



LIBRARY LINK

LATIN AMERICA & CARIBBEAN

Library Link: Latin America & Caribbean features the latest research on the region. Scroll down for **Sovereign Rating Reports, Books, Working Papers and Articles**.

Email Library@IMF.org to share your thoughts and feedback. For an optimal reading experience, please use Chrome or Edge to open the links.

Contents

SOVEREIGN RATING REPORTS.....	1
WORKING PAPERS	4
ARTICLES.....	5

SOVEREIGN RATING REPORTS

Under our license agreements with Moody's and S&P, full access is limited to Library staff, who may distribute reports to other IMF staff. Email Library@IMF.org to request the full reports; we'll send them to you as quickly as possible! (Reports are from Dec 7, 2023 to June 4, 2024)

Latin America & Caribbean Region

- Fitch: "[Fitch Ratings: LatAm Bank Ratings to Withstand Climate-Related Economic, Financial Risks](#)" (May 30)
- Fitch: "[High Rates, Risky Mergers: Implications for Rating Latin American Financial Institutions](#)" (May 28)
- Fitch: "[Positive Rating Momentum in the Caribbean: April 2024](#)" (Apr 16)
- Fitch: "[Sovereigns Dashboard: Latin American Inflation Pressures Ease](#)" (Apr 15)
- Fitch: "[Fitch Ratings: LatAm Elections' Policy and Governability Effects Will Be in Focus in 2024](#)" (Mar 18)
- Fitch: "[What Investors Want to Know: Latin American Sovereigns](#)" (Mar 12)
- Fitch: "[Latin America Sovereign Highlights](#)" (Mar 7)
- Moody's: "Banks – Latin America: Turnaround in household credit quality will shore up loan performance through 2025" (Apr 22)
- Moody's: "Banking System Outlook - Central America & Caribbean: Strong economic prospects offset risks from growth acceleration for a stable outlook" (Mar 25)
- Moody's: "Banking System Outlook - Central America & Caribbean: Strong economic prospects offset risks from growth acceleration for a stable outlook" (Mar 25)
- Moody's: "Sovereigns – Latin America & Caribbean: 2024 Outlook - Stable amid lower debt affordability and receding political risks" (Jan 17)

- S&P: "Latin America Cross-Border Securitization Market Primer" (Apr 15)
- S&P: "Latin American Insurance Sector View 2024: A Balance Between Risks And Opportunities" (Feb 20)
- S&P: "Pension Reforms In Latin America: Balancing Act To Improve Benefits And Contain Fiscal Pressure" (Feb 6)

Caribbean I-III

- Fitch: "[Aruba Rating Report](#)" (Mar 27)
- S&P: "Research Update: Aruba Outlook Revised To Positive From Stable On Stronger Economy; 'BBB' Rating Affirmed" (Mar 19)
- Moody's: "Government of Barbados – B3 stable: Regular update" (Feb 28)
- Moody's: "Government of Belize – Caa2 stable: Regular update" (Apr 24)
- S&P: "Curacao Full Analysis" (Feb 15)
- Fitch: "[Fitch Ratings: New Catastrophe Bond Supports Jamaica's Fiscal Risk Mitigation](#)" (May 01)
- Moody's: "Government of Jamaica – B1 positive: Regular update" (Apr 23)
- S&P: "Montserrat Full Analysis" (Apr 24)
- Moody's: "Government of Suriname – Caa3 stable: Regular update" (Mar 21)
- Moody's: "Government of Bahamas – B1 stable: Regular update" (Apr 19)
- S&P: "The Bahamas Full Analysis" (May 07)
- Moody's: "Government of Trinidad & Tobago - Ba2 positive: Annual credit analysis" (Mar 04)

