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ANALYSIS

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In No Good Hands: The Venezuela Crisis and Consequences for South America

Introduction

Venezuelan President Nicolas Maduro has solidified his grip on power following recent presidential elections, his victory all but ruling out prospects for a much-needed course correction in economic policy. This paper assesses the economic consequences for Venezuela and the rest of South America if Maduro serves out his new presidential term, and if he is cast from office. Should Maduro remain in power, Venezuela's economic crisis would deepen, with small but significant consequences for economic growth and fiscal stability in the rest of South America.

In No Good Hands: The Venezuela Crisis and Consequences for South America

JUAN PABLO FUENTES, JESSE ROGERS AND MARISA DI NATALE

Venezuelan President Nicolas Maduro has solidified his grip on power following recent presidential elections, his victory all but ruling out prospects for a much-needed course correction in economic policy. This paper assesses the economic consequences for Venezuela and the rest of South America if Maduro serves out his new presidential term, and if he is cast from office. Should Maduro remain in power, Venezuela's economic crisis would deepen, with small but significant consequences for economic growth and fiscal stability in the rest of South America.

Like most Latin American countries, Venezuela trades little with its immediate neighbors and much with the rest of the world. Therefore, its precipitous decline has done little to slow Andean neighbors Colombia, Peru and Chile. Even less harm has come to Argentina and Brazil, where trade and investment flows with Venezuela are an even smaller share of total foreign investment and trade. However, further deterioration of Venezuela's economy would impair growth in Colombia and the rest of South America, while the exodus of Venezuelans would strain public finances as countries struggle to absorb refugees.

Venezuela in crisis

As late as the mid-1990s, Venezuela's stable democracy and relatively high standard of living were the envy of Latin America. However, popular discontent over the uneven record of neoliberal reforms and outrage over mounting public sector corruption precipitated the collapse of the country's two-party system. The election of Hugo Chavez Frias as president in 1999 marked the start of nearly two decades of single-party rule, with Chavez's successor, Nicolas Maduro, consolidating the grip of Chavez's Socialist Party over the Venezuelan state.

Backed by rising oil prices and the world's largest proven crude oil reserves, Chavez ramped up expenditures on social programs and infrastructure while extending state control over the economy. On Chavez's watch, private investment withered, leaving the Venezuelan economy reliant on imports to meet basic food, clothing and medicine needs. Rampant state spending and the swell in external debt heightened the country's vulnerability to a decline in oil prices and sowed the seeds of the current crisis.

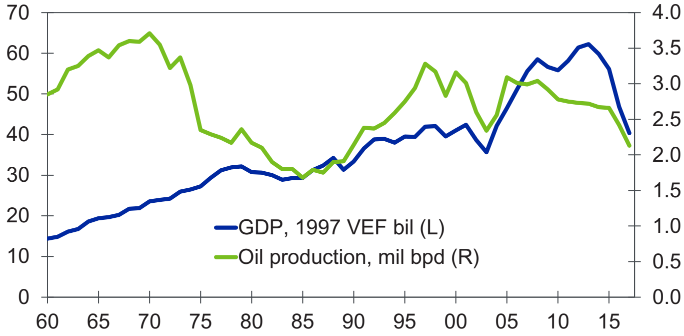
Since the oil price crash of late 2014, Venezuela's economy has contracted by more than one-third, precipitating the largest exodus of residents in South America's modern history. Those who remain face dire circumstances: According to the World Bank, close to one-fifth of the population is malnourished. Infant mortality has increased and public security has deteriorated. Although oil prices have recovered, disinvestment has eroded the production capacity of the oil industry, and the gradual recovery in crude oil prices has been insufficient to offset the decades-long decline in production. With government expenditures outpacing revenues, hyperinflation has taken hold.

Fiscal strain compounds the economic crisis. Faced with a sharp decline in oil revenues, the Venezuelan government has defaulted on its obligations to creditors. In November, Venezuela missed payments on both sovereign debt securities and bonds issued by state oil company Petroleros de Venezuela, or PDVSA. Financial sanctions imposed by the Trump administration prohibit U.S. residents from buying Venezuelan securities, all but ruling out a restructuring as long as Maduro remains in power.

