

JUNE 2004

LATIN AMERICA OUTLOOK

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STRICTLY PRIVATE AND CONFIDENTIAL



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The global recovery is in full-swing...

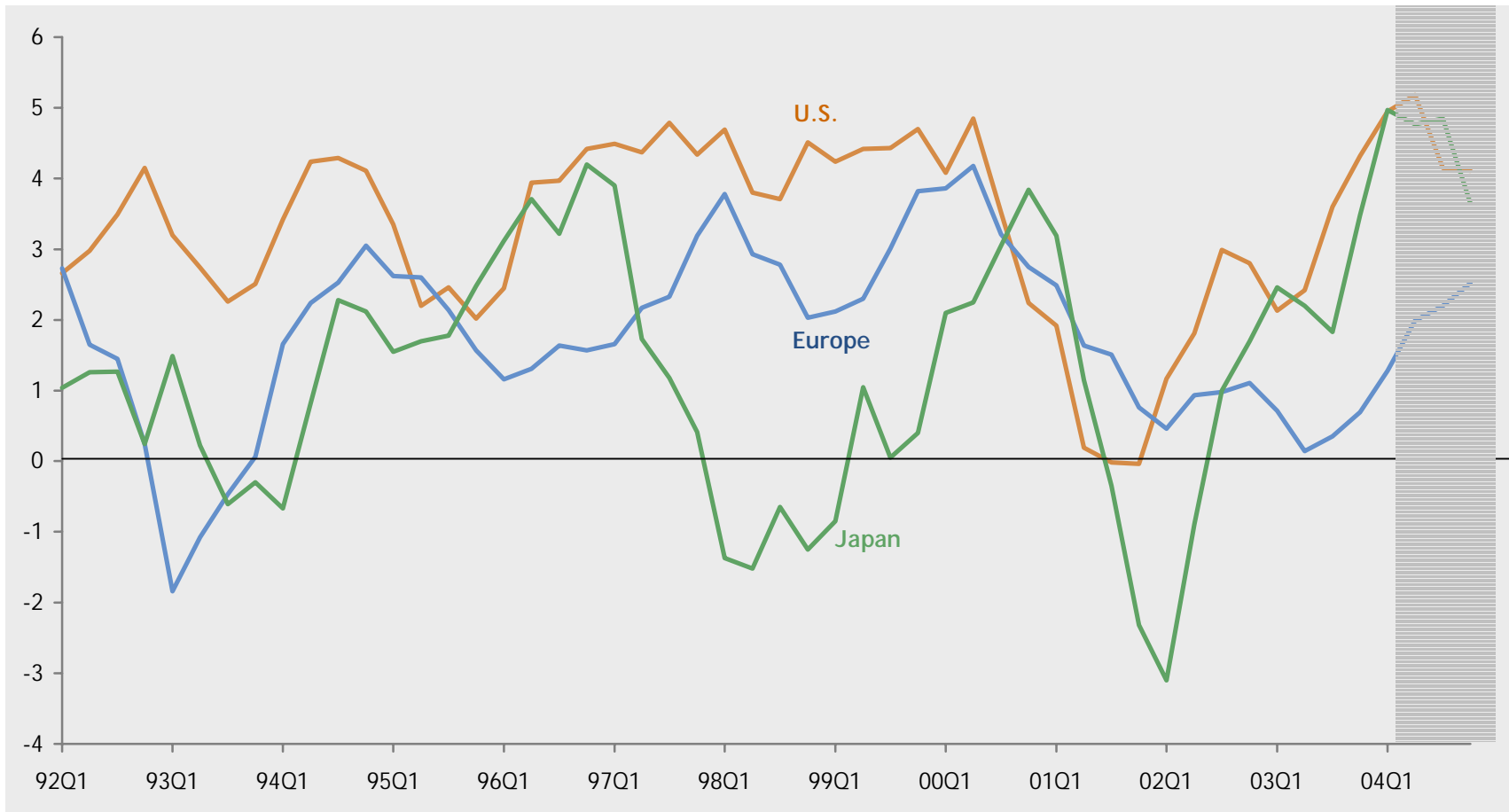
JPMorgan's global growth forecasts

	Real GDP (% over a year ago)			Real GDP (% over previous quarter, saar)			
	2003	2004	2005	04H1	04H2	05H1	05H2
Global	2.6	4.1	3.5	4.0	3.6	3.5	3.2
Developed markets	2.1	3.7	3.1	3.6	3.3	3.1	2.7
United States	3.1	4.6	3.7	4.2	4.0	3.8	3.0
Japan	2.5	4.6	2.6	4.6	2.8	2.6	2.3
Euro Area	0.5	2.0	2.6	2.4	2.6	2.6	2.5
Emerging markets	4.5	6.0	4.9	5.5	4.9	5.0	5.2
Latin America	1.5	5.0	3.5	4.8	3.0	3.5	3.7
Emerging Asia	6.5	7.0	5.9	5.5	5.9	6.1	6.1
China	9.1	8.8	7.5	6.9	7.5	8.2	8.0
Emerging Europe	5.4	6.0	5.1	7.3	5.8	4.8	5.5

Source: JPMorgan

...led by the US and Japan, but Europe is offering positive signs as well

G-3 real GDP growth (%oya)



Source: JPM and official country data

A POWERFUL GLOBAL RECOVERY IS PULLING LATIN AMERICA

Latin America has benefited from the global recovery and the high commodity prices...

Latin America growth forecasts

	Real GDP (% over a year ago)			Real GDP (% over previous quarter, saar)			
	2003	2004	2005	04H1	04H2	05H1	05H2
Latin America	1.5	5.0	3.5	4.8	3.0	3.5	3.7
Excl. Arg and Ven	0.9	2.8	3.6	4.6	2.9	3.6	3.5
Argentina	8.8	8.5	4.0	4.9	7.0	2.8	2.5
Brazil	-0.2	3.4	3.5	4.9	2.0	3.5	4.0
Mexico	1.3	4.0	3.2	4.5	3.2	3.2	2.4
Chile	3.3	5.0	5.4	6.5	5.0	5.5	5.5
Colombia	3.7	4.0	4.0	2.5	4.2	4.0	3.3
Ecuador	2.7	5.0	5.0	0.5	2.5	6.3	7.0
Peru	4.0	4.0	4.0	6.1	3.5	3.6	4.5
Venezuela	-9.4	12.0	2.0	6.2	-4.5	4.5	10.0

Source: JPMorgan

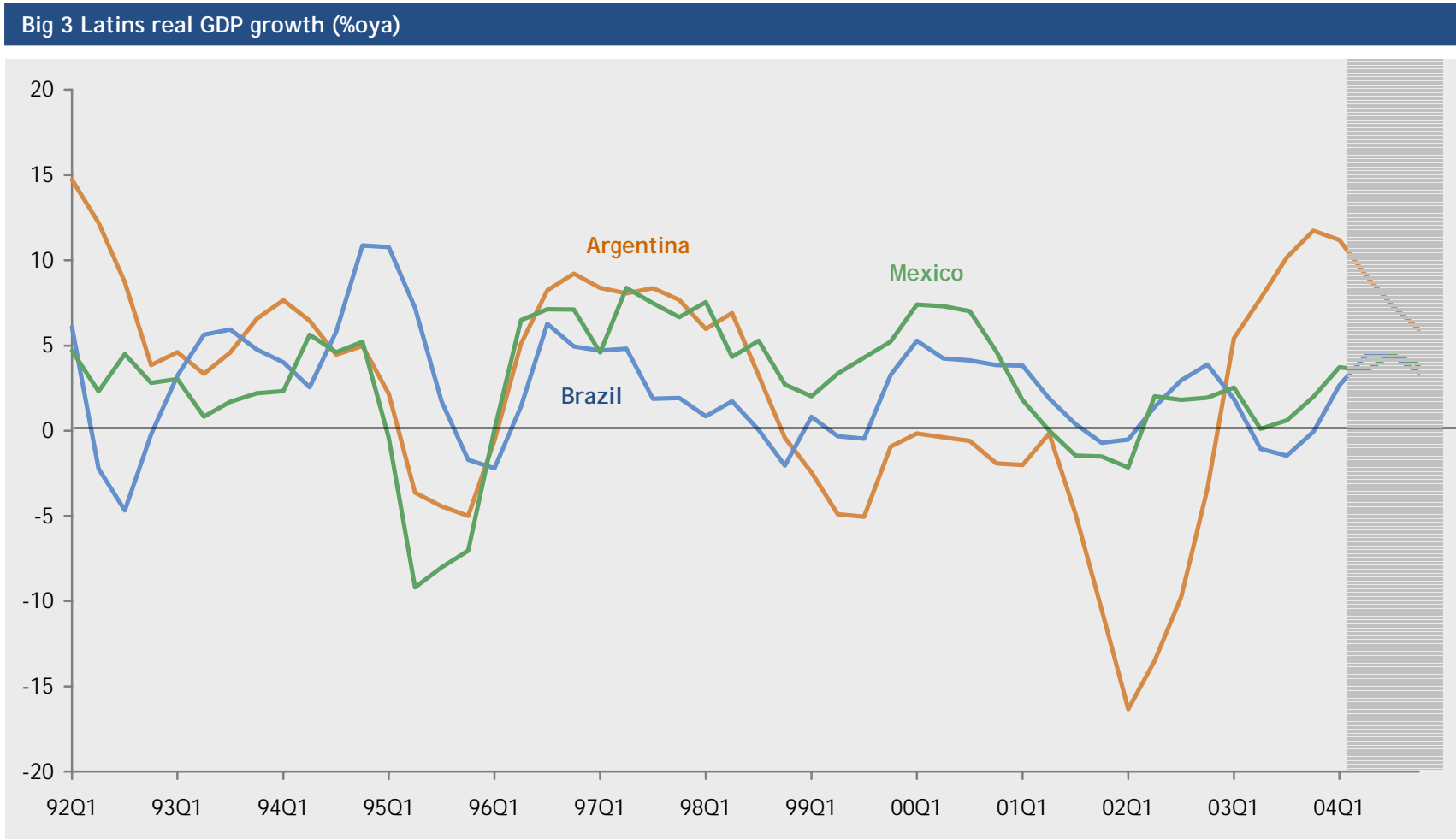
...but also by mean-reversal effects in Argentina and Venezuela. Excluding these countries the recovery is more moderate

A POWERFUL GLOBAL RECOVERY IS PULLING LATIN AMERICA



Within the big 3, Argentina led the initial rebound, but rotation is now taking place. Mexico is booming followed by Brazil that is experiencing a modest recovery

