



Strategies for Sustaining Growth in Latin America

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October 2025

Sustaining growth in Latin America: where do we stand?

Global context:

1. Global rates are settling at higher levels
2. Value chains are fragmenting/rewiring
3. Climate/energy transition is underway

Consequence: financing costs are higher; investment reallocation is accelerating; policy mistakes will become increasingly costlier.

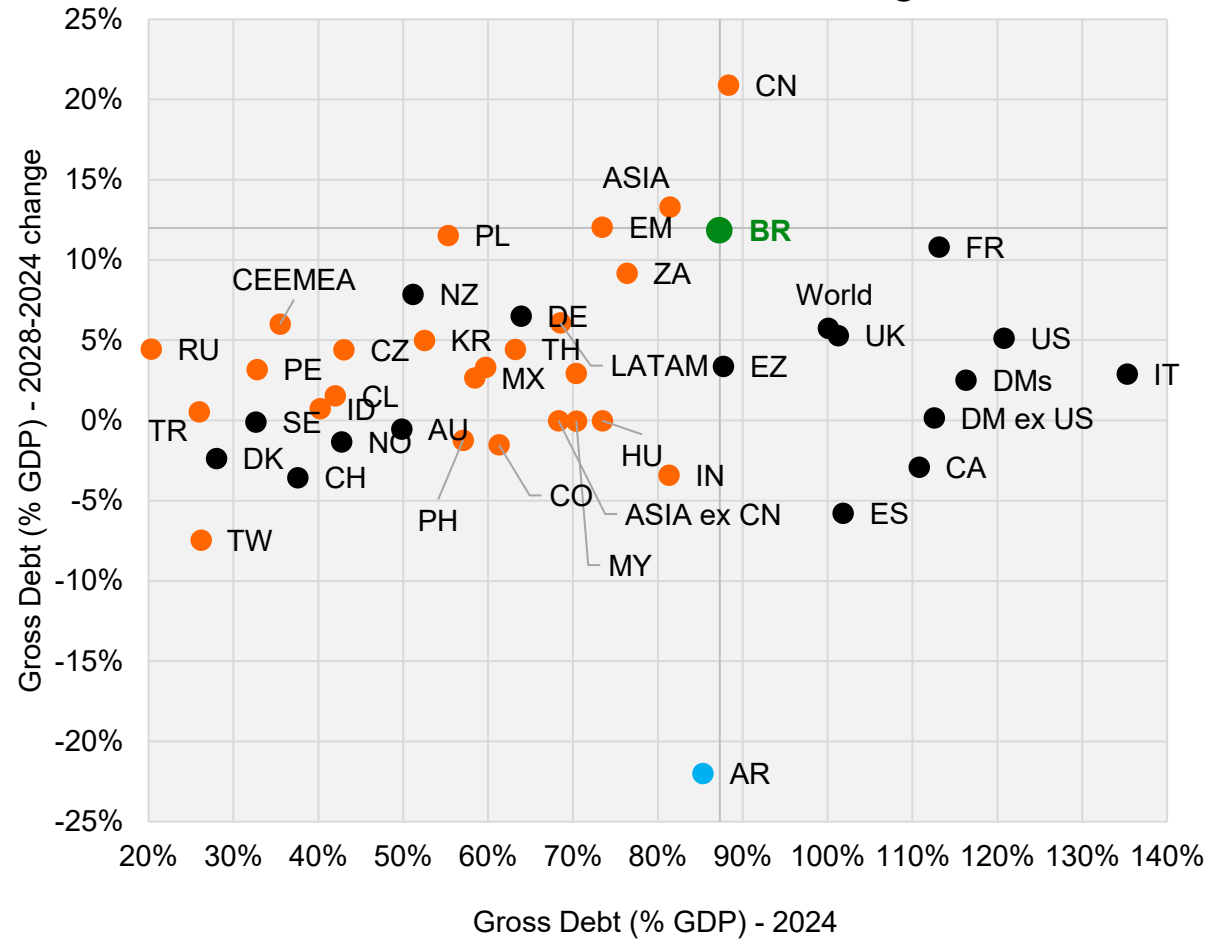
Sustaining growth in Latin America: what can be done?

Policy roadmap

1. **Macro/legal stability**: growth durability in the region is less about new ideas and more about consistent execution of known recipes. **The cheapest stimulus is policy certainty.**
2. **Private investment, productivity and efficiency**: PPP (power, permits, people); longer-tenor hedging instruments attract to foreign capital; credible ESG frameworks to cut funding costs.
3. **Geopolitical risk management**: balance US–China ties with diversification; pursue modern trade agreements guided by economic principles rather than ideology. In a more fluid environment, pragmatism is key.

