From Evidence to Impact

Latin America and the Caribbean in numbers

IDB Group

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Contents

Introduction

To understand the economic, social, and institutional development of Latin America and the Caribbean – the progress made and the gaps that persist – rich data is essential. In turn, this evidence and improved understanding are key to crafting more effective policies and projects.

The IDB Group Data Wall, first presented in animated format at our 2026 Annual Meetings, provides insights into the diverse trends that shape realities in the region. They are also directly connected to the IDB Group's priorities, operational agenda, and goal of increasing the scale and impact of our development work.

The Data Wall is also a window into the breadth of our research and knowledge assets. It highlights flagship publications, analytical tools, and data platforms developed by the IDB Group and its partners, pointing readers to resources that enable deeper exploration and analysis.

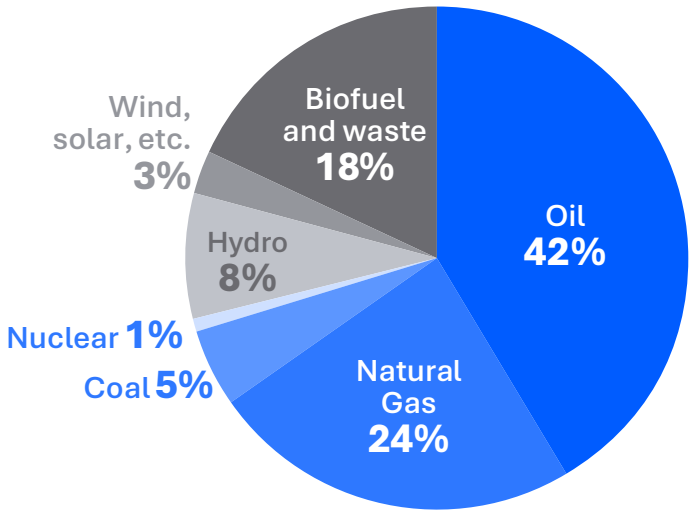
The IDB Group Data Wall during the 2026 Annual Meetings in Asunción, Paraguay

ACCESS THE UNDERLYING DATA

The data used to create the graphs and figures in our Data Wall is available for your use by scanning the QR code.

Energy and Infrastructure

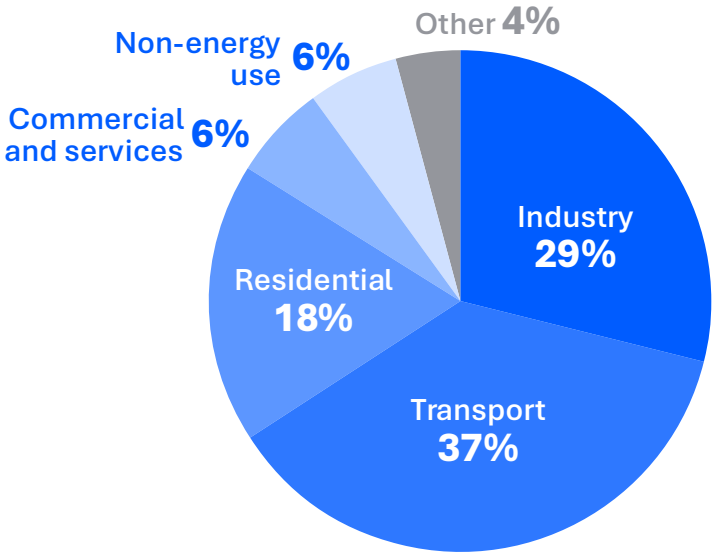
THE REGION'S ENERGY SUPPLY COMES FROM DIVERSE SOURCES



Source: IDB's Energy Division elaboration, based on information from the International Energy Agency.

Note: This metric captures the energy contained in raw fuels and other energy sources (including waste) that are received as inputs to a system before conversion. Such expressions are often used to describe the total energy supply of a country or region.

TRANSPORT AND INDUSTRY ACCOUNT FOR OVER TWO-THIRDS OF END-USE ENERGY DEMAND



Source: IDB's Energy Division elaboration, based on information from the International Energy Agency.

Note: This figure represents energy used by end-users for heating, lighting, appliances, and machinery, among others. It excludes the energy sector's own use and transformation losses.

ELECTRICITY ACCESS HAS SURGED...

80%
1990

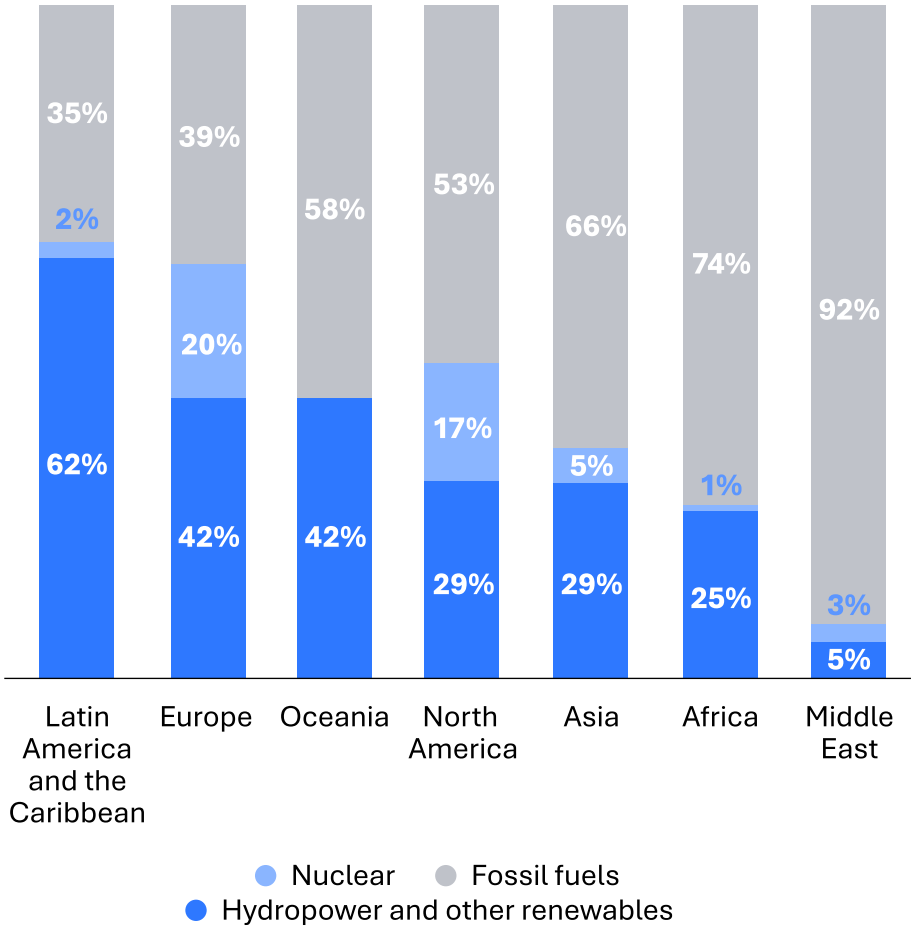
→

97%
2023

Source: IDB's Energy Division elaboration, based on information from the Latin American Energy Organization.

Note: Access to electricity is primarily defined as a household's connection to an electricity source, whether through the grid (on-grid) or isolated solutions (off-grid), such as individual or communal solar/diesel systems.

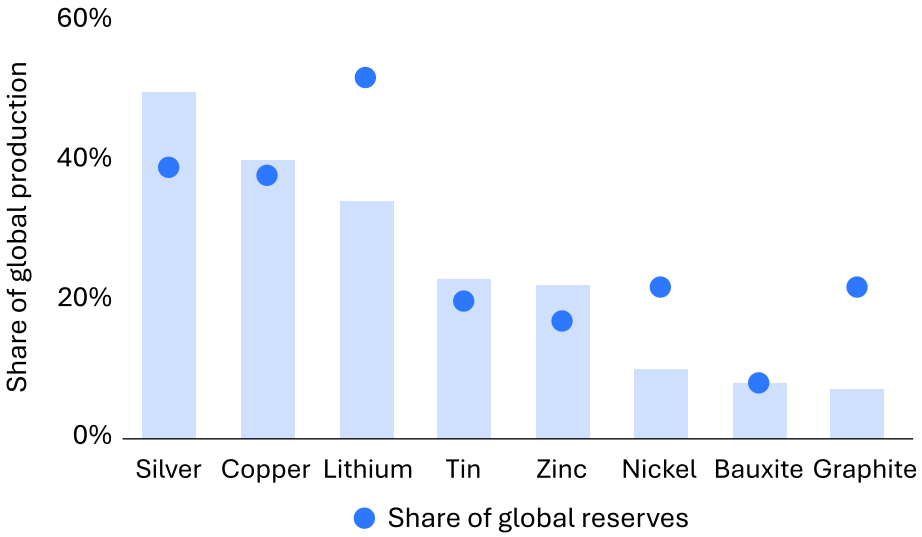
... RELYING ON A RANGE OF SOURCES



Source: IDB's Energy Division elaboration, based on information from Ember.

Note: This figure shows gross power generation, broken down by fuel type. These values are then combined to calculate each fuel's share of total generation. "Other renewables" include solar, wind, geothermal, biofuels, and waste, along with other renewable sources, while "fossil fuels" include coal, natural gas, and oil.

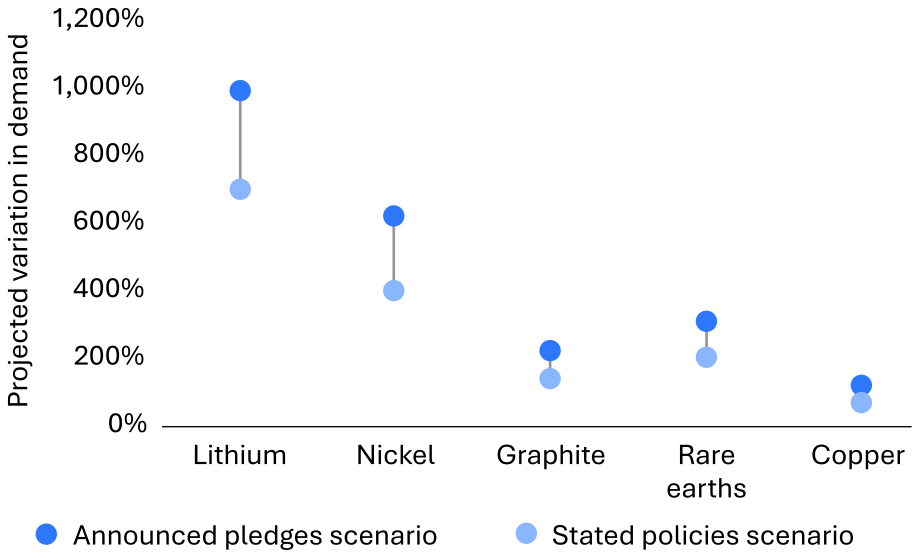
THE REGION IS A GLOBAL POWERHOUSE IN CRITICAL MINERALS



Source: IDB's Energy Division elaboration, based on information from the International Energy Agency.

Note: This figure shows both production and mining reserves as a percentage of global values. Mining reserves refer to the economically mineable, verified portions of a mineral deposit that can be legally and profitably extracted at the time of reporting.

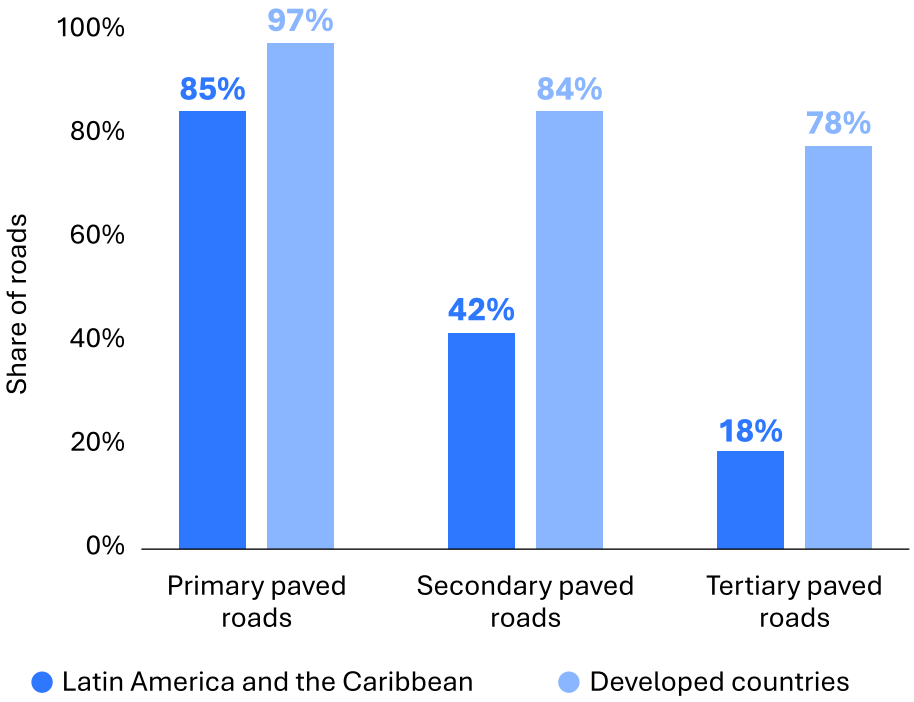
POLICY CHOICES COULD MULTIPLY DEMAND



Source: IDB's Energy Division elaboration, based on information from the International Energy Agency (IEA).

Note: The International Energy Agency (IEA) uses two main scenarios. The Announced Pledges Scenario takes into account all recent major national announcements, 2030 targets, and longer-term net-zero or carbon neutrality pledges, assuming they will be met. The Stated Policies Scenario provides a more conservative, realistic outlook based on a sector-by-sector and country-by-country assessment of energy-related policies that are currently in place or under development.

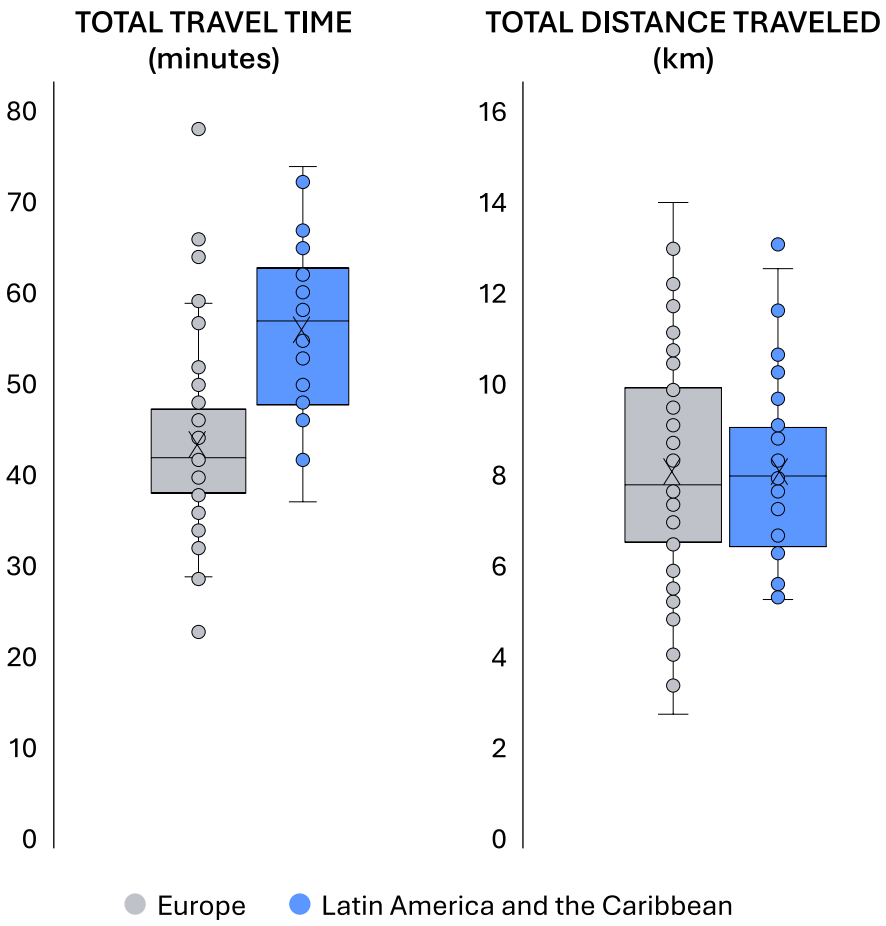
A QUALITY GAP IN THE REGION'S ROADS



Source: IDB's Transport Division elaboration, based on information from the International Road Federation (IRF), World Road Statistics (2025). For more information, see https://datawarehouse.worldroadstatistics.org.

Note: Paved roads are those surfaced with crushed stone and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones, expressed as a percentage of all the country's roads, measured by length. Developed countries considered: the European Union (EU); the United States; the United Kingdom; Canada; Japan; Australia; and New Zealand.

SIMILAR DISTANCE, LONGER COMMUTE



Source: IDB's Transport Division elaboration, based on information from Moovit Insights, Public Transport Index (2022). For more information, see https://moovitapp.com/insights/es/Moovit_Insights_%C3%8Dndice_de_Transporte_P%C3%BAblico-countriesTransporte_P%C3%BAblicocountries.

20%

AFFORDABILITY

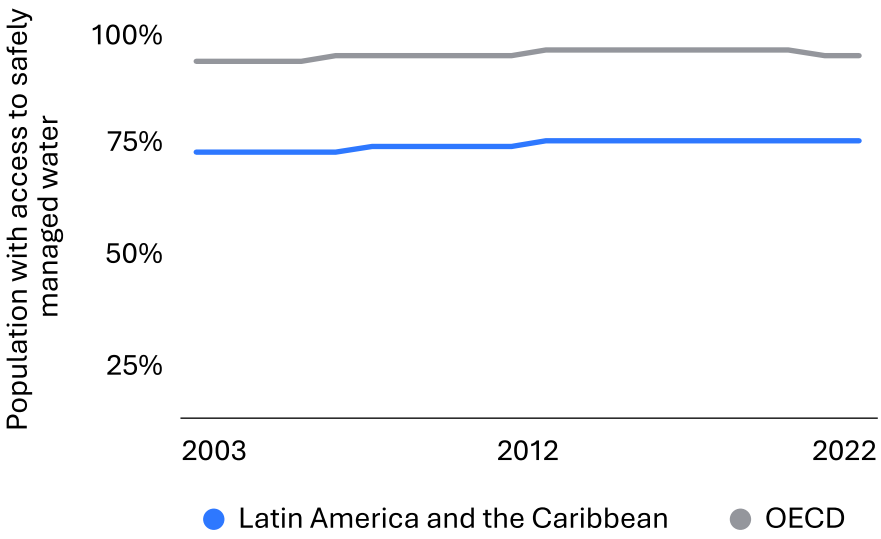
In some cities, public transport can account for up to 20% of low-income residents' earnings.

Source: IDB's Transport Division, based on information from Rivas et al. (2025).

Note: A basket of 60 monthly public transport trips can represent up to 20 percent of the per capita income of the lowest quintile of the population in more than half of the cities analyzed, thereby restricting mobility and access to employment opportunities. For the lowest-income quintile indicator, the 2023 income distribution was used, given data availability. Data were collected from governments and operators (reports and websites), as well as through contacts at IDB Country Offices. Cities included: Bogotá, Santo Domingo, Asunción, Lima, San Salvador, Nassau, Santiago de Chile, Montevideo, Quito, Panama City, Managua, Mexico City, and Buenos Aires. The estimate considers a basket of 60 single trips (two trips per working day) in order to simplify the analysis and facilitate comparability across cities. It is important to note that this indicator does not fully capture the particularities of fare-integrated systems, as fares were standardized to the price of a single, individual ticket, except in cases where discounted monthly passes apply. For example, Santiago de Chile has a maximum spending system called DaleQR that allows free travel starting at around US$ 40. Above this value, the basket of 45 or 60 trips has a similar value. In this case, the fare for 60 trips for Santiago de Chile was calculated using the maximum value of CLP 41,000.

Related publication: Rivas, M. E., Calatayud, A., Hansz, M., Brichetti, J. P., Sánchez González, S., Rodriguez, J., Leon Gomez, C. R., Navas, C., Pereyra, A., and Alem, M. 2025. Funding and financing of public transport in Latin America and the Caribbean. https://doi.org/10.18235/0013758.

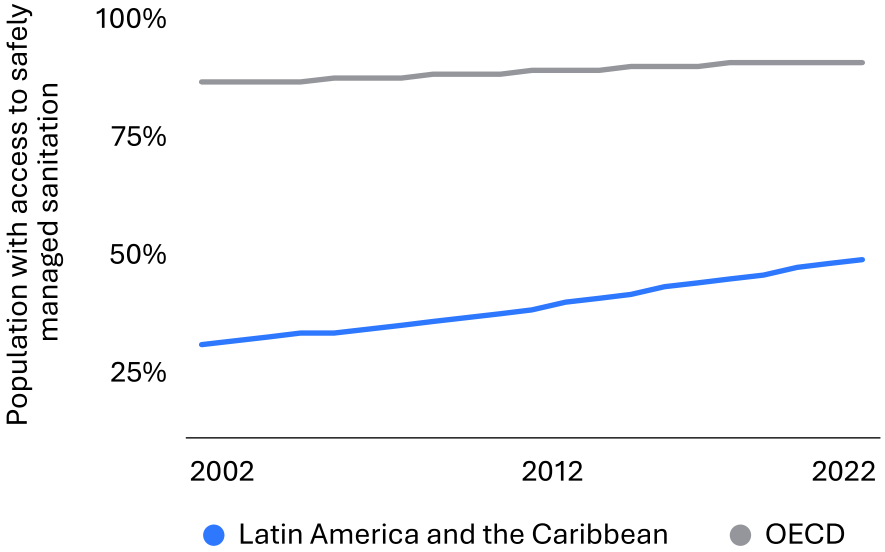
SAFE WATER: ACCESS HAS STAGNATED



Source: IDB's Water and Sanitation Division elaboration, based on information from the WHO/UNICEF Joint Monitoring Programme (JMP).

Note: Safely managed drinking water is defined by the WHO/UNICEF JMP as drinking water from an improved source that is located on premises, available when needed, and free from fecal and priority chemical contamination.

SAFE SANITATION: FAR FROM UNIVERSAL



Source: IDB's Water and Sanitation Division elaboration, based on information from the WHO/UNICEF Joint Monitoring Programme (JMP).

Note: Safely managed sanitation facilities are defined as improved sanitation facilities that are not shared with other households and where excreta are safely disposed of in situ or transported and treated offsite.

1.8%

Average infrastructure investment in 2015-2023 (as % of regional GDP)

3.1%

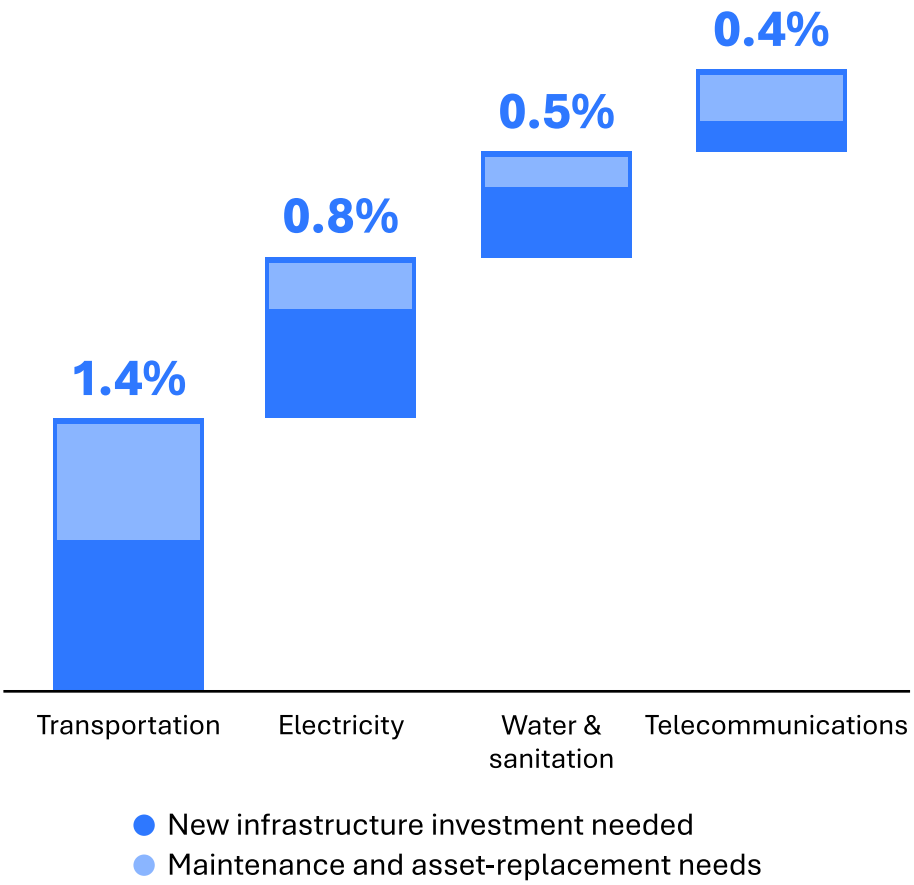
Annual investment needed to reach key development milestones by 2030

Source: IDB's Infrastructure and Energy Sector elaboration, based on information from Brichetti et al. (2021) and Cavallo and León Gómez (forthcoming).

