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Nicaragua: Recent Economic Developments and Statistical Annex

This Recent Economic Developments and Statistical Annex report on Nicaragua was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Nicaragua or the Executive Board of the IMF.

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NICARAGUA

Recent Economic Developments and Statistical Annex

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I. OVERVIEW

A. INTRODUCTION

1. Nicaragua is a small country which can be characterized by its agricultural economy, uneven regional development, and widespread levels of poverty. Economic growth was negative during most of the 1980s, owing to poor policies and the civil war, but growth has resumed since the mid-1990s in response to significant progress toward macroeconomic stability and structural reforms. GDP per capita (\$450 in 1998) is about one-half of the level twenty years ago, and one of the lowest in the Western Hemisphere. However, GDP is significantly understated in the national accounts (by as much as 40 percent) due to the large informal economy and weaknesses in the quality of statistics.
2. The agricultural sector accounts for more than one-fourth of GDP and employs as much as 40 percent of the labor force. Coffee, bananas and sugar are produced primarily for exports (accounting for more than one-third of total exports); corn, sorghum, and beans are the chief staples. Nontraditional agricultural exports have grown sharply since the mid-1990s, particularly sesame seeds, peanuts, tobacco and aquatic farming. The services sector accounts for about 40 percent of GDP and employs more than one-third of the labor force. Industry, mostly processing of raw materials, accounts for one-fifth of GDP and employs one-tenth of the labor force. Most of the economic activity and population concentrations are in the western part of the country; while the eastern section of the country (facing the Caribbean) is not developed, it has a rich potential for tourism.
3. Total **population** is estimated at 4.8 million in 1998, growing at a rate of 3 percent a year. The population is young with one half under 15 years of age. More than three-fourths of the people are mestizos and 20 percent are white; a small Indian population occupies the basins of the northeastern rivers.
4. Despite important advances, **poverty** is widespread (about one half of the population is poor and one-fourth extremely poor) and the country's social indicators (e.g., malnutrition, illiteracy, infant mortality and fertility rates) are among the lowest of Latin America. More than one-half of the rural and over one-third of the urban poor adults are illiterate. Since the early 1990s, the government has increased the share of budget spending allocated to the social programs and stepped up efforts to increase equity, effectiveness and accountability in the delivery of education and health services as well as in the provision of social infrastructure.
5. **The development of agriculture is central to the reduction of poverty.** About three-fourths of poor households make a living from activities directly or indirectly related to agricultural production. The government has been working toward regularizing land ownership, providing financing to poor farmers, and enacting legislation to ensure fair competition among producers. However, the pending resolution of claims on rural property and inadequate security continue to inhibit private investment in agriculture.

6. Nicaragua is one of the most indebted countries in the Western Hemisphere. Even with full use of traditional debt relief mechanisms, Nicaragua's external debt burden is unsustainable. At end-1998, the stock of external debt was about \$6 billion (280 percent of GDP), and notwithstanding substantial external debt relief received through restructuring and debt-reduction agreements with official and commercial bilateral creditors, scheduled debt service payments in 1998 were the equivalent of 32 percent of exports of goods and nonfactor services. Access to the Highly Indebted Poor Countries (HIPC) Initiative would allow Nicaragua to reallocate scarce financial resources towards increased spending on social and infrastructure programs.

B. BACKGROUND

7. During the 1980s Nicaragua experienced a marked deterioration in its economic and financial position as a result of inadequate policies, adverse external developments, and the civil war. By 1990, real GDP had dropped to two-thirds and export volumes to one half of the pre-1980 levels, while external debt multiplied tenfold to \$10.7 billion (700 percent of GDP). Beginning in 1990 Nicaragua reestablished peace, restored democracy, and initiated a transition from a state-controlled to a market-based economy. The government secured the demobilization of the opposition guerrilla movement (the *Contras*) and the Sandinista army was reformed and downsized (by 1993 military personnel had been reduced by 83,000 persons to 15,250).

8. During 1990-96 Nicaragua made substantial progress in reducing macroeconomic imbalances. Fiscal and monetary policies were strengthened, most price controls were eliminated, and foreign exchange and trade systems were liberalized. The structural reform program included privatization, the return to previous owners in the case of confiscated properties or liquidation of enterprises which accounted for about 30 percent of GDP in 1990 and a reform of the banking system, including liberalization of interest rates and the establishment of an independent banking superintendency. Nicaragua began to normalize relations with external creditors in 1990 and completed several debt and debt-service reduction operations involving a high degree of concessionality.

9. The implementation of these policies and reforms, together with generous international aid, led to a substantial improvement in economic performance during 199-96. Inflation was reduced dramatically and, after more than a decade of decline, output growth reached an annual average of about 4 percent during 1994-96.¹ The unemployment rate peaked at over 20 percent in 1993, but then declined steadily to 16 percent in 1996. However, economic conditions remained fragile, the external sector vulnerable, and poverty widespread. In the runup to presidential elections at end-1996, the policy stance weakened and the reform process lost momentum.

¹ For details see the Policy Framework Paper for 1998-00, EBD/98/18, March 4, 1998.

C. RECENT ECONOMIC DEVELOPMENTS

10. The change of administration in early 1997 provided an opportunity for Nicaragua to intensify efforts towards a program of macroeconomic stabilization and structural reform. There were serious economic risks in 1997, as external financing declined substantially and the public finances weakened. These conditions contributed to a loosening of credit policy and international reserves came under pressure. In the second half of 1997, the government tightened the stance of fiscal and monetary policies and resumed structural reforms.

11. In the period prior to Hurricane Mitch in late 1998, the 12-month rate of **inflation** averaged about 12 percent and **real GDP** grew at an annual rate of 5.5 percent during the first three quarters of 1998. In October, Nicaragua was hit by Hurricane Mitch, which caused major damage through flooding and landslides and substantial losses in agricultural production and exports (Box 1). As a consequence, growth in 1998 slowed to 4 percent, inflation rose to 18.5 percent in December 1998 because of a sharp increase in food prices, and the external current account deficit deteriorated by almost 3 percentage points of GDP reaching 33 percent of GDP.

12. In the area of **fiscal policy**, important revenue measures together with restrained spending resulted in an increase in public sector saving from 1.7 percent of GDP in 1996 to 4 percent in 1997 and further to 5.6 percent in 1998. In May 1997, the national assembly approved a major **tax reform law** (Box 2); **public utility tariffs** were increased to bring them in line with long-run marginal costs; and a **fuel factor charge** (associated with the international price of petroleum) was introduced into the structure of electricity tariffs. Reflecting a full year impact of the 1997 tax reform as well as improved administration, tax collections increased in 1998 by over 1 percentage point of GDP, social security receipts continued to improve, and the surplus of the public enterprises strengthened. The fiscal position improved; although there were large **wage** adjustments for health sector employees, teachers, and the police, the total wage bill of the government fell in relation to GDP, and other noninterest current spending declined by almost 1 percentage point of GDP in 1998. **Public sector employment** was reduced as part of an overall civil service reform program.

13. In 1997, the Central Bank of Nicaragua (BCN) tightened **credit policy** by stepping up open-market placements with sales of short-term US dollar indexed paper (CENIS), unified the **legal reserve requirement** at 17 percent across all deposit maturity and currency denomination, and extended the coverage to all deposit liabilities.² The increased cost of the CENIS operations and a reduction in state banks' debt-service payments to the BCN raised its quasi-fiscal losses to almost 1 percent of GDP.³ In 1998, the improved fiscal situation,

² Previously local currency deposits with a maturity of less than one year faced a reserve requirement of 15 percent and dollar deposits faced a requirement of 25 percent. Under the new system, no required reserves are remunerated.

³ A major debt forgiveness operation to debtors of the largest state bank (BANADES), virtually eliminated all state

together with an increase in banks' deposits at the BCN, allowed for a reduction in the outstanding stock of CENIS and the BCN started issuing CENIS with longer maturities of 1-2 ½ years. The *growth of broad money* slowed in 1998 in line with reduced private capital inflows, while stricter enforcement of prudential regulations and closure of the largest state-owned bank facilitated a *slow down in the expansion of banking system credit* to the private sector. Net international reserves (NIR) increased by US\$52 million in 1997-98.

14. There were substantial steps made in the area of **structural reforms** during 1997-98.⁴ In 1997, the national assembly approved a new *property rights law* (Box 3); the *banking system* was consolidated⁵; the *insurance market* was opened to private firms, and *private sector participation* began in electricity generation. In 1998, *new prudential norms* were approved which raised the capital adequacy standard, increased provisions for nonperforming loans, and regulated credit risk; the national assembly approved a law aimed at streamlining the public sector,⁶ and laws allowing for (i) the leasing of the public power generation and distribution units and the public petroleum company, and (ii) private sector management in the water supply system. **Governance and transparency** in the fiscal accounts was improved as the budget coverage was extended to include extra budgetary operations, and a unified Treasury account was started.

15. Preliminary information for the first half of 1999 point to an economic upturn, with a pick up in agricultural output and a strong increase in domestic demand driven by the reconstruction program; the 12-month rate of **inflation** fell to about 10 percent in July. A large increase in reconstruction related imports in the first half of the year was financed by official aid and higher private capital; **net international reserves** rose by \$77 million in the period January-July.

16. In the **fiscal sector**, overall expenditures rose sharply reflecting outlays related largely to the emergency reconstruction program, while the national assembly approved a tax package (raising excises on tobacco, alcohol and sodas) in March 1999. **Monetary and credit policies** during the first half of 1999 were restrained; although growth in banking system deposits accelerated while inflation declined, lending rates were slightly higher than in 1998. Interest rates paid on local currency deposits trended downward from 1998 levels, but rates on foreign exchange deposits rose. Since 1993, Nicaragua has implemented a crawling peg exchange rate system with a monthly depreciation of the exchange rate vis-a-vis the US dollar of 12 percent per annum; in July 1999, the annual rate of depreciation was reduced to 9 percent.

banks' repayments to the BCN (about 1½ percent of GDP).

⁴ For details see the Policy Framework Paper for 1999-01, EBD/99/102, August 24, 1999.

⁵ BANADES was liquidated in 1998, and BANIC (the second largest state bank) sold to a private group in 1999.

⁶ The law reduced the number of ministries from 15 to 12; the number of decentralized entities from 25 to 22; and the total number of higher level public sector officials by 25 percent.

BOX 1. EFFECTS OF HURRICANE MITCH

Hurricane Mitch was one of the most violent Atlantic storms on record, with winds of up to 180 mph, was the most destructive natural disaster to hit Central America in decades. Heavy rain caused widespread flooding in most of Central America, with Honduras bearing the brunt of the devastating effects, while significant damage was done in the western part of Nicaragua where a crater lake volcano overflowed burying several communities.

The human toll included 870,000 people displaced (one-fifth of the population) of which 45 percent were children; some 3,000 people died and 320,000 were injured. Over 250,000 private homes were affected, about 500 schools had their functions disrupted, and some 300 health centers suffered major damage. In addition, fertile agricultural land and its produce were lost, and the road system and other basic infrastructure were severely damaged. About one quarter of the transportation infrastructure of Nicaragua was affected and at least 58 bridges were partially or totally damaged.

The UNDP and ECLA estimated that total direct and indirect damages amounted to some \$970 million (equivalent to 45 percent of GDP); including damage to physical property of private businesses the losses are estimated by the government at \$1.3 billion. The government and international community responded quickly to the disaster; at an emergency Consultative Group meeting in Washington, D.C. in December 1999 and a subsequent meeting in Stockholm in May 1999, the groundwork was laid for the elaboration and financial support for a comprehensive reconstruction program.

The government has developed a five year reconstruction program covering the period 1999-03 with outlays totaling \$870 million. The bulk of projects are for repair of infrastructure, notably in the social sectors, and the financing comes mainly from bilateral and multilateral donors. The thrust of outlays aims at reestablishing the transportation network, as almost half of total spending is for roads and bridges. Spending on housing and schools represents an additional 35 percent of all funds. The projects are concentrated in areas outside of Managua to ensure that the hardest hit areas of the country receive the bulk of the resources.

BOX 2. THE 1997 TAX REFORM

The May 1997 tax reform ("Tax and Commercial Justice Law") attempted to broaden the tax base and increase the transparency of the tax system by eliminating a large number of special and discretionary tax and customs exemptions. The law also aimed at eliminating the source of monopolistic power in the fiscal industry goods, and included a major trade reform. However, tax and customs exemptions remain, *inter alia*, for cooperatives (of transport and agriculture), and the health and agricultural sectors. In addition, a large number of industries (other than exporters) with a zero VAT remain.

Among the most important changes in the tax reform were:

- A reduction of discretionary and other exemptions to the VAT and customs duties.
- A reduction in the number and level of customs duties to two tiers (5 and 10 percent) by July 1999 (albeit with numerous exemptions that allow higher rates).
- The elimination of import monopolies granted by previous legislation. Under the new law, foreign companies can set up their own offices or sell to more than one distributor.
- The introduction of a 1.5 percent tax on corporate assets over C\$500,000, and a fixed tax per manzana of land, which varies by the location of the land used for agricultural activities. This tax is to be credited against income tax liabilities.
- An increase in the personal exemption under the income tax bracket from C\$25,000 to C\$50,000 and a scheduled reduction in both the corporate income and the top personal income tax rate (from 30 percent to 25 percent by mid-1999).
- A reduction in the municipal (cascading) sales tax from 2 percent to 1.5 percent by January 1998 and to 1 percent by January 2000.
- The introduction of a tax credit to exporters amounting to 1.5 percent of the f.o.b. value of exports.

An estimate of the impact of the tax reform can be approximated by the 1998 improvements in collections of VAT (0.4 percentage points of GDP) and customs duties (almost 2 percentage points). Customs duties rose notwithstanding a reduction in the ratio of imports (valued in cordobas) to GDP by almost 0.5 points.

BOX 3. PROPERTY TAX LAW

In September 1997, the government and the Sandinista opposition reached an agreement to resolve the ownership problem of the properties that were confiscated by the Sandinista government in the 1980s and early 1990s. In November 1997, the national assembly approved compromise legislation (Law of Reformed Urban and Rural Property) to facilitate the settlement of property right claims and speed up the issue of property titles.

According to the new property rights law, the rights to property in the hands of small landholders would be legally upheld while disputes over the ownership of large properties will be resolved either through mutual agreement or in court. Small land owners who benefited from the Sandinistas' property reforms will get title free of charge. In contrast, landowners occupying larger properties which are judged to have been unjustly confiscated must either return the property to its original owners or pay for it. The payments go to the government who, in turn, pay the former owners with indemnization bonds (*Bonos de Pago de Indemnizacion*—BPI); these bonds are denominated in cordobas but indexed to the US dollar, have a maturity of 15 years (10 year grace period) and pay interest of 3–5 percent a year plus a rate which maintains their value in terms of US dollars.

Original owners had three months from the approval of the law to submit their claims to the confiscated property commission, which will determine whether to return the property or pay financial compensation; former owners whose claims are turned down by the commission may take their claims to the courts. The government can determine the extent of use of the land granted to cooperatives, peasants, and larger farmers with no titles; if the land is found to be idle, the government may return it to its former owners or use it to redeem indemnization bonds.

Originally, the outstanding stock of these bonds was limited to \$650 million, but in March 1999, the national assembly approved an additional issue \$167 million. As of June 30, 1999, the outstanding stock of bonds was \$535 million (\$707 million issued of which \$172 million redeemed). These bonds can be redeemed by an earmarked portion of monies received from privatization of stateowned enterprises, and are traded in the secondary market at discount of up to 70 percent. In an attempt to improve trading in these bonds, in August 1999 the government announced a plan to standardize the bonds by issuing new documents to replace the outstanding issues. These new bonds would comply with international standards for government paper.

By end-1998, about 90 percent of the 14,170 property claims filed by end-1997 had been resolved or were in the process of resolution, and for 55 percent of total number of claims a settlement had been achieved. The number of properties settled in 1998 was over 30 percent higher than the 1995–97 average.

