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## **Guatemalan Finance Minister On Impact Of Serrano Administration's Economic Policies**

*by Deborah Tyroler*

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During an interview with Notimex on July 30 in Guatemala City, Finance Minister Richard Aitkenhead summarized the results of economic policies implemented by President Jorge Serrano's government. Although the 1990 GDP growth rate was a positive 3%, said the minister, the fiscal deficit increased, forcing the government to scramble for any available financing. As a result of such problems, including contracts for costly short-term loans, the government accumulated \$150 million in foreign debt service payment arrears, and an increasing balance of payments deficit. According to Aitkenhead, the rapid application of exchange rate, fiscal and monetary policy modifications early this year raised foreign reserves from only \$16 million to \$500 million, and reduced consumer price inflation. Under a special income tax program, the government expects to obtain \$150 million. Of the total additional revenues, \$77.8 million are earmarked for liquidating a portion of the government's debt service arrears. Aitkenhead said the government needs between \$1 and \$2 billion in foreign financial resources over the next five years to accomplish "economic modernization." (Basic data from Notimex, 07/30/91)

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