



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

JULY 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 July 2011.

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

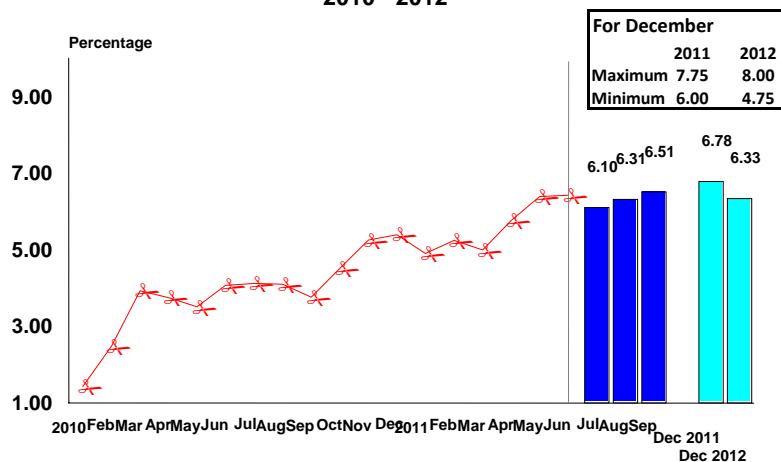
I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

1. INFLATION

The Economic analysts surveyed foresee a y-o-y inflation of 6.10% for July 2011 with a maximum value of 7.15% and a minimum of 5.00%; while for August 2011, they estimate that it will reach 6.31%. For December 2011, the analysts forecast an average inflation of 6.78%, registering a maximum value of 7.75% and a minimum of 6.00%. For December 2012, they consider it could reach 6.33%, with a maximum value of 8.00% and a minimum value of 4.75%.

On the other hand, the economic analysts estimated that for July 2012, inflation would be at 5.96%; while for June 2013, this could be at 5.88%.

INFLATION OBSERVED AND EXPECTED 2010 - 2012

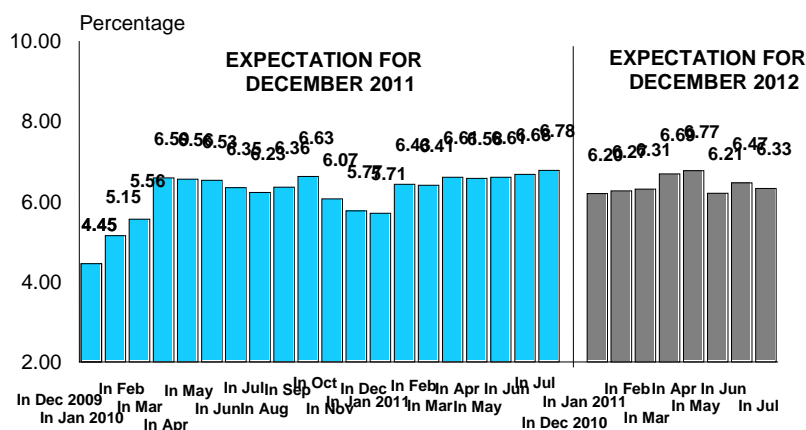


Source: Banco de Guatemala and Economic Expectations Survey from the Panel of Private Analysts. (EEE).

When comparing the results of this survey obtained last month, it was observed that the expected y-o-y inflation for July 2011 decreased by 0.28 percentage points (6.38% in the June survey); while for August 2011 it decreased by 0.16 percentage points (6.47% in the previous survey).

For the end of 2011, the expected y-o-y inflation increased by 0.10 percentage points (6.68% in the previous survey), whereas for December 2012 it decreased by 0.14 percentage points (6.47% in the previous survey).

INFLATION EXPECTATIONS FOR DECEMBER 2011 AND FOR DECEMBER 2012 RESULTS FOR THE SURVEY IN THE MONTH INDICATED



Source: Economic Expectations Survey from the Panel of Private Analysts (EEE).