A POWERFUL GLOBAL RECOVERY IS PULLING LATIN AMERICA

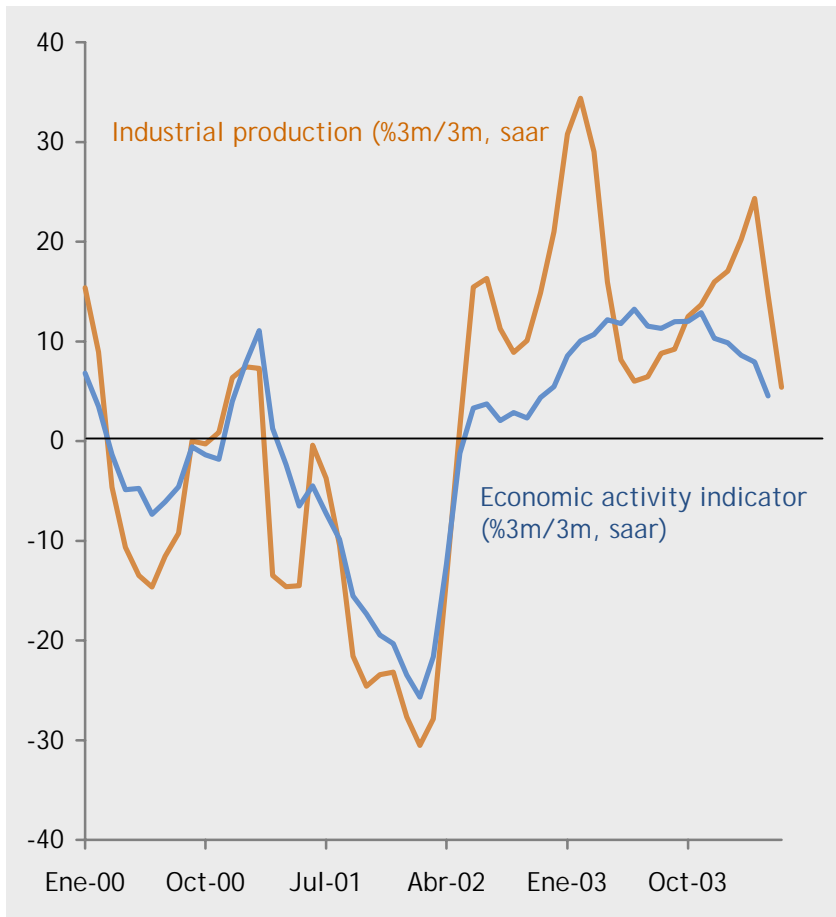


Source: JPM and official country data

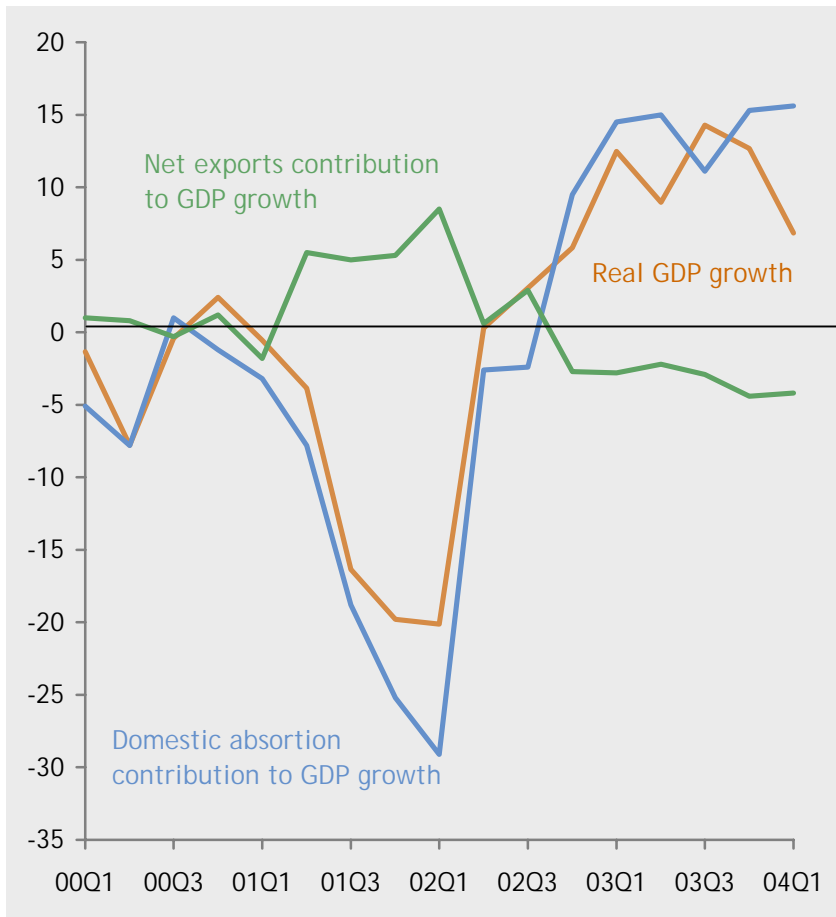
Argentina's rebound was led by industrial production and domestic demand. But most recent reports indicate a convergence to more moderate growth rates.

A POWERFUL GLOBAL RECOVERY IS PULLING LATIN AMERICA

Argentina: Industrial production and economic activity



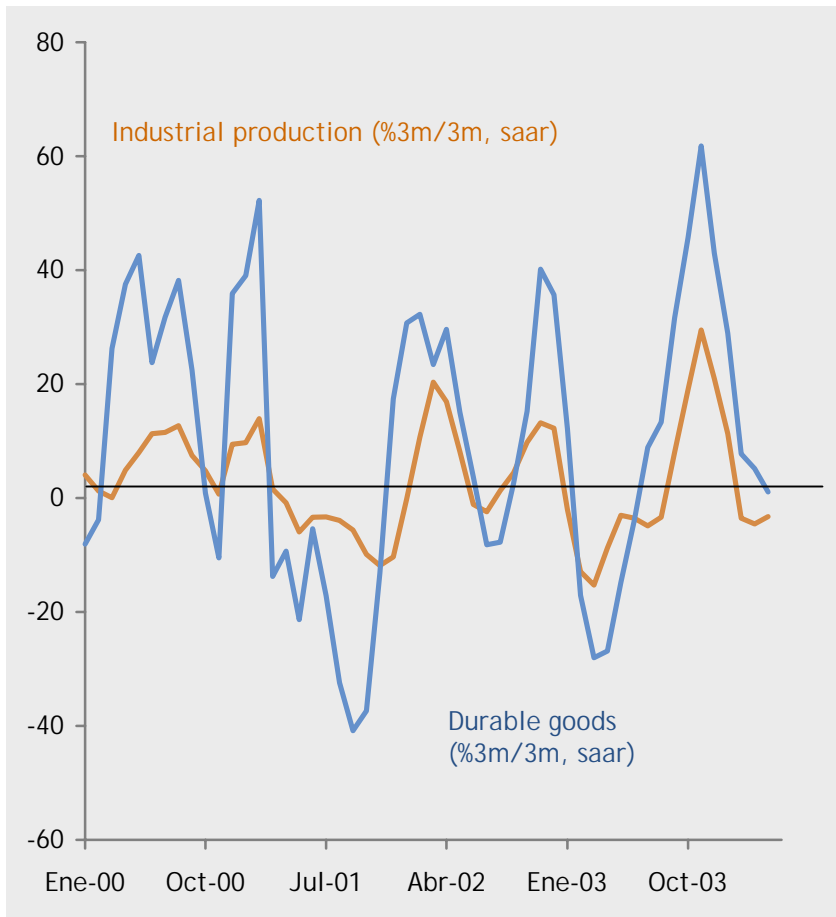
Argentina: Real GDP growth and components (%saar)



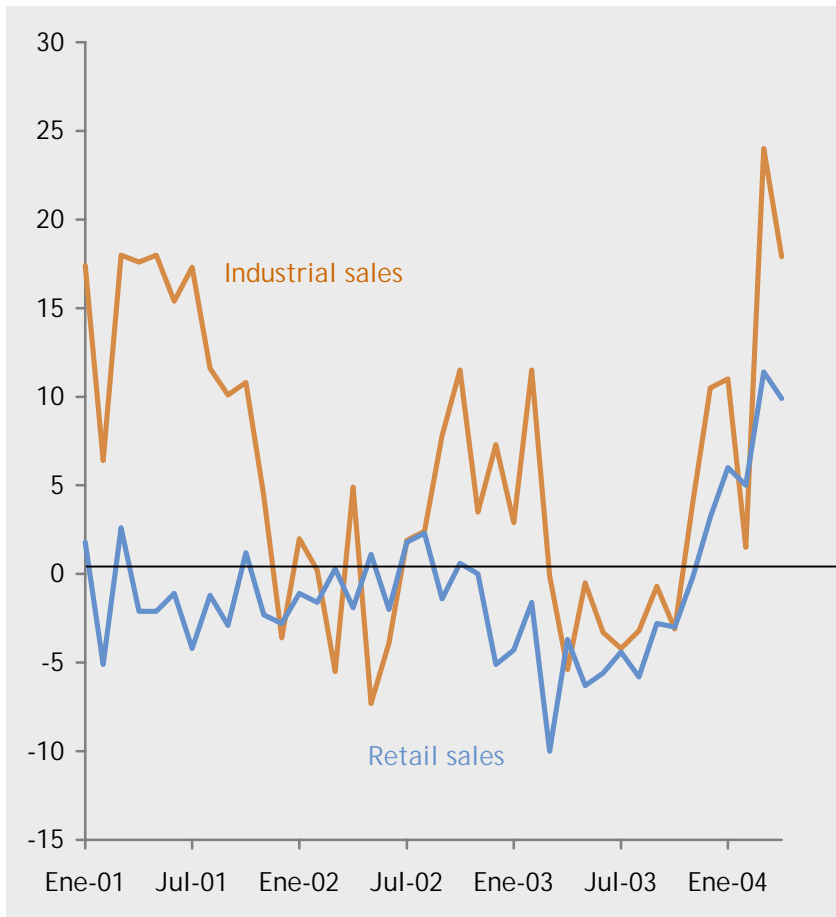
Brazil's signs of growth have been mixed recently, as output is growing less than final demand. But the rebound in final sales should soon translate into output growth

A POWERFUL GLOBAL RECOVERY IS PULLING LATIN AMERICA

Brazil: Industrial production and durable goods



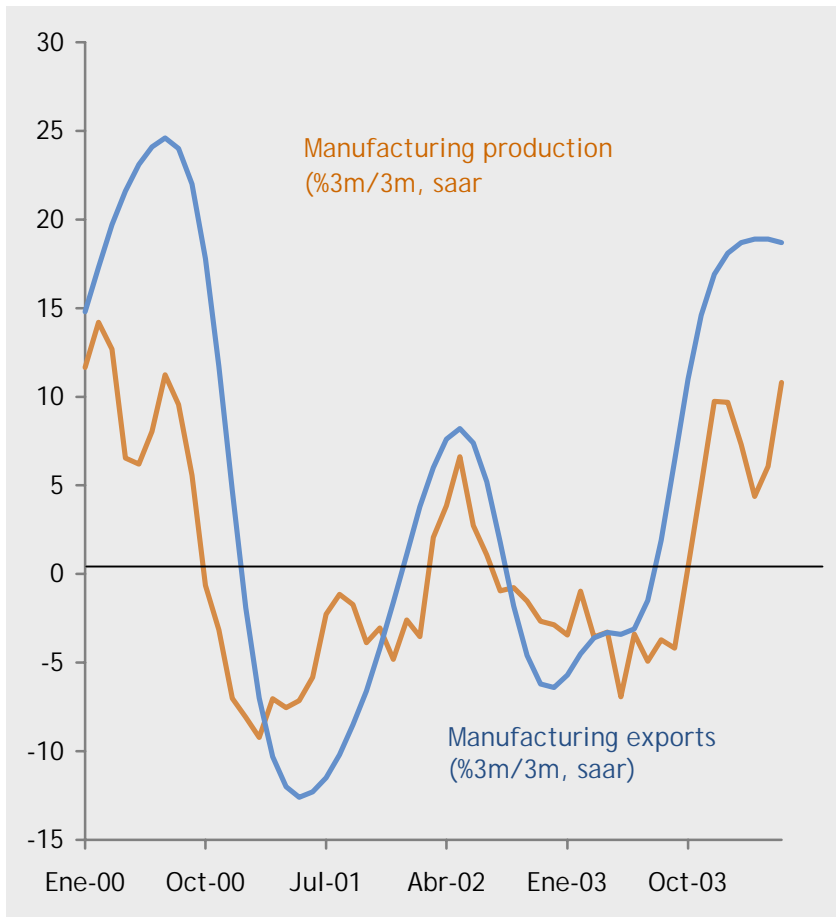
Brazil: Industrial and retail sales



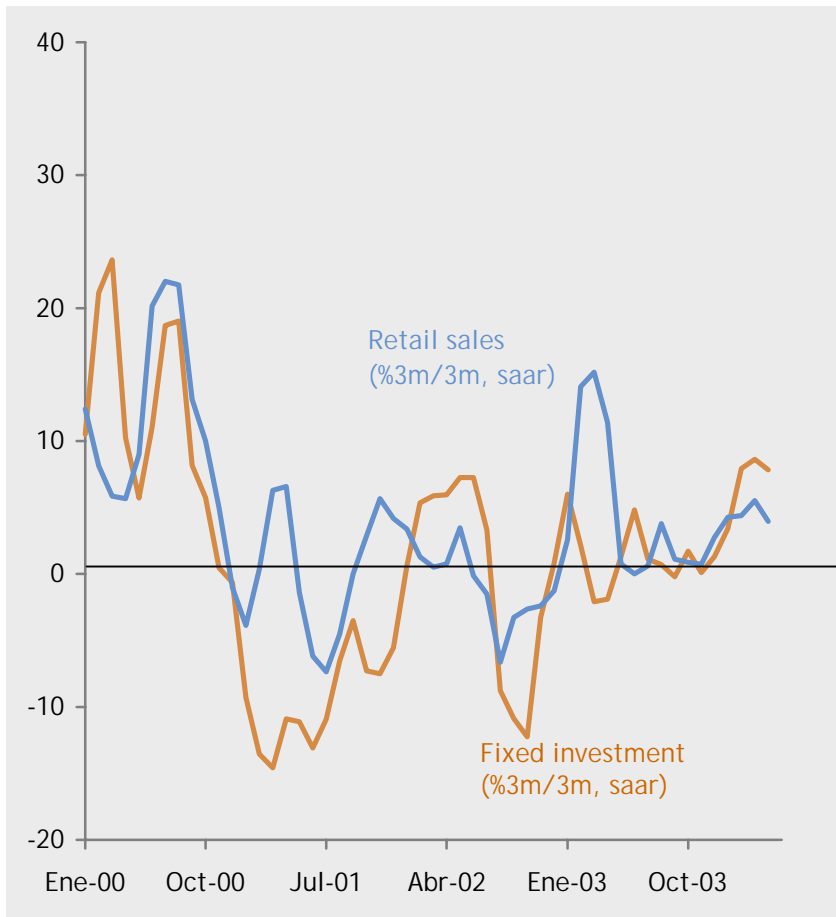
In Mexico output and external demand are leading the recovery, mainly stimulated by the US. And although domestic demand growing less fast, it is picking up as well

