



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

FEBRUARY 2008

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 and of the economic activity, made between the second and fourth week of February of 2008.

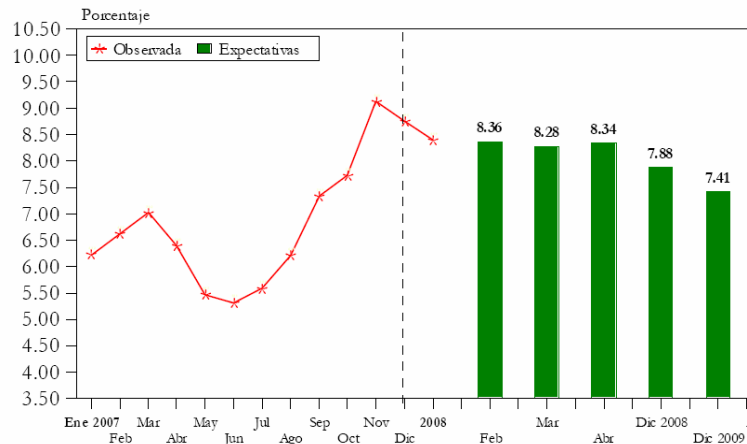
In the second part the confidence index of economic activity is presented, which was made based on the referred survey.

I. INFLATION EXPECTATIONS AND ECONOMIC ACTIVITY

1. INFLATION

The Economic analysts surveyed foresee an inflationary rhythm of 8.36% for February 2008, while for March and April 2008 it is estimated that it will reach 8.28 and 8.34%. For the end of 2008 and 2009 of the economic analysts project an inflation of 7.88% and 7.41%, in their order.

INFLACIÓN
OBSERVADA Y EXPECTATIVAS
2007 - 2009



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



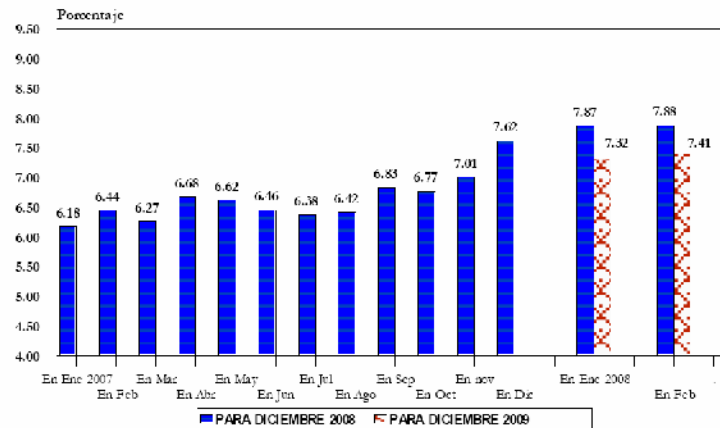
Encuesta de Expectativas de Inflación del Sector Privado



When comparing the results of this survey with the obtained the month before, the expected inflationary rhythm for February was observed, decreased by 0.09 percentage points (8.45% from the survey in January 2008); while for March 2008, decreased by 0.14 percentage points (8.42% in the previous survey).

For the end of 2008, this increased by 0.01 percentual points (7.87% in the previous survey). Equal behavior was observed for December 2009, since this is increased by 0.09 percentage points (7.32, in the previous survey).

EXPECTATIVAS DE INFLACIÓN PARA DICIEMBRE DE 2008 Y PARA DICIEMBRE DE 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 2008 are: the international price of oil, the price of raw material, the price of fuel and the monetary policy performance.

Factors that could explain the forecast of inflation for December 2008

-In percentage-

Factors	JANUARY 2008	FEBRUARY 2008
International Price of oil	23.53	22.58
Price of Raw Materials	8.82	22.58
Price of fuel	20.59	19.36
Monetary Policy performance	14.71	12.90
Fiscal Policy performance	11.77	6.45
Seasonal agricultural products	8.82	6.45
Climate conditions	8.82	6.45
Nominal exchange rate	2.94	3.23
TOTAL	100.00	100.00



2. ECONOMIC ACTIVITY

The private analysts estimate that in 2008 the economic activity, measured by the Real Gross Domestic Product, will grow 4.5%, number lower by 0.20 percentage points to the forecast given by economic analysts in the previous survey (4.7%).

EXPECTATIVAS DE CRECIMIENTO DEL PRODUCTO INTERNO BRUTO REAL PARA 2007 Y PARA 2008 TASA DE CRECIMIENTO



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

The main factors that could influence in the growth rate of the economic activity for 2008, according to the interviewed analysts, are: the levels of the interest rates (internal and external), the strengthening of the internal market, the Free Trade Agreement with the United States of America and the execution of mega-projects.

