

**Nicaragua: Selected Issues and Statistical Appendix**

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**International Monetary Fund  
Washington, D.C.**

INTERNATIONAL MONETARY FUND

NICARAGUA

**Selected Issues and Statistical Appendix**

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Approved by the Western Hemisphere Department

November 19, 2002

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## Nicaragua: Basic Data

### Social and demographic indicators

Area	129,494 km <sup>2</sup>
Arable land	20 percent
Population (2001)	5.2 million
Population density (2001)	40 per km <sup>2</sup>
Income distribution: highest quintile (1999-percent of income or consumption)	63.6 percent
Lowest quintile	2.3 percent
Rate of population increase (percent per annum)	2.7 percent
Life expectancy at birth (2000)	68 years
Infant mortality rate (1994-2000)	40 per 1,000 live births
Population per physician (1990-99)	0.9 per 1,000 people
Population per hospital bed (1990-99)	1.5 per 1,000 people
Population with access to safe water (1994-00)	84 percent of population
Urban (1994-00)	92 percent of population
Rural (1994-00)	72 percent of population
Population with access to electricity (2001)	69 percent of population
Adult illiteracy rate (2000)	19 percent of population 10 and over
Gross primary school enrollment (1994-00)	107 percent of relevant age group
Gross secondary school enrollment (1994-00)	57 percent of relevant age group
Unemployment rate (2001)	10.5 percent of total labor force
GDP at market prices (2001)	C\$34.2 billion
GDP at market prices (2001)	US\$2.6 billion
GDP at market prices per capita (2001)	US\$490

### Economic indicators, 1997-2001

	1997	1998	1999	2000	2001
	(In percent)				
<b>Origins of GDP at 1980 prices</b>					
Agriculture, livestock, forestry, and fishing	29.6	29.9	30.1	31.5	31.6
Commerce and finance	20.8	21.0	20.6	20.2	20.2
Manufacturing	20.8	20.5	19.8	19.2	19.1
Government	7.7	7.5	6.9	6.5	6.3
Construction, transportation, and communications	9.5	9.8	11.6	11.8	11.9
Other	11.5	11.4	11.0	10.8	10.8
<b>Ratios to GDP</b>					
Exports of goods and nonfactor services	40.6	40.2	37.9	39.3	36.1
Imports of goods and nonfactor services	-81.7	-80.1	-92.1	-81.8	-77.8
Current account of the balance of payments	-40.0	-38.7	-47.7	-38.3	-38.1
Nonfinancial public sector revenues	34.4	36.9	35.7	32.6	30.8
Nonfinancial public sector expenditures	43.9	41.1	49.7	46.5	49.8
Nonfinancial public sector saving	4.6	8.9	7.1	5.1	-2.4
Nonfinancial public sector overall balance before grants, (deficit)	-9.4	-4.1	-14.1	-13.9	-19.0
Central bank operational losses	-0.6	-3.3	-1.7	-1.5	-2.0
Combined public sector saving	4.0	5.6	5.4	3.6	-4.4
Combined public sector overall balance before grants, (deficit)	-10.0	-7.4	-15.7	-15.4	-21.0
External public debt (end of year)	305.0	304.0	296.0	274.0	250.0
Debt service payments (accrued) 1/	53.4	43.5	47.1	44.0	46.0
Of which: Interest payments	26.5	25.7	26.8	26.9	26.0
Gross national savings	-3.4	2.3	1.4	2.6	-2.8
Gross domestic investment	31.7	33.8	43.3	34.7	30.8
Broad money (end of year)	59.6	65.1	66.7	60.6	60.3
<b>Annual percentage changes in selected indicators</b>					
Real GDP	5.1	4.1	7.4	5.9	3.3
GDP at current prices	14.8	17.6	19.4	18.1	11.0
Domestic expenditure (at current prices)	21.2	16.6	31.6	9.2	10.3
Investment	34.6	25.4	53.1	-5.2	-1.8
Consumption	17.8	14.1	24.8	14.7	14.3
GDP deflator	9.2	13.0	11.2	11.6	7.4

Nicaragua: Basic Data

	1997	1998	1999	2000	Prel. 2001
	(In percent)				
Consumer prices (end of period)	7.3	18.5	7.2	6.6	4.7
Consumer prices (period average)	9.2	13.0	11.2	7.4	7.4
Nonfinancial public sector revenues	25.0	26.1	15.3	7.7	5.2
Nonfinancial public sector expenditures	6.0	10.2	44.6	10.2	19.2
Liabilities to private sector 2/	54.3	28.6	22.4	7.4	10.1
Money	6.9	3.5	4.4	1.1	3.1
Quasi-money and foreign currency deposits	47.4	25.1	18.0	6.3	7.1
Credit to the public sector (net) 2/	13.8	-10.9	-8.9	-6.5	31.1
Credit to private sector 3/	39.8	45.4	40.0	14.2	-43.5
Merchandise exports (f.o.b., in U.S. dollars)	23.4	-0.6	-4.9	18.3	-8.1
Merchandise imports (f.o.b., in U.S. dollars)	30.6	1.9	21.6	-3.0	-1.1
Terms of trade (deterioration -)	9.8	1.9	-12.5	-4.0	-11.2
Nominal effective exchange rate end of period (depreciation)	-2.0	-11.9	-2.7	2.1	-2.9
Real effective exchange rate end of period (depreciation -)	3.5	2.0	1.6	8.8	-0.6
	(In millions of cordobas)				
<b>Nonfinancial public sector finances</b>					
Revenues	678	764	789	791	785
Expenditures	863	849	1,100	1,128	1,268
Savings	91	183	156	124	-62
Overall balance before grants (deficit -)	-185	-86	-311	-337	-483
Overall balance after grants (deficit -)	-80	-8	-118	-161	-313
	(In millions of U.S. dollars)				
<b>Balance of payments</b>					
Merchandise exports (f.o.b.)	577	573	545	645	592
Merchandise imports (f.o.b.)	-1,371	-1,397	-1,703	-1,648	-1,629
Nonfactor services (net)	-19	-11	-42	-33	-25
Official interest obligations	-211	-213	-225	-257	-247
Other current transactions (net)	238	247	364	361	338
Balance on current account	-786	-801	-1,060	-932	-970
Official capital (net)	165	298	415	334	365
Other capital, including errors and omissions	498	306	460	294	193
Overall balance	-122	-197	-183	-304	-412
Change in reserves (increase -)	-58	6	-77	29	171
Exceptional financing	357	129	110	211	526
<b>International reserve position and external debt</b>					
Central bank (net)	144	139	216	187	15.8
Rest of Financial system (net)	228	232	133	129	208
Gross official reserves (in months of imports)	2.3	2.3	3.3	3.2	2.3
External public debt	6,001	6,287	6,549	6,660	6,374
<b>IMF data (as of October 31, 2002)</b>					
Article VIII status					March 14, 1946
Intervention currency and rate (cordoba oro)					C\$14.53 per U.S. dollar
Quota					SDR 130.00 million
Fund holdings of national currency					SDR 130.01 million
(as percent of quota)					100.0 percent
Outstanding purchases and loans					SDR 123.33 million
PRGF arrangements					123.33 million
Special Drawing Rights Department					
Net Cumulative SDR allocation					SDR 19.48 million
Holdings of SDRs					SDR 0.13 million

Sources: Nicaraguan authorities; and Fund staff estimates.

1/ In terms of exports of goods and nonfactor services.

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

3/ Excludes credit held by the liquidation boards.

## I. FACTORS UNDERLYING GROWTH IN NICARAGUA<sup>1,2</sup>

*Nicaragua has experienced large swings of income over the past 40 years. The analysis in this chapter shows that the long-run swings in GDP growth were determined to a large extent by changes in total factor productivity (TFP). Government policies have played an important role in shaping productivity, which has been decelerating recently. Fiscal consolidation, a reduction of public domestic debt and strengthening the financial sector are important conditions for the resumption of productivity growth. In addition, to sustain higher growth rates over the medium term, Nicaragua will need to redress its product mix towards higher-value added goods.*

**1. This chapter examines factors that have determined long-run growth in Nicaragua.** Stylized facts suggest that government policies have had a decisive influence on growth. In particular, productivity and capital accumulation suffered during periods of excessive deficit spending and inadequate enforcement of private property rights. A sectoral analysis of growth reveals that liberalization and deregulation in the 1990s led to deep structural changes in the economy, with the resulting rapid growth being led by capital accumulation and productivity growth.

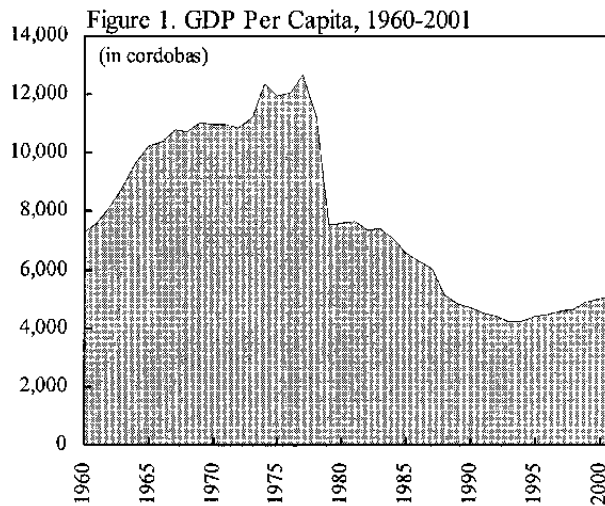
### A. Stylized facts on Growth in Nicaragua

**2. Nicaragua has experienced large swings of income over the past 40 years (Figure 1).** The country enjoyed an export-led boom from the 1950s to 1977, the year prior to the Sandinista revolution. Per capita income rose by 70 percent between 1960 and 1977, with average GDP growth of 10 percent a year. Initially, rapid growth of cotton exports was at the core of the expansion. Later on, cotton was joined by other primary exports (sugar, beef, shellfish, etc.) and an expansion of agroindustrial and manufacturing exports. However, in the 1980s, growth was disrupted by the revolution, war, aggressive nonmarket policies, and the buildup of macroeconomic imbalances. These developments led to a steady decline of GDP, with per capita income in 1990 at less than one-third of its value in the late 1970s. Although market-friendly reforms led to a recovery during the 1990s, per capita income has recovered only marginally.

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<sup>1</sup> Prepared by Monica Perez dos Santos.

<sup>2</sup> The analysis in this chapter is based on Nicaragua's official National Accounts. The Central Bank of Nicaragua is preparing a revised National Accounts series for the years starting in 1994. It is likely that the revised series will imply a significantly higher GDP and a change in its sectoral composition. However, the broad trends that are relevant for this study are not likely to change significantly.



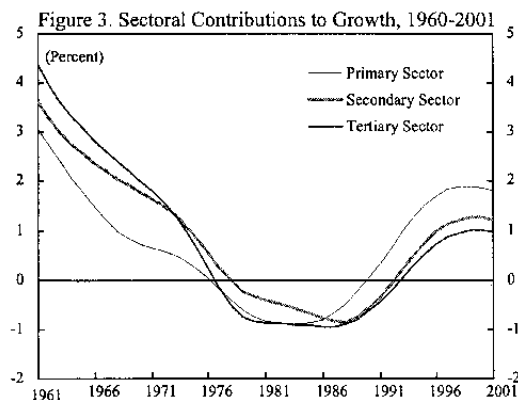
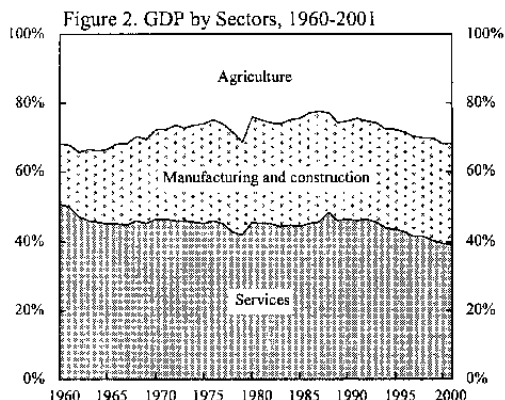
Sources: Central Bank of Nicaragua; and Fund staff estimates.

3. **Economic policies during the 1960s–1970s were characterized by prudent macropolicies, while significant structural distortions were allowed to lower up.** . . . Until the late 1970s, policy makers resorted to import substitution and wide-ranging controls on the domestic economy. These controls included high import tariffs and price and interest rate controls, which resulted in extensive price distortions and negative real interest rates. Protectionism encouraged the rise of an uncompetitive manufacturing sector at the expense of Nicaragua’s traditional strength in agriculture. Prudent fiscal and monetary policies ensured low inflation rates, although reconstruction efforts after the 1972 earthquake prompted fiscal deficits of more than 5 percent of GDP on average in the late 1970s. The economic strain was increased by current account disequilibria after the two oil shocks in the mid-1970s, a reduction of trade within the region, overvaluation of the domestic currency, and significant capital flight in the months before the victory of the Sandinistas.

4. **The Sandinista period witnessed a wholesale shift toward central-planning and deficit spending.** The government created a large and costly parastatal sector by nationalizing large properties, the financial system, foreign trade, large-scale mining (particularly gold), forestry and fishing. These policies were accompanied by massive budget deficits that were largely monetized. The macroeconomic imbalances resulted in hyperinflation and a huge build-up of external debt (around 700 percent of GDP by the end of the 1980s). As a result of the distortions and the widespread sense of insecurity about property rights generated by those policies, the economy experienced a severe decline during this period.

5. **During the early 1990s, Nicaragua achieved macroeconomic stabilization and moved toward a market-based economy.** Financial policies were strengthened, most price controls were eliminated, and the foreign exchange and trade system was liberalized. This restored to some extent Nicaragua’s competitive advantage in agriculture. Over the past 10 years, the agriculture sector employed about 40 percent of the labor force and contributed to GDP growth twice as much as the other two sectors (Figures 2 and 3).





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

## B. Growth Accounting

6. **The long run swings in GDP growth were determined to a large extent by total factor productivity.** In fact, long waves in TFP tended to precede turning points in GDP growth. The method of growth accounting helps to reveal major changes in the production function of Nicaragua.

### The model

7. **The model used goes back to the growth accounting literature of the 1960s.** A standard production function was estimated in order to identify the contribution to GDP growth of the input factors labor, capital and total factor productivity (Box 1).

### Investment, capital, and employment

8. **Investment as a share of GDP has been quite volatile (Figure 4).** In 1978–79, it fell dramatically as result of the destruction of buildings, stocks, and equipment, looting of inventories, slaughter of cattle, and smuggling of herds. Official national accounts record a loss of inventories of more than 14 percent of GDP in 1978–79. After the Sandinistas took power, investment recovered mainly with the help of large financing from other countries with centrally-planned economies. However, the quality of investment was inadequate, reflecting public sector inefficiency, high inflation and overvaluation of the currency, and diversion of a large amount of resources into unproductive defense spending. In the early 1990s, as peace and democracy were reestablished and the government initiated a transition to market-based policies, the investment ratio began to recover. Boosted further by aid flows after the 1998 Hurricane Mitch, investment peaked at over 30 percent of GDP in 1999. Figure 5 shows the resulting capital stock series for Nicaragua.

### Box 1. The Production Function Approach

The model used relates GDP growth to changes in the supplies of factors of production (labor and capital) and total factor productivity (TFP). The supply side of the economy is described by a Cobb-Douglas production function:

$$Y = A K^\alpha N^{1-\alpha},$$

Where Y is output, A is total factor productivity, K is capital and N is labor.

The capital stock was estimated using the *perpetual inventory method*.<sup>1</sup> This method constructs a time series for the capital stock from real investment data and two assumptions concerning the initial capital stock (K) and the rate of depreciation ( $\delta$ ). In general, the capital stock grows according to:

$$K_{t+1} = (1 - \delta) K_t + I_t.$$

The initial capital stock is constructed by using the fact that over the long run (in the steady state), the growth rates of output and capital tend to be equal:  $g_K = g_Y$ .

Combining this with the equation on capital accumulation yields the steady-state relation

$$K^* = I^* / (g_Y + \delta)$$

Where a star denotes steady state values. Using the real GDP value for 1960, the average investment share of 18.1 percent of GDP (1960–2001), and the average annual rate of real GDP growth of 2.6 percent yields an initial capital stock (1960) of almost 15 billion cordobas (in constant 1980 prices).

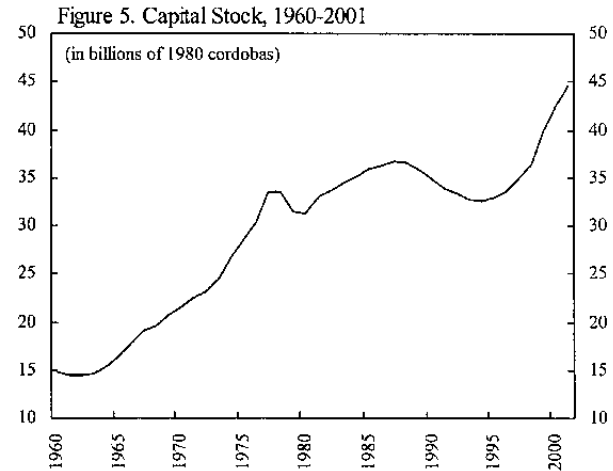
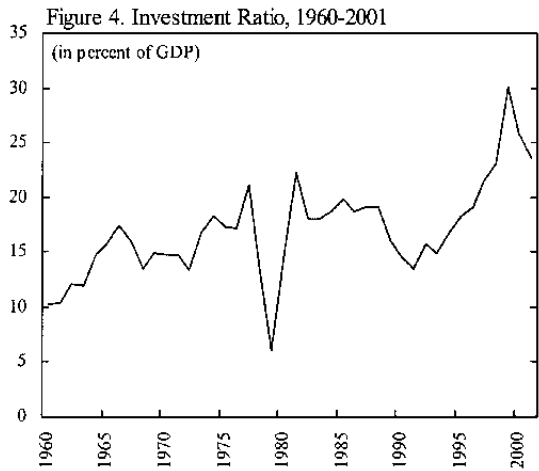
With data for GDP, employment and the capital stock, a time series for TFP can be obtained as a residual—the so-called Solow residual.

In this calculation, an income share of capital ( $\alpha$ ) of 0.37 is used, with the share of labor ( $1 - \alpha$ ) of 0.63. According to national account statistics, the share of dependent labor in GDP was 63 percent on average during the years 1960–78 (when data on the cost composition were still available).<sup>2</sup> This value is somewhat lower than that in industrialized countries, where the labor share is around 75 percent. Generally, a positive correlation is found between per capita income and the labor share.

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<sup>1</sup> For a recent description see Barro and Sala-i-Martin (1995).

<sup>2</sup> United Nations National Accounts Statistics, several issues.



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

9. **Employment also contracted sharply during the years of civil strife and hyperinflation (Figure 6).** After rising steadily through the mid-1980s, employment fell by over 1 million as a result of the crisis in the late 1980s.



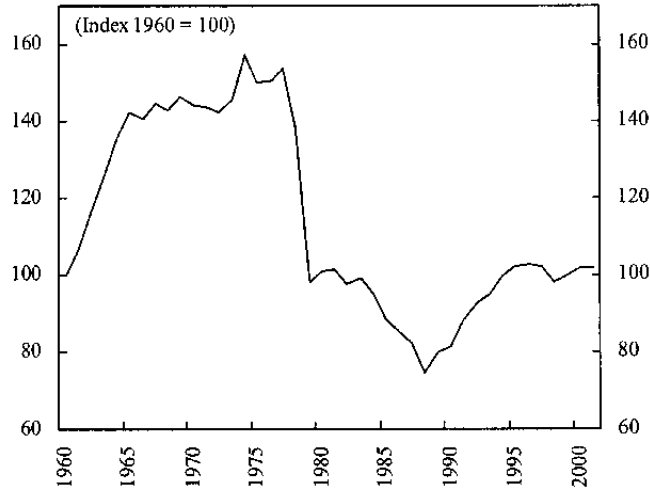
Sources: International Financial Statistics (IFS); and Fund staff estimates.

## Productivity

10. **Total factor productivity collapsed in the post-revolutionary period, followed by a moderate recovery in the early 1990s (Figure 7).** Many influences converge in the Solow residual, including infrastructure, the quality of regulation and the legal framework, education and governance. The slump in productivity during the 1980s can be attributed to the combined effect of extensive nationalization, rapid expansion of the public sector, the

widespread use of price controls, high military spending, monetary expansion, exchange-rate misalignment, import controls and international isolation.

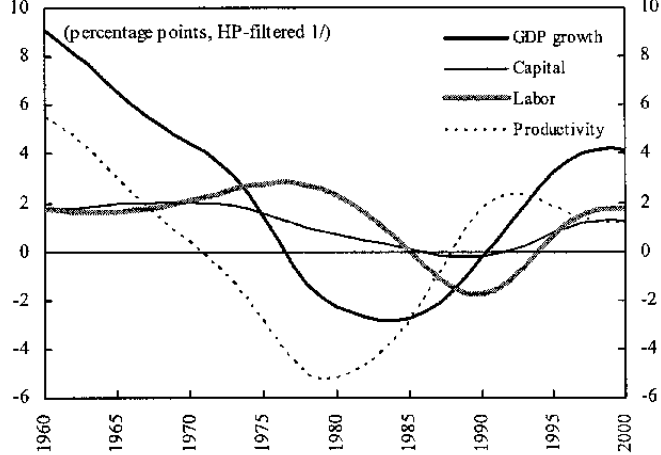
Figure 7. Total Factor Productivity, 1960-2001



Sources: Central Bank of Nicaragua; International Financial Statistics; and Fund staff estimates.

11. **A turnaround came in the early 1990s when a new, democratically-elected government initiated a comprehensive effort of adjustment and reforms.** In addition to macroeconomic stabilization, most price controls were removed, foreign trade was liberalized, and the banking system as well as numerous enterprises were reprivatized. Moreover, substantial progress was achieved in obtaining debt relief from external creditors. The resulting pick up of growth since 1995 was led by higher total factor productivity. Much of this increase took place in the agricultural sector (see Figure 2). At a later stage, capital accumulation and employment growth also contributed (Figure 8). The increase in capital accumulation was supported by both a rebound in savings and large-scale external assistance.

Figure 8. Contribution of Employment, Capital Stock and Productivity to Growth, 1960-2001



1/ The Hodrick-Prescott (HP) filter is a statistical method that removes short-term fluctuations. Its trend line adapts to the underlying "long waves" of a time series.

Sources: Central Bank of Nicaragua; International Financial Statistics; and Fund staff estimates.

12. **At the end of the 1990s, however, output and productivity growth tapered off again.** Reconstruction after Hurricane Mitch initiated an increase of public spending that interrupted the process of fiscal adjustment. Large fiscal deficits led to rapid accumulation of

domestic debt and crowding out of credit flows to the private sector, which plummeted from over 50 percent of GDP in 1999 to close 30 percent of GDP in 2000. Growth was further affected by a banking crisis (2000–01) and a large external terms-of-trade shock (cumulative decline of almost 28 percent in 1999–2001). As a result, private investment declined to about 15 percent of GDP and economic growth fell to an estimated 1 percent in 2002.

### C. Conclusion

13. **Nicaragua has experienced large swings of growth over the past 40 years.** The analysis in this chapter shows that the long-run swings in GDP growth were mostly driven by changes in total factor productivity growth (Table 1).

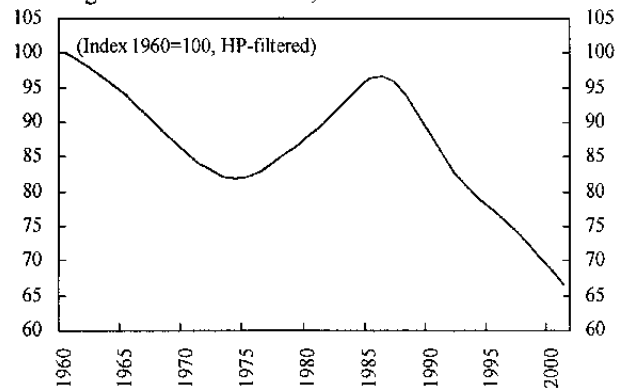
Table 1. Nicaragua: Sources of Growth  
(In percent)

Period	Annual GDP Growth	Contribution to GDP Growth		
		Labor	Capital	TFP
1960–1977	6.4	1.9	1.9	2.6
1978–1991	-3.0	0.6	0.0	-3.4
1992–2001	3.8	1.4	1.1	1.4

Source: Fund staff estimates.

14. **The history of Nicaragua’s growth and its main driving forces suggest that macroeconomic stability and market-oriented reforms are essential for the resumption of total factor productivity growth.** In particular, fiscal consolidation, reduction of public domestic debt, and strengthening the financial sector are important pre-conditions for higher growth rates over the medium term. In addition, Nicaragua will need to redress its product mix towards higher value added goods. Due to the country’s dependence on a few commodity exports, its terms of trade have been on a declining path over most of the past 40 years (Figure 9). This dependence could be reduced by diversifying into tourism and nontraditional export activities, including assembly for re-export (maquila) in sectors such as textiles. These activities would tap the potential of the sizable young labor force and complement the country’s traditional strength in agriculture.

Figure 9. Terms of Trade, 1960-2001



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

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## II. TAX REFORM<sup>3</sup>

15. This chapter describes the main characteristics of Nicaragua's tax system, identifying key weaknesses and their economic costs. In addition, it discusses the benefits of tax reform and describes the tax reform being implemented by the authorities.

### A. Key Issues in Nicaragua's Tax System

16. Tax revenues in Nicaragua have declined steadily in recent years. From a peak of 25.8 percent of GDP in 1998, tax revenues dropped to 21.5 percent of GDP in 2001. This deterioration reflects, to a large extent, the high vulnerability of Nicaragua's tax system to changes in economic activity, especially to a slowdown in domestic demand. The sharp decline in economic growth from 7.4 percent in 1999 to 3.3 percent in 2001 strongly affected revenues from cyclically sensitive taxes such as petroleum products, general value added taxes (VAT) and import duties (Table 1).

Table 1. Nicaragua: Central Government Revenue

	1998	1999	2000	Prel. 2001	1998	1999	2000	Prel. 2001
	(in percent of GDP)				(Share of tax revenue)			
<b>Tax revenue</b>	<b>25.8</b>	<b>24.8</b>	<b>23.5</b>	<b>21.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Direct taxes	3.7	3.7	3.8	3.8	14.4	15.0	16.1	17.5
Taxes on net income and profits	3.7	3.8	3.8	3.8	14.4	15.2	16.2	17.7
Taxes on property	0.0	0.0	0.0	0.0	0.1	-0.2	-0.1	-0.2
<b>Taxes on goods and services</b>	<b>17.1</b>	<b>17.5</b>	<b>16.5</b>	<b>15.0</b>	<b>66.2</b>	<b>70.7</b>	<b>69.9</b>	<b>69.8</b>
General value added taxes	9.3	10.0	9.5	9.0	36.2	40.4	40.4	41.9
On domestically produced goods and services	4.3	4.5	4.6	4.4	16.5	18.2	19.3	20.7
On imported goods and services	5.1	5.5	5.0	4.6	19.6	22.1	21.1	21.2
Excise and selective consumption taxes	7.7	7.5	6.9	6.0	29.8	30.2	29.4	27.8
Petroleum products	5.0	5.1	4.7	3.9	19.5	20.7	20.1	18.0
Beer and alcoholic beverages	0.9	0.9	0.9	1.0	3.5	3.6	4.0	4.5
Tobacco	0.7	0.4	0.2	0.3	2.8	1.5	0.9	1.4
Sodas	0.4	0.4	0.4	0.3	1.6	1.6	1.7	1.4
Other	0.6	0.7	0.6	0.6	2.3	2.8	2.5	2.8
Stamp taxes	0.1	0.0	0.0	0.0	0.3	0.2	0.2	0.2
<b>Taxes on international trade and transactions</b>	<b>3.9</b>	<b>2.2</b>	<b>2.1</b>	<b>1.7</b>	<b>15.3</b>	<b>9.0</b>	<b>9.0</b>	<b>8.0</b>
Import duties	3.9	2.2	2.1	1.7	15.3	9.0	9.0	8.0
Export duties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earmarked revenue</b>	<b>1.0</b>	<b>1.3</b>	<b>1.2</b>	<b>1.0</b>	<b>4.0</b>	<b>5.2</b>	<b>5.0</b>	<b>4.6</b>

Sources: Central Bank of Nicaragua; and IMF staff estimates

<sup>3</sup> Prepared by Jorge Toro.

