

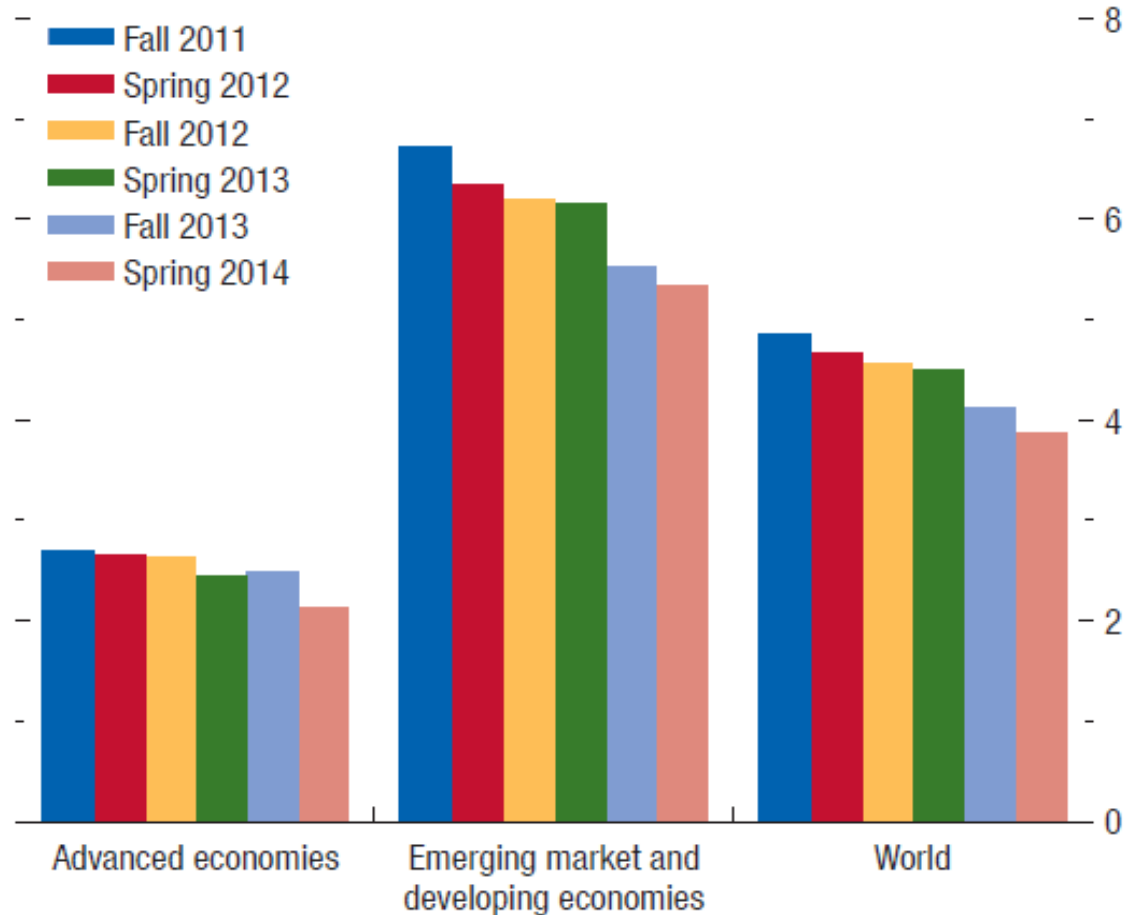
REVIEW OF REGIONAL ECONOMY: LATIN AMERICAN PERSPECTIVE



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WEO Medium-Term Growth Projections *(Percent change)*

Serial disappointments in emerging market growth rates have led to a ratcheting down of medium-term growth forecasts



Source: IMF staff estimates.

Note: Economy groups are defined in Appendix 3.1. Medium-term growth projections are five-year-ahead growth forecasts.

Reasons:

- EU stagnated.
- Japan: difficulties to sustain its incipient growth
- USA: Strong Fiscal Policy + Monetary relaxation.
- China: Reducing pace of growth
- Increased geopolitical risks

Latin America (Jan. 2013): 3.9%

- ECLAC (Aug. 2014): 2.2%
- Consensus Forecast (Sept. 2014): 1.2%
- IMF (Oct. 2014): 1.3%

Reasons:

- ECLAC:
 - Stagnation of the formation of fixed net capital process
 - Decrease of private consumption's growth
- V. Corbo
 - China
- TT Ministry of Finance
 - Low business confidence
 - Weak investment
 - Constrained demand for region's exports

Differences of impact in LAC (7,3 bill)

