LATIN AMERICA and THE CARIBBEAN

Facing lower prices for oil and other commodities, challenging domestic business climates and widespread droughts, growth in Latin America and the Caribbean slowed to 0.9 percent in 2014. South America, deeply affected by the oil price decline, was also impacted by domestic macroeconomic challenges among its largest economies. In contrast, developing Central and North America, along with the Caribbean, benefited from the strengthening United States, and saw an acceleration of activity. The ongoing recovery among advanced countries is expected to support external demand in the medium-term, lifting growth to an average of 1.7 percent in 2015–17. A deeper and more protracted decline in commodity prices, or a slower-than-expected recovery of the Euro Area, represent major downside risks.

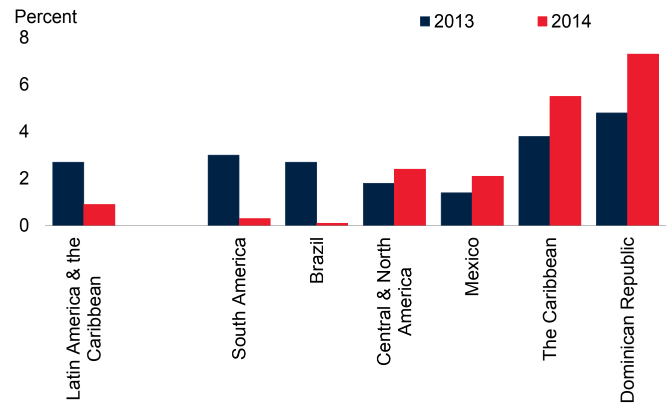
Recent Developments

Amidst deteriorating terms of trade, challenging domestic business climates and widespread droughts, growth in Latin America and the Caribbean slowed to 0.9 percent in 2014 from 2.7 percent in 2013—the slowest in 13 years apart from the Great Recession of 2009. There were marked differences among the sub-regions: almost no growth in South America contrasted with robust expansion in developing Central and North America and the Caribbean (Figure 2.21). This divergence partly reflected the more extensive trade exposure of Central and North America and the Caribbean to the United States, compared to the heavy reliance of South America on commodity exports (Figures 2.22 and 2.23). Prices of key commodities for the region (oil, soy beans, gold, copper, and maize) declined through the second half of 2014, and remained soft in the first half of 2015. Domestic demand growth weakened. An increase in net exports largely reflected weak imports, although a bumper soy harvest in Argentina, strong gas exports from Bolivia, and large gold shipments from the Dominican Republic were positive factors.

In addition to the weakened terms of trade resulting from lower commodity prices, domestic macroeconomic challenges also contributed significantly to the slowdown in South America, as several large economies slowed down markedly, or even contracted. In Argentina, modest growth was led by government consumption, while double-digit inflation rates weighed on private consumption, and weak soy bean prices dented export earnings. A sovereign rating downgrade dampened investor confidence. Despite the tourism receipts and capital investments associated with the FIFA World Cup, Brazil, the region's largest economy, stagnated. Political uncertainty surrounding the presidential election, a corruption scandal, large fiscal deficits, China's slowdown, accelerating inflation, monetary tightening and lower prices of key exports (iron ore and soy) all contributed to denting consumer and investor confidence. An extended drought led to further uncertainty surrounding water and electric-

FIGURE 2.21 Regional GDP growth

Growth slowed in 2014, with divergence among sub-regions.

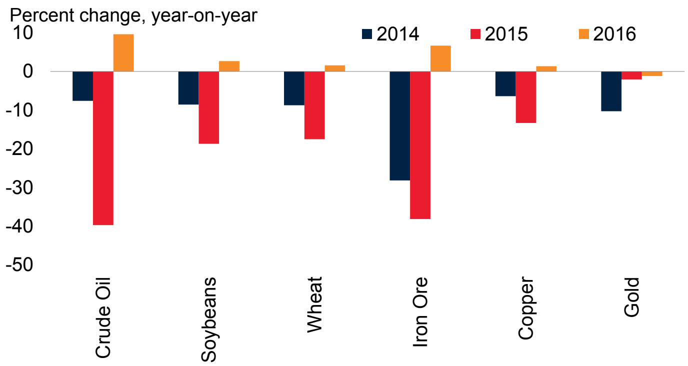


Source: World Bank.

The main author of this section is Derek Chen.

FIGURE 2.22 Prices of key commodity exports

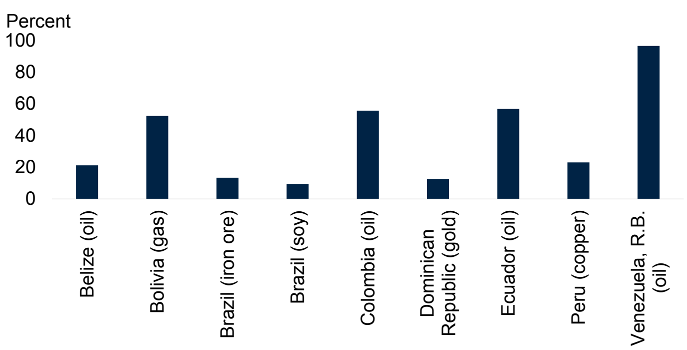
Weakness in commodity prices from 2014 carried over to 2015.