17. **The main weakness of Nicaragua's tax system arises from its narrow tax base, which is excessively concentrated on a few taxes and a limited number of taxpayers.**<sup>4</sup>

Table 1 shows that over 60 percent of total tax revenue in 2001 was collected from VAT (42 percent) and excise taxes on petroleum products (18 percent), with the share of petroleum product taxes alone being greater than that of direct taxes. Given the large cyclical swings of petroleum product sales, the large dependence on petroleum taxation exacerbates the vulnerability of the system. In addition, more than half of VAT revenues is generated from imported products, further heightening exposure of the system to economic fluctuations. In addition to petroleum products, excise taxes on consumption are concentrated on a few products, mainly beer and alcoholic beverages, tobacco and sodas (together contributing some 5.5 percent of GDP, or one-fourth of tax revenues).

18. **The concentration on few taxpayers arises from widespread exemptions, exonerations, preferential rates and special regimes.** These special accommodations narrow the tax base, reduce transparency of the system, and make it difficult to administer. Table 2<sup>5</sup> illustrates the extensive sectoral exemptions in the Nicaragua's tax system, including for tourism, agriculture, fishing, and other sectors. Sectors or activities that are exempt from all forms of taxation include, *inter alia*, universities and higher education institutes, firemen, churches and religious organizations, nonprofit organizations, and imports of medicines, paper, books, and equipment for the media. In the case of direct taxes, there are also several tax-exempted sources of income (Section 1.1 of the Appendix).

19. **The VAT is characterized by widespread exemptions, zero-rated products, and preferential rates** (Section 4.1 of Appendix). *Exemptions* are granted to numerous goods and services; *a zero-rate VAT* regime applies to a long list of products and services, including 59 products included in a so-called "basic consumption basket", as well as medicines, insecticides, fertilizers, energy, and some machinery and equipment. Zero-rate VAT is also applied to several economic activities beyond exports such as the media, free zones and tourism. *Preferential VAT rates* are granted to the cement and air travel sectors.

20. **A number of economic sectors and activities are exempted from import tariffs,** including by constitutional mandate (health; media and communication; education and political parties). Other exempt sectors include petroleum and energy; exports; firefighters; agricultural and transport cooperatives; the national army; the national police; the church and religious congregations; tourism activities; and hospital investments.

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<sup>4</sup> The appendix presents a detailed description of the Nicaraguan tax system.

<sup>5</sup> Based on Medal, 2002.



21. **The revenue loss resulting from these features is substantial.** For instance, a 2000 mission from the Fiscal Affairs Department estimated that the cost of exonerations on indirect taxation amounted to 54 percent of actual revenue, or about 10.5 percent of GDP.

Table 2. Exonerations and Special Regimes

	Import tariffs	Excises	VAT	Revenue tax
Free zones	Exempt	Exempt	Exempt	Exempt
Tourism	Exempt	Exempt	Exempt	Exempt
Agricultural Sector	Exempt	Exempt	Exempt	Not Exempt
Fishing	Exempt	Exempt	Not exempt	Not exempt
Small handicraft industry	Exempt	Exempt	Exempt	Not exempt
Exports under temporal admission law	Exempt	...	Exempt	Not exempt
Other exports	Not exempt	...	Not exempt	Not exempt
Investment in hospitals	Exempt	Exempt	Exempt	Some exemptions
Public transport (cooperatives)	Exempt	Exempt	Exempt	Exempt
Trade	Not exempt	Not exempt	Not exempt	Not exempt
Industrial sector	Some exemptions	Some exemptions	Some exemptions	Not exempt

Source: Medal (2002).

## B. Economic Costs

22. **A key problem of Nicaragua's tax system is its lack of neutrality.** Because different economic sectors do not receive the same tax treatment, relative prices and intersectoral rates of return are affected and resource allocation is distorted. Tax policy rewards certain sectors, with no clear economic criteria, leading *inter alia* to unproductive

rent seeking and corruption. Moreover, several studies of the Nicaraguan tax system<sup>6</sup> have pointed to a significant anti-export bias because the tax incentives are predominantly oriented to the production of goods and services for the domestic market.

23. **Tax exemptions also introduce different treatment by population group and economic sector, leading to an inequitable tax system.** These distortions are illustrated by the fact that the contribution of some economic sectors to tax revenues are far different from their share in GDP (Table 3). For example, agriculture and mining contributed only 1.1 percent of total taxes in 2001, while its share of GDP was 33.7 percent; and the construction sector contributed 1.8 percent of taxes, well below its GDP share of 6.3 percent. In contrast, the manufacturing sector contributed 48.2 percent of taxes, while its share in GDP was 14.4 percent.

Table 3. Tax Burden by Economic Sector

Economic Sector	Tax Burden		GDP	
	Mill. of C\$	Percent	Mill. of C\$	Percent
Agricultural and Mining Sector	55	1.1	11,447	33.7
Manufacturing	2,424	48.2	4,898	14.4
Electricity	276	5.5	373	1.1
Construction	89	1.8	2,153	6.3
Trade and Transport	1,188	23.6	8,769	25.8
Financial and Services	997	19.8	6,337	18.7
<b>Total</b>	<b>5,028</b>	<b>100.0</b>	<b>33,976</b>	<b>100.0</b>

Source : Inter-American Development Bank (2002).

### C. Tax Reform

24. **Improving efficiency of resource allocation and equity of the tax system in Nicaragua requires a significant widening of the tax base.** To achieve this objective, FAD (2000) recommended the following core measures: (1) eliminating the zero-VAT rate except for exports; (2) reducing VAT exemptions and eliminating special regimes; (3) confining exonerations on imports tariffs to a few products; (4) including oil and its derivatives in the VAT base; (5) eliminating excise taxes on approximately 940 goods; and (6) changing the tax base for excise taxes on sodas and alcoholic beverages from ex-factory to retail prices. FAD stressed that tax policy should not be used as an instrument of income distribution and subsidization to particular economic sectors. Instead, a well-focused expenditure policy should be used for these purposes.

<sup>6</sup> FAD (2000).

25. **Against this background, the authorities in 2002 embarked on a comprehensive, two-stage tax reform.** The first stage was approved by the National Assembly in August 2002, yielding about 2.1 percent of GDP on an annual basis. The following main measures were included: (1) reduction of revenue exemptions for a number of sectors and activities, such as the financial system, financial NGOs, interest on saving accounts of the corporate sector, lottery prizes; transactions of agricultural goods; (2) increased tax withholding for several activities (professional services; occasional gains; trade on goods and services; leasing; wood exploitation); (3) a new minimum tax payment for small traders; (4) a new presumptive tax for casinos and bingos; (5) an increase of the tax base for excise tax on sodas by changing the reference price from ex-factory to retail price; (6) reduced scope of accelerated depreciation; (7) gradual elimination preferential VAT rates for air tickets and cement; and (8) elimination of exonerations on imports of a large number of goods.

26. **While these measures broadly followed FAD recommendations, the first stage of the reform fell short on the issue of zero-rate VAT.** While the original plan was to reduce zero-rated products significantly, the government withdrew this proposal before discussion by the National Assembly. Subsequently, the National Assembly decided to *increase* the number of zero-rated VAT products included in the “basic consumption basket” (from 19 to 53). As a result, the approved package fell short of the original revenue target (3 percent of GDP), and an important part of the intended improvement in efficiency and transparency of the tax system was not achieved.

27. **The second stage of the tax reform, to be implemented by mid-2003, is now expected to make up for the shortfall of the first stage.** It is targeted to yield 1 percent of GDP on an annual basis and further improve efficiency, including by additional reduction of import tax exemptions and limiting the zero-rate VAT regime to only exports. To mitigate the social impact, the authorities are planning to use direct and well-targeted spending programs to help the most vulnerable groups of the population. The second round of the reform is also expected to include (i) a considerable reduction of the number of products subject to excises; (ii) an expansion of the income tax base; and (iii) inclusion of oil and its derivatives in the VAT base, compensated by a reduction in excise taxes.

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## Nicaragua—Main Taxes

Tax	Tax Base	Deductions and Exemptions	Rates
<p>1. Income and profit tax [<i>Impuesto a los ingresos y a las ganancias</i>]</p> <p>1.1 Income tax on corporations and enterprises (legal entities) [<i>Impuesto sobre la renta a corporaciones o empresas (Personas Jurídicas)</i>]</p>	<p><b>Current income:</b></p> <p>Local sales or exports.</p> <p>Service provision.</p> <p>Leasing.</p> <p>Non-exempt businesses.</p> <p><b>Nonrecurrent income:</b></p> <p>Transfers of personal and real property.</p> <p>Prizes, raffles, etc.</p> <p>Transfers of shares.</p> <p>Capital gains.</p> <p>Inheritances, bequests, and grants.</p> <p><u>Special income:</u></p> <p>Case of nonresidents or non-domiciled parties.</p> <p>Activities subject to presumptive income.</p>	<p><b>Deductions:</b></p> <p>1. Expenditure paid or incurred during the tax year in any taxable business or activity, such as wages or other compensation for personnel services actually provided, leasing, insurance premiums on present and future products and output, advertising and other payments or charges deemed necessary or essential to their production and to the existence or sustainability of any source of income generation;</p> <p>2. Interest paid or incurred during the tax year on debts payable by the taxpayer, provided that these debt amounts have been invested or used in the production of taxable income. If taxpayers also receive tax-exempt interest, they may only deduct the interest paid in excess of the exempted amounts;</p> <p>3. The cost of sales of the goods or merchandise produced or procured in any taxable business or activity;</p> <p>4. Outlays by the taxpayer to provide its employees with services free of charge for their cultural development and material well being, such as maintenance and repair of housing, health services, cultural promotion and other similar services;</p> <p>5. The actual cost of the contributions paid or assumed by the taxpayer for premiums or payments to provide insurance coverage for its employees, up to the amount</p>	<p>30 percent</p>

Tax	Tax Base	Deductions and Exemptions	Rates
		<p>established by law and, failing that, up to 10 percent of their salaries or wages;</p> <p>6. Amounts paid out by taxpayers to their employees as bonuses, gratuities, or profit sharing:</p> <p>6.1 When said employees are members of civil or commercial companies, only those amounts paid as salaries and bonuses may be deducted;</p> <p>6.2 When said employees are relatives of members of these companies or of the taxpayers or their spouses to the fourth degree of consanguinity or second degree of affinity, the salaries, bonuses, and profit sharing may be deducted in either case, provided that it is proven, to the satisfaction of the Directorate General of Taxes, that the work was necessary for the business to achieve its purpose and was actually performed, and provided that the salary, bonus and profit sharing, as applicable, is commensurate with the quality of the work performed and the size of the business, and comparable with the amounts paid by companies in the same line of business, region, and with the same volume of turnover that do not have such family connections;</p> <p>7. Losses resulting from duly documented bad loans;</p> <p>8. Losses resulting from the destruction, breakage, removal, or misappropriation of the elements invested in income generation, provided that they have no insurance or other indemnity coverage;</p> <p>9. Amortization or depreciation amounts needed to renew or replace deferred assets and those subject to depreciation, such as organizational expenditure, improvements to leased property, buildings, machinery, equipment, and other movable property;</p>	

Tax	Tax Base	Deductions and Exemptions	Rates
		<p>10. Up to 10 percent of annual taxable profits donated to the state or its institutions, municipalities, the Nicaraguan Red Cross, fire services, nonprofit charitable, social assistance, arts, science, education, and cultural, institutions; and</p> <p>11. Taxes payable by taxpayers, which are not indicated in Art. 19 of the income tax law;</p> <p>12. Coffee growers may deduct from their income tax 50 percent of their pollution-reducing equipment, and social infrastructure works in rural areas, and 20 percent of their investment in coffee crop renewal;</p> <p>13. Tobacco and liquor companies may deduct as an expenditure from their taxable income up to 10 percent of their contribution to the Institute Against Drug Addiction and Alcoholism; and</p> <p>14. Investment in research into environmental development and conservation, with prior certification from the Ministry of Environment and Natural Resources is fully deductible from the taxable income of persons or enterprises making such investments.</p> <p><b>Exemptions:</b></p> <p>1. Universities and technical higher education centers, pursuant to Article 125 of the Political Constitution of the Republic, as well as technical/vocational education centers. When these institutions engage in commercial, industrial, agricultural, agroindustrial, or service provision activities other than their intrinsic functions, the income from such activities shall not be exempt from this tax;</p> <p>2. State corporations, autonomous entities, institutes, and other state agencies that operate without their own capital base;</p>	

Tax	Tax Base	Deductions and Exemptions	Rates
		<p>3. Churches and religious denominations with recognized legal personality, regarding their income from activities and property used exclusively for worship;</p> <p>4. Nonprofit civil associations, foundations, federations, and confederations, with recognized legal personality, and nonprofit charitable and social assistance institutions. When these agencies or institutions engage in commercial, industrial, agricultural, agroindustrial, or service provision activities, the income from such activities shall not be exempt from this tax. Similarly, all organizations listed or indicated in this subsection shall not be exempt from this tax if these legal entities engage in the provision of financial services of any kind, irrespective of whether they are subject to the supervision of the Superintendency of Banks and Other Financial Institutions. Should such organizations incur losses in the corresponding fiscal period, the provisions of Article 29 of the Income Tax Law (modalities for payments, refunds, and credits) shall apply.</p> <p>5. Artistic, scientific, educational, and cultural institutions, labor unions, provided that they are not for profit. When these institutions or unions engage in commercial, industrial, agricultural, agroindustrial, or service provision activities other than their intrinsic functions or those envisaged in Art. 225 of the Labor Code in the case of unions, the income from such activities shall not be exempt from this tax. Similarly, income directly related to the core functions of the fire services and Nicaraguan Red Cross shall be exempt;</p> <p>6. Legally established cooperatives. In the event that they distribute their surplus, the amounts distributed to members of or participants in the cooperative shall be considered part of the latter's personal income and they shall be required to pay income tax as established in this law and its regulations;</p>	



Tax	Tax Base	Deductions and Exemptions	Rates
		<p>7. Enterprises located in free zones are fully income tax exempt during the first 10 years and 60-percent exempt from year 11 onwards;</p> <p>8. The tourism law envisages a reduction in income tax by type of investment (between 80 percent and 100 percent for 10 years for new hotels and for established hotels that increase their investment by 35 percent, and this is extended for an additional 10 years for new hotels if they subsequently increase investment by 35 percent); those investing in protected areas are allowed to deduct 100 percent of their investment from their income tax. Some investments in tourism services are given the same treatment as hotels (for example, golf courses);</p> <p>9. Some investments in hospitals have the same arrangement as for hotels; and</p> <p>10. River navigation firms are exempt from income tax for 10 years;</p>	
<p>1.2 Personal income tax [<i>Impuesto sobre la renta a personas naturales</i>]</p>	<p><b>Ordinary income:</b></p> <p>Salaries and other compensation. Other ordinary income is described in point 1.1.</p> <p><b>Extraordinary income:</b></p> <p>Transfers of personal and real property.</p> <p>Inheritances, bequests, gifts, and the other extraordinary income described in point 1.1.</p>	<p><b>Deductions:</b></p> <p>1. Wage earners – None.</p> <p>2. Enterprises – The same as for the legally incorporated companies in point 1.1.</p> <p><b>Exemptions:</b></p> <p>1. Diplomatic and consular representatives from foreign countries with respect to their official compensation, provided that there is reciprocity;</p> <p>2. Representatives, officials, or employees of international institutions with respect to their official compensation, when such exemptions are included in the corresponding</p>	<p>See Table No. 1</p>

		<p>agreement or treaty;</p> <p>3. Remuneration received by individuals residing abroad that occasionally provide technical services to the state or to official institutions, provided that such remuneration is paid by governments or foreign or international institutions; and</p> <p>4. Retirement pensions are income tax-exempt.</p>	
<p>2. Social security contributions [<i>Contribuciones a la seguridad social</i>]</p>	<p><b>For employees:</b> The income base for calculating mandatory contributions by employees shall be the monthly salary or disability subsidy they earn. This base may be no less than the current legal minimum wage, except in the case of apprentices, farm workers, domestics, and others whose income is below that minimum wage. Members with two or more jobs shall make contributions to their retirement savings account on the basis of the sum of all wages earned. For INSS disability pensioners as a result of occupational hazard, the income base for the contribution shall be the pension.</p> <p><b>For self-employed persons:</b> The income base used to calculate the contributions of self-employed persons shall be the monthly income they declare to the tax administration, which shall in no event be less than the current monthly legal minimum wage. Self-employed persons shall be responsible for full payment of the contributions referred to in Art. 17 of the Law on the Pension Savings System.</p>		See Table No. 2

Tax	Tax Base	Deductions and Exemptions	Rates
<p>3. Property tax [<i>Impuesto a la propiedad</i>]</p> <p>3.1 Municipal real property tax [<i>Impuesto sobre Bienes Inmuebles IBI (Impuesto de carácter municipal)</i>]</p>	<p>The IBI is levied on real property located in the land district of each municipality in the Republic and its possessions at December 31 of each tax year.</p>	<p><b>Exemptions:</b> Exempt from the payment of the IBI is the state and its institutions, autonomous entities, municipalities, diplomatic missions, headquarters of international organizations, churches, religious denominations, temples, and units used for religious purposes. Also exempt from the IBI, but with the obligation to file tax returns as a requirement for obtaining the respective credit against the tax on the personal property they possess exclusively in connection with their functions, are the following: municipal associations, agricultural and agroindustrial cooperatives for the first two years after they are legally established, indigenous communities, nonprofit charitable and social assistance institutions, retirees with respect to taxes on their residence (provided that the retiree or his/her spouse or companion in a stable union own or have the use of the property), universities and technical higher education centers, cultural, scientific, sporting, and artistic institutions, labor unions and associations, professional associations or guilds (not for profit), enterprises operating in industrial export processing zones, fire services, and persons whose houses have a value not exceeding the amount authorized by the Municipal Council, which may not be less than C\$10,000.00 or more than C\$40,000.00.</p>	<p>The IBI rate shall be 1 percent of the assessed value of the real property.</p>
<p>4. Tax on goods and services [<i>Impuesto a los bienes y servicios</i>]</p> <p>4.1 Value added tax (VAT)</p>	<p>Individuals, legal entities, and economic</p>	<p><b>No tax shall be paid, therefore the rate shall be 0</b></p>	<p>15 percent in</p>

Tax	Tax Base	Deductions and Exemptions	Rates
<p>[<i>Impuesto al valor agregado (IGV)</i>]</p>	<p>units engaged in the acts or activities indicated in this law shall be subject to the provisions established herein. These provisions cover the state, autonomous entities, institutes, and other state agencies, the municipalities, and autonomous regions of the Atlantic Coast.</p> <p>In the case of transfers, the tax base shall be the agreed or billing price plus any additional amounts for other taxes, duties, interest, or any other concept. In the absence of a price, the market value shall be used or, failing that, the appraised value.</p> <p>In service provision, the tax base of the VAT shall be the value of the consideration plus any additional amounts for taxes, interest, or any other concept, excluding tips, where applicable. When the provision of a taxable service necessarily includes the sale of nontaxable goods, the tax shall be levied on the combined value of the service provided and the sale.</p> <p>Regarding the use or enjoyment of goods, the tax base for the VAT shall be the value of the consideration plus any additional amounts for other taxes, duties, expenditure on maintenance, construction, refunds, interest, or any other concept.</p> <p>Regarding goods imports, the tax base of the VAT shall be the c.i.f. value plus any additional amounts for other taxes, be they tariffs, excises, or nontariff duties</p>	<p><b>percent, in the following cases:</b></p> <ol style="list-style-type: none"> <li>1. Exports.</li> <li>2. Transfers of inputs, raw materials, intermediate goods, and capital goods, to enterprises covered under free zone arrangements.</li> <li>3. Transfers and imports of rice; sugar; tortillas; eggs; milk; beans; chicken meat; ground coffee; edible oil; salt; fresh, refrigerated, or frozen meat; pork legs; fresh fish; full cream milk; local artisanal cheese; tomatoes; onions; cabbage; potatoes; ripe plantains; green plantains; bread; coarse and fine roaster maize flour; washing soap; detergent; toothpaste; matches; brooms; toilet paper; toilet soap; sanitary napkins; house rents; local deodorant; toothbrushes; butane gas up to 25 pounds; urban public transportation; local men's pants; local men's shirts; local underpants; local socks; local men's shoes; local women's blouses; local women's pants; local women's dresses; local women's panties; local women's bras; local women's shoes; local complete children's outfits; local children's underwear, socks, and shoes; with the exception of those produced under the free zone arrangement.</li> <li>3. Energy and electricity supply for home consumption if less than or equal to 300 Kw/hour monthly.</li> <li>4. Supply of drinking water, not carbonated or enhanced, except ice.</li> </ol> <p>VAT shall not be included in the taxable value.</p> <p><b>VAT shall not be levied on the following transfers:</b></p> <ol style="list-style-type: none"> <li>1. Currency, lottery tickets, equity and other securities, except for certificates of deposit that include the</li> </ol>	<p>general, except in the following cases:</p> <ol style="list-style-type: none"> <li>1. 0 percent on exports and basic goods.</li> <li>2. 10 percent on air transport abroad; 15 percent from 2003.</li> <li>3. 5 percent on imports of non-pulverized clinker and gray cement, 7 percent in 2003, 10 percent in 2004, 12 percent in 2005, and 15 percent in 2006.</li> </ol>

Tax	Tax Base	Deductions and Exemptions	Rates
	<p>collected at the time of importation, and the other expenses reflected in the customs clearance binder or the corresponding customs form. The same base shall be used when the importer is exempt from tariffs not VAT. The value used for imports for own use or home consumption shall be established in accordance with the preceding paragraph plus the percentage for marketing, determined in accordance with the regulations or administrative provisions issued by the Ministry of Finance. The value used for the imports referred to in the second paragraph of Art. 19 of the VAT law shall be the transfer value of the goods.</p>	<p>possession of goods subject to VAT if transferred.</p> <ol style="list-style-type: none"> <li>2. Crude or partially refined or constituted petroleum, as well as petroleum derivatives included in Annex III of Decree No. 25-94 of May 25, 1994, Establishment of Annex III of the excise for petroleum and its derivatives subject to that excise as a global or single tax [<i>impuesto conglobado o único</i>].</li> <li>3. Live animals and fresh fish.</li> <li>4. Fruit, legumes and vegetables.</li> <li>5. Maize, sorghum, maize and wheat flour, and traditional sweet bread;</li> <li>6. Imports or transfers of books, brochures, magazines, school and scientific materials, newspapers, and other periodical publications, as an express constitutional rule.</li> <li>7. Imports or transfers of medicine, vaccines, and serum for human consumption, orthosis and prosthesis, as well as the inputs and raw materials needed to manufacture these products, as an express constitutional rule</li> <li>8. Molasses and food for cattle, farm-yard fowl, and fish farming animals, irrespective of their presentation.</li> <li>9. Transfers of veterinary products, vitamins, and pre-mixed vitamin compounds for veterinary use and plant health.</li> <li>10. Transfers of insecticides, pesticides, fungicides, herbicides, defoliant, manure, fertilizers, seeds, and biotechnology products for agricultural or forestry use.</li> <li>11. Transfers of medical, surgical, orthodontic, and diagnostic instruments and equipment for human</li> </ol>	

Tax	Tax Base	Deductions and Exemptions	Rates
		<p>medicine.</p> <p>12. Transfers of goods produced by enterprises operating under the free port arrangement to persons entering or leaving the country.</p> <p>13. Energy and electricity supply used for irrigation in agricultural activities.</p> <p>14. Transfers of ownership of real property; and</p> <p>15. Transfers executed at international or Central American fairs promoting the development of the agricultural sector.</p> <p><b>The provision of services in general shall be subject to VAT at the corresponding rate, with the exception of:</b></p> <p>1. Medical, hospital, and laboratory services related to human health;</p> <p>2. Services of seed removal, pulp removal, drying, packaging, peeling, husking, bark removal, thrashing, cleaning, storage, and fumigation of agricultural products, as well as cleaning and preparation of shellfish and fish for export;</p> <p>3. Insurance against agricultural risk and life or health insurance of any type;</p> <p>4. Meets organized with amateur sportsmen and women;</p> <p>5. Domestic air land, lake, and river transport;</p> <p>6. Teaching services provided by educational units or organizations;</p> <p>7. Financial services provided by:</p>	

Tax	Tax Base	Deductions and Exemptions	Rates
		<p>7.1 Financial institutions, including insurance companies, civil or nonprofit associations and foundations, authorized by or subject to supervision by the Superintendency of Banks and Other Financial Institutions, including the notary's services required to formalize contracts and financial income from interest on fixed- or variable-term deposits and from securities, except for insurance not covered by Art. 14(3) of the VAT law; and</p> <p>7.2 Credit card companies and other auxiliary credit institutions, authorized by the Superintendency of Banks and Other Financial Institutions;</p> <p>8. Construction contracts for low-cost housing of up to 60 m<sup>2</sup>.</p> <p><b>The use and enjoyment of goods in general shall be subject to VAT at the corresponding rate, with the exception of:</b></p> <ol style="list-style-type: none"> <li>1. Leasing of property for residential purposes, unless the property is provided furnished;</li> <li>2. Leasing of rooms or apartments for recreational purposes under a social services or leisure plan for workers; and</li> <li>3. Leasing of land, machinery, or equipment for use in agriculture, forestry, or aquaculture.</li> </ol> <p><b>The following imports are not subject to VAT:</b></p> <ol style="list-style-type: none"> <li>1. Goods exempted under constitutional provisions;</li> <li>2. Imports by the diplomatic and consular corps and international organizations duly accredited to the country, provided that there is reciprocity under international</li> </ol>	

Tax	Tax Base	Deductions and Exemptions	Rates
<p>Excise tax [<i>Impuesto Específico al Consumo (IEC)</i>]</p>	<p>The value to which the corresponding rate or percentage shall apply shall be assessed as follows:</p>	<p>agreements;</p> <p>3. Goods for which the importation process is not completed, which are temporarily imported, either as a result of the reimportation of goods temporarily exported or because the goods are in transit or subject to transshipment. If the temporarily imported goods are made available for use or enjoyment in the country, the provisions of Chapter IV of the VAT law shall apply, as appropriate;</p> <p>4. The baggage and household effects referred to in customs legislation;</p> <p>5. Goods not subject to this tax when transferred within the country, except for imports of used goods;</p> <p>6. Imports financed directly with bilateral or multilateral external assistance, under current international agreements;</p> <p>7. Grants in kind awarded under current bilateral or multilateral international agreements;</p> <p>8. Grants for the branches of the Government of Nicaragua;</p> <p>9. Imports sent to the Nicaraguan Red Cross and the fire services, for use exclusively in the performance of their intrinsic functions.</p> <p><b>The following shall not be subject to the IEC:</b></p> <p>1. Goods exempted under constitutional provisions;</p> <p>2. Belongings of the diplomatic and consular corps and</p>	<p>The rates envisaged in Annex "A" of Law No. 257 on tax and commercial</p>



Tax	Tax Base	Deductions and Exemptions	Rates
	<p>a) For transfers of locally-produced goods, the tax base shall be the ex factory or producer sales price, determined in accordance with the procedures established in the regulations to this law;</p> <p>b) For merchandise imports, the tax base shall be the c.i.f. value, plus any additional amounts for other taxes and other expenses reflected in the import binder or in the customs entry form.</p> <p>c) In the case of imports or transfers of alcoholic beverages, spirits, wines, rums, beer, cigarettes and cigars, liquor, brandy, carbonated beverages or carbonated water, juices and soft drinks or sodas, the following special provisions are established:</p> <p>1. The tax shall be assessed on the retail price, determined in accordance with the procedures established in the regulations to this law.</p> <p>2. Retail prices must be reported by manufacturers or importers to the Directorate General of Taxes (DGI) and published by manufacturers or importers nationally.</p> <p>3. Manufacturers or importers shall be registered as the parties responsible to the DGI for collecting the IEC.</p>	<p>international agencies duly accredited to the country, provided that there is reciprocity under current international agreements;</p> <p>3. Merchandise which, under current customs legislation, enters the country under customs arrangements for temporary imports and international transit;</p> <p>4. The baggage and household effects referred to in customs legislation;</p> <p>5. Merchandise financed directly with bilateral or multilateral external assistance, under current international agreements;</p> <p>6. Grants in kind awarded under current bilateral or multilateral international agreements;</p> <p>7. Grants allocated to the branches of the Government of Nicaragua;</p> <p>8. Grants to the Nicaraguan Red Cross and the fire services, for use exclusively in the performance of their intrinsic functions.</p>	<p>justice and amendments<sup>1</sup> (See Annexes).</p> <p>The rates set out in Annex III of Decree No. 25-94 apply to oil and its derivatives.</p> <p>Annex III of the IEC established for petroleum and its derivatives. The IEC collection system is applied as a global tax [<i>impuesto conglobado</i>] on the price. (See Annexes).</p>

<sup>1</sup> Laws No. 303 and No. 343, amending Law No.257 on tax and commercial justice, changed the IEC rates and established rollback timetables for this tax (See Annexes 2 and 3).

