

**Table 1. Guatemala: Quantitative Performance Criteria, Indicative Targets, and Inflation Consultation Clause**

	2009		2010	
	End-December	End-March	End-June	Observed
<b>Performance Criteria</b>				
Overall balance of the central government, floor (millions of quetzales) 2/	-9,684	-1,199	-5,000	-3,095
Net international reserves, floor (millions of US\$)	4,797	5,119	4,000	5,307
Accumulation of external arrears 3/	0	0	0	0
<b>Indicative Targets</b>				
Central government deposits at Banguat, floor (millions of quetzales)	5,209	5,365	5,000	8,788
<b>Consultation clause on inflation 4/</b>				
Outer band, upper limit	3.8	6.5	7.5	7.5
Inner band, upper limit	2.8	5.5	6.5	6.5
Inner band, lower limit	-1.2	1.5	2.5	2.5
Outer band, lower limit	-2.2	0.5	1.5	1.5
<b>Memorandum item:</b>				
Actual inflation	-0.3	3.9	...	4.1

1/ Staff Report for the Third Review under the SBA.

2/ Cumulative from end of preceding year.

3/ Continuous performance criterion.

4/ Deviations from the band's limits will trigger consultations with the Fund, as indicated in the TMU.



**FONDO MONETARIO INTERNACIONAL**

DEPARTAMENTO  
DE RELACIONES  
EXTERNAS

Press Release No. 10/362  
FOR IMMEDIATE RELEASE  
September 28, 2010

International Monetary Fund  
Washington, D.C. 20431 USA

### **IMF Concludes Fourth Review Under Stand-By Arrangement with Guatemala**

The Executive Board of the International Monetary Fund (IMF) today concluded the fourth review of Guatemala's economic performance under a program supported by an 18-month Stand-By Arrangement (SBA). The arrangement, in the amount equivalent to SDR 630.6 million (about US\$974.7 million) was approved on April 22, 2009 (see [Press Release No. 09/142](#)). The Guatemalan authorities intend to continue treating the arrangement as precautionary.

Following the Executive Board's discussion on Guatemala, Mr. Murilo Portugal, Deputy Managing Director and Acting Chair, stated:

"Guatemala's economic recovery has continued despite the natural disasters that hit the country in May. The authorities' proactive policy response to the global crisis, supported by a Stand-By Arrangement with the Fund, has provided a solid foundation for this outcome. Real GDP growth is expected to firm up, the balance of payments position is strengthening, the financial system remains resilient, and risks to the outlook have declined further.

"Performance under the program has remained strong. All end-June 2010 quantitative performance criteria were met and inflation remained within the inner consultation band agreed in the program. The 18-month Stand-By Arrangement, ending October 21, is expected to continue to be treated as precautionary.

"The small withdrawal of fiscal stimulus previously envisaged for 2010 will be postponed to accommodate the relief and reconstruction expenditures related to the natural disasters. Implementing a comprehensive revenue-enhancing reform remains a priority. Higher revenues will help stabilize the public debt-to-GDP ratio and avoid the burden of fiscal consolidation from falling disproportionately on social and capital expenditures. It is also crucial to find a lasting solution to the problem of domestic arrears which weakens the budgetary and fiscal framework.