



# INFLATION EXPECTATIONS SURVEY TO THE PRIVATE PANEL OF ANALYSTS - EEI -

**DECEMBER 2007**

The Inflation Expectations Survey to the Private Panel of Analysts is done monthly in order to obtain the opinion of national and international analysts, knowledgeable of the operational procedures of the monetary policy, in relation to the expected evolution in the prices of the economy. Said survey is extremely useful, given the importance that the inflationary expectations have in the behavior of the general level of prices.

In the first part of this note we present the results of the survey of inflation expectations, made between the second and fourth week of December of 2007.

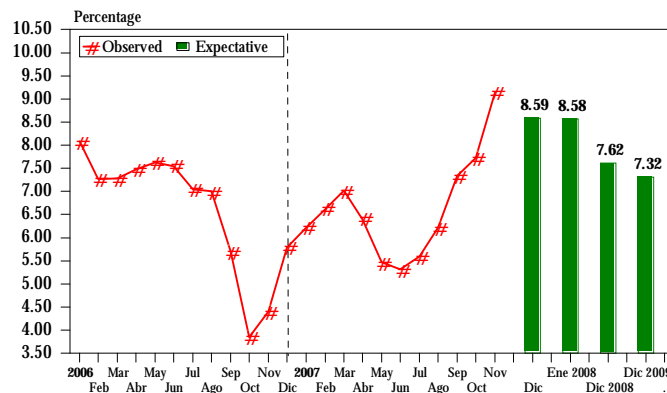
In the second part the confidence index of economic activity is presented, which was made based on the referred survey.

## I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

### 1. INFLATION

The Economic analysts surveyed foresee an inflationary rhythm of 8.59% for December 2007, while for January 2008 it is estimated that it will reach 8.58%. For the end of 2008 and 2009 of the economic analysts project an inflation of 7.62% and 7.32%, in their order.

**INFLATION  
OBSERVED AND EXPECTATIONS  
2006 - 2009**



Source: Fuente: Banco de Guatemala. Encuesta de Expectativas de Inflación al Panel de Analistas Privados.

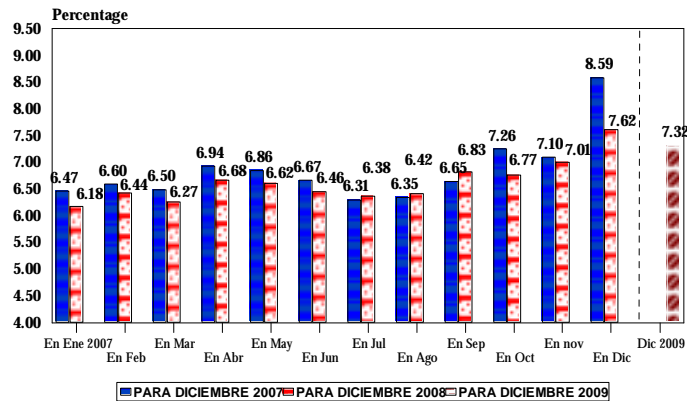


## Inflation Expectations Survey from the Private Sector



When comparing the results of this survey with the obtained the month before, the expected inflationary rhythm for December was observed, increased by 1.49 percentage points (7.10% from the survey in November 2007); while for January 2008, increased by 0.61 percentage points (7.01% in the previous survey). For December 2009 it increased by 0.82 percentual points (6.50% in the previous survey.)

### INFLATION EXPECTATIONS FOR DECEMBER 2007, FOR DECEMBER 2008 AND FOR DECEMBER 2009



FUENTE: Encuesta de Expectativas de Inflación al Panel de Analistas Privados.

In the opinion of the interviewed analysts, the main factors that could explain the forecast of inflation for 2007 and 2008 are: the international price of oil, the price of fuel, the fiscal policy performance, and the price of raw material.

