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Mauritania: Recent Economic Developments

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MAURITANIA

Recent Economic Developments

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Approved by Middle Eastern Department

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List of Acronyms

AfDB	African Development Bank
AFD	Agence Française de Développement
ARCB	Agence de Recouvrement des Créances Bancaires
BAMIS	Banque Al Barka Mauritanienne Islamique
BCM	Banque Centrale de Mauritanie
BHM	Banque de l'Habitat de Mauritanie
BMCI	Banque Mauritanienne pour le Commerce International
BNM	Banque Nationale de Mauritanie
CIDA	Canadian International Development Agency
CNROP	Centre National de Recherche Océanographique et de Pêche
CNSS	Caisse Nationale de Sécurité Sociale
CSA	Comité pour la Sécurité Alimentaire
EPA	Etablissement Public Administratif
EU	European Union
FSD	Fond de Soutien au Développement
GBM	Générale de Banque de Mauritanie
NCI	National Commission for Investment
OPT	Office des Postes et Télécommunications
PAN	Port Autonome de Nouadhibou
PANPA	Port Autonome de Nouakchott, known as "Port de l'Amitié"
PDIAIM	Programme de Développement Intégré de l'Agriculture Irriguée en Mauritanie
PROCAPEC	Agence de Promotion des Caisses Populaires d'Epargne et de Crédit
SMCP	Société Mauritanienne de Commercialisation du Poisson
SNIM	Société Nationale Industrielle et Minière
SOCOGIM	Société de Construction et de Gestion Immobilière en Mauritanie
SOMASERT	Société Mauritanienne de Service et de Tourisme
SONELEC	Société Nationale d'Eau et d'Electricité
SONIMEX	Société Nationale d'Import et d'Export
UBD	Union de Banques de Développement
UNCOPAM	Union Nationale des Coopératives de Crédit à la Pêche Artisanale
WAEMU	Western African Economic and Monetary Union

Mauritania: Basic Data

I. Social and Demographic Indicators (1996)

Area (sq. km)	1,030,700	Access to safe water and electricity (percent of population)	50
Population			
Total (million) (1998)	2.45		
Growth rate (percent a year)	2.9	School enrollment (in percent of school age population)	
Density (per sq. km)	2.3	Primary	86
GNP per capita (US\$)	470	Male	90
		Female	81
Population characteristics			
Life expectancy at birth (years)	53		
Infant mortality (per thousand live births)	94		

II. Economic Indicators

	1993	1994	1995	1996	1997
	(In millions of ouguiyas)				
National Accounts					
GDP at current prices	113,999	126,881	138,557	150,142	166,689
	(Annual percentage changes)				
Gross domestic product at constant prices	5.5	4.6	4.6	4.7	4.5
Primary sector	9.7	3.0	5.0	3.3	7.1
Secondary sector	8.8	7.2	4.9	2.9	-0.2
Tertiary Sector	0.7	4.1	4.5	7.2	8.3
	(In percent of GDP)				
Gross Investment	22.0	14.5	16.0	19.2	17.5
Gross National Savings	12.1	15.2	11.9	16.8	17.4
Price Movements					
GDP deflator	8.1	4.0	4.8	5.1	6.2
Consumer price index (annual average)	9.3	4.1	6.5	4.7	4.5
	(In millions of ouguiyas)				
Consolidated Government Operations					
Revenue, excluding grants	29,320	29,460	33,210	44,720	44,830
Current expenditure	24,530	22,810	24,610	26,200	27,680
Capital expenditure and net lending	17,310	11,580	9,490	10,220	9,740
Overall surplus/deficit (-)	-12,580	-5,740	-1,160	7,980	6,970
Financing					
Foreign grants	12,580	5,740	1,160	-7,980	-6,970
Foreign borrowing (net)	3,720	2,550	2,750	3,280	1,300
Domestic borrowing (net)	290	3,020	160	-1,130	-2,320
Exceptional Financing	2,960	-1,500	-7,210	-15,810	-11,440
Of which	5,610	1,660	5,460	5,680	5,500
Change in external arrears	-19,950	-2,460	2,110	-710	2,870
External debt relief	25,280	4,100	2,070	6,380	2,630

