



Press Release
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Central America, Panama, and the Dominican Republic: Challenges Following the 2008-09 Global Crisis

The impact of the 2008-09 global financial crisis on the region was generally less severe and shorter-lived than in previous episodes, according to a study by the International Monetary Fund (IMF).

The book entitled "Central America, Panama and the Dominican Republic: Challenges Following the 2008-09 Global Crisis" was presented today by Fernando Delgado, IMF Resident Representative for Central America, in an event chaired by Edgar Barquin, President of Banco de Guatemala, in Guatemala City.

"Stronger fiscal policies, improved monetary policy frameworks and financial reforms undertaken in the years before the global crisis, largely explain the resilience of the region," said Delgado.

Looking ahead, the region faces the challenge of raising economic growth above its historical level. "In light of the anticipated modest growth for the world economy and trading partners' demand, the region will need to develop their own sources of growth. Structural reforms need to be implemented to generate substantial improvements in productivity and to increase domestic investment, in order to stimulate regional growth," said Delgado.

The region needs to rebuild the macroeconomic defenses used during the global crisis to deal with adverse shocks that may emerge in the future. "It is therefore important to regain fiscal space and public debt sustainability, through reforms designed to raise tax revenues and redirect expenditure to social and investment priorities. Further, it is essential to strengthen the monetary policy frameworks to maintain low inflation, increase exchange rate flexibility, and improve financial regulation and supervision," concluded Delgado.

The book targets academic researchers, think tanks, government officials and private sector managers. Their conclusions are derived from methodologies that combine descriptive analysis and econometric techniques and can be useful in undergraduate and graduate economic programs. The publication is available from the online IMF bookstore, both in English and Spanish at <http://www.imfbookstore.org/ProdDetails.asp?ID=CACPEA&PG=1&Type=BL>, could be downloaded directly from the IMF network, or consulted in the online IMF library (e-Library): <http://www.elibrary.imf.org/view/IMF071/12617-9781475513134/12617-9781475513134/12617-9781475513134.xml>.