Nicaragua: Basic Data

Social and demographic indicators

Area	130,000 km ²
Population (1998)	4.8 million
Population density (1998)	36.7 per km ²
Income distribution: highest quintile (1993-LSMS)	55.2 percent
Lowest quintile	4.2 percent
Rate of population increase (percent per annum)	3.1 percent
Life expectancy at birth (1996)	70 years
Infant mortality rate (1996)	46 per thousand
Child death rate (1996)	61 per thousand
Population per physician (1995)	1,500
Population per hospital bed (1993)	670
Population with access to safe water (1995)	69 percent
Population with access to electricity (1995)	52.4 percent
Calorie intake as percent of requirements (1995)	86 percent
Adult literacy rate	87 percent
Primary school enrollment (1993)	103 percent
Secondary school enrollment (1993)	41 percent
Unemployment rate (1998 estimate)	13.2 percent
GDP at market prices (1998)	C\$22.5 billion
GDP at market prices (1998)	US\$2.1 billion
GDP at market prices per capita (1998)	US\$445

Economic indicators, 1994-98	1994	1995	1996	1997	Prel. 1998
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	(In percent)				
Origins of GDP at 1980 prices					
Agriculture, livestock, forestry, and fishing	27.5	27.8	28.6	29.6	29.9
Commerce and finance	20.7	20.8	20.8	20.9	21.0
Manufacturing	21.9	21.6	21.1	20.9	20.5
Government	10.1	9.5	8.7	7.7	7.5
Construction, transportation, and communications	8.3	8.8	9.2	9.4	9.6
Other	11.5	11.5	11.6	11.5	11.5

Ratios to GDP

Exports of goods and nonfactor services	26.0	35.6	43.3	45.9	39.1
Imports of goods and nonfactor services	-52.0	-59.1	-65.8	-72.7	-71.5
Current account of the balance of payments	-51.5	-36.1	-31.2	-30.3	-32.9
Nonfinancial public sector revenues	31.1	30.9	30.8	33.5	36.0
Nonfinancial public sector expenditures	44.9	43.4	46.2	42.7	40.0
Nonfinancial public sector saving	1.1	2.5	1.9	4.5	8.6
Nonfinancial public sector overall balance before grants, (deficit -)	-13.8	-12.5	-15.4	-9.2	-4.0
Central bank operational losses	-0.6	0.1	-0.2	-0.5	-3.0
Consolidated public sector saving	0.5	2.6	1.7	4.0	5.6
Consolidated public sector overall balance before grants, (deficit -)	-14.4	-12.4	-15.6	-9.7	-7.0
External public debt (end of year)	638.4	543.1	308.9	296.7	280.1
Debt service payments (accrued) 1/	327.4	135.0	84.8	45.8	40.0
<i>Of which</i> : Interest payments	113.1	50.0	33.8	22.8	24.5
Gross national savings	-7.3	1.8	6.7	6.4	5.8
Gross domestic investment	22.2	24.1	27.7	32.2	33.4
Money and quasi-money (end of year) 2/	27.9	33.6	42.9	61.9	64.0

Annual percentage changes in selected indicators

Real GDP	3.3	4.3	4.7	5.1	4.0
GDP at current prices	11.4	15.7	16.9	14.8	17.5
Domestic expenditure (at current prices)	11.1	13.4	15.9	18.9	22.6
Investment	33.2	25.6	34.3	33.6	21.9
Consumption	7.3	10.8	11.5	14.6	22.9
GDP deflator	7.8	11.0	11.6	9.2	13.0
Consumer prices (end of period)	12.4	11.1	12.1	7.3	18.5
Consumer prices (period average)	7.7	11.2	11.6	9.2	13.0
Nonfinancial public sector revenues	12.6	14.9	16.5	25.0	26.1
Nonfinancial public sector expenditures	22.9	11.8	24.5	6.0	10.2
Liabilities to private sector 2/ 3/	54.2	29.3	37.1	51.1	10.5

Nicaragua: Basic Data (concluded)

Money	13.3	4.8	6.6	6.4	2.9
Quasi-money	40.9	24.4	30.5	44.7	7.5
Net domestic assets of the financial system ^{3/}	16.6	34.9	16.7	36.9	9.9
Credit to the public sector (net)	72.2	13.8	5.2	13.9	14.7
Credit to private sector	33.6	16.4	10.8	20.4	15.7
	1994	1995	1996	1997	1998
			(In percent)		
Merchandise exports (f.o.b., in U.S. dollars)	34.8	46.1	27.3	5.0	-18.5
Merchandise imports (f.o.b., in U.S. dollars)	17.0	14.5	17.0	17.6	0.9
Terms of trade (deterioration -)	24.0	9.5	-6.9	6.8	7.1
Nominal effective exchange rate end-of-period (depreciation -)	5.0	-10.7	-7.2	-3.7	-6.8
Real effective exchange rate end-of-period (depreciation -)	-6.6	-8.2	-0.8	1.7	2.5
			(In millions of cordobas)		
Nonfinancial public sector finances					
Revenues	3,829	4,399	5,126	6,407	8,082
Expenditures	5,531	6,185	7,698	8,158	8,987
Savings	133	356	316	863	1,939
Overall balance before grants (deficit -)	-1,701	-1,786	-2,572	-1,751	-905
Overall balance after grants (deficit -)	-895	-916	-1,144	-752	-80
			(In millions of U.S. dollars)		
Balance of payments					
Merchandise exports (f.o.b.)	360	526	670	704	573
Merchandise imports (f.o.b.)	-784	-897	-1,050	-1,234	-1,245
Nonfactor services (net)	-53	-72	-63	-13	-15
Official interest obligations	-538	-336	-289	-211	-203
Other current transactions (net)	72	98	117	141	191
Balance on current account	-943	-681	-615	-614	-699
Official capital (net)	-437	-139	11	163	313
Other capital, including errors and omissions	133	146	71	328	221
Overall balance	-1,247	-675	-533	-123	-165
Change in arrears	1,273	-1,109	-3,202	-177	24
Change in reserves (increase -)	-69	63	2	-58	6
Exceptional financing	43	1,722	3,733	357	135
International reserve position and external debt					
Central bank (net)	-2	-64	-66	144	139
Financial system (net)	29	-44	-1	230	212
Gross official reserves (in months of imports)	1.5	1.4	1.3	0.2	1.0
External public debt	11,695	10,248	6,094	6,001	5,948
IMF data (as of June 30, 1999)					
Article VIII status				March 14, 1946	
Intervention currency and rate (cordoba oro)				US\$ at C\$9.99 per U.S. dollar	
Quota				SDR 130.00 million	
Fund holdings in local currency				SDR 130.01 million	
From Fund resources					
Credit tranche purchases				SDR 20.02 million	
EAR purchases				None	
CCFF purchases				None	
From Supplementary and Enlarged Access Resources				None	
Fund holdings in percent of quota					100
Special Drawing Rights Department					
Cumulative SDR allocation				SDR 19.48 million	
Net acquisition or utilization (-) of SDR's				SDR -19.44 million	
Holdings of SDR's				SDR 0.04 million	

Sources: Nicaraguan authorities; and Fund staff estimates.

1/ In terms of exports of goods and nonfactor services.

2/ Includes foreign currency deposits and central bank certificates (CENIs) held by the private sector.

3/ In relation to the stock of liabilities to the private sector at the beginning of the period.

Table 1. Nicaragua: Gross Domestic Product by Expenditure

	1994	1995	1996	1997	1998
(Annual percentage change at current prices)					
Exports of goods and nonfactor services	46.8	58.7	41.9	21.7	0.2
Imports of goods and nonfactor services	25.8	31.5	30.0	27.0	15.5
Gross domestic expenditure	11.1	13.4	15.9	18.9	22.6
Consumption	7.3	10.8	11.5	14.6	22.9
Private	7.2	12.6	9.0	18.5	24.2
Public 1/	8.0	1.3	26.2	-4.8	14.7
Gross domestic investment	33.2	25.6	34.3	33.6	21.9
Private	-5.4	43.6	33.4	106.1	31.5
Public	66.4	16.7	34.8	-9.5	8.8
Memorandum items:	(Annual percentage change)				
Nominal GDP	11.4	15.7	16.9	14.8	17.5
Real GDP	3.3	4.3	4.7	5.1	4.0
GDP deflator	7.8	11.0	11.6	9.2	13.0
Real GDP per capita	0.2	1.2	1.5	2.1	1.0

Source: Table 19.

1/ General government current expenditure minus interest payments, pensions and indemnizations, current transfers, and "other" current expenditure.

Table 2. Nicaragua: Resource Balance and Financing of Investment

(In percent of GDP at current prices)

	1994	1995	1996	1997	1998
GDP at market prices	100.0	100.0	100.0	100.0	100.0
External resource balance	-26.0	-23.5	-22.5	-26.9	-32.4
Exports of goods and nonfactor services	26.0	35.6	43.3	45.9	39.1
Imports of goods and nonfactor services	-52.0	-59.1	-65.8	-72.7	-71.5
Gross domestic expenditure	126.0	123.5	122.5	126.9	132.4
Consumption	103.8	99.4	94.8	94.7	99.0
Private	87.2	84.9	79.1	81.7	86.3
Public 1/	16.6	14.5	15.7	13.0	12.7
Gross domestic investment	22.2	24.1	27.7	32.2	33.4
Private	7.3	9.0	10.3	18.5	20.7
Public	14.9	15.0	17.3	13.7	12.7
Savings	22.2	24.1	27.7	32.2	33.4
National savings	-7.3	1.8	6.7	6.4	5.8
Private	-7.8	-0.9	5.0	2.4	0.2
Public 2/	0.5	2.6	1.7	4.0	5.6
External savings 3/	29.5	22.3	21.0	25.8	27.6

Source: Table 19.

1/ General government current expenditure minus interest payments, pensions and indemnizations, current transfers, and "ot current expenditure.

2/ Includes quasi-fiscal losses of the Central Bank of Nicaragua.

3/ External current account balance excluding interest on debt to non-Paris Club bilateral creditors that is eligible for debt rescheduling.

Table 3. Nicaragua: Gross Domestic Product

	1994	1995	1996	<u>Prel.</u> 1997	<u>Prel.</u> 1998
(Annual percentage change at 1980 prices)					
Real GDP	3.3	4.3	4.7	5.1	4.0
Primary sector	10.4	5.5	7.8	8.9	5.0
Agriculture	10.9	5.0	7.1	8.3	3.5
Mining	-10.1	30.3	30.9	24.7	44.6
Secondary sector	2.9	5.0	4.7	5.1	3.2
Manufacturing	0.8	2.8	2.4	3.8	2.1
Construction	17.8	17.5	16.4	10.4	8.4
Water and energy	3.4	5.8	5.9	6.0	3.1
Tertiary sector	-0.3	3.1	2.7	2.6	3.7
Commerce	1.6	5.1	5.1	5.3	4.8
Government services	-5.5	-1.8	-4.0	-6.4	0.3
Transport and communications	-0.6	5.1	4.6	5.3	4.7
Finance	1.4	3.3	3.6	4.2	4.6
Housing	0.5	3.3	3.5	4.0	2.5
Other	2.7	4.1	4.2	4.4	4.2
(In percent of GDP at market prices)					
Real GDP	100.0	100.0	100.0	100.0	100.0
Primary sector	27.5	27.8	28.6	29.6	29.9
Agriculture	26.9	27.0	27.7	28.5	28.4
Mining	0.6	0.8	0.9	1.1	1.6
Secondary sector	28.5	28.7	28.7	28.7	28.5
Manufacturing	21.9	21.6	21.1	20.9	20.5
Construction	3.5	4.0	4.4	4.6	4.8
Water and energy	3.1	3.2	3.2	3.2	3.2
Tertiary sector	44.0	43.5	42.7	41.6	41.5
Commerce	17.6	17.7	17.7	17.8	17.9
Government services	10.1	9.5	8.7	7.7	7.5
Transport and communications	4.8	4.8	4.8	4.8	4.8
Finance	3.1	3.1	3.1	3.1	3.1
Housing	4.1	4.1	4.0	4.0	3.9
Other	4.3	4.3	4.3	4.3	4.3

Source: Table 18.

Table 4. Nicaragua: Value Added in Agriculture

	1994	1995	1996	1997	1998
(Annual percentage change in 1980 cordobas)					
Total	30.3	6.2	6.7	8.8	3.2
Agriculture	44.9	6.8	9.3	10.2	5.6
Principal export crops	102.7	6.8	12.7	7.4	7.2
Coffee	19.3	7.6	18.7	0.6	20.4
Cotton	-4.6	58.2	117.0	-58.1	-67.4
Sugarcane	13.1	19.0	19.2	9.2	0.0
Other	25.5	28.8	0.4	24.9	9.4
Basic grains	14.1	-2.4	5.4	12.7	0.2
Other	-1.7	35.2	-1.1	22.0	8.3
Livestock	-0.5	-0.7	1.0	5.5	-3.1
Fishing	47.3	49.2	2.2	6.0	1.5
Forestry	1.6	2.6	2.8	3.2	3.3
(In percent of total)					
Total	100.0	100.0	100.0	100.0	100.0
Agriculture	66.9	67.3	69.0	69.9	71.5
Principal export crops	42.3	42.5	44.9	44.4	46.1
Coffee	14.2	14.4	16.0	14.8	17.2
Cotton	0.3	0.4	0.9	0.3	0.1
Sugarcane	5.9	6.6	7.4	7.4	7.2
Other	0.6	1.1	1.6	2.3	2.1
Basic grains	6.6	6.2	6.7	6.1	5.9
Other	0.0	0.0	0.0	0.0	0.0
Livestock	28.5	26.6	25.2	24.5	23.0
Fishing	3.7	5.2	5.0	4.8	4.8
Forestry	0.9	0.9	0.8	0.8	0.8

Source: Table 20.

Table 5. Nicaragua: Value Added in Manufacturing

	1994	1995	1996	<u>Prel.</u> 1997	<u>Prel.</u> 1998
(Annual percentage change in 1980 cordobas)					
Total	0.8	3.7	2.6	2.7	2.1
Food, beverages and tobacco	1.8	3.2	1.9	3.4	0.9
Textiles, clothing and leather goods	-24.0	37.8	4.2	-26.4	-0.4
Wood and wood products	-0.7	0.5	5.8	3.4	1.5
Paper and paper products	1.0	0.4	5.9	4.3	-1.0
Chemical products	-1.6	1.8	8.5	5.5	2.3
Petroleum derivatives and rubber products	4.6	-6.7	-5.8	0.1	0.0
Machinery and metal products	2.8	6.9	6.3	7.9	11.7
Transport equipment	-1.4	0.0	2.7	10.7	10.8
Plastics and other	0.0	3.7	13.2	10.5	12.2
(In percent of total)					
Total	100.0	100.0	100.0	100.0	100.0
Food, beverages and tobacco	73.8	73.1	72.6	73.1	72.3
Textiles, clothing and leather goods	3.0	3.9	4.0	2.8	2.8
Wood and wood products	2.8	2.7	2.8	2.8	2.8
Paper and paper products	2.3	2.2	2.3	2.3	2.2
Chemical products	3.0	2.9	3.1	3.1	3.2
Petroleum derivatives and rubber products	5.6	5.0	4.6	4.5	4.4
Machinery and metal products	7.2	7.4	7.7	8.1	8.8
Transport equipment	0.2	0.2	0.2	0.2	0.2
Plastics and other	2.3	2.6	2.8	3.1	3.4

Source: Table 23.

Table 6. Nicaragua: Consumer Price Index

(Index 1994 = 100)

	1994	1995	1996	1997	1998
January	95.0	106.2	118.1	131.5	142.3
February	95.7	107.2	119.4	131.6	144.3
March	96.2	107.7	120.3	131.4	145.8
April	96.5	107.7	121.4	131.9	148.9
May	97.1	108.5	123.5	133.0	151.9
June	99.2	110.5	123.8	135.6	154.7
July	99.2	111.6	124.0	137.6	153.0
August	100.8	109.8	123.0	136.8	152.2
September	102.4	111.1	124.3	135.8	152.8
October	104.2	115.3	127.6	136.5	156.4
November	105.6	118.3	129.1	140.2	165.3
December	105.6	117.3	131.5	141.0	167.1
Period average	100.0	110.9	123.8	135.2	152.9
<i>Of which</i>					
Food, beverages, and tobacco	100.0	112.0	124.7	136.0	155.4
Clothing	100.0	105.2	104.8	101.9	110.9
Housing	100.0	118.8	152.4	172.4	198.9

Source: National Institute of Census and Statistics (INEC).

Table 7. Nicaragua: Operations of the Combined Public Sector

(In percent of GDP)

	1994	1995	1996	1997	1998	Jan-Jun	
						1998	1999
I. Consolidated Nonfinancial Public Sector 1/							
Total revenue	31.1	30.9	30.8	33.5	36.0	17.5	17.1
Tax revenue of the general government	25.4	26.8	26.7	29.2	30.9	15.4	14.6
Operating balance of public utility enterprises	3.4	1.9	2.1	1.9	2.6	1.0	1.3
Nontax revenue 2/	1.8	1.7	1.6	2.2	2.5	1.1	0.9
Current transfers	0.2	0.0	0.1	0.0	0.0	0.0	0.0
Capital revenue	0.3	0.5	0.3	0.2	0.1	0.0	0.3
Total expenditure	44.9	43.4	46.2	42.7	40.0	17.9	21.8
Current expenditure	29.7	27.9	28.6	28.8	27.3	12.6	12.6
<i>Of which</i>							
External interest payments	4.9	4.6	3.2	4.9	2.9	1.5	1.5
Capital expenditure and net lending	15.2	15.5	17.6	13.9	12.7	5.3	9.2
Fixed capital formation	11.5	9.4	13.3	9.1	8.6	3.6	6.5
Financial investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital transfers	3.4	5.0	4.1	4.8	4.0	1.6	1.9
Net lending	0.2	1.1	0.2	0.0	0.1	0.1	0.8
Current account balance (deficit -)	1.1	2.5	1.9	4.5	8.6	5.0	4.2
Overall balance before grants (deficit -)	-13.8	-12.5	-15.4	-9.2	-4.0	-0.3	-4.7
Foreign grants	6.6	6.1	8.6	5.2	3.7	1.2	4.0
Overall balance after grants (deficit -)	-7.3	-6.4	-6.9	-3.9	-0.4	0.9	-0.7
Total financing	7.3	6.4	6.9	3.9	0.4	-0.9	0.7
External financing	8.3	4.3	6.7	2.6	7.6	0.9	5.8
Internal financing	-1.0	2.1	0.2	1.3	-7.2	-1.8	-5.1
<i>Of which</i>							
Central bank	0.7	4.0	1.0	6.0	-4.2	-0.8	-3.8
II. Combined Public Sector: Overall Balance by Origin							
Current account balance (deficit -)	0.5	2.6	1.7	4.0	5.6	2.9	3.5
Nonfinancial public sector	1.1	2.5	1.9	4.5	8.6	5.0	4.2
Central bank losses	-0.6	0.1	-0.2	-0.5	-3.0	-2.0	-0.7
Overall balance before grants (deficit -)	-14.4	-12.4	-15.7	-9.7	-7.0	-2.3	-5.4
Nonfinancial public sector	-13.8	-12.5	-15.4	-9.2	-4.0	-0.3	-4.7
Central government	-11.4	-11.0	-10.2	-7.6	-5.0	-0.6	-4.7
Rest of general government	0.5	0.1	-0.3	0.3	1.0	0.7	0.6
Public utility enterprises	-3.3	-1.9	-5.0	-1.9	-0.4	-0.4	-0.6
Interagency transfer discrepancy	0.4	0.2	0.0	0.0	0.4	0.0	-0.1
Central bank losses	-0.6	0.1	-0.2	-0.5	-3.0	-2.0	-0.7

Source: Table 33.

