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Nicaragua: Economic Notes

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* Consumer price inflation in 1988 was estimated at over 36,000%. * Recent monthly inflation rates: December, 120%; January, 91%; February, 45%; March, 20%; April, 12.3%; May, 15%. * Estimates of monthly inflation for June and July: 20% and 120%, respectively. The recent jump in price levels is attributed to growth in the money supply, described as typical for early phases in Nicaragua's agricultural cycle, and the government's recent application of a 100% currency devaluation. * In early January this year, the official exchange rate was 950 cordobas per dollar. As of June 15, the rate was 20,000 cordobas per dollar. * Nicaragua's gross domestic product shrunk 10% in 1988. A negative growth rate is predicted for 1989. * At present, the foreign debt totals approximately $7 billion. At least 30% of annual export revenues are destined for interest payments. * According to Nicaraguan economist Francisco Mayorga, "We have 150,000 ha. of the best land in Latin America lying idle, 30% unemployment, and an industrial plant operating at 20 or 25% of installed capacity." (Basic data from Notimex, 06/15/89)

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