

# Guatemala

## CCTs, Remittances, Education

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Economics of Latin America

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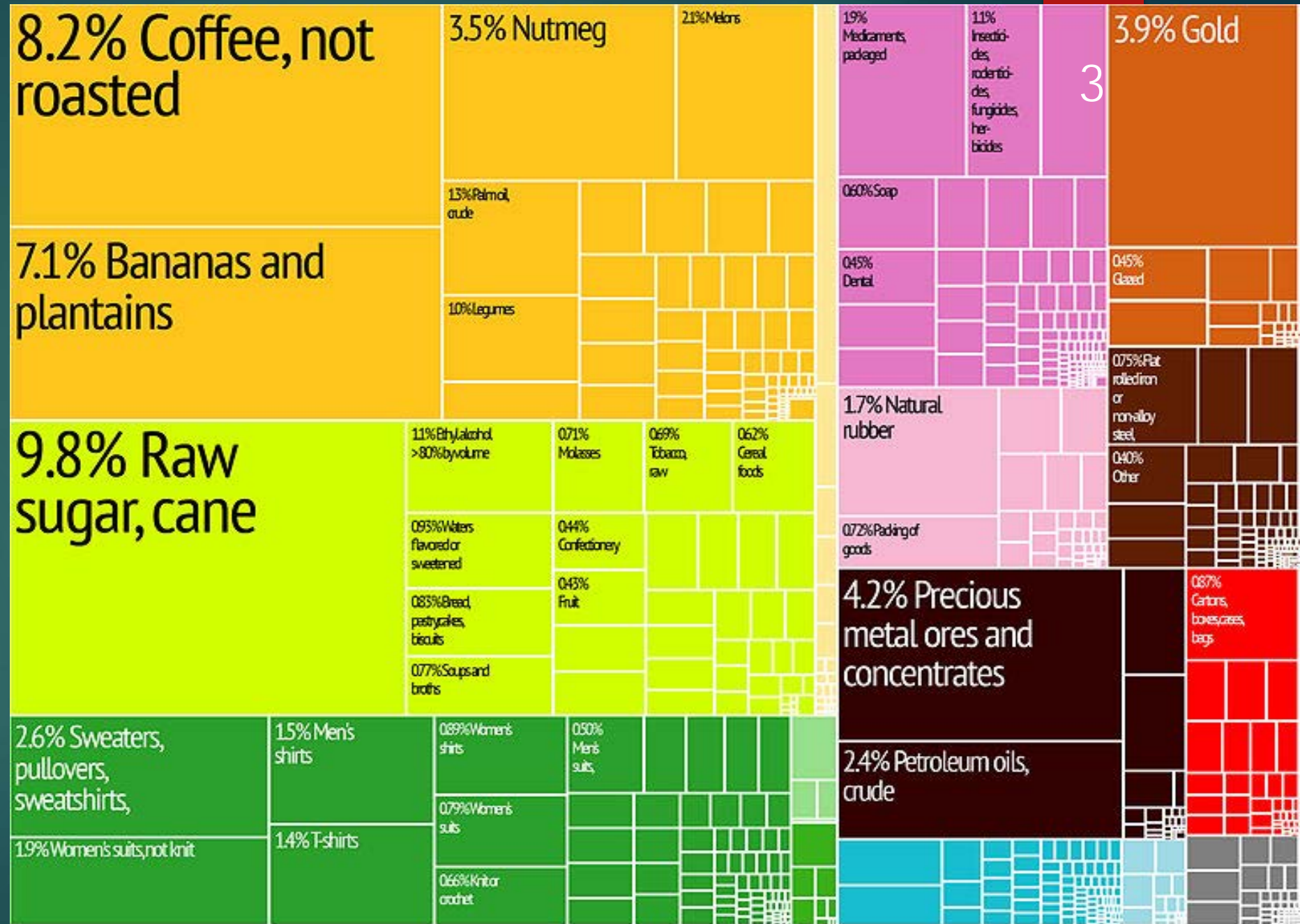
# Guatemala slow steady not spectacular growth ...outlook Ok

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- ▶ Some political instability in 2015, bounce back pretty well (IMF, 2017)
- ▶ Remittances matter, but has flexible Fx rate own currency: Quetzal
- ▶ Sustainable inflation



Coffee 8%  
 Bananas 7%  
 Sugar 10%  
 Nutmeg 4%  
 Melons 2%  
 Mining 12%  
 total about  
 42%: A&L, 2017  
 say 59% Fig 12.5  
 page 322