Mauritania: Basic Data

	1993	1994	1995	1996	1997
	(In percent of GDP)				
Revenue, excluding grants	25.8	23.2	24	29.8	26.9
Current expenditure	20.4	18.0	17.8	17.5	16.6
Capital expenditure and net lending	15.2	9.1	6.8	6.8	5.9
Overall balance	-11.0	-4.5	-0.8	5.3	4.2
Primary balance	-6.9	-1.6	2.4	8.6	7.1
	(In millions of ouguiyas)				
Money and Credit (end-year)					
Foreign assets (net)	-30,273	-32,701	-24,616	-11,153	-2,162
Domestic assets (net)	57,846	60,129	50,635	35,856	28,842
Claims on government (net)	11,159	9,289	1,351	-14,421	-25,419
Claims on the economy	41,816	43,190	31,526	35,498	38,411
Money and quasi-money	27,573	27,428	26,019	24,703	26,680
	(In percent of GDP)				
Balance of Payments					
Current account balance					
Excluding official transfers	-21.2	-7.3	-10.9	-12.9	-8.8
Including official transfers	-9.9	0.7	-5.4	-2.4	-0.1
	(In millions of SDRs)				
Exports (f.o.b)	286	275	325	334	300
Imports (f.o.b)	269	212	261	278	258
Services	-160	-131	-160	-181	-151
Transfers	75	67	68	120	109
<i>Of which</i>					
private	-1	10	20	27	39
Current account (excluding transfers)	-143	-52	-77	-97	-70
Current account (including transfers)	-67	5	-38	-18	0
Overall balance	-19	-10	-31	-8	-10
Gross official reserves	37	31	61	103	146
	(In percent of exports of goods and services)				
Debt service ratio (before debt relief)	44.3	31.2	26.9	30.9	37.0
Debt service ratio (after debt relief)	30.4	28.0	22.2	22.3	29.4
Exchange rate (period average)					
Ouguiyas per SDR	168.6	176.9	196.8	199.2	208.9
Ouguiyas per U.S. dollar	120.8	123.6	129.8	137.2	151.9

Source: Mauritanian authorities and staff estimates.

I. INTRODUCTION AND SUMMARY

1. Mauritania, with a land area of approximately 1 million square kilometers, is physically one of the largest countries in Africa, but most of its land is classified as desert. The population of Mauritania was traditionally nomadic, with the exception of the segment living along the Senegal river valley. However, today it is overwhelmingly sedentary, as much of the nomads migrated to cities, particularly since the severe droughts of the late 1970s. In 1998, it was estimated that almost half of the population of 2.5 million lived in urban areas, primarily in the capital city Nouakchott. Average annual population growth is estimated at 2.9 percent which, until the early 1990s, was greater than real GDP growth.

2. The economy remains dualistic, with highly capital-intensive activities such as mining, industrial fishing, and irrigated agriculture contrasting sharply with the traditional subsistence sector centered around livestock and artisanal fishing. While real GDP per capita has grown in ouguiya terms over the 1990s, it remains somewhat lower than the average for sub-Saharan African countries. The export base is particularly narrow, with two products, iron ore and fish, accounting for almost all exports. Mauritania is heavily reliant on these proceeds since many basic consumption commodities and essential intermediate inputs are imported, and the economy is highly vulnerable to external shocks, as evidenced by the crises which have affected the fisheries sector in the 1990s. Moreover, Mauritania's total external public debt is very high, exceeding 200 percent of GDP at end-1997.

3. Supported by a three-year ESAF arrangement, IDA operations, and significant financial and technical assistance from other donors, Mauritania continued its ambitious program of economic reforms over the period 1995-97. This aimed at further consolidating the progress achieved since 1992 toward stabilization and liberalization of the economy, increasing private sector involvement in economic activity, and strengthening market-based institutions. Steps were taken to liberalize and simplify the trade regime and the foreign exchange system. Important public services, such as customs administration and tax collection, were strengthened and their administrative procedures simplified. Despite this progress, further reform is required in many areas of the Mauritanian economy. Some financial markets, particularly the foreign exchange market, continued to exhibit functional deficiencies. Some markets in the real sector remained characterized by limited competition. A limited amount of economic diversification took place, in part due to inadequacies in the legal and regulatory framework supporting private investment. The state's involvement in economic activity remained high, with the government retaining control over the largest public enterprises. In addition, substantial distortions in the tax system and external tariff persisted through most of the period under review.

