

IV. GENERAL OBSERVATIONS AND RECOMMENDATIONS

1. General Considerations

It has been considered useful to add some observations and recommendations to the report, so as to provide supplementary information to the delegations attending the special meeting of the Plenary Committee of the Economic Commission for Latin America.

First of all, and by way of a general comment, it must be recalled that the United Nations, the regional organizations and various international institutions, as well as the Governments of different countries, have been improving their assistance schemes to disaster areas and have devoted ever-increasing resources to such aid; proof of that is, for instance, the creation of the United Nations Disaster Relief Coordinator's Office - established as a result of Resolution 2816 (XXVI) of the General Assembly - as well as multinational and bilateral assistance given to countries which have suffered the consequences of natural phenomena of different kinds in the recent past (Peru, the Philippines, Haiti, Turkey, Rumania, Pakistan, Madagascar, Jordan and others).

Without detracting in any way from the progress attained up to now, or from public and private bilateral cooperation, it must be recognized that not enough resources - earmarked in advance - are yet available, nor are there coordinating procedures for external assistance that will permit proper action, speedily and over sufficiently long periods, to take care of the consequences of natural disasters that

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might affect large areas of a country or, as in the case of Nicaragua, a very large sector of the population, and of the organization of economic, social and government activities.

Such state of affairs weighs heavily on the developing countries where the resources available to face this type of disaster and to recoup the losses suffered in human capital and material goods are very limited. In addition, it must be pointed out that the negative impact on the productive base and on the possibilities of improving the standard of living of the population, might last for long periods of time and distort or inhibit domestic investment efforts.

This is specially true in the Nicaraguan situation. It must be stressed that the magnitude of the disaster cannot be measured exclusively in terms of material damage; the disruption and destruction that occurred in the main economic, financial, commercial and cultural centre of the country must also be taken into account. Without fear of exaggeration, it is possible to affirm that such a catastrophe presents characteristics almost without precedent in recent world history. Because of it, the country and the international community must, in these critical circumstances, make use of flexible patterns that may well differ from conventional procedures.

On the other hand, although a clearer distinction could be established between emergency assistance and that devoted to reconstruction of the damage caused, the latter cannot be separated from the global and sectorial development programmes. The reconstruction task, as it has been conceived by the country's authorities, should be incorporated to more general development programmes that will give unity to both the domestic efforts and the international cooperation. What is desired, therefore, is to repair the damages inflicted by the earthquake in such a way as to permit the reorganization of productive activities and the development of social programmes in the most adequate

~~terms~~ and in accordance with the long-term progress of the country; it is in this context that medium and long-term supplementary international assistance could play a decisive role, if directed toward the programmes and projects which the Nicaraguan Government considers to be the most urgent.

2. Characteristics of the International Assistance

There are numerous reasons that justify the adoption of special criteria in channeling international assistance to Nicaragua. A provisional estimate has been made above of the losses of human lives and material resources, which stress the monetary and ethical problem involved in caring for a very high number of victims. The additional difficulties posed by the dislocation of production, distribution and financing systems, and of the disruption in the labour market were clearly pointed out not to mention the effects of a drought that substantially reduced the supply of agricultural products for domestic consumption and the income of large sectors of the population, worsening and multiplying the problems of caring for the victims of the disaster.

In view of this, the situation that the Nicaraguan people and Government have been facing with a spirit of national solidarity and notable courage could not be worse. To find a solution to the most immediate problems posed by the earthquake, and to coordinate emergency external assistance, the Nicaraguan authorities created a National Emergency Committee, formed by top level government officials and representatives of the private sector; with the assistance of several subcommittees for specific tasks, the Committee presides over domestic efforts and centralizes the reception of material aid of whatever origin. At the same time, the Committee has begun the first reconstruction works to care for the most pressing needs of the economy. The ECLA-SIECA Mission was

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informed of the project to create a Ministry for National Reconstruction which will be responsible for planning, coordinating and implementing the relevant programmes. Within the limitations imposed by the scale of the disruption produced by the earthquake, there exists an organization that will unify the domestic effort, assign tasks to the various public agencies that will take care of the different aspects of reconstruction, and make the best possible use of the international cooperation that Nicaragua is getting.

It must be repeated, however, that no matter how far-reaching domestic efforts might be, they could hardly remedy the damage over a reasonably short period unless extraordinary measures of support from the international community are not available. For that reason, thought should be given to the forms that external cooperation might take to fit the prevailing conditions in Nicaragua and to how initiatives approved by Governments, international and regional institutions and private bodies might be coordinated. Such additional collaboration could be classified in two categories: emergency assistance to help the victims, provision of first aid and the re-initiation of some essential public services; and help in reconstructing and repairing the damages caused by the earthquake. These two aspects of external cooperation do not necessarily have to follow each other chronologically; on the contrary, they must be put into effect simultaneously and must complement each other. The first type of international assistance came to Nicaragua a few hours after news of the disaster became known. But on the other hand, assistance for the restoration and reconstruction of the Nicaraguan productive system has only just started.