		(WEO Oct 2014)	(WEO Oct 2013)
• Brazil	2.25 (7)	0.3%	2.5%
• México	1.26 (14)	2.4	3.0
• Argentina	0.48 (26)	-1.7	2.8
• Colombia	0.38 (30)	4.8	4.2
• Venezuela	0.37 (31)	-3.0	1.7
• Chile	0.27 (39)	2.0	4.5
• Peru	0.20 (49)	3.6	5.7

Reactions:

Brazil:

Reserves: US\$ 375,713 mill. (Sept. 14)
Investment in infrastructure: US\$ 164,000 mill.
Social inclusiveness

Mexico:

Reserves: US\$ 193,412 mill. (Apr. 14)
Investment in infrastructure: US\$ 265,781 mill.
US rebound. Oil sector reform

Argentina:

Reserves: US\$ 28,000 mill. (sept. 14)
Investment in infrastructure: US\$ 141,000 mill.
Elections



Colombia:

Reserves: US\$ 46,700 mill. (Aug. 14)

Investment in infrastructure: US\$3,1 mill.
(Budget 2015)

Venezuela:

Reserves: US\$ 21,343 mill. (Sept. 14)

Investment in infrastructure: 1,315 (Budget 2014)

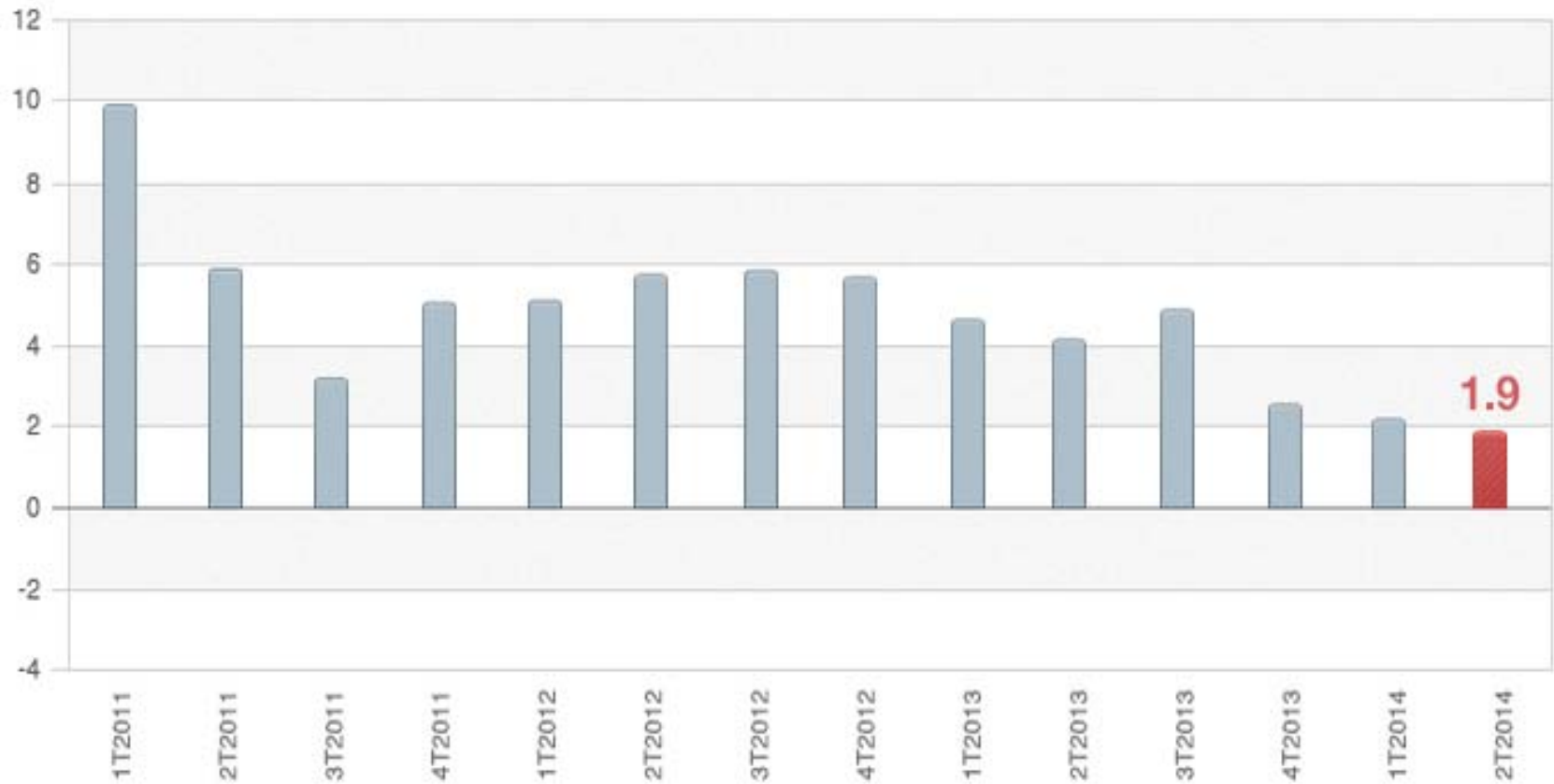
Peru:

