ECONOMIC EXPECTATIONS SURVEY
TO THE PANEL OF PRIVATE ANALYSTS
- EEE (For its acronym in Spanish) -

JANUARY 2011

The *Economic Expectations Survey to the Private Panel of Analysts* is held monthly in order to obtain the opinion of national and international analysts, regarding the behavior of some of the macroeconomic variables in the country. Said survey is extremely useful, given the importance that the expectations of the economic agents have in the behavior of the economic activity of the country.

In the first part of this note, we present the inflation expectations and the annual and quarterly economic activity, held between the second and fourth week of January 2011.

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

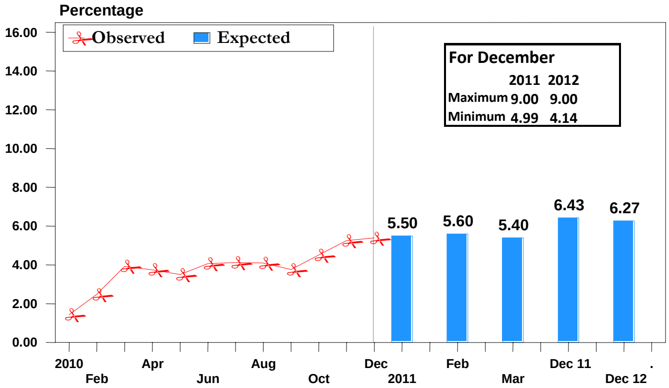
I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

1. INFLATION

The Economic analysts surveyed foresee a y-o-y inflation of 5.50% for January 2011 with a maximum value of 7.00% and a minimum of 4.43%; while for February 2011, they estimate that it will reach 5.60%. For December 2011, the analysts forecast an average inflation of 6.43%, registering a maximum value of 9.00% and a minimum of 4.99%. For December 2012, they consider it could reach 6.27%, with a maximum value of 9.00% and a minimum value of 4.14%.

On the other hand, the economic analysts estimated that for January 2012, the inflation would be at 5.99%; while for January 2013, this could be at 5.85%.

INFLATION
OBSERVED AND EXPECTED
2010 - 2012

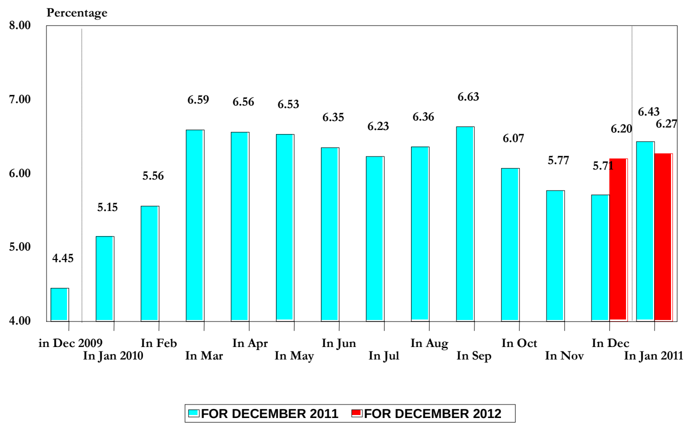


Source: Banco de Guatemalaand Economic Expectations Survey to the Panel of Private Analysts

When comparing the results of this survey with the obtained in December, it was observed that the expected y-o-y inflation for January 2011 increased by 0.02 percentage points (5.48% from the survey in December 2010); while for February 2011, it increased by 0.17 percentage points (5.43% in the previous survey).

For the end of 2011, the y-o-y inflation increased by 0.72 percentage points (5.71% in the previous survey), whereas for December 2012 it increased by 0.07 percentage points (6.20% in the previous survey).

INFLATION EXPECTATIONS
FOR DECEMBER 2011 AND FOR DECEMBER 2012



SOURCE: Inflation Expectations Survey to the Panel of Private Analysts.

In the opinion of the interviewed analysts, the main factors that could explain the forecast of inflation for 2011 are the international price of oil, the prices of fuel, the performance of the fiscal policy, the price of commodities, and the performance of the monetary policy.

