provided relief to net importers, notably in Central America and the Caribbean. Lower oil prices should also assist disinflation, but their effects will be partly offset by weaker exchange rates, which are playing a crucial role in facilitating external adjustment.