Note: Details regarding these figures can be found on this interactive page: https://interactive-publications.iadb.org/La-brecha-de-infraestructura-en-America-Latina-y-el-Caribe. Annual investment needed is based on Brichetti et al. (2021), and average infrastructure investment is based on Cavallo and León Gómez (forthcoming).

Related publication: Brichetti, J. P., Mastronardi, L., Rivas, M. E., Serebrisky, T., and Solís, B. 2021. The infrastructure gap in Latin America and the Caribbean: Investment needed through 2030 to meet the Sustainable Development Goals. https://doi.org/10.18235/0003759.

Infrastructure Investment Needs (as % of regional GDP)



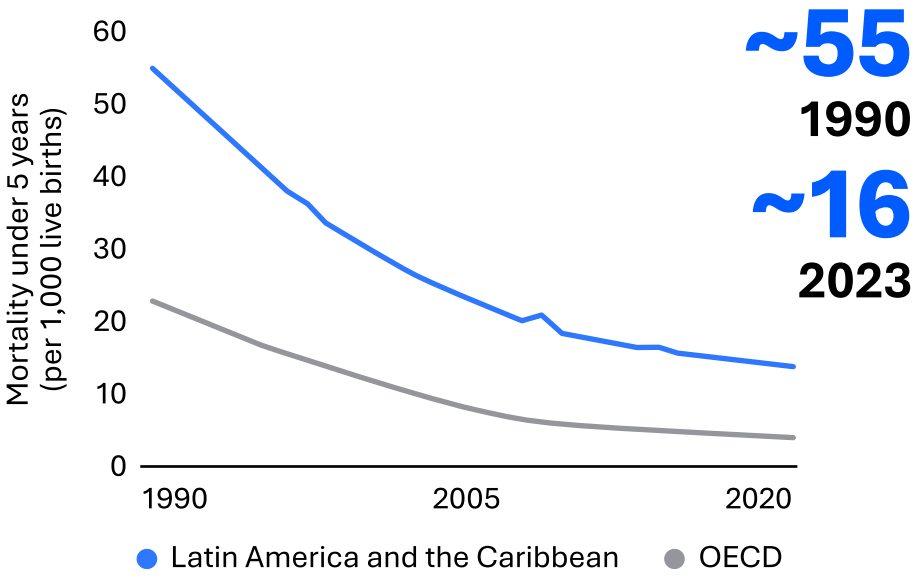
Source: IDB's Infrastructure and Energy Sector elaboration, based on information from Brichetti et al. (2021).

Note: Details regarding these figures can be found on this interactive page: https://interactive-publications.iadb.org/La-brecha-de-infraestructura-en-America-Latina-y-el-Caribe.

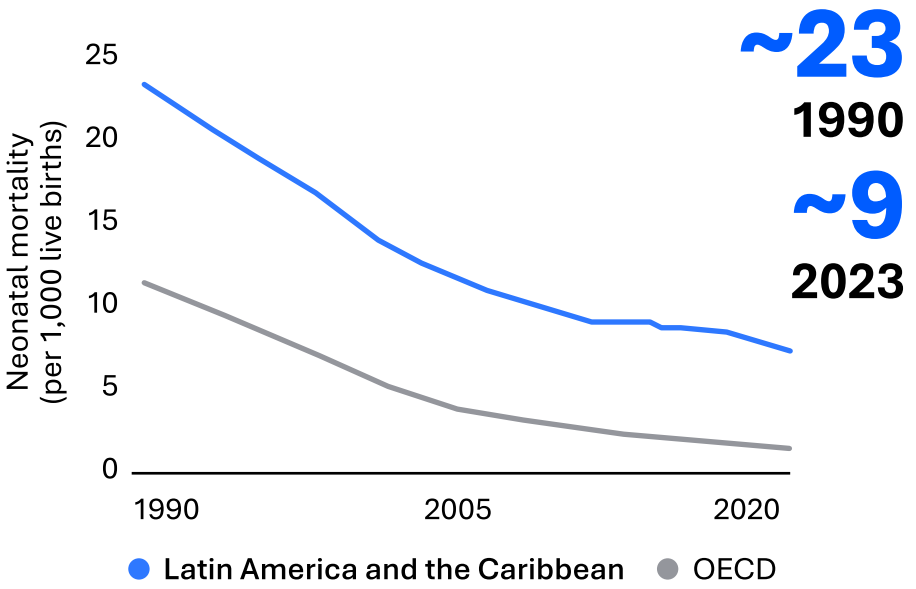
Related publication: Brichetti, J. P., Mastronardi, L., Rivas, M. E., Serebrisky, T., and Solís, B. 2021. The infrastructure gap in Latin America and the Caribbean: Investment needed through 2030 to meet the Sustainable Development Goals. https://doi.org/10.18235/0003759.

Health and Education

SAVING YOUNG LIVES: THE CHILD AND NEONATAL MORTALITY GAP IS SHRINKING

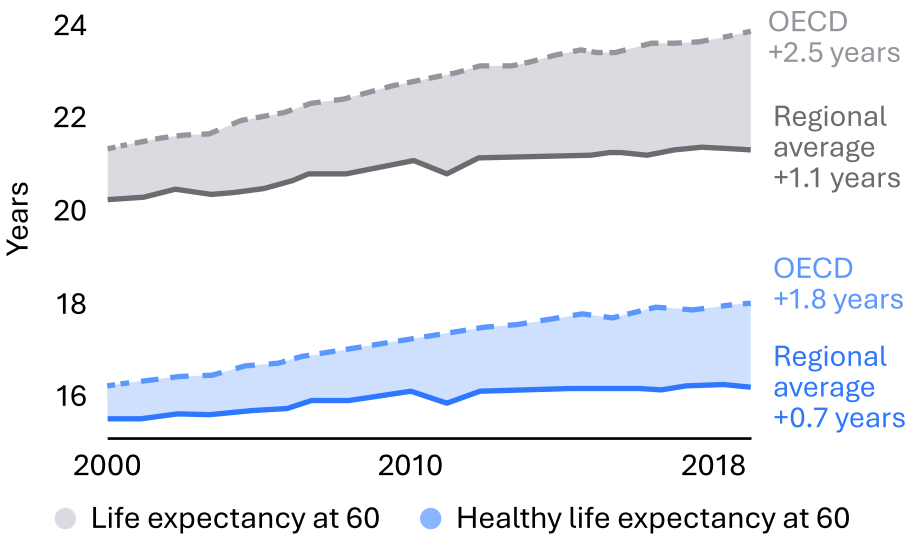


Source: IDB's Health, Nutrition and Population Division elaboration, based on information from the World Bank's World Development Indicators.



Source: IDB's Health, Nutrition and Population Division elaboration, based on information from the World Bank's World Development Indicators.

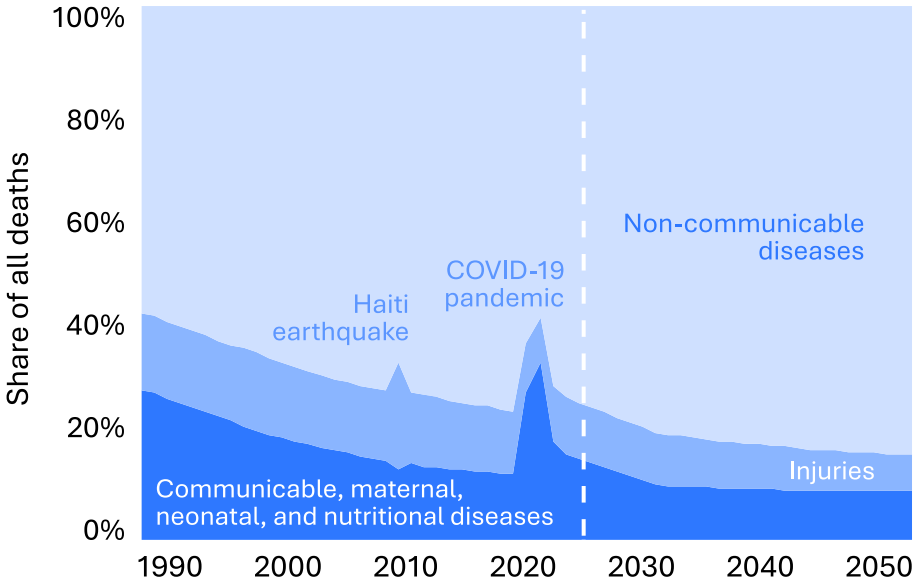
LIVING LONGER, BUT NOT NECESSARILY HEALTHIER



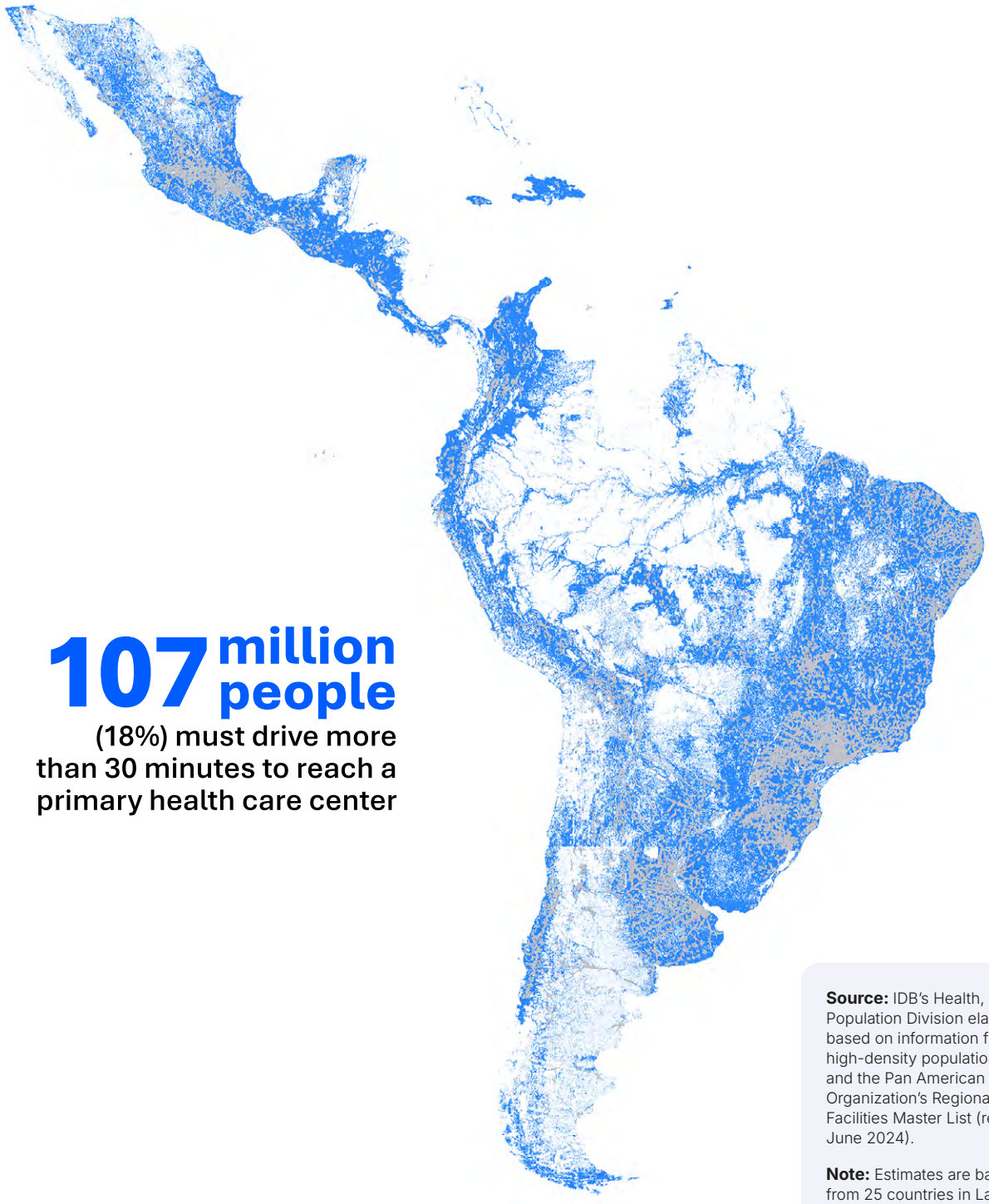
Source: IDB's Health, Nutrition and Population Division elaboration, based on information from the World Health Organization's (WHO) Global Health Observatory.

Note: IDB member countries in Latin America and the Caribbean (LAC).

CHRONIC DISEASES ARE TAKING OVER



Source: IDB's Health, Nutrition and Population Division elaboration, based on information from the Institute for Health Metrics and Evaluation's (IHME) GBD Foresight Visualization. For more information, see https://vizhub.healthdata.org/gbd-foresight.



107 million people

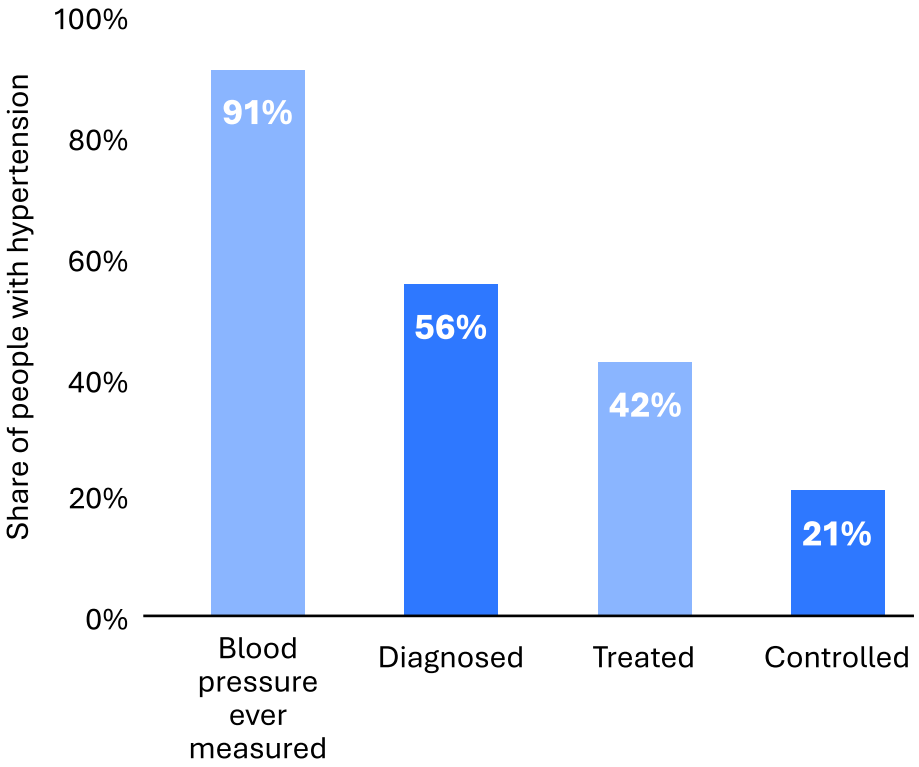
(18%) must drive more than 30 minutes to reach a primary health care center

- Total population
- Areas with accessibility to primary health centers within 30 min. driving

Source: IDB's Health, Nutrition and Population Division elaboration, based on information from Meta high-density population data and the Pan American Health Organization's Regional Health Facilities Master List (retrieved June 2024).

Note: Estimates are based on data from 25 countries in Latin America and the Caribbean, using the latest year available for each country. Accessibility areas were estimated using the Mapbox Isochrone API (30-minute driving time) around primary health care centers.

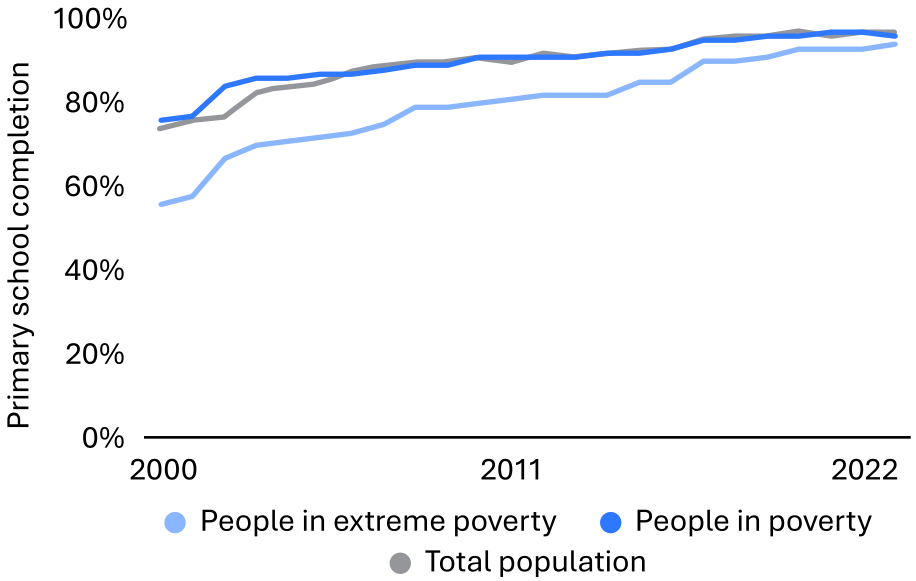
HYPERTENSION: GAPS IN DETECTION AND CARE



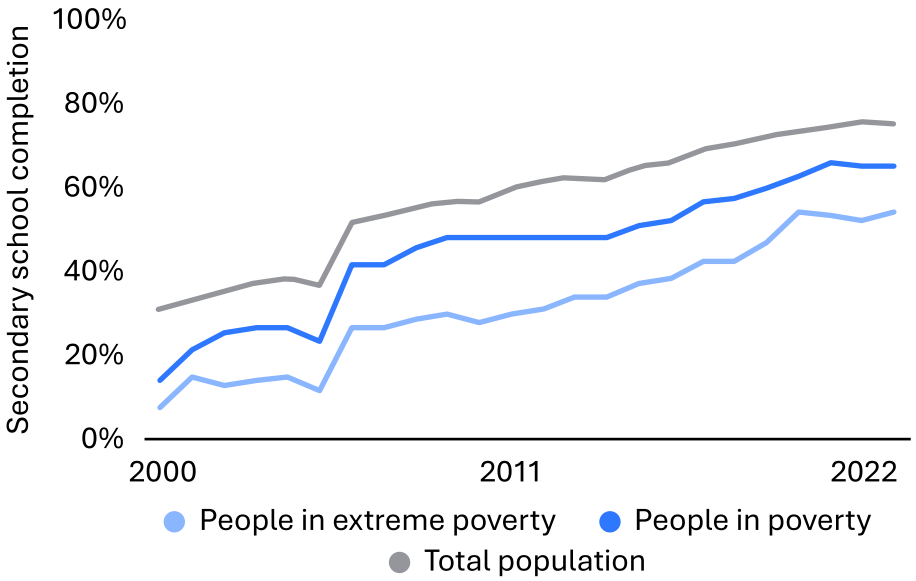
Source: IDB's Health, Nutrition and Population Division elaboration, based on information from Geldsetzer et al. (2019). For more information, see https://doi.org/10.1016/S0140-6736(19)30955-9.

Note: Based on data from 10 countries in LAC, various years.

PRIMARY SCHOOLING IS NEARLY UNIVERSAL, BUT SECONDARY COMPLETION LAGS FOR THE POOREST

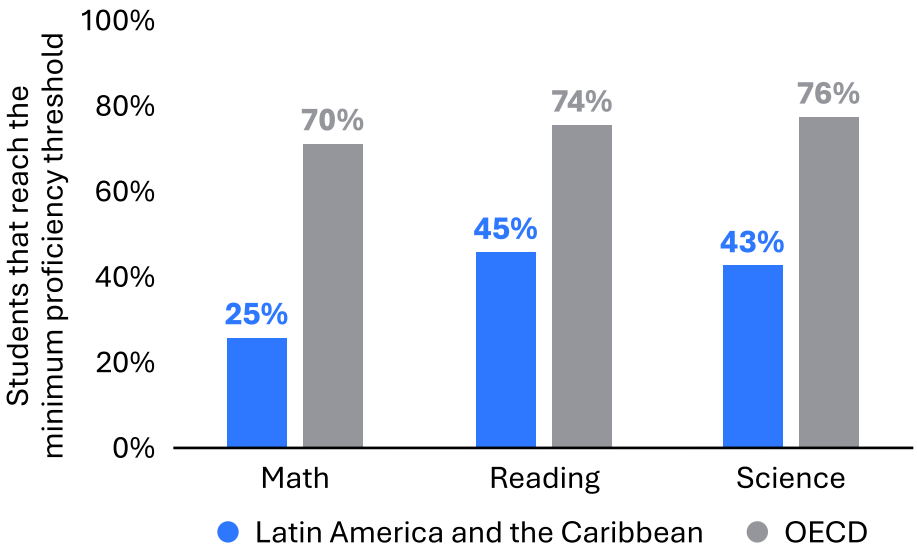


Source: IDB's Social Sector elaboration, based on information from the Inter-American Development Bank's Harmonized Household Surveys for Latin America and the Caribbean: https://www.iadb.org/en/knowledge-resources/data/social-data.



Source: IDB's Social Sector elaboration, based on information from the Inter-American Development Bank's Harmonized Household Surveys for Latin America and the Caribbean: https://www.iadb.org/en/knowledge-resources/data/social-data.

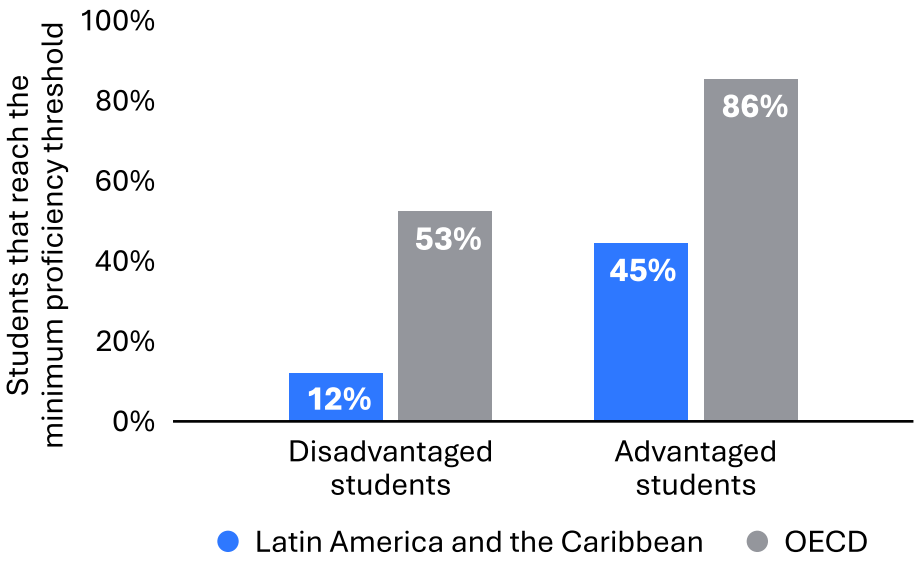
DESPITE STAYING IN SCHOOL LONGER, KIDS ARE LEARNING TOO LITTLE...



Source: IDB's Education Division elaboration, based on information from the OECD Programme for International Student Assessment (PISA) 2022 Results, Volume I, Tables I.B1.5.1, I.B1.5.2, and I.B1.5.3.

Note: The figure shows the share of students who reach at least the minimum proficiency level (Level 2) in mathematics, reading, and science in PISA 2022. Regional values for Latin America and the Caribbean correspond to the simple average across participating countries in the region. The Latin America and the Caribbean aggregate includes Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, and Uruguay. OECD corresponds to the average across participating OECD countries.

