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This paper evaluates the fiscal sustainability hypothesis for eight Latin American countries for the period 1960 - 2009: Argentina, Chile, Colombia, Ecuador, Panama, Peru, Paraguay and Uruguay. Using second generation cointegration panel data models, we test whether government revenues and primary expenditures are sustainable in the long run. This methodology allows for cross-sectional dependence among countries and is appropriate under the existence of potential structural breaks. We found empirical evidence of sustainability of the primary deficit for these Latin American countries but only in a weak sense.