

Latin American Economies Expected to Bounce Back in 2017



Santiago de Chile, January 2 (RHC)-- After recent declines amid a "complex international scenario," economic growth in Latin America and the Caribbean is expected to bounce back in 2017, according to a new report by the Economic Commission for Latin America and the Caribbean.

The region's overall economy is expected to grow by 1.3 percent in 2017 after two consecutive years of economic decline. The annual report said that South America is expected to increase its GDP by 0.9 percent in the New Year, where increasing commodity prices would help boost its trade.

GDP in the Caribbean is forecast to grow by 1.3 percent off the back of the tourism industry and Central America is expected to expand by 3.7 percent. While the economic outlook appears positive, the report warned that "the uncertainties of the international context will have differentiated effects" throughout the region.

The report from the U.N. regional commission also noted that monetary policy in Europe and Japan and normalizing interest rates in the U.S. could also have significant effects on Latin American economies.

"We are at a turning point. Latin America and the Caribbean will resume growth but moderately and without clear engines driving it. Its recovery will be fragile as long as the uncertainties of the economic context continue," said Alicia Barcena, executive secretary of ECLAC, at a press conference in Santiago

de Chile.

Across the region in 2016, the quantity and quality of jobs in the labor market took a dive, particularly in South America, while the unemployment rate also rose from 8.2 percent in 2015 to 10.5 percent in 2016 in South America.

The report recommended that as well as improving economic cooperation, the wider region should focus on cutting down tax evasion and avoidance, something Ecuador has already been working on, which was estimated to the 6.7 percent of the region's GDP. ECLAC also recommended promoting investment and social spending and “safeguarding social spending.

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