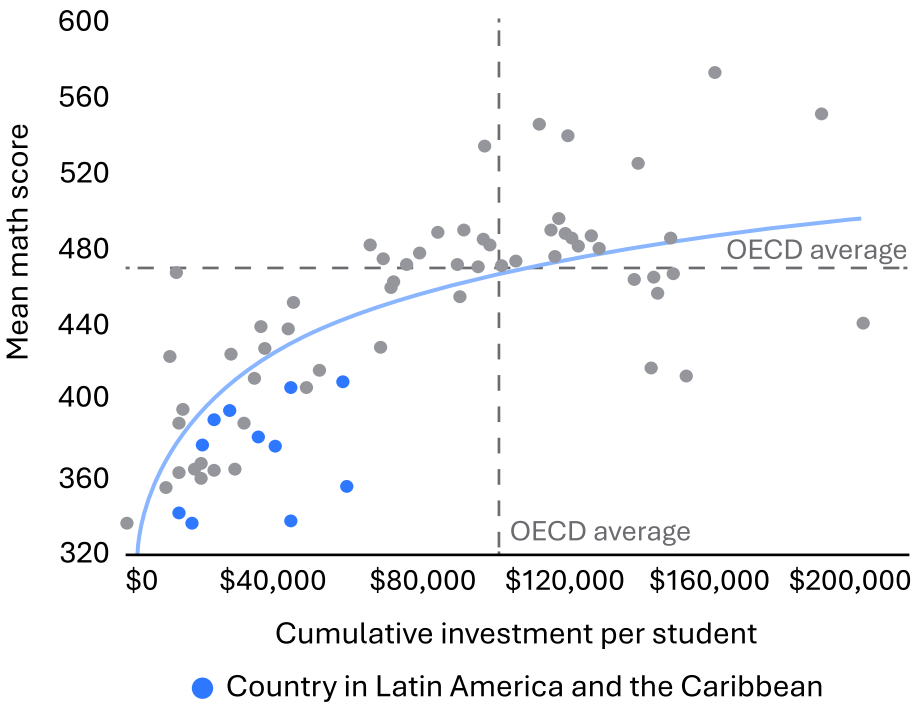
... ESPECIALLY FOR DISADVANTAGED GROUPS



Source: IDB's Education Division elaboration, based on information from the OECD Programme for International Student Assessment (PISA) 2022 Results, Volume I, Table I.B1.4.14.

Note: The figure shows the percentage of students who reach at least the minimum proficiency level (Level 2) in mathematics in PISA 2022, by socioeconomic status. Disadvantaged students correspond to those in the bottom quarter of the PISA index of economic, social, and cultural status (ESCS), while advantaged students correspond to those in the top quarter of the ESCS distribution. The regional value for Latin America and the Caribbean corresponds to the simple average across 13 participating countries, as Costa Rica does not report ESCS data in PISA 2022.

EDUCATION SPENDING: MORE AND BETTER NEEDED

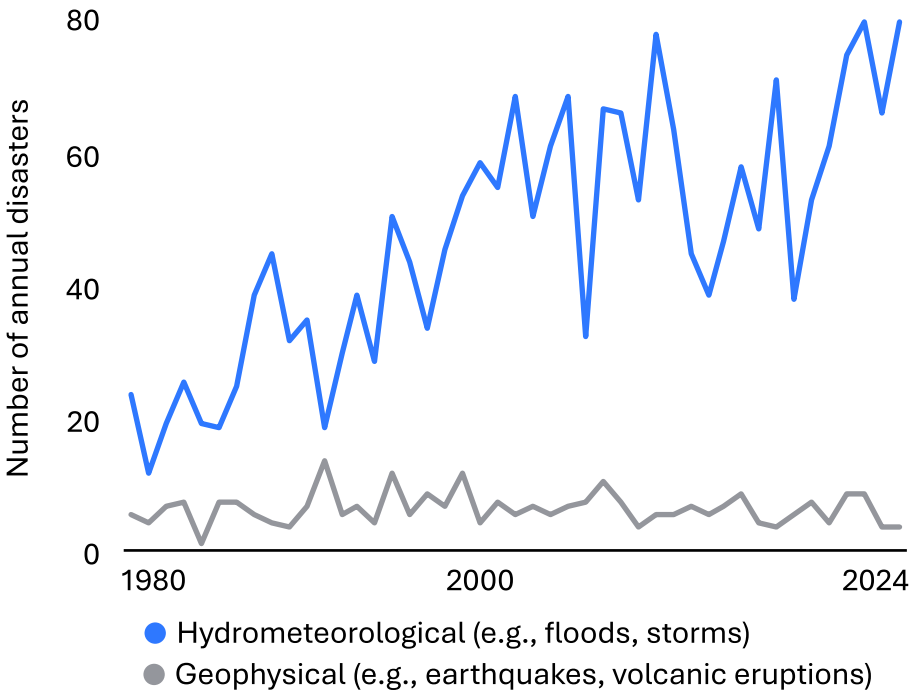


Source: IDB's Education Division elaboration, based on information from the OECD Programme for International Student Assessment (PISA) 2022 Results, Volume I, Tables I.B1.2.1 and I.B3.2.2.

Note: Mathematics performance corresponds to the average score in mathematics in PISA 2022. Education spending corresponds to cumulative investment per student between ages 6 and 15, expressed in purchasing power parity–adjusted US dollars (USD, PPP). The figure shows only countries and economies with available data. The dashed lines indicate the OECD averages for mathematics performance and cumulative expenditure.

Disasters and Environment

THE REGION IS INCREASINGLY VULNERABLE TO DISASTERS



Source: IDB's Disaster Risk Management Unit and IDB's Connectivity, Markets and Finance Division elaboration, based on information from the EM-DAT International Disaster Database.

Note: Data from EM-DAT were accessed in October 2025.

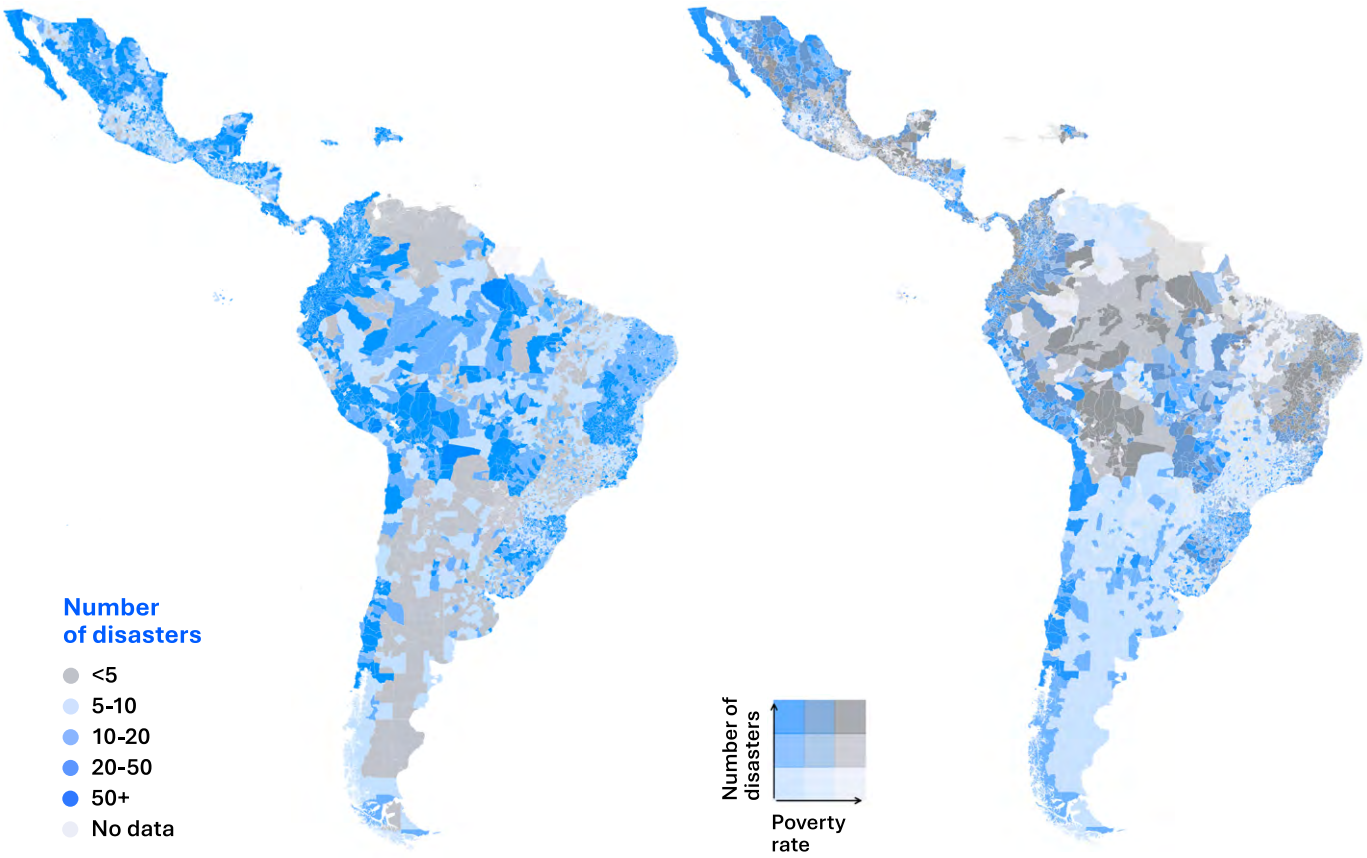
MORE DISASTERS, BIGGER BILLS

Period	Frequency (annual average) (number of events)	Losses (annual average) (billions)
1980 - 2000	38	$5.5
2001 - 2024	63 ↑	$11.9 ↑

Source: IDB's Connectivity, Markets and Finance Division elaboration, based on information from the International Disaster Database (EM-DAT).

Note: The estimates are expressed in constant 2011 U.S. dollars. Data from EM-DAT were accessed in October 2025.

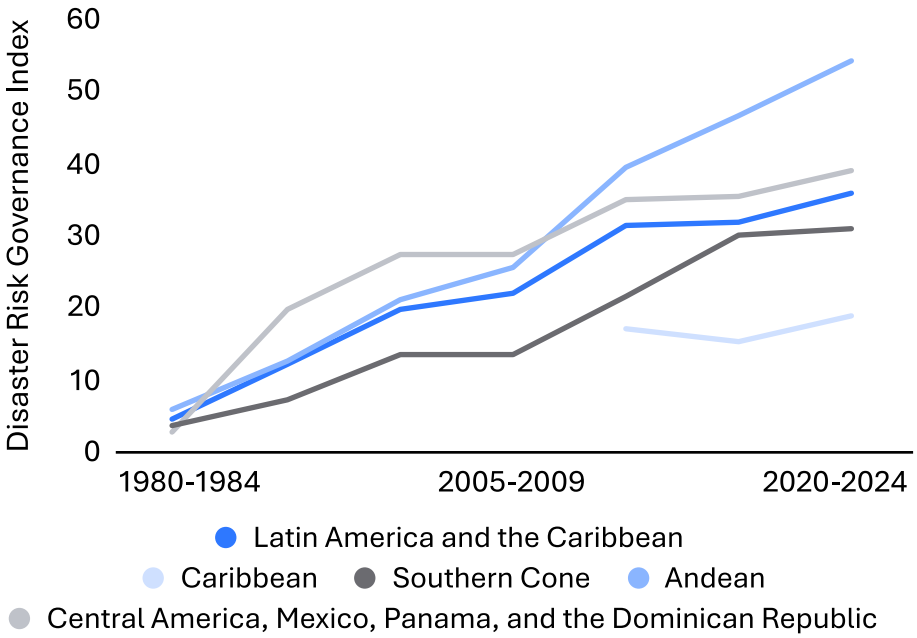
DISASTER IMPACT IS HIGHEST IN POOR AREAS



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from official subnational poverty maps and historical natural disaster records from DesInventar. For Brazil, where DesInventar does not provide disaster data, information was complemented with Atlas Brasil.

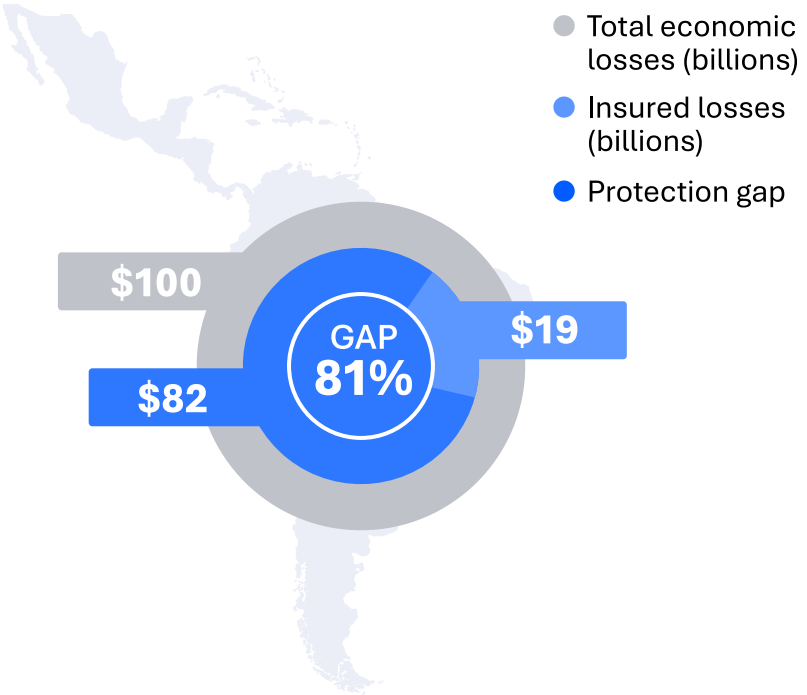
Note: Disasters are from DesInventar (with Brazil complemented by Atlas Brasil) and are limited to climate-related hazards (e.g., floods, storms, fires, landslides, and heat/cold events). Coverage: 22 countries in Latin America and the Caribbean: 19 with estimates at the subnational level 2 (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, Uruguay, and Venezuela) and 3 at the subnational level 1 (Barbados, Belize, and Jamaica).

GOVERNANCE OF DISASTER RISK IS IMPROVING



Source: IDB's Disaster Risk Management Unit elaboration, based on information from RiskMONITOR.

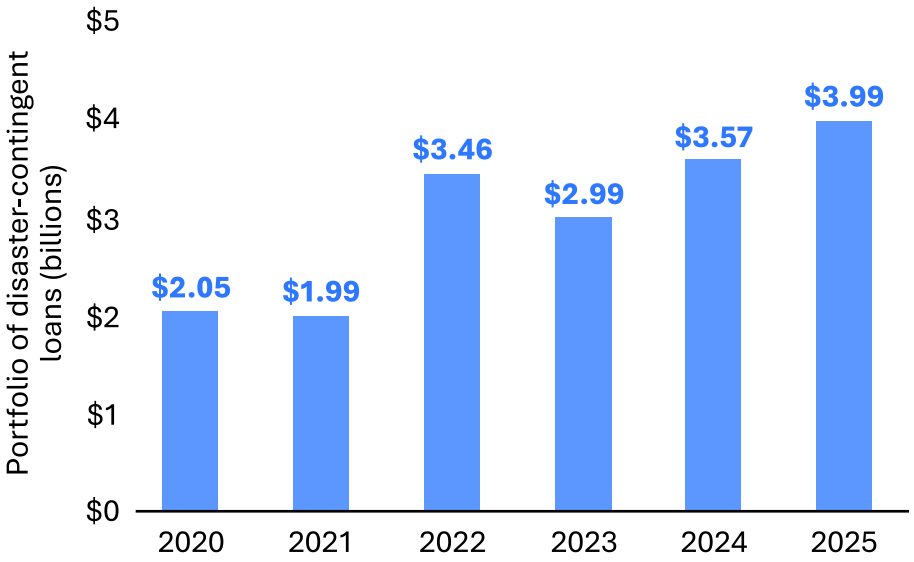
MOST DISASTER LOSSES GO UNINSURED



Source: IDB's Connectivity, Markets and Finance Division elaboration, based on information from Swiss Re.

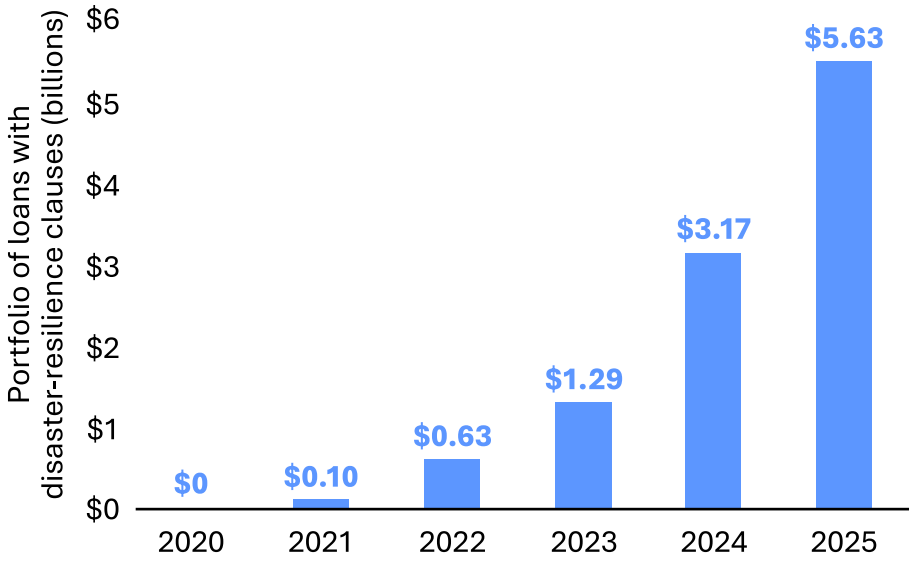
Note: Data cover 2015–2024. All values are expressed in constant 2024 prices.

FASTER DISASTER RESPONSE: THE IDB IS EXPANDING FINANCIAL PROTECTION



Source: IDB's Connectivity, Markets and Finance Division elaboration, based on internal records.

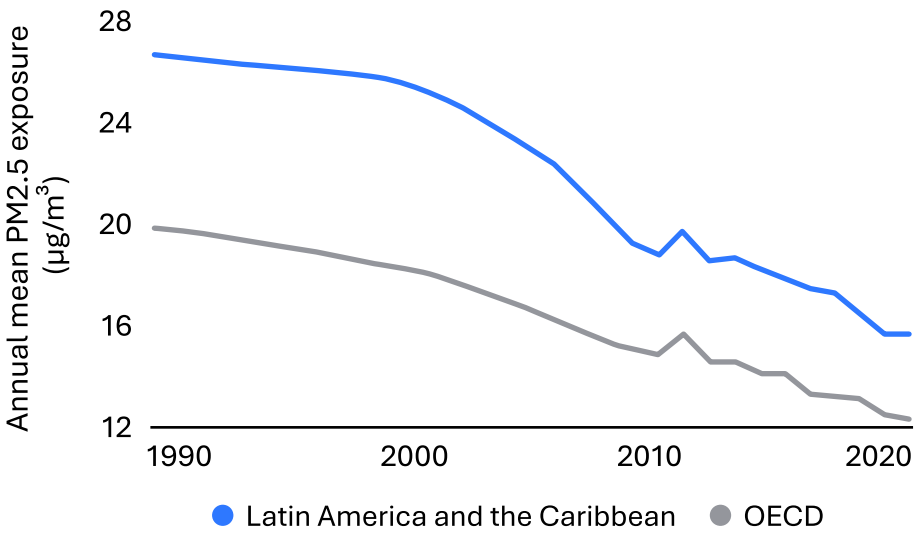
Note: The Contingent Credit Facility for Natural Disaster and Public Health Emergencies (CCF) is one of IDB's main ex-ante risk financing instruments. It provides borrowing member countries with rapid access to liquidity after severe or catastrophic natural disasters or public health emergencies, enabling them to deliver humanitarian assistance and quickly restore essential public services. Data include all CCF loans approved by the IDB Board of Executive Directors.



Source: IDB's Finance Department elaboration, based on internal records.

Note: Climate Resilient Debt Clauses (CRDCs) are an innovative risk-financing instrument pioneered by the IDB that allows eligible countries to temporarily suspend debt service following qualifying natural disasters, freeing up fiscal space when it is most needed. Their expansion marks an important step in integrating resilience directly into sovereign debt structures. Data include all IDB loans with active CRDCs.

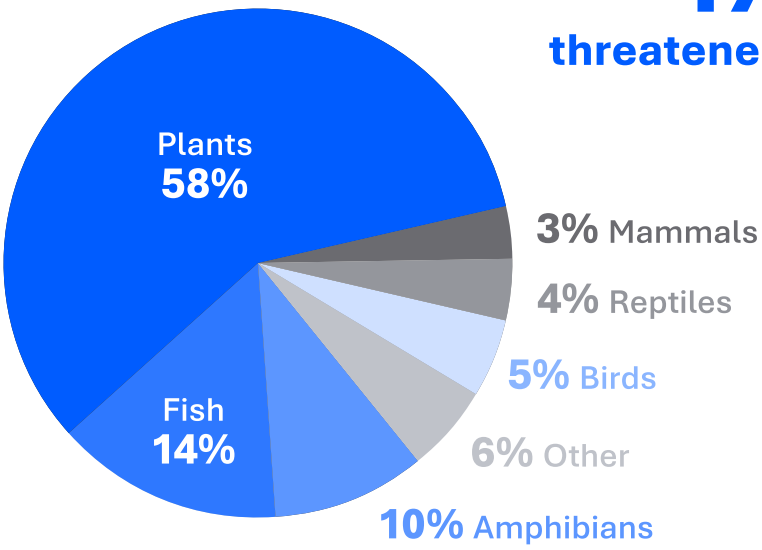
AIR POLLUTION: FALLING, BUT STILL TOO HIGH



Source: IDB's Disaster Risk Management Unit elaboration, based on information from the World Bank's World Development Indicators.

MUCH OF THE REGION'S BIODIVERSITY IS AT RISK

~17,900
threatened species



Source: IDB's Biodiversity and Natural Capital Unit elaboration, based on information from the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species.

AMAZONIA IS A GLOBAL POWERHOUSE OF NATURAL CAPITAL

70% of South America's GDP is produced in areas that rely on water from the Amazon forest.

40% of South America's land area – home to nearly **47.3 million people** – is part of Amazonia.

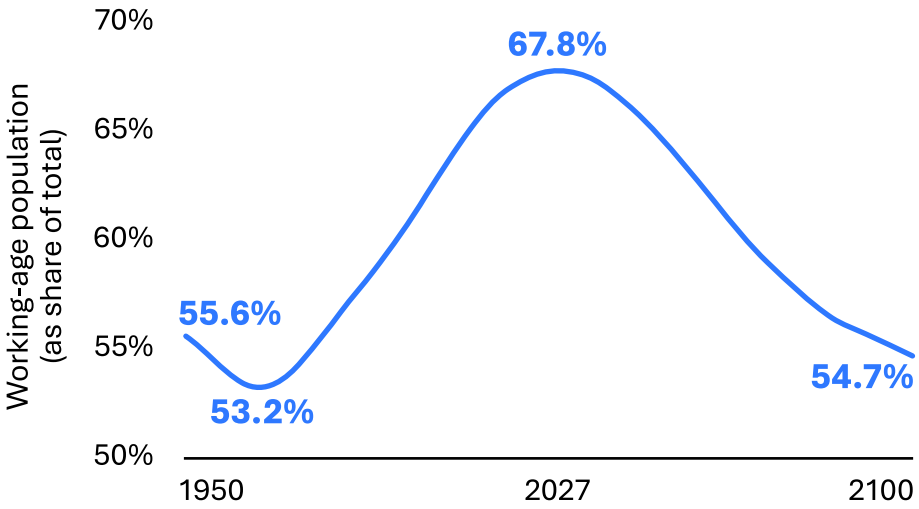
30% of the planet's biodiversity is found there.

Source: IDB elaboration, based on information from Galindo et al. (2025).

Related publication: Galindo, A., Giles Álvarez, L., and Rocha, N. P. 2025. Amazonia: A journey toward prosperity and resilience. https://doi.org/10.18235/0013751.

