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Peru: Exporters Demand Currency Devaluation

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On Aug. 16, the National Exporters Society (Sociedad Nacional de Exportadores-SNE) called on the government for "immediate" changes in economic policy. According to the Society, after two years of harsh austerity measures since Aug. 8, 1990, "the economic situation is unsustainable and discouraging, and serious distortions of principal macroeconomic variables threaten business survival." The SNE criticized the government's "pernicious" currency overvaluation, estimated at 38% as of July 31, relative to September 1990. Next, the Society attributed "financial strangulation" to excessive taxes, "exorbitant" interest rates on business loans, and high utilities and fuel prices. The SNE said the government's inept monetary, fiscal and exchange rate policies have reduced domestic competitiveness and aggravated the ongoing recession. The SNE recommends substantial and sustained currency devaluation, interest rate reduction via elimination of taxes imposed on loans, tax cuts, implementation of an "effective" tax rebate system for exporters, and reduction of taxes on fuels and public services. (Source: Agence France-Presse, 08/16/92)

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