Central America

- Fitch: "[Costa Rica Rating Report](#)" (Mar 15)
- Moody's: "Government of Costa Rica – B1 positive: Regular update" (Apr 02)
- Fitch: "[Fitch Affirms El Salvador at 'CCC+'](#)" (Apr 30)
- Moody's: "Government of El Salvador: Debt repurchase marginally reduces repayment risk and does not constitute a distressed exchange" (Apr 30)
- S&P: "Research Update: El Salvador 'B-' Long-Term Ratings Affirmed After Announcement Of Debt Repurchase Offer; Outlook Remains Stable" (Apr 11)
- Fitch: "[Fitch Affirms Guatemala at 'BB'; Outlook Stable](#)" (Feb 23)
- Moody's: "Government of Guatemala: Transition of power and removal of potential government funding obstacles alleviates credit risks" (Jan 18)
- S&P: "Research Update: Guatemala Outlook Revised To Positive On Sustained Macroeconomic Resilience; 'BB/B' Ratings Affirmed" (Apr 18)
- Moody's: "Government of Honduras – B1 stable: Regular update" (Feb 23)

Latin Caribbean

- Fitch: "[Fitch Ratings: Dominican Republic Election Outcome Points to Policy Continuity, Reforms](#)" (May 20)
- Moody's: "Dominican Republic, Government of: Reforms likely to continue under Luis Abinader's second term as president" (May 22)
- S&P: "Dominican Republic Full Analysis" (Jan 04)
- Fitch: "[Fitch Upgrades Nicaragua's Ratings to 'B'; Outlook Stable](#)" (May 30)
- Moody's: "Government of Nicaragua – B2 stable: Update following upgrade to B2, outlook unchanged" (Mar 20)
- Fitch: "[Fitch Downgrades Panama to 'BB+'; Outlook Stable](#)" (Mar 28)
- Moody's: "Government of Panama – Baa3 stable: Regular update" (May 15)
- S&P: "Bulletin: Panama's President-Elect Faces Difficulties In Restoring Growth And Stopping Fiscal Slippage With A Fragmented Assembly" (May 06)

North America

- Fitch: "[Fitch Ratings: Canada Deficit Grows with Latest Budget but Credit Impact is Small](#)" (Apr 23)
- Moody's: "Government of Canada – Aaa stable: Update following rating affirmation, outlook unchanged" (May 07)
- S&P: "Canada Full Analysis" (Apr 25)
- Fitch: "[Fitch Rates Mexico's EUR 2032 Sustainable Bonds 'BBB-'](#)" (Jan 23)
- Moody's: "Government of Mexico: Ruling party strengthens power to push agenda but will face macroeconomic constraints" (Jun 03)
- S&P: "Research Update: Mexico 'BBB' Foreign Currency And 'BBB+' Local Currency Long-Term Ratings Affirmed; Outlook Remains Stable" (Feb 01)
- Fitch: "[United States Rating Report](#)" (Mar 21)
- Moody's: "Government of the United States – Aaa negative: Regular update" (Apr 04)
- S&P: "Research Update: U.S. 'AA+/A-1+' Sovereign Ratings Affirmed; Outlook Remains Stable" (Mar 27)