The Mission considers of paramount importance that the Plenary Committee should analyze the problems and concrete recommendations that will follow both because of the contribution they can make in rendering

assistance to Nicaragua and to perfect the schemes of cooperation in other cases of natural disaster of such a magnitude which prompted the writing of this report. It is understood that some of the suggestions submitted might go beyond the Committee's jurisdiction, but even if such is the case, it is considered that they could serve to guide the efforts of the international community at other levels.

a) Emergency Assistance

As regards emergency assistance and help to the victims, everything points towards extending the programmes for a longer period of time than that applied in other cases of disaster. Again, it should be borne in mind that the domestic production of foodstuffs had already been considerably diminished as a result of the drought, and to this must be added the loss of a large part of existing stocks; the main hospital facilities of the country have been destroyed or have suffered considerable damage, and so has the organization of and equipment for sanitary, welfare, fire prevention and other services. About 60 000 families are without shelter and from 220 000 to 250 000 persons have had to be transferred to other nearby urban centres or to emergency camps. Lastly, the greater part of the population of Managua has ceased to receive their normal income and therefore, it will be some time before they are able to take care of their minimum subsistence costs; in a similar situation are large groups of peasants, as a result of the lack of rainfall.

At the same time, the financial capacity of the Government and of the decentralized institutions has been reduced as a consequence of the drastic fall in tax revenue or income from public services.

Although it is impossible, for the time being, to determine precisely the amount of all the needs in this field, or the period during which it will be necessary for the country to receive international assistance, there are enough elements to consider the emergency programmes that should last at least throughout the whole of 1973. The national government has still to determine the most urgent needs that have to be

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satisfied, but the necessity of increasing the provision of foodstuffs (where the greatest shortages have been observed), medicines, clothing and other essential consumption articles, requires urgent consideration. Likewise, it will be necessary to increase the equipment and technical teams to rehabilitate temporarily the basic public services, especially the medical services, the distribution of aid to a population that has been geographically dispersed, the construction of camps and provisional housing, the re-establishment of the communications system, the cleaning and clearing of rubble in Managua and other aspects related to the concentration and transfer of labour to the working centres that were not damaged or the implementation of emergency employment programmes.

In this sense, the United Nations agencies could, no doubt, provide effective cooperation. For instance, an enlarged help of the World Food Programme, FAO, UNICEF, WHO, ILO, UNESCO and the International Telecommunications Union could be requested, while at the same time asking for essential additional funds for the United Nations Relief Coordinator's Office, to be in a position to continue rendering financial assistance and coordination to the Nicaraguan Government. Similarly, the assistance rendered by the regional, international and private institutions should not only be maintained but also strengthened when deemed necessary. Finally, it would be useful if the member Governments of the Commission and those of other countries could continue their assistance in respect to the most urgent problems and even to consider the possibility of making direct budgetary grants to reduce the foreseeable bottlenecks in the public finances of Nicaragua.

b) External Cooperation for Reconstruction and Development

The help of the international community in the reconstruction of what has been destroyed by the earthquake should be approached by means of ad hoc schemes in accordance with the urgency and the scale of the problem on hand. First of all, it should be noted that the usual mechanism for rendering technical and financial assistance, requires the compliance with conditions and terms which, in cases of disaster, are impossible

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to fulfill. Secondly, the amount of such assistance is usually established considering standards that take into account normal needs, the absorption and payment capacities of the economy, as well as criteria for the distribution of funds among countries and socio-economic sectors selected in advance. Finally, in the present situation of Nicaragua, temporary external aid will be sought for needs that in ordinary conditions could be fulfilled using domestic resources.

Consequently, special agreements are needed both to enable the use of flexible and speedy methods in the allocation and utilization of all kinds of resources that the international community is capable of supplying and the suspension of formal requirements and of all restrictions that might limit or retard the implementation of reconstruction programmes. Likewise, financial and technical contributions must be additional to - and this has to be repeated - and not a substitute for the programmes from which the country already has. In other terms, Nicaragua is in need of massive resources which could be used speedily and flexibly, without hindering the continuation of other development projects.

It would be difficult to exaggerate the urgency for starting the reconstruction programmes. The task of rehabilitating living quarters, no matter how much it might be subject to geological and urbanization studies, cannot be postponed without risking the creation of social tensions and greater harm to the population affected. The same can be said of the rebuilding and improvement of the infrastructure and the basic sanitary and educational services. Neither can decisions be postponed on the relocation and reconstruction of industry (especially of handicrafts and small manufactures which were more seriously affected), of commerce and countless activities and services.

In general, extraordinary assistance is essential to avoid a vertical drop in income levels - mostly among the poorest strata of the population - and the worsening of a massive unemployment problem; this assistance will, in addition, help to the reconstruction of the country's capital and to increase the resources of other areas to which many of the victims have been moved.

