SUMMIT 2024

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2023 CURRENT ECONOMIC SITUATION

2024-2025 OUTLOOK

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IMF: WORLD ECONOMIC OUTLOOK 2024-2025

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Subdued Growth, Multiple Challenges

A World Bank Group Flagship Report

JANUARY 2024

Global Economic Prospects

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INTERNATIONAL MONETARY FUND

WORLD ECONOMIC OUTLOOK

Steady but Slow:
Resilience amid Divergence

2024
APR

WORLD ECONOMIC OUTLOOK

STEADY BUT SLOW: RESILIENCE AMID DIVERGENCE

APRIL 2024

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ECONOMIC ACTIVITY AND INFLATION

POPULATION

MILLIONS OF PEOPLE

2023-2025

Population, 2023-2025, Several Countries, Millions of People

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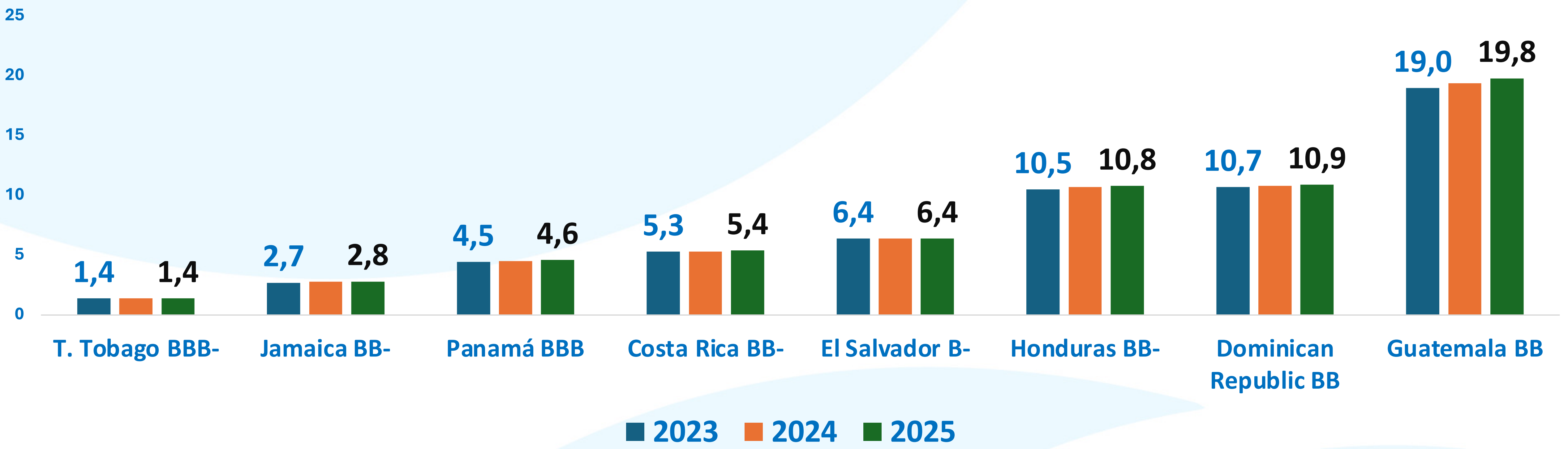
POTENTIAL MARKET OF 55 MILLION PEOPLE



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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SOVEREIGN BOND RATINGS

SEVERAL COUNTRIES

STANDARD & POOR´S

MAY 2024

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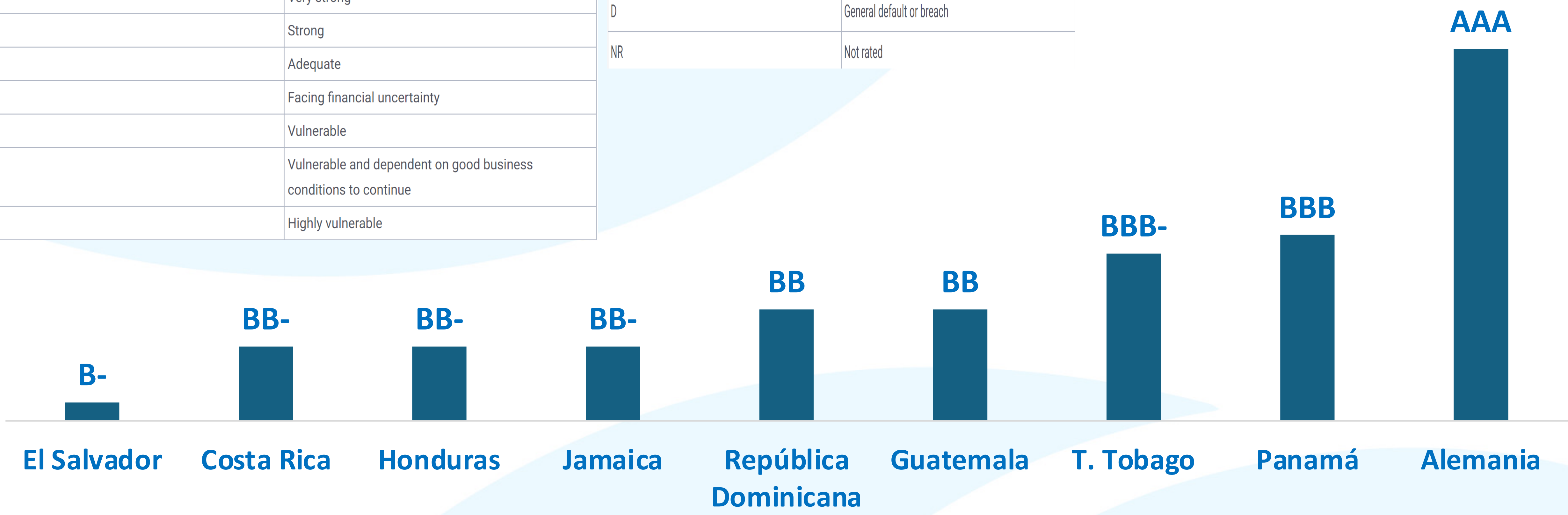
Sovereign Bond Ratings, May 2024, Several Countries

ONLY PANAMÁ AND TT HAVE INVESTMENT GRADE

Letter grade	Financial strength description
AAA	Extremely strong
AA	Very strong
A	Strong
BBB	Adequate
BB	Facing financial uncertainty
B	Vulnerable
CCC	Vulnerable and dependent on good business conditions to continue
CC	Highly vulnerable
C	Highly vulnerable to non-payment with low expectation of recovery
D	General default or breach
NR	Not rated



Source: Datomacro.com data.
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GROSS DOMESTIC PRODUCT

CURRENT PRICES

2023-2025

Gross Domestic Product, 2023-2025, Several Countries
Current Prices, Billions of U.S. dollars