Source: World Bank.

FIGURE 2.23 Export shares of key commodity exports, 2013

Commodities constitute significant shares of exports.



Source: Economist Intelligence Unit.

ity supplies. In República Bolivariana de Venezuela, where oil constitutes more than 90 percent of exports, and around half of government revenue, activity contracted yet again as a result of the oil price plunge. The challenging business climate includes rampant inflation; a disorderly currency market with an overvalued official rate and dearth of foreign exchange; and pervasive price controls, which have created widespread shortages of consumer items and intermediate goods.

In contrast, growth in developing Central and North America accelerated to 2.4 percent. Led by Mexico, the sub-region saw stronger exports supported by U.S. demand that continues to gather momentum. Record-high tourism and robust mining exports lifted the Dominican Republic and other Caribbean economies, where growth increased from 3.8 percent in 2013 to 5.5 percent in 2014.

Despite the drop in world energy and food prices, inflation remained high in some of the large economies of South America. Annual inflation reached about 65 percent in República Bolivariana de Venezuela in the second half of 2014. In Argentina, annual inflation was 15.8 percent as of April 2015. In Brazil, both headline and core inflation have risen as a result of several factors: depreciation of the *real*, increases in regulated prices, a tight labor market, and a prolonged drought that has led to a potential energy shortage as water at hydroelectric dams reaches low levels. A sharp depreciation also contributed to an increase in inflation in Colombia, where it has breached the central bank's upper target limit. Core inflation rose in most countries (except in Costa Rica, the Dominican Republic, Mexico, and Paraguay). However, partly due to falling oil and food prices, headline inflation has declined across the region, especially in oil-importing countries (Figure 2.24). On average, compared to rates in 2014, headline inflation rates in developing Central and North America have fallen by a third, while those in the Caribbean have nearly halved.

After a robust first half of 2014, overall gross capital flows to the region weakened after July (Figure 2.25). International bond issuance continues to dominate these inflows. In contrast, equity flows remain small, while bank lending has been volatile, especially in recent months. Despite the weakening in overall flows, international bond issuance by regional debtors still reached a new record in 2014, 10 percent above 2013 levels, as investors pursued yields, amidst ample global liquidity. Governments, oil and gas firms, and financial institutions accounted for the majority of issues. A surge in sovereign issuance to cover 2015 budgets (Chile, Colombia, Mexico, and Peru) outweighed the negative impact of Argentina's credit rating downgrade to selective default in July. Issuance slowed in the fourth quarter and early 2015 on concerns surrounding a corruption scandal in Brazil, the first post-crisis interest rate increase in the United States and the financial risks to Latin American borrowers from an appreciating U.S. dollar (EIU, 2015). U.S. dollar-denominated transactions continued to account for the vast majority of total issuance, posing exchange rate risks from U.S. dollar appreciation.

Many international banks have been reluctant to lend during the balance sheet restructuring of recent years. In 2015, however, cross-border bank lending appears to be gaining some ground, with more attractive pricing and terms for borrowers. At a 10-year low in 2014, equity issuance volumes are likely to remain weak going forward, as many of uncertainties that affected the region persist, notably sharply lower oil prices, which undercut prospects for regional energy producers.

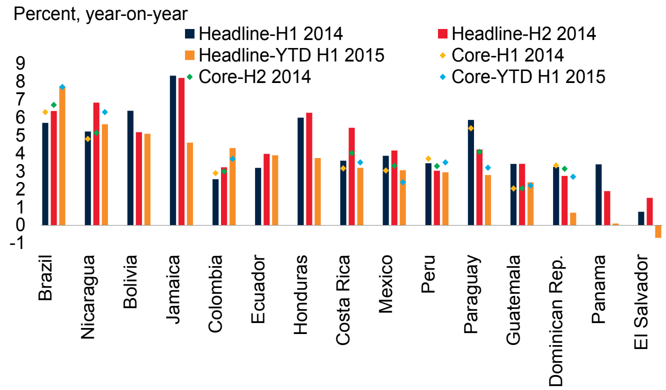
Most currencies in the region depreciated in nominal terms against the U.S. dollar. Nominal depreciations were particularly persistent in Argentina, Brazil, and Peru where soft commodity prices and/or challenging business environments have weakened the growth outlook (Figure 2.26). However, relatively high inflation rates in in a number of countries across the region caused their currencies to appreciate in real terms in 2014.