Despite the dismal economic record of the Maduro regime and rumblings of discontent among the military forces that make up a large share of his power base, the Venezuelan leader has consolidated his reign, suspending the opposition-controlled national legislature and jailing dissidents. Still, Maduro's chances for survival hinge on his ability to stem, if not reverse, the country's economic decline. Hyperinflation and the ongoing economic depression sparked nationwide protests last year, and shortages of food and medicine threaten to rekindle social tensions. Should Maduro fail to stabilize the economy, his grip on power could slip.

Chart 1: Production Declines Amplify Crisis

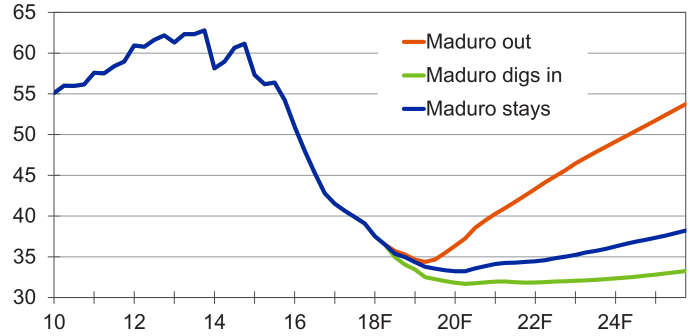
Venezuela



Sources: World Bank, EIA, Central Bank of Venezuela, Moody's Analytics

Chart 2: A New Maduro Term Is Bad News

GDP, 1997 VEF bil



Sources: Central Bank of Venezuela, Moody's Analytics

In no good hands

The arrest of opposition leaders, repression of political dissidents, and ban on opposition candidates has entrenched Maduro's rule and left opponents to the regime with few options to challenge it. Presidential elections in May, from which almost all opposition candidates were barred, delivered another six-year term to Maduro and his Socialist Party. Amid repression, leaders of the diverse factions that form Venezuela's democratic opposition have been unable to agree on a way forward. Intimidation by the state security forces aims to keep it that way.

In this paper, we consider three potential outcomes for Venezuela's economy, with the most likely being that Maduro remains in power and that Venezuela's recession persists. The pace of economic growth in each scenario is grounded by assumptions over the likely path of oil production should Maduro remain in office or be forced to leave. While economic growth in Venezuela is more closely correlated with the price of oil in the short run, long-run changes in economic growth have been historically preceded by significant changes in crude oil output (see Chart 1).

To assess economic impacts of these scenarios for the rest of South America, we run assumptions on trade, investment, and overall economic growth through the Moody's Analytics Global Model. The model has been used to evaluate a wide range of international trade and investment policies as well as the economic consequences of international financial crises. Although Venezuela's trade and investment links with its neighbors have withered under the past two decades of single-party rule, these links persist and explain the progression of economic shocks in each scenario.

Scenario 1: Maduro stays (50%)

While backed more by military force than political fervor, Maduro's sway over Venezuela's economy will be hard to shake. In this baseline scenario, Maduro serves out his full six-year term by adopting limited economic reforms that gradually tame hyperinflation and stem the two-decade slide in Venezuelan oil production. While Venezuela's recession persists, the economy contracts at progressively slower rates before bottoming in the second half of 2020 and commencing a measured recovery (see Chart 2 and Table 1).

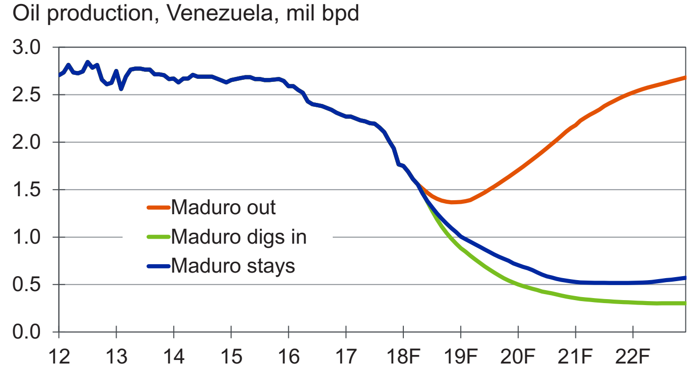
Gasoline subsidies are gradually scaled back in a bid to improve the balance sheet of PDVSA and to keep oil flowing to Chinese and Russian creditors. However, U.S. financial sanctions remain in place, and the regime is unable to tap capital markets to attract sufficient investment to reverse the decline in oil production. Oil production bottoms at 500,000 barrels per day, one-fifth of its average prior to the oil price crash (see Chart 3).