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

FACTORS THAT COULD EXPLAIN THE INFLATION FORECAST FOR DECEMBER 2011

-In percentage-

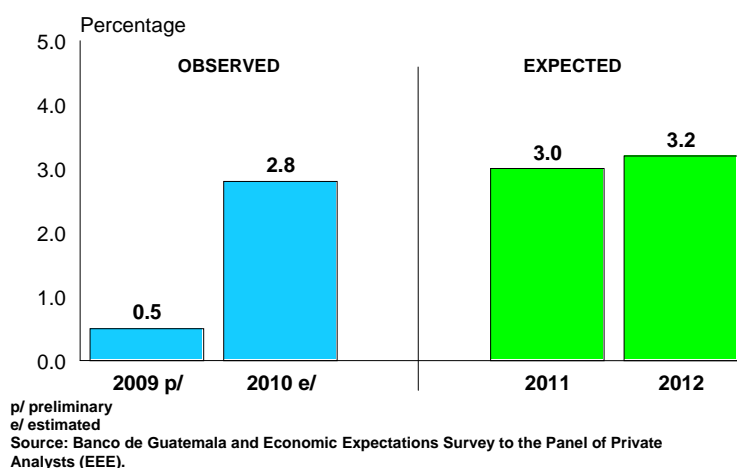
FACTORS	January	February	March	April	May	June	July
Fuel prices	15.63	16.39	18.61	16.67	18.06	16.90	15.71
Prices of commodities	14.06	18.03	16.28	14.82	15.28	15.49	15.71
Interantional price of oil	17.19	18.03	19.77	16.67	18.06	14.09	15.71
Performance of the fiscal policy	14.06	14.75	10.45	11.10	13.89	11.27	12.86
Performance of the monetary policy	12.50	11.48	8.14	9.26	9.72	8.45	10.00
Climate conditions	7.81	8.20	8.14	9.26	8.33	8.45	10.00
Seasonality of agricultural products	4.69	4.92	6.98	9.26	6.94	9.86	7.15
Nominal exchange rate	9.38	6.56	4.65	9.26	5.56	8.45	7.15
Others	4.68	1.64	6.98	3.70	4.16	7.04	5.71
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

2. ECONOMIC ACTIVITY

2.1 ANNUAL GROSS DOMESTIC PRODUCT

In July 2011, the private analysts estimated that the economic activity for said year, measured by the Real Gross Domestic Product, would register growth of 3.0%, higher by 0.1 percentage points to the forecasted in the previous survey (2.9%). For 2012, the expected growth is of 3.2%, lower by 0.1 percentage points regarding the survey in June 2011 (3.3%).

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



According to the analysts interviewed, the main factors that could promote economic activity in 2011 are the strengthening of the domestic market, the performance of the fiscal

policy, the stability in the exchange rate, the levels of the interest rates (domestic and foreign), the international price of oil and the stability in the general level of prices.

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

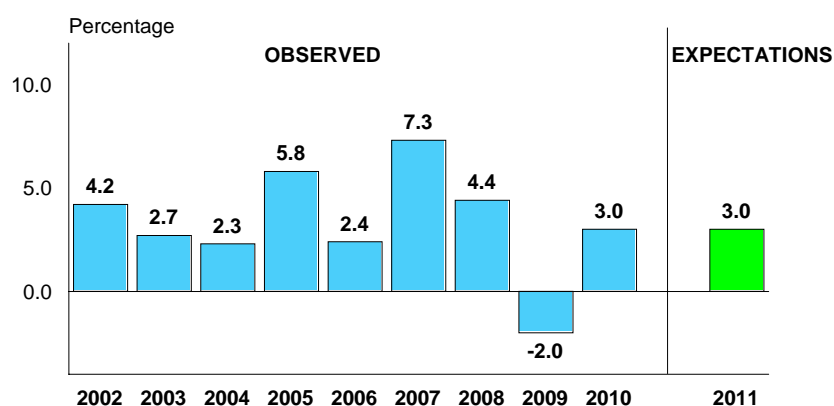
-In percentage-

FACTORS	January	February	March	April	May	June	July
Strengthening of the domestic market	8.70	13.04	14.55	10.00	11.54	17.24	16.67
Performance of the fiscal policy	17.39	13.04	10.91	12.50	13.46	10.34	13.33
Stability in the nominal exchange rate	13.04	13.04	9.09	12.50	7.69	10.34	13.33
Levels of the interest rates (domestic and foreign)	10.87	6.52	16.36	12.50	13.46	15.52	11.67
Interantional price of oil	10.87	13.04	12.72	15.00	15.38	10.34	11.67
Stability in the general level of prices	10.87	8.70	9.09	12.50	5.77	10.34	11.67
Fuel prices	13.04	10.87	9.09	15.00	11.54	10.34	8.33
Execution of megaprojects	8.70	8.70	10.91	7.50	11.54	8.63	5.00
FTA with the United States of America	4.35	8.70	3.64	2.50	3.85	5.18	3.33
Others	2.17	4.35	3.64	0.00	5.77	1.73	5.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

2.2 QUARTERLY GROSS DOMESTIC PRODUCT

In July 2011, the private analysts estimated that the growth of the real quarterly GDP corresponding to the second quarter of 2011, registering a growth of 3.0%.