In an effort to stem depreciations, a number of large central banks intervened in the foreign exchange market. República Bolivariana de Venezuela attempted to maintain the exchange rate of the bolivar to the U.S. dollar through controls, which have led to shortages of imports, growing unofficial markets for foreign exchange, and multiple exchange rates. Since August 2013 until recently, the Brazilian central bank was using local currency swaps in the foreign-exchange markets to stem depreciation. The Bank of Mexico began in March selling up to $52 million dollars a day. The move is in addition to the automatic auction introduced last December of $200 million a day in the event of a depreciation of the peso/dollar exchange rate by more than 1.5 percent in a day. This was accompanied by several monetary policy rate hikes in Brazil and Colombia since mid-2014 (Figure 2.27). In contrast, easing inflation and modest depreciations have provided some central banks room to lower policy rates in support of growth (Guatemala, Honduras, and Peru).

In the wake of decreased oil revenues and increased fiscal pressures, oil exporters have been compelled to implement a procyclical fiscal tightening, whereas oil-importers have seen their deficits narrow. Mexico expects to increase revenues from gasoline sales taxes. With oil income accounting for around 17 percent of total fiscal revenue, Colombia has announced government spending cuts and tax increases to offset revenue shortfalls.[1] In their 2015 budgets, Ecuador and Mexico have effected spending cuts in response to the decline in hydrocarbons-related revenues. Ecuador will also undertake sizeable external borrowing, along with new taxes and import tariffs, in an effort to sustain planned investment.

FIGURE 2.24 Average annual inflation—headline and core

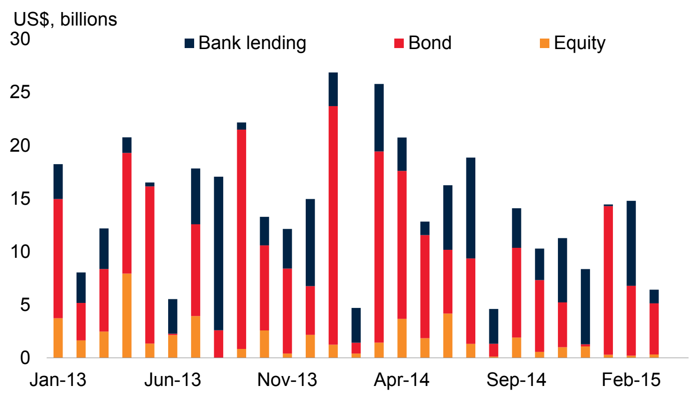
Headline inflation edged down in 2015, especially among oil importers.



Source: Haver Analytics, World Bank.
Note: Core inflation excludes volatile food and energy prices.

FIGURE 2.25 Monthly gross capital flows to LAC region

Regional capital inflows weakened after July 2014.

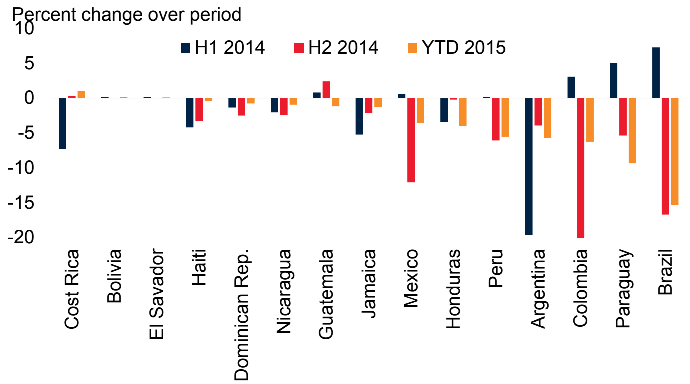


Source: Dealogic.

[1] Colombia's proposed tax increases pertain to the extensions of the wealth tax and the debit transaction tax that expired at end-2014. In addition, a commission has been established to recommend additional tax reforms.

FIGURE 2.26a Exchange rate against U.S. dollar

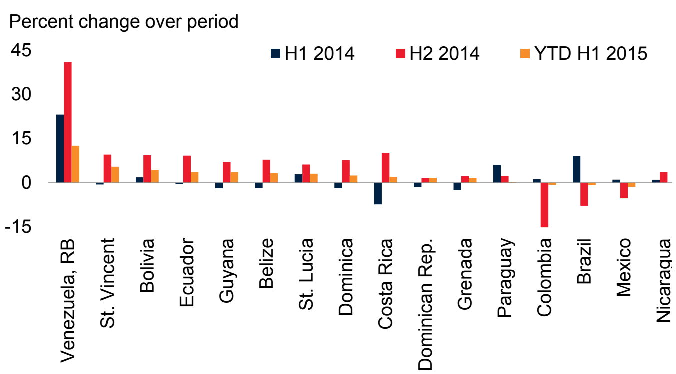
Depreciation against the U.S. dollar intensified in the second half of 2014.



