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## **Guatemala: Recent Economic Developments**

This Recent Economic Developments report on Guatemala was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Guatemala or the Executive Board of the IMF.

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GUATEMALA

Recent Economic Developments

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Guatemala: Basic Data

Social and demographic indicators	
Area	109,000 km <sup>2</sup>
Population (1997)	11.2 million
Population density of arable land	798 per km <sup>2</sup>
Annual rate of population growth	2.9 percent
Life expectancy at birth (1994)	65 years
Infant mortality rate under one year (1995)	51 per thousand
Child mortality rate under five years (1994)	54 per thousand
Population per physician (1984)	2,184
Population per hospital bed (1995)	588
Households with access to safe water (1994)	64 percent
Per capita calorie intake (1992)	2,255 per day
Per capita protein intake per day (1989)	60 grams
Adult literacy rate (1994)	56 percent
Primary school enrollment rate (1994)	84 percent

GDP (1997)	Q 107,915 million
	US\$17,779 million
GDP per capita (1997)	SDR 12,942 million
	US\$1,582
	SDR 1,151

Economic indicators, 1993-98	1993	1994	1995	1996	Prel. 1997
(In percent)					
<b>Origin of GDP</b>					
Agriculture	24.9	24.5	24.2	24.1	23.8
Manufacturing	14.5	14.3	14.1	14.0	13.8
Construction, transportation, and communication	10.6	10.5	10.8	10.8	11.0
Commerce and finance	28.6	29.2	29.6	29.7	29.8
Government	7.5	7.6	7.4	7.4	7.2
Other sectors	13.9	13.9	13.9	14.1	14.4
<b>Ratios to GDP</b>					
Exports of goods and nonfactor services	17.8	17.6	19.2	17.8	18.8
Imports of goods and nonfactor services	-26.3	-24.9	-25.5	-22.7	-24.3
Current account of the balance of payments	-6.6	-5.5	-4.1	-2.8	-3.5
Central government revenue	8.9	7.6	8.6	9.2	9.1
Central government expenditure	10.7	9.2	9.5	9.4	10.1
Combined public sector balance (- deficit) 1/	-2.5	-2.3	-0.9	-0.1	-0.5
Nonfinancial public sector savings	2.1	2.0	3.0	4.3	4.4
External public debt (end of period)	19.9	18.6	16.1	15.2	14.7
Debt service ratio 2/	14.4	15.6	14.3	10.7	9.9
Interest	5.6	5.8	4.7	4.9	2.9
Amortization	8.8	9.8	9.6	5.8	7.0
Gross national savings	10.7	10.2	11.0	9.7	10.6
Gross domestic investment	17.2	15.7	15.1	12.6	14.1
Money and quasi-money (banking system, end of year)	26.3	26.1	26.3	26.6	27.2
<b>Annual changes in selected economic indicators</b>					
Real GDP	3.9	4.0	4.9	3.0	4.1
GDP at current prices	19.0	16.2	14.0	12.1	13.0
Domestic expenditure at current prices	18.1	15.1	12.9	10.6	13.8
Investment	12.0	5.7	9.5	-6.4	26.8
Consumption	19.3	16.9	13.5	13.4	12.0
GDP deflator	14.5	11.7	8.7	8.9	8.6
Consumer prices (annual averages)	13.4	12.5	8.4	11.0	9.2
Consumer prices (end of period)	11.6	11.6	8.6	10.8	7.1
Central government revenue	4.8	-1.1	29.2	19.6	12.0
Central government expenditure	19.5	0.2	17.6	10.4	22.2
Liabilities to private sector (banking system) 3/	18.5	17.3	14.7	13.7	15.5
Money	5.9	11.9	3.9	4.9	9.9
Quasi-money	12.6	5.3	10.8	8.8	5.6
Net domestic assets of the banking system 3/	12.2	21.7	17.2	10.8	9.1
Of which					
Credit to public sector	-0.5	-3.9	-3.6	-4.4	-6.7
Credit to private sector	7.8	17.1	19.9	7.5	13.5
<b>Annual changes in selected economic indicators</b>					
Merchandise exports (f.o.b., in U.S. dollars)	5.9	15.4	27.8	3.8	16.3
Merchandise imports (c.i.f., in U.S. dollars)	2.7	7.0	18.4	-4.4	20.8
Terms of trade (deterioration -)	-2.0	7.7	15.0	-9.0	5.1
Nominal effective exchange rate (depreciation -)	8.7	11.3	-1.7	2.6	3.0
Real effective exchange rate (depreciation -)	1.5	7.6	0.0	7.5	6.8

	1993	1994	1995	1996	Prel. 1997
(In millions of quetzales)					
<b>Central government finances</b>					
Revenue	5,745	5,684	7,345	8,786	9,838
Expenditure	6,877	6,887	8,097	8,937	10,917
Current account balance (deficit -)	312	467	1,525	2,418	3,128
Overall balance (deficit -) 4/	-1,288	-1,230	-520	-177	-717
External financing (net)	1,119	1,369	74	484	2,384
(In millions of U.S. dollars)					
<b>Balance of payments</b>					
External current account	-750	-707	-600	-443.0	-630
Merchandise exports (f.o.b.)	1,462	1,687	2,156	2,236.8	2,602
Merchandise imports (c.i.f.)	-2,599	-2,781	-3,292	-3,146.2	-3,802
Factor services (net)	-107	-142	-172	-205.0	-178
<i>Of which</i>					
Interest payments	-113	-132	-132	-137.6	-98
Nonfactor services (net)	184	144	216	149.0	214
Transfers (net)	311	386	494	522.4	534
Capital account	959	543	380	582.9	889
Official transfers	52	62	59	65.0	78
Official capital	14	54	-144	-70.8	240
Disbursements	102	105	84	91.5	142
Amortization	-178	-173	-143	-149.3	-146
Public bonds	90	121	-85	-13.0	243
Private capital (including errors and omissions)	893	427	465	588.7	570
Balance of payments support	0	159	35	48.0	30
Overall balance (deficit -)	209	-5	-185	187.9	289
Change in net official reserves (increase -)	-206	-60	157	-176.4	-287
Change in arrears (reduction -)	-473	29	28	-11.5	-2
Rescheduling/special financing	470	35	0	0	0
External arrears					
Total	58.6	87.7	115.8	103.2	0.0
Nonfinancial public sector	10.6	23.1	34.5	0.0	0.0
Financial public sector	48.0	64.6	81.3	103.2	0.0
International reserve position					
Central bank (net)	736.6	796.4	639.1	815.5	1,102.5
Gross official reserves (in months of imports of goods and nonfactor services)	3.5	3.2	2.3	3.0	3.1
Banking system (net)	636.0	571.8	995.5	506.7	740.2
<b>IMF data (as of April 30, 1998)</b>					
Article VIII status					
Intervention currency and rate				As of December 28, 1945	
Quota				US\$ at Q 6,28 per U.S. dollar	
Fund holdings of Guatemalan quetzales				SDR 153.8 million	
As percent of quota				SDR 153.8 million	
Total Fund credit				100 percent	
Special Drawing Rights Department				None	
Cumulative SDR allocation					
Net acquisition or utilization (-) of SDRs				SDR 27.7 million	
Holdings of SDRs				SDR -18.5 million	
Share of profits from gold sales				SDR 9.2 million	
					None

Sources: Bank of Guatemala; and Fund staff estimates.

1/ Includes losses of the Bank of Guatemala.

2/ Debt service of public sector over exports of goods and nonfactor services.

3/ In relation to the stock of liabilities to the private sector at the beginning of the period.

4/ The overall balance is measured below the line; therefore, revenue less expenditure may differ from the overall balance.



## I. OVERVIEW

1. During 1992–97 Guatemala's economic performance strengthened, with growth rates averaging 4 percent helped by declining inflation, progress in trade and financial reform, and favorable terms of trade. Efforts to improve fiscal and credit policies contributed to reducing the external current account deficit and strengthening the net international reserve position. However, despite progress in social conditions and growing income per capita, the country continues to face serious problems of poverty and income inequality. With the signing of the Peace Accords in December 1996 the authorities began implementing a peace program designed to address long neglected social problems, improve human capital and productivity, and thus create conditions to put the economy on a higher growth path over the medium term.
2. The authorities succeeded in bringing the combined public sector position to balance in 1995–96. The tax effort was raised from less than 7 percent of GDP in 1994 to 8.7 percent of GDP in 1996 owing to an increase in the VAT rate from 7 to 10 percent and a temporary base-broadening gross income tax. In 1997, government revenue was about unchanged, while public investment and social expenditure accelerated with the start of the peace program. The combined public sector deficit was limited to 0.5 percent of GDP in 1997 helped by a decline in interest payments and a drop in the quasi fiscal losses of the central bank. In December 1997, some temporary tax measures were approved by the Assembly, but the improvement in the efficiency and buoyancy of the tax system remains a major challenge for Guatemala.
3. In broad terms, developments in the financial system during 1992–97 were characterized by financial deepening, reduction in the net indebtedness of the nonfinancial public sector with the domestic banking system, expansion of credit to the private sector in real terms, and improvement in the net official international reserve position. As the fiscal position weakened, credit policy was tightened in 1993–94 through a sharp increase in legal reserve requirements and an intensification of open market placements. However, control over credit weakened in late 1994 and 1995 as banks intensified the use of foreign credit lines and shifted financial savings toward liabilities exempt from reserve requirements. In 1996–97 the authorities succeeded in stabilizing effective reserve requirements, and with the improvement in the public finances there was a contraction in overall central bank credit and a significant strengthening in the net international reserve position. With the improved reserve position, in 1997 the central bank moved to ease credit conditions. A drop in domestic interest rates contributed to pick up economic activity with declining inflation and a limited adverse effect on the external current account position.
4. The deepening of financial intermediation and a rapid expansion in the number of financial institutions in recent years have taken place within Guatemala's weak and outdated legal framework on bank oversight (Guatemala currently does not meet several of the Basle Core Principles for effective bank supervision). The authorities are taking steps to strengthen the supervisory powers of the Superintendency of Banks and the procedures for dealing effectively with problem institutions.

5. Guatemala's external position during 1992-97 was characterized by an improvement in the current account balance, strong private capital inflows, and a reduction in the public external debt. The exchange system was further liberalized during this period and the quetzal appreciated in real effective terms. The external current account deficit declined steadily to less than 3 percent in 1996, reflecting strong expansion of nontraditional exports and private remittances and more moderate import growth. In 1997 the current account deficit rose to 3.5 percent of GDP with a strong rise in imports, partially offset by the continuing strong performance of nontraditional exports and the recovery of coffee prices. With higher net inflows of private capital the overall balance of payments shifted into a large surplus in 1996. An even larger overall surplus was recorded in 1997 (1.6 percent of GDP) with an increase in official capital, including the placement of long-term bonds for US\$150 million; strong private sector inflows continued in the first half of 1997 but subsided in the second half as domestic interest rates declined.

6. Since March 1994 the exchange rate has been determined in the interbank market, with the central bank intervening to prevent large rate fluctuations. With strong capital inflows, the quetzal experienced upward pressure during most of the period under review, and the central bank intervened at times to slow the nominal appreciation of the currency, albeit with only partial sterilization. In late 1997, the slowdown in private inflows and the more rapid growth of imports put downward pressure on the quetzal, which prompted the central bank to sell foreign exchange. The exchange rate stabilized in early 1998, and interventions were discontinued. Significant progress has been achieved in trade liberalization in the 1990s, (within the framework of the Central American Common Market), with import duties from outside the Central American region reduced to a range between zero and 19 percent. The tariff structure, however, continues to exempt a number of products from the maximum rate and to provide safeguard privileges which allow tariffs above the maximum for imports in excess of quotas.

7. Guatemala made progress in 1996-97 in advancing the legal framework for privatization and the incentives for foreign investment. The modification of the Law on Procurement and Contracts in 1997 provided legal authority for sales of public sector assets and the granting of concessions. The new law, together with the General Electricity Law and the Telecommunications Law approved in 1996, would facilitate divestment in the power and telecommunications sectors. Following a failed attempt in 1997, the government initiated a new bidding process in February 1998 to sell up to 95 percent of the shares of the state-owned telephone company (TELGUA). In 1997, a concession was granted to a consortium for the right of way of the railroad company (FEGUA), and a management contract was signed for the postal service. In February 1998 the National Assembly approved the Foreign Investment Law, eliminating a number of institutional impediments and discrimination against foreign investment (including in tax laws). The new law, to be enforced by the Ministry of Economy, opens most economic sectors to foreign investment and limits government expropriation rights to cases of national emergency.

## II. ECONOMIC ACTIVITY AND PRICES

### A. Introduction

#### Box 1. Guatemala: Some Key Economic and Social Characteristics

- Guatemala is the largest economy in Central America, accounting for 40 percent of the region's GDP, 26 percent of its area, 27 percent of its merchandise trade and 35 percent of its population. The **agricultural sector** accounts for about 25 percent of output and employment and 55 percent of exports (42 percent traditional and 13 percent nontraditional). The main traditional export crops are coffee, bananas, sugar, and cardamon. The **manufacturing sector**, which developed in the 1960s and 1970s under the protective umbrella of the Central American Common Market, accounts for around 15 percent of GDP and employment, and 40 percent of exports. While the domestic and Central American markets continue to be important for the manufacturing sector (70 percent of production is directed to the domestic market, and about 55 percent of manufacturing exports is directed to the CACM), CACM trade liberalization has eroded protection and provided incentives for extra regional exports, which have expanded rapidly in recent years.
- Despite growing per capita income and progress in social conditions in recent years, Guatemala continues to face serious problems of poverty and income inequality. Three-fourths of the population (88 percent in rural areas) live below the poverty line with poor standards of nutrition, health, and education, particularly among the indigenous population. Poverty is aggravated by a high degree of inequality of income and land ownership. On the UNDP's 1997 Human Development Index, Guatemala ranks 117th, only above Nicaragua and Haiti in Latin America.

8. The economy grew at an average annual rate of 4.4 percent in 1992–95 as progress was made toward stabilization, trade liberalization, and financial sector reform (Table 1). In 1996, growth slowed to 3 percent mainly because of sluggish domestic demand resulting from a decline in coffee prices and a fall in private investment. The slowdown in output growth was widespread, with private services and construction most seriously affected. As measured by the central bank's index of activity,<sup>1</sup> the economy began picking up in the fourth quarter of 1996, aided in part by a recovery in private investment that extended into 1997. Output growth rose to an estimated 4.1 percent in 1997 on the strength of construction, utilities, and private sector services (Table 2 and Figure 1).

9. After a sharp rise in the early 1990s, the authorities succeeded in stabilizing the 12-month inflation rate (as measured by the CPI) at low double digit levels in 1992–95. Inflation rose to 10.8 percent in 1996 following a rise in the VAT rate by 3 percentage points, but fell to 7.1 percent in 1997 and 6.1 percent in March 1998, in response to the generally prudent financial policies. Based on a staff decomposition of the external and domestic

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<sup>1</sup>The central bank calculates a monthly index of economic activity (IMAE), that provides a good estimate of output developments during the year.

sources of inflation in the CPI price changes of nontradable goods accounted for about 60 percent of the average annual inflation rate in the 1992–97 period with the balance attributable to tradable goods.

### **B. Expenditure, Investment, and Savings**

10. During most of 1992–95, real output growth was sustained by the expansion in consumption and external demand (Table 3). Private sector investment tended downward (as percent of GDP) affected in part by the political climate in 1993 and tight credit policies during 1993–94. In 1996, the growth of real domestic expenditures fell to 0.5 percent, reflecting lower coffee prices and, to some extent, the impact of tightening of the fiscal and monetary stance. In 1997, output growth picked up on account of faster growth in external demand and peace related public investment, and a recovery in private investment aided by the decline in interest rates.

11. Gross national savings fell during 1992–94 by less than 1 percent of GDP to about 10 percent of GDP (Figure 2). Weaker public savings resulted from a drop in the tax effort, more than offsetting the strengthening of private savings in the wake of financial sector reforms that greatly expanded the menu of financial instruments. The strengthening of public savings in 1995–97 associated with a higher tax effort was more than offset by the partly related fall in private savings, which also was affected by lower coffee prices in 1996.

### **C. Production by Sector**

12. Economic activity in 1992–95 was led by robust growth in commerce, transport and communications, finance, utilities and mining (Statistical Appendix Table 19). Most of these sectors benefitted from policies of trade and financial sector liberalization and privatization, as well as by a series of tax, legal and administrative reforms that created a more business-friendly environment for private sector participation. Growth also was strong in the nontraditional export subsectors of agriculture and manufacturing with impetus provided by trade liberalization at home and abroad. The slowdown of economic activity in 1996 was most evident in the sectors affected by domestic demand (the secondary and services sectors) with the strongest decline in construction growth. In 1997, growth picked up in most sectors of the economy and was particularly robust in construction, utilities, and transport and communications.

### *Agriculture*

13. The agricultural sector contributes about one-fourth of total GDP and employment. Traditional export agriculture (bananas, coffee, cardamon, and sugar) accounts for around 30 percent of sector output and about 50 percent of crop production (Statistical Appendix Table 21). The main domestic crops are basic grains—beans, corn, and rice—and vegetables. In the early 1990s production shifted from basic grains toward export agriculture as hostilities in the rural areas and trade liberalization adversely affected basic grains production. These trends have continued in recent years with favorable prices for traditional export crops inducing increases in areas sown (and in yields). Nontraditional agricultural exports, which include fruits, vegetables, flowers, and ornamental plants grew by an estimated 15 percent a year in 1992–96, with strong advances in productivity and planted acreage and introduction of new technology (Section V of External Sector Developments).

14. In 1996–97, the real rate of growth in the agricultural sector averaged 2.7 percent per year, virtually unchanged from 1992–95.<sup>2</sup> Traditional export agriculture grew at an average annual rate of 3 percent, with the main gains recorded in sugar cane, cardamon, and bananas, mostly explained by favorable price and market access conditions. With less favorable coffee prices, coffee output rose at 1 percent in 1996, about the same as area sown. Basic grains output stagnated. The strongest growth rate (4.4 percent) was recorded by the group of vegetables and “other products”, which includes only partially some of the nontraditional agricultural commodities. In 1996, extraregional exports of fruits, flowers and ornamental plants, and vegetables grew respectively at rates of 50 percent, 29 percent, and 22 percent (data for 1997 is not available).

### *Manufacturing*

15. The manufacturing sector contributes about 15 percent of GDP and employment. The sector is dominated by two main groups: (i) foodstuffs, beverages, and tobacco; and (ii) clothing, textiles, and leather. Together they account for over 50 percent of manufacturing output (Statistical Appendix Table 22). About 70 percent of production is directed to the domestic market, while about 55 percent of manufacturing sector exports is directed to the Central American Common Market (CACM).

16. In 1992–95, manufacturing grew at an annual rate of 3.1 percent as trade liberalization began to expose domestic manufacturers to more import competition in both the home and CACM market. In 1996 growth fell to 1.9 percent, reflecting weaker domestic demand, but recovered moderately to a rate of 2.5 percent in 1997. Weak demand from CACM countries

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<sup>2</sup> Official statistics underestimate the real growth rate in the agricultural sector by excluding from output statistics rapidly growing nontraditional agricultural export commodities.

and a reported increase in contraband imports may also explain the slow growth in manufactures in 1996–97.

17. Official statistics underestimate the growth rate in the manufacturing sector by excluding maquila, some processed food products and artisan production from output statistics, which from external sector data, are rapidly growing components of exports of manufactures. In particular, maquila exports grew at an average annual rate of 21 percent in 1992–96 and by another 20 percent in 1997. By 1997 maquila exports had risen to 14½ percent of nontraditional exports and 8½ percent of total exports.

### *Petroleum and mining*

18. While relatively small in total output, Guatemala's petroleum and mining sector has been growing rapidly in recent years, averaging more than 20 percent per year in 1996–97. The sector is dominated by petroleum production, all of which is exported as crude oil, and accounts for over 50 percent of sector value added. In 1997 crude petroleum exports reached nearly US\$100 million (4 percent of total exports) and emerged as the fourth largest traditional export. While the state is the legal owner of Guatemala's petroleum (and other natural resources), petroleum production is in the hands of the private sector through concession agreements negotiated with the Ministry of Energy and Mines. Since 1992 growth has been boosted by an increase in private sector concessions and, particularly in 1996–97, by the end of hostilities in the rural producing regions of the country. In 1997, a modification to the Fuels Law reduced the royalty rate on output, adding incentives for private participation.

### *Utilities*

19. Guatemala's utilities sector is dominated by the production and distribution of electricity which together, account for over 90 percent of the sector's value added. Production and distribution of electricity have traditionally been controlled by public sector companies. The participation of the private sector began to assume increasing importance in the early 1990s as the result of ad hoc cogeneration agreements negotiated with the state-owned electricity company (INDE). Partly in response to these arrangements and to expansion of the distribution system to previously unserved areas and customers, the annual real growth rate in the utilities sector averaged a robust 9.3 percent a year in 1992–95, rising to 15 percent in 1997. In November 1996, congress approved the **General Electricity Law** which provides a legal framework for private sector participation in all areas of the sector (the implementing regulations of the law were issued in April 1997). Two generating plants owned by the state-owned distributing company EEGSA were sold in August 1997 (Box 2).

**Box 2. Privatization Developments in 1996-97**

- A general framework for privatization was created in 1997 with the modification of the 1992 **Law on Procurement and Contracts**. The modifications legitimized such privatization mechanisms as direct sales to the private sector, the granting of concessions and elimination of the monopoly position that the state has held in such areas as ports, telecommunications, railroads, and electricity generation and distribution.
- With a general legal framework for privatization in place, privatization activity speeded up in 1997. In the transportation sector, a concession was granted to a consortium for the right of way of the Guatemalan Railroad Company. The concession provides for the payment to the government of 5-10 percent of gross income over the next fifty years. The government also signed management contracts for the Guatemalan postal service, and plans to extend such contracts to the ports, airports, and major toll highways. In the utilities sector, two electricity generating plants owned by the state power distribution company were sold in August 1997 and the state electricity company was divided into separate generation, transmission, and distribution subsidiaries as a first step towards privatization. In the communications sector, in February 1997, an internationally recognized investment banking firm was selected to manage the privatization of the state telephone company and later in the year five companies were prequalified. However, in December 1997 the government rejected the single offer received, as the bid price was considered to be below the value of the company. A new bidding process for up to 95 percent of the shares was initiated in February 1998, which the authorities expect to conclude in the second half of 1998.

*Tertiary sectors*

20. In 1992-97, the **transport and communications and the financial sectors** were the fastest growing of the tertiary sectors (averaging 6 to 7 percent a year), well above the average growth of the economy. Growth in these sectors was boosted by the expansion of domestic and external commerce, and in the case of communications, also by a rapid expansion of the telephone system. In 1997 the **General Telecommunications Law** was approved, allowing private participation in the sector, and the process to privatize TELGUA was initiated. The liberalization and reform of the financial system contributed to the strong growth in the **financial sector** (the number of financial institutions more than doubled).

#### **D. Wages, Labor Productivity, Unit Labor Costs and Employment<sup>3</sup>**

21. Public sector wages and minimum wages are set by the government while private sector wages are determined mostly through collective or private bargaining. Minimum wages, which are set by and within sector, and by type of work, were adjusted upward in 1994, 1996, and 1998 (Statistical Appendix Table 27). Minimum wage adjustments usually lag rather than lead the setting of nonminimum wages.

22. As noted, information on private sector wages, employment, and productivity is limited. However, inferences on trends in private sector real wages, real unit labor costs and employment can be drawn by combining partial information provided by IGSS on private sector wages and employment, with output information from the national accounts. Based on this information, initial progress in the early 1990s toward stabilization was accompanied by a decline in real wages, which in 1991 were 17 percent below the average of 1987–89, a period that corresponds to the prestabilization peak level of real wages (Table 5). Because of wage flexibility, employment rose in 1991 to 6 percent above the 1987–89 average. Real wages began to rise in 1992, and by 1993 had recovered to the 1987–89 average (Figure 4).

23. In 1993–95, in response to buoyant growth, both private sector real wages and unit labor costs rose strongly, while employment increased in line with population growth (2.8 percent a year). Growth in real wages and unit labor costs appear to have partially

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<sup>3</sup> The analysis of trends in wages, employment, and labor productivity in this section relies on employment and wage data pertaining to employees covered by the Guatemalan Social Security Institute (IGSS) as there are no periodic employment/unemployment surveys in Guatemala. IGSS data are reported monthly by some 30,000 private sector employers and by the public sector. The data cover around 25 to 30 percent of the labor force. While the data sample is large, it may not be representative of wage and employment trends in the economy as a whole. For example, the avoidance of social security contributions provides an incentive to employers and employees to under report wages and employment. Moreover, the use of IGSS employment data to characterize trends in labor productivity implicitly assumes that the share of employees covered by IGSS in total employment is constant. For these reasons, the observations in the text on trends in wages, employment and labor productivity must be regarded as highly tentative. Estimates of employment and labor force by the National Statistics Institute (INE) and the General Economic Planning Office (SEGEPLAN) are less reliable than IGSS data, as they are not obtained from direct observation or periodic sample surveys, but are extrapolations based on historical coefficients that derive the labor force from population estimates and employment from output “employment requirements”.



reversed in 1996–97.<sup>4</sup> With both real wages and employment falling by 1 percent and real GDP increasing by about 7 percent, the available data would indicate that real private sector unit labor costs declined by around 9 percent.

24. Although in 1997, real wages were 18 percent above the prestabilization 1987–89 period, real private sector unit labor costs were 4 percent lower because of productivity gains. Taking agriculture and manufacturing sectors as a proxy for the tradables sector of the economy, and the remaining sectors as nontradables, the data suggest that unit labor costs in the production of tradables were 11 percent lower than in 1987–89, while in the nontradables were 1.4 percent higher (Statistical Appendix Table 30).

### E. Poverty

25. Based mainly on data from the late 1980s, approximately 75 percent of the population of Guatemala lives below the poverty line, defined as having insufficient income to purchase a basic basket of goods and services. Approximately 58 percent of the population fall below the extreme poverty line, defined as those unable to purchase a basic basket of food. The average poor person lives on an income that falls 44 percent below the poverty line.

26. Poverty is strongly correlated with lack of access to health, education, and infrastructure services. It is concentrated in rural areas and in the indigenous population (86 percent of rural population versus 57 percent of urban population, and 93 percent of indigenous population versus 66 percent of nonindigenous); and among the poorly educated (79 percent of population with no schooling and 48 percent of the population with only primary schooling). Associated with these statistics on poverty are a high degree of wealth and income inequality, with Gini coefficients for land ownership (85.9 percent) and income (59.5 percent) among the most skewed in Latin America (Table 6). On the UNDP's 1997 Human Development Index (HDI), Guatemala ranks 117th above only Nicaragua (127th) and Haiti (156th) in Latin America.

27. The government's peace program calls for major increases in current and capital expenditures by the public sector in health, education, governance, land reform and housing, as well as for the development of rural indigenous communities. Overall, expenditures in new social and institutional development programs are expected to rise from 5 percent of GDP in 1997 to 9 percent over the period through 2000 (Supplement, Appendix I).

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<sup>4</sup> The text tables show the changes over the 1996–97 period, as the rapid increase in private sector real wages in 1996 and the sharp reversal in 1997 likely reflect problems of data collection by IGSS.

### III. PUBLIC FINANCES

#### A. Introduction

##### Box 3. Developments of the Public Sector

- In the first half of the 1990s, there were several failed attempts at fiscal consolidation, partly as a result of unsustainable revenue measures. Efforts to increase the revenue base on a permanent basis confronted strong domestic resistance, affecting the building of basic infrastructure and the provision of social services. Delays in the adjustment of public sector prices weakened the financial position of major public enterprises, limiting their ability to attend an increasing demand for services.
- Since 1995, the public finances have improved through higher tax revenue, partly arising from temporary measures but also from a permanent increase in the VAT rate, the elimination of some tax exemptions, and improvements in the regulation for tax enforcement. Higher revenue combined with tight current outlays and savings in procurement procedures have given room for increased public investment, particularly in 1997, with the initiation of the peace program.
- The improved fiscal performance contributed to absorb domestic liquidity, allowing for a reduction of net placements of open market paper, and the central bank operating losses. In 1996–97, the government has pursued a debt strategy aimed at substituting external debt for high cost domestic debt, successfully reducing interest payments and extending the maturity of the debt.
- Adjustments were been introduced in the rates of telecommunications and electricity and market determined mechanisms have been established, which will contribute to improve the operational balance of public enterprises, and will enhance the prospects for private sector participation.

28. Following a substantial fiscal weakening in 1993–94, the financial position of the public sector improved strongly during 1995–97 (Table 7). This was mostly the result of successful efforts to increase the revenue base, that began in late 1994 and which strengthened public savings. The tax ratio, which had dropped sharply in 1993–94 recovered during 1995–97, partly with temporary measures, but also with a permanent increase in the VAT rate (Table 8). Current outlays as a percent of GDP were reduced substantially during 1992–97 through expenditure restraint, and more recently with increased efficiency and improved procurement procedures. Lower interest rates on domestic debt also helped to reduce current expenditures in 1997 (Figure 5). Public investment expanded moderately during 1992–96, but stepped up sharply in 1997 as the government accelerated implementation of the peace program.

## **B. Combined Public Sector<sup>5</sup>**

29. The authorities succeeded in bringing the combined public sector to balance in 1995–96, from a deficit averaging 2.4 percent of GDP in 1993–94, by strengthening savings by more than 2 percentage points of GDP. Weak revenue of the public enterprises (mostly associated with delays in the adjustment of public tariffs) was offset with cuts in their current outlays. In 1996, the surplus of the nonfinancial public sector and placements of bonded debt permitted a reduction in floating debt and the continued strengthening of the net credit position with the banking system. Central bank losses fell in 1995 but rose again in 1996 with higher open market placements (Figure 6).

30. In line with efforts mandated by the peace accords, the new administration that took office in 1996 formulated a peace program for 1997–2000, which served as the basis for the 1997 budget. Implementation of the program was slow in the first half of 1997, but stepped up in the second half, resulting in a small deficit for the combined public sector (0.5 percent of GDP). Savings of the nonfinancial public sector rose slightly in 1997, while central bank losses fell by one half of 1 percent of GDP. Foreign loans and placements of bonds more than financed the deficit, allowing for a further sizable increase of public sector deposits at the central bank. In addition, a strategy of substituting foreign financing for high cost domestic debt was intensified. A tax package was approved by the Assembly in December 1997, which together with increased foreign aid, would support peace related expenditures. Steps were taken to accelerate the privatization process to provide funds needed to recapitalize the central bank and further reduce domestic debt. However, the sale of the telephone company originally scheduled for 1997, was postponed until 1998.

## **C. Central Government**

31. The combined public sector largely mirrored developments in the finances of the central government (CG). Thus, a significant decline in the CG deficit during 1995–96 was followed by a moderate increase in 1997 (0.7 percent of GDP). In 1997, slightly higher tax revenues (8.8 percent of GDP) and lower interest payments resulting from the decline in domestic rates on government debt (from 22.4 percent on short-term bonds in October 1996,

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<sup>5</sup>The Guatemalan nonfinancial public sector comprises: (i) the central government, the Social Security Institute (IGSS), the municipalities, and other decentralized agencies which conform the General Government, and (ii) the nonfinancial public enterprises. The combined public sector includes central bank losses which emerged in the early 1980s with exchange rate guarantees, and later in the 1990s with the tightening of credit policy through net sales of central bank paper. Developments in the nonfinancial public sector are mostly determined by the central government: central government revenues and expenditures (excluding transfers from/to the rest of the nonfinancial public sector) account for about 70 percent of total revenues and expenditures.

to 7 percent in July 1997) contributed to an increase in CG savings to 2.9 percent of GDP. Domestic bond placements and floating debt covered the deficit in 1995, while external debt more than financed it in 1996 and 1997. In the past two years the CG reduced floating debt and high cost short-term debt and increased substantially its deposits at the central bank.

32. On **revenue**, in late 1994, the assembly approved a tax package that contributed to improve savings and reduce the deficit in the following years.<sup>6</sup> It included, among other measures, the reinstatement of quarterly income tax payments (which had been suspended by a court ruling) and an increase in the VAT rate from 7 to 10 percent that became effective in January 1996. In addition, a temporary tax on gross income (ISET) was introduced in mid-1996.<sup>7</sup> As a result, the tax ratio rose to 7.8 percent of GDP in 1995 and to 8.7 percent of GDP in 1996 (Table 9). In 1997 tax revenue edged up to 8.8 percent of GDP, as an anticipated drop in customs revenues (related to the lower common external tariff) was compensated with higher tax collection from oil production (*regalias*), VAT, and the increase in the gasoline tax.<sup>8</sup> During 1997 congress approved several tax measures that would be effective starting in 1998, including a gradual reduction in the maximum income tax rate (from 30 percent to 25 percent by 2000), a new gross income tax for corporations—IEMA (to be effective until May 1999), an increase in the gasoline tax, and the elimination of some tax exemptions. A new property tax was repealed by congress in February 1998. Overall, the tax measures taken in 1997 would increase revenues by 0.9 percent of GDP in 1998, but this yield would fall to 0.4 percent of GDP a year in the medium term because of the full effect of the lower income tax rate and the phasing out of the IEMA.

33. On **expenditures**, during 1995–96 the authorities restrained current outlays, including through a general wage freeze and the elimination of vacant positions,<sup>9</sup> while making efforts to increase capital expenditures (which rose from 2.2 percent of GDP to 2.7 percent in 1994), resulting in a slight increase in total expenditures (to 9.4 percent of GDP in 1996). In 1997, current expenditures declined further, mostly because of lower interest payments. In addition,

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<sup>6</sup>A detailed description of the tax system and tax measures taken during 1991–97 is presented in Supplement, Appendix II.

<sup>7</sup>The ISET or Solidarity Extraordinary Tax, could be deducted from the income tax base in 1996 and credited against the income tax in 1997. Half of the proceeds from this tax had to be sterilized at the central bank.

<sup>8</sup>Higher collection from the ISET in 1997 (because of the increased rate) was compensated with a related tax credit against the income tax.

<sup>9</sup>After a generalized wage increase in 1992, a monthly bonus for government employees was granted in May 1994, which was incorporated as part of the regular salary starting in late 1995.

a 10 percent salary increase granted to central government employees effective in April<sup>10</sup> was compensated with a freeze on vacant positions, and the authorities intensified efforts to increase efficiency in public expenditures. Operational changes in the provision of goods and services (partly related to the new law on procurement) contributed to generate savings in several areas, including in health, education, and public works. In the area of unproductive expenditures, according to the peace accords, the government announced a reduction of military personnel and the closing of several army bases. Capital expenditures increased rapidly in 1997 (by more than 1 percent of GDP), mostly associated with peace related social projects and basic infrastructure, including fixed capital formation and transfers to the social funds, resulting in higher total expenditures (10.1 percent of GDP).

#### **D. Social Expenditures<sup>11</sup>**

34. Following a small increase in 1992 to 4.1 percent of GDP, in 1993 the authorities strengthened the efforts to reduce implementation difficulties and expedite expenditures while improving targeting, through the creation of the social funds (Social Investment Fund—FIS, National Fund for the Peace—FONAPAZ, National Fund for Land—FONATIERRA, among others). In 1993 transfers to the social funds reached 0.3 percent of GDP and rose to 0.5 percent in 1994, contributing to the increase in social expenditures to 4.8 percent of GDP in 1994 (Statistical Appendix Table 34). Social expenditures declined to 4 percent of GDP a year in 1995–96, because of difficulties in the implementation of new projects, particularly in 1996 with the new administration, and lack of sufficient funds (Figure 7).

35. The peace program outlined in early 1997 established specific targets on the level of expenditures in education, health, and housing, and also in terms of social indicators, including coverage of primary education, literacy rate, infant mortality, vaccination, and coverage of basic services (water, electricity). During 1997, expenditures in the social areas rose by about 1 percentage point of GDP to 5 percent of GDP (including 0.2 percent more to the social funds). Important components of the increase were in the areas of housing and community services, partly associated with the reallocation of former combatants, increased coverage of electricity services, and health services, including construction of health units and better equipment of existing health centers.

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<sup>10</sup>In early 1997, the authorities granted a salary increase of 10 percent for central government employees, effective April 1997, and announced another 10 percent increase effective January 1998.

<sup>11</sup>Social and institutional expenditures associated with the government's peace program are covered in detail in Supplement, Appendix I.

36. As mentioned above, in line with the peace program, the government has made efforts to generate savings in military expenditures that could be applied to strengthen internal security.<sup>12</sup> Some reduction in military expenditures took place in 1997, while the new National Civilian Police was created under the authority of the Interior Ministry.

#### **E. Rest of the Nonfinancial Public Sector**

37. Developments in the **rest of the nonfinancial public sector** are mostly governed by the operations of the Social Security Institute (IGSS), the electricity company, INDE and the telecommunications company, GUATEL/TELGUA. Operations of the municipalities have remained about unchanged during the period under analysis, with a current account and an overall balance close to zero. However, they are expected to play an increasing role in the execution of social programs as they have started to receive the benefits of earmarked revenues from the 1996 increase in the VAT rate.

#### **Box 4. The Social Security Institute**

The Social Security Institute (IGSS) administers accident, health, and maternity insurance-EMA (also providing the related health services), and disability and pension programs-IVS. The accident program covers affiliates in all regions, while health and maternity only covers 11 departments. The IVS program also covers public employees. The IVS program is currently under analysis and privatization of the system has been considered, among other options, as part of the reform of the State. About 30 percent of the labor force is affiliated to IGSS. In addition to the employer's contribution, the central government is supposed to finance 25 percent of the benefits granted by IGSS during a year. However, since 1988 the central government has accumulated arrears with the IGSS that at end-1996 amounted to 2.1 percent of GDP. Municipalities and the private sector also have accumulated arrears with the IGSS (about 0.6 percent of GDP). As a result, the IGSS has been forced to scale down expenditures, including investment projects. During the period under analysis, no change has taken place in the rates for social security contributions, while coverage has remained about the same in terms of the labor force. The IGSS represents an important source of demand for central government bonds and central bank paper.

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<sup>12</sup>The military budget and military forces would have to be reduced by 33 percent of its 1995 level by 2000. Comprehensive information on military appropriations is not available. Official information published in the budget reports point to a military budget of about 1 percent of GDP a year since 1993-94.

38. IGSS revenues from contributions remained about unchanged in 1995, after a slight improvement in 1994 related to efforts to collect arrears from the municipalities and the private sector. In 1996, contributions rose somewhat partly because of an increase in the effective salary of public employees. In 1996 IGSS revenues from financial investments increased substantially with the higher interest rates, resulting in an improvement in its overall balance from 0.5 percent of GDP to 0.8 percent of GDP. This improvement was reversed in 1997 with the decline in interest rates.

39. Since 1993, the financial situation of **INDE** has been negatively affected by the failed attempts to increase electricity tariffs (suspended by the courts), and since 1994 by the elimination of transfers from the central government to repay external debt (Statistical Appendix Table 35). The decline in **INDE**'s operating surplus has forced cuts in capital expenditures, substantially reducing the expansion in its generating capacity. The General Electricity Law approved by congress in 1996 allows for private sector participation in the energy sector and establishes a mechanism for the setting of energy tariffs. Accordingly, power rates for major users (sales in block and large consumers) are market determined while maximum tariffs for the rest of the consumers are being set by a commission taking into account generation and distribution costs. Thus, in April 1997, the commission raised the maximum rates for residential consumers by about 50 percent, or to about the levels that would permit to cover long-term marginal costs.

40. After recording a small surplus in 1992, **GUATEL**'s overall balance turned into a deficit during 1993-94 as a result of advanced transfers to the central government and increased capital expenditures related to the expansion of telephone lines, partly financed with external loans (Statistical Appendix Table 36). In 1995-96 **GUATEL** was able to maintain a small surplus, as lower tariffs for domestic calls were compensated with higher tariffs for international calls and lower capital expenditures. However, strong competition in the market for international calls forced **GUATEL** to eliminate the cross-subsidy scheme by lowering international rates and increasing domestic rates in early 1997. In 1997 the authorities initiated the implementation of the privatization plan for **GUATEL**, dismissing all of its workers (to free the new company from any related liability) and transforming the enterprise into a corporation named **TELGUA**. A bidding process was opened to sell **TELGUA**, and the auction took place in December 1997. However, the government rejected a single offer by an international telephone company as the bidding price was considered below the value of the company. A second auction is expected to take place in early 1998.

## IV. MONETARY DEVELOPMENTS

### A. Introduction

#### Box 5. Financial System Developments

- **A reform of the financial system in the early 1990s** included liberalization of interest rates, unification of legal reserve requirements, reduction in barriers to entry, and the expansion of financial services of banks. At the same time, an active trade of central bank and government instruments fostered the development of the domestic bonds market. The number of banks and other financial institutions with nationwide operations increased rapidly and financial intermediation deepened.
- **In the period through 1994, the authorities relied on tight monetary policy.** In 1993–94, as the public finances weakened, the central bank raised reserve requirements substantially (to more than 35 percent of deposit liabilities) and intensified open market operations. This resulted in high interest rates, large spreads and increasing central bank losses. In 1994–95 bank credit growth increasingly was financed by expanding liabilities exempt from reserve requirements leading to a *de facto* decline in effective reserve requirements, a large credit expansion and a substantial weakening in international reserves. In 1996–97, fiscal improvement combined with better credit control permitted the central bank to strengthen the international reserve position. In 1997, with declining inflation, the central bank reduced open market placements and initiated a gradual reduction of reserve requirements.
- Expansion of bank credit in recent years has taken place in the context of a **lack of appropriate prudential norms and weaknesses in the regulatory framework**, resulting in some cases in lending concentration among related economic groups, and the weakening in the financial position of some banks. Currently, the authorities are taking steps to strengthen prudential regulations and the supervisory powers of the Superintendency of Banks.

41. In broad terms, developments in the financial sector<sup>13</sup> during 1992–97 were characterized by an increase in private sector financial assets relative to GDP, a reduction in the net indebtedness of the nonfinancial public sector with the domestic banking system, an expansion of credit to the private sector in real terms, and an increase in official net international reserves. Throughout the period private sector inflows from abroad maintained a strong pace, which together with declining inflation contributed to financial deepening.

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<sup>13</sup>Guatemala's financial system comprises 34 commercial and development banks, 19 finance companies, 15 warehouse credit companies, and 6 foreign exchange houses. There are a number of financial enterprises (*financidoras*) that are not regulated or supervised by the Central Bank or the Superintendency of Banks (SB). The Monetary Board sets monetary policy which is conducted by the Bank of Guatemala (the central bank) and establishes prudential norms for the financial system. The SB supervises banking institutions' compliance with these norms.