Reserves: US\$ 64,900 mill. (Aug. 14)

Investment in infrastructure: US\$12,321 mill.
(Budget Law 2015)

Real Annual GDP

Quarterly GDP growth (% change on year ago)



Source: Central Bank of Chile

Chile

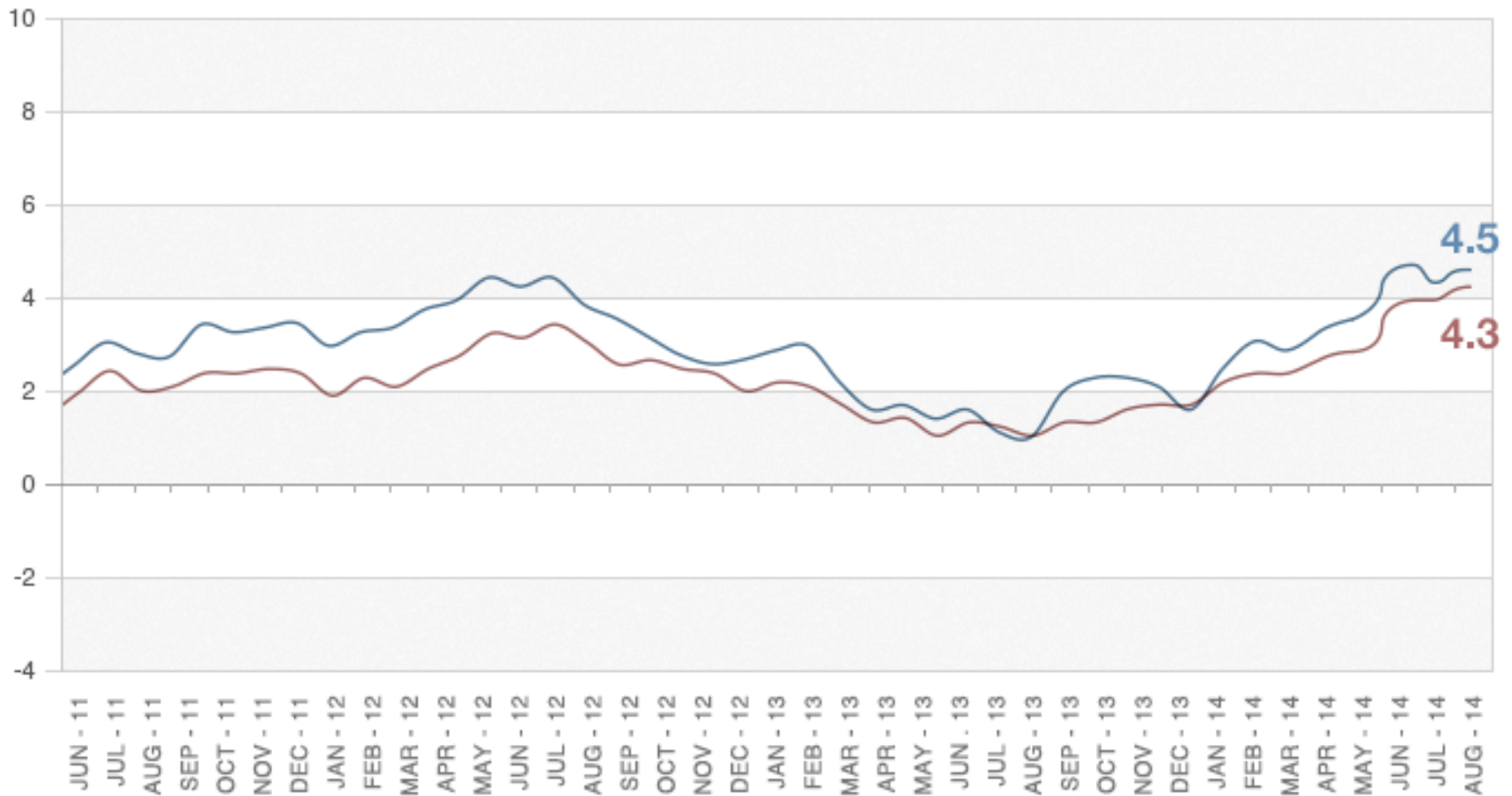
Reserves: US\$ 40,4 mill. (Aug. 14)