1/ Includes the general government (central government, the social security institute, and the municipality of Managua), and the public utility enterprises.

2/ Includes other current revenue of public utility enterprises.

Table 8. Nicaragua: Central Government Operations

(In percent of GDP)

	1994	1995	1996	1997	1998	Jan-Jun	
						1998	1999
Total revenue	21.7	23.2	23.1	25.6	26.3	13.1	12.2
Current revenue	21.5	22.7	22.8	25.5	26.2	13.1	12.2
Tax revenue	20.5	21.7	21.8	24.2	25.1	12.5	11.7
Nontax revenue	1.0	1.0	0.8	1.3	1.1	0.6	0.5
Transfers	0.0	0.0	0.1	0.0	0.0	0.0	0.0
From rest of general government	0.0	0.0	0.0	0.0	0.0	0.0	0.0
From public utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Capital revenue	0.3	0.5	0.3	0.1	0.1	0.0	0.0
Total expenditure	33.1	34.1	33.2	33.1	31.3	13.7	16.9
Current expenditure	24.0	22.5	22.6	23.1	21.1	9.9	9.8
Personnel emoluments	7.9	7.7	6.5	6.2	6.1	2.7	2.8
Goods and services	6.3	4.9	7.2	5.2	4.7	2.2	2.4
Interest payments	5.2	4.8	3.5	5.6	4.5	2.1	2.1
Current transfers	4.6	5.1	5.4	6.2	5.8	2.9	2.4
To rest of general government	0.7	0.5	0.5	0.4	0.5	0.3	0.3
Other	3.9	4.5	4.9	5.7	5.3	2.6	2.1
Capital expenditure and net lending	9.1	11.6	10.7	10.1	10.3	3.8	7.1
Fixed capital formation	4.7	5.4	6.4	5.0	5.6	2.1	4.3
Capital transfers	3.7	5.1	4.3	5.0	4.3	1.7	2.1
To municipalities	0.4	0.5	0.5	0.2	0.3	0.1	0.5
To public utilities	0.3	0.2	0.2	0.2	0.2	0.1	0.2
Other	3.0	4.5	3.6	4.6	3.7	1.5	1.4
Net lending	0.6	1.1	0.0	0.0	0.4	0.0	0.7
Current account balance (deficit -)	-2.5	0.2	0.2	2.4	5.1	3.2	2.4
Overall balance before grants (deficit -)	-11.4	-11.0	-10.2	-7.6	-5.0	-0.6	-4.7
Foreign grants	4.9	5.8	6.1	4.3	3.0	1.1	3.3
Overall balance after grants (deficit -)	-6.5	-5.2	-4.1	-3.3	-2.0	0.5	-1.4
Financing	6.5	5.2	4.1	3.3	2.0	-0.5	1.4
External	6.4	2.4	4.4	0.6	7.5	7.5	6.2
Disbursements	10.4	7.0	9.0	5.5	10.4	10.4	8.6
Amortization	-4.0	-4.6	-4.5	-4.9	-3.0	-3.0	-2.4
Internal	0.1	2.8	-0.4	2.6	-5.4	-7.9	-4.8
<i>Of which</i>							
Central Bank of Nicaragua	0.6	3.9	1.0	6.0	-4.2	-4.2	-3.5

Source: Table 27.

Table 9. Nicaragua: Operations of the Rest of the General Government

(In percent of GDP)

	1994	1995	1996	1997	1998	Jan-Jun	
						1998	1999
Current account balance (deficit -)	1.0	0.9	0.4	0.7	1.5	0.9	0.8
Social security institute	0.7	0.7	0.2	0.4	1.0	0.6	0.4
Municipality of Managua	0.3	0.2	0.1	0.3	0.4	0.3	0.4
Fixed capital formation and net lending	0.5	0.8	0.7	0.5	0.5	0.2	0.2
Overall balance before grants (deficit -)	0.5	0.1	-0.3	0.3	1.0	0.7	0.6
Social security institute	0.7	0.2	-0.3	0.3	0.9	0.5	0.4
Municipality of Managua	-0.2	-0.1	0.0	0.0	0.1	0.2	0.2
Grants	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance after grants (deficit -)	0.7	0.1	-0.3	0.3	1.0	0.7	0.6
Social security institute	0.7	0.2	-0.3	0.3	0.9	0.5	0.4
Municipality of Managua	0.0	-0.1	0.0	0.0	0.1	0.2	0.2

Source: Table 30.

Table 10. Nicaragua: Operations of the Public Utility Enterprises 1/

(In percent of GDP)

	1994	1995	1996	1997	1998
Total revenue	9.9	6.5	7.0	7.8	8.9
Operating revenue	9.5	6.2	6.6	7.4	8.4
Other current revenue	0.1	0.1	0.1	0.2	0.3
Capital transfers from central government	0.3	0.2	0.2	0.2	0.2
Total expenditure	13.3	8.4	11.9	9.7	9.3
Current expenditure	7.0	4.9	5.5	6.2	6.7
Operating expenditure	6.1	4.3	4.6	5.5	5.8
Wages and salaries	2.0	1.0	0.9	0.9	0.9
Goods and services	3.9	3.3	3.5	4.4	4.7
Employer's contributions	0.2	0.1	0.1	0.1	0.1
Interest payments	0.1	0.1	0.4	0.3	0.4
Other current expenditure	0.1	0.0	0.1	0.0	0.1
Current transfers	0.8	0.5	0.4	0.4	0.4
To universities and other	0.8	0.5	0.4	0.4	0.4
Fixed capital formation	6.3	3.5	6.4	3.5	2.6
Operating balance (deficit -)	3.4	1.9	2.1	1.9	2.6
EDEL	1.0	1.4	1.7	1.6	2.3
ENACAL	0.5	0.5	0.4	0.3	0.2
TELCOR	1.9	...	...	...	...
Current account balance (deficit -)	2.6	1.4	1.3	1.4	2.0
EDEL	0.7	1.0	1.0	1.2	1.8
ENACAL	0.5	0.4	0.3	0.2	0.2
TELCOR	1.4	...	...	...	...
Overall balance before grants (deficit -)	-3.3	-1.9	-5.0	-1.9	-0.4
EDEL	-1.7	-1.0	-2.2	-0.7	0.2
ENACAL	-1.1	-1.0	-2.7	-1.2	-0.6
TELCOR	-0.6	...	...	...	...
Foreign grants	1.4	0.3	2.5	0.9	0.7
Overall balance after grants (deficit -)	-1.9	-1.6	-2.5	-0.9	0.3
EDEL	-1.0	-0.8	-1.8	-0.6	0.4
ENACAL	-0.3	-0.8	-0.7	-0.4	-0.1
TELCOR	-0.6	0.0	0.0	0.0	0.0

Source: Table 32.

1/ Operations of the telecommunications enterprise TELCOR/(ENITEL) are excluded since 1995.

Table 11. Nicaragua: Changes in Financial System Credit by Origin,
Destination, and Financing

(In percent of GDP)

	1994	1995	1996	1997	1998
Total	3.1	9.1	5.2	15.1	5.7
Origin					
Central bank	-2.3	2.8	0.7	7.7	-1.1
Commercial banks 1/	8.9	3.3	5.0	15.7	6.8
Nicaraguan Investment Fund 1/	2.1	0.5	0.0	-0.5	0.2
Intrasystem float	-5.6	2.6	-0.5	-7.9	-0.2
Destination					
Net credit to the nonfinancial public sector	12.5	4.2	1.4	5.2	-5.0
Central government	13.4	3.8	1.0	5.8	-4.5
Rest of the public sector	-0.9	0.4	0.4	-0.6	-0.5
Central bank losses	0.6	-0.1	0.2	0.5	3.0
Credit to productive sectors	7.7	4.5	3.8	9.3	9.3
Net credit to other institutions	1.7	0.2	0.4	0.9	0.2
Credit to private sector	6.1	4.3	3.4	8.4	9.1
Net other	-17.7	0.5	-0.2	0.1	-1.5
Financing					
Liabilities to the private sector	9.8	7.6	11.6	20.9	6.1
Medium- and long-term foreign liabilities	-3.7	-1.1	-3.1	-1.0	0.3
Net international reserves (increase)	-3.0	-2.6	3.3	4.9	0.6

Sources: Tables 34, 35, 37, and 38.

1/ Net of central bank financing.

Table 12. Nicaragua: Money and Quasi-Money

	1994	1995	1996	1997	1998
	(Annual percentage change)				
Money and quasi-money	54.2	29.3	37.1	51.1	10.5
Money	36.9	16.3	26.8	30.7	18.1
Currency in circulation	35.3	11.7	12.4	26.8	22.2
Demand deposits	39.6	24.0	48.5	35.1	13.6
Quasi-money	64.1	34.7	40.5	56.4	9.0
Time and savings deposits	77.8	11.5	15.9	56.8	5.2
Negotiable Investment Certificates (CENIS)	--	--	320.4	311.8	-38.6
Deposits in foreign currency	58.5	42.7	43.9	40.3	20.8
	(In percent of GDP)				
Money and quasi-money	27.9	33.6	42.9	61.9	64.0
Money	8.9	9.0	9.7	11.1	11.1
Currency in circulation	5.6	5.4	5.2	5.7	6.0
Demand deposits	3.3	3.6	4.6	5.4	5.2
Quasi-money	18.9	24.6	33.1	50.8	52.9
Time and savings deposits	5.9	6.3	7.0	10.7	10.5
Negotiable Investment Certificates (CENIS)	--	0.3	1.3	6.2	4.3
Deposits in foreign currency	13.1	18.0	24.8	33.8	38.1
	(In percent of total liabilities to the private sector)				
Money and quasi-money	100.0	100.0	100.0	100.0	100.0
Money	32.1	26.7	22.7	17.9	17.4
Currency in circulation	20.1	16.1	12.1	9.3	9.3
Demand deposits	12.0	10.7	10.6	8.7	8.1
Quasi-money	67.9	73.3	77.3	82.1	82.6
Time and savings deposits	21.1	18.8	16.4	17.3	16.4
Negotiable Investment Certificates (CENIS)	--	0.9	3.1	10.0	6.7
Deposits in foreign currency	46.8	53.5	57.8	54.7	59.5

Sources: Tables 36 and 38.

Table 13. Nicaragua: Summary Accounts of the Central Bank and the Financial System

(In millions of cordobas, end-of period)

	December 31									
	C\$ 7.6 per US\$		C\$ 8.5 per US\$		C\$ 9.5 per US\$		C\$ 10.4 per US\$		C\$ 11.9 per US\$	
	1994	1995	1995	1996	1996	1997	1997	1998	Jun 98	Jun 99
I. Central Bank										
Net international reserves	-12	-485	-544	-561	-627	-77	-83	-142	-715	660
(In millions of US\$)	-2	-64	-64	-66	-66	-8	-8	-14	-60	55
Net domestic assets 1/	700	1,254	1,313	1,425	1,491	1,173	1,180	1,482	1,741	633
Net credit to NFPS	22,912	23,477	21,741	21,910	18,385	19,528	21,285	20,344	21,247	22,131
Operational losses	382	365	365	403	402	505	505	1,178	959	1,379
Net credit to the financial system	1,650	1,438	1,540	1,047	-408	-601	-31	-83	-49	-798
CENIS	0	-51	-64	-354	-456	-2,393	-3,000	-2,393	-3,114	-2,389
Medium- and long-term foreign liabilities 2/	-25,804	-25,646	-23,862	-23,292	-19,339	-19,009	-20,512	-20,561	-23,610	-23,897
Other	1,560	1,671	1,593	1,711	2,908	3,143	2,933	2,997	6,307	4,207
Liabilities to the private sector	688	769	769	865	865	1,096	1,096	1,340	1,025	1,293
II. Consolidated Financial System										
Net international reserves	764	396	442	986	1,101	2,030	2,222	2,360	2,147	4,574
(In millions of US\$)	100	52	52	116	116	214	214	227	180	384
Net domestic assets	2,941	4,393	4,765	6,154	6,726	9,796	10,803	12,029	12,291	13,267
Net credit to NFPS	22,321	22,849	21,046	21,278	17,687	18,675	20,354	19,224	20,191	20,541
Net credit to central government	22,801	23,345	21,598	21,771	18,234	19,334	21,090	20,067	20,994	21,700
Net credit to rest of public sector	-479	-496	-552	-493	-547	-660	-736	-843	-803	-1,159
Credit to the private sector	4,287	4,895	5,485	6,047	5,038	6,636	6,890	8,942	8,507	10,918
Medium- and long-term foreign liabilities 2/	-25,829	-25,670	-23,900	-23,378	-19,433	-19,249	-20,775	-20,840	-23,787	-24,176
Central bank net losses	382	365	365	403	402	505	505	1,178	959	1,379
Other net assets	1,779	1,955	1,769	1,804	3,032	3,229	3,829	3,525	6,421	4,606
Liabilities to the private sector	3,705	4,789	5,207	7,141	7,828	11,826	13,025	14,389	14,438	17,841
Liabilities in local currency	1,909	2,226	2,341	3,015	3,217	5,356	5,943	5,833	6,030	6,944
Money	1,100	1,280	1,280	1,623	1,623	2,121	2,121	2,505	2,053	2,624
Currency in circulation	688	769	769	865	865	1,096	1,096	1,340	1,025	1,293
Demand deposits	412	511	511	759	759	1,025	1,025	1,165	1,028	1,331
Quasi-money	808	946	1,061	1,392	1,594	3,234	3,821	3,329	3,977	4,320
Saving deposits	427	516	577	631	705	938	1,026	1,067	1,279	1,516
Time deposits	382	385	431	537	600	1,110	1,215	1,291	1,583	1,778
CENIS	0	45	53	223	288	1,187	1,580	971	1,116	1,025
Liabilities in foreign currency	1,796	2,563	2,866	4,126	4,611	6,470	7,083	8,555	8,408	10,897

Sources: Tables 34 and 38; and Central Bank of Nicaragua.

1/ Defined as the difference between the stock of liabilities to the private sector and the net international reserves.

2/ Includes allocation of SDRs.

Table 14. Nicaragua: Destination of Financial System Credit
(In percent of total credit)

	Dec.				
	1994	1995	1996	1997	1998
Total credit	100.0	100.0	100.0	100.0	100.0
Short-term	54.4	42.9	57.4	56.5	43.8
Long-term	45.6	57.1	42.6	43.5	56.2
Commercial	25.7	24.2	31.9	38.1	40.7
Short-term	19.5	15.0	20.6	19.2	17.8
Long-term	6.2	9.2	11.3	19.0	22.9
Agricultural	29.6	28.2	20.6	23.2	23.1
Short-term	11.5	6.9	9.0	13.7	13.6
Long-term	18.1	21.3	11.5	9.5	9.5
Livestock	22.5	18.2	12.0	8.2	6.4
Short-term	12.3	4.6	3.7	4.0	3.7
Long-term	10.3	13.7	8.3	4.2	2.7
Industrial	21.2	21.2	24.4	18.9	16.2
Short-term	10.8	9.5	14.2	9.7	7.0
Long-term	10.4	11.8	10.2	9.2	9.2
Housing	0.3	0.2	0.1	0.6	2.1
Other	0.6	7.9	11.0	11.0	11.5
Short-term	0.4	6.9	9.8	10.0	1.7
Long-term	0.3	1.0	1.2	1.0	9.8

Source: Central Bank of Nicaragua.