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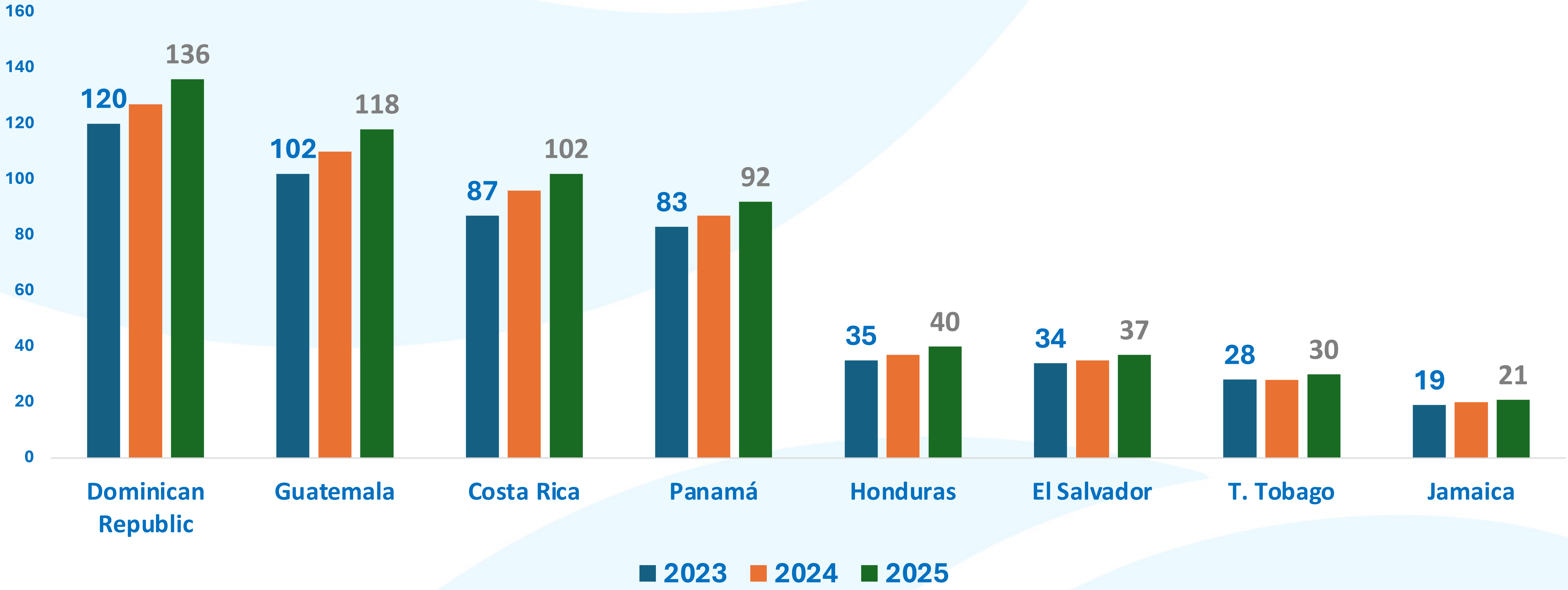
GROWING MARKET WITH TOTAL INCOME OF US $ 508 MILLION DOLLARS



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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REAL ECONOMIC GROWTH RATE

PROJECTIONS

2023-2025

GDP GROWTH RATE, 2023-2025, Several Countries

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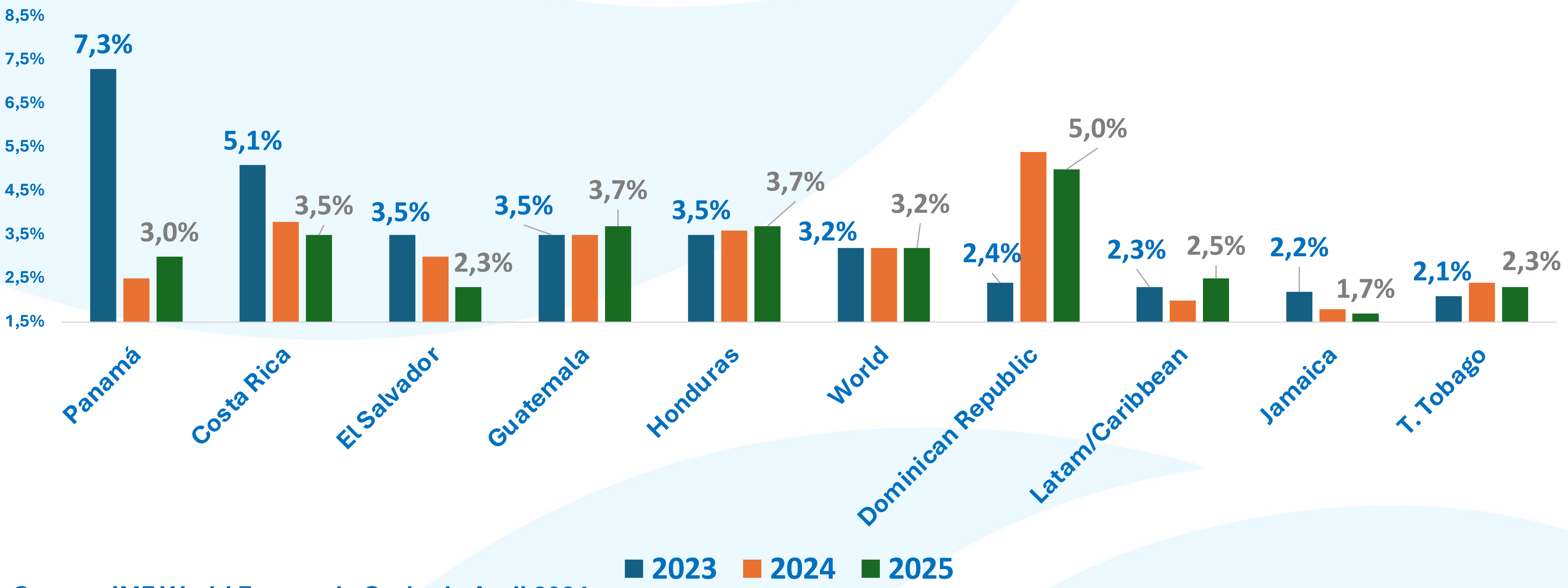
WORLD GDP GROW RATE OF 3.2% AND OUR MARKET WILL GROW MORE THAN THAT. ONLY EL SALVADOR, PANAMÁ, TT AND JAMAICA WILL GROW LESS.



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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GROSS DOMESTIC PRODUCT

PER CAPITA

2023-2025

GDP Per Capita, 2023-2025, Several Countries
US Dollars, Thousand

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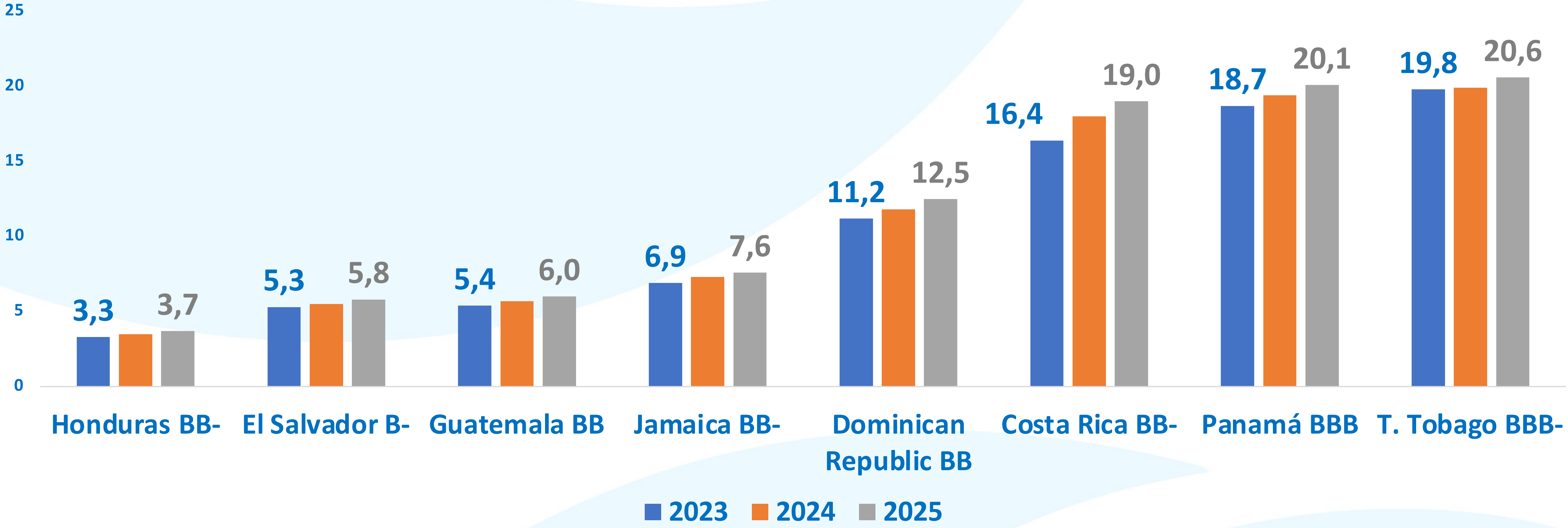
4 COUNTRIES HAVE AN EXCELLENT GDP PER CAPITA