Public Expenditures for 2015

- Budget increased in 9.8%
- 27.5% increase in Public Works
- US\$425 mill. in concessions to privates
- US\$ 1,000 mill. Health infrastructure
- 800 new nurseries
- 660 new pre schools

Annual Inflation Rate

Annual Inflation Rate (% Change on year ago)

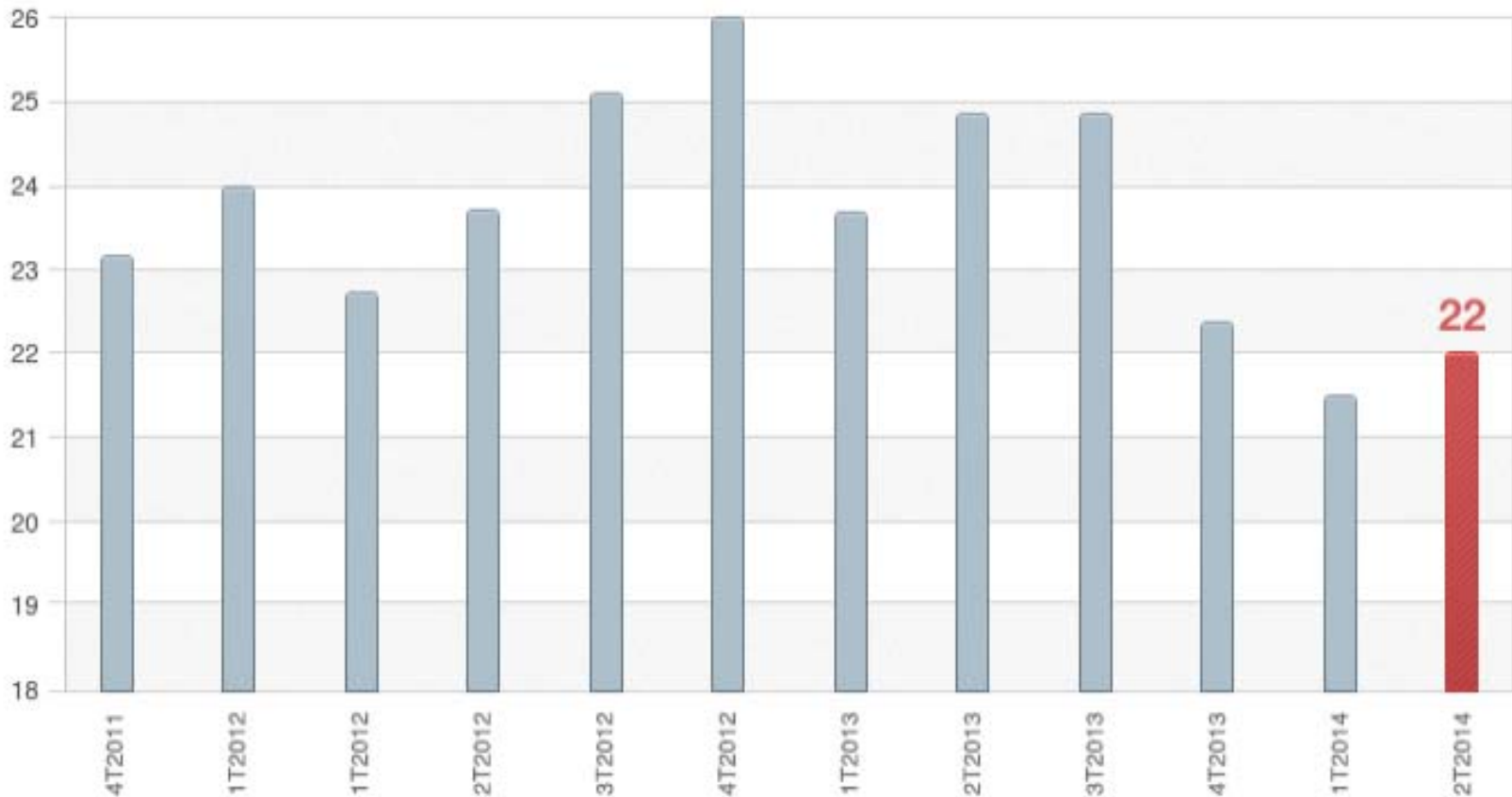


Source: INE

■ CPI ■ CPI X

Gross Fixed Capital Formation

Gross fixed capital formation (at current prices, as % of GDP)



Source: Central Bank of Chile



Thank you!

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