Source: Haver Analytics
Note: Local currency spot exchange rates (increase denotes appreciation)

FIGURE 2.26b Real effective exchange rates

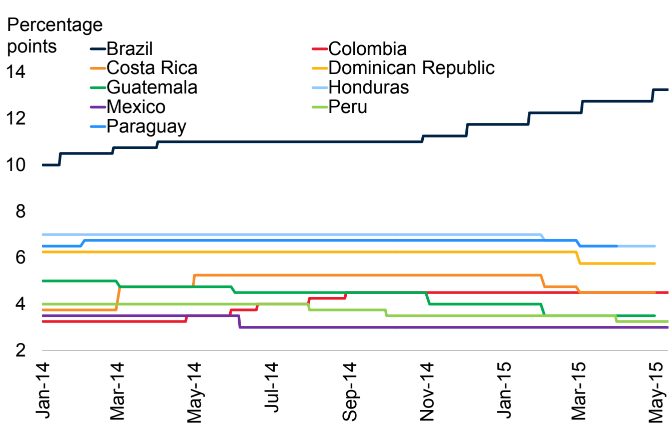
Most regional currencies appreciated in real effective terms.



Source: Haver Analytics and IMF
Note: Increase denotes appreciation.

FIGURE 2.27 Central bank policy rates

With some exceptions, regional central banks eased to support growth.



Source: Haver Analytics.

Outlook

Despite a strengthening recovery in the advanced economies, growth in the LAC region is expected weaken further to 0.4 percent in 2015. Low commodity prices, tepid investment growth in challenging business environments, and fiscal consolidation are the main negative factors. As economic activity in the United States, the Euro Area, and Japan picks up, commodity prices gradually strengthen, and investor sentiment improves on better policies, growth is expected to rebound to 2.0 percent in 2016, and to 2.8 percent in 2017 (Figure 2.28). However, there is a divergence among the sub-regions, with prospects for Central and North America and the Caribbean being relatively brighter than in South America.

South America is projected to contract in 2015 as low commodity prices are expected to persist, fiscal consolidation remains a priority, and investor confidence continues to be dampened. In Brazil, in particular, output will contract as investment slumps in part due investigations surrounding a corruption scandal, concerns with inflation and fiscal sustainability, and slowing infrastructure investment. Inadequate infrastructure remains a key bottleneck for production. The baseline projects a gradual recovery in 2016 and 2017 on the following assumptions: the government implements fiscal reform to attain a more sustainable budget, inflation is brought down to within the targeted band, and investor confidence returns in response. With the already weak economic environment exacerbated by continued low oil prices, economic activity in República Bolivariana de Venezuela will most likely continue contracting in 2015 and 2016, before recovering in 2017. However, this hinges on the country making necessary macroeconomic adjustments such as undertaking additional currency devaluations and lifting import restrictions so that production chains can be re-established. Argentina will see modest growth this year, but economic activity is expected to pick up in 2016 and 2017 on a stronger macroeconomic environment and regained access to international capital markets. More generally across South America, broadly stabilized prices of oil and other commodities, renewed investor confidence, and slowing fiscal consolidation should raise growth to 1.5 percent in 2016, and to around 2.5 percent in 2017.

Developing Central and North America is expected to expand 2.8 percent in 2015, picking up to 3.5

percent in 2016–17 on higher export demand from the United States. In Mexico, as the reforms approved in 2013–14 are implemented and gain traction, investment should strengthen, and offset the drag from lower oil prices. Mitigating weak domestic demand growth, stronger external demand and continued tourism growth are expected to support growth in the Caribbean of about 3.7 percent in 2016–17, while being mitigated by stronger external demand and continued tourism growth, which saw record highs in 2014.

U.S. growth is critical for LAC growth (IMF 2007). Around 40 percent of the region's merchandise exports in 2013 were shipped to the United States and, for a large majority of LAC economies, the United States is the among the five largest export destinations (Figure 2.29). The United States also remains one the main investors in Latin America (ECLAC 2012). In 2012, United States transnationals accounted for around 20 percent of FDI flows to the region (Figure 2.30). As a result of this close trade and financial integration, the business cycles of the United States and that of the LAC region, especially Central America, tend to move together (Roache 2008). The growing momentum of the U.S. economy lifts prospects for the region.

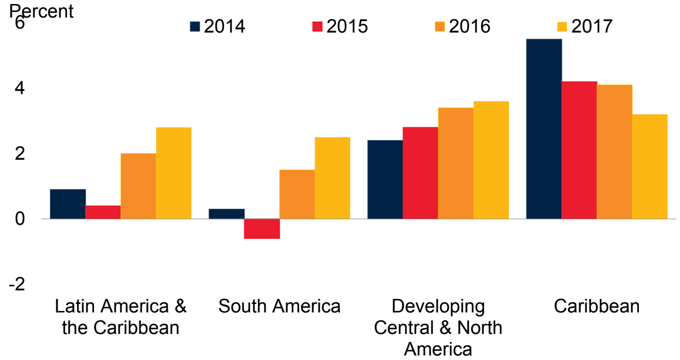
Despite some moderation, growth prospects are still robust for a number of economies in the medium-term. Peru, for example, suffered a slowdown in 2014 due to weak copper and gold prices, but is expected to see a solid rebound in 2015 and further strengthening in 2016, on stimulus measures and the gradual implementation of new infrastructure and mining projects. Bolivia faces a medium-term slowing, reflecting weaker energy and commodity prices. However, growth will be robust in coming years thanks to public investment projects and Brazilian and Argentinian demand for natural gas. Capital infrastructure projects, including investment in the private ports system, will lift Panama's growth rates among the highest in the region.

