

# Latin America 2011 Government Financing Needs: Slightly Down Due to Improved Economic Policies

12 de enero de 2011

Fitch Ratings published the following special report on 11 January: Latin America 2011 Government Financing Needs: Slightly Down Due to Improved Economic Policies. Latin America's financing needs are expected to decline to 8% of regional GDP in 2011, from 9.1% in 2010, as healthy growth rates, favorable commodity prices and increased investment flows have contributed to reduce both fiscal deficits and debt burdens. However, Fitch Ratings notes that the magnitude of the financing needs varies significantly throughout the region, depending on the size and composition of the government's debt burden. Latin America has emerged from the global financial crisis with no significant impact on the region's principal debt metrics, with increased fiscal flexibility, improved credit quality and favorable financing conditions translating into lower interest payments for numerous countries. Nearly 90% of Latin America's financing in 2011 is expected to come from domestic sources, with a decreased reliance on foreign funding reducing the region's vulnerability to external market volatility, financial shocks and foreign exchange risk. The review includes detailed debt uses and sources for each of the 12 countries analyzed in the report.