/Supplementary

Supplementary technical assistance must be allocated to the design and implementation of the global and specific programmes with higher priority (planning, finance, project elaboration, housing, administration and public services, commerce and distribution systems, small and medium industries, employment, regional decentralization, etc.); it must be coordinated with the government's action programme, and must be ample and flexible, dispensing with the major part of current requisites, including those relating to counterpart contributions. Similar procedures have already been implemented by some international organizations such as the Inter-American Development Bank.

As far as the granting of credits is concerned, it will be necessary for the lending countries to accept the renegotiation of current debts, and even to grant moratoria. As has been seen, the financial capacity of the public sector will almost certainly suffer a considerable setback; the same is true of the national private banking system and of many companies that have obtained foreign loans. On the other hand, expenditure and investment, both in the public and private sectors, will have to increase substantially with the undertaking of emergency and reconstruction programmes.

All this makes it essential that an expansion of financial resources from abroad can be obtained under exceptional conditions. It will be necessary to give to Nicaragua the widest possible access to soft loans in considerable amounts and to grant her financing by programmes (to avoid the delays typical of the project-by-project approvals); it would be necessary to permit the re-routing and flexible utilization of loans already approved and to open special new lines of credit for activities and programmes that usually do not receive the benefit of external funds (working capital of companies, commerce, replenish reserves of national insurance companies, etc.)

On the other hand, assistance from Governments could also lessen the financial pressures associated with the reconstruction effort; such assistance could be given either by voluntary contributions, channeled directly or through the UNDP, or by accepting responsibility in financing

/and implementing

and implementing of specific projects (schools, housing, public buildings, hospitals and welfare centres, among others).

Finally, it must be pointed out that the rehabilitation and reconstruction programmes call for sustained middle and long-term efforts. The extraordinary cooperation of the international community should not, therefore, be restricted to the emergency proper, but should be maintained over a period that might extend for several years. It might be justified, therefore, to come to an agreement with the Nicaraguan Government on schemes for coordinating external assistance to facilitate the negotiation of long-term agreements and the channeling and use of resources. With respect to finance, consideration must be given to the creation of a consortium to combine and coordinate the activities of international and regional organizations and governments' granting technical and financial cooperation; this group would be coordinated by the national agency chosen by the Nicaraguan Government. On the United Nations part, technical assistance in the case of emergency aid could be channeled through the Disaster Relief Coordinator and, in the case of reconstruction, through institutions such as the Economic Commission for Latin America, the Office of the UNDP Resident Representative or the Inter-American Institute of Economic and Social Planning, if the Government of Nicaragua deems it appropriate.

3. Specific Fields for Channeling External Cooperation

Although the authorities of Nicaragua do not yet have a master plan for the reconstruction phase and, therefore, have not yet established definite priorities for external assistance, it has been considered useful to indicate certain fields to which it could be channeled, based on a tentative appraisal of the most pressing needs. It will be for the national Government, of course, to finally determine the fields where cooperation is needed; its possible scope in view of new requirements or those that might emerge from linking reconstruction programmes to general development plans, as well as the selection and combination of international aid of different sources.

a) The Public Sector

The Nicaraguan State will be forced to make simultaneous efforts in many fields of activity. In general terms, it will be necessary to reorganize the public administration, to design global and sectorial programmes for reconstruction and development, to broaden the domestic capacity for project elaboration, to formulate financing schemes and to take measures regarding employment and new sites for the labour force. In terms of more specific programmes, there is a well-understood urgency to start urbanization and housing projects, to decentralize economic activities, to construct and repair public buildings, to rehabilitate and equip schools, hospitals and markets and, very specially, to reorganize public services such as electricity, sewage, water and telecommunications. Immediate attention must be given to the expansion of current expenditure and investment, and to the granting of special credits to enterprises and individuals, so that production can recover, and to create incentives for channeling private savings into rebuilding of fixed and working capital.

All this, plus the foreseeable imbalance of public finance, points towards the need of some kind of budgetary support to the Central Government and for the elimination of counterpart contributions on the credits granted by the principal international financing institutions.

This general picture brings into focus the multiple possibilities of external cooperation and the advisability for the Plenary Committee to analyze them and support, among those that have begun to be implemented by the Government and by international organizations, the ones which, in the Committee's opinion, are the most expedient. As an example, it might begin by indicating which institutions are best suited to render assistance in each of the fields mentioned.

With regard to technical collaboration for the formulation and implementing of global plans, the United Nation - through ECLA, UNDP and SIECA - would be in a position to cooperate if the Nicaraguan Government requests it; and for the planning and implementation of sectorial and specific projects and programmes, the cooperation of other

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United Nations organizations (UNIDO, UNICEF, FAO, WHO, ILO, UNESCO, ITU, the Social Development Division) could be requested, as well as of the agencies of the Central American Common Market (BCIE, ICAITI, ICAP and the Executive Secretariat of the Monetary Council) in their fields of responsibility. Requests could be made to different countries and to organizations such as OAS, IBRD and IDB for aid or for an increase in aid.