#### Factores que podrían explicar el pronóstico de Inflación para diciembre de 2007 y diciembre de 2008

-En porcentaje-

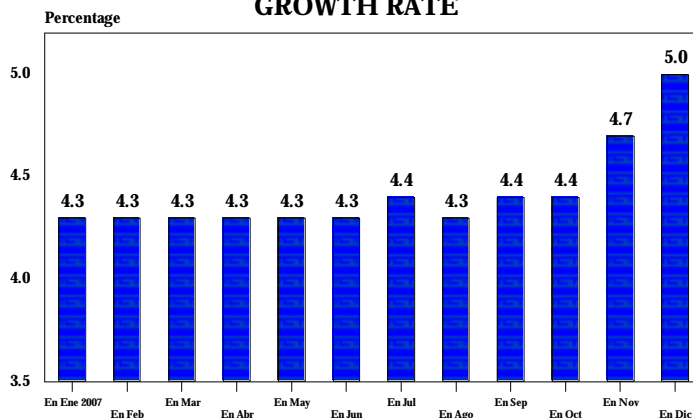
Factores	JUNIO		JULIO		AGOSTO		SEPTIEMBRE		OCTUBRE		NOVIEMBRE		DICIEMBRE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Precio internacional del petróleo	15.38	16.67	20.51	20.51	17.24	17.86	19.05	22.22	21.62	22.22	23.26	20.45	22.22	22.22
Precios de los combustibles	23.08	22.22	20.51	17.95	20.69	17.86	21.43	25.00	21.62	22.22	20.93	20.45	22.22	22.22
Desempeño de la política monetaria	15.38	11.11	12.82	12.82	10.34	14.29	11.90	11.11	10.81	11.11	13.95	15.91	18.52	18.52
Precios de las materias primas	3.85	11.11	10.26	10.26	3.46	3.57	16.67	19.44	16.22	16.67	13.95	13.64	11.11	11.11
Desempeño de la política fiscal	11.54	11.11	10.26	10.26	13.79	14.29	9.52	8.33	10.81	8.33	11.63	11.36	7.41	7.41
Estacionalidad de los productos agrícolas	7.69	11.11	2.56	2.56	10.34	10.71	4.76	5.56	2.70	2.78	4.65	4.55	7.41	7.41
Condiciones climáticas	11.54	11.11	10.26	10.26	6.90	7.14	4.76	2.78	2.70	2.78	4.65	4.55	7.41	7.41
Tipo de cambio nominal	7.69	5.56	7.69	7.69	6.90	10.71	7.15	5.56	8.11	8.33	4.65	6.82	3.70	3.70
Otros	3.85	0.00	5.13	7.69	10.34	3.57	4.76	0.00	5.41	5.56	2.33	2.27	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

## 2. ECONOMIC ACTIVITY

The private analysts estimate that in 2007 the economic activity, measured by the Real Gross Domestic Product, will grow 5.0%, number higher by 0.30 percentual points to the forecast given by economic analysts in the previous survey (4.7%).



### GROWTH EXPECTATIONS OF THE REAL GROSS DOMESTIC PRODUCT FOR 2007 GROWTH RATE



FUENTE: Encuesta de Expectativas de Inflación al Panel de Analistas Privados.

The main factors that could promote the growth rhythm of the economic activity for 2007, according to the interviewed analysts, are: the Free Trade Agreement with the United States of America, the levels of the interest rates (internal and external), and the international price of oil.

### Factores que podrían impulsar el ritmo de la Actividad Económica en 2007

-En porcentaje-

FACTORES	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre
TLC con los Estados Unidos de América	13.79	16.22	20.68	20.68	20.59	16.67	19.23
Niveles de las tasas de interés (internas y externas)	13.79	10.81	6.90	6.90	11.76	11.91	19.23
Precio internacional del petróleo	6.90	8.11	6.90	6.90	2.94	11.91	11.54
Estabilidad en el tipo de cambio nominal	17.24	10.81	13.79	13.79	5.88	14.29	7.69
Estabilidad en el nivel general de precios	10.34	10.81	6.90	6.90	5.88	9.52	7.69
Precios de los combustibles	6.90	8.11	6.90	6.90	2.94	9.52	7.69
Ejecución de megaproyectos	6.90	10.81	13.79	13.79	14.71	7.14	7.69
Fortalecimiento del mercado interno	10.34	10.81	13.79	13.79	11.76	4.76	3.85
Desempeño de la política fiscal	10.34	8.11	6.90	6.90	8.82	4.76	3.85
Otros	3.46	5.40	3.45	3.45	14.72	9.52	11.54
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## II. TRUST INDEX OF THE ECONOMIC ACTIVITY FROM THE PANEL OF PRIVATE ANALYSTS