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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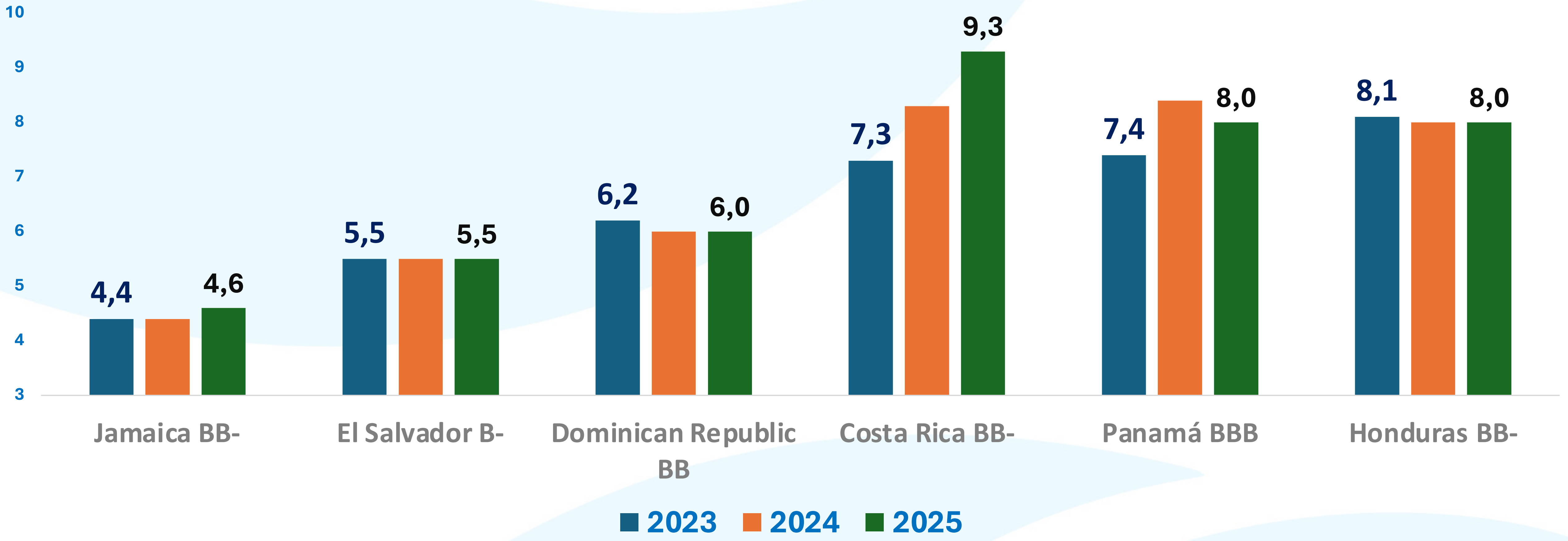
UNEMPLOYMENT RATE

PERCENT OF LABOR FORCE

2023-2025

Unemployment Rate, 2023-2025, Several Countries, Percent of Labor Force

UNEMPLOYMENT RATE IS A BIG CHALLENGE TO THE REGION



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.
Guatemala and Trinidad and Tobago ND

TOTAL INVESTMENT

PERCENT OF GDP

2023-2025

Total Investment, 2023-2025, Several Countries, Percent of GDP

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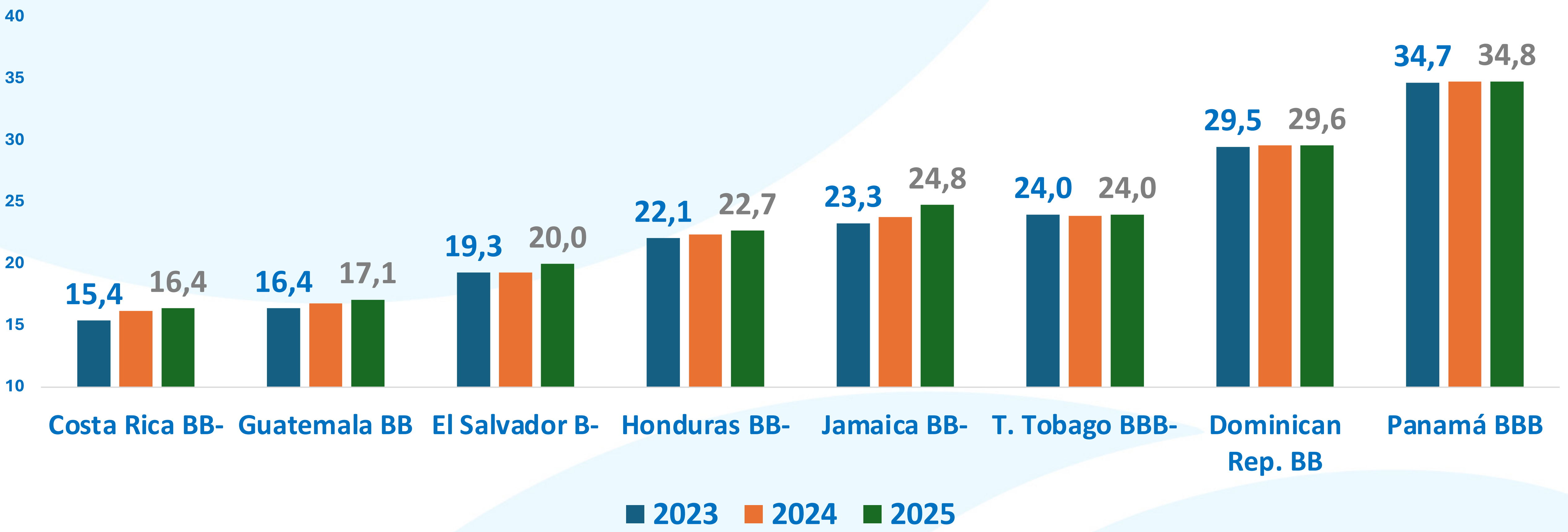
WE WILL HAVE HIGH PERCENT OF INVESTMENT, PUBLIC AND PRIVATE IN THE NEXT YEARS



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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INFLATION RATE