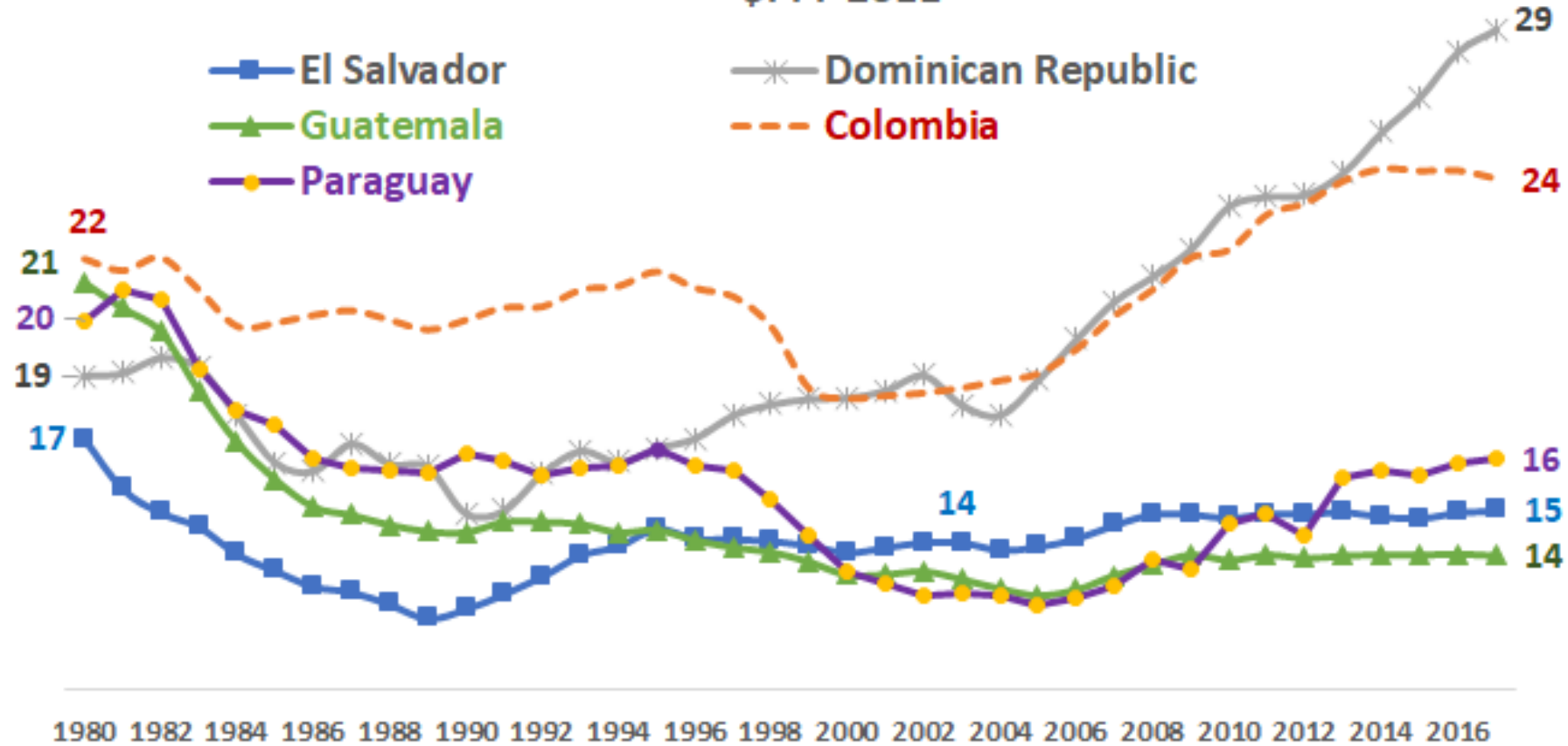
# Key facts

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- ▶ Part of Northern Triangle
- ▶ Highest population density
- ▶ Main exports: Coffee, Bananas, Sugar



Figure WEO-2 GTM 1980 Peers income per person as a % of U.S.  
\$PPP 2011



Source: IMF, WEO Oct 2017, <https://www.imf.org/external/pubs/ft/weo/2017/02/weodata/index.aspx>