A POWERFUL GLOBAL RECOVERY IS PULLING LATIN AMERICA

Mexico: Manufacturing production and exports



Mexico: Fixed investment and retail sales

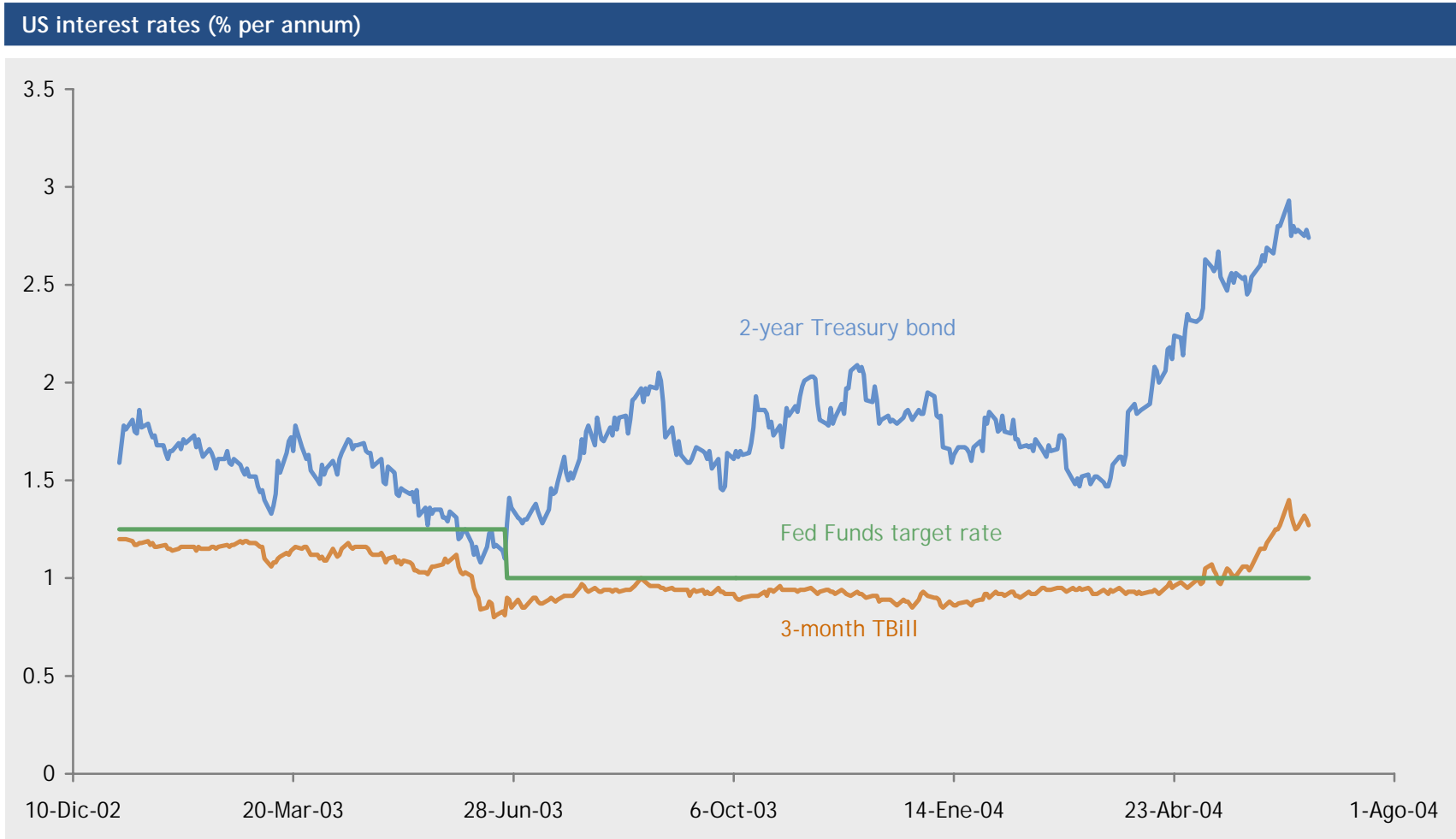


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The US market is already pricing an increase in Fed Funds rates

THE FED HIKE IS AROUND THE CORNER, WILL IT ABOARD THE RECOVERY?

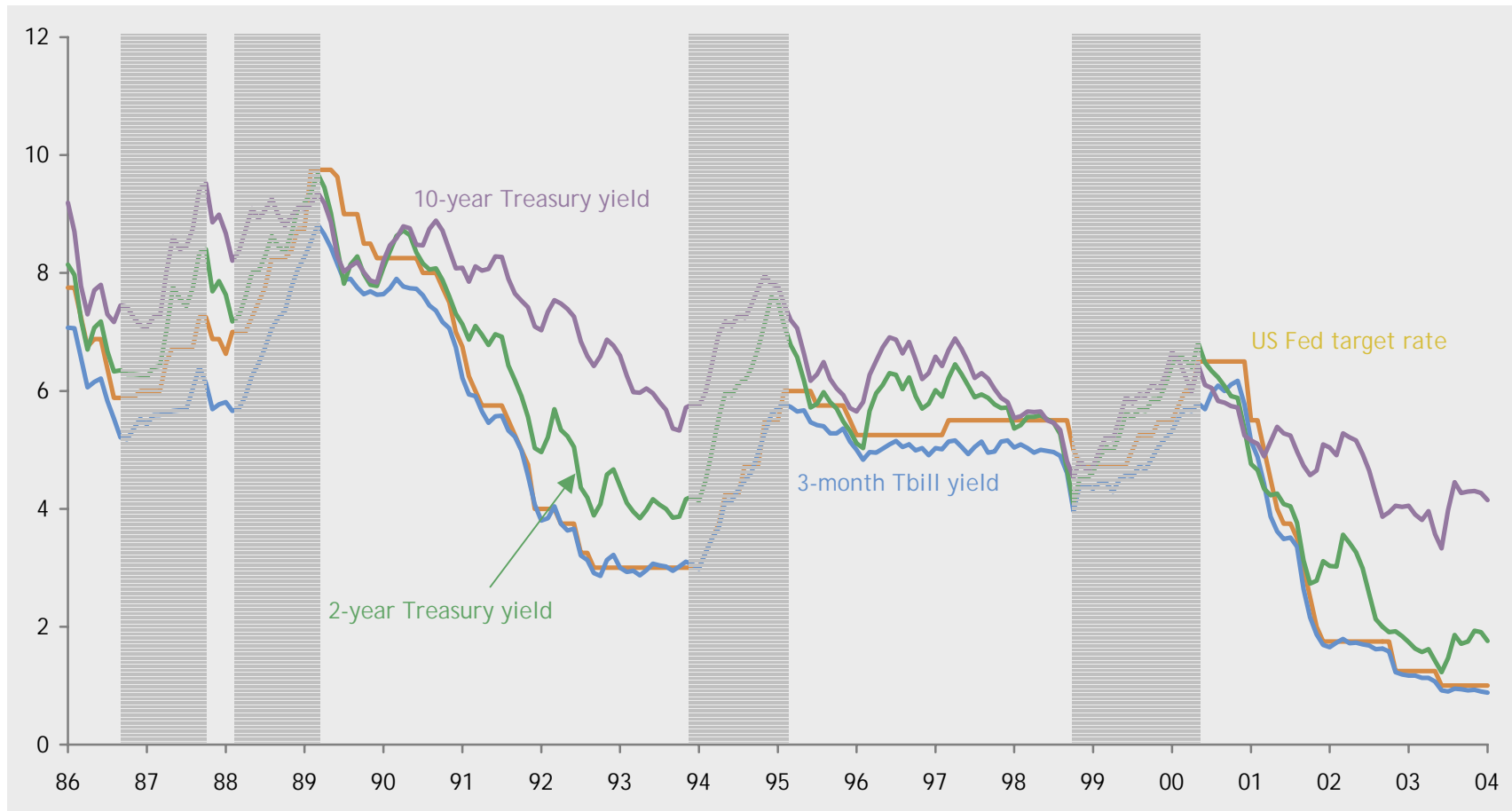


Source: JPMorgan Chase

THE FED HIKE IS AROUND THE CORNER, WILL IT ABOUT THE RECOVERY?

And past episodes indicate that the Fed will hike gradually, but won't stop until reaching policy neutrality

Episodes of past US Fed hikes (% per annum)



Source: JPMorgan Chase

JPMorgan's forecast calls for the Fed to start increasing rates in August and the Fed Funds to reach 2.25% in end-2004 and 4.25% in 2005

THE FED HIKE IS AROUND THE CORNER, WILL IT ABORT THE RECOVERY?

Fed tightening cycles during Greenspan era			
	Cumulative move (bp)	Length (months)	End real funds rate (%)
1999-2000	175	11	4.8
1994-1995	300	12	3.5
1988-1989	275	11	5.1
1986-1987	125	9	3.5
JPMorgan forecast			
2004-2006	325	20	2.0

Source: JPMorgan Chase

More importantly, the forecast anticipates an increase in the whole yield curve

THE FED HIKE IS AROUND THE CORNER, WILL IT ABOUT THE RECOVERY?

JPMorgan's US interest rate forecast

	Actual*	2004			2005			
		Jun	Sep	Dec	Mar	Jun	Sep	Dec
Fed funds target	1.00	1.25	1.75	2.25	2.75	3.25	3.75	4.25
3-month LIBOR	1.19	1.50	1.80	2.30	2.80	3.30	3.70	4.15
3-month T-bill (bey)	1.06	1.35	1.65	2.15	2.65	3.15	3.55	3.85
2-yr Treasury	2.62	3.10	3.50	3.90	4.20	4.50	4.75	5.00
5-yr Treasury	3.93	4.30	4.50	4.75	4.95	5.20	5.40	5.55
10-yr Treasury	4.76	5.00	5.15	5.35	5.50	5.70	5.85	5.90
30-yr Treasury	5.46	5.60	5.70	5.80	5.90	6.05	6.15	6.20
Spread								
Fed funds minus 2-yr	162	225	175	165	145	125	100	75

* As of May 21

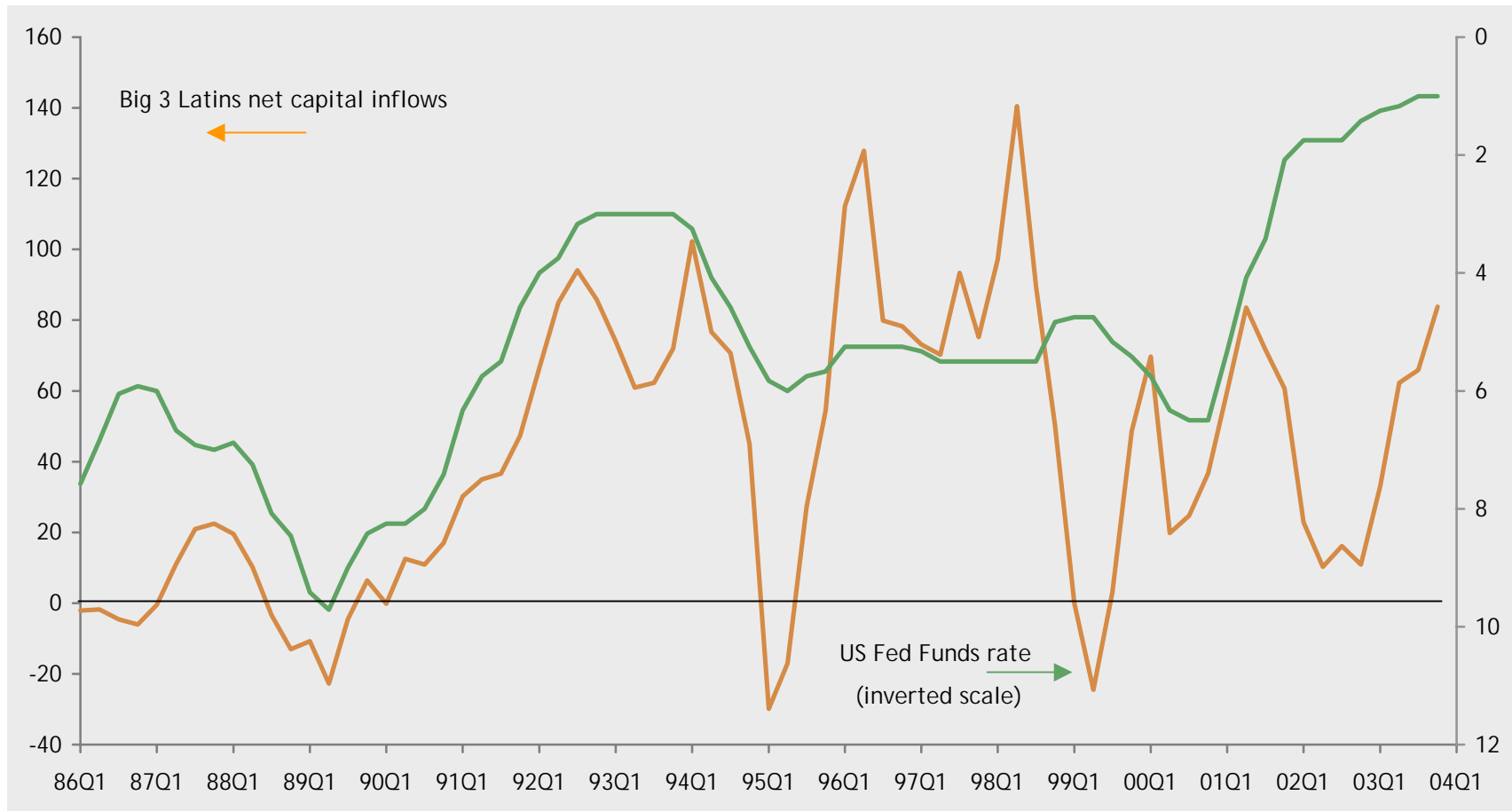
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In Latin America, US Fed hikes have been associated with sharp drops in capital inflows...