PROJECTIONS

2023-2025

Inflation Rate, 2023-2025, Several Countries

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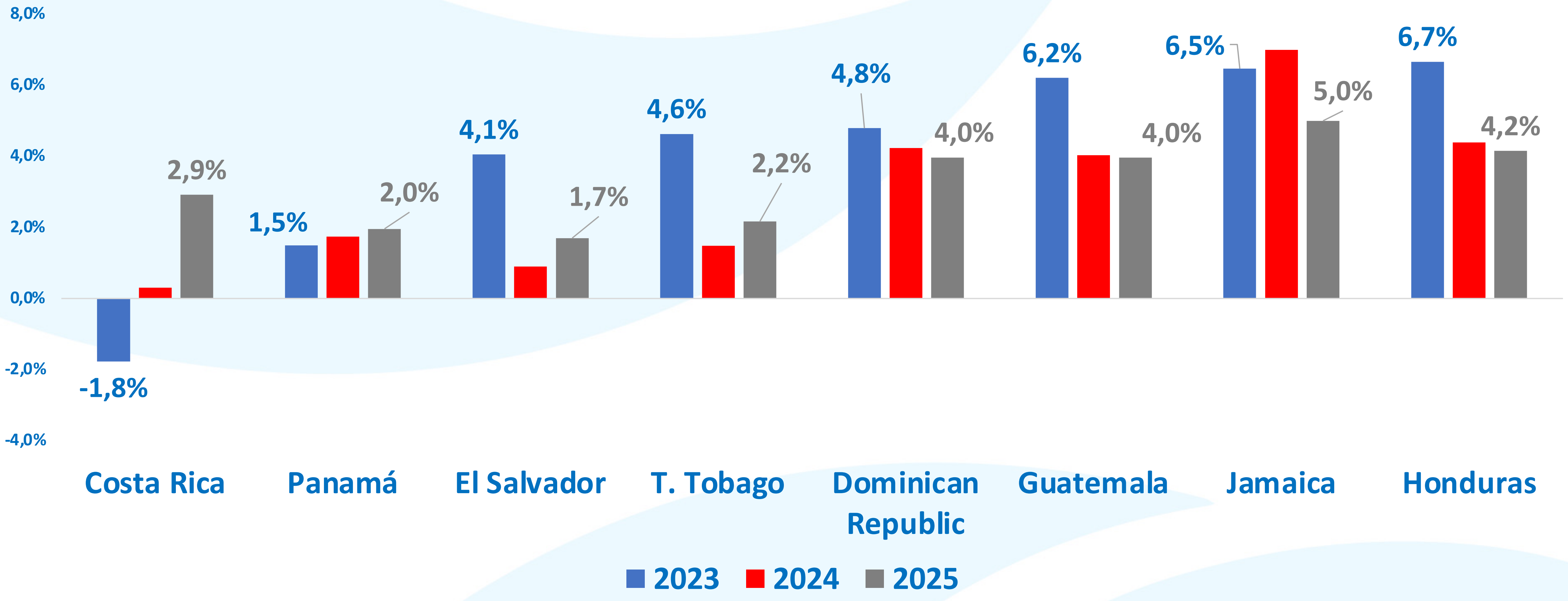
WORLD INFLATION RATE: 2023: 6.8%; 2024: 5.9%; 2025: 4.5%



Source: IMF World Economic Outlook, April 2024.
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GOVERNMENT FINANCE

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GOVERNMENT REVENUE

PERCENT OF GDP

2023-2025

Government Revenue, 2023-2025, Several Countries, Percent of GDP

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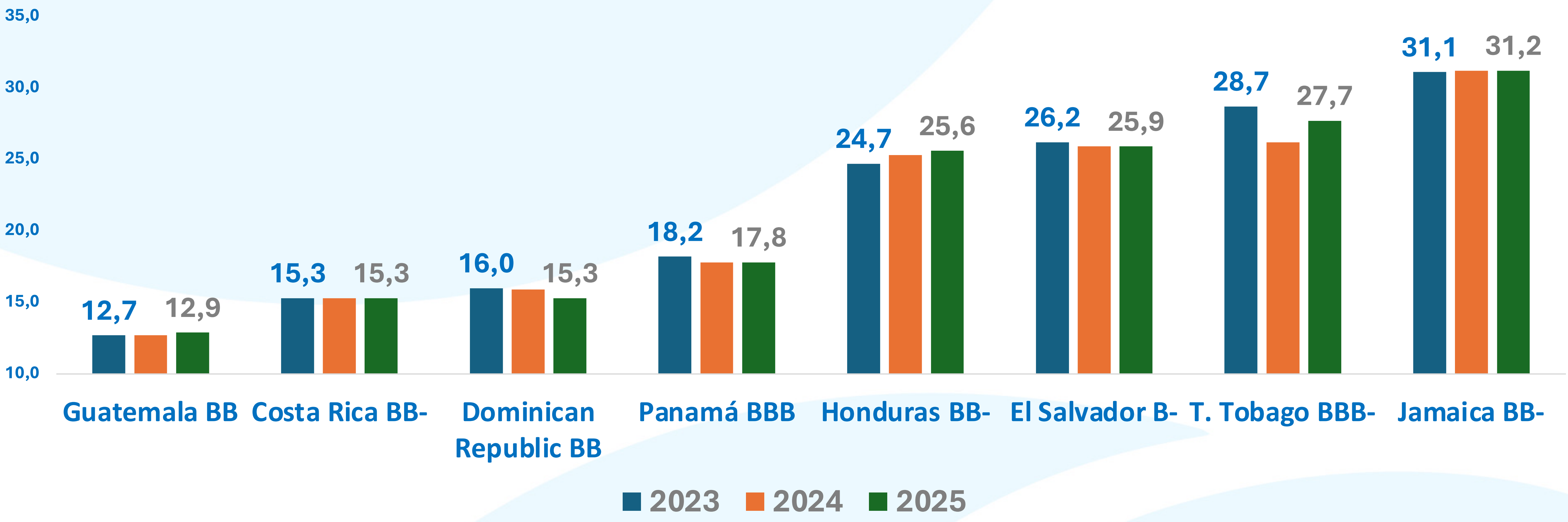
GUATEMALA, COSTA RICA AND DOMINICAN R. NEED TO INCREASE THEIR TAX INCOME RATE



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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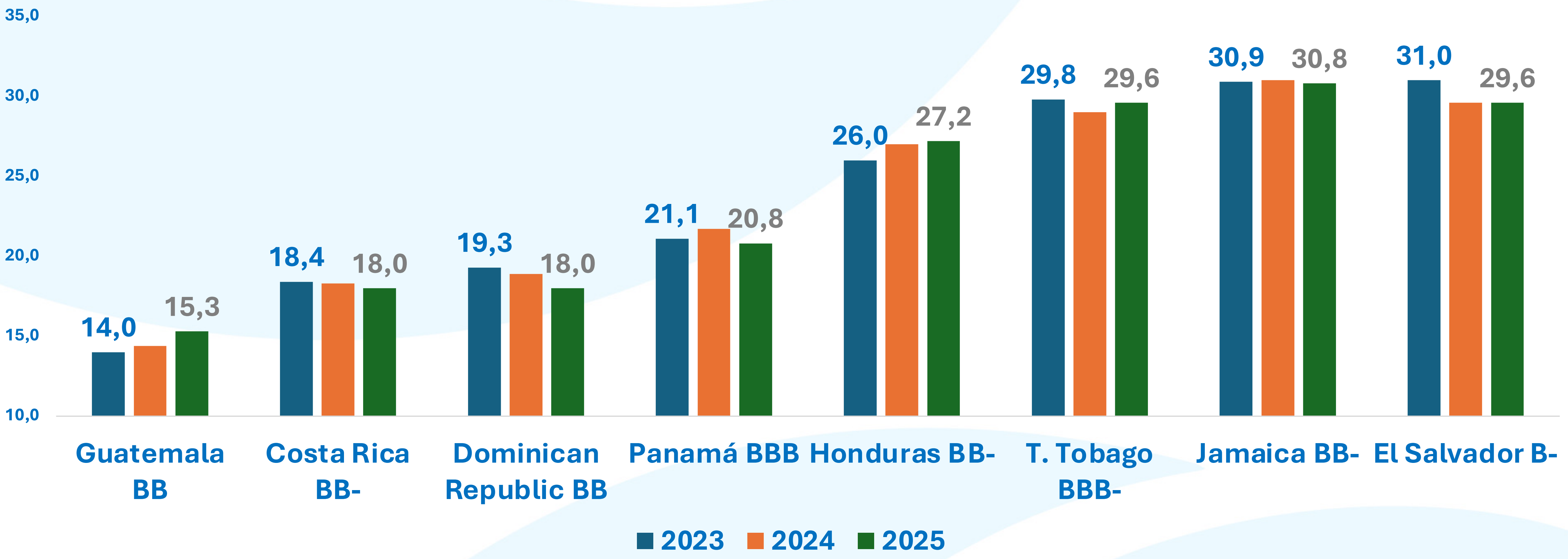
GOVERNMENT EXPENDITURE