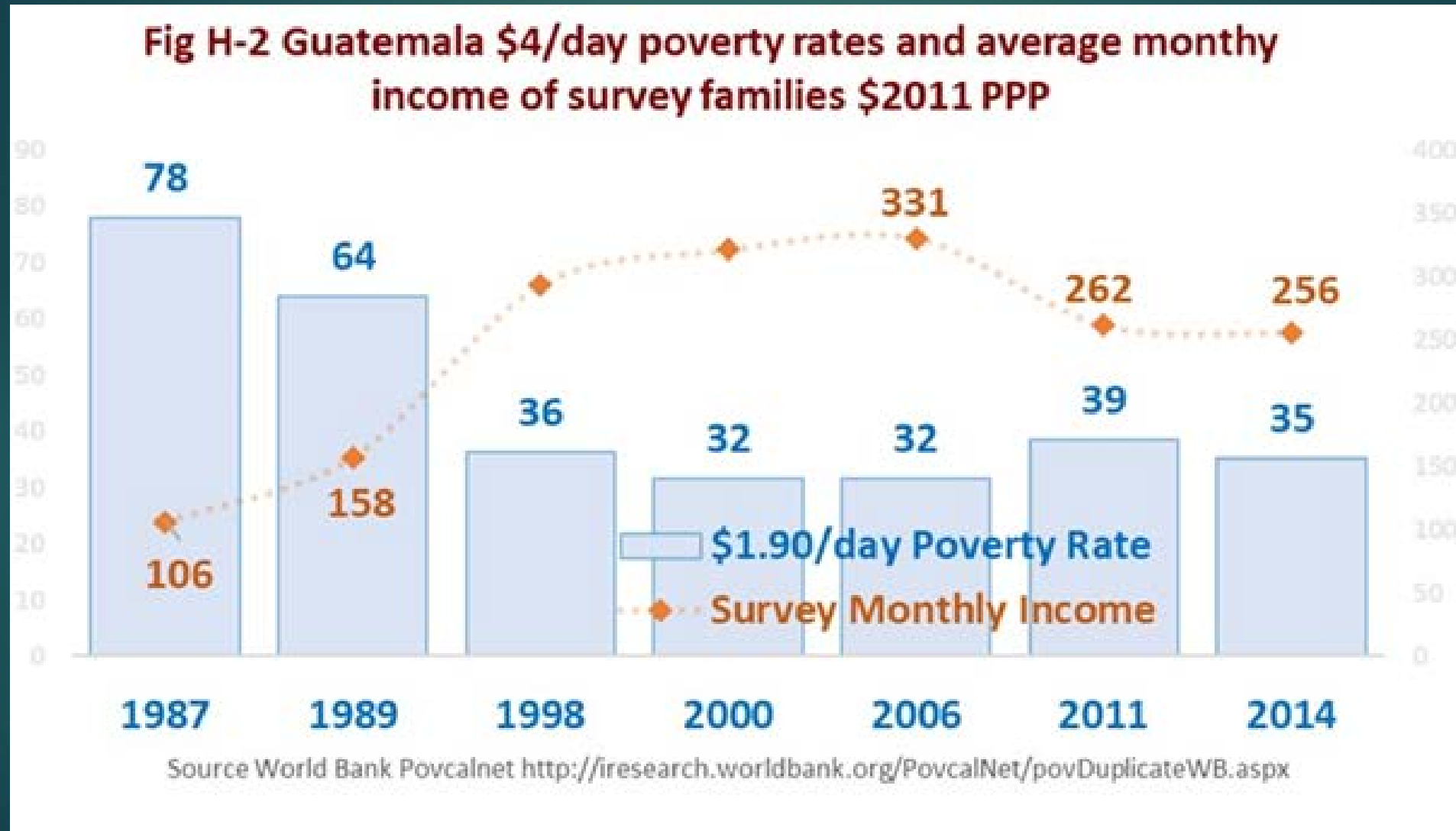
# Table D-1 Doing Business

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Table DB-2 2018 Doing Business Rank, Latin America											
Comparator	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Paraguay	100	92	109	103	102	106	124	115	103	112	88
Costa Rica	58	83	102	110	121	125	121	117	115	105	89
Dominican Republic	93	84	117	116	108	91	86	97	99	117	103
Ecuador	117	115	135	139	130	130	138	136	128	123	107
<b>Guatemala</b>	<b>81</b>	<b>73</b>	<b>79</b>	<b>93</b>	<b>97</b>	<b>101</b>	<b>110</b>	<b>112</b>	<b>114</b>	<b>118</b>	<b>109</b>
Bolivia	157	157	162	155	153	149	161	150	140	131	111
Honduras	110	104*	127	125	128	131	141	133	121	111	112
Brazil	116	120	116	130	126	127	129	125	122	121	119
Venezuela	186	182	181	180	177	172	177	174	172	164	120

# Poverty fell but not after 2000

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# \$1.90 is an important indicator for countries like GTM

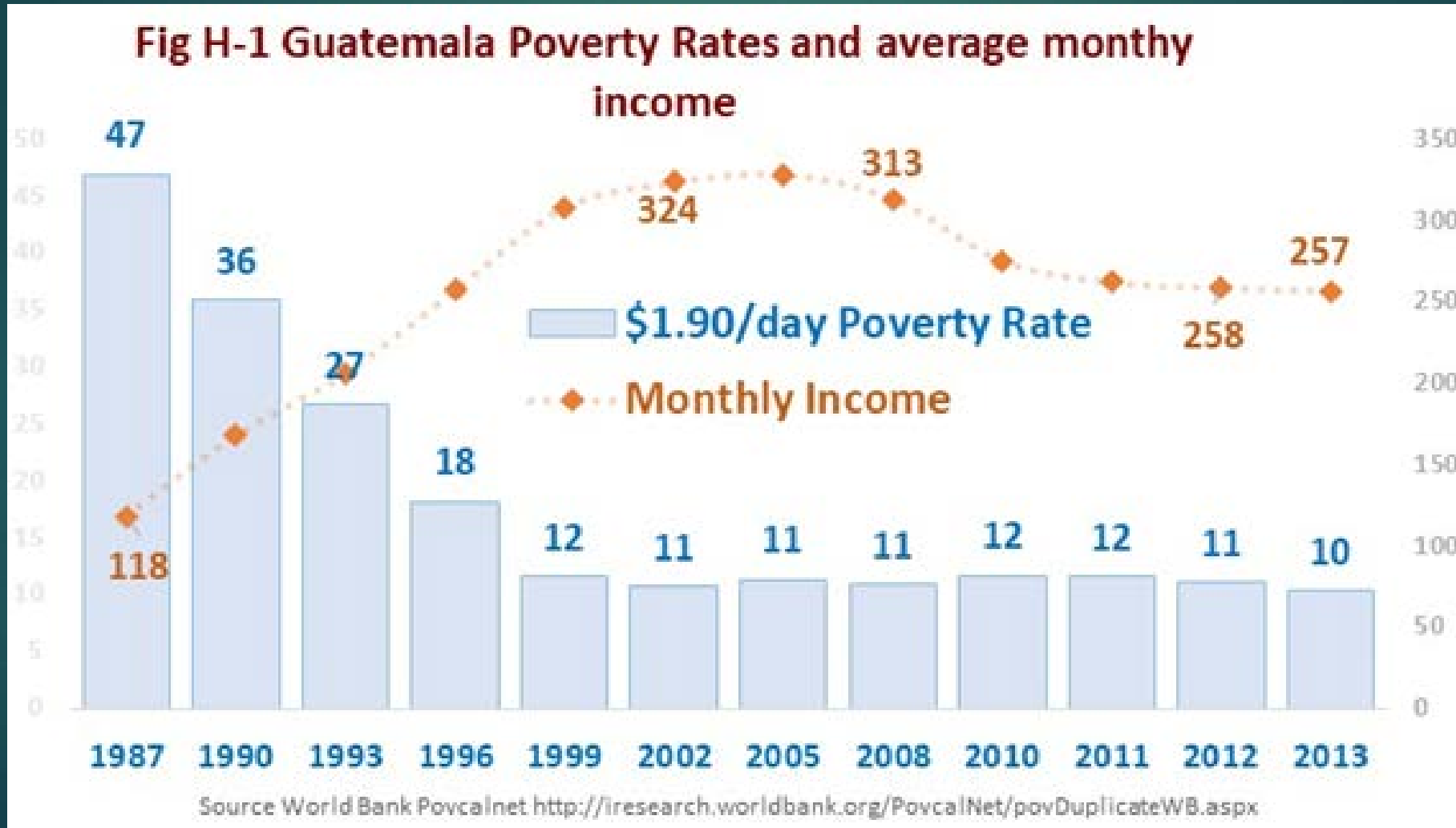
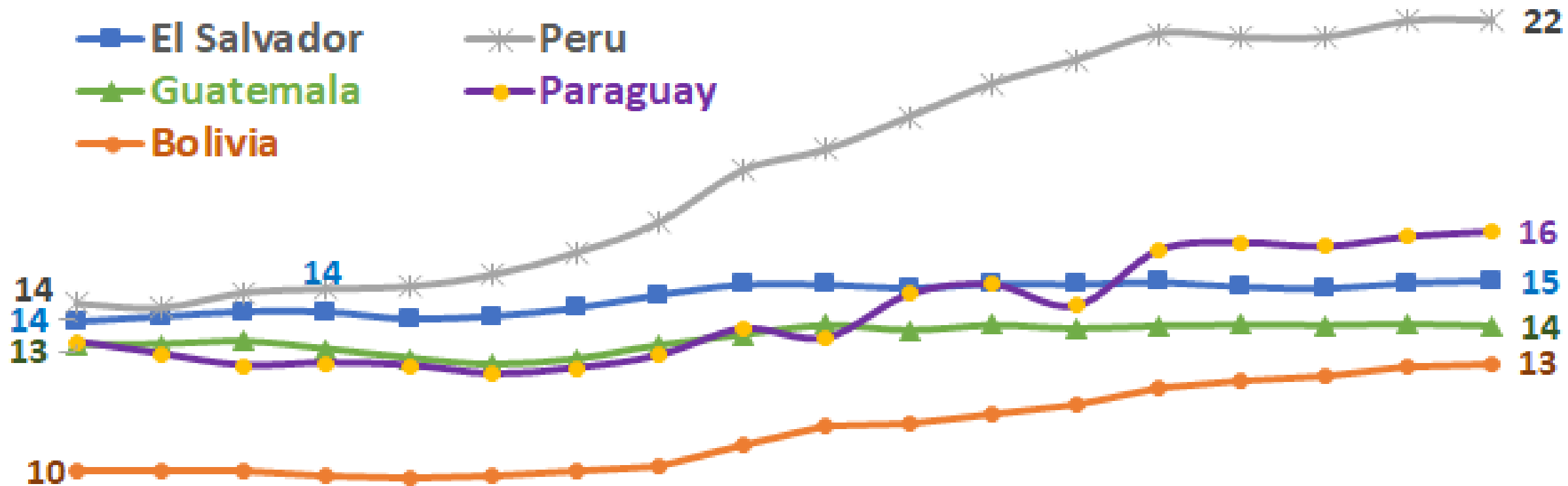