## B. Instruments of Monetary Policy

42. During the period under review, monetary policy generally was tightened at the times of fiscal weaknesses, albeit not consistently, and eased with the improvement of fiscal performance. Interest rate variations reflected closely the stance of credit policy. Except for a short period in early 1994 real interest rates remained relatively high until 1997 when the central bank moved to ease credit conditions and interest rates declined markedly (Statistical Appendix Table 47 and Figure 8). The main instruments of policy to manage liquidity were changes in reserve requirements and open market placements. In addition, the authorities have recently used government paper as a complement to central bank open market placements, in part to help reduce central bank losses. In early 1998 the authorities also began placing open market instruments denominated in U.S. dollars (in exchange for the equivalent amount of local currency), which the central bank treats as part of its foreign reserve liabilities. Trading of government paper in the domestic market expanded rapidly following the 1994 constitutional amendment prohibiting the central bank from providing credit to the central government.

43. Reserve requirements were used intensively in the period through 1994 (rising to 26.5 percent of bank deposit liabilities in 1992, and to 36.5 percent in 1993, before declining to 31.5 percent in 1996). However, their effectiveness as an instrument of monetary control was weakened significantly following a court decision in 1995 that permitted certain deposit-like bank liabilities to be exempt from legal reserve requirements.<sup>14</sup> As explained below, since 1996 effective reserve requirements have stabilized through agreements between the Monetary Board and commercial banks, but the legal framework that would give broad powers to the Monetary Board to set legal reserves has not been changed.

## C. Developments in Monetary Policy

44. Monetary policy was tightened considerably in 1993–94 as the position of the combined public sector shifted to a deficit of more than 2 percent of GDP. In 1995 monetary management was complicated considerably when banks accelerated the transfer of deposits toward exempt liabilities, which rose to the equivalent of 18 percent of M2 in 1995 (from about 1 percent in 1991) resulting in a drop in banks' effective reserve requirements

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<sup>14</sup>Exempt liabilities included mainly "*obligaciones financieras*" (financial obligations or bank securities) after the court decision in 1995. These financial obligations acted as mortgage bonds issued by banks with a maturity of one year or more, but with a guarantee clause of immediate repurchase at the request of the holder. The repurchase clause made these obligations indistinguishable from regular sight deposits.

to 26 percent of total liabilities at the end of 1995, from 33 percent in 1993<sup>15</sup> (Figure 9). The reduction in banks' reserves together with a more intensive use of foreign lines of credit by commercial banks, permitted a substantial expansion of banking system credit to the private sector (credit growth rates doubled to 30 percent a year in 1994–95). During 1995 the net domestic assets (NDA) of the central bank rose by one third,<sup>16</sup> and net official reserves fell by nearly US\$160 million (1.1 percent of GDP) (Table 11).

45. In 1996 the central bank attempted to regain control over credit expansion and to strengthen the NIR position, while containing inflation within the target of 10 percent. After an unsuccessful attempt in May 1996 to impose reserve requirements on exempt bank liabilities, the central bank reached an ad hoc agreement with commercial banks to limit the shift of deposits toward these obligations.<sup>17</sup> A minimum effective reserve requirement was set at 18 percent of total deposit liabilities, and a *pari passu* rule was established under which the increase of a banks' exempt obligations was to be limited to the increase in the bank's obligations subject to reserve requirements. At the same time, placements of open market paper were intensified, and the public sector increased considerably its deposits with the central bank. This resulted in a drop of NDA of the central bank by 16 percent and contributed to the increase of NIR by about US\$180 million to a stock of US\$816 million (22 percent of M2) at the end of 1996. Higher interest rates and the slowdown in economic activity led to a marked decline in the growth rate of banking system credit to the private sector (to a 12-month rate of 11 percent in December 1996), while broad money growth remained at about 14 percent.

46. Concerns about the slowdown in economic activity during 1996 prompted the authorities to seek to ease credit conditions in 1997. With declining inflation, increasing official external aid, and a comfortable international reserve position, the central bank suspended new open market placements and did not roll over obligations as they matured (by January 1998 the stock of these obligations with the private sector had been virtually eliminated). However, as public sector deposits and bank reserves at the central bank continued to increase (effective reserves stabilized at 25 percent) the NDA of the central bank contracted further in 1997 and the NIR position strengthened markedly. NIR rose

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<sup>15</sup>Effective reserve requirements are measured as banks' actual reserves over total deposit liabilities, including financial obligations.

<sup>16</sup>Percentage changes in NDA of the central bank are measured in relation to the stock of currency issue at the beginning of the period.

<sup>17</sup>In March 1996 the Monetary Board imposed reserve requirements on banks' exempted liabilities, but this decision was revoked by the court. An agreement with commercial banks was needed to avoid further court challenges. A legal solution would require modification to the banks' law.

by US\$290 million (1.6 percent of GDP) to US\$1.1 billion in December 1997, which represented 24½ percent of M2; gross reserves rose to 3.1 months of imports.

47. The reduction of central bank placements and government short-term paper led to a significant drop in domestic interest rates during 1997 (interest rates on six-month treasury bills fell to 10–11 percent, from 18–20 percent in 1996). Banking system credit growth to the private sector accelerated from a 12 month rate of 11 percent in 1996 to 20 percent in December 1997. The sharp credit expansion in the second half of 1997, together with the stepping up of public sector expenditure and a slowdown of private capital inflows resulted in downward pressures on the quetzal. In late 1997 the central bank intervened in the foreign exchange market to stem the nominal depreciation, while the government increased its placements of treasury bills.<sup>19</sup>

48. To reduce intermediation spreads, in December 1997 the Monetary Board agreed with commercial banks on a reduction of banks' legal reserve requirements in monthly steps over six months (from 31.5 percent of banks' deposit liabilities to 19.6 percent), while extending application of requirements to the previously exempt financial obligations with maturities of over one year. The monetary impact of this action is estimated to be moderately expansionary, which the authorities plan to offset with open market placements. Also, in February 1998 the Monetary Board authorized commercial banks to offer deposits and loans denominated in foreign currency. Specific rules and regulations still need to be established by the Superintendency of Banks.

#### **D. Developments in Bank Liabilities to the Private Sector**

49. Financial assets held by the private sector increased steadily from 28 percent of GDP in 1992 to about 30 percent of GDP in 1997 with most of the increase attributable to a relatively fast growth in demand deposits, and private and public sector securities. The growth of demand deposits was facilitated by the expansion of interest bearing demand deposits (NOW accounts), and improvements in banking services.

50. Private and public securities as a proportion of total financial assets increased from 12 percent in 1992 to 25 percent in 1997, with the increasing availability of government bonds and central bank certificates of deposits since 1994. Moreover, high interest rates on financial obligations exempt from reserve requirements gave a special incentive to hold these instruments. The increase of securities came at the expense of time and savings deposits, which declined as a share in total financial assets from 51 percent in 1992 to about 28 percent in 1996. This trend was reversed slightly in 1997 when the phase out of open market paper

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<sup>19</sup>Government paper was placed at longer terms (five-year maturity in December 1997 compared with one-year maturity in 1996), and at lower interest rates (10 percent in December 1997 from 16 percent in December 1996 for one-year treasury bond).

narrowed financial investment opportunities and interest rates on banks' financial obligations fell close to deposit rates.

### E. Issues in Banking Supervision

51. The financial sector reform implemented in the early 1990s contributed to a substantial increase in the number of financial institutions,<sup>19</sup> accompanied by the **growth of large financial groups** (21 in total) which comprise both financial and nonfinancial enterprises. The financial groups usually include at least one bank and one finance company, and the majority of them maintains offshore operations and some operate *financadoras*. Finance companies perform all bank activities with the exception of checking accounts and foreign trade transactions. The *financadoras* (created under the Commerce Code) accept funds from the public to finance lending operations (real estate, personal credit, car loans), can operate in foreign currency, and offer higher deposit interest rates as they are not subject to reserve requirements.

52. The Superintendency of Banks (SB), has **limited powers to supervise a dynamic market** in which banks and financial institutions have operated within a weak and outdated legal framework. Financial groups as such are not regulated or supervised by the SB. Also, while finance companies are subject to supervision, regulations applied to them are generally weaker than those applied to banking institutions. *Financadoras* are not subject to supervision, and the SB does not have complete information on their volume of assets and liabilities. Weak regulations, including norms on loan loss provisions, have created **incentives to artificially improve solvency and the portfolio profile** through automatic renewal of credits, sales of high-risk assets within the same group, and registration of interest due instead of interest received. Weak supervisory oversight by the SB and inadequate prudential measures concerning credit exposure to economically related debtors have led in some cases to **considerable lending concentrations** with related economic firms. Partial available information indicates that some banks have loaned funds to related firms up to two times their capital and up to three times in the case of finance companies.

53. High reserve requirements (36.5 percent in 1993, and 31.5 percent in 1997) imposed a considerable cost on banking operations resulting in wide intermediation spreads and strong incentives for evasion, which has taken place through offshore and off-balance sheet operations. Through offshore operations, which are not supervised by the SB, banks also avoid compliance with prudential regulations, while profiting from tax advantages. Because of lack of information the SB cannot detect risks that those operations may impose on supervised institutions. In addition, through trust operations, which are off-balance sheet, banks may assume risks by guaranteeing the trustees a pre-arranged return. Since 1995 trust funds have

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<sup>19</sup>Total banking and financial institutions rose to 53 with 863 agencies in 1997, from 25 with 243 agencies in 1989.

increased from the equivalent of about 2 percent to 12 percent of the total deposits of the banking system raising concerns about their authenticity and the hidden risk that they represent to banking institutions.<sup>20</sup>

### *Recent Actions to Improve Bank Supervision*

54. Efforts are currently being made to strengthen the powers of the Superintendency of Banks within the existing legal framework, and to create incentives to comply with prudential regulations. In September 1997 the Monetary Board (MB) approved improvements in the regulation for licensing and merging banking institutions, including for the first time, the requirement of presenting a financial evaluation of the prospective bank, financial information on prospective major bank shareholders, and the obligation to inform the SB of any changes in ownership, executive board members, and bank executives.<sup>21</sup> Additionally, the SB is studying initiatives to improve regulations on evaluation and classification of assets; strengthen norms on renewing and extending loans; and new norms and sanctions on bank recapitalization procedures. These initiatives are to be presented to the MB in mid-1998. Other regulations such as a central bureau on debtors and guarantors, and norms on external auditors are still in preparation by the staff of the SB. Also, the Fund's MAE department has recommended a thorough diagnosis of the financial position of banks to identify signals of problem institutions. The authorities have initiated such a diagnosis but it is still at an early stage.

55. To address the remaining problems the authorities intend to continue with their program of financial modernization under a **second sectoral loan from the IDB**. The IDB financial sector loan will cover legislative changes to: (i) grant more freedom to the SB in the application of regulations and sanctions; (ii) strengthen norms on capital adequacy, related-party lending, credit concentration, and foreign exchange exposure; (iii) allow consolidated supervision of financial groups; (iv) improve the mechanisms to timely identify and resolve problems with financial institutions; and (v) protect officials of the SB against personal lawsuits in retaliation for actions taken in fulfilling of their official duties. The authorities plan to complete this financial program during 1998-99.

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<sup>20</sup>In legitimate trust operations the risk is assumed fully by the person setting up the trust, while the banking institution offers a management service for a fee. For this reason it is shown off-balance sheet.

<sup>21</sup>Even though these new regulations go in the right direction, they do not meet some of the Basle Core Principles of effective banking supervision. The principles require the supervisory authorities to have the power to review and reject any proposal to transfer ownership if that acquisition might expose the bank to undue risks or hinder supervision.

## V. EXTERNAL SECTOR DEVELOPMENTS

### A. Introduction

#### Box 6: Developments in Trade and Capital Flows

A revival of coffee prices, sustained progress in trade and exchange reforms, and the gradual emergence of petroleum exports paved the way for a strengthening of Guatemala's external accounts in the 1990s. The revival of coffee prices, which had been weak and erratic following the breakdown in 1989 of the price support mechanism under the International Coffee Agreement, came in 1994-95 and underscored a somewhat firmer tone to prices because of declining world stocks. The trade reforms, which reduced import tariffs and shifted relative prices in favor of nontraditional activities, and the exchange reforms, which corrected for an over valued local currency, sparked a resurgence of nontraditional exports, which continued to grow at double digit rates into the 1990s. After an uneven start in the 1980s, the volume of crude petroleum exports increased one and a half times in 1991-95. These factors boosted total exports from about 13.3 percent of GDP on average in 1991-93 to 14.8 percent of GDP by 1995-97. As imports, and services and transfers remained broadly unchanged (as a percent of GDP) the current account deficit fell from about 7 percent of GDP on average in 1992-93 to 3.5 percent of GDP in 1997. After peaking in 1993, the capital account surplus decreased over the period due to a moderation in net private inflows and debt repayments by the public sector. However, the overall balance of payments achieved a cumulative net surplus in the 1990s, increasing Guatemala's net international reserves to US\$1.1 billion or nearly 6 percent of GDP in 1997 (from close to zero in the late 1980s).

56. Guatemala's external position during 1992-97 was characterized by an improvement in the current account balance, strong private capital inflows, a reduction in the public sector external debt and a substantial recovery in net international reserves. The exchange system was further liberalized while the quetzal appreciated in real terms. Guatemala appears to have maintained export competitiveness through improvements in productivity. The current account deficit fell from a peak of 7.6 percent of GDP in 1992 to 3.5 percent in 1997, on the strength of nontraditional exports, an overall improvement in coffee prices, strong private remittances and higher tourist receipts. Private capital inflows remained strong during the period, increasing noticeably in the periods of rising domestic interest rates (1993, 1996). Official inflows remained low through 1996, and rose in 1997 with the implementation of the peace program. Public sector debt declined to less than 15 percent of GDP, and since 1996 the government has remained current with its external debt payments.

### B. Current Account

57. During 1992-95 the current account deficit fell to 4.1 percent of GDP with an improved trade balance and higher private remittances (Table 13). Traditional exports increased by an annual average rate of 15 percent during the period to 7.2 percent of GDP in 1995, reflecting mainly advances in coffee shipments and higher prices. Nontraditional exports grew at an annual average rate of 13 percent in 1992-95 (to 7.6 percent of GDP), reflecting

the positive effects of continuing trade reform, preferential access to the U.S. and EU markets, and a revival of economic growth in the CACM countries, which raised demand for Guatemala's manufactured exports (Figure 11). Import growth moderated to an annual rate of 9 percent in 1993–95, reflecting the slowdown in private domestic investment and lower price increases in Guatemala's major import commodities.

### Developments in 1996

58. The current account deficit continued its declining trend in 1996. However, after rising by over 15 percent a year, export growth slowed in 1996 because of a reversal in coffee prices—due to increased world production following two years of favorable prices. Coffee prices fell by 23 percent in 1996, more than offsetting a sizeable increase in export volume, and the sharp decline in coffee earnings led to an 8 percent contraction in total traditional exports (Box 7). The decline in traditional exports, however, was more than offset by another strong performance in nontraditional exports, which grew by 15 percent—allowing total exports to post positive growth of 3½ percent in 1996. The continuing strong performance of nontraditional exports (Box 8) reflected, in addition to the positive effects from trade reform, stronger economic growth in the CACM countries, which increased demand for Guatemala's manufactured exports, and strong performance of maquila and nontraditional agricultural exports which enjoy preferential access to the U.S. market.

#### Box 7: Traditional Exports

Traditional exports include coffee, sugar, bananas, petroleum, and cardamon. Coffee is still the most important traditional export commodity although its share of total exports declined from 36 percent in 1987 to 24 percent in 1997. Coffee production, which has roughly a two-year cycle,<sup>22</sup> has increased recently because of larger planted acreages. Sugar is the second largest traditional export, accounting for 10 percent of total exports in 1997 (Table 15). About 70 percent of sugar exports are destined for the United States where they enjoy preferential access under a quota system. In recent years, sugar production, cultivated acreage, and export volumes have increased substantially as prices have risen. Sugar export earnings fell by 10 percent in 1996 (following a record performance in 1995) but rebounded in 1997 (20 percent growth) in part because of an increase in quota access to the United States. Banana is the third largest traditional export, accounting for 5.5 percent of total exports. Following a resolution of labor disputes in 1993, production, planted acreage, and export earnings have shown a strong uptrend, even though export earnings fell by 10 percent in 1997 because of a decrease in demand from the United States. Crude petroleum (3.7 percent of total exports) emerged as the fourth largest traditional export in 1997, replacing cardamon which dropped from fourth to fifth place primarily because of weaker world prices.

<sup>22</sup>A coffee branch which has produced in one year cannot produce again the next year. When a good crop is obtained, the new branches producing for the subsequent year normally have lower yields. The 1996–97 increases in volumes reflect higher planted acreage.

59. The slowdown in export growth, however, was more than offset by a 4½ percent contraction in **imports**, after several years of relatively rapid growth (more than 15 percent a year on average in 1992–95). Imports contracted in 1996 because of a slowdown in private domestic investment and a strengthening of the **public finances**, including an increase in the VAT rate. The VAT increase, which had been preannounced and thus fully anticipated, caused importers to build up inventories in 1995; and a large part of the import decline in 1996 reflected a drawdown of those inventories. The **trade deficit** fell further to 5.8 percent of GDP in 1996 from 7.8 percent in 1995.

#### Box 8: Nontraditional Exports

- **Nontraditional exports** comprise **manufactured goods** such as maquila (assembled goods), chemicals, food products, and textiles; and **nontraditional agricultural products** such as fruits and vegetables, flowers, ornamental plants, fish, and seafood. Growth of nontraditional exports averaged 14 percent per year in 1991–97 and increased the sector's share of noncoffee exports from 68 percent to 74 percent (Figure 11). Apart from the trade reforms and preferential access, nontraditional exports also have benefited from the availability of tax incentives, which provide tax holidays and exemptions for VAT and import duties on imported parts and equipment. Reflecting these factors, nontraditional exports to **extraregional markets** increased from 50 percent of total nontraditional exports in 1990 to 53 percent in 1997.
- Among manufactured exports, the fastest growing has been the **maquila industry**, which exports assembled apparel to the United States. Maquila exports grew by 21 percent a year in 1991–96. Growth decelerated temporarily in 1993 when several foreign investors moved their operations to Mexico. In 1994–96, maquila exports revived strongly as some producers returned to Guatemala. In 1997, maquila exports grew by another 20 percent.
- Nontraditional agricultural exports grew by an estimated 15 percent a year in 1992–97. The major impetus for growth came in the early 1990s with the increase in productivity and planted acreage resulting from the liberalization of agricultural policies and introduction of new technology and cultivation methods. Presently, Guatemala is the largest exporter of snowpeas in the world, and one of the largest suppliers of ornamental plants to Europe. Guatemala has also been able to exploit niche markets, such as in fresh blackberries, where it is the largest supplier to the US during the offseason. Important new nontraditional agricultural crops which have grown strongly in recent years, include mangos, melons, berries, and broccoli.

60. The **services account surplus**, which is dominated by tourism receipts and factor payments, however, shifted into deficit in 1996 because of higher profit repatriation, which offset lower public sector interest payments. In addition, **private transfers** which had increased strongly in recent years (because of strong private remittances from Guatemalans abroad, including refugees) decreased slightly. However, the fall in the services surplus and



transfers was more than offset by the decline in the trade deficit, and the **current account deficit** decreased further to **2.8 percentage points of GDP** in 1996.

### **Developments in 1997**

61. In 1997, **exports** resumed its strong performance; growth is estimated at 16 percent, powered by a strong **recovery in coffee earnings**, a substantial increase in **petroleum exports**, and steady performance in **nontraditional exports**. World coffee prices rebounded by 54 percent because of a poor crop in Brazil and a strike by dockworkers in Colombia. Prices received by Guatemalan producers, however, rose only by 19 percent because many producers incorrectly anticipated that the previous year's decline would continue, and sold their crops early (in futures markets) before prices began their steep climb. Nevertheless, because of another good increase in export volume, Guatemala's coffee export earnings rose by 30 percent in 1997.

62. After doubling in 1996, crude petroleum earnings grew by 60 percent in 1997 because of a strong gain in volume (45 percent increase) and favorable international prices. Recently, the sector has emerged as another **potential anchor** for Guatemala's external accounts because of the large reported albeit unproven reserves and the sizeable recent investments undertaken following the **cessation of civil conflict**.<sup>23</sup> These investments have brought new fields into operation and led to the construction of an oil pipeline in 1997 to facilitate transport. Nontraditional exports grew by 12.5 percent, powered by another strong increase in maquila exports and continuing strong exports to the CACM countries. However, growth of nontraditional exports to non-CACM countries are estimated to have slowed to 11 percent.

63. In 1997, **import growth** (Box 9) also resumed strongly (by an estimated 21 percent) because of a recovery in private investment (including a rebuilding of import inventories), stronger economic growth, a slight decline in import tariffs, and an appreciation of the quetzal in **real effective terms**. As a result, the **trade deficit** is estimated to have increased to 6.7 percent of GDP. However, the **surplus of services and transfers** also increased, primarily because of a strong rise in tourism receipts (26 percent) associated with the signing of the **Peace Accords**, and another decline in public sector interest payments. As a result, the **current account deficit** is estimated to have increased to **3.5 percent of GDP** in 1997. After declining by 9.4 percent in 1996, the **terms of trade** are estimated to have improved by 9 percent in 1997 mainly because of the increase in coffee prices.

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<sup>23</sup> Unproven petroleum reserves are reported to be at about 3.2 billion barrels, which translate at current rates of exports into 400 years' worth of petroleum exports. Guatemala's petroleum is of a heavy, low grade variety.

#### Box 9: Structure of Imports

The structure of Guatemala's imports has changed because of trade liberalization and the reductions in import tariffs (see Supplement, Appendix III). Reflecting the relatively larger tariff reductions on consumer goods over the last ten years, the share of consumer goods has risen from 18 percent of total imports in 1988 to 28 percent in 1997. The share of capital goods increased slightly from 22 to 23 percent, while that of intermediate goods fell from 60 to 49 percent. The sharp decline in the share of intermediate imports, however, partly reflected generally weak petroleum prices and a reduction in crude oil imports, as domestic production increased (Statistical Appendix Table 51).

#### C. Capital Account

64. The **capital account surplus** declined from a peak of 8.4 percent of GDP in 1993 to 2.7 percent by 1995 but on average remain relatively high compared to the 1980s. The decline reflected a moderation of net private capital inflows because of a narrowing in the differential between domestic and international interest rates (which had been substantial before 1993). **Public amortization payments** also increased, particularly in 1995 due to a lump sum repayment of maturing bonds. The higher amortization payments coupled with lower project related disbursements resulted in minimal net official inflows in 1991–95, which enabled the public sector to reduce its external debt (as a percent of GDP).

65. In 1996, the capital account surplus improved to 3.7 percent of GDP with a revival of private capital inflows and a decrease in public amortization payments, as the external debt burden decreased. In 1997, the capital account surplus (including BOP support) is estimated to increase again (to 5.2 percent of GDP) as a slowdown in private inflows was more than offset by higher official external inflows (including a public sector flotation of US\$150 million in bonds abroad). Official transfers averaged about 0.4–0.5 percent of GDP throughout the period. With the lower current deficits and higher capital surpluses, the overall **balance of payments** registered surpluses of US\$190 million in 1996 and US\$290 million in 1997, and **gross official reserves** recovered to 3.1 months of imports of goods and nonfactor services in 1997 (from 2.3 months in 1995).

#### D. External Debt and Arrears

66. Guatemala has a manageable external debt. The recent sizeable amortization of public external obligations and some forgiveness of debt by Paris Club creditors under a rescheduling arrangement in March 1993 helped to **reduce Guatemala's outstanding public external debt** (including arrears) from 22 percent of GDP in 1992 to 15 percent of GDP in 1996 (Statistical Appendix Table 52). In 1997, the public external debt is estimated to have remained close to 15 percent of GDP.

67. At end-1997, 38.7 percent of the external debt was owed to bilateral creditors; 41.9 percent to multilateral creditors; 2.6 percent to commercial banks; and the remaining 16.8 percent consisted of debt to other creditors, including foreign suppliers and short-term debt. The **external debt profile** improved with the share of **medium- and long-term debt** increasing from 82 percent in 1992 to 90 percent in 1997, reflecting partly the **clearance of interest arrears**. In the late 1980s, Guatemala had accumulated a substantial amount of external arrears, but by end-1996 the country had paid off or rescheduled all of its **arrears** except for a claim by Spain for a debt incurred by a now defunct public financial institution, that is currently under negotiations (Statistical Appendix Table 53). The **debt-service ratio** fell from 16.7 percent of exports of goods and nonfactor services in 1992 to 9.9 percent in 1997, with interest payments falling from 7.3 percent to 2.9 percent and amortization payments from 9.4 percent to 7.0 percent.

### E. Exchange System

68. Guatemala's exchange system became fully **liberalized** in the 1990s. Between November 1990 and March 1994, Guatemala maintained a system of foreign exchange auctions under which the exchange rate was allowed to fluctuate within a narrow band. The band was shifted upward or downward whenever the exchange rate was higher or lower than the midpoint of the band for 15 consecutive days. On March 17, 1994, the authorities moved to a more liberalized system based on an interbank foreign exchange market. The central bank participates in the foreign exchange market through its exchange desk and generally intervenes in the market to avoid sharp exchange fluctuations due to temporary shocks, speculative attacks, and seasonal factors.<sup>24</sup> The central bank trades with registered financial institutions, which are limited to net holdings of foreign exchange (defined as holdings of foreign exchange less foreign currency obligations with a 30-day maturity or less) at less than 25 percent of capital and reserves. Foreign currency holdings in excess of this operational limit are required to be deposited with the Bank of Guatemala.

69. In contrast to preceding years, the quetzal has tended to appreciate in **real effective terms (REER)** in the 1990s because of the improved external position and economic fundamentals (Statistical Appendix Table 54 and Figure 12). The quetzal appreciated by 16 percent in real effective terms in 1991–95 and by another 15 percent from end-1995 through end-1997. Although the sharper real appreciation in 1996–97 may be a cause for concern, the REER in 1997 was at about the level in 1985. The decline in the current account deficit, improvement in prospects for petroleum exports, improved productivity in nontraditional agriculture and likely productivity improvement in nontraditional manufacturing due to trade liberalization and world competition, suggest that the **equilibrium real exchange rate** may have appreciated since 1985. In the 1990s, the nominal exchange rate had

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<sup>24</sup>The exchange desk of the central bank comprises the President, the Vice President, the Director of Economic Studies, and the Director of the Exchange Department.

depreciated from Q5 per U.S. dollar in 1991 to a narrow trading range of about Q5.8 per U.S. dollar in 1993–95 and to Q6.1 per U.S. dollar in 1996–97.

#### F. Trade Reform<sup>25</sup>

70. As mentioned, significant progress in the area of trade liberalization was achieved in the 1990s (see Supplement, Appendix III). By 1996, the **average economy-wide (unweighted)<sup>26</sup> tariff rate** had been reduced to **10 percent from 25 percent in 1987**, and the **rate of tariff dispersion to 10 percent from 22 percent**. The maximum tariff was reduced to 20 percent from 150 percent and the minimum tariff raised to 1 percent from zero. The effective rate of protection (ERP) on the most heavily protected sector—consumer goods (including consumer manufactures primarily sold in the protected regional markets)—is roughly estimated by the staff to have declined by 25 percentage points in 1987–95 (from 62 to 38 percent).

71. The authorities' program calls for further reduction of tariffs from the 0–19 percent range in 1997 to 0–15 percent by 1999.<sup>27</sup> The planned measures would likely reduce ERP for consumer goods by about 5 percentage points. To the extent that many other Latin American countries and potential competitors also are rapidly liberalizing their economies, the agenda for Guatemala (and the other CACM countries) should be to move more aggressively to further rationalize its tariff structure, open its economy to world markets, and maintain the momentum of reform begun a decade ago.

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<sup>25</sup>For additional details on developments on the trade regime (Supplement, Appendix III).

<sup>26</sup> Production weighted tariffs are not available in Guatemala; and import-weighted tariffs are misleading because they are inversely related to the success of a protection policy. For instance, a tariff rate which has eliminated a certain import would have an import-weighted tariff of zero even though it would enjoy full protection. Also, data on effective rates of protection are not available.

<sup>27</sup>According to the authorities' calendar, the maximum tariff in 1998 would be 17 percent.

Table 1. Guatemala: Macroeconomic Indicators

	1991	1992	1993	1994	1995	1996	Prel. 1997
(Annual percentage change)							
Real GDP	3.7	4.8	3.9	4.0	4.9	3.0	4.1
Real GDP per capita	0.7	1.8	1.0	1.1	2.0	0.1	1.1
Consumer prices							
Annual average	35.1	10.2	13.4	12.5	8.4	11.0	9.2
End of period	10.3	14.2	11.6	11.6	8.6	10.8	7.1
Exchange Rate (Q/US\$)							
Annual average	17.0	3.3	8.6	2.2	0.9	4.8	-0.4
End of period	1.1	5.8	8.6	-2.6	5.2	1.1	3.2
Liabilities to private sector (banking system)	51.6	13.6	18.5	17.3	14.7	13.7	15.5
Net domestic assets of the banking system 1/	9.6	16.7	12.2	21.7	17.2	10.8	9.1
<i>Of which</i>							
Net credit to public sector	-7.0	-9.1	-0.5	-3.9	-3.6	-4.4	-6.7
Credit to private sector	25.7	30.7	15.8	34.8	36.4	11.1	20.3
(In percent of GDP)							
Combined public sector balance 2/	-1.8	0.1	-2.5	-2.3	-0.9	-0.1	-0.5
Overall balance of the nonfinancial public sector	-0.2	1.2	-1.4	-1.1	0.1	1.1	0.3
Foreign financing	0.7	0.2	1.6	1.7	-0.2	0.2	2.0
Domestic financing	-0.6	-1.4	-0.3	-0.6	0.2	-1.2	-2.4
Nonfinancial public sector savings	3.8	3.4	2.1	2.0	3.0	4.3	4.4
External current account	-2.4	-7.6	-6.6	-5.5	-4.1	-2.8	-3.5
External public debt	25.1	22.0	19.9	18.6	16.1	15.2	14.8
<b>Memorandum items:</b>							
Gross official reserves 3/	4.9	3.2	3.5	3.5	3.5	3.5	3.5
Terms of trade (1990 = 100)	96.6	90.7	88.9	95.7	110.1	100.2	105.3

Source: Bank of Guatemala; Ministry of Finance; and Fund staff estimates.

1/ In relation to stock of liabilities to the private sector at the beginning of the period.

2/ Includes Central Bank losses.

3/ In months of imports.

Table 2. Guatemala: Selected National Accounts Aggregates

(Annual percentage change)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
GDP at current prices	37.8	14.1	19.0	16.2	14.0	12.1	13.0
GDP deflator	33.0	8.9	14.5	11.7	8.7	8.9	8.6
<b>Real GDP</b>	<b>3.7</b>	<b>4.8</b>	<b>3.9</b>	<b>4.0</b>	<b>4.9</b>	<b>3.0</b>	<b>4.1</b>
Primary sector	3.2	3.3	2.3	2.5	3.7	2.9	3.2
<i>Of which</i>							
Agriculture	3.1	3.0	2.2	2.5	3.5	2.6	2.8
Mining and petroleum	8.2	30.4	10.8	4.1	13.9	23.9	23.3
Secondary sector	2.5	6.8	3.1	3.0	4.7	2.4	4.9
<i>Of which</i>							
Manufacturing	2.4	3.3	2.9	2.9	3.2	1.9	2.5
Construction	1.5	25.4	-3.0	-0.3	8.9	0.8	5.5
Utilities	4.0	13.5	9.7	5.7	8.6	6.0	15.2
Tertiary sector	4.3	4.9	5.0	5.1	5.6	3.2	4.1
<i>Of which</i>							
Commerce	4.2	4.5	4.1	5.7	6.1	2.7	3.7
Government	4.6	5.6	9.6	5.4	2.1	2.3	1.5
Transport and communications	5.9	7.5	4.8	4.2	7.6	3.6	6.2
<b>Real domestic expenditure</b>	<b>5.7</b>	<b>7.6</b>	<b>3.9</b>	<b>4.0</b>	<b>4.1</b>	<b>0.5</b>	<b>3.8</b>
Consumption	3.7	5.3	5.1	4.5	4.9	2.5	1.5
General government	-1.2	11.4	6.6	-2.5	7.1	2.6	2.0
Private sector	4.3	4.7	4.9	5.3	4.6	2.5	1.5
Investment 1/	24.5	25.7	-3.7	0.7	-1.3	-16.0	25.6
Fixed capital formation	5.2	19.7	7.7	-3.1	7.4	-1.6	11.7
Public sector	2.9	0.0	3.9	-2.0	1.8	2.3	6.9
Private sector	2.3	19.7	3.7	-1.2	5.6	-3.9	4.8
Inventory change	19.3	6.1	-11.4	3.9	-8.7	-14.4	14.0
<b>Real Resource Balance</b>							
Exports of goods and nonfinancial sectors	-8.7	9.6	4.4	4.8	12.4	9.5	13.2
Imports of goods and nonfinancial sectors	2.8	36.9	4.4	5.0	7.5	-6.7	14.6
Real GDP per capita	0.7	1.8	1.0	1.1	2.0	0.1	1.1

Sources: Statistical Appendix Tables 18, 19 and 20.

1/ In percent of investment in previous year.

Table 3. Guatemala: Expenditure and Savings

(As percent of GDP at current prices)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
<b>Resource balance (deficit -)</b>	<b>-3.6</b>	<b>-9.2</b>	<b>-8.4</b>	<b>-7.3</b>	<b>-6.3</b>	<b>-4.9</b>	<b>-5.5</b>
Exports of goods and nonfinancial services	18.0	18.1	17.7	17.5	19.1	17.8	18.8
Imports of goods and nonfinancial services	21.6	27.3	26.1	24.9	25.4	22.7	24.3
<b>Gross domestic expenditure</b>	<b>103.6</b>	<b>109.2</b>	<b>108.4</b>	<b>107.3</b>	<b>106.3</b>	<b>104.9</b>	<b>105.5</b>
Consumption	89.3	90.9	91.1	91.7	91.2	92.3	91.4
General government	5.4	6.4	6.4	5.6	5.4	5.2	5.1
Private sector	83.9	84.5	84.8	86.1	85.8	87.1	86.3
Gross domestic investment	14.3	18.3	17.2	15.7	15.1	12.6	14.1
Public sector	2.4	2.4	2.7	2.4	2.3	2.4	2.8
Private sector	9.8	13.2	13.3	11.8	12.2	10.9	11.1
Inventory changes	2.1	2.7	1.2	1.5	0.5	-0.8	0.2
<b>Savings</b>	<b>14.3</b>	<b>18.3</b>	<b>17.2</b>	<b>15.7</b>	<b>15.1</b>	<b>12.6</b>	<b>14.1</b>
National savings	11.9	10.8	10.7	10.2	11.0	9.7	10.6
Public sector 1/	2.2	2.2	0.9	0.8	2.0	2.9	3.2
Private sector	9.7	8.6	9.7	9.4	8.9	6.8	7.4
External savings 2/	2.4	7.5	6.6	5.5	4.1	2.8	3.5
<b>Memorandum item:</b>							
Gross domestic savings	10.7	9.1	8.9	8.3	8.8	7.7	8.6

Sources: Statistical Appendix Tables 13, 18, and 20.

1/ Includes Bank of Guatemala losses.

2/ External current account balance, as defined in Table 13.

Table 4. Guatemala: Consumer Price Indices 1/  
(Annual percentage change)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
<b>Average annual inflation rates</b>							
<b>QI</b>							
Period average	55.4	8.2	12.5	13.7	8.1	10.5	11.3
End of period	53.0	10.0	12.0	14.1	7.8	11.5	11.5
<b>QII</b>							
Period average	43.3	9.1	13.2	13.2	8.2	11.1	9.6
End of period	38.6	9.0	14.4	11.7	9.2	10.3	9.0
<b>QIII</b>							
Period average	31.7	10.4	14.5	10.8	8.4	11.8	8.1
End of period	26.2	11.1	13.4	11.9	8.1	11.8	8.3
<b>QIV</b>							
Period average	16.3	13.0	12.6	12.1	8.6	10.6	7.7
End of period	10.3	14.2	11.6	11.6	8.6	10.8	7.1
<b>Memorandum items:</b>							
Annual average CPI inflation	35.1	10.2	13.4	12.5	8.4	11.0	9.2
<i>Of which</i>							
Attributable to:							
Tradable goods (estimated) 2/	10.2	3.3	5.4	3.3	5.0	4.3	3.6
Nontradables (residual)	24.9	6.9	8.0	9.1	3.4	6.7	5.6
Implied percent change in REER 3/	13.3	3.5	2.5	5.6	-1.6	2.3	2.0

Source: National Institute of Statistics.

1/ Refers to prices in Guatemala City.

2/ Estimated as the percent change in the import price deflator multiplied by the share of tradeables in the CPI basket. Tradables are taken as food and beverages, home furnishing and clothing.

3/ The real effective exchange rate is defined as the ratio of nontradable to tradable goods prices.



Table 5. Guatemala: Trends in Private Sector Unit Labor Costs,  
Real Wages, Productivity and Employment

(Indices with 1991 = 100)

	Average 1987-89	1991	1993	1995	1997
Real private sector Unit Labor Costs	126	100	117	133	121
Real private sector annual wages	121	100	121	143	142
Real private sector labor productivity	96	100	104	108	117
Private sector employment	94	100	104	110	109
<b>Memorandum item:</b>					
Real GDP	90	100	109	119	127

Sources: Tables 29 and 30.

Table 6. Guatemala: Comparative Social Indicators

	Guatemala			Latin America		
	1975	1985	1995	1975	1985	1995
GNP per capita (\$)	620	1150	1340	1192	1836	3320
Infant Mortality 1/	103	70	51	82	56	37
Primary school gross enrollment rate 2/	61	76	84	99	107	110
Male	67	83	89	100	108	111
Female	56	70	78	98	106	109
Secondary school enrollment rate 2/	12	19	24	35	48	51
Percent illiterate (age 15 +) 3/	54	48	44	26	17	14
Female	63	56	51	31	20	15
Child malnutrition 4/	...	44	29	...	...	11
Life expectancy (years)	54	59	65	61	65	69
Population per hospital bed	...	...	588	...	...	435
Gini index 5/	...	...	55.68	...	...	49.31
Top-bottom ratio of income received by quintile 6/	...	...	20.82	...	...	11.71

Sources: "Social Indicators of Development, 1997", World Bank; "Health in Central America and Panama, 1998", World Bank; "Guatemala at a Glance, 1998", World Bank; Deininger K. and L. Squire, "Measuring Income Inequality: A New Data-Base", Development Discussion Paper No. 537, Conference Paper Series.

1/ Per thousand of live births.

2/ In percent of school age population. Last year for which data are available is 1993.

3/ Last year for which data are available for Latin America as a whole is 1994.

4/ In percent of age group under 5. Last year for which data are available is 1990.

5/ Average of Gini coefficients (1979-89 for Guatemala, and 1980-90 for Latin America).

6/ Average of top-bottom quintile ratios (1979-89 for Guatemala, and 1980-90 for Latin America).

Table 7. Guatemala: Operations of the Combined Public Sector

	1991	1992	1993	1994	1995	1996	Prel. 1997
(In millions of quetzales)							
<b>Combined public sector balance</b>	<b>-842.5</b>	<b>37.0</b>	<b>-1,591.9</b>	<b>-1,741.7</b>	<b>-739.5</b>	<b>-129.1</b>	<b>-501.0</b>
Current account	1,044.1	1,208.8	610.1	587.8	1,759.1	2,931.0	3,915.6
Nonfinancial public sector	-92.9	662.3	-869.9	-825.3	54.8	1,009.5	330.7
Current account	1,793.7	1,834.1	1,332.1	1,504.2	2,553.4	4,069.6	4,747.3
Central government	-222.9	-510.6	-1,288.3	-1,230.1	-519.7	-177.3	-717.2
Current account	693.2	682.8	311.7	466.5	1,525.2	2,418.5	3,128.4
Rest of the nonfinancial public sector	130.0	1,172.9	418.4	404.8	574.5	1,186.7	1,047.8
Current account	1,100.5	1,151.3	1,020.4	1,037.7	1,028.2	1,651.1	1,618.9
Bank of Guatemala losses	-749.6	-625.3	-722.0	-916.4	-794.3	-1,138.6	-831.7
<b>Nonfinancial public sector financing</b>	<b>92.9</b>	<b>-662.3</b>	<b>869.9</b>	<b>825.3</b>	<b>-54.8</b>	<b>-1,009.5</b>	<b>-330.7</b>
External (net)	354.6	89.0	1,055.1	1,238.4	-195.5	150.9	2,208.0
Foreign loans (net)	182.1	89.0	154.6	660.0	51.5	247.1	540.9
Foreign grants	0.0	260.3	14.9	74.5	39.2	53.0	202.1
External arrears (net change)	172.5	-260.3	-558.5	188.3	167.4	-70.5	-11.8
Refinancing	0.0	0.0	567.9	0.0	0.0	0.0	0.0
Bonded debt	...	...	876.2	315.6	-453.7	-78.8	1,476.8
Domestic (net)	-261.7	-751.3	-185.2	-413.1	140.7	-1,160.4	-2,538.7
Banking system	-629.7	-1,122.7	-71.2	-697.0	-689.6	-984.7	-1,710.0
Bonded debt	204.5	251.4	-331.0	448.0	373.4	852.0	-447.0
Change in floating debt	132.9	107.4	186.6	-180.5	432.2	-1,039.6	-418.2
Other	30.6	12.6	30.4	16.4	24.7	11.9	36.5
(In percent of GDP)							
<b>Combined public sector balance</b>	<b>-1.8</b>	<b>0.1</b>	<b>-2.5</b>	<b>-2.3</b>	<b>-0.9</b>	<b>-0.1</b>	<b>-0.5</b>
Current account	2.2	2.2	0.9	0.8	2.1	3.1	3.6
Nonfinancial public sector	-0.2	1.2	-1.4	-1.1	0.1	1.1	0.3
Current account	3.8	3.4	2.1	2.0	3.0	4.3	4.4
Central government	-0.5	-0.9	-2.0	-1.6	-0.6	-0.2	-0.7
Current account	1.5	1.3	0.5	0.6	1.8	2.5	2.9
Rest of the nonfinancial public sector	0.3	2.2	0.7	0.5	0.7	1.2	1.0
Current account	2.3	2.1	1.6	1.4	1.2	1.7	1.5
Bank of Guatemala losses	-1.6	-1.2	-1.1	-1.2	-0.9	-1.2	-0.8
<b>Nonfinancial public sector financing</b>	<b>0.2</b>	<b>-1.2</b>	<b>1.4</b>	<b>1.1</b>	<b>-0.1</b>	<b>-1.1</b>	<b>-0.3</b>
External (net)	0.7	0.2	1.6	1.7	-0.2	0.2	2.0
Foreign loans (net)	0.4	0.2	0.2	0.9	0.1	0.3	0.5
Foreign grants	0.0	0.5	0.0	0.1	0.0	0.1	0.2
External arrears (net change)	0.4	-0.5	-0.9	0.3	0.2	-0.1	0.0
Refinancing	0.0	0.0	0.9	0.0	0.0	0.0	0.0
Bonded debt	...	...	1.4	0.4	-0.5	-0.1	1.4
Domestic (net)	-0.6	-1.4	-0.3	-0.6	0.2	-1.2	-2.4
Banking system	-1.3	-2.1	-0.1	-0.9	-0.8	-1.0	-1.6
Bonded debt	0.4	0.5	-0.5	0.6	0.4	0.9	-0.4
Change in floating debt	0.3	0.2	0.3	-0.2	0.5	-1.1	-0.4
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Table 12 and Statistical Appendix Tables 18 and 31.

