



# Nicaragua: The 'Taper Tantrum' and Capital Outflows

XV Meeting of Monetary Policy Managers:  
Monetary Policy in EMEs, Current Challenges

September 26 and 27, 2019  
Santo Domingo, Dominican Republic



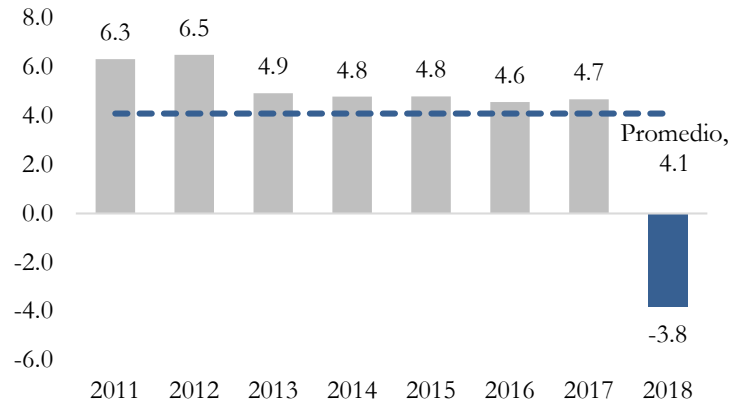
Septiembre 2019



# Macroeconomic Indicators

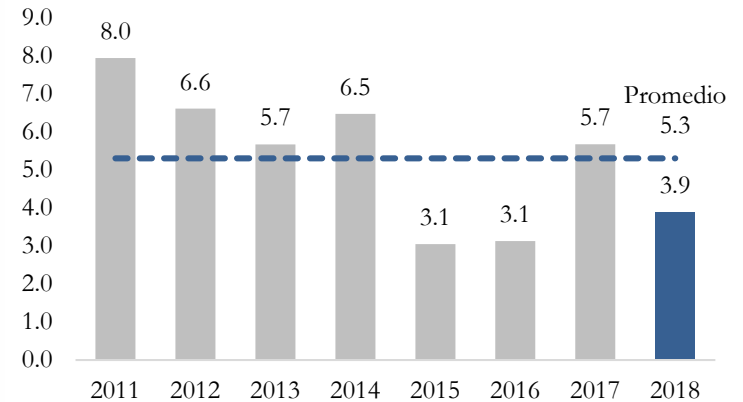
## Economic Growth

Real GDP growth (%)



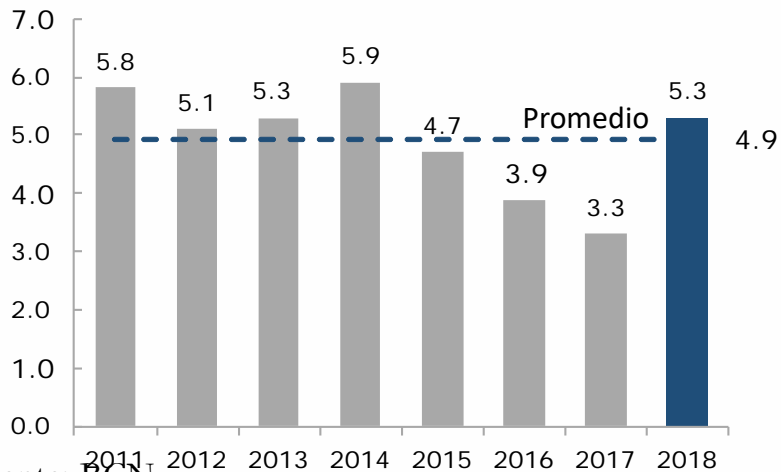
## Inflation

Inflation (%)



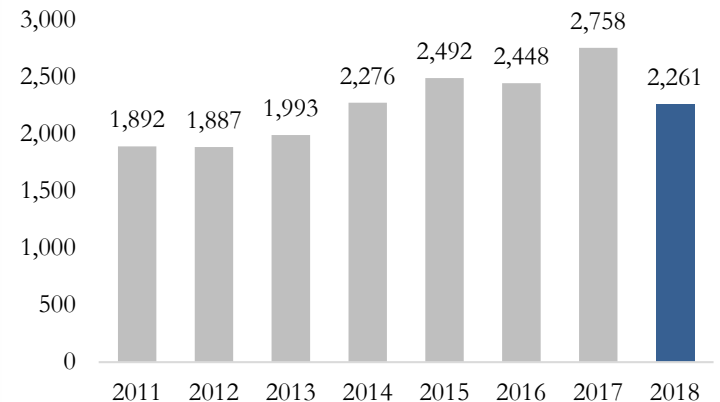
## Labor force

Unemployment rate (%)