In a bid to curb hyperinflation, the regime unifies Venezuela's current system of multiple exchange rates and introduces a new currency anchored to the dollar. The new monetary regime gradually reduces the inflation rate and stabilizes the decline in real incomes. However, persistent government deficits force the government to restrict access to hard currency, limiting the rebound in trade and investment flows with the rest of the world. Imports rebound only meekly amid the shortage of hard currency, curbing growth in private consumption and limiting the scope of the economic recovery. At the end of Maduro's six-year term, the Venezuelan economy is barely any larger.

In this baseline scenario, there is little negative spillover to Venezuela's Andean neighbors. There also is no meaningful impairment to the economies of Brazil, Argentina and Uruguay. This is because the bulk of the decline in regional trade and investment has already taken place. Although Venezuela's economy continues to deteriorate in

Chart 3: Oil Rebound Would Take Time

Oil production, Venezuela, mil bpd



Sources: EIA, Moody's Analytics

Table 1: Maduro Stays

	2018	2019	2020	2021	2022	2023	Avg annual growth, % 2018-2023
Real GDP							
Venezuela (1997 VEF bil)	36.1	33.8	33.5	34.3	34.7	35.6	-0.3
% change	-10.4	-6.5	-0.8	2.3	1.4	2.6	
Colombia (2005 COP bil)	566,460.2	585,574.6	608,446.8	633,153.4	658,980.8	685,208.9	3.9
% change	2.7	3.4	3.9	4.1	4.1	4.0	
Chile (2013 CLP bil)	151,101.8	154,904.8	159,989.2	165,243.6	170,714.2	176,295.0	3.1
% change	2.4	2.5	3.3	3.3	3.3	3.3	
Peru (2007 PEN bil)	529.9	546.8	563.5	582.7	601.7	621.9	3.3
% change	2.9	3.2	3.1	3.4	3.3	3.4	
Brazil (1995 BRL bil)	1,212.2	1,236.7	1,272.8	1,313.3	1,357.1	1,399.9	2.9
% change	2.4	2.0	2.9	3.2	3.3	3.2	
Argentina (2004 ARS bil)	750.2	772.7	798.9	827.3	857.1	888.4	3.4
% change	3.0	3.0	3.4	3.6	3.6	3.7	
Uruguay (2005 UYU bil)	729.0	750.8	770.7	792.5	815.1	837.8	2.8
% change	4.2	3.0	2.7	2.8	2.8	2.8	
Consumer price index							
Venezuela (2007=100)	135,983.8	496,680.4	958,694.8	1,384,174.4	1,655,203.0	1,864,838.7	68.8
% change	619.3	265.2	93.0	44.4	19.6	12.7	
Colombia (Dec 2008=100)	142.0	147.1	152.1	157.0	162.0	167.0	3.3
% change	3.3	3.6	3.4	3.2	3.2	3.1	
Chile (2013=100)	118.7	122.0	125.2	128.5	132.0	135.7	2.7
% change	2.7	2.8	2.6	2.7	2.7	2.8	
Peru (2009=100)	128.8	131.4	133.9	136.4	139.1	141.8	1.9
% change	1.1	2.1	1.9	1.9	1.9	2.0	
Brazil (Dec 1993=100)	5,021.3	5,305.8	5,638.2	5,985.4	6,336.2	6,691.8	5.9
% change	3.6	5.7	6.3	6.2	5.9	5.6	
Argentina (2015=100)	213.3	247.7	278.5	304.3	326.5	346.9	10.2
% change	23.5	16.1	12.4	9.3	7.3	6.2	
Uruguay (Dec 2010=100)	182.3	193.9	205.2	215.9	226.5	237.4	5.4
% change	7.2	6.4	5.8	5.2	4.9	4.8	
Unemployment rate (%)							
Venezuela	19.1	18.4	15.1	11.4	9.6	9.2	
Colombia	9.3	9.0	8.7	8.4	8.1	7.8	
Chile	7.0	7.2	7.2	7.2	7.0	6.9	
Peru	6.0	5.4	5.1	5.0	4.9	4.9	
Brazil	12.3	11.8	11.3	10.8	10.2	9.8	
Argentina	7.1	6.8	6.5	6.4	6.3	6.3	
Uruguay	7.7	7.3	7.1	7.0	7.0	7.0	
Government budget balance, % of GDP							
Venezuela	-9.1	-9.2	-8.2	-6.5	-5.7	-4.9	
Colombia	-2.7	-2.6	-2.8	-2.9	-2.9	-3.0	
Chile	-4.4	-3.4	-2.2	-1.2	-0.8	-0.7	
Peru	-1.9	-1.3	-0.8	-0.3	0.0	0.2	
Brazil	-6.4	-4.4	-3.0	-2.2	-1.9	-2.0	
Argentina	-5.6	-5.4	-4.9	-4.4	-3.9	-3.3	
Uruguay	0.0	-0.7	-1.2	-1.6	-1.9	-2.2	