LATIN AMERICA IS MORE RESILIENCE TO SHOCKS, BUT NOT IMMUNE

Big 3 Latins net capital inflows (\$ bil) and US Fed Funds interest rates (%)



Source: JPM and official country data

...and in some episodes this has turned into sharp economic contractions as well--the so-called "sudden stops". Will this happen again?

LATIN AMERICA IS MORE RESILIENCE TO SHOCKS, BUT NOT IMMUNE

Big 3 Latins' real GDP growth (%oya) and net capital inflows (\$bil)



Source: JPM and official country data

Causes of past financial accidents

LATIN AMERICA IS MORE RESILIENCE TO SHOCKS, BUT NOT IMMUNE

- **“Sudden stops” or reversals in capital inflows** were often prompted by the onset of US Fed tightening, even when such tightening was gradual as it has been during the Greenspan era.
- **Fixed exchange rate regimes**, which were the norm in the past, added to the cost and duration of current account deficit correction because such correction could only be attained through sharp reductions in import demand under the weight of tight policies that crippled the economy broadly.
- **Large external financing needs.** Limited domestic saving and shallow domestic capital markets have traditionally kept most Latin countries overly dependent on external debt financing and therefore vulnerable to capital flow reversals.

This time, shocks to be absorbed without accidents

LATIN AMERICA IS MORE RESILIENCE TO SHOCKS, BUT NOT IMMUNE

- **Flexible exchange rate regimes.** Central banks have gained credibility in managing these regimes and using them effectively as a “shock absorbers”.
- **Current accounts are in balance or better.** Today, unlike at the start of the last two episodes of Fed tightening (1993-94 and 1998-99), most Latin countries’ current accounts are either in surplus or merely slight deficit.
- **Reduced vulnerability to a reversal of capital inflows.** Latin America has substantially reduced its reliance on capital inflows.
- **Large international reserve buffer.** Unlike in previous periods of Fed tightening, most Latin countries’ international reserve stocks are well in excess of total (public and private) external debt amortizations (second table)
- **Development of local capital markets.** The development of local capital markets arguably provide the strongest assurance that there will be no major sell-off in debt markets.

The shock promised to be more benign. For once, the region is less vulnerable as external accounts are in balance and external financing needs are limited.

LATIN AMERICA IS MORE RESILIENCE TO SHOCKS, BUT NOT IMMUNE

Latin America: external vulnerability to shocks												
	Financing needs (% of GDP)			Current account (% of GDP)			Net capital inflows (% of GDP)			International reserves (USD bil)		
	93-94	98-99	03-04	93-94	98-99	03-04	93-94	98-99	03-04	93-94	98-99	03-04
Latin America	5.6	9.3	5.4	-3.2	-3.6	0.0	3.8	3.1	1.7	98.3	143.6	191.7
Argentina	4.8	8.9	8.4	-3.5	-4.5	5.1	4.4	5.2	-2.8	14.0	25.5	15.4
Brazil	2.3	12.3	7.7	-0.2	-4.5	0.0	1.8	3.2	1.9	33.8	38.7	54.5
Mexico	8.6	8.2	3.9	-6.4	-3.4	-1.9	5.0	3.7	2.8	15.7	31.8	60.4
Chile	7.0	5.3	4.7	-4.0	-2.4	0.4	7.6	0.5	-0.8	11.4	15.2	15.2
Colombia	9.2	6.8	8.8	-3.9	-2.1	-2.0	4.2	1.8	2.3	7.9	9.6	12.4
Ecuador	11.0	9.2	6.2	5.6	4.2	-5.9	8.2	-0.5	4.5	1.6	1.4	1.4
Peru	9.6	8.0	5.5	-6.4	-4.4	-2.0	11.2	2.3	2.6	5.2	9.1	9.9
Venezuela	5.6	4.2	-5.9	0.5	0.0	9.2	-1.8	-1.1	-0.2	8.6	12.1	22.4

Source: JPMorgan

In addition, there is less “fear of floating”. Fiscal policy has turned into the true nominal anchor and inflation remains low, which, in turn, allows more fx flexibility.

Latin America: Fiscal primary balances and inflation rates

	Primary balance*		CPI Inflation†		
	2002	2003	Dec 01	Dec 02	Dec 03
Latin America	2.0	2.7	5.3	14.6	5.9
Argentina	0.7	2.5	-1.5	40.9	3.7
Brazil	3.9	4.3	7.5	12.5	9.3
Mexico	1.8	2.3	5.1	5.7	4.0
Chile	-3.0	-1.3	3.2	2.8	1.1
Colombia	0.4	1.9	7.6	7.0	6.5
Ecuador	4.5	5.2	22.4	9.4	3.8
Peru	-0.1	0.1	-0.1	1.5	2.5
Venezuela	1.7	0.4	12.3	31.2	21.9

Source: Official country data

*% of GDP

† % Dec-Dec

But not all is positive, and external indebtedness remains a cloud in the region. Country experience varies, however.

Latin America debt vulnerability to shocks

	External debt (% of GDP)		External debt amortizations (US\$ bil)			External debt amortizations (% of GDP)			M2 to Reserves (%)			
	93-94	98-99	03-04	93-94	98-99	03-04	93-94	98-99	03-04	93-94	98-99	03
Latin America	39.0	40.8	42.4	33.3	97.3	88.3	2.4	5.6	5.3	625.0	369.0	170.0
Argentina	33.4	49.2	104.2	3.2	12.6	18.2	1.3	4.4	13.5	193.0	177.0	272.0
Brazil	35.9	38.1	44.0	9.8	48.4	41.5	2.0	7.8	7.7	977.0	371.0	276.0
Mexico	38.3	36.9	26.2	9.2	22.0	13.0	2.2	4.9	2.0	739.0	565.0	545.0
Chile	40.7	47.2	53.9	1.5	2.2	4.0	3.0	2.9	5.0	123.6	193.3	185.7
Colombia	33.1	40.3	47.0	3.8	4.4	5.6	5.3	4.7	6.8	119.4	233.6	196.9
Ecuador	84.6	84.4	49.9	0.9	1.5	0.6	5.8	7.5	2.2	447.9	450.1	311.7
Peru	71.1	55.0	47.3	1.2	1.9	2.2	3.1	3.7	3.5	150.2	132.9	153.9
Venezuela	66.7	37.9	33.9	3.6	4.2	3.0	6.1	4.2	3.4	184.6	146.3	117.2

Source: JPMorgan

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As expected and in line with the differences in fundamentals, markets are pricing more risk: Less growth in Argentina, debt problems in Brazil and a weaker peso in Mexico.

Latin America: asset price performance (change between March 31 and June 22, 2004)

	Local Equities, %	EMBIG Spread	3-month Int. rate†	USD fx Rates\$
Latin America	-10.3	59.0	...	...
Argentina	-18.9	124.0	248.0	-3.6
Brazil	-9.3	100.0	39.0	-6.8
Mexico	-3.6	34.0	128.5	-1.2
Chile	1.9	2.0	0.0	-3.6
Colombia	-5.9	90.0	9.0	-1.4
Peru	-17.7	83.0	33.0	-0.3
Venezuela	-3.6	-2.0	87.0	0.0
US	0.8	88.4	26.0	1.5

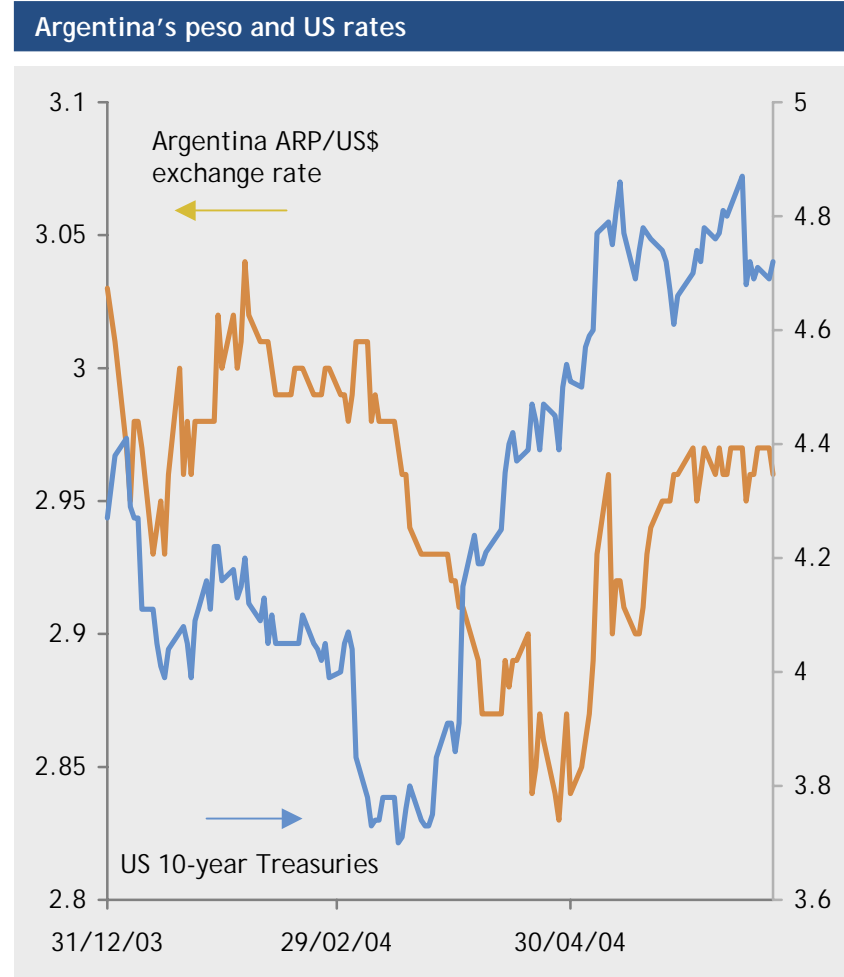
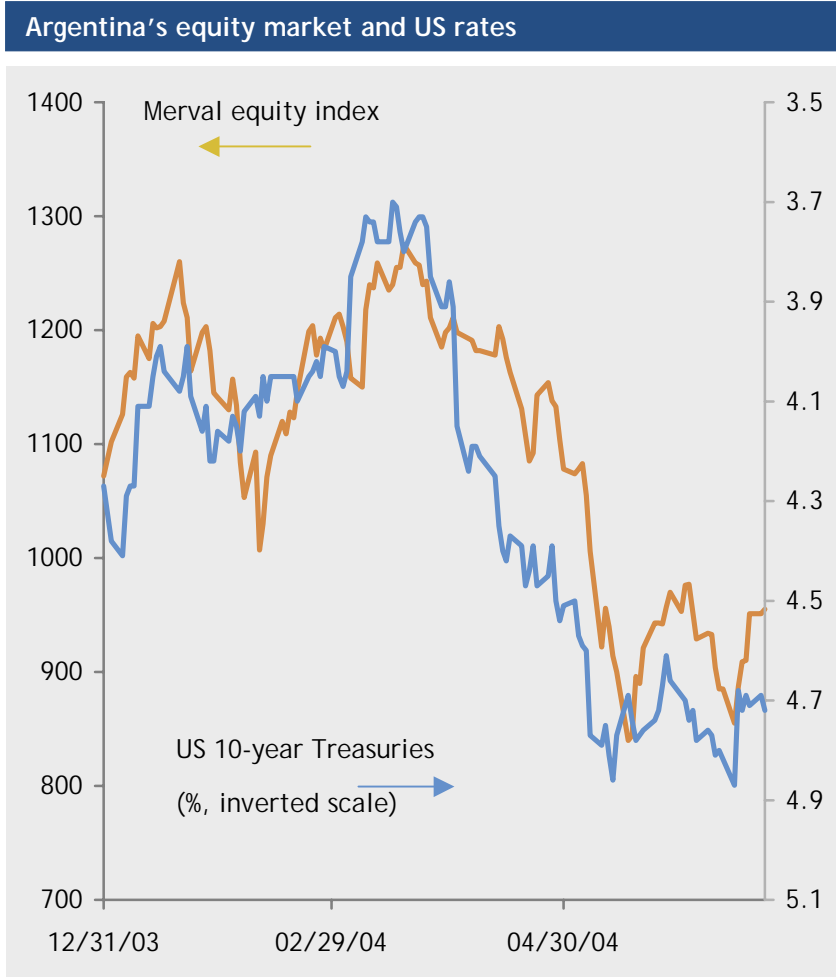
*Bp, EMBIG stripped-spread over US Treasuries †bp % change, a negative sign indicates fx appreciation
‡bp, 10-year US Treasury yield \$\$/Euro

Market pressure and policy response

Market responses do offer information, and the disparate performance of the various markets may well indicate areas where risks are higher or lower.

