

12-12-1989

# Guatemala: Economic Notes

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## Recommended Citation

Neagle, John. "Guatemala: Economic Notes." (1989). <https://digitalrepository.unm.edu/notisur/3824>

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## **Guatemala: Economic Notes**

*by John Neagle*

*Category/Department: General*

*Published: Tuesday, December 12, 1989*

According to a recent report by Notimex (11/10/89), recent economic liberalization measures implemented by the Guatemalan government include removal of controls on prices and bank interest rates, and the authorization of private capital participation in state-run companies. 1989 GDP growth is estimated at 3.8%. Finance Minister Francisco Pinto Casasola told Notimex that this year's national government deficit will likely be equivalent to 4% of GDP. He said the most important factors underlying the deficit are public subsidies for electricity and urban transportation, and private sector tariff exemptions, described as a "hidden subsidy." Low coffee prices are expected to cause \$120 million in export revenue losses in 1990, equivalent to about 10% of total exports.

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