

# Latin America & Caribbean Economic Outlook 2025-2026: Growth, Inflation, and

Latin America & Caribbean Economy · Answer Key · 15 Questions

---

**1. According to projections for 2025, what is the estimated GDP growth rate for Latin America and the Caribbean?**

- A) Approximately 1.8%
- B) Approximately 2.2%**
- C) Approximately 3.3%
- D) Approximately 4.7%

**2. What has been the general trend of inflation in Latin America and the Caribbean since peaking in 2022?**

- A) Inflation has remained high and consistently increased.
- B) Inflation has shown a downward trend, projected to reach 3.4% in 2024.**
- C) Inflation has stabilized but remains significantly above pre-pandemic levels.
- D) Inflation has become unpredictable with sharp monthly fluctuations.

**3. Which sector is identified as a key driver for the Caribbean's economic rebound and continued growth into 2023, despite pandemic impacts?**

- A) Manufacturing and industrial exports
- B) Agriculture and fisheries
- C) International tourism**
- D) Information technology and services

**4. In the context of clean energy investments in Latin America and the Caribbean, what trend has been observed regarding fossil fuel investment between 2015 and 2025?**

- A) Fossil fuel investment has doubled.
- B) Fossil fuel investment has remained stagnant.
- C) Fossil fuel investment has decreased by more than 20%.**
- D) Fossil fuel investment has increased by 10%.

**5. What is a significant factor contributing to the growth of demand from Latin American source markets for Caribbean tourism?**

- A) A decrease in travel costs from North America
- B) Increased demand for premium travel, with significant surges from countries like Peru and Argentina**
- C) A decline in European tourist interest
- D) A shift towards budget travel options

**6. What is the projected growth rate for Latin America and the Caribbean in 2026, according to the World Bank's April 2026 report?**

- A) The growth outlook remains constrained, projected at 2.1%, below the 2025 rate.**
- B) Growth is expected to accelerate to 3.5% due to increased investment.
- C) Growth is projected to be flat at 2.4% for both 2025 and 2026.
- D) Growth is expected to decline to 1.5% due to global economic slowdowns.

**7. Which of the following countries has shown a significant increase in solar generation, exceeding fossil fuel generation for the first time in 2025?**

- A) Mexico
- B) Argentina
- C) Colombia
- D) Brazil**

**8. What impact did Hurricane Melissa have on Jamaica's economy in late 2025, according to IDB estimates?**

- A) It caused minor disruptions with less than 1% GDP impact.
- B) It severely disrupted agriculture, services, and tourism, with estimated damages around 41% of GDP.**
- C) It led to a temporary halt in offshore oil production.
- D) It resulted in a 5% increase in GDP growth due to reconstruction efforts.

**9. What is a key challenge that persists in Latin America and the Caribbean's labor markets, despite overall economic trends?**

- A) A significant decrease in the labor force participation rate.
- B) A shortage of skilled workers in the technology sector.
- C) High informality and significant gender gaps.**
- D) A decline in the number of available job opportunities.

**10. According to the 2026 Caribbean Travel Trends Report, what is the observed trend in overseas demand to the Caribbean?**

- A) Overseas demand saw a substantial increase of 15% year-over-year.
- B) Overseas demand grew by only 1%, indicating a moderation from previous gains.**
- C) Overseas demand declined due to increased travel costs.
- D) Overseas demand remained stagnant for the third consecutive year.

**11. What is a primary reason cited for the projected slowdown in Mexico's GDP growth for 2025, according to the IMF's April 2025 update?**

A) A surge in domestic tourism and consumer spending.

**B) The impact of tariffs imposed by the United States, associated uncertainty, and tightening financing conditions.**

C) A significant increase in commodity exports.

D) A successful implementation of new environmental regulations.

**12. In 2025, what percentage of electricity in Latin America and the Caribbean was generated from clean sources, and how does this compare to the global average?**

A) 43% clean sources, below the global average of 65%.

**B) 65% clean sources, well above the global average of 43%.**

C) 50% clean sources, similar to the global average.

D) 35% clean sources, significantly below the global average.

**13. What is a notable trend in the Latin America green energy investment market, contributing to its growth?**

A) A sharp increase in the cost of solar photovoltaic panels.

**B) Decreasing costs of renewable energy technologies, such as solar PV panels and wind turbines.**

C) A significant reduction in government subsidies for renewable energy.

D) A decrease in foreign direct investment (FDI) in the sector.

**14. What are the projected GDP growth rates for South America, Central America, and the Caribbean (excluding Guyana) for 2025, according to ECLAC?**

**A) South America 2.6%, Central America 2.9%, Caribbean 2.6%**

B) South America 1.5%, Central America 2.3%, Caribbean 4.1%

C) South America 2.2%, Central America 2.4%, Caribbean 3.9%

D) South America 3.3%, Central America 2.1%, Caribbean 2.5%

**15. What specific economic shock tested the Caribbean in 2025, besides geopolitical tensions and tariff policy shifts?**

A) A widespread banking crisis

B) A severe drought impacting agriculture

**C) Hurricane Melissa, the strongest storm to hit Jamaica**

D) A sudden collapse of regional currency values