FACTORS THAT COULD EXPLAIN THE INFLATION FORECAST
FOR DECEMBER 2011

-In percentage-

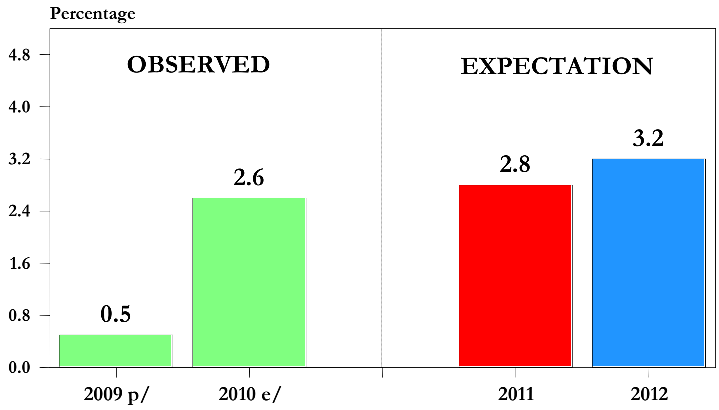
FACTORS	January
International price of oil	17.19
Price of fuels	15.63
Performance of the fiscal policy	14.06
Prices of commodities	14.06
Performance of the montetary policy	12.50
Nominal Exchange Rate	9.38
Climate conditions	7.81
Seasonality of agricultural products	4.69
Others	4.68
TOTAL	100.00

2. ECONOMIC ACTIVITY

2.1 ANNUAL GROSS DOMESTIC PRODUCT

In January 2011, the private analysts estimated that the economic activity for said year, measured by the Real Gross Domestic Product, will register growth of 2.8%, lower by 0.1 percentage points to the forecasted in the previous survey (2.9%). For 2012, the expected growth is of 3.2%, remaining equal to the forecasted in the previous survey.

GROWTH OF THE REAL GROSS DOMESTIC PRODUCT
OBSERVED IN 2009 AND 2010
AND EXPECTATION FOR 2011 AND 2012
GROWTH RATE



p/ Preliminary.
e/ Estimated
SOURCE: Banco de Guatemala and Inflation Expectations Survey to the Panel of Private Analysts

According to the analysts interviewed, the main factors that could promote economic activity in 2011 are performance of the fiscal policy, the price of fuels, the stability in the nominal exchange rate, the international price of oil, the level of the interest rates (domestic and foreign), and the stability in the general level of prices.

FACTORS THAT COULD PROMOTE THE RHYTHM OF THE ECONOMIC ACTIVITY IN 2011

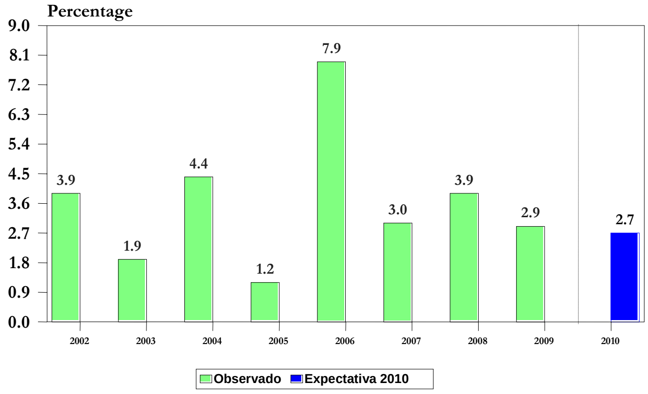
-In percentage-

FACTORS	January
Performance of the fiscal policy	17.39
Price of fuels	13.04
Stability in the nominal exchange rate	13.04
International price of oil	10.87
Level of the interest rate (domestic and foreign)	10.87
Stability in the general level of prices	10.87
Execution of megaprojects	8.70
Strengthening of the domestic market	8.70
FTA with the United States of America	4.35
Others	2.17
TOTAL	100.00

2.2 QUARTERLY GROSS DOMESTIC PRODUCT

In January 2011, the private analysts estimated that the growth of the real quarterly GDP[1] corresponding to the fourth quarter of 2010, will register a 2.7% growth.

GROWTH OF THE REAL GROSS DOMESTIC PRODUCT OF THE FOURTH QUARTER OBSERVED IN 2002-2009 AND EXPECTATIONS FOR THE FOURTH QUARTER OF 2010
GROWTH RATE



FUENTE: Banco de Guatemala y Encuesta de Expectativas Económicas al Panel de Analistas Privados.