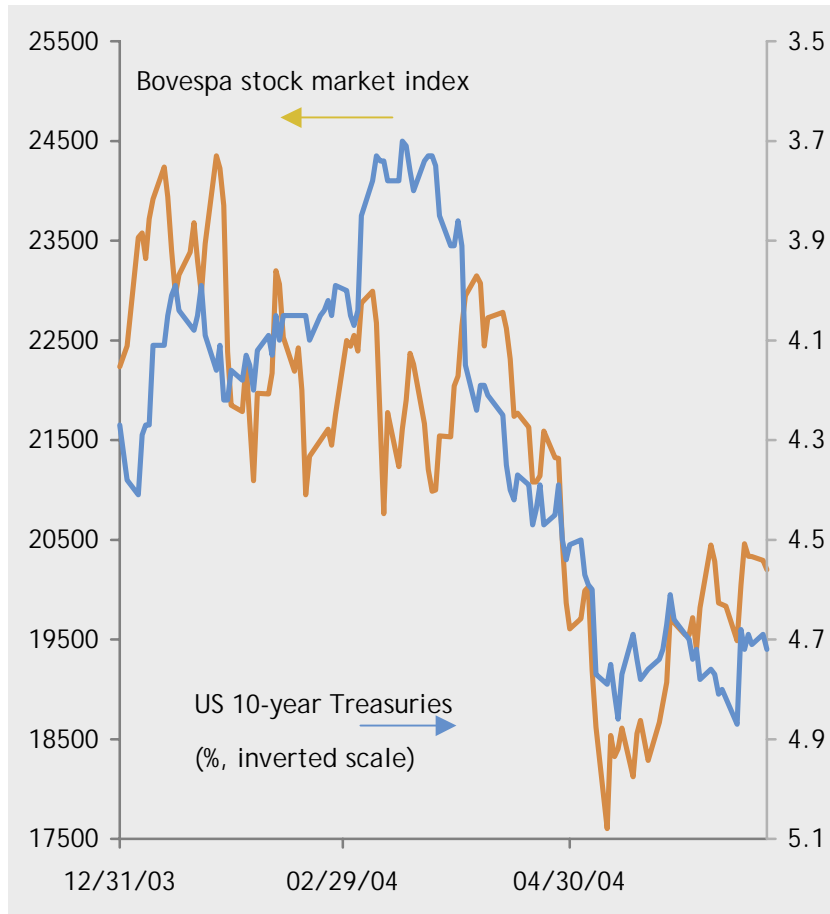
- **Adverse debt dynamics.** still-high external debt ratios point up that these countries sooner or later will need to re-access the international capital markets. There is no imminent risk of default. But the longer the period of reduced inflows to the region, the more vulnerable it will be.
- **Limits on exchange rate flexibility.** Although most Latin countries have adopted a flexible ER regime and use it as “shock absorber,” there are three reasons why central banks may want to limit currency depreciations.
- **The growth trade-off.** Many of Latin America’s past financial accidents find their most potent explanation in a tendency to postpone tough policy decisions in an effort to avoid economic recession.

In Argentina equity markets have suffered the most, while the fixed income and fx markets remained strong.



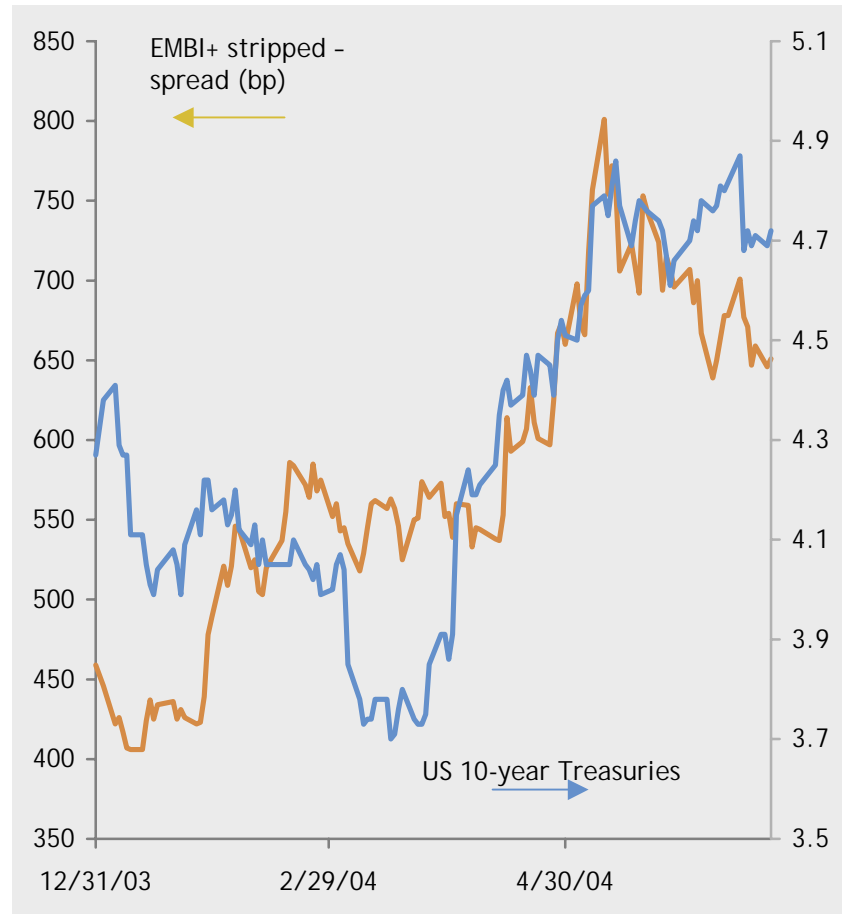
In Brazil equity and external debt markets have been hit, while domestic fixed income and fx have remained unscathed

Brazil's equity market and US rates



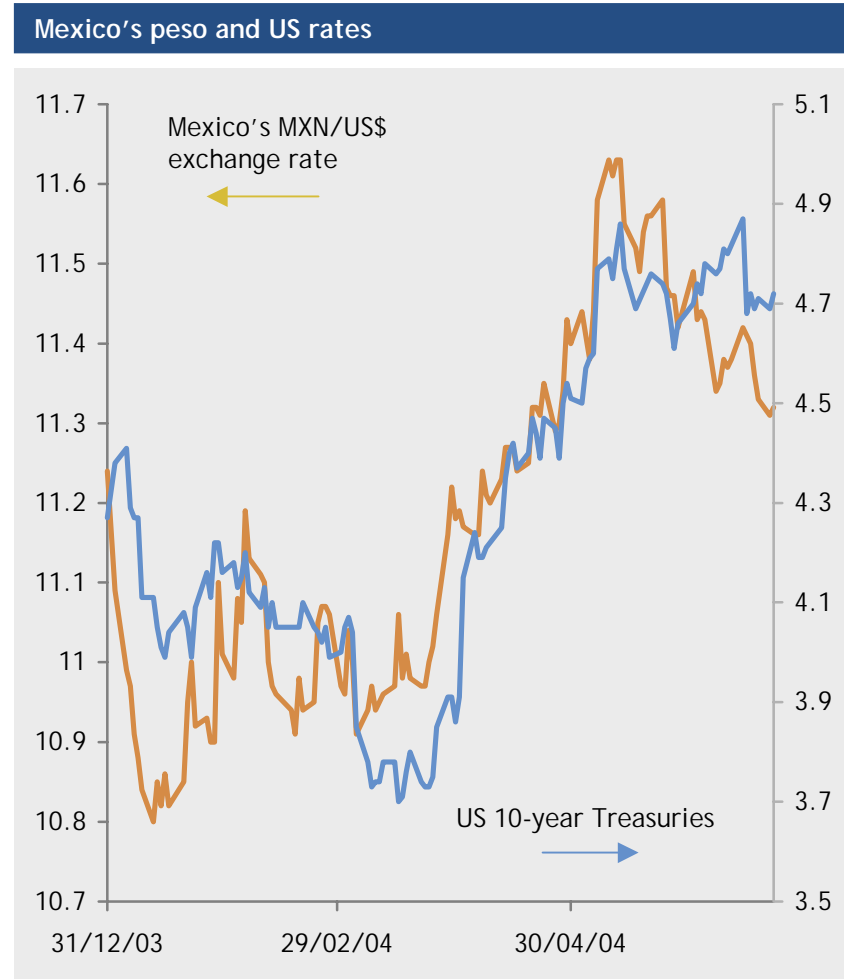
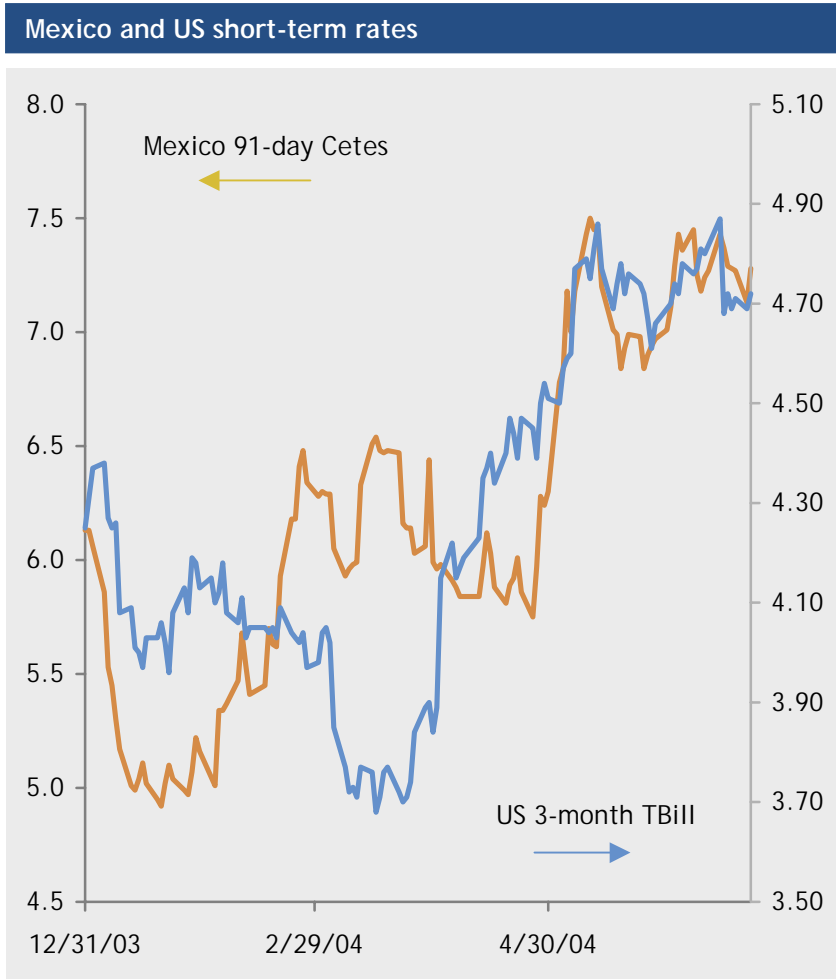
Source: JPMorgan Chase