Source: Moody's Analytics

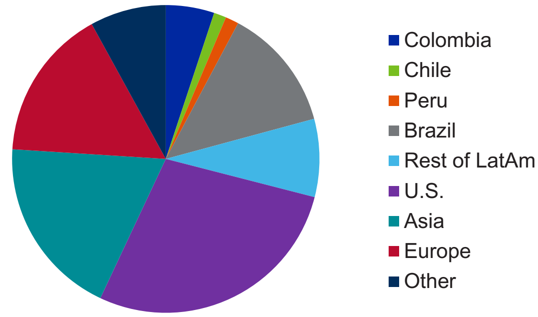
Chart 4: Andean Economies Hurt Most

Real GDP growth 2019-2020, ppt below baseline, Maduro digs in

Source: Moody's Analytics

Chart 5: Little Trade With LatAm Neighbors

% of Venezuelan imports, 2014, from…



Sources: U.N. Comtrade, Moody's Analytics

the first two years of the baseline scenario, it does so at progressively slower rates. Despite the subsequent recovery, there is little upside for the rest of South America, with the increase in Venezuelan imports insufficient to deliver a meaningful boost to trade.

As the Venezuelan economy stabilizes, the flight of Venezuelans abates, lessening pressure on South American governments to offer financial support to refugees. The Catholic Church and other nongovernmental organizations will remain the primary providers of humanitarian aid for new arrivals, limiting the cost to governments of absorbing new migrants.

Scenario 2: Maduro digs in (20%)

In this scenario, Maduro also serves out the remainder of his six-year term. However, in order to maintain strict control over imports and domestic prices, he does not implement currency reforms or reduce gasoline subsidies that have sapped investment at PDVSA. Without additional cost savings from the subsidy cut, investment in the oil industry declines at an even faster rate, and oil production bottoms at less than 300,000 barrels per day. Hyperinflation persists, causing the economy to contract sharply before bottoming out at the end of 2020 (see Table 2). The Venezuelan economy does not recover, and worsening economic conditions spur an even larger exodus of Venezuelan residents. U.S. financial sanctions remain in place and Venezuela is unable to access international capital markets, aggravating the decline in investment and further limiting imports of basic foodstuffs and medicine.

The steep contraction in economic output and oil production reduces growth in the rest of South America, but negative spillovers are most evident in Colombia, where economic growth is 0.2 percentage point lower on an annual basis through 2020 (see Chart 4). This drag is not large in absolute terms, but it is nonetheless significant for Colombia's economy, which has struggled to grow at rates above 2% for the past two years amid low oil prices and rising inflation.

While political tensions between the Colombian and Venezuelan governments and competition from China have reduced bilateral trade and investment, these links are still present: Colombia remains an important source of foodstuffs and medicine for Venezuela, while a small share of Venezuelan hydrocarbon exports make their way to Colombian refineries and cracker plants (see Chart 5).