II. CONFIDENCE INDEX OF THE ECONOMIC ACTIVITY FROM THE PANEL OF PRIVATE ANALYSTS

The Confidence 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 have, which is compared with the prevailing index in the recent past. It 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:

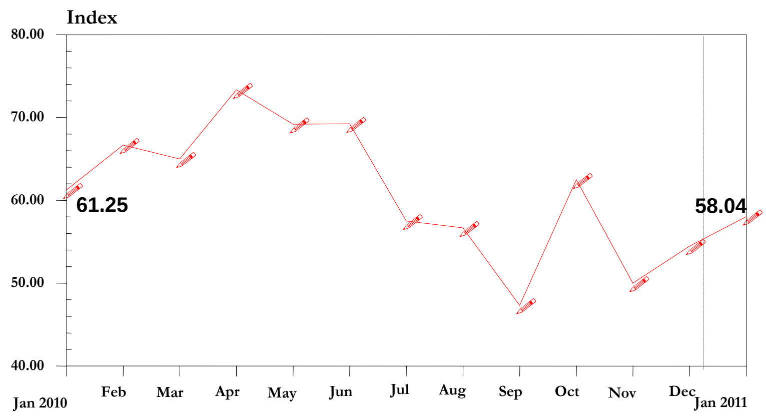
[1] Due to the implementation of the Quarterly National Accounts System (CNT), the Banco de Guatemala will publish the expectation on the evolution of the Quarterly Gross Domestic Product from thePanel of Private Analysts.

INDICATORS OF THE CONFIDENCE LEVEL

Pregunta	2010												2011
	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	Enero
8. ¿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	40.0%	41.7%	50.0%	46.7%	46.7%	53.8%	6.7%	6.7%	0.0%	0.0%	0.0%	21.4%	28.6%
Igual	60.0%	58.3%	50.0%	53.3%	40.0%	38.5%	73.3%	73.3%	78.6%	91.7%	75.0%	64.3%	35.7%
Empeorará	0.0%	0.0%	0.0%	0.0%	13.3%	7.7%	20.0%	20.0%	21.4%	8.3%	25.0%	14.3%	35.7%
9. ¿Considera usted que actualmente la economía del país está mejor que hace un año?													
Sí	50.0%	75.0%	50.0%	86.7%	93.3%	69.2%	80.0%	100.0%	71.4%	83.3%	75.0%	92.9%	100.0%
No	50.0%	25.0%	50.0%	13.3%	6.7%	30.8%	20.0%	0.0%	28.6%	16.7%	25.0%	7.1%	0.0%
10. ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses?													
Sí	80.0%	66.7%	80.0%	66.7%	66.7%	76.9%	53.3%	40.0%	35.7%	66.7%	41.7%	35.7%	35.7%
No	20.0%	33.3%	20.0%	33.3%	33.3%	23.1%	46.7%	60.0%	64.3%	33.3%	58.3%	64.3%	64.3%
11. ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?													
Buen momento	20.0%	25.0%	30.0%	46.7%	26.7%	30.8%	20.0%	6.7%	7.1%	8.3%	8.3%	7.1%	14.3%
No está seguro	50.0%	58.3%	50.0%	40.0%	46.7%	53.8%	66.7%	73.3%	71.4%	91.7%	75.0%	57.2%	71.4%
Mal momento	30.0%	16.7%	20.0%	13.3%	26.7%	15.4%	13.3%	20.0%	21.4%	0.0%	16.7%	35.7%	14.3%

In January 2011, the confidence index level of the economic activity[2] was at 58.04, index higher by 6.55%, regarding the registered in December 2010 (54.47) and lower by 5.24% regarding the observed in January 2010 (61.25).

CONFIDENCE INDEX OF THE ECONOMIC ACTIVITY
JANUARY 2010 - JANUARY 2011



SOURCE: Inflation Expectations Survey of the Panel of Private Analysts.

[2] 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.

CONFIDENCE INDEX OF THE ECONOMIC
ACTIVITY OF THE PRIVATE SECTOR
JANUARY 2010 - JANUARY011

Month	Index	Percent change (%)		
		1-m-% change	y-o-y % change	Accumulated
2010				
January	**61.25**	**16.67**	**236.91**	**16.67**
February	66.67	8.85	433.36	26.99
March	65.00	-2.50	333.33	23.81
April	73.34	12.83	433.38	39.70
May	69.17	-5.69	268.91	31.75
June	69.23	0.09	361.53	31.87
July	57.50	-16.94	199.17	9.52
August	56.67	-1.44	51.12	7.94
September	47.32	-16.50	72.07	-9.87
October	62.50	32.08	79.96	19.05
November	50.00	-20.00	33.33	-4.76
December	54.47	8.94	3.75	3.75
2011				
January	**58.04**	**6.55**	**-5.24**	**6.55**

PAOT/tjsr