	4. IEC advance payments on imports shall be deducted as a tax credit from the locally collected IEC.		
<p>5. Taxes on external trade [<i>Impuestos al comercio exterior</i>]</p> <p>5.1 Import tariffs [<i>Derechos arancelarios de importación (DAI)</i>]</p>	The DAI is levied on the c.i.f. value of merchandise originating outside the Central American area.	<p><b>Exemptions:</b> The contracting states shall not grant duty free status or import tariff exemptions, except in the following cases:</p> <ol style="list-style-type: none"> <li>1. For the household effects of persons domiciled in the country who were out of the country for the 24 months preceding their definitive return;</li> <li>2. Merchandise covered by current regional and international agreements, or national laws with respect to any purposes or activities different from manufacturing industry, referred to in the Central American agreement on tax incentives and its protocols;</li> <li>3. Merchandise imported for the development of cottage industry activities, small business, and export industry;</li> <li>4. For eligible activities authorized by the Council;</li> <li>5. For merchandise originating in the country and subject to reimportation without processing of any type within a period of three years.</li> </ol>	Those envisaged in Annex "B" of Law No. 257 on tax and commercial justice (See Annexes), as well as the maximum rates established in the timetable for rollback of the DAI for signatory countries of the Central American Tariff and Customs System Agreement. (See Table No.3)
6.2 Tax on goods and services originating in or shipped from Honduras and Colombia [ <i>impuesto a los bienes y servicios</i> ]	This tax shall apply to all permanently imported goods and services shipped from or originating in Honduras or Colombia, including those listed in Annex "A" of	<p><b>Exemptions:</b> Exempt from this tax are those goods and services whose country or origin or consignment is one of the countries under reference, which:</p>	35 percent

<p><i>de procedencia u origen Hondureño y Colombiano</i></p>	<p>the general treaty on Central American economic integration in force. [The tax shall also apply] in the case of imports or entry of goods originating or produced in those countries, independent of the country of consignment. In the case of the importation or entry of goods from Honduras or Colombia, the tax shall only apply to those goods originating or produced in or shipped from those countries. The tax shall apply to the combined amount of the c.i.f. value plus the import tariffs (DAI) and the temporary protection tariff (ATP) in force.</p>	<ol style="list-style-type: none"> <li>1. Have issued proof of entry into a public or private bonded warehouse. Through in the report of merchandise received in-bond (IMRA), at a time prior to the enactment of the law;</li> <li>2. Those goods exempted from the tax under the Political Constitution of the Republic.</li> </ol>	
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### III. DEBT SUSTAINABILITY<sup>7</sup>

#### A. Introduction

*Nicaragua's public sector debt represents a major source of vulnerability. A key objective of the authorities' economic program is to reach medium-term fiscal and external sustainability by addressing the underlying macroeconomic and structural weaknesses that gave rise to the debt problem. In addition, implementation of the enhanced HIPC initiative will reduce substantially the size and cost of the debt. Even so, medium-term debt management will remain a challenge, requiring pursuit of prudent fiscal policies and strictly limiting new nonconcessional borrowing. While the baseline medium-term outlook is favorable, sensitivity tests indicate that the debt reduction could be considerably slower under a number of alternative scenarios (including terms of trade, exchange rate, and fiscal shocks).*

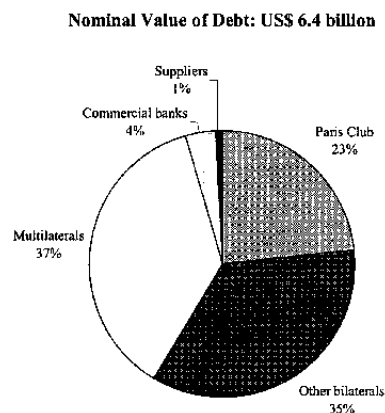
28. **This chapter analyzes the size and dynamics of Nicaragua's public debt and presents a number of stress tests to illustrate the effect of alternative assumptions on the debt dynamics.** Although external debt has traditionally been at the center of attention, the large size, short maturity and high cost of *domestic* debt are also a major source of vulnerability. While at end-2001 the face value of Nicaragua's external debt (250 percent of GDP) was four-times the size of the domestic debt (60 percent of GDP), in net-present value terms and after expected debt relief under the enhanced HIPC Initiative, the external debt by end-2003 should be down to about 63 percent of GDP, only slightly higher than domestic debt (56 percent of GDP – Table 1). In terms of debt service, the domestic debt is already much more onerous than external debt (Table 2).

#### B. Size and Origins of the Public Sector Debt

##### External debt

29. **Most of Nicaragua's external debt is owed to official creditors, with multilaterals representing 37 percent of the total, other official bilateral creditors 35 percent, and Paris Club creditors about 23 percent (Figure 1).** Nicaragua was declared eligible for debt reduction under the enhanced HIPC Initiative in December 2000 (EBS/00/259). The reduction was designed to cut the debt by 72.2 percent in net present value terms (after full application

Figure 1. Nicaragua: Stock of External Debt, End-December 2001



<sup>7</sup> Prepared by Corinne Delechat.

of traditional debt relief mechanisms), in order to bring the ratio of external debt to exports down to 150 percent. Assuming that the HIPC completion point is reached by about end-2003, Nicaragua's external debt is expected to be cut by about two-thirds in net-present value terms, to US\$1.7 billion, with external debt service reduced to below US\$100 million in 2004 (8 percent of exports, or 13 percent of central government revenue).<sup>8</sup>

30. **Nicaragua's external debt problem arose as borrowing grew much faster than repayment capacity, due to unsustainably high government spending in the late 1970s and the 1980s.** By 1990, the debt stock amounted to US\$10.7 billion, 40 percent of which was in arrears. Thereafter, Nicaragua benefited from three Paris Club reschedulings (1991, 1995 and 1998), reached a number of bilateral rescheduling agreements with non-Paris Club creditors, and implemented a commercial debt buy-back operation, at a 92 percent discount, for US\$1.1 billion in debt (around 83 percent of the total commercial debt offered). These operations reduced Nicaragua's debt burden from six-times GDP at the end of 1993, to less than three-times GDP at the end of 1999 (face value).

Table 1. Nicaragua: Public Sector Debt

	2001	2002	2003	2004	2005	2006	2007
<b>Stock of public debt</b>							
In millions of US\$ 1/	7,898.0	6,328.0	4,916.2	4,951.9	4,981.9	5,040.4	5,056.0
As percent of GDP 1/	310.1	246.1	184.7	176.4	166.7	158.3	149.1
In millions of US\$ 2/	5,832.9	4,445.6	3,172.2	3,165.7	3,186.3	3,225.7	3,219.8
As percent of GDP 2/	229.0	172.9	119.2	112.8	106.6	101.3	94.9
<b>Stock of external debt 3/</b>							
In millions of US\$ 1/	6,374.0	4,745.0	3,429.2	3,590.9	3,720.9	3,846.4	3,966.0
As percent of GDP 1/	250.3	184.5	128.8	128.0	124.5	120.0	116.3
In millions of US\$ 2/	4,308.9	2,862.6	1,685.2	1,804.7	1,925.3	2,031.7	2,129.8
As percent of GDP 2/	169.2	111.3	63.3	64.3	64.4	63.8	62.8
<b>Stock of domestic debt (accruals)</b>							
In millions of US\$	1,524	1,583.0	1,487.0	1,361.0	1,261.0	1,194.0	1,090.0
As percent of GDP	59.8	61.6	55.9	48.5	42.2	37.5	32.1
Exports of goods and nonfinancial services	938.4	937.1	1,034.1	1,146.7	1,267.6	1,402.2	1,535.1
GDP	2,546.9	2,571.4	2,661.4	2,806.4	2,989.3	3,184.2	3,391.9

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

1/ External debt in nominal terms.

2/ External debt in NPV terms. Preliminary projections based on revised aggregate data, not strictly comparable to decision point projections.

3/ External debt stock presented after debt relief, assuming a Cologne flow rescheduling after approval of a new PRGF arrangement, and a stock operation at end-2003.

<sup>8</sup> After approval of the PRGF, a flow rescheduling on Cologne terms (90-percent reduction in pre-cutoff date eligible maturities) is expected to be granted by bilateral and commercial creditors. Upon reaching the HIPC completion point, a Cologne stock operation is anticipated (90-percent reduction in the stock of pre-cutoff date debt), provided all of the floating completion point conditions are met. Debt relief by multilateral institutions is being delivered according to the schedule described in the decision point document (EBS/00/259).

## **Domestic debt**

31. **Most of the domestic debt (US\$1 ½ billion) is indexed to the U.S. dollar.** There are two types of domestic paper: about half of them are so-called “property indemnization bonds (*Bonos de Indemnizacion de la Propiedad-BPIs*), issued by the ministry of finance, with the other half represented by “negotiable investment certificates” (*Certificados Negociables de Inversion - CENIs*) issued by the central bank. CENIS have maturities of up to three years and carry market interest rates (currently about 14–15 percent), while BPIs are long-term instruments (15 years, with a ten-year grace period) with interest rates of 3–5 percent.

32. **The domestic debt problem arose mainly as a result of institutional weaknesses and governance issues.** In the case of BPIs, they started being issued in the early 1990s to compensate previous owners of properties confiscated during the Sandinista regime, as ill-defined land rights and vested interests prevented alternative solutions. Out of a total of US\$817 million of BPIs that have been approved for issuance by the ministry of finance, so far US\$637 million have been issued. While these debts start maturing in 2004, maturities become significant after 2007. *CENIs bancarios* were issued by the central bank (i) to mop up the liquidity created in supporting public sector banks in financial difficulties; and (ii) to cover the difference between performing assets and liabilities of insolvent private banks that were intervened and absorbed by other private banks in 2000–01. These new placements amounted to about 20 percent of GDP.

33. **The domestic debt is a major source of vulnerability.** Given its high level, short-term maturity, and indexation to the U.S. dollar, it is subject to major exchange rate, interest rate and rollover risk.

Table 2. Nicaragua: Public Sector Debt Service (Cash basis) 1/

(In millions of US dollars)

	2001	2002	2003	2004	2005	2006	2007
Total public sector debt service	412.9	474.0	546.2	717.9	422.1	359.5	381.0
Principal	289.9	316.9	343.2	411.0	250.3	210.0	234.7
Interest	123.0	157.1	203.0	306.9	171.8	149.5	146.3
Public sector external debt service	153.3	154.9	118.2	91.9	100.1	123.4	138.6
Principal	106.2	113.9	54.2	33.0	34.3	50.8	61.2
Interest	47.1	41.0	64.0	58.9	65.8	72.6	77.4
Public sector domestic debt service	259.6	319.1	428.0	626.0	322.0	236.1	242.4
Principal	183.7	203.0	289.0	378.0	216.0	159.2	173.5
Interest	75.9	116.1	139.0	248.0	106.0	76.9	68.9
<b>Memorandum Items:</b>							
Total public debt service:							
As percent of exports of goods and non-financial services	44.0	50.6	52.8	62.6	33.3	25.6	24.8
As percent of central government revenue	72.4	78.6	81.4	99.1	54.8	42.2	42.6
As percent of GDP	16.2	18.4	20.5	25.6	14.1	11.3	11.2
External debt service:							
As percent of exports of goods and non-financial services	16.3	16.5	11.4	8.0	7.9	8.8	9.0
As percent of central government revenue	26.9	25.7	17.6	12.7	13.0	14.5	15.5
As percent of GDP	6.0	6.0	4.4	3.3	3.3	3.9	4.1
Domestic debt service:							
As percent of central government revenue	45.5	52.9	63.8	86.4	41.8	27.7	27.1
As percent of GDP	10.2	12.4	16.1	22.3	10.8	7.4	7.1

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

1/ External debt service presented after debt relief. The high amount of interest on domestic debt interest in 2004 reflects, zero-coupon-type bonds includes coupon-type bonds falling due in that year.

### C. Medium-Term Outlook and Sensitivity Analysis

#### Baseline

34. **The baseline medium-term outlook is favorable, assuming implementation of prudent macroeconomic policies and of structural reforms (Table 3).** In particular:

- Real GDP is expected to increase gradually to 5 ½ percent by 2007, based on a recovery of international commodity prices, higher foreign direct and private investment (reflecting improvements in the business environment and financial sector reform, and the targeted fiscal adjustment). Inflation would remain low, based on prudent fiscal and monetary policies.

Table 3. Nicaragua: Medium-Term Economic Indicators

	2002	2003	2004	2005	2006	2007
(Annual percentage change)						
GDP at constant prices	1	3	4.5	5	5.5	5.5
Consumer prices (end of period)	6	6	4	4	4	4
(In percent of GDP; unless otherwise indicated)						
Combined public sector overall balance (before grants)	-16.5	-13.2	-9.4	-7.5	-7.1	-5.5
Combined public sector overall balance (after grants)	-9.2	-6.3	-5.3	-3.3	-3.5	-3.6
External current account balance	-28	-24	-19	-18	-17	-17
Gross international reserves (in months of imports)	2.2	2.5	2.7	3	3	3
Strengthening of central bank position (flows, US\$ million)	20	100	-15	120	70	65
Increase in NIR (+)	-13	30	0	50	50	50
Net repayment of central bank domestic debt (+) 1/	33	70	-15	70	20	15

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

1/ Includes debt denominated in and indexed to the U.S. dollar.

- The external current account deficit would improve gradually from 38 percent of GDP in 2002 to 17 percent in 2007, based on continued growth in nontraditional exports as well as a recovery in international commodity prices and lower oil prices (in line with WEO assumptions). The services balance would benefit from higher tourism and free-trade zone revenues, while private remittances would remain significant.
- Medium-term fiscal consolidation efforts center on tax reform, expenditure restraint and public sector restructuring. The combined public sector deficit after grants is targeted to decline from 9.2 percent of GDP in 2002 to about 3 ½ percent of GDP by 2007.
- Thanks to the fiscal adjustment and exceptional resources from balance of payment support, asset recovery and privatization proceeds, the central bank reserve position is expected to improve significantly by 2007, to US\$230 million (three months of imports), and the domestic debt is to decline by about US\$195 million.
- As noted, Nicaragua's participation in the enhanced HIPC Initiative will substantially reduce the external debt.



35. **On this basis, the stock of total debt would decline from 230 percent of GDP in 2001 to 95 percent in 2007.** Debt service would peak at 26 percent of GDP in 2004 and fall to 11 percent of GDP by 2007. Although the debt service burden projected for the next few years is still high, the prospect of continuous reduction in the stock and implementation of prudent fiscal policy, with a return to primary surpluses by 2005, should help build private sector confidence and facilitate rollovers at longer maturities and more favorable interest rates. Progressively lower public sector debt service over the medium-term will allow the government to expand poverty-reducing expenditures, and the repayment of debt to domestic banks will increase the amount of credit available for domestic investment.

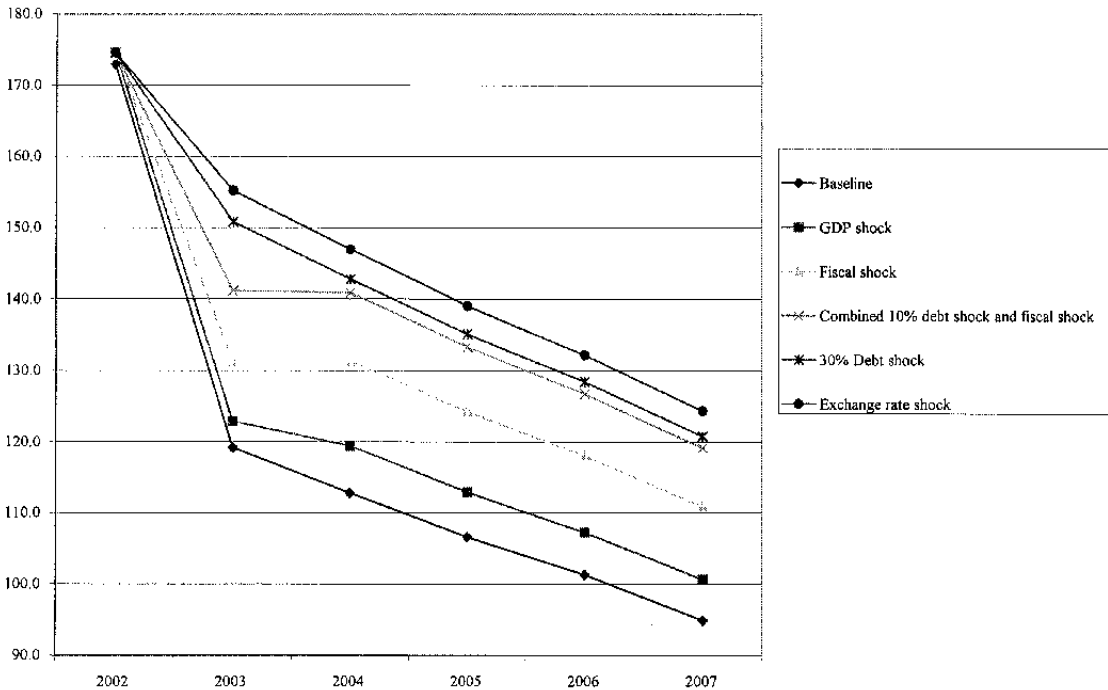
### **Sensitivity analysis**

36. **The sensitivity of the projected path of public debt to a number of shocks has been tested, using a methodology in line with the analytical framework developed in a recent Board paper on assessing sustainability (SM/02/166).** For *total (domestic plus external)* public debt, the projections have been tested for their sensitivity to three types of shocks (Figure 2 and Table 4).

- A 30-percent sustained real depreciation of the exchange rate in 2003;
- A delay in implementation of the HIPC initiative, and/or another large issue of domestic debt in response to banking sector problems, resulting in a 30-percent higher stock of debt at end-2003; and
- A higher combined public sector deficit in 2003 and 2004 (by two standard deviations of the past five-year average, or 6.5 percent of GDP) and lower proceeds from asset recoveries, privatization, and balance of payments support (by about 10 percent of GDP).

37. **These shocks would result in a stock of debt roughly 25–30 percent higher by 2007.** Other scenarios examined include a higher fiscal deficit but with “exceptional” proceeds as programmed, which would lead to a debt-to-GDP ratio of about 110 percent by 2007 (compared with about 95 percent of GDP in the baseline); and lower GDP growth in 2003–04 (1.7 percent) resulting in a moderately higher debt ratio (100 percent).

**Figure 2. Sensitivity Tests of Public Debt Dynamics**



38. **The dynamics of external debt under various sensitivity tests are shown in Table 5.** In the baseline scenario, mainly because of the impact of the enhanced HIPC initiative, the ratio of external debt to exports falls from over 300 percent in 2002 to about 140 percent in 2007, and the debt-to-GDP ratio also falls steadily from 111 percent to 63 percent over the same period. Sensitivity analysis shows that if key variables were at their average level of the past 5 years, the ratio of external debt to GDP would be much higher in 2007 than in 2002 (by 80 percentage points) reflecting the unsustainable path of those variables between 1997 and 2001. The simulations also show that the projection is most sensitive to a large, sustained depreciation. In case of a 30 percent real depreciation in 2003, the external debt by 2007 would be about 30 percent of GDP higher than in the baseline. In case of a deterioration in the external environment (higher oil prices as well as lower commodity prices and private remittances)<sup>9</sup>, the debt to GDP ratio would be about 10 percentage points higher at the end of the projection period than in the baseline scenario. However, as mentioned earlier, in all scenarios the impact of HIPC clearly dominates and would still lead to a steadily declining external debt to GDP ratio.

<sup>9</sup> With oil prices 50 percent higher than in the baseline in the first half of 2003, coffee prices 40 percent lower in 2003 and 2004, and annual remittances lower by 20 percent in 2003, and 10 percent in 2004.

#### **D. Conclusion**

39. **This chapter illustrates the importance of looking at total public sector debt when assessing medium-term fiscal sustainability, and shows that looking at external debt in isolation of domestic debt can be misleading.** This is particularly true in Nicaragua, where domestic debt is large, costly, and mostly indexed to, or denominated in, foreign currency. The baseline outlook is for the ratio of total public debt to GDP to decline toward sustainable levels, mainly as a result of the HIPC initiative, fiscal adjustment, and exceptional proceeds from privatization, asset recoveries, and balance of payments support. However, the high level of domestic debt and its sensitivity to shocks remains a vulnerability. In particular, a large exchange rate depreciation would worsen the debt dynamics, and large domestic maturities in the next few years are subject to roll-over risk.

Table 4. Nicaragua: Public Sector Debt Sustainability Framework, 1997–2007

	Actual				Projections					
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>I. Baseline Medium-Term Projections</b>										
Public debt/revenues 1/	731.9	614.9	691.9	676.1	475.8	331.6	348.2	329.3	320.8	300.8
Public debt/GDP 1/	297.1	274.9	233.5	229.0	<b>172.9</b>	<b>119.2</b>	<b>112.8</b>	<b>106.6</b>	<b>101.3</b>	<b>94.9</b>
Change in public debt/GDP	-9.8	-22.2	-41.4	-4.5	-56.1	-53.7	-6.4	-6.2	-5.3	-6.4
Net debt-creating flows/GDP (5+6)	-42.3	-41.2	-35.1	-9.5	-7.4	-9.7	-6.8	-7.5	-6.2	-5.7
Overall deficit, excluding net interest payments/GDP (=primary deficit)	-1.3	1.4	2.3	4.7	-1.9	-3.8	-0.8	-1.8	-1.1	-1.0
$((r - \pi) - g(1 + \pi)) / (1 + g + \pi + g\pi)$ debt/GDP (8/7) 2/	-41.0	-42.5	-37.4	-14.3	-5.5	-5.9	-6.0	-5.8	-5.1	-4.7
Adjustment factor: $1 + g + \pi + g\pi$	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
$((r - \pi) - g(1 + \pi))$ debt/GDP (9+10)	-48.2	-50.8	-44.2	-15.8	-5.9	-6.4	-6.7	-6.3	-5.6	-5.2
(r - $\pi$ ) times debt/GDP	-34.1	-26.4	-26.4	-8.2	-2.5	-0.9	-1.0	-0.4	0.5	0.6
minus g (1 + $\pi$ ) times debt/GDP	-14.1	-24.3	-17.8	-7.5	-3.5	-5.5	-5.7	-5.9	-6.1	-5.8
Residual, incl. asset changes, privatization receipts (negative), and valuation changes in external debt/GDP (3-4)	32.6	18.9	-6.3	5.0	-48.7	-44.0	0.4	1.3	0.9	-0.7
<b>Memorandum items</b> Key macro and external assumptions										
Nominal GDP (in millions of cordobas)	22	26	31	34	37	40	45	49	54	59
Real GDP growth (annual change)	4.1	7.4	5.8	3.0	1.4	3.0	4.5	5.0	5.5	5.5
Exchange rate (cordobas per U.S. dollar)	10.6	11.8	12.7	13.4	14.3	15.1	15.9	16.4	16.9	17.4
Nominal appreciation of local currency against U.S. dollar	-10.7	-10.4	-6.9	-5.7	-5.7	-5.7	-4.8	-3.4	-2.9	-2.9
GDP deflator (change, in percent per year)	13.0	11.2	11.6	7.4	5.9	6.5	6.0	5.0	4.0	4.0
Average interest rate on public debt (percent per year)	1.9	2.3	2.0	3.9	4.8	6.0	5.1	4.6	4.5	4.6
Average real interest rate (nominal rate minus change in GDP deflator, percent)	-11.1	-8.9	-9.6	-3.5	-1.1	-0.5	-0.9	-0.4	0.5	0.6
Growth of revenues (deflated by GDP deflator, in percent per year)	6.2	18.2	-20.1	3.4	8.8	1.9	-5.8	4.9	2.9	5.4
Growth of noninterest expenditure (deflated by GDP deflator, in percent per year)	7.6	25.9	-17.1	10.2	-9.6	-4.0	2.9	1.6	4.8	5.9
<b>II. Stress Tests</b>										
1. If real GDP growth rate in 2003 and 2004 is average minus two standard deviations, others at baseline					<b>172.9</b>	<b>122.9</b>	<b>119.4</b>	<b>112.9</b>	<b>107.3</b>	<b>100.6</b>
2. If public sector primary balance (in percent of GDP) in 2003 and 2004 is average minus two standard deviations, others at baseline					<b>172.9</b>	<b>131.1</b>	<b>131.3</b>	<b>124.2</b>	<b>118.0</b>	<b>110.9</b>
3. If (2) and lower proceeds from privatization and asset recovery equivalent to 10% of GDP					<b>172.9</b>	<b>141.2</b>	<b>140.9</b>	<b>133.3</b>	<b>126.7</b>	<b>119.1</b>
4. If one time 30 percent real depreciation in 2003, others at baseline 3/					<b>172.9</b>	<b>155.2</b>	<b>147.0</b>	<b>139.0</b>	<b>132.2</b>	<b>124.3</b>
<b>Memorandum items:</b>										
Primary deficit (percent of GDP, average of past 5 years)					1.1	1.1	1.1	1.1	1.1	1.1
Primary deficit (percent of GDP, standard deviation of past 5 years)					2.7	2.7	2.7	2.7	2.7	2.7
Real interest rate (nominal rate minus change in GDP deflator, average of past 4 years)					-8.3	-8.3	-8.3	-8.3	-8.3	-8.3
Real interest rate (nominal rate minus change in GDP deflator, standard deviation of past 4 years)					3.3	3.3	3.3	3.3	3.3	3.3
Nominal interest rate (average of past 5 years)					2.5	2.5	2.5	2.5	2.5	2.5
Nominal interest rate (standard deviation of past 5 years)					0.9	0.9	0.9	0.9	0.9	0.9
Real GDP growth rate (average of past 5 years)					5.1	5.1	5.1	5.1	5.1	5.1
Real GDP growth rate (standard deviation of past 5 years)					1.7	1.7	1.7	1.7	1.7	1.7
GDP deflator (average of past 5 years)					10.5	10.5	10.5	10.5	10.5	10.5
GDP deflator (standard deviation of past 5 years)					2.2	2.2	2.2	2.2	2.2	2.2

Sources: Central Bank of Nicaragua; Ministry of Finance; and staff projections.

1/ Combined public sector.

2/ Defined as:  $r$  = interest rate;  $\pi$  = GDP deflator, growth rate;  $g$  = real GDP growth rate.

3/ Real appreciation is approximated by nominal appreciation against U.S. dollar plus increase in domestic GDP deflator.

