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## **Nicaraguan Government Implements Fourth Currency Devaluation Of 1989**

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On Feb. 15, the Nicaraguan government devalued the cordoba 15.6% to the dollar, marking the fourth such action of the year, and the ninth in the last 12 months. The current official exchange rate is 2,700 cordobas per dollar, compared to 2,200 before the devaluation. Next, prices on gasoline and diesel which the government imports using dollars were raised. The price for a gallon of gasoline rose from 5,600 cordobas to 6,700 cordobas. In January, the official exchange rate was 920 cordobas per dollar, compared to up to 4,750 cordobas in the parallel market. At present, the parallel market price is 4,500 cordobas per dollar, while on the (illegal) black market, the dollar is selling for up to 5,000 cordobas. The third devaluation occurred on Feb. 6, when the government devalued the currency by 18%, and the national budget was cut by 45%. Inflation in November was 111.8%; December, 126.6%, and in January, 91.77%. (Basic data from Notimex, 02/15/89)

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