Figure WEO-2 per capita income as a % of U.S. \$PPP 2011



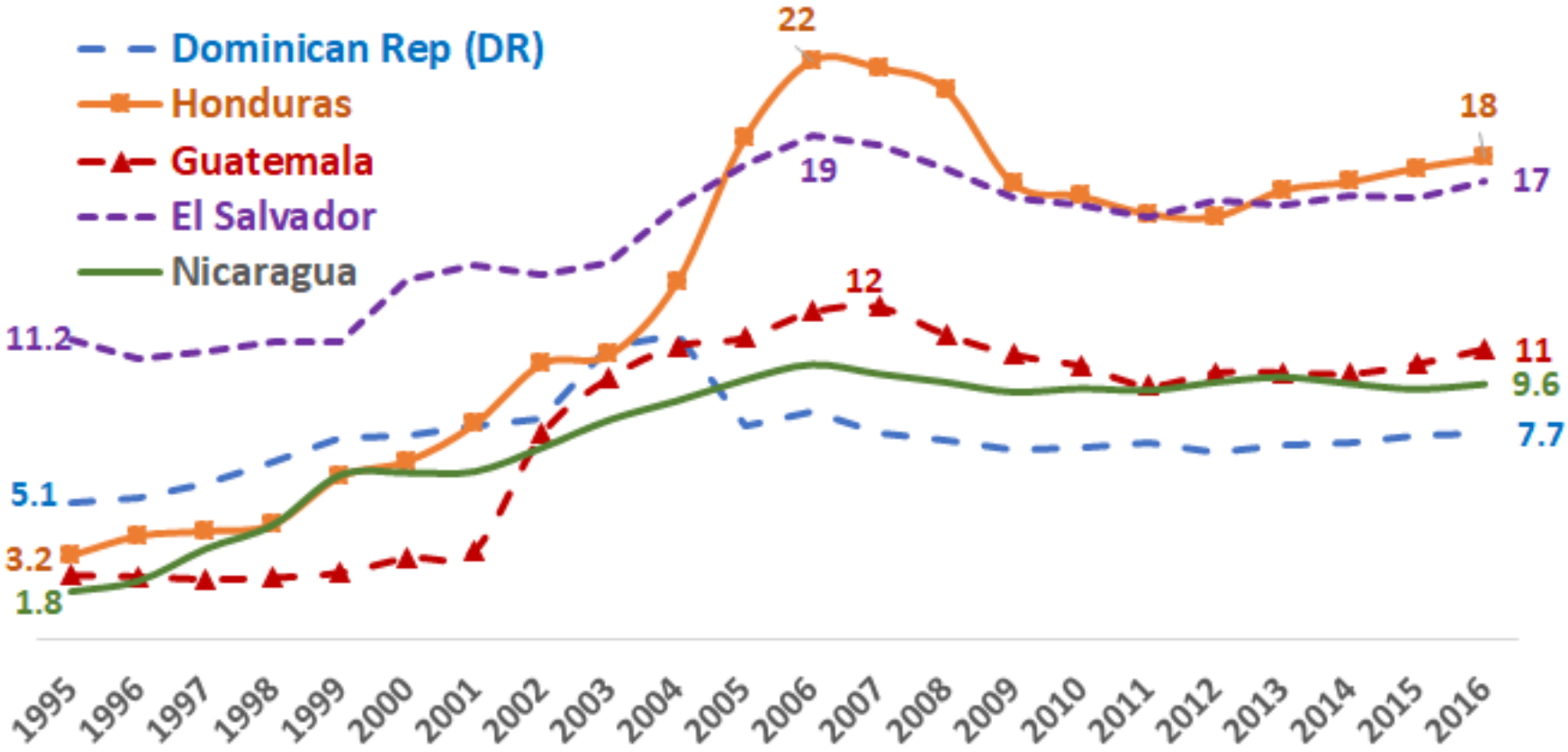
GTM has grown but not as fast as Peru or Bolivia

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: IMF, WEO Oct 2017, <https://www.imf.org/external/pubs/ft/weo/2017/02/weodata/index.aspx>