GROWTH OF THE REAL GROSS DOMESTIC PRODUCT OF THE SECOND QUARTER OBSERVED FROM 2002 TO 2010 AND EXPECTED FOR THE SECOND QUARTER OF 2011



Source: Banco de Guatemala and Economic Expectations Survey from the Panel of Private Analysts. (EEE).

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

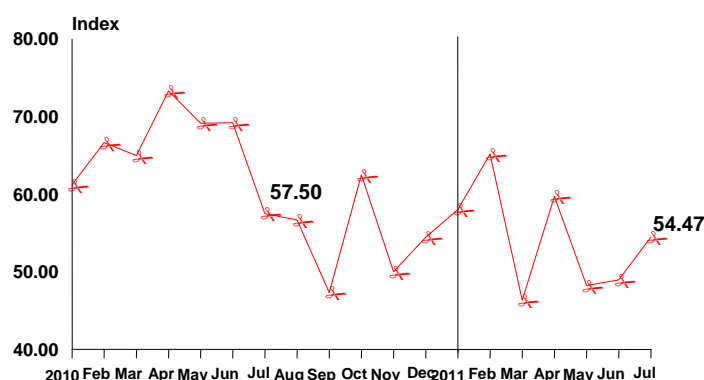
The Confidence Index of the Economic Activity from the Panel of Private Analysts has the purpose of measuring the perception on the current economic situation and the environment for business that the interviewed economic analysts have, which is compared with the prevailing index in the recent past. 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:

INDICATORS ON THE CONFIDENCE LEVEL

Question	2010							2011						
	June	July	August	September	October	November	December	January	February	March	April	May	June	July
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	53.8%	6.7%	6.7%	0.0%	0.0%	0.0%	21.4%	28.6%	21.4%	0.0%	22.2%	0.0%	14.3%
	Igual	38.5%	73.3%	73.3%	78.6%	91.7%	75.0%	64.3%	35.7%	71.4%	70.6%	77.8%	91.7%	78.6%
9. ¿Considera usted que actualmente la economía del país está mejor que hace un año?														
	Si	69.2%	80.0%	100.0%	71.4%	83.3%	75.0%	92.9%	100.0%	78.6%	82.4%	77.8%	85.7%	85.7%
	No	30.8%	20.0%	0.0%	28.6%	16.7%	25.0%	7.1%	0.0%	21.4%	17.6%	22.2%	14.3%	14.3%
10. ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses?														
	Si	76.9%	53.3%	40.0%	35.7%	66.7%	41.7%	35.7%	35.7%	71.4%	29.4%	55.6%	28.6%	28.6%
	No	23.1%	46.7%	60.0%	64.3%	33.3%	58.3%	64.3%	64.3%	28.6%	70.6%	44.4%	71.4%	71.4%
11. ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?														
	Buen momento	30.8%	20.0%	6.7%	7.1%	8.3%	8.3%	7.1%	14.3%	28.6%	5.9%	0.0%	7.1%	14.3%
	No está seguro	53.8%	66.7%	73.3%	71.4%	91.7%	75.0%	57.2%	71.4%	50.0%	64.7%	88.9%	64.3%	71.4%
11. ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?														
	Mal momento	15.4%	13.3%	20.0%	21.4%	0.0%	16.7%	35.7%	14.3%	21.4%	29.4%	11.1%	28.6%	14.3%

In July 2011, the confidence index level of the economic activity¹ was at 54.47, index higher by 11.25%, regarding the registered in June 2011 (48.96) and lower by 5.27% regarding the observed in July 2010 (57.50).

CONFIDENCE INDEX OF THE ECONOMIC ACTIVITY JANUARY 2010 TO JULY 2011



Source: Banco de Guatemala and Economic Expectations Survey from the Panel of Private Analysts (EEE).

¹ 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 FROM THE PRIVATE SECTOR
JANUARY 2010 - JULY 2011**

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
Abril	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
February	65.18	12.30	-2.23	19.66
March	46.33	-28.92	-28.72	-14.94
April	59.73	28.92	-18.56	9.66
May	48.22	-19.27	-30.29	-11.47
June	48.96	1.53	-29.28	-10.12
July	54.47	11.25	-5.27	0.00