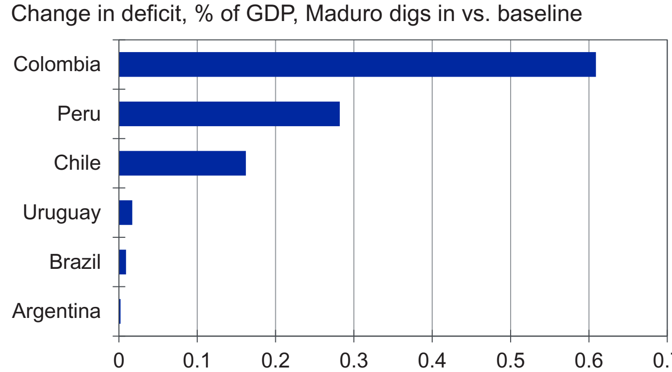
The collapse in Venezuelan trade deals a smaller setback to growth in Peru and Chile. The two Andean countries make up a sliver of Venezuelan imports, and Venezuelan purchases are broad-based across industries, limiting the exposure of any one sector to Venezuelan domestic demand. Venezuela imports more from Brazil and Argentina, but the two countries' shipments to Venezuela make up only a small share of their total exports, limiting negative spillovers from the decline in two-way trade and investment.

The prolonged economic contraction hastens the exodus of Venezuelan residents to Andean nations and to the rest of South America. So far, state governments in Colombia, Chile and Peru have offered little financial support to Venezuelan refugees, leaving humanitarian aid largely the remit of the Catholic Church and other nongovernmental organizations. However, in this scenario we assume that increased arrivals of Venezuelan refugees would force states to provide food, healthcare and basic public services to the influx of new arrivals.

The swell of Venezuelan migrants would put the largest strain on state finances in Colombia, causing the fiscal deficit to widen by 0.6 percentage point per year over the next five years and increasing the overall debt-to-GDP ratio by a cumulative 2.2 percentage points (see Chart 6). This result is consistent

Chart 6: Exodus Strains Public Finances

Change in deficit, % of GDP, Maduro digs in vs. baseline



Sources: Central banks, Moody's Analytics

Table 2: Maduro Digs In

	2018	2019	2020	2021	2022	2023	Avg annual growth, % 2018-2023
Real GDP							
Venezuela (1997 VEF bil)	35.8	32.6	31.8	31.9	31.9	32.2	-2.1
% change	-11.2	-8.9	-2.4	0.4	0.1	0.7	
Colombia (2005 COP bil)	566,471.0	584,168.7	605,922.2	629,984.6	655,442.4	681,577.4	3.8
% change	2.7	3.1	3.7	4.0	4.0	4.0	
Chile (2013 CLP bil)	151,048.5	154,687.6	159,723.2	164,931.1	170,343.5	175,855.0	3.1
% change	2.4	2.4	3.3	3.3	3.3	3.2	
Peru (2007 PEN bil)	529.7	545.8	562.1	581.3	600.6	621.0	3.2
% change	2.9	3.0	3.0	3.4	3.3	3.4	
Brazil (1995 BRL bil)	1,212.1	1,236.1	1,272.5	1,313.0	1,356.8	1,399.7	2.9
% change	2.4	2.0	2.9	3.2	3.3	3.2	
Argentina (2004 ARS bil)	750.2	772.6	798.8	827.2	856.9	888.0	3.4
% change	3.0	3.0	3.4	3.6	3.6	3.6	
Uruguay (2005 UYU bil)	729.0	750.8	770.8	792.3	814.8	837.6	2.8
% change	4.2	3.0	2.7	2.8	2.8	2.8	
Consumer price index							
Venezuela (2007=100)	142,560.2	949,250.4	3,651,905.4	9,022,652.4	18,718,488.4	35,448,496.7	201.4
% change	654.0	565.9	284.7	147.1	107.5	89.4	
Colombia (Dec 2008=100)	142.0	147.1	152.0	156.8	161.6	166.5	3.2
% change	3.3	3.5	3.4	3.2	3.1	3.0	
Chile (2013=100)	118.7	122.0	125.1	128.4	131.9	135.5	2.7
% change	2.7	2.8	2.5	2.7	2.7	2.7	
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% change	1.1	2.0	1.8	1.7	1.8	1.9	
Brazil (Dec 1993=100)	5,021.2	5,305.2	5,635.6	5,979.8	6,327.1	6,678.6	5.9
% change	3.6	5.7	6.2	6.1	5.8	5.6	
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Brazil	12.3	11.8	11.3	10.8	10.3	9.8	
Argentina	7.1	6.8	6.5	6.4	6.3	6.3	
Uruguay	7.7	7.3	7.1	7.0	7.0	7.0	
Government budget balance, % of GDP							
Venezuela	-9.3	-10.1	-9.0	-7.8	-7.2	-6.4	
Colombia	-2.7	-3.1	-3.5	-3.4	-3.3	-3.2	
Chile	-4.4	-3.5	-2.4	-1.4	-0.9	-0.9	
Peru	-1.9	-1.5	-1.1	-0.6	-0.2	0.0	
Brazil	-6.4	-4.4	-3.0	-2.2	-1.9	-2.0	
Argentina	-5.6	-5.4	-5.0	-4.4	-3.9	-3.3	
Uruguay	0.0	-0.7	-1.2	-1.6	-1.9	-2.2	

