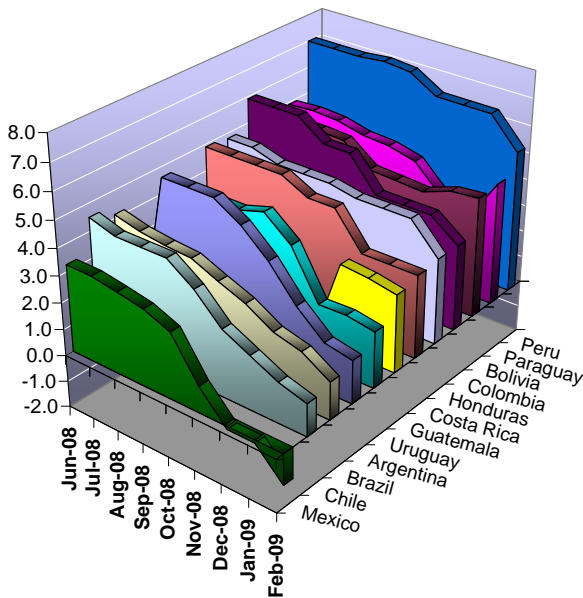




**Revelation of Expectations in Latin America**  
**RES-IDB**  
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**About REVELA:** The figures analyzed represent the results of surveys of private sector actors conducted by the central banks of each country according to their own specific methodologies. They do not represent official projections by the IDB or any other official body. The IDB Research Department collects the results of these surveys from participating central banks on a monthly basis (around the 20th of each month) to produce REVELA. This document analyzes differences across countries and trends over time. The data are available at [www.iadb.org/res](http://www.iadb.org/res)

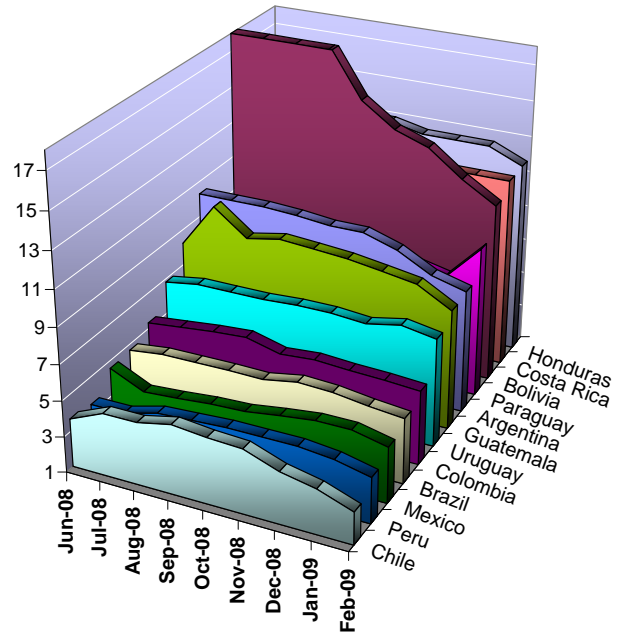
**Market Expectations-GDP Growth**  
**(%, end 2009)**



**Growth** expectations for 2009 in Latin America decreased with respect to last month's survey. The simple average expected growth rate for 2009 is now 2.66%, 0.31% lower than January's

forecast. With respect to 2010, growth is expected to slow to an average of 3.34% - 0.19% lower compared to last month's expectations<sup>1</sup>

**Market Expectations-Inflation**  
**(%, end 2009)**



On the other hand, **inflation** expectations for 2009 decreased. Now, the simple average of the expected inflation rate for 2009 is 7.25%, 0.31% lower than January's forecast. Moreover, the simple average of the expected inflation rate for 2010 is 5.63%, 0.34% lower than last month's expectations.<sup>2</sup> The graphs illustrate how 2009 growth and inflation expectations have changed across the surveyed countries from June 2008 to February 2009.

**Growth**

Growth expectations for 2009 have decreased in nine countries included in REVELA. The most significant decreases were in Honduras from 4.30% to 3.20% and in Peru by 1.10% to the

<sup>1</sup> The average takes into account the same sample of countries included last month.

