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Nicaragua: 3% Currency Devaluation

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On Sept. 9, the Nicaraguan government devalued the cordoba by 3%. The new official exchange rate vis-a-vis the US dollar is 22,000 cordobas. Beginning Aug. 16, the government commenced a "mini-devaluation" program. The Sept. 9 move was the third 3% devaluation since mid-August. The adjustment did not affect the parallel exchange market where the dollar is trading for 25,000 cordobas. Fuel prices were increased in line with the devaluation. As of Sept. 9, a gallon of gasoline was priced at 41,000 cordobas, or $0.46 per liter. Inflation for the month of August was 6.6%, the lowest monthly rate recorded in the past 2-1/2 years. Government economists expect a 6% rate for the month of September. Inflation for the first eight months of 1989 is 260.1%. (Basic data from Notimex, 09/09/89)

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