Table 15. Nicaragua: Summary Balance of Payments

	1994	1995	1996	1997	1998
(In millions of U.S. dollars)					
Current account	-943	-681	-615	-614	-699
Excluding interest obligations	-404	-345	-326	-403	-496
Trade balance	-423	-371	-380	-531	-672
Exports, f.o.b.	360	526	670	704	573
Imports, f.o.b.	-784	-897	-1,050	-1,234	-1,245
Nonfactor services (net)	-53	-72	-63	-13	-15
Receipts	116	146	184	225	257
Payments	-169	-218	-247	-237	-272
Official interest obligations	-538	-336	-289	-211	-203
Other current transactions (net)	72	98	117	141	191
Capital account	-304	6	82	491	534
Official (net)	-437	-139	11	163	313
Official transfers	245	177	247	192	189
Disbursements	338	241	178	176	264
Amortization	-1,020	-559	-426	-214	-129
Other (net)	0	1	13	9	-12
Other capital	133	146	71	328	221
Overall balance	-1,247	-675	-533	-123	-165
Change in net international reserves	-69	63	2	-58	6
Of which: IMF (net)	27	-13	-11	0	22
Net change in arrears (decrease -)	1,273	-1,109	-3,202	-177	24
Exceptional financing	43	1,722	3,733	357	135
C.G./US/Mexico/Venezuela/Colombia	...	0	...	...	...
Paris Club rescheduling	...	623	51	24	85
Other rescheduling	43	1,099	3,682	333	50
(In percent of GDP)					
Current Account	-51.5	-36.1	-31.2	-30.3	-32.9
Current account, excluding interest due	-22.1	-18.3	-16.5	-19.9	-23.4
Trade balance	-23.1	-19.6	-19.3	-26.2	-31.7
Nonfactor services (net)	-2.8	-3.8	-3.2	-0.6	-0.7
Official interest due	-29.4	-17.8	-14.6	-10.4	-9.6
Other current transactions (net)	3.8	5.2	5.9	7.0	9.0
Capital account	-16.6	0.3	4.2	24.3	25.2
Official (net)	-23.8	-7.4	0.6	8.1	14.7
Private capital (net)	7.2	7.7	3.6	16.2	10.4
Overall balance	-68.1	-35.8	-27.0	-6.1	-7.8
(In millions of U.S. dollars)					
Memorandum item:					
Gross domestic product	1,832	1,887	1,973	2,023	2,123

Sources: Central Bank of Nicaragua; and Fund staff estimates.

Table 16. Nicaragua: Trade Account Indicators

	1994	1995	1996	1997	1998
(Index 1990 = 100)					
Exports, f.o.b.					
Value	109	159	203	213	173
Volume	93	116	156	163	131
Unit Value	117	137	130	131	132
Imports, f.o.b.					
Value	138	158	185	242	244
Volume	143	152	175	209	227
Unit Value	95	102	104	98	93
Terms of Trade	122	134	125	133	143
(Annual percentage change)					
Exports, f.o.b.					
Value	35	46	27	5	-19
Volume	8	24	34	4	-20
Unit Value	25	17	-5	1	1
Imports, f.o.b.					
Value	17	14	17	31	1
Volume	16	6	15	20	9
Unit Value	1	7	2	-6	-5
Terms of Trade	24	9	-7	7	7

Sources: Central Bank of Nicaragua; and Fund staff estimates.

Table 17. Nicaragua: Public Sector External Debt and Debt Service

	1994	1995	1996	1997	1998
(In millions of U.S. dollars, end of period)					
Total debt	11,695	10,248	6,094	6,001	5,948
Bilaterals	8,325	8,272	4,045	4,027	3,805
Multilaterals	1,472	1,587	1,682	1,657	1,895
Commercial Banks	1,728	270	272	234	224
Other	170	119	95	83	24
(In percent of GDP)					
Total debt	638	543	309	297	280
Bilaterals	454	438	205	199	179
Multilaterals	80	84	85	82	89
Commercial Banks	94	14	14	12	11
Other	9	6	5	4	1
(In millions of U.S. dollars)					
Total debt service obligations	1,559	908	724	425	332
Principal	1,020	571	436	214	129
Interest	538	336	289	211	203
Debt service paid	250	286	258	245	173
Principal	139	170	171	126	84
Interest	110	116	87	119	89
Debt service not paid	1,309	622	467	181	159
Principal	881	402	265	88	45
Interest	428	220	202	93	114
(In percent of GDP)					
Total debt service obligations	85	48	37	21	16
Principal	56	30	22	11	6
Interest	29	18	15	10	10
Debt service paid	14	15	13	12	8
Principal	8	9	9	6	4
Interest	6	6	4	6	4
Debt service not paid	71	33	24	9	8
Principal	48	21	13	4	2
Interest	23	12	10	5	5
(In percent of exports of goods and nonfactor services)					
Total debt service obligations	327	135	85	46	40
Principal	214	85	51	23	16
Interest	113	50	34	23	25
Debt service paid	52	42	30	26	21
Principal	29	25	20	14	10
Interest	23	17	10	13	11
Debt service not paid	275	92	55	19	19
Principal	185	60	31	9	5
Interest	90	33	24	10	14

Sources: Central Bank of Nicaragua, Ministry of External Cooperation; and Fund staff estimates.

Table 18. Nicaragua: Gross Domestic Product by Sector

	1994	1995	1996	1997	1998
(In millions of cordobas at current prices)					
GDP at market prices	12,311	14,247	16,649	19,116	22,463
Primary sector	4,148	4,848	5,798	6,661	7,862
Agriculture	4,080	4,749	5,654	6,484	7,599
Mining	69	99	144	176	263
Secondary sector	2,558	2,965	3,457	3,952	4,597
Manufacturing	2,047	2,317	2,632	2,960	3,417
Construction	366	479	626	762	913
Energy and water	144	170	200	230	266
Tertiary sector	5,604	6,434	7,394	8,503	10,005
Commerce	2,926	3,412	3,999	4,584	5,413
Government services	911	982	1,032	1,226	1,432
Transport and communications	417	486	567	651	767
Finance	333	382	439	500	590
Housing	334	383	441	499	576
Other	684	789	916	1,044	1,227
(In millions of 1980 cordobas)					
GDP at market prices	18,711	19,518	20,435	21,482	22,332
Primary sector	5,142	5,426	5,848	6,367	6,687
Agriculture	5,029	5,278	5,655	6,125	6,338
Mining	114	148	194	242	350
Secondary sector	5,340	5,607	5,871	6,170	6,370
Manufacturing	4,097	4,213	4,313	4,479	4,574
Construction	661	776	904	998	1,082
Electricity and water	583	617	654	693	714
Tertiary sector	8,228	8,486	8,716	8,945	9,274
Commerce	3,284	3,452	3,627	3,819	4,004
Government services	1,882	1,848	1,775	1,662	1,667
Transport and communications	892	938	982	1,034	1,082
Finance	589	608	630	657	687
Housing	769	795	823	855	877
Other	811	844	880	919	957

Source: Central Bank of Nicaragua.

Table 19. Nicaragua: Resource Balance and Financing of Investment

(In millions of cordobas)

	1994	1995	1996	1997	1,998
GDP at market prices	12,311	14,247	16,649	19,116	22,463
External resource balance	-3,202	-3,341	-3,741	-5,133	-7,268
Exports of goods and nonfactor services	3,199	5,078	7,206	8,771	8,785
Imports of goods and nonfactor services	-6,401	-8,419	-10,948	-13,904	-16,052
Gross domestic expenditure	15,513	17,588	20,390	24,249	29,731
Consumption	12,782	14,159	15,785	18,096	22,232
Private	10,739	12,089	13,174	15,610	19,380
Public 1/	2,043	2,070	2,612	2,486	2,852
Gross domestic investment	2,731	3,429	4,605	6,153	7,498
Private	896	1,287	1,717	3,539	4,654
Public	1,835	2,142	2,888	2,614	2,844
Savings	2,731	3,429	4,605	6,153	7,498
National savings	-901	252	1,112	1,223	1,298
Private	-964	-121	834	464	32
Public 2/	63	373	278	759	1,266
External savings 3/	3,632	3,177	3,493	4,930	6,200

Sources: Central Bank of Nicaragua, Ministry of Finance; and Fund staff estimates.

1/ General government current expenditure minus interest payments, pensions and indemnizations, current transfers, and "ot current expenditure.

2/ Includes quasi-fiscal losses of the Central Bank of Nicaragua.

3/ External current account balance excluding interest on debt to non-Paris Club bilateral creditors that is eligible for debt rescheduling.

Table 20. Nicaragua: Real Value Added in Agriculture

(In millions of 1980 cordobas)

	1994	1995	1996	1997	1998
Total	5,906	6,272	6,690	7,276	7,511
Agriculture	3,952	4,222	4,614	5,085	5,369
Principal export crops	2,496	2,665	3,005	3,227	3,461
Coffee	836	900	1,069	1,075	1,294
Cotton and cotton seed	18	28	60	25	8
Sugarcane	349	415	495	540	540
Tobacco (black and burley)	35	67	107	167	158
Bananas	12	18	25	26	23
Sesame seed	96	106	57	38	51
Soya	51	58	61	82	109
Basic grains	1,100	1,074	1,131	1,275	1,277
Corn	388	388	450	444	441
Rice	323	324	338	446	466
Beans	281	280	258	267	270
Sorghum	108	82	86	119	102
Other	357	483	477	583	631
Livestock	1,682	1,670	1,687	1,780	1,724
Cattle	1,238	1,215	1,218	1,290	1,221
Slaughter	880	856	844	890	817
Milk production	359	359	374	400	403
Poultry	391	400	413	432	443
Hogs	53	55	56	59	61
Fishing	218	326	333	353	358
Shrimp	137	223	221	230	227
Lobster	55	81	87	97	104
Other	27	23	25	25	27
Forestry	53	55	56	58	60

Source: Central Bank of Nicaragua.

Table 21. Nicaragua: Export Crops and Basic Grains

(Area in thousands of manzanas; production and yield in thousands of quintals) 1/

	Crop Years				
	1994/95	1995/96	1996/97	1997/98	Est. 1998/99
I. Export Crops					
Coffee					
Area	105	120	121	127	128
Yield	9	10	9	11	11
Volume of production	920	1,201	1,100	1,430	1,404
Cotton					
Area	2	12	5	2	0
Yield	12	10	10	8	0
Volume of production	25	126	54	20	0
Sugarcane					
Area	60	64	71	75	72
Yield	956	1,099	1,125	1,106	1,105
Volume of production	57,053	70,359	80,298	82,518	79,212
Tabacco Habana					
Area	1	2	3	5	5
Yield	22	21	21	20	21
Volume of production	15	40	64	100	95
Tabacco (burley) rubio					
Area	0	0	0	0	0
Yield	24	0	0	0	0
Volume of production	5	0	0	0	0
Bananas					
Area	2	3	3	3	3
Yield	929	1,353	1,854	1,946	1,756
Volume of production 2/	2,230	3,384	4,634	4,866	4,390
Sesame seed					
Area	39	53	37	17	22
Yield	10	8	6	9	9
Volume of production	375	418	223	148	202
Soya					
Area	12	13	14	20	30
Yield	34	34	34	33	28
Volume of production	399	452	479	638	851
II. Basic Grains					
Corn					
Area	280	320	399	333	379
Yield	19	20	18	17	20
Volume of production	5,320	6,400	7,103	5,810	7,621
Rice					
Area	83	90	97	105	105
Yield	30	24	33	34	105
Volume of production	2,501	2,171	3,149	3,580	3,156
Beans					
Area	172	150	171	193	220
Yield	11	10	10	8	10
Volume of production	1,840	1,500	1,647	1,574	2,122
Sorghum					
Area	70	39	77	77	64
Yield	29	27	34	25	34
Volume of production	2,000	1,063	2,655	1,913	2,162

Source: Central Bank of Nicaragua.

1/ One quintal equals 101.2 lbs. and one manzana equals 0.699 hectares.

2/ In thousands of boxes (1 box equals 42 lbs).

Table 22. Nicaragua: Selected Livestock Statistics

	1994	1995	1996	1997	1998
Cattle					
Slaughter (thousands of heads)	363.8	333.2	327.5	355.5	330.0
Meat production (millions of pounds)	112.9	107.9	108.3	114.1	104.9
Milk production (millions of gallons)	48.0	48.0	50.0	53.5	54.0
Hogs					
Meat production (millions of pounds)	10.8	11.3	11.5	12.0	12.4
Poultry					
Meat production (millions of pounds)	65.6	68.5	71.0	74.4	76.5
Egg production (millions of dozens)	37.8	37.7	39.0	41.0	41.3

Source: Central Bank of Nicaragua.

Table 23. Nicaragua: Real Value Added in Manufacturing

(in millions of 1980 cordobas)

	1994	1995	1996	1997	1998
Total	4,097	4,250	4,360	4,479	4,572
Food, beverages and tobacco	3,013	3,109	3,166	3,275	3,304
Textiles, clothing, and leather goods	121	166	173	127	127
Wood and wood products	115	116	122	127	128
Paper and paper products	93	93	99	103	102
Chemical products	121	123	133	141	144
Petroleum derivatives and rubber products	227	212	199	199	199
Machinery and metal products	295	315	335	362	404
Transport equipment	7	7	8	8	9
Plastics and other	106	110	124	137	154

Source: Central Bank of Nicaragua.

Table 24. Nicaragua: Electricity Supply and Consumption

(In millions of kilowatt hours)

	1994	1995	1996	1997	1998
Generation					
Gross	1,643.3	1,727.3	1,835.3	1,819.5	2,083.6
Net	1,102.5	1,187.5	1,170.4	1,578.3	1,733.8
Imports	52.7	32.9	48.4	180.9	37.6
Exports	66.1	90.7	49.0	23.6	41.9
Domestic sales	1,089.1	1,129.7	1,204.7	1,361.9	1,391.6
Households	400.8	410.0	421.2	459.0	450.4
Commercial	191.4	213.2	233.5	280.8	304.6
Industrial	211.5	230.5	260.1	288.8	309.0
Government	58.3	58.2	63.4	60.9	61.6
Irrigation	102.0	88.1	92.2	120.1	99.1
Water supply	103.9	108.5	113.0	125.2	143.3
Public lighting	21.2	21.2	21.3	27.1	23.6

Source: Nicaraguan Electricity Enterprise (ENEL).

Table 25. Nicaragua: Indices of Wages and Prices

(December 1990 = 100)

	Nominal Salaries			Prices		Real Wages 3/		
	Central Government	Public Enterprise	National Level 1/	Consumer Prices	Basic goods Prices 2/	Central Government	Public Enterprise	National Level
December 1994	675.7	793.7	761.8	1,342.1	142.3	474.9	557.8	535.4
December 1995	692.5	923.1	873.1	1,491.3	158.7	436.3	581.6	550.1
December 1996	735.6	985.0	939.4	1,627.0	180.5	407.6	545.8	520.5
1997								
January	734.5	979.0	956.0	1,627.4	179.5	409.1	545.3	532.5
February	740.4	979.4	960.2	1,627.7	187.3	395.3	522.9	512.6
March	758.9	982.6	965.7	1,625.8	190.7	398.0	515.3	506.5
April	780.8	987.5	979.8	1,632.3	189.9	411.2	520.0	516.0
May	779.2	1000.8	986.5	1,645.2	190.1	410.0	526.5	519.0
June	779.2	1004.9	990.2	1,677.5	194.8	400.1	515.9	508.4
July	782.9	1006.9	993.9	1,702.8	197.8	395.8	509.1	502.5
August	785.1	1009.7	997.6	1,693.1	195.3	402.0	517.0	510.8
September	790.4	1015.8	1002.4	1,680.8	195.2	405.0	520.5	513.6
October	790.2	1020.2	1003.7	1,689.2	196.5	402.2	519.3	510.9
November	822.5	1021.4	1016.5	1,734.2	203.3	404.5	502.4	500.0
December	823.3	1021.8	1017.7	1,745.0	203.9	403.8	501.1	499.1
1998								
January	942.7	1,051.0	1,099.1	1,760.2	204.7	460.5	513.4	536.9
February	995.5	1,059.9	1,126.0	1,785.5	208.0	478.6	509.5	541.3
March	1,087.6	1,061.9	1,129.7	1,803.6	212.0	513.0	500.9	532.8
April	1,100.2	1,076.9	1,146.8	1,841.8	215.9	509.6	498.7	531.1
May	1,107.1	1,108.0	1,179.2	1,879.2	219.0	505.6	506.0	538.5
June	1,242.6	1,120.1	1,236.7	1,914.1	223.7	555.5	500.8	552.9
July	1,257.7	1,125.4	1,241.6	1,893.1	218.7	575.2	514.7	567.8
August	1,270.3	1,127.0	1,245.9	1,883.6	214.6	591.8	525.1	580.4
September	1,270.3	1,128.2	1,249.5	1,890.6	213.6	594.8	528.3	585.1
October	1,276.2	1,128.2	1,251.4	1,935.6	216.4	589.8	521.4	578.3
November	1,271.2	1,129.4	1,253.2	2,044.9	234.1	543.1	482.6	535.4
December	1,273.3	1,135.1	1,256.3	2,067.0	234.2	543.7	484.8	536.5

Sources: Ministry of Labor, and Ministry of Finance.

1/ Takes into account wage developments in the public and private sectors.

2/ Based on prices of 53 items that are deemed essential for residents of Managua.

3/ Nominal wages deflated by the basic goods price index.

Table 26. Nicaragua: Selected Labor Statistics 1/

	1994	1995	1996	1997	1998
	(In thousands of persons)				
Population	4,225.5	4,357.1	4,492.1	4,631.4	4,775.0
Labor force	1,392.1	1,447.8	1,507.2	1,567.5	1,630.2
Employed	1,154.1	1,203.1	1,266.6	1,343.7	1,414.8
Primary sector	466.2	491.0	525.4	570.8	611.0
Agriculture	463.0	486.9	520.0	564.2	601.5
Mining	3.2	4.1	5.4	6.6	9.5
Secondary sector	151.2	159.2	169.2	177.3	183.6
Manufacturing	107.0	107.9	110.5	113.9	115.9
Construction	38.5	45.3	52.8	57.6	62.0
Utilities	5.7	6.0	5.9	5.8	5.7
Tertiary sector	536.7	552.9	572.0	595.6	620.2
Commerce	204.0	205.8	216.1	229.3	241.3
Transport and communications	38.1	40.1	41.9	44.1	45.9
Government services	81.4	79.6	73.9	71.5	71.3
Financial services	10.7	10.6	13.3	15.7	16.4
Other services	202.5	216.8	226.8	235.0	245.3
Unemployed	238.0	244.7	240.6	223.8	215.4
	(Annual percentage change)				
Population	3.1	3.1	3.1	3.1	3.1
Labor force	4.0	4.0	4.1	4.0	4.0
Employment	4.9	4.2	5.3	6.1	5.3
Memorandum items:					
Labor force participation (in percent of population)	32.9	33.2	33.6	33.8	34.1
Unemployment rate (in percent of labor force)	17.1	16.9	16.0	14.3	13.2

Sources: Ministry of Labor and Social Security Institute; and Fund staff estimates.