Table 5. Nicaragua: External Sustainability Framework, 1997-2007

	Actual					Projections					
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1. Baseline Medium-Term Projections											
External debt/Exports of G&S 1/	641.9	626.2	628.2	485.5	459.1	305.5	163.0	157.4	151.9	144.9	138.7
External debt/GDP 1/	260.6	251.4	238.1	191.3	169.2	<b>111.3</b>	<b>63.3</b>	<b>64.3</b>	<b>64.4</b>	<b>63.8</b>	<b>62.8</b>
Change in external debt/GDP	-30.9	-9.2	-13.3	-46.8	-22.1	-57.9	-48.0	1.0	0.1	-0.6	-1.0
Net debt-creating external flows/GDP (5+9+12)	24.0	15.7	31.7	3.6	17.0	18.1	10.7	7.1	8.0	7.3	4.3
Current account deficit, excluding interest payments/GDP	33.8	32.6	44.9	35.3	36.4	26.6	21.6	17.2	16.1	15.1	15.0
Deficit in balance of G&S/GDP			54.2	42.5	36.4	37.7	34.5	31.5	29.7	28.1	27.7
Exports of G&S/GDP	40.6	40.2	37.9	39.4	37.0	36.4	38.9	40.9	42.4	44.0	45.7
Imports of G&S/GDP	81.7	80.1	92.1	81.9	73.4	74.1	73.4	72.4	72.1	72.2	73.4
Minus net non-debt creating capital inflows/GDP	-8.8	-8.9	-13.6	-10.9	-5.2	-7.8	-9.6	-9.0	-6.3	-6.1	-9.7
Net foreign direct investment, equity/GDP	8.8	8.9	13.6	10.9	5.2	7.8	9.6	9.0	6.3	6.1	9.7
Net portfolio investment, equity/GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(r-g-(p+gp))/(1+g+p+gp))debt/GDP (14/13)	-1.0	-8.0	0.4	-20.8	-14.2	-0.7	-1.4	-1.2	-1.7	-1.7	-1.0
Adjustment factor: 1+g+p+gp	1.0	1.1	1.0	1.1	1.1	1.0	1.0	1.1	1.1	1.1	1.1
(r-g-(p+gp))debt/GDP (15+16+17)	-1.0	-8.4	0.4	-23.2	-15.5	-0.7	-1.4	-1.2	-1.8	-1.8	-1.1
r (interest rate) times debt/GDP	6.2	4.8	3.2	3.5	1.9	1.6	2.5	2.2	2.3	2.4	2.4
minus g (real GDP growth rate) times debt/GDP	-14.9	-10.6	-3.7	-16.8	-14.7	-2.4	-3.3	-2.8	-3.2	-3.5	-3.5
minus (p + gp) (p = US dollar value of GDP deflator, growth rate) times debt/	7.7	-2.6	0.9	-9.8	-2.7	0.1	-0.6	-0.6	-1.0	-0.7	0.0
Residual, incl. change in gross foreign assets/GDP (3-4)	-54.9	-24.9	-45.0	-50.4	-39.1	-76.0	-58.7	-6.1	-8.0	-7.9	-5.3
<b>Memorandum Items: Key macro and external assumptions</b>											
Nominal GDP (local currency)	18.6	21.9	26.1	30.9	34.2	36.6	40.2	44.5	49.1	53.8	59.1
Nominal GDP (US dollars)	2.0	2.1	2.2	2.4	2.5	2.6	2.7	2.8	3.0	3.2	3.4
Real GDP growth (in percent per year)	5.1	4.1	1.5	7.1	7.7	1.4	3.0	4.5	5.0	5.5	5.5
Nominal GDP deflator (in US dollars, change in percent per year)	-2.5	1.0	-0.4	3.9	1.3	-0.1	0.5	0.9	1.5	1.0	0.0
External interest rate (percent per year)	2.1	1.8	1.3	1.5	1.0	1.0	2.2	3.5	3.6	3.8	3.8
Growth of exports of G&S (US dollar terms, in percent per year)	22.7	3.9	1.0	14.2	-2.0	-0.1	10.3	10.9	10.5	10.6	9.5
Growth of imports of G&S (US dollar terms, in percent per year)	24.0	2.9	23.1	-2.3	-6.5	2.4	2.4	4.0	6.1	6.6	7.3
II. Sensitivity Analysis for External Debt-to-GDP Ratio											
1. If interest rate, real GDP growth rate, US\$ GDP deflator growth, non-interest current account, and non-debt flows (in percent of GDP) are at average of past 5 years						<b>113.6</b>	<b>77.5</b>	<b>95.4</b>	<b>110.8</b>	<b>125.6</b>	<b>143.0</b>
2. If real GDP growth rate in 2003 and 2004 is average minus two standard deviations, others at baseline						<b>111.3</b>	<b>66.5</b>	<b>70.3</b>	<b>70.2</b>	<b>69.5</b>	<b>69.0</b>
3. If US\$ GDP deflator in 2003 is average minus two standard deviations, others at baseline						<b>111.3</b>	<b>68.5</b>	<b>69.4</b>	<b>69.3</b>	<b>68.6</b>	<b>68.1</b>
4. If terms of trade shock in 2003-04 (higher oil price, lower remittances and exports)						<b>111.3</b>	<b>69.7</b>	<b>74.7</b>	<b>74.5</b>	<b>73.7</b>	<b>73.1</b>
5. One time 30 percent depreciation in year 2003 (-30% GDP deflator shock), others at baseline.						<b>111.3</b>	<b>111.2</b>	<b>111.4</b>	<b>110.2</b>	<b>108.4</b>	<b>107.2</b>
<b>Memorandum Items:</b>											
Current account deficit, excluding interest payments (percent of GDP, average of past 5 years)						36.6	36.6	36.6	36.6	36.6	36.6
Current account deficit, excluding interest payments (percent of GDP, standard deviation of past 5 years)						4.9	4.9	4.9	4.9	4.9	4.9
Net non-debt creating capital inflows (percent of GDP, average of past 5 years)						9.5	9.5	9.5	9.5	9.5	9.5
Interest rate (average of past 5 years)						1.5	1.5	1.5	1.5	1.5	1.5
Interest rate (standard deviation of past 5 years)						0.4	0.4	0.4	0.4	0.4	0.4
Real GDP growth rate (average of past 5 years)						5.1	5.1	5.1	5.1	5.1	5.1
Real GDP growth rate (standard deviation of past 5 years)						2.5	2.5	2.5	2.5	2.5	2.5
GDP deflator, US dollar terms (average of past 5 years)						0.7	0.7	0.7	0.7	0.7	0.7
GDP deflator, US dollar terms (standard deviation of past 5 years)						2.3	2.3	2.3	2.3	2.3	2.3

Sources: Central Bank of Nicaragua; Ministry of Finance; and staff projections.

1/ External debt in NPV terms.

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Table 1. Nicaragua: Gross Domestic Product by Expenditure

	1997	1998	1999	2000	Prel. 2001
(Annual percentage change at current prices)					
Exports of goods and nonfactor services	37.4	16.4	12.7	22.4	2.0
Imports of goods and nonfactor services	38.8	15.3	37.3	4.9	5.5
<b>Gross domestic expenditure</b>	<b>21.2</b>	<b>16.6</b>	<b>31.6</b>	<b>9.2</b>	<b>10.3</b>
Consumption	17.8	14.1	24.8	14.8	14.2
Private	21.6	14.0	25.6	15.4	12.7
Public 1/	-3.7	14.7	18.8	10.2	26.5
Gross domestic investment	34.6	25.4	53.1	-5.2	-1.8
Private	123.8	39.8	28.0	-15.9	2.4
Public	-9.4	7.8	92.8	5.9	-5.2
(Annual percentage change)					
<b>Memorandum items:</b>					
Nominal GDP	14.8	17.6	19.4	18.1	11.0
Real GDP	5.1	4.1	7.4	5.9	3.3
GDP deflator	9.2	13.0	11.2	11.5	7.4
Real GDP per capita	2.3	1.3	4.5	3.0	0.7

Source: Table 19.

1/ General government current expenditure minus interest payments, pensions and indemnizations, current transfers, and "other" current expenditure.

Table 2. Nicaragua: Resource Balance and Financing of Investment

(In percent of GDP at current prices)

	1997	1998	1999	2000	Prel. 2001
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>101.0</b>
<b>External resource balance</b>	<b>-41.1</b>	<b>-39.9</b>	<b>-54.2</b>	<b>-42.5</b>	<b>-41.7</b>
Exports of goods and nonfactor services	40.6	40.2	37.9	39.3	36.1
Imports of goods and nonfactor services	-81.7	-80.1	-92.1	-81.8	-77.8
<b>Gross domestic expenditure</b>	<b>141.1</b>	<b>139.9</b>	<b>154.2</b>	<b>142.5</b>	<b>141.7</b>
Consumption	109.4	106.1	110.9	107.8	110.9
Private	96.1	93.1	97.9	95.7	97.2
Public 1/	13.4	13.0	13.0	12.1	13.8
Gross domestic investment	31.7	33.8	43.3	34.7	30.8
Private	17.4	20.7	22.2	15.8	14.6
Public	14.3	13.1	21.1	19.0	16.2
<b>Savings</b>	<b>31.7</b>	<b>33.8</b>	<b>43.3</b>	<b>34.7</b>	<b>30.8</b>
National savings	-3.4	2.3	1.4	2.6	-2.8
Private	-7.5	-3.3	-4.0	-1.0	1.6
Public 2/	4.1	5.6	5.4	3.6	-4.4
External savings	35.1	31.5	41.9	32.1	33.6

Source: Table 19.

1/ General government current expenditure minus interest payments, pensions and indemnizations, current transfers, and "other" current expenditure.

2/ Includes quasi-fiscal losses of the Central Bank of Nicaragua.



Table 3. Nicaragua: Gross Domestic Product

	1997	1998	1999	2000	Prel. 2001
(Annual percentage change at 1980 prices)					
<b>Real GDP</b>	<b>5.2</b>	<b>4.1</b>	<b>7.4</b>	<b>5.9</b>	<b>3.3</b>
<b>Primary sector</b>	<b>8.9</b>	<b>5.0</b>	<b>8.3</b>	<b>10.8</b>	<b>3.6</b>
Agriculture	8.3	3.5	7.5	12.7	3.7
Mining	24.7	44.6	21.7	-20.0	2.5
<b>Secondary sector</b>	<b>5.3</b>	<b>3.6</b>	<b>11.0</b>	<b>4.5</b>	<b>3.3</b>
Manufacturing	3.8	2.1	3.7	2.8	2.6
Construction	11.6	10.4	47.3	10.4	5.2
Water and energy	6.0	3.1	1.0	2.0	2.5
<b>Tertiary sector</b>	<b>2.6</b>	<b>3.7</b>	<b>4.2</b>	<b>3.2</b>	<b>3.1</b>
Commerce	5.3	4.9	5.6	3.9	3.4
Government services	-6.4	0.3	-1.0	-0.3	0.5
Transport and communications	5.3	4.7	5.7	3.8	3.5
Finance	4.2	4.6	4.9	3.1	3.5
Housing	4.0	2.5	4.7	4.3	4.0
Other	4.4	4.2	5.1	4.5	4.2
(In percent of GDP at market prices)					
<b>Real GDP</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Primary sector</b>	<b>29.6</b>	<b>29.9</b>	<b>30.1</b>	<b>31.5</b>	<b>31.6</b>
Agriculture	28.5	28.3	28.4	30.2	30.3
Mining	1.1	1.6	1.8	1.3	1.3
<b>Secondary sector</b>	<b>28.8</b>	<b>28.6</b>	<b>29.6</b>	<b>29.2</b>	<b>29.2</b>
Manufacturing	20.8	20.5	19.8	19.2	19.1
Construction	4.7	5.0	6.8	7.1	7.3
Water and energy	3.2	3.2	3.0	2.9	2.9
<b>Tertiary sector</b>	<b>41.6</b>	<b>41.5</b>	<b>40.3</b>	<b>39.3</b>	<b>39.2</b>
Commerce	17.8	17.9	17.6	17.3	17.3
Government services	7.7	7.5	6.9	6.5	6.3
Transport and communications	4.8	4.8	4.8	4.7	4.7
Finance	3.1	3.1	3.0	2.9	2.9
Housing	4.0	3.9	3.8	3.8	3.8
Other	4.3	4.3	4.2	4.1	4.2

Source: Table 18.

Table 4. Nicaragua: Value Added in Agriculture

	1997	1998	1999	2000	Prel. 2001
(Annual percentage change in 1980 cordobas)					
<b>Total</b>	<b>8.2</b>	<b>3.1</b>	<b>6.7</b>	<b>12.1</b>	<b>3.7</b>
<b>Agriculture</b>	<b>9.7</b>	<b>5.1</b>	<b>9.1</b>	<b>12.5</b>	<b>3.2</b>
Principal export crops	4.9	3.0	8.4	18.1	-6.3
Coffee	0.6	20.4	12.4	30.0	-8.5
Cotton	-58.1	0.0	0.0	0.0	1.0
Sugarcane	9.2	-1.5	-2.3	2.0	-6.9
Other	24.9	-36.8	-27.9	-22.9	-3.1
Basic grains	12.7	7.0	11.2	5.5	15.7
Other	22.0	8.3	7.0	9.3	10.9
<b>Livestock</b>	<b>5.5</b>	<b>-3.2</b>	<b>2.2</b>	<b>11.2</b>	<b>8.0</b>
<b>Fishing</b>	<b>6.0</b>	<b>12.4</b>	<b>1.6</b>	<b>13.9</b>	<b>-9.7</b>
<b>Forestry</b>	<b>3.2</b>	<b>3.3</b>	<b>3.4</b>	<b>3.6</b>	<b>3.6</b>
(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>Agriculture</b>	<b>64.0</b>	<b>65.3</b>	<b>66.8</b>	<b>67.0</b>	<b>66.7</b>
Principal export crops	33.6	33.5	34.1	35.9	32.4
Coffee	17.6	20.6	21.7	25.2	22.2
Cotton	0.4	0.1	0.0	0.0	0.0
Sugarcane	8.9	8.5	7.8	7.1	6.3
Other	2.7	1.3	0.6	0.7	0.7
Basic grains	7.3	6.7	6.6	6.8	7.9
Other	0.0	0.0	0.0	0.0	0.0
<b>Livestock</b>	<b>29.2</b>	<b>27.4</b>	<b>26.3</b>	<b>26.1</b>	<b>27.2</b>
<b>Fishing</b>	<b>5.8</b>	<b>6.3</b>	<b>6.0</b>	<b>6.1</b>	<b>5.3</b>
<b>Forestry</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>

Source: Table 20.

Table 5. Nicaragua: Value Added in Manufacturing

	1997	1998	1999	2000	Prel. 2001
(Annual percentage change in 1980 cordobas)					
<b>Total</b>	<b>3.9</b>	<b>2.1</b>	<b>3.7</b>	<b>2.8</b>	<b>2.6</b>
Food, beverages, and tobacco	3.5	0.8	-0.5	2.3	1.4
Textiles, clothing, and leather goods	0.8	-0.8	-6.0	-3.1	3.1
Wood and wood products	3.1	1.8	4.9	1.4	1.8
Paper and paper products	3.9	-0.8	4.1	27.3	4.2
Chemical products	5.8	2.1	23.8	3.5	4.5
Petroleum derivatives and rubber products	0.5	-0.1	-2.6	4.8	5.3
Machinery and metal products	7.8	11.2	35.0	1.0	6.5
Transport equipment	20.0	5.6	3.2	4.1	5.9
Plastics and other	10.1	16.2	4.6	5.9	6.6
(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>
Food, beverages, and tobacco	72.1	71.2	68.3	67.9	67.1
Textiles, clothing, and leather goods	2.9	2.9	2.6	2.4	2.5
Wood and wood products	2.9	2.9	3.0	2.9	2.9
Paper and paper products	2.4	2.3	2.3	2.9	2.9
Chemical products	3.3	3.3	3.9	3.9	4.0
Petroleum derivatives and rubber products	4.7	4.6	4.3	4.4	4.5
Machinery and metal products	8.3	9.1	11.8	11.6	12.0
Transport equipment	0.2	0.2	0.2	0.2	0.2
Plastics and other	3.2	3.6	3.6	3.7	3.9

Source: Table 23.

Table 6. Nicaragua: Consumer Price Index

(Index: 1994 = 100)

	1997	1998	1999	2000	2001
January	131.5	142.3	167.0	181.1	198.7
February	131.6	144.3	166.4	185.0	201.2
March	131.4	145.8	163.1	186.8	201.1
April	131.9	148.9	163.8	188.0	202.6
May	133.0	151.9	166.1	189.5	204.2
June	135.6	154.7	167.3	190.6	205.3
July	137.6	153.0	168.3	189.7	204.2
August	136.8	152.2	171.1	189.9	204.6
September	135.8	152.8	173.5	190.9	204.9
October	136.5	156.4	176.6	193.0	205.2
November	140.2	165.3	178.0	194.5	205.7
December	141.0	167.1	179.1	196.8	206.0
<b>Period average</b>	<b>135.2</b>	<b>152.9</b>	<b>170.0</b>	<b>189.7</b>	<b>203.6</b>
<i>Of which</i>					
Food, beverages, and tobacco	136.0	155.4	163.9	172.1	187.0
Clothing	101.9	110.9	123.9	129.3	134.3
Housing	172.4	198.9	253.3	312.5	334.5

Source: National Institute of Census and Statistics (INEC).

Table 7. Nicaragua: Operations of the Combined Public Sector

(In percent of GDP)

	1997	1998	1999	2000	Prel. 2001
I. Consolidated Nonfinancial Public Sector 1/					
<b>Total revenue</b>	<b>34.4</b>	<b>36.9</b>	<b>35.7</b>	<b>32.5</b>	<b>30.8</b>
Tax revenue of the general government	30.0	31.7	30.9	30.1	28.6
Operating balance of public utility enterprises	1.9	2.6	2.4	0.6	0.5
Nontax revenue 2/	2.3	2.5	2.1	1.8	1.7
Current transfers	0.0	0.0	0.0	0.0	0.0
Capital revenue	0.2	0.1	0.3	0.1	0.0
<b>Total expenditure</b>	<b>43.9</b>	<b>41.1</b>	<b>49.7</b>	<b>46.4</b>	<b>49.8</b>
Current expenditure	29.6	28.0	28.3	27.3	33.2
<i>Of which</i>					
Interest payments	6.2	5.1	4.9	4.5	7.7
Capital expenditure and net lending	14.3	13.1	21.4	19.0	16.6
Fixed capital formation	9.3	8.8	12.8	12.4	9.7
Financial investment	0.0	0.0	0.0	0.0	0.0
Capital transfers	5.0	4.1	7.8	6.5	6.5
Net lending	0.0	0.1	0.8	0.1	0.4
<b>Current account balance (deficit -)</b>	<b>4.6</b>	<b>8.9</b>	<b>7.1</b>	<b>5.1</b>	<b>-2.4</b>
<b>Overall balance before grants (deficit -)</b>	<b>-9.4</b>	<b>-4.1</b>	<b>-14.1</b>	<b>-13.8</b>	<b>-19.0</b>
Foreign grants	5.4	3.8	8.7	7.2	6.7
<b>Overall balance after grants (deficit -)</b>	<b>-4.0</b>	<b>-0.4</b>	<b>-5.3</b>	<b>-6.6</b>	<b>-12.3</b>
<b>Total financing</b>	<b>4.0</b>	<b>0.4</b>	<b>5.3</b>	<b>6.6</b>	<b>12.3</b>
External financing	2.7	7.8	10.8	6.5	6.0
Internal financing	1.4	-7.4	-5.5	-4.6	4.8
<i>Of which</i>					
Central bank	6.1	-4.3	-3.7	-1.1	8.5
Privatization	0.0	0.0	0.0	0.0	0.0
II. Combined Public Sector: Overall Balance by Origin					
<b>Current account balance (deficit -)</b>	<b>4.1</b>	<b>5.6</b>	<b>5.4</b>	<b>3.6</b>	<b>-4.4</b>
Nonfinancial public sector	4.6	8.9	7.1	5.1	-2.4
Central bank losses	-0.6	-3.3	-1.7	-1.5	-2.0
<b>Overall balance before grants (deficit -)</b>	<b>-10.0</b>	<b>-7.4</b>	<b>-15.7</b>	<b>-15.4</b>	<b>-21.0</b>
Nonfinancial public sector	-9.4	-4.1	-14.1	-13.8	-19.0
Central government	-7.8	-5.2	-13.9	-14.2	-19.4
Rest of general government	0.3	1.1	0.7	1.6	1.6
Public utility enterprises	-1.9	-0.4	-0.8	-1.2	-1.2
Interagency transfer discrepancy	0.0	0.4	-0.1	-0.1	0.0
Central bank losses	-0.6	-3.3	-1.7	-1.5	-2.0

Source: Table 33.

1/ Includes the general government (central government, the social security institute, and the municipality of Managua); and the public utility enterprises.

2/ Includes other current revenue of public utility enterprises.

Table 8. Nicaragua: Central Government Operations

(In percent of GDP)

	1997	1998	1999	2000	Prel. 2001
<b>Total revenue</b>	<b>26.3</b>	<b>27.0</b>	<b>25.8</b>	<b>24.4</b>	<b>22.4</b>
Current revenue	26.2	26.9	25.8	24.5	22.3
Tax revenue	24.9	25.8	24.8	23.6	21.5
Nontax revenue	1.3	1.1	0.9	0.9	0.9
Transfers	0.0	0.0	0.0	0.0	0.0
From rest of general government	0.0	0.0	0.0	0.0	0.0
From public utilities	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Capital revenue	0.1	0.1	0.0	0.0	0.0
<b>Total expenditure</b>	<b>34.1</b>	<b>32.2</b>	<b>39.7</b>	<b>38.8</b>	<b>41.7</b>
Current expenditure	23.7	21.6	21.8	22.2	27.0
Personnel emoluments	6.3	6.2	6.5	6.1	6.6
Goods and services	5.3	4.8	4.8	4.6	5.7
Interest payments	5.8	4.6	4.4	4.3	7.7
Current transfers	6.3	6.0	6.0	7.1	7.0
To rest of general government	0.4	0.6	0.6	0.7	0.8
To public utilities	0.0	0.0	0.0	0.7	0.0
Other	5.9	5.4	5.4	5.7	6.2
Capital expenditure and net lending	10.3	10.5	17.9	16.6	14.7
Fixed capital formation	5.1	5.8	9.0	9.8	7.5
Capital transfers	5.2	4.4	8.1	6.8	6.8
To rest of general government	0.0	0.0	0.0	0.0	0.0
To municipalities	0.2	0.3	1.1	0.7	0.4
To public utilities	0.2	0.2	0.3	0.3	0.3
Other	4.7	3.8	6.7	5.9	6.2
Net lending	0.0	0.4	0.7	0.1	0.4
<b>Current account balance (deficit -)</b>	<b>2.4</b>	<b>5.3</b>	<b>4.0</b>	<b>2.4</b>	<b>-4.6</b>
<b>Overall balance before grants (deficit -)</b>	<b>-7.8</b>	<b>-5.2</b>	<b>-13.9</b>	<b>-14.2</b>	<b>-19.4</b>
Foreign grants	4.4	3.1	7.4	6.1	5.7
<b>Overall balance after grants (deficit -)</b>	<b>-3.3</b>	<b>-2.1</b>	<b>-6.5</b>	<b>-8.1</b>	<b>-13.7</b>
<b>Financing</b>	<b>3.3</b>	<b>2.1</b>	<b>6.5</b>	<b>8.1</b>	<b>13.7</b>
External	0.6	7.7	10.8	6.3	5.3
Disbursements	5.7	10.7	13.9	9.9	7.8
Amortization	-5.0	-3.0	-3.1	-3.6	-4.0
Payment of arrears	0.0	0.0	0.0	0.0	1.5
Internal	2.7	-5.6	-4.4	-2.9	6.9
<i>Of which:</i>					
Central Bank of Nicaragua	6.1	-4.3	-4.8	-0.8	8.0
Privatization	0.0	0.0	0.0	4.8	1.5

Source: Table 27.

Table 9. Nicaragua: Operations of the Rest of the General Government

(In percent of GDP)

	1997	1998	1999	2000	Prel. 2001
<b>Current account balance (deficit -)</b>	<b>0.8</b>	<b>1.5</b>	<b>1.1</b>	<b>1.9</b>	<b>1.9</b>
Social security institute	0.5	1.1	0.6	1.5	1.6
Municipality of Managua	0.3	0.5	0.5	0.4	0.2
Fixed capital formation and net lending	0.6	0.5	0.4	0.3	0.2
<b>Overall balance before grants (deficit -)</b>	<b>0.3</b>	<b>1.1</b>	<b>0.7</b>	<b>1.6</b>	<b>1.6</b>
Social security institute	0.3	0.9	0.6	1.5	1.6
Municipality of Managua	0.0	0.1	0.1	0.1	0.1
Grants	0.0	0.0	0.0	0.0	0.0
<b>Overall balance after grants (deficit -)</b>	<b>0.3</b>	<b>1.1</b>	<b>0.7</b>	<b>1.6</b>	<b>1.7</b>
Social security institute	0.3	0.9	0.6	1.5	1.6
Municipality of Managua	0.0	0.1	0.1	0.1	0.1

Source: Table 30.

Table 10. Nicaragua: Operations of the Public Utility Enterprises

(In percent of GDP)

	1997	1998	1999	2000	Prel. 2001
<b>Total revenue</b>	<b>8.0</b>	<b>9.2</b>	<b>9.4</b>	<b>7.7</b>	<b>2.4</b>
Operating revenue	7.6	8.6	8.4	6.5	2.0
Other current revenue	0.2	0.3	0.5	0.2	0.1
Current transfers	0.0	0.0	0.0	0.7	0.0
From central government	0.0	0.0	0.0	0.7	0.0
Capital transfers from central government	0.2	0.2	0.3	0.3	0.3
Other capital revenue	0.0	0.0	0.3	0.1	0.0
<b>Total expenditure</b>	<b>9.9</b>	<b>9.6</b>	<b>10.3</b>	<b>8.9</b>	<b>3.7</b>
Current expenditure	6.4	6.9	6.9	6.5	1.8
Operating expenditure	5.6	5.9	6.1	6.0	1.5
Wages and salaries	1.0	1.0	1.0	0.9	0.5
Goods and services	4.5	4.9	5.0	5.0	0.9
Employer's contributions	0.1	0.1	0.1	0.1	0.1
Interest payments	0.3	0.4	0.4	0.2	0.0
Other current expenditure	0.0	0.1	0.2	0.1	0.0
Current transfers	0.4	0.4	0.3	0.3	0.2
To universities and other	0.4	0.4	0.3	0.3	0.2
Fixed capital formation	3.6	2.7	3.3	2.3	1.9
<b>Operating balance (deficit -)</b>	<b>1.9</b>	<b>2.6</b>	<b>2.4</b>	<b>0.6</b>	<b>0.5</b>
<b>Current account balance (deficit -)</b>	<b>1.4</b>	<b>2.0</b>	<b>1.9</b>	<b>0.8</b>	<b>0.4</b>
<b>Overall balance before grants (deficit -)</b>	<b>-1.9</b>	<b>-0.4</b>	<b>-0.8</b>	<b>-1.2</b>	<b>-1.2</b>
Foreign grants	0.9	0.7	1.3	1.2	1.0
<b>Overall balance after grants (deficit -)</b>	<b>-1.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.0</b>	<b>-0.3</b>
ENEL	-0.6	0.4	0.4	0.0	-0.3
ENACAL	-0.4	-0.1	0.1	0.0	0.1

Source: Table 32.



Table 11. Nicaragua: Changes in Financial System by Origin, Destination and Financing

(In percent of GDP)

	1997	1998	1999	2000	Prel. 2001
<b>Total</b>	<b>7.4</b>	<b>6.6</b>	<b>23.3</b>	<b>6.9</b>	<b>6.9</b>
<b>Origin</b>					
Central bank	0.1	-1.2	18.7	-1.7	4.4
Commercial banks 1/	12.9	7.6	5.1	9.3	2.5
Nicaraguan Investment Fund 1/	1.1	0.2	0.0	0.2	0.0
Intrasystem float	-6.7	0.0	-0.4	-0.8	0.0
<b>Destination</b>					
Net credit to the nonfinancial public sector	5.3	-5.5	10.3	-4.4	9.2
Central government	5.9	-4.7	10.3	-4.0	9.5
Rest of the public sector	-0.6	-0.9	0.0	-0.5	-0.2
Credit to productive sectors	9.5	9.6	7.1	9.0	2.5
Net credit to other institutions	0.9	0.2	2.2	0.0	-0.1
Credit to private sector	8.6	9.4	4.9	9.0	2.6
Net other	-7.4	2.6	5.9	2.4	-4.7
<b>Financing</b>					
Liabilities to the private sector	21.5	6.2	5.9	5.9	2.8
Medium- and long-term foreign liabilities	-1.0	0.3	18.7	0.2	2.9
Net international reserves (increase)	13.1	-0.1	2.1	-0.5	0.8

Sources: Tables 34, 35, 37, and 38; and Central Bank of Nicaragua.

1/ Net of central bank financing.

