



'LatAm's GDP to grow 3.7 pct'

REUTERS

Latin America's GDP is expected to pick up to 3.7 percent in 2013, from an estimated 2.8 percent in 2012, underpinned by favorable domestic demand dynamics, sound policies and continued macroeconomic stability, according to Fitch's 2013 Latin America Sovereign Outlook report.

Nonetheless, the sovereign credit cycle could stall next year, with only two countries – Uruguay and Ecuador – currently having

positive outlooks.

Currently, the Outlooks for Venezuela, El Salvador and Argentina's local currency IDRs are Negative. Countries with highly speculative ratings will likely be more vulnerable to a challenging external environment, as they have less capacity to maneuver and generally exhibit weaker policy frameworks.

The regional growth forecast is heavily influenced by the expected rebound of Brazil, although there are downside risks associated with

its recovery.

Bolivia, Chile, Colombia, Panama, Peru, Suriname and Uruguay are expected to perform better than the regional growth average of 3.7% in 2013, with Panama being the fastest growing economy in the region.

Economic growth in Brazil and Mexico is forecasted to be close to the regional average.

On the other hand, Argentina, El Salvador, Jamaica and Venezuela are likely to underperform.