## International reserves

(Millions of US\$)

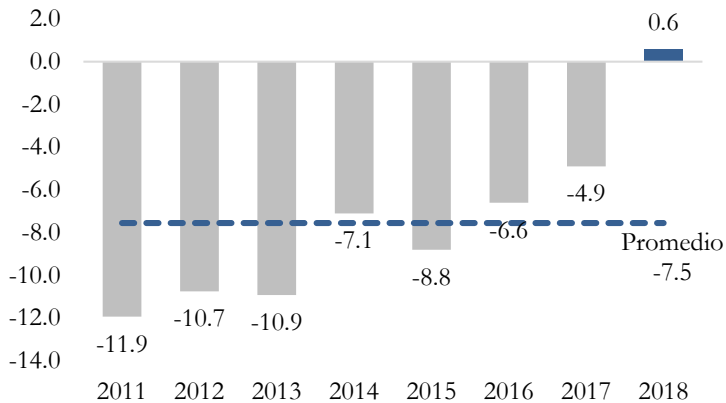




# Macroeconomic Indicators

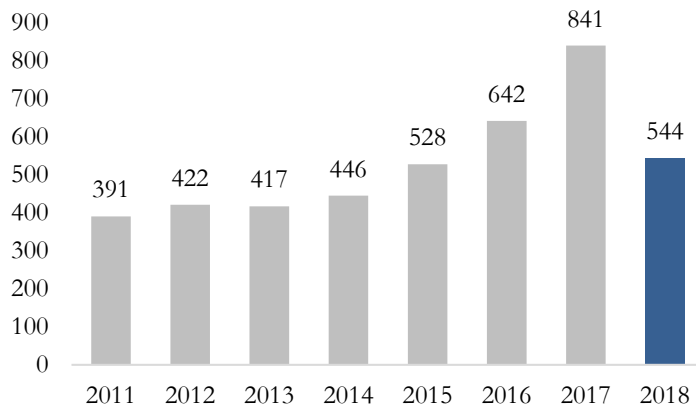
## External position

Current account (% del GDP)



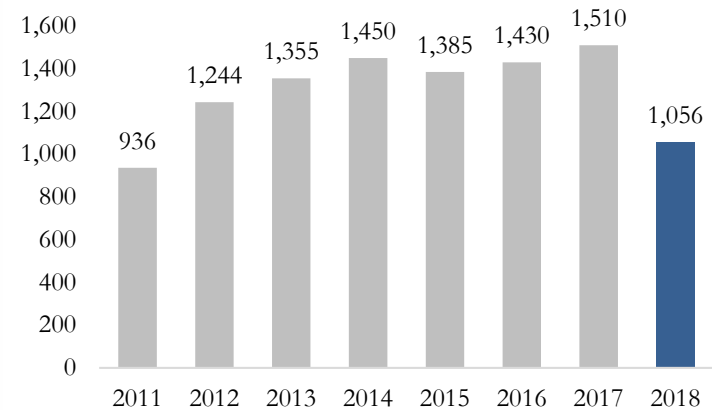
## Tourism

(Millions of US\$)



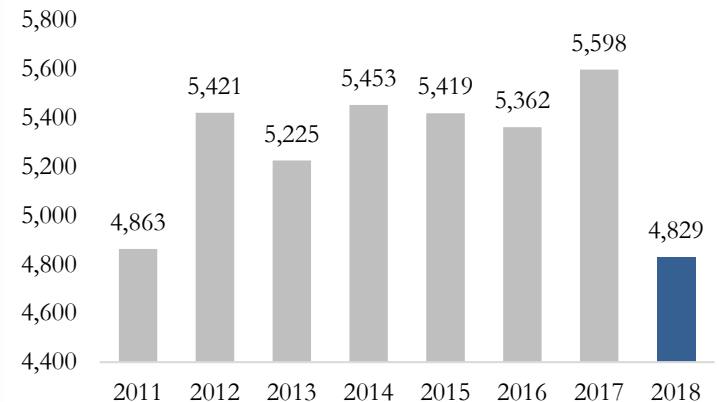
## FDI

Gross FDI (millions of US\$)



## Imports

(Millions de US\$)