PERCENT OF GDP

2023-2025

Government Expenditure, 2023-2025, Several Countries, Percent of GDP

THE REGION NEEDS TO RAISE CAPITAL EXPENDITURES



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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PRIMARY NET LENDING/BORROWING (PRIMARY BALANCE)

PERCENT OF GDP

2023-2025

Primary Net Lending/Borrowing, 2023-2025, Several Countries, percent of GDP

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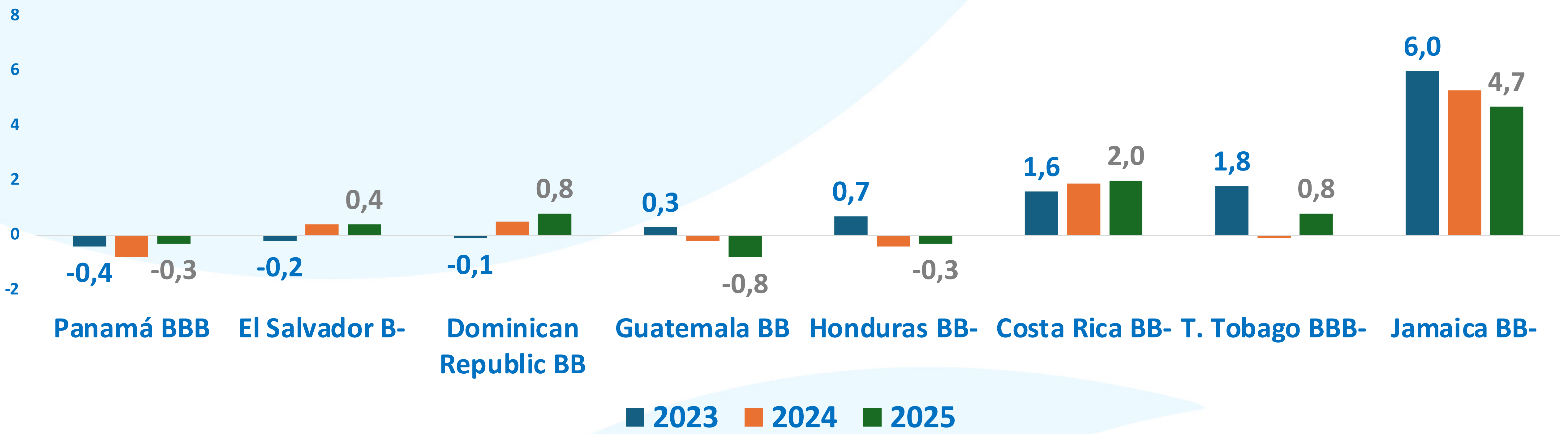
ONLY PANAMÁ, GUATEMALA AND HONDURAS WILL HAVE PRIMARY FISCAL DEFICITS



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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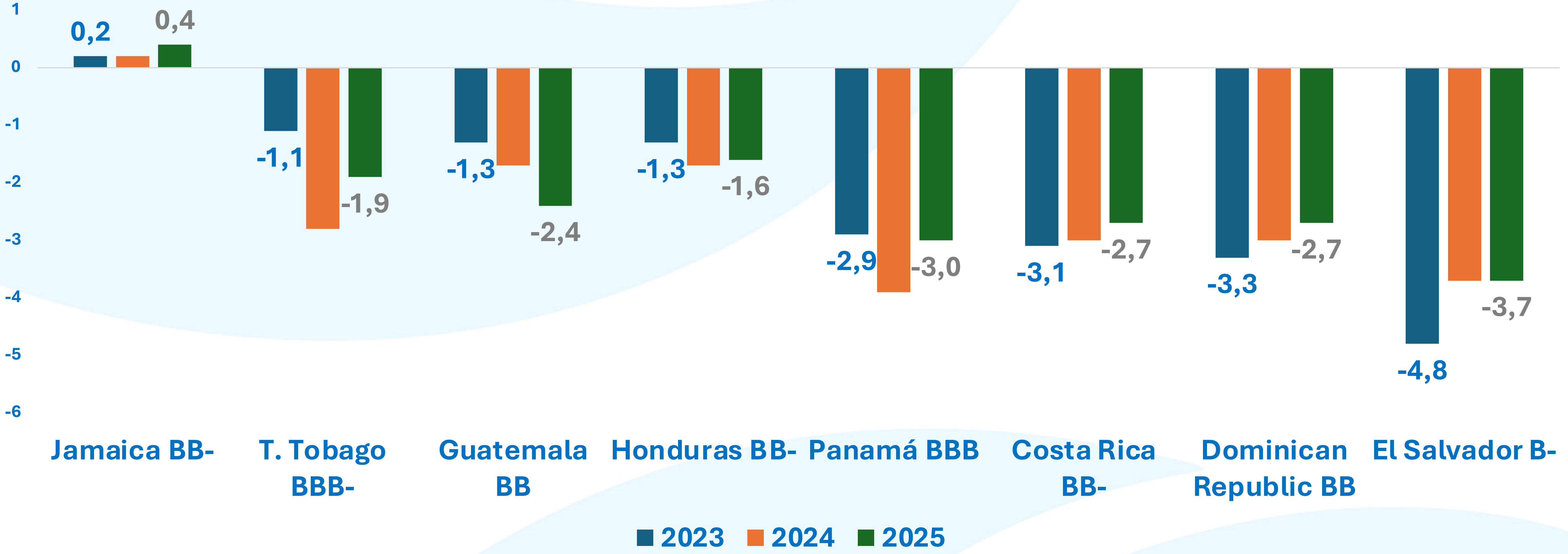
GENERAL GOVERNMENT NET LENDING/BORROWING

PERCENT OF GDP

2023-2025

General Government Net Lending/Borrowing, 2023-2025, Several Countries, Percent of GDP