4. The government exercised firm control over public expenditures and ran a fiscal surplus in both 1996 and 1997. The decline in broad money in 1995-96 was reversed in 1997, reflecting increased confidence in ouguiya-denominated assets, in part due to the implementation of financial market reforms. To guard against the above-mentioned external vulnerabilities, the central bank was able over the 1995-97 period to significantly increase

official reserves from the equivalent of 1.8 to 4.5 months of imports of goods and nonfactor services at the end of 1997. This was partly the result of significantly increased receipts from the new fisheries agreement with the European Union (EU) signed in 1996.

5. These policies and reforms resulted in sustained GDP growth, which averaged 4.6 percent annually over 1995–97, i.e., 1.8 percent in real per capita income growth, and contained inflation to an average of 5.2 percent over the same period. Although major social sector challenges remain, increased expenditures in the areas of poverty alleviation, and primary health care and education led to an improvement in several social sector indicators. Notably, the proportion of the population below the poverty line declined as did infant mortality, while gross primary enrollment for both males and females increased from 48 percent in 1990 to 86 percent in 1996.

6. This paper provides background information to the 1998 Article IV staff report. Developments in the real sector are discussed in Section II. This is followed by a discussion of fiscal developments in Section III, of the monetary and financial sector in Section IV, and of the external sector in Section V. The appendices contain, respectively, charts of key economic indicators, the statistical tables, a list of public enterprises, and a summary of the tax system.

II. REAL SECTOR

A. Overall developments

7. Over the three years from 1995 to 1997, real GDP grew on average by 4.7 percent annually (Table 4). With a population growth rate estimated at 2.9 percent per year, this entailed an annual growth rate in per capita income of 1.8 percent.¹ Nevertheless, the sharp fluctuations in sectoral output, particularly in fishing and agriculture, which have characterized the Mauritanian economy in the past, remained. The ability of the economy to maintain relatively steady growth during this period is in part due to the fact that shocks in these sectors never coincided. For example, the impact of the drought in 1996–97, which caused agricultural output to fall by 44.8 percent, was mitigated by a strong performance in the fisheries sector in 1996. Similarly, the sharp decline in the total fish catch in 1997 was partially offset by higher agricultural output. The growth of GDP over the period was primarily driven by growth in domestic activities such as transport and communications (Table 5).

8. On the expenditure side, the investment to GDP ratio increased from 14.5 percent in 1994 to 17.5 percent in 1997 (Table 7). Consumption, which averaged 92.2 percent of GDP over the three years, is estimated to have remained fairly constant. Both imports and exports of goods and nonfactor services increased sharply in 1995 to 59.3 percent of GDP and

¹These estimates should, however, be taken with caution given the major weaknesses that persist in Mauritania's statistical database, particularly as regards the national accounts.

50.5 percent of GDP, respectively, from 45.6 and 42.1, respectively, in 1994. Thereafter, they both declined steadily to 48.6 percent of GDP and 38.6 percent of GDP, respectively, in 1997. As a result, net exports of goods and nonfactor services remained fairly constant as a share of GDP, averaging -9.7 percent. The decline in the export to GDP ratio was due to lower growth of iron-ore production after the step increase in 1994-95, as well as to the decline in fisheries sector output in 1997. After being positive in 1994, the savings-investment balance became negative again in 1995. However, the difference fell steadily over the period from 5.4 percent of GDP in 1995 to 0.1 percent of GDP in 1997. This reflected the increase in net official transfers from 9.4 percent of GDP in 1994 to 13.6 percent of GDP in 1997 due to the 1996 fishing agreement with the EU (below). National savings also increased over the period from 15.2 percent of GDP in 1994 to 17.4 percent of GDP in 1997. The government became a net saver in 1995, and its savings increased from 3 percent of GDP in that year to 8 percent of GDP in 1997.

