



LATAM: NAVIGATING THE RECOVERY

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OCTOBER 2020



AGENDA

1. We were weak coming in.
2. Government's actions and reactions.
3. The role of CAF.
4. LATAM resilience and early signs of a “V” recovery.
5. The future.
6. Infrastructure: CAF & CAF-AM.

We were weak coming in...

LATAM was just beginning to come out of a recession caused by the commodity shock of 2014-2015.

Low potential growth, limited fiscal space, social discontent, demands for better public services and standards of well being .

World Bank forecasts

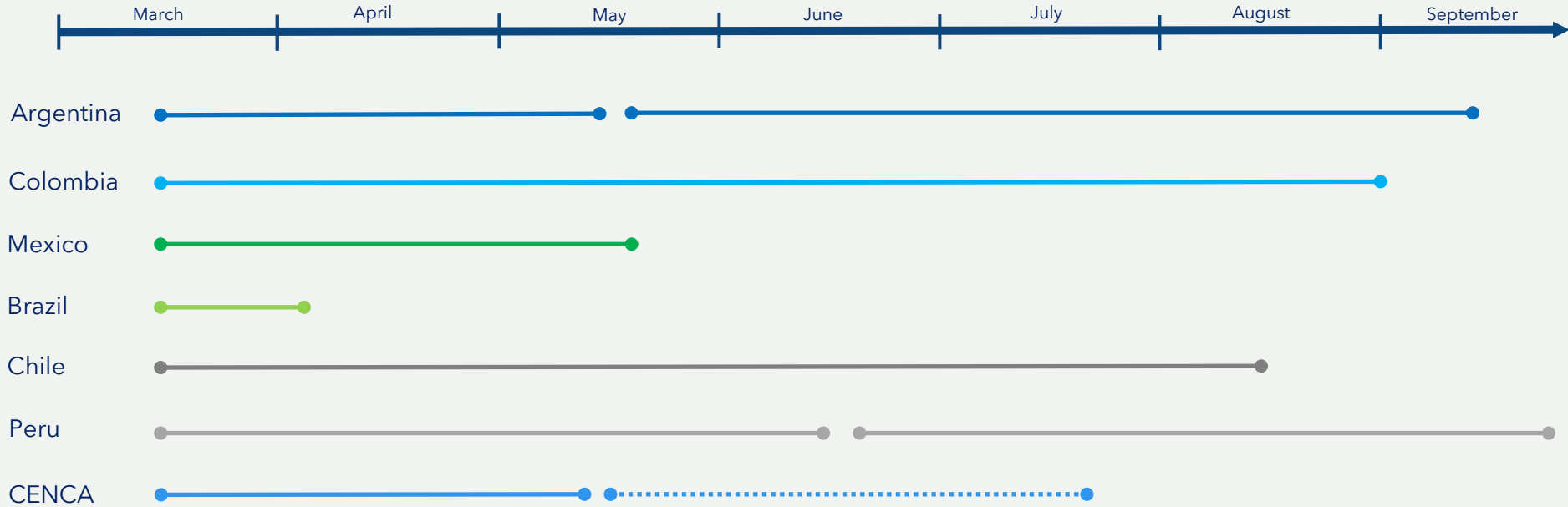
GDP Growth	2017	2018	2019e
South America	1.6%	1.3%	1.0%
Central América	4.0%	2.7%	2.4%
Caribbean	3.2%	5.0%	3.6%
Brazil	1.3%	1.3%	1.1%
Mexico	2.1%	2.2%	-0.3%
Argentina	2.7%	-2.5%	-2.2%

June 2020



GOVERNMENTS ACTIONS & REACTIONS

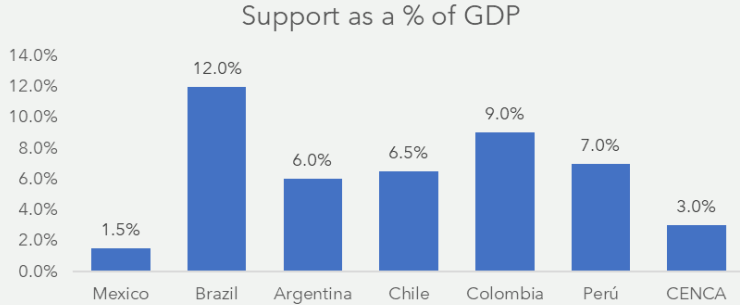
The Great Lockdown



By September, most of the lockdowns, curfews and travel restrictions were eased or lifted, with some exceptions.