Labor Markets

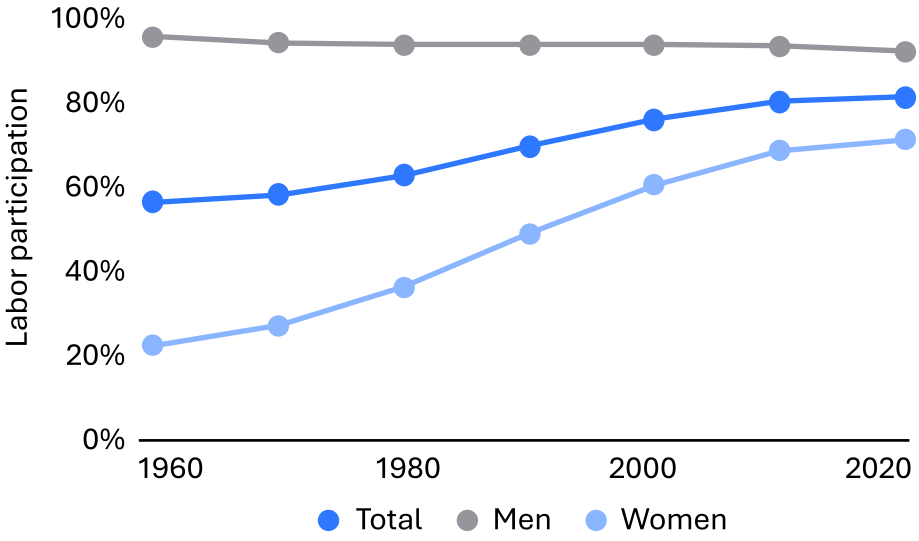
THE REGION IS INCREASINGLY VULNERABLE TO DISASTERS



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the United Nations Department of Economic and Social Affairs, Population Division (2023).

Note: Working age is defined as ages 15–64.

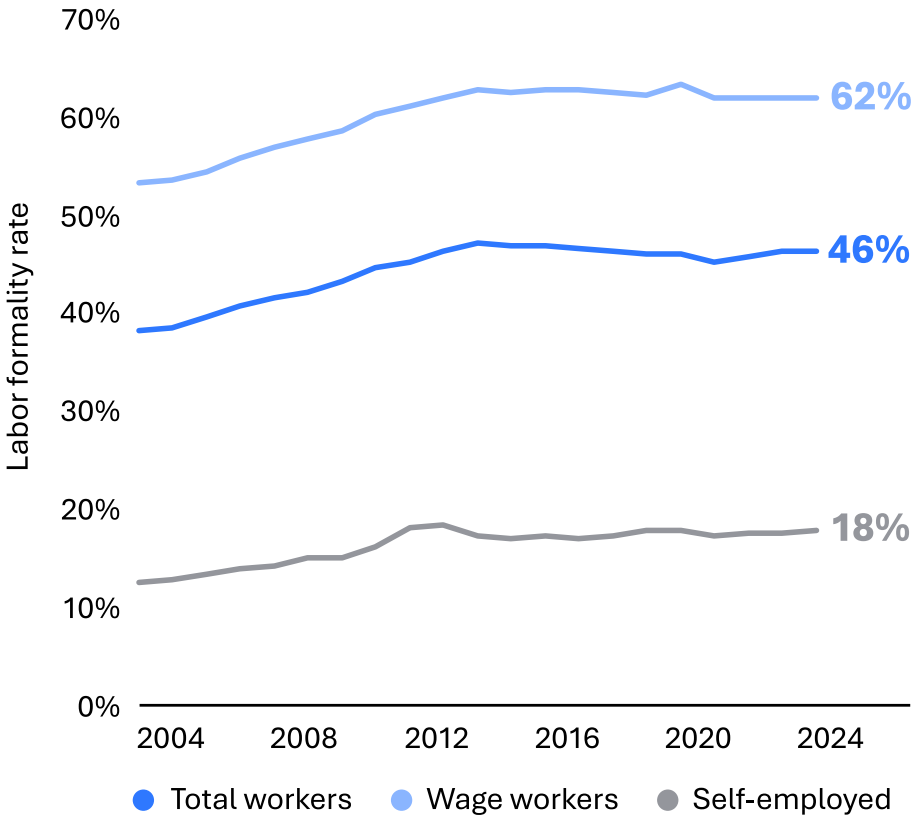
MORE DISASTERS, BIGGER BILLS



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the United Nations Department of Economic and Social Affairs, Population Division (2023).

Note: The figure shows the employment-to-population ratio for the working-age population (25–54), by sex, smoothed using local polynomial regression. Values represent unweighted group averages across available countries in each year. This figure follows the IDB's regional department classification, conditional on data availability. The panel is unbalanced, with country coverage varying over time depending on data availability. Country-level series are linearly interpolated prior to group aggregation to fill annual gaps.

LOW FORMALITY LEAVES MILLIONS WITHOUT SOCIAL PROTECTION



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Based on the simple average of 13 economies in Latin America and the Caribbean for 2004 and 2024. Values are interpolated for missing years.

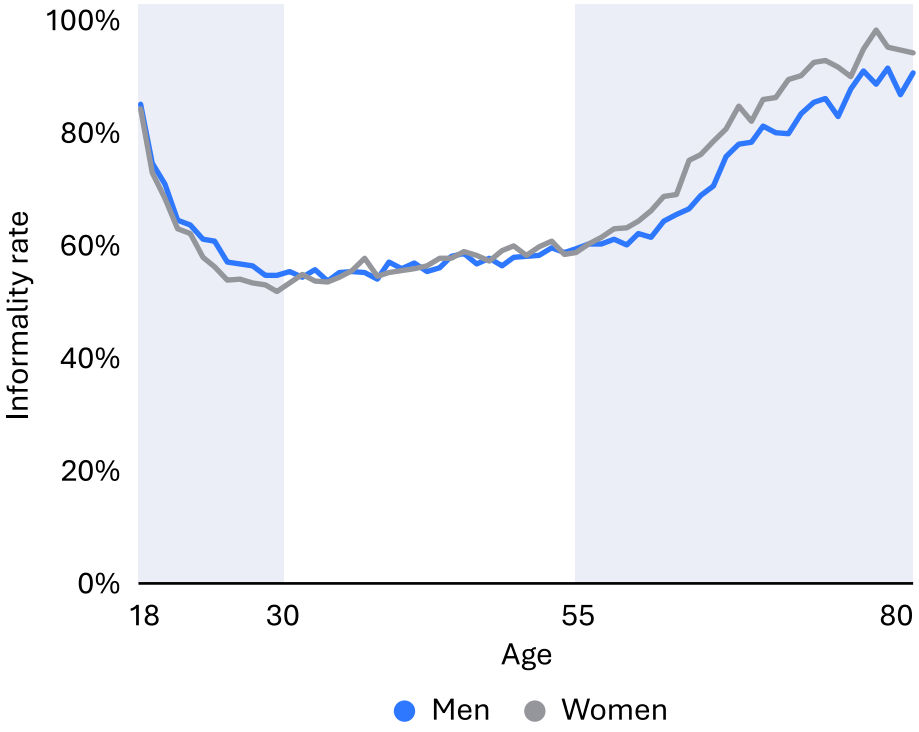
SELF-EMPLOYMENT KEEPS RISING

29% of workers in the region are **self-employed** (up from 25% in 1995)

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Based on the simple average of 16 economies in Latin America and the Caribbean. Values are interpolated for missing years.

YOUNGER AND OLDER WORKERS: MORE INFORMAL, MORE VULNERABLE



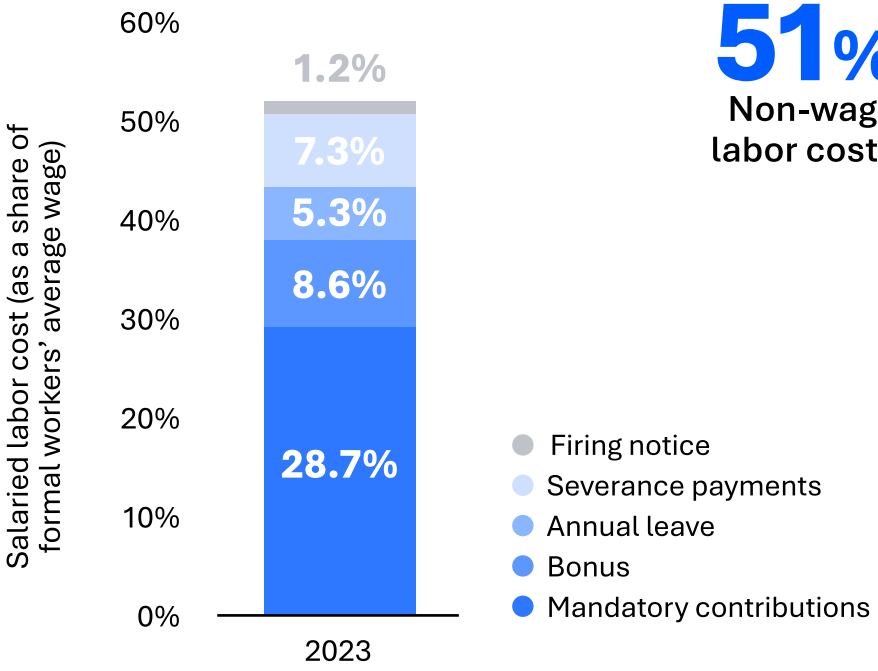
18-30 Youth informality dominance

31-54 Peak formality years

55+ Return to informality

Source: IDB's Social Protection and Labor Markets Division elaboration, based on data from the Inter-American Development Bank's Harmonized Household Surveys.

HIRING FORMAL WORKERS IN THE REGION IS EXPENSIVE



51%
Non-wage labor costs

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from Alaimo et al. (2023).

Related publication: Alaimo, V., Altamirano Montoya, Á., and Minaya, A. M. 2026. Salaried labor costs in Latin America and the Caribbean: A ten-year update. https://doi.org/10.18235/0013935.

HIGHER EDUCATION, HIGHER ODDS OF FORMAL EMPLOYMENT

72% COMPLETE UNIVERSITY

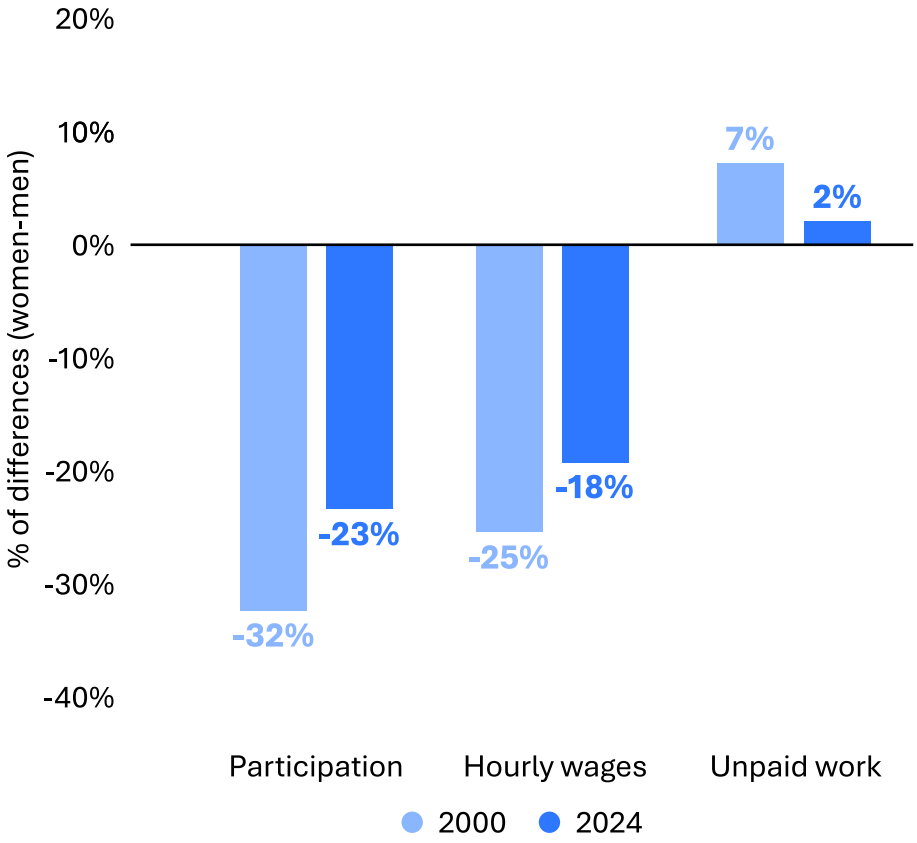
50% COMPLETE SECONDARY

31% INCOMPLETE SECONDARY

25% PRIMARY OR LESS

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

DIFFERENCES BETWEEN MEN AND WOMEN: A MIXED PICTURE



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Estimates are controlled for age, years of education, sex, and country fixed effects, based on data from 16 countries in Latin America and the Caribbean.

-6 hours Women work fewer paid hours per week.

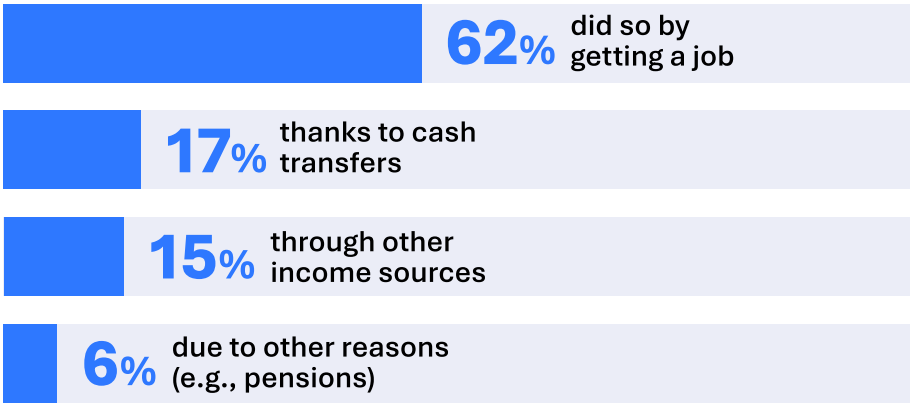
+5 percentage points Women are still more likely to do informal work.

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Estimates are controlled for age, years of education, sex, and country fixed effects. Formality estimates are based on data from 12 countries in Latin America and the Caribbean with comparable data, while hours estimates are based on data from 16 countries in Latin America and the Caribbean.

JOBS ARE THE MAIN PATHWAY OUT OF POVERTY

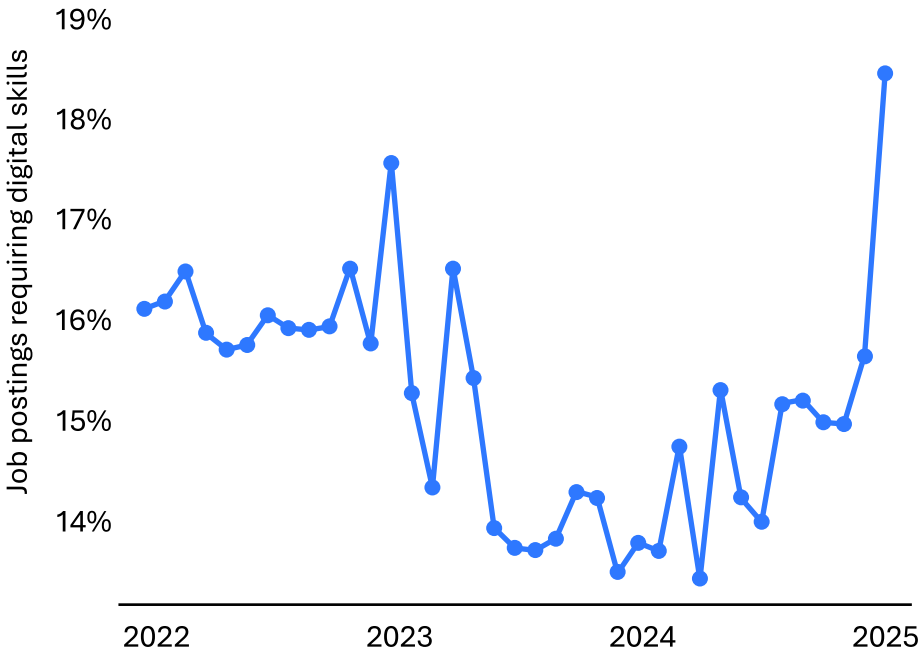
Out of every 100 people who escaped poverty...



Source: Azevedo et al. (2013), Decomposing the recent inequality decline in Latin America, and CEDLAS.

Note: The nonparametric decomposition of João Pedro Azevedo et al. (2013) and the parametric results were provided by CEDLAS, based on data available from SEDLAC (Socio-Economic Database for Latin America and the Caribbean) (CEDLAS and the World Bank).

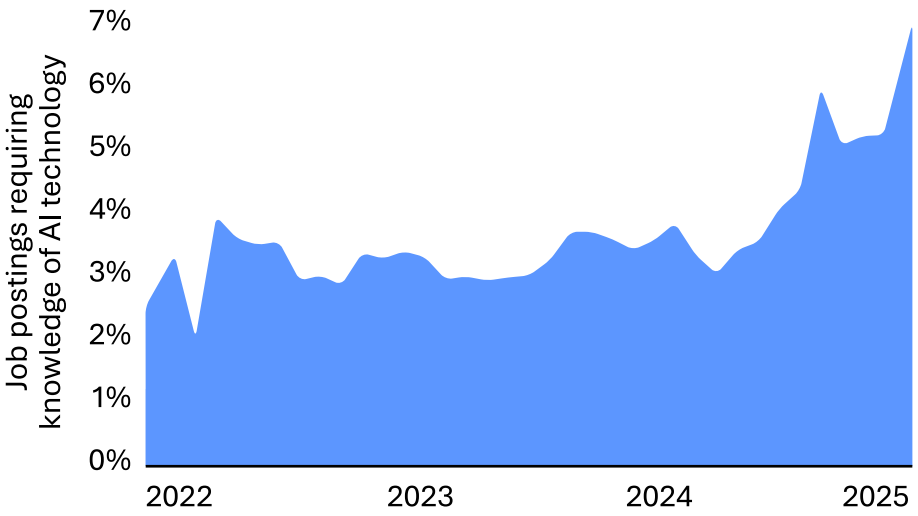
DIGITAL SKILLS: A GROWING REQUIREMENT



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from Azuara et al. (2026).

Related publication: Azuara Herrera, O., and Jaramillo Vasconez, O. E. 2026. What jobs are being created in Latin America? Analysis of online job postings in Latin America and the Caribbean. https://doi.org/10.18235/0013929.

DEMAND FOR AI KNOWLEDGE IS ALSO ON THE RISE

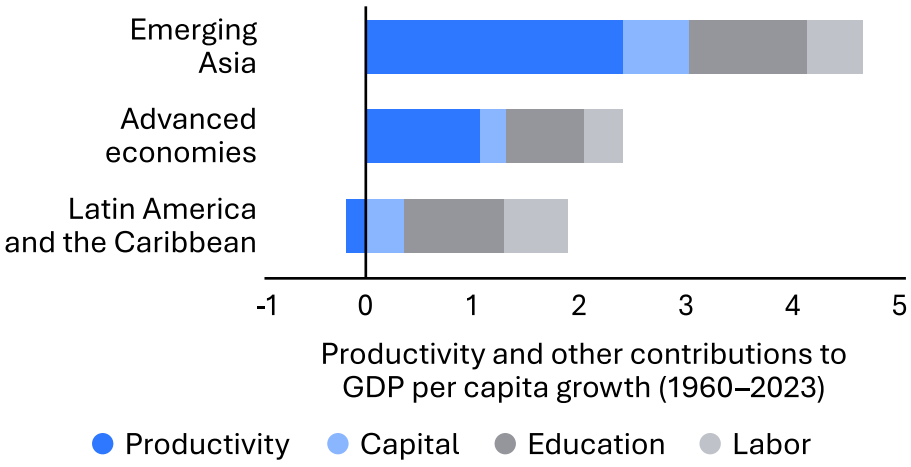


Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from Azuara et al. (2026).

Related publication: Azuara Herrera, O., and Jaramillo Vasconez, O. E. 2026. What jobs are being created in Latin America? Analysis of online job postings in Latin America and the Caribbean. https://doi.org/10.18235/0013929.

Growth and Productivity

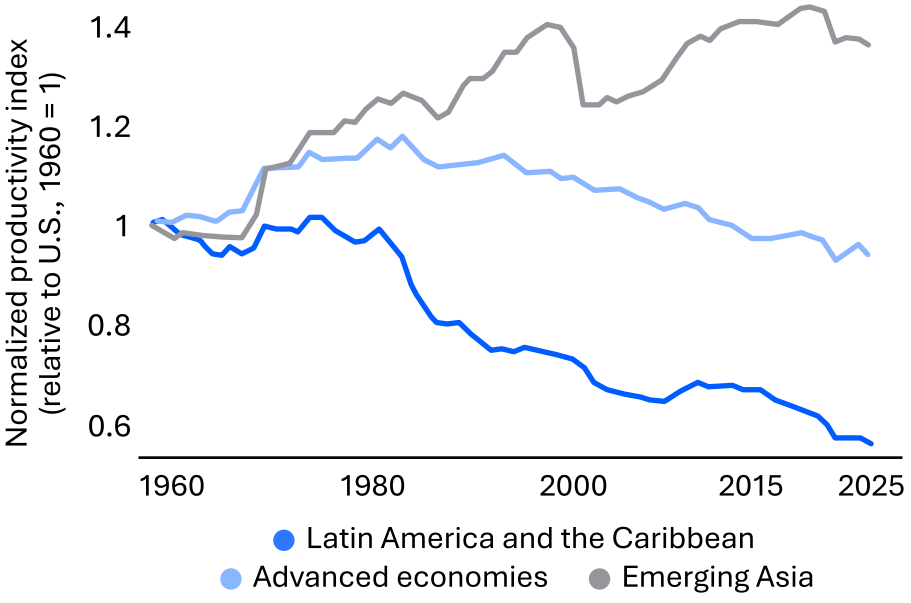
THE REGION'S GROWTH GAP: PRODUCTIVITY IS THE MISSING ENGINE



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from Penn World Table 11.00 and Barro and Lee (2021).

Note: The figure reports the average annual contribution of total factor productivity (TFP), physical capital accumulation, human capital (measured through years of schooling), and labor to GDP per capita growth for the period 1960–2023. Contributions are calculated using a standard growth accounting framework based on data from Penn World Table 11.00 and human capital indicators from Barro and Lee (2021). Productivity corresponds to the residual component of growth not explained by the accumulation of capital, education, and labor. Regional aggregates correspond to simple averages of the economies included in each group.

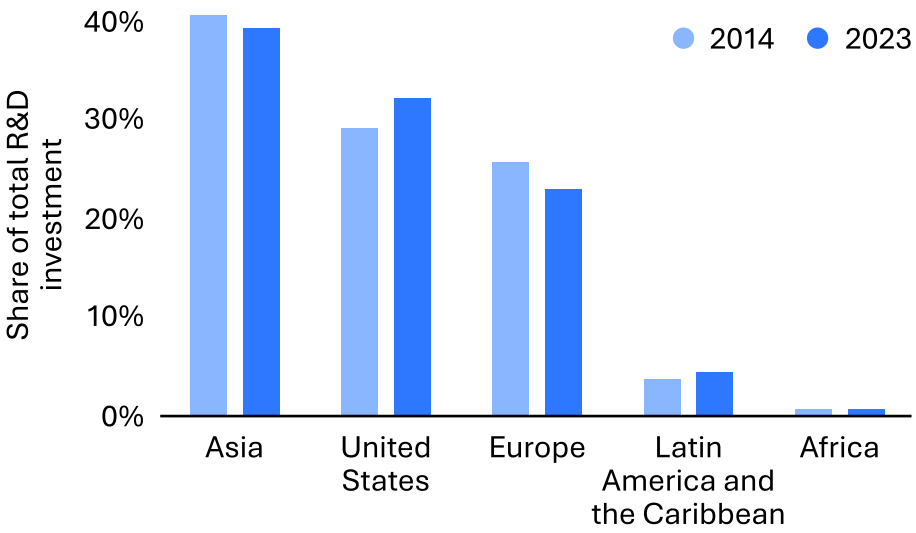
RELATIVE PRODUCTIVITY HAS DECLINED SINCE THE 1980S



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from Penn World Table 11.00 and Barro and Lee (2021).

Note: The figure presents a normalized index of total factor productivity (TFP) relative to the United States for advanced economies, emerging Asia, and Latin America and the Caribbean over the period 1960–2023. For each region, productivity levels are expressed relative to the United States and normalized to 1 in 1960. Values above (below) 1 indicate that the region's productivity level, relative to the United States, is higher (lower) than its relative position in 1960. Productivity is derived from a standard growth accounting framework based on data from Penn World Table 11.00 and human capital indicators from Barro and Lee (2021), where TFP corresponds to the residual component of output not explained by the accumulation of physical capital, education, and labor. Regional aggregates correspond to simple averages of the economies included in each group.