Risks

The balance of risks in LAC leans heavily towards the downside. The downside risks, which are both external and internal to the region, include the following.

FIGURE 2.28 Regional medium-term growth outlook

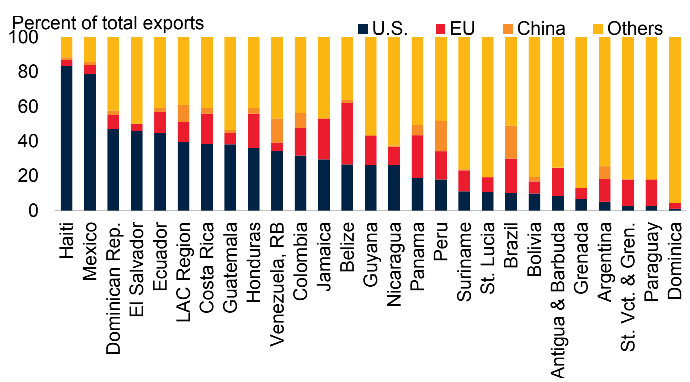
Regional growth is projected to strengthen from 2016 onwards.



Source: World Bank.

FIGURE 2.29 Share of regional merchandise exports to the U.S., EU, and China, 2013

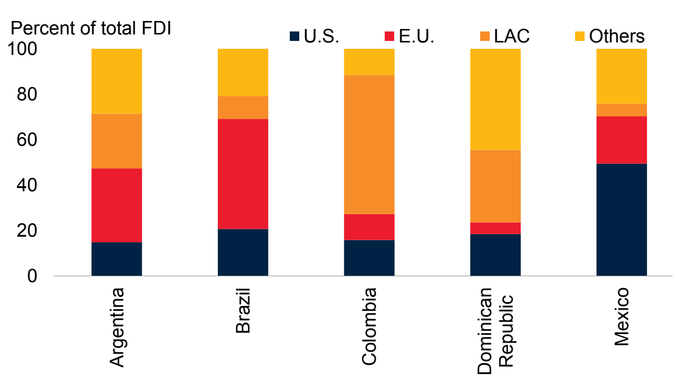
The U.S. remains a key regional export destination.



Source: IMF Direction of Trade.

FIGURE 2.30 FDI into selected countries by source country, 2012

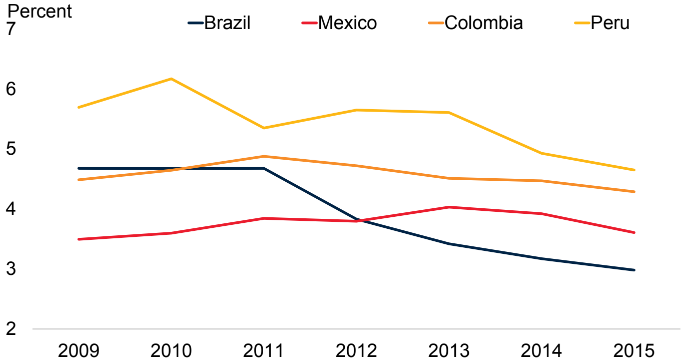
The U.S. accounts for a significant share of FDI into LAC.



Source: UNCTAD.

FIGURE 2.31 Consensus forecasts six years ahead, 2009–15

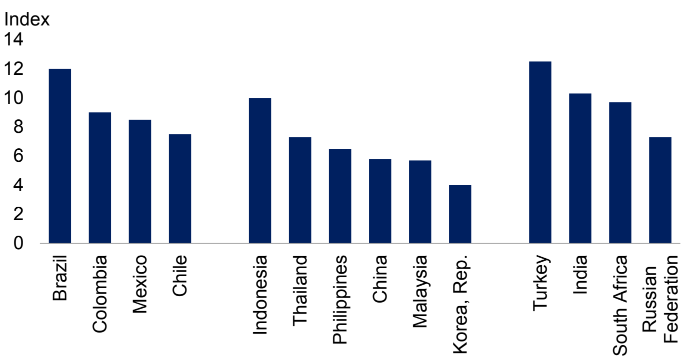
Six-year-ahead growth projections for selected LAC countries have been declining.



Source: Consensus Forecasts.

FIGURE 2.32 Federal Reserve Board Vulnerability Index, 2014

LAC countries show elevated levels of vulnerability.



Source: U.S. Federal Reserve Board.

Insufficient macroeconomic adjustment among the largest economies. The return to economic expansion is predicated on the implementation of macroeconomic policy adjustments among the region's largest economies. Insufficient progress on this front would weigh on growth in these countries as well as prospects at the regional level.