Table 8. Guatemala: Summary Central Government Operations 1/

	1991	1992	1993	1994	1995	1996	Prel. 1997
(In millions of quetzales)							
<b>Total revenue</b>	<b>4,266.0</b>	<b>5,483.0</b>	<b>5,744.5</b>	<b>5,683.6</b>	<b>7,344.9</b>	<b>8,786.0</b>	<b>9,838.3</b>
Tax revenue	3,469.6	4,511.6	5,026.5	5,054.7	6,734.7	8,332.0	9,453.6
Other revenues and transfers	796.4	971.4	718.0	628.9	610.2	454.0	384.7
<b>Total expenditures</b>	<b>4,309.0</b>	<b>5,756.6</b>	<b>6,876.5</b>	<b>6,887.4</b>	<b>8,096.9</b>	<b>8,936.6</b>	<b>10,916.9</b>
Current expenditure	3,572.8	4,800.2	5,432.8	5,217.1	5,819.7	6,367.5	6,709.8
Capital expenditure	736.2	956.4	1,443.7	1,670.3	2,277.2	2,569.1	4,207.1
<b>Current account balance</b>	<b>693.2</b>	<b>682.8</b>	<b>311.7</b>	<b>466.5</b>	<b>1,525.2</b>	<b>2,418.5</b>	<b>3,128.4</b>
<b>Overall balance (deficit -)</b>	<b>-43.0</b>	<b>-273.6</b>	<b>-1,132.0</b>	<b>-1,203.8</b>	<b>-752.0</b>	<b>-150.6</b>	<b>-1,078.7</b>
Statistical discrepancy	-179.9	-237.0	-156.3	-26.4	232.3	-26.6	361.5
<b>Overall balance, adjusted deficit (-)</b>	<b>-222.9</b>	<b>-510.6</b>	<b>-1,288.3</b>	<b>-1,230.1</b>	<b>-519.7</b>	<b>-177.3</b>	<b>-717.2</b>
<b>Financing</b>	<b>222.9</b>	<b>510.6</b>	<b>1,288.3</b>	<b>1,230.1</b>	<b>519.7</b>	<b>177.3</b>	<b>717.2</b>
<b>External</b>	<b>287.5</b>	<b>468.0</b>	<b>1,119.5</b>	<b>1,369.1</b>	<b>74.3</b>	<b>484.3</b>	<b>2,383.9</b>
Foreign loans (net)	201.2	288.9	49.0	777.2	321.4	580.5	716.7
Foreign grants	0.0	260.3	14.9	74.5	39.2	53.0	202.1
External arrears (net change)	86.3	-81.2	-330.2	201.8	167.4	-70.5	-11.8
Refinancing	0.0	0.0	509.6	0.0	0.0	0.0	0.0
Bonded debt	...	...	876.2	315.6	-453.7	-78.8	1,476.8
<b>Domestic (net)</b>	<b>-64.6</b>	<b>42.6</b>	<b>168.8</b>	<b>-139.0</b>	<b>445.4</b>	<b>-307.0</b>	<b>-1,666.7</b>
Banking system	-218.1	-410.9	-243.1	-664.1	-389.0	-467.6	-1,203.7
Bonded debt	-10.0	333.5	-114.6	404.0	484.7	999.9	-266.4
Change in floating debt	132.9	107.4	496.1	104.7	325.0	-851.2	-233.1
Other	30.6	12.6	30.4	16.4	24.7	11.9	36.5
(In percent of GDP)							
<b>Total revenue</b>	<b>9.0</b>	<b>10.2</b>	<b>8.9</b>	<b>7.6</b>	<b>8.6</b>	<b>9.2</b>	<b>9.1</b>
Tax revenue	7.3	8.4	7.8	6.8	7.9	8.7	8.8
Other revenues and transfers	1.7	1.8	1.1	0.8	0.7	0.5	0.4
<b>Total expenditure</b>	<b>9.1</b>	<b>10.7</b>	<b>10.7</b>	<b>9.2</b>	<b>9.5</b>	<b>9.4</b>	<b>10.1</b>
Current expenditure	7.6	8.9	8.5	7.0	6.8	6.7	6.2
Capital expenditure	1.6	1.8	2.2	2.2	2.7	2.7	3.9
<b>Current account balance</b>	<b>1.5</b>	<b>1.3</b>	<b>0.5</b>	<b>0.6</b>	<b>1.8</b>	<b>2.5</b>	<b>2.9</b>
<b>Overall balance (deficit -)</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-1.8</b>	<b>-1.6</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-1.0</b>
Statistical discrepancy	-0.4	-0.4	-0.2	0.0	0.3	0.0	0.3
<b>Overall balance, adjusted deficit (-)</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-2.0</b>	<b>-1.6</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-0.7</b>
<b>Financing</b>	<b>0.5</b>	<b>0.9</b>	<b>2.0</b>	<b>1.6</b>	<b>0.6</b>	<b>0.2</b>	<b>0.7</b>
<b>External (net)</b>	<b>0.6</b>	<b>0.9</b>	<b>1.7</b>	<b>1.8</b>	<b>0.1</b>	<b>0.5</b>	<b>2.2</b>
Foreign loans (net)	0.4	0.5	0.1	1.0	0.4	0.6	0.7
Foreign grants	0.0	0.5	0.0	0.1	0.0	0.1	0.2
External arrears (net change)	0.2	-0.2	-0.5	0.3	0.2	-0.1	0.0
Refinancing	0.0	0.0	0.8	0.0	0.0	0.0	0.0
Bonded debt	...	...	1.4	0.4	-0.5	-0.1	1.4
<b>Domestic (net)</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>-0.2</b>	<b>0.5</b>	<b>-0.3</b>	<b>-1.5</b>
Banking system	-0.5	-0.8	-0.4	-0.9	-0.5	-0.5	-1.1
Bonded debt	0.0	0.6	-0.2	0.5	0.6	1.0	-0.2
Change in floating debt	0.3	0.2	0.8	0.1	0.4	-0.9	-0.2
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Statistical Appendix Tables 32 and 33.

1/ Starting 1995, includes earmarked revenues (the counterpart is included in current and capital transfers), tax penalties and *regalias petroleras*.

Table 9. Guatemala: Central Government Revenues and Expenditures 1/

(In percent of GDP)

	1991	1992	1993	1994	1995	1996	Prel. 1997
<b>Total revenues</b>	<b>9.0</b>	<b>10.2</b>	<b>8.9</b>	<b>7.6</b>	<b>8.6</b>	<b>9.2</b>	<b>9.1</b>
<b>Tax revenues</b>	<b>7.3</b>	<b>8.4</b>	<b>7.8</b>	<b>6.8</b>	<b>7.9</b>	<b>8.7</b>	<b>8.8</b>
Direct taxes	2.3	2.0	1.9	1.2	1.7	2.1	2.2
Income tax	2.2	1.9	1.8	1.1	1.6	1.6	1.2
Property and other taxes	0.1	0.1	0.1	0.1	0.0	0.6	1.0
<i>Of which</i>							
ISET	0.0	0.0	0.0	0.0	0.0	0.5	0.8
Indirect taxes	5.0	6.4	5.9	5.6	6.3	6.6	6.6
Value-added tax	2.2	2.6	2.6	2.5	2.8	3.7	3.7
Domestic	1.1	1.2	1.1	1.0	1.2	1.8	1.7
Imports	1.1	1.4	1.5	1.5	1.6	1.9	2.0
Excise tax	0.8	1.1	1.1	1.0	1.0	0.9	1.2
Stamp tax	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Other taxes	0.2	0.2	0.2	0.2	0.3	0.3	0.2
Imports	1.4	2.1	1.8	1.6	1.9	1.5	1.4
Exports	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Nontax revenues</b>	<b>1.5</b>	<b>1.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>
<b>Transfers</b>	<b>0.2</b>	<b>0.5</b>	<b>0.7</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.1</b>
<b>Capital revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total expenditure</b>	<b>9.1</b>	<b>10.7</b>	<b>10.7</b>	<b>9.2</b>	<b>9.5</b>	<b>9.4</b>	<b>10.1</b>
<b>Current expenditure</b>	<b>7.6</b>	<b>8.9</b>	<b>8.5</b>	<b>7.0</b>	<b>6.8</b>	<b>6.7</b>	<b>6.2</b>
Wages and salaries	2.8	3.3	3.3	2.9	3.0	2.8	2.7
Goods and services	1.4	1.6	1.4	1.1	0.8	0.8	0.9
Interest	1.2	1.0	1.1	1.1	1.3	1.2	0.8
Transfers to:	2.3	3.0	2.6	1.9	1.7	1.9	1.8
Public sector	1.5	2.1	1.8	0.9	1.0	1.0	1.0
Private sector	0.7	0.9	0.8	1.0	0.7	0.9	0.7
Abroad	0.0	0.0	0.1	0.1	0.1	0.0	0.1
<b>Capital expenditure</b>	<b>1.6</b>	<b>1.8</b>	<b>2.2</b>	<b>2.2</b>	<b>2.7</b>	<b>2.7</b>	<b>3.9</b>
Fixed capital formation	0.9	1.1	1.0	0.9	1.3	1.3	1.7
Other capital expenditures	0.2	0.1	0.5	0.3	0.4	0.3	0.5
Transfers to:	0.5	0.6	0.8	1.1	1.1	1.1	1.7
Public sector	0.5	0.6	0.8	0.9	0.7	0.9	1.7
Private sector	0.0	0.0	0.0	0.1	0.4	0.3	0.1

Source: Statistical Appendix Table 33.

1/ Starting 1995, includes earmarked revenues (the counterpart is included in current and capital transfers), tax penalties and *regalias petroleras*.

Table 10. Guatemala: Private Sector Financial Assets

	1991	1992	1993	1994	1995	1996	Prel. 1997
(Stocks in millions of quetzales)							
<b>Total financial assets 1/</b>	<b>12,757.9</b>	<b>15,264.8</b>	<b>18,188.8</b>	<b>21,535.1</b>	<b>24,105.9</b>	<b>28,305.1</b>	<b>31,954.6</b>
Financial system liabilities to the private sector	12,700.6	14,894.2	17,813.5	20,873.5	23,070.9	26,418.1	30,514.6
Money	3,830.6	4,079.6	4,908.3	6,553.3	7,323.6	8,510.1	10,955.4
Currency in circulation	2,089.4	2,766.7	3,097.4	3,714.6	4,018.9	4,179.2	4,890.2
Sight deposits	1,741.2	1,312.9	1,810.9	2,838.7	3,304.7	4,330.9	6,065.2
Quasi-money	8,870.0	10,814.6	12,905.2	14,320.2	15,747.3	17,908.0	19,559.2
Time and savings deposits	6,517.9	8,252.1	8,748.0	9,178.3	8,120.6	8,042.7	10,570.7
Securities	535.6	921.7	1,422.4	2,319.1	4,342.3	6,068.2	6,330.7
Capital and reserves	829.6	1,089.1	1,319.2	1,638.3	2,219.6	2,311.7	2,601.6
Bank of Guatemala securities	986.8	551.7	1,415.6	1,184.5	1,064.8	1,485.4	56.2
Central government bonds	57.3	370.6	375.3	661.6	1,035.0	1,887.0	1,440.0
(Annual flows in millions of quetzales)							
<b>Total financial assets</b>	<b>4,376.2</b>	<b>2,506.9</b>	<b>2,924.0</b>	<b>3,346.3</b>	<b>2,570.8</b>	<b>4,199.2</b>	<b>3,649.5</b>
Financial system liabilities to the private sector	4,382.1	2,193.6	2,919.3	3,060.0	2,197.4	3,347.2	4,096.5
Money	605.3	249.0	828.7	1,645.0	770.3	1,186.5	2,445.3
Currency in circulation	192.3	677.3	330.7	617.2	304.3	160.3	711.0
Sight deposits	413.0	-428.3	498.0	1,027.8	466.0	1,026.2	1,734.3
Quasi-money	3,776.8	1,944.6	2,090.6	1,415.0	1,427.1	2,160.7	1,651.2
Time and savings deposits	2,598.8	1,734.2	495.9	430.3	-1,057.7	-77.9	2,528.0
Securities	264.6	386.1	500.7	896.7	2,023.2	1,725.9	262.5
Capital and reserves	217.6	259.5	230.1	319.1	581.3	92.1	289.9
Bank of Guatemala securities	695.7	-435.1	863.9	-231.1	-119.7	420.6	-1,429.2
Central government bonds	-5.9	313.3	4.7	286.3	373.4	852.0	-447.0
(12-month percentage change)							
<b>Total financial assets</b>	<b>52.2</b>	<b>19.7</b>	<b>19.2</b>	<b>18.4</b>	<b>11.9</b>	<b>17.4</b>	<b>12.9</b>
Financial system liabilities to the private sector	52.7	17.3	19.6	17.2	10.5	14.5	15.5
Money	18.8	6.5	20.3	33.5	11.8	16.2	28.7
Currency	10.1	32.4	12.0	19.9	8.2	4.0	17.0
Demand deposits	31.1	-24.6	37.9	56.8	16.4	31.1	40.0
Quasi-money and other liabilities	74.2	21.9	19.3	11.0	10.0	13.7	9.2
Time and savings deposits	66.3	26.6	6.0	4.9	-11.5	-1.0	31.4
Securities	97.6	72.1	54.3	63.0	87.2	39.7	4.3
Capital and reserves	35.6	31.3	21.1	24.2	35.5	4.1	12.5
Bank of Guatemala securities	239.0	-44.1	156.6	-16.3	-10.1	39.5	-96.2
Central government bonds	-9.3	546.8	1.3	76.3	56.4	82.3	-23.7
(In percent of GDP)							
<b>Total financial assets</b>	<b>27.0</b>	<b>28.3</b>	<b>28.3</b>	<b>28.8</b>	<b>28.4</b>	<b>29.6</b>	<b>29.6</b>
Financial system liabilities to the private sector	26.8	27.6	27.7	28.0	27.1	27.7	28.3
Money	8.1	7.6	7.6	8.8	8.6	8.9	10.2
Currency	4.4	5.1	4.8	5.0	4.7	4.4	4.5
Demand deposits	3.7	2.4	2.8	3.8	3.9	4.5	5.6
Quasi-money and other liabilities	18.8	20.0	20.1	19.2	18.5	18.8	18.1
Time and savings deposits	13.8	15.3	13.6	12.3	9.6	8.4	9.8
Securities	1.1	1.7	2.2	3.1	5.1	6.4	5.9
Capital and reserves	1.8	2.0	2.1	2.2	2.6	2.4	2.4
Bank of Guatemala securities	2.1	1.0	2.2	1.6	1.3	1.6	0.1
Central government bonds	0.1	0.7	0.6	0.9	1.2	2.0	1.3

Table 10. Guatemala: Private Sector Financial Assets

	1991	1992	1993	1994	1995	1996	Prel. 1997
	(12-month percentage real change) 2/						
<b>Total financial assets</b>	<b>38.0</b>	<b>4.8</b>	<b>6.8</b>	<b>6.1</b>	<b>3.1</b>	<b>5.9</b>	<b>5.4</b>
Financial system liabilities to the private sector	38.4	2.7	7.2	5.0	1.8	3.3	7.8
Money	7.7	-6.7	7.8	19.6	2.9	4.8	20.2
Currency	-0.1	16.0	0.3	7.5	-0.4	-6.2	9.2
Demand deposits	18.9	-34.0	23.6	40.5	7.2	18.2	30.7
Quasi-money and other liabilities	57.9	6.8	6.9	-0.6	1.3	2.5	2.0
Time and savings deposits	50.8	10.9	-5.0	-6.0	-18.5	-10.7	22.7
Securities	79.2	50.7	38.3	46.1	72.4	26.0	-2.6
Capital and reserves	22.9	15.0	8.5	11.3	24.8	-6.1	5.1
Bank of Guatemala securities	207.3	-51.0	129.9	-25.0	-17.2	25.8	-96.5
Central government bonds	-17.8	466.3	-9.3	58.0	44.1	64.4	-28.8
	(In percent of total)						
<b>Total financial assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Financial system liabilities to the private sector	99.6	97.6	97.9	96.9	95.7	93.3	95.5
Money	30.0	26.7	27.0	30.4	30.4	30.1	34.3
Currency	16.4	18.1	17.0	17.2	16.7	14.8	15.3
Demand deposits	13.6	8.6	10.0	13.2	13.7	15.3	19.0
Quasi-money and other liabilities	69.5	70.8	71.0	66.5	65.3	63.3	61.2
Time and savings deposits	51.1	54.1	48.1	42.6	33.7	28.4	33.1
Securities	4.2	6.0	7.8	10.8	18.0	21.4	19.8
Capital and reserves	6.5	7.1	7.3	7.6	9.2	8.2	8.1
Bank of Guatemala securities	7.7	3.6	7.8	5.5	4.4	5.2	0.2
Central government bonds	0.4	2.4	2.1	3.1	4.3	6.7	4.5
<b>Total financial assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Financial system liabilities to the private sector	99.6	97.6	97.9	96.9	95.7	93.3	95.5
Bank of Guatemala	24.1	21.7	24.8	22.7	21.1	20.0	15.5
Commercial and development banks	72.0	70.3	66.0	66.8	70.1	68.5	75.3
Nonbank financial intermediaries	3.5	5.5	7.1	7.4	4.5	4.8	4.7
Central government bonds	0.4	2.4	2.1	3.1	4.3	6.7	4.5
<b>Memorandum items:</b>							
Consumer price index (percent change, end-of-period)	10.3	14.2	11.6	11.6	8.6	10.9	7.1
Nominal GDP	47,302.0	53,985.4	64,243.2	74,669.2	85,016.3	95,495.0	107,915.5

Sources: Statistical Appendix Tables 18, 43, and 46.

1/ Starting in 1995 CORFINA, the public finance company, has been excluded from the consolidated financial system.

2/ Deflated by the consumer price index.

Table 11. Guatemala: Summary Accounts of the Monetary Authorities

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (Quetzales/U.S. dollar) 1/	5.30	5.30	5.8	6.0	6.00	6.00	6.00
(Flows in millions of quetzales)							
<b>Net international reserves</b>	<b>2,930.9</b>	<b>-133.6</b>	<b>1,458.0</b>	<b>506.1</b>	<b>-943.2</b>	<b>1,058.4</b>	<b>1,721.4</b>
<b>Net domestic assets</b>	<b>-2,597.9</b>	<b>700.6</b>	<b>-1,036.0</b>	<b>159.2</b>	<b>1,323.9</b>	<b>-697.6</b>	<b>-1,065.1</b>
<b>Combined public sector</b>	74.5	-210.0	517.0	85.3	159.4	-357.1	-1,903.8
<b>Net credit to the nonfinancial public sector</b>	-675.1	-835.3	-205.6		-634.9	-1,495.7	-2,735.5
<b>Credit to central government (net)</b>	-437.1	-355.9	-209.0	-827.7	-153.7	-913.4	-2,063.1
<b>Credit to the rest of the nonfinancial public sector (net)</b>	-238.0	-479.4	3.4	-3.4	-481.2	-582.3	-672.4
<b>Bank of Guatemala losses</b>	749.6	625.3	722.6	916.4	794.3	1,138.6	831.7
<b>Private sector</b>	-3,251.3	1,119.0	-1,506.6	-223.2	786.9	-874.7	853.3
<b>Bank's legal reserves</b>	-926.8	-46.7	-1,564.6	-414.5	179.9	-437.4	-1,227.9
<b>Reserve requirements</b>	-677.1	367.5	-660.3	382.5	107.9	-564.7	-755.9
<b>Obligatory investments</b>	-249.7	-414.2	-904.3	-797.0	72.0	127.3	-472.0
<b>Open market operations</b>	-2,472.5	1,012.2	138.1	305.9	676.2	-360.3	2,149.9
<b>Banks</b>	-1,604.6	411.3	915.9	-193.1	286.0	-57.9	563.6
<b>Other private sector</b>	-867.9	600.9	-777.8	499.0	390.2	-302.4	1,586.3
<b>Credit to financial intermediaries</b>	148.0	153.5	-80.1	-114.6	-69.2	-77.0	-68.7
<b>Other assets net</b>	578.9	-208.5	-46.4	297.0	377.6	534.2	-14.6
<b>Currency issue</b>	<b>333.0</b>	<b>567.0</b>	<b>422.0</b>	<b>665.3</b>	<b>380.7</b>	<b>360.8</b>	<b>656.3</b>
(Flows as percentage of currency issue at the beginning of the period)							
<b>Net international reserves</b>	<b>140.2</b>	<b>-5.5</b>	<b>48.7</b>	<b>14.8</b>	<b>-23.1</b>	<b>23.7</b>	<b>35.7</b>
<b>Net domestic assets</b>	<b>-124.2</b>	<b>28.9</b>	<b>-34.6</b>	<b>4.7</b>	<b>32.5</b>	<b>-15.6</b>	<b>-22.1</b>
<b>Combined public sector</b>	3.6	-8.7	17.3	2.5	3.9	-8.0	-39.5
<b>Net credit to the nonfinancial public sector</b>	-32.3	-34.5	-6.9		-15.6	-33.5	-56.8
<b>Credit to central government (net)</b>	-20.9	-14.7	-7.0	-24.3	-3.8	-20.5	-42.8
<b>Credit to the rest of the nonfinancial public sector (net)</b>	-11.4	-19.8	0.1	-0.1	-11.8	-13.1	-14.0
<b>Bank of Guatemala losses</b>	35.8	25.8	24.2	26.9	19.5	25.5	17.3
<b>Private sector</b>	-155.5	46.2	-50.4	-6.5	19.3	-19.6	17.7
<b>Bank's legal reserves</b>	-44.3	-1.9	-52.3	-12.1	4.4	-9.8	-25.5
<b>Reserve requirements</b>	-32.4	15.2	-22.1	11.2	2.6	-12.7	-15.7
<b>Obligatory investments</b>	-11.9	-17.1	-30.2	-23.4	1.8	2.9	-9.8
<b>Open market operations</b>	-118.2	41.8	4.6	9.0	16.6	-8.1	44.6
<b>Banks</b>	-76.7	17.0	30.6	-5.7	7.0	-1.3	11.7
<b>Other private sector</b>	-41.5	24.8	-26.0	14.6	9.6	-6.8	32.9
<b>Credit to financial intermediaries</b>	7.1	6.3	-2.7	-3.4	-1.7	-1.7	-1.4
<b>Other assets net</b>	27.7	-8.6	-1.6	8.7	9.3	12.0	-0.3
<b>Currency issue</b>	<b>15.9</b>	<b>23.4</b>	<b>14.1</b>	<b>19.5</b>	<b>9.3</b>	<b>8.1</b>	<b>13.6</b>
(Flows as a percent of GDP)							
<b>Net international reserves</b>	<b>6.2</b>	<b>-0.2</b>	<b>2.3</b>	<b>0.7</b>	<b>-1.1</b>	<b>1.1</b>	<b>1.6</b>
<b>Net domestic assets</b>	<b>-5.5</b>	<b>1.3</b>	<b>-1.6</b>	<b>0.2</b>	<b>1.6</b>	<b>-0.7</b>	<b>-1.0</b>
<b>Combined public sector</b>	0.2	-0.4	0.8	0.1	0.2	-0.4	-1.8
<b>Net credit to the nonfinancial public sector</b>	-1.4	-1.5	-0.3		-0.7	-1.6	-2.5
<b>Credit to central government (net)</b>	-0.9	-0.7	-0.3	-1.1	-0.2	-1.0	-1.9
<b>Credit to the rest of the nonfinancial public sector (net)</b>	-0.5	-0.9	0.0	0.0	-0.6	-0.6	-0.6
<b>Bank of Guatemala losses</b>	1.6	1.2	1.1	1.2	0.9	1.2	0.8
<b>Private sector</b>	-6.9	2.1	-2.3	-0.3	0.9	-0.9	0.8
<b>Bank's legal reserves</b>	-2.0	-0.1	-2.4	-0.6	0.2	-0.5	-1.1
<b>Reserve requirements</b>	-1.4	0.7	-1.0	0.5	0.1	-0.6	-0.7
<b>Obligatory investments</b>	-0.5	-0.8	-1.4	-1.1	0.1	0.1	-0.4
<b>Open market operations</b>	-5.2	1.9	0.2	0.4	0.8	-0.4	2.0
<b>Banks</b>	-3.4	0.8	1.4	-0.3	0.3	-0.1	0.5
<b>Other private sector</b>	-1.8	1.1	-1.2	0.7	0.5	-0.3	1.5
<b>Credit to financial intermediaries</b>	0.3	0.3	-0.1	-0.2	-0.1	-0.1	-0.1
<b>Other assets net</b>	1.2	-0.4	-0.1	0.4	0.4	0.6	0.0
<b>Currency issue</b>	<b>0.7</b>	<b>1.1</b>	<b>0.7</b>	<b>0.9</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>

Sources: Statistical Appendix Tables 18 and 39.

1/ Accounting exchange rate.



Table 12. Guatemala: Summary Accounts of the Financial System

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (Quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
(Flows in millions of quetzales)							
<b>Net international reserves</b>	<b>2,911.6</b>	<b>-184.2</b>	<b>1,050.0</b>	<b>-372.2</b>	<b>-868.5</b>	<b>386.2</b>	<b>1,414.0</b>
<b>Net domestic assets</b>	<b>1,470.5</b>	<b>2,377.8</b>	<b>1,869.3</b>	<b>3,432.2</b>	<b>3,065.9</b>	<b>2,961.0</b>	<b>2,682.5</b>
<b>Combined public sector</b>	273.9	-582.0	651.8	215.3	110.9	233.8	-894.3
<b>Net credit to the nonfinancial public sector</b>	-475.7	-1,207.3	-70.8	-701.1	-683.4	-904.8	-1,726.0
<b>Credit to central government (net)</b>	-72.7	-495.5	-244.1	-668.2	-345.0	-517.8	-1,162.8
<b>Credit to the rest of the nonfinancial public sector (net)</b>	-403.0	-711.8	173.3	-32.9	-338.4	-387.0	-563.2
<b>Bank of Guatemala losses</b>	749.6	625.3	722.6	916.4	794.3	1,138.6	831.7
<b>Private sector</b>	664.2	2,185.9	1,356.2	3,308.2	3,331.2	1,780.5	3,612.9
<b>Credit to private sector and other investment</b>	664.2	2,185.9	1,356.2	3,308.2	3,331.2	1,780.5	3,612.9
<b>Other assets net</b>	532.3	774.0	-138.8	-91.2	-376.2	946.7	-36.1
<b>Liabilities to the private sector</b>	<b>4,382.1</b>	<b>2,193.6</b>	<b>2,919.3</b>	<b>3,060.0</b>	<b>2,197.4</b>	<b>3,347.2</b>	<b>4,096.5</b>
(Flows as percent of liabilities to the private sector at the beginning of the period)							
<b>Net international reserves</b>	<b>35.0</b>	<b>-1.5</b>	<b>7.0</b>	<b>-2.1</b>	<b>-4.2</b>	<b>1.7</b>	<b>5.4</b>
<b>Net domestic assets</b>	<b>17.7</b>	<b>18.7</b>	<b>12.6</b>	<b>19.3</b>	<b>14.7</b>	<b>12.8</b>	<b>10.2</b>
<b>Combined public sector</b>	3.3	-4.6	4.4	1.2	0.5	1.0	-3.4
<b>Net credit to the nonfinancial public sector</b>	-5.7	-9.5	-0.5	-3.9	-3.3	-3.9	-6.5
<b>Credit to central government (net)</b>	-0.9	-3.9	-1.6	-3.8	-1.7	-2.2	-4.4
<b>Credit to the rest of the nonfinancial public sector (net)</b>	-4.8	-5.6	1.2	-0.2	-1.6	-1.7	-2.1
<b>Bank of Guatemala losses</b>	9.0	4.9	4.9	5.1	3.8	4.9	3.1
<b>Private sector</b>	8.0	17.2	9.1	18.6	16.0	7.7	13.7
<b>Credit to private sector and other investment</b>	8.0	17.2	9.1	18.6	16.0	7.7	13.7
<b>Other assets net</b>	6.4	6.1	-0.9	-0.5	-1.8	4.1	-0.1
<b>Liabilities to the private sector</b>	<b>52.7</b>	<b>17.3</b>	<b>19.6</b>	<b>17.2</b>	<b>10.5</b>	<b>14.5</b>	<b>15.5</b>
(Flows as percent of GDP)							
<b>Net international reserves</b>	<b>6.2</b>	<b>-0.3</b>	<b>1.6</b>	<b>-0.5</b>	<b>-1.0</b>	<b>0.4</b>	<b>1.3</b>
<b>Net domestic assets</b>	<b>3.1</b>	<b>4.4</b>	<b>2.9</b>	<b>4.6</b>	<b>3.6</b>	<b>3.1</b>	<b>2.5</b>
<b>Combined public sector</b>	0.6	-1.1	1.0	0.3	0.1	0.2	-0.8
<b>Net credit to the nonfinancial public sector</b>	-1.0	-2.2	-0.1	-0.9	-0.8	-0.9	-1.6
<b>Credit to central government (net)</b>	-0.2	-0.9	-0.4	-0.9	-0.4	-0.5	-1.1
<b>Credit to the rest of the nonfinancial public sector (net)</b>	-0.9	-1.3	0.3	0.0	-0.4	-0.4	-0.5
<b>Bank of Guatemala losses</b>	1.6	1.2	1.1	1.2	0.9	1.2	0.8
<b>Private sector</b>	1.4	4.0	2.1	4.4	3.9	1.9	3.3
<b>Credit to private sector and other investment</b>	1.4	4.0	2.1	4.4	3.9	1.9	3.3
<b>Other assets net</b>	1.1	1.4	-0.2	-0.1	-0.4	1.0	0.0
<b>Liabilities to the private sector</b>	<b>9.3</b>	<b>4.1</b>	<b>4.5</b>	<b>4.1</b>	<b>2.6</b>	<b>3.5</b>	<b>3.8</b>

Sources: Statistical Appendix Tables 18 and 43.

1/ Accounting exchange rate.

Table 13. Guatemala: Summary Balance of Payments

	1991	1992	1993	1994	1995	1996	Est 1997
(In millions of U.S. dollars)							
<b>Current account</b>	-226	-784	-750	-707	-600	-443	-630
Trade balance	-553	-1,151.8	-1,137.6	-1,094.8	-1,137.0	-909.4	-1,199.6
Exports, f.o.b.	1,298	1,379.7	1,461.7	1,686.6	2,155.5	2,236.8	2,602.4
Imports, c.i.f.	-1,851	-2,531.5	-2,599.3	-2,781.4	-3,292.5	-3,146.2	-3,802.0
Services	107	79	77	2	43	-56	36
Factor services (net)	-106	-111	-107	-142	-172	-205	-178
Of which	-122	-137					
Interest on public debt			-113	-132	-132	-138	-98
Nonfactor (net)	213	190	184	144	216	149	214
Current transfers (net)	220	290	311	386	494	522	534
<b>Capital account</b>	663	632	959	543	380	583	889
Official transfers	40	51	52	62	59	65	78
Public sector	11	-80	14	54	-145	-71	240
Disbursements	148	97	102	105	84	92	142
Privatization						0	0
Amortization	-136	-177	-178	-173	-143	-149	-146
Bonds (net)	...	...	90	121	-86	-13	243
Private sector 1/	612	661	893	427	465	589	571
Balance of payments support	0	98	0	159	35	48	30
Disbursements			0	159	35	48	30
U.S. AID-ESF	0	50	0	10	0	0	0
IBRD	0	48	0	24	0	48	0
IDB	0	0	0	95	35	0	30
Export-Import Bank of China	0	0	0	30	0	0	0
<b>Overall balance</b>	437	-53	209	-5	-185	188	289
Change in net official reserves	-557	25	-206	-60	157	-176	-287
Total arrears (-decrease)	45	-84	-473	29	28	-11	-2
Rescheduling of arrears	75	90	455	35	0	0	0
Rescheduled. current obligations	0	23	14	0	0	0	0
(Annual percentage change)							
Exports, f.o.b.	4.1	6.3	5.9	15.4	27.8	3.8	16.3
Traditional	-9.0	-6.5	7.0	17.1	47.2	-8.1	21.5
Nontraditional	19.0	17.4	5.2	14.1	13.7	15.0	12.5
Imports, c.i.f.	12.3	36.7	2.7	7.0	18.4	-4.4	20.8
(In percent of GDP)							
Current account	-2.4	-7.6	-6.6	-5.5	-4.1	-2.8	-3.5
Trade Account	-5.9	-11.1	-10.1	-8.5	-7.8	-5.8	-6.7
Exports	13.9	13.3	12.9	13.0	14.8	14.3	14.6
Of which							
Traditional	6.5	5.5	5.4	5.5	7.2	6.1	6.6
Coffee	3.0	2.4	2.4	2.7	3.9	3.0	3.5
Nontraditional	7.4	7.8	7.6	7.5	7.6	8.1	8.1
Imports	-19.8	-24.4	-23.0	-21.5	-22.5	-20.1	-21.4
Capital account (excluding Bop support)	7.1	6.1	8.5	4.2	2.6	3.7	5.0
Balance of payments support	0.0	0.9	0.0	1.2	0.2	0.3	0.2
Private capital inflows	6.6	6.4	7.9	3.3	3.2	3.8	3.2
<b>Memorandum items:</b>							
Real GDP growth	3.7	4.8	3.9	4.0	4.9	3.1	4.0
Gross official reserves 2/	4.9	3.2	3.5	3.2	2.3	3.0	3.1
Debt service ratio 3/	15.3	16.7	14.4	15.6	14.3	10.7	9.9
Interest	7.3	7.3	5.6	5.8	4.7	4.9	2.9
Amortization	8.1	9.4	8.8	9.8	9.6	5.8	7.0
Nominal GDP	9,337.1	10,369.8	11,308.6	12,935.0	14,606.7	15,675.5	17,807.8

Source: Statistical Appendix Table 49.

1/ Includes errors and omissions.

2/ In months of imports of goods and nonfactor services.

3/ Debt service of public sector over exports of goods and nonfactor services.

Table 14. Guatemala: Trade Account Indicators

( 1990 = 100 )

	1992	1993	1994	1995	1996	Est. 1997
<b>Value</b>						
Exports: index	110.6	117.2	135.2	172.8	179.3	208.6
Percent change	6.3	5.9	15.4	27.8	3.8	16.3
Imports: index	153.5	157.6	168.7	199.7	190.8	230.6
Percent change	36.7	2.7	7.0	18.4	-4.4	20.8
<b>Volume</b>						
Exports: index	120.4	132.0	138.6	147.6	168.7	193.0
Percent change	12.7	9.6	5.0	6.5	14.3	14.4
Imports: index	151.7	157.8	165.4	187.7	179.9	224.6
Percent change	36.2	4.0	4.8	13.5	-4.2	24.8
<b>Unit price</b>						
Exports: index	91.8	88.8	97.6	117.1	106.3	108.1
Percent change	-5.7	-3.3	9.9	20.0	-9.2	1.7
Imports: index 1/	101.2	99.9	102.0	106.4	106.1	102.7
Percent change	0.4	-1.3	2.1	4.3	-0.3	-3.2
<b>Terms of trade</b>						
Percent change	90.7	88.9	95.7	110.1	100.2	105.3
	-6.1	-2.0	7.7	15.0	-9.0	5.1

Sources: Bank of Guatemala; and Fund staff estimates.

1/ Export unit price of partner suppliers was used as a proxy for estimating changes in the unit price of imports.

Table 15. Guatemala: Exports of Principal Commodities

(Value in millions of U.S. dollars; volume in thousands of quintals; unit value in U.S. dollars per quintal)

	1991	1992	1993	1994	1995	1996	Est. 1997
<b>Total exports, f.o.b.</b>	<b>1,298.3</b>	<b>1,379.7</b>	<b>1,461.7</b>	<b>1,686.6</b>	<b>2,155.5</b>	<b>2,236.8</b>	<b>2,602.4</b>
Traditional exports	606.2	566.9	606.6	710.6	1,046.2	961.2	1,167.5
Nontraditional exports	692.1	812.8	855.1	976.0	1,109.3	1,275.6	1,434.9
<b>Coffee</b>							
Value	280.8	252.9	276.1	346.0	575.9	477.1	620.3
Volume	3,684.0	4,330.9	4,883.5	4,280.0	4,824.7	5,213.4	5,703.2
Unit value	76.2	58.4	56.5	80.8	119.4	91.5	108.8
<b>Cotton</b>							
Value	21.5	0.5	0.8	0.0	0.0	0.0	0.0
Volume	378.9	10.8	14.3	0.0	0.0	0.0	0.0
Unit value	56.7	46.3	55.9	0.0	0.0	0.0	0.0
<b>Bananas</b>							
Value	80.1	110.9	96.0	119.5	145.9	162.2	146.0
Volume	7,325.4	9,298.9	8,570.9	10,755.3	12,854.2	13,880.4	11,796.4
Unit value	10.9	11.9	11.2	11.1	11.4	11.7	12.4
<b>Sugar</b>							
Value	141.1	136.5	153.1	172.4	246.0	220.4	264.4
Volume	14,602.2	15,287.4	15,835.0	16,459.8	21,062.3	19,242.8	23,283.8
Unit value	9.7	8.9	9.7	10.5	11.7	11.5	11.4
<b>Meat</b>							
Value	25.8	13.3	15.3	8.3	4.9	1.8	1.0
Volume	398.4	219.9	234.6	123.1	73.8	22.6	12.0
Unit value	64.8	60.5	65.2	67.4	66.4	79.6	81.0
<b>Cardamom</b>							
Value	37.8	32.8	38.1	42.2	40.7	39.4	39.2
Volume	305.6	294.6	311.1	291.3	306.1	467.9	491.3
Unit value	123.7	111.3	122.5	144.9	133.0	84.2	79.8
<b>Petroleum</b>							
Value	19.1	20.0	27.2	22.2	32.8	60.3	96.6
Volume 1/	1,063.4	1,520.2	2,311.9	2,166.1	2,586.3	4,432.2	6,426.7
Unit value 2/	18.0	13.2	11.8	10.2	12.7	13.6	15.0
<b>Other exports (value)</b>	<b>692.1</b>	<b>812.8</b>	<b>855.1</b>	<b>976.0</b>	<b>1,109.3</b>	<b>1,275.6</b>	<b>1,434.9</b>
Central America	324.0	395.4	417.8	475.0	565.4	578.0	658.9
Other countries	368.1	417.4	437.3	501.0	543.9	697.6	776.0
<i>Of which</i>							
Maquila	68.4	96.1	105.5	136.4	166.5	175.6	210.7
<b>Memorandum items</b>							
Shares in total exports							
Traditional	46.7	41.1	41.5	42.1	48.5	43.0	44.9
<i>Of which</i>							
Coffee	21.6	18.3	18.9	20.5	26.7	21.3	23.8
Nontraditional	53.3	58.9	58.5	57.9	51.5	57.0	55.1

Sources: Bank of Guatemala; and Fund staff estimates.

1/ In thousands of barrels.

2/ In U.S. dollars per barrel.

Table 16. Guatemala: Summary of External Debt Operations

	1991	1992	1993	1994	1995	1996	Est. 1997
(In millions of U.S. dollars)							
<b>Outstanding debt 1/</b>	<b>2,344.1</b>	<b>2,281.3</b>	<b>2,248.1</b>	<b>2,405.9</b>	<b>2,347.7</b>	<b>2,379.9</b>	<b>2,620.2</b>
<b>Medium- and long-term debt</b>	<b>1,842.0</b>	<b>1,869.7</b>	<b>2,069.0</b>	<b>2,122.2</b>	<b>2,143.9</b>	<b>2,200.4</b>	<b>2,369.1</b>
Public sector	1,247.6	1,270.5	1,315.0	1,440.4	1,507.9	1,581.9	1,820.8
<i>Of which</i>							
Bonds	0.0	0.0	40.0	40.3	38.3	39.4	189.4
CORFINA	204.1	205.0	385.3	383.8	379.1	378.8	377.8
Bank of Guatemala	390.4	394.3	368.6	298.0	256.9	239.7	170.5
Short-term debt	502.1	411.5	179.1	283.7	203.8	179.5	251.1
Public sector 2/	0.0	0.0	50.0	171.0	85.4	70.0	163.1
Bank of Guatemala	244.0	152.9	96.2	59.4	44.1	30.3	9.8
Arrears of interest 3/	258.1	258.6	32.9	53.3	74.3	79.2	78.2
<b>Debt flows</b>							
Drawings	147.6	195.2	191.8	435.7	158.4	139.5	415.6
Public sector 4/	83.3	47.3	157.9	267.8	123.4	91.5	385.6
Bank of Guatemala	64.3	49.9	33.9	8.5	0.0	0.0	0.0
BOP support	0.0	98.0	0.0	159.4	35.0	48.0	30.0
<b>Scheduled debt obligations</b>	<b>258.8</b>	<b>314.2</b>	<b>287.7</b>	<b>344.6</b>	<b>313.8</b>	<b>278.8</b>	<b>265.1</b>
Interest	122.4	137.3	110.1	121.8	119.8	129.5	90.0
Public sector 3/	76.2	71.3	60.9	76.4	74.9	88.7	74.2
CORFINA	0.0	16.6	17.3	20.9	20.3	20.2	0.03
Bank of Guatemala	46.2	49.4	31.9	24.5	24.6	20.6	15.8
Principal	136.4	176.9	177.6	222.8	194.0	149.3	175.1
Public sector 3/	71.4	81.1	102.3	151.6	139.2	101.7	88.1
CORFINA	0.0	19.7	15.1	7.8	2.3	1.7	2.0
Bank of Guatemala	65.0	76.1	60.2	63.4	52.5	45.9	85.0
<b>Memorandum items</b>							
Stock of arrears, end of period 3/	636.0	531.5	58.6	87.7	115.8	104.3	103.2
Interest	258.1	261.3	28.2	52.0	73.2	78.3	78.1
Principal	377.8	270.1	30.4	35.7	42.6	26.0	25.1
(In percent of GDP)							
<b>Outstanding debt</b>	<b>25.1</b>	<b>22.0</b>	<b>19.9</b>	<b>18.6</b>	<b>16.1</b>	<b>15.2</b>	<b>14.7</b>
Medium-term	19.7	18.0	18.3	16.4	14.7	14.0	13.3
Short-term	5.4	4.0	1.6	2.2	1.4	1.1	1.4
<i>Of which</i>							
Bank of Guatemala	6.9	6.3	3.6	2.7	2.3	2.0	1.4
<b>Debt flows</b>							
Drawings	1.6	1.9	1.7	3.4	1.1	0.9	2.3
Scheduled debt obligations	2.8	3.0	2.5	2.7	2.1	1.8	1.5
Interest	1.3	1.3	1.0	0.9	0.8	0.8	0.5
Principal	1.5	1.7	1.6	1.7	1.3	1.0	1.0
<b>Memorandum items</b>							
Stock of arrears, end of period	6.8	5.1	0.5	0.7	0.8	0.7	0.6
Interest	2.8	2.5	0.2	0.4	0.5	0.5	0.4
Principal	4.0	2.6	0.3	0.3	0.3	0.2	0.1
(In percent of exports of goods and nonfactor services)							
<b>Total debt service</b>	<b>15.3</b>	<b>16.7</b>	<b>14.4</b>	<b>15.6</b>	<b>14.3</b>	<b>10.7</b>	<b>9.9</b>
Interest	7.3	7.3	5.6	5.8	4.7	4.9	2.9
Principal	8.1	9.4	8.8	9.8	9.6	5.8	7.0

Sources: Statistical Appendix Tables 43, 52, and 53, and Fund staff estimates.