The Trust Index of the Economic Activity from the Panel of Private Analysts has the purpose of measuring the perception on the current economic situation and the environment for business that the interviewed economic analysts has, which is compared with the prevailing index in the recent past. Also, pursues obtaining an appreciation on the economic evolution of the country in the near future. For that purpose the private analysts were asked a series of questions, which results are as follows:



# Inflation Expectations Survey from the Private Sector

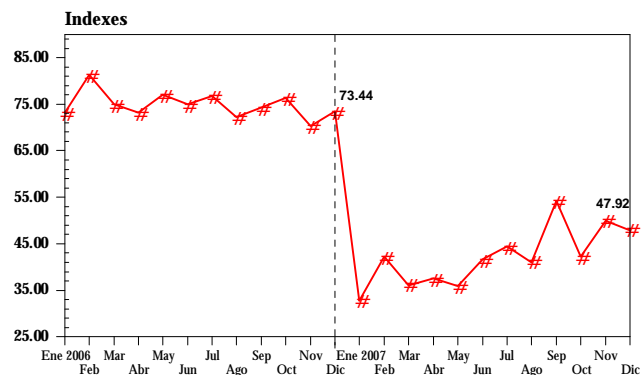


## INDICADORES SOBRE EL NIVEL DE CONFIANZA

Pregunta	2007														
	Noviembre	Diciembre	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	
7 ¿Cómo considera que evolucione el clima de los negocios para las actividades productivas del sector privado en los próximos seis meses en comparación con los pasados seis meses?	Mejorará	25.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	10.0%	16.7%	
	Igual	37.5%	62.5%	62.5%	62.5%	55.6%	62.5%	62.5%	83.3%	85.7%	88.9%	87.5%	80.0%	50.0%	
	Empeorará	37.5%	12.5%	37.5%	37.5%	44.4%	37.5%	37.5%	16.7%	0.0%	14.3%	0.0%	12.5%	10.0%	33.3%
8 ¿Considera usted que actualmente la economía del país está mejor que hace un año?	Si	100.0%	100.0%	50.0%	50.0%	44.4%	50.0%	50.0%	50.0%	44.4%	42.9%	77.8%	50.0%	50.0%	83.3%
	No	0.0%	0.0%	50.0%	50.0%	55.6%	50.0%	50.0%	50.0%	55.6%	57.1%	22.2%	50.0%	50.0%	16.7%
9 ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses?	Si	75.0%	62.5%	25.0%	50.0%	44.4%	37.5%	25.0%	33.3%	44.4%	42.9%	33.3%	37.5%	50.0%	16.7%
	No	25.0%	37.5%	75.0%	50.0%	55.6%	62.5%	75.0%	66.7%	55.6%	57.1%	66.7%	62.5%	50.0%	83.3%
10 ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?	Buen momento	62.5%	62.5%	12.5%	12.5%	11.1%	12.5%	12.5%	16.7%	11.1%	14.3%	22.2%	12.5%	10.0%	16.7%
	No está seguro	0.0%	25.0%	25.0%	25.0%	33.3%	37.5%	50.0%	50.0%	55.6%	42.9%	55.6%	50.0%	80.0%	66.7%
	Mal momento	37.5%	12.5%	62.5%	62.5%	55.6%	50.0%	37.5%	33.3%	33.3%	42.9%	22.2%	37.5%	10.0%	16.7%

In December of this year, the trust index level of the economic activity<sup>1</sup> was at 47.92, index lower by 4.16%, regarding the registered the month before (50.00) and lower by 34.75% regarding the observed in December the previous year (73.44).