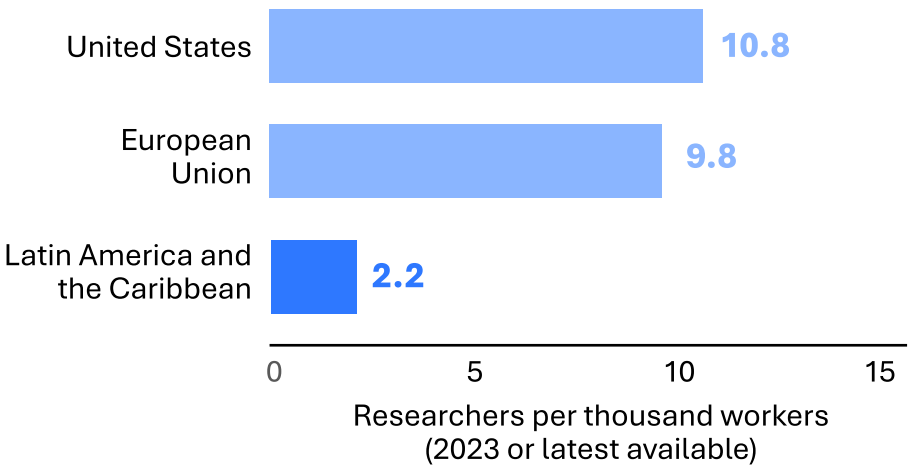
INNOVATION FUELS GROWTH, YET R&D INVESTMENT LAGS



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from the Network for Science and Technology Indicators (RICTY) and the World Bank's World Development Indicators.

Note: The figure shows the distribution of global gross domestic expenditure on research and development (GERD) across selected geographical areas in 2014 and 2023. Shares represent each region's expenditure relative to the world total.

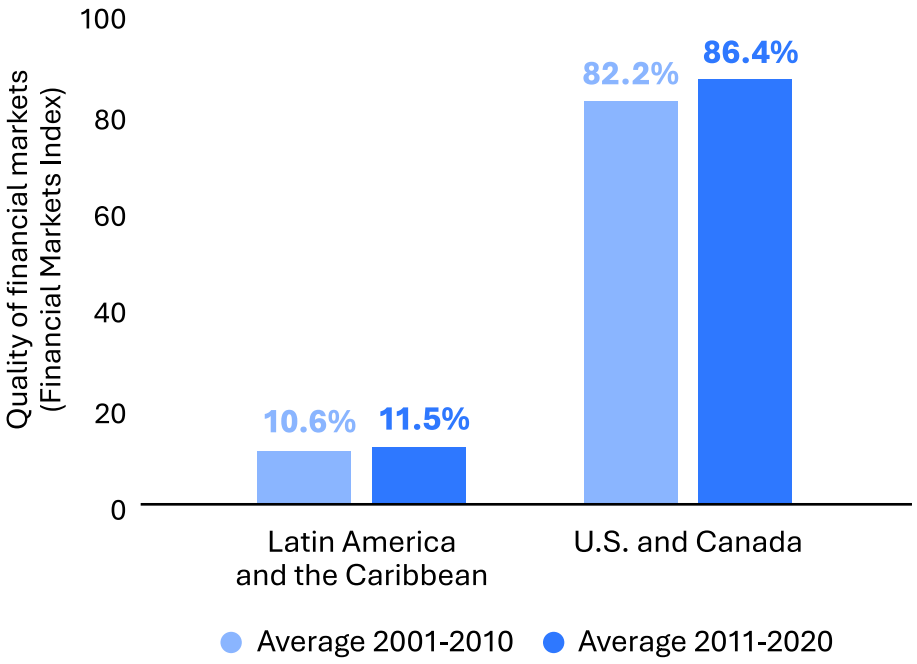
INNOVATION NEEDS TALENT: FAR FEWER RESEARCHERS PER WORKER THAN IN ADVANCED ECONOMIES



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from the Network for Science and Technology Indicators (RICTY) and the World Bank's World Development Indicators.

Note: Researchers include R&D fellows. FTE refers to full-time equivalent. For Guatemala, the information corresponds only to R&D project personnel in the public and higher education sectors. For Mexico, variations in the number of personnel reflect changes in the survey sample. Data for Latin America and the Caribbean are estimates.

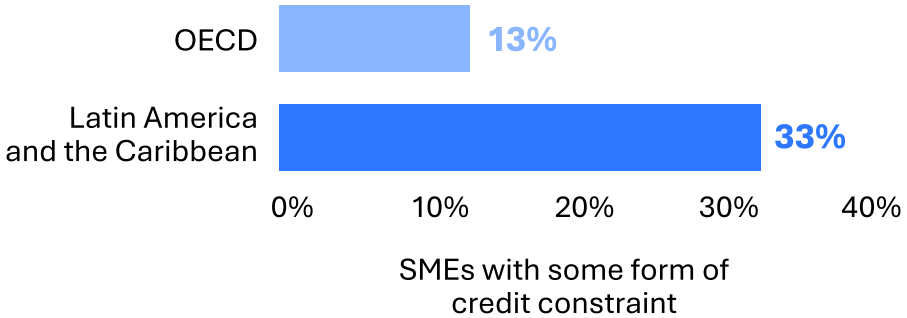
COMPANIES STRUGGLE TO ACCESS CREDIT NEEDED FOR INNOVATION, LARGELY DUE TO WEAKER FINANCIAL MARKETS



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from the World Bank, drawing on the International Monetary Fund's (IMF) Financial Development Index database.

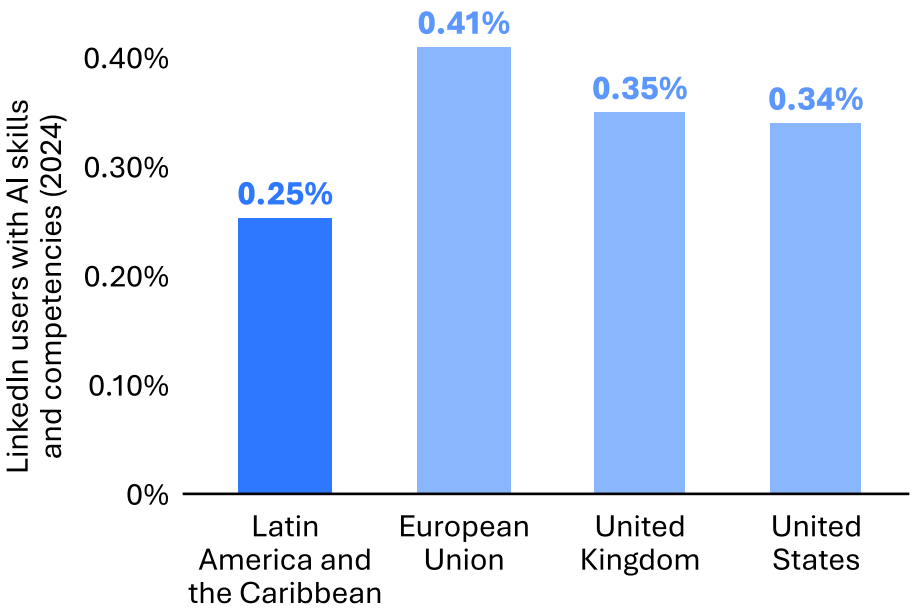
Note: The Financial Markets Index corresponds to the financial markets component of the IMF Financial Development Index, as reported by the World Bank. The index captures the depth, access, and efficiency of financial markets. Values range from 0 to 100, with higher values indicating higher levels of financial market development. Country group averages correspond to simple averages for the economies included in each group over the periods 2001–2010 and 2011–2020.

CREDIT CONSTRAINTS ARE A STRUCTURAL BARRIER TO SME DEVELOPMENT



Source: IDB's Connectivity, Markets, and Finance Division elaboration, based on information from Enterprise Financial Indicators (CMF Data Lake and WB Enterprise Surveys).

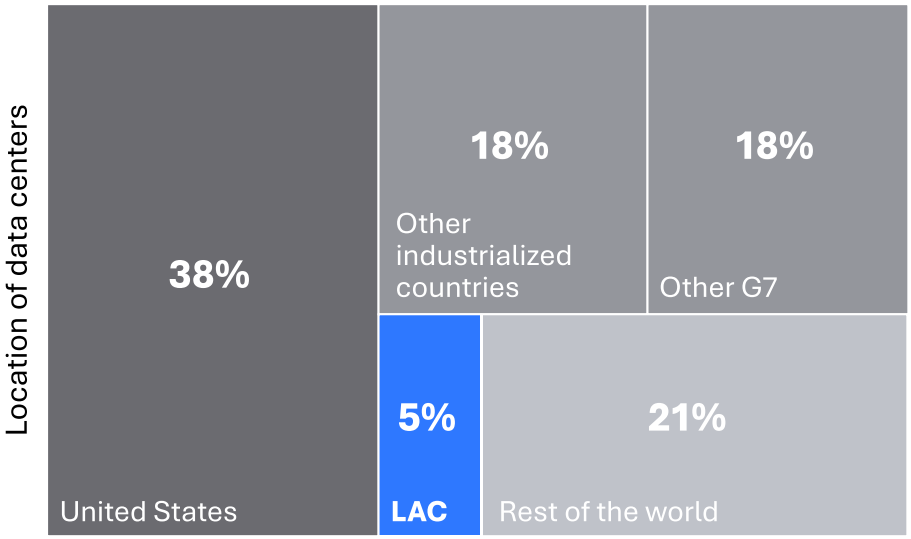
AI CAN DRIVE GROWTH – BUT WORKERS NEED TO BE EQUIPPED...



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from the International Latin American Index of Artificial Intelligence (ILIA) 2025 report, drawing on LinkedIn data.

Note: The figure reports the share of LinkedIn users who list AI-related skills and competencies in their profiles in 2024. Percentages are calculated as the proportion of users with at least one AI skill relative to the total number of LinkedIn users in each region. Regional aggregates correspond to averages for the economies included in each group, as defined in the source.

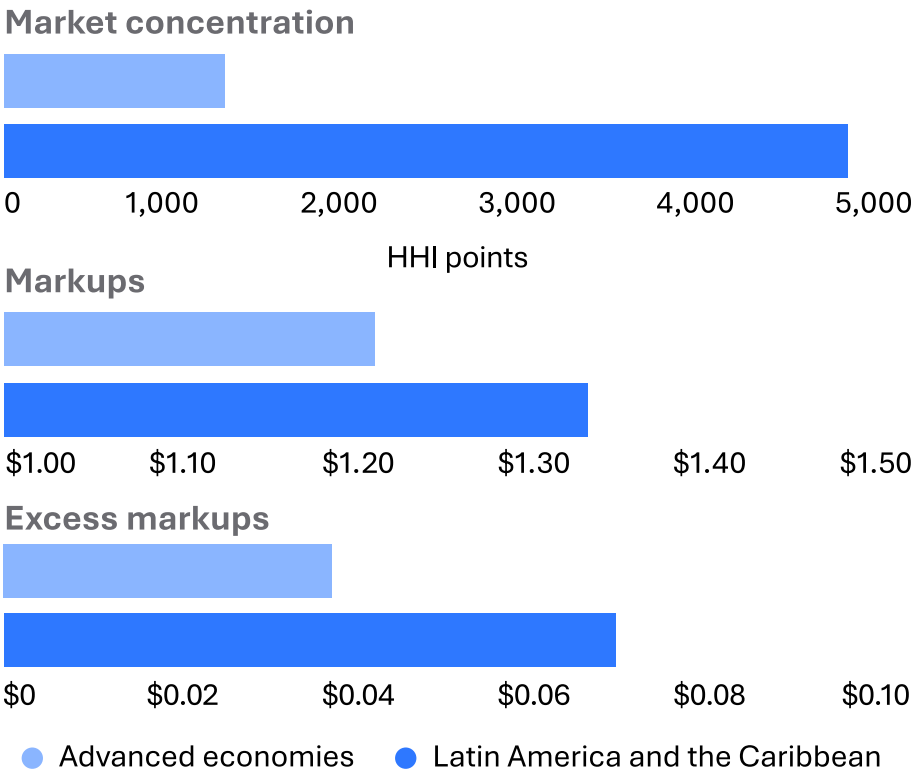
... AND THE REGION NEEDS MORE INFRASTRUCTURE



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information reported by the United Nations Development Programme's (UNDP) - *From data in the cloud to centers on the ground: The role of data centers in LAC's digital future*.

Note: The figure reports the percentage distribution of total data centers worldwide by country group. Percentages are calculated as each group's share of the global total. Country group classifications follow the source. Other G7 excludes the United States, and other industrialized countries include advanced economies not part of the G7. Latin America and the Caribbean corresponds to the regional grouping defined in the source.

COMPETITION FOSTERS PRODUCTIVITY, BUT IS LOW IN THE REGION



Source: IDB's Department of Research and Chief Economist elaboration, based on information from Orbis.

Note: Panel A displays the Herfindahl-Hirschman Index (HHI). Panel B presents firm-level markups. Panel C reports excess markups, defined as the gap between a firm's observed markup and its zero-profit (optimal) markup. The bars reflect the median HHI, markup, and excess markup by country and industry (based on the North American Industry Classification System—NAICS), covering both manufacturing and service sectors. Advanced economies include Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, Portugal, the Republic of Korea, Slovenia, Spain, Sweden, and the United Kingdom. Latin American countries include Argentina, Brazil, Chile, Colombia, Mexico, and Peru.

IF THE REGION HAD THE COMPETITION LEVEL OF ADVANCED ECONOMIES...

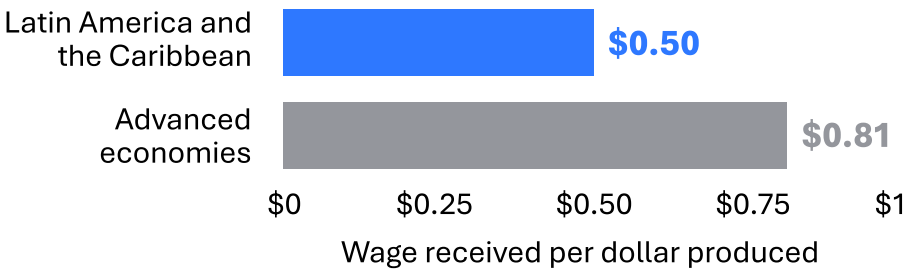
+11%
GDP-per-capita increase

-6%
Inequality reduction

Source: IDB's Department of Research and Chief Economist elaboration, based on information from CompeteLAC.

Note: The figure presents the average percentage change resulting from increased market competition in key economic indicators across seven economies in Latin America and the Caribbean, following the methodology of Martinez and Santos (2025). The four bars illustrate the estimated impact of more competitive markets on GDP per capita, formal sector sales, tax revenue, and labor share.

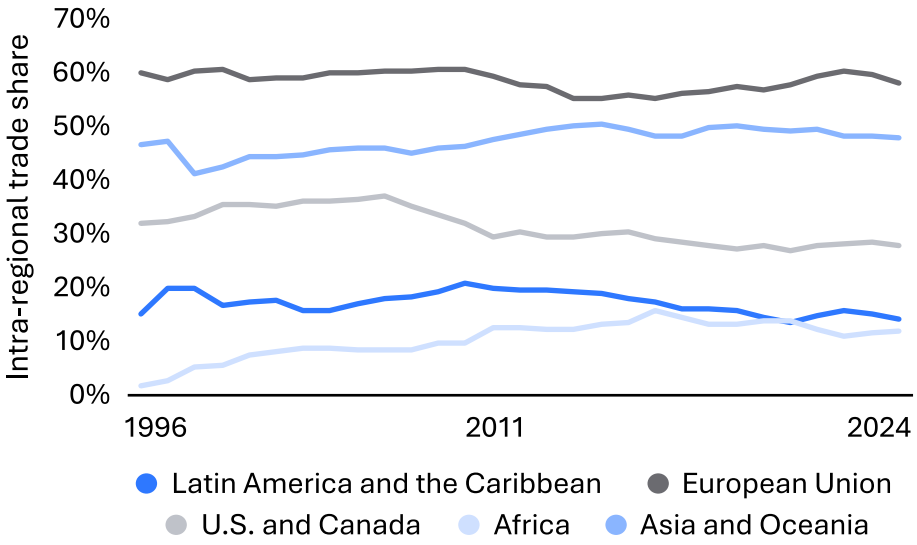
LESS COMPETITION, LESS TAKE-HOME PAY



Source: IDB's Department of Research and Chief Economist elaboration, based on information from CompeteLAC and World Bank Enterprise Surveys (WBES).

Note: The figure shows the average share of value added that workers receive as wages for each US$ 100 they generate, calculated as the inverse of the average markdown, following the methodology of Ackerberg, Caves, and Frazer (2015). Latin American countries include Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, and Uruguay. Advanced economies include Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, Portugal, the Republic of Korea, Slovenia, Spain, Sweden, and the United Kingdom.

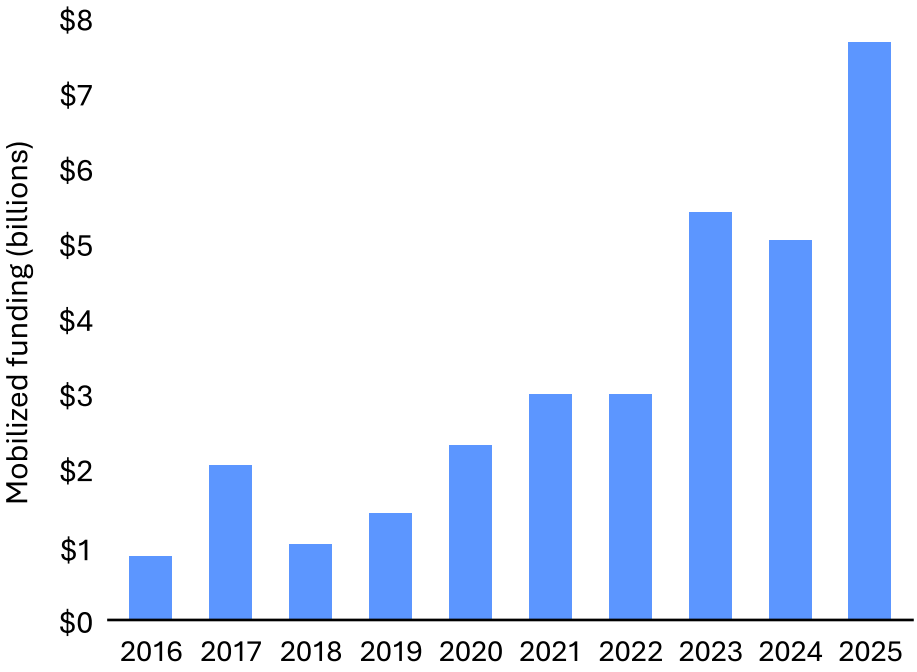
LIMITED REGIONAL TRADE INTEGRATION IS HOLDING BACK GROWTH



Source: IDB's Productivity, Trade, and Innovation Sector elaboration, based on information from INTEGRA and the CEPII-BACI Dataset (2026).

Note: The figure plots the intraregional trade share, in percentage terms, calculated as the value of exports within the group as a percentage of total export value for each group for the period 1996–2024. Information for some countries with missing data was supplemented with mirror data (reported by their trading partners), so the panel is complete for the countries that report data to Comtrade (the raw data used by CEPII-BACI). The groups are consistent over time; that is, the European Union (EU) group has the same 27 members throughout the entire period.

IDB INVEST HAS MOBILIZED MORE THAN $30 BILLION IN PRIVATE CAPITAL TO ATTRACT INVESTORS AND DRIVE GROWTH



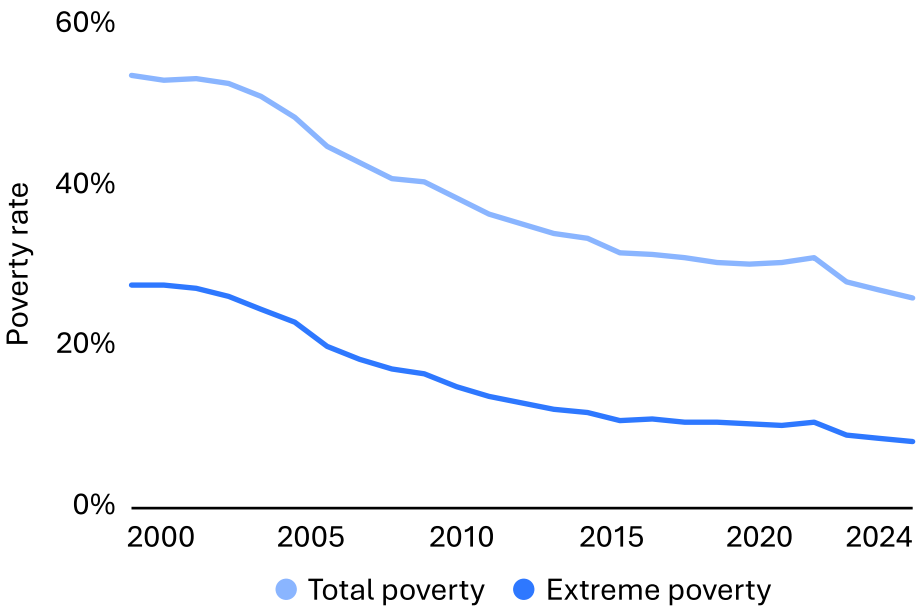
$75 billion
Total activity for private-sector projects since 2016

6.6 million MSMEs
have benefited from programs and financing through IDB Invest partnerships since 2016.

Source: IDB Invest elaboration, based on internal records.

Access to Opportunities

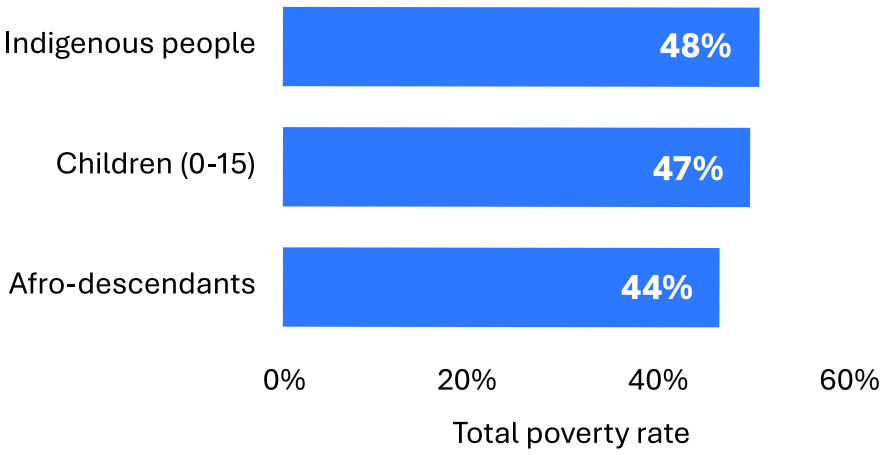
POVERTY HAS DROPPED — A SIGN OF GREATER OPPORTUNITY...



Source: IDB's Social Sector elaboration, based on information from the World Bank's Poverty and Inequality Platform (PIP).

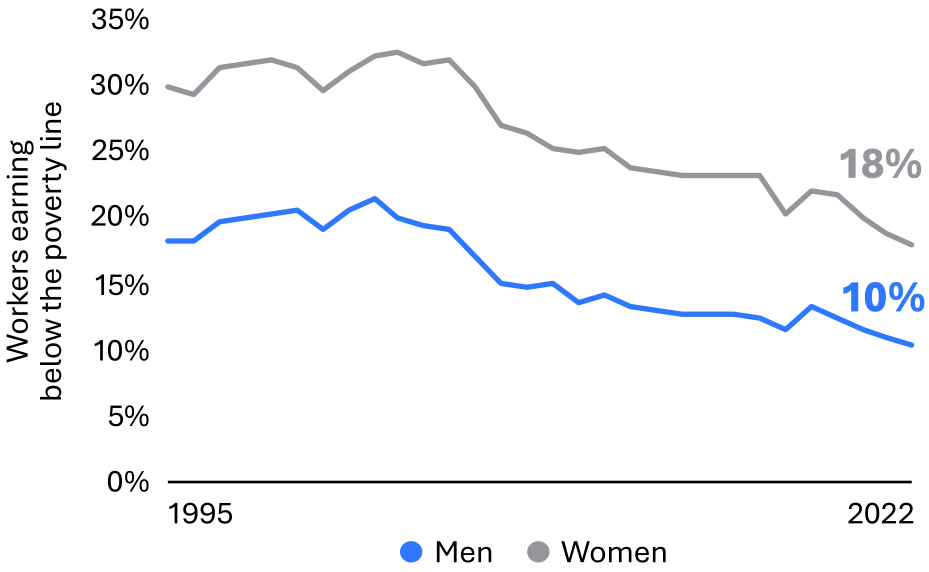
Note: Interpolated estimates from the World Bank's PIP database were used. For more details, please download the data file associated with this document: https://doi.org/10.60966/p0ovsg9t.