1/ Because of a change in methodology in 1995, data for previous years are not fully comparable.

Table 27. Nicaragua: Central Government Operations

(In millions of cordobas)

	1994	1995	1996	1997	1998
Total revenue	2,673.3	3,302.5	3,838.9	4,891.3	5,905.6
Current revenue	2,642.0	3,234.5	3,796.8	4,866.8	5,886.2
Tax revenue	2,521.7	3,098.7	3,637.0	4,624.3	5,638.9
Nontax revenue	119.9	135.8	138.6	241.8	247.3
Transfers	0.5	0.0	21.2	0.6	0.0
Other	0.5	0.0	21.2	0.6	0.0
Capital revenue	31.3	68.1	42.1	24.6	19.4
Total expenditure	4,071.0	4,862.7	5,535.3	6,335.8	7,037.2
Current expenditure	2,952.4	3,210.1	3,758.5	4,411.0	4,729.8
Personnel emoluments	973.8	1,098.7	1,085.9	1,176.8	1,367.2
Goods and services	772.5	703.2	1,194.2	986.3	1,052.7
Interest payments	642.9	686.8	584.4	1,071.9	1,003.9
Current transfers	563.2	721.4	894.0	1,176.0	1,306.0
To rest of general government	82.1	74.3	81.0	81.4	123.2
Other	481.1	647.1	813.0	1,094.6	1,182.8
Capital expenditure and net lending	1,118.7	1,652.6	1,776.7	1,924.7	2,307.4
Fixed capital formation	577.5	765.9	1,059.3	955.4	1,267.2
Financial investment	0.7	3.0	0.0	0.0	0.0
Capital transfers	461.2	733.7	715.0	963.7	957.0
To rest of general government	6.1	0.0	0.0	0.0	0.0
To municipalities	48.9	66.1	77.7	41.9	61.8
To public utilities	38.6	25.3	30.1	42.6	53.4
Other	367.6	642.3	607.1	879.2	841.8
Net lending	79.2	150.0	2.5	5.6	83.2
Current account balance (deficit -)	-310.4	24.3	38.3	455.7	1,156.4
Overall balance before grants (deficit -)	-1,397.7	-1,560.2	-1,696.3	-1,444.4	-1,131.6
Foreign grants	601.0	821.0	1,019.5	821.7	675.0
Overall balance after grants (deficit -)	-796.8	-739.1	-676.8	-622.7	-456.5
Financing	796.8	739.1	676.8	622.7	456.5
External	789.7	338.7	738.2	116.2	1,679.9
Disbursements	1,282.9	996.1	1,493.9	1,055.2	2,343.9
Amortization	-493.2	-657.4	-755.7	-939.0	-664.1
Internal	7.1	400.4	-61.4	506.5	-1,223.3
Of which					
Central bank	79.8	550.3	172.5	1,143.7	-941.0

Sources: Ministry of Finance; and Central Bank of Nicaragua.

Table 28. Nicaragua: Central Government Revenue

(In millions of cordobas)

	1994	1995	1996	1997	1998
Total revenue	2,673.3	3,302.5	3,838.9	4,891.3	5,905.6
Current revenue	2,642.0	3,234.5	3,796.8	4,866.8	5,886.2
Tax revenue	2,521.7	3,098.7	3,637.0	4,624.3	5,638.9
Direct taxes	264.5	400.5	513.7	679.5	814.1
On net income and profits	263.0	400.5	511.3	675.3	810.3
On property	1.2	0.0	2.4	4.2	3.8
Net wealth	1.2	0.0	0.0	0.0	0.0
Other	0.0	0.0	2.4	4.2	3.8
Surcharge on income and wealth	0.2	0.0	0.0	0.0	0.0
Taxes on goods and services	1,596.0	1,851.4	2,157.8	2,653.7	3,085.4
General sales taxes	354.2	409.4	519.4	703.3	931.4
Excise and selective consumption taxes	1,071.3	1,220.6	1,375.1	1,756.3	2,137.3
Petroleum products	513.7	574.3	667.6	858.8	1,099.4
Beer and alcoholic beverages	188.2	225.1	250.6	231.7	196.9
Tobacco	110.4	127.8	143.9	155.1	159.6
Other	259.0	293.5	313.0	510.8	681.4
Stamp taxes	170.4	221.4	263.2	194.1	16.7
Taxes on international trade and transacti	516.2	679.1	778.9	1,058.8	1,514.0
Import duties	516.2	679.1	778.9	1,058.8	1,514.0
Export duties	0.0	0.0	0.0	0.0	0.0
Earmarked revenue	145.0	167.6	186.6	232.3	225.5
Nontax revenue	120.3	135.8	159.8	242.4	247.3
Transfers	0.5	0.0	21.2	0.6	0.0
Other	0.5	0.0	21.2	0.6	0.0
Other nontax revenue	119.9	135.8	138.6	241.8	247.3
Capital revenue	31.3	68.1	42.1	24.6	19.4
Memorandum items:					
Foreign grants	601.0	821.0	1,019.5	821.7	675.0
Total revenue and grants	3,274.2	4,123.6	4,858.5	5,713.1	6,580.7

Sources: Ministry of Finance; and Central Bank of Nicaragua.

Table 29. Nicaragua: Central Government Expenditure and Net Lending

(In millions of cordobas)

	1994	1995	1996	1997	1998
Total expenditure and net lending	4,071.0	4,862.7	5,535.3	6,335.8	7,037.2
Current expenditure	2,952.4	3,210.1	3,758.5	4,411.0	4,729.8
Personnel emoluments	973.8	1,098.7	1,085.9	1,176.8	1,367.2
Wages and salaries	950.7	998.6	994.4	1,164.5	1,346.6
Voluntary retirement compensations	23.1	100.1	91.5	12.4	20.6
Goods and services	772.5	703.2	1,194.2	986.3	1,052.7
Interest payments	642.9	686.8	584.4	1,071.9	1,003.9
On domestic debt	42.0	26.9	48.8	136.1	344.7
On external debt	600.9	659.9	535.6	935.7	659.2
Transfers	563.2	721.4	894.0	1,176.0	1,306.0
To INSS	79.6	71.8	78.5	79.0	112.8
Employer's contribution	65.3	68.1	65.8	76.0	109.8
State contribution	8.1	3.7	12.7	3.0	3.0
Social security	6.1	0.0	0.0	0.0	0.0
To municipalities	2.5	2.5	2.5	2.5	10.3
To public utilities	0.0	0.0	0.0	0.0	0.0
To rest of public sector	96.5	165.5	177.0	188.2	124.1
To private sector	207.4	306.2	429.5	588.3	669.7
Of which					
Subsidies for exports	39.2	75.8	137.9	276.4	234.4
To universities	167.6	169.5	191.1	282.1	349.5
To abroad	9.6	5.8	15.4	36.0	39.5
Capital expenditure	1,039.4	1,502.6	1,774.3	1,919.1	2,224.2
Fixed capital formation	577.5	765.9	1,059.3	955.4	1,267.2
Financial investment	0.7	3.0	0.0	0.0	0.0
Transfers	461.2	733.7	715.0	963.7	957.0
To INSS	6.1	0.0	0.0	0.0	0.0
To municipalities	48.9	66.1	77.7	41.9	61.8
To public utilities	38.6	25.3	30.1	42.6	53.4
ENEL	10.5	0.3	0.0	0.0	0.0
ENACAL	28.1	25.0	30.1	42.6	53.4
To rest of public sector	88.6	176.7	193.3	128.4	448.8
To private sector	279.1	465.7	413.9	750.8	393.0
Net lending	79.2	150.0	2.5	5.6	83.2
To public utilities	50.8	32.1	-1.0	0.0	83.2
ENEL	47.8	32.1	-1.0	0.0	83.2
ENACAL	3.0	0.0	0.0	0.0	0.0
Other	28.4	117.9	3.5	5.6	0.0
Memorandum item:					
Military expenditures 1/	464.9	466.9	617.9	549.7	609.1

Sources: Ministry of Finance; and Central Bank of Nicaragua.

1/ Military and internal security outlays.

Table 30. Nicaragua: Operations of the Rest of the General Government

	1994	1995	1996	1997	1998
I. Consolidated Operations					
(In millions of cordobas)					
Operating balance (deficit -)	82.8	200.3	143.0	249.0	403.1
Social security institute	33.4	141.1	100.6	161.7	273.3
Municipality of Managua	49.4	59.1	42.4	87.3	129.8
Other current revenue	70.2	76.6	95.6	116.0	203.5
Current transfers	35.7	0.0	0.0	0.0	0.0
From central government	6.1	0.0	0.0	0.0	0.0
Other	29.5	0.0	0.0	0.0	0.0
Interest payments	1.4	2.2	4.7	19.5	32.0
Other current expenditure	50.1	117.8	154.3	173.1	206.4
Current transfers	12.2	22.8	17.3	29.9	33.8
Other	12.2	22.8	17.3	29.9	33.8
Current account balance (deficit -)	125.1	134.0	62.3	142.6	334.3
Social security institute	89.2	99.9	41.4	85.8	235.6
Municipality of Managua	35.9	34.1	20.9	56.8	98.7
Capital revenue	0.0	0.0	0.0	0.0	0.0
Capital transfers	8.1	3.6	0.0	17.5	0.0
From central government	6.1	0.0	0.0	0.0	0.0
From rest of public sector	2.1	3.6	0.0	17.5	0.0
Net lending	2.1	43.1	25.9	-6.1	27.6
Fixed capital formation	73.7	79.4	86.6	115.4	74.5
Social security institute	9.0	31.2	63.2	42.7	7.3
Municipality of Managua	64.7	48.2	23.4	72.7	67.3
Overall balance before grants (deficit -)	57.5	15.0	-50.2	50.8	232.2
Social security institute	84.2	25.5	-47.5	49.8	202.5
Municipality of Managua	-26.7	-10.5	-2.8	1.0	29.7
Foreign grants	31.1	0.0	0.0	0.8	0.0
Overall balance after grants (deficit -)	88.6	15.0	-50.2	51.6	232.2
(In percent of GDP)					
Operating balance (deficit -)	0.7	1.4	0.9	1.3	1.8
Social security institute	0.3	1.0	0.6	0.8	1.2
Municipality of Managua	0.4	0.4	0.3	0.5	0.6
Other current revenue	0.6	0.5	0.6	0.6	0.9
Current transfers	0.3	0.0	0.0	0.0	0.0
From central government	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.0	0.0	0.0	0.0
Interest payments	0.0	0.0	0.0	0.1	0.1
Other current expenditure	0.4	0.8	0.9	0.9	0.9
Current transfers	0.1	0.2	0.1	0.2	0.2
Other	0.1	0.2	0.1	0.2	0.2
Current account balance (deficit -)	1.0	0.9	0.4	0.7	1.5
Social security institute	0.7	0.7	0.2	0.4	1.0
Municipality of Managua	0.3	0.2	0.1	0.3	0.4
Capital revenue	0.0	0.0	0.0	0.0	0.0
Capital transfers	0.1	0.0	0.0	0.1	0.0
From central government	0.0	0.0	0.0	0.0	0.0
From rest of public sector	0.0	0.0	0.0	0.1	0.0
Net lending	0.0	0.3	0.2	0.0	0.1
Fixed capital formation	0.6	0.6	0.5	0.6	0.3
Social security institute	0.1	0.2	0.4	0.2	0.0
Municipality of Managua	0.5	0.3	0.1	0.4	0.3
Overall balance before grants (deficit -)	0.5	0.1	-0.3	0.3	1.0
Social security institute	0.7	0.2	-0.3	0.3	0.9
Municipality of Managua	-0.2	-0.1	0.0	0.0	0.1
Foreign grants	0.3	0.0	0.0	0.0	0.0
Overall balance after grants (deficit -)	0.7	0.1	-0.3	0.3	1.0

Table 30. Nicaragua: Operations of the Rest of the General Government (continued)

	1994	1995	1996	1997	1998
II. Operations of the Municipality of Managua					
(In millions of cordobas)					
Total revenue	178.5	198.4	213.7	271.7	324.8
Operational revenue	176.5	194.8	213.7	254.2	324.8
Tax revenue	160.4	176.9	199.6	235.9	298.9
Nontax current revenue	16.0	17.8	14.1	18.3	25.9
Capital transfers from rest of public sector	2.1	3.6	0.0	17.5	0.0
Total expenditure	205.2	208.8	216.5	270.7	295.0
Operating expenditure	127.0	135.6	171.3	166.9	195.0
Wages and salaries	73.1	79.4	100.6	100.1	106.2
Goods and services	54.0	56.1	67.3	52.8	76.3
Employer's contribution	0.0	0.1	3.3	13.9	12.5
Current transfers to private sector	12.2	22.8	16.8	19.5	20.4
Interest payments	1.4	2.2	4.7	11.0	10.6
Fixed capital formation	64.7	48.2	23.4	72.7	67.3
Net lending	0.0	0.0	0.3	0.6	1.8
Operating balance (deficit -)	49.4	59.1	42.4	87.3	129.8
Current account balance (deficit -)	35.9	34.1	20.9	56.8	98.7
Overall balance before grants (deficit -)	-26.7	-10.5	-2.8	1.0	29.7
Foreign grants	23.8	0.0	0.0	0.8	0.0
Overall balance after grants (deficit -)	-2.9	-10.5	-2.8	1.8	29.7
(In percent of GDP)					
Total revenue	1.5	1.4	1.3	1.4	1.4
Operational revenue	1.4	1.4	1.3	1.3	1.4
Tax revenue	1.3	1.2	1.2	1.2	1.3
Nontax current revenue	0.1	0.1	0.1	0.1	0.1
Capital transfers from rest of public sector	0.0	0.0	0.0	0.1	0.0
Total expenditure	1.7	1.5	1.3	1.4	1.3
Operating expenditure	1.0	1.0	1.0	0.9	0.9
Wages and salaries	0.6	0.6	0.6	0.5	0.5
Goods and services	0.4	0.4	0.4	0.3	0.3
Employer's contribution	0.0	0.0	0.0	0.1	0.1
Current transfers to private sector	0.1	0.2	0.1	0.1	0.1
Interest payments	0.0	0.0	0.0	0.1	0.0
Fixed capital formation	0.5	0.3	0.1	0.4	0.3
Net lending	0.0	0.0	0.0	0.0	0.0
Operating balance (deficit -)	0.4	0.4	0.3	0.5	0.6
Current account balance (deficit -)	0.3	0.2	0.1	0.3	0.4
Overall balance before grants (deficit -)	-0.2	-0.1	0.0	0.0	0.1
Foreign grants	0.2	0.0	0.0	0.0	0.0
Overall balance after grants (deficit -)	0.0	-0.1	0.0	0.0	0.1

Table 30. Nicaragua: Operations of the Rest of the General Government (concluded)

	1994	1995	1996	1997	1998
III. Operations of the Social Security Institute (INSS)					
(In millions of cordobas)					
Total revenue	552.6	618.5	703.6	838.1	1196.2
Social security contributions	440.6	541.9	608.0	722.1	992.8
Current revenue from investments	68.6	74.8	80.3	115.0	199.5
Other current revenue	1.6	1.8	15.3	1.1	3.9
Current transfers from central government	6.1	0.0	0.0	0.0	0.0
Other current transfers 1/	29.5	0.0	0.0	0.0	0.0
Capital transfers from central government	6.1	0.0	0.0	0.0	0.0
Total expenditure	468.4	593.0	751.1	788.3	993.7
Operating expenditure	407.2	400.8	507.4	560.4	719.4
Pensions and compensations	311.2	340.3	425.8	483.1	595.3
Administrative outlays	96.0	60.5	81.6	77.3	124.1
Wages and salaries	40.7	23.1	27.1	32.3	51.2
Other	49.7	34.8	51.7	41.6	67.8
Employer's contribution	5.5	2.6	2.9	3.3	5.1
Other current expenditure	50.1	117.8	154.3	173.1	206.4
Other current expenditure	11.1	6.7	21.6	2.7	4.1
Medical services	39.0	111.2	132.7	170.4	202.3
Current transfers	0.0	0.0	0.5	10.4	13.4
Interest payments	0.0	0.0	0.0	8.4	21.4
Fixed capital formation	9.0	31.2	63.2	42.7	7.3
Net lending	2.1	43.1	25.7	-6.7	25.8
Operating balance (deficit -)	33.4	141.1	100.6	161.7	273.3
Current account balance (deficit -)	89.2	99.9	41.4	85.8	235.6
Overall balance before grants (deficit -)	84.2	25.5	-47.5	49.8	202.5
Foreign grants	7.3	0.0	0.0	0.0	0.0
Overall balance after grants (deficit -)	91.6	25.5	-47.5	49.8	202.5
(In percent of GDP)					
Total revenue	4.5	4.3	4.2	4.4	5.3
Social security contributions	3.6	3.8	3.7	3.8	4.4
Current revenue from investments	0.6	0.5	0.5	0.6	0.9
Other current revenue	0.0	0.0	0.1	0.0	0.0
Current transfers from central government	0.0	0.0	0.0	0.0	0.0
Other current transfers 1/	0.2	0.0	0.0	0.0	0.0
Capital transfers from central government	0.0	0.0	0.0	0.0	0.0
Total expenditure	3.8	4.2	4.5	4.1	4.4
Operating expenditure	3.3	2.8	3.0	2.9	3.2
Pensions and compensations	2.5	2.4	2.6	2.5	2.7
Administrative outlays	0.8	0.4	0.5	0.4	0.6
Wages and salaries	0.3	0.2	0.2	0.2	0.2
Other	0.4	0.2	0.3	0.2	0.3
Employer's contribution	0.0	0.0	0.0	0.0	0.0
Other current expenditure	0.4	0.8	0.9	0.9	0.9
Other current expenditure	0.1	0.0	0.1	0.0	0.0
Medical services	0.3	0.8	0.8	0.9	0.9
Current transfers	0.0	0.0	0.0	0.1	0.1
Interest payments	0.0	0.0	0.0	0.0	0.1
Fixed capital formation	0.1	0.2	0.4	0.2	0.0
Net lending	0.0	0.3	0.2	0.0	0.1
Operational balance (deficit -)	0.3	1.0	0.6	0.8	1.2
Current account balance (deficit -)	0.7	0.7	0.2	0.4	1.0
Overall balance before grants (deficit -)	0.7	0.2	-0.3	0.3	0.9
Foreign grants	0.1	0.0	0.0	0.0	0.0
Overall balance after grants (deficit -)	0.7	0.2	-0.3	0.3	0.9

Sources: Ministry of Finance, Central Bank of Nicaragua, Social Security Institute; and Municipality of Managua.