# Remittances

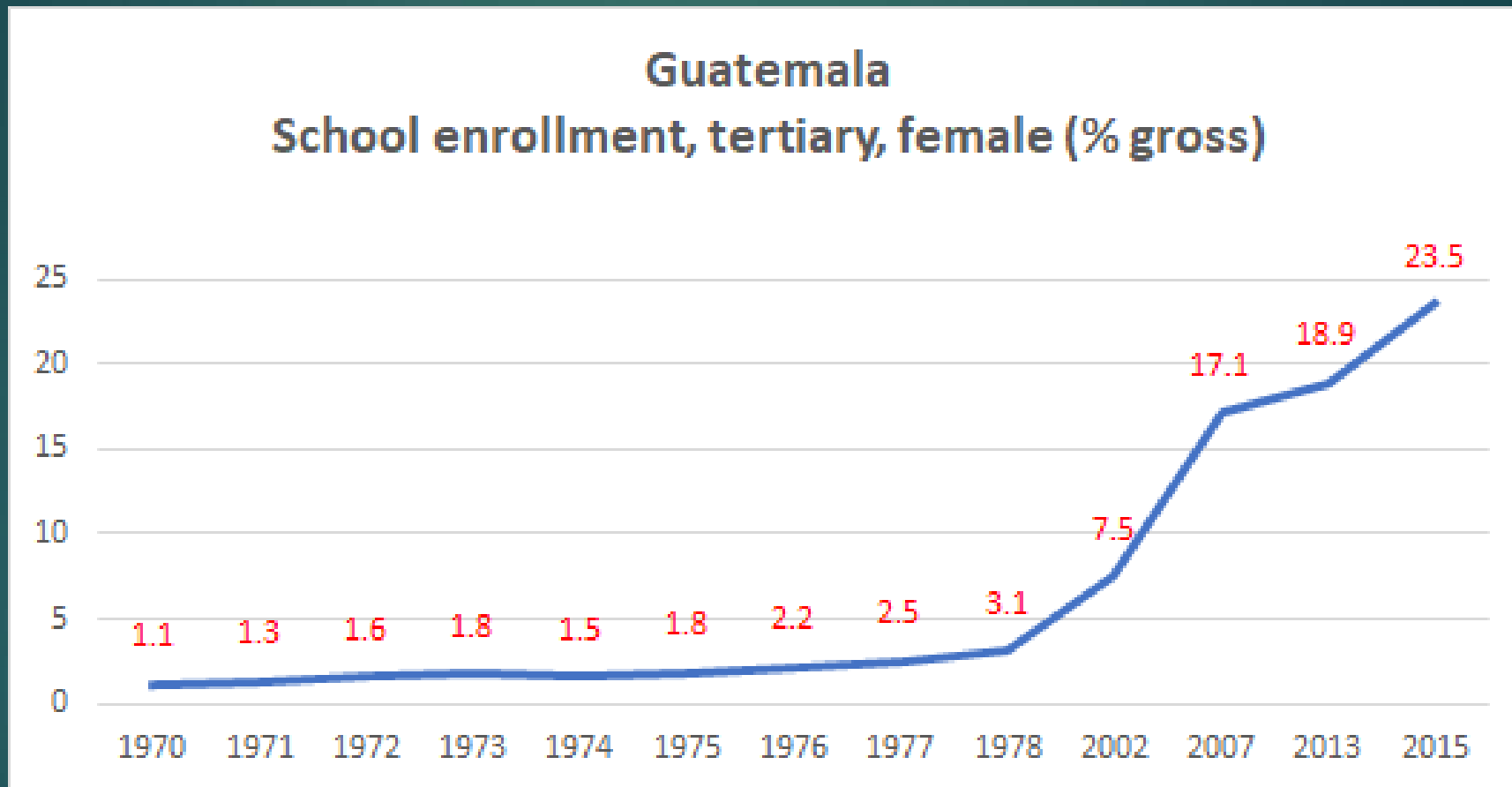
Figure R-7 CAFTA-DR ctys Remittances as a % of GDP