Government Actions

Countries all implemented a mix of fiscal, monetary and social measures.



Fiscal

- Direct support to households/cash transfers/in-kind transfers.
- Unemployment insurance.
- Direct support to strategic sectors.
- Payroll assistance.
- Tax deferrals.

Monetary

- Lowering of rates by Central Banks.
- Lowering of reserve requirements.
- Asset Purchases.
- Other liquidity measures.

Support for Private sector

- Massive guarantees for bank loans.
- Refinancing flexibility for lenders.
- Swift regulatory changes where necessary.
- Teleworking.
- Unemployment insurance.

The Great Recession taught governments how to respond quickly and effectively to contain further damage.



THE ROLE OF CAF

CAF prompt and swift response

USD **4.4** bn

+

Social and direct assistance

Emergency credit lines

USD 2.5 bn with an increase up to USD 3.25 bn
Disbursed to 11 countries

Additional credit lines

USD 340 million with a limit of USD 50 million per country to address COVID-19 related issues. Disbursed to 8 countries.

Business credit lines

USD 1.6 bn to be channeled thru national development institutions.

Bond issuances for USD 3.7 billion and first Social bond program

EUR 700 million issuance to be used to strengthen member countries health sector.

Technical cooperation

Humanitarian aid operations of USD 5 million aligned with each country-specific pandemic measures. A second round of cooperation for USD 6 million to expand the program.



LATAM RESILIENCE AND
EARLY SIGNS OF A “V”
RECOVERY

Recent data suggest a strong rebound in Q3 2020

Recent forecasts suggest a strong bounce in economic activity in the second half of 2020 as restrictions ease and activities resume.

The World Economic Outlook report of October 2020 revised the Latin American growth estimate upward from **-9.4% to -8.1%**.

GDP Growth

Country	2Q quarter on quarter	3Q quarter on quarter
Brazil	-33.5%	34.0%
Mexico	-52.7%	42.0%
Colombia	-47.6%	32.0%
Peru	-72.2%	175.0%
Chile	-43.3%	27.0%
Argentina	-51.6%	46.0%

JP Morgan Latin America
Economic and Policy Research
September 2020

	Estimated GDP Growth %							
	2018	2019	2020	2021	2022	2023	2024	2025
Latin America	1.06%	0.03%	-8.13%	3.57%	2.72%	2.67%	2.53%	2.48%
Brazil	1.32%	1.14%	-5.80%	2.83%	2.27%	2.24%	2.21%	2.22%
Mexico	2.20%	-0.30%	-8.95%	3.53%	2.26%	2.15%	2.10%	2.12%
Colombia	2.52%	3.26%	-8.18%	4.04%	3.65%	3.85%	3.85%	3.75%
Peru	3.97%	2.18%	-13.94%	7.29%	5.00%	4.89%	3.91%	3.80%
Chile	3.95%	1.12%	-6.00%	4.50%	3.22%	2.95%	2.69%	2.51%
Argentina	-2.57%	-2.09%	-11.78%	4.89%	2.53%	2.28%	2.12%	1.70%

