

Introduction

Nicaragua is a country located in Central American bordering Costa Rica and Honduras. The geography of Nicaragua is coastal plains rising to central interior mountains. The government system is a republic; the chief of state and the head of government is the president. Nicaragua has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation.



Location: Central America

Capital City: Managua (-6 GMT)

Chief of State: President José Daniel Ortega Saavedra

Head of Govt.: President José Daniel Ortega Saavedra

Currency: Gold cordoba (NIO)

Major Languages: Spanish (official) 95.3%, Miskito 2.2%, Mestizo of the Caribbean coast 2%, other 0.5%

Primary Religions: Roman Catholic 50%, Evangelical 33.2%, other 2.9%, unspecified 13.2%, none 0.7% (2017 est.)

Calling Code: 505

Voltage: 120

Key Websites

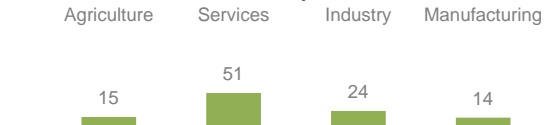
Main Government Page: presidencia.gob.ni

Commerce Ministry: mific.gob.ni

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$36.32 billion (2017)
GDP growth (annual %):	4.86% (2017)
GDP per capita, PPP (current international \$):	\$5,842.17 (2017)
External debt stocks, total (DOD, current US\$):	\$10,990,903,000.00 (2016)
Manufacturing, value added (% of GDP):	13.72% (2017)
Current account balance (BoP, current US\$):	-\$0.69 billion (2017)
Inflation, consumer prices (annual %):	3.85% (2017)
Labor force, total:	2,939,653 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.44% (2017)
Imports of goods and services (current US\$):	\$7.66 billion (2017)
Exports of goods and services (current US\$):	\$5.70 billion (2017)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	151 / 178
Global Competitiveness Index	104 / 139
Global Enabling Trade Index	76 / 136
Index of Economic Freedom	99 / 180
Inward FDI Potential Index	113 / 139
KOF Index of Globalization	104 / 185
Networked Readiness Index (NRI)	131 / 139
Open Budget Index	62 / 115

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Mineral (gold) and agricultural (coffee, sugar, meat) resources
- Membership in Central America/United States and Central America/EU free trade zones
- Cautious economic policy
- Stable financial system
- Support from the international community
- Low crime rates compared with other countries in the region

Weaknesses

- Highly vulnerable to natural disasters (cyclones, earthquakes)
- Healthcare and education shortcomings and persistent poverty rate
- Inadequate infrastructure (energy, transport)
- Structurally large current account deficit
- Dependence on international aid, particularly from Venezuela
- Institutional failings: concentration of power within the executive and the Sandinista party, corruption
- Worst business environment in Central America (127/190 according to the Doing business 2017 ranking)

U.S. Embassy

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