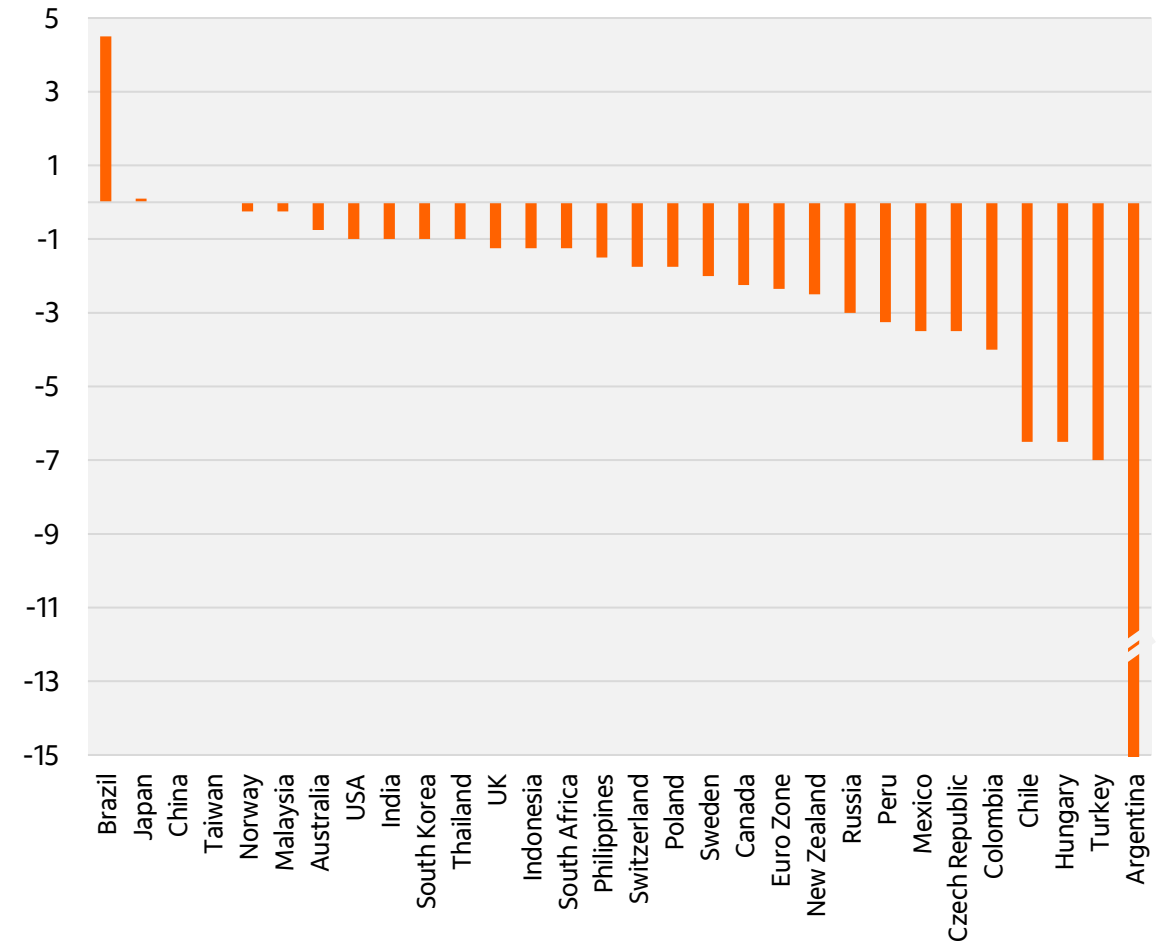
Macro stability is key: Brazil and Argentina are very fresh (and opposite) examples