Brazil external debt spreads and US rates



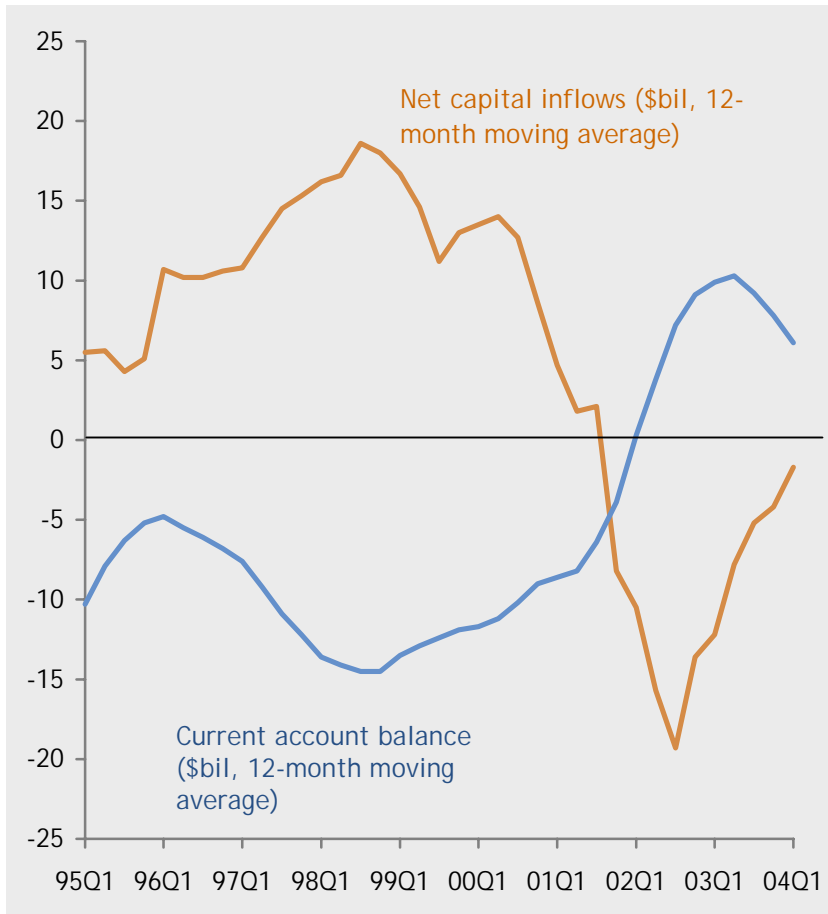
Source: JPMorgan Chase

In Mexico most of the effect has been felt in the peso and short-term rates, as expected by the financial convergence with the US.



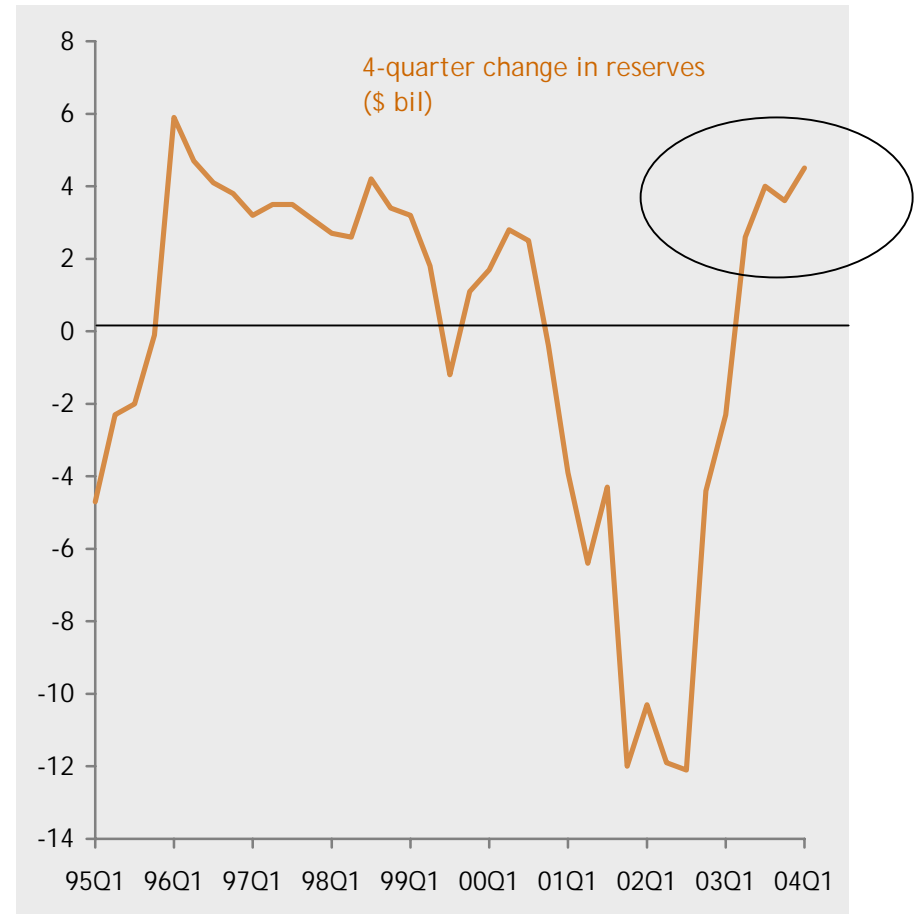
But the degree of financial vulnerability varies. In Argentina the large CA surpluses and the non-payment status provides a shield to shocks

Argentina: Net inflows and current account balance



Source: INDEC

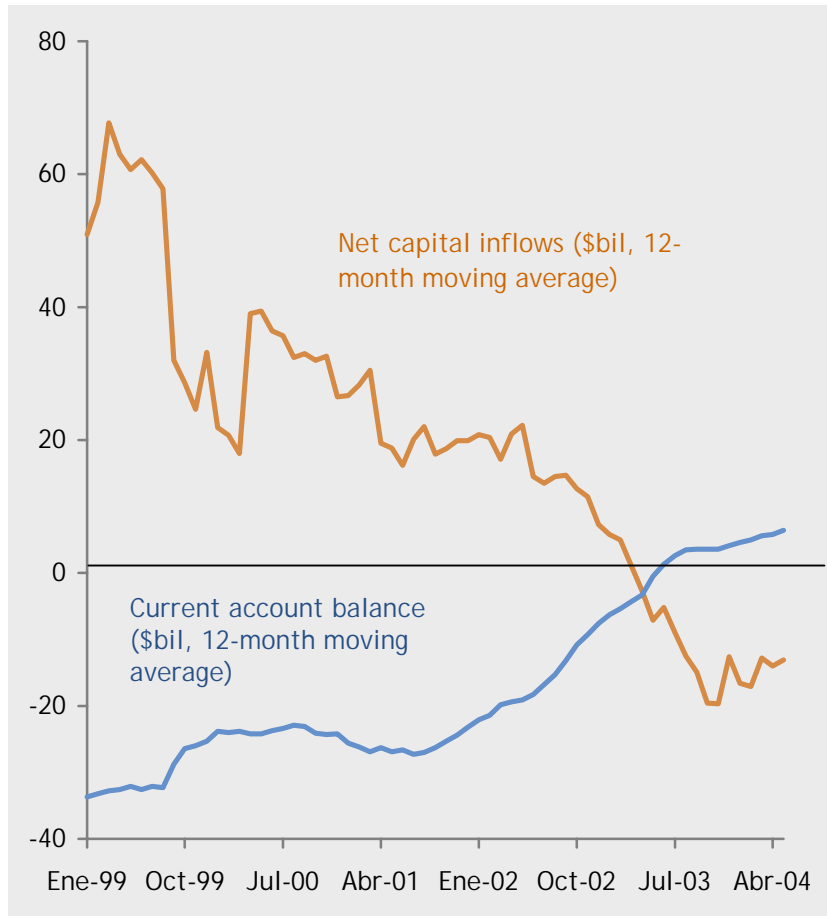
Argentina: Annual change in reserves



Source: INDEC

Brazil is experiencing a capital account shock. And while the large CA surplus has eased the pressure, Brazil is losing reserves

Brazil: Net capital inflows and current account balance

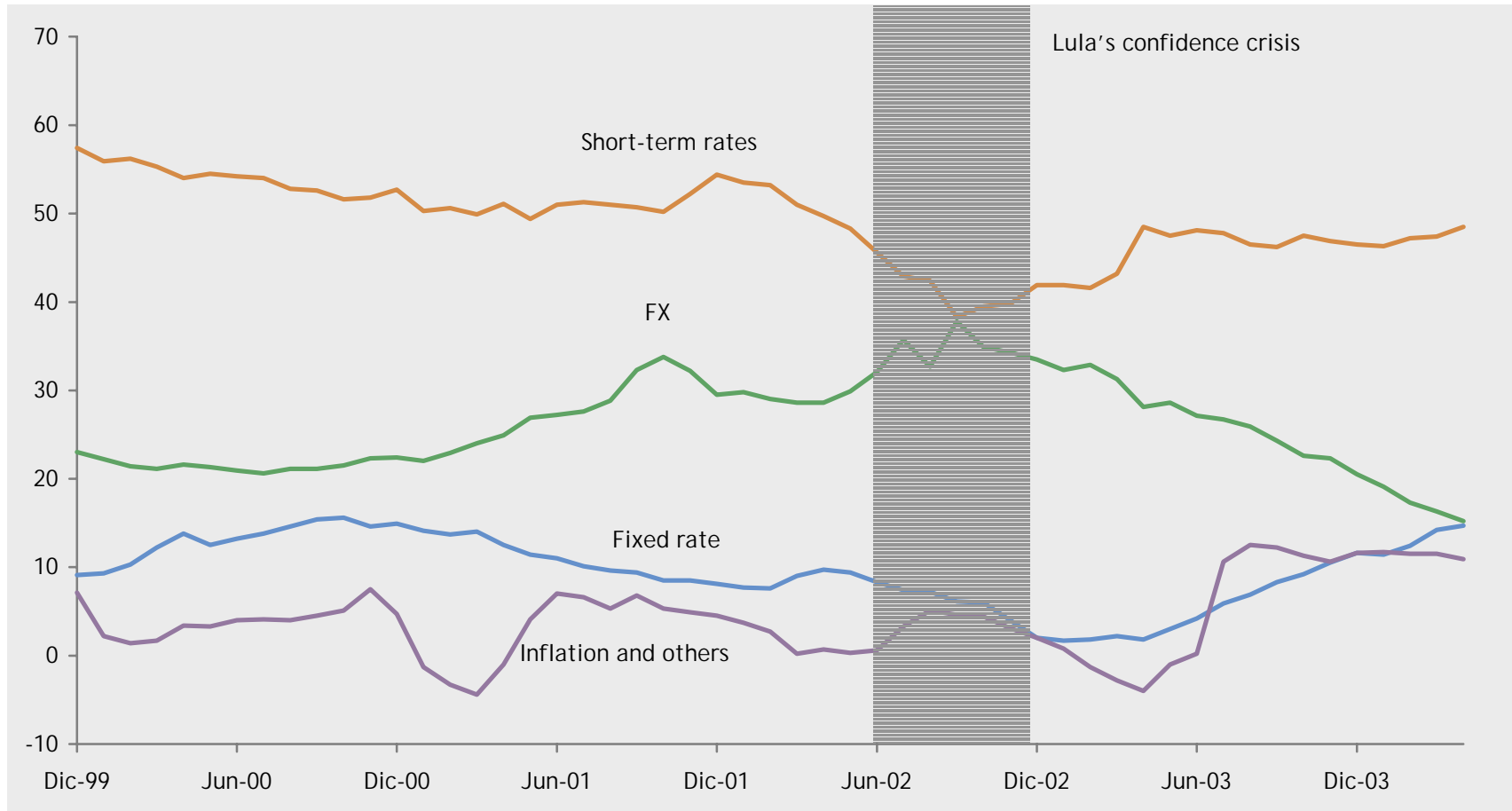


Brazil: Annual change in reserves



Policy makers are resisting the shock, but the debt composition is highly sensitive to short-term interest rates and poses a risk if financial pressure builds up