Financial Volatility. Monetary policy tightening in the United States, expected to begin later in 2015, has the potential to attract capital flows away from Latin America, as investors re-evaluate country-specific, long-term growth prospects and risks. Medium-term growth prospects have deteriorated in several countries (Figure 2.31), with Mexico being an exception. If capital outflows and a reassessment were to trigger a further sharp depreciation of local currencies against the U.S. dollar, borrowers' balance sheets could be strained, since much region's debt is denominated in U.S. dollars[2]. LAC countries show elevated levels of vulnerability to a U.S. interest rate increase (Figure 2.32).

Lower commodity prices. Although a boost for oil importers, the recent slump in oil prices, if prolonged, will also pose significant challenges for oil exporters in the region. Spillovers from weaker activity in the region's oil-exporting countries would mitigate some of the benefits from lower oil prices in oil-importing countries. Similarly, larger-than-expected declines in commodity prices will further deteriorate terms of trade, dent export earnings and worsen current account balances of regional commodity exporters. FDI into commodity sectors will also be affected.

Slower-than-expected recovery in the Euro Area. Although there are indications of a broad-based recovery in the Euro Area, it is still fragile. Euro Area growth is projected to remain subdued in the medium term, and is subject to significant downside risks from financing stress in Greece, and from geopolitical tensions surrounding Ukraine. For several countries, the Euro Area accounts for a significant share of exports, remittances, tourism, and FDI (Figures 2.29 and 2.30).

Hard landing in China. China has become a key source of FDI, financing, and trade for Latin America (World Bank 2015k). China is expected to decelerate gradually to a more sustainable long-term growth path. Although a low-probability scenario, there is a risk that financial vulnerabilities could cause growth to slow more sharply than expected. A sharp slowdown in China would likely reduce FDI into the region, as well as global demand and prices for several commodities that are key export products for Latin American countries. This would further deteriorate terms-of-trade and erode export earnings of regional commodity exporters.

Policy Challenges

Policy makers face several challenges: a nearing interest rate increase in the United States, uncertainty surrounding the fragile recoveries in the Eurozone

[2] IDB 2015 shows that the U.S. dollar remains the preferred currency of financing for regional economies and this preference has not been sensitive to dollar-euro spreads.

and Japan, less rapid growth in China, and adjustment to lower commodity prices and more broadly the end to the commodity super-cycle.

While there are cyclical elements to the ongoing slowdown in the region, the key concern for the region is how it adapts to the end of the double tailwind era when China's economy was surging and commodity prices were booming (World Bank. 2015l). Currently, with the slowdown in China and lower commodity prices, both expected to be sustained at least in the medium-term, the region needs to find new sources of growth and address longer-term structural impediments that are holding back potential growth.

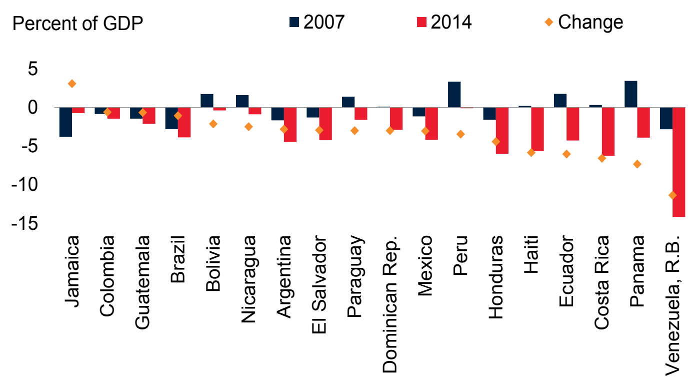
Most countries have limited room to support growth with countercyclical fiscal and monetary policies. Fiscal deficits and fiscal space have deteriorated and remain considerably weaker than before the Great Recession (Figure 2.33, World Bank. 2015k). The deterioration has been most pronounced in countries where commodity-based revenues account for large shares of total revenues (Figure 2.34). This limits room for fiscal stimulus to support activity. Similarly, the effectiveness of expansionary monetary policies has weakened in recent years (IDB 2013; Aastveit et al. 2013). Further, given that the less conducive global conditions are expected to hold in the medium-term, fiscal and monetary tools are only appropriate to smooth the transition to the new lower equilibrium, rather than to change it. In this regard, exchange rate flexibility has helped and could further help some countries, such as commodity exporters, adjust to the new equilibrium. Structural reform measures are therefore needed to enhance long-term economic prospects.

Sound reforms could promote development, more efficient labor markets, and social equity. Priority areas are education, product market competition, tax systems, and regulatory frameworks. Financial sector reform could help improve financial stability, while at the same time increasing the flow of savings into productive investment (IDB 2013).