Some of these institutions could participate actively in the chaneling of extraordinary funds to the public sector of Nicaragua, as well as to expedite the refunding of the debt and to collaborate in the negotiations that the country's monetary authorities may deem advisable to make; this participation could perhaps be made within the context of the foreign finance consortium mentioned above, or through close coordination with the international financing organizations that are helping Nicaragua. The contribution of these organizations may also consist in providing Nicaragua with the temporary services of personnel specialized in the preparation and implementation of specific investment projects.

b) Industry

It has been indicated that the earthquake affected approximately 15 per cent of the large industrial companies and that the percentage of the small manufacturing plants and handicrafts that were damaged was much greater. This poses, therefore, the problem of re-establishing production and solving the unemployment of the industrial labor force.

In these conditions, it will be necessary to promote two types of programmes of financial and technical support, one devoted to the rehabilitation of medium and large-size plants (including special credits to consolidate debts, repair buildings, obtain equipment and replenish working capital) and the other to the reconstruction, relocation, modernization and financing of the handicrafts and small industries sector, that has the most urgent needs.

Parallel to this, it might be expedient to initiate projects for increasing the productive capacity of cement and building materials that will be needed for the physical reconstruction of Managua. In this respect, it is convenient to explore the possibility of establishing repair and maintenance shops for industrial equipment that, at a later date, could serve the rest of the Central American countries. Of greater immediate importance would be the implementation of programmes for intensive training of labour, not only to adapt the supply of labour to the foreseeable changes in demand, but also to widen the employment capacity generated by public investment plans.

In the tasks described above, organizations such as UNIDO, ICAITI and ILO could offer substantial cooperation, supplying technical assistance to the National Development Institute and other entities of Nicaragua's public sector, for the drafting stages of programmes and in the preparation and implementation of specific projects. Here also it will be necessary to obtain international financial support or contributions in cash or in kind from other Governments.

Finally, the exports of manufacture to the rest of the Central American Common Market, still made by Nicaragua, will cushion the economic impact of the disaster. In this respect, the Central American countries could, as part of the efforts of the international community to rebuild Nicaragua's productive facilities, and within the programmes for restructuring the Central American Common Market, adopt specific measures to expedite and regulate such trade.

c) Housing

The housing sector was the most affected by the earthquake; destruction reached proportions surpassing 70 per cent of the living quarters, and was the reason for the evacuation of the bulk of the population of Managua. This poses a problem of massive rehabilitation well beyond the normal capacity of the building industry and that will demand substantial domestic efforts. Immediate solutions to the problem have the additional complication that has become indispensable to draw up completely new urbanization plans that take into account the seismological surveys and the new locations of productive activities.

/International

International technical assistance and that of Governments might take the form of cooperating with the authorities and the national specialized organizations in drafting urbanization plans - of the city of Managua and perhaps of the urban centres to which large groups of victims have moved - in designing programmes for rehabilitating buildings that can be repaired; building projects for low-cost and emergency dwellings, as well as in the design of minimum housing needs and the establishment of building norms. Similarly, it might be feasible to channel resources to increase the operating capacity of the National Institute of Housing of Nicaragua and of the Housing Bank, and obtain collaboration in preparing financing schemes. In this respect, it will be necessary to prepare programmes covering both the establishment of funds for financing the construction of low-cost dwellings - including minimum credits to buy furniture and household goods - and banking credits for rehabilitation and construction in medium and high-income residential zones. Additional to the above is the need to give longer terms and moratoria to those who had loans before the earthquake and were affected by it.

The scale of the problem emphasizes the importance of international financial contributions and of the specific aid that Governments might include in their assistance programmes to Nicaragua. If actions such as those undertaken by IDB, OAS and the United States Government could spread, the housing deficit created by the earthquake and the financial pressures on the national banking system would be considerably eased.

d) Services

Commercial and distribution centres for all kinds of goods in Managua suffered extremely serious damage. This also requires of projects for the rehabilitation and the building of provisional commercial areas. It will be necessary to decentralize the supply systems, to absorb temporarily or definitely the unemployed personnel and to establish emergency centres for the distribution of essential consumer goods to the victims, possibly under the control of INCEI or some other government regulating agency of supplies and prices.

/Simultaneously

Simultaneously with these types of activities, assistance should be given to the entrepreneurial efforts, through the provision of funds for credits to small-scale commerce and the granting of loans and moratoria to large commercial companies so that they can refurbish their installations and working capital.