... YET POVERTY REMAINS HIGH IN SOME GROUPS



Source: IDB's Gender and Diversity Division elaboration, based on information from the Inter-American Development Bank's Harmonized Household Surveys for Latin America and the Caribbean: https://www.iadb.org/en/knowledge-resources/data/social-data.

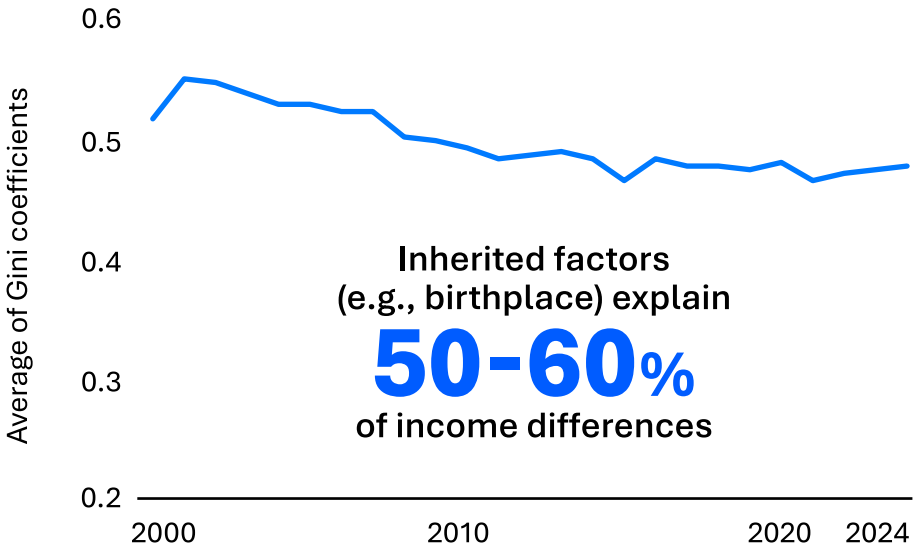
FEWER WORKERS LIVE IN POVERTY



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Regional average based on a sample of 16 countries in Latin America and the Caribbean, excluding Venezuela. Values are interpolated for missing years.

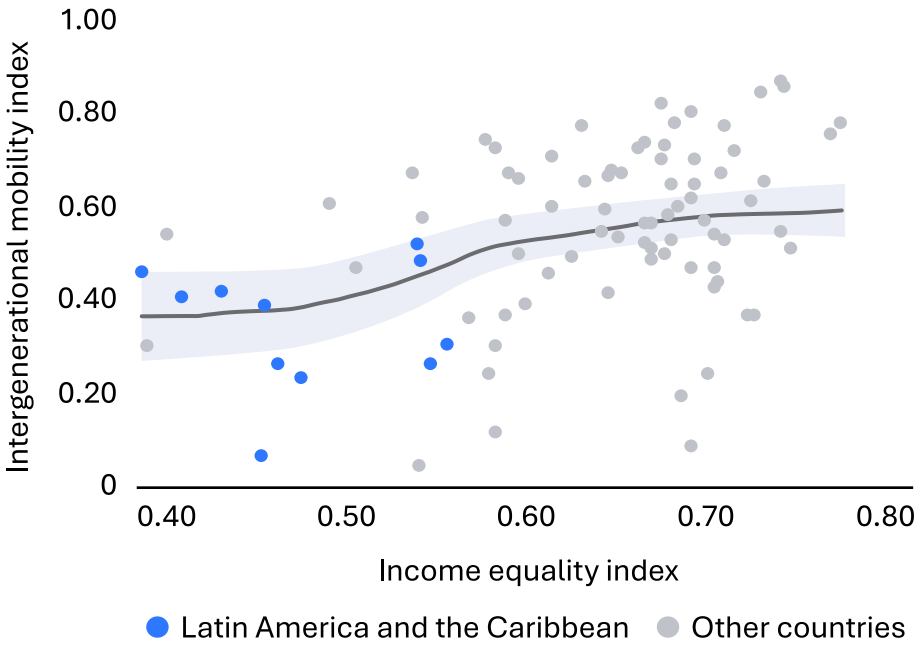
THE REDUCTION IN INEQUALITY HAS STALLED



Source: IDB's Social Sector elaboration, based on information from the Inter-American Development Bank's Harmonized Household Surveys for Latin America and the Caribbean: https://www.iadb.org/en/knowledge-resources/data/social-data.

Note: This is the calculation for the unweighted average Gini coefficient of per capita income.

INEQUALITY CONTINUES TO HOLD BACK INTERGENERATIONAL MOBILITY



Source: IDB's Social Sector elaboration, based on information from the Inter-American Development Bank's Harmonized Household Surveys for Latin America and the Caribbean: https://www.iadb.org/en/knowledge-resources/data/social-data.

GEN Z ENTERS THE LABOR MARKET BETTER EDUCATED THAN ANY PRIOR ONE

Generation X
(born 1965-1980)
39%
secondary completion at ages 20-24

+28%

Generation Z
(born 1997-2012)
67%
secondary completion at ages 20-24

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Regional average based on a sample of 16 countries in Latin America and the Caribbean, excluding Venezuela. In Brazil, the Dominican Republic, and Guatemala, highest educational attainment is proxied by years of education.

DIGITAL CONNECTIVITY MEANS OPPORTUNITIES — AND THE REGION NEEDS MORE

FIXED CONNECTIVITY

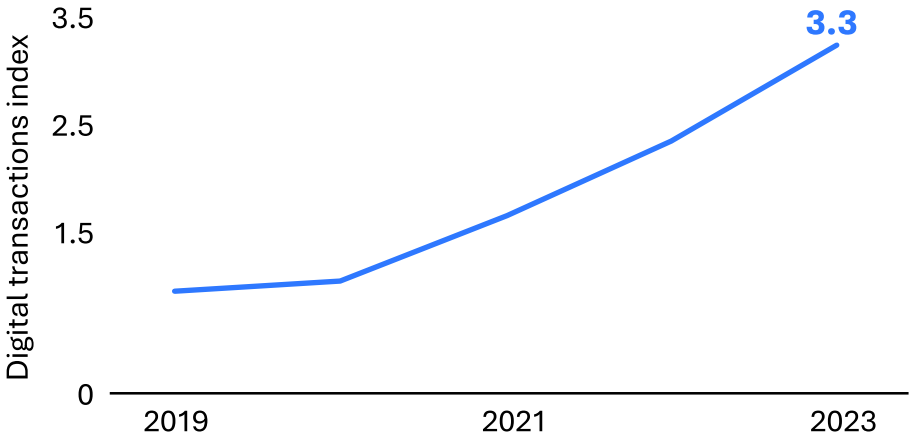
MOBILE CONNECTIVITY

● High-speed ● Not high-speed

Source: IDB's Health, Nutrition and Population Division elaboration, based on information from the Pan American Health Organization's Regional Health Facilities Master List (retrieved June 2024) and Ookla fixed broadband and mobile network maps.

Note: High speed is defined as the top tercile (Q3) of download speed data from Ookla, Q2 2025.

DIGITAL TRANSACTIONS HAVE TRIPLED, POWERING NEW OPPORTUNITIES FOR GROWTH

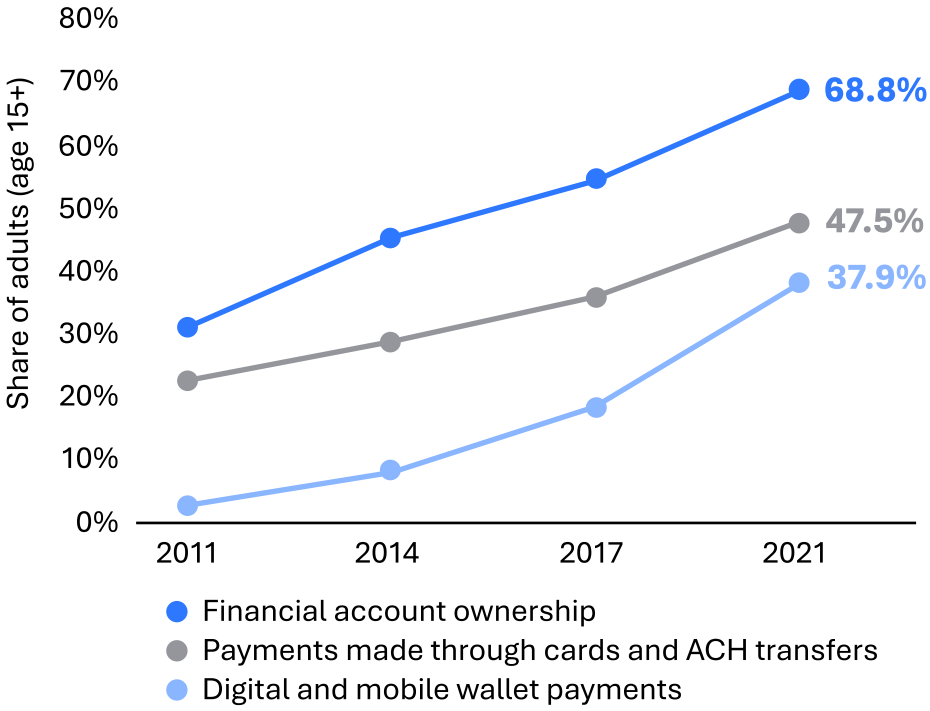


Source: IDB elaboration, based on information from Azevedo et al. (2025).

Note: The figure plots the average growth rate of digital transactions per 1,000 adults (ages 15 and older) for a set of Latin American countries (Bolivia, Brazil, Chile, Costa Rica, Mexico, and Peru), normalized to 2019. Brazil's transactions include those made through the instant payment system Pix, the express wire transfer TED, and debit, credit, and prepaid cards. Chile's include inter- and intrabank electronic transfers and transfers using debit and credit cards (for both individuals and firms), as well as prepaid cards. Costa Rica's transactions include inter- and intrabank transfers through the real-time Immediate Payments System (PIN, for its acronym in Spanish), through the retail fast payment system SINPE Móvil, and payments using debit and credit cards. Mexico's transactions include those using the digital payment method CoDi, inter- and intrabank transfers requested through phone calls or internet banking, electronic bank transfers, and transfers using debit or credit cards. Peru's include inter- and intrabank transfers using digital wallets and payments using debit or credit cards.

Related publication: Azevedo, V., Garbay Flores, S. A., Vera-Cossio, D. A., Vlaicu, R., and Zárate Moreno, A. M. 2025. Beyond cash: The digital payments revolution in Latin America and the Caribbean. https://doi.org/10.18235/0013688.

DIGITAL PAYMENTS ARE GROWING FASTER THAN ACCOUNT OWNERSHIP

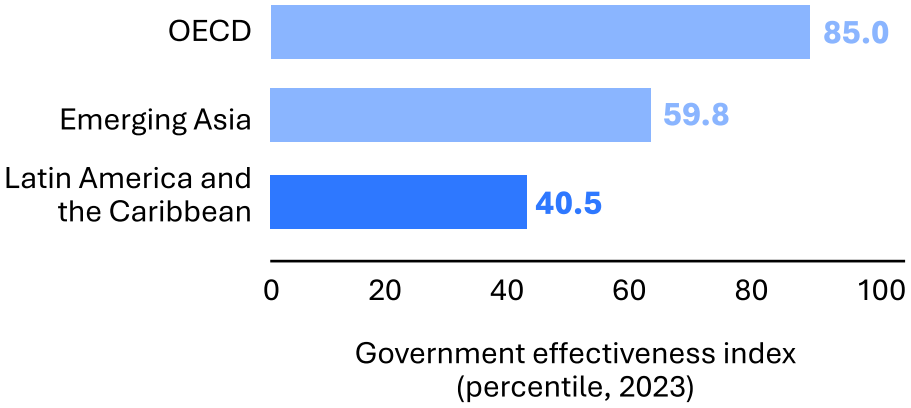


Source: IDB elaboration, based on information from Azevedo et al. (2025) and multiple rounds of the FINDEX survey.

Note: The figure reports ownership and use of different financial products among adults (ages 15 and older) in Latin America and the Caribbean. Financial account ownership is defined as the percentage of individuals with an account in the financial sector. Payments by card or ACH (automated clearing house) transfer include purchases made with debit or credit cards; payments for utility services (electricity, water, and trash); the sending or receiving of money to or from family and friends through a bank or transfer service; and salaries or wages, government transfers, or proceeds from agricultural sales. Payments by digital or mobile wallet include using a phone or the internet to make purchases; payments for utility services (electricity, water, and trash); the sending or receiving of money to or from family and friends; and wages, government transfers, or proceeds from agricultural sales.

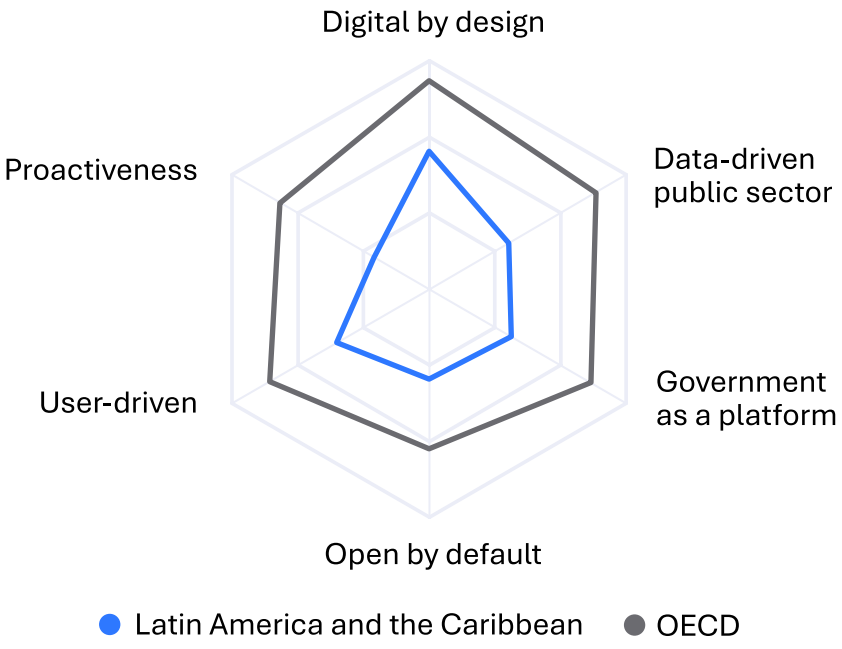
Related publication: Azevedo, V., Garbay Flores, S. A., Vera-Cossio, D. A., Vlaicu, R., and Zárate Moreno, A. M. 2025. Beyond cash: The digital payments revolution in Latin America and the Caribbean. https://doi.org/10.18235/0013688.

STATE EFFECTIVENESS ENABLES OPPORTUNITY, BUT THE REGION STILL TRAILS



Source: IDB's Institutional Capacity of the State Division elaboration, based on information from the World Bank's Worldwide Governance Indicators (2023).

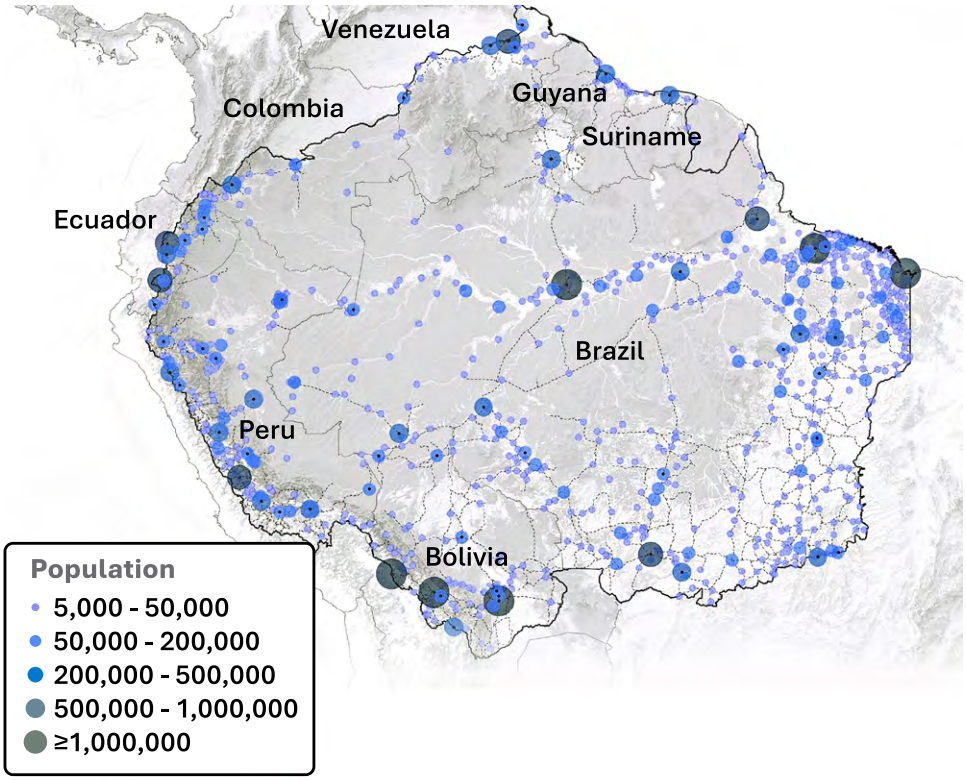
THE REGION'S DIGITAL GOVERNMENT ALSO LAGS



Source: IDB's Institutional Capacity of the State Division elaboration, based on OECD and IDB (2024).

Related publication: Organisation for Economic Co-operation and Development (OECD) and Inter-American Development Bank (IDB). 2024. 2023 OECD/IDB digital government index of Latin America and the Caribbean: Results and key findings. https://doi.org/10.18235/0013319.

AMAZONIA'S CITIES FOLLOW CONNECTIVITY: COASTS, RIVERS, AND ROAD CORRIDORS



Source: IDB's Housing and Urban Development Division elaboration, based on information from Libertun de Duren et al. (2025).

Related publication: Libertun de Duren, N. R., P. M. Martin, F. C. Rosa Balbino Ferreira, A. B. Conde Nina, A. C. Cardoso, A. Blanco Blanco, A. De Moraes, A. Sampaio, A. Vazquez Brust, C. González-Velosa, C. Giambruno, C. Braga, C. P. Ortega Ariza, D. Torres Pelaez, D. R. Cornejo Arias, D. Cotacachi, D. Llaguno, E. Neves, E. J. Vergara Bolbaran, E. C. Serrao Acioli, F. Veneri, F. G. Cafferata, F. J. Román-Dañobeytia, G. Funari, G. Kozlowski Maia, G. Carolini, G. Croci Downes, J. Cuervo, J. Chang, J. Ramos Piracoca, K. Julca, K. Agari, L. Goyeneche, L. E. Mora Mora, L. E. Quintero Escobar, M. Margolis, M. Palacio Giraldo, M. Ángel, M. Herndon, M. Juárez Olvera, M. de los A. Scetta, M. I. Gauto Espinola, M. Penumaka, N. Alvarado, N. Castro Vergara, P. D. Mahnic, R. Ortiz, R. Conceição da Silva, R. Fioravanti, R. Arana, R. A. Prato Ochoa, R. Muggah, R. Figueroa, R. Serrano, S. Bauhoff, S. Castro Vargas, S. Jiménez Riofrio, T. Jiménez, T. Cheston, V. García Sánchez, V. Tejerina Camacho, and Y. Lesenfants. 2025. Cities in Amazonia: People and nature in harmony. https://doi.org/10.18235/0013757.

RIGOROUS EVIDENCE IS THE FOUNDATION OF BETTER POLICIES – AND MORE OPPORTUNITY. LEARN ABOUT OUR RESEARCH IN 2025:

131 papers in peer-reviewed journals

53 monographs and books

101 working papers

121 technical notes

240 other publications

64 Open-source codes

15 datasets

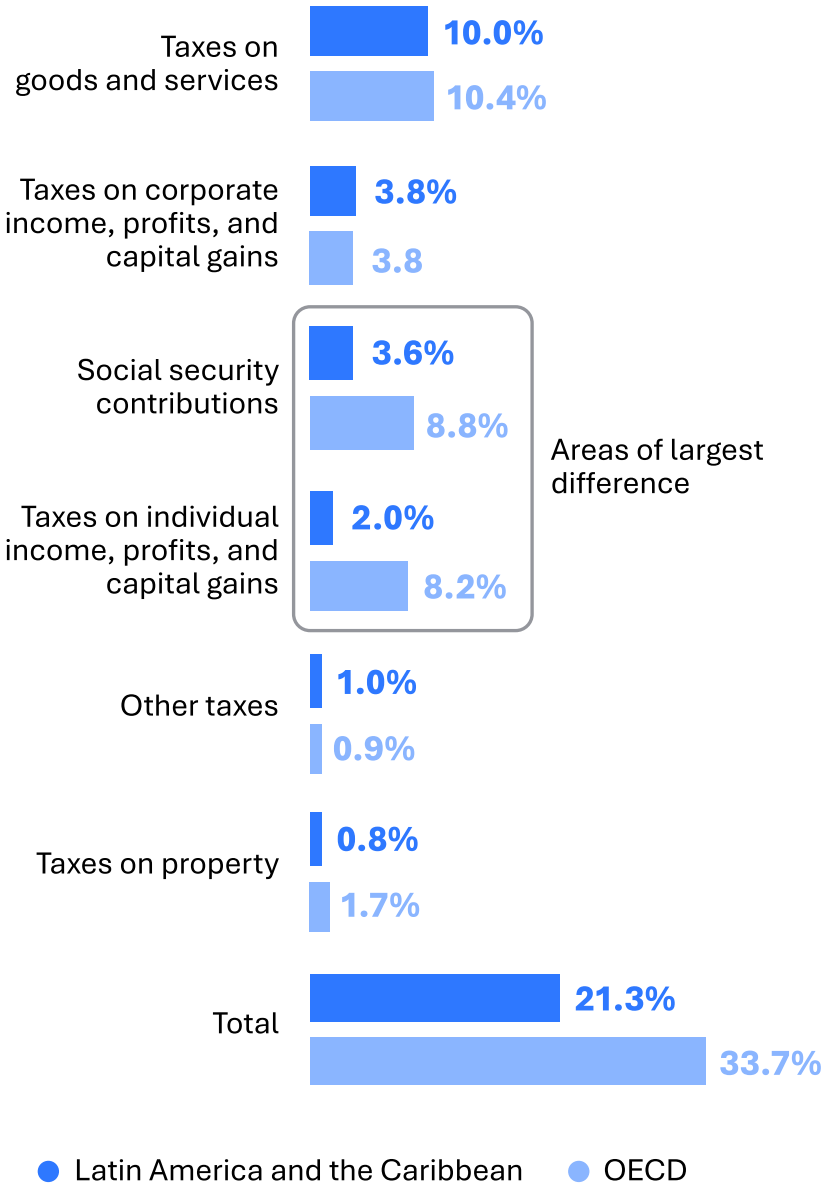
126 online courses

Source: IDB's Knowledge and Learning Division elaboration, based on information from the IDB Publication Catalog, the IDB Open Data Catalog, IDB Code for Development, MyLearning, and Scopus.

Note: These figures can be found in The IDB Group's Knowledge Annual Report 2025: Turning knowledge into impact: http://dx.doi.org/10.18235/0013948. This first IDB Group Knowledge Report presents the Bank's knowledge production over recent years and the strategic reforms enacted to strengthen its role as a "Knowledge Bank" for the region. It also underscores the growing effort to measure the influence of this knowledge, showcases how analytical work enhances operations, and demonstrates its tangible impact on improving lives across Latin America and the Caribbean.