B. Sectoral Developments

9. The structure of Mauritania's real GDP did not change significantly over the three-year period (Table 5). The primary sector, which consists of agriculture, livestock breeding, and artisanal fishing, accounted for about 20.6 percent of GDP in 1994 and 20.8 percent of GDP in 1997. The secondary sector, comprised of mining, manufacturing and handicrafts, and construction and public works, declined slightly as a percentage of GDP from 28.5 percent in 1994 to 26.7 percent in 1997. The tertiary sector grew slightly from 41.5 percent of GDP in 1994 to 43.8 percent of GDP in 1997. The commerce, transport, and communications sectors accounted for most of this growth, their share of GDP having grown over the period by 1.2 percent and 1.7 percent, respectively. By 1997, public administration was no longer the largest component of the tertiary sector, having declined by 0.9 percent of GDP over the period 1994-97 to 14.8 percent of GDP.

Agriculture and livestock

Agriculture

10. Only a very small portion of Mauritania is arable land. Less than 0.1 percent of the total surface area is under cultivation at any given time, although the area available for livestock breeding is somewhat larger. Crop farming is concentrated along the Senegal River valley. Predominant are the traditional dryland crops of millet and sorghum, which on average accounted for 90 percent of the total area of cereals under cultivation (Table 8). These crops rely on seasonal rains for water, while other crops such as rice and maize are grown mainly under irrigation.

11. A natural hindrance to agricultural development has been the recurrence of droughts. In the last five years there have been two droughts, one in the 1992/93 agricultural season²

²The crop year usually ends in June. The main harvest takes place at the end of the first

(continued...)

and the other in the 1996/97 season, both resulting in sharp falls in the production of millet and sorghum (Table 8). In the three intervening seasons, however, rainfall was abundant, resulting in high levels of production of these crops, and increases in the total acreage under cultivation. By contrast, irrigated rice production was less volatile over the period. A second hindrance to agricultural development, which has slowed attempts to diversify the crops grown in Mauritania, has been the lack of adequate transportation facilities.

12. Over the 1995–97 period, the Mauritanian government continued to reduce its involvement in the determination of agricultural prices. By end-1997, virtually all price controls had been eliminated. The activities of two main public agencies that were charged with the marketing and distribution of foodstuffs, SONIMEX and CSA, were further streamlined.^{3 4}

13. As of end-1997, several problems remained in this sector. The drought in 1996–97 accelerated the rate of abandonment of land cultivation among those farmers with small land holdings, as evidenced by the drop in the area under cultivation in that agricultural season. In addition, in order to encourage rice production, the government continued to maintain a high degree of external protection of this activity, whereby the highest tariff rate was applied to imported rice.⁵ Moreover, the wholesale price for domestic rice was set through an informal agreement among market participants. This resulted in an inefficient allocation of resources toward domestic rice production which, inter alia, contributed to the lack of greater crop diversification.

14. The current strategy of the government is to curb the rate of abandonment of land cultivation by smallholder farmers, and thereby reduce urban migration, by raising agricultural productivity. Through its Integrated Development Programme for Irrigated Agriculture

²(...continued)

cropping season, usually before the end of December.

³The monopoly held by the public sector agency SONIMEX for the import of certain foodstuffs was gradually removed between 1990 and 1993 and many private enterprises began to import agricultural products. As a result, SONIMEX had difficulties competing, and, over the period 1993–97, the number of items imported by SONIMEX fell from 5 to 1.

⁴In the early 1990s, CSA's activities were reoriented away from the marketing of foodstuffs, primarily rice, toward their free distribution. The CSA incurred a large operating loss in 1997 (Table 10), which was due to a higher than average level of intervention, a reduction in the coverage of operating costs given by donors, and delays in the receipt of assistance from certain donors. The loss was covered by increased borrowing by the CSA and a reduction in its cash reserves. A restructuring plan has been agreed between the EU and the authorities.

⁵However, as part of the trade reform, the maximum tariff rate was reduced in 1998 and will be reduced again in 1999 (Section V).

(PDIAIM), expected to be financed by an IDA loan of about US\$19 million, the government hopes to increase agricultural value added and rural incomes by an average of 7 percent annually when the program becomes fully operational from 2001. To attain the envisaged growth rate, the program plans to: (i) increase the area under irrigation; (ii) diversify the production base into more valuable and potentially exportable crops like fruits and vegetables; (iii) improve the linkages with livestock production through the use of agricultural byproducts such as animal feed; (iv) increase the availability of credit facilities beyond rice production; and (v) improve the delivery of extension services to farmers.