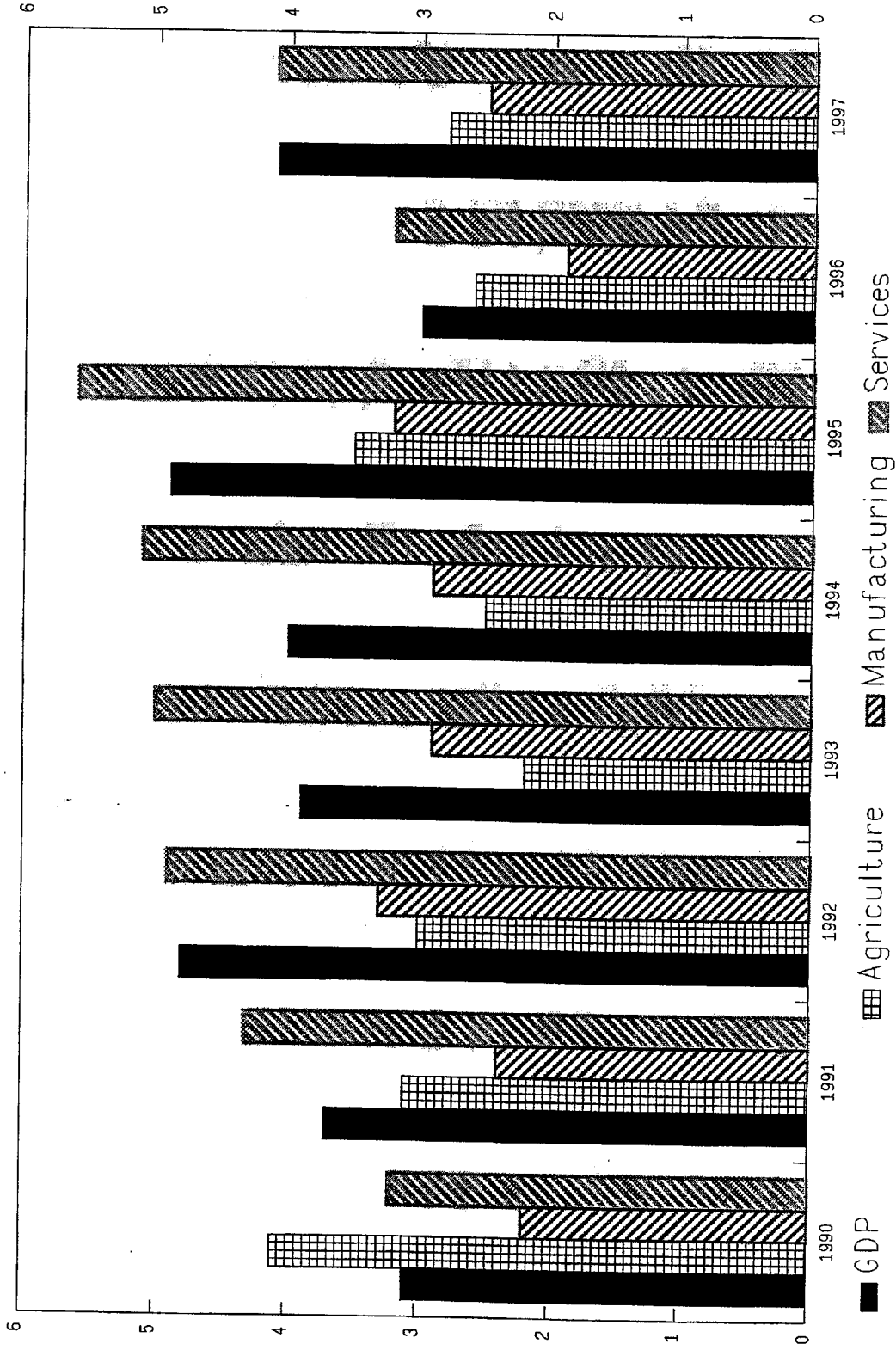
1/ Includes arrears and valuation adjustments.

2/ Includes bonded debt.

3/ Excludes arrears in grace period.

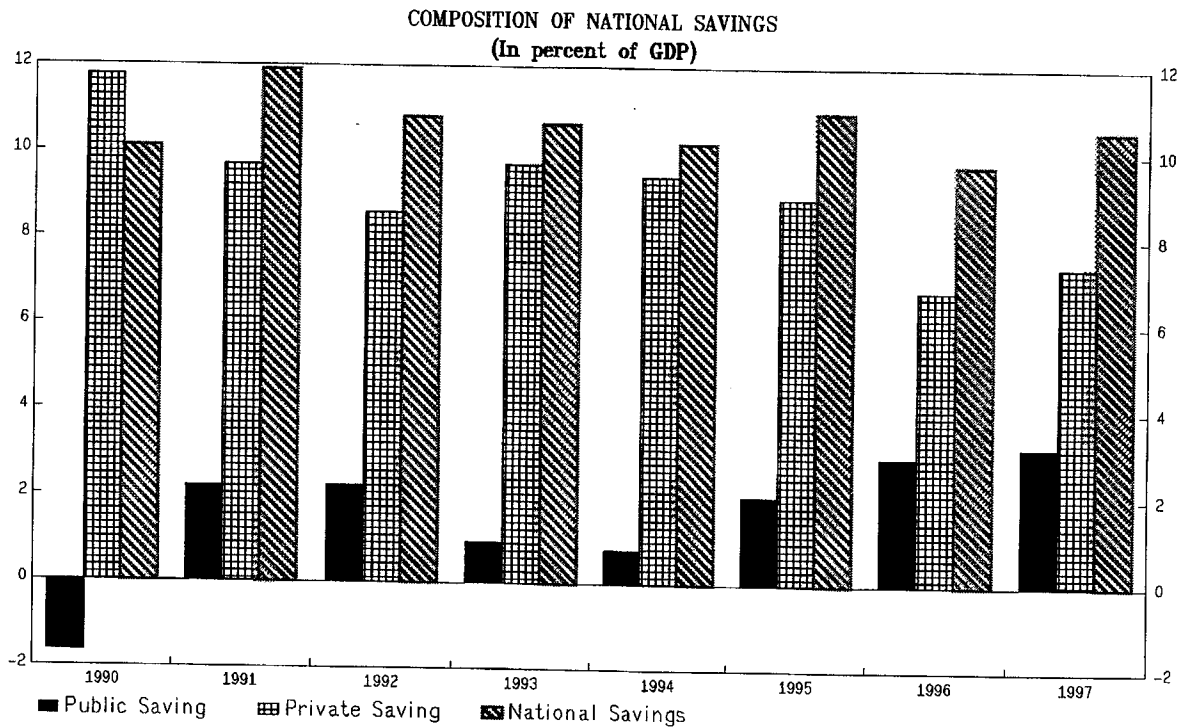
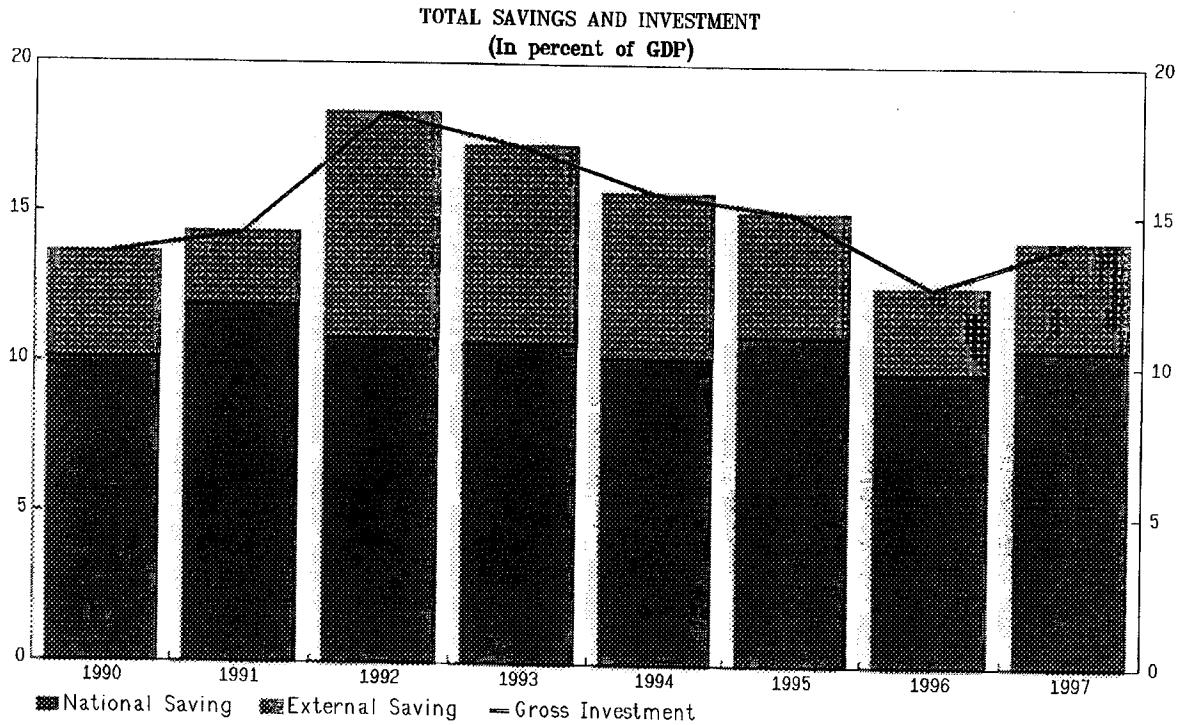
4/ Includes state financial institutions, except CORFINA and Bank of Guatemala.

Figure 1. Guatemala. Real GDP Growth Rates, 1990-1997  
(In percent)



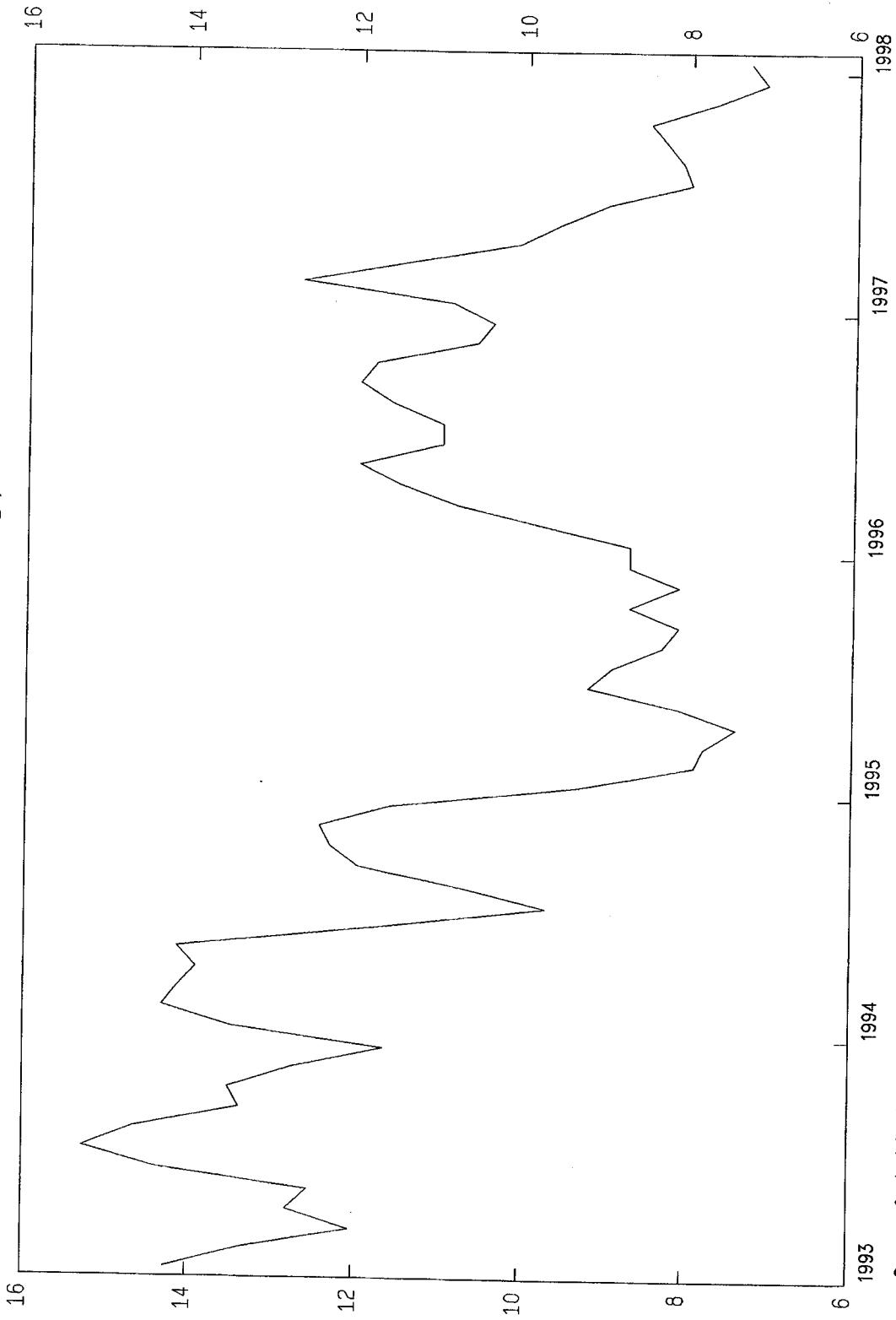
Sources: Bank of Guatemala, and Fund staff estimates.

Figure 2. Guatemala. Savings and Investment, 1990-97



Sources: Bank of Guatemala, and Fund staff estimates.

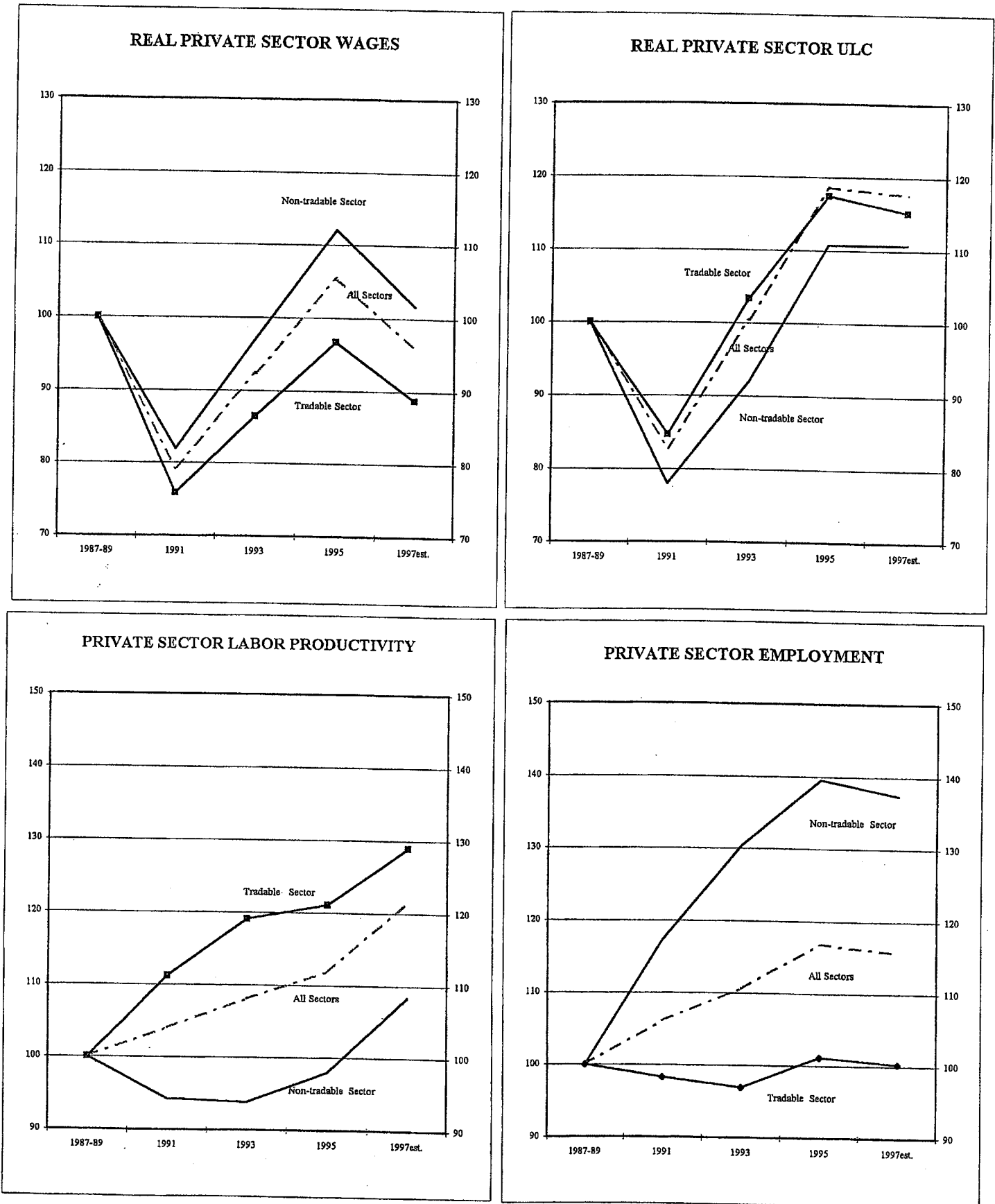
Figure 3. Guatemala:  
Inflation  
(12-month percentage change)



Sources: Central Bank of Guatemala; and Fund staff estimates.



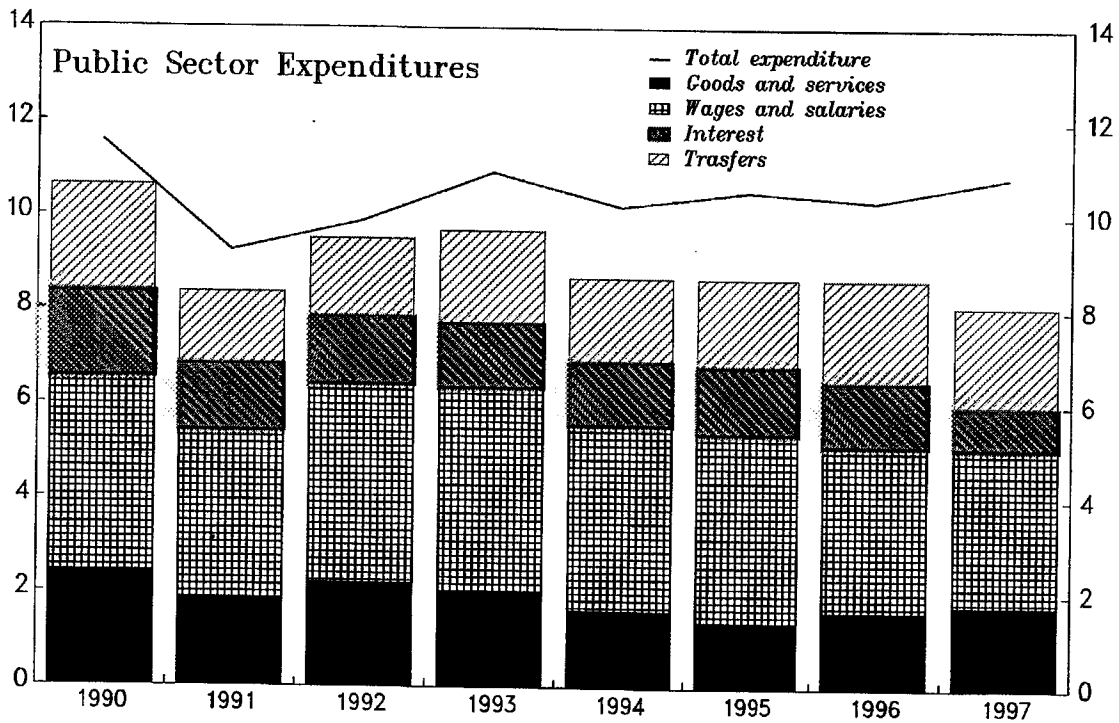
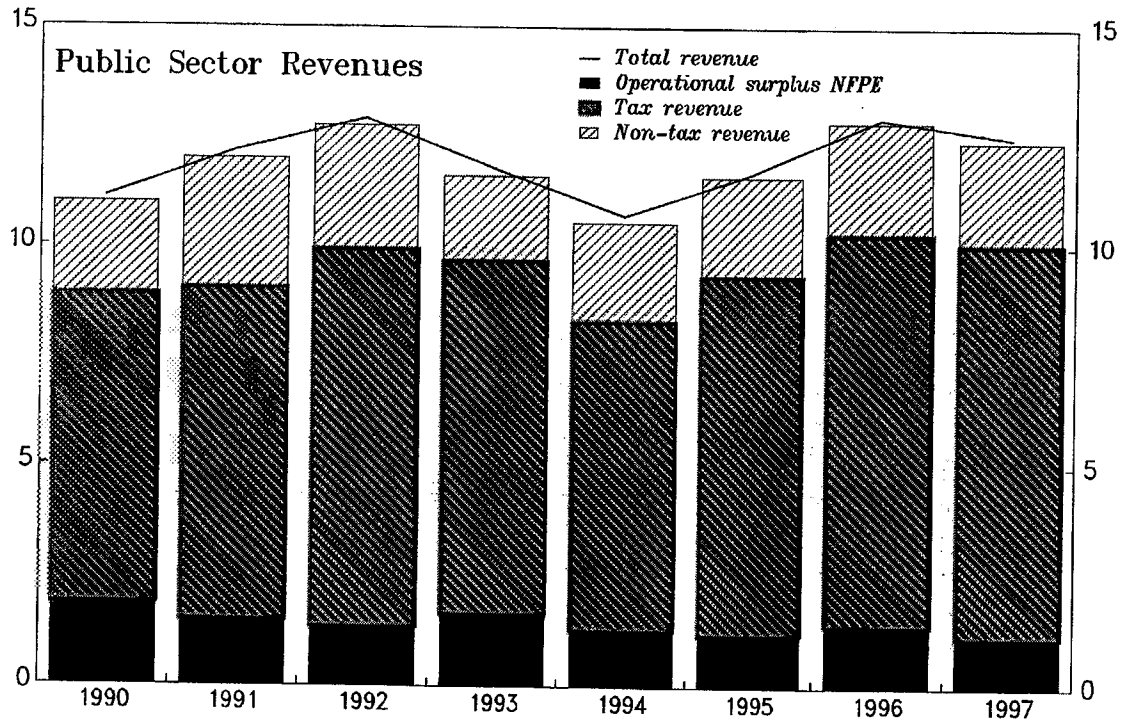
Figure 4. Guatemala: Labor Market Indicators 1/  
(1987-89=100)



Sources: IGSS; Bank of Guatemala; and Fund staff estimates.

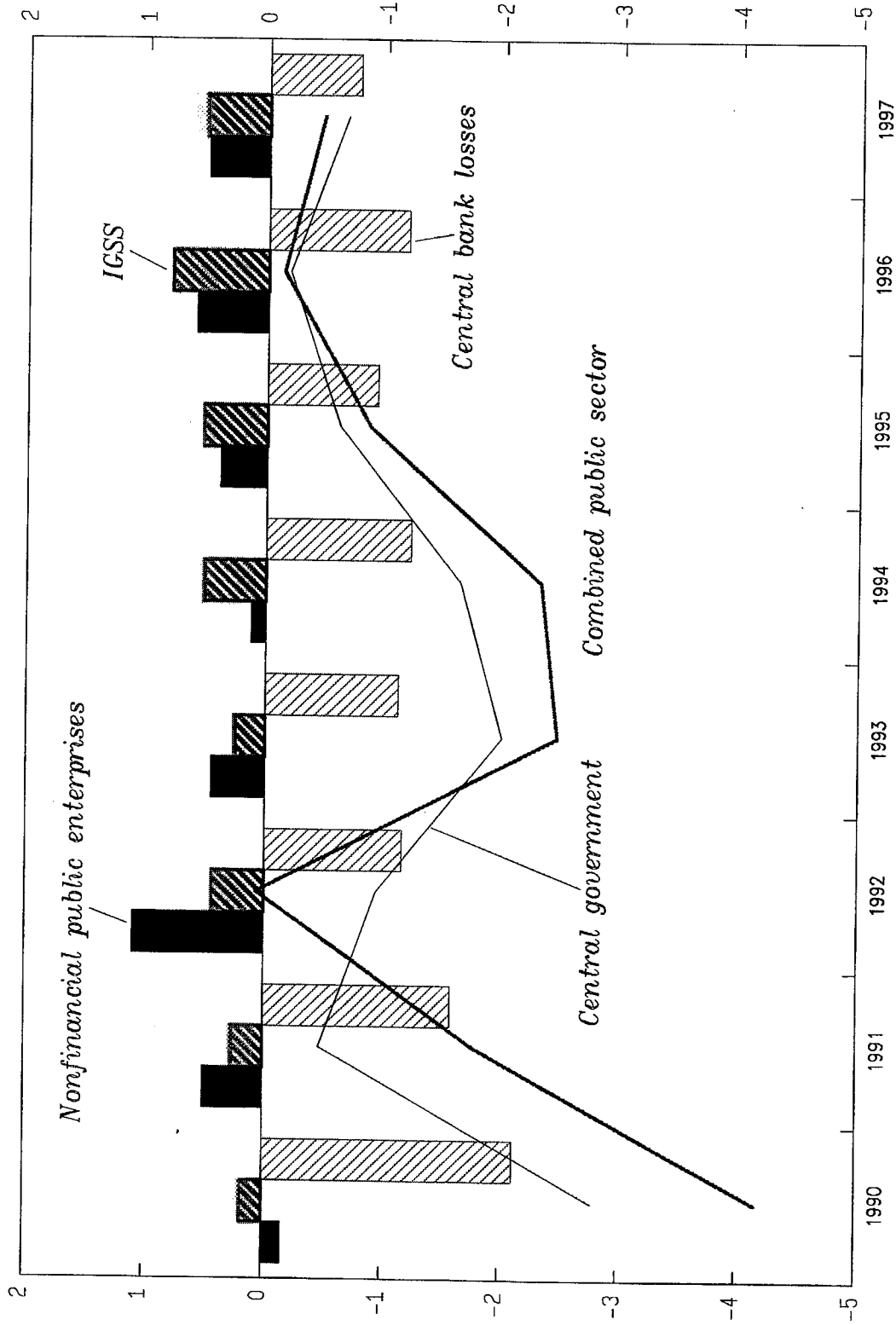
1/ The tradable sector includes agriculture and manufacturing; the nontradable sector includes all others.

Figure 5. Guatemala:  
Public Sector Revenues and Expenditures  
(In percent of GDP)



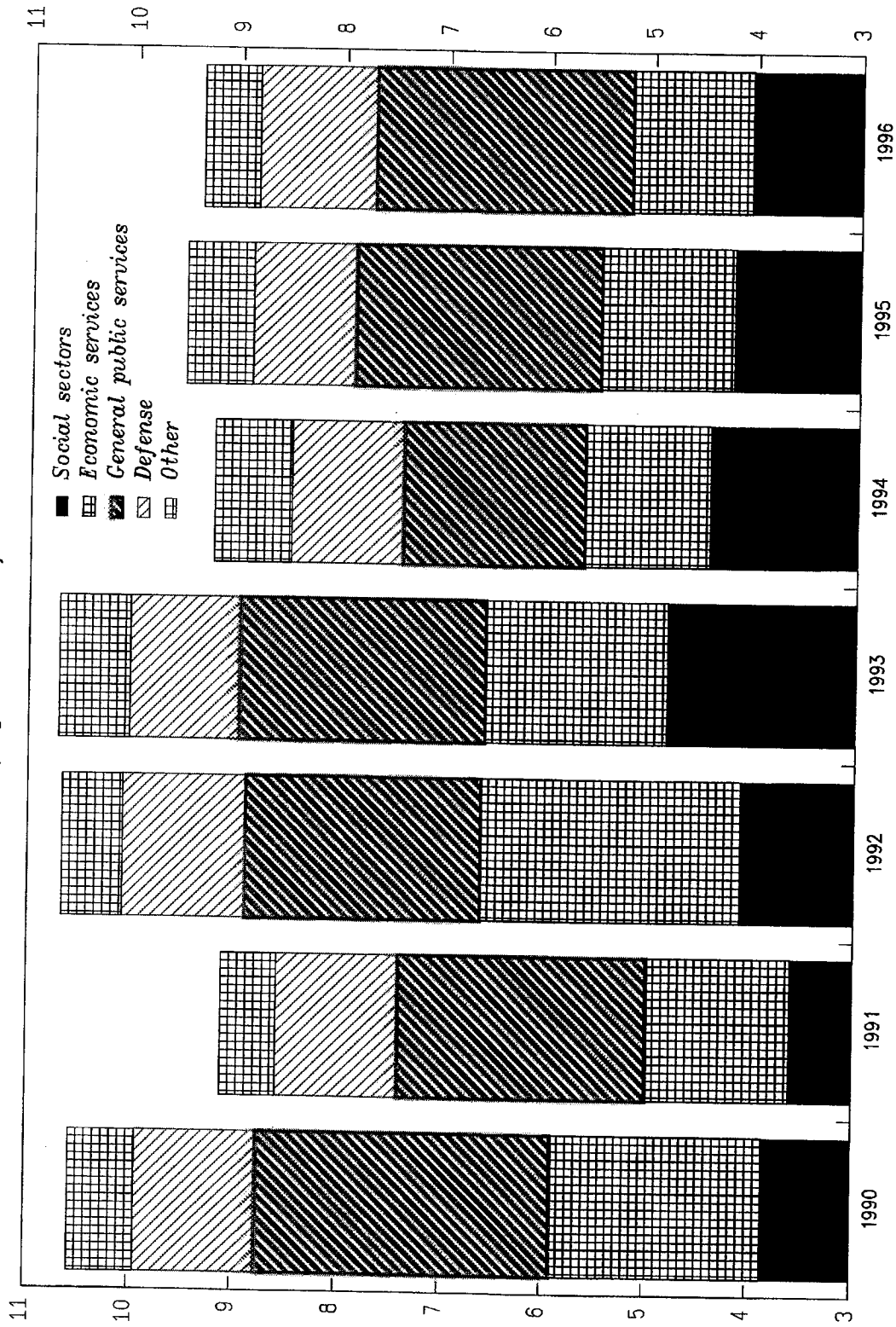
Sources: Ministry of Finance; Central Bank of Guatemala; and Fund staff estimates.

Figure 6. Guatemala:  
Public Sector Balance  
(in percent of GDP)



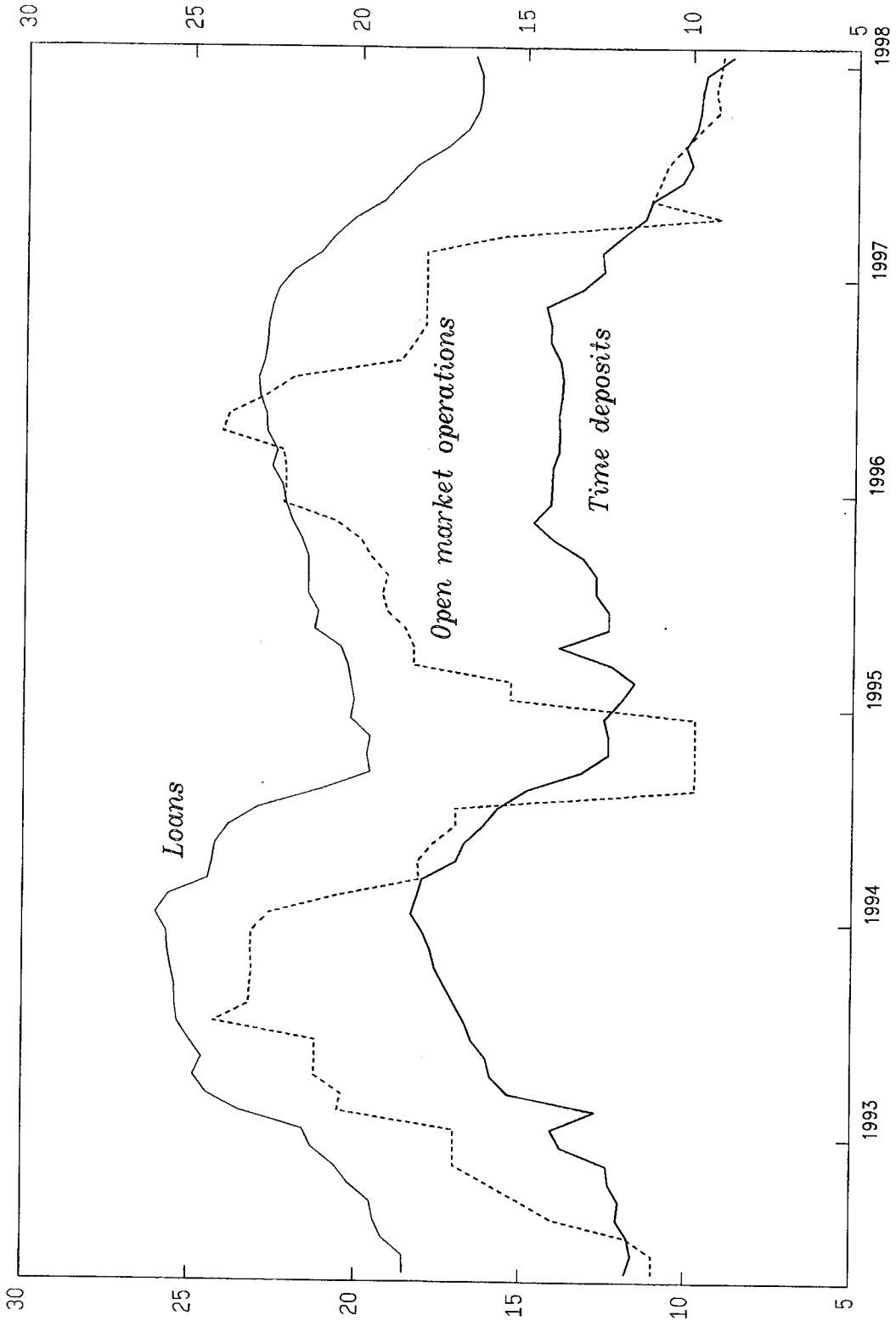
Sources: Ministry of Finance; Central Bank of Guatemala; and Fund staff estimates.

Figure 7. Guatemala:  
Central Government Expenditures by Function  
(In percent of GDP)



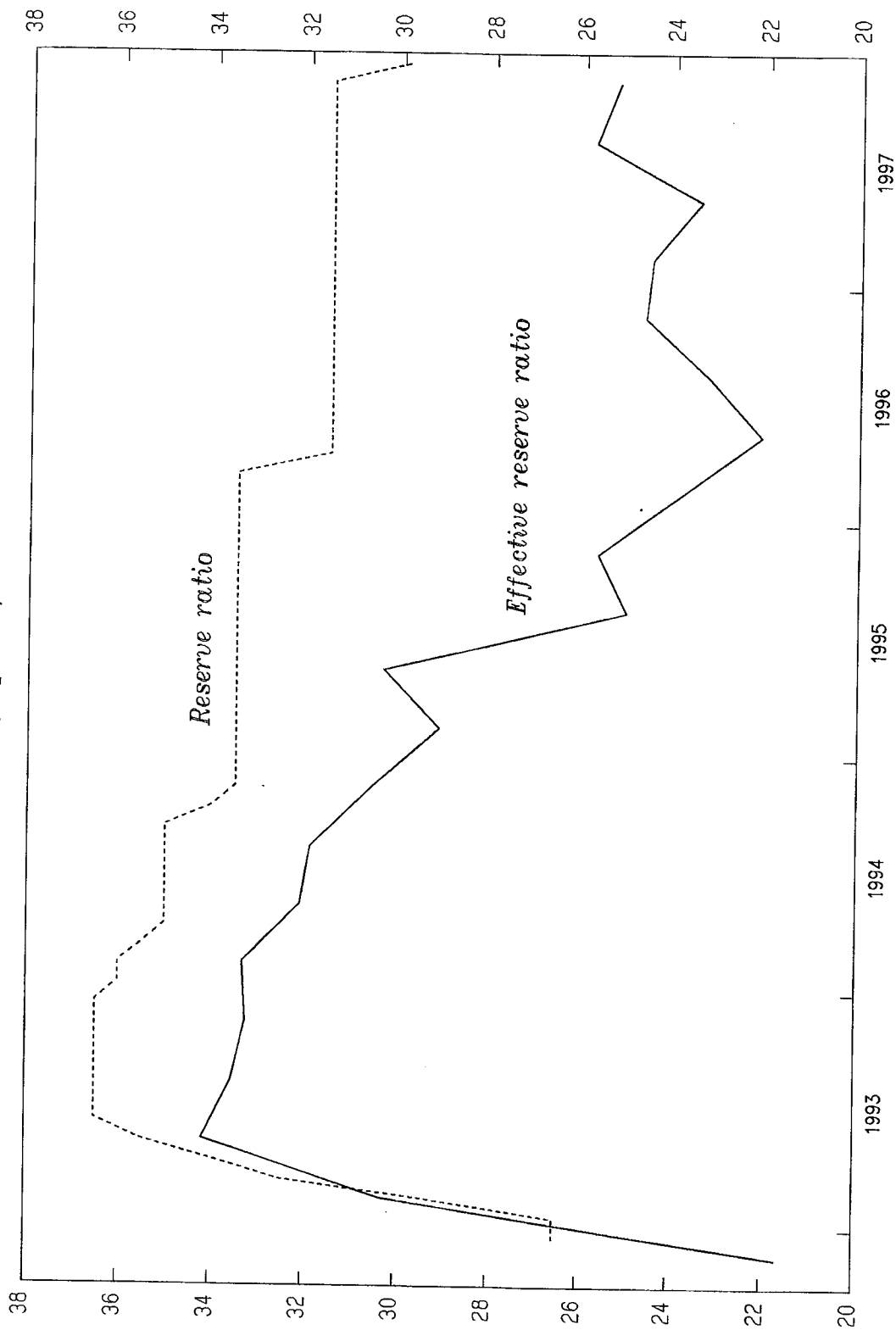
Sources: Ministry of Finance; Central Bank of Guatemala; and Fund staff estimates.

Figure 8. Guatemala:  
Interest Rates  
(Annual rates in percent)



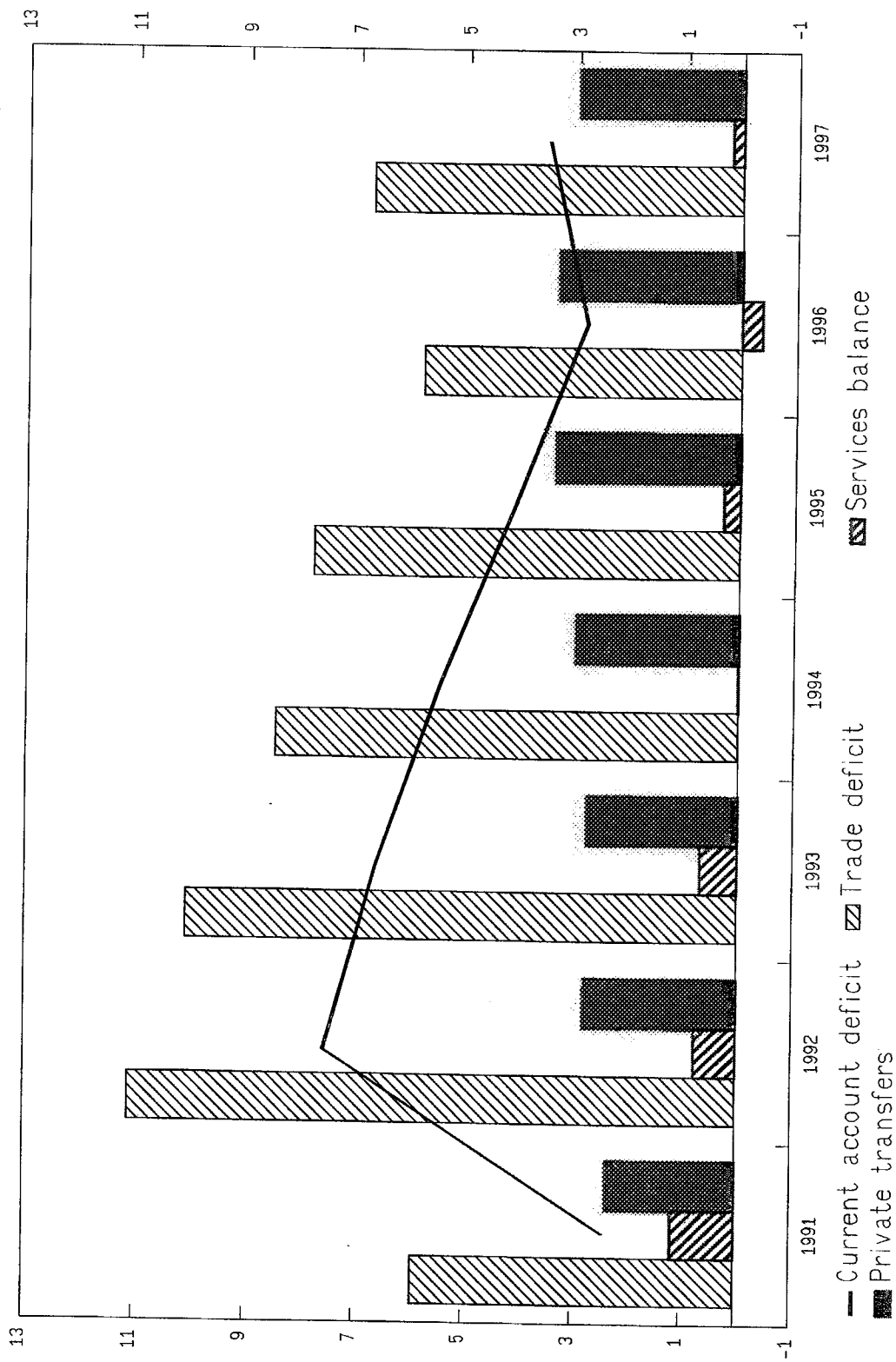
Sources: Central Bank of Guatemala; and Fund staff estimates.