Source: World Bank, World Development Indicators online

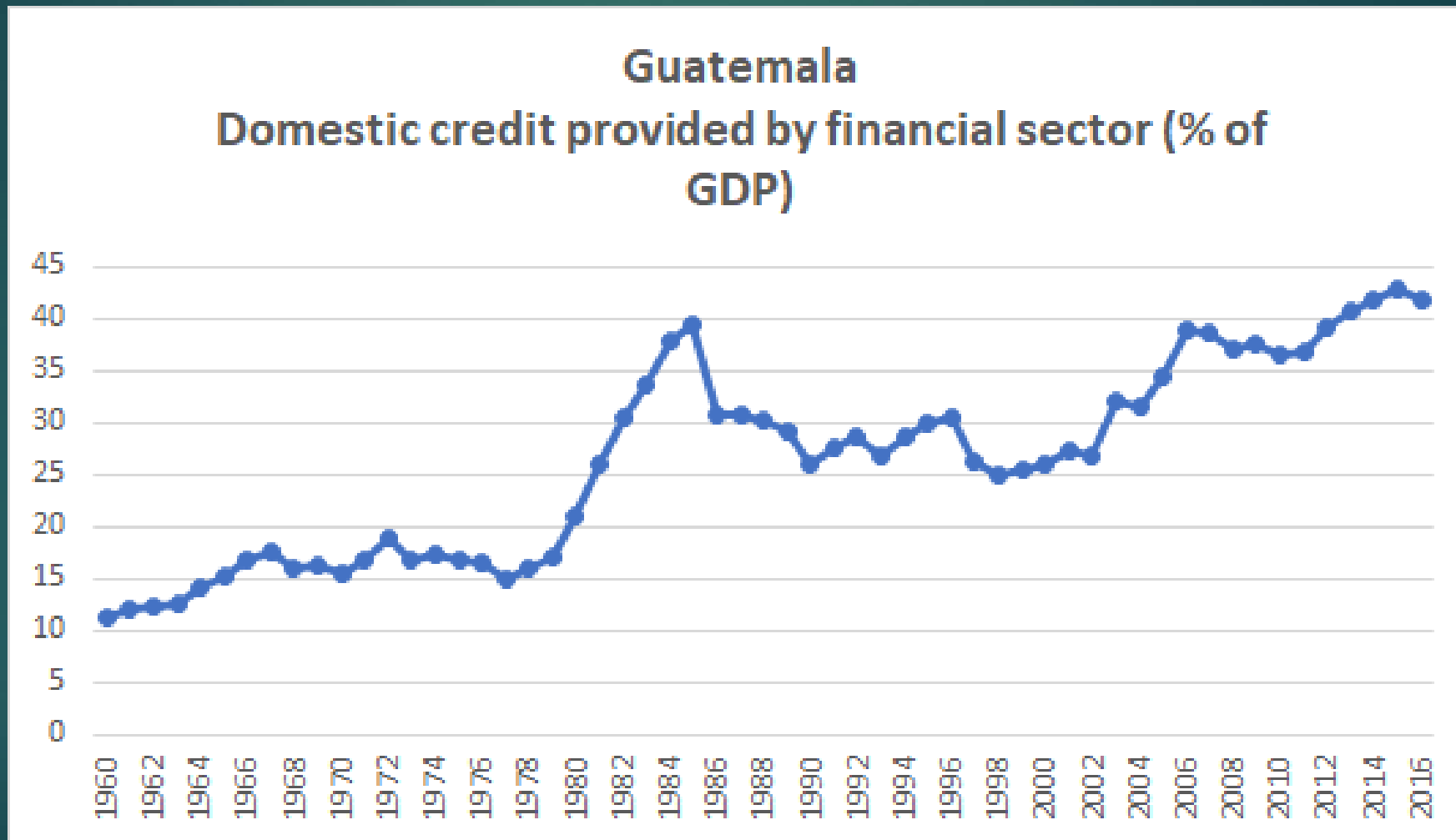
# Women's Education

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# Access to Credit

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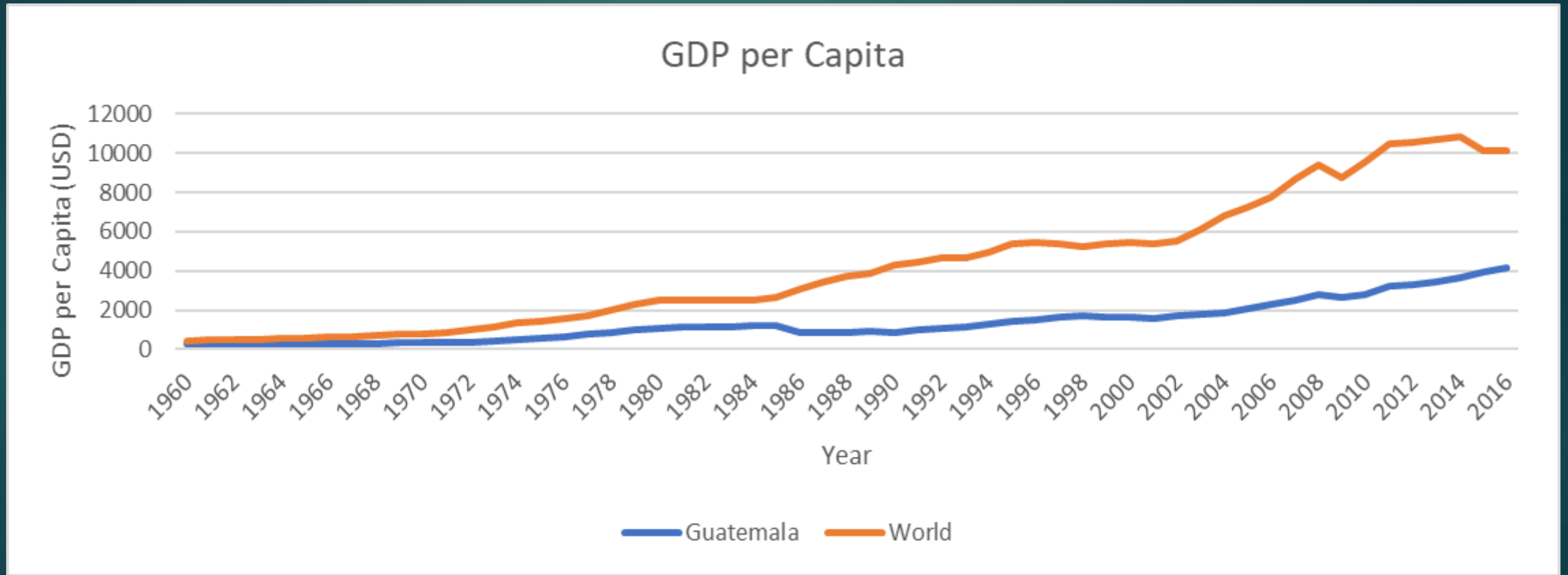