There is little experience in giving international technical and financial assistance in the fields of distribution, commerce and the rehabilitation of widely varied private service activities, but this should not preclude arrangements for obtaining from governments and foreign private organizations special credit lines and the cooperation of technical teams.

e) The Financing System

The Central Bank and, in general, the finance institutions of the public sector, will face unusual pressures for financing emergency and reconstruction expenditures, in conditions that foreshadow a drop in the banking system's ability to secure domestic funds. It can also be anticipated that the Central Bank itself might find it necessary to open credit lines or accept documents from private banks, in order to cushion the impact of unredeemable portfolio, to ease the granting of moratoria to their clients, and to increase loans for productive activities. It must be also kept in mind the specially difficult situation in which the national insurance institutions will probably find themselves in having to face the problem of very high volume indemnities.

From this follows the importance of the provision to Nicaragua by international financing institutions and governments of additional resources and flexible, open global credit lines to the Central Bank, the Institute for National Development and other State banking institutions. As has been indicated, in this respect, collaboration by IBDR, IDB, BCIE, IMF and affiliated institutions, within the framework of the international coordination mentioned above, will be essential, as will also be the provision of the necessary technical assistance in the preparation of the country's financial programmes and specific investment project.

4. Specific Recommendations to United Nations Organization, to
Institutions of the Central American Common Market and to
other International Organizations, Entities and
Governments Collaborating in Providing
Aid to Nicaragua

From what has been indicated thus far, some concrete suggestions have been selected which the Plenary Committee could study to submit recommendations that may serve to guide the United Nations governments and other international organizations in the adoption of measures for the support of emergency programmes and the reconstruction of Managua.

As regards technical assistance, a request could be submitted to the United Nations Secretary General, for him to ask from the Administrative Council of the United Nations Development Programme, the Specialized Agencies, the International Bank for Reconstruction and Development, UNCTAD, UNICEF, FAO, the World Food Programme, and the International Atomic Energy Agency, to earmark the greatest possible amount of resources for the additional requests that may be submitted by the Nicaraguan Government to meet medium and long-term emergency and reconstruction efforts.

It might be opportune to consider also the submission of explicit recommendations to the effect that the ECLA and SIECA's Secretariats and the Central American Common Market institutions, collaborate to their maximum, upon the request of the Nicaraguan Government, in the fields of economic, social, technical and regional integration. In particular, it may be advisable to support the suggestion that SIECA should conduct a study and submit proposals aimed at the adoption of special measures of a regional character, to solve Nicaragua's possible trading problems within the process of restructuring the Common Market. It would likewise be justified to request that ICAITI and ICAP supply technical assistance in the industrial and public administration fields, and that assistance should also be provided by the Central American Bank of Economic Integration and by the Monetary Council in their fields of competence.

This expansion of assistance could be facilitated with the support of the resources available to the United Nations Development Programme, for projects directly requested by the Nicaraguan Government, or

/strengthening

strengthening projects of the United Nations and Central American institutions aimed at complying with requests by that Government. All of this requires the approval by the Economic and Social Council of a recommendation to the Governments participating in UNDP, to make additional contributions, justified by the extraordinary needs resulting from the damages caused by the earthquake in Managua.

On the other hand, the Committee would be in a position to recommend to the General Assembly of the United Nations that a wider authorization than that contained in resolutions 2335 (XXIII) and 2614 (XXIV) and their amendments, be granted in order to adequately attend the needs arising from natural disasters. To that effect, it might be useful to reiterate to the Economic and Social Council itself the recommendation to propose to the Member Countries of the United Nations the creation of an Emergency Fund made up of voluntary contributions by countries, the first undertaking of which could be to supply to Nicaragua the essential financial and material resources for the national programmes of reconstruction of the devastated urban area.

Regarding financial assistance, it might be possible to submit, through the proper channels, recommendations to international credit organizations, for them to give high priority to the loans already requested, or to be requested, by the Nicaraguan Government, under the most favourable conditions and terms, and to implement the features best adapted to the emergency situation created by the earthquake. The initial arrangements would be more likely to succeed if the Committee decided to contact the Member Governments of the Commission to instruct their Directors in the International Bank for Reconstruction and Development and in the Inter-American Development Bank to consider with particular attention the special credit needs of Nicaragua, and to establish procedures to permit the global financing of reconstruction and rehabilitation programmes, without neglecting the wider needs for the development of the country's economy. In that respect, of special importance will be to negotiate with IBRD that the International Financing Corporation and the International Development Association could participate in the credit support programmes associated with the tasks of reconstruction.

/Finally,

Finally, the Plenary Committee could consider the possibility of calling on Nicaragua's creditor countries and institutions to facilitate, in view of the financial demands resulting from the natural disaster, any negotiations related to the refunding of the country's foreign debt. In the same way, the Member States of the Commission might be requested to continue giving financial and material aid in the form of equipment, raw materials and technical assistance for adequate periods, and even to study the possibility of taking upon themselves the responsibility for transferring resources associated with specific projects within the general programmes of reconstruction and development.