Figure 9. Guatemala:  
Nominal and Effective Reserve Ratios  
(in percent)



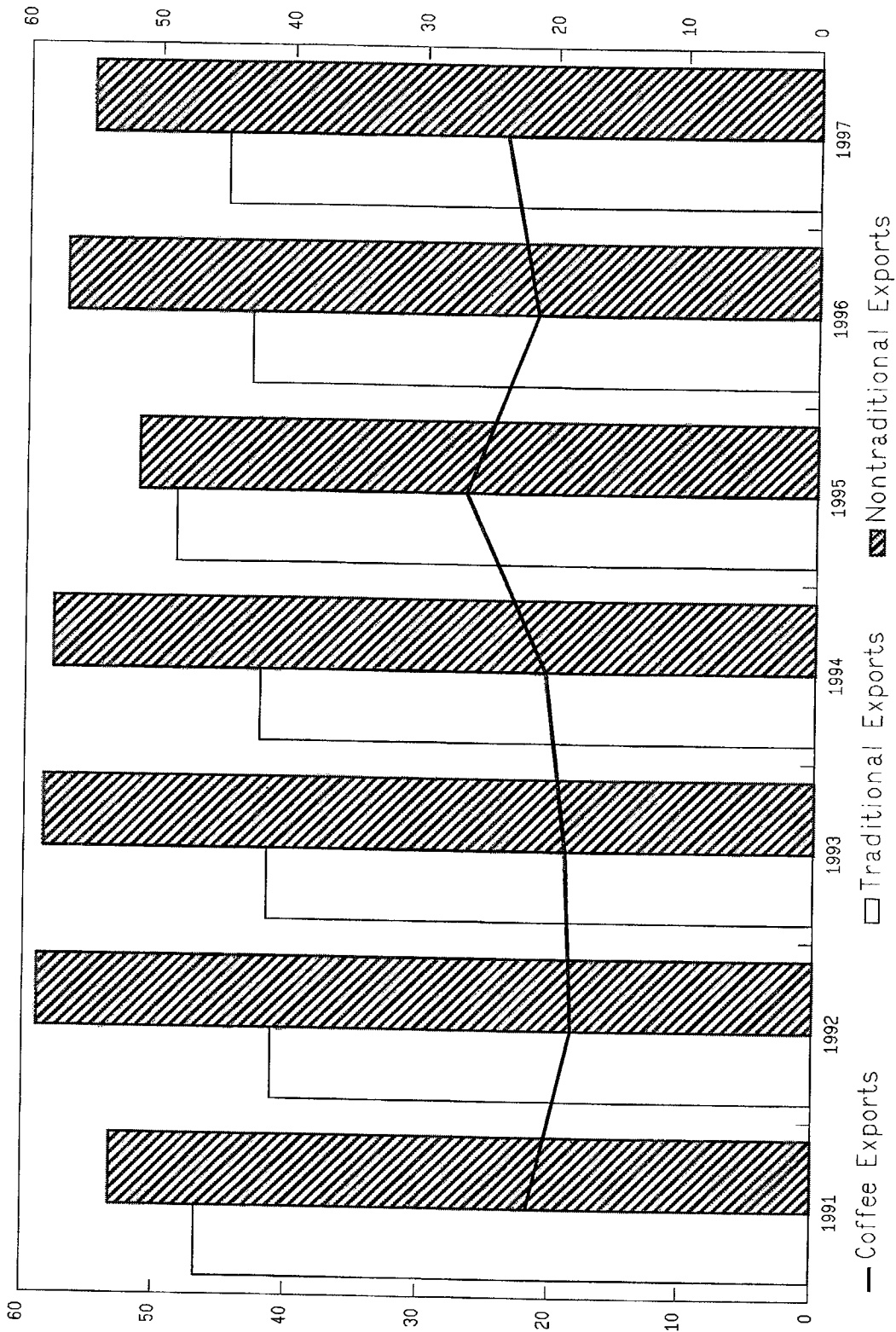
Sources: Central Bank of Guatemala; and Fund staff estimates.

Figure 10. Guatemala. Current Account Deficit, 1991-1997  
(In percent of GDP)



Sources: Bank of Guatemala, and Fund staff estimates.

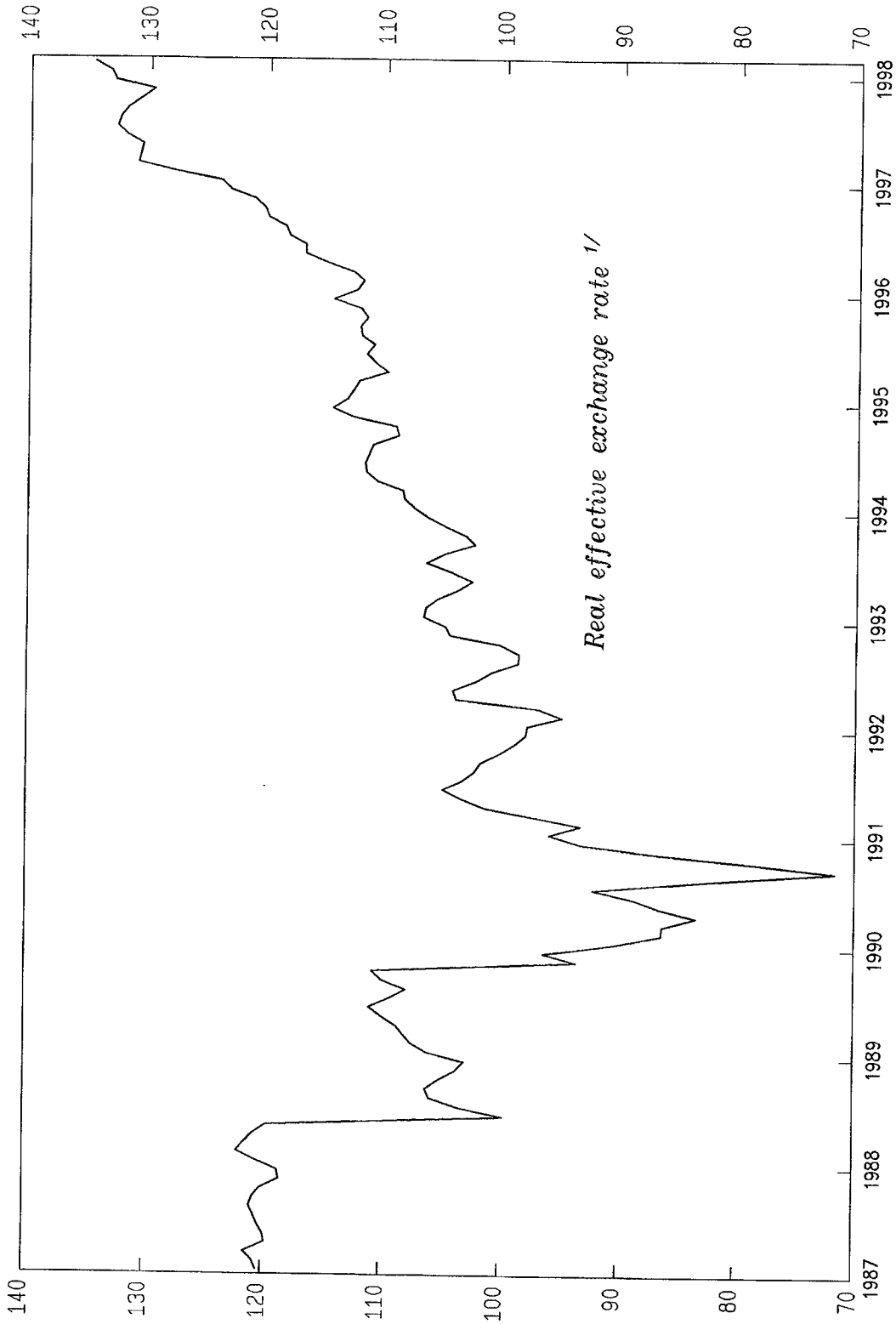
Figure 11. Guatemala. Traditional and Nontraditional Exports, 1991-1997  
(In percent of total exports)



Sources: Bank of Guatemala, and Fund staff estimates.



Figure 12. Guatemala:  
Exchange Rate Developments  
(1991=100)



Source: IMF Information Notice System.

1/ An increase (decrease) indicates appreciation (depreciation).

Table 17. Guatemala: National Accounts at Current Prices

(In millions of quetzales)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
<b>Consumption</b>	<b>42,251</b>	<b>49,075</b>	<b>58,543</b>	<b>68,434</b>	<b>77,691</b>	<b>88,125</b>	<b>98,681</b>
General government	2,565	3,469	4,084	4,162	4,620	4,946	5,516
Private sector	39,686	45,607	54,459	64,273	73,071	83,179	93,165
<b>Gross domestic investment</b>	<b>6,762</b>	<b>9,893</b>	<b>11,080</b>	<b>11,709</b>	<b>12,820</b>	<b>12,003</b>	<b>15,218</b>
Fixed capital formation	5,760	8,445	10,334	10,622	12,360	12,723	15,018
Public sector	1,125	1,316	1,764	1,781	1,980	2,324	3,051
Private sector	4,635	7,129	8,570	8,841	10,380	10,399	11,967
Inventory changes	1,002	1,448	745	1,087	460	(720)	200
Gross domestic expenditure	49,013	58,969	69,622	80,144	90,512	100,128	113,899
Exports of goods and nonfactor services	8,492	9,753	11,373	13,082	16,272	16,999	20,283
Import of goods and nonfactor services	10,202	14,736	16,752	18,556	21,627	21,632	26,266
GDP at market prices	47,302	53,985	64,243	74,669	85,157	95,495	107,915
Factor payments	854	936	958	1,147	1,396	1,709	1,584
Factor receipts	322	360	353	327	393	461	503
GNP at market prices	46,770	53,410	63,638	73,849	84,154	94,246	106,834
Indirect taxes, net of subsidies	-2,431	-3,472	-3,810	-4,211	-4,712	-4,842	-5,504
GNP at factor cost	44,339	49,938	59,828	69,637	79,442	89,404	101,330
Depreciation	-936	-1,108	-1,362	-1,672	-1,990	-2,361	2,689
National income	43,403	48,829	58,466	67,966	77,452	87,043	98,632
Population (in thousands)	9,467	9,745	10,030	10,322	10,621	10,923	11,239
Per capita national income	4,585	5,011	5,829	6,585	7,292	7,969	8,776

Sources: Bank of Guatemala; and Fund staff estimates.

Table 18. Guatemala: Real Gross Domestic Expenditure

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
(In millions of 1958 quetzales)							
<b>Consumption</b>	<b>2,991</b>	<b>3,150</b>	<b>3,310</b>	<b>3,459</b>	<b>3,628</b>	<b>3,720</b>	<b>3,777</b>
General government	281	313	334	325	349	358	365
Private sector	2,710	2,837	2,976	3,134	3,279	3,362	3,412
<b>Gross domestic investment</b>	<b>381</b>	<b>479</b>	<b>461</b>	<b>464</b>	<b>458</b>	<b>385</b>	<b>484</b>
Fixed capital formation	301	376	412	398	432	425	470
Public sector	94	94	112	103	112	123	149
Private sector	207	282	300	295	320	302	321
Inventory change	80	103	49	67	26	-40	14
Gross domestic expenditure	3,372	3,629	3,771	3,924	4,086	4,105	4,261
Exports of goods and nonfactor services	511	559	584	612	688	754	853
Imports of goods and nonfactor services	369	505	527	553	595	555	636
GDP at market prices	3,514	3,684	3,828	3,983	4,180	4,303	4,478
(Annual percentage change at 1958 prices)							
Real GDP	3.7	4.8	3.9	4.0	4.9	3.0	4.1
Export of goods and nonfactor services	-8.7	9.6	4.4	4.8	12.4	9.5	13.2
Imports of goods and nonfactor services	2.8	36.9	4.4	5.0	7.5	-6.7	14.6
Gross domestic expenditure	5.7	7.6	3.9	4.0	4.1	0.5	3.8
Consumption	3.7	5.3	5.1	4.5	4.9	2.5	1.5
General government	-1.2	11.4	6.6	-2.5	7.1	2.6	2.0
Private sector	4.3	4.7	4.9	5.3	4.6	2.5	1.5
Gross domestic investment	24.5	25.7	-3.7	0.7	-1.3	-16.0	25.6
Fixed capital formation	5.2	19.7	7.7	-3.1	7.4	-1.6	11.7
Public sector	2.9	0.0	3.9	-2.0	1.8	2.3	6.9
Private sector	2.3	19.7	3.7	-1.2	5.6	-3.9	4.8
Inventory change 1/	19.3	6.1	-11.4	3.9	-8.7	-14.4	14.0
Real GDP per capita	0.7	1.8	1.0	1.1	2.0	0.1	1.1

Sources: Bank of Guatemala; and Fund staff estimates.

1/ In percent of investment in the previous year.

Table 19. Guatemala: Real Gross Domestic Product by Sector

	Weight 1/	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
(In millions of 1958 quetzales)								
<b>GDP at market prices</b>	<b>100.0</b>	<b>3,513.6</b>	<b>3,683.6</b>	<b>3,828.3</b>	<b>3,982.7</b>	<b>4,179.8</b>	<b>4,303.1</b>	<b>4,477.7</b>
Primary sector	25.4	913.6	943.4	965.2	989.1	1,025.2	1,054.7	1,088.3
Agriculture	25.1	904.4	931.4	951.9	975.2	1,009.4	1,035.2	1,064.2
Mining and petroleum	0.3	9.2	12.0	13.3	13.8	15.8	19.5	24.1
Secondary sector	19.4	678.7	725.1	747.8	770.2	806.0	825.5	866.1
Manufacturing	14.6	522.3	539.4	555.0	571.4	589.9	601.1	616.5
Construction	2.1	68.4	85.8	83.2	83.0	90.4	91.1	96.1
Utilities	2.7	88.0	99.9	109.6	115.8	125.7	133.3	153.6
Tertiary sector	55.2	1,921.5	2,015.1	2,115.3	2,223.4	2,348.5	2,422.8	2,522.6
Commerce	24.3	850.2	888.4	924.5	977.2	1,036.3	1,064.4	1,104.4
Government	7.3	248.4	262.3	287.5	303.0	309.4	316.7	321.6
Transportation and communications	8.3	285.9	307.3	322.2	335.6	361.1	374.2	397.4
Finance	4.4	149.0	158.5	170.6	184.2	202.4	213.7	232.0
Housing	4.9	175.5	179.8	184.8	189.0	196.7	203.0	208.5
Other	5.9	212.5	218.8	225.7	234.5	242.6	250.7	258.8
(Annual percentage change)								
GDP at market prices		3.7	4.8	3.9	4.0	4.9	3.0	4.1
Primary sector		3.2	3.3	2.3	2.5	3.7	2.9	3.2
Agriculture		3.1	3.0	2.2	2.5	3.5	2.6	2.8
Mining and petroleum		8.2	30.4	10.8	4.1	13.9	23.9	23.3
Secondary sector		2.5	6.8	3.1	3.0	4.7	2.4	4.9
Manufacturing		2.4	3.3	2.9	2.9	3.2	1.9	2.5
Construction		1.5	25.4	-3.0	-0.3	8.9	0.8	5.5
Utilities		4.0	13.5	9.7	5.7	8.6	6.0	15.2
Tertiary sector		4.3	4.9	5.0	5.1	5.6	3.2	4.1
Commerce		4.2	4.5	4.1	5.7	6.1	2.7	3.7
Government		4.6	5.6	9.6	5.4	2.1	2.3	1.5
Transportation and communications		5.9	7.5	4.8	4.2	7.6	3.6	6.2
Finance		7.2	6.4	7.6	8.0	9.9	5.6	8.5
Housing		2.3	2.5	2.8	2.3	4.1	3.2	2.7
Other		2.4	3.0	3.2	3.9	3.5	3.3	3.2

Sources: Bank of Guatemala; and Fund staff estimates.

1/ Average share in GDP over 1990-95.

Table 20. Guatemala: Gross Domestic Investment

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
(As percentage of GDP at current prices)							
<b>Gross domestic investment</b>	<b>14.3</b>	<b>18.3</b>	<b>17.2</b>	<b>15.7</b>	<b>15.1</b>	<b>12.6</b>	<b>14.3</b>
Fixed capital formation	12.2	15.6	16.1	14.2	14.5	13.3	...
Private sector	9.8	13.2	13.3	11.8	12.2	10.9	10.9
Imported capital goods	5.3	7.5	8.4	6.8	7.1	6.3	...
Permanent crops 1/	0.3	0.3	0.3	0.3	0.3	0.3	...
Land improvement	0.2	0.2	0.2	0.2	0.2	0.2	...
Construction	1.4	1.8	1.8	1.7	1.7	1.5	...
Domestic capital goods	2.6	3.4	2.7	2.7	2.7	2.6	...
Statistical residual 2/	0.0	0.0	0.0	0.2	0.2	0.0	...
Public sector	2.4	2.4	2.7	2.4	2.3	2.4	2.8
Machinery and equipment	0.6	0.7	0.4	0.7	0.4	0.4	...
Roads and public works	1.8	1.7	2.3	1.9	2.1	2.2	...
Statistical residual 2/	0.0	0.0	0.0	-0.2	-0.2	-0.1	...
Inventory changes	2.1	2.7	1.2	1.5	0.5	-0.8	...
(As percent of GDP at 1958 prices)							
<b>Gross domestic investment</b>	<b>10.8</b>	<b>13.0</b>	<b>12.0</b>	<b>11.7</b>	<b>11.0</b>	<b>8.9</b>	<b>10.8</b>
Fixed capital formation	8.6	10.2	10.8	10.0	10.3	9.9	10.5
Private sector	5.9	7.7	7.8	7.4	7.7	7.0	7.2
Imported capital goods	2.2	3.3	3.9	3.4	3.6	3.3	...
Permanent crops 1/	0.3	0.3	0.3	0.3	0.3	0.3	...
Land improvement	0.2	0.2	0.2	0.2	0.2	0.2	...
Construction	1.2	1.5	1.5	1.4	1.4	1.3	...
Domestic capital goods	1.9	2.7	2.0	2.0	2.0	2.0	...
Statistical residual 2/	0.1	-0.3	0.0	0.1	0.1	0.0	...
Public sector	2.7	2.5	2.9	2.6	2.7	2.8	3.3
Machinery and equipment	0.3	0.4	0.3	0.4	0.3	0.2	...
Roads and public works	2.4	2.2	2.7	2.3	2.6	2.7	...
Statistical residual 2/	0.0	0.0	0.0	-0.2	-0.2	0.0	...
Inventory changes	2.3	2.8	1.3	1.7	0.6	-0.9	0.3

Source: Bank of Guatemala.

1/ Mainly coffee, bananas, and cardamom.

2/ Reflects difference between IMF and authorities' presentation of investment in national accounts.

Table 21. Guatemala: Selected Agricultural Sector Statistics

(Area in thousands of hectares; volume in thousands of metric tons; yield in kilograms per hectare; value in millions of 1958 quetzales)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
I. Total Agriculture, Livestock, and Related Production							
Gross value of production	996.0	1,026.1	1,048.6	1,074.3	1,112.0	1,140.4	1,172.3
Value added	904.4	931.4	951.9	975.2	1,009.4	1,035.2	1,064.2
II. Agriculture							
Gross value of production	618.2	639.0	642.7	645.8	672.1	693.0	715.2
Export products							
Bananas							
Value of production	36.2	42.8	46.3	48.3	54.8	59.8	62.5
Volume of production	440.1	507.4	543.6	572.4	650.3	708.8	741.3
Of which							
Exports	333.0	422.7	420.1	488.9	559.6	630.9	596.8
Area	8.2	10.4	10.5	11.2	11.9	12.8	13.3
Yield 1/	53.7	48.8	51.8	50.9	54.7	55.4	55.7
Cardamom							
Value of production	39.9	42.3	43.9	50.8	53.0	55.4	56.6
Volume of production	12.2	12.5	13.0	15.0	15.7	16.4	16.7
Of which							
Exports	13.3	13.4	14.5	13.2	13.9	21.3	21.1
Area	43.7	43.7	43.7	48.2	48.2	48.2	48.6
Yield	279.2	286.0	297.5	311.1	324.7	340.2	343.6
Coffee							
Value of production	177.1	176.1	181.4	183.4	185.4	190.3	189.3
Volume of production	204.1	202.9	209.1	211.4	213.6	219.3	218.2
Of which							
Exports	167.5	196.9	222.2	194.5	219.3	235.8	250.9
Area	243.5	243.5	262.0	262.0	265.9	268.8	270.3
Yield	838.2	833.3	798.0	806.6	803.3	815.8	807.3
Cotton							
Value of production	20.8	22.5	11.3	7.6	3.9	1.4	0.6
Volume of production	38.0	41.0	20.6	13.9	7.1	2.5	1.2
Of which							
Exports	17.2	0.5	0.5	0.1	0.0	0.0	0.0
Domestic consumption 2/	20.8	40.5	20.1	13.8	7.1	2.5	1.2
Area	36.2	39.1	22.4	15.2	8.9	5.7	1.7
Yield	1,049.7	1,048.6	918.4	912.5	800.1	438.6	705.6
Sugarcane							
Value of production	67.0	70.1	70.9	73.1	87.0	87.8	99.7
Volume of production	9,817.1	10,279.6	10,396.4	10,719.4	12,763.5	12,878.5	14,617.4
Area	122.3	125.7	128.9	129.3	138.4	149.9	174.8
Yield 1/	80.3	81.8	80.7	82.9	92.3	86.0	83.6
Sugar							
Volume of production	963.3	1,062.2	1,049.1	1,099.4	1,277.9	1,279.5	1,499.0
Of which							
Exports	663.7	694.9	731.3	749.8	957.4	874.7	1,013.8
Domestic consumption 2/	299.6	367.3	317.8	349.6	320.5	404.7	485.2
Yield 3/	98.1	103.3	100.9	102.6	100.1	99.3	102.5

Table 21. Guatemala: Selected Agricultural Sector Statistics  
(Area in thousands of hectares; volume in thousands of metric tons; yield in kilograms per hectare; value in millions of 1958 quetzales)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
<b>Products for domestic consumption</b>							
<b>Beans</b>							
Value of production	22.2	22.4	20.0	17.7	15.6	16.1	16.4
Volume of production	113.7	114.6	102.4	90.3	79.7	82.1	83.8
Area	135.1	139.7	120.7	134.6	121.2	122.7	124.5
Yield	841.6	820.3	848.4	670.7	658.1	669.1	673.1
<b>Corn</b>							
Value of production	59.2	62.6	62.3	55.8	49.8	53.3	47.5
Volume of production	1,245.1	1,317.5	1,310.3	1,173.6	1,049.0	1,122.4	998.9
Area	677.1	724.3	698.4	606.9	546.2	575.6	587.8
Yield	1,838.9	1,819.0	1,876.1	1,933.7	1,920.5	1,950.0	1,699.4
<b>Rice</b>							
Value of production	5.1	4.4	5.3	4.2	3.3	3.5	3.6
Volume of production	46.6	40.4	48.2	38.4	30.2	32.2	32.4
Area	17.1	15.5	17.4	12.9	11.0	11.8	12.0
Yield	2,725.1	2,606.4	2,770.1	2,966.7	2,754.6	2,725.3	2,700.0
<b>Vegetables</b>							
Value of production	41.3	42.4	46.0	46.7	48.4	49.7	51.2
Volume of production	316.2	321.6	348.1	353.9	366.3	376.6	387.5
<b>Other products</b>							
Value of production	149.4	153.4	155.3	158.2	170.9	175.7	187.8
<b>III. Livestock Production</b>							
Gross value of production	294.3	301.6	315.5	335.2	347.6	353.9	366.4
<b>Cattle</b>							
Stock at beginning of year 4/	2,086.4	2,250.0	2,400.0	2,300.0	1,700.0	2,062.0	2,082.6
Volume of production	51.9	61.3	65.4	51.9	53.9	54.3	54.8
<i>Of which</i>							
Exports	18.1	10.0	10.7	5.5	3.6	1.0	0.6
Domestic consumption	33.8	51.3	54.7	46.4	50.2	53.3	54.2
<b>Hogs</b>							
Stock at beginning of year 4/	587.2	650.0	715.0	1,178.1	1,220.2	1,255.6	1,294.5
<b>IV. Forestry and Other</b>							
Gross value of production	83.6	85.4	87.7	93.4	92.8	93.5	90.6

Sources: Bank of Guatemala; and Fund staff estimates.

- 1/ In metric tons per hectare.
- 2/ Includes changes in inventories.
- 3/ In kilograms of sugar per ton of sugarcane.
- 4/ In thousands of heads.

Table 22. Guatemala: Manufacturing Production

(In Millions of 1958 quetzales)

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
I. Gross Value in 1958 Prices							
<b>Gross value of production</b>	<b>1,282.0</b>	<b>1,327.0</b>	<b>1,365.0</b>	<b>1,406.5</b>	<b>1,451.5</b>	<b>1,479.8</b>	<b>1,518.9</b>
Foodstuffs, beverages, and tobacco	619.0	642.0	660.0	680.8	704.7	720.6	741.9
Textiles, clothing, and leather goods	236.0	244.1	250.7	258.2	263.8	267.4	273.2
Wood and wood products	38.0	39.4	40.6	41.7	42.7	43.2	44.1
Paper and paper products	28.0	28.4	29.1	29.6	30.3	30.8	31.6
Chemical, petroleum, and rubber products	57.0	58.7	61.0	62.6	64.8	66.0	68.0
Machinery and metal products	109.0	112.9	115.9	119.8	123.6	126.0	129.1
Other	195.0	201.5	207.7	213.7	221.6	225.8	231.0
II. Value Added in 1958 Prices							
<b>Total value added</b>	<b>522.3</b>	<b>539.4</b>	<b>555.0</b>	<b>571.4</b>	<b>589.9</b>	<b>601.1</b>	<b>616.5</b>
Foodstuffs, beverages, and tobacco	240.0	249.3	255.4	263.7	273.1	279.1	287.4
Textiles, clothing, and leather goods	100.0	102.7	106.0	108.6	111.2	112.7	115.2
Wood and wood products	18.0	18.8	19.3	19.9	20.4	20.6	31.0
Paper and paper products	16.0	16.0	16.9	17.3	17.7	17.9	18.4
Chemical, petroleum, and rubber products	21.0	21.6	22.1	22.8	23.6	24.1	24.8
Machinery and metal products	45.0	46.8	48.0	49.6	51.2	52.2	53.5
Other	82.3	84.2	87.2	89.4	92.8	94.5	86.1
III. Index of value Added in 1958 Prices (1987 = 100)							
<b>Total value added</b>	<b>109.4</b>	<b>113.0</b>	<b>116.3</b>	<b>119.7</b>	<b>123.6</b>	<b>125.9</b>	<b>129.1</b>
Foodstuffs, beverages, and tobacco	110.1	114.4	117.2	121.0	125.3	128.0	131.8
Textiles, clothing, and leather goods	109.9	112.8	116.5	119.4	122.2	123.8	126.6
Wood and wood products	105.9	110.4	113.7	117.0	119.9	121.3	182.6
Paper and paper products	106.7	106.7	112.8	115.1	117.8	119.6	122.7
Chemical, petroleum, and rubber products	110.5	113.9	116.1	120.1	124.4	126.7	130.5
Machinery and metal products	107.1	111.4	114.3	118.2	122.0	124.3	127.4
Other	109.2	111.7	115.7	118.6	123.1	125.4	114.3

Source: Bank of Guatemala.



Table 23. Guatemala: Petroleum Production, Consumption, Trade, and Retail Prices

	1991	1992	1993	1994	1995	Prel. 1996
(In thousands of barrels of crude) 1/						
<b>Total imports</b>	<b>10,977</b>	<b>13,173</b>	<b>13,210</b>	<b>13,698</b>	<b>11,781</b>	<b>11,120</b>
Crude	4,849	5,693	5,013	5,689	5,604	5,331
Gasoline	1,684	1,976	2,260	2,325	1,733	1,781
Premium	755	1,274	1,205	1,305	1,331	1,387
Regular	929	702	1,055	1,020	402	394
Propane/butane	1,007	1,253	1,394	1,347	641	690
Diesel	2,949	3,625	2,979	2,867	2,210	1,943
Fuel oil	14	3	1,224	1,122	1,333	1,083
Kerosene and turbojet	208	124	340	348	260	292
Other	267	500	--	--	--	--
<b>Exports of petroleum</b>	<b>1,063</b>	<b>1,664</b>	<b>2,312</b>	<b>1,901</b>	<b>2,975</b>	<b>4,810</b>
<b>Domestic production of crude petroleum</b>	<b>1,353</b>	<b>2,050</b>	<b>2,507</b>	<b>2,647</b>	<b>3,442</b>	<b>5,285</b>
<b>Total Domestic Consumption</b>	<b>11,748</b>	<b>12,799</b>	<b>12,571</b>	<b>14,273</b>	<b>15,614</b>	<b>15,221</b>
Crude	361	270	102	0	0	0
Gasoline	3,036	3,498	4,059	4,389	4,845	5,095
<i>Of which</i>						
Premium	943	1,233	1,754	1,754	2,043	2,589
Regular	1,616	1,758	1,791	1,817	1,917	1,974
Propane/butane	772	970	1,032	593	1,056	532
Diesel	4,807	5,815	5,133	5,600	6,027	1,070
Fuel oil	2,416	1,837	1,885	3,329	3,205	5,480
Kerosene and turbojet	116	131	167	152	278	3,149
Lubricants	119	132	136	153	165	230
Asphalts	121	147	57	57	38	166
<b>Retail Prices for petroleum products 2/</b>						
(In quetzales per gallon)						
Premium gasoline	9.6	8.0	8.0	8.4	8.9	10.1
Regular gasoline	9.0	7.8	7.8	8.1	8.5	9.7
Diesel	6.0	6.0	6.0	6.5	6.7	8.1
Kerosene	8.5	5.9	5.9	5.8	6.0	6.8
Fuel Oil	3.4	3.4	3.4	3.7	4.4	4.9
(U.S. dollars per gallon)						
Premium gasoline	1.77	1.51	1.40	1.42	1.53	1.66
Regular gasoline	1.30	1.47	1.37	1.38	1.47	1.59
Price of imported reconstituted crude oil	0.52	0.50	0.47	0.45	0.48	...

Sources: Bank of Guatemala; and Ministry of Energy and Mines.

Note: One barrel = 42 gallons.

1/ Barrels of non-crude products into crude equivalents.

2/ End-of-year prices.

Table 24. Guatemala: Electricity Production, Capacity, Distribution, and Prices

	1991	1992	1993	1994	1995	Prel. 1996
<b>I. Installed Capacity (Mw)</b>						
<b>Total</b>	<b>827.8</b>	<b>862.4</b>	<b>972.4</b>	<b>884.0</b>	<b>1,091.5</b>	<b>1,130.0</b>
Hydro	492.3	478.2	478.2	486.0	473.0	459.0
Thermal 1/	335.5	384.2	494.2	398.0	618.5	671.0
Steam	116.0	132.2	132.2	77.0	79.0	310.0
Gas	196.4	237.0	237.0	157.0	193.0	131.0
Diesel	23.1	5.0	115.0	154.0	296.5	148.0
Cogeneration	0.0	10.0	10.0	10.0	50.0	82.0
<b>II. Gross Generation (GWh)</b>						
<b>Total</b>	<b>2,432.5</b>	<b>2,774.6</b>	<b>3,053.1</b>	<b>3,222.1</b>	<b>3,498.2</b>	<b>3,710.8</b>
Hydro 2/	1,809.9	1,802.4	1,921.3	1,577.0	1,871.3	2,285.4
Thermal	622.6	972.2	1,131.8	1,645.1	1,626.9	1,425.4
<b>III. Sales of Net Generation to Final Users (GWh) 3/</b>						
<b>Total 4/</b>	<b>2,106.3</b>	<b>2,388.8</b>	<b>2,579.7</b>	<b>2,736.4</b>	<b>2,956.4</b>	<b>3,781.0</b>
(In percent of total sales)						
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Residential	30.9	29.5	30.2	29.4	29.2	31.0
Commercial	24.5	25.2	25.2	25.6	26.4	27.6
Industrial	35.0	36.6	35.8	36.7	36.4	33.3
Government	2.1	2.2	2.0	1.9	1.8	1.9
Municipal	7.4	6.4	6.7	6.3	6.1	6.0
Other	0.1	0.1	0.1	0.1	0.1	0.2
<b>IV. Average Price of Electricity</b> (In Guatemalan cents per Kwh)						
<b>Total</b>	<b>27.5</b>	<b>36.7</b>	<b>43.6</b>	<b>43.2</b>	<b>44.0</b>	<b>42.8</b>
Residential	21.2	27.9	33.3	33.8	33.7	34.0
Commercial	32.1	42.3	48.3	48.3	47.2	47.2
Industrial	31.4	40.4	46.5	47.3	47.7	46.3
Public sector and other	26.4	39.0	46.2	43.2	47.3	43.5
<b>Memorandum item:</b>						
INDE's fuel cost per kwh of thermal generation	25.8	31.6	36.5	38.5	44.0	49.4

Sources: Bank of Guatemala; and INDE.

1/ Excludes EXMIBAL's steam and diesel generator facilities of 57.6 Mw and 10.9 Mw, respectively.

2/ Includes 23.7 Mw generated by facilities belonging to municipalities and the private sector.

3/ Excludes a small percentage sold in bulk to some municipal electricity corporations.

4/ Includes only sales by EEGSA, which represent about 80 percent of the total.

Table 25. Guatemala: Consumer Price Indices 1/  
(Annual percentage change)

	Weight (Percent)	1991	1992	1993	1994	1995	1996	Est. 1997
<b>Period average</b>	<b>100.0</b>	<b>35.1</b>	<b>10.2</b>	<b>13.4</b>	<b>12.5</b>	<b>8.4</b>	<b>11.0</b>	<b>9.2</b>
Food and beverages	42.2	32.3	7.2	14.5	16.1	8.8	11.5	6.8
Housing	14.7	34.4	13.9	19.8	11.6	12.4	8.1	10.5
Home furnishings	7.8	30.2	14.8	13.9	10.7	8.9	13.2	12.3
Clothing	10.1	36.5	15.5	10.9	6.2	4.6	6.4	7.5
Medical care	2.7	34.3	12.1	9.6	7.8	7.8	12.4	5.1
Education	2.4	35.1	20.4	14.7	36.3	12.6	17.9	16.6
Transport and communications	11.6	52.9	7.7	8.1	4.6	5.5	13.1	19.7
Recreation	4.2	26.0	16.1	5.6	5.7	6.0	9.7	3.3
Other	4.3	35.1	12.7	12.1	10.3	6.0	11.1	7.3
<b>End of period</b>	<b>100.0</b>	<b>10.3</b>	<b>14.2</b>	<b>11.6</b>	<b>11.6</b>	<b>8.6</b>	<b>10.8</b>	<b>7.1</b>
Food and beverages	42.2	3.5	15.6	13.6	14.8	8.6	10.7	3.7
Housing	14.7	20.4	12.9	19.6	11.0	10.2	10.4	9.4
Home furnishings	7.8	14.8	15.9	12.9	9.4	10.7	13.5	11.7
Clothing	10.1	26.7	13.4	7.3	5.6	3.4	8.4	5.6
Medical care	2.7	12.5	13.4	5.2	8.5	8.6	10.6	5.8
Education	2.4	28.7	19.5	13.9	36.8	12.6	17.2	15.8
Transport and communications	11.6	6.6	11.1	2.8	4.6	9.1	12.6	17.1
Recreation	4.2	20.6	8.9	4.8	4.1	9.8	5.8	4.6
Other	4.3	21.5	13.8	10.7	7.2	7.5	9.8	7.5
<b>Memorandum items:</b>								
Annual average CPI inflation	100	35.1	10.2	13.4	12.5	8.4	11.0	9.2
<i>Of which</i>								
Attributable to:								
Tradable goods (estimated) 2/	60.1	10.2	3.3	5.4	3.3	5.0	4.3	3.6
Nontradables (residual)	39.9	24.9	6.9	8.0	9.1	3.4	6.7	5.6
Implied percent change in REER 3/		13.3	3.5	2.5	5.6	-1.6	2.3	2.0

Source: National Institute of Statistics (INE).

1/ Refers to prices in Guatemala City.

2/ Estimated as the percent change in the import price deflator multiplied by the share of tradables in the CPI basket. Tradables are taken as food and beverages, home furnishing, and clothing.

3/ The real effective exchange rate (REER) is defined as the ratio of nontradable to tradable goods prices.

Table 26. Guatemala: Selected Wage Indicators 1/

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
<b>I. Nominal Average Annual Wages in Quetzales</b>							
<b>Total</b>	<b>5,293</b>	<b>6,709</b>	<b>8,141</b>	<b>9,218</b>	<b>11,193</b>	<b>13,858</b>	<b>13,770</b>
Private sector	5,402	6,701	8,183	9,361	11,783	13,960	14,165
Tradables	4,220	5,553	6,436	7,151	8,922	10,373	10,585
Agriculture	2,862	3,969	4,611	4,562	5,917	6,929	7,315
Manufacturing	6,935	8,234	9,302	10,630	13,656	15,907	15,945
Nontradables	6,826	8,013	10,052	11,733	14,768	17,463	17,911
Public sector 2/	4,766	6,747	7,942	8,495	8,108	13,298	11,614
<b>II. Real Average Annual Wages in 1983 Quetzales</b>							
<b>Total</b>	<b>1,182</b>	<b>1,360</b>	<b>1,456</b>	<b>1,465</b>	<b>1,641</b>	<b>1,830</b>	<b>1,665</b>
Private sector	1,207	1,358	1,463	1,488	1,728	1,844	1,713
Tradables	943	1,126	1,151	1,137	1,308	1,370	1,280
Agriculture	640	805	824	725	868	915	884
Manufacturing	1,549	1,669	1,663	1,690	2,003	2,101	1,928
Nontradables	1,525	1,624	1,797	1,865	2,166	2,306	2,166
Public sector 2/	1,065	1,368	1,420	1,350	1,189	1,756	1,404
<b>III. Index of Nominal Wages (1991=100)</b>							
<b>Total</b>	<b>100</b>	<b>127</b>	<b>154</b>	<b>174</b>	<b>211</b>	<b>262</b>	<b>260</b>
Private sector	100	124	151	173	218	258	262
Tradables	100	132	153	169	211	246	251
Agriculture	100	139	161	159	207	242	256
Manufacturing	100	119	134	153	197	229	230
Nontradables	100	117	147	172	216	256	262
Public sector 2/	100	142	167	178	170	279	244
<b>IV. Index of Real Wages (1991=100)</b>							
<b>Total</b>	<b>100</b>	<b>115</b>	<b>123</b>	<b>124</b>	<b>139</b>	<b>155</b>	<b>141</b>
Private sector	100	113	121	123	143	153	142
Tradables	100	119	122	121	139	145	136
Agriculture	100	126	129	113	136	143	138
Manufacturing	100	108	107	109	129	136	124
Nontradables	100	107	118	122	142	151	142
Public sector 2/	100	128	133	127	112	165	132
<b>Memorandum item:</b>							
CPI (Mar-Apr 1983 = 100) 3/	447.6	493.3	559.3	629.0	681.9	757.2	827.1

Sources: Bank of Guatemala; and IGSS.

1/ The data refer to wages subject to social insurance contributions. Actual wages may include compensation that has been legally exempted from social insurance contributions. Because of changes in the share of wages subject to social insurance contributions and other problems, the data needs to be interpreted with caution.

2/ The data overstate the increase in public sector wages between 1995 and 1996. The increase mainly reflects an increase in the share of public sector wages subject to social insurance contributions as distinct from an increase in overall wages.

3/ Refers to prices in Guatemala City.

Table 27. Guatemala: Minimum Monthly Wages by Economic Activity  
(In current quetzales)

	1991	1992	1993	1994	1995 1/	Prel. 1996	Est. 1997
<b>Agriculture</b>							
Coffee	300	300	300	435	435	479	479
Banana, tobacco, and poultry	300	300	300	435	435	479	479
Cotton and sugar	300	300	300	435	435	479	479
Other agricultural crops	300	300	300	435	435	479	479
<b>Mining</b>	348	348	348	348	348	528	528
<b>Manufacturing</b>							
Foodstuffs	348	348	348	348	348	528	528
Textiles and clothing	348	348	348	348	348	528	528
Wood products	348	348	348	348	348	528	528
Paper and paper products	348	348	348	348	348	528	528
Chemical products	348	348	348	348	348	528	528
Metal products	348	348	348	348	348	528	528
<b>Construction</b>	348	348	348	498	498	548	548
<b>Commerce</b>							
Wholesale and retail trade	348	348	348	480	480	528	528
<b>Transportation</b>							
Urban transportation	348	348	348	348	348	528	528
<b>Insurance and finance</b>	154	154	154	154	154	528	528
<b>Services</b>							
Private education (primary)	250	348	348	348	348	348	348

Source: Ministry of Labor.

1/ Increase effective from January 2, 1996.

Table 28. Guatemala: Selected Employment and Labor Productivity Indicators

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
Index of employment (1991=100) 1/							
<b>Total</b>	<b>100</b>	<b>101</b>	<b>105</b>	<b>106</b>	<b>109</b>	<b>106</b>	<b>107</b>
Private Sector	100	101	104	106	110	108	109
Tradeables	100	99	99	101	103	98	102
Agriculture	100	93	90	87	94	90	95
Manufacturing	100	110	115	129	120	112	116
Nontradables	100	104	111	113	119	120	117
Public Sector	100	101	106	102	102	94	96
Index of Labor Productivity (1991 = 100) 2/							
<b>Total</b>	<b>100</b>	<b>104</b>	<b>104</b>	<b>107</b>	<b>109</b>	<b>116</b>	<b>120</b>
Private Sector	100	104	104	106	108	113	117
Tradeables	100	104	107	108	109	118	116
Agriculture	100	111	116	125	118	127	124
Manufacturing	100	94	92	85	94	103	102
Nontradables	100	102	100	103	104	106	115
Public Sector	100	105	109	119	122	136	135
Index of real unit labor costs (1991 = 100) 3/							
<b>Total</b>	<b>100</b>	<b>111</b>	<b>118</b>	<b>115</b>	<b>127</b>	<b>133</b>	<b>118</b>
Private Sector	100	109	117	116	133	135	121
Tradeables	100	114	114	112	127	124	117
Agriculture	100	114	111	91	115	113	111
Manufacturing	100	115	116	128	137	132	122
Nontradables	100	105	118	119	137	142	124
Public Sector 4/	100	122	122	106	91	122	98

Sources: Bank of Guatemala; and IGSS.