# EXTRA FIGURES

# Gross Domestic Production

## FIGURE G-2

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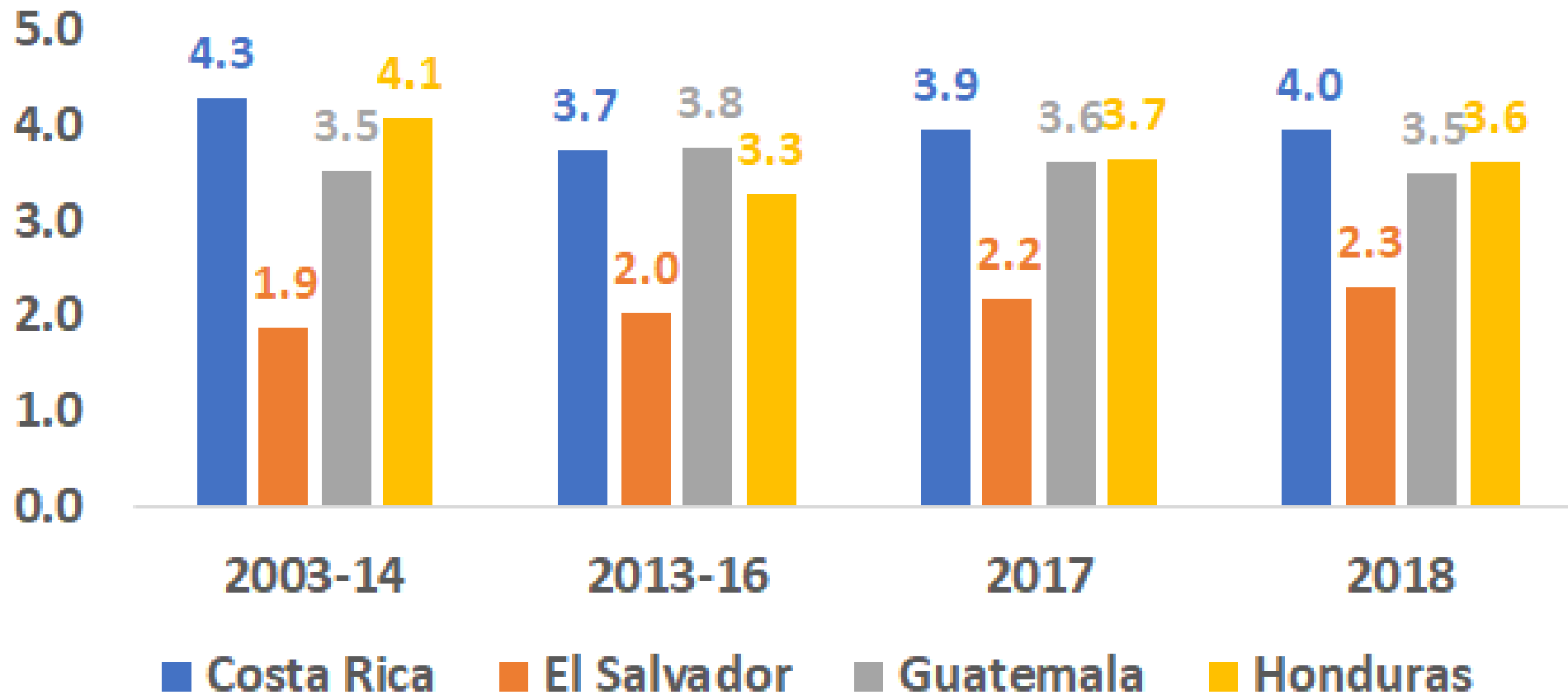


# More on GTM GDP...

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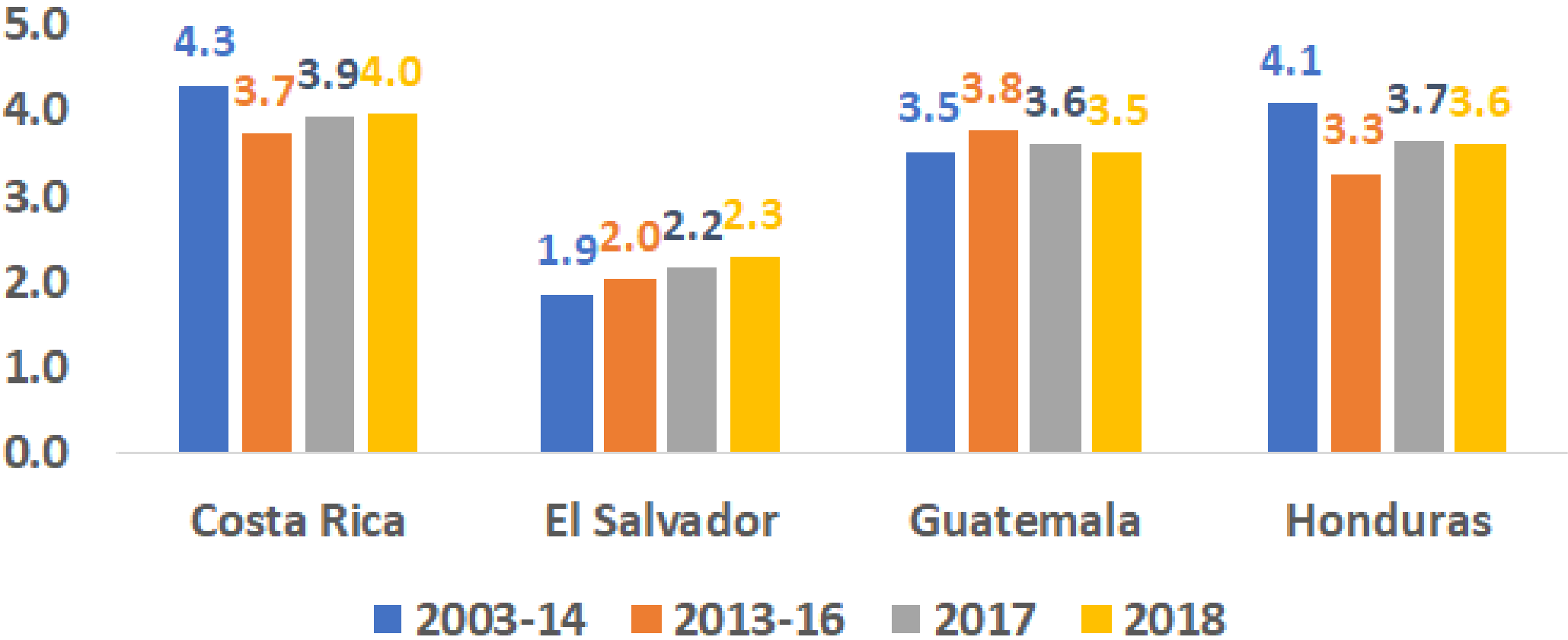
## GDP Growth Projected by IMF WEO Oct 2017