### TRUST INDEX OF THE ECONOMIC ACTIVITY JANUARY 2006 - DECEMBER 2007



FUENTE: Cálculos propios con base en los resultados de la Encuesta de Expectativas de Inflación al Panel de Analistas Privados.

<sup>1</sup> The index is made based on four questions. Their calculation is derived from considering sub-indexes for each question, same that result from the balance of answers that are obtained subtracting, for each question, the percentage of positive answers, the percentage of negatives and add a constant of 100, with the purpose of avoiding negative quantities. The sub-indexes obtained this way for each question are averaged and the trust index results from expressing said average value as a percentage of the maximum possible average.



## Inflation Expectations Survey from the Private Sector



### TRUST INDEX ECONOMIC ACTIVITY JANUARY 2006 - DECEMBER 2007

Month	Index	Variation		
		Monthly	Inter-annual	Accumulated
<b>2006</b>				
January	73.21	1.85	-8.13	1.85
February	81.25	10.98	13.75	13.04
March	75.00	-7.69	4.34	4.34
April	73.21	-2.39	10.81	1.85
May	77.08	5.29	8.82	7.23
June	75.00	-2.70	0.00	4.34
July	76.79	2.39	-0.38	6.83
August	72.23	-5.94	-1.34	0.49
September	74.31	2.88	21.94	3.38
October	76.39	2.80	29.63	6.27
November	70.31	-7.96	12.50	-2.18
December	73.44	4.45	2.17	2.17
<b>2007</b>				
January	32.81	-55.32	-55.18	-55.32
February	42.19	28.59	-48.07	-42.55
March	36.11	-14.41	-51.85	-50.83
April	37.50	3.85	-48.78	-48.94
May	35.94	-4.16	-53.37	-51.06
June	41.67	15.94	-44.44	-43.26
July	44.44	6.65	-42.13	-39.49
August	41.07	-7.58	-43.14	-44.08
September	54.17	31.90	-27.10	-26.24
October	42.19	-22.12	-44.77	-42.55
November	50.00	18.51	-28.89	-31.92
December	47.92	-4.16	-34.75	-34.75



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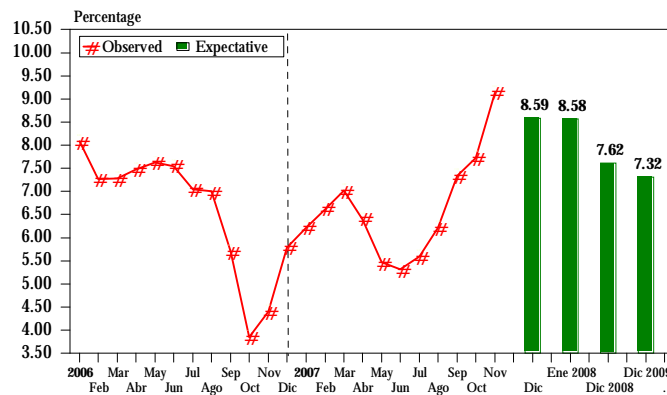
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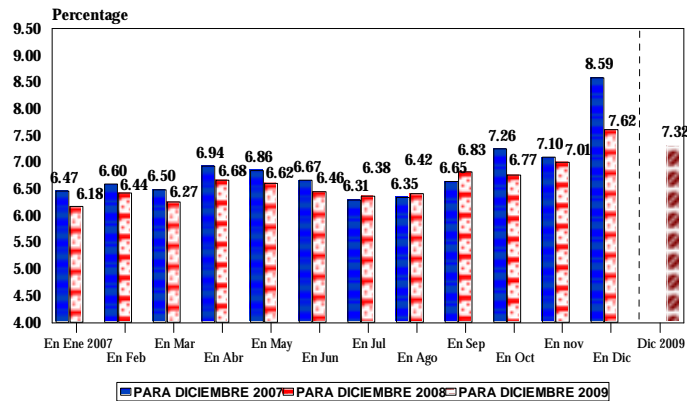


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In the opinion of the interviewed analysts, the main factors that could explain the forecast of inflation for 2007 and 2008 are: the international price of oil, the price of fuel, the fiscal policy performance, and the price of raw material.