JAMAICA IS THE EXCEPTION IN THE REGION



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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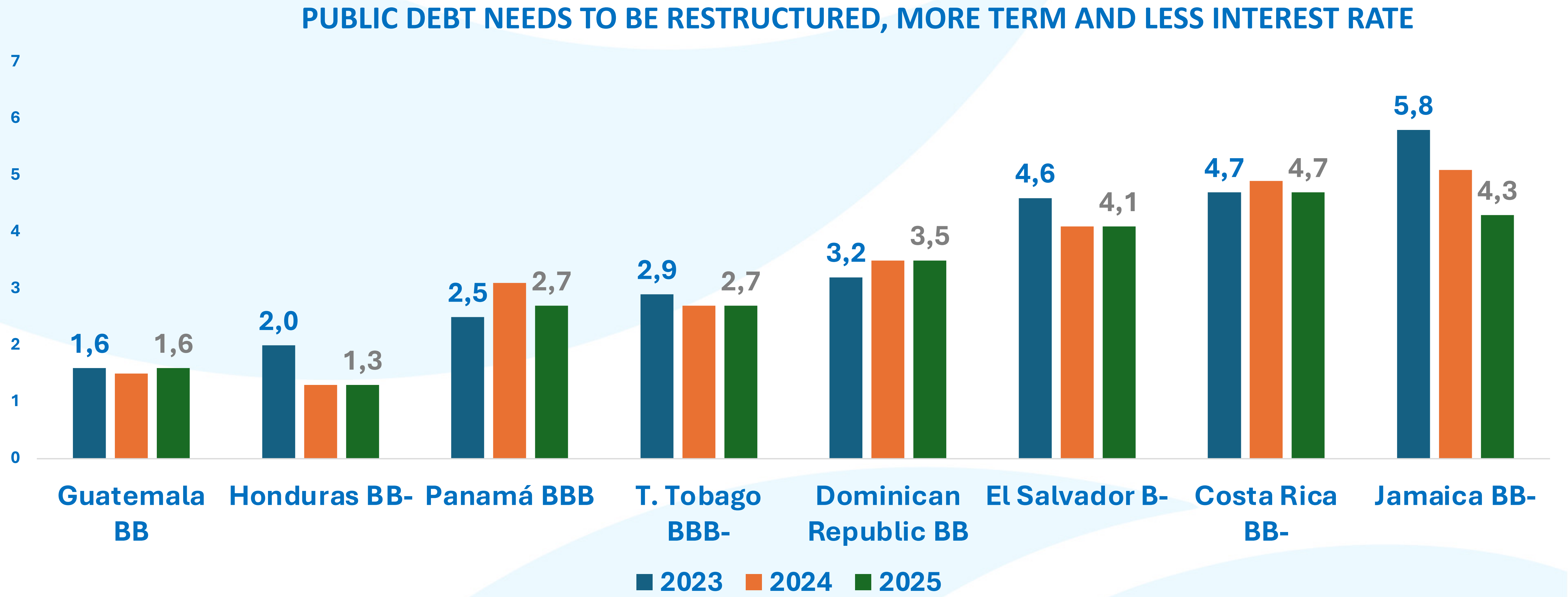
INTEREST PAID ON PUBLIC DEBT

PERCENT OF GDP

2023-2025

Interest paid on public debt, 2023-2025, Several Countries
percent of GDP



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

GROSS PUBLIC DEBT

PERCENT OF GDP

2023-2025

Gross Public Debt, 2023-2025, Several Countries
Percent of GDP

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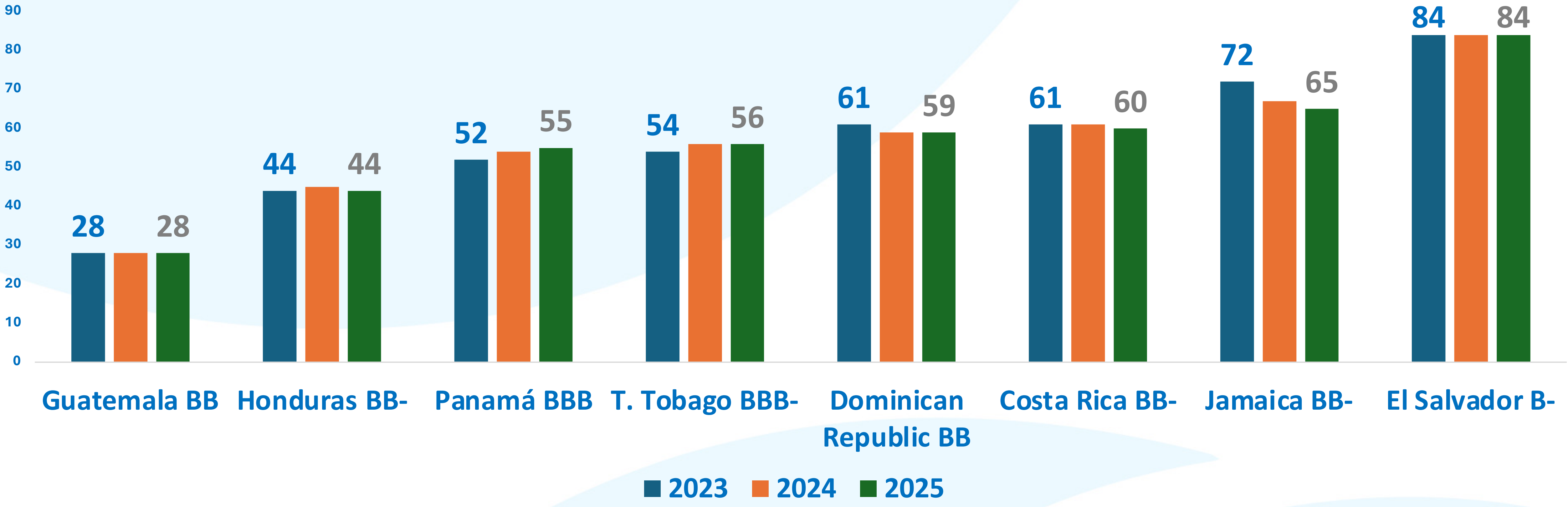
OUR COUNTRIES NEED TO REDUCE THE GROSS PUBLIC DEBT



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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EXTERNAL SECTOR

CURRENT ACCOUNT BALANCE

BILLIONS OF US $

2023-2025

Current Account Balance, 2023-2025, Several Countries
Billions of US $

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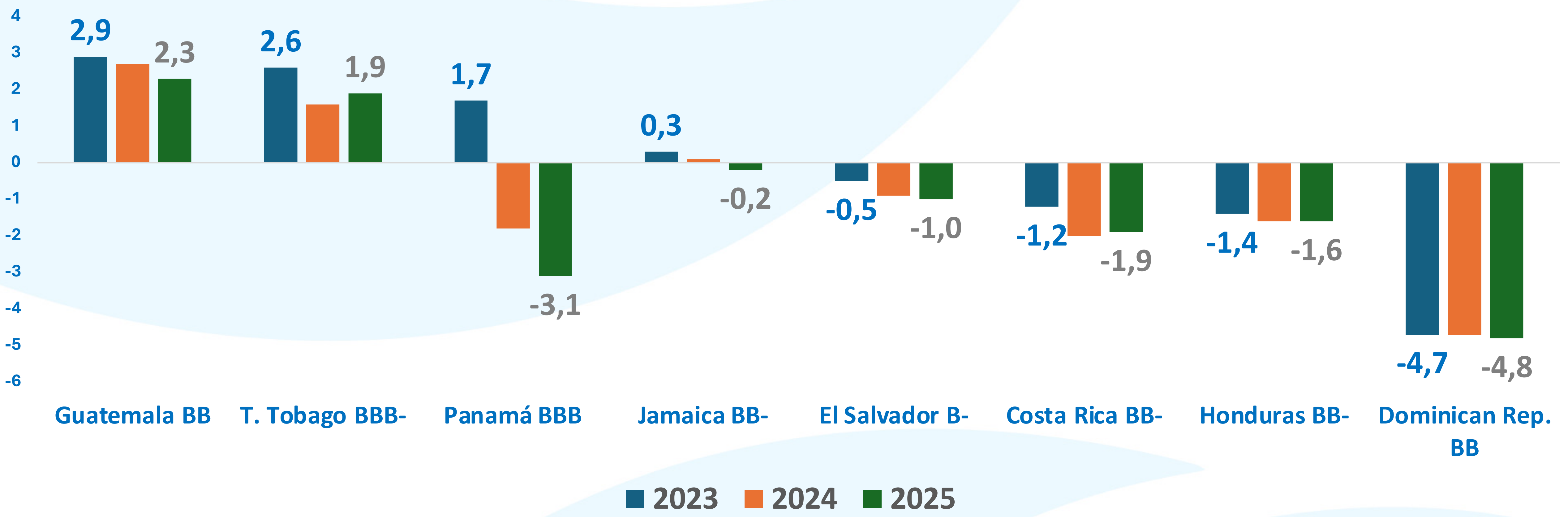
NEGATIVE COMMERCIAL FLOWS DEMAND EXTERNAL FINANCIAL MOVEMENTS