1/ "Employment" refer to employees subject to social insurance contributions as reported to IGSS.

2/ "Labor productivity" is obtained by dividing real GDP by sector by the IGSS "employment" figures. While this overstates the level of labor productivity, the percent increase in labor productivity would not be biased if the share of IGSS employees in total employment is constant.

3/ Index of real wages (Table 31) divided by index of labor productivity

4/ Most of the rise in unit labor costs between 1995 and 1996 is spurious. The rise mainly reflection increase in public sector wages subject to social security contributions, not an increase in overall public sector wages.

Table 29. Guatemala: Total Wage and Employment Indicators 1/

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
I. Employment							
<b>Total Employment</b>	<b>786,903</b>	<b>795,708</b>	<b>823,239</b>	<b>830,324</b>	<b>855,596</b>	<b>830,529</b>	<b>839,157</b>
Private sector	651,898	659,820	679,830	692,490	718,202	703,528	709,230
Agriculture, forestry, fishing	237,488	221,168	214,639	205,500	224,329	214,271	225,231
Mining and quarrying	2,849	3,144	2,420	1,900	2,494	3,291	2,247
Manufacturing	118,762	130,659	136,677	152,892	142,365	133,347	137,420
Construction	14,042	18,043	26,395	23,934	20,056	18,641	18,017
Electricity, gas, water, and sewer	14,777	12,858	11,142	9,283	9,800	10,896	10,422
Commerce, banking, and insurance	99,504	98,029	102,625	108,094	119,985	130,355	126,514
Transport, storage, and communications	23,194	23,918	25,162	23,475	27,450	28,928	25,018
Other private services	141,282	152,001	160,770	167,412	171,723	163,799	164,361
Public sector	135,005	135,888	143,409	137,834	137,394	127,001	129,927
II. Total Wages in Millions of Quetzales							
<b>Total</b>	<b>4,165</b>	<b>5,338</b>	<b>6,702</b>	<b>7,654</b>	<b>9,577</b>	<b>11,510</b>	<b>11,555</b>
Private sector	3,521	4,422	5,563	6,483	8,463	9,821	10,046
Agriculture, forestry, fishing	680	878	990	938	1,327	1,485	1,647
Mining and quarrying	18	25	21	24	33	57	60
Manufacturing	824	1,076	1,271	1,625	1,944	2,121	2,191
Construction	69	107	202	202	212	260	239
Electricity, gas, water and sewer	91	110	131	138	185	238	233
Commerce, banking, and insurance	818	950	1,180	1,563	2,029	2,421	2,338
Transport, storage, and communications	164	207	294	314	419	552	533
Other private services	858	1,070	1,474	1,679	2,314	2,689	2,804
Public sector	643	917	1,139	1,171	1,114	1,689	1,509

Sources: Bank of Guatemala; and IGSS.

1/ The data refer to wages and employment subject to social insurance contributions.

Table 30. Guatemala: Trends in Unit Labor Costs (ULC), Real Wages, Productivity and Employment  
Indices with 1991 =100

	1991	1992	1993	1994	1995	Prel. 1996	Est. 1997
<b>Real private sector ULC</b>							
All sectors	100	109	117	116	133	135	121
Tradeables	100	114	114	112	127	124	117
Agriculture	100	114	111	91	115	113	111
Manufacturing	100	115	116	128	137	132	122
Nontradables	100	105	118	119	137	142	124
<b>Real private sector annual wages</b>							
All sectors	100	113	121	123	143	153	142
Tradeables	100	119	122	121	139	145	136
Agriculture	100	126	129	113	136	143	138
Manufacturing	100	108	107	109	129	136	124
Nontradables	100	107	118	122	142	151	142
<b>Real private sector labor productivity</b>							
All sectors	100	104	104	106	108	113	117
Tradeables	100	104	107	108	109	118	116
Agriculture	100	111	116	125	118	127	124
Manufacturing	100	94	92	85	94	103	102
Nontradables	100	102	100	103	104	106	115
<b>Private sector employment</b>							
All sectors	100	101	104	106	110	108	109
Tradeables	100	99	99	101	103	98	102
Agriculture	100	93	90	87	94	90	95
Manufacturing	100	110	115	129	120	112	116
Nontradables	100	104	111	113	119	120	117
<b>Memoranda items:</b>							
<b>Real effective exchange rate</b>							
Ratio of prices of non Nontradables							
to Tradables 1/	100	103	106	112	110	113	115
IMF INS calculation	100	101	105	110	112	117	131

Source: Tables 27, 28, and 29.

1/ Defined as the ratio of nontradable prices to tradable prices. A rise in the index is a real appreciation.



Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
I. Central Government 1/							
<b>Current revenue</b>	<b>4,266.0</b>	<b>5,483.0</b>	<b>5,744.5</b>	<b>5,683.6</b>	<b>7,344.9</b>	<b>8,786.0</b>	<b>9,838.3</b>
Tax revenue	3,469.6	4,511.6	5,026.5	5,054.7	6,734.7	8,332.0	9,453.6
Nontax revenue	718.4	709.6	255.0	301.1	306.8	222.4	230.3
Transfers from:	78.0	261.8	463.0	327.8	303.4	231.6	154.4
Rest of general government	16.6	23.8	22.1	53.8	61.2	53.0	15.0
Nonfinancial public enterprises	11.4	190.5	389.1	206.0	238.6	175.4	118.0
Private sector	50.0	47.5	51.8	68.0	3.6	3.2	21.4
<b>Current expenditure</b>	<b>3,572.8</b>	<b>4,800.2</b>	<b>5,432.8</b>	<b>5,217.1</b>	<b>5,819.7</b>	<b>6,367.5</b>	<b>6,709.8</b>
Wages and salaries	1,308.6	1,758.2	2,117.1	2,201.9	2,579.8	2,657.2	2,878.1
Goods and services	641.4	873.9	894.6	790.5	712.2	780.7	1,016.6
Interest	548.7	531.8	719.8	818.2	1,064.9	1,141.1	838.1
Transfers to:	1,074.1	1,636.3	1,701.3	1,406.5	1,462.8	1,788.5	1,977.0
Rest of general government 2/	419.4	531.2	633.6	583.8	746.4	919.6	1,040.5
Nonfinancial public enterprises	269.7	555.9	374.3	35.7	75.8	2.2	12.7
Financial intermediaries	37.0	53.1	144.0	20.0	0.0	0.0	0.0
Private sector	336.1	472.9	504.6	712.0	563.8	833.7	773.4
Abroad	11.9	23.2	44.8	55.0	76.8	33.0	150.4
<b>Current account balance (deficit -)</b>	<b>693.2</b>	<b>682.8</b>	<b>311.7</b>	<b>466.5</b>	<b>1,525.2</b>	<b>2,418.5</b>	<b>3,128.4</b>
<b>Capital revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Capital expenditures</b>	<b>736.2</b>	<b>956.4</b>	<b>1,443.7</b>	<b>1,670.3</b>	<b>2,277.2</b>	<b>2,569.1</b>	<b>4,207.1</b>
Fixed capital formation	413.8	576.2	628.5	655.3	1,080.8	1,235.6	1,787.4
Other capital expenditure	105.7	69.5	298.7	229.7	301.7	273.8	543.6
Transfers to:	216.7	310.7	516.5	785.3	894.7	1,059.7	1,876.1
Rest of general government	202.5	303.7	501.9	688.4	588.0	814.9	1,789.4
Nonfinancial public enterprises	2.0	1.0	0.3	0.0	3.7	2.3	25.4
Financial intermediaries	9.7	0.0	1.1	0.0	0.0	0.0	0.0
Private sector	2.5	6.0	13.2	96.9	303.0	242.5	61.3
<b>Overall balance (deficit -)</b>	<b>-43.0</b>	<b>-273.6</b>	<b>-1,132.0</b>	<b>-1,203.8</b>	<b>-752.0</b>	<b>-150.6</b>	<b>-1,078.7</b>
Statistical discrepancy	-179.9	-237.0	-156.3	-26.4	232.3	-26.6	361.5
<b>Overall balance (adjusted)</b>	<b>-222.9</b>	<b>-510.6</b>	<b>-1,288.3</b>	<b>-1,230.1</b>	<b>-519.7</b>	<b>-177.3</b>	<b>-717.2</b>
<b>Financing</b>	<b>222.9</b>	<b>510.6</b>	<b>1,288.3</b>	<b>1,230.1</b>	<b>519.7</b>	<b>177.3</b>	<b>717.2</b>
External (net)	287.5	468.0	1,119.5	1,369.1	74.3	484.3	2,383.9
Loans	201.2	288.9	49.0	777.2	321.4	580.5	716.7
Disbursements	281.7	410.2	264.8	1,045.2	585.8	847.9	1,043.9
Amortization	80.5	121.3	215.9	268.0	264.4	267.4	327.2
Grants	0.0	260.3	14.9	74.5	39.2	53.0	202.1
Change in arrears	86.3	-81.2	-330.2	201.8	167.4	-70.5	-11.8
Refinancing	0.0	0.0	509.6	0.0	0.0	0.0	0.0
Bonded debt	...	...	876.2	315.6	-453.7	-78.8	1,476.8
Domestic (net)	-64.6	42.6	168.8	-139.0	445.4	-307.0	-1,666.7
Banking system	-218.1	-410.9	-243.1	-664.1	-389.0	-467.6	-1,203.7
Bonded debt	-10.0	333.5	-114.6	404.0	484.7	999.9	-266.4
Rest of public sector	-214.5	82.1	216.4	-44.0	111.3	147.9	180.6
Private sector	204.5	251.4	-331.0	448.0	373.4	852.0	-447.0
Change in floating debt	132.9	107.4	496.1	104.7	325.0	-851.2	-233.1
Sale of assets	30.6	12.6	30.4	16.4	24.7	11.9	36.5

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
II. Rest of General Government							
<b>Current revenue</b>	<b>1,225.1</b>	<b>1,501.7</b>	<b>1,535.5</b>	<b>2,005.2</b>	<b>2,193.3</b>	<b>2,866.9</b>	<b>3,030.7</b>
Tax revenue	96.5	104.8	125.7	174.1	192.8	140.5	158.8
Nontax revenue	676.8	816.1	975.9	1,368.1	1,619.1	2,212.3	2,292.2
Transfers from:	451.8	580.8	434.0	462.9	381.4	514.1	579.7
Central government	419.4	531.2	375.9	403.0	314.9	422.5	477.5
Nonfinancial public enterprises	1.2	7.0	6.1	4.9	2.4	16.6	18.8
Financial intermediaries	16.7	21.0	20.7	16.6	17.6	27.0	30.5
Private sector	14.0	21.6	31.2	38.2	46.4	48.0	52.9
Abroad	0.5	0.0	0.1	0.2	0.1	0.0	0.0
<b>Current expenditure</b>	<b>889.7</b>	<b>1,202.9</b>	<b>1,382.6</b>	<b>1,623.7</b>	<b>1,851.2</b>	<b>2,154.4</b>	<b>2,342.7</b>
Wages and salaries	377.3	520.7	655.2	745.2	822.4	701.1	747.5
Goods and services	237.4	315.7	416.6	423.9	480.7	780.3	875.6
Interest	3.0	11.7	12.6	14.9	5.7	0.0	0.0
Transfers to:	272.0	354.8	298.1	439.7	542.4	673.0	719.6
Central government	16.6	23.8	22.1	53.8	61.2	53.0	15.0
Nonfinancial public enterprises	2.4	16.3	9.0	46.8	1.4	0.0	0.0
Financial intermediaries	0.0	0.0	0.0	6.4	0.0	0.0	0.0
Private sector	252.3	314.3	266.7	332.3	479.3	619.7	704.2
Abroad	0.7	0.4	0.3	0.4	0.5	0.3	0.4
<b>Current account balance (deficit -)</b>	<b>335.3</b>	<b>298.8</b>	<b>152.9</b>	<b>381.5</b>	<b>342.0</b>	<b>712.5</b>	<b>688.0</b>
<b>Capital revenue</b>	<b>211.7</b>	<b>316.9</b>	<b>475.4</b>	<b>456.8</b>	<b>524.9</b>	<b>533.4</b>	<b>602.8</b>
Transfers from:	211.7	316.9	475.4	456.8	524.9	533.4	602.8
Central government	202.5	303.7	464.8	447.3	519.4	525.5	593.8
Rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonfinancial public enterprises	0.0	0.0	1.6	3.7	0.0	0.0	0.0
Financial intermediaries	4.9	6.9	5.8	3.7	4.3	0.0	0.0
Private sector	3.9	6.2	2.4	2.1	1.2	1.1	1.2
Abroad	0.4	0.1	0.9	0.0	0.0	6.8	7.7
<b>Capital expenditure</b>	<b>230.0</b>	<b>474.6</b>	<b>494.9</b>	<b>527.3</b>	<b>622.0</b>	<b>621.4</b>	<b>778.0</b>
Fixed capital formation	229.8	473.8	494.9	527.3	621.1	619.8	776.2
Other capital expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to:	0.2	0.8	0.0	0.0	0.9	1.6	1.8
Central government	0.0	0.3	0.0	0.0	0.0	0.2	0.2
Rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonfinancial public enterprises	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Financial intermediaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	0.2	0.0	0.0	0.0	0.0	1.4	1.6
Abroad	0.0	0.0	0.0	0.0	0.9	0.0	0.0
<b>Overall balance (deficit -)</b>	<b>317.1</b>	<b>141.1</b>	<b>133.4</b>	<b>311.0</b>	<b>244.9</b>	<b>624.5</b>	<b>512.8</b>

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
II.1 Municipalities							
<b>Current revenue</b>	<b>188.9</b>	<b>213.1</b>	<b>234.1</b>	<b>321.9</b>	<b>284.4</b>	<b>449.9</b>	<b>508.4</b>
Tax revenue	70.8	74.7	88.6	137.1	150.7	100.0	113.0
Nontax revenue	40.4	47.1	55.6	82.7	109.2	223.3	252.3
Transfers from:	77.7	91.3	89.9	102.1	24.5	126.6	143.1
Central government	71.3	77.5	78.0	90.8	6.4	82.4	93.1
Rest of general government	0.4	1.3	1.0	0.7	0.9	22.5	25.4
Nonfinancial public enterprises	0.9	7.0	5.9	4.7	2.3	16.6	18.8
Financial intermediaries	1.9	2.5	2.1	1.4	2.6	0.0	0.0
Private sector	3.2	3.0	2.9	4.5	12.3	5.1	5.8
<b>Current expenditure</b>	<b>215.3</b>	<b>297.6</b>	<b>257.4</b>	<b>341.5</b>	<b>348.0</b>	<b>433.9</b>	<b>490.4</b>
Wages and salaries	70.4	119.2	123.2	165.6	164.8	57.0	64.4
Goods and services	48.7	73.5	94.2	87.0	109.0	313.9	354.7
Interest	3.0	11.7	12.6	14.9	5.7	0.0	0.0
Transfers to:	93.2	93.2	27.3	74.0	68.5	63.0	71.2
Central government	0.6	0.6	0.6	0.6	0.6	39.6	44.8
Rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonfinancial public enterprises	2.4	16.3	9.0	46.8	1.4	0.0	0.0
Financial intermediaries	0.0	0.0	0.0	6.4	0.0	0.0	0.0
Private sector	90.2	76.3	17.6	20.1	66.5	23.4	26.4
Abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating balance</b>	<b>-7.9</b>	<b>-70.9</b>	<b>-73.2</b>	<b>-32.8</b>	<b>-13.9</b>	<b>-47.6</b>	<b>-53.8</b>
<b>Current account balance (deficit -)</b>	<b>-26.4</b>	<b>-84.5</b>	<b>-23.3</b>	<b>-19.6</b>	<b>-63.6</b>	<b>16.0</b>	<b>18.0</b>
<b>Capital revenue</b>	<b>185.5</b>	<b>258.1</b>	<b>380.1</b>	<b>397.3</b>	<b>466.7</b>	<b>479.2</b>	<b>541.5</b>
Transfers from:	185.5	258.1	380.1	397.3	466.7	479.2	541.5
Central government	176.7	245.0	370.3	388.6	462.0	478.3	540.5
Rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonfinancial public enterprises	0.0	0.0	1.6	3.7	0.0	0.0	0.0
Financial intermediaries	4.9	6.9	5.8	3.7	4.3	0.0	0.0
Private sector	3.9	6.2	2.4	1.3	0.4	0.9	1.0
Abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Capital expenditure</b>	<b>162.4</b>	<b>404.2</b>	<b>403.7</b>	<b>393.8</b>	<b>492.5</b>	<b>478.2</b>	<b>540.4</b>
Fixed capital formation	162.4	403.7	403.7	393.8	492.5	478.2	540.4
Other capital expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to:	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonfinancial public enterprises	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Financial intermediaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Overall balance (deficit -)</b>	<b>-3.3</b>	<b>-230.6</b>	<b>-46.9</b>	<b>-16.1</b>	<b>-89.4</b>	<b>17.0</b>	<b>19.2</b>

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
II.2 IGSS							
<b>Current revenue</b>	<b>593.6</b>	<b>777.2</b>	<b>874.7</b>	<b>1,185.8</b>	<b>1,382.5</b>	<b>1,851.3</b>	<b>1,859.6</b>
Tax revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nontax revenue	590.4	702.5	807.6	1,141.6	1,336.5	1,795.9	1,821.7
Transfers from:	3.2	74.7	67.1	44.2	46.0	55.4	37.9
Central government	0.0	43.2	0.0	0.0	0.0	0.0	0.0
Rest of general government	0.0	26.8	52.5	31.5	38.1	45.4	27.9
Private sector	3.2	4.7	14.6	12.7	7.9	10.0	10.0
<b>Current expenditure</b>	<b>429.6</b>	<b>507.0</b>	<b>661.0</b>	<b>752.7</b>	<b>893.2</b>	<b>1,087.0</b>	<b>1,220.4</b>
Wages and salaries	136.1	145.3	218.8	246.3	287.0	317.2	343.7
Goods and services	139.2	140.7	209.1	210.5	234.4	314.2	357.8
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to:	154.3	221.0	233.1	295.9	371.8	455.6	518.9
Central government	0.3	0.6	0.4	0.6	0.8	0.8	1.1
Rest of general government	0.3	0.0	0.2	0.2	0.0	0.1	0.1
Private sector	153.5	220.4	232.5	295.2	371.0	454.7	517.8
Abroad	0.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating balance</b>	<b>315.1</b>	<b>416.5</b>	<b>379.7</b>	<b>684.8</b>	<b>815.1</b>	<b>1,164.5</b>	<b>1,120.1</b>
<b>Current account balance (deficit -)</b>	<b>164.0</b>	<b>270.2</b>	<b>213.7</b>	<b>433.1</b>	<b>489.3</b>	<b>764.4</b>	<b>639.1</b>
<b>Capital revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Capital expenditure</b>	<b>40.6</b>	<b>36.3</b>	<b>51.2</b>	<b>52.7</b>	<b>41.4</b>	<b>9.6</b>	<b>86.6</b>
Fixed capital formation	40.6	36.3	51.2	52.7	41.4	9.6	86.6
<b>Overall balance (deficit -)</b>	<b>123.4</b>	<b>233.9</b>	<b>162.5</b>	<b>380.4</b>	<b>447.9</b>	<b>754.8</b>	<b>552.5</b>

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
II.3 Other Decentralized Agencies 3/							
<b>Current revenue</b>	<b>443.0</b>	<b>539.7</b>	<b>480.8</b>	<b>529.8</b>	<b>565.4</b>	<b>633.6</b>	<b>716.0</b>
Tax revenue	25.7	30.1	37.1	37.0	42.1	40.5	45.8
Nontax revenue	46.0	66.5	112.7	143.8	173.4	193.1	218.2
Transfers from:	371.3	443.1	331.1	349.0	349.9	400.0	452.0
Central government	348.1	410.5	297.9	312.2	308.5	340.1	384.3
Rest of general government	0.0	0.2	0.6	0.2	0.0	0.0	0.0
Nonfinancial public enterprises	0.3	0.0	0.2	0.2	0.1	0.0	0.0
Financial intermediaries	14.8	18.5	18.5	15.2	15.0	27.0	30.5
Private sector	7.6	13.9	13.7	21.0	26.2	32.9	37.2
Abroad	0.5	0.0	0.1	0.2	0.1	0.0	0.0
<b>Current expenditure</b>	<b>245.5</b>	<b>401.8</b>	<b>465.8</b>	<b>530.4</b>	<b>610.9</b>	<b>648.3</b>	<b>648.6</b>
Wages and salaries	170.8	256.2	313.2	333.3	370.6	326.9	339.4
Goods and services	49.5	101.5	113.3	126.4	137.3	152.2	163.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to:	25.2	44.1	39.3	70.7	103.0	169.2	146.1
Central government	15.7	22.6	21.0	52.6	59.8	12.6	-30.9
Rest of general government	0.4	3.5	1.4	0.7	0.9	14.7	16.6
Private sector	8.6	17.6	16.6	17.0	41.8	141.6	160.0
Abroad	0.5	0.4	0.3	0.4	0.5	0.3	0.3
<b>Operating balance</b>	<b>-148.6</b>	<b>-261.1</b>	<b>-276.7</b>	<b>-278.9</b>	<b>-292.4</b>	<b>-245.5</b>	<b>-238.5</b>
<b>Current account balance (deficit -)</b>	<b>197.5</b>	<b>137.9</b>	<b>15.1</b>	<b>-0.5</b>	<b>-45.5</b>	<b>-14.7</b>	<b>67.4</b>
<b>Capital revenue</b>	<b>26.2</b>	<b>58.8</b>	<b>95.3</b>	<b>59.5</b>	<b>58.2</b>	<b>56.0</b>	<b>63.3</b>
Transfers from:	26.2	58.8	95.3	59.5	58.2	56.0	63.3
Central government	25.8	58.7	94.4	58.7	57.4	47.2	53.3
Private sector	0.0	0.0	0.0	0.8	0.8	0.2	0.2
Abroad	0.4	0.1	0.9	0.0	0.0	6.8	7.7
<b>Capital expenditure</b>	<b>27.0</b>	<b>34.1</b>	<b>40.0</b>	<b>80.8</b>	<b>88.1</b>	<b>133.6</b>	<b>151.0</b>
Fixed capital formation	26.8	33.8	40.0	80.8	87.2	132.0	149.2
Other capital expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to:	0.2	0.3	0.0	0.0	0.9	1.6	1.8
Central government	0.0	0.3	0.0	0.0	0.0	0.2	0.2
Rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	0.2	0.0	0.0	0.0	0.0	1.4	1.6
<b>Overall balance (deficit -)</b>	<b>196.7</b>	<b>162.6</b>	<b>70.4</b>	<b>-21.8</b>	<b>-75.4</b>	<b>-92.3</b>	<b>-20.3</b>

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
III. Total General Government							
<b>Current revenue</b>	<b>5,054.6</b>	<b>6,429.7</b>	<b>6,881.9</b>	<b>7,231.8</b>	<b>9,162.0</b>	<b>11,177.4</b>	<b>12,376.5</b>
Tax revenue	3,566.1	4,616.4	5,152.2	5,228.8	6,927.5	8,472.5	9,612.3
Nontax revenue	1,395.2	1,525.7	1,230.9	1,669.2	1,925.9	2,434.7	2,522.5
Transfers from:	93.3	287.6	498.8	333.7	308.6	270.2	241.6
Nonfinancial public enterprises	12.6	197.5	395.2	210.9	241.0	192.0	136.8
Financial intermediaries	16.7	21.0	20.7	16.6	17.6	27.0	30.5
Private sector	64.0	69.1	83.0	106.2	50.0	51.2	74.3
<b>Current expenditure</b>	<b>4,026.5</b>	<b>5,448.1</b>	<b>6,417.4</b>	<b>6,384.0</b>	<b>7,294.8</b>	<b>8,046.5</b>	<b>8,560.1</b>
Wages and salaries	1,685.9	2,278.9	2,772.3	2,947.1	3,402.2	3,358.3	3,625.6
Goods and services	878.8	1,189.6	1,311.2	1,214.4	1,192.9	1,561.0	1,892.2
Interest	551.7	543.5	732.4	833.1	1,070.6	1,141.1	838.1
Transfers to:	910.1	1,436.1	1,601.4	1,389.4	1,629.1	1,986.0	2,204.1
Nonfinancial public enterprises	272.1	572.2	383.3	82.5	77.2	2.2	12.7
Financial intermediaries	37.0	53.1	144.0	26.4	0.0	0.0	0.0
Private sector 4/	588.4	787.2	1,029.0	1,225.1	1,474.6	1,950.5	2,040.7
Abroad	12.6	23.6	45.1	55.4	77.3	33.3	150.8
<b>Current account balance (deficit -)</b>	<b>1,028.1</b>	<b>981.6</b>	<b>464.5</b>	<b>847.8</b>	<b>1,867.2</b>	<b>3,130.9</b>	<b>3,816.4</b>
<b>Capital revenue</b>	<b>9.2</b>	<b>13.2</b>	<b>10.7</b>	<b>9.5</b>	<b>5.5</b>	<b>7.9</b>	<b>8.9</b>
<b>Capital expenditure</b>	<b>763.7</b>	<b>1,127.0</b>	<b>1,473.9</b>	<b>1,750.3</b>	<b>2,379.8</b>	<b>2,664.8</b>	<b>4,391.0</b>
Fixed capital formation	643.6	1,050.0	1,123.4	1,182.6	1,701.9	1,855.4	2,563.6
Other capital expenditure	105.7	69.5	298.7	229.7	301.7	273.8	543.6
Transfers to:	14.4	7.5	51.7	338.0	376.2	535.6	1,283.8
Nonfinancial public enterprises	2.0	1.5	0.3	0.0	3.7	2.3	25.4
Financial intermediaries	9.7	0.0	1.1	0.0	0.0	0.0	0.0
Private sector	2.7	6.0	50.3	338.0	372.5	533.3	1,258.4
<b>Overall balance (deficit -)</b>	<b>273.6</b>	<b>-132.2</b>	<b>-998.7</b>	<b>-893.0</b>	<b>-507.2</b>	<b>474.0</b>	<b>-565.7</b>
Statistical discrepancy	-179.9	-237.0	-156.3	-26.4	232.3	-26.6	361.5
<b>Overall balance (adjusted)</b>	<b>93.7</b>	<b>-369.2</b>	<b>-1,154.9</b>	<b>-919.3</b>	<b>-274.9</b>	<b>447.4</b>	<b>-204.2</b>

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
IV. Nonfinancial Public Enterprises 5/							
<b>Current revenue</b>	<b>1,603.0</b>	<b>2,166.9</b>	<b>2,274.0</b>	<b>1,984.5</b>	<b>2,260.2</b>	<b>2,342.8</b>	<b>2,611.5</b>
Sales of goods and services	1,328.7	1,594.7	1,889.7	1,902.0	2,183.0	2,340.6	2,598.8
Transfers from:	274.3	572.2	384.3	82.5	77.2	2.2	12.7
Central government	269.7	555.9	374.3	35.7	75.8	2.2	12.7
Rest of general government	2.4	16.3	9.0	46.8	1.4	0.0	0.0
Private sector	2.2	0.0	1.0	0.0	0.0	0.0	0.0
<b>Current expenditures</b>	<b>837.4</b>	<b>1,314.4</b>	<b>1,406.5</b>	<b>1,328.1</b>	<b>1,574.0</b>	<b>1,404.1</b>	<b>1,680.5</b>
Wages and salaries	258.2	317.0	380.0	430.1	485.2	549.9	587.0
Goods and services	367.8	548.1	454.4	504.9	684.0	444.1	772.9
Interest	114.7	217.8	135.2	155.1	137.1	138.8	94.2
Transfers to:	96.7	231.5	436.8	238.0	267.7	271.3	226.4
Central government	11.4	190.5	389.1	206.0	238.6	175.4	118.0
Rest of general government	1.2	7.0	6.1	4.9	2.4	16.6	18.8
Private sector	83.3	33.7	41.6	27.1	25.9	79.2	89.5
Abroad	0.8	0.3	0.1	0.0	0.8	0.1	0.1
<b>Operational surplus</b>	<b>702.7</b>	<b>729.7</b>	<b>1,055.3</b>	<b>967.0</b>	<b>1,013.8</b>	<b>1,346.6</b>	<b>1,238.9</b>
<b>Current account balance (deficit -)</b>	<b>765.6</b>	<b>852.5</b>	<b>867.6</b>	<b>656.4</b>	<b>686.2</b>	<b>938.7</b>	<b>931.0</b>
<b>Capital revenue</b>	<b>2.0</b>	<b>5.6</b>	<b>60.0</b>	<b>39.4</b>	<b>39.7</b>	<b>114.7</b>	<b>92.9</b>
Transfers from central government	2.0	1.0	0.3	0.0	3.7	2.3	25.4
Other	0.0	4.6	59.7	39.4	36.0	112.4	67.5
<b>Capital expenditure</b>	<b>533.2</b>	<b>266.4</b>	<b>642.5</b>	<b>601.8</b>	<b>396.2</b>	<b>491.3</b>	<b>489.0</b>
Fixed capital formation	481.2	266.4	640.9	598.1	396.2	490.1	487.7
Other capital expenditure	52.0	0.0	1.6	3.7	0.0	1.2	1.4
<b>Overall balance (deficit -)</b>	<b>234.4</b>	<b>591.7</b>	<b>285.1</b>	<b>94.0</b>	<b>329.7</b>	<b>562.1</b>	<b>534.8</b>

Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
V (a). Consolidated Nonfinancial Public Sector							
<b>Current revenue</b>	<b>5,746.9</b>	<b>6,961.9</b>	<b>7,543.1</b>	<b>7,987.9</b>	<b>9,934.8</b>	<b>12,332.0</b>	<b>13,478.6</b>
Operational surplus of nonfinancial							
Public enterprises	702.7	729.7	1,055.3	967.0	1,013.8	1,346.6	1,238.9
Tax revenue	3,566.1	4,616.4	5,152.2	5,228.8	6,927.5	8,472.5	9,612.3
Nontax revenue	1,395.2	1,525.7	1,230.9	1,669.2	1,925.9	2,434.7	2,522.5
Current transfers	82.9	90.1	104.7	122.8	67.6	78.2	104.9
<b>Current expenditure</b>	<b>3,953.2</b>	<b>5,127.7</b>	<b>6,211.0</b>	<b>6,483.7</b>	<b>7,381.4</b>	<b>8,262.4</b>	<b>8,731.2</b>
Wages and salaries	1,685.9	2,278.9	2,772.3	2,947.1	3,402.2	3,358.3	3,625.6
Goods and services	878.8	1,189.6	1,311.2	1,214.4	1,192.9	1,561.0	1,892.2
Interest	666.4	761.3	867.7	988.2	1,207.7	1,280.0	932.4
Transfers to:	722.1	897.9	1,259.8	1,334.0	1,578.6	2,063.1	2,281.0
Financial intermediaries	37.0	53.1	144.0	26.4	0.0	0.0	0.0
Private sector	671.7	820.9	1,070.6	1,252.2	1,500.5	2,029.7	2,130.2
Abroad	13.4	23.9	45.2	55.4	78.1	33.4	150.9
<b>Current account balance (deficit -)</b>	<b>1,793.7</b>	<b>1,834.1</b>	<b>1,332.1</b>	<b>1,504.2</b>	<b>2,553.4</b>	<b>4,069.6</b>	<b>4,747.3</b>
<b>Capital revenue</b>	<b>9.2</b>	<b>17.8</b>	<b>70.4</b>	<b>48.9</b>	<b>41.5</b>	<b>120.3</b>	<b>76.4</b>
<b>Capital expenditure</b>	<b>1,294.9</b>	<b>1,391.9</b>	<b>2,116.0</b>	<b>2,352.1</b>	<b>2,772.3</b>	<b>3,153.8</b>	<b>4,854.6</b>
Fixed capital formation	1,124.8	1,316.4	1,764.3	1,780.7	2,098.1	2,345.5	3,051.2
Transfers to:	12.4	6.0	51.4	338.0	372.5	533.3	1,258.4
Financial intermediaries	9.7	0.0	1.1	0.0	0.0	0.0	0.0
Private sector	2.7	6.0	50.3	338.0	372.5	533.3	1,258.4
Other capital	157.7	69.5	300.3	233.4	301.7	275.0	545.0
<b>Overall balance (deficit -)</b>	<b>508.0</b>	<b>460.0</b>	<b>-713.6</b>	<b>-799.0</b>	<b>-177.5</b>	<b>1,036.1</b>	<b>-30.8</b>
Statistical discrepancy	-600.9	202.2	-156.3	-26.4	232.3	-26.6	361.5
<b>Overall balance, adjusted (deficit -)</b>	<b>-92.9</b>	<b>662.3</b>	<b>-869.9</b>	<b>-825.3</b>	<b>54.8</b>	<b>1,009.5</b>	<b>330.7</b>
<b>Financing</b>	<b>92.9</b>	<b>-662.3</b>	<b>869.9</b>	<b>825.3</b>	<b>-54.8</b>	<b>-1,009.5</b>	<b>-330.7</b>
External	354.6	89.0	1,055.1	1,238.4	-195.5	150.9	2,208.0
Foreign loans (net)	182.1	89.0	154.6	660.0	51.5	247.1	540.9
Foreign grants	0.0	260.3	14.9	74.5	39.2	53.0	202.1
External arrears (net change)	172.5	-260.3	-558.5	188.3	167.4	-70.5	-11.8
Refinancing	0.0	0.0	567.9	0.0	0.0	0.0	0.0
Bonded debt	0.0	0.0	876.2	315.6	-453.7	-78.8	1,476.8
Domestic financing	-261.7	-751.3	-185.2	-413.1	140.7	-1,160.4	-2,538.7
Banking system	-629.7	-1,122.7	-71.2	-697.0	-689.6	-984.7	-1,710.0
Bonded debt	204.5	251.4	-331.0	448.0	373.4	852.0	-447.0
Change in floating debt	132.9	107.4	186.6	-180.5	432.2	-1,039.6	-418.2
Sale of assets	30.6	12.6	30.4	16.4	24.7	11.9	36.5



Table 31. Guatemala: Consolidated Nonfinancial Public Sector Operations

(In percent of GDP)

	1991	1992	1993	1994	1995	1996	Prel. 1997
V (b). Consolidated Nonfinancial Public Sector							
<b>Current revenue</b>	<b>12.1</b>	<b>12.9</b>	<b>11.7</b>	<b>10.7</b>	<b>11.7</b>	<b>12.9</b>	<b>12.5</b>
Operational surplus of nonfinancial public enterprises	1.5	1.4	1.6	1.3	1.2	1.4	1.1
Tax revenue	7.5	8.6	8.0	7.0	8.1	8.9	8.9
Nontax revenue	2.9	2.8	1.9	2.2	2.3	2.5	2.3
Current transfers	0.2	0.2	0.2	0.2	0.1	0.1	0.1
<b>Current expenditure</b>	<b>8.4</b>	<b>9.5</b>	<b>9.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.1</b>
Wages and salaries	3.6	4.2	4.3	3.9	4.0	3.5	3.4
Goods and services	1.9	2.2	2.0	1.6	1.4	1.6	1.8
Interest	1.4	1.4	1.4	1.3	1.4	1.3	0.9
Transfers to:	1.5	1.7	2.0	1.8	1.9	2.2	2.1
Financial intermediaries	0.1	0.1	0.2	0.0	0.0	0.0	0.0
Private sector	1.4	1.5	1.7	1.7	1.8	2.1	2.0
Abroad	0.0	0.0	0.1	0.1	0.1	0.0	0.1
<b>Current account balance (deficit -)</b>	<b>3.8</b>	<b>3.4</b>	<b>2.1</b>	<b>2.0</b>	<b>3.0</b>	<b>4.3</b>	<b>4.4</b>
<b>Capital revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
<b>Capital expenditure</b>	<b>2.7</b>	<b>2.6</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>	<b>3.3</b>	<b>4.5</b>
Fixed capital formation	2.4	2.4	2.7	2.4	2.5	2.5	2.8
Transfers to:	0.0	0.0	0.1	0.5	0.4	0.6	1.2
Financial intermediaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	0.0	0.0	0.1	0.5	0.4	0.6	1.2
Other capital	0.3	0.1	0.5	0.3	0.4	0.3	0.5
<b>Overall balance (deficit -)</b>	<b>1.1</b>	<b>0.9</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-0.2</b>	<b>1.1</b>	<b>0.0</b>
Statistical discrepancy	-1.3	0.4	-0.2	0.0	0.3	0.0	0.3
<b>Overall balance (deficit -)</b>	<b>-0.2</b>	<b>1.2</b>	<b>-1.4</b>	<b>-1.1</b>	<b>0.1</b>	<b>1.1</b>	<b>0.3</b>
<b>Financing</b>	<b>0.2</b>	<b>-1.2</b>	<b>1.4</b>	<b>1.1</b>	<b>-0.1</b>	<b>-1.1</b>	<b>-0.3</b>
External	0.7	0.2	1.6	1.7	-0.2	0.2	2.0
Foreign loans (net)	0.4	0.2	0.2	0.9	0.1	0.3	0.5
Foreign grants	0.0	0.5	0.0	0.1	0.0	0.1	0.2
External arrears (net change)	0.4	-0.5	-0.9	0.3	0.2	-0.1	0.0
Refinancing	0.0	0.0	0.9	0.0	0.0	0.0	0.0
Bonded debt	0.0	0.0	1.4	0.4	-0.5	-0.1	1.4
Domestic financing	-0.6	-1.4	-0.3	-0.6	0.2	-1.2	-2.4
Banking system	-1.3	-2.1	-0.1	-0.9	-0.8	-1.0	-1.6
Bonded debt	0.4	0.5	-0.5	0.6	0.4	0.9	-0.4
Change in floating debt	0.3	0.2	0.3	-0.2	0.5	-1.1	-0.4
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Ministry of Finance; IGSS; INDE; GUATEL; Bank of Guatemala; and Fund staff estimates.

1/ Starting 1995, includes earmarked revenues (the counterpart is included in current and capital transfers), tax penalties, and *regalias petroleras*.

2/ Includes transfers to decentralized agencies not included in the consolidation.

3/ Includes IRTRA, CVB, USAC, INAP, CDAG, CNPAG, INTECAP, INTA, ORIT, ICTA, COPEREX, INGUAT, SEGEPLAN, INACOP, INGECOP, INE, ENCA, and Superintendency of Banks.

4/ Starting in 1993, includes central government transfers to decentralized agencies not included in the consolidation.

5/ Includes INDECA, GREMTRIGO, Santo Tomas, CHAMPER, Puerto Quetzal, FEGUA, GUATEL, INDE, PROLAC, ZOLIC, and EMPAGUA.

Table 32. Guatemala: Central Government Operations 1/  
(In Millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
I. Revenue							
<b>Total revenue</b>	<b>4,266.0</b>	<b>5,483.0</b>	<b>5,744.5</b>	<b>5,683.6</b>	<b>7,344.9</b>	<b>8,786.0</b>	<b>9,838.3</b>
<b>Tax revenue</b>	<b>3,469.6</b>	<b>4,511.6</b>	<b>5,026.5</b>	<b>5,054.7</b>	<b>6,734.7</b>	<b>8,332.0</b>	<b>9,453.6</b>
Direct taxes	1,085.0	1,080.9	1,225.7	902.1	1,407.2	2,024.0	2,320.3
Income tax	1,040.4	1,019.0	1,182.4	844.9	1,365.0	1,491.2	1,263.3
Property and other taxes	44.6	61.9	43.3	57.2	42.2	532.8	1,057.0
<i>Of which</i>							
ISET	0.0	0.0	0.0	0.0	0.0	496.6	898.6
Indirect taxes	2,384.6	3,430.7	3,800.8	4,152.6	5,327.5	6,308.0	7,133.3
Value-added tax	1,038.8	1,423.4	1,679.0	1,883.1	2,401.2	3,488.4	3,952.1
Domestic	498.8	661.4	694.3	778.5	1,061.9	1,693.1	1,820.5
Imports	540.0	762.0	984.7	1,104.6	1,339.3	1,795.3	2,131.6
Excise tax	401.4	573.4	682.3	763.6	878.8	905.6	1,269.0
Stamp tax	180.3	165.9	152.3	162.6	191.4	196.9	168.6
Other taxes	100.1	119.8	153.3	160.5	259.4	241.6	232.1
Imports	662.1	1,147.4	1,133.9	1,182.8	1,596.7	1,475.5	1,511.5
Exports	1.9	0.8	0.0	0.0	0.0	0.0	0.0
<b>Nontax revenue</b>	<b>718.4</b>	<b>709.6</b>	<b>255.0</b>	<b>301.1</b>	<b>306.8</b>	<b>222.4</b>	<b>230.3</b>
<i>Of which</i>							
Petroleum Compensation Fund	491.5	475.7	0.0	0.0	0.0	0.0	0.0
<b>Current transfers</b>	<b>78.0</b>	<b>261.8</b>	<b>463.0</b>	<b>327.8</b>	<b>303.4</b>	<b>231.6</b>	<b>154.4</b>
Public sector	28.0	214.3	411.2	259.8	299.8	228.4	133.0
Private	50.0	47.5	51.8	68.0	3.6	3.2	21.4
<b>Capital revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
II. Expenditure							
<b>Total expenditure</b>	<b>4,309.0</b>	<b>5,756.6</b>	<b>6,876.5</b>	<b>6,887.4</b>	<b>8,096.9</b>	<b>8,936.6</b>	<b>10,916.9</b>
<b>Current</b>	<b>3,572.8</b>	<b>4,800.2</b>	<b>5,432.8</b>	<b>5,217.1</b>	<b>5,819.7</b>	<b>6,367.5</b>	<b>6,709.8</b>
Wages and salaries	1,308.6	1,758.2	2,117.1	2,201.9	2,579.8	2,657.2	2,878.1
Goods and services	641.4	873.9	894.6	790.5	712.2	780.7	1,016.6
Interest	548.7	531.8	719.8	818.2	1,064.9	1,141.1	838.1
Domestic debt	346.0	363.6	443.3	426.1	594.0	650.1	456.4
Foreign debt	202.7	168.2	276.5	392.1	451.0	478.2	369.6
Transfers to:	1,074.1	1,636.3	1,701.3	1,406.5	1,462.8	1,788.5	1,977.0
Rest of general government	419.4	531.2	633.6	583.8	746.4	919.6	1,040.5
Nonfinancial public enterprises	269.7	555.9	374.3	35.7	75.8	2.2	12.7
Financial institutions	37.0	53.1	144.0	20.0	0.0	0.0	0.0
Private sector	336.1	472.9	504.6	712.0	563.8	833.7	773.4
Abroad	11.9	23.2	44.8	55.0	76.8	33.0	150.4
<b>Capital expenditures</b>	<b>736.2</b>	<b>956.4</b>	<b>1,443.7</b>	<b>1,670.3</b>	<b>2,277.2</b>	<b>2,569.1</b>	<b>4,207.1</b>
Fixed capital formation	413.8	576.2	628.5	655.3	1,080.8	1,235.6	1,787.4
Other capital expenditure	105.7	69.5	298.7	229.7	301.7	273.8	543.6
Transfers to:	216.7	310.7	516.5	785.3	894.7	1,059.7	1,876.1
Rest of general government	202.5	303.7	501.9	688.4	588.0	814.9	1,789.4
Nonfinancial public enterprises	2.0	1.0	0.3	0.0	3.7	2.3	25.4
Financial institutions	9.7	0.0	1.1	0.0	0.0	0.0	0.0
Private sector	2.5	6.0	13.2	96.9	303.0	242.5	61.3
<b>Current account balance</b>	<b>693.2</b>	<b>682.8</b>	<b>311.7</b>	<b>466.5</b>	<b>1,525.2</b>	<b>2,418.5</b>	<b>3,128.4</b>
<b>Overall balance (commitment basis)</b>	<b>-43.0</b>	<b>-273.6</b>	<b>-1,132.0</b>	<b>-1,203.8</b>	<b>-752.0</b>	<b>-150.6</b>	<b>-1,078.7</b>
Statistical discrepancy	-179.9	-237.0	-156.3	-26.4	232.3	-26.6	361.5
<b>Overall balance, adjusted (deficit-)</b>	<b>-222.9</b>	<b>-510.6</b>	<b>-1,288.3</b>	<b>-1,230.1</b>	<b>-519.7</b>	<b>-177.3</b>	<b>-717.2</b>

Sources: Ministry of Finance; and Fund staff estimates.