#### Factores que podrían explicar el pronóstico de Inflación para diciembre de 2007 y diciembre de 2008

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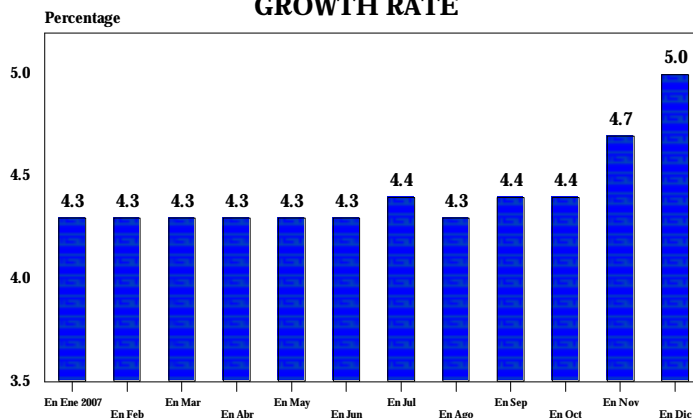
Factores	JUNIO		JULIO		AGOSTO		SEPTIEMBRE		OCTUBRE		NOVIEMBRE		DICIEMBRE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Precio internacional del petróleo	15.38	16.67	20.51	20.51	17.24	17.86	19.05	22.22	21.62	22.22	23.26	20.45	22.22	22.22
Precios de los combustibles	23.08	22.22	20.51	17.95	20.69	17.86	21.43	25.00	21.62	22.22	20.93	20.45	22.22	22.22
Desempeño de la política monetaria	15.38	11.11	12.82	12.82	10.34	14.29	11.90	11.11	10.81	11.11	13.95	15.91	18.52	18.52
Precios de las materias primas	3.85	11.11	10.26	10.26	3.46	3.57	16.67	19.44	16.22	16.67	13.95	13.64	11.11	11.11
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Estacionalidad de los productos agrícolas	7.69	11.11	2.56	2.56	10.34	10.71	4.76	5.56	2.70	2.78	4.65	4.55	7.41	7.41
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Tipo de cambio nominal	7.69	5.56	7.69	7.69	6.90	10.71	7.15	5.56	8.11	8.33	4.65	6.82	3.70	3.70
Otros	3.85	0.00	5.13	7.69	10.34	3.57	4.76	0.00	5.41	5.56	2.33	2.27	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

## 2. ECONOMIC ACTIVITY

The private analysts estimate that in 2007 the economic activity, measured by the Real Gross Domestic Product, will grow 5.0%, number higher by 0.30 percentual points to the forecast given by economic analysts in the previous survey (4.7%).



## GROWTH EXPECTATIONS OF THE REAL GROSS DOMESTIC PRODUCT FOR 2007 GROWTH RATE



FUENTE: Encuesta de Expectativas de Inflación al Panel de Analistas Privados.

The main factors that could promote the growth rhythm of the economic activity for 2007, according to the interviewed analysts, are: the Free Trade Agreement with the United States of America, the levels of the interest rates (internal and external), and the international price of oil.

### Factores que podrían impulsar el ritmo de la Actividad Económica en 2007

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Niveles de las tasas de interés (internas y externas)	13.79	10.81	6.90	6.90	11.76	11.91	19.23
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Estabilidad en el tipo de cambio nominal	17.24	10.81	13.79	13.79	5.88	14.29	7.69
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Otros	3.46	5.40	3.45	3.45	14.72	9.52	11.54
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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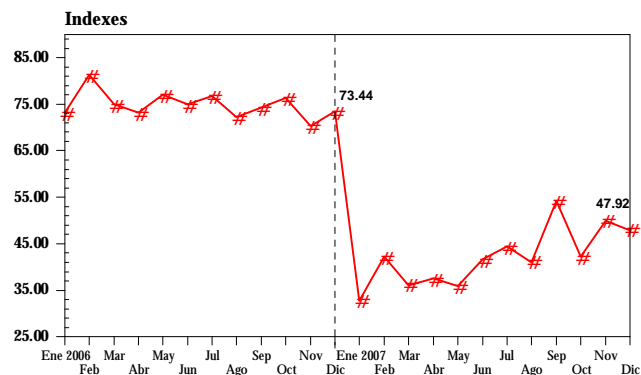