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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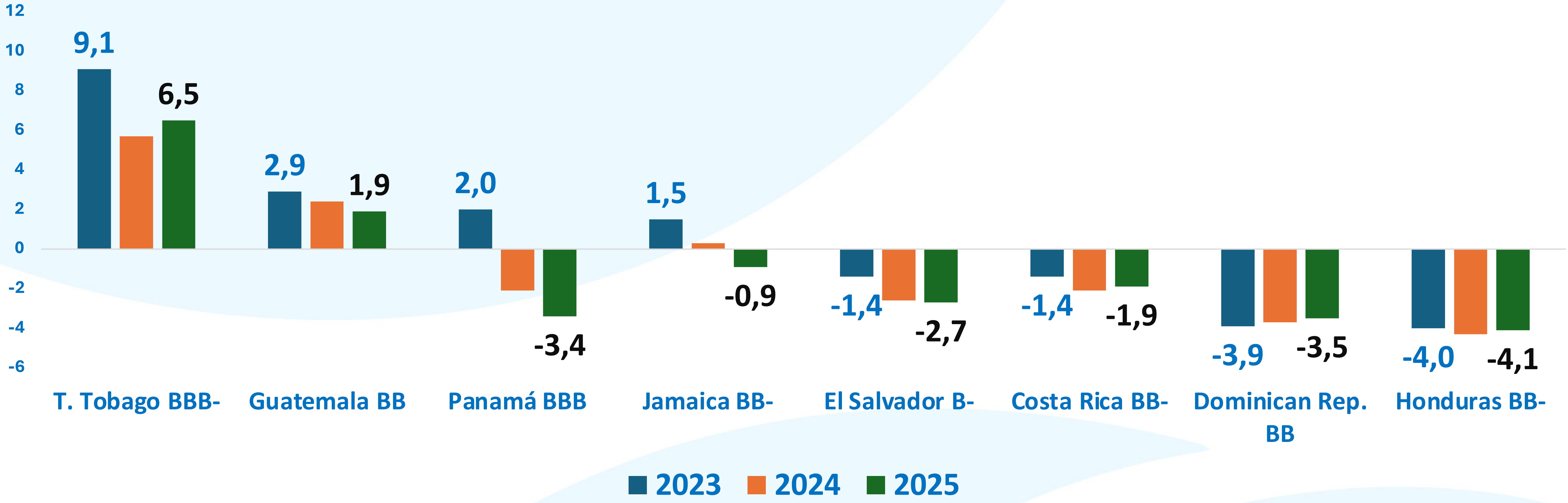
CURRENT ACCOUNT BALANCE

PERCENT OF GDP

2023-2025

Current Account Balance, 2023-2025, Several Countries
percent of GDP

OIL AND ENERGY PRICES HAVE POSITIVE AND NEGATIVE IMPACTS IN THE REGION



Source: IMF World Economic Outlook, April 2024.
Gerardo Corrales, Economía Hoy.

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INTERNATIONAL RESERVES

MILLIONS OF U.S. DOLLARS

2023

International Reserves, 2023, Several Countries
Millions of U.S. Dollars

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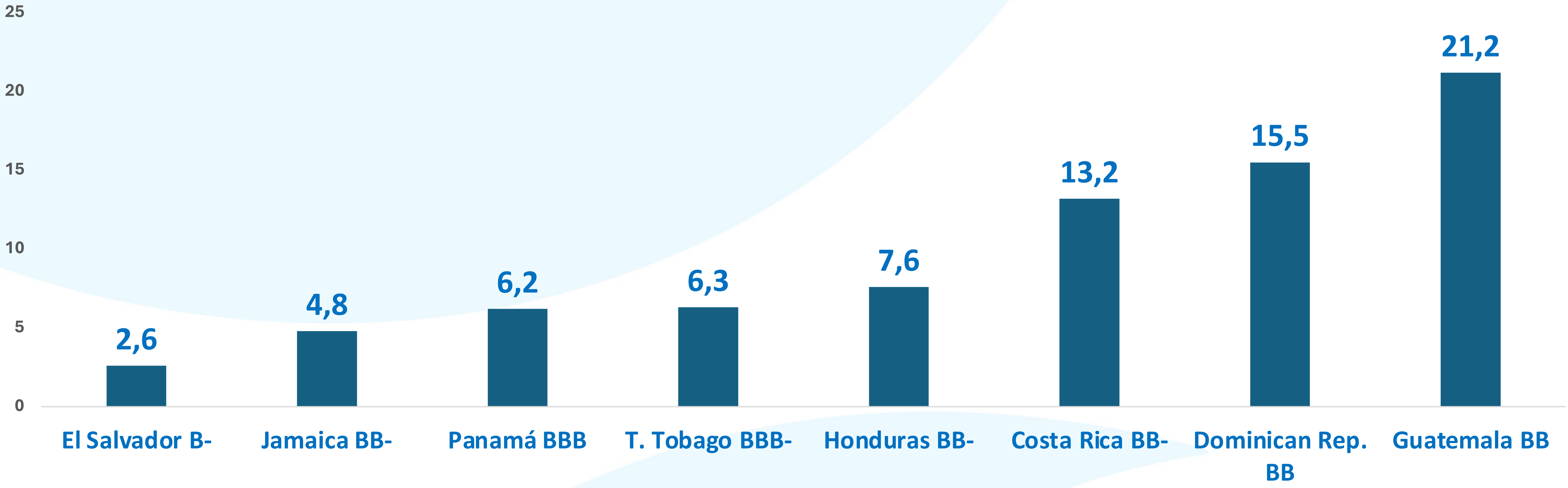
REMITTANCES IN THE REGION ALLOW TO RAISE THE INTERNATIONAL RESERVES



Source: IMF World Economic Outlook, April 2024.
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INTERNATIONAL RESERVES

PERCENT OF GDP

2023

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International Reserves, 2023, Several Countries, Percent of GDP