Table 12. Nicaragua: Money and Quasi-Money

	1997	1998	1999	2000	Prel. 2001
(Annual percentage change)					
Money and quasi-money	51.1	10.5	11.5	1.2	3.8
Money	30.7	18.1	24.9	6.4	17.6
Currency in circulation	26.8	22.2	29.5	1.1	11.1
Demand deposits	35.1	13.6	19.5	12.9	24.9
Quasi-money	56.4	9.0	9.0	0.1	1.0
Time and savings deposits	56.8	5.2	18.2	-11.1	-10.8
Negotiable Investment Certificates (CENIS)	311.8	-38.6	-14.0	-23.2	-38.1
Deposits in foreign currency	40.3	20.8	8.6	5.2	5.9
(In percent of GDP)					
Money and quasi-money	63.6	65.8	67.9	61.3	59.8
Money	11.4	11.4	12.0	10.8	11.4
Currency in circulation	5.9	6.1	6.6	5.7	5.7
Demand deposits	5.5	5.3	5.3	5.1	5.7
Quasi-money	52.2	54.3	56.0	50.5	48.4
Time and savings deposits	11.0	10.8	12.2	9.8	8.3
Negotiable Investment Certificates (CENIS)	6.4	4.4	3.1	2.0	1.1
Deposits in foreign currency	34.8	39.1	40.7	38.7	39.0
(In percent of total liabilities to the private sector)					
Money and quasi-money	100.0	100.0	100.0	100.0	100.0
Money	17.9	17.4	17.6	17.6	19.1
Currency in circulation	9.3	9.3	9.8	9.3	9.5
Demand deposits	8.7	8.1	7.8	8.3	9.6
Quasi-money	82.1	82.6	82.4	82.4	80.9
Time and savings deposits	17.3	16.4	18.0	16.0	13.9
Negotiable Investment Certificates (CENIS)	10.0	6.7	4.5	3.3	1.8
Deposits in foreign currency	54.7	59.5	59.9	63.1	65.2

Sources: Tables 36 and 38; and Central Bank of Nicaragua.

Table 13. Nicaragua: Summary Accounts of the Central Bank and the Financial System

(In millions of cordobas, end-of-period stocks)

	C\$10.4 per US\$		C\$11.9 per US\$		C\$12.7 per US\$		C\$13.4 per US\$	
	1997	1998	1998	1999	1999	2000	2000	Prel. 2001
I. Central Bank								
Net international reserves (In millions of US\$)	1,500 144	1,440 139	1,648 139	2,572 216	2,744 216	2,371 187	2,502 187	212 16
Net domestic assets 1/	-403	-101	-309	-837	-1,010	-617	-748	1,738
Net credit to NFPS	21,285	20,345	23,058	22,044	25,317	24,675	27,459	35,216
Net credit to the financial system CENIS, BOMEX, and TELs	107 -3,000	71 -2,393	-643 -2,388	-665 -2,382	-455 -2,370	1,178 -3,037	1,256 -3,108	361 -7,436
Medium- and long-term foreign liabilities 2/ Other	-20,512 1,212	-20,561 1,260	-25,660 4,147	-25,627 4,176	-27,326 2,207	-27,165 1,654	-30,729 2,297	-26,080 -325
Liabilities to the private sector	1,096	1,340	1,340	1,735	1,735	1,754	1,754	1,949
II. Consolidated Financial System								
Net international reserves (In millions of US\$)	3,874 372	3,858 371	4,415 371	4,150 349	4,429 349	4,017 316	4,238 316	3,004 224
Net domestic assets	9,151	10,531	11,513	13,605	14,269	14,903	15,479	17,469
Net credit to NFPS	20,354	19,142	21,831	20,459	23,625	23,403	26,116	31,183
Net credit to central government	21,090	20,068	22,756	21,525	24,765	24,755	27,536	32,200
Net credit to rest of public sector	-736	-925	-925	-1,066	-1,140	-1,352	-1,420	-1,017
Credit to the private sector	6,890	8,942	10,230	13,004	13,878	14,949	17,712	13,544
Medium- and long-term foreign liabilities 2/ Other net assets	-20,619 2,526	-20,684 3,131	-25,800 5,251	-25,852 5,995	-27,567 4,332	-27,576 4,128	-31,163 2,814	-26,744 -515
Liabilities to the private sector	13,025	14,389	15,928	17,755	18,698	18,920	19,718	20,472
Liabilities in local currency	5,942	5,833	6,138	7,120	7,348	6,978	7,118	7,133
Money	2,121	2,505	2,505	3,127	3,127	3,327	3,327	3,913
Currency in circulation	1,096	1,340	1,340	1,735	1,735	1,754	1,754	1,949
Demand deposits	1,025	1,165	1,165	1,393	1,393	1,572	1,572	1,964
Quasi-money	3,821	3,329	3,634	3,992	4,220	3,651	3,791	3,219
Time and saving deposits	2,241	2,358	2,699	3,189	3,403	3,024	3,190	2,847
CENIS, BOMEX, and TELs	1,580	971	935	804	817	628	601	372
Liabilities in foreign currency	7,083	8,555	9,789	10,635	11,350	11,942	12,600	13,339

Sources: Tables 34 and 38; and Central Bank of Nicaragua.

1/ Defined as the difference between the stock of liabilities to the private sector and the net international reserves.

2/ Includes allocation of SDRs.

Table 14. Nicaragua: Destination of Financial System Credit

(In percent of total credit)

	December				Prel. 2001
	1997	1998	1999	2000 1/	
Total credit	100.0	100.0	100.0	100.0	100.0
Short-term	56.5	52.2	51.2	48.6	44.4
Long-term	43.5	47.8	48.8	51.4	55.6
Commercial	38.1	40.7	42.1	46.0	42.4
Short-term	19.2	17.8	17.9	21.0	16.0
Long-term	19.0	22.9	24.2	25.1	26.4
Agricultural	23.2	23.1	24.9	23.7	22.0
Short-term	13.7	13.6	14.7	12.1	10.6
Long-term	9.5	9.5	10.2	11.6	11.4
Livestock	8.2	6.4	5.0	3.2	3.5
Short-term	4.0	3.7	2.7	1.5	1.6
Long-term	4.2	2.7	2.2	1.7	1.9
Industrial	18.9	16.2	12.6	9.9	8.9
Short-term	9.7	7.0	5.0	4.5	3.6
Long-term	9.2	9.2	7.6	5.4	5.3
Housing	0.6	2.1	4.2	4.4	6.2
Other	11.0	11.5	11.3	12.8	17.1
Short-term	10.0	10.1	10.8	9.5	12.5
Long-term	1.0	1.4	0.4	3.3	4.5

Sources: Central Bank of Nicaragua; and banks liquidation boards.

1/ From 2000 onward, includes operations of the banks' liquidation boards.

Table 15. Nicaragua: Summary Balance of Payments

	1997	1998	1999	2000	Prel. 2001
(In millions of U.S. dollars)					
<b>Current account</b>	<b>-786</b>	<b>-801</b>	<b>-1,060</b>	<b>-932</b>	<b>-970</b>
Excluding interest obligations	-575	-588	-835	-675	-724
Trade balance	-794	-824	-1,158	-1,003	-1,036
Exports, f.o.b.	577	573	545	645	592
Imports, f.o.b.	-1,371	-1,397	-1,703	-1,648	-1,629
Nonfactor services (net)	-19	-11	-42	-32	-25
Receipts	220	257	293	311	328
Payments	-239	-268	-335	-343	-353
Official interest obligations	-211	-213	-225	-257	-247
Other current transactions (net)	238	247	364	361	338
Factor services (receipts)	15	26	31	31	15
Noninterest factor services (payments)	-54	-58	-62	-69	-79
Private transfers	277	279	396	400	402
<b>Capital account</b>	<b>663</b>	<b>604</b>	<b>876</b>	<b>628</b>	<b>558</b>
Official (net)	165	298	415	334	365
Official transfers	194	194	307	310	346
Disbursements	176	264	274	195	217
Amortization	-214	-148	-168	-159	-177
Other (net)	9	-12	2	-11	-20
Other capital	498	306	460	294	193
Foreign direct investment	173	184	300	265	132
Trade pre-financing (future = net)	107	174	144	-100	70
Commercial banks	-39	-21	107	17	-85
CFNIs	161	-128	-7	35	52
Other (post 1999 = 40% of NGO)	0	53	64	53	44
Errors and omissions	97	46	-148	24	-20
<b>Overall balance</b>	<b>-122</b>	<b>-197</b>	<b>-183</b>	<b>-304</b>	<b>-412</b>
Change in net international reserves	-58	6	-77	29	171
<i>Of which</i> : IMF (net)	0	22	104	21	-5
Net change in arrears (decrease -)	-177	62	151	64	-285
Exceptional financing	357	129	110	211	526
C.G./U.S./Mexico/Venezuela/Colombia	0	0	0	11	0
Paris Club rescheduling	24	79	91	98	31
Other rescheduling	333	50	19	102	495
(In percent of GDP)					
<b>Current account</b>	<b>-40.0</b>	<b>-37.1</b>	<b>-47.9</b>	<b>-38.3</b>	<b>-38.1</b>
Current account, excluding interest due	-29.2	-28.5	-37.7	-27.7	-28.4
Trade balance	-40.3	-39.8	-52.3	-41.2	-40.7
Nonfactor services (net)	-1.0	-0.5	-1.9	-1.3	-1.0
Official interest due	-10.7	-10.3	-10.2	-10.6	-9.7
Other current transactions (net)	12.1	11.9	16.5	14.8	13.3
<b>Capital account</b>	<b>33.7</b>	<b>29.2</b>	<b>39.6</b>	<b>25.8</b>	<b>21.9</b>
Official (net)	8.4	14.4	18.8	13.7	14.3
Private capital (net)	25.3	14.8	20.8	12.1	7.6
<b>Overall balance</b>	<b>-6.2</b>	<b>-9.5</b>	<b>-8.3</b>	<b>-12.5</b>	<b>-16.2</b>
<b>Memorandum item:</b>					
Gross domestic product	1,968	2,068	2,213	2,433	2,547

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

Table 16. Nicaragua: Trade Account Indicators

	1997	1998	1999	2000	Prel. 2001
(Index 2000=100) 1/					
<b>Exports, f.o.b.</b>					
Value	89	89	85	100	92
Volume	82	84	87	100	107
Unit value	109	106	97	100	86
<b>Imports, f.o.b.</b>					
Value	83	84	103	100	99
Volume	87	94	111	100	104
Unit value	93	89	93	100	96
<b>Terms of trade</b>	<b>117</b>	<b>119</b>	<b>104</b>	<b>100</b>	<b>89</b>
(Annual percentage change)					
<b>Exports, f.o.b.</b>					
Value	23	-1	-5	18	-8
Volume	19	3	3	15	7
Unit value	4	-3	-8	3	-14
<b>Imports, f.o.b.</b>					
Value	31	1	23	-3	-1
Volume	33	8	18	-10	3
Unit value	-6	-5	6	7	-4
<b>Terms of trade</b>	<b>10</b>	<b>2</b>	<b>-13</b>	<b>-4</b>	<b>-11</b>

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

Table 17. Nicaragua: Public Sector External Debt and Debt Service

	1997	1998	1999	2000	Prel. 2001
(In millions of U.S. dollars, end of period)					
Total debt	6,001	6,287	6,549	6,660	6,374
Bilaterals	4,027	4,115	4,084	4,124	3,740
Multilaterals	1,657	1,897	2,170	2,260	2,343
Commercial banks	234	246	242	235	243
Other	83	29	53	41	48
(In percent of GDP)					
Total debt	305	304	296	274	250
Bilaterals	205	199	185	170	147
Multilaterals	84	92	98	93	92
Commercial banks	12	12	11	10	10
Other	4	1	2	2	2
(In millions of U.S. dollars)					
Total debt service obligations	425	361	398	422	429
Principal	214	148	173	164	182
Interest	211	213	225	257	248
Debt service paid	287	229	170	188	257
Principal	159	134	104	111	127
Interest	128	95	66	77	130
Debt service not paid	138	132	228	234	173
Principal	55	14	69	53	55
Interest	83	118	159	180	118
(In percent of GDP)					
Total debt service obligations	22	17	18	17	17
Principal	11	7	8	7	7
Interest	11	10	10	11	10
Debt service paid	15	11	8	8	10
Principal	8	6	5	5	5
Interest	6	5	3	3	5
Debt service not paid	7	6	10	10	7
Principal	3	1	3	2	2
Interest	4	6	7	7	5
(In percent of exports of goods and nonfactor services)					
Total debt service obligations	53	43	47	44	46
Principal	27	18	21	17	19
Interest	26	26	27	27	26
Debt service paid	31	28	20	20	27
Principal	16	16	12	12	14
Interest	15	11	8	8	14
Debt service not paid	23	16	27	24	18
Principal	11	2	8	6	6
Interest	12	14	19	19	13

Sources: Central Bank of Nicaragua; Ministry of External Cooperation; and Fund staff estimates.

Table 18. Nicaragua: Gross Domestic Product by Sector

	1997	1998	1999	2000	Prel. 2001
(In millions of cordobas at current prices)					
<b>GDP at market prices</b>	<b>18,601</b>	<b>21,881</b>	<b>26,130</b>	<b>30,858</b>	<b>34,242</b>
<b>Primary sector</b>	<b>6,211</b>	<b>7,303</b>	<b>8,507</b>	<b>10,415</b>	<b>11,512</b>
Agriculture	6,064	7,088	8,251	10,194	11,270
Mining	147	215	256	221	241
<b>Secondary sector</b>	<b>3,942</b>	<b>4,623</b>	<b>5,735</b>	<b>6,669</b>	<b>7,370</b>
Manufacturing	2,950	3,405	3,878	4,409	4,831
Construction	763	952	1,560	1,921	2,169
Energy and water	230	266	298	339	371
<b>Tertiary sector</b>	<b>8,448</b>	<b>9,955</b>	<b>11,887</b>	<b>13,774</b>	<b>15,360</b>
Commerce	4,360	5,149	6,002	6,923	7,642
Government services	1,394	1,645	2,226	2,615	3,021
Transport and communications	651	767	894	1,030	1,137
Finance	500	590	683	786	868
Housing	499	576	664	772	857
Other	1,043	1,227	1,418	1,649	1,834
(In millions of 1980 cordobas)					
<b>GDP at market prices</b>	<b>21,494</b>	<b>22,368</b>	<b>24,018</b>	<b>25,427</b>	<b>26,268</b>
<b>Primary sector</b>	<b>6,367</b>	<b>6,687</b>	<b>7,240</b>	<b>8,020</b>	<b>8,311</b>
Agriculture	6,125	6,338	6,815	7,680	7,962
Mining	242	350	425	340	349
<b>Secondary sector</b>	<b>6,181</b>	<b>6,402</b>	<b>7,107</b>	<b>7,427</b>	<b>7,669</b>
Manufacturing	4,479	4,575	4,745	4,880	5,009
Construction	1,009	1,114	1,640	1,811	1,905
Electricity and water	693	714	721	736	754
<b>Tertiary sector</b>	<b>8,947</b>	<b>9,278</b>	<b>9,671</b>	<b>9,980</b>	<b>10,288</b>
Commerce	3,820	4,007	4,231	4,394	4,545
Government services	1,662	1,667	1,651	1,646	1,654
Transport and communications	1,034	1,083	1,144	1,188	1,229
Finance	657	687	720	743	769
Housing	855	877	917	957	995
Other	919	957	1,007	1,052	1,097

Source: Central Bank of Nicaragua.



Table 19. Nicaragua: Resource Balance and Financing of Investment

(In millions of cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>GDP at market prices</b>	<b>18,601</b>	<b>21,881</b>	<b>26,130</b>	<b>30,858</b>	<b>34,242</b>
<b>External resource balance</b>	<b>-7,646</b>	<b>-8,733</b>	<b>-14,159</b>	<b>-13,130</b>	<b>-14,283</b>
Exports of goods and nonfactor services	7,551	8,787	9,904	12,124	12,370
Imports of goods and nonfactor services	-15,197	-17,519	-24,063	-25,253	-26,653
<b>Gross domestic expenditure</b>	<b>26,247</b>	<b>30,614</b>	<b>40,289</b>	<b>43,988</b>	<b>48,524</b>
Consumption	20,354	23,225	28,975	33,266	37,991
Private	17,868	20,374	25,586	29,532	33,269
Public	2,486	2,852	3,389	3,734	4,722
Gross domestic investment	5,893	7,389	11,314	10,722	10,534
Private	3,237	4,525	5,793	4,873	4,991
Public 1/	2,656	2,864	5,521	5,849	5,542
<b>Savings</b>	<b>5,893</b>	<b>7,389</b>	<b>11,314</b>	<b>10,722</b>	<b>10,534</b>
National savings	-640	496	364	801	-961
Private	-1,402	-729	-1,043	-313	548
Public 2/	763	1,225	1,408	1,114	-1,508
External savings	6,532	6,892	10,950	9,921	11,494

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

1/ General government current expenditure minus interest payments, pensions and indemnizations, current transfers, and "other" current expenditure.

2/ Includes quasi-fiscal losses of the Central Bank of Nicaragua.

Table 20. Nicaragua: Real Value Added in Agriculture

(In millions of 1980 cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>Total</b>	<b>6,093</b>	<b>6,282</b>	<b>6,703</b>	<b>7,517</b>	<b>7,795</b>
<b>Agriculture</b>	<b>3,902</b>	<b>4,101</b>	<b>4,476</b>	<b>5,035</b>	<b>5,198</b>
Principal export crops	2,044	2,106	2,283	2,697	2,527
Coffee	1,075	1,294	1,455	1,891	1,730
Cotton and cotton seed	25	8	0	0	0
Sugarcane	540	532	520	530	494
Tobacco (black and burley)	167	79	43	54	53
Bananas	26	25	21	14	18
Sesame seed	38	18	23	24	23
Soya	82	76	55	18	12
Peanuts	92	75	167	166	197
Basic grains	1,275	1,365	1,518	1,601	1,853
Corn	444	422	444	510	616
Rice	446	495	479	445	509
Beans	267	365	520	549	634
Sorghum	119	83	75	98	94
Other	583	631	675	738	818
<b>Livestock</b>	<b>1,780</b>	<b>1,724</b>	<b>1,762</b>	<b>1,959</b>	<b>2,117</b>
Cattle	1,290	1,204	1,216	1,314	1,396
Slaughter	890	787	788	871	923
Milk production	400	417	428	443	472
Poultry	432	459	485	582	656
Hogs	59	61	62	63	65
<b>Fishing</b>	<b>353</b>	<b>397</b>	<b>403</b>	<b>459</b>	<b>414</b>
Shrimp	230	294	292	322	304
Lobster	97	75	87	112	84
Other	25	27	24	25	26
<b>Forestry</b>	<b>58</b>	<b>60</b>	<b>62</b>	<b>64</b>	<b>66</b>

Source: Central Bank of Nicaragua.

Table 21. Nicaragua: Export Crops and Basic Grains

(Area in thousands of manzanas; production and yield in thousands of quintals) 1/

	1997/98	1998/99	1999/00	Prel. 2000/01	Est. 2001/02
<b>I. Export Crops</b>					
Coffee					
Area	127	128	143	155	155
Yield	11	11	15	13	10
Volume of production	1,430	1,439	2,083	2,063	1,550
Cotton					
Area	2	0	0	0	0
Yield	8	0	0	0	0
Volume of production	20	0	0	0	0
Sugarcane					
Area	75	76	80	73	60
Yield	1,106	996	1,016	1,060	1,154
Volume of production	82,518	76,102	81,117	77,555	69,226
Tabacco Habana					
Area	5	2	1	1	1
Yield	20	21	23	23	23
Volume of production	100	47	26	25	28
Bananas					
Area	3	3	3	3	3
Yield	1,946	1,650	1,605	961	961
Volume of production 2/	4,866	4,603	3,932	2,533	2,533
Sesame seed					
Area	17	11	12	17	17
Yield	9	6	8	7	7
Volume of production	148	69	90	115	115
Soya					
Area	20	26	13	6	6
Yield	33	23	34	29	29
Volume of production	638	595	433	173	173
<b>II. Basic Grains</b>					
Corn					
Area	333	361	365	466	460
Yield	17	18	18	19	20
Volume of production	5,810	6,610	6,441	9,068	8,970
Rice					
Area	105	120	88	133	120
Yield	34	32	34	29	29
Volume of production	3,580	3,803	2,989	3,832	3,500
Beans					
Area	193	271	296	319	320
Yield	8	12	10	12	11
Volume of production	1,574	3,280	2,959	3,810	3,456
Sorghum					
Area	77	59	61	66	66
Yield	25	19	28	27	27
Volume of production	1,913	1,131	1,692	1,797	1,797

Source: Central Bank of Nicaragua.

1/ One quintal equals 101.2 lbs. and one manzana equals 0.699 hectares.

2/ In thousands of boxes (1 box equals 42 lbs).

Table 22. Nicaragua: Selected Livestock Statistics

	1997	1998	1999	2000	Prel. 2001
<b>Cattle</b>					
Slaughter (thousands of heads)	355.5	318.2	318.5	352.5	365
Meat production (millions of pounds)	114.1	100.8	105.4	115.7	118.6
Milk production (millions of gallons)	53.5	55.8	57.3	59.3	63.2
<b>Hogs</b>					
Meat production (millions of pounds)	12.0	12.4	12.6	12.9	13.3
<b>Poultry</b>					
Meat production (millions of pounds)	74.4	79.9	91.0	114.3	133.7
Egg production (millions of dozens)	41.0	41.3	42.5	48.0	51.1

Source: Central Bank of Nicaragua.

Table 23. Nicaragua: Real Value Added in Manufacturing

(In millions of 1980 cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>Total</b>	<b>4,480</b>	<b>4,575</b>	<b>4,745</b>	<b>4,880</b>	<b>5,009</b>
Food, beverages, and tobacco	3,231	3,257	3,241	3,316	3,363
Textiles, clothing, and leather goods	132	131	123	119	123
Wood and wood products	131	133	140	142	145
Paper and paper products	107	106	110	141	146
Chemical products	146	149	185	191	200
Petroleum derivatives and rubber products	209	209	203	213	224
Machinery and metal products	373	415	560	566	603
Transport equipment	9	10	10	10	11
Plastics and other	142	165	173	183	195

Source: Central Bank of Nicaragua.

Table 24. Nicaragua: Electricity Supply and Consumption

(In millions of kilowatt hours)

	1997	1998	1999	2000	Prel. 2001
<b>Generation</b>					
Gross	1,819.5	2,083.6	2,069.2	2,103.4	2,363.7
Net	1,578.3	1,733.8	1,955.4	1,987.6	2,235.1
Imports	180.9	33.4	80.1	115.8	15.5
Exports	23.6	46.2	2.2	1.8	0.0
<b>Domestic sales</b>	<b>1,361.9</b>	<b>1,391.6</b>	<b>1,474.4</b>	<b>1,502.2</b>	<b>1,554.1</b>
Households	459.0	450.4	458.1	447.2	450.1
Commercial	280.8	304.6	329.7	350.0	376.5
Industrial	288.8	309.0	338.1	339.6	351.5
Government	60.9	61.6	74.1	77.6	77.0
Irrigation	120.1	99.1	85.2	91.2	88.4
Water supply	125.2	143.3	155.1	159.1	170.5
Public lighting	27.1	23.6	34.1	37.5	40.1

Source: Nicaraguan Electricity Enterprise (ENEL).

Table 25. Nicaragua: Indices of Wages and Prices

(Index: 1994 = 100)

	Nominal Salaries			Prices		Real Wages 3/		
	Central	Public	National	Consumer Basic Goods		Central	Public	National
	Government	Enterprise	Level 1/	Prices	Prices 2/	Government	Enterprise	Level
December 1997	130.1	144.5	138.9	141.0	152.2	92.0	102.2	98.2
December 1998	201.2	169.8	171.4	167.1	174.7	120.1	101.4	102.3
December 1999	245.9	196.8	203.1	179.1	185.0	136.9	109.6	113.1
<b>1999</b>								
January	216.8	169.8	177.8	167.0	173.2	129.5	101.4	106.2
February	224.5	168.0	178.1	166.4	171.6	134.5	100.7	106.7
March	224.5	168.4	178.6	163.2	166.8	137.2	103.0	109.2
April	225.5	170.1	180.3	163.8	166.5	137.3	103.6	109.8
May	225.8	175.8	186.9	166.1	168.7	135.6	105.6	112.3
June	227.6	179.6	187.4	167.3	169.7	135.7	107.1	111.7
July	234.4	185.4	190.7	168.3	171.7	138.9	109.9	113.0
August	244.2	183.3	195.0	171.1	174.3	142.4	106.9	113.7
September	245.4	186.6	202.3	173.5	179.1	141.1	107.3	116.3
October	245.4	190.1	202.7	176.6	182.7	138.6	107.4	114.5
November	245.9	187.3	202.9	178.0	185.0	137.8	105.0	113.7
December	245.9	196.8	203.1	179.1	185.0	136.9	109.6	113.1
<b>2000</b>								
January	260.6	199.1	209.2	181.1	184.7	143.5	109.6	115.2
February	262.1	191.7	209.6	185.1	185.5	141.2	103.3	113.0
March	268.6	193.7	212.5	186.8	187.9	143.4	103.5	113.5
April	269.9	199.5	213.2	188.0	190.1	143.2	105.8	113.1
May	269.2	195.4	213.3	189.5	190.4	141.7	102.8	112.3
June	271.6	200.8	215.4	190.6	190.0	142.1	105.1	112.7
July	273.9	204.7	216.7	189.7	189.1	144.0	107.6	114.0
August	274.6	202.6	218.2	190.0	189.7	144.2	106.4	114.6
September	275.1	205.1	218.5	190.9	191.5	143.7	107.2	114.2
October	277.7	202.6	220.1	193.0	194.9	143.5	104.7	113.7
November	278.2	202.4	220.8	194.5	196.9	142.7	103.8	113.2
December	279.6	214.3	221.2	196.8	199.4	141.7	108.7	112.2
<b>2001</b>								
January	290.4	209.6	225.8	198.5	201.3	145.9	105.3	113.4
February	299.4	205.7	228.3	200.9	201.4	148.6	102.1	113.3
March	311.8	214.0	238.4	200.9	200.7	154.7	106.2	118.3
April	315.9	212.6	239.1	202.3	200.5	155.7	104.8	117.9
May	315.8	214.2	240.8	203.8	204.6	154.5	104.8	117.8
June	316.3	220.4	241.2	205.1	204.4	153.8	107.2	117.3
July	316.6	219.2	241.7	204.4	203.9	154.5	107.0	118.0
August	329.0	218.6	248.5	204.8	204.3	160.2	106.5	121.0
September	329.5	223.5	248.6	204.9	203.6	160.4	108.8	121.0
October	330.6	219.3	249.2	205.2	206.8	160.6	106.6	121.1
November	330.9	222.1	249.9	206.2	209.5	160.0	107.4	120.9
December	331.0	235.1	250.2	206.3	207.2	160.1	113.7	121.0

Sources: Ministry of Labor; and Ministry of Finance.

1/ Takes into account wage developments in the public and private sectors.

2/ Based on prices of 53 items that are deemed essential for residents of Managua.

3/ Nominal wages deflated by the basic goods price index.

Table 26. Nicaragua: Selected Labor Statistics

	1997	1998	1999	2000	Prel. 2001
(In thousands of persons)					
<b>Population</b>	<b>4,674.2</b>	<b>4,803.1</b>	<b>4,935.6</b>	<b>5,071.7</b>	<b>5,205.0</b>
<b>Labor force</b>	<b>1,598.0</b>	<b>1,661.3</b>	<b>1,728.9</b>	<b>1,815.3</b>	<b>1,900.4</b>
<b>Employed</b>	<b>1,369.9</b>	<b>1,441.8</b>	<b>1,544.2</b>	<b>1,634.9</b>	<b>1,701.7</b>
Primary sector	581.2	618.9	667.0	713.8	748.6
Agriculture	574.5	609.2	655.3	702.6	739
Mining	6.7	9.7	11.7	11.2	9.6
Secondary sector	181.8	191.0	219.2	233.0	240.0
Manufacturing	117.2	122.0	125.3	130.9	131.6
Construction	58.7	63.2	88.1	96.1	102.3
Utilities	5.9	5.8	5.8	6.0	6.1
Tertiary sector	606.9	631.9	658.0	688.1	713.1
Commerce	233.8	245.5	259.2	271.2	279.8
Transport and communications	45.0	46.8	49.7	51.8	52.9
Government services	71.5	71.2	67.5	67.5	63.5
Financial services	15.6	17.4	20.1	21.4	22.6
Other services	241.0	251.0	261.5	276.2	294.3
(Annual percentage change)					
<b>Unemployed</b>	<b>228.1</b>	<b>219.5</b>	<b>184.7</b>	<b>180.4</b>	<b>198.7</b>
Population	2.8	2.8	2.8	2.8	2.6
Labor force	4.0	4.0	4.1	5.0	4.7
Employment	6.0	5.2	7.1	5.9	4.1
<b>Memorandum items:</b>					
Labor force participation (in percent of population)	34.2	34.6	35.0	35.8	36.5
Unemployment rate (in percent of labor force)	14.3	13.2	10.7	9.9	10.5

Sources: Ministry of Labor; Central Bank of Nicaragua; and Fund staff estimates.