Southern I-III

- Fitch: "[What Investors Want to Know: Argentina's Economic and Rating Outlook Under Milei](#)" (Dec 11)
- Moody's: "Government of Argentina: Debt swap constitutes a distressed exchange" (Mar 20)
- S&P: "Research Update: Argentina Long-Term Ratings Raised To 'CCC' As Debt Exchange Is Finalized; Outlook Stable" (Mar 15)
- Fitch: "[Bolivia Rating Report](#)" (Feb 29)
- Moody's: "Government of Bolivia – Caa3 stable: Update following downgrade to Caa3, outlook changed to stable from negative" (May 02)
- Fitch: "[Brazil Rating Report](#)" (Dec 28)
- Moody's: "Brazil, Government of: Historic flooding and emergency spending make sovereign's fiscal targets more challenging" (May 13)
- S&P: "Research Update: Brazil Long-Term Ratings Upgraded To 'BB' From 'BB-' Following Tax Reform Approval; Outlook Stable" (Dec 19)
- Fitch: "[Fitch Rates Chile's Social Bonds 'A-'](#)" (Jun 03)
- S&P: "Bulletin: Chileans Reject The Latest Constitutional Draft, Paving Way To Focus On Reforms" (Dec 18)
- Fitch: "[Fitch Ratings: Possible Fiscal Rule Change Highlights Colombia's Consolidation Challenge](#)" (May 16)
- Moody's: "Government of Colombia: Second Party Opinion Update – Sustainable Bond Framework Remains SQS2 (2024 Social Projects)" (Mar 27)
- S&P: "Research Update: Colombia Outlook Revised To Negative On Subdued Economic Growth Prospects; 'BB+/B' Foreign Currency Ratings Affirmed" (Jan 18)
- Fitch: "[Fitch Ratings: Ecuador's IMF Deal Eases Financing Risks, but Governability Challenges Remain](#)" (May 02)
- Moody's: "Government of Ecuador: Referendum results signal strong support for tighter security, but not for economic reforms" (Apr 25)
- S&P: "Research Update: Ecuador Outlook Revised To Negative On Increasing Liquidity Strains; 'B-' Long-Term Ratings Affirmed" (Jan 11)
- Fitch: "[Fitch Rates Paraguay's 2031 Global Guarani-Linked Bonds and 2036 USD Bonds 'BB+'](#)" (Feb 06)
- Moody's: "Government of Paraguay – Ba1 positive: Regular update" (Feb 21)
- S&P: "Research Update: Paraguay Long-Term Ratings Raised To 'BB+' On Greater Economic Resiliency; Outlook Stable" (Feb 01)
- Fitch: "[Peru Rating Report](#)" (May 08)
- Moody's: "Peru, Government of: Constitutional reform vote sets path for credit-positive transformation of sovereign institutions" (Mar 13)
- S&P: "Research Update: Peru Long-Term Foreign Currency Rating Lowered To 'BBB-' On Political Uncertainty Constraining Growth; Outlook Stable" (Apr 25)

- Fitch: “[Fitch Affirms Uruguay at ‘BBB’; Outlook Stable](#)” (Jun 04)
- Moody’s: “Government of Uruguay – Baa1 stable: Update following upgrade to Baa1, outlook changed to stable from positive” (Mar 25)
- S&P: “Uruguay Full Analysis” (May 02)

WORKING PAPERS

[Synthetic Controls with Machine Learning: Application on the Effect of Labour Deregulation on Worker Productivity in Brazil](#) (BIS Working Papers No 1181, Bank for International Settlements)

This paper proposes “machine controls”, synthetic controls based on automated donor pool selection through clustering algorithms, supervised learning for flexible non-linear weighting of control entities and manifold learning to confirm numerically whether the synthetic control indeed resembles the target unit. The machine controls method is demonstrated with the effect of the 2017 labour deregulation on worker productivity in Brazil.

[Ready for Take-Off? Building on Macroeconomic Stability for Growth](#) (2024 Latin American and Caribbean Macroeconomic Report, Inter-American Development Bank)

Latin America and the Caribbean overcame significant economic challenges in 2023 and exceeded growth expectations thanks to the strong macroeconomic fundamentals it laid in recent years. The region was able to cut inflation through large interest rate hikes and unwind steep spending increases it had undertaken due to COVID-19a marked departure from previous crises where expansionary measures proved stubborn to reverse.

[Harnessing Satellite Data to Improve Social Assistance Targeting in the Eastern Caribbean](#) (Working Paper No. 2024/084, International Monetary Fund)

Prioritizing populations most in need of social assistance is an important policy decision. In the Eastern Caribbean, social assistance targeting is constrained by limited data and the need for rapid support in times of large economic and natural disaster shocks. We leverage recent advances in machine learning and satellite imagery processing to propose an implementable strategy in the face of these constraints.

