3-21-1990

Panama: On Austerity Measures, Government Budget

Deborah Tyroler

Recommended Citation

Tyroler, Deborah. "Panama: On Austerity Measures, Government Budget." (1990). https://digitalrepository.unm.edu/noticen/3828

Panama: On Austerity Measures, Government Budget

by Deborah Tyroler
Category/Department: General
Published: Wednesday, March 21, 1990

On March 19, Second Vice President Guillermo Ford presented details on proposed austerity measures, and the government's $2.065 billion budget for 1990 to the national congress. Austerity policies include salary cuts for over 150,000 public employees, said Ford, who serves as Planning and Economic Policy Minister. Ford said $1.74 billion would be allocated to current operational expenditures; $125 million to new investment; and $240 million to payment arrears on debt owed to multilateral organizations. Panama's foreign debt is over $5 billion, and arrears total $540 million. Ford said the 1990 budget document does not take into account the planned privatization of several state-owned companies and semi-autonomous enterprises, including ports, citrus processing plants, garbage collection firms, a cement plant and the country's airline, Air Panama. Panama's GDP shrunk 25% after the US imposed economic sanctions in 1986. Unemployment has increased to nearly 30% in the last 2-1/2 years. In recent weeks, the Federation of Public Employee Associations (FENASEP) has protested unjustified dismissals of over 12,000 civil servants since Dec. 20 by President Guillermo Endara's government. The Panamanian government's budget in 1987 totaled $4 billion. (Basic data from Xinhua, 03/17/90; Notimex, 03/19/90)

-- End --