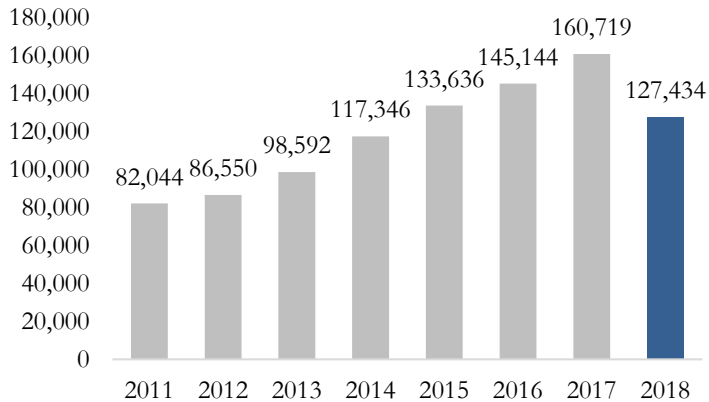




# Macroeconomic Indicators

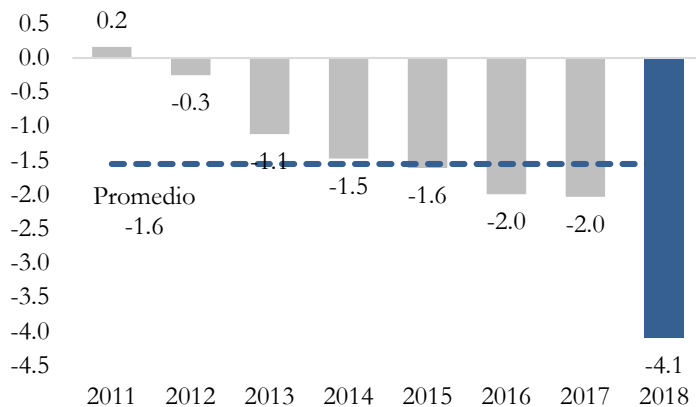
## Deposits

(Millions of C\$)



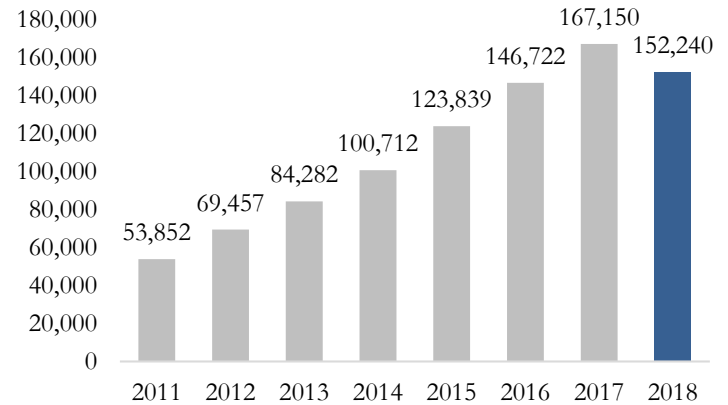
## Fiscal Deficit

Public deficits (% of GDP)



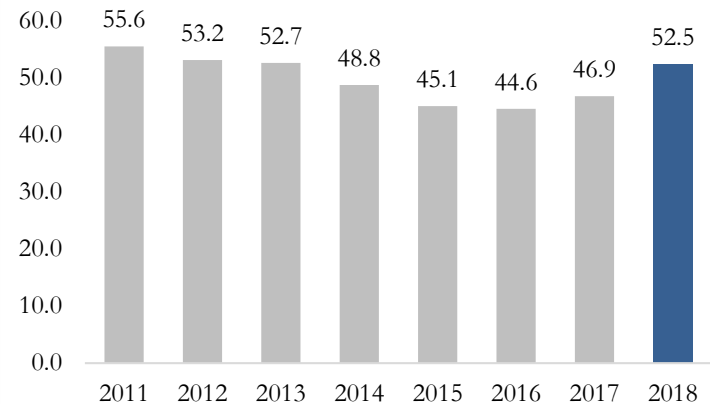
## Credit

(Millions C\$)



## Public debt

(% of GDP)





# BCN adopted measures to preserve financial and macroeconomic stability

2018

- Introduction of daily monetary operations to absorb liquidity
- Reserve requirement modified
- Financial assistance line from BCN simplified
- Resources obtained from BCIE
- Norm for the establishment of special conditions to re-negotiate debt outstanding
- The constitution of anticyclical provisions temporary suspended
- Constitution of extraordinary capital adjusted
  - Financial Stability Committee created through law 979
  - Financial Stability Bonds were created within law 979 to contribute to regaining financial comfort.





[www.bcn.gob.ni](http://www.bcn.gob.ni)