



**United  
Nations**

Department of  
Economic and  
Social Affairs

**Press Release**

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## **Short-term outlook for Latin America and the Caribbean remains stable, according to UN flagship report**

### ***Higher growth needed to reduce poverty and advance progress towards the Sustainable Development Goals***

**Mexico, 10 January 2025** – The economic outlook in Latin America and the Caribbean is expected to strengthen, supported by more robust household spending and easing monetary policies, according to the **UN World Economic Situation and Prospects (WESP) 2025**. However, the region faces major downside risks, including domestic political uncertainties and weaker-than-anticipated external demand.

The UN flagship economic report projects that global growth will remain at 2.8 per cent in 2025, unchanged from 2024. While the world economy has demonstrated resilience, withstanding a series of mutually reinforcing shocks, growth remains below the pre-pandemic average of 3.2 per cent, constrained by weak investment, sluggish productivity growth, and high debt levels.

The report notes that lower inflation and ongoing monetary easing in many economies could provide a modest boost to global economic activity in 2025. However, uncertainty still looms large, with risks stemming from geopolitical conflicts, rising trade tensions and elevated borrowing costs in many parts of the world. These challenges are particularly acute for low-income and vulnerable countries, where sub-par and fragile growth threatens to further undermine progress towards the Sustainable Development Goals (SDGs).

“Countries cannot ignore these perils. In our interconnected economy, shocks on one side of the world push up prices on the other. Every country is affected and must be part of the solution—building on progress made,” said António Guterres, United Nations Secretary-General, in the foreword to the report. “We’ve set a path. Now it’s time to deliver. Together, let’s make 2025 the year we put the world on track for a prosperous, sustainable future for all.”

**The short-term outlook for Latin America and the Caribbean remains moderately favourable**

Regional GDP growth is expected to accelerate from an estimated 1.9 per cent in 2024 to 2.5 per cent in 2025. Economic growth is being driven by improvements in private consumption, easing monetary policies, resilient capital flows, and stronger export growth.

However, there are significant downside risks to this outlook. On the external front, a sharper-than-expected slowdown in China and the United States would negatively impact exports, remittances, and capital flows. On the domestic front, political uncertainties could dampen business confidence and investments. Climate-related shocks, particularly in the Caribbean, could also strain fiscal policies and disrupt agricultural production, driving up food inflation.

In Brazil, growth is expected to decelerate from 3.0 per cent in 2024 to 2.3 per cent in 2025, remaining well above the 2010–2019 average of 1.4 per cent. This slowdown reflects headwinds from tighter monetary policy, reduced fiscal spending, and weaker exports. In Mexico, GDP growth is expected to remain sluggish. After an estimated expansion of 1.6 per cent in 2024, GDP is projected to grow by 1.3 per cent in 2025, constrained by weak private consumption and fiscal consolidation efforts. The economy in Argentina is recovering after two years of contraction, driven by a revival in private consumption and robust investment growth. In the Dominican Republic, Guyana, and Paraguay, GDP growth is projected to remain above 3.5 per cent in 2025.

In the Caribbean (excluding Guyana), economic growth is estimated at 2.5 per cent for 2024 and is expected to remain unchanged in 2025 as the effects of the post-pandemic rebound in tourism fade. Although GDP growth is significantly above the 0.5 per cent average recorded between 2010 and 2019, it remains insufficient to improve living conditions.

Although the outlook is resilient, economic growth has remained sluggish for over a decade. Between 2015 and 2024, regional GDP growth averaged just 0.9 per cent—the lowest rate for any decade since the 1950s. Thus, per capita GDP remains stagnant, stuck at the same level as ten years ago. In order to improve labour market outcomes, raise living standards, and advance the SDGs, it is crucial to accelerate economic growth.

***Critical minerals: A vital opportunity for accelerating sustainable development***

The report highlights the potential of critical minerals for the energy transition—such as lithium, cobalt, and rare earth elements—and also for accelerating progress towards the SDGs in many countries.



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For resource-rich developing countries, including several in Latin America and the Caribbean, rising global demand for critical minerals presents a unique opportunity to boost growth, create jobs, and increase public revenues for investment in sustainable development. However, the report warns that these opportunities come with significant risks. Poor governance, unsafe labour practices, environmental degradation, and over-reliance on volatile commodity markets could exacerbate inequalities and harm ecosystems, undermining long-term development gains.

“Critical minerals have immense potential to accelerate sustainable development, but only if managed responsibly,” said Li Junhua, United Nations Under-Secretary-General for Economic and Social Affairs. “Governments must adopt forward-looking policies and comprehensive regulatory frameworks to drive sustainable extraction, equitable benefit-sharing, and investments in building productive capacities to maximize the development gains from these resources.”

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The report will be available on 9 January 2025, 12:30 pm EST on [https://www.bit.ly/UN\\_WESP2025](https://www.bit.ly/UN_WESP2025) and [desapublications.un.org](https://desapublications.un.org) once the embargo has been lifted.

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