Table 27. Nicaragua: Central Government Operations

(In millions of cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>Total revenue</b>	<b>4,891.3</b>	<b>5,905.6</b>	<b>6,738.9</b>	<b>7,541.0</b>	<b>7,654.0</b>
Current revenue	4,866.8	5,886.2	6,730.3	7,537.4	7,645.6
Tax revenue	4,624.3	5,638.9	6,483.7	7,264.3	7,354.5
Nontax revenue	241.8	247.3	246.6	273.1	291.1
Transfers	0.6	0.0	0.0	0.0	0.0
Other	0.6	0.0	0.0	0.0	0.0
Capital revenue	24.6	19.4	8.6	3.5	8.4
<b>Total expenditure</b>	<b>6,335.8</b>	<b>7,037.2</b>	<b>10,361.9</b>	<b>11,919.8</b>	<b>14,282.1</b>
Current expenditure	4,411.0	4,729.8	5,688.8	6,814.9	9,231.7
Personnel emoluments	1,176.8	1,367.2	1,697.5	1,885.8	2,251.1
Goods and services	986.3	1,052.7	1,265.0	1,420.8	1,944.9
Interest payments	1,071.9	1,003.9	1,149.1	1,331.3	2,630.8
Current transfers	1,176.0	1,306.0	1,577.2	2,177.0	2,405.0
To rest of general government	81.4	123.2	167.5	217.1	277.2
To public utilities	0.0	0.0	0.0	209.6	0.0
Other	1,094.6	1,182.8	1,409.7	1,750.4	2,127.7
Capital expenditure and net lending	1,924.7	2,307.4	4,673.1	5,104.9	5,050.4
Fixed capital formation	955.4	1,267.2	2,362.2	3,002.2	2,581.0
Financial investment	0.0	0.0	0.0	0.0	0.0
Capital transfers	963.7	957.0	2,129.1	2,085.6	2,339.9
To rest of general government	0.0	0.0	0.0	0.0	0.0
To municipalities	41.9	61.8	297.7	202.4	125.0
To public utilities	42.6	53.4	78.1	80.9	100.6
Other	879.2	841.8	1,753.3	1,802.4	2,114.2
Net lending	5.6	83.2	181.8	17.0	129.5
<b>Current account balance (deficit -)</b>	<b>455.7</b>	<b>1,156.4</b>	<b>1,041.4</b>	<b>722.5</b>	<b>-1,586.1</b>
<b>Overall balance before grants (deficit -)</b>	<b>-1,444.4</b>	<b>-1,131.5</b>	<b>-3,623.1</b>	<b>-4,378.8</b>	<b>-6,628.1</b>
Foreign grants	821.7	675.0	1,934.9	1,873.9	1,935.6
<b>Overall balance after grants (deficit -)</b>	<b>-622.7</b>	<b>-456.5</b>	<b>-1,688.1</b>	<b>-2,504.9</b>	<b>-4,692.6</b>
<b>Financing</b>	<b>622.7</b>	<b>456.5</b>	<b>1,688.1</b>	<b>2,504.9</b>	<b>4,692.6</b>
External	116.2	1,679.9	2,829.7	1,935.8	1,821.2
Disbursements	1,055.2	2,343.9	3,641.0	3,028.1	2,677.5
Amortization	-939.0	-664.1	-811.3	-1,092.3	-1,375.7
Payment of arrears					
Internal	506.5	-1,223.4	-1,141.6	-891.3	2,371.8
Of which					
Central bank	1,143.7	-941.0	-1,245.2	-231.0	2,723.1
Privatization	0.0	0.0	0.0	1,460.5	499.6

Sources: Ministry of Finance; and Central Bank of Nicaragua.

Table 28. Nicaragua: Central Government Revenue

(In millions of cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>Total revenue</b>	<b>4,891.3</b>	<b>5,905.6</b>	<b>6,738.9</b>	<b>7,541.0</b>	<b>7,654.0</b>
<b>Current revenue</b>	<b>4,866.8</b>	<b>5,886.2</b>	<b>6,730.3</b>	<b>7,537.4</b>	<b>7,645.6</b>
<b>Tax revenue</b>	<b>4,624.3</b>	<b>5,638.9</b>	<b>6,483.7</b>	<b>7,264.3</b>	<b>7,354.5</b>
Direct taxes	679.5	814.1	975.8	1,169.7	1,288.4
Taxes on net income and profits	675.3	810.3	985.9	1,180.4	1,302.7
Taxes on property	4.2	3.8	-10.2	-10.7	-14.4
Real estate	0.0	0.0	0.0	0.0	0.0
Net wealth	0.0	0.0	0.0	0.0	0.0
Motor vehicles	0.0	0.0	0.0	0.0	0.0
Other	4.2	3.8	-10.2	-10.7	-14.4
Surcharge on income and wealth	0.0	0.0	0.0	0.0	0.0
Taxes on goods and services	3,175.8	3,735.6	4,585.4	5,080.3	5,136.7
General value added taxes	1,480.8	2,039.2	2,617.5	2,935.0	3,079.5
On domestically produced goods and services	703.3	931.4	1,182.9	1,404.6	1,520.6
On imported goods and services	777.6	1,107.8	1,434.6	1,530.4	1,558.9
Excise and selective consumption taxes	1,500.8	1,679.7	1,955.5	2,134.1	2,045.3
Petroleum products	858.8	1,099.4	1,339.7	1,457.6	1,325.9
Beer and alcoholic beverages	231.7	196.9	236.1	288.0	327.5
Tobacco	155.1	159.6	99.6	68.8	99.8
Other	255.3	223.8	280.1	319.8	292.1
Stamp taxes	194.1	16.7	12.4	11.1	11.8
Taxes on international trade and transactions	536.7	863.7	585.7	650.5	590.2
Import duties	536.7	863.7	585.7	650.5	590.2
ATP	255.5	457.6	104.6	95.9	40.7
Other import duties	281.3	406.1	481.1	554.6	549.5
Export duties	0.0	0.0	0.0	0.0	0.0
Earmarked revenue	232.3	225.5	336.8	363.8	339.3
<b>Nontax revenue</b>	<b>242.4</b>	<b>247.3</b>	<b>246.6</b>	<b>273.1</b>	<b>291.1</b>
Transfers	0.6	0.0	0.0	0.0	0.0
Other	0.6	0.0	0.0	0.0	0.0
Other nontax revenue	241.8	247.3	246.6	273.1	291.1
<b>Capital revenue</b>	<b>24.6</b>	<b>19.4</b>	<b>8.6</b>	<b>3.5</b>	<b>8.4</b>
<b>Memorandum items:</b>					
Foreign grants	821.7	675.0	1,934.9	1,873.9	1,935.6
Total revenue and grants	5,713.1	6,580.7	8,673.8	9,414.8	9,589.5

Sources: Ministry of Finance; and Central Bank of Nicaragua.

Table 29. Nicaragua: Central Government Expenditure and Net Lending

(In millions of cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>Total expenditure and net lending</b>	<b>6,335.8</b>	<b>7,037.2</b>	<b>10,361.9</b>	<b>11,919.9</b>	<b>14,282.1</b>
<b>Current expenditure</b>	<b>4,411.0</b>	<b>4,729.8</b>	<b>5,688.8</b>	<b>6,815.0</b>	<b>9,231.7</b>
Personnel emoluments	1,176.8	1,367.2	1,697.5	1,885.8	2,251.1
Wages and salaries	1,164.5	1,346.6	1,682.4	1,885.8	2,251.1
Voluntary retirement compensations	12.4	20.6	15.2	0.0	0.0
Goods and services	986.3	1,052.7	1,265.0	1,420.8	1,944.9
Interest payments	1,071.9	1,003.9	1,149.1	1,331.4	2,630.8
On domestic debt	136.1	344.7	262.0	304.8	1,269.1
On external debt	935.7	659.2	887.1	1,026.6	1,361.8
Transfers	1,176.0	1,306.0	1,577.2	2,177.1	2,399.9
To INSS	79.0	112.8	138.3	173.3	239.9
Employer's contribution	76.0	109.8	135.6	173.3	239.9
State contribution	3.0	3.0	2.7	0.0	0.0
Social security	0.0	0.0	0.0	0.0	0.0
To municipalities	2.5	10.3	29.1	43.7	37.3
To public utilities	0.0	0.0	0.0	209.6	0.0
ENEL	0.0	0.0	0.0	209.6	
To rest of public sector	188.2	124.1	210.1	335.0	518.4
To private sector	588.3	669.7	729.4	886.1	980.9
<i>Of which</i>					
Subsidies for exports	276.4	234.4	48.8	46.0	70.8
To universities	282.1	349.5	420.7	470.4	563.5
To abroad	36.0	39.5	49.5	58.9	59.9
<b>Capital expenditure</b>	<b>1,919.1</b>	<b>2,224.2</b>	<b>4,491.4</b>	<b>5,087.9</b>	<b>4,920.9</b>
Fixed capital formation	955.4	1,267.2	2,362.2	3,002.2	2,581.0
Financial investment	0.0	0.0	0.0	0.0	0.0
Transfers	963.7	957.0	2,129.1	2,085.6	2,339.9
To INSS	0.0	0.0	0.0	0.0	0.0
To municipalities	41.9	61.8	297.7	202.4	125.0
To public utilities	42.6	53.4	78.1	80.8	100.6
ENEL	0.0	0.0	0.0	3.8	32.3
ENACAL	42.6	53.4	78.1	77.0	68.3
To rest of public sector	128.4	448.8	349.9	883.8	1,435.3
To private sector	750.8	393.0	1,403.4	918.6	678.9
<b>Net lending</b>	<b>5.6</b>	<b>83.2</b>	<b>181.8</b>	<b>17.0</b>	<b>129.5</b>
To public utilities	0.0	83.2	-20.0	-20.9	0.0
ENEL	0.0	83.2	-20.0	-20.9	0.0
Other	5.6	0.0	201.7	37.9	129.5
<b>Memorandum item:</b>					
Military expenditures 1/	549.7	609.1	724.2	845.1	938.1

Sources: Ministry of Finance; and Central Bank of Nicaragua.

1/ Military and internal security outlays.

Table 30. Nicaragua: Operations of the Rest of the General Government

	1997	1998	1999	2000	Prel. 2001
<b>I. Consolidated Operations</b>					
(In millions of cordobas)					
<b>Operating balance (deficit -)</b>	<b>249.0</b>	<b>403.1</b>	<b>521.7</b>	<b>802.5</b>	<b>893.5</b>
Social security institute	161.7	273.3	362.7	645.9	780.7
Municipality of Managua	87.3	129.8	159.0	156.6	112.8
Other current revenue	116.0	201.0	148.4	162.3	186.1
Current transfers	0.0	0.0	0.0	0.0	0.0
From central government	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Interest payments	19.5	32.0	23.3	15.8	8.5
Other current expenditure	173.1	206.4	303.6	310.4	379.8
Current transfers	29.9	33.8	48.5	45.1	54.1
Other	29.9	33.8	48.5	45.1	54.1
<b>Current account balance (deficit -)</b>	<b>142.6</b>	<b>331.8</b>	<b>294.7</b>	<b>593.5</b>	<b>637.1</b>
Social security institute	85.8	233.1	161.1	473.5	553.9
Municipality of Managua	56.8	98.7	133.6	120.0	83.3
Capital revenue	0.0	2.5	3.4	1.1	1.4
Capital transfers	17.5	0.0	0.0	0.0	0.0
From central government	0.0	0.0	0.0	0.0	0.0
From rest of public sector	17.5	0.0	0.0	0.0	0.0
Net lending	-6.1	27.6	-2.7	4.2	-2.4
Fixed capital formation	115.4	74.5	114.6	105.9	85.8
Social security institute	42.7	7.3	14.4	21.7	26.9
Municipality of Managua	72.7	67.3	100.2	84.2	58.9
(In percent of GDP)					
<b>Overall balance before grants (deficit -)</b>	<b>50.8</b>	<b>232.2</b>	<b>186.2</b>	<b>484.6</b>	<b>555.2</b>
Social security institute	49.8	202.5	154.3	451.6	531.9
Municipality of Managua	1.0	29.7	31.9	33.0	23.3
Foreign grants	0.8	0.0	0.0	0.0	15.4
<b>Overall balance after grants (deficit -)</b>	<b>51.6</b>	<b>232.2</b>	<b>186.2</b>	<b>484.6</b>	<b>570.6</b>
<b>Operating balance (deficit -)</b>	<b>1.3</b>	<b>1.8</b>	<b>2.0</b>	<b>2.6</b>	<b>2.6</b>
Social security institute	0.9	1.2	1.4	2.1	2.3
Municipality of Managua	0.5	0.6	0.6	0.5	0.3
Other current revenue	0.6	0.9	0.6	0.5	0.5
Current transfers	0.0	0.0	0.0	0.0	0.0
From central government	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Interest payments	0.1	0.1	0.1	0.1	0.0
Other current expenditure	0.9	0.9	1.2	1.0	1.1
Current transfers	0.2	0.2	0.2	0.1	0.2
To central government	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.2	0.2	0.1	0.2
<b>Current account balance (deficit -)</b>	<b>0.8</b>	<b>1.5</b>	<b>1.1</b>	<b>1.9</b>	<b>1.9</b>
Social security institute	0.5	1.1	0.6	1.5	1.6
Municipality of Managua	0.3	0.5	0.5	0.4	0.2
Capital revenue	0.0	0.0	0.0	0.0	0.0
Capital transfers	0.1	0.0	0.0	0.0	0.0
From central government	0.0	0.0	0.0	0.0	0.0
From rest of public sector	0.1	0.0	0.0	0.0	0.0
Net lending	0.0	0.1	0.0	0.0	0.0
Fixed capital formation	0.6	0.3	0.4	0.3	0.3
Social security institute	0.2	0.0	0.1	0.1	0.1
Municipality of Managua	0.4	0.3	0.4	0.3	0.2

Table 30. Nicaragua: Operations of the Rest of the General Government

	1997	1998	1999	2000	Prel. 2001
	(In percent of GDP)				
<b>Overall balance before grants (deficit -)</b>	<b>0.3</b>	<b>1.1</b>	<b>0.7</b>	<b>1.6</b>	<b>1.6</b>
Social security institute	0.3	0.9	0.6	1.5	1.6
Municipality of Managua	0.0	0.1	0.1	0.1	0.1
Foreign grants	0.0	0.0	0.0	0.0	0.0
<b>Overall balance after grants (deficit -)</b>	<b>0.3</b>	<b>1.1</b>	<b>0.7</b>	<b>1.6</b>	<b>1.7</b>
II. Operations of the Municipality of Managua					
	(In millions of cordobas)				
<b>Total revenue</b>	<b>271.7</b>	<b>324.8</b>	<b>405.6</b>	<b>409.3</b>	<b>411.1</b>
Operational revenue	254.2	324.8	405.6	408.9	411.1
Tax revenue	235.9	298.9	375.3	346.0	359.0
Nontax current revenue	18.3	25.9	30.3	62.9	52.1
Current transfers	0.0	0.0	0.0	0.0	0.0
From central government	0.0	0.0	0.0	0.0	0.0
From public utilities	0.0	0.0	0.0	0.0	0.0
Capital revenue	17.5	0.0	0.0	0.4	0.0
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
Capital transfers from rest of public sector	17.5	0.0	0.0	0.0	0.0
Other capital revenue	0.0	0.0	0.0	0.4	0.0
<b>Total expenditure</b>	<b>270.7</b>	<b>295.0</b>	<b>373.7</b>	<b>376.3</b>	<b>387.8</b>
Operating expenditure	166.9	195.0	246.6	252.3	298.3
Wages and salaries	100.1	106.2	139.6	142.6	170.6
Goods and services	52.8	76.3	94.7	94.0	105.9
Employer's contribution	13.9	12.5	12.3	15.7	21.8
Current transfers to private sector	19.5	20.4	20.6	33.3	29.5
Interest payments	11.0	10.6	4.8	3.4	0.0
Fixed capital formation	72.7	67.3	100.2	84.2	58.9
Financial investment	0.0	0.0	0.0	0.0	0.0
Net lending	0.6	1.8	1.5	3.1	1.1
<b>Operating balance (deficit -)</b>	<b>87.3</b>	<b>129.8</b>	<b>159.0</b>	<b>156.6</b>	<b>112.8</b>
<b>Current account balance (deficit -)</b>	<b>56.8</b>	<b>98.7</b>	<b>133.6</b>	<b>120.0</b>	<b>83.3</b>
<b>Overall balance before grants (deficit -)</b>	<b>1.0</b>	<b>29.7</b>	<b>31.9</b>	<b>33.0</b>	<b>23.3</b>
Foreign grants	0.8	0.0	0.0	0.0	15.4
<b>Overall balance after grants (deficit -)</b>	<b>1.8</b>	<b>29.7</b>	<b>31.9</b>	<b>33.0</b>	<b>38.7</b>
	(In percent of GDP)				
<b>Total revenue</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.3</b>	<b>1.2</b>
Operational revenue	1.4	1.5	1.6	1.3	1.2
Tax revenue	1.3	1.4	1.4	1.1	1.0
Nontax current revenue	0.1	0.1	0.1	0.2	0.2
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
Capital transfers from rest of public sector	0.1	0.0	0.0	0.0	0.0
<b>Total expenditure</b>	<b>1.5</b>	<b>1.3</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>
Operating expenditure	0.9	0.9	0.9	0.8	0.9
Wages and salaries	0.5	0.5	0.5	0.5	0.5
Goods and services	0.3	0.3	0.4	0.3	0.3
Employer's contribution	0.1	0.1	0.0	0.1	0.1
Current transfers to private sector	0.1	0.1	0.1	0.1	0.1
Interest payments	0.1	0.0	0.0	0.0	0.0
Fixed capital formation	0.4	0.3	0.4	0.3	0.2
Financial investment	0.0	0.0	0.0	0.0	0.0
Net lending	0.0	0.0	0.0	0.0	0.0

Table 30. Nicaragua: Operations of the Rest of the General Government

	1997	1998	1999	2000	Prel. 2001
<b>Operating balance (deficit -)</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>
<b>Current account balance (deficit -)</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.2</b>
<b>Overall balance before grants (deficit -)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Foreign grants	0.0	0.0	0.0	0.0	0.0
<b>Overall balance after grants (deficit -)</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
III. Operations of the Social Security Institute (INSS)					
(In millions of cordobas)					
<b>Total revenue</b>	<b>838.1</b>	<b>1,196.23</b>	<b>1,368.1</b>	<b>1,841.5</b>	<b>2,283.3</b>
Social security contributions	722.1	992.8	1,216.3	1,678.4	2,095.9
Current revenue from investments	115.0	199.5	146.1	155.6	183.0
Other current revenue	1.1	1.4	2.3	6.7	3.0
Current transfers from central government	0.0	0.0	0.0	0.0	0.0
Other current transfers 1/	0.0	0.0	0.0	0.0	0.0
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
Other capital revenue	0.0	2.5	3.4	0.8	1.4
<b>Total expenditure</b>	<b>788.3</b>	<b>993.7</b>	<b>1,213.8</b>	<b>1,389.9</b>	<b>1,751.4</b>
Operating expenditure	560.4	719.4	853.6	1,032.6	1,315.2
Pensions and compensations	483.1	595.3	654.5	832.3	1,052.7
Administrative outlays	77.3	124.1	199.1	200.3	262.4
Wages and salaries	32.3	51.2	72.9	85.4	131.2
Other	41.6	67.8	118.9	105.1	118.6
Employer's contribution	3.3	5.1	7.3	9.7	12.7
Other current expenditure	173.1	206.4	303.6	310.4	379.8
Other current expenditure	2.7	4.1	5.5	0.0	0.0
Medical services	170.4	202.3	298.1	310.4	379.8
Current transfers	10.4	13.4	27.9	11.8	24.5
Interest payments	8.4	21.4	18.5	12.4	8.5
Current transfers to central government					
Fixed capital formation	42.7	7.3	14.4	21.7	26.9
Net lending	-6.7	25.8	-4.2	1.1	-3.5
<b>Operating balance (deficit -)</b>	<b>161.7</b>	<b>273.3</b>	<b>362.7</b>	<b>645.9</b>	<b>780.7</b>
<b>Current account balance (deficit -)</b>	<b>85.8</b>	<b>233.1</b>	<b>161.1</b>	<b>473.5</b>	<b>553.9</b>
<b>Overall balance before grants (deficit -)</b>	<b>49.8</b>	<b>202.5</b>	<b>154.3</b>	<b>451.6</b>	<b>531.9</b>
Foreign grants	0.0	0.0	0.0	0.0	0.0
<b>Overall balance after grants (deficit -)</b>	<b>49.8</b>	<b>202.5</b>	<b>154.3</b>	<b>451.6</b>	<b>531.9</b>
(In percent of GDP)					
<b>Total revenue</b>	<b>4.5</b>	<b>5.5</b>	<b>5.2</b>	<b>6.0</b>	<b>6.7</b>
Social security contributions	3.9	4.5	4.7	5.4	6.1
Current revenue from investments	0.6	0.9	0.6	0.5	0.5
Other current revenue	0.0	0.0	0.0	0.0	0.0
Current transfers from central government	0.0	0.0	0.0	0.0	0.0
Other current transfers 1/	0.0	0.0	0.0	0.0	0.0
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
<b>Total expenditure</b>	<b>4.2</b>	<b>4.5</b>	<b>4.6</b>	<b>4.5</b>	<b>5.1</b>
Operating expenditure	3.0	3.3	3.3	3.3	3.8
Pensions and compensations	2.6	2.7	2.5	2.7	3.1
Administrative outlays	0.4	0.6	0.8	0.6	0.8
Wages and salaries	0.2	0.2	0.3	0.3	0.4
Other	0.2	0.3	0.5	0.3	0.3
Employer's contribution	0.0	0.0	0.0	0.0	0.0

Table 30. Nicaragua: Operations of the Rest of the General Government

	1997	1998	1999	2000	Prel. 2001
Other current expenditure	0.9	0.9	1.2	1.0	1.1
Other current expenditure	0.0	0.0	0.0	0.0	0.0
Medical services	0.9	0.9	1.1	1.0	1.1
Current transfers	0.1	0.1	0.1	0.0	0.1
Interest payments	0.0	0.1	0.1	0.0	0.0
Current transfers to central government	0.0	0.0	0.0	0.0	0.0
Fixed capital formation	0.2	0.0	0.1	0.1	0.1
Net lending	0.0	0.1	0.0	0.0	0.0
<b>Operational balance (deficit -)</b>	<b>0.9</b>	<b>1.2</b>	<b>1.4</b>	<b>2.1</b>	<b>2.3</b>
<b>Current account balance (deficit -)</b>	<b>0.5</b>	<b>1.1</b>	<b>0.6</b>	<b>1.5</b>	<b>1.6</b>
<b>Overall balance before grants (deficit -)</b>	<b>0.3</b>	<b>0.9</b>	<b>0.6</b>	<b>1.5</b>	<b>1.6</b>
Foreign grants	0.0	0.0	0.0	0.0	0.0
<b>Overall balance after grants (deficit -)</b>	<b>0.3</b>	<b>0.9</b>	<b>0.6</b>	<b>1.5</b>	<b>1.6</b>

Sources: Ministry of Finance; Central Bank of Nicaragua; Social Security Institute; and Municipality of Managua.

1/ Includes transfers from the Lottery.

Table 31. Nicaragua: Consolidated Operations of the General Government

(In millions of cordobas)

	1997	1998	1999	2000	Prel. 2001
<b>Total revenue</b>	<b>6,001.1</b>	<b>7,426.6</b>	<b>8,512.6</b>	<b>9,791.7</b>	<b>10,348.4</b>
Current revenue	5,959.0	7,404.7	8,500.6	9,787.1	10,338.6
Tax revenue	5,582.3	6,930.6	8,075.3	9,288.8	9,809.4
Nontax revenue	376.1	474.1	425.3	498.3	529.3
Current transfers	0.6	0.0	0.0	0.0	0.0
Other	0.6	0.0	0.0	0.0	0.0
Capital revenue	42.1	21.9	12.0	4.7	9.8
<b>Total expenditure</b>	<b>7,394.7</b>	<b>8,325.9</b>	<b>11,949.4</b>	<b>13,686.1</b>	<b>16,416.3</b>
Current expenditure	5,360.7	5,916.4	7,164.4	8,471.1	11,282.6
Consumption expenditure	2,969.4	3,447.1	4,201.1	4,764.7	6,049.3
Wages and salaries	1,309.3	1,524.6	1,910.0	2,113.7	2,552.8
Goods and services	1,080.8	1,196.7	1,478.6	1,619.9	2,169.4
Pensions and indemnizations	483.1	595.3	654.5	832.3	1,052.7
Central government state and employers contributions	96.2	130.4	157.9	198.8	274.4
Interest payments	1,091.3	1,036.0	1,172.4	1,347.2	2,639.3
Domestic	155.6	376.8	285.3	320.6	1,277.6
External	935.7	659.2	887.1	1,026.6	1,361.8
Current transfers	1,127.0	1,226.9	1,487.4	2,048.8	2,214.1
To public utilities	0.0	0.0	0.0	209.6	0.0
Other	1,127.0	1,226.9	1,487.4	1,839.2	2,214.1
Other current expenditure	173.1	206.4	303.6	310.4	379.8
Fixed capital formation	1,070.8	1,341.7	2,476.8	3,108.1	2,666.8
Financial investment	0.0	0.0	0.0	0.0	0.0
Capital transfers	963.7	957.0	2,129.1	2,085.6	2,339.9
To public utilities	42.6	53.4	78.1	80.8	100.6
Other	921.0	903.6	2,051.0	2,004.8	2,239.2
Net lending	-0.5	110.8	179.1	21.2	127.1
To public utilities	0.0	83.2	-20.0	-20.9	0.0
To others	-0.5	27.6	199.0	42.1	127.1
<b>Current account balance (deficit -)</b>	<b>598.3</b>	<b>1,488.3</b>	<b>1,336.1</b>	<b>1,315.9</b>	<b>-943.9</b>
<b>Overall balance before grants (deficit -)</b>	<b>-1,393.6</b>	<b>-899.3</b>	<b>-3,436.9</b>	<b>-3,894.3</b>	<b>-6,067.9</b>
Foreign grants	822.6	675.0	1,934.9	1,873.9	1,950.9
<b>Overall balance after grants (deficit -)</b>	<b>-571.0</b>	<b>-224.3</b>	<b>-1,501.9</b>	<b>-2,020.4</b>	<b>-4,117.0</b>



Table 31. Nicaragua: Consolidated Operations of the General Government

(In percent of GDP)

	1997	1998	1999	2000	2001
<b>Total revenue</b>	<b>32.3</b>	<b>33.9</b>	<b>32.6</b>	<b>31.7</b>	<b>30.2</b>
Current revenue	32.0	33.8	32.5	31.7	30.2
Tax revenue	30.0	31.7	30.9	30.1	28.6
Nontax revenue	2.0	2.2	1.6	1.6	1.5
Current transfers	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Capital revenue	0.2	0.1	0.0	0.0	0.0
<b>Total expenditure</b>	<b>39.8</b>	<b>38.1</b>	<b>45.7</b>	<b>45.1</b>	<b>45.1</b>
Current expenditure	28.8	27.0	27.4	27.9	27.9
Consumption expenditure	16.0	15.8	16.1	15.4	17.7
Wages and salaries	7.0	7.0	7.3	6.8	7.5
Goods and services	5.8	5.5	5.7	5.2	6.3
Pensions and indemnizations	2.6	2.7	2.5	2.7	3.1
Central government state and employer contributions	0.5	0.6	0.6	0.6	0.8
Interest payments	5.9	4.7	4.5	4.4	7.7
Domestic	0.8	1.7	1.1	1.0	3.7
External	5.0	3.0	3.4	3.3	4.0
Current transfers	6.1	5.6	5.7	6.7	6.7
To public utilities	0.0	0.0	0.0	0.7	0.0
Other	6.1	5.6	5.7	6.0	6.0
Other current expenditure	0.9	0.9	1.2	1.0	1.1
Fixed capital formation	5.8	6.1	9.5	10.1	7.8
Financial investment	0.0	0.0	0.0	0.0	0.0
Capital transfers	5.2	4.4	8.1	6.8	6.8
To public utilities	0.2	0.2	0.3	0.3	0.3
Other	5.0	4.1	7.8	6.5	6.5
Net lending	0.0	0.5	0.7	0.1	0.4
<b>Current account balance (deficit -)</b>	<b>3.2</b>	<b>6.8</b>	<b>5.1</b>	<b>4.3</b>	<b>-2.8</b>
<b>Overall balance before grants (deficit -)</b>	<b>-7.5</b>	<b>-4.1</b>	<b>-13.2</b>	<b>-12.6</b>	<b>-17.7</b>
Foreign grants	4.4	3.1	7.4	6.1	5.7
<b>Overall balance after grants (deficit -)</b>	<b>-3.1</b>	<b>-1.0</b>	<b>-5.7</b>	<b>-6.5</b>	<b>-12.0</b>

Sources: Tables 27, 28, 29, 30, and 31.