[Cross-Border Impacts of Climate Policy Packages in North America](#) (Working Paper No. 2024/068, International Monetary Fund)

We quantify cross-border effects of the recent climate mitigation policies introduced in Canada and the U.S., using the global general equilibrium model IMF-ENV. Notably, with the substantial emission reductions from Canada’s carbon tax-led mitigation policies and the U.S.’ Inflation Reduction Act, these two countries would bridge two-thirds of the gap toward their Nationally Determined Contribution (NDC) goals. While the broadly divergent policies are believed to elicit competitiveness concerns, we find the aggregate cross-border effects within North America to be very limited and restricted to the energy intensive and trade exposed industries.

[An Assessment of the 2019 and 2020 Pension Reforms in Mexico](#) (Working Paper No. 2024/053, International Monetary Fund)

In recent years the Mexican pension system has changed significantly. In 2019 the existing means-tested social pension was made universal – covering everyone over the age of 65 – and the benefit level increased. In 2020, the main regime of the private sector was substantially reformed, increasing contribution rates for the funded defined contribution system, lowering the minimum years of contributions needed to receive an

earnings-related pension, and increasing minimum pensions. This paper tries to assess the likely outcomes of those reforms, discusses design inefficiencies of the reforms and offers policy options to improve pension system design.

[Constraints on Trade in the LAC Region](#) (Working Paper No. 2024/032, International Monetary Fund)

This paper studies Latin America and the Caribbean's (LAC) trade performance in recent years and estimates the salience of key country-specific factors in explaining underperformance in some sub-regions within LAC. The paper then estimates an augmented gravity specification that includes proxies for the quality of infrastructure, the availability and quality of factors of production, and governance.

[Regional Economic Outlook for the Western Hemisphere, April 2024](#) (International Monetary Fund)

The Latin America and the Caribbean region has shown remarkable resilience in the face of recent global challenges, rebounding more strongly than expected from the pandemic. Growth is now moderating, from 2.3% in 2023 to 2.0% in 2024, as most economies are operating at potential. This moderation is also due to a weaker external environment and the ongoing impact of tight policies aimed at curbing inflation. Inflation is on a downtrend, thanks to prompt measures by the region's central banks and global disinflation trends.

[Competition: The Missing Ingredient for Growth?](#) (Latin America and the Caribbean Economic Review, April 2024, World Bank)

This report focuses particularly on weak competitive forces as a source of low productivity, low growth, and low welfare in LAC. It emphasizes the need for effective competition institutions, pro-competition regulatory frameworks, complementary policies to improve the capabilities of workers and firms, and enhanced innovation systems, to prepare local industries to reach the technological frontier and face global competition.

[Latin America and the Caribbean - Macro Poverty Outlook Country-by-Country Analysis and Projections for the Developing World](#) (World Bank)

This edition of the Macro Poverty Outlooks periodical contains country-by-country forecasts and overviews for GDP, fiscal, debt and poverty indicators for the developing countries of the Latin America and the Caribbean region. Macroeconomic indicators such as population, gross domestic product and gross domestic product per capita, and where available, other indicators such as primary school enrollment, life expectancy at birth, total greenhouse gas emissions and inflation, among others, are included for each country. In addition to the World Bank's most recent forecasts, key conditions and challenges, recent developments and outlook are briefly described for each country in the region.

ARTICLES

[The Impact of Institutions on Economic Growth: Evidence for Advanced Economies and Latin America and the Caribbean Using a Panel VAR Approach](#) (*International Economics* 178, 100480)

This study aims to empirically investigate the impact of institutions on economic growth in advanced economies and in Latin America and the Caribbean. We use a Panel Vector Autoregressive Model (PVAR) for 42 countries from 1970 to 2019 and estimate orthogonalized impulse-response functions to assess the impact of political and economic institutions on the growth rate of gross domestic product per capita. We also control for gross capital formation and trade openness.

[CEMLA's Survey on Central Bank Digital Currencies in Latin America and the Caribbean](#) (*Latin American Journal of Central Banking* 5 (4): 100135)

In late 2021 and early 2022, CEMLA conducted a thorough survey involving 12 central banks to analyze key aspects related to the potential implementation of a Central Bank Digital Currency (CBDC). The findings revealed prevalent issues and objectives regarding digital payments in the region, as well as promising avenues for central bank involvement.