STATISTICAL ANNEX

Table 1

NICARAGUA: TOTAL SUPPLY AND DEMAND, 1968-72

	Millions of córdobas at 1960 prices					Average annual gross rates (percentages)			
	1960 prices								
	1968	1969	1970	1971 a/	1972 b/	1969	1970	1971	1972
Gross domestic product at market prices	4 570.6	9 832.4	5 079.5	5 308.1	5 573.5	5.7	5.1	4.5	5.0
Imports of goods and services	1 521.3	1 445.1	1 609.0	1 660.5	1 678.8	-5.0	11.3	3.2	1.1
Total supply	6 091.9	6 277.5	6 688.5	6 968.6	7 252.3	3.0	6.5	4.2	4.1
Total demand = total supply	6 091.9	6 277.5	6 688.5	6 968.6	7 252.3	3.0	6.5	4.2	4.1
Exports of goods and services	1 219.3	1 229.5	1 312.8	1 384.0	1 680.2	0.8	6.8	5.4	21.4
Total gross domestic investment	820.9	955.9	973.5	1 009.5	918.2	16.4	1.8	3.7	-9.0
Gross fixed investment	712.2	840.2	853.6	886.0	848.8	18.0	1.6	3.8	-4.2
Public	168.0	187.5	215.4	278.9	253.8	11.6	14.9	29.5	-9.0
Private	544.2	652.7	638.2	607.1	595.0	19.9	-2.2	-4.9	-2.0
Change in inventories	108.7	115.7	119.9	123.5	69.4				
Total consumption	4 051.7	4 092.1	4 402.2	4 575.1	4 653.9	1.0	7.6	3.9	1.7
General government	398.0	432.7	443.7	445.0	449.5	8.7	2.5	0.3	1.0
Private	3 653.7	3 659.4	3 958.5	4 130.1	4 204.4	0.2	8.2	4.3	1.8

Source: ECLA, on the basis of official statistics.

a/ Preliminary figures.

b/ Estimated figures.

Table 2

NICARAGUA: GROSS DOMESTIC PRODUCT AT FACTOR COST, BY SECTOR OF ECONOMIC ACTIVITY, 1968-72

	Millions of córdobas at 1960 prices					Average annual growth rates (percentages)			
	1968	1969	1970	1971 a/	1972 b/	1969	1970	1971	1972
Total	4 175.3	4 412.2	4 637.1	4 845.8	5 088.1	5.7	5.1	4.5	5.0
Agriculture, forestry, hunting and fishing	1 189.1	1 259.5	1 294.0	1 356.0	1 387.2	5.9	2.7	4.8	2.3
Mining	67.2	64.4	56.8	47.5	45.5	-4.2	-11.8	-16.4	-4.2
Manufacturing	624.1	680.3	765.6	815.4	876.6	9.0	12.5	6.5	7.5
Construction	150.3	169.3	166.7	171.1	174.4	12.6	-1.5	2.6	1.9
Electricity, gas and water	86.6	93.9	103.0	111.0	120.5	8.4	9.7	7.8	8.6
Transport and communications	245.9	255.9	264.9	281.9	301.6	4.1	3.5	6.4	7.0
Commerce and finance	864.5	891.4	934.8	990.2	1 056.1	3.1	4.9	5.9	6.7
Commerce	747.0	777.2	807.5	849.5	909.0	4.0	3.9	5.2	7.0
Finance	117.5	114.2	127.3	140.7	147.1	-2.8	11.5	10.5	4.5
Housing	306.9	315.8	327.0	336.4	344.3	2.9	3.5	2.9	2.3
Public administration and defense	261.7	283.6	295.6	297.7	301.3	8.4	4.2	0.7	1.2
Other services	308.5	320.1	330.7	345.6	364.6	3.8	3.3	4.5	5.5
Statistical adjustments	70.5	78.0	98.0	93.0	116.0				

Source: ECLA, on the basis of official statistics.

a/ Preliminary figures.

b/ Estimated figures.