Taxation and Social Protection

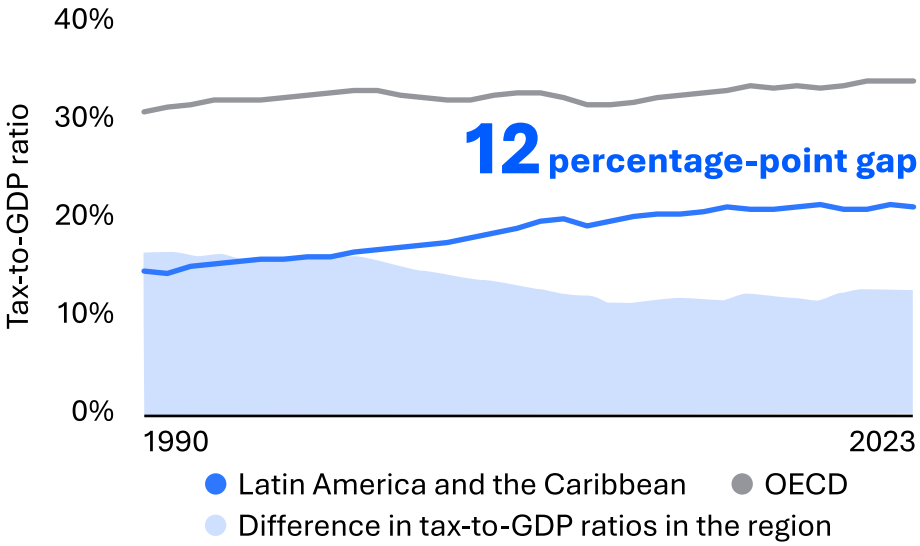
HOW LARGE ARE PUBLIC REVENUES AND WHERE DO THEY COME FROM?



Source: IDB's Fiscal Management Division elaboration, based on information from the OECD Global Revenue Statistics Database (Comparative tax revenues).

Note: The figure reports tax revenues as a percentage of GDP for Latin America and the Caribbean (LAC) and the OECD average by tax category. The category "Other taxes" includes taxes on payroll and workforce; taxes unallocable between taxes on income, profits, and capital gains of individuals and corporations; and other taxes. The LAC figure corresponds to the unweighted average for the 26 countries in Latin America and the Caribbean included in the OECD publication Revenue Statistics in Latin America and the Caribbean 2025. The OECD figure corresponds to the unweighted average of OECD member countries. Total tax revenue is the sum of all tax categories shown.

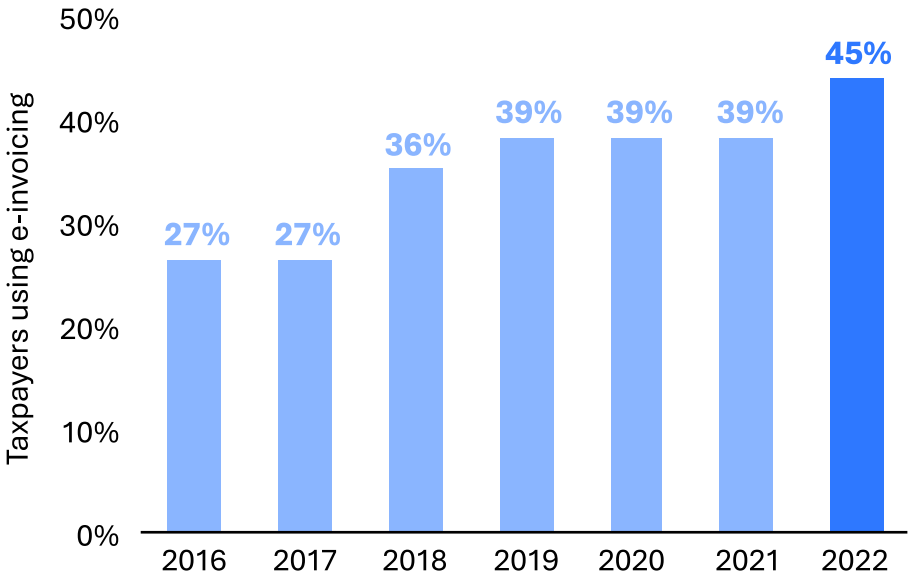
HIGHER REVENUES IN THE REGION, YET FAR FROM OECD LEVELS



Source: IDB's Fiscal Management Division elaboration, based on information from the OECD Global Revenue Statistics Database (Comparative Tax Revenues).

Note: The figure reports total tax revenues as a percentage of GDP for Latin America and the Caribbean (LAC) and the OECD average over the period 1990–2023. The LAC figure corresponds to the unweighted average for the 26 countries in Latin America and the Caribbean included in the OECD publication Revenue Statistics in Latin America and the Caribbean 2025. The OECD figure corresponds to the unweighted average of OECD member countries. The gap is calculated as the difference in tax-to-GDP ratios between the OECD average and LAC (OECD minus LAC).

E-INVOICING: GAINING TRACTION AS A TAX TOOL



Source: IDB's Fiscal Management Division elaboration, based on information from the International Survey on Revenue Administration (ISORA).

Note: Percentages correspond to the share of taxpayers using electronic invoicing out of the total number of registered taxpayers in participating tax administrations in Latin America and the Caribbean.

THERE IS HIGH DEMAND FOR REDISTRIBUTIVE POLICIES

77%
support redistribution

>65%
support progressive taxes

Source: IDB's Department of Research and Chief Economist elaboration, based on information from Busso et al. (2022).

Relted publication: Busso, M., A. M. Ibáñez, J. Messina, and J. Quigua. 2025. "Preferences for redistribution in Latin America." Oxford Open Economics 4 (Supplement_1): i534–i545. https://doi.org/10.1093/ooec/odae015.

BUT PEOPLE PREFER NOT TO PAY MORE TAXES, AND EXPECT FIRMS TO DO IT

~29%
support higher income taxes

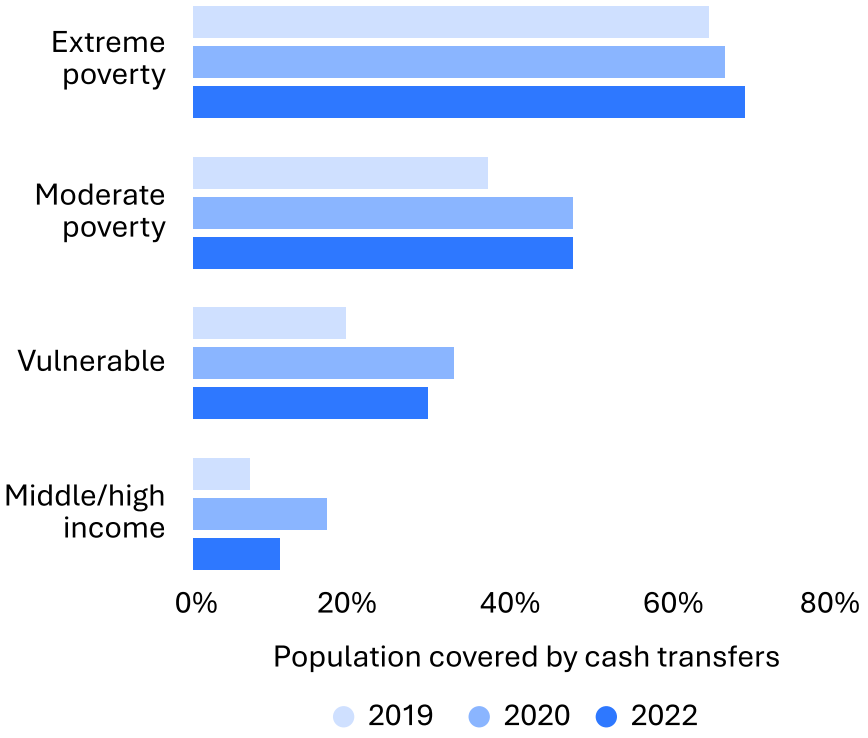
~64%
support higher corporate taxes

~23%
support an increase in value-added tax

Source: IDB's Department of Research and Chief Economist elaboration, based on information from Busso et al. (2022).

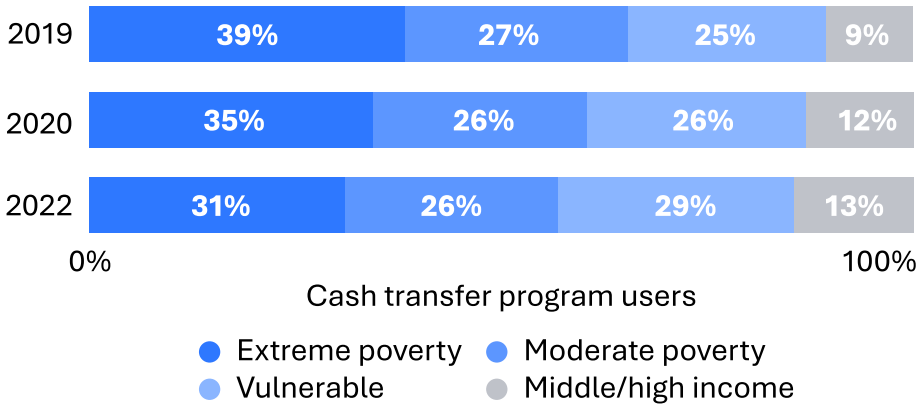
Relted publication: Busso, M., A. M. Ibáñez, J. Messina, and J. Quigua. 2025. "Preferences for redistribution in Latin America." Oxford Open Economics 4 (Supplement_1): i534–i545. https://doi.org/10.1093/ooec/odae015.

CASH TRANSFERS ARE PRO-POOR, WITH ROOM FOR IMPROVEMENT



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from Schwarz and Stampini (2025).

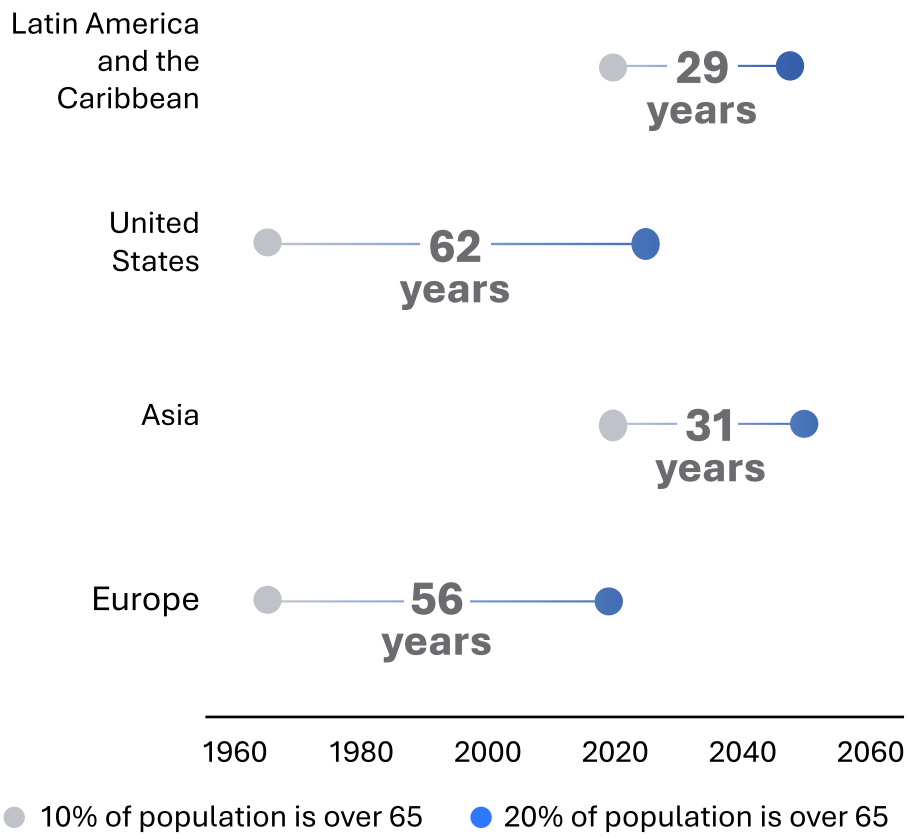
Related publication: Schwarz, N. V., and M. Stampini. 2025. Landscape of non-contributory cash transfers in Latin America and the Caribbean, before and after the COVID-19 pandemic. https://doi.org/10.18235/0013579.



Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from Schwarz and Stampini (2025).

Related publication: Schwarz, N. V., and M. Stampini. 2025. Landscape of non-contributory cash transfers in Latin America and the Caribbean, before and after the COVID-19 pandemic. https://doi.org/10.18235/0013579.

THE REGION IS AGING — AND IT'S HAPPENING FAST

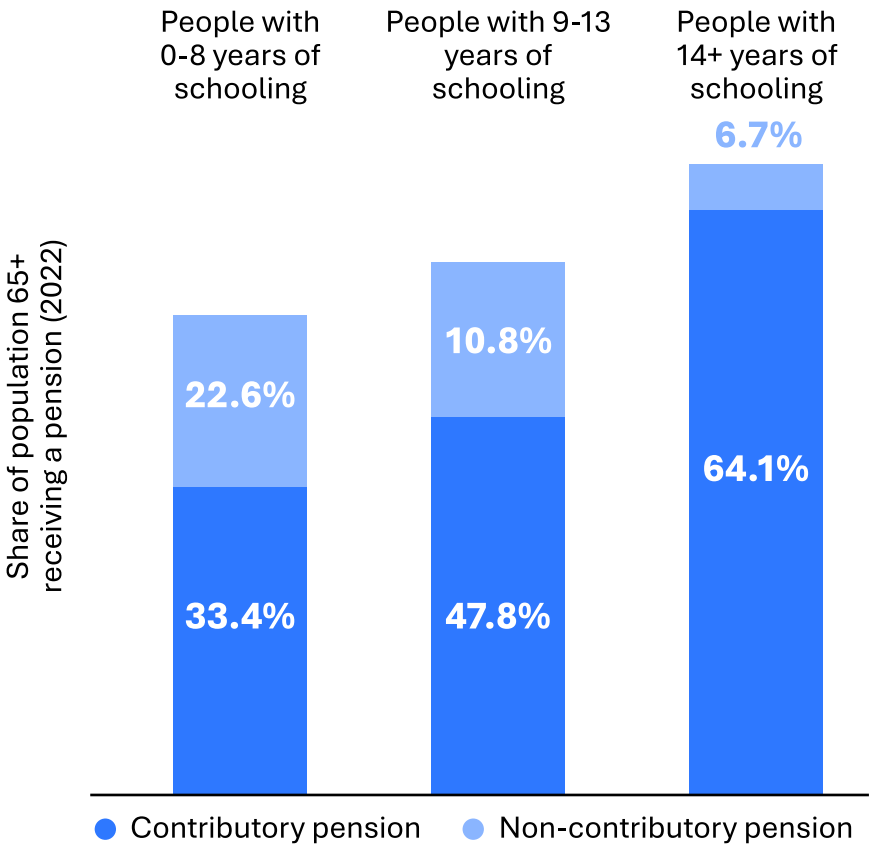


29 vs. 62 years

The region is aging **twice as fast** as the United States.

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the United Nations demographic projections (2024).

NON-CONTRIBUTORY PENSIONS: KEY FOR COVERING VULNERABLE GROUPS



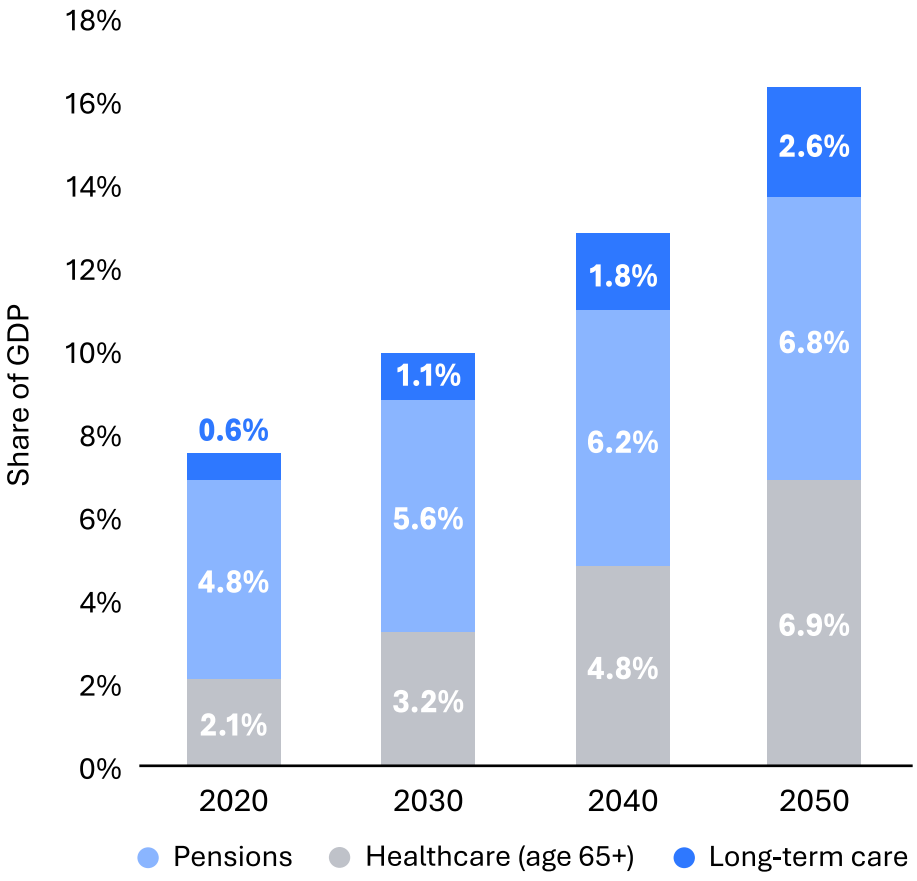
22.6%

People with low levels of education depend most on non-contributory pensions.

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS).

Note: Based on the simple average of 16 economies in Latin America and the Caribbean.

AS POPULATIONS AGE, PUBLIC COSTS ARE LIKELY TO RISE

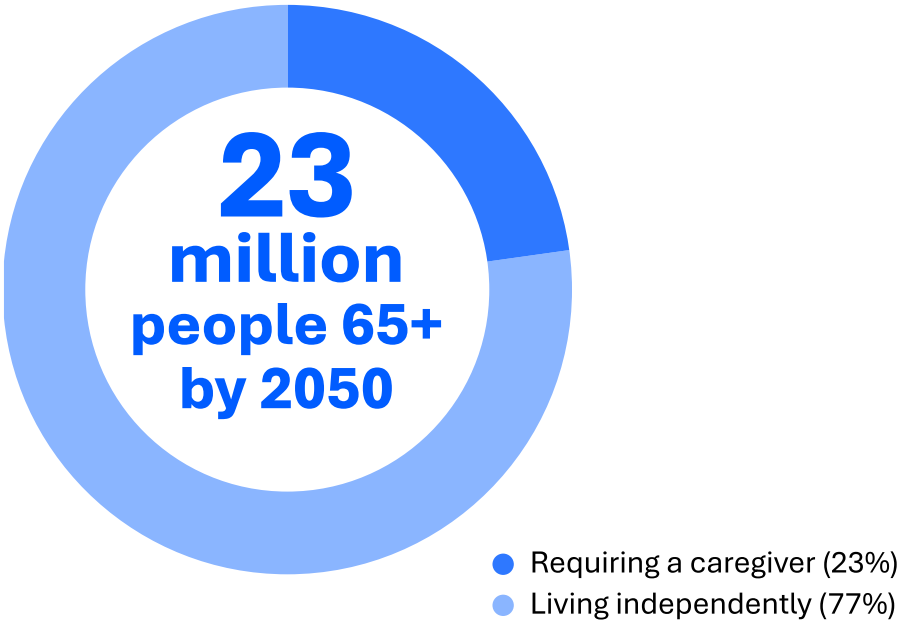


By 2050, **nearly $2 of every $10 of regional GDP** will be spent on pensions, healthcare, and long-term care.

Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from the Labor Markets and Social Security Information System (SIMS); the International Monetary Fund's World Economic Outlook Database; OECD Data, Pension and Health Spending; and Rao et al. (2022).

Note: "Health <65" refers to health expenditure on the population younger than 65; "Health 65+" refers to health expenditure on the population aged 65 or older. Due to data availability, the regional value shown in the figure is the unweighted average of Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, and Uruguay.

URGENT ACTION IS NEEDED TO STRENGTHEN CARE SYSTEMS



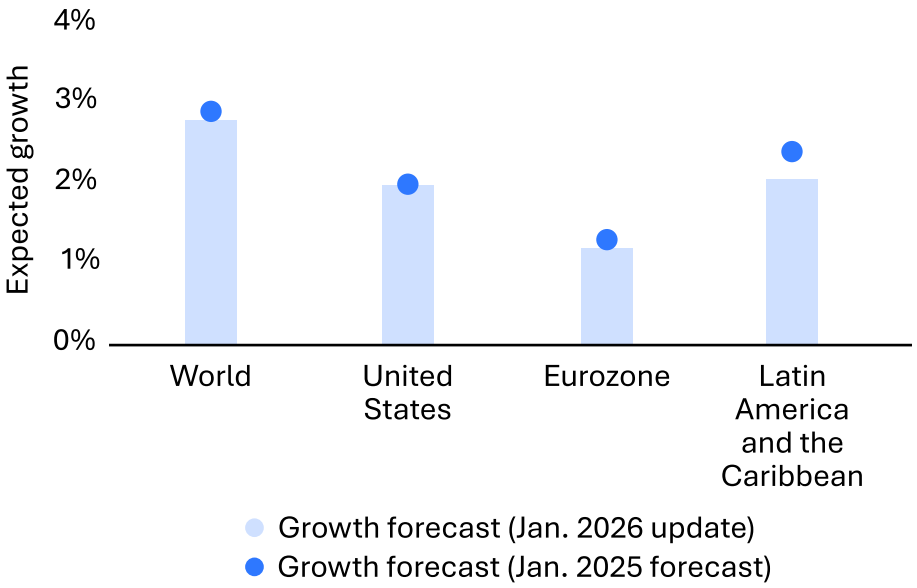
Source: IDB's Social Protection and Labor Markets Division elaboration, based on information from Stampini et al. (2025).

Related publication: Stampini, M., A. Llena-Nozal, C. Soto Iguarán, N. Aranco, F. Benedetti, B. Fabiani de Leva, M. García Díaz, K. Killmeier, C. Lupica, and J. Rauet Tejeda. 2025. Who cares? How to support and ensure recognition for caregivers for older people in Latin America and the Caribbean. IDB, OECD, and AFD. http://dx.doi.org/10.18235/0013724.

Economic Outlook

Related publication for all figures in this Economic Outlook section: Ayres, J., and L. Juvenal. 2026. 2026 Latin American and Caribbean macroeconomic report: Resilience and growth prospects in a shifting global economy. http://dx.doi.org/10.18235/0013959.

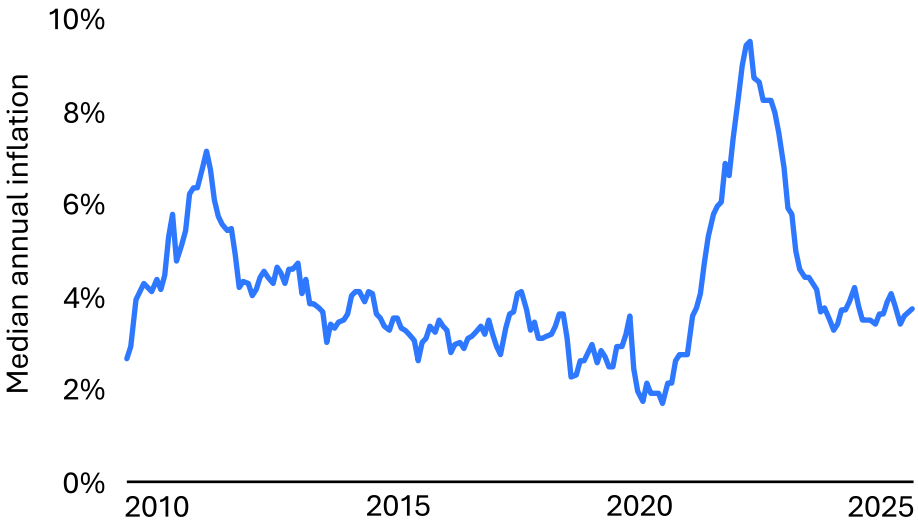
GROWTH IN 2026: HOLDING STEADY DESPITE GLOBAL UNCERTAINTY



Source: IDB's Department of Research and Chief Economist elaboration, based on information from FocusEconomics LatinFocus Consensus Forecasts.

Note: The graph reports growth forecasts for 2026, using the LatinFocus forecasts.