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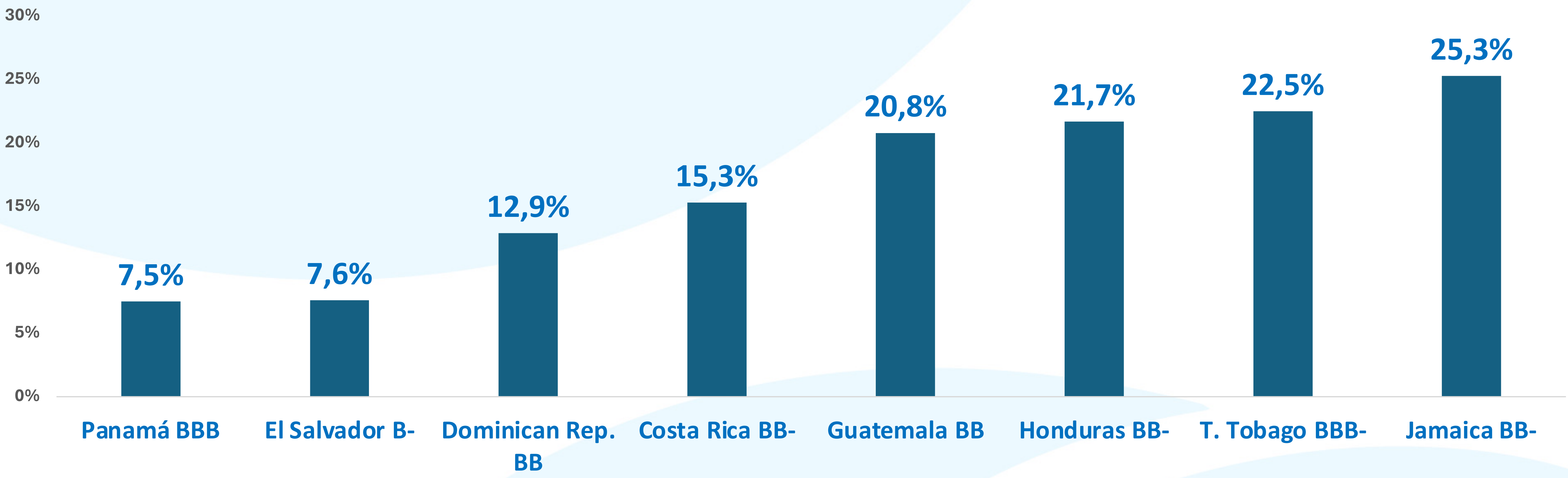
THE STANDARD LEVEL OF INTERNATIONAL RESERVES IS 20% OF GDP



Source: IMF World Economic Outlook, April 2024.
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RATINGS SCORE SNAPSHOT

STANDARD & POOR´S

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Summary	Dominican Republic	Trinidad and Tobago	Jamaica	Honduras
DATE	Dec-22	Jul-22	Sep-23	Sep-23
RATING	Dominican Republic Long Term Ratings RAISES to BB from BB- ON STRONGER INSTITUTIONS Outlook Stable BB	Trinidad and Tobago Outlook Revised to STABLE FROM NEGATIVE RATING AFFIRMED ON STRONGER ECONOMY BBB- BBB-	Jamaica Long-Term Ratings RAISED TO BB - FROM B+ on Improved Finances Outlook Stable BB-	Honduras Outlook Revised To Stable from Negative on Contained Fiscal Deficits Ratings Affirmed BB-
STRENGTHS	High Economic Growth	Higher prices for oil, gas and petrochemicals	Prudent Public Sector Finances	Good Access to official funding
	Strong Revenue Collection	Economic Recovery (4.5%)	Debt reduction	Fiscal Policy
	Resilient Economy	Strong Government Revenue Growth	Central Bank Modernization	Stable Net Government Debt
	Recent Improvements in the Electricity Sector	More rapid Fiscal Consolidation	The Economy is expanding	Moderate external vulnerabilities
	Stronger Institutions	Favorable External Profile	Fiscal Surpluses	Financial Market Stability
	Sound Fiscal Spending (Public Employment Regime and Fiscal Rule)	Stable Democracy	Continued Strength in Tourism	IMF Credit Programs
	Tourism, One of the pillars of the economy	High GDP per capita ($ 20 mil)		Large Informal Sector (70% Labour Force)
WEAKNESSES	Delays in Key Structural Reforms	Volatile Energy Sector	Remains vulnerable to external shocks	Moderate GDP Growth
	Weak Fiscal and External Debt Profiles	Declining gas production	Significant exposure to exchange rate	Low Per Capita GDP
	Vulnerability to External Shocks	Limited Monetary Policy Flexibility	60% of government debt is in dollars	Shortcomings in Governance
	Relatively High Debt (53% of GDP)	Heavily Managed Exchange Rate	Elevated risk of disruptions to external funding	Weak Institutional System
	Hefty Interest Burden (20% of total revenues)	High Dependence on oil, gas and petrochemicals	Infrastructure remaing vulnerable to physical risk	Very Limited exchange rate Flexibility
	Limited Monetary Policy Flexibility	High Carbon Dioxide Emissions	Inflation remains elevated	Shortfalls in basic services and infrastructure
	Weak Country´s Social and Educational Indicators	Small Open Economy	High Security Costs	Corruption
	High Poverty Percent (20%)		Perceived Corruption	Inadequate Public Services
	High Informality Index (60%)		Low Productivity	High Level of dollarization
	High Central Government Debt in dollars (70%)		Low Business Competitiveness	
			Crime continues to agravate civil society	

Summary	Costa Rica	Guatemala	Panamá	El Salvador
DATE	Oct-23	Apr-24	Nov-23	Apr-24
RATING	Costa Rica Long Term Rating RAISES to BB- ON STRONGER FINANCIAL PERFORMANCE SOLID GROWTH BB- OUTLOOK STABLE	Guatemala Outlook Revised to POSITIVE ON SUSTAINED MACROECONOMIC RESILIENCE BB RATINGS AFFIRMED BB	Panamá Outlook Revised to NEGATIVE FROM STABLE on POTENTIAL RISK to Investor Confidence and Economic Groth BBB	El Salvador, B-, Long Term Ratings Affirmed After Announcement of Debt Repurchase Offer Outlook Remains Stable B-
STRENGTHS	Strong Democratic Tradition and Prosperous Economy Stable Political System and Social Indicators Solid Exports of good and services Government Primary Surplus Dynamic Economic Growth Sound Fiscal Spending (Public Employment Regime and Fiscal Rule) Continued Improvement in Financial Performance FDI in Free Zones Potential to attract more Nearshoring and Friendshoring Tourism Recovery from Covid period First Nation to apply and qualify to US Chips Act Central Bank inflation rate and flexible exchange rate regime	Long track record of caution macroeconomic policies Infraestructure spending is goint to boost Very Low debt burden Manageable fiscal deficits Strong External Profile Extraordinarily high remittance inflows (20% GDP) Central Bank´s Commitment to control inflation	Strong Economic Growth (4.4% next few years) Diversified Economy Robust Pipeline of Private and Public Projects Geographic Location: Logistic Hub Potential Nearshoring opportunities US Partner in US CHIPS ACT Stable Democracy Stable Institutional Political System Financial Action Task Force removed Panamá from gray list	Debt Repurchase Opportunity
WEAKNESSES	Has been less timely in addressing fiscal weaknesses High Net government debt and heavy interest burden 40% Fiscal Debt in $, a vulnerability High Level of Dollarization with exchange risk	Weak Institutional System Political Uncertainty Substantial social and infraestructure needs High perceived corruption Challenging political environment History of inefficient policy implementation Unable to take advantage of US CHIPS ACT High Poverty Level (55% of the Population) Large Informal Economy (80% Labour Force) Low GDP Per capita	Public Protests against a contract with Minera Panamá Uncertainty affected investor confidence, private investment and economic growth Shortfalls in dividends from Canal Not have a Central Bank or formal lender of last resort and deposit insurance system	Persistent Fiscal and Debt Risks Country´s Public Finances remain fragile Long Term Structural Vulnerabilities Institutional Weaknesses Modest Per Capita GDP, $ 5300 Moderate GDP Growth Low Investment and Productivity Very High Debt Burden, 70% of GDP Lack monetary flexibility because full dollarization

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