Livestock

15. Given Mauritania's nomadic heritage, livestock production remains an important source of income and employment. It is estimated to account for about 16 percent of GDP, although the data available for this sector are limited.⁶ All three of the main herds—cattle, sheep and goats, and camels—are estimated to have grown over the three years, particularly cattle (Table 11). Potential for development of the sector remains, for example through increased milk and meat production. To encourage further development the government, within the context of the PDIAIM, is taking steps to: (i) increase the delivery of veterinary services; (ii) encourage rational use of grazing lands and watering holes; and (iii) develop forward and backward linkages with the rest of the economy.

Fishing

16. Fishing grounds are one of Mauritania's richest resources. On average over 1995–97, fishing accounted for about 14 percent of GDP and over 50 percent of total exports.⁷ The declared catch averaged 460 thousand metric tons over the three years, while exports of fish averaged 210 thousand metric tons (Table 12). Although pelagic fish on average accounted for 73 percent of the total tonnage of fish exports, cephalopods were the most important export in terms of value, having accounted for 58 percent of the value of fish exports on average in each of the three years (Table 13).⁸ There are two types of operators in the sector, artisanal and industrial, with the latter having accounted for 96 percent of the total declared catch (in tonnage) on average over 1995–97.

⁶In addition, the size of this sector may be underestimated due to the possibility that a significant amount of trade in livestock with neighboring countries is unrecorded in official statistics.

⁷In 1997, as a result of the drop in fish exports, iron ore overtook fisheries as Mauritania's primary export. However, fish exports are still the main source of foreign exchange due to the royalties and license fees received by the government from an agreement with the EU, and to the fact that a significant proportion of iron ore export receipts is retained outside the country.

⁸However, as noted below, the volume of cephalopods exported has declined significantly over the three years.

17. Mauritania experienced a fisheries crisis in 1994 with output in the sector dropping dramatically. The reported catch fell by 36 percent in volume and exports of fish were down 37 percent in volume from the previous year. In response to the crisis, from 1995 to 1997, the government adopted many reforms in an effort to manage this resource in a more efficient and sustainable manner. The reforms included: (i) the introduction in 1996 of an annual two-month ban (September–October) on most fishing activities;⁹ (ii) a reform in the taxation of the sector (Section III); (iii) a reduction in the government's involvement in the marketing of the sector's output;¹⁰ (iv) the strengthening of the Centre National de Recherche Océanographique et de Pêche (CNROP) research activities; and (v) efforts to better enforce regulation and monitor effective fishing activities.¹¹ Perhaps the most important reform, however, was the decision to open deep-sea fishing to foreign operators through the signing of an agreement with the EU in November 1995.¹² In 1996, the government signed a new five-year fishing agreement with the EU in which the license fee component was substantially increased to an average of about ECU 53.4 million annually.¹³

18. Though initial results were encouraging, the sector was hit by another crisis in 1997–98. Following increases in the tonnage of fish both caught and exported in 1995 and 1996, the sector experienced another crisis in 1997. Again, the volumes of fish caught and exported dropped dramatically, this time by 30 percent and 46 percent, respectively. Moreover, the economic consequences of the 1997 fall were compounded in 1998 by a fall in international prices for some species, particularly high-valued cephalopods, due in part to a fall in Asian demand.

⁹Except for artisanal fishing for domestic consumption.

¹⁰For example, the government reduced its stake in the ownership of the marketing agency, Société Mauritanienne de Commercialisation du Poisson (SMCP), to 35 percent.

¹¹The number of licenses was to be dependent on estimates of fish stock conducted by the CNROP.

¹²Prior to about 1983, licenses to fish in Mauritanian waters were issued on a vessel-by-vessel basis. A period followed in which licenses were withdrawn. Subsequently, the EU and other foreign countries negotiated licenses on a species-by-species, vessel-by-vessel basis for flag vessels of their countries to fish in Mauritanian waters. In addition, individual vessels paid a fee to fish based on the vessel's Gross Registered Tonnage. Four agreements have been signed so far with the EU in 1989, 1991, 1995, and 1996. The 1995 agreement marked the opening of deep-sea fishing to European vessels, but in 1996 new catchable species were added and a larger number of vessels was allowed to fish in Mauritanian waters.