Source: Moody's Analytics

with most estimates of the financial costs of refugee resettlement.[1] As in the case of growth, the change in the government's debt burden is not large in absolute terms, but is nonetheless significant when added to the fiscal strain of Colombia's peace process and the increase in expenditures for the reintegration of former guerrilla members into civil society.

Both Peru and Chile would likely receive fewer refugees, limiting the strain on public finances. According to the International Organization for Migration, close to 1 million refugees have arrived in Colombia in the last two years alone, with an additional 250,000 split between Peru and Chile. While the latter two countries would likely receive more refugees as Colombia struggles to integrate even larger numbers of Venezuelans, the increase in expenditures would yield only a small increase in the deficit.

Brazil and to a lesser degree Argentina and Uruguay would likely grow in importance as destinations for Venezuelan refugees should economic conditions deteriorate further, but the costs of refugee resettlement would not measurably add to government deficits given the small size of aid relative to total government expenditures and the expectation of fewer refugee arrivals relative to Venezuela's Andean neighbors.

Scenario 3: Maduro out (30%)

In this scenario, the Maduro presidency is cut short. U.S. sanctions are lifted, and the International Monetary Fund provides a loan to facilitate the restructuring of Venezuela's external debt. Additional funding from multilateral sources is secured to aid monetary and fiscal adjustment and ease the lifting of price controls. The freeing of the Venezuelan bolivar and phase-out of price controls results in a temporary spike in inflation in the near term, but sharp cuts in government spending and higher domestic interest rates begin to reduce the growth rate of consumer prices. The Venezuelan economy contracts slightly in 2019, but recovery rapidly sets in as oil production rebounds and multinational oil companies revive investments (see Table 3).

Venezuela's recovery delivers a significant boost to economic growth in Colombia, Peru and Chile and a small bump to the economies of Brazil, Uruguay and Argentina. Although many Venezuelan refugees return from exile in Colombia and other South American nations, labor force gains are largely the result of improved job prospects and a growing economy.

Even with a large disbursement of international aid and a swift transition to a market-based economy, Venezuela will take time to regain its precrisis peak. The return of foreign investment and the stabilization of inflation will enable Venezuela's economy to grow at double-digit rates in the first few years of the recovery before settling in to a more modest pace consistent with long-run population and productivity dynamics. However, even if double-digit growth is sustained, it would still take more than five years for GDP to top its prior peak.

While the return of foreign investment enables oil production to rebound quickly, Maduro's successor will face lower prices than those reached during the bonanza of the Chavez years. As a result, Venezuela's recovery will bear a closer resemblance to the rebound from prior oil price crashes in the late 1980s and 1990s, which saw the economy recover at a more moderate pace.

A better tomorrow

The odds of a Maduro exit are less than even, but they are not slim. Few governments have outlasted the social tensions kindled by hyperinflation, and the likelihood of widespread social unrest will only increase in coming months as a shortage of hard currency keeps store shelves empty. Should mounting discontent lead to a popular uprising, Maduro's grip on power could slip. Even if the Maduro regime were to liberalize price and currency controls, the economy would not improve unless an agreement is reached with international creditors and the country regains access to international financial markets. This would require the lifting of U.S. financial sanctions, an outcome increasingly unlikely as long as Maduro remains.

A worsening of Venezuela's crisis would deal a small but significant setback to growth prospects in Colombia, Peru and Chile, and force governments to contend with a continent-wide refugee crisis. Although governments have thus far limited the scope of humanitarian aid, a larger exodus would likely force governments to bear the resettlement costs for Venezuelan refugees, adding strain to public finances.