Table 32. Nicaragua: Operations of the Public Utility Enterprises

	1997	1998	1999	2000	Prel. 2001
I. Consolidated Operations					
(In millions of cordobas)					
<b>Total revenue</b>	<b>1,493.0</b>	<b>2,005.7</b>	<b>2,465.5</b>	<b>2,382.0</b>	<b>830.1</b>
Operating revenue	1,406.0	1,877.1	2,201.9	2,020.2	678.4
Other current revenue	44.1	75.1	118.1	49.4	49.6
Current transfers	0.0	0.0	0.0	209.6	0.0
From central government	0.0	0.0	0.0	209.6	0.0
Capital transfers from central government	42.6	53.4	78.1	80.8	100.6
Other capital revenue	0.2	0.1	67.5	22.0	1.5
<b>Total expenditure</b>	<b>1,850.5</b>	<b>2,095.1</b>	<b>2,683.0</b>	<b>2,740.5</b>	<b>1,255.5</b>
Current expenditure	1,185.6	1,504.0	1,812.3	2,020.2	607.9
Operating expenditure	1,044.6	1,297.3	1,582.1	1,848.2	523.4
Wages and salaries	180.7	210.2	256.5	267.6	183.0
Goods and services	844.2	1,063.9	1,298.6	1,543.2	309.0
Employer's contributions	19.7	23.2	26.9	37.3	31.3
Interest payments	56.6	85.2	100.4	51.3	1.0
Of which: external interest payments	21.2	40.3	46.8	20.8	0.0
Other current expenditure	8.8	31.4	41.5	32.7	10.0
Current transfers	75.7	90.0	88.3	88.0	73.6
To universities and other 1/	75.7	90.0	88.3	88.0	73.6
Fixed capital formation	664.9	591.1	870.7	720.3	647.7
Net lending	0.0	0.0	0.0	0.0	
<b>Operating balance (deficit -)</b>	<b>361.4</b>	<b>579.8</b>	<b>619.8</b>	<b>172.0</b>	<b>155.0</b>
<b>Current account balance (deficit -)</b>	<b>264.5</b>	<b>448.2</b>	<b>507.6</b>	<b>258.9</b>	<b>120.1</b>
<b>Overall balance before grants (deficit -)</b>	<b>-357.6</b>	<b>-89.4</b>	<b>-217.5</b>	<b>-358.5</b>	<b>-425.4</b>
Foreign grants	176.1	150.5	341.8	360.9	337.2
<b>Overall balance after grants (deficit -)</b>	<b>-181.5</b>	<b>61.1</b>	<b>124.3</b>	<b>2.3</b>	<b>-88.2</b>
ENEL	-114.0	92.8	101.5	-0.5	-109.6
ENACAL	-67.5	-31.7	22.8	2.9	21.4

Table 32. Nicaragua: Operations of the Public Utility Enterprises

	1997	1998	1999	2000	Prel. 2001
II. Nicaragua Electricity Company (ENEL) 1/					
(In millions of cordobas)					
<b>Total revenue</b>	<b>1,185.1</b>	<b>1,605.9</b>	<b>1,953.9</b>	<b>1,760.7</b>	<b>194.7</b>
Operational revenue	1,141.4	1,531.9	1,788.0	1,484.6	120.6
Current transfers from central government	0.0	0.0	0.0	209.6	0.0
Other current revenue	43.5	74.0	98.4	40.7	40.3
Capital transfers from central government	0.0	0.0	0.0	3.8	32.3
Capital revenue	0.2	0.1	67.5	22.0	1.5
<b>Total expenditure</b>	<b>1,315.6</b>	<b>1,568.7</b>	<b>1,895.3</b>	<b>1,798.5</b>	<b>321.0</b>
Operating expenditure	830.1	1,007.6	1,228.9	1,449.2	72.9
Wages and salaries	109.7	120.3	139.1	137.9	33.9
Employer contributions	10.4	11.3	14.8	15.7	4.0
Goods and services	710.0	876.0	1,075.1	1,295.6	35.0
Interest payments	56.6	85.2	100.4	51.3	0.0
Of which: external interest payments	21.2	40.3	46.8	20.8	0.0
Other current expenditure	2.6	26.0	33.9	23.0	0.3
Current transfers	67.0	76.1	61.7	49.6	36.7
Other 1/	67.0	76.1	61.7	49.6	36.7
Fixed capital formation	359.3	373.8	470.4	225.3	211.2
<b>Operating balance (deficit -)</b>	<b>311.3</b>	<b>524.3</b>	<b>559.1</b>	<b>35.4</b>	<b>47.8</b>
<b>Current account balance (deficit -)</b>	<b>228.6</b>	<b>410.9</b>	<b>461.5</b>	<b>161.7</b>	<b>51.1</b>
<b>Overall balance before grants (deficit -)</b>	<b>-130.5</b>	<b>37.2</b>	<b>58.6</b>	<b>-37.8</b>	<b>-126.3</b>
Foreign grants	16.5	55.6	42.9	37.3	16.7
<b>Overall balance after grants (deficit -)</b>	<b>-114.0</b>	<b>92.8</b>	<b>101.5</b>	<b>-0.5</b>	<b>-109.6</b>
(In percent of GDP)					
<b>Total revenue</b>	<b>6.4</b>	<b>7.3</b>	<b>7.5</b>	<b>5.7</b>	<b>0.6</b>
Operational revenue	6.1	7.0	6.8	4.8	0.4
Current transfers from central government	0.0	0.0	0.0	0.7	0.0
Other current revenue	0.2	0.3	0.4	0.1	0.1
Capital transfers from central government	0.0	0.0	0.0	0.0	0.1
Capital revenue	0.0	0.0	0.3	0.1	0.0
<b>Total expenditure</b>	<b>7.1</b>	<b>7.2</b>	<b>7.3</b>	<b>5.8</b>	<b>0.9</b>
Operating expenditure	4.5	4.6	4.7	4.7	0.2
Wages and salaries	0.6	0.5	0.5	0.4	0.1
Employer contributions	0.1	0.1	0.1	0.1	0.0
Goods and services	3.8	4.0	4.1	4.2	0.1
Interest payments	0.3	0.4	0.4	0.2	0.0
Of which: external interest payments	0.1	0.2	0.2	0.1	0.0
Other current expenditure	0.0	0.1	0.1	0.1	0.0
Current transfers	0.4	0.3	0.2	0.2	0.1
Other 1/	0.4	0.3	0.2	0.2	0.1
Fixed capital formation	1.9	1.7	1.8	0.7	0.6
<b>Operating balance (deficit -)</b>	<b>1.7</b>	<b>2.4</b>	<b>2.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Current account balance (deficit -)</b>	<b>1.2</b>	<b>1.9</b>	<b>1.8</b>	<b>0.5</b>	<b>0.1</b>
<b>Overall balance before grants (deficit -)</b>	<b>-0.7</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.1</b>	<b>-0.4</b>
Foreign grants	0.1	0.3	0.2	0.1	0.0
<b>Overall balance after grants (deficit -)</b>	<b>-0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>-0.3</b>

1/ Starting in October 2000, includes only the operations of transmission plants and central administration units. The distribution plants were finalized by end-2002.

Table 32. Nicaragua: Operations of the Public Utility Enterprises

	1997	1998	1999	2000	Prel. 2001
III. Nicaragua Water and Sewerage Enterprise (ENACAL)					
(In millions of cordobas)					
<b>Total revenue</b>	<b>307.9</b>	<b>399.7</b>	<b>511.6</b>	<b>621.3</b>	<b>635.4</b>
Operating revenue	264.6	345.2	413.9	535.6	557.8
Other current revenue	0.7	1.1	19.7	8.7	9.3
Capital transfers from central government	42.6	53.4	78.1	77.0	68.3
<b>Total expenditure</b>	<b>535.0</b>	<b>526.4</b>	<b>787.7</b>	<b>942.1</b>	<b>934.5</b>
Operating expenditure	214.5	289.7	353.1	399.0	450.5
Wages and salaries	71.0	89.9	117.5	129.7	149.2
Goods and services	134.2	187.9	223.5	247.6	274.0
Employer's contribution	9.3	11.9	12.1	21.7	27.4
Interest payments	0.0	0.0	0.0	0.0	1.0
Other current transfers	8.7	13.9	26.7	38.4	36.9
Other current expenditure	6.2	5.4	7.6	9.7	9.7
Fixed capital formation	305.6	217.3	400.3	495.0	436.4
Net lending	0.0	0.0	0.0	0.0	0.0
<b>Operating balance (deficit -)</b>	<b>50.0</b>	<b>55.5</b>	<b>60.7</b>	<b>136.6</b>	<b>107.2</b>
<b>Current account balance (deficit -)</b>	<b>35.9</b>	<b>37.3</b>	<b>46.1</b>	<b>97.2</b>	<b>69.0</b>
<b>Overall balance before grants (deficit -)</b>	<b>-227.1</b>	<b>-126.6</b>	<b>-276.1</b>	<b>-320.7</b>	<b>-299.1</b>
Foreign grants	159.6	94.9	298.9	323.6	320.5
<b>Overall balance after grants (deficit -)</b>	<b>-67.5</b>	<b>-31.7</b>	<b>22.8</b>	<b>2.9</b>	<b>21.4</b>
(In percent of GDP)					
<b>Total revenue</b>	<b>1.7</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>
Operating revenue	1.4	1.6	1.6	1.7	1.6
Other current revenue	0.0	0.0	0.1	0.0	0.0
Capital transfers from central government	0.2	0.2	0.3	0.2	0.2
<b>Total expenditure</b>	<b>2.9</b>	<b>2.4</b>	<b>3.0</b>	<b>3.1</b>	<b>2.7</b>
Operating expenditure	1.2	1.3	1.4	1.3	1.3
Wages and salaries	0.4	0.4	0.4	0.4	0.4
Goods and services	0.7	0.9	0.9	0.8	0.8
Employer's contribution	0.1	0.1	0.0	0.1	0.1
Interest payments	0.0	0.0	0.0	0.0	0.0
Other current transfers	0.0	0.1	0.1	0.1	0.1
Other current expenditure	0.0	0.0	0.0	0.0	0.0
Fixed capital formation	1.6	1.0	1.5	1.6	1.3
<b>Operating balance (deficit -)</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.4</b>	<b>0.3</b>
<b>Current account balance (deficit -)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>
<b>Overall balance before grants (deficit -)</b>	<b>-1.2</b>	<b>-0.6</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-0.9</b>
Foreign grants	0.9	0.4	1.1	1.0	0.9
<b>Overall balance after grants (deficit -)</b>	<b>-0.4</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>

Sources: Ministry of Finance; Central Bank of Nicaragua; ENEL; and ENACAL.

Table 33. Nicaragua: Consolidated Operations of the Public Sector

(In millions of cordobas; unless otherwise indicated)

	1997	1998	1999	2000	Prel. 2001
I. Consolidated Nonfinancial Public Sector 1/					
<b>Total revenue</b>	<b>6,406.8</b>	<b>8,081.6</b>	<b>9,317.9</b>	<b>10,035.1</b>	<b>10,554.5</b>
Tax revenue of the general government	5,582.3	6,930.6	8,075.3	9,288.8	9,809.4
Operating balance of public utility enterprises	361.4	579.8	619.8	172.0	155.0
Nontax revenue 2/	420.3	549.2	543.3	547.7	578.9
Current transfers	0.6	0.0	0.0	0.0	0.0
Capital revenue	42.3	22.0	79.5	26.7	11.3
<b>Total expenditure</b>	<b>8,158.0</b>	<b>8,987.1</b>	<b>12,992.2</b>	<b>14,308.8</b>	<b>17,047.8</b>
Current expenditure	5,501.8	6,123.1	7,394.6	8,433.5	11,367.1
<i>Of which:</i> interest payments	1,147.9	1,121.2	1,272.7	1,398.5	2,640.3
Capital expenditure and net lending	2,656.3	2,864.0	5,597.6	5,875.3	5,680.7
Fixed capital formation	1,735.7	1,932.8	3,347.5	3,828.4	3,314.4
Financial investment	0.0	0.0	0.0	0.0	0.0
Capital transfers	921.0	903.6	2,051.0	2,004.8	2,239.2
Net lending	-0.5	27.6	199.0	42.1	127.1
<b>Current account balance (deficit -)</b>	<b>862.8</b>	<b>1,936.5</b>	<b>1,843.8</b>	<b>1,574.9</b>	<b>-823.9</b>
<b>Overall balance before grants (deficit -)</b>	<b>-1,751.2</b>	<b>-905.5</b>	<b>-3,674.3</b>	<b>-4,273.7</b>	<b>-6,493.3</b>
Foreign grants	998.7	825.6	2,276.7	2,234.8	2,288.1
<b>Overall balance after grants (deficit -)</b>	<b>-752.5</b>	<b>-79.9</b>	<b>-1,397.6</b>	<b>-2,038.9</b>	<b>-4,205.2</b>
<b>Total financing</b>	<b>752.5</b>	<b>79.9</b>	<b>1,397.6</b>	<b>2,038.9</b>	<b>4,205.2</b>
External financing	499.5	1,705.2	2,822.0	1,991.7	2,045.6
Internal financing	253.0	-1,625.3	-1,424.4	-1,413.3	1,660.0
<i>Of which:</i> central bank	1,143.7	-941.0	-962.2	-350.8	2,915.8
Privatization	0.0	0.0	0.0	1,460.5	499.6
II. Combined Public Sector: Overall balance by Origin					
<b>Overall balance before grants (deficit -)</b>	<b>-1,854.6</b>	<b>-1,623.1</b>	<b>-4,113.2</b>	<b>-4,734.5</b>	<b>-7,178.0</b>
Nonfinancial public sector	-1,751.2	-905.5	-3,674.3	-4,273.6	-6,498.3
Central government	-1,444.4	-1,131.5	-3,623.1	-4,378.8	-6,628.1
Rest of general government	50.8	232.2	186.2	484.6	555.2
Public utility enterprises	-357.6	-89.4	-217.5	-358.5	-425.4
Interagency transfer discrepancy	0.0	83.2	-20.0	-20.9	0.0
Central bank losses	-103.4	-717.6	-438.9	-460.9	-679.7
(In percent of GDP)					
<b>Overall balance before grants (deficit -)</b>	<b>-10.0</b>	<b>-7.4</b>	<b>-15.7</b>	<b>-15.3</b>	<b>-21.0</b>
Nonfinancial public sector	-9.4	-4.1	-14.1	-13.8	-19.0
Central government	-7.8	-5.2	-13.9	-14.2	-19.4
Rest of general government	0.3	1.1	0.7	1.6	1.6
Public utility enterprises	-1.9	-0.4	-0.8	-1.2	-1.2
Interagency transfer discrepancy	0.0	0.4	-0.1	-0.1	0.0
Central bank losses	-0.6	-3.3	-1.7	-1.5	-2.0

Sources: Tables 31; and 32.

1/ Comprises the general government and the public utility enterprises.

2/ Includes other current revenue of public utility enterprises.

Table 34. Nicaragua: Accounts of the Central Bank

(In millions of cordobas, end-of-period stocks)

	C\$10.4 per US\$		C\$11.9 per US\$		C\$12.7 per US\$		C\$13.4 per US\$	
	1997	1998	1998	1999	1999	2000	2000	Prel. 2001
<b>Adjusted net international reserves</b>	<b>1,500</b>	<b>1,440</b>	<b>1,648</b>	<b>2,572</b>	<b>2,744</b>	<b>2,371</b>	<b>2,502</b>	<b>212</b>
Foreign assets	4,026	3,709	4,243	6,104	6,514	6,308	6,656	5,130
Foreign liabilities	-2,526	-2,268	-2,595	-3,532	-3,769	-3,937	-4,154	-4,918
<b>Net domestic assets</b>	<b>24,072</b>	<b>23,820</b>	<b>28,706</b>	<b>28,177</b>	<b>29,691</b>	<b>30,558</b>	<b>34,062</b>	<b>36,670</b>
Net credit to central government	21,292	20,352	23,065	22,052	25,327	25,144	27,947	35,589
Credits	21,480	21,027	23,819	23,830	27,026	27,095	29,990	36,164
Deposits (-)	-188	-675	-754	-1,778	-1,699	-1,951	-2,043	-575
<i>Of which:</i>								
Denominated in foreign currency	-43	-102	-212	-331	-252	-1,684	-1,776	-338
Net credit to rest of public sector	-7	-7	-7	-7	-10	-469	-488	-373
Credits	-7	-7	-7	-7	-10	-10	0	0
Deposits (-)	0	0	0	0	0	-459	-488	-373
<i>Of which:</i>								
Denominated in foreign currency	0	0	0	0	0	-459	-506	-373
Net credit to other institutions	1,730	1,774	2,348	2,352	2,316	2,284	1,843	-178
Credit to commercial banks	828	808	92	110	328	1,985	2,058	1,618
Credit to the Nicaraguan Investment Fund (FNI)	98	75	77	58	50	23	27	0
Net unclassified assets	132	818	3,130 <sup>d</sup>	3,612	1,680	1,591	2,675	13
<b>Allocation of SDRs</b>	<b>1,296</b>	<b>1,296</b>	<b>1,515</b>	<b>1,515</b>	<b>2,229</b>	<b>2,229</b>	<b>2,353</b>	<b>2,353</b>
<b>Medium- and long-term foreign liabilities</b>	<b>19,216</b>	<b>19,265</b>	<b>24,145</b>	<b>24,112</b>	<b>25,097</b>	<b>24,936</b>	<b>28,376</b>	<b>23,727</b>
<b>Liabilities to commercial banks</b>	<b>950</b>	<b>966</b>	<b>966</b>	<b>1,004</b>	<b>1,004</b>	<b>972</b>	<b>972</b>	<b>1,417</b>
Currency	145	154	154	172	172	143	143	160
Deposits	805	812	812	833	833	830	830	1,257
<b>Negotiable investment certificates</b>	<b>3,000</b>	<b>2,393</b>	<b>2,388</b>	<b>2,382</b>	<b>2,370</b>	<b>3,037</b>	<b>3,108</b>	<b>7,436</b>
<b>Liabilities to the Nicaraguan Investment Fund (FNI)</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Of which:</i>								
Denominated in foreign currency	11	0	0	0	0	0	0	0
<b>Liabilities to private sector</b>	<b>1,096</b>	<b>1,340</b>	<b>1,340</b>	<b>1,735</b>	<b>1,735</b>	<b>1,754</b>	<b>1,754</b>	<b>1,949</b>
Currency in circulation	1,096	1,340	1,340	1,735	1,735	1,754	1,754	1,949

Source: Central Bank of Nicaragua.

Table 35. Nicaragua: Accounts of the Commercial Banks

(In millions of cordobas, end-of-period stocks)

	C\$10.4 per US\$		C\$11.9 per US\$		C\$12.7 per US\$		C\$13.4 per US\$	
	1997	1998	1998	1999	1999	2000	2000	Prel. 2001
<b>Net international reserves</b>	<b>2,306</b>	<b>2,413</b>	<b>2,761</b>	<b>1,666</b>	<b>1,778</b>	<b>1,761</b>	<b>1,859</b>	<b>3,081</b>
Foreign assets	2,768	2,863	3,276	2,748	2,933	2,498	2,636	3,773
Foreign liabilities	-461	-451	-516	-1,082	-1,155	-737	-778	-693
<b>Claims on central bank</b>	<b>950</b>	<b>966</b>	<b>966</b>	<b>1,004</b>	<b>1,004</b>	<b>972</b>	<b>972</b>	<b>1,416</b>
Currency	145	154	154	172	172	143	143	160
Deposits	805	812	812	833	833	830	830	1,256
<b>Domestic assets</b>	<b>7,854</b>	<b>9,506</b>	<b>10,827</b>	<b>13,693</b>	<b>14,542</b>	<b>16,860</b>	<b>18,455</b>	<b>17,112</b>
Net credit to central government	-202	-284	-308	-527	-563	-389	-410	-3,389
Net credit to the rest of the public sector	-729	-918	-918	-1,059	-1,130	-884	-932	-645
Credit to private sector	6,890	8,942	10,230	13,004	13,878	14,949	17,712	13,544
Negotiable Investment Certificates (CENIS)	1,420	1,422	1,453	1,579	1,553	2,410	2,507	7,064
Net unclassified assets	474	345	370	697	803	774	-422	538
<b>Medium- and long-term foreign liabilities</b>	<b>107</b>	<b>122</b>	<b>140</b>	<b>225</b>	<b>241</b>	<b>411</b>	<b>434</b>	<b>664</b>
<b>Liabilities to central bank</b>	<b>139</b>	<b>57</b>	<b>43</b>	<b>62</b>	<b>31</b>	<b>1,674</b>	<b>2,492</b>	<b>1,714</b>
<b>Liabilities to the Nicaraguan Investment Fund (FNI)</b>	<b>515</b>	<b>628</b>	<b>719</b>	<b>860</b>	<b>906</b>	<b>970</b>	<b>996</b>	<b>1,080</b>
<b>Liabilities to private sector</b>	<b>10,349</b>	<b>12,079</b>	<b>13,653</b>	<b>15,216</b>	<b>16,146</b>	<b>16,538</b>	<b>17,363</b>	<b>18,151</b>
Demand deposits	1,025	1,165	1,165	1,393	1,393	1,572	1,572	1,964
Time and savings deposits	2,241	2,358	2,699	3,189	3,403	3,024	3,190	2,847
Liabilities in foreign currencies	7,083	8,555	9,789	10,635	11,350	11,942	12,600	13,339

Source: Central Bank of Nicaragua.

Table 36. Nicaragua: Accounts of the Banking System

(In millions of cordobas, end-of-period stocks)

	C\$10.4 per US\$		C\$11.9 per US\$		C\$12.7 per US\$		C\$13.4 per US\$	
	1997	1998	1998	1999	1999	2000	2000	Prel. 2001
<b>Net international reserves</b>	<b>3,806</b>	<b>3,853</b>	<b>4,409</b>	<b>4,238</b>	<b>4,522</b>	<b>4,133</b>	<b>4,360</b>	<b>3,292</b>
Foreign assets	6,794	6,572	7,520	8,851	9,446	8,807	9,292	8,903
Foreign liabilities	-2,988	-2,719	-3,111	-4,614	-4,924	-4,674	-4,932	-5,611
<b>Domestic assets</b>	<b>30,367</b>	<b>31,847</b>	<b>38,038</b>	<b>40,229</b>	<b>42,648</b>	<b>43,334</b>	<b>47,517</b>	<b>45,004</b>
Net credit to central government	21,090	20,068	22,756	21,525	24,765	24,755	27,536	32,200
Net credit to the rest of the public sector	-736	-925	-925	-1,066	-1,140	-1,352	-1,420	-1,017
Net credit to other institutions	1,730	1,774	2,348	2,352	2,316	2,284	1,843	-178
Credit to private sector	6,890	8,942	10,230	13,004	13,878	14,949	17,712	13,544
Credit to the Nicaraguan Investment Fund (FNI)	98	75	77	58	50	23	27	0
Net unclassified assets	606	1,163	3,501	4,309	2,483	2,365	2,253	551
Interbank float	689	752	50	48	296	310	-434	-96
<b>Allocation of SDRs</b>	<b>1,296</b>	<b>1,296</b>	<b>1,515</b>	<b>1,515</b>	<b>2,229</b>	<b>2,229</b>	<b>2,353</b>	<b>2,353</b>
<b>Medium- and long-term foreign liabilities</b>	<b>19,323</b>	<b>19,388</b>	<b>24,285</b>	<b>24,338</b>	<b>25,338</b>	<b>25,347</b>	<b>28,810</b>	<b>24,391</b>
<b>Liabilities to the Nicaraguan Investment Fund (FNI)</b>	<b>529</b>	<b>628</b>	<b>719</b>	<b>860</b>	<b>906</b>	<b>970</b>	<b>996</b>	<b>1,080</b>
<b>Liabilities to private sector</b>	<b>13,025</b>	<b>14,389</b>	<b>15,928</b>	<b>17,755</b>	<b>18,698</b>	<b>18,920</b>	<b>19,718</b>	<b>20,472</b>
Currency in circulation	1,096	1,340	1,340	1,735	1,735	1,754	1,754	1,949
Demand deposits	1,025	1,165	1,165	1,393	1,393	1,572	1,572	1,964
Time and savings deposits	2,241	2,358	2,699	3,189	3,403	3,024	3,190	2,847
Negotiable investment certificates (CENIS)	1,580	971	935	804	817	628	601	372
Liabilities in foreign currency	7,083	8,555	9,789	10,635	11,350	11,942	12,600	13,339

Sources: Tables 34 and 35; and Central Bank of Nicaragua.



Table 37. Nicaragua: Summary Accounts of the National Investment Fund (FNI)

(In millions of cordobas, end-of-period stocks)

	C\$10.4 per US\$		C\$11.9 per US\$		C\$12.7 per US\$		C\$13.4 per US\$	
	1997	1998	1998	1999	1999	2000	2000	Prel. 2001
<b>Net international reserves</b>	<b>68</b>	<b>5</b>	<b>6</b>	<b>-88</b>	<b>-94</b>	<b>-116</b>	<b>-122</b>	<b>-289</b>
Foreign assets	68	5	6	18	19	0	0	0
Foreign liabilities	0	0	0	-106	-113	-116	-122	-289
<b>Claims on central bank</b>	<b>14</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Currency	0	0	0	0	0	0	0	0
Deposits	14	0	1	0	0	0	0	0
<i>Of which:</i>								
Denominated in foreign currency	10	0	1	0	0	0	0	0
<b>Domestic assets</b>	<b>21</b>	<b>74</b>	<b>75</b>	<b>134</b>	<b>143</b>	<b>141</b>	<b>149</b>	<b>289</b>
Credit to rest of banking system	515	628	718	859	917	980	1034	1226
Credit to private sector	0	0	0	0	0	0	0	0
Net unclassified assets	-495	-553	-643	-725	-774	-839	-886	-938
<b>Medium- and long-term foreign liabilities 1/</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities to central bank</b>	<b>102</b>	<b>80</b>	<b>82</b>	<b>46</b>	<b>49</b>	<b>25</b>	<b>27</b>	<b>0</b>

Source: Central Bank of Nicaragua.