Labor market reform could reduce economic distortions, such as inefficient allocation of labor, and raise productivity. It could also encourage a shift from informal employment and activity into formally organized structures. Informality is associated with a high proportion of small, less-efficient firms,

FIGURE 2.33 Overall fiscal balance as a share of GDP

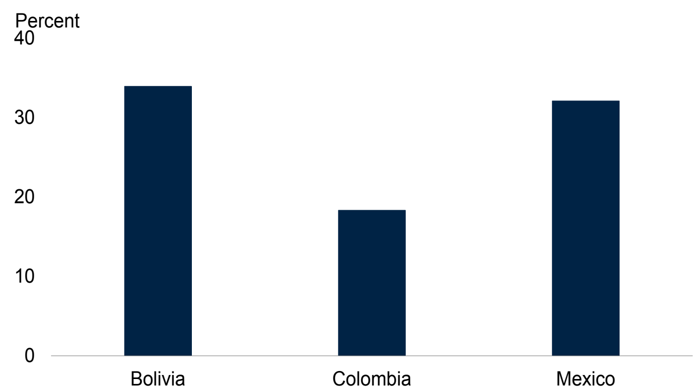
Fiscal balances have deteriorated.



Source: IMF World Economic Outlook April 2015, Paraguay Ministry of Finance
Note: General government net lending/borrowing.

FIGURE 2.34 Share oil/gas revenue in total government budget, 2013

Oil and gas revenues account of significant shares of government revenues



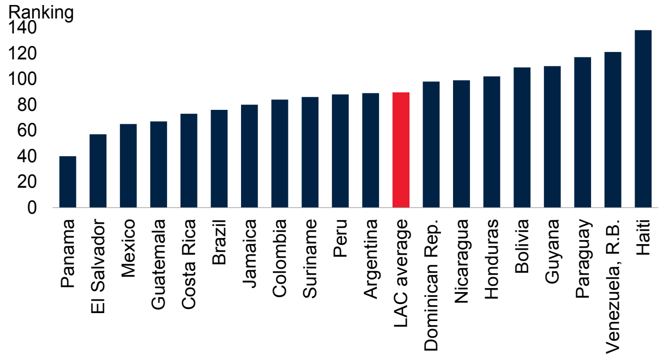
Source: Latest IMF staff reports.

high worker turnover, a less-educated and less-trained workforce, the likelihood of illegal practices, and reduced access to credit (Busso, Madrigal, and Pagés 2012). Thus, measures to reduce informality, through improved incentives to move into formal activity, could lift growth.

The region also suffers from a significant gap in the quantity and quality of infrastructure services, with low investment in this sector, resulting in low international rankings among regional economies (Figure 2.35). While public-private partnerships do not necessarily increase aggregate investment, they may offer a way to enhance existing regulatory or institutional arrangements (IDB 2013). International ex-

FIGURE 2.35 Global rankings on quality and extensiveness of infrastructure, 2014–15

Regional economies suffer from a gap in the quantity and quality of infrastructure.



Source: World Economic Forum (2014).
Note: Rankings out of 144 economies.

perience suggests that increases in domestic savings together with improvements in regulatory institutions could yield benefits in terms of infrastructure provision and growth (Engel, Fischer, and Galetovic 2013). To enhance investment rates, countries could deepen long-term domestic savings by streamlining regulations of financial institutions that serve residents. Similarly, pension, social security, and tax reform could have major impacts on savings levels (IDB 2013).

TABLE 2.5 Latin America and the Caribbean forecast summary

(Annual percent change unless indicated otherwise)

	00-10[a]	2011	2012	2013	2014[e]	2015[f]	2016[f]	2017[f]
GDP at market prices[b]	3.3	4.7	2.9	2.7	0.9	0.4	2.0	2.8
(Average including countries with full national accounts and balance of payments data only)[c]								
GDP at market prices[c]	3.3	4.7	2.9	2.7	0.9	0.4	2.0	2.8
GDP per capita	1.9	3.0	1.4	1.5	−0.2	−0.7	1.0	1.8
PPP GDP	3.2	4.4	2.7	2.8	1.2	0.8	2.3	2.9
Private consumption	3.6	5.1	4.1	3.2	1.1	0.2	1.8	2.3
Public consumption	3.3	3.0	4.1	2.8	2.1	0.0	−0.1	1.5
Fixed investment	4.8	7.9	1.7	2.4	−1.6	−2.7	2.3	3.7
Exports, GNFS[d]	2.8	6.9	3.1	1.0	1.7	4.0	4.9	5.3
Imports, GNFS[d]	5.7	11.2	4.6	3.3	1.1	1.0	3.2	3.9
Net exports, contribution to growth	−0.4	−0.9	−0.3	−0.5	0.1	0.6	0.3	0.3
Consumer prices (annual average)	7.0	7.5	6.7	9.8	14.7	...	...	...
Fiscal balance (percent of GDP)	−2.6	−3.1	−3.6	−3.7	−5.7	−5.7	−5.5	−5.1
Memo items: GDP								
Broader geographic region (incl. recently high income countries)[e]	3.3	4.8	3.0	2.8	1.0	0.5	2.1	2.8
South America[f]	3.7	4.9	2.5	3.0	0.3	−0.6	1.5	2.5
Developing Central and North America[g]	2.0	4.2	4.1	1.8	2.4	2.8	3.4	3.6
Caribbean[h]	3.4	2.8	2.0	3.8	5.5	4.2	4.1	3.2
Brazil	3.6	3.9	1.8	2.7	0.1	−1.3	1.1	2.0
Mexico	1.8	4.0	4.0	1.4	2.1	2.6	3.2	3.5
Argentina[i]	3.8	8.4	0.8	2.9	0.5	1.1	1.8	3.0

Source: World Bank.

