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## Notes On Annual Economic Report By U.N.

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## Notes On Annual Economic Report By U.N.

*by Barbara Khol*

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According to an annual economic report by the United Nations released last week, Latin America's foreign debt burden and low levels of productive investment in 1989 were responsible for continued financial crisis and recession. Despite growth in raw materials exports coffee, cocoa and oil, among others, per capita output for the region as a whole declined for the second consecutive year. According to the report, Venezuela's negative 8% GDP growth rate last year was caused by short-term impacts of the government's economic reforms. Anti-inflation policies in Argentina and Brazil were described as only partially successful. In Mexico, inflation declined in 1989 for the third consecutive year to around 20%. The UN report pointed out that while the Mexican government realized an operational fiscal surplus in 1989, interest payments on the foreign debt were responsible for increased public spending, and thus, fiscal deficit. The UN report said Chile was the exception to the regional pattern, registering growth in investment, domestic consumption, and exports for the sixth consecutive year. In Central America, only Costa Rica and Guatemala experienced real GDP growth, estimated at between 2% and 3%. (Basic data from Notimex, 07/03/90)

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