1/ Starting 1995, includes earmarked revenues (the counterpart is included in current and capital transfers), tax penalties and *regalias petroleras*.

2/ Information on some of the financing items is not yet available.

Table 33. Guatemala: Central Government Operations 1/

(In percent of GDP)

	1991	1992	1993	1994	1995	1996	Prel. 1997
I. Revenue							
<b>Total revenue</b>	<b>9.0</b>	<b>10.2</b>	<b>8.9</b>	<b>7.6</b>	<b>8.6</b>	<b>9.2</b>	<b>9.1</b>
<b>Tax revenue</b>	<b>7.3</b>	<b>8.4</b>	<b>7.8</b>	<b>6.8</b>	<b>7.9</b>	<b>8.7</b>	<b>8.8</b>
Direct taxes	2.3	2.0	1.9	1.2	1.7	2.1	2.2
Income tax	2.2	1.9	1.8	1.1	1.6	1.6	1.2
Corporate income tax	1.9	1.5	1.6	0.8	0.0	0.0	0.0
Personal income tax	0.3	0.4	0.2	0.3	0.0	0.0	0.0
Property and other taxes	0.1	0.1	0.1	0.1	0.0	0.6	1.0
Of which							
ISET	0.0	0.0	0.0	0.0	0.0	0.5	0.8
Indirect taxes	5.0	6.4	5.9	5.6	6.3	6.6	6.6
Value-added tax	2.2	2.6	2.6	2.5	2.8	3.7	3.7
Domestic	1.1	1.2	1.1	1.0	1.2	1.8	1.7
Imports	1.1	1.4	1.5	1.5	1.6	1.9	2.0
Excise tax	0.8	1.1	1.1	1.0	1.0	0.9	1.2
Stamp tax	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Other taxes	0.2	0.2	0.2	0.2	0.3	0.3	0.2
Imports	1.4	2.1	1.8	1.6	1.9	1.5	1.4
Exports	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nontax revenue	1.5	1.3	0.4	0.4	0.4	0.2	0.2
Of which							
Petroleum Compensation Fund	1.0	0.9	0.0	0.0	0.0	0.0	0.0
Current transfers	0.2	0.5	0.7	0.4	0.4	0.2	0.1
Public sector	0.1	0.4	0.6	0.3	0.4	0.2	0.1
Private	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Capital revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
II. Expenditure							
<b>Total expenditure</b>	<b>9.1</b>	<b>10.7</b>	<b>10.7</b>	<b>9.2</b>	<b>9.5</b>	<b>9.4</b>	<b>10.1</b>
<b>Current</b>	<b>7.6</b>	<b>8.9</b>	<b>8.5</b>	<b>7.0</b>	<b>6.8</b>	<b>6.7</b>	<b>6.2</b>
Wages and salaries	2.8	3.3	3.3	2.9	3.0	2.8	2.7
Goods and services	1.4	1.6	1.4	1.1	0.8	0.8	0.9
Interest	1.2	1.0	1.1	1.1	1.3	1.2	0.8
Domestic debt	0.7	0.7	0.7	0.6	0.7	0.7	0.4
Foreign debt	0.4	0.3	0.4	0.5	0.5	0.5	0.3
Transfers to:	2.3	3.0	2.6	1.9	1.7	1.9	1.8
Rest of general government	0.9	1.0	1.0	0.8	0.9	1.0	1.0
Nonfinancial public enterprises	0.6	1.0	0.6	0.0	0.1	0.0	0.0
Financial institutions	0.1	0.1	0.2	0.0	0.0	0.0	0.0
Private sector	0.7	0.9	0.8	1.0	0.7	0.9	0.7
Abroad	0.0	0.0	0.1	0.1	0.1	0.0	0.1
Capital expenditures	1.6	1.8	2.2	2.2	2.7	2.7	3.9
Fixed capital formation	0.9	1.1	1.0	0.9	1.3	1.3	1.7
Other capital expenditure	0.2	0.1	0.5	0.3	0.4	0.3	0.5
Transfers to:	0.5	0.6	0.8	1.1	1.1	1.1	1.7
Rest of general government	0.4	0.6	0.8	0.9	0.7	0.9	1.7
Nonfinancial public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	0.0	0.0	0.0	0.1	0.4	0.3	0.1
<b>Current account balance</b>	<b>1.5</b>	<b>1.3</b>	<b>0.5</b>	<b>0.6</b>	<b>1.8</b>	<b>2.5</b>	<b>2.9</b>
<b>Overall balance (commitment basis)</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-1.8</b>	<b>-1.6</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-1.0</b>
Statistical discrepancy	-0.4	-0.4	-0.2	0.0	0.3	0.0	0.3
<b>Overall balance, adjusted (deficit-)</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-2.0</b>	<b>-1.6</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-0.7</b>

Sources: Statistical Appendix Tables 18 and 33.

1/ Starting 1995, includes earmarked revenues (the counterpart is included in current and capital transfers), tax penalties and *regalias petroleras*.

Table 34. Guatemala: Central Government Expenditure by Function

	1991	1992	1993	1994	1995	1996	Est. 1997
(In millions of quetzales)							
<b>Total</b>	<b>4,309.0</b>	<b>5,756.6</b>	<b>6,876.5</b>	<b>6,887.4</b>	<b>8,096.9</b>	<b>8,936.6</b>	<b>10,916.9</b>
General public services	1,145.6	1,224.0	1,516.7	1,321.2	2,033.7	2,384.9	...
Internal security	107.3	142.8	164.4	242.3	289.2	...	...
Defense	554.1	642.3	684.6	806.2	842.9	1,074.3	...
Social sectors	1,700.4	2,205.5	3,087.7	3,294.3	3,578.6	3,865.1	5,246.8
Current	1,379.0	1,769.1	2,118.1	2,318.9	2,440.6	2,540.7	3,137.7
Capital	321.4	436.7	969.6	975.5	1,138.1	1,328.2	2,109.1
Education	731.3	922.4	1,158.0	1,272.3	1,352.0	1,433.0	1,670.5
Health	415.9	525.7	623.5	624.9	718.6	723.7	882.2
Social security and welfare	345.1	459.0	515.9	591.5	599.8	632.5	837.2
Housing and community services	208.1	298.4	597.8	453.8	505.1	669.4	1,084.5
Social funds	...	...	192.5	351.8	403.1	406.5	772.4
Education			0.0	73.9	60.1	67.9	164.9
Health			0.0	76.6	31.7	81.9	138.4
Other expenditures through social funds			192.5	201.3	311.3	256.7	469.1
Economic services	659.5	1,371.3	1,151.4	917.4	1,105.1	1,113.7	...
Agriculture	159.3	180.3	185.2	237.1	205.6	190.6	...
Transportation and communications	429.7	596.3	544.7	587.1	797.1	849.0	...
Electricity	61.9	585.3	398.4	77.5	87.7	63.5	...
Other 1/	8.6	9.4	23.1	15.7	14.7	10.6	...
Other	142.2	170.6	271.7	306.0	247.4	498.6	...
(In percent of GDP)							
<b>Total</b>	<b>9.1</b>	<b>10.7</b>	<b>10.7</b>	<b>9.2</b>	<b>9.5</b>	<b>9.4</b>	<b>10.1</b>
General public services	2.4	2.3	2.4	1.8	2.4	2.5	0.0
Internal security	0.2	0.3	0.3	0.3	0.3	0.0	0.0
Defense	1.2	1.2	1.1	1.1	1.0	1.1	0.0
Social sectors	3.6	4.1	4.8	4.4	4.2	4.0	4.9
Current	2.9	3.3	3.3	3.1	2.9	2.7	2.9
Capital	0.7	0.8	1.5	1.3	1.3	1.4	2.0
Education	1.5	1.7	1.8	1.7	1.6	1.5	1.5
Health	0.9	1.0	1.0	0.8	0.8	0.8	0.8
Social security and welfare	0.7	0.9	0.8	0.8	0.7	0.7	0.8
Housing and community services	0.4	0.6	0.9	0.6	0.6	0.7	1.0
Social funds	0.0	0.0	0.3	0.5	0.5	0.4	0.7
Education	0.0	0.0	0.0	0.1	0.1	0.1	0.2
Health	0.0	0.0	0.0	0.1	0.0	0.1	0.1
Other expenditures through social funds	0.0	0.0	0.3	0.3	0.4	0.3	0.4
Economic services	1.4	2.5	1.8	1.2	1.3	1.2	0.0
Agriculture	0.3	0.3	0.3	0.3	0.2	0.2	0.0
Transportation and communications	0.9	1.1	0.8	0.8	0.9	0.9	0.0
Electricity	0.1	1.1	0.6	0.1	0.1	0.1	0.0
Other 1/	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.4	0.4	0.3	0.5	0.0
(In percent of total)							
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
General public services	26.6	21.3	22.1	19.2	25.1	26.7	0.0
Internal security	2.5	2.5	2.4	3.5	3.6	0.0	0.0
Defense	12.9	11.2	10.0	11.7	10.4	12.0	0.0
Social sectors	39.5	38.3	44.9	47.8	44.2	43.3	48.1
Current	32.0	30.7	30.8	33.7	30.1	28.4	28.7
Capital	7.5	7.6	14.1	14.2	14.1	14.9	19.3
Education	17.0	16.0	16.8	18.5	16.7	16.0	15.3
Health	9.7	9.1	9.1	9.1	8.9	8.1	8.1
Social security and welfare	8.0	8.0	7.5	8.6	7.4	7.1	7.7
Housing and community services	4.8	5.2	8.7	6.6	6.2	7.5	9.9
Social funds	0.0	0.0	2.8	5.1	5.0	4.5	7.1
Education	0.0	0.0	0.0	1.1	0.7	0.8	1.5
Health	0.0	0.0	0.0	1.1	0.4	0.9	1.3
Other expenditures through social funds	0.0	0.0	2.8	2.9	3.8	2.9	4.3
Economic services	15.3	23.8	16.7	13.3	13.6	12.5	0.0
Agriculture	3.7	3.1	2.7	3.4	2.5	2.1	0.0
Transportation and communications	10.0	10.4	7.9	8.5	9.8	9.5	0.0
Electricity	1.4	10.2	5.8	1.1	1.1	0.7	0.0
Other 1/	0.2	0.2	0.3	0.2	0.2	0.1	0.0
Other	3.3	3.0	4.0	4.4	3.1	5.6	0.0

Sources: Ministry of Finance; and Fund staff estimates.

1/ Includes industry and commerce, tourism, and petroleum derivatives and mining.

Table 35 Guatemala: INDE's Financial Operations

	1992	1993	1994	1995	1996	Est. 1997
(In millions of quetzales)						
<b>Current revenue</b>	<b>571.4</b>	<b>633.0</b>	<b>593.1</b>	<b>655.5</b>	<b>674.5</b>	<b>655.6</b>
<b>Current expenditure</b>	<b>490.2</b>	<b>323.6</b>	<b>362.0</b>	<b>455.2</b>	<b>342.1</b>	<b>499.5</b>
Wages and salaries	75.2	79.9	84.4	93.4	107.1	115.8
Goods and services	269.5	158.6	187.8	284.8	156.6	321.9
<i>Of which</i>						69.9
Fuel	233.1	94.0	110.0	136.3	41.9	
Interest payments	145.5	85.1	89.8	77.0	78.4	61.8
<b>Transfers (net)</b>	<b>497.8</b>	<b>281.9</b>	<b>26.9</b>	<b>20.7</b>	<b>-15.3</b>	<b>-14.3</b>
From central government	555.9	287.0	32.0	26.0	0.0	0.0
To rest of public sector	58.1	5.1	5.1	5.3	15.3	14.3
<b>Operating balance</b>	<b>177.1</b>	<b>385.3</b>	<b>301.7</b>	<b>245.9</b>	<b>391.3</b>	<b>194.9</b>
<b>Current account balance (deficit -)</b>	<b>579.0</b>	<b>591.4</b>	<b>258.0</b>	<b>221.0</b>	<b>317.1</b>	<b>141.8</b>
<b>Capital expenditure</b>	<b>85.0</b>	<b>165.8</b>	<b>117.9</b>	<b>78.0</b>	<b>82.7</b>	<b>103.4</b>
<b>Overall balance (deficit -)</b>	<b>494.0</b>	<b>425.6</b>	<b>140.1</b>	<b>143.0</b>	<b>234.4</b>	<b>38.4</b>
<b>Financing</b>	<b>-494.0</b>	<b>-425.6</b>	<b>-140.1</b>	<b>-143.0</b>	<b>-234.4</b>	<b>-38.4</b>
External financing	-324.9	-260.5	-205.0	-221.8	-281.4	-163.2
Domestic financing	-169.0	-165.1	65.0	78.9	47.0	124.8
(As percent of GDP)						
<b>Current revenue</b>	<b>1.1</b>	<b>1.0</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>	<b>0.6</b>
<b>Current expenditure</b>	<b>0.9</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>
Wages and salaries	0.1	0.1	0.1	0.1	0.1	0.1
Goods and services	0.5	0.2	0.3	0.3	0.2	0.3
<i>Of which</i>						0.1
Fuel	0.4	0.1	0.1	0.2	0.0	
Interest payments	0.3	0.1	0.1	0.1	0.1	0.1
<b>Transfers (net)</b>	<b>0.9</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
From central government	1.0	0.4	0.0	0.0	0.0	0.0
To rest of public sector	0.1	0.0	0.0	0.0	0.0	0.0
<b>Operating balance</b>	<b>0.3</b>	<b>0.6</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.2</b>
<b>Current account balance (deficit -)</b>	<b>1.1</b>	<b>0.9</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>
<b>Capital expenditure</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Overall balance (deficit -)</b>	<b>0.9</b>	<b>0.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>
<b>Financing</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>0.0</b>
External financing	-0.6	-0.4	-0.3	-0.3	-0.3	-0.2
Domestic financing	-0.3	-0.3	0.1	0.1	0.0	0.1

Sources: Ministry of Finance; INDE; and Fund staff estimates.

Table 36. Guatemala: GUATEL's Financial Operations

	1992	1993	1994	1995	1996	Est. 1997
(In millions of quetzales)						
<b>Current revenue</b>	<b>828.0</b>	<b>1,020.5</b>	<b>1,031.1</b>	<b>1,157.9</b>	<b>1,349.2</b>	<b>1,525.5</b>
Operational revenue	754.6	960.9	991.7	1,121.9	1,236.8	1,458.0
Interest earnings	73.4	59.7	39.4	36.0	112.4	67.5
<b>Expenditure</b>	<b>781.5</b>	<b>1,248.2</b>	<b>1,068.6</b>	<b>1,039.5</b>	<b>1,180.5</b>	<b>1,347.0</b>
Current expenditure	546.5	845.7	624.0	778.5	801.3	994.6
Operational expenditure	308.3	387.6	402.9	513.8	543.5	711.1
Wages and salaries	133.0	167.8	202.9	242.2	325.7	338.9
Goods and services	175.3	219.8	200.0	271.6	217.8	372.2
Interest payments	48.2	39.0	47.6	41.9	43.7	13.5
Transfers to central government	190.0	419.1	173.5	222.8	214.1	270.0
Capital expenditure	235.0	402.5	444.6	261.0	379.2	352.4
<b>Operational balance</b>	<b>446.3</b>	<b>573.3</b>	<b>588.8</b>	<b>608.1</b>	<b>693.3</b>	<b>746.9</b>
<b>Current account balance (deficit -)</b>	<b>281.5</b>	<b>174.9</b>	<b>407.1</b>	<b>379.4</b>	<b>547.9</b>	<b>531.0</b>
<b>Overall balance (deficit -)</b>	<b>46.5</b>	<b>-227.6</b>	<b>-37.5</b>	<b>118.4</b>	<b>168.7</b>	<b>178.5</b>
<b>Financing</b>	<b>-46.5</b>	<b>227.6</b>	<b>37.5</b>	<b>-118.4</b>	<b>-168.7</b>	<b>-178.5</b>
External financing	-27.0	182.3	73.8	-36.0	-50.9	-6.7
Domestic financing	-19.5	45.4	-36.4	-82.4	-117.8	-171.8
(As percent of GDP)						
<b>Current revenue</b>	<b>1.5</b>	<b>1.6</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>
Operational revenue	1.4	1.5	1.3	1.3	1.3	1.4
Interest earnings	0.1	0.1	0.1	0.0	0.1	0.1
<b>Expenditure</b>	<b>1.4</b>	<b>1.9</b>	<b>1.4</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
Current expenditure	1.0	1.3	0.8	0.9	0.8	0.9
Operational expenditure	0.6	0.6	0.5	0.6	0.6	0.7
Wages and salaries	0.2	0.3	0.3	0.3	0.3	0.3
Goods and services	0.3	0.3	0.3	0.3	0.2	0.3
Interest payments	0.1	0.1	0.1	0.0	0.0	0.0
Transfers to central government	0.4	0.7	0.2	0.3	0.2	0.3
Capital expenditure	0.4	0.6	0.6	0.3	0.4	0.3
<b>Operational balance</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Current account balance (deficit -)</b>	<b>0.5</b>	<b>0.3</b>	<b>0.5</b>	<b>0.4</b>	<b>0.6</b>	<b>0.5</b>
<b>Overall balance (deficit -)</b>	<b>0.1</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
<b>Financing</b>	<b>-0.1</b>	<b>0.4</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.2</b>
External financing	0.0	0.3	0.1	0.0	-0.1	0.0
Domestic financing	0.0	0.1	0.0	-0.1	-0.1	-0.2

Sources: Ministry of Finance; GUATEL; and Fund staff estimates.

Table 37. Guatemala: Summary Accounts of the Bank of Guatemala

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves</b>	<b>2,947.9</b>	<b>2,814.3</b>	<b>4,272.3</b>	<b>4,778.4</b>	<b>3,835.2</b>	<b>4,893.6</b>	<b>6,615.0</b>
Assets 2/	4,369.3	4,029.1	5,090.1	5,189.4	4,244.4	5,305.8	6,745.8
Liabilities	-1,421.5	-1,214.8	-817.8	-411.0	-409.2	-412.2	-130.8
<b>Net domestic assets</b>	<b>-523.9</b>	<b>176.7</b>	<b>-859.3</b>	<b>-700.1</b>	<b>623.8</b>	<b>-73.8</b>	<b>-1,138.9</b>
Net credit to the nonfinancial public sector	731.4	-107.5	-331.3	-1,184.0	-1,809.3	-3,308.1	-6,046.4
Credit to central government (net)	1,818.9	1,399.4	1,266.0	416.2	234.3	-628.8	-2,691.9
Credit	2,894.1	2,540.8	2,199.8	1,795.0	1,280.0	693.4	76.4
Deposits	-1,075.2	-1,141.4	-933.8	-1,378.8	-1,045.7	-1,322.2	-2,768.3
Credit to the rest of public sector (net)	-1,087.5	-1,506.9	-1,597.3	-1,600.2	-2,043.6	-2,679.3	-3,354.5
Credit	7.4	7.4	7.4	7.4	7.4	0.0	0.0
Deposits and other							
Bank of Guatemala investments 3/	-1,094.9	-1,514.3	-1,604.7	-1,607.6	-2,051.0	-2,679.3	-3,354.5
Bank of Guatemala losses	2,785.6	3,410.9	4,133.5	5,049.9	5,844.2	6,982.8	7,814.5
Credit to financial intermediaries	382.1	535.6	455.5	340.9	271.7	194.7	126.0
To commercial banks and development banks 4/	228.3	251.3	210.3	152.6	123.3	97.6	81.9
To nonbank intermediaries	153.8	284.3	245.2	188.3	148.4	97.1	44.1
Counterpart unrequited foreign exchange	-215.9	-207.9	-227.0	-248.4	-252.6	-238.8	-229.8
Legal reserves (commercial banks)	-2,108.5	-2,155.2	-3,719.8	-4,134.3	-3,954.4	-4,391.8	-5,619.7
Cash in vaults	-334.6	-224.3	-315.6	-363.7	-440.1	-640.6	-585.9
Reserve deposits	-1,524.2	-1,267.0	-1,836.0	-1,405.4	-1,221.1	-1,585.3	-2,395.9
Obligatory investments	-249.7	-663.9	-1,568.2	-2,365.2	-2,293.2	-2,165.9	-2,637.9
Open market operations 5/	-4,164.5	-3,152.3	-3,014.1	-2,708.2	-2,032.0	-2,392.3	-242.4
Commercial banks	-1,961.1	-1,549.8	-633.9	-827.0	-541.0	-598.9	-35.3
Private sector and nonbank intermediaries	-2,203.4	-1,602.5	-2,380.2	-1,881.2	-1,491.0	-1,793.4	-207.1
Medium- and long-term foreign liabilities	-1,385.4	-1,962.6	-1,992.3	-1,717.8	-1,412.4	-1,232.4	-975.6
Bank of Guatemala arrears	-452.6	-30.7	-37.1	0.0	0.0	0.0	0.0
Official capital and reserves	-94.9	-94.9	-94.9	-94.9	-94.9	-94.9	-94.9
Valuation adjustment	3,142.2	3,142.2	2,998.0	2,908.7	2,909.2	2,909.2	2,909.2
Unclassified assets (net) 6/	856.6	799.1	970.2	1,088.0	1,154.3	1,497.8	1,220.2
<b>Currency issue</b>	<b>2,424.0</b>	<b>2,991.0</b>	<b>3,413.0</b>	<b>4,078.3</b>	<b>4,459.0</b>	<b>4,819.8</b>	<b>5,476.1</b>

Source: Bank of Guatemala.

1/ Accounting exchange rate.

2/ In 1990, foreign assets increased by US\$105.6 million due to a revaluation of the Bank of Guatemala's gold holdings. The gold has been pledged against liabilities of US\$126 million, and was subsequently used to settle these obligations.

3/ Includes deposits at the Bank of Guatemala, CDs, and *Certificados Negociables de Inversión de Valores en Custodia* (CENIVACUS) held by the Security Regulation Fund.

4/ Includes commercial banks' bonds backing CENIVACUS

5/ Includes stabilization bonds, CENIVACUS, and certificates of deposit.

6/ Includes foreign exchange deposits and deposits required to participate in foreign exchange auctions.

Table 38. Guatemala: Securities Regulation Fund 1/

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Currency and deposits</b>	<b>155.0</b>	<b>95.7</b>	<b>192.7</b>	<b>192.2</b>	<b>154.4</b>	<b>207.8</b>	<b>210.6</b>
Bank of Guatemala 2/	155.0	95.7	192.7	192.2	154.4	207.8	210.6
<b>Net domestic assets</b>	<b>-155.0</b>	<b>-95.7</b>	<b>-192.7</b>	<b>-192.2</b>	<b>-154.4</b>	<b>-207.8</b>	<b>-210.6</b>
Credit to the public sector (net)	15.9	78.8	0.0	22.1	50.3	0.0	0.0
Credit to the central government (net)	12.0	75.6	0.0	22.1	50.3	0.0	0.0
Credit to the rest of the public sector (net)	3.9	3.2	0.0	0.0	0.0	0.0	0.0
Official capital and reserves	-171.6	-175.9	-344.2	-300.6	-209.2	-209.8	-214.8
Unclassified assets	0.8	1.4	151.5	86.3	104.7	2.1	4.2

Source: Bank of Guatemala.

1/ *Fondo de Regulación de Valores*.

2/ Includes deposits, CDs, and CENIVACUS.



Table 39. Guatemala: Consolidated Accounts of the Monetary Authority

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves</b>	<b>2,947.9</b>	<b>2,814.3</b>	<b>4,272.3</b>	<b>4,778.4</b>	<b>3,835.2</b>	<b>4,893.6</b>	<b>6,615.0</b>
In millions of U.S. dollars	556.2	531.0	736.6	796.4	639.2	815.6	1,102.5
Assets	4,369.3	4,029.1	5,090.1	5,189.4	4,244.4	5,305.8	6,745.8
Liabilities	-1,421.5	-1,214.8	-817.8	-411.0	-409.2	-412.2	-130.8
<b>Net domestic assets</b>	<b>-523.9</b>	<b>176.7</b>	<b>-859.3</b>	<b>-700.1</b>	<b>623.8</b>	<b>-73.8</b>	<b>-1,138.9</b>
Net credit to the nonfinancial							
public sector	902.3	67.0	-138.6	-969.7	-1,604.6	-3,100.3	-5,835.8
Credit to central government (net)	1,830.9	1,475.0	1,266.0	438.3	284.6	-628.8	-2,691.9
Credit	2,906.1	2,616.4	2,199.8	1,817.1	1,330.3	693.4	76.4
Deposits	-1,075.2	-1,141.4	-933.8	-1,378.8	-1,045.7	-1,322.2	-2,768.3
Credit to the rest of the nonfinancial							
public sector (net)	-928.6	-1,408.0	-1,404.6	-1,408.0	-1,889.2	-2,471.5	-3,143.9
Credit	11.3	10.6	7.4	7.4	7.4	0.0	0.0
Deposits and other Bank of Guatemala							
investments	-939.9	-1,418.6	-1,412.0	-1,415.4	-1,896.6	-2,471.5	-3,143.9
Bank of Guatemala losses	2,785.6	3,410.9	4,133.5	5,049.9	5,844.2	6,982.8	7,814.5
Credit to financial intermediaries	382.1	535.6	455.5	340.9	271.7	194.7	126.0
To commercial and development banks	228.3	251.3	210.3	152.6	123.3	97.6	81.9
To nonbank intermediaries	153.8	284.3	245.2	188.3	148.4	97.1	44.1
Counterpart unrequited foreign exchange	-215.9	-207.9	-227.0	-248.4	-252.6	-238.8	-229.8
Legal reserves (commercial banks)	-2,108.5	-2,155.2	-3,719.8	-4,134.3	-3,954.4	-4,391.8	-5,619.7
Cash in vaults	-334.6	-224.3	-315.6	-363.7	-440.1	-640.6	-585.9
Reserve deposits	-1,524.2	-1,267.0	-1,836.0	-1,405.4	-1,221.1	-1,585.3	-2,395.9
Obligatory investments	-249.7	-663.9	-1,568.2	-2,365.2	-2,293.2	-2,165.9	-2,637.9
Open market operations	-4,164.5	-3,152.3	-3,014.1	-2,708.2	-2,032.0	-2,392.3	-242.4
Commercial banks	-1,961.1	-1,549.8	-633.9	-827.0	-541.0	-598.9	-35.3
Private sector and nonbank							
intermediaries	-2,203.4	-1,602.5	-2,380.2	-1,881.2	-1,491.0	-1,793.4	-207.1
Medium- and long-term foreign liabilities	-1,385.4	-1,962.6	-1,992.3	-1,717.8	-1,412.4	-1,232.4	-975.6
Bank of Guatemala arrears	-452.6	-30.7	-37.1	0.0	0.0	0.0	0.0
Official capital and reserves	-266.5	-270.8	-439.1	-395.5	-304.1	-304.7	-309.7
Valuation adjustment	3,142.2	3,142.2	2,998.0	2,908.7	2,909.2	2,909.2	2,909.2
Unclassified assets (net)	857.3	800.5	1,121.7	1,174.3	1,158.8	1,499.8	1,224.4
<b>Currency issue</b>	<b>2,424.0</b>	<b>2,991.0</b>	<b>3,413.0</b>	<b>4,078.3</b>	<b>4,459.0</b>	<b>4,819.8</b>	<b>5,476.1</b>

Source: Bank of Guatemala.

1/ Accounting exchange rate.

Table 40. Guatemala: Summary Accounts of Commercial and Development Banks

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves</b>	<b>-94.2</b>	<b>-143.5</b>	<b>-534.1</b>	<b>-1,346.9</b>	<b>-1,246.7</b>	<b>-1,852.7</b>	<b>-2,173.9</b>
Assets	24.1	35.5	50.1	42.4	332.7	455.7	433.5
Liabilities	-118.3	-178.9	-584.2	-1,389.3	-1,579.4	-2,308.4	-2,607.4
<b>Net claims on Bank of Guatemala</b>	<b>3,854.1</b>	<b>3,488.1</b>	<b>4,227.6</b>	<b>4,813.9</b>	<b>4,465.4</b>	<b>4,981.7</b>	<b>5,651.7</b>
Legal reserves	2,108.5	2,155.2	3,719.8	4,134.3	3,954.4	4,391.8	5,619.7
Cash in vault	334.6	224.3	315.6	363.7	440.1	640.6	585.9
Reserve deposits	1,524.2	1,267.0	1,836.0	1,405.4	1,221.1	1,585.3	2,395.9
Obligatory investments	249.7	663.9	1,568.2	2,365.2	2,293.2	2,165.9	2,637.9
Bank of Guatemala securities 2/	1,961.1	1,549.8	633.9	827.0	541.0	598.9	35.3
Liabilities to Bank of Guatemala	-216.2	-217.6	-126.5	-147.9	-32.5	-15.9	-7.3
Other 3/	0.7	0.7	0.4	0.5	2.5	6.9	4.0
<b>Net domestic assets</b>	<b>5,725.0</b>	<b>7,650.5</b>	<b>8,728.4</b>	<b>11,430.2</b>	<b>14,290.0</b>	<b>16,838.7</b>	<b>21,164.1</b>
Credit to nonfinancial public sector (net)	211.0	-87.1	47.5	175.8	111.5	625.6	1,653.9
Credit to central government (net)	394.0	328.3	293.0	450.8	243.7	639.2	1,498.6
Credit	450.1	382.9	335.0	534.3	449.0	772.5	1,630.5
Deposits	-56.1	-54.6	-42.0	-83.5	-205.3	-133.3	-131.9
Credit to the rest of public sector (net)	-183.0	-415.4	-245.5	-275.0	-132.2	-13.6	155.3
Credit	9.1	7.2	7.1	6.8	5.9	179.5	431.3
Deposits	-192.1	-422.6	-252.6	-281.8	-138.1	-193.1	-276.0
Official capital and reserves	-113.7	-52.0	-77.8	-112.2	2.0	-7.2	-97.0
Credit to private sector and other investment 4	5,549.8	7,256.2	8,403.7	11,527.0	15,452.6	17,171.2	20,655.9
Valuation adjustment	267.3	267.3	319.7	410.7	334.9	390.2	342.4
Unclassified assets (net)	-189.4	266.2	35.2	-571.1	-1,611.0	-1,341.1	-1,391.1
<b>Medium- and long-term foreign liabilities</b>	<b>21.4</b>	<b>74.3</b>	<b>74.3</b>	<b>205.8</b>	<b>145.5</b>	<b>128.4</b>	<b>144.0</b>
<b>Liabilities to private sector and nonbank financial intermediaries</b>	<b>9,463.5</b>	<b>10,920.9</b>	<b>12,347.6</b>	<b>14,691.4</b>	<b>17,363.2</b>	<b>19,839.3</b>	<b>24,497.9</b>
Sight deposits 5/	1,766.0	1,346.4	1,849.4	3,195.0	3,651.5	4,585.0	6,402.8
Time and savings deposits	6,774.0	8,406.5	9,044.7	9,133.3	8,238.2	8,235.7	10,676.6
Securities	182.6	200.8	291.9	951.9	3,533.0	5,006.0	5,184.9
Capital and reserves	740.8	967.2	1,161.6	1,411.2	1,940.5	2,012.6	2,233.6

Source: Bank of Guatemala.

1/ Accounting exchange rate.

2/ CENIVACUS, CDs, and stabilization bonds.

3/ Includes foreign exchange deposits at the Bank of Guatemala.

4/ Includes credit to nonbank intermediaries and documentos por cobrar en moneda extranjera.

5/ Excludes foreign exchange deposits.

Table 41. Guatemala: Summary Accounts of the Banking System

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
Exchange rate (Quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves</b>	<b>2,853.6</b>	<b>2,670.8</b>	<b>3,738.2</b>	<b>3,431.5</b>	<b>2,588.5</b>	<b>3,040.9</b>	<b>4,441.1</b>
Assets	4,393.4	4,064.5	5,140.1	5,231.8	4,577.1	5,761.5	7,179.3
Liabilities	-1,539.8	-1,393.7	-1,402.0	-1,800.3	-1,988.6	-2,720.6	-2,738.2
<b>Net domestic assets</b>	<b>11,449.6</b>	<b>13,528.2</b>	<b>15,115.7</b>	<b>17,981.9</b>	<b>21,325.3</b>	<b>23,742.2</b>	<b>26,047.9</b>
Credit to the nonfinancial public sector (net)	1,113.3	-20.1	-91.1	-793.9	-1,493.1	-2,474.7	-4,181.9
Credit to central government (net)	2,224.9	1,803.3	1,559.0	889.1	528.3	10.4	-1,193.3
Credit to the rest of public sector (net)	-1,111.6	-1,823.4	-1,650.1	-1,683.0	-2,021.4	-2,485.1	-2,988.6
Bank of Guatemala losses	2,785.6	3,410.9	4,133.5	5,049.9	5,844.2	6,982.8	7,814.5
Official capital and reserves	-380.2	-322.8	-516.9	-507.7	-302.1	-311.9	-406.7
Credit to private sector and other investment	5,186.7	6,825.0	7,880.2	10,649.3	13,815.4	15,482.3	18,357.3
Credit to nonbank intermediaries	516.9	715.5	768.7	1,066.0	1,785.6	1,786.0	2,342.7
Unclassified assets	-1,182.2	-489.8	-376.4	-801.1	-1,233.9	-1,021.7	-1,129.6
Valuation adjustment	3,409.5	3,409.5	3,317.8	3,319.4	2,909.2	3,299.4	3,251.5
<b>Medium- and long-term foreign liabilities</b>	<b>1,859.5</b>	<b>2,067.6</b>	<b>2,103.7</b>	<b>1,923.6</b>	<b>1,557.9</b>	<b>1,360.8</b>	<b>1,119.6</b>
<b>Liabilities to private sector and nonbank financial intermediaries</b>	<b>12,443.8</b>	<b>14,131.4</b>	<b>16,750.2</b>	<b>19,489.8</b>	<b>22,355.9</b>	<b>25,422.3</b>	<b>29,369.4</b>
Currency in circulation	2,089.4	2,766.7	3,097.4	3,714.6	4,018.9	4,179.2	4,890.2
Sight deposits	1,766.0	1,346.4	1,849.4	3,195.0	3,651.5	4,585.0	6,402.8
Time and savings deposits	6,774.0	8,406.5	9,044.7	9,133.3	8,238.2	8,235.7	10,676.6
Securities	86.7	92.9	181.5	851.2	3,442.0	4,924.4	5,110.0
Capital and reserves	740.8	967.2	1,161.6	1,411.2	1,940.5	2,012.6	2,233.6
Bank of Guatemala securities 2/	986.8	551.7	1,415.6	1,184.5	1,064.8	1,485.4	56.2

Source: Bank of Guatemala.

1/ Accounting exchange rate.

2/ Excludes stabilization bonds.

Table 42. Guatemala: Summary Accounts of Nonbank Financial Intermediaries 1/

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	1997
Exchange rate (quetzales/U.S. dollar) 2/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves</b>	<b>-7.3</b>	<b>-8.7</b>	<b>-26.0</b>	<b>-91.6</b>	<b>-117.1</b>	<b>-183.2</b>	<b>-169.4</b>
Assets	1.5	0.2	0.4	1.9	19.6	11.1	10.6
Liabilities	-8.8	-8.9	-26.4	-93.5	-136.7	-194.3	-180.0
<b>Net claims on Bank of Guatemala and commercial banks</b>	<b>-202.5</b>	<b>-488.9</b>	<b>-385.0</b>	<b>-741.7</b>	<b>-1,276.2</b>	<b>-1,276.5</b>	<b>-1,880.1</b>
Bank of Guatemala	-120.3	-245.6	-196.7	-175.3	-103.4	-34.7	-25.0
Currency, deposits, and BOG securities 3/	50.1	50.0	62.6	20.1	40.8	67.6	21.3
Liabilities to Bank of Guatemala	-170.4	-295.6	-259.3	-195.4	-144.2	-102.3	-46.3
Commercial banks	-82.2	-243.3	-188.3	-566.4	-1,172.8	-1,241.8	-1,855.1
Deposits	280.9	187.9	335.2	311.3	464.4	447.1	443.5
Liabilities to commercial banks	-363.1	-431.2	-523.5	-877.7	-1,637.2	-1,688.9	-2,298.6
<b>Net domestic assets</b>	<b>1,144.1</b>	<b>1,855.7</b>	<b>2,248.1</b>	<b>2,540.7</b>	<b>2,593.4</b>	<b>2,922.8</b>	<b>3,669.0</b>
Credit to the nonfinancial public sector (net)	71.0	-2.9	-2.7	-1.0	14.8	91.6	72.8
Credit to central government (net)	71.0	-2.9	-2.7	-1.0	14.8	14.9	55.8
Credit to the rest of public sector (net)	0.0	0.0	0.0	0.0	0.0	76.7	17.0
Official capital and reserves	197.7	231.0	302.6	337.8	0.0	0.0	0.0
Credit to private sector	641.3	1,188.9	1,489.9	2,029.0	2,194.1	2,307.7	3,045.6
Unclassified assets (net)	-540.7	-336.2	-356.6	-123.8	85.8	224.8	251.9
Valuation adjustment	774.8	774.8	814.9	298.7	298.7	298.7	298.7
<b>Foreign liabilities (medium and long term)</b>	<b>396.6</b>	<b>407.3</b>	<b>438.6</b>	<b>12.4</b>	<b>20.7</b>	<b>20.2</b>	<b>30.8</b>
<b>Liabilities to the private sector</b>	<b>537.7</b>	<b>950.7</b>	<b>1,398.5</b>	<b>1,695.0</b>	<b>1,179.4</b>	<b>1,442.9</b>	<b>1,588.7</b>
Securities	448.9	828.8	1,240.9	1,467.9	900.3	1,143.8	1,220.7
Capital and reserves	88.8	121.9	157.6	227.1	279.1	299.1	368.0

Source: Bank of Guatemala.

1/ Includes private and public finance companies until 1994. Thereafter, CORFINA, the public finance company, has been excluded.

2/ Accounting exchange rate.

3/ Includes stabilization bonds, CENIVACUS, and CDs.

Table 43. Guatemala: Summary Accounts of the Financial System

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	1997
Exchange rate (quetzales/U.S. dollar) 1/	5.3	5.3	5.8	6.0	6.0	6.0	6.0
<b>Net international reserves of the financial system</b>	<b>2,846.3</b>	<b>2,662.1</b>	<b>3,712.1</b>	<b>3,339.9</b>	<b>2,471.4</b>	<b>2,857.6</b>	<b>4,271.7</b>
Assets							
Liabilities							
<b>Net domestic assets 2/</b>	<b>12,110.3</b>	<b>14,707.0</b>	<b>16,643.6</b>	<b>19,469.6</b>	<b>22,178.1</b>	<b>24,941.4</b>	<b>27,393.3</b>
Credit to the nonfinancial public sector (net)	1,184.3	-23.0	-93.8	-794.9	-1,478.3	-2,383.1	-4,109.1
Credit to central government (net)	2,295.9	1,800.4	1,556.3	888.1	543.1	25.3	-1,137.5
Credit to the rest of public sector (net)	-1,111.6	-1,823.4	-1,650.1	-1,683.0	-2,021.4	-2,408.4	-2,971.6
Bank of Guatemala losses	2,785.6	3,410.9	4,133.5	5,049.9	5,844.2	6,982.8	7,814.5
Official capital and reserves	-182.5	-91.8	-214.3	-169.9	-302.1	-311.9	-406.7
Credit to the private sector and other investment	5,828.0	8,013.9	9,370.1	12,678.3	16,009.5	17,790.0	21,402.9
Unclassified assets (net)	-1,689.4	-787.3	-684.6	-911.9	-1,103.2	-734.5	-858.6
Valuation adjustment	4,184.4	4,184.4	4,132.7	3,618.1	3,207.9	3,598.1	3,550.3
<b>Foreign liabilities of nonbank intermediaries</b>	<b>396.6</b>	<b>407.3</b>	<b>438.6</b>	<b>12.4</b>	<b>20.7</b>	<b>20.2</b>	<b>30.8</b>
<b>Medium- and long-term foreign liabilities</b>	<b>1,859.5</b>	<b>2,067.6</b>	<b>2,103.7</b>	<b>1,923.6</b>	<b>1,557.9</b>	<b>1,360.8</b>	<b>1,119.6</b>
<b>Liabilities to the private sector</b>	<b>12,700.6</b>	<b>14,894.2</b>	<b>17,813.5</b>	<b>20,873.5</b>	<b>23,070.9</b>	<b>26,418.1</b>	<b>30,514.6</b>
Money	3,830.6	4,079.6	4,908.3	6,553.3	7,323.6	8,510.1	10,955.4
Currency in circulation	2,089.4	2,766.7	3,097.4	3,714.6	4,018.9	4,179.2	4,890.2
Sight deposits	1,741.2	1,312.9	1,810.9	2,838.7	3,304.7	4,330.9	6,065.2
Quasi-money	8,870.0	10,814.6	12,905.2	14,320.2	15,747.3	17,908.0	19,559.2
Time and savings deposits	6,517.9	8,252.1	8,748.0	9,178.3	8,120.6	8,042.7	10,570.7
Securities	535.6	921.7	1,422.4	2,319.1	4,342.3	6,068.2	6,330.7
Capital and reserves	829.6	1,089.1	1,319.2	1,638.3	2,219.6	2,311.7	2,601.6
Bank of Guatemala securities	986.8	551.7	1,415.6	1,184.5	1,064.8	1,485.4	56.2

Source: Bank of Guatemala.

