



Revelation of Expectations in Latin America

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<http://www.iadb.org/revela>

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REVELA is a free Web-based monthly service on inflation and growth expectations in Latin America. REVELA's Web site offers an up-to-date report and a database with historical information. This service compiles data from the expectation's surveys conducted and reported by eight Central Banks in Latin American with inflation-targeting regimes. REVELA does not represent official projections by the IDB or any other official institution.

A. Expectations for 2020 and 2021

The May surveys of expectations conducted by Central Banks in the region indicate that the simple average of growth expectations in 2020 decreased by 2.2 percentage points from -2.3% to -4.5% and the simple average of inflation expectations decreased by 0.2 percentage points from 3.7% to 3.5% with respect to April's surveys. This decrease reflects the updating of expectations based on the Covid-19 crisis in the region.

Country	Growth expectation (percentage expected for 2020)		Inflation expectation (percentage expected for 2020)	
	as of May 2020	Apr - May change	as of May 2020	Apr - May change
Brazil	-5.5	▼ -2.4	1.6	▼ -0.6
Chile	-2.7	▼ -0.5	2.5	▼ -0.4
Colombia	-3.1	▼ -3.2	2.9	▼ -0.5
Guatemala	-1.5	▼ -1.3	3.7	▲ 0.1
Mexico	-8.2	▼ -0.9	3.0	▲ 0.2
Paraguay	-1.8	▼ -3.3	2.7	▼ -0.8
Peru	-9.5	▼ -5.0	1.1	▼ -0.4
Uruguay	-3.4	▼ -0.4	10.4	▲ 1.1
Eight country average	-4.5	▼ -2.2	3.5	▼ -0.2

Source: REVELA, IDB 2020. Data available for download

In the case of expectations for 2021, the May surveys indicate that the simple average of growth expectations increased by 0.2 percentage points from 3.4% to 3.6% and the simple average of inflation expectations increased by 0.1 percentage points from 4.0% to 4.1% with respect to April's surveys. The only country where growth expectations decreased was Uruguay.

Country	Growth expectation (percentage expected for 2021)		Inflation expectation (percentage expected for 2021)	
	as of May 2021	Apr - May change	as of May 2021	Apr - May change
Brazil	3.5	▲ 0.2	4.0	▲ 0.1
Chile	3.5	▲ 0.5	3.0	▬ 0.0
Colombia	3.0	▲ 0.1	3.3	▬ 0.0
Guatemala	3.0	▲ 0.7	4.6	▲ 0.1
Mexico	2.5	▬ 0.0	3.7	▲ 0.1
Paraguay	3.5	▬ 0.0	4.0	▬ 0.0
Peru	6.0	▲ 1.0	2.5	▬ 0.0
Uruguay	3.8	▼ -0.7	7.6	▲ 0.2
Eight country average	3.6	▲ 0.2	4.1	▲ 0.1

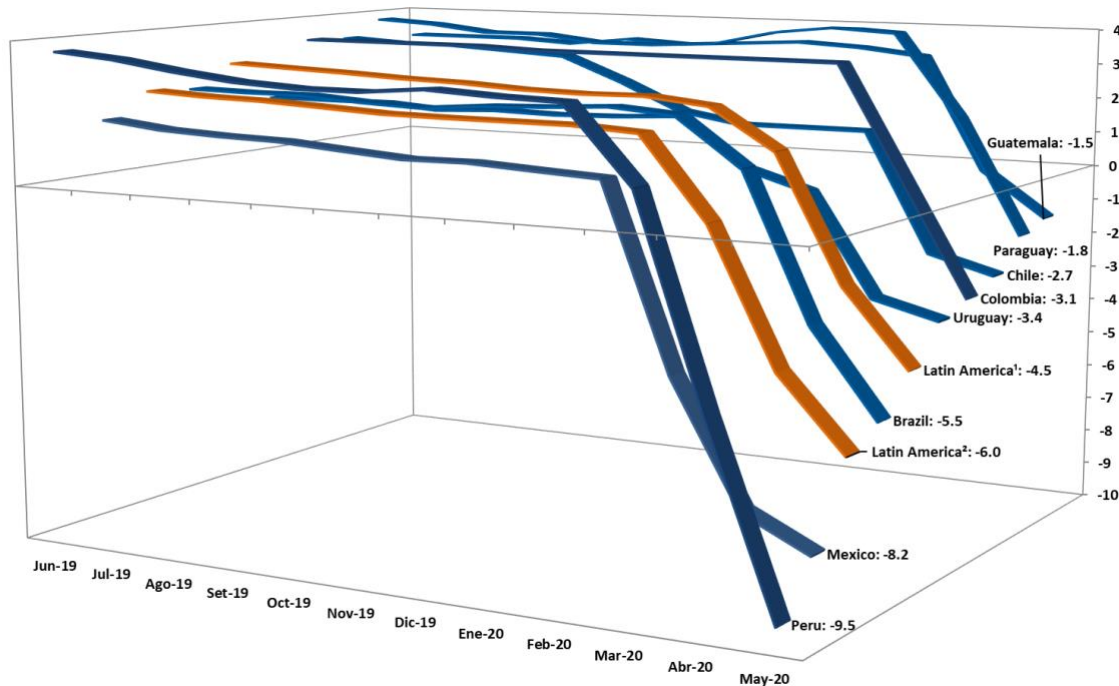
Source: REVELA, IDB 2020. Data available for download

B. GDP growth expectations for 2020

According to surveys in May, the simple average of growth expectations decreased by 2.2 percentage points from -2.3% to -4.5% and the GDP-weighted average of growth expectations decrease at 2.2 percentage points for 2019. With these results, growth expectations for the region for 2020 ranged from -9.5% in Peru to -1.5% in Uruguay in May.

Growth expectations for 2020 in May decreased in all countries relative to the previous month. Peru, Paraguay y and Colombia are the countries where the expectations has fallen the most, by 5.0, 3.3 and 3.2 percentage points respectively while the changes were less negative in Chile, Mexico and Uruguay.

Compared to surveys at the beginning of the 2020, four months ago, growth expectations for 2020 decreased by an average of 7.0 percentage points. Since March, the expectations have decreased the most in Peru, Mexico and Brazil, by 12.6, 9.2 and 7,8 percentage points respectively.



Source: REVELA, IDB 2019. Data available for download [here](#).

¹ Refers to the simple average of the eight inflation targeting countries.

² Refers to the GDP weighted average of the eight inflation targeting countries

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