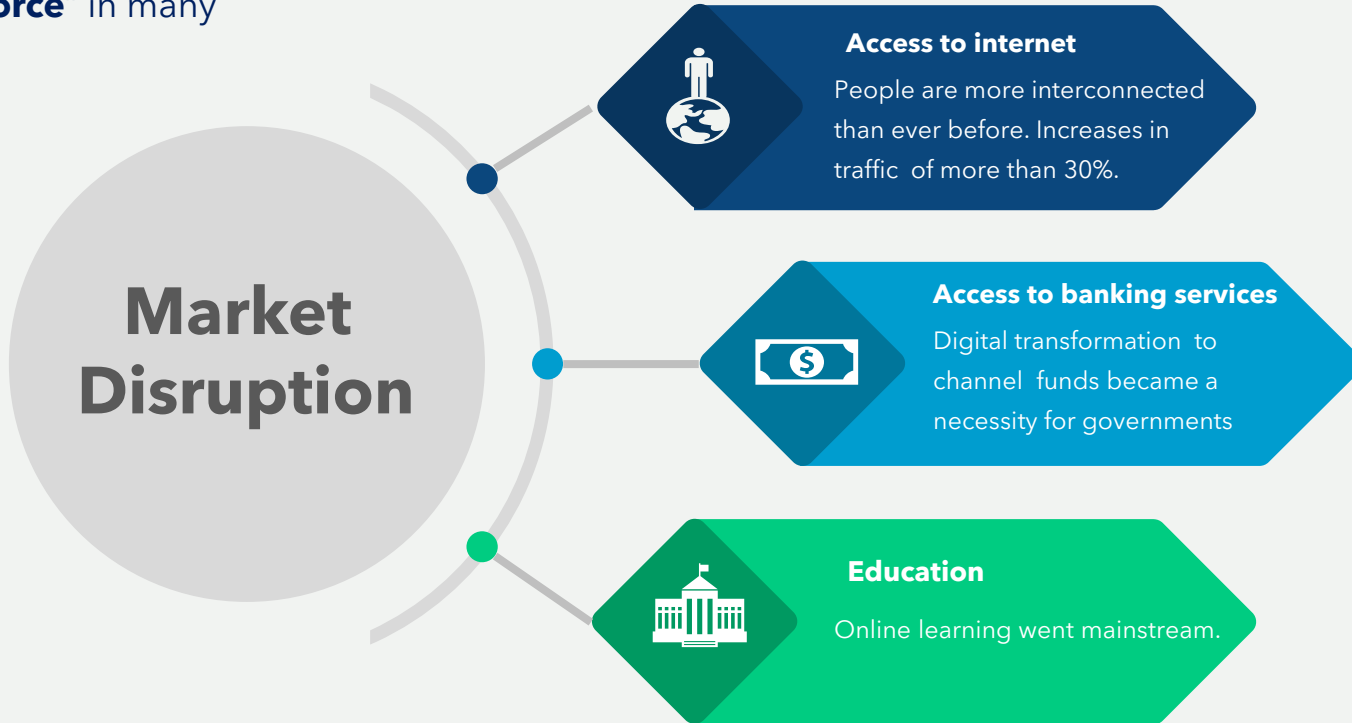
IMF world economic outlook oct
2020



THE FUTURE

THE FUTURE

We witnessed a market disruption by “**brute force**” in many industries.





INFRASTRUCTURE: CAF & CAF-AM

*“There is nothing more powerful than
Infrastructure for the development of Latin
América”*



Dr. Luis Carranza

CEO, CAF



Infrastructure as a means for recovery


Infrastructure: Focused public spending



A **1% GDP** increase in public spending **increases:**

- GDP in 2 years by **2.7 %**.
- Private investment by **10 %**.
- Creates **20 to 30 million jobs** directly and indirectly.

Infrastructure as an investment vehicle



In July, Luis Carranza announced the launch of an infrastructure investment vehicle focused on **digital technologies and integration**, to be guaranteed by developed countries.

CAF-AM vehicles to aid in the recovery



Projects in **Colombia** and **Uruguay** currently in operation.

To begin operations in **Panamá, Costa Rica, Dominican Republic** and **Paraguay**



CNFAM ASSET
MANAGEMENT
CORP