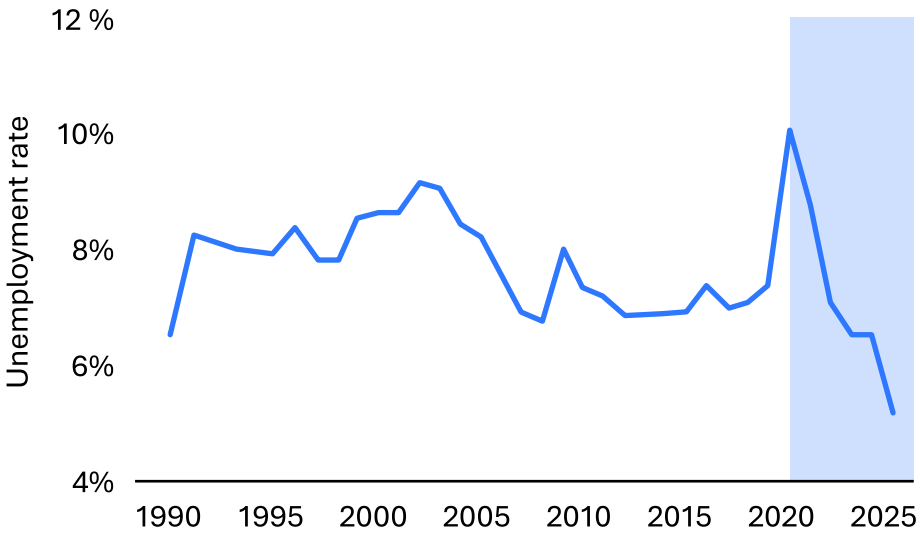
INFLATION IS CONTAINED IN MOST OF THE REGION



Source: IDB's Department of Research and Chief Economist elaboration, based on information from Haver Analytics.

Note: Twelve-month inflation was calculated using monthly data from January 2010 to September 2025.

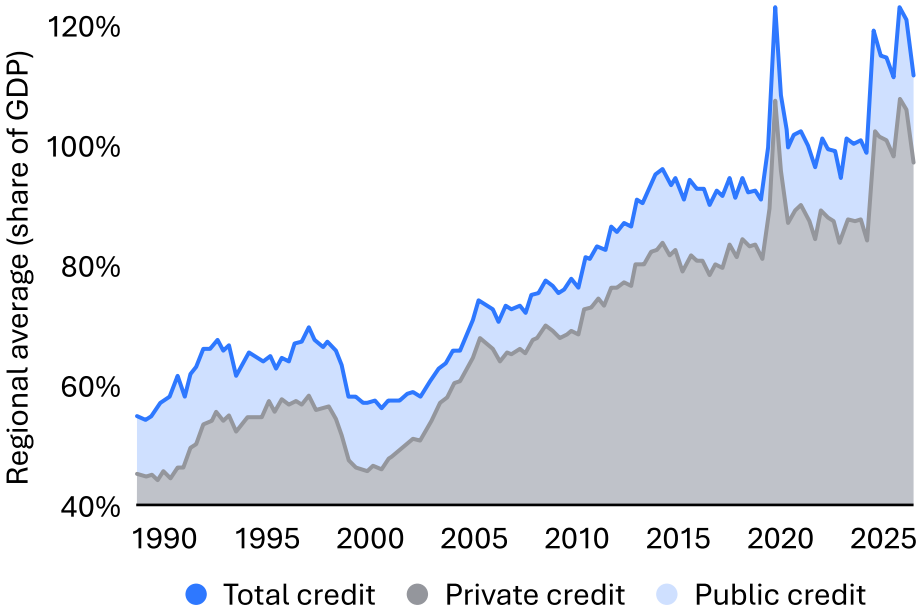
UNEMPLOYMENT IS AT A HISTORICAL LOW



Source: IDB's Department of Research and Chief Economist elaboration, based on information from Latin Macro Watch (LMW).

Note: Average unemployment rate in Latin America and the Caribbean (percent). The shaded area indicates the post-pandemic period.

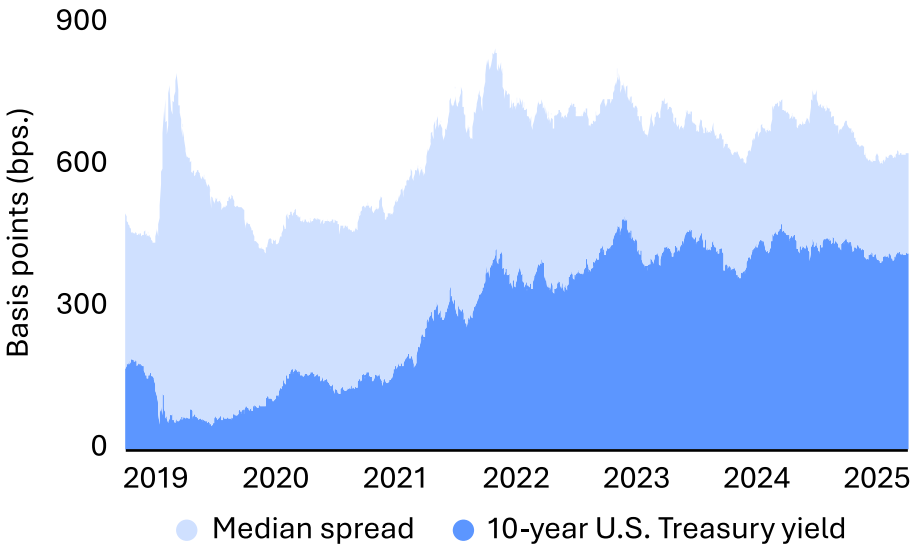
A PRIVATE-LED CREDIT BOOM



Source: IDB's Department of Research and Chief Economist elaboration, based on information from Latin Macro Watch (LMW).

Note: Regional averages of private and public credit as a share of GDP in Latin America and the Caribbean, based on quarterly data. Total credit equals the sum of private and public credit.

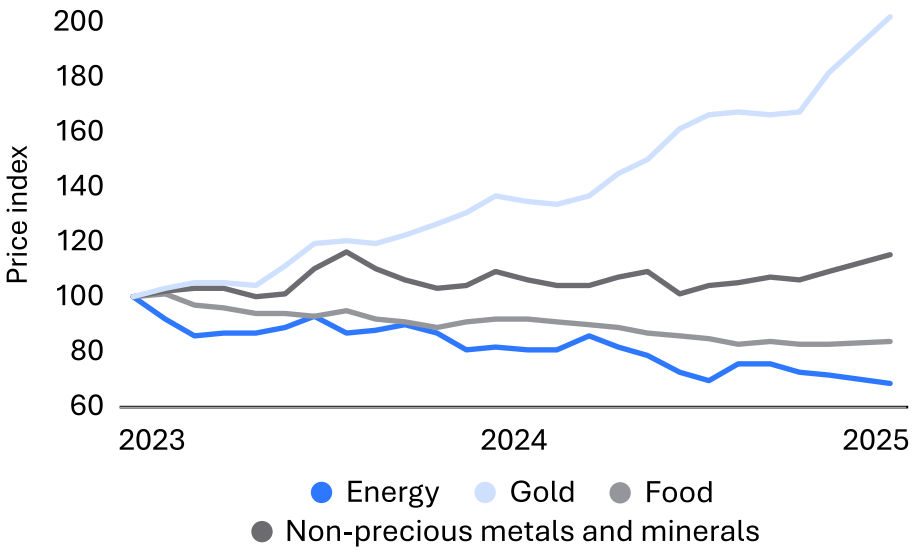
INVESTOR CONFIDENCE HOLDS, SOVEREIGN SPREADS STAY HISTORICALLY LOW



Source: IDB's Department of Research and Chief Economist elaboration, based on information from Bloomberg.

Note: Daily data from December 2019 to January 2026 from Bloomberg.

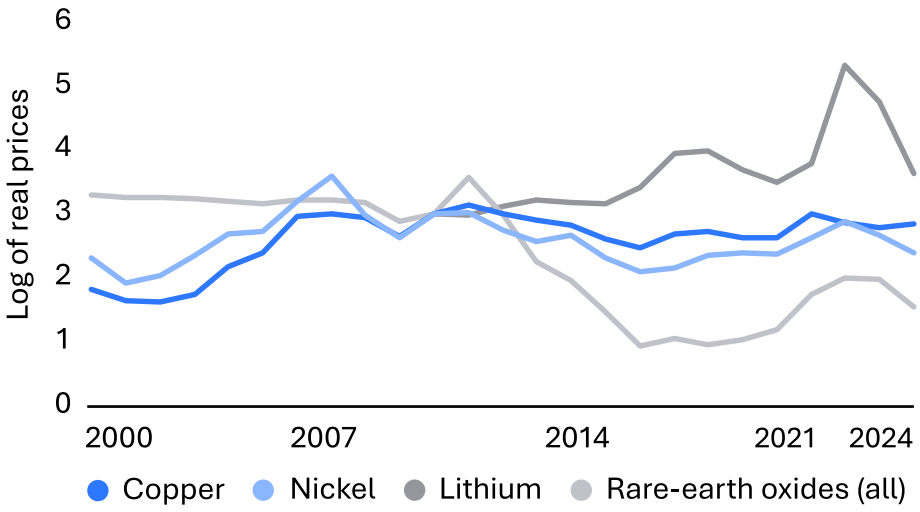
A TWO-SPEED COMMODITY CYCLE



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the Federal Reserve Economic Data (FRED) and the World Bank Commodity Price Data (The Pink Sheet).

Note: Nominal price series and nominal indices were deflated using the U.S. Consumer Price Index (CPI).

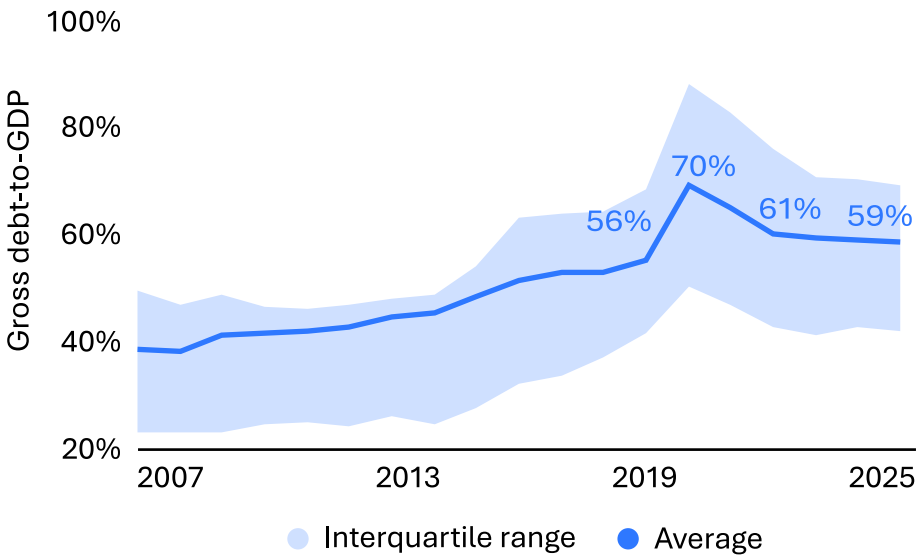
CRITICAL MINERALS: BIG OPPORTUNITY, BIG PRICE SWINGS



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the Federal Reserve Economic Data (FRED), the U.S. Geological Survey (USGS), and the World Bank Commodity Price Data.

Note: Nominal price series were deflated using the U.S. Consumer Price Index (CPI). Series are normalized such that the log of real prices equals 3 in 2010. Commodity price series are based on the World Bank Commodity Price Data (The Pink Sheet), except for lithium and rare-earth oxide, whose price series are from the USGS.

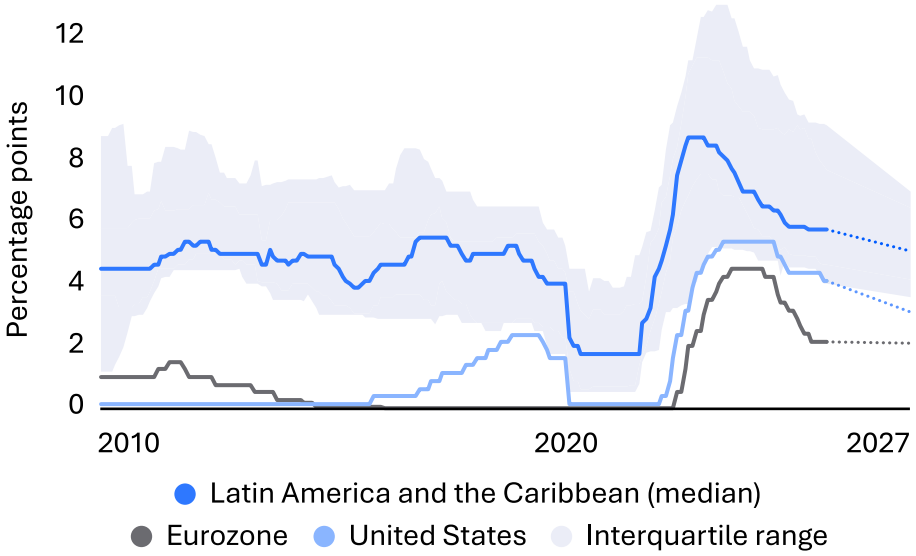
PUBLIC DEBT IS STABILIZING — AT ELEVATED LEVELS



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the International Monetary Fund (IMF).

Note: The shaded area represents the interquartile range (25th to 75th percentile) of the public debt distribution across countries in Latin America and the Caribbean. The figure does not include Argentina and Ecuador, for which data are not available; Argentina, however, has exhibited high levels of volatility during the last five years shown. Under the current fiscal consolidation process, debt declines to 85 percent of GDP in 2025 from 125 percent in 2023. Projections for 2025 are based on IMF data. The FISLAC risk threshold (54.8 percent of GDP) indicates the average level of debt at which the probability of falling into a fiscal crisis increases. The threshold is estimated following Valencia, Díaz, and Parra (2022) for 23 countries in Latin America and the Caribbean between 2000 and 2025p.

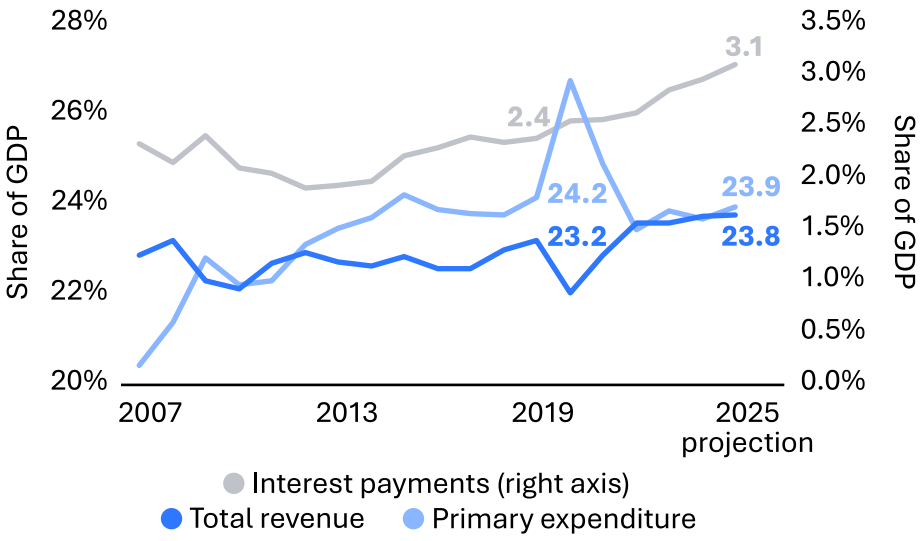
POLICY RATES ARE STILL ELEVATED, EXPECTED TO NORMALIZE ONLY BY 2027



Source: IDB's Department of Research and Chief Economist elaboration, based on information from central banks and Haver Analytics.

Note: Median policy rate, inflation rate, and expected inflation for Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Jamaica, Mexico, Paraguay, Peru, and Uruguay.

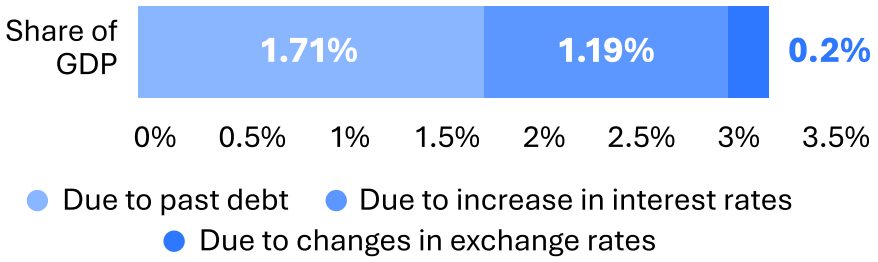
PRIMARY BALANCES HOLD, BUT INTEREST BILLS KEEP CLIMBING



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the International Monetary Fund (IMF). Interest rate payments correspond to total servicing costs on domestic and external public debt.

Note: Simple average. Projections for 2025 are based on IMF (2025b). The figure does not include Ecuador. 2025p = 2025 projections.

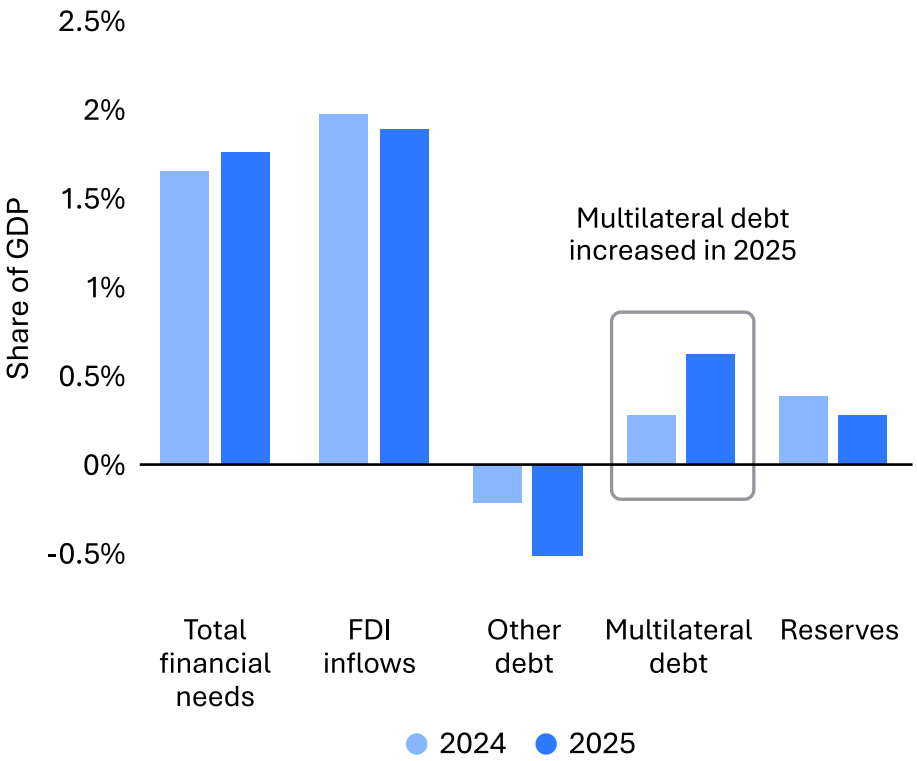
MOST OF TODAY'S INTEREST PAYMENTS REFLECT PAST DEBT, BUT RISING INTEREST IS THE MAIN NEW PRESSURE



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the International Monetary Fund (IMF).

Note: A standard debt dynamics approach is applied to separate the effect of increases in effective interest rates, holding constant the observed primary balance, GDP growth, and exchange rate valuation effects.

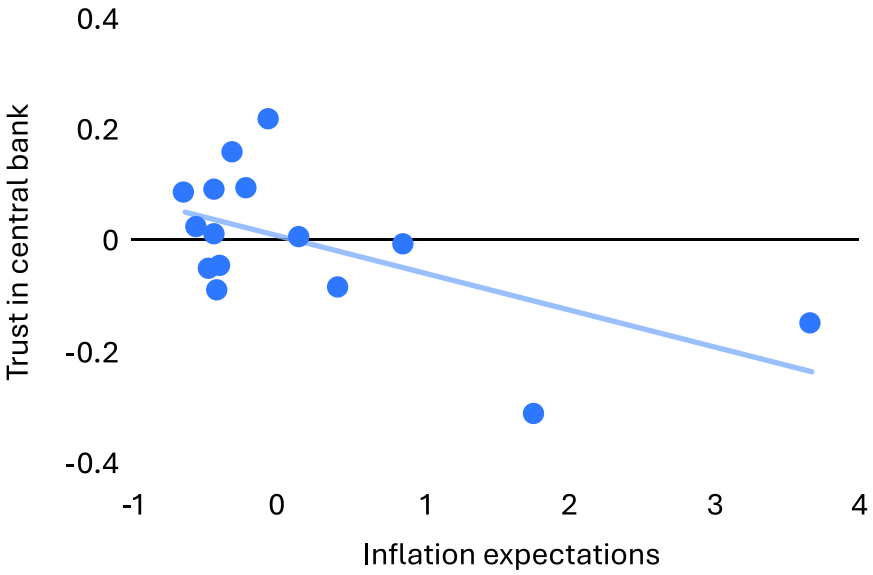
MULTILATERAL DEBT IS FILLING THE EXTERNAL FUNDING GAP



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the International Monetary Fund (IMF).

Note: Bars show total financing needs and selected sources of external financing in Latin America and the Caribbean as a share of GDP, including FDI inflows, other debt, multilateral borrowing, and reserve changes. Values are shown for 2024 and 2025.

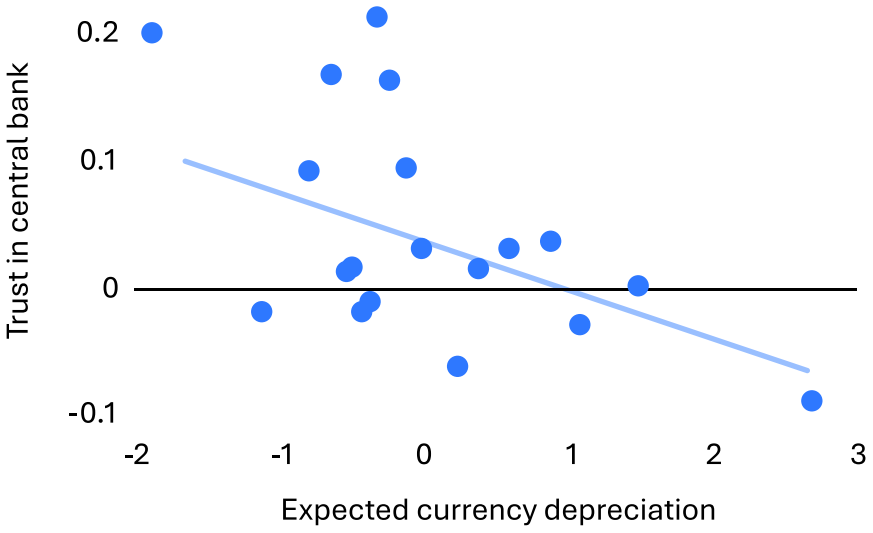
WHEN TRUST IN CENTRAL BANKS IS HIGHER, PEOPLE EXPECT LOWER INFLATION...



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the Survey of Consumers' Expectations.

Note: Trust in the central bank is measured by asking consumers how much they trust the ability of the central bank to control inflation. Consumers can answer whether they are very satisfied, satisfied, neither satisfied nor unsatisfied, unsatisfied, or very unsatisfied. Answers are ordered from 1 (very unsatisfied) to 5 (very satisfied). An average and standard deviation are obtained by country, and each response is normalized by subtracting the country average and dividing by its standard deviation. Inflation expectations are measured by asking consumers by what percentage they think prices in the economy will increase (inflation) or decrease (deflation) over the next 12 months. The highest and lowest 5 percent of responses for inflation expectations are excluded.

... AND HIGHER VALUE OF THEIR LOCAL CURRENCY



Source: IDB's Department of Research and Chief Economist elaboration, based on information from the Survey of Consumers' Expectations.

Note: Trust in the central bank is measured by asking consumers how much they trust the ability of the central bank to control inflation. Consumers can answer whether they are very satisfied, satisfied, neither satisfied nor unsatisfied, unsatisfied, or very unsatisfied. Answers are ordered from 1 (very unsatisfied) to 5 (very satisfied). An average and standard deviation are obtained by country, and each response is normalized by subtracting the country average and dividing by its standard deviation. Expected depreciation is measured by first asking consumers what they think the value of the U.S. dollar will be by the end of the month and then its expected value over the next 12 months. Percentage changes between one month and 12 months are calculated, and this measure is then normalized using the same method as for inflation expectations. The highest and lowest 5 percent of responses for expected depreciation are excluded.


IDB Group