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[1] Dany Bahar and Sebastian Strauss of the of Brookings Institute estimate the cost of resettlement for Venezuelan refugees under diverse conditions. See "Neighbor nations can't bear cost of Venezuelan refugee crisis alone," Brookings Op-Ed, March 7, 2018. https://www.brookings.edu/opinions/neighbor-nations-cant-bear-costs-of-venezuelan-refugee-crisis-alone/

Table 3: Maduro Out

	2018	2019	2020	2021	2022	2023	Avg annual growth, % 2018-2023
Real GDP							
Venezuela (1997 VEF bil)	36.3	34.8	37.9	41.4	44.5	47.5	5.5
% change	-10.0	-4.0	8.9	9.2	7.5	6.7	
Colombia (2005 COP bil)	566,688.2	588,966.9	613,927.4	639,753.8	666,244.4	692,577.3	4.1
% change	2.7	3.9	4.2	4.2	4.1	4.0	
Chile (2013 CLP bil)	151,151.8	155,205.1	160,513.0	165,868.9	171,408.6	177,030.9	3.2
% change	2.5	2.7	3.4	3.3	3.3	3.3	
Peru (2007 PEN bil)	530.0	549.8	567.0	585.6	604.2	624.2	3.3
% change	3.0	3.7	3.1	3.3	3.2	3.3	
Brazil (1995 BRL bil)	1,212.3	1,237.7	1,274.1	1,314.0	1,357.3	1,399.6	2.9
% change	2.5	2.1	2.9	3.1	3.3	3.1	
Argentina (2004 ARS bil)	750.2	772.9	799.2	827.6	857.2	888.4	3.4
% change	3.0	3.0	3.4	3.6	3.6	3.6	
Uruguay (2005 UYU bil)	729.1	751.4	771.3	793.1	815.7	838.4	2.8
% change	4.2	3.1	2.6	2.8	2.8	2.8	
Consumer price index							
Venezuela (2007=100)	109,944.6	219,353.5	282,026.1	327,404.8	360,038.2	381,830.3	28.3
% change	481.5	99.5	28.6	16.1	10.0	6.1	
Colombia (Dec 2008=100)	142.0	147.1	152.2	157.4	162.7	168.2	3.4
% change	3.3	3.6	3.5	3.4	3.4	3.4	
Chile (2013=100)	118.7	122.0	125.2	128.7	132.3	136.1	2.8
% change	2.7	2.8	2.6	2.8	2.8	2.9	
Peru (2009=100)	128.8	131.5	134.2	137.2	140.2	143.4	2.2
% change	1.1	2.1	2.1	2.2	2.2	2.2	
Brazil (Dec 1993=100)	5,021.3	5,306.7	5,642.9	5,996.7	6,356.2	6,721.5	6.0
% change	3.6	5.7	6.3	6.3	6.0	5.7	
Argentina (2015=100)	213.3	247.7	278.5	304.4	326.5	346.9	10.2
% change	23.5	16.1	12.4	9.3	7.3	6.3	
Uruguay (Dec 2010=100)	182.3	193.9	205.2	215.9	226.5	237.4	5.4
% change	7.2	6.4	5.8	5.2	4.9	4.8	
Unemployment rate (%)							
Venezuela	19.1	18.2	14.0	9.6	7.2	6.3	
Colombia	9.3	9.0	8.6	8.3	8.0	7.8	
Chile	7.0	7.2	7.2	7.1	7.0	6.8	
Peru	6.0	5.4	5.1	5.0	4.9	4.9	
Brazil	12.3	11.8	11.3	10.8	10.2	9.8	
Argentina	7.1	6.8	6.5	6.4	6.3	6.3	
Uruguay	7.7	7.3	7.1	7.0	7.0	7.0	
Government budget balance, % of GDP							
Venezuela	-8.9	-8.0	-6.1	-4.2	-3.1	-1.9	
Colombia	-2.7	-2.4	-2.6	-2.6	-2.7	-2.7	
Chile	-4.4	-3.3	-2.1	-1.1	-0.7	-0.6	
Peru	-1.9	-1.2	-0.7	-0.2	0.0	0.2	
Brazil	-6.4	-4.4	-2.9	-2.2	-1.9	-2.1	
Argentina	-5.6	-5.4	-4.9	-4.4	-3.9	-3.3	
Uruguay	0.0	-0.7	-1.2	-1.5	-1.9	-2.1	

Source: Moody's Analytics

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