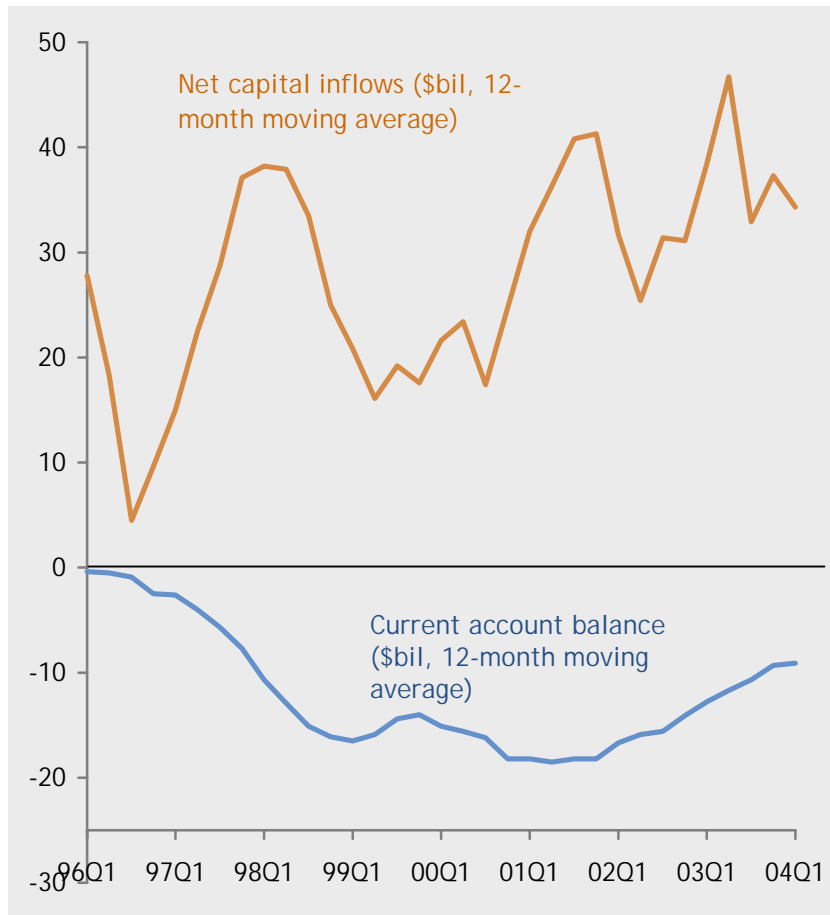
Brazil: Domestic debt exposure to asset prices (% of total debt)



Source: JPM and official country data

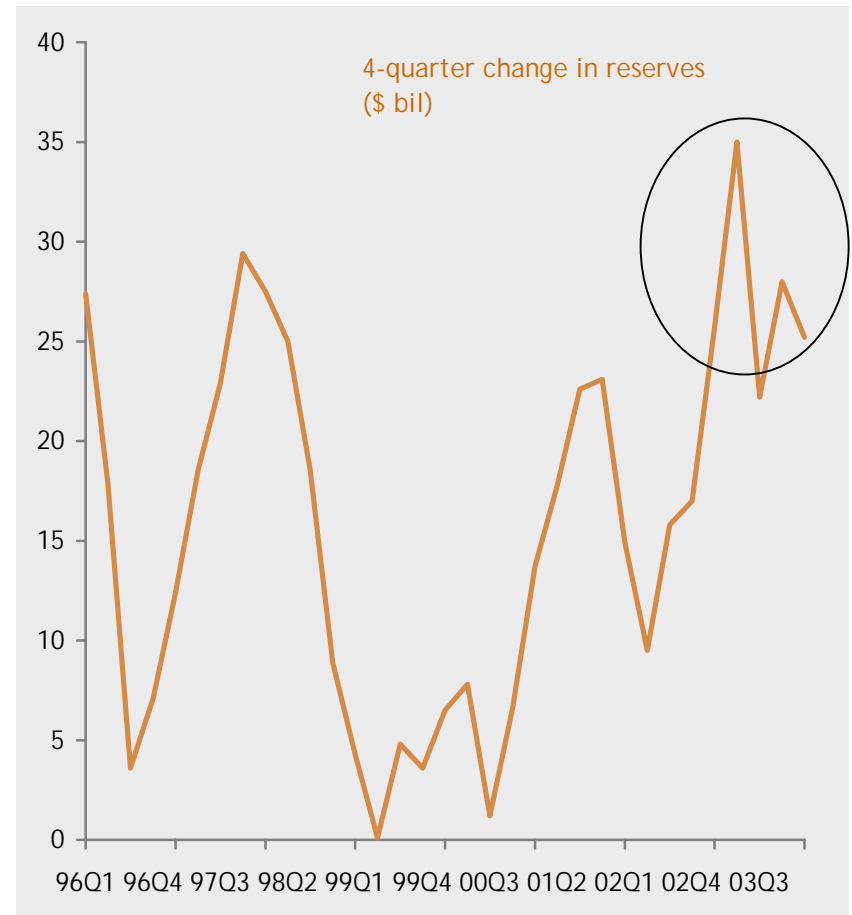
Mexico's pressure on the peso is a bit of a mystery as BoP fundamentals remain strong

Mexico: Net inflows and current account balance



Source: Banxico

Mexico: Annual change in reserves



Source: Banxico

However, this is explained by the fact that most of the inflows accrued to the public sector, while the private is experiencing outflows

Mexico: Net capital inflows (\$bil)				
	03Q2	03Q3	03Q4	04Q1
Total inflows	3.9	0.7	8.1	4.5
Total net debt flows	0.1	-0.9	5.3	-0.5
Govt debt flows	-2.2	-1.8	-0.2	5.0
Private debt flows	2.3	0.9	5.5	-5.4
Foreign investment	3.9	1.6	2.8	4.9
FDI	3.7	2.3	2.2	7.4
Equity	0.2	-0.7	0.7	-2.5
Private sector gap	8.2	6.3	13.7	-2.4
Capital flows (debt & equity)	2.5	0.1	6.2	-7.9
Non-oil trade balance def.	-5.7	-6.2	-7.5	-5.5

Source: Bnaco de Mexico

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No free lunch ahead: less investment, less growth

- Latin America's recent period of above-trend growth performance may now be ending, given that capital inflows are suddenly in short supply and Latin countries are having to keep policies tight.
- JPMorgan sees GDP growth in the region fading to only 3%saar by 04H2 from 4.8% in 04H1 (full-year forecasts: 5%oya in 2004 and 3.5% in 2005).
- The dramatic swings in current account balances have bred a veritable collapse in the inflow of external saving (in national accounts terms, equal to the current account deficit). This, in turn, has translated into a drop in national saving and investment because the accompanying increase in private or government saving has been insufficient to offset the reduced inflow of external saving.

Equity markets pricing less growth is justified by saving constrains—the drop in external saving (capital inflows) has translated into a drop in total saving and investment.

LESS LONG-TERM GROWTH MAY BE THE SIDE EFFECT.

Latin America: Saving rates (% of GDP)					
	Argentina	Brazil	Mexico	Chile	Peru
<i>1996</i>					
Total saving=investment	20.2	20.9	23.2	27.4	22.8
Private	18.6	21.1	20.6	17.2	12.4
External	2.7	3.1	0.8	4.3	6.5
Government	-1.0	-3.3	1.9	5.8	3.9
<i>2003</i>					
Total saving=investment	15.1	20.1	19.8	24.2	18.5
Private	22.1	19.3	17.0	20.6	15.8
External	-9.2	-0.8	1.5	0.8	1.8
Government	2.2	-0.8	1.4	2.9	0.9
<i>Change 2003 minus 1996 (% pts of GDP)</i>					
Total saving=investment	-5.1	-0.8	-3.4	-3.2	-4.3
Private	3.5	-1.8	-3.6	3.4	3.4
External	-11.9	-3.9	0.7	-3.5	-4.7
Government	3.2	2.5	-0.5	-2.9	-3.0

Source: JPMorgan, using official data

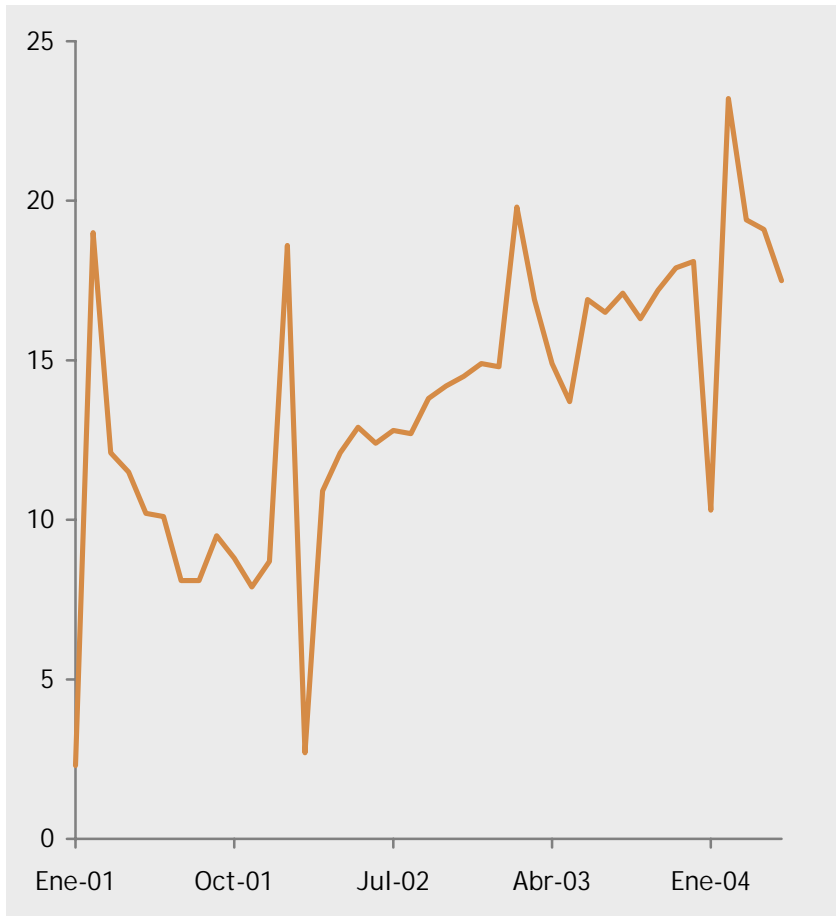
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China slowdown has already started. It is more apparent in demand than output indicators, however

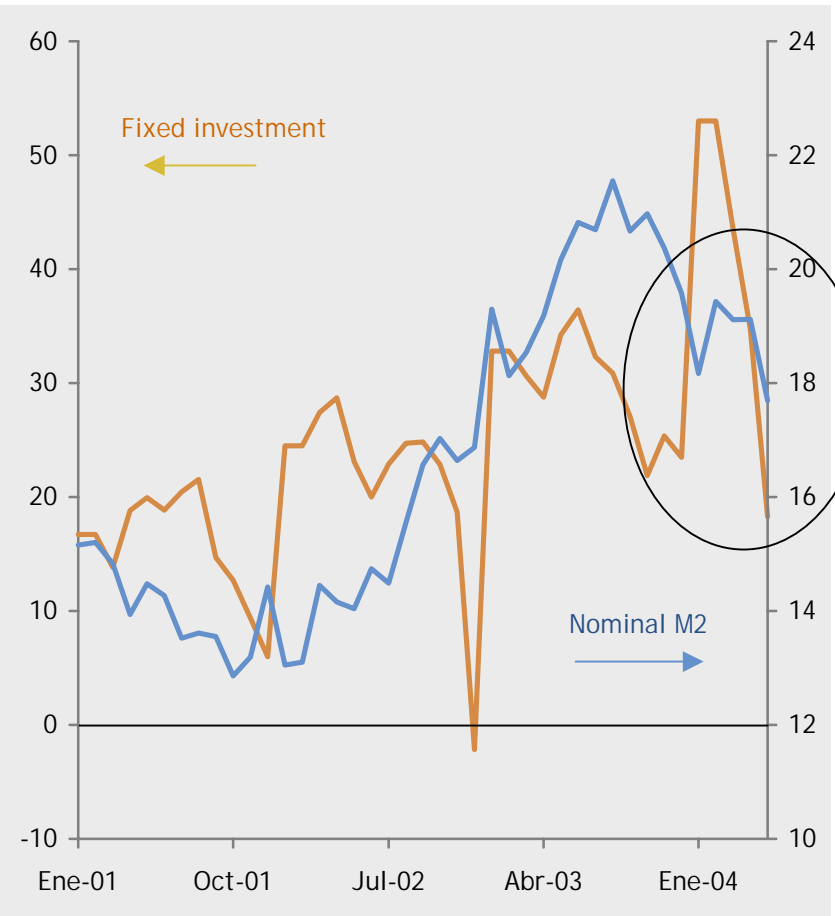
LATIN EXPOSURE TO CHINA'S SLOWDOWN

China: Real industrial production (%oya)