¹³This is the average amount. The actual amounts are scheduled to decline gradually from ECU 55.2 million in 1996 to ECU 51.6 million in 2000. It is expected that this decline will be partially offset by increases in the cost charged to individual vessels for licenses as well as in the number of vessels.

19. While climatic or biological factors may have had a role in the drop in catches in 1997–98, there was a strong concern that this crisis was primarily due to overfishing, with the latter partially resulting from the lack of sustained implementation of some of the reforms. In particular, the CNROP was not given adequate financial support, forcing it to suspend its research program. As a result, the number of licenses issued over the 1995–97 period bore little relation to the size of the fish stock. To curtail overfishing, the government froze in late 1997 the number of licenses issued. Similarly, funding of the directorate of the ministry of the fisheries in charge of monitoring fishing activities and control vessels was insufficient. However, there were instances where controls on the number of fishing vessels were not enforced, again largely due to a shortage of resources.

20. In the wake of the 1997 crisis, the government reviewed its sectoral policy and convened a round table conference with major donors in June 1998. The meeting endorsed an emergency action plan with the following main objectives: (i) to deepen knowledge of available resources through a major increase in research efforts; (ii) to reinforce the surveillance and prevention of illegal fishing; and (iii) to protect the marine environment. To these ends, in 1998 the government increased the amount of financial resources made available to the CNROP which enabled it to resume its research activities. New boats and radar equipment were acquired in order to improve surveillance. From June 1998, donors meet on a quarterly basis with the Mauritanian authorities to monitor activities in this sector.

Mining

21. The mining sector in Mauritania remains dominated by iron ore mining, which is undertaken only by the state-owned corporation, Société Nationale Industrielle et Minière (SNIM).¹⁴ Over the period 1995–97, iron ore mining continued to average about 12 percent of GDP and about 50 percent of exports.¹⁵ SNIM is by far the largest nongovernment employer, employing about 4,450 people in 1997.¹⁶ Annual production rose sharply in 1994 to 11.4 million tons from 9.2 million tons in 1993 mainly on account of new production at the Mhaoudat site (Table 15). Between 1995 and 1997, production rose modestly to 11.7 million tons. However, the improvement in iron ore prices, coupled with large investments and restructuring efforts, has dramatically increased productivity and profitability. All the minimum financial requirements that were set by creditors during the period of SNIM's

¹⁴The government owns 78.35 percent of SNIM, foreign shareholders 21.51 percent, and domestic shareholders 0.14 percent.

¹⁵Over the three years, iron ore increased from 41.5 percent of exports to 52.4 percent, becoming the largest export in 1997.

¹⁶In comparison, according to official statistics, the civil service had 22,433 employees in 1997.

financial difficulties in the late 1980s and early 1990s are expected to have been met by end-1998, and profit for that year is expected to be about US\$30 million. As a result, it is expected that SNIM will resume dividend payments in 1999.

22. A large private investment at the inactive Akjoujt mine, scheduled to begin in 1997, was postponed indefinitely due to lack of financial backing against the background of weak metal prices (copper, gold, and cobalt) on the international market. Prospecting for new gold mines and other minerals like gypsum was quite active, and traces of alluvial diamond deposits were discovered in 1998.

Manufacturing activities

23. The manufacturing sector (including handicrafts), which represents about 10 percent of GDP, grew by 9.2 percent over the three years 1995–97. Most of the activity in this sector continues to be the processing of fish. However, much of the growth over the period was due to developments in other activities, particularly the production of electricity. In addition, SNIM invested in its subsidiaries involved in the production of : (i) iron bars for construction; (ii) plaster; and (iii) carved stone. These products began to be exported during the period; exports in the order of US\$5 million could be attained.

24. Nevertheless, industrial development in Mauritania remained hampered by inadequate infrastructure, in particular an underdeveloped road network, and a lack of skilled labor. The National Commission for Investment (NCI), which approves investments under the investment code,¹⁷ approved investments totaling about UM