Among the most affected regions in the world

Covid-19 deaths (per million people)

Source: Our World in Data.
The worst economic performance in the developing world

GDP growth rate in 2020e (percent)

<table>
<thead>
<tr>
<th>Region</th>
<th>GDP Growth Rate (2020e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and Pacific</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>-4.0%</td>
</tr>
<tr>
<td>South Asia</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>-8.0%</td>
</tr>
<tr>
<td>World</td>
<td>-5.0%</td>
</tr>
</tbody>
</table>

Over 30 million new poor

LAC saw massive transitions from middle class to vulnerability, and from vulnerability to poverty as a result of the pandemic.
Rising inequality in the most unequal region in the world

Source: World Bank SEDLAC (CEDLAS and World Bank LAC Equity Lab).
Pervasive school closures undermine learning

- Distance learning may partially offset the loss, but it is not universally available.
- The learning impact is more severe for children from poorer households.
- Many children may become detached from the education system and not return.

Source: UNESCO.

Foregone and untapped human capital
Higher job losses and worse jobs among women

Before Covid-19

After Covid-19


Foregone and untapped human capital
The debt-to-GDP ratio is expected to increase by about 10% of GDP and to remain above the levels of other regions.

The Pandemic Dilemma

Rethink and chart a new future?

Return to pre-pandemic times?
Productivity of LAC’s economies has been lagging all developing regions - with the exception of SSA

GDP per worker (in 2010 US$) across regions

Source: WDI.
Note: Each region is defined as the simple average of real GDP per worker (in 2010 US$) across countries with data in all years from 1991 to 2018. Each period is defined by the simple average of regions over time.
Improve productivity

1. Digital is the future
2. Deepen financial Access
3. Regulation and other barriers for private sector dynamism
Only about half of Latin Americans have access to broadband
Access to financing – still limited for many

Credit/GDP per capita

Adult population with banking account (%)

0-19
20-39
40-64
65-89
90-100
Regulatory burden can be heavy – especially for SMEs – and some markets lack contestability.

Market regulation Indicator

<table>
<thead>
<tr>
<th>Country</th>
<th>Control del estado</th>
<th>Barreras al emprendimiento</th>
<th>Barreras al comercio y la inversión</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Top 5 average</td>
<td>11%</td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>Chile</td>
<td>45%</td>
<td>9%</td>
<td>33%</td>
</tr>
<tr>
<td>Poland</td>
<td>62%</td>
<td>5%</td>
<td>34%</td>
</tr>
<tr>
<td>Colombia</td>
<td>42%</td>
<td>24%</td>
<td>33%</td>
</tr>
<tr>
<td>South Korea</td>
<td>44%</td>
<td>23%</td>
<td>35%</td>
</tr>
<tr>
<td>Mexico</td>
<td>34%</td>
<td>27%</td>
<td>30%</td>
</tr>
<tr>
<td>Peru</td>
<td>36%</td>
<td>34%</td>
<td>33%</td>
</tr>
<tr>
<td>Brazil</td>
<td>38%</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>39%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>Argentina</td>
<td>38%</td>
<td>31%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Fuente: Cálculos del personal del Banco Mundial basados en datos de la OCDE
Trade integration is still an opportunity lower openness than in advanced countries or in emerging Asia.

Protect and improve human capital

1. Health
2. Education
The pandemic has laid bare weaknesses in health systems – still access problems and much to work in quality
Education quality – still a long road ahead

**Learning Poverty:** 51% of the region’s children do not meet the minimum reading levels required to finish primary school.

Gaps in test results indicate large differences in quality of education within countries (gap in PISA scores).

**Fuente:** Banco Mundial.
Sustainability

6. Moving towards greener growth
• The pandemic has fostered an economic crisis of historical proportions

• Poverty, unemployment and inequality have increased sharply

• The crisis offers an opportunity to rethink – and break with historical patterns
THANK YOU!

Diciembre, 2020