1/ Includes transfers from the Lottery

Table 31. Nicaragua: Consolidated Operations of the General Government (concluded)

(In percent of GDP)

	1994	1995	1996	1997	1998
Total revenue	27.6	28.9	28.6	31.4	33.1
Current revenue	27.3	28.4	28.3	31.2	33.0
Tax revenue	25.4	26.8	26.7	29.2	30.9
Nontax revenue	1.7	1.6	1.5	2.0	2.1
Current transfers	0.2	0.0	0.1	0.0	0.0
Other	0.2	0.0	0.1	0.0	0.0
Capital revenue	0.3	0.5	0.3	0.2	0.1
Total expenditure	38.4	39.8	39.1	38.7	37.1
Current expenditure	28.8	27.3	27.7	28.0	26.3
Consumption expenditure	19.1	16.9	18.2	15.5	15.3
Wages and salaries	8.8	8.4	7.3	6.8	6.8
Goods and services	7.1	5.6	7.9	5.7	5.3
Pensions and indemnizations	2.5	2.4	2.6	2.5	2.7
Central government state and employer contributions	0.6	0.5	0.5	0.5	0.6
Interest payments	5.2	4.8	3.5	5.7	4.6
Domestic	0.4	0.2	0.3	0.8	1.7
External	4.9	4.6	3.2	4.9	2.9
Current transfers	4.0	4.7	5.0	5.9	5.5
Other	4.0	4.7	5.0	5.9	5.5
Other current expenditure	0.4	0.8	0.9	0.9	0.9
Fixed capital formation	5.3	5.9	6.9	5.6	6.0
Financial investment	0.0	0.0	0.0	0.0	0.0
Capital transfers	3.7	5.1	4.3	5.0	4.3
To public utilities	0.3	0.2	0.2	0.2	0.2
Other	3.4	5.0	4.1	4.8	4.0
Net lending	0.7	1.4	0.2	0.0	0.5
Current account balance (deficit -)	-1.5	1.1	0.6	3.1	6.6
Overall balance before grants (deficit -)	-10.9	-10.8	-10.5	-7.3	-4.0
Foreign grants	5.1	5.8	6.1	4.3	3.0
Overall balance after grants (deficit -)	-5.8	-5.1	-4.4	-3.0	-1.0

Sources: Tables 27, 28, 29, 30, and 31.

Table 32. Nicaragua: Operations of the Public Utility Enterprises

	1994	1995	1996	1997	1998
I. Consolidated Operations					
(In millions of cordobas)					
Total revenue	1,221.6	923.1	1,159.4	1,493.0	2,005.7
Operating revenue	1,163.4	884.7	1,104.6	1,406.0	1,877.1
Other current revenue	18.4	12.0	24.2	44.1	75.1
Capital transfers from central government	38.6	25.3	30.1	42.6	53.4
Capital revenue	1.2	1.2	0.4	0.2	0.1
Total expenditure	1,633.6	1,196.5	1,983.9	1,850.5	2,095.1
Current expenditure	863.0	699.4	913.3	1,185.6	1,504.0
Operating expenditure	745.7	618.4	759.4	1,044.6	1,297.3
Wages and salaries	242.0	139.6	153.0	180.7	210.2
Goods and services	478.4	463.8	589.6	844.2	1,063.9
Employer's contributions	25.4	15.0	16.7	19.7	23.2
Interest payments	7.9	9.9	70.3	56.6	85.2
Of which: external interest payments	2.1	4.5	14.5	21.2	40.3
Other current expenditure	9.7	2.8	9.7	8.8	31.4
Current transfers	99.7	68.3	73.9	75.7	90.0
To universities and other 1/	99.7	68.3	73.9	75.7	90.0
Fixed capital formation	770.5	497.2	1,070.7	664.9	591.1
Net lending	0.0	0.0	0.0	0.0	0.0
Operating balance (deficit -)	417.7	266.3	345.3	361.4	579.8
Current account balance (deficit -)	318.8	197.3	215.6	264.5	448.2
Overall balance before grants (deficit -)	-412.0	-273.4	-824.6	-357.6	-89.4
Foreign grants	174.7	49.1	409.2	176.1	150.5
Overall balance after grants (deficit -)	-237.3	-224.3	-415.3	-181.5	61.1
ENEL	-128.8	-116.4	-297.9	-114.0	92.8
ENACAL	-37.1	-107.9	-117.4	-67.5	-31.7
TELCOR	-71.4	0.0	0.0	0.0	0.0

Table 32. Nicaragua: Operations of the Public Utility Enterprises (continued)

	1994	1995	1996	1997	1998
	(In percentage of GDP)				
Total revenue	9.9	6.5	7.0	7.8	8.9
Operating revenue	9.5	6.2	6.6	7.4	8.4
Capital transfers from central government	0.3	0.2	0.2	0.2	0.2
Capital revenue	0.0	0.0	0.0	0.0	0.0
Total expenditure	13.3	8.4	11.9	9.7	9.3
Current expenditure	7.0	4.9	5.5	6.2	6.7
Operating expenditure	6.1	4.3	4.6	5.5	5.8
Wages and salaries	2.0	1.0	0.9	0.9	0.9
Goods and services	3.9	3.3	3.5	4.4	4.7
Employer's contributions	0.2	0.1	0.1	0.1	0.1
Interest payments	0.1	0.1	0.4	0.3	0.4
Of which: external interest payments	0.0	0.0	0.1	0.1	0.2
Other current expenditure	0.1	0.0	0.1	0.0	0.1
Current transfers	0.8	0.5	0.4	0.4	0.4
To universities and other 1/	0.8	0.5	0.4	0.4	0.4
Fixed capital formation	6.3	3.5	6.4	3.5	2.6
Net lending	0.0	0.0	0.0	0.0	0.0
Operating balance (deficit -)	3.4	1.9	2.1	1.9	2.6
Current account balance (deficit -)	2.6	1.4	1.3	1.4	2.0
Overall balance before grants (deficit -)	-3.3	-1.9	-5.0	-1.9	-0.4
Foreign grants	1.4	0.3	2.5	0.9	0.7
Overall balance after grants (deficit -)	-1.9	-1.6	-2.5	-0.9	0.3
ENEL	-1.0	-0.8	-1.8	-0.6	0.4
ENACAL	-0.3	-0.8	-0.7	-0.4	-0.1
TELCOR	-0.6	0.0	0.0	0.0	0.0

Table 32. Nicaragua: Operations of the Public Utility Enterprises (continued)

	1994	1995	1996	1997	1998
II. Nicaragua Electricity Company (ENEL)					
(In millions of cordobas)					
Total revenue	586.2	706.8	900.8	1,185.1	1,605.9
Operational revenue	561.3	693.5	876.7	1,141.4	1,531.9
Other current revenue	13.2	11.8	23.8	43.5	74.0
Capital transfers from central government	10.5	0.3	0.0	0.0	0.0
Capital revenue	1.2	1.2	0.4	0.2	0.1
Total expenditure	793.4	843.3	1,268.9	1,315.6	1,568.7
Operating expenditure	443.4	491.9	592.0	830.1	1,007.6
Wages and salaries	107.7	96.6	99.1	109.7	120.3
Employer contributions	12.6	9.9	10.0	10.4	11.3
Goods and services	323.1	385.3	483.0	710.0	876.0
Interest payments	6.1	9.9	70.3	56.6	85.2
Of which: external interest payments	0.6	4.5	14.5	21.2	40.3
Other current expenditure	1.0	0.6	3.0	2.6	26.0
Current transfers	36.8	59.5	66.9	67.0	76.1
Other 1/	36.8	59.5	66.9	67.0	76.1
Fixed capital formation	306.1	281.5	536.8	359.3	373.8
Operating balance (deficit -)	117.9	201.6	284.6	311.3	524.3
Current account balance (deficit -)	87.2	143.5	168.4	228.6	410.9
Overall balance before grants (deficit -)	-207.2	-136.4	-368.1	-130.5	37.2
Foreign grants	78.5	20.0	70.1	16.5	55.6
Overall balance after grants (deficit -)	-128.8	-116.4	-297.9	-114.0	92.8
(In percent of GDP)					
Total revenue	4.8	5.0	5.4	6.2	7.1
Operational revenue	4.6	4.9	5.3	6.0	6.8
Other current revenue	0.1	0.1	0.1	0.2	0.3
Capital transfers from central government	0.1	0.0	0.0	0.0	0.0
Capital revenue	0.0	0.0	0.0	0.0	0.0
Total expenditure	6.4	5.9	7.6	6.9	7.0
Operating expenditure	3.6	3.5	3.6	4.3	4.5
Wages and salaries	0.9	0.7	0.6	0.6	0.5
Employer contributions	0.1	0.1	0.1	0.1	0.1
Goods and services	2.6	2.7	2.9	3.7	3.9
Interest payments	0.0	0.1	0.4	0.3	0.4
Of which: external interest payments	0.0	0.0	0.1	0.1	0.2
Other current expenditure	0.0	0.0	0.0	0.0	0.1
Current transfers	0.3	0.4	0.4	0.4	0.3
Other 1/	0.3	0.4	0.4	0.4	0.3
Fixed capital formation	2.5	2.0	3.2	1.9	1.7
Operating balance (deficit -)	1.0	1.4	1.7	1.6	2.3
Current account balance (deficit -)	0.7	1.0	1.0	1.2	1.8
Overall balance before grants (deficit -)	-1.7	-1.0	-2.2	-0.7	0.2
Foreign grants	0.6	0.1	0.4	0.1	0.2
Overall balance after grants (deficit -)	-1.0	-0.8	-1.8	-0.6	0.4

Table 32. Nicaragua: Operations of the Public Utility Enterprises (continued)

	1994	1995	1996	1997	1998
III. Nicaragua Water and Sewerage Enterprise (ENACAL)					
(In millions of cordobas)					
Total revenue	212.8	216.3	258.5	307.9	399.7
Operating revenue	179.5	191.1	228.0	264.6	345.2
Other current revenue	5.2	0.2	0.4	0.7	1.1
Capital transfers from central government	28.1	25.0	30.1	42.6	53.4
Total expenditure	346.1	353.3	715.0	535.0	526.4
Operating expenditure	118.7	126.5	167.4	214.5	289.7
Wages and salaries	39.8	43.0	54.0	71.0	89.9
Goods and services	75.4	78.5	106.6	134.2	187.9
Employer's contribution	3.5	5.1	6.8	9.3	11.9
Interest payments	0.0	0.0	0.0	0.0	0.0
Other current transfers	8.7	8.9	7.1	8.7	13.9
Other current expenditure	1.6	2.2	6.8	6.2	5.4
Fixed capital formation	217.1	215.7	533.8	305.6	217.3
Net lending	0.0	0.0	0.0	0.0	0.0
Operating balance (deficit -)	60.8	64.6	60.6	50.0	55.5
Current account balance (deficit -)	55.7	53.8	47.2	35.9	37.3
Overall balance before grants (deficit -)	-133.3	-137.0	-456.5	-227.1	-126.6
Foreign grants	96.2	29.1	339.1	159.6	94.9
Overall balance after grants (deficit -)	-37.1	-107.9	-117.4	-67.5	-31.7
(In percent of GDP)					
Total revenue	1.7	1.5	1.6	1.6	1.8
Operating revenue	1.5	1.3	1.4	1.4	1.5
Other current revenue	0.0	0.0	0.0	0.0	0.0
Capital transfers from central government	0.2	0.2	0.2	0.2	0.2
Total expenditure	2.8	2.5	4.3	2.8	2.3
Operating expenditure	1.0	0.9	1.0	1.1	1.3
Wages and salaries	0.3	0.3	0.3	0.4	0.4
Goods and services	0.6	0.6	0.6	0.7	0.8
Employer's contribution	0.0	0.0	0.0	0.0	0.1
Interest payments	0.0	0.0	0.0	0.0	0.0
Other current transfers	0.1	0.1	0.0	0.0	0.1
Other current expenditure	0.0	0.0	0.0	0.0	0.0
Fixed capital formation	1.8	1.5	3.2	1.6	1.0
Operating balance (deficit -)	0.5	0.5	0.4	0.3	0.2
Current account balance (deficit -)	0.5	0.4	0.3	0.2	0.2
Overall balance before grants (deficit -)	-1.1	-1.0	-2.7	-1.2	-0.6
Foreign grants	0.8	0.2	2.0	0.8	0.4
Overall balance after grants (deficit -)	-0.3	-0.8	-0.7	-0.4	-0.1

Table 32. Nicaragua: Operations of the Public Utility Enterprises (concluded)

	1994	1995	1996	1997	1998
IV. Telecommunication and Post (TELCOR)					
(In millions of cordobas)					
Total revenue	422.6	...	...	...	...
Operating revenue	422.6	...	...	...	...
Other current revenue	0.0	...	...	...	...
Current transfers	0.0	...	...	...	...
Total expenditure	494.1	...	...	...	...
Operating expenditure	183.7	...	...	...	...
Wages and salaries	94.5	...	...	...	...
Goods and services	79.8	...	...	...	...
Employer's contribution	9.3	...	...	...	...
Interest payments	1.8	...	...	...	...
Of which: external interest payments	1.5	...	...	...	...
Current transfers	54.3	...	...	...	...
To central government	0.0	...	...	...	...
To municipality of Managua	0.0	...	...	...	...
Other	54.3	...	...	...	...
Other current expenditure	7.0	...	...	...	...
Fixed capital formation	247.3	...	...	...	...
Net lending	0.0	...	...	...	...
Operating balance (deficit -)	239.0	...	...	...	...
Current account balance (deficit -)	175.9	...	...	...	...
Overall balance before grants (deficit -)	-71.4	...	...	...	...
Foreign grants	0.0	...	...	...	...
Overall balance after grants (deficit -)	-71.4	...	...	...	...
(In percentage of GDP)					
Total revenue	3.4	...	...	...	...
Operating revenue	3.4	...	...	...	...
Other current revenue	0.0	...	...	...	...
Current transfers	0.0	...	...	...	...
Total expenditure	4.0	...	...	...	...
Operating expenditure	1.5	...	...	...	...
Wages and salaries	0.8	...	...	...	...
Goods and services	0.6	...	...	...	...
Employer's contribution	0.1	...	...	...	...