[Fiscal Dominance and the Financial Resource Curse: The Paradoxes of Plenty and Banking](#) (*Latin American Journal of Central Banking*, Available online 17 April 2024, 100131)

This article models banking under the condition of fiscal dominance or monetised-fiscal deficits, and explains why resource-based economies experience a financial resource curse. The evidence shows that commodity price shocks engender premature deindustrialisation, reduce loan-deposit ratios and increase interest rate spreads, among other banking pathologies.

[A Time Differencing Qualitative Comparative Analysis \(QCA\) of Public-Private Partnership \(PPP\) Market Maturity](#) (*Public Management Review* 26 (5))

This study examines how institutional change affects public-private partnership (PPP) market maturity. Using a novel Time Differencing Qualitative Comparative Analysis (QCA) method, the institutional settings of 19 different PPP markets across Latin America and the Caribbean (LAC) were analysed between 2009 and 2014. The results show enhancing the regulatory framework and institutional knowledge are necessary in order to increase PPP market maturity in most cases.

[The Effects of Foreign Direct Investment on Environmentally Related Technologies in Latin America](#) (*Resources Policy* 90: 104711)

This research investigates the environmental impact of foreign financial inflows directed towards the development of environmental technologies and the transition from fossil fuel to renewable resources. The study focuses on the load capacity factor and ecological footprint as indicators, examining data spanning from 1990 to 2022 across 17 Latin American countries.

[Natural Resources a Curse or Blessing: The Story of Latin American and Caribbean Economies Employing Bootstrap Quantile Method](#) (*Resources Policy* 90: 104758)

Despite the abundance of research on the correlation between natural resources and economic growth, studies specifically focusing on Latin American and Caribbean (LAC) economies remain scant. This study fills this gap by investigating the impact of natural resources, such as oil rents, natural gas rents, and mineral rents, on the economic growth of LAC economies from 1984 to 2022.

[Crude Credit: The Political Economy of Natural Resource Booms and Sovereign Debt Management](#) (*World Development* 180: 106645)

Oil, gas, and minerals have notoriously adverse effects on institutional quality. But when global liquidity is high, risk-tolerant investors are more willing to lend to all borrowers, even resource-rich countries with low-quality institutions. Despite the availability of cheaper credit during commodity booms, we argue that countries do not increase current borrowing to mitigate future revenue shortfalls during commodity busts. Instead, they rely on resource windfalls to meet their current financing needs, fearing they would otherwise forfeit national policy discretion to global financial markets.

[Cash Transfers in the Context of Carbon Pricing Reforms in Latin America and the Caribbean](#) (*World Development* 173: 106406)

One reason carbon prices are difficult to implement is that they might imply high additional costs on poor

and vulnerable households. In response, studies often highlight that recycling revenues through cash transfers can render carbon pricing reforms progressive. In this study, we analyze if existing cash transfer programs can help to alleviate distributional effects of carbon pricing in 16 Latin American and Caribbean countries.

[Does Trade Policy Help or Hinder Global Warming? A Case Study of Latin America and the Caribbean](#) (*The World Economy* 47 (2): 779-805)

The dire prospects of global warming have been increasing the pressure on policymakers to use trade policy as a mitigation tool, challenging trade economists' canonical 'targeting principle'. Even though the justifications for this stance remain as valid as ever, it no longer seems feasible in a world that is already engaging actively in using trade policy for climate purposes. However, the search for second-best solutions remains warranted.

Previous newsletters can be found on the [Library Link Newsletters page](#).

For questions regarding the content and coverage please contact the [IMF Library](#).

COPYRIGHT

The IMF Library observes U.S. and international copyright laws and is required to comply with its Copyright Clearance Center license agreement; you may not systematically download and store journal articles, reports, or data on your PC or distribute them to others. Additional restrictions on usage may apply.



**INFORMATION, RESILIENCE
AND SERVICES**
Corporate Services and Facilities