Factors that could promote the rhythm of the Economic Activity in 2008 -In percentage-

FACTORES	January	February
Levels of the Interest rate (internal and external)	14.71	20.83
Strengthening of the internal market	14.71	16.67
FTA with the United States of America	17.66	12.50
Execution of the projects	5.88	12.50
International price of oil	8.82	8.33
Fiscal policy performance	5.88	8.33
Price of fuels	8.82	4.17
Stability in the nominal exchange rate	8.82	4.17
Stability in the general level of prices	5.88	4.17
Others	8.82	8.33
TOTAL	100.00	100.00



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 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:

Indicators of the Confidence Level

INDICADORES SOBRE EL NIVEL DE CONFIANZA

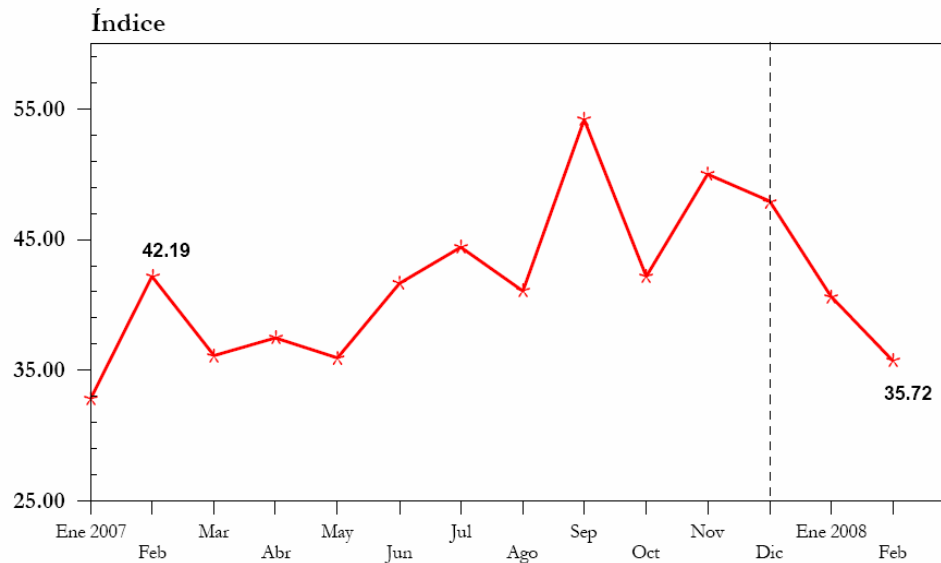
Question	2007												2008	
	January	February	March	April	May	June	July	August	September	October	November	December	January	February
7 ¿Cómo considera que evolucione el clima de los negocios para las actividades productivas del sector privado en los próximos seis meses en comparación con los pasados seis meses?	Improve	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	10.0%	16.7%	12.5%	14.3%
	Same	62.5%	62.5%	55.6%	62.5%	62.5%	83.3%	100.0%	85.7%	88.9%	87.5%	80.0%	50.0%	71.4%
	Worsen	37.5%	37.5%	44.4%	37.5%	37.5%	16.7%	0.0%	14.3%	0.0%	12.5%	10.0%	33.3%	12.5%
8 ¿Considera usted que actualmente la economía del país está mejor que hace un año?	Yes	50.0%	50.0%	44.4%	50.0%	50.0%	50.0%	44.4%	42.9%	77.8%	50.0%	50.0%	83.3%	37.5%
	No	50.0%	50.0%	55.6%	50.0%	50.0%	50.0%	55.6%	57.1%	22.2%	50.0%	50.0%	16.7%	62.5%
9 ¿Espera usted que la evolución económica del país mejore durante los próximos seis meses?	Yes	25.0%	50.0%	44.4%	37.5%	25.0%	33.3%	44.4%	42.9%	33.3%	37.5%	50.0%	16.7%	25.0%
	No	75.0%	50.0%	55.6%	62.5%	75.0%	66.7%	55.6%	57.1%	66.7%	62.5%	50.0%	83.3%	75.0%
10 ¿Cómo considera que sea la coyuntura actual de las empresas en el país para efectuar inversiones?	Buen momento	12.5%	12.5%	11.1%	12.5%	12.5%	16.7%	11.1%	14.3%	22.2%	12.5%	10.0%	16.7%	0.0%
	No está seguro	25.0%	25.0%	33.3%	37.5%	50.0%	50.0%	55.6%	42.9%	55.6%	50.0%	80.0%	66.7%	100.0%
	Mal momento	62.5%	62.5%	55.6%	50.0%	37.5%	33.3%	33.3%	42.9%	22.2%	37.5%	10.0%	16.7%	0.0%

In February, 2008, the confidence index level of the economic activity¹ was at 35.72, index lower by 12.08%, regarding the registered the month before (40.63) and lower by 15.34% regarding the observed in February the previous year (42.19).

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.



ÍNDICE DE CONFIANZA DE LA ACTIVIDAD ECONÓMICA
ENERO DE 2007 - FEBRERO DE 2008



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

CONFIDENCE INDEX OF THE ECONOMIC ACTIVITY
JANUARY 2007 - FEBRUARY 2008

Month	Index	Variation		
		Monthly	Inter-annual	Accumulated
2007				
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
2008				
January	40.63	-15.21	23.83	-15.21
February	35.72	-12.08	-15.34	-25.46