Table 3

NICARAGUA: FOREIGN TRADE, VALUE AND INDEX NUMBERS, 1968-72

	1968	1969	1970	1971 ^{a/}	1972 ^{b/}	Annual growth rates (percentages)			
						1969	1970	1971	1972
	<u>Millions of dollars</u>								
Exports	192.9	190.1	215.2	224.7	276.0	-1.5	13.2	4.4	22.8
Goods (f.o.b.)	161.0	157.5	177.8	186.3	236.0	-2.2	12.9	4.8	26.7
Services	31.9	32.6	37.4	38.4	40.0	2.2	14.7	2.7	4.2
Imports	214.3	207.9	231.4	243.8	254.0	-3.0	11.3	5.4	4.2
Goods (f.o.b.)	165.2	158.4	177.4	189.3	198.0	-4.1	12.0	6.7	4.6
Services	49.1	49.5	53.7	54.5	56.0	0.8	8.5	1.5	2.8
	<u>Millions of dollars at 1960 prices</u>								
Exports	180.0	181.5	193.8	204.3	248.0	0.8	6.8	5.4	21.4
Goods (f.o.b.)	153.3	154.4	163.1	172.5	215.0	0.7	5.6	5.8	24.6
Services	26.7	27.1	30.7	31.8	33.0	1.5	13.3	3.6	3.8
Imports	225.6	214.3	238.6	246.2	249.0	-5.0	11.3	3.2	1.1
Goods (f.o.b.)	173.9	163.3	183.2	191.2	194.0	-6.1	12.2	4.4	1.5
Services	51.7	54.0	55.4	55.0	55.0	-1.4	8.6	-0.7	-
Exports purchasing power	203.1	196.0	221.9	227.0	271.0	-3.5	13.2	2.3	19.4
Terms of trade effect	23.1	14.5	28.1	22.7	23.0				
	<u>Unit value index (1960 = 100)</u>								
Exports	107	105	111	110	111	-1.9	5.7	-0.9	0.9
Goods (f.o.b.)	105	102	109	108	110	-2.9	6.9	-0.9	1.9
Services	119	120	122	121	122	0.8	1.7	-0.8	0.8
Imports	95	97	97	99	102	2.1	-	2.1	3.0
Terms of trade	113	108	114	111	109				

Source: ECLA, on the basis of official statistics.

^{a/} Preliminary figures.

^{b/} Estimates figures.

Table 4

NICARAGUA: VALUE, QUANTUM AND UNIT VALUE INDEX OF MAIN EXPORTS, 1968-72

	1968	1969	1970	1971	1972 ^{a/}	Annual growth rates (percentages)			
						1969	1970	1971	1972
<u>Millions of dollars</u>									
Sesame	2.9	2.5	2.3	2.0	1.8	-18.8	-8.0	-13.3	-10.0
Cotton	59.7	45.4	34.2	41.3	61.2	-23.9	20.8	20.8	48.2
Sugar	5.5	8.3	9.8	11.6	14.9	50.9	18.1	18.4	28.4
Coffee	22.7	20.6	32.1	29.3	31.3	-99.4	55.8	-8.7	6.8
Fresh meat	15.9	20.8	26.6	28.7	35.9	30.8	27.9	7.9	25.1
Shrimp and lobster	5.1	6.8	5.9	5.8	9.1	33.3	-13.2	-1.7	58.0
<u>Millions of dollars at 1960 prices</u>									
Sesame	2.6	2.1	1.7	1.4	1.2	-19.2	-19.0	-17.6	-14.3
Cotton	56.2	48.6	36.4	41.6	53.6	-13.5	-25.1	14.3	28.8
Sugar	4.1	6.1	7.0	7.7	9.9	48.8	14.8	10.0	28.3
Coffee	25.2	23.4	26.7	28.6	29.5	17.1	14.1	7.9	3.1
Fresh meat	11.3	13.5	16.3	16.6	19.2	19.5	20.7	1.8	15.7
Shrimp and lobster	3.2	4.3	3.5	3.2	4.4	34.4	-18.6	-8.6	38.9
<u>Unit value index (1960 = 100)</u>									
Sesame	109.7	124.0	135.3	140.7	155.2	13.0	9.1	4.0	10.3
Cotton	106.2	93.4	94.1	99.2	114.1	-12.1	0.7	5.4	15.0
Sugar	131.8	136.2	140.4	151.6	151.6	3.3	3.1	8.0	-
Coffee	90.2	87.7	120.2	102.4	106.1	-2.8	37.1	-14.7	3.6
Fresh meat	140.3	154.0	163.4	172.6	136.8	9.8	6.1	5.6	8.2
Shrimp and lobster	159.6	155.3	167.2	178.3	204.9	-2.7	7.7	6.6	14.9

Source: ECLA, on the basis of official statistics.

^{a/} Preliminary figures.

Table 5
NICARAGUA: BALANCE OF PAYMENTS, 1968-72

(Millions of dollars)