World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time.

a. Growth rates over intervals are compound weighted averages; average growth contributions, ratios and deflators are calculated as simple averages of the annual weighted averages for the region.

b. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.

c. Sub-region aggregate excludes Cuba, Grenada, and Suriname, for which data limitations prevent the forecasting of GDP components or Balance of Payments details.

d. Exports and imports of goods and non-factor services (GNFS).

e. Recently high-income countries include Chile, Trinidad and Tobago, and Uruguay.

f. South America: Argentina, Bolivia, Brazil, Colombia, Ecuador, Guyana, Paraguay, Peru, Venezuela

g. Developing Central & North America: Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, El Salvador.

h. Caribbean: Belize, Dominica, Dominican Republic, Haiti, Jamaica, St. Lucia, St. Vincent and the Grenadines.

i. Preliminary for long-term average. Data was recently rebased; missing data up to 2003 was spliced with the earlier data.

TABLE 2.6 Latin America and the Caribbean country forecasts

(Real GDP growth at market prices in percent, unless indicated otherwise)

	00-10[a]	2011	2012	2013	2014e	2015f	2016f	2017f
Argentina[b]	3.8	8.4	0.8	2.9	0.5	1.1	1.8	3.0
Belize	4.0	2.1	3.8	1.5	3.6	2.5	2.6	2.7
Bolivia	3.8	5.2	5.2	6.8	5.3	4.8	4.2	4.1
Brazil	3.6	3.9	1.8	2.7	0.1	–1.3	1.1	2.0
Colombia	4.1	6.6	4.0	4.9	4.6	3.5	3.9	4.2
Costa Rica	4.4	4.5	5.2	3.4	3.5	3.4	4.2	4.4
Dominica	2.6	0.2	–1.4	–0.9	1.5	1.3	1.5	1.6
Dominican Republic	4.9	2.9	2.6	4.8	7.3	5.2	4.8	3.4
Ecuador	4.1	7.8	5.2	4.6	3.8	1.9	3.0	4.2
El Salvador	1.9	2.2	1.9	1.7	2.0	2.2	2.5	2.6
Guatemala	3.3	4.2	3.0	3.7	4.2	4.0	3.9	3.9
Guyana	2.4	5.4	4.8	5.2	3.6	3.7	3.8	4.0
Haiti	0.1	5.5	2.9	4.2	2.7	1.7	3.2	3.1
Honduras	4.1	3.8	4.1	2.8	3.1	2.9	3.3	3.5
Jamaica	0.5	1.7	-0.6	0.6	0.4	1.5	2.2	2.5
Mexico	1.8	4.0	4.0	1.4	2.1	2.6	3.2	3.5
Nicaragua[b]	2.8	5.7	5.0	4.6	4.7	4.2	4.3	4.2
Panama	6.3	10.9	10.8	8.4	6.2	6.2	6.4	6.5
Paraguay	3.4	4.3	–1.2	14.2	4.4	4.2	4.1	4.1
Peru[b, c]	5.6	6.5	6.0	5.8	2.4	3.9	5.0	5.0
St. Lucia	1.8	1.2	–1.6	–0.4	–1.0	–0.6	0.8	1.4
St. Vincent and the Grenadines	3.5	–0.5	1.2	1.7	1.5	2.6	2.9	3.4
Venezuela, RB	3.1	4.2	5.6	1.3	–4.0	–5.1	–1.0	1.1

Source: World Bank.
World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.
Cuba, Grenada, St. Kitts and Nevis, are not forecast owing to data limitations.
a. GDP growth rates over intervals are compound average.
b. Preliminary for long-term average. Data was recently rebased; missing earlier data was spliced with the previous series.
c. Incorporates country data through May 20, 2015.

	00-10[a]	2011	2012	2013	2014e	2015f	2016f	2017f
Recently transitioned to high-income countries[b]								
Chile	4.1	5.8	5.5	4.2	1.9	2.9	3.3	3.5
Trinidad and Tobago	5.7	–2.6	1.2	1.6	0.8	1.8	2.0	2.2
Uruguay	2.9	7.3	3.7	4.4	3.5	2.6	3.1	3.2

Source: World Bank.

World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

Cuba, Grenada, St. Kitts and Nevis, are not forecast owing to data limitations.

a. GDP growth rates over intervals are compound average.

b. The recently high-income countries are based on World Bank's country reclassification from 2004 to 2015.