<sup>2</sup> The average does not include Argentina, Costa Rica, Paraguay and Honduras because the three first of these countries have not reported inflation forecast for 2010 and Honduras did not report forecast last month.

actual level of 5.30%. Also, the expectations fell in Colombia from 3.97% to 3.20%, in Brazil by 0.64% to the actual level of 1.39%, in Chile from 1.50% to 1.20%, in Guatemala from 3.10% to 2.90%, in Argentina by 0.20% to the actual level of 1.60% and in Uruguay by 0.18% to the actual level of 2.08%. On the other hand, growth expectations rose in Paraguay by 1.68% to the actual level of 4.57% and in Bolivia from 4.39% to 4.49%.<sup>3</sup>

For 2010, the simple average of expected growth rates fell from 3.54% to 3.34%. Compared to last month's survey, growth expectations for 2010 fell in Mexico by 0.32% to the actual level of 2.08%, in Uruguay from 1.86% to 1.72%, and in Brazil by 0.11% to the actual level of 3.71%. Growth expectations only rose in Chile from 3.3% to 3.5%. Finally, the expected growth rates reported by Colombia, Guatemala and Honduras were 3.8%, 3.3% and 3.6%, respectively.

### Inflation

Inflation expectations for 2009 fell in almost all countries included in REVELA. Inflation expectations for 2009 fell in Bolivia from 12.17% to 11.06%, in Guatemala from 8.77% to 7.72%, in Honduras from 12.60% to 11.80%, in Chile from 3.50% to 2.80%, in Argentina by 0.50% to the actual level of 7.90%, in Peru from 4.00% to 3.55%, in Mexico by 0.44% to the actual level of 4.12%, in Uruguay from 7.39% to 7.07%, in Brazil by 0.19% to the actual level of 4.65% and in Colombia from 5.28% to 5.15%. Compared to last month's survey, growth expectations for 2009 rose in Paraguay by 1.98% to the actual level of 9.45%.

On the other hand, inflation expectations for 2010 decreased in Guatemala from 8.42% to 7.28%, in Peru by 0.50% to the actual level of 3.0%, in Bolivia from 12.66% to 12.36%, in Colombia by 0.27% to the actual level of 4.38%, in Uruguay

from 6.97% to 6.72% and in Mexico by 0.22% to the actual level of 3.74%. Inflation expectations for 2010 remained stable in Brazil at 4.52% and in Chile at 3.0%.

The following table summarizes the results of growth and inflation expectations for 2010 for the December, January and February surveys.

	Inflation Expectations for 2010			Growth Expectations for 2010		
	Dec-08	Jan-09	Feb-09	Dec-08	Jan-09	Feb-09
Argentina	.	.	.	.	.	.
Bolivia	.	12.66	12.36	.	.	.
Brazil	4.54	4.52	4.52	3.82	3.82	3.71
Chile	3.00	3.00	3.00	3.60	3.30	3.50
Colombia	.	4.65	4.38	.	.	3.80
Costa Rica	.	.	.	.	.	.
Guatemala	7.61	8.42	7.28	.	.	3.30
Honduras	.	.	11.80	.	.	3.60
Mexico	3.96	3.96	3.74	2.40	2.40	2.08
Paraguay	.	.	.	.	.	.
Peru	3.50	3.50	3.00	6.30	6.30	5.70
Uruguay	.	6.97	6.72	1.98	1.86	1.72
Average	4.52	5.96	5.63	3.62	3.54	3.34

The table below summarizes the changes in expectations from January to February 2009 for 2009 growth and inflation. As can be seen, the changes in expected inflation and growth are mostly downwards.

Average changes 2009		
	Inflation	Growth
Argentina	▼	▼
Bolivia	▼	▲
Brazil	▼	▼
Chile	▼	▼
Colombia	▼	▼
Costa Rica	—	—
Guatemala	▼	▼
Honduras	▼	▼
Mexico	▼	▼
Paraguay	▲	▲
Peru	▼	▼
Uruguay	▼	▼

Source: Latin American Market expectations surveys

<sup>3</sup> Costa Rica did not show any changes in its growth expectations because this country has quarterly surveys. Last report for Costa Rica was published in December.