1/ Accounting exchange rate.

2/ Excludes CORFINA, the public finance company.

Table 44. Guatemala: Financial System Credit to the Private Sector by Economic Activity

(In millions of quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
<b>Total 1/</b>	<b>5,123.0</b>	<b>7,481.6</b>	<b>8,625.6</b>	<b>10,753.5</b>	<b>13,673.4</b>	<b>15,014.8</b>	<b>18,020.3</b>
Agriculture	874.6	1,269.4	1,354.1	1,501.8	2,081.7	2,350.7	2,510.5
Mining	10.6	14.8	46.2	30.3	16.8	20.3	16.4
Manufacturing	1,483.7	2,007.5	2,031.2	1,971.0	2,343.2	2,449.0	2,474.9
Electricity, gas, and water	19.9	87.2	84.1	61.4	83.5	69.9	85.6
Construction	535.8	821.2	997.8	1,180.3	1,502.9	1,792.7	2,310.9
Commerce	1,057.5	1,572.8	1,900.1	2,892.1	3,762.1	4,339.3	5,122.0
Transport and storage	62.2	192.7	261.0	289.4	337.5	333.4	286.9
Financial institutions and business servi	320.5	294.3	397.8	652.5	838.9	746.0	1,007.8
Personal and community services	121.6	143.6	158.1	210.1	399.1	308.6	488.9
Consumer credit, transfers, and other	636.6	1,078.1	1,395.2	1,964.6	2,307.7	2,604.9	3,716.4

Source: Bank of Guatemala.

1/ Total differ from those shown in Statistical Appendix Table 43 because of different recording practices.

Table 45. Guatemala: Commercial Banks' Reserve Requirements

	1991	1992	1993	1994	1995	1996	Prel. 1997			
							Mar.	June	Sep.	Dec.
(Stocks in millions of quetzales)										
Nonremunerated reserves 1/										
Liabilities	8,381.7	10,231.8	10,961.9	12,370.5	11,726.7	12,327.3	13,682.0	14,269.2	16,103.0	16,587.3
Required reserves	1,676.3	2,046.7	2,356.8	1,731.9	1,641.7	1,725.8	1,915.4	1,997.2	2,113.7	2,322.8
Actual reserves	1,794.1	2,086.0	2,382.2	1,758.5	1,701.2	2,056.0	2,238.1	2,119.3	2,231.5	2,389.9
Excess/deficit (-)	117.8	39.3	25.4	26.6	59.5	330.2	322.7	122.1	117.8	67.1
Remunerated reserves 2 /										
Required	242.5	663.9	1,581.2	2,409.8	2,289.7	2,177.8	2,392.2	2,455.6	2,591.9	2,629.2
Actual	242.5	663.9	1,581.2	2,409.8	2,289.7	2,177.8	2,392.2	2,455.6	2,591.9	2,629.2
Excess/deficit (-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Reserve requirements as percent of liabilities subject to requirement) 3/										
Nonremunerated 4/										
Demand deposits	20.0	20.0	21.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Time and savings deposits	20.0	20.0	21.5	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Financial obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Remunerated 2/										
Demand, savings, and time deposits	3.0	6.5	15.0	19.5	19.5	17.5	17.5	17.5	17.5	15.8
Financial obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8
Interest paid on reserve requirements										
Demand, savings, and time deposits	15.7	10.7	13.0	6.0	7.8	7.3	6.1	5.5	5.0	4.1
Financial obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2

Source: Bank of Guatemala.

1/ Average for December.

2/ Remunerated reserve requirements were introduced in 1991. Calculated over the average of liabilities during the week prior to the end of the month. The Monetary Board introduced reserve requirements for exempted liabilities in December 1997.

3/ Legal requirements at the end of the period.

4/ Commercial banks are allowed to maintain up to 25 percent of the total reserves as cash in their vaults.

Table 46. Guatemala: Domestic Bonded Debt by Holder

(In millions of Quetzales)

	1991	1992	1993	1994	1995	1996	Prel. 1997
<b>Total public sector bonded debt</b>	<b>6,276.9</b>	<b>5,390.5</b>	<b>7,038.4</b>	<b>6,695.7</b>	<b>6,401.0</b>	<b>9,171.2</b>	<b>8,282.9</b>
Bank of Guatemala	2,934.9	2,670.4	2,203.4	1,795.0	1,330.3	693.4	76.4
<i>Of which</i>							
SRF 1/	12.2	75.6	0.0	0.0	50.3	0.0	0.0
Public funds 2/	120.4	161.0	114.3	3.8	4.0	65.7	0.0
Public entities	163.0	271.7	1,723.1	698.6	1,280.1	3,024.9	3,836.0
Commercial and development banks	2,009.0	1,325.7	626.8	1,157.6	940.0	1,355.4	1,645.7
Nonbank financial intermediaries	49.4	39.4	10.6	35.3	46.9	2.6	0.0
Private sector	1,000.2	922.3	1,784.0	1,814.1	2,064.1	3,372.4	1,496.2
Foreign financial institutions	0.0	0.0	576.2	1,191.3	735.6	656.8	1,228.6
<b>Outstanding government debt 3/</b>	<b>3,702.6</b>	<b>3,815.4</b>	<b>4,065.8</b>	<b>4,606.8</b>	<b>4,093.9</b>	<b>4,754.7</b>	<b>5,232.8</b>
Total treasury bonds	3,702.6	3,900.4	4,451.6	4,856.7	4,486.5	5,093.0	5,862.2
Administrative account (Ministry of Finance)	0.0	85.0	385.8	249.9	392.6	338.3	629.4
<b>Bond holders</b>							
Bank of Guatemala	2,906.3	2,616.4	2,199.8	1,795.0	1,330.3	693.4	76.4
<i>Of which</i>							
SRF	12.2	75.6	0.0	0.0	50.3	0.0	0.0
Public funds 2/	120.4	161.0	114.3	3.8	4.0	65.7	0.0
Public entities	163.0	245.1	461.5	417.5	528.8	676.7	857.3
Commercial and development banks	450.1	382.9	335.0	534.3	449.0	772.5	1,630.5
Nonbank financial intermediaries	5.5	39.4	3.7	3.3	11.2	2.6	0.0
Private sector	57.3	370.6	375.3	661.6	1,035.0	1,887.0	1,440.0
Foreign financial institutions	0.0	0.0	576.2	1,191.3	735.6	656.8	1,228.6
<b>Bank of Guatemala debt</b>	<b>2,545.7</b>	<b>1,521.1</b>	<b>2,969.0</b>	<b>2,088.9</b>	<b>2,307.1</b>	<b>4,416.5</b>	<b>3,050.1</b>
Public entities	0.0	26.6	1,261.6	281.1	751.3	2,348.2	2,978.7
Commercial and development banks	1,558.9	942.8	291.8	623.3	491.0	582.9	15.2
Nonbank financial intermediaries	43.9	0.0	6.9	32.0	35.7	0.0	0.0
Private sector	942.9	551.7	1,408.7	1,152.5	1,029.1	1,485.4	56.2
<b>Public entities debt 4/</b>	<b>28.6</b>	<b>54.0</b>	<b>3.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Bank of Guatemala	28.6	54.0	3.6	0.0	0.0	0.0	0.0

Source: Bank of Guatemala.

1/ Securities Regulation Fund.

2/ Sinking funds invested in Certibonos.

3/ Treasury bonds at face value.

4/ Municipalities and Institute of Mortgage Insurance.



Table 47. Guatemala: Nominal Interest Rates

(Percent per annum; end-of-period)

	Banking System		Central Bank paper 180 days	Repurchase
	Loans	Time Deposits		Agreements 1-7 Days
1990	22.6	17.0	33.5	...
1991	22.1	16.9	14.4	...
1992	21.2	13.8	17.0	...
1993	25.7	18.0	23.2	25.2
1994	20.2	12.5	9.8	19.5
1995	22.2	14.2	22.2	21.3
1996	22.5	13.3	18.0	19.4
1997	16.4	9.6	9.2	16.5
<b>1995</b>				
January	20.1	12.0	15.4	14.5
February	20.2	11.6	15.4	14.3
March	20.3	12.3	18.3	3.9
April	20.5	13.9	18.3	24.7
May	21.3	12.4	18.5	12.6
June	21.2	12.4	19.1	8.3
July	21.5	12.8	19.3	3.7
August	21.5	12.8	19.1	7.5
September	21.5	13.2	19.6	6.5
October	21.7	14.1	19.9	17.8
November	22.0	14.7	20.7	35.0
December	22.2	14.2	22.2	21.3
<b>1996</b>				
January	22.3	14.2	22.2	24.1
February	22.6	14.2	22.2	13.3
March	22.5	14.0	22.3	12.8
April	22.8	13.9	24.1	17.8
May	22.8	14.0	23.9	19.1
June	23.0	13.9	22.8	13.2
July	23.1	13.9	22.0	16.8
August	22.9	13.9	18.8	12.2
September	22.8	14.3	18.4	13.8
October	22.8	14.2	18.0	10.6
November	22.7	14.4	18.0	29.1
December	22.5	13.3	18.0	19.4
<b>1997</b>				
January	22.0	12.6	18.0	3.1
February	21.2	12.7	18.0	6.7
March	20.8	12.1	15.7	6.1
April	20.2	11.4	9.1	2.1
May	19.3	11.2	11.2	18.3
June	18.8	10.3	11.0	4.0
July	18.3	10.0	10.7	1.3
August	17.4	10.2	10.2	3.1
September	16.8	9.9	9.7	3.6
October	16.5	9.8	9.2	4.9
November	16.4	9.7	9.3	5.3
December	16.4	9.6	9.2	16.5

Source: Bank of Guatemala and Superintendency of Banks.

Table 48. Guatemala: Net International Reserves of the Banking System

(In millions of U.S. dollars)

	1991	1992	1993	1994	1995	1996	Est. 1997
<b>Total banking system reserves (net)</b>		<b>503.9</b>	<b>644.5</b>	<b>571.8</b>	<b>433.5</b>	<b>506.7</b>	<b>740.2</b>
Assets		766.9	886.2	872.0	762.9	961.1	1,196.7
Liabilities		-263.0	-241.7	-300.2	-329.4	-454.4	-456.5
<b>Bank of Guatemala reserves (net)</b>		<b>531.0</b>	<b>736.6</b>	<b>796.3</b>	<b>639.1</b>	<b>815.5</b>	<b>1,102.5</b>
Assets		760.2	877.6	864.9	707.4	884.3	1,124.4
Gold		5.1	8.8	8.8	8.9	8.9	9.0
Holdings of SDRs		16.2	15.7	16.6	15.8	14.6	12.7
Other foreign assets		738.9	853.1	839.5	682.7	860.8	1,102.7
Deposits held abroad		461.4	604.1	318.7	135.3	146.5	556.1
Foreign bonds		196.9	164.5	458.4	481.7	638.3	469.9
FOCEM		25.8	25.8	25.8	25.8	25.8	4.0
Foreign exchange		9.4	11.3	4.2	3.6	4.8	7.2
Accounts receivable from abroad		16.8	18.5	2.4	2.9	2.2	2.4
Other claims on foreign residents		28.6	28.9	30.0	33.4	43.2	63.1
Liabilities		-229.2	-141.0	-68.6	-68.3	-68.8	-21.9
Letters of credit		0.0	0.0	0.0	0.0	0.0	0.0
Short-term credit lines		-95.3	-69.2	-20.0	-20.0	-20.0	0.0
FOCEM		0.0	-27.0	-27.0	-27.0	-27.0	0.0
Arrears of short-term obligations 1/		-27.0	0.0	0.0	0.0	0.0	0.0
Other clearing agreements		-0.1	-1.0	-0.5	-0.5	-0.2	-0.2
Use of IMF credit		-30.7	0.0	0.0	0.0	0.0	0.0
Liabilities with central banks		-20.4	-20.4	-20.4	-20.4	-20.4	-20.4
Costa Rica		0.0	0.0	0.0	0.0	0.0	0.0
Mexico		-20.4	-20.4	-20.4	-20.4	-20.4	-20.4
Venezuela		0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities		-55.7	-23.4	-0.7	-0.4	-1.2	-1.3
<b>Commercial and development banks</b>		<b>-27.1</b>	<b>-92.1</b>	<b>-224.5</b>	<b>-205.7</b>	<b>-308.8</b>	<b>-362.3</b>
Assets		6.7	8.6	7.1	55.5	76.8	72.3
Liabilities		-33.8	-100.7	-231.6	-261.1	-385.6	-434.6

Source: Bank of Guatemala.

1/ Principal only.

Table 49. Guatemala: Detailed Balance of Payments

(In millions of U.S. dollars)

	1992			1993			1994		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
<b>Current account</b>	<b>2,257.7</b>	<b>3,041.3</b>	<b>-783.5</b>	<b>2,398.6</b>	<b>3,148.3</b>	<b>-749.7</b>	<b>2,714.2</b>	<b>3,421.3</b>	<b>-707.1</b>
Trade balance	1,379.7	2,531.5	-1,151.8	1,461.7	2,599.3	-1,137.6	1,686.6	2,781.4	-1,094.8
Exports, f.o.b.	1,379.7	0.0	1,379.7	1,461.7	0.0	1,461.7	1,686.6	0.0	1,686.6
Traditional	566.9	0.0	566.9	606.6	0.0	606.6	710.6	0.0	710.6
Nontraditional	812.8	0.0	812.8	855.1	0.0	855.1	976.0	0.0	976.0
Imports, c.i.f.	0.0	2,531.5	-2,531.5	0.0	2,599.3	-2,599.3		2,781.4	-2,781.4
Services	572.7	494.0	78.6	617.4	540.9	76.5	641.6	639.9	1.7
Nonfactor	503.1	313.4	189.8	554.8	371.0	183.8	584.9	440.7	144.2
Transport	26.3	17.1	9.2	34.5	27.9	6.6	39.8	33.8	6.1
Tourism	186.0	103.0	83.0	204.5	117.0	87.4	205.0	150.7	54.3
Insurance	11.7	8.3	3.4	4.5	15.9	-11.4	5.3	18.8	-13.4
Government	34.5	31.9	2.6	35.1	38.1	-3.0	38.9	43.2	-4.2
Other	244.5	153.0	91.6	276.3	172.2	104.1	295.8	194.4	101.5
Factor	69.5	180.7	-111.1	62.6	169.9	-107.3	56.7	199.2	-142.5
Investment income	25.6	154.0	-128.3	27.1	143.1	-116.1	41.7	174.9	-133.2
Income from DFI	2.0	16.4	-14.4	1.0	28.8	-27.8	9.4	39.7	-30.3
Private interest	0.2	0.3	0.0	0.4	1.0	-0.6	1.4	2.8	-1.4
Government interest	23.4	137.3	-113.9	25.7	113.3	-87.6	30.9	132.3	-101.4
Financial public sector 1/	23.4	49.4	-26.0	25.7	54.4	-28.7	30.9	49.5	-18.6
Nonfinancial public sector	0.0	87.9	-87.9	0.0	55.7	-55.7	0.0	72.3	-72.3
Other	43.9	26.7	17.2	35.5	26.7	8.7	15.0	24.3	-9.3
Wages and salaries	43.9	6.7	37.2	35.5	2.3	33.2	15.0	2.1	12.9
Property income 2/	0.0	20.0	-20.0	0.0	24.5	-24.5	0.0	22.2	-22.2
Private transfers	305.4	15.7	289.7	319.5	8.1	311.4	386.0	0.0	386.0
<b>Capital account</b>	<b>880.2</b>	<b>309.7</b>	<b>570.5</b>	<b>1,400.0</b>	<b>357.3</b>	<b>1,042.8</b>	<b>1,386.6</b>	<b>419.4</b>	<b>967.2</b>
Official transfers	51.0	0.0	51.0	51.9	0.0	51.9	62.4	0.0	62.4
Official capital	97.2	176.9	-79.7	191.8	177.6	14.2	276.3	222.8	53.5
Public sector borrowing	97.2	176.9	-79.7	101.8	177.6	-75.8	97.5	172.8	-75.3
Nonfinancial public sector	47.3	100.8	-53.5	67.9	90.5	-22.6	89.0	92.0	-3.0
Financial public sector 1/	49.9	76.1	-26.2	33.9	87.1	-53.8	8.5	80.8	-72.3
Other public capital	0.0	0.0	0.0	0.0	0.0	0.0	7.5	0.0	7.5
Public bonds	...	...	...	90.0	0.0	90.0	171.3	50.0	121.3
Private capital	732.0	132.8	599.2	1,156.3	179.7	976.7	1,047.9	196.6	851.3
Direct investment	153.6	2.5	151.1	304.2	75.9	228.3	65.1	0.0	65.1
Commercial banks 3/	11.4	2.1	9.2	67.0	1.9	65.0	246.4	9.1	237.3
Other private capital	567.0	128.2	438.8	785.2	101.9	683.3	736.4	187.5	548.9
<b>Balance of payments support</b>	<b>98.0</b>	<b>0.0</b>	<b>98.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>159.4</b>	<b>0.0</b>	<b>159.4</b>
U.S. AID-ESF	50.0	0.0	50.0	0.0	0.0	0.0	10.0	0.0	10.0
IBRD	48.0	0.0	48.0	0.0	0.0	0.0	24.0	0.0	24.0
IDB	0.0	0.0	0.0	0.0	0.0	0.0	95.4	0.0	95.4
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export-Import Bank of China	0.0	0.0	0.0	0.0	0.0	0.0	30.0	0.0	30.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Errors and omissions</b>			<b>61.6</b>			<b>-84.1</b>			<b>-424.0</b>
<b>Overall balance</b>			<b>-53.4</b>			<b>209.0</b>			<b>-4.5</b>
<b>Financing</b>			<b>53.4</b>			<b>-209.0</b>			<b>4.5</b>
Change in net official reserves			25.2			-205.6			-59.8
Net use of Fund credit			-36.6			-32.9			0.0
Other net official reserves			61.8			-172.7			-59.8
Arrears (-decrease) 4/			-84.1			-472.9			29.1
Rescheduling of arrears			89.8			455.3			35.2
Rescheduling of current obligations			22.5			14.2			0.0

Table 49. Guatemala: Detailed Balance of Payments

(In millions of U.S. dollars)

	1995			1996			Est. 1997		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
<b>Current account</b>	<b>3,360.8</b>	<b>3,961.1</b>	<b>-600.3</b>	<b>3,388.3</b>	<b>3,831.3</b>	<b>-443.0</b>	<b>3,958.3</b>	<b>4,588.2</b>	<b>-629.9</b>
Trade balance	2,155.5	3,292.5	-1,137.0	2,236.8	3,146.2	-909.4	2,602.4	3,802.0	-1,199.6
Exports, f.o.b.	2,155.5	0.0	2,155.5	2,236.8	0.0	2,236.8	2,602.4	0.0	2,602.4
Traditional	1,046.2	0.0	1,046.2	961.2	0.0	961.2	1,167.5	0.0	1,167.5
Nontraditional	1,109.3	0.0	1,109.3	1,275.6	0.0	1,275.6	1,434.9	0.0	1,434.9
Imports, c.i.f.	0.0	3,292.5	-3,292.5	0.0	3,146.2	-3,146.2	0.0	3,802.0	-3,802.0
Services	711.8	668.7	43.1	629.1	685.1	-56.0	822.0	786.2	35.7
Nonfactor	644.2	428.6	215.6	553.5	404.6	149.0	739.1	525.2	213.9
Transport	59.6	32.5	27.1	67.7	28.0	39.6	84.6	30.8	53.8
Tourism	212.5	141.3	71.2	216.6	135.7	80.9	251.0	130.3	120.7
Insurance	1.8	17.8	-16.0	2.0	18.0	-15.9	2.2	19.2	-17.0
Government	38.2	22.5	15.7	42.3	38.3	4.0	67.5	54.0	13.5
Other	332.1	214.5	117.6	224.9	184.6	40.4	333.8	290.9	42.9
Factor	67.6	240.1	-172.5	75.6	280.5	-205.0	82.8	261.0	-178.2
Investment income	46.4	201.0	-154.6	52.8	233.3	-180.5	58.5	211.8	-153.4
Income from DFI	6.9	39.5	-32.6	3.7	60.3	-56.6	3.8	63.0	-59.2
Private interest	7.6	30.0	-22.4	14.2	35.4	-21.2	16.7	51.1	-34.4
Government interest	31.9	131.5	-99.6	34.9	137.6	-102.7	37.9	97.7	-59.8
Fin. public sector 1/	31.9	44.6	-12.7	34.9	40.6	-5.7	37.9	17.1	20.8
Nonfinancial public sector	0.0	75.2	-75.2	0.0	88.9	-88.9	0.0	72.9	-72.9
Other	21.3	39.1	-17.9	22.8	47.2	-24.4	24.4	49.2	-24.8
Wages and salaries	21.3	6.3	14.9	22.8	6.7	16.1	24.4	7.2	17.2
Property income 2/	0.0	32.8	-32.8	0.0	40.5	-40.5	0.0	42.0	-42.0
Private transfers	493.5	0.0	493.5	522.4	0.0	522.4	534.0	0.0	534.0
Capital account	1,046.6	732.7	313.9	2,029.1	1,386.4	642.7	1,288.3	462.4	825.9
Official transfers	59.3	0.0	59.3	65.0	0.0	65.0	78.0	0.0	78.0
Official capital	123.4	268.2	-144.8	91.5	162.3	-70.8	385.6	146.1	239.5
Public sector borrowing	83.8	143.0	-59.2	91.5	149.3	-57.8	142.3	146.1	-3.8
Nonfinancial public sector	83.8	84.5	-0.7	91.5	98.9	-7.4	142.3	83.2	59.1
Financial public sector 1/	0.0	58.5	-58.5	0.0	50.4	-50.4	0.0	62.9	-62.9
Other public capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public bonds	39.6	125.2	-85.6	0.0	13.0	-13.0	0.0	0.0	0.0
Private capital	863.9	464.5	399.4	1,872.6	1,224.1	648.5	824.7	316.3	571.4
Direct investment	75.2	0.0	75.2	80.9	0.0	80.9	89.3	0.0	89.3
Commercial banks 3/	31.7	48.4	-16.7	121.5	20.5	101.0	49.8	-3.7	53.5
Other private capital	757.0	416.1	340.9	902.5	388.4	514.1	603.0	320.0	283.0
Balance of payments support	35.0	0.0	35.0	48.0	0.0	48.0	30.0	0.0	30.0
U.S. AID-ESF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IBRD	0.0	0.0	0.0	48.0	0.0	48.0	0.0	0.0	0.0
IDB	35.0	0.0	35.0	0.0	0.0	0.0	30.0	0.0	30.0
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Export-Import Bank of China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions			66.0			-59.8			63.0
Overall balance			-185.4			187.9			288.9
Financing			185.4			-187.9			-288.9
Change in net official reserves			157.3			-176.4			-287.0
Net use of Fund credit			0.0			0.0			0.0
Other net official reserves			157.3			-176.4			-287.0
Arrears (-decrease) 4/			28.1			-11.5			-1.9
Rescheduling of arrears			0.0			0.0			0.0
Rescheduling of current obligations			0.0			0.0			0.0

Sources: Bank of Guatemala; Ministry of Finance; and Fund staff estimates.

1/ Includes Bank of Guatemala.

2/ Oil prospecting.

3/ Data from Table 39.

4/ Excludes arrears in grace period (Table 54).

Table 50. Guatemala: Distribution of Exports by Destination and Imports by Origin

(In percent)

	1992	1993	1994	1995	1996	Est. 1997
<b>Total exports, f.o.b</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
North America	36.1	38.3	33.3	32.5	38.8	37.9
United States	35.0	37.4	32.3	31.3	36.9	35.6
Canada	1.1	0.9	1.0	1.2	1.9	2.3
Other Western Hemisphere	41.9	42.1	44.3	39.6	39.0	38.2
CACM countries	35.3	31.2	33.0	30.5	28.2	28.9
Mexico	4.5	3.5	4.4	2.3	3.4	3.3
Other	2.1	7.4	6.9	6.8	7.4	6.0
Europe	12.2	13.2	13.3	17.0	13.4	13.1
Germany	3.4	4.4	4.5	6.0	5.1	4.8
Netherlands	1.7	1.5	1.9	2.0	1.5	1.7
Finland	0.6	0.6	0.5	0.9	0.7	0.6
Italy	1.8	1.1	1.3	1.2	1.0	1.1
United Kingdom	0.8	1.2	0.7	0.7	0.9	0.5
Spain	0.5	0.4	0.3	0.6	0.4	0.5
Belgium and Luxembourg	1.5	1.1	1.2	1.7	1.3	1.6
Sweden	0.4	0.4	0.7	1.4	1.1	1.0
Other	1.5	2.5	2.2	2.5	1.4	1.2
Asia	2.9	2.4	5.4	8.4	2.5	3.8
Japan	1.7	1.7	2.7	2.8	2.2	2.3
Taiwan (Province of China)	0.0	0.0	0.3	2.7	0.0	0.0
Other	1.2	0.7	2.4	2.9	0.4	1.5
Middle East	2.3	2.3	2.3	1.8	1.2	1.0
Other	4.6	1.7	1.4	0.7	5.2	6.0
<b>Total imports, c.i.f.</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
North America	44.9	46.3	44.1	45.3	45.9	42.9
United States	43.9	45.1	43.0	43.8	44.3	41.0
Canada	1.0	1.2	1.1	1.5	1.7	1.9
Other Western Hemisphere	30.9	30.5	33.7	34.7	34.7	37.3
CACM countries	13.7	9.1	13.7	11.6	7.4	10.5
Venezuela	4.0	5.0	5.2	4.6	5.3	4.9
Aruba and Curacao	0.6	0.3	1.9	2.1	3.5	3.3
Mexico	5.8	6.5	7.0	9.4	10.4	11.3
Other	6.8	9.6	5.9	7.0	8.1	7.3
Europe	13.9	13.5	14.0	12.0	11.1	10.8
Germany	4.6	4.0	4.0	3.5	3.1	3.1
United Kingdom	1.4	1.4	1.3	1.2	1.0	1.1
Belgium and Luxembourg	0.6	0.7	0.7	1.0	1.0	0.6
France	0.9	0.7	0.9	0.6	0.6	0.6
Netherlands	0.9	0.9	1.1	0.9	1.1	0.7
Italy	2.0	1.9	1.5	1.1	1.2	1.4
Spain	0.9	0.8	1.0	0.9	1.3	1.2
Switzerland	1.1	0.9	0.6	0.5	0.6	0.7
Others	1.5	2.2	2.9	2.3	1.2	1.6
Asia	10.0	9.0	7.4	7.4	6.0	6.0
Japan	6.0	5.3	3.8	3.7	3.2	3.3
Other	4.0	3.7	3.6	3.7	2.9	2.8
Other	0.3	0.7	0.8	0.6	2.2	2.8

Source: Bank of Guatemala.

Table 51. Guatemala: Economic Classification of Imports

	1992	1993	1994	1995	1996	Est. 1997
(In millions of U.S. dollars)						
<b>Total imports, c.i.f</b>	<b>2,531.4</b>	<b>2,599.3</b>	<b>2,781.4</b>	<b>3,292.5</b>	<b>3,146.2</b>	<b>3,712.1</b>
Consumer goods	541.8	683.7	828.3	925.5	877.9	1,032.0
Durables	199.7	232.2	271.8	318.5	251.3	248.7
Nondurables	342.1	451.5	556.5	607.0	626.6	783.3
Intermediate goods	904.5	841.0	1,046.6	1,245.6	1,150.2	1,426.0
Industry	779.6	770.2	938.7	1,131.5	1,035.2	1,283.4
Agriculture	124.9	70.8	107.9	114.1	115.0	142.6
Lubricants and fuels	342.0	315.3	200.5	286.6	329.7	271.0
<i>Of which</i>						
Crude oil	118.5	98.3	107.5	57.9	128.0	151.1
Construction materials	117.2	81.4	78.3	83.0	94.8	122.5
Capital goods	620.7	673.3	623.5	748.7	690.6	857.0
Agriculture	49.9	71.8	26.0	35.9	33.1	41.1
Industry	399.7	422.1	405.3	477.2	473.2	587.2
Transportation equipment	171.1	179.4	192.2	235.6	184.3	228.7
Unclassified imports	5.2	4.6	4.2	3.1	3.0	3.6
(As percent of total)						
Consumer goods	21.4	26.3	29.8	28.1	27.9	27.8
Intermediate goods 1/	54.1	47.8	47.8	49.2	50.1	49.1
Capital goods	24.5	25.9	22.4	22.7	22.0	23.1
<b>Memorandum item:</b>						
Total imports, c.i.f. (in percent of GDP)	24.4	23.0	21.5	22.5	20.1	20.8

Sources: Bank of Guatemala; and Fund staff estimates.

1/ Including lubricants and fuels, construction materials, and unclassified imports.

Table 52. Guatemala: Outstanding External Debt of the Public Sector

(In millions of U.S. dollars)

	1992	1993	1994	1995	1996	Est. 1997
<b>Total external debt</b>	<b>2,281.3</b>	<b>2,248.1</b>	<b>2,405.9</b>	<b>2,347.7</b>	<b>2,379.9</b>	<b>2,620.2</b>
<b>Nonfinancial public sector</b>	<b>1,341.7</b>	<b>1,375.3</b>	<b>1,627.0</b>	<b>1,609.6</b>	<b>1,653.0</b>	<b>1,983.9</b>
Multilaterals	763.1	713.4	784.6	806.9	919.1	1,022.8
IDB	497.7	477.9	558.6	570.8	606.0	670.0
World Bank	172.3	146.3	140.6	123.9	180.9	207.2
BCIE	86.6	81.5	75.1	100.5	119.7	126.6
International Fund for Agricultural Development	3.0	4.2	6.0	7.8	9.1	12.0
OPEC	3.5	3.5	4.3	4.0	3.4	7.1
Bilateral	475.4	521.0	554.7	603.0	572.4	551.4
U.S. AID (Projects)	170.4	168.8	169.6	165.3	154.9	161.7
U.S. AID (PL-480)	131.6	128.9	136.9	149.7	134.7	139.5
France 1/	56.4	73.7	84.0	91.9	87.7	68.6
Venezuela (FIV)	7.5	9.3	7.9	13.2	9.3	11.3
Mexico	2.4	0.9	0.9	0.4	0.0	0.0
Germany (KfW)	50.3	65.5	58.6	69.0	73.9	71.0
Italy (Mediocredito)	42.4	46.7	48.5	47.9	43.5	39.8
Canada	9.7	16.2	15.9	15.9	15.8	15.6
Japan	0.0	7.9	31.5	49.1	52.7	43.9
Austria	4.9	3.0	1.0	0.7	0.0	0.0
Commercial banks	31.9	40.6	60.8	59.6	51.0	57.1
Bonded debt	...	40.0	40.3	38.3	39.4	189.4
Short term	71.2	60.3	186.7	101.7	71.0	163.1
Mexico (bonded debt)	...	50.0	51.0	39.6	19.8	19.8
Bonded debt	...	...	120.0	45.8	50.3	143.3
Arrears of interest	71.2	10.3	15.7	16.3	1.0	0.0
<b>CORFINA</b>	<b>387.2</b>	<b>402.1</b>	<b>421.4</b>	<b>437.1</b>	<b>456.9</b>	<b>456.0</b>
Banco Exterior de España	188.7	370.9	370.9	370.9	370.9	370.9
IDB	10.8	9.0	9.3	8.2	7.9	6.9
Libra Bank	3.6	3.6	3.6	0.0	0.0	0.0
KfW	1.9	1.9	0.0	0.0	0.0	0.0
Short term	182.2	16.7	37.6	58.0	78.2	78.2
Arrears of interest	182.2	16.7	37.6	58.0	78.2	78.2
<b>Bank of Guatemala</b>	<b>552.4</b>	<b>470.8</b>	<b>357.4</b>	<b>301.0</b>	<b>270.0</b>	<b>180.3</b>
Medium and long term	394.3	368.6	298.0	256.9	239.7	170.5
Multilateral	146.3	132.0	118.1	102.5	84.8	67.1
IDB	95.3	85.7	76.2	66.7	55.0	43.3
BCIE	51.0	46.2	41.9	35.8	29.8	23.8
Bilateral	186.3	177.6	143.2	120.6	132.5	92.4
Venezuela (FIV)	73.2	69.9	45.4	25.1	15.2	8.0
Sistema centro americano de pagos	0.1	0.0	0.0	0.0	27.0	1.3
Banco de México	83.6	80.5	79.6	79.6	76.2	70.8
Banco Central de Argentina	7.1	7.1	0.0	0.0	0.0	0.0
EXIM-BANK of Republic of China	3.0	1.6	0.6	0.0	0.0	0.0
EXIM-BANK of China	10.0	9.2	8.3	6.7	5.1	3.5
Banco Central de Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0
U.S. AID	9.3	9.3	9.3	9.3	9.1	8.9
Commercial banks	49.4	53.8	36.7	33.8	22.4	11.0
With government guarantees	48.9	53.8	36.7	33.8	22.4	11.0
Other	12.3	5.3	0.0	0.0	0.0	0.0
Short term	158.1	102.1	59.4	44.1	30.3	9.8
Of which						
Arrears of interest	5.2	5.9	0.0	0.0	0.0	0.0
<b>Memorandum items:</b>						
Total stock of debt	2,281.3	2,248.1	2,405.9	2,347.7	2,379.9	2,620.2
Multilateral	920.2	854.4	911.9	917.6	1,011.8	1,096.8
Bilateral	852.3	1,071.3	1,068.8	1,094.6	1,075.8	1,014.8
Commercial banks	84.9	98.0	101.1	93.4	73.4	68.1
Other 2/	12.3	45.3	40.3	38.3	39.4	189.4
Short term	411.5	179.1	283.7	203.8	179.5	251.1
Of which						
Arrears of interest	258.6	32.9	53.3	74.3	79.2	78.2

Sources: Bank of Guatemala; and Ministry of Finance.

1/ Includes Société Générale.

2/ Includes LAFISE, AIUO, TRAFICO, DAG, and CORFINA for 1989.

Table 53. Guatemala: External Public Sector Arrears

(In millions of U.S. dollars)

	1992			1993			1994		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
<b>Total arrears</b>	<b>261.3</b>	<b>270.1</b>	<b>531.5</b>	<b>35.0</b>	<b>40.7</b>	<b>75.7</b>	<b>55.6</b>	<b>39.6</b>	<b>95.1</b>
<b>Nonfinancial public sector</b>	<b>71.2</b>	<b>69.7</b>	<b>141.0</b>	<b>10.3</b>	<b>17.4</b>	<b>27.7</b>	<b>15.7</b>	<b>14.9</b>	<b>30.5</b>
Multilaterals	21.5	23.9	45.4	1.8	5.2	7.0	1.8	4.5	6.2
IDB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IBRD	0.0	0.0	0.0	1.0	2.7	3.7	0.9	0.5	1.4
BCIE	21.5	23.9	45.4	0.8	2.5	3.3	0.7	3.8	4.5
IFAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEC	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3
Bilateral	49.8	45.8	95.6	8.5	12.2	20.7	13.4	10.4	23.8
U.S. AID (Projects)	0.0	0.0	0.0	2.2	2.1	4.3	3.5	3.6	7.1
U.S. AID (PL-480)	0.0	0.0	0.0	3.0	4.1	7.1	4.0	4.1	8.1
France 1/	28.1	27.9	56.0	1.7	2.2	3.9	5.3	0.6	5.9
Austria	1.4	1.9	3.4	0.7	1.0	1.7	0.1	0.3	0.4
Venezuela (FIV)	0.0	0.0	0.0	0.4	1.3	1.7	0.1	1.1	1.2
Germany (KFW)	5.5	8.8	14.4	0.2	0.1	0.3	0.2	0.1	0.3
Italy (Mediocredito)	0.0	0.0	0.0	0.3	1.4	1.7	0.2	0.6	0.8
Canada (EDC)	14.7	7.1	21.9	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5
<b>CORFINA</b>	<b>184.9</b>	<b>167.6</b>	<b>352.5</b>	<b>18.8</b>	<b>16.9</b>	<b>35.7</b>	<b>39.9</b>	<b>24.7</b>	<b>64.6</b>
Banco Exterior de España	182.0	162.1	344.1	16.7	13.3	30.0	37.6	21.1	58.7
Germany	1.1	1.9	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Libra Bank	1.8	3.6	5.4	2.1	3.6	5.7	2.3	3.6	5.9
<b>Bank of Guatemala</b>	<b>5.2</b>	<b>32.8</b>	<b>38.0</b>	<b>5.9</b>	<b>6.4</b>	<b>12.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Multilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IDB	--	--	0.0	--	--	0.0	0.0	0.0	0.0
BCIE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral	4.6	5.8	10.4	3.7	6.4	10.1	0.0	0.0	0.0
Venezuela (FIV)	1.8	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0
Banco de Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convenio de Facilidades Cred.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arreglos de Pagos-1986	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banco Central de Argentina	2.8	5.8	8.6	3.7	6.4	10.1	0.0	0.0	0.0
Arrears on short-term obligations	0.6	27.0	27.6	2.2	0.0	2.2	0.0	0.0	0.0
<b>Memorandum items:</b>									
Arrears	261.3	270.1	531.5	35.0	40.7	75.7	55.6	39.6	95.1
Multilateral	21.5	23.9	45.4	1.8	5.2	7.0	1.8	4.5	6.2
Bilateral	237.5	215.6	453.1	28.9	31.9	60.8	51.0	31.5	82.5
Commercial banks	1.8	3.6	5.4	2.1	3.6	5.7	2.8	3.6	6.4
Short term	0.6	27.0	27.6	2.2	0.0	2.2	0.0	0.0	0.0
Arrears 2/	261.3	270.1	531.5	28.2	30.4	58.6	52.0	35.7	87.7
Change in arrears 3/	3.2	-87.3	-84.1	-233.1	-239.7	-472.9	23.8	5.3	29.1



Table 53. Guatemala: External Public Sector Arrears

(In millions of U.S. dollars)

	1995			1996			1997		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
<b>Total arrears</b>	<b>74.2</b>	<b>44.0</b>	<b>118.2</b>	<b>79.1</b>	<b>26.0</b>	<b>105.1</b>	<b>78.1</b>	<b>25.1</b>	<b>103.2</b>
<b>Nonfinancial public sector</b>	<b>16.3</b>	<b>20.6</b>	<b>36.9</b>	<b>1.0</b>	<b>0.9</b>	<b>1.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Multilaterals	1.7	4.1	5.8	0.8	0.5	1.3	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IBRD	1.0	0.3	1.3	0.8	0.5	0.0	0.0	0.0	0.0
BCIE	0.4	3.6	4.0	0.0	0.0	0.0	0.0	0.0	0.0
IFAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEC	0.3	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral	13.6	14.9	28.6	0.2	0.5	0.7	0.0	0.0	0.0
U.S. AID (Projects)	1.3	1.3	2.6	0.0	0.0	0.0	0.0	0.0	0.0
U.S. AID (PL-480)	7.6	8.9	16.5	0.2	0.5	0.0	0.0	0.0	0.0
France 1/	3.0	1.5	4.5	0.0	0.0	0.0	0.0	0.0	0.0
Austria	0.6	0.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela (FIV)	0.5	1.9	2.4	0.0	0.0	0.0	0.0	0.0	0.0
Germany (KFW)	0.4	0.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Italy (Mediocredito)	0.2	0.8	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Canada (EDC)	0.04	0.04	0.08	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	1.0	1.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>CORFINA</b>	<b>57.9</b>	<b>23.4</b>	<b>81.3</b>	<b>78.1</b>	<b>25.1</b>	<b>103.2</b>	<b>78.1</b>	<b>25.1</b>	<b>103.2</b>
Banco Exterior de España	57.9	23.4	81.3	78.1	25.1	103.2	78.1	25.1	103.2
Germany	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Libra Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Bank of Guatemala</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Multilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BCIE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela (FIV)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banco de Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convenio de Facilidades Cred.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arreglos de Pagos, 1986	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banco Central de Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banco Central de Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arrears on short-term obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Memorandum items:</b>									
Arrears	74.2	44.0	118.2	79.1	26.0	105.1	78.1	25.1	103.2
Multilateral	1.7	4.1	5.8	0.8	0.5	1.3	0.0	0.0	0.0
Bilateral	71.5	38.3	109.9	78.3	25.6	103.8	78.1	25.1	103.2
Commercial banks	1.0	1.6	2.6	0.0	0.0	0.0	0.0	0.0	0.0
Short term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arrears 2/	73.2	42.6	115.8	78.3	26.0	104.3	78.1	25.1	103.2
Change in arrears 3/	21.2	6.9	28.1	5.1	-16.6	-11.5	-1.0	-0.9	-1.9

Sources: Bank of Guatemala; Ministry of Finance; and Fund staff estimates.

1/ Includes Société Générale.

2/ Excludes arrears in grace period.

3/ Excludes changes in arrears that are considered reserve liabilities.

Table 54. Guatemala: Exchange Rates

End of period	Nominal Exchange Rate 1/ (Q/U.S. dollar)	Nominal Exchange Rate Index (1990=100)	Real Effective Exchange Rate Index (1990=100)
<b>1990</b>	5.01	91.22	108.98
1991	5.04	99.17	114.51
1992	5.33	108.10	122.53
1993	5.79	117.48	124.36
1994	5.64	130.79	133.75
1995	5.94	128.59	133.75
<b>1996</b>			
January	6.10	126.03	131.60
February	6.21	124.85	131.04
March	6.18	124.87	131.81
April	6.14	126.64	134.51
May	6.09	128.71	136.71
June	6.13	128.06	136.68
July	6.10	128.43	138.23
August	6.08	128.32	138.61
September	6.03	129.53	140.32
October	6.05	129.99	140.72
November	6.00	130.34	141.68
December	6.00	131.88	143.83
<b>1997</b>			
January	6.10	132.29	144.91
February	6.07	133.65	149.70
March	5.99	136.67	153.14
April	6.00	137.04	152.94
May	5.94	136.96	152.70
June	5.90	138.33	154.32
July	6.05	139.12	155.24
August	6.08	138.02	154.92
September	6.12	136.67	154.18
October	6.15	135.20	152.83
November	6.22	134.46	151.58
December	6.18	137.41	155.40

Sources: Bank of Guatemala; and Fund staff estimates.

1/ The nominal exchange rate is defined as the midpoint between the buying and selling rates of the banking market.