Source: SSB and JPMorgan Chase

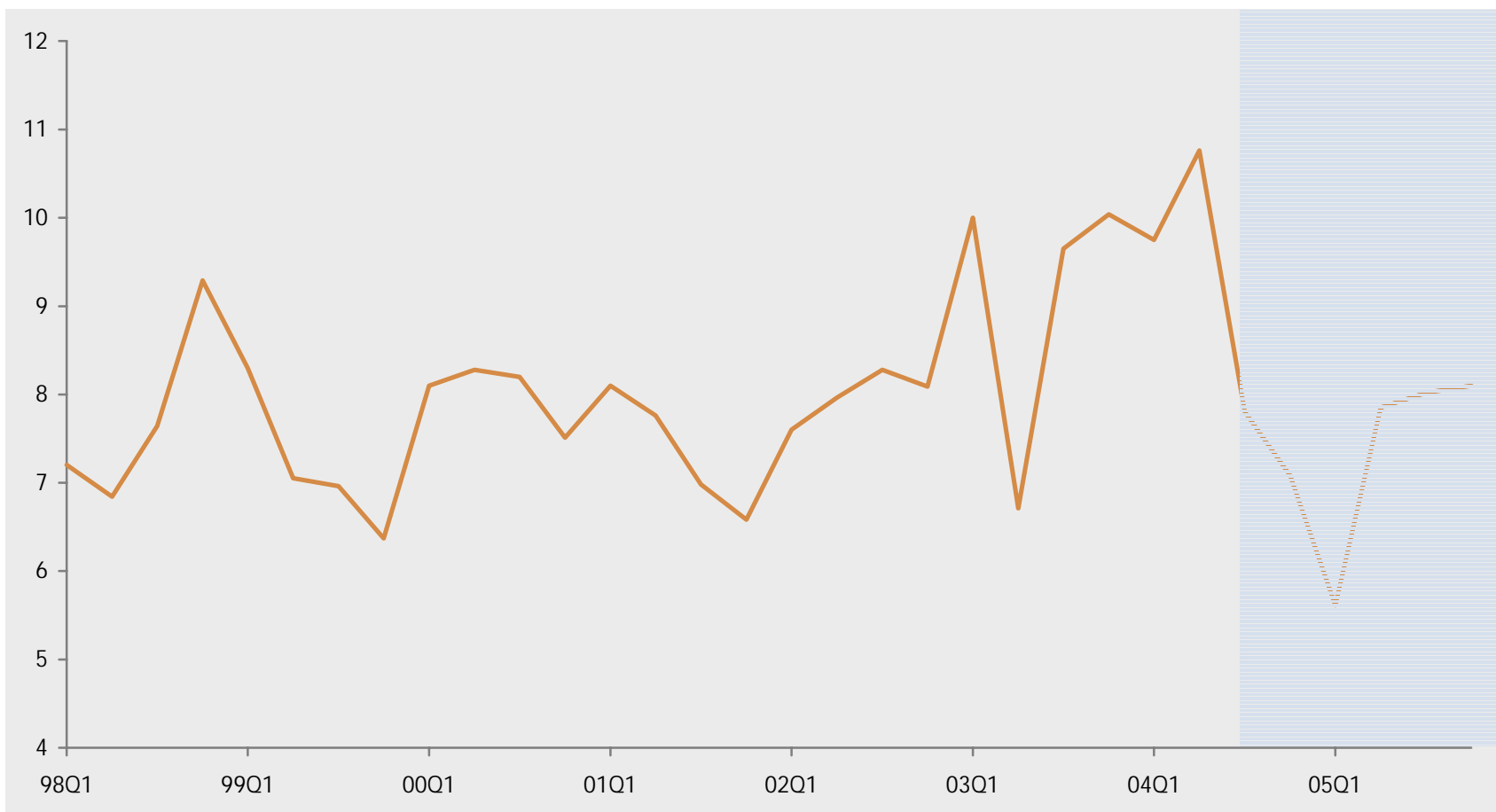
China: Fixed investment and M2 (%oya)



Source: SSB and PBOC

The forecast anticipates real GDP to decelerate from the boom-like rates of over 10.8%oya in 04Q2 to 5.6% in 05Q1 before resuming to its 8% growth rate in 05H2

China: Real GDP growth forecast (%oya)



Source: JPMorgan Chase

The effect on Latin America growth should be limited. Although the region is exposed to commodities, its exposure to China is still small

Latin America exposure to commodities (% of total exports)

	Total	Oil	Metals	Agriculture
Latin America	33.3	13.4	6.9	13.0
Argentina	49.8	14.5	0.0	35.3
Brazil	44.7	0.0	11.2	33.5
Mexico	14.6	11.4	0.3	2.9
Chile	49.6	0.0	39.9	9.7
Colombia	47.5	27.2	14.4	5.9
Ecuador	41.4	41.4	0.0	0.0
Peru	71.0	7.9	50.0	13.2
Venezuela	76.7	76.7	0.0	0.0

Source: Country data

Latin America exports exposure to China (%)

Ratio of exports to China to total in 2002	Ratio of exports to China to total in 2003	Increase in exports to China 03-02
1.9	3.6	103.3
4.2	8.4	127.1
4.3	7.3	103.0
0.3	0.9	234.3
6.8	8.8	49.7
0.2	0.4	97.5
0.2	0.6	192.6
7.8	7.9	18.6
0.3	1.1	444.6

Source: World Bank Trade Statistics

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The election of more center-left leaders is not negligible, but they should be more pragmatic and conservative in economic management. The risk is the limited progress in reforms

Latin America political calendar					
	2004	2005	2005	2006	2006
	Second half	First Half	Second Half	First Half	Second Half
Argentina	Gubernatorial		Congress Mid-term		
Brazil	Gubernatorial and Municipal				Presidential and Congressional
Mexico	Gubernatorial and Municipal	Gubernatorial and Municipal			Presidential and Congressional
Chile	Municipal		Presidential and Congressional		
Colombia				Presidential and Congressional	
Ecuador					Presidential and Congressional
Peru				Presidential and Congressional	
Venezuela	Recall Referendum	Presidential (If recall)			Presidential (if no recall)

Source: Electoral institutes and local newspapers

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The global economic outlook in summary

	Real GDP			Real GDP							Consumer prices			
	% over a year ago			% over previous period, saar							% over a year ago			
	2003	2004	2005	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2	04Q1	04Q2	04Q4	05Q2
The Americas														
United States	3.1	4.6	3.7	4.1	4.4	4.0	4.0	4.0	4.0	3.5	1.8	2.8	3.2	2.2
Canada	2.0	3.3 ↑	4.0 ↑	3.3	2.4	6.0 ↑	5.0 ↑	4.0	3.8	3.8	0.9	2.0	2.5	2.0
Latin America	1.5	5.0	3.5	7.2 ↑	6.2 ↓	3.3 ↓	3.2 ↑	2.8 ↑	3.3 ↓	3.7 ↓	6.0	5.7 ↑	7.2 ↑	6.7 ↑
Argentina	8.8 ↑	8.5	4.0	12.7 ↑	6.8 ↓	3.0 ↓	7.0 ↑	7.0 ↑	3.5 ↓	2.0 ↓	2.4	3.6	7.0	8.1
Brazil	-0.2	3.4	3.5	5.9	6.8	3.0 ↓	2.0 ↓	2.0 ↓	3.0 ↓	4.0	6.8	5.5 ↑	7.0 ↑	5.7 ↑
Chile	3.3	5.0	5.4	3.5	7.0	6.0	5.0	5.0	5.5	5.5	0.0	0.0	1.7	2.7
Colombia	3.7	4.0	4.0	4.0	1.1	3.8	4.2	4.2	4.0	3.9	6.2	6.2	5.8	5.4
Ecuador	2.7	5.0	5.0	17.0	0.5	0.5	1.0	4.0	6.0	6.5	3.9	4.0	4.0	3.5
Mexico	1.3	4.0	3.2	5.6	5.4	3.7	3.2	3.2	3.2	3.2	4.3	4.5	4.0	3.4
Peru	4.0	4.0	4.0	2.3	5.3	6.9	2.1	4.8	3.2	4.0	3.0	2.9	2.5	2.7
Venezuela	-9.4	12.0	2.0	15.9	11.4	1.0	0.0	-9.0	3.0	6.0	24.0	23.0	32.0	32.0
Asia/Pacific														
Japan	2.5	4.6	2.6	7.3	6.1	3.0	3.0	2.5	2.7	2.5	-0.1	-0.2	0.1	0.1
Australia	3.0	3.4	3.5	5.1	0.9	4.2	3.1	4.7	3.0	4.9	2.0	2.7	2.7	2.1
New Zealand	3.5	3.2	2.3	2.4	3.9	2.5	2.8	2.1	1.7	1.6	1.8	2.3	2.1	2.0
Asia ex. Japan	6.5	7.0	5.9	8.4	8.8	2.4	5.9	5.8	6.1	6.1	2.5	3.3	4.5	3.6
China	9.1	8.8	7.5	10.4	14.3	-0.5	7.5	7.5	8.2	8.2	2.8	4.3	5.9	3.4
Hong Kong	3.2	6.2	4.4	6.1	4.1	3.5	4.5	4.5	4.5	4.5	-1.8	0.4	3.6	3.7
India	8.5	6.5	6.5	4.8	5.0	5.5	7.0	7.0	6.0	6.0	3.4	3.4	5.0	5.0
Indonesia	4.5	4.5	4.0	3.5	7.0	4.0	4.5	4.5	3.5	3.8	4.8	6.4	7.0	7.2
Korea	3.1	5.2	5.0	11.3	3.2	3.0	5.1	5.1	5.1	4.9	3.2	3.4	3.5	3.5
Malaysia	5.3	7.0	6.0	8.7	7.1	5.0	6.0	7.0	6.0	6.0	0.9	1.3	2.4	2.6
Philippines	4.7	6.0	4.0	6.2	8.9	4.9	3.5	3.8	3.5	4.0	3.6	3.5	4.5	4.9
Singapore	1.1	7.1	3.6	11.0	11.2	3.0	2.0	1.0	4.0	4.0	1.4	1.5	2.0	2.0
Taiwan	3.2	6.0	3.2	5.3	7.6	3.0	2.5	2.0	3.5	3.5	0.5	1.0	1.5	1.5
Thailand	6.8	6.3	5.0	10.2	3.4	6.0	6.0	5.0	4.5	4.5	1.9	2.0	2.5	2.5
Africa														
South Africa	1.9	2.6	3.6	1.3	3.1	3.2	3.7	3.8	3.5	3.4	0.4	0.9	4.8	5.6
Europe														
Euro area	0.5	2.0	2.6	1.5	2.3	2.5	2.5	2.8	2.8	2.5	1.7	2.3	2.2	1.7
Germany	-0.1	1.6	2.5	1.1	1.8	2.5	2.5	2.5	2.5	2.5	1.0	2.0	1.8	1.3
France	0.5	2.5	2.6	2.5	3.1	2.5	2.8	2.8	2.7	2.5	2.0	2.4	1.9	1.3
Italy	0.4	1.3	2.3	0.0	1.8	1.8	2.0	2.0	2.5	2.5	2.3	2.3	2.2	1.8
Norway	0.3	2.7	2.4	2.4	2.2	3.3	3.0	3.0	2.5	2.5	-1.4	0.4	0.4	1.9
Sweden	1.7	2.6	2.5	2.9	2.6	2.8	2.5	2.5	2.5	2.5	0.1	0.6	1.0	1.2
Switzerland	-0.5	2.0	2.2	2.2	1.6	2.5	2.3	2.3	2.5	2.3	0.1	0.6	0.7	0.6
United Kingdom	2.2	3.3	3.0	3.7	2.5	4.3	3.5	3.0	3.0	2.8	1.3	1.3	1.4	1.7
Emerging Europe	5.4	6.0	5.1	7.4 ↑	8.6 ↑	6.0	5.1	6.5	4.3	5.3	8.8	7.9	8.6	7.7
Bulgaria	4.3	4.8	5.3	...	...	...	...	...	...	...	...	...	...	...
Czech Republic	2.9	3.2	3.0	2.6	4.0	3.2	3.2	3.2	3.0	3.0	2.4	3.0	3.5	3.0
Hungary	2.9	3.7	3.8	4.2	4.5	3.0	2.5	3.6	5.0	3.5	6.8	7.3 ↑	6.5 ↑	4.4
Poland	3.8	6.0	4.8	6.6	10.2	1.5	5.0	5.0	5.0	5.0	1.6	2.7	3.0	2.9
Slovak Republic	4.2	5.2	5.0	6.4	6.7	-0.5	7.0	7.2	5.5	1.3	8.3	7.6	7.0	4.5
Romania	4.0	5.0	4.9	...	...	...	...	...	...	...	13.9	13.2	11.3	10.4
Russia	7.3	7.5	6.1	7.4 ↑	10.5 ↑	9.0	6.0	6.5	3.0	7.0	10.8	10.5	11.7	11.4
Turkey	5.8	5.5	5.0	9.5	7.4	5.3	5.3	8.2	4.3	3.6	14.0	9.2	10.9	8.7
Global														
Global	2.6	4.1	3.5	4.6	4.6	3.4	3.6	3.6	3.6	3.4	1.9	2.4	2.8	2.3
Developed markets	2.1	3.7	3.1	3.9	3.8	3.4	3.3	3.3	3.3	3.0	1.3	1.9	2.1	1.6
Emerging markets	4.5	6.0	4.9	7.8 ↑	7.8	3.2 ↓	4.9	4.9	4.9 ↓	5.2 ↓	4.4	4.7	5.9 ↑	5.2 ↑

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