Table 33. Nicaragua: Consolidated Operations of the Public Sector

(In millions of cordobas, unless otherwise indicated)

	1994	1995	1996	1997	1998
I. Consolidated Nonfinancial Public Sector 1/					
Total revenue	3,829.4	4,398.9	5,126.1	6,406.8	8,081.6
Tax revenue of the general government	3,122.7	3,817.5	4,444.7	5,582.3	6,930.6
Operating balance of public utility enterprises	417.7	266.3	345.3	361.4	579.8
Nontax revenue 2/	224.5	242.2	272.5	420.3	551.7
Current transfers	30.0	0.0	21.2	0.6	0.0
Capital revenue	34.6	72.9	42.5	42.3	19.5
Total expenditure	5,530.7	6,185.3	7,698.3	8,158.0	8,987.1
Current expenditure	3,661.3	3,970.3	4,767.5	5,501.8	6,123.1
Of which: interest payments	652.2	698.8	659.4	1,147.9	1,121.2
Capital expenditure and net lending	1,869.4	2,214.9	2,930.8	2,656.3	2,864.0
Fixed capital formation	1,421.8	1,342.5	2,216.5	1,735.7	1,932.8
Financial investment	0.7	3.0	0.0	0.0	0.0
Capital transfers	416.5	708.4	684.9	921.0	903.6
Net lending	30.5	161.0	29.4	-0.5	27.6
Current account balance (deficit -)	133.5	355.6	316.1	862.8	1,939.0
Overall balance before grants (deficit -)	-1,701.4	-1,786.4	-2,572.2	-1,751.2	-905.5
Foreign grants	806.8	870.1	1,428.8	998.7	825.6
Overall balance after grants (deficit -)	-894.6	-916.3	-1,143.4	-752.5	-80.0
Total financing	894.6	916.3	1,143.4	752.5	80.0
External financing	1,017.9	610.8	1,112.0	499.5	1,705.2
Internal financing	-123.3	305.5	31.4	253.0	-1,625.3
Of which: central bank	86.6	565.4	169.7	1,143.7	-941.0
II. Combined Public Sector: Overall balance by Origin					
Overall balance before grants (deficit -)	-1,771.8	-1,768.8	-2,610.0	-1,854.6	-1,578.7
Nonfinancial public sector	-1,701.4	-1,786.4	-2,572.2	-1,751.2	-905.5
Central government	-1,397.7	-1,560.2	-1,696.3	-1,444.4	-1,131.6
Rest of general government	57.5	15.0	-50.2	50.8	232.2
Public utility enterprises	-412.0	-273.4	-824.6	-357.6	-89.4
Interagency transfer discrepancy	50.8	32.1	-1.0	0.0	83.2
Central bank losses	-70.4	17.6	-37.8	-103.4	-673.2
(In percent of GDP)					
Overall balance before grants (deficit -)	-14.4	-12.4	-15.7	-9.7	-7.0
Nonfinancial public sector	-13.8	-12.5	-15.4	-9.2	-4.0
Central government	-11.4	-11.0	-10.2	-7.6	-5.0
Rest of general government	0.5	0.1	-0.3	0.3	1.0
Public utility enterprises	-3.3	-1.9	-5.0	-1.9	-0.4
Interagency transfer discrepancy	0.4	0.2	0.0	0.0	0.4
Central bank losses	-0.6	0.1	-0.2	-0.5	-3.0

Sources: Tables 31; and 32.

1/ Comprises the general government and the public utility enterprises.

2/ Includes other current revenue of public utility enterprises.

Table 34. Nicaragua: Accounts of the Central Bank

(In millions of cordobas, end-of-period stocks)

	December 31							
	C\$7.6 per US\$		C\$8.5 per US\$		C\$9.5 per US\$		C\$10.4 per US\$	
	1994	1995	1995	1996	1996	1997	1997	1998
Net international reserves	-12	-485	-544	-561	-627	-77	-83	-142
Foreign assets	1,309	1,340	1,497	1,818	2,032	3,677	4,026	3,709
Foreign liabilities	-1,321	-1,825	-2,041	-2,379	-2,659	-3,754	-4,110	-3,851
Net domestic assets	27,016	27,415	25,717	25,837	22,063	23,538	25,655	25,402
Net credit to central government	22,918	23,468	21,728	21,901	18,371	19,515	21,292	20,352
Credits	23,258	23,665	21,933	22,155	18,630	19,704	21,480	21,027
Deposits (-)	-341	-197	-205	-254	-259	-189	-188	-675
Of which								
Denominated in foreign currency	-179	-33	-36	-39	-43	-40	-43	-102
Net credit to rest of public sector	-6	9	13	10	14	14	-7	-7
Credits	9	9	13	10	14	14	-7	-7
Deposits (-)	-15	0	0	0	0	0	0	0
Of which								
Denominated in foreign currency	-12	0	0	0	0	0	0	0
Net credit to other institutions	-73	-44	-12	61	1,629	1,802	1,730	1,774
Credit to commercial banks	883	666	797	624	157	149	828	808
Credit to the Nicaraguan Investment Fund (F)	1,278	1,237	1,222	1,193	206	204	98	75
Central bank losses	382	365	365	402	402	505	505	1,178
Official capital and reserves	-11	-11	-11	-11	-11	-11	-273	-273
Revaluation account	1,451	1,451	1,282	1,282	1,013	1,013	769	769
Net unclassified assets	193	274	333	375	283	347	714	727
Allocation of SDRs	200	200	224	224	235	235	1,296	1,296
Medium- and long-term foreign liabilities	25,604	25,446	23,638	23,068	19,104	18,774	19,216	19,265
Liabilities to commercial banks	315	348	348	651	651	950	950	966
Currency	78	90	90	121	121	145	145	154
Deposits	237	258	258	530	530	805	805	812
Negotiable Investment Certificates	...	51	64	354	456	2,393	3,000	2,393
Liabilities to the Nicaraguan Investment Fund (FNI)	197	116	130	114	125	13	14	0
Of which								
Denominated in foreign currency	191	116	130	99	110	10	11	0
Liabilities to private sector	688	769	769	865	865	1,096	1,096	1,340
Currency in circulation	688	769	769	865	865	1,096	1,096	1,340

Source: Central Bank of Nicaragua.

Table 35. Nicaragua: Accounts of the Commercial Banks

(In millions of cordobas, end-of-period stocks)

	December 31							
	C\$7.6 per US\$		C\$8.5 per US\$		C\$9.5 per US\$		C\$10.4 per US\$	
	1994 1/	1995	1995 1/	1996	1996	1997	1997	1998
Net international reserves	733	867	970	1,544	1,724	2,045	2,238	2,497
Foreign assets	948	1,126	1,260	1,838	2,055	2,466	2,700	2,947
Foreign liabilities	-215	-259	-290	-295	-330	-422	-462	-451
Claims on central bank	315	348	348	651	651	949	950	966
Currency	78	90	90	121	121	145	145	154
Deposits	237	258	258	530	530	804	805	812
Domestic assets	4,152	4,616	5,357	6,193	4,983	7,993	8,683	10,222
Net credit to central government	-117	-123	-130	-130	-137	-181	-202	-284
Net credit to the rest of the public sector	-474	-506	-565	-503	-561	-673	-729	-835
Credit to private sector	4,287	4,895	5,485	6,047	5,038	6,636	6,890	8,942
Negotiable Investment Certificates (CENIS)	0	6	11	131	168	1,206	1,420	1,422
Capital and reserves	-649	-649	-923	-923	-856	-856	-876	-876
Revaluation account	256	256	57	57	102	102	58	58
Net unclassified assets	848	736	1,423	1,513	1,228	1,760	2,121	1,795
Medium- and long-term foreign liabilities	25	25	38	86	94	98	107	122
Liabilities to central bank	878	661	769	766	147	696	899	856
Liabilities to the Nicaraguan Investment Fund (FNI)	1,280	1,171	1,483	1,483	442	651	515	628
Liabilities to private sector	3,016	3,975	4,385	6,053	6,675	9,542	10,349	12,079
Demand deposits	412	511	511	759	759	1,025	1,025	1,165
Time and savings deposits	808	901	1,008	1,168	1,306	2,047	2,241	2,358
Liabilities in foreign currencies	1,796	2,563	2,866	4,126	4,611	6,470	7,083	8,555

Source: Central Bank of Nicaragua.

1/ Reflects the recapitalization of the state-owned commercial banks.

Table 36. Nicaragua: Accounts of the Banking System

(In millions of cordobas, end-of-period stocks)

	December 31							
	C\$7.6 per US\$		C\$8.5 per US\$		C\$9.5 per US\$		C\$10.4 per US\$	
	1994	1995	1995	1996	1996	1997	1997	1998
Net international reserves	721	382	425	982	1,097	1,968	2,155	2,355
Foreign assets	2,257	2,466	2,756	3,657	4,087	6,144	6,726	6,656
Foreign liabilities	-1,536	-2,084	-2,331	-2,674	-2,990	-4,176	-4,571	-4,302
Domestic assets	30,289	31,364	30,295	31,133	26,732	29,628	32,018	33,346
Net credit to central government	22,801	23,345	21,598	21,771	18,234	19,334	21,090	20,068
Net credit to the rest of the public sector	-480	-496	-552	-493	-547	-660	-736	-842
Net credit to other institutions	-73	-44	-12	61	1,629	1,802	1,730	1,774
Credit to private sector	4,287	4,895	5,485	6,047	5,038	6,636	6,890	8,942
Credit to the Nicaraguan Investment Fund (FNI)	1,278	1,237	1,222	1,193	206	204	98	75
Central bank losses	382	365	365	402	402	505	505	1,178
Capital and reserves	-659	-659	-934	-934	-867	-867	-1,149	-1,149
Revaluation account	1,707	1,707	1,339	1,339	1,115	1,115	827	827
Net unclassified assets	1,041	1,010	1,756	1,888	1,511	2,107	2,836	2,522
Interbank float	5	5	28	-142	10	-547	-72	-48
Allocation of SDRs	200	200	224	224	235	235	1,296	1,296
Medium- and long-term foreign liabilities	25,629	25,470	23,676	23,154	19,199	18,872	19,323	19,388
Liabilities to the Nicaraguan Investment Fund (FNI)	1,477	1,287	1,613	1,597	568	664	529	628
Liabilities to private sector	3,705	4,789	5,207	7,141	7,828	11,826	13,025	14,389
Currency in circulation	688	769	769	865	865	1,096	1,096	1,340
Demand deposits	412	511	511	759	759	1,025	1,025	1,165
Time and savings deposits	808	901	1,008	1,168	1,306	2,047	2,241	2,358
Negotiable investment certificates (CENIS) ...		45	53	224	288	1,187	1,580	971
Liabilities in foreign currency	1,796	2,563	2,866	4,126	4,611	6,470	7,083	8,555

Sources: Tables 34 and 35; and Central Bank of Nicaragua.

Table 37. Nicaragua: Summary Accounts of the National Investment Fund (FNI)

(In millions of cordobas, end-of-period stocks)

	December 31							
	C\$7.6 per US\$		C\$8.5 per US\$		C\$9.5 per US\$		C\$10.4 per US\$	
	1994	1995	1995	1996	1996	1997	1997	1998
Foreign assets	43	14	16	3	4	62	68	5
Claims on central bank	197	116	130	114	125	13	14	0
Currency	0	0	0	0	0	0	0	0
Deposits	197	116	130	114	125	13	14	0
Of which								
Denominated in foreign currency	189	116	130	99	110	10	10	0
Domestic assets	1,039	1,106	1,081	1,082	-34	-124	-135	-81
Credit to rest of banking system	1,276	1,166	1,483	1,483	442	651	515	628
Credit to private sector	0	0	0	0	0	0	0	0
Official capital and reserves	-119	-119	-127	-127	-439	-439	-477	-477
Revaluation of foreign assets	53	53	45	45	49	49	42	42
Net unclassified assets	-171	5	-320	-320	-87	-385	-215	-274
Medium- and long-term foreign liabilities 1/	0	0	0	0	0	143	156	156
Liabilities to central bank	1,279	1,237	1,227	1,199	95	93	102	80

Source: Central Bank of Nicaragua.

1/ Included in net unclassified assets prior to 1997.

Table 38. Nicaragua: Consolidated Financial System

(In millions of cordobas, end-of-period stocks)

	December 31							
	C\$7.6 per US\$		C\$8.5 per US\$		C\$9.5 per US\$		C\$10.4 per US\$	
	1994	1995	1995	1996	1996	1997	1997	1998
Net international reserves	764	396	442	986	1,101	2,030	2,222	2,360
Foreign assets	2,300	2,480	2,772	3,660	4,091	6,206	6,794	6,661
Foreign liabilities	-1,536	-2,084	-2,331	-2,674	-2,990	-4,176	-4,571	-4,302
Net domestic assets	28,770	30,063	28,665	29,533	26,160	29,045	31,578	32,869
Net credit to nonfinancial public sector	22,321	22,849	21,046	21,278	17,687	18,675	20,354	19,226
Net credit to central government	22,801	23,345	21,598	21,771	18,234	19,334	21,090	20,068
Net credit to rest of public sector	-480	-496	-552	-493	-547	-660	-736	-842
Credit to productive sector	4,214	4,851	5,472	6,108	6,667	8,438	8,620	10,715
Net credit to other institutions	-73	-44	-12	61	1,629	1,802	1,730	1,774
Credit to private sector	4,287	4,895	5,485	6,047	5,038	6,636	6,890	8,942
Capital and reserves	-778	-778	-1,061	-1,061	-1,306	-1,306	-1,626	-1,626
Central bank losses	382	365	365	402	402	505	505	1,178
Revaluation account	1,760	1,760	1,384	1,384	1,164	1,164	869	869
Net unclassified assets	870	1,015	1,436	1,568	1,424	1,721	2,620	2,249
Intrasystem float	0	1	22	-148	121	-152	235	259
Allocation of SDRs	200	200	224	224	235	235	1,296	1,296
Medium- and long-term foreign liabilities	25,629	25,470	23,676	23,154	19,199	19,014	19,479	19,544
Liabilities to private sector	3,705	4,789	5,207	7,141	7,828	11,826	13,025	14,389
Money	1,100	1,280	1,280	1,623	1,623	2,121	2,121	2,505
Currency in circulation	688	769	769	865	865	1,096	1,096	1,340
Demand deposits	412	511	511	759	759	1,025	1,025	1,165
Quasi-money	2,604	3,509	3,927	5,518	6,205	9,704	10,904	11,884
Time and savings deposits	808	901	1,008	1,168	1,306	2,047	2,241	2,358
CENIS		45	53	224	288	1,187	1,580	971
Deposits in foreign currencies	1,796	2,563	2,866	4,126	4,611	6,470	7,083	8,555

Sources: Tables 36 and 37; and Central Bank of Nicaragua.

Table 39. Nicaragua: Total Assets of the Financial System by Institution

	1994	1995	1996	1997	1998	1994	1995	1996	1997	1998
	(millions of cordobas)					(in percent of total)				
Total assets	36,470	37,313	34,542	45,227	50,872	100.0	100.0	100.0	100.0	100.0
Central Bank of Nicaragua	28,409	27,162	24,097	30,019	32,547	77.9	72.8	69.8	66.4	64.0
Rest of the banking system	6,310	8,210	9,549	14,169	17,618	17.3	22.0	27.6	31.3	34.6
Banco Nacional de Desarrollo	2,087	2,318	1,334	167	0	5.7	6.2	3.9	0.4	0.0
Banco Nicaraguense de Industria y Comercio (BANIC)	1,192	1,304	1,141	1,571	1,973	3.3	3.5	3.3	3.5	3.9
Banco Popular	327	308	252	311	309	0.9	0.8	0.7	0.7	0.6
Banco Inmobiliario	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Banco Mercantil	446	744	1,146	1,862	1,618	1.2	2.0	3.3	4.1	3.2
Banco de la Produccion	364	533	660	1,367	1,970	1.0	1.4	1.9	3.0	3.9
Banco Centroamericano	483	682	1,133	1,802	2,033	1.3	1.8	3.3	4.0	4.0
Banco de America Central	517	784	1,266	1,812	1,881	1.4	2.1	3.7	4.0	3.7
Banco de Finanzas	0	374	564	1,058	1,470	0.0	1.0	1.6	2.3	2.9
Interbank	206	332	579	987	1,771	0.6	0.9	1.7	2.2	3.5
Banco de Exportaciones	320	436	839	1,608	1,846	0.9	1.2	2.4	3.6	3.6
Banco del Campo 1/	62	111	156	201	475	0.2	0.3	0.5	0.4	0.9
Banco de Prestamos	272	0	0	0	0	0.7	0.0	0.0	0.0	0.0
Banco del Café	0	55	193	679	1,161	0.0	0.1	0.6	1.5	2.3
Banco Caley Dagnal	0	40	110	410	653	0.0	0.1	0.3	0.9	1.3
Delta	0	0	34	122	216	0.0	0.0	0.1	0.3	0.4
Interfin	0	34	143	210	242	0.0	0.1	0.4	0.5	0.5
Banco Europeo de Centroamerica	34	157	0	0	0	0.1	0.4	0.0	0.0	0.0
Nonbank financial institutions	1,752	1,942	896	1,039	707	4.8	5.2	2.6	2.3	1.4
Fondo Nicaraguense de Inversiones (FNI)	1,752	1,942	896	1,039	707	4.8	5.2	2.6	2.3	1.4

Source: Central Bank of Nicaragua.

1/ From June 1998, the name of the bank was changed to Banco del Sur.

Table 40. Nicaragua: Interest Rate Structure

(In percent per annum unless otherwise specified)

	1994	1995	1996	1997	1998
Central bank					
To central government	0.0	5.40-15.91	10.52-18.57	5.10-18.97	4.55-5.03
To commercial banks					
For liquidity assistance	29.3	29.2	33.5	31.0	30.6
For productive activities					
Short term	10.5	...	...	...	...
Long term	10.5	...	...	...	...
Bonos de fomento (BOFOS)	10.5	10.2	10.2	10.2	10.2
Bonds denominated in foreign currency (BOMEX) 1/	7.5	7.5	7.5	7.5	7.5
Negotiable investment certificates (CENIS)					
28 days	...	15.5	...	...	...
63 days	...	16.5	...	...	...
91 days	...	17.0	...	...	...
182 days	...	19.0	...	...	...
273 days	...	...	12.4	11.9	...
360 days	...	20.0	13.3	...	...
542 days	...	...	...	...	9.6
740 days	...	...	...	...	9.5
780 days	...	...	...	...	8.9
930 days	...	...	...	...	9.7
Commercial banks					
Short-term loans (under 18 months)	16.0-19.3	16.3-20.3	17.8-20.7	18.9-21.5	18.1-21.9
Medium-term loans (18 months to 5 years)	14.6-16.0	16.1-16.9	18.3-19.4	18.1-19.5	17.9-20.5
Deposits and other obligations					
Local currency:					
Savings deposits	9.0	8.9	9.0	8.8	8.7
Time deposits					
30-day deposits	11.1	11.5	12.6	11.5	11.2
Up to 1 year	12.4-13.3	13.1-14.3	14.1-15.4	12.2-13.2	11.4-12.4
1 year and over	14.5	15.2	15.1-15.6	13.7-14.7	13.8-14.2
Foreign currency:					
Savings deposits	4.7	5.5	5.4	5.2	5.2
Time deposits					
1 month	5.7	6.3	7.8	7.2	7.4
Over 1 month	6.2-7.0	7.1-8.4	8.0-10.5	7.5-10.0	8.1-10.0

Source: Central Bank of Nicaragua.