Figure G-3



# Same data but different arrangement

### GDP Growth Projected by IMF WEO Oct. 2017 Figure G-4

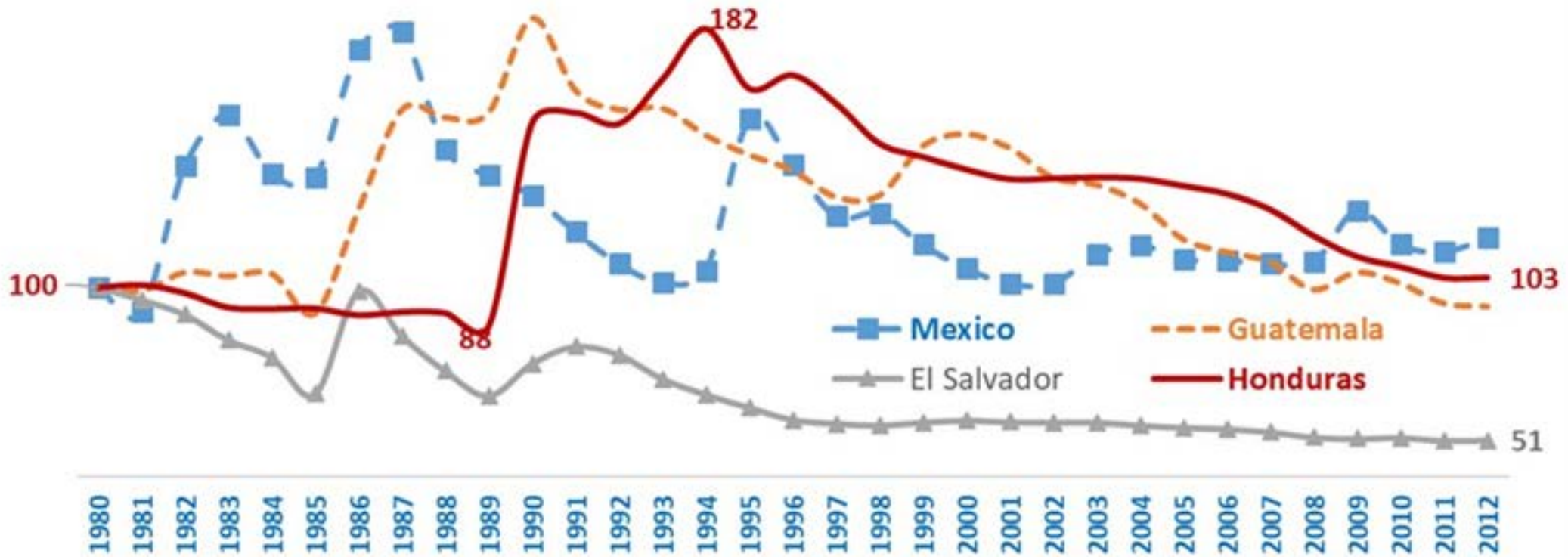




GTM Inflation use HW#1 bar  
chart with coparators or peers

# Unlike El Salvador GTM & HND have flexible exchange rate

Figure R-3: Real Exchange Rate, CAFTA-NAFTA Countries (USDA, 11-17) 1980 = 100



Source: USDA ERS Annual Real Exchange Rates, 8-29-2017 update, Karl Heerman, 202 694-5250

# What conclusion can we come to?

- ▶ Guatemala's economy is mediocre but trending upwards
- ▶ Good indicators

- ▶
- ▶ "Cash surplus/deficit (% of GDP) for Guatemala." FRED. August 10, 2016. Accessed November 29, 2017. <https://fred.stlouisfed.org/series/CASHBLGTA128A#0>.
- ▶ Cecchini, Simone, and Bernardo Atuesta. "Conditional Cash Transfer Programmes in Latin America and the Caribbean." Repositorio CEPAL. Accessed November 29, 2017. [http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429\\_en.pdf](http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429_en.pdf)[http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429\\_en.pdf](http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429_en.pdf).
- ▶ "Colorful Guatemalan Money Features the Beautiful Quetzal Tropical Bird." TripSavvy. Accessed November 29, 2017. <https://www.tripsavvy.com/money-the-guatemala-quetzal-1490947>.
- ▶ "Discount and Advance Rates -- Requests by twelve Reserve ..." Federal Reserve Bank. September 20, 2017. Accessed November 20, 2017. <https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20171017a1.pdf>.
- ▶ "GDP per capita (current US\$)." GDP per capita (current US\$) | Data. Accessed November 20, 2017. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>.
- ▶ "Guatemala Central bank discount rate." Guatemala Central bank discount rate - Economy. Accessed November 20, 2017. [http://www.indexmundi.com/guatemala/central\\_bank\\_discount\\_rate.html](http://www.indexmundi.com/guatemala/central_bank_discount_rate.html).
- ▶ "Guatemala: Concluding Statement of the 2016 Article IV Mission." IMF. May 31, 2016. Accessed November 28, 2017. <https://www.imf.org/en/News/Articles/2015/09/28/04/52/mcs052916>.
- ▶ "Guatemala vs. Honduras." Guatemala vs. Honduras - Country Comparison. Accessed November 20, 2017. <http://www.indexmundi.com/factbook/compare/guatemala.honduras>.



- "Cash surplus/deficit (% of GDP) for Guatemala." FRED. August 10, 2016. Accessed November 29, 2017. <https://fred.stlouisfed.org/series/CASHBLGTA188A#2>.
- Cecchini, Simone, and Bernardo Atuesta. "Conditional Cash Transfer Programmes in Latin America and the Caribbean." Repositorio CEPAL. Accessed November 29, 2017. [http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429\\_en.pdf](http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429_en.pdf)[http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429\\_en.pdf](http://repositorio.cepal.org/bitstream/handle/11362/42109/1/S1700429_en.pdf).
- "Colorful Guatemalan Money Features the Beautiful Quetzal Tropical Bird." TripSavvy. Accessed November 29, 2017. <https://www.tripsavvy.com/money-the-guatemala-quetzal-1490947>.
- "Discount and Advance Rates -- Requests by twelve Reserve ..." Federal Reserve Bank. September 20, 2017. Accessed November 20, 2017. <https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20171017a1.pdf>.
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