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7 ¿Cómo considera que evolucione el clima de los negocios para las actividades productivas del sector privado en los próximos seis meses en comparación con los pasados seis meses?	Mejorará	25.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	10.0%	16.7%
	Igual	37.5%	62.5%	62.5%	62.5%	55.6%	62.5%	62.5%	83.3%	100.0%	85.7%	88.9%	80.0%	50.0%
	Empeorará	37.5%	12.5%	37.5%	37.5%	44.4%	37.5%	37.5%	16.7%	0.0%	14.3%	0.0%	12.5%	10.0%
8 ¿Considera usted que actualmente la economía del país está mejor que hace un año?	Si	100.0%	100.0%	50.0%	50.0%	44.4%	50.0%	50.0%	50.0%	44.4%	42.9%	77.8%	50.0%	83.3%
	No	0.0%	0.0%	50.0%	50.0%	55.6%	50.0%	50.0%	50.0%	55.6%	57.1%	22.2%	50.0%	16.7%
9 ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses?	Si	75.0%	62.5%	25.0%	50.0%	44.4%	37.5%	25.0%	33.3%	44.4%	42.9%	33.3%	37.5%	16.7%
	No	25.0%	37.5%	75.0%	50.0%	55.6%	62.5%	75.0%	66.7%	55.6%	57.1%	66.7%	62.5%	83.3%
10 ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?	Buen momento	62.5%	62.5%	12.5%	12.5%	11.1%	12.5%	12.5%	16.7%	11.1%	14.3%	22.2%	12.5%	10.0%
	No está seguro	0.0%	25.0%	25.0%	25.0%	33.3%	37.5%	50.0%	50.0%	55.6%	42.9%	55.6%	50.0%	80.0%
	Mal momento	37.5%	12.5%	62.5%	62.5%	55.6%	50.0%	37.5%	33.3%	33.3%	42.9%	22.2%	37.5%	16.7%

In December of this year, the trust index level of the economic activity<sup>1</sup> was at 47.92, index lower by 4.16%, regarding the registered the month before (50.00) and lower by 34.75% regarding the observed in December the previous year (73.44).

### TRUST INDEX OF THE ECONOMIC ACTIVITY JANUARY 2006 - DECEMBER 2007



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### TRUST INDEX ECONOMIC ACTIVITY JANUARY 2006 - DECEMBER 2007

Month	Index	Variation		
		Monthly	Inter-annual	Accumulated
<b>2006</b>				
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February	81.25	10.98	13.75	13.04
March	75.00	-7.69	4.34	4.34
April	73.21	-2.39	10.81	1.85
May	77.08	5.29	8.82	7.23
June	75.00	-2.70	0.00	4.34
July	76.79	2.39	-0.38	6.83
August	72.23	-5.94	-1.34	0.49
September	74.31	2.88	21.94	3.38
October	76.39	2.80	29.63	6.27
November	70.31	-7.96	12.50	-2.18
December	73.44	4.45	2.17	2.17
<b>2007</b>				
January	32.81	-55.32	-55.18	-55.32
February	42.19	28.59	-48.07	-42.55
March	36.11	-14.41	-51.85	-50.83
April	37.50	3.85	-48.78	-48.94
May	35.94	-4.16	-53.37	-51.06
June	41.67	15.94	-44.44	-43.26
July	44.44	6.65	-42.13	-39.49
August	41.07	-7.58	-43.14	-44.08
September	54.17	31.90	-27.10	-26.24
October	42.19	-22.12	-44.77	-42.55
November	50.00	18.51	-28.89	-31.92
December	47.92	-4.16	-34.75	-34.75