IMF: General Gov Gross Debt (% GDP)
2024 level vs 2024-28 change



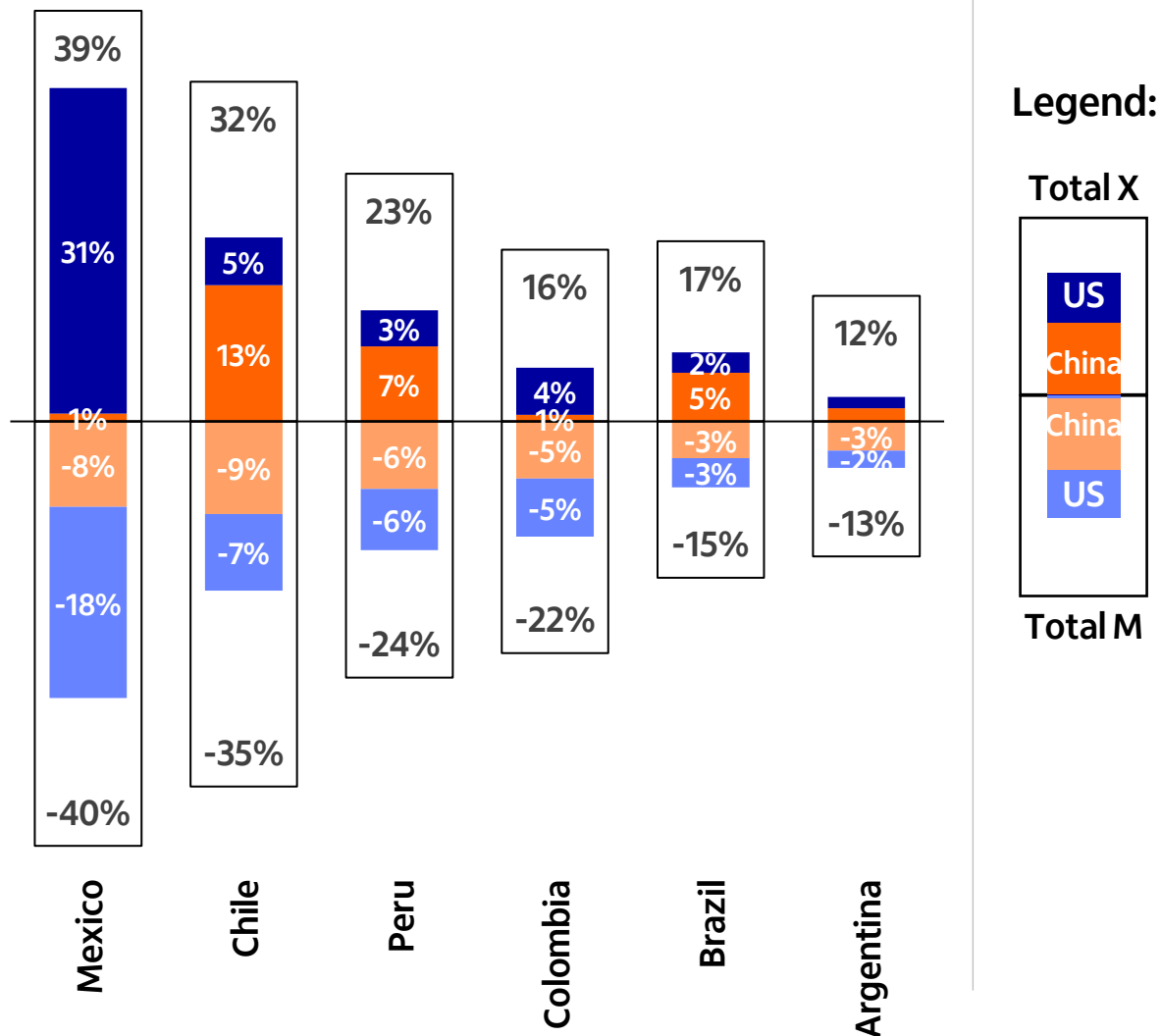
Emerging markets Developed markets

Change in monetary policy rate
in latest easing/tightening cycle



Trade openness as an avenue for growth: opportunity for BRA, COL and ARG

Trade flow as % of GDP (2024)



	CHL	PER	COL	MEX	BRA	ARG	
Bloc membership	ALADI (Latin American Integration)	✓	✓	✓	✓	✓	
	Pacific Alliance	✓	✓	✓			
	CPTPP (Trans-Pacific Partnership)	✓	✓		✓		
	MERCOSUR					✓	✓
	USMCA				✓		
Bilateral agreements	EU	✓	✓	✓	Mercosur (pending)	Mercosur (pending)	
	EFTA	✓	✓	✓	Mercosur (pending)	Mercosur (pending)	
	US	✓	✓	✓			
	China	✓	✓				
	Other major economies	✓	✓	✓	✓		

*EFTA members: Iceland, Liechtenstein, Norway, Switzerland

*CPTPP members: Americas (Canada, Mexico, Chile, Peru); Asia (Japan, Malaysia, Singapore, Vietnam, Brunei Darussalam); Oceania (Australia, New Zealand); Europe (United Kingdom)

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