1/ Corresponds to 30-day term.

Table 41. Nicaragua: Legal Reserve Position of the Commercial Banks

	1994	1995	1996	1997 1/	1998
(In percent)					
Minimum requirements 2/					
Local currency sight deposits	10.0	15.0	15.0	17.0	17.0
Local currency time and savings deposits	10.0	15.0	15.0	17.0	17.0
Foreign currency deposits	25.0	25.0	25.0	17.0	17.0
(In millions of cordobas)					
Commercial banks					
Deposits subject to requirements 3/	2,874.2	4,731.5	6,239.5	10,280.8	13,174.4
Required reserves	506.3	975.8	1,297.2	1,669.1	2,205.4
Actual reserves	579.8	988.8	1,358.7	1,867.8	2,191.5
Excess or deficiency (-)	73.5	13.0	61.5	198.7	-13.8
State-owned banks					
Deposits subject to requirements 3/	1,324.5	1,912.9	2,107.3	1,639.2	1,838.2
Required reserves	223.1	381.5	424.9	264.7	278.7
Actual reserves	235.3	316.4	438.2	288.5	299.2
Excess or deficiency (-)	12.2	-65.1	13.3	23.9	20.5
Private banks 4/					
Deposits subject to requirements 3/	1,549.7	2,818.6	4,132.2	8,641.7	11,336.2
Required reserves	283.2	594.3	872.3	1,404.4	1,926.7
Actual reserves	344.4	672.4	920.6	1,579.3	1,892.3
Excess or deficiency (-)	61.2	78.0	48.2	174.8	-34.4
(In percent of liabilities subject to requirements)					
Commercial banks					
Average required reserves	17.6	20.6	20.8	16.2	16.7
Actual reserves	20.2	20.9	21.8	18.2	16.6
Excess or deficiency (-)	2.6	0.3	1.0	1.9	-0.1
State-owned banks					
Average required reserves	16.8	19.9	20.2	16.1	15.2
Actual reserves	17.8	16.5	20.8	17.6	16.3
Excess or deficiency (-)	0.9	-3.4	0.6	1.5	1.1
Private banks 2/					
Average required reserves	18.3	21.1	21.1	16.3	17.0
Actual reserves	22.2	23.9	22.3	18.3	16.7
Excess or deficiency (-)	4.0	2.8	1.2	2.0	-0.3

Source: Central Bank of Nicaragua.

1/ In November 1997, the legal reserve requirements in cordoba and dollar deposits were unified at 17 percent.

2/ From October 1998, legal reserve requirements for Banco Popular are 5 percent.

3/ Average deposits of the last 15 days of December. Includes deposits of public institutions.

Table 42. Nicaragua: Net International Reserves

(In millions of U.S. dollars, end of period)

	1994	1995	1996	1997	1998
Total	29.4	-44.3	-0.5	230.2	212.1
Assets	231.5	229.9	314.2	517.5	473.5
Liabilities	202.1	274.2	314.7	287.3	261.4
Central bank	-1.5	-64.1	-66.1	144.2	138.5
Assets	172.3	176.0	213.9	387.1	356.6
Gold 1/	4.8	5.3	5.3	5.3	5.4
Foreign exchange	8.2	5.5	11.1	14.6	14.1
Deposit abroad	139.5	152.8	0.5	0.0	0.0
Investments	19.8	12.4	180.3	356.8	292.0
Call accounts	19.0	6.6	10.8	0.1	0.4
Collateral deposits	0.8	5.8	2.7	3.0	0.1
Time deposits 2/	...	...	166.8	353.7	291.5
Other	0.0	0.0	16.7	10.4	45.1
Liabilities	173.8	240.1	280.0	242.9	218.1
Latin american central banks	...	...	...	...	...
Letters of credit	0.8	5.8	2.7	3.0	0.1
Foreign deposits	1.7	0.5	0.5	0.1	0.1
Interest in arrears	...	...	...	...	...
IMF 3/	47.2	35.6	27.0	27.0	49.7
Other	124.1	198.2	249.8	212.8	168.2
Rest of financial system	30.9	19.8	65.6	86.0	73.6
Assets	59.2	53.9	100.3	130.4	116.9
Liabilities	28.3	34.1	34.7	44.4	43.3

Source: Central Bank of Nicar

1/ Valued at US\$360 per troy ounce.

2/ In 1997, includes US\$152.4 million of rescheduling of debt with CABEI.

3/ SDR converted at US\$1.35=SDR 1.

Table 43. Nicaragua: Detailed Balance of Payments

(In millions of U.S. dollars)

	1994	1995	1996	1997	1998
Current account	-943	-681	-615	-614	-699
Exports of goods and nonfactor services	476	673	854	928	830
Merchandise f.o.b.	360	526	670	704	573
Freight and insurance	7	11	13	14	11
Travel	40	50	58	80	100
Other	68	86	112	131	146
Imports of goods and nonfactor services	952	1,115	1,297	1,471	1,517
Merchandise f.o.b.	784	897	1,050	1,234	1,245
Freight and insurance	69	77	86	65	87
Travel	30	40	60	65	70
Other	70	101	101	107	115
Factor services balance	-466	-238	-172	-71	-12
Receipts	89	127	163	195	252
Official Interest	3	7	11	15	20
Private interest and profit remittances	7	0	0	0	0
Private transfers	80	120	152	180	232
Expenditures	555	366	334	265	264
Official Interest	538	336	289	211	203
Private interest and profit remittances	17	29	46	54	61
Capital account	-304	6	82	491	534
Official transfers	245	177	247	192	189
Public sector capital	-682	-316	-235	-29	124
Disbursements	338	241	178	176	264
Scheduled amortization	1,020	559	426	214	129
Other (net)	0	1	13	9	-12
Other capital	133	146	71	328	221
Overall balance	-1,247	-675	-533	-123	-165
Change in net international reserves					
(- increase)	-69	63	2	-58	6
Of which: IMF (net)	27	-13	-11	0	22
Net change in arrears	1,273	-1,109	-3,202	-177	24
Exceptional Financing	43	1,722	3,733	357	135

Source: Central Bank of Nicaragua; and Fund staff estimates.

Table 44. Nicaragua: Exports by Commodity

	1994	1995	1996	1997	1998
(In millions of U.S. dollars)					
Total exports, f.o.b.	360	526	670	704	573
Agricultural and fish products	189	281	285	320	345
Cotton	4	2	10	3	0
Coffee	73	131	116	116	173
Seafood	42	74	75	79	79
Bananas	6	14	22	16	20
Other	63	59	62	105	73
Manufactured products	166	236	362	375	195
Foodstuffs	79	84	82	95	71
Meat (beef)	63	54	41	44	38
Sugar	16	30	41	51	33
Wood products	5	...	...	...	...
Textiles	3	...	...	...	...
Leather and leather goods	3	...	...	...	...
Chemical products	5	...	...	...	...
Other	72	152	281	279	125
Minerals	4	9	23	9	33
Gold	4	9	21	9	32
Other	0	0	1	0	0
Memorandum item:					
Nontraditional exports	142	196	325	371	191
(Shares in percent of total)					
Agricultural and fish products	53	53	43	45	60
Cotton	1	0	2	0	0
Coffee	20	25	17	16	30
Seafood	12	14	11	11	14
Bananas	2	3	3	2	3
Other	18	11	9	15	13
Manufactured products	46	45	54	53	34
Foodstuffs	22	16	12	14	12
Meat (beef)	18	10	6	6	7
Sugar	4	6	6	7	6
Wood products	1	...	...	...	...
Textiles	1	...	...	...	...
Leather and leather goods	1	...	...	...	...
Chemical products	1	...	...	...	...
Other	20	29	42	40	22
Minerals	1	2	3	1	6
Gold	1	2	3	1	6
Other	0	0	0	0	0
Memorandum item:					
Nontraditional exports	40	37	48	53	33

Source: Central Bank of Nicaragua; and Fund staff estimates.

Table 45. Nicaragua: Exports by Destination

	1994	1995	1996	1997
(In millions of U.S. dollars)				
Total exports, f.o.b.	360	526	670	704
Western Hemisphere	267	341	456	490
Central American Common Market	90	82	101	126
Canada	3	6	3	3
Cuba	1	3	3	1
Mexico	11	11	12	13
United States	146	215	313	309
Other	16	24	25	37
Europe	89	172	208	191
Belgium	10	18	15	18
France	4	10	11	9
Germany	45	60	47	62
Italy	4	8	3	5
Netherlands	3	18	17	5
Spain	14	40	73	62
United Kingdom	5	10	25	11
Other	5	8	17	20
Asia	1	7	3	5
China	0	0	2	0
Japan	1	7	1	5
Other	3	6	3	18
(In percent of total)				
Western Hemisphere	74	74	68	70
Central American Common Market	25	25	15	18
Canada	1	1	0	0
Cuba	0	0	0	0
Mexico	4	3	2	2
United States	55	41	47	44
Other	6	4	4	5
Europe	33	25	31	27
Belgium	4	3	2	2
France	2	1	2	1
Germany	17	12	7	9
Italy	1	1	0	1
Netherlands	1	1	3	1
Spain	5	4	11	9
United Kingdom	2	1	4	2
Other	2	1	3	3
Asia	0	0	0	1
China	0	0	0	0
Japan	0	0	0	1
Other	1	1	0	3

Source: Central Bank of Nicaragua.

Table 46. Nicaragua: Imports by Type of Goods

	1994	1995	1996	1997	1998
(In millions of U.S. dollars)					
Total imports, c.i.f.	870	993	1160	1454	1492
Consumer goods	225	243	292	332	435
Nondurable	188	199	241	276	357
Durable	37	44	51	56	78
Energy products	121	153	176	176	143
Crude and partially refined oil	95	84	105	110	87
Derivatives	27	69	72	65	56
Intermediate goods	300	352	396	539	462
Agriculture	42	44	41	66	64
Industry	204	255	293	385	317
Construction	55	52	62	88	80
Capital goods	217	232	290	391	449
Agriculture	11	11	15	20	26
Industry	141	151	175	237	258
Transportation	66	71	100	133	165
Electricity and other	7	12	5	17	4
(In percent of total)					
Consumer goods	26	25	25	23	29
Nondurable	22	20	21	19	24
Durable	4	4	4	4	5
Energy products	14	15	15	12	10
Crude and partially refined oil	11	8	9	8	6
Derivatives	3	7	6	4	4
Intermediate goods	34	35	34	37	31
Agriculture	5	4	4	5	4
Industry	23	26	25	27	21
Construction	6	5	5	6	5
Capital goods	25	23	25	27	30
Agriculture	1	1	1	1	2
Industry	16	15	15	16	17
Transportation	8	7	9	9	11
Electricity and other	1	1	0	1	0

Source: Central Bank of Nicaragua; and Fund staff estimates.

Table 47. Nicaragua: Imports by Country of Origin

	1994	1995	1996	1997
(In millions of U.S. dollars)				
Total imports, c.i.f.	870	993	1160	1,454
Western Hemisphere	619	778	882	1,225
Central American Common Market	190	235	269	348
Canada	13	14	23	20
Mexico	28	32	55	73
Panama	34	57	66	103
United States	235	304	406	541
Venezuela	96	107	20	48
Other	23	29	44	91
Europe	135	109	118	126
Belgium	17	6	10	6
France	10	11	14	11
Germany	23	23	25	23
Italy	8	8	11	7
Netherlands	5	7	6	2
Spain	19	24	30	64
United Kingdom	3	5	6	0
Other	50	26	16	13
Asia	61	71	100	63
Japan	61	51	83	58
Other	0	21	17	5
Other	55	35	60	41
(In percent of total)				
Western Hemisphere	71	78	76	84
Central American Common Market	22	24	23	24
Canada	1	1	2	1
Mexico	3	3	5	5
Panama	4	6	6	7
United States	27	31	35	37
Venezuela	11	11	2	3
Other	3	3	4	6
Europe	16	11	10	9
Belgium	2	1	1	0
France	1	1	1	1
Germany	3	2	2	2
Italy	1	1	1	0
Netherlands	1	1	1	0
Spain	2	2	3	4
United Kingdom	0	1	1	0
Other	6	3	1	1
Asia	7	7	9	4
Japan	7	5	7	4
Other	0	2	1	0
Other	6	4	5	3

Source: Central Bank of Nicaragua.

Table 48. Nicaragua: External Debt Arrears

	1994	1995	1996	1997	Prel. 1998
(In millions of U.S. dollars; end of period)					
Total	6,061	4,610	2,007	1,972	2,064
Principal	4,107	3,254	1,402	1,197	...
Interest	1,954	1,356	605	775	...
(By Type of Creditor)					
Official bilateral creditors	4,145	4,183	1,548	1,690	1,840
Principal	2,881	2,867	998	926	...
Interest	1,264	1,316	550	764	...
Multilateral institutions	53	86	134	0	4
Principal	42	56	87	0	...
Interest	11	30	47	0	...
Commercial banks	1,728	252	250	207	198
Principal	1,061	251	250	204	...
Interest	667	1	0	2	...
Suppliers	112	81	71	73	21
Principal	103	72	64	65	...
Interest	9	9	7	8	...
Other	23	8	4	2	1
Principal	20	8	3	2	...
Interest	3	0	1	0	...

Sources: Central Bank of Nicaragua, Ministry of External Cooperation; and Fund staff estimates.

Table 49. Nicaragua: Exchange Rates

(In cordobas per U.S. dollar)

	Official 1/	Private Exchange Houses		
		Buying	Selling	Mid-point
December				
1995	7.93	7.98	8.06	8.02
1996	8.88	8.89	8.94	8.91
1997	9.95	9.94	9.96	9.95
1998	11.14	11.14	11.18	11.16
1997				
January	8.97	8.98	9.07	9.03
February	9.05	9.03	9.08	9.06
March	9.13	9.11	9.15	9.13
April	9.22	9.20	9.23	9.22
May	9.31	9.29	9.31	9.30
June	9.40	9.40	9.46	9.43
July	9.49	9.48	9.53	9.51
August	9.58	9.58	9.62	9.60
September	9.67	9.69	9.74	9.72
October	9.76	9.76	9.80	9.78
November	9.85	9.84	9.87	9.85
December	9.95	9.94	9.96	9.95
1998				
January	10.04	10.07	10.11	10.09
February	10.14	10.13	10.16	10.15
March	10.23	10.25	10.31	10.28
April	10.33	10.37	10.41	10.39
May	10.43	10.45	10.49	10.47
June	10.53	10.54	10.58	10.56
July	10.62	10.64	10.69	10.67
August	10.73	10.73	10.78	10.76
September	10.83	10.86	10.92	10.89
October	10.93	10.94	11.00	10.97
November	11.04	11.05	11.11	11.08
December	11.14	11.14	11.18	11.16
1999				
January	11.25	11.29	11.35	11.32
February	11.35	11.39	11.44	11.41
March	11.46	11.51	11.56	11.53
April	11.57	11.58	11.62	11.60
May	11.68	11.67	11.71	11.69
June	11.79	11.80	11.85	11.83

Source: Central Bank of Nicaragua.

1/ Buying rate, average rate per month.

Table 50. Nicaragua: Real Effective Exchange Rate and Related Indices

(Index 1990=100)

	Effective Exchange Rate		Relative Consumer Prices (Local Currencies)	Exchange Rate in Terms of U.S. Dollars	Consumer Price Index (Not Seasonally Adjusted)
	Real	Nominal			
1994					
I	211.9	2.8	2,727	1.612	4,684
II	205.1	2.8	2,629	1.567	4,780
III	197.1	2.7	2,631	1.517	4,936
IV	196.5	2.6	2,708	1.480	5,147
1995					
I	192.9	2.5	2,719	1.437	5,243
II	183.8	2.4	2,723	1.401	5,334
III	182.1	2.4	2,735	1.361	5,427
IV	186.7	2.3	2,853	1.324	5,730
1996					
I	186.4	2.3	2,875	1.288	5,842
II	187.0	2.3	2,930	1.252	6,020
III	180.5	2.2	2,924	1.217	6,061
IV	183.3	2.2	3,029	1.182	6,338
1997					
I	187.8	2.2	3,051	1.150	6,440
II	187.1	2.2	3,077	1.118	6,538
III	189.1	2.2	3,126	1.086	6,699
IV	186.2	2.1	3,164	1.056	6,820
1998					
I	191.5	2.1	3,256	1.027	7,059
II	195.1	2.1	3,407	0.998	7,436
III	190.3	2.0	3,406	0.970	7,478
IV	190.3	1.9	3,615	0.943	7,980

Source: Information Notice System.