	1968	1969	1970	1971	1972 ^{a/}
A. Goods, services and grants					
Exports (f.o.b.) ^{b/}	161.0	157.5	177.8	186.5	235.9
Imports (f.o.b.) ^{b/}	-165.2	-158.4	-177.7	-189.5	-198.0
Balance of trade	-4.2	-0.9	0.1	-3.0	37.9
Income from services	33.8	36.2	41.1	40.3	42.0
Expenditure for services	77.8	77.5	85.5	-82.2	-95.7
Balance of services	-44.0	-41.3	-44.4	-41.9	-53.7
Grants (net)	6.3	6.5	6.0	5.0	6.9
Subtotal	-41.9	-35.7	-38.3	-39.9	-8.9
B. Private capital					
Direct investment	16.4	12.0	15.0	13.3	12.0
Loan disbursements	2.1	2.4	3.4	2.7	2.1
Amortization	-1.6	-1.8	-2.4	-0.8	-3.0
Commercial credit and other	-6.4	2.7	4.3	0.3	-4.0
Subtotal	10.5	15.3	20.3	15.5	7.1
C. Official capital^{c/}					
Loan disbursements	49.3	30.4	45.2	60.9	65.9
Amortization	-10.3	-12.6	-18.1	-22.9	-27.6
Others	-1.8	-1.4	-2.0	-0.4	-2.0
Subtotal	37.2	16.4	25.1	37.6	36.3
D. SDR allocations	-	-	3.2	2.9	2.9
E. Errors and omissions	-0.3	-2.5	2.2	-2.8	-
F. Total (A + B + C + D + E)	5.5	-6.5	12.5	13.3	37.4
G. Changes in net international reserves^{d/}	-5.5	6.5	-12.5	-13.3	-37.4
Central Bank	-1.9	4.7	-9.2	-5.8	-
Net position with IMF	19.0	-1.0	-5.2	3.0	-
Central America Clearing House	-0.2	-0.5	-0.2	-2.0	-
Other net reserves ^{e/}	-20.7	6.2	-3.8	-6.8	-
Commercial banks ^{f/}	-3.6	1.8	-3.3	-7.5	-

Source: Central Bank of Nicaragua.

^{a/} Estimated figures.

^{b/} Figures adjusted for balance of payments purposes.

^{c/} Includes official bank capital.

^{d/} (-) = increase.

^{e/} SDR holdings.

^{f/} Includes short-term loans.

Table 6

NICARAGUA: IMPORT STRUCTURE, 1968-72

(Value in thousands of dollars)

	1968		1969		1970		1971		January - September 1972	
	Value	Per- centage	Value	Per- centage	Value	Per- centage	Value	Per- centage	Value	Per- centage
Total	184 646	100.0	176 989	100.0	198 748	100.0	210 442	100.0	155 140	100.0
Consumer goods	57 953	31.4	49 458	27.9	57 826	29.1	64 468	30.6	47 173	30.4
Non-durables	36 001		32 006		37 564		42 378		30 474	
Durables	21 952		17 452		20 262		22 090		16 699	
Raw materials and fuels	86 344	46.8	81 315	45.9	94 555	47.6	98 532	46.8	72 077	46.5
Fuels	9 179		9 528		11 415		15 082		10 624	
Raw materials for agriculture	14 168		6 529		7 898		8 130		6 470	
Raw materials for industry	53 189		53 344		61 010		62 046		45 245	
Construction materials	9 808		11 914		14 232		13 274		9 738	
Capital goods	39 955	21.6	45 405	25.7	45 996	23.1	47 031	22.4	35 589	22.9
For agriculture	5 268		3 924		3 486		3 635		2 446	
For industry	27 142		35 147		33 731		34 776		26 721	
For transportation	7 545		6 334		8 779		8 620		6 422	
Other	394	0.2	811	0.5	371	0.2	411	0.2	301	0.2

Source: Central Bank of Nicaragua.

Table 7

NICARAGUA: TRADE WITH CENTRAL AMERICA, 1968-72

(Value in thousands of dollars)

	1968	1969	1970	1971	<u>January - September</u>	
					<u>1971</u>	<u>1972</u>
Exports	<u>24 636</u>	<u>31 684</u>	<u>46 056</u>	<u>47 353</u>	<u>34 710</u>	<u>41 192.4</u>
Guatemala	3 528	5 083	7 250	9 169	6 521	7 188.5
El Salvador	5 693	6 524	7 811	9 149	6 284	7 605.9
Honduras	4 374	6 402	12 613	3 897	3 006	5 217.9
Costa Rica	11 041	13 675	18 382	25 138	18 899	21 180.1
Imports	<u>46 172</u>	<u>42 219</u>	<u>50 015</u>	<u>53 591</u>	<u>39 319</u>	<u>44 080.9</u>
Guatemala	12 965	12 883	15 729	18 867	13 801	14 743.8
El Salvador	14 869	11 856	15 426	16 061	11 936	12 409.0
Honduras	4 109	4 738	4 927	2 082	1 351	1 851.7
Costa Rica	14 229	12 742	13 933	16 581	12 231	15 076.4
Balance	<u>-21 536</u>	<u>-10 535</u>	<u>-3 959</u>	<u>-6 239</u>	<u>-4 609</u>	<u>-2 888.5</u>
Guatemala	-9 437	-7 800	-8 479	-9 699	-7 280	-7 555.3
El Salvador	-9 176	-5 332	-7 615	-6 912	-5 652	-4 803.0
Honduras	265	1 664	7 686	1 814	1 655	3 366.2
Costa Rica	3 188	933	4 449	8 557	6 668	6 103.7

Source: Permanent Secretariat of the Central American Integration Treaty and Foreign Trade Yearbook.