Table 38. Nicaragua: Consolidated Financial System

(In millions of cordobas, end-of-period stocks)

	C\$10.4 per US\$		C\$11.9 per US\$		C\$12.7 per US\$		C\$13.4 per US\$	
	1997	1998	1998	1999	1999	2000	2000	Prel. 2001
<b>Net international reserves</b>	<b>3,874</b>	<b>3,858</b>	<b>4,415</b>	<b>4,150</b>	<b>4,429</b>	<b>4,017</b>	<b>4,238</b>	<b>3,004</b>
Foreign assets	6,862	6,577	7,526	8,869	9,466	8,807	9,292	8,903
Foreign liabilities	-2,988	-2,719	-3,111	-4,719	-5,037	-4,790	-5,054	-5,899
<b>Net domestic assets</b>	<b>29,770</b>	<b>31,214</b>	<b>37,313</b>	<b>38,457</b>	<b>41,835</b>	<b>42,479</b>	<b>46,642</b>	<b>44,212</b>
Net credit to nonfinancial public sector	20,354	19,142	21,831	20,459	23,625	23,403	26,116	31,183
Net credit to central government	21,090	20,068	22,756	21,525	24,765	24,755	27,536	32,200
Net credit to rest of public sector	-736	-925	-925	-1,066	-1,140	-1,352	-1,420	-1,017
Credit to productive sector	8,620	10,715	12,579	15,356	16,194	17,233	19,555	13,367
Net credit to other institutions	1,730	1,774	2,348	2,352	2,316	2,284	1,843	-178
Net credit to APP enterprises	0	0	0	0	0	0	0	0
Credit to private sector	6,890	8,942	10,230	13,004	13,878	14,949	17,712	13,544
Net unclassified assets	112	610	2,858	3,583	1,709	1,526	1,367	-387
Intrasystem float	684	747	44	59	308	318	-395	50
<b>Allocation of SDRs</b>	<b>1,296</b>	<b>1,296</b>	<b>1,515</b>	<b>1,515</b>	<b>2,229</b>	<b>2,229</b>	<b>2,353</b>	<b>2,353</b>
<b>Medium- and long-term foreign liabilities</b>	<b>19,323</b>	<b>19,388</b>	<b>24,285</b>	<b>24,338</b>	<b>25,338</b>	<b>25,347</b>	<b>28,810</b>	<b>24,391</b>
<b>Liabilities to private sector</b>	<b>13,025</b>	<b>14,389</b>	<b>15,928</b>	<b>17,755</b>	<b>18,698</b>	<b>18,920</b>	<b>19,718</b>	<b>20,472</b>
Money	2,121	2,505	2,505	3,127	3,127	3,327	3,327	3,913
Currency in circulation	1,096	1,340	1,340	1,735	1,735	1,754	1,754	1,949
Demand deposits	1,025	1,165	1,165	1,393	1,393	1,572	1,572	1,964
Quasi-money	10,904	11,884	13,423	14,627	15,570	15,593	16,391	16,559
Time and savings deposits	2,241	2,358	2,699	3,189	3,403	3,024	3,190	2,847
CENIS	1,580	971	935	804	817	628	601	372
Deposits in foreign currencies	7,083	8,555	9,789	10,635	11,350	11,942	12,600	13,339

Sources: Tables 36 and 37, and Central Bank of Nicaragua.

Table 39. Nicaragua: Total Assets of the Financial System by Institution

	(In millions of cordobas)					(In percent of total)				
	1997	1998	1999	2000	Prel. 2001	1997	1998	1999	2000	Prel. 2001
<b>Total assets</b>	<b>45,227</b>	<b>50,872</b>	<b>61,969</b>	<b>68,510</b>	<b>73,414</b>	<b>100.0</b>	<b>100.0</b>	<b>99.9</b>	<b>100.0</b>	<b>100.0</b>
<b>Central Bank of Nicaragua</b>	<b>30,019</b>	<b>32,547</b>	<b>38,493</b>	<b>43,200</b>	<b>45,656</b>	<b>66.4</b>	<b>64.0</b>	<b>62.1</b>	<b>63.1</b>	<b>62.2</b>
<b>Rest of the banking system</b>	<b>14,169</b>	<b>17,618</b>	<b>22,522</b>	<b>24,219</b>	<b>26,386</b>	<b>31.3</b>	<b>34.6</b>	<b>36.2</b>	<b>35.4</b>	<b>35.9</b>
Banco Nacional de Desarrollo	167	0	0	0	0	0.4	0.0	0.0	0.0	0.0
Banco Nicaraguense de Industria										
Banco Nicaraguense de Industria y Comercio (BANIC)	1,571	1,973	2,333	2,127	0	3.5	3.9	3.8	3.1	0.0
Banco Popular	311	309	171	0	0	0.7	0.6	0.3	0.0	0.0
Banco Inmobiliario	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Banco Mercantil	1,862	1,618	1,687	1,480	0	4.1	3.2	2.7	2.2	0.0
Banco de la Produccion	1,367	1,970	2,308	4,429	7,343	3.0	3.9	3.7	6.5	10.0
Banco Centroamericano	1,802	2,033	3,150	3,920	5,582	4.0	4.0	5.1	5.7	7.6
Banco de America Central	1,812	1,881	1,952	3,236	3,996	4.0	3.7	3.1	4.7	5.4
Banco de Finanzas	1,058	1,470	2,104	3,847	4,148	2.3	2.9	3.4	5.6	5.7
Interbank	987	1,771	3,006	0	0	2.2	3.5	4.9	0.0	0.0
Banco de Exportaciones	1,608	1,846	2,498	2,892	3,291	3.6	3.6	4.0	4.2	4.5
Banco del Campo 1/	201	475	0	0	0	0.4	0.9	0.0	0.0	0.0
Banco de Prestamos	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Banco del Café	679	1,161	1,740	490	0	1.5	2.3	2.8	0.7	0.0
Banco Caley Dagnal	410	653	830	974	1,092	0.9	1.3	1.3	1.4	1.5
Delta	122	216	377	449	467	0.3	0.4	0.6	0.7	0.6
Interfin	210	242	286	257	293	0.5	0.5	0.5	0.4	0.4
Banco Europeo de Centroamerica	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Pribanco	0	0	80	0	0	0.0	0.0	0.0	0.0	0.0
Finarca	0	0	0	118	174	0.0	0.0	0.0	0.2	0.2
<b>Nonbank financial institutions</b>	<b>1,039</b>	<b>707</b>	<b>954</b>	<b>1,091</b>	<b>1,372</b>	<b>2.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.9</b>
Fondo Nicaraguense de Inversiones (FNI)	1,039	707	954	1,091	1,372	2.3	1.4	1.5	1.6	1.9

Source: Central Bank of Nicaragua.

1/ From June 1998, the name of the bank was changed to Banco del Sur.

Table 40. Nicaragua: Interest Rate Structure

(In percent per annum; unless otherwise specified)

	1997	1998	1999	2000	Prel. 2001
<b>Central bank</b>					
To central government	5.10-18.97	4.12-4.50	5.86-6.42	3.58-5.96	4.24-4.95
To commercial banks					
For liquidity assistance	31.0	30.6	36.0	44.1	38.64
For productive activities					
Short term	...	...	...	...	...
Long term	...	...	...	...	...
Bonos de fomento (BOFOS)	...	...	...	...	...
Bonds denominated in foreign currency (BOMEX) 1/	7.5	7.5	7.5	7.5	7.5
Negotiable investment certificates (CENIS) 2/					
28 days	1.5	...	...	...	...
63 days	...	...	...	...	...
90 days	...	...	...	14.92	...
91 days	...	...	...	...	...
180 days	...	...	...	16.08	14.34
182 days	...	...	...	...	...
273 days	11.9	...	...	...	...
360 days	...	...	...	...	15.91
390 days	...	...	...	...	15.65
450 days	...	...	...	...	16.71
540 days	...	...	...	...	15.47
570 days	...	...	...	...	15.62
600 days	...	...	...	...	15.56
720 days	...	...	...	...	14.54
<b>Commercial banks</b>					
Short-term loans (under 18 months)	18.9-21.6	18.0-21.3	17.1-21.3	16.6-22.1	17.4-23.9
Medium-term loans (18 months to 5 years)	18.1-20.5	18.1-18	17.5-18.8	16.7-19.7	17.9-23.4
Deposits and other obligations					
Local currency					
Savings deposits	8.6	8.7	8.5	8.3	8.19
Time deposits					
30-day deposits	11.3	11.4	9.9	9.8	8.89
Up to one year	12.0-13.2	11.4-12.4	10.5-11.5	10.2-12.4	9.9-10.8
One year and over	14.1-14.6	13.7-14.3	12.4-13.3	12.3-12.9	12.0-12.2
Foreign currency					
Savings deposits	5.2	5.2	5.57	5.3	5.3
Time deposits					
One month	7.1	7.83	7.3	7.75	6.92
Over one month	7.4-9.8	8.4-10	8.6-9.9	8.7-9.8	8.9-9.7

Source: Central Bank of Nicaragua.

1/ Corresponds to 30-day term.

2/ Indexed to the U.S. dollar.

Table 41. Nicaragua: Legal Reserve Position of the Commercial Banks

	1997 1/	1998	1999 2/	2000 3/	Prel. 2001 4/
	(In percent)				
<b>Minimum requirements</b>					
Local and foreign currency deposits 2/	17.00	17.00	16.25	16.25	19.25
	(In millions of cordobas)				
<b>Commercial banks</b>					
Deposits subject to requirements	10,280.8	13,174.4	17,555.1	15,882.3	20746.6
Required reserves	1,669.1	2,205.4	2,829.1	2,580.6	3789.8
Actual reserves	1,867.8	2,191.5	2,522.1	2,475.4	4409.5
Excess or deficiency (-)	198.7	-13.8	-307.0	-105.2	619.7
<b>State-owned banks</b>					
Deposits subject to requirements 5/	1,639.2	1,838.2	210.0	0.0	0.0
Required reserves	264.7	278.7	10.5	0.0	0.0
Actual reserves	288.5	299.2	25.7	0.0	0.0
Excess or deficiency (-)	23.9	20.5	15.2	0.0	0.0
<b>Private banks 4/</b>					
Deposits subject to requirements 6/	8,641.7	11,336.2	17,345.1	15,882.3	20746.6
Required reserves	1,404.4	1,926.7	2,818.6	2,580.6	3789.8
Actual reserves	1,579.3	1,892.3	2,496.4	2,475.4	4409.5
Excess or deficiency (-)	174.8	-34.4	-322.2	-105.2	619.7
	(In percent of liabilities subject to requirements)				
<b>Commercial banks</b>					
Average required reserves	16.2	16.7	16.1	16.2	18.3
Actual reserves	18.2	16.6	14.4	15.6	21.3
Excess or deficiency (-)	1.9	-0.1	-1.7	-0.7	3.0
<b>State-owned banks</b>					
Average required reserves	16.1	15.2	5.0	0.0	0.0
Actual reserves	17.6	16.3	12.2	0.0	0.0
Excess or deficiency (-)	1.5	1.1	7.2	0.0	0.0
<b>Private banks</b>					
Average required reserves	16.3	17.0	16.3	16.2	18.3
Actual reserves	18.3	16.7	14.4	15.6	21.3
Excess or deficiency (-)	2.0	-0.3	-1.9	-0.7	3.0

Source: Central Bank of Nicaragua.

1/ In November 1997, the legal reserve requirements in cordoba and dollar deposits were unified at 17 percent.

2/ Legal requirement applies to sight, time, and savings deposits.

3/ Requirements on average deposits of the last 15 days of December.

4/ Requirements on average deposits of the last week of December. Legal reserve requirements in cordoba and dollar deposits were increased by two percentage points in August and one additional percentage point in September.

5/ From October 1998, legal reserve requirements for Banco Popular were 5 percent.

6/ The legal reserve requirements in cordoba and dollar deposits required by BDF, Banpro, y Bancentro from liquidated bank were eliminated on a temporary basis.

Table 42. Nicaragua: Net International Reserves

(In millions of U.S. dollars, end-of-period)

	1997	1998	1999	2000	Prel. 2001
<b>Total</b>	<b>230.2</b>	<b>212.1</b>	<b>219.5</b>	<b>183.8</b>	<b>53.4</b>
Assets	517.5	473.5	616.0	561.0	507.3
Liabilities	287.3	261.4	396.5	377.2	453.9
<b>Central bank</b>	<b>144.2</b>	<b>138.5</b>	<b>216.1</b>	<b>186.7</b>	<b>15.8</b>
<b>Assets</b>	<b>387.1</b>	<b>356.6</b>	<b>512.9</b>	<b>496.7</b>	<b>382.8</b>
Gold 1/	5.3	5.4	0.2	5.5	0.5
Foreign exchange	14.6	14.1	36.7	135.3	62.1
Deposit abroad	0.0	0.0	0.0	0.0	0
Investments	356.8	292.0	380.9	311.9	245.9
Call accounts	0.1	0.4	23.9	0.0	0.3
Collateral deposits	3.0	0.1	1.9	1.3	0.6
Time deposits 2/	353.7	291.5	355.1	310.6	245
Other	10.4	45.1	95.1	44.0	74.3
<b>Liabilities</b>	<b>242.9</b>	<b>218.1</b>	<b>296.8</b>	<b>310.0</b>	<b>367</b>
Latin american central banks	...	...	...	...	...
Letters of credit	3.0	0.1	1.9	1.3	0.6
Foreign deposits	0.1	0.1	0.1	0.2	0.1
Interest in arrears	...	...	...	...	...
IMF 3/	27.0	49.7	152.8	174.6	169.2
Other 4/	212.8	168.2	142.0	133.9	197.1
<b>Rest of financial system</b>	<b>86.0</b>	<b>73.6</b>	<b>3.4</b>	<b>-2.9</b>	<b>37.6</b>
Assets	130.4	116.9	103.1	64.3	124.5
Liabilities	44.4	43.3	99.7	67.2	86.9

Source: Central Bank of Nicaragua.

1/ Valued at US\$360 per troy ounce.

2/ In 1997, includes US\$152.4 million of rescheduling of debt with CABEL.

3/ SDR converted at US\$1.35=SDR 1.

4/ Includes legal reserves of deposits in foreign currency of the commercial banks.

Table 43. Nicaragua: Detailed Balance of Payments

(In millions of U.S. dollars)

	1997	1998	1999	2000	Prel. 2001
<b>Current account</b>	<b>-785</b>	<b>-801</b>	<b>-1,060</b>	<b>-932</b>	<b>-970</b>
<b>Exports of goods and nonfactor services</b>	<b>797</b>	<b>830</b>	<b>838</b>	<b>955</b>	<b>920</b>
Merchandise f.o.b.	577	573	545	645	592
Freight and insurance	11	11	11	13	12
Travel	80	100	125	129	135
Other	129	146	157	169	180
<b>Imports of goods and nonfactor services</b>	<b>1,610</b>	<b>1,665</b>	<b>2,037</b>	<b>1,991</b>	<b>1,983</b>
Merchandise f.o.b.	1,371	1,397	1,703	1,648	1,629
Freight and insurance	63	76	130	122	136
Travel	65	70	78	78	76
Other	111	122	127	143	142
<b>Factor services balance</b>	<b>28</b>	<b>34</b>	<b>139</b>	<b>104</b>	<b>93</b>
Receipts	292	305	427	430	416
Official interest	15	26	31	31	15
Private transfers	277	279	396	400	402
Expenditures	264	271	287	327	323
Official interest	211	213	225	257	248
Other interest	53	58	62	69	76
<b>Capital account</b>	<b>663</b>	<b>604</b>	<b>876</b>	<b>628</b>	<b>558</b>
Official transfers	194	194	307	310	346
Public sector capital	-29	104	108	24	19
Disbursements	176	264	274	195	217
Scheduled amortization	-214	-148	-168	-159	-177
Other (net)	9	-12	2	-11	-21
Other capital	498	306	460	294	193
<b>Overall balance</b>	<b>-122</b>	<b>-197</b>	<b>-184</b>	<b>-304</b>	<b>-412</b>
Change in net international reserves					
(- increase)	-58	6	-77	29	171
<i>Of which: IMF (net)</i>	0	22	104	21	-5
Arrears (net)	-177	62	151	64	-285
Exceptional financing (net)	357	129	110	211	526

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

Table 44. Nicaragua: Exports by Commodity

	1997	1998	1999	2000	Prel. 2001
(In millions of U.S. dollars)					
<b>Total exports, f.o.b.</b>	<b>577</b>	<b>573</b>	<b>545</b>	<b>645</b>	<b>592</b>
<b>Agricultural and fish products</b>	<b>318</b>	<b>344</b>	<b>332</b>	<b>395</b>	<b>300</b>
Cotton	3	0	0	0	0
Coffee	116	173	135	171	105
Seafood	91	90	94	122	87
Bananas	16	20	14	8	12
Other	92	61	89	93	97
<b>Manufactured products</b>	<b>251</b>	<b>196</b>	<b>182</b>	<b>226</b>	<b>262</b>
Foodstuffs	95	73	72	94	115
Meat (beef)	44	38	42	52	66
Sugar	51	36	30	41	49
Wood products	17	13	13	9	13
Textiles	3	2	3	1	1
Leather and leather goods	7	8	10	7	7
Chemical products	10	10	13	13	15
Other	118	90	71	102	112
<b>Minerals</b>	<b>8</b>	<b>33</b>	<b>30</b>	<b>25</b>	<b>30</b>
Gold	8	32	30	24	30
Other	0	1	0	0	0
<b>Memorandum item:</b>					
Nontraditional exports	245	188	205	232	252
(Shares in percent of total)					
<b>Agricultural and fish products</b>	<b>55</b>	<b>60</b>	<b>61</b>	<b>61</b>	<b>51</b>
Cotton	1	0	0	0	0
Coffee	20	30	25	26	18
Seafood	16	16	17	19	15
Bananas	3	3	2	1	2
Other	16	11	16	14	16
<b>Manufactured products</b>	<b>43</b>	<b>34</b>	<b>33</b>	<b>35</b>	<b>44</b>
Foodstuffs	17	13	13	15	19
Meat (beef)	8	7	8	8	11
Sugar	9	6	6	6	8
Wood products	3	2	2	1	2
Textiles	1	0	0	0	0
Leather and leather goods	1	1	2	1	1
Chemical products	2	2	2	2	2
Other	21	16	13	16	19
<b>Minerals</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>5</b>
Gold	1	6	6	4	5
Other	0	0	0	0	0
<b>Memorandum item:</b>					
Nontraditional exports	42	33	38	36	43

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



Table 45. Nicaragua: Exports by Destination

	1997	1998	1999	2000	Prel. 2001
(In millions of U.S. dollars)					
<b>Total exports, f.o.b.</b>	<b>577</b>	<b>573</b>	<b>545</b>	<b>645</b>	<b>592</b>
<b>Western Hemisphere</b>	<b>415</b>	<b>386</b>	<b>398</b>	<b>493</b>	<b>417</b>
Central American Common Market	125	123	148	171	179
Canada	3	8	7	25	9
Cuba	1	3	2	3	1
Mexico	12	12	15	24	26
United States	237	214	205	248	167
Other	36	26	21	22	36
<b>Europe</b>	<b>140</b>	<b>174</b>	<b>137</b>	<b>137</b>	<b>166</b>
Belgium	18	20	20	20	10
France	9	12	9	9	9
Germany	62	70	54	54	38
Italy	5	4	4	5	4
Netherlands	5	11	5	7	8
Spain	20	24	13	13	12
United Kingdom	11	9	6	13	17
Other	11	24	26	17	69
<b>Asia</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6</b>
China	0	0	1	1	1
Japan	5	4	4	3	6
Other	17	9	6	11	3
(In percent of total)					
<b>Western Hemisphere</b>	<b>72</b>	<b>67</b>	<b>73</b>	<b>76</b>	<b>70</b>
Central American Common Market	22	21	27	26	30
Canada	1	1	1	4	2
Cuba	0	0	0	0	0
Mexico	2	2	3	4	4
United States	41	37	38	38	28
Other	6	5	4	3	6
<b>Europe</b>	<b>24</b>	<b>30</b>	<b>25</b>	<b>21</b>	<b>28</b>
Belgium	3	4	4	3	2
France	2	2	2	1	1
Germany	11	12	10	8	6
Italy	1	1	1	1	1
Netherlands	1	2	1	1	1
Spain	3	4	2	2	2
United Kingdom	2	1	1	2	3
Other	2	4	5	3	12
<b>Asia</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
China	0	0	0	0	0
Japan	1	1	1	1	1
Other	3	2	1	2	0

Source: Central Bank of Nicaragua.

Table 46. Nicaragua: Imports by Type of Goods

	1997	1998	1999	2000	Prel. 2001
(In millions of U.S. dollars)					
<b>Total imports, c.i.f.</b>	<b>1,450</b>	<b>1,492</b>	<b>1,862</b>	<b>1,800</b>	<b>1,789</b>
<b>Consumer goods</b>	<b>332</b>	<b>435</b>	<b>542</b>	<b>532</b>	<b>583</b>
Nondurable	276	357	439	419	474
Durable	57	78	102	114	109
<b>Energy products</b>	<b>172</b>	<b>143</b>	<b>176</b>	<b>288</b>	<b>269</b>
Crude and partially refined oil	110	87	109	185	172
Derivatives	61	56	67	103	98
<b>Intermediate goods</b>	<b>539</b>	<b>462</b>	<b>543</b>	<b>532</b>	<b>522</b>
Agriculture	66	64	79	74	54
Industry	385	317	353	343	354
Construction	88	80	111	115	113
<b>Capital goods</b>	<b>391</b>	<b>449</b>	<b>594</b>	<b>443</b>	<b>410</b>
Agriculture	20	26	40	31	38
Industry	237	258	353	228	229
Transportation	133	165	202	183	144
<b>Electricity and other</b>	<b>17</b>	<b>4</b>	<b>7</b>	<b>5</b>	<b>4</b>
(In percent of total)					
<b>Consumer goods</b>	<b>23</b>	<b>29</b>	<b>29</b>	<b>30</b>	<b>33</b>
Nondurable	19	24	24	23	27
Durable	4	5	6	6	6
<b>Energy products</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>16</b>	<b>15</b>
Crude and partially refined oil	8	6	6	10	10
Derivatives	4	4	4	6	5
<b>Intermediate goods</b>	<b>37</b>	<b>31</b>	<b>29</b>	<b>30</b>	<b>29</b>
Agriculture	5	4	4	4	3
Industry	27	21	19	19	20
Construction	6	5	6	6	6
<b>Capital goods</b>	<b>27</b>	<b>30</b>	<b>32</b>	<b>25</b>	<b>23</b>
Agriculture	1	2	2	2	2
Industry	16	17	19	13	13
Transportation	9	11	11	10	8
<b>Electricity and other</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Table 47. Nicaragua: Imports by Country of Origin

	1997	1998	1999	2000	Prel. 2001
	(In millions of U.S. dollars)				
<b>Total imports, c.i.f.</b>	<b>1,450</b>	<b>1,492</b>	<b>1,862</b>	<b>1,800</b>	<b>1,789</b>
<b>Western Hemisphere</b>	<b>1,220</b>	<b>1,244</b>	<b>1,583</b>	<b>1,505</b>	<b>1,461</b>
Central American Common Market	348	426	529	522	478
Canada	20	17	21	21	26
Mexico	83	69	77	105	124
Panama	80	101	132	127	68
United States	525	464	631	448	491
Venezuela	74	98	129	198	192
Other	90	68	65	83	82
<b>Europe</b>	<b>136</b>	<b>118</b>	<b>108</b>	<b>111</b>	<b>139</b>
Belgium	6	4	6	10	1
France	11	6	11	1	11
Germany	23	25	28	30	37
Italy	7	6	11	9	10
Netherlands	3	27	6	11	5
Spain	64	22	17	18	24
United Kingdom	2	5	3	4	4
Other	19	24	26	29	48
<b>Asia</b>	<b>90</b>	<b>123</b>	<b>167</b>	<b>171</b>	<b>165</b>
Japan	58	87	99	107	73
Other	32	36	68	64	92
<b>Other</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>13</b>	<b>23</b>
	(In percent of total)				
<b>Western Hemisphere</b>	<b>84</b>	<b>83</b>	<b>85</b>	<b>84</b>	<b>82</b>
Central American Common Market	24	29	28	29	27
Canada	1	1	1	1	1
Mexico	6	5	4	6	7
Panama	6	7	7	7	4
United States	36	31	34	25	27
Venezuela	5	7	7	11	11
Other	6	5	3	5	5
<b>Europe</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>8</b>
Belgium	0	0	0	1	0
France	1	0	1	0	1
Germany	2	2	2	2	2
Italy	0	0	1	1	1
Netherlands	0	2	0	1	0
Spain	4	1	1	1	1
United Kingdom	0	0	0	0	0
Other	1	2	1	2	3
<b>Asia</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>9</b>
Japan	4	6	5	6	4
Other	2	2	4	4	5
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

Source: Central Bank of Nicaragua.

Table 48. Nicaragua: External Debt Arrears

	1997	1998	1999	2000	Prel. 2001
(In millions of U.S. dollars; end of period)					
<b>Total</b>	<b>1,972</b>	<b>1,975</b>	<b>2,103</b>	<b>2,227</b>	<b>1,945</b>
Principal	1,197	1,138	1,216	1,204	1,144
Interest	775	837	887	1,023	801
(By type of creditor)					
<b>Official bilateral creditors</b>	<b>1,690</b>	<b>1,754</b>	<b>1,871</b>	<b>1,993</b>	<b>1,710</b>
Principal	926	919	994	977	916
Interest	764	835	877	1,016	794
<b>Multilateral institutions</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>
Principal	0	0	0	0	0
Interest	0	0	5	0	0
<b>Commercial banks</b>	<b>206</b>	<b>199</b>	<b>209</b>	<b>216</b>	<b>198</b>
Principal	204	199	205	210	198
Interest	2	0	4	6	0
<b>Suppliers</b>	<b>73</b>	<b>22</b>	<b>18</b>	<b>18</b>	<b>37</b>
Principal	65	20	17	17	30
Interest	8	2	1	1	7
<b>Other</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Principal	2	0	0	0	0
Interest	0	0	0	0	0

Sources: Central Bank of Nicaragua; Ministry of External Cooperation; and Fund staff estimates.

Table 49. Nicaragua: Exchange Rates

(In cordobas per U.S. dollar)

	Official 1/	Private Exchange Houses		
		Buying	Selling	Mid-Point
<b>December</b>				
1996	8.88	8.89	8.94	8.91
1997	9.95	9.94	9.96	9.95
1998				
<b>1999</b>				
January	11.25	11.29	11.35	11.32
February	11.35	11.39	11.44	11.41
March	11.46	11.51	11.56	11.53
April	11.57	11.58	11.61	11.60
May	11.68	11.67	11.71	11.69
June	11.79	11.80	11.85	11.83
July	11.89	11.94	12.00	11.97
August	11.98	12.04	12.10	12.07
September	12.07	12.12	12.18	12.15
October	12.16	12.17	12.23	12.20
November	12.23	12.27	12.33	12.30
December	12.29	12.26	12.33	12.29
<b>2000</b>				
January	12.35	12.41	12.48	12.45
February	12.41	12.47	12.52	12.50
March	12.47	12.51	12.57	12.54
April	12.53	12.58	12.63	12.61
May	12.59	12.65	12.70	12.67
June	12.65	12.65	12.72	12.69
July	12.71	12.69	12.76	12.72
August	12.78	12.82	12.90	12.86
September	12.84	12.85	12.92	12.89
October	12.90	12.89	13.02	12.95
November	12.96	12.95	13.10	13.03
December	13.03	12.99	13.10	13.05
<b>2001</b>				
January	13.09	13.07	13.21	13.14
February	13.15	13.14	13.24	13.19
March	13.21	13.18	13.25	13.21
April	13.28	13.22	13.30	13.26
May	13.34	13.31	13.37	13.34
June	13.41	13.43	13.51	13.47
July	13.47	13.51	13.59	13.55
August	13.54	13.56	13.64	13.60
September	13.61	13.64	13.72	13.68
October	13.67	13.75	13.81	13.78
November	13.73	13.76	13.82	13.79
December	13.81	13.78	13.84	13.81

Source: Central Bank of Nicaragua.

1/ Buying rate, average rate per month.

Table 50. Nicaragua: Real Effective Exchange Rate and Related Indices

(Index 1990=100)

	Effective Exchange Rate		Relative Consumer Prices (Local Currencies)	Exchange Rate Index in Terms of U.S. Dollars	Consumer Price Index (Not Seasonally Adjusted)
	Real	Nominal			
1997					
I	186.7	2.2	3,038	1.149	6,414
II	186.4	2.2	3,077	1.114	6,538
III	188.5	2.2	3,127	1.083	6,699
IV	186.0	2.1	3,164	1.055	6,820
1998					
I	192.2	2.1	3,254	1.031	7,059
II	195.3	2.1	3,406	0.999	7,436
III	190.5	2.0	3,409	0.971	7,478
IV	190.7	1.9	3,617	0.944	7,980
1999					
I	194.0	1.9	3,658.6	0.916	8,106
II	193.2	1.9	3,639.0	0.892	8,117
III	194.0	1.9	3,728.7	0.868	8,373
IV	193.1	1.8	3,851.5	0.836	8,714
2000					
I	202.8	1.8	3,958.0	0.837	9,028
II	209.9	1.9	4,036.0	0.826	9,276
III	210.0	1.9	4,017.6	0.815	9,315
IV	216.6	1.9	4,085.9	0.805	9,539
2001					
I	214.3	1.8	4,164.3	0.793	9,802
II	220.4	1.9	4,201.0	0.780	9,980
III	215.9	1.8	4,194.0	0.768	10,027
IV	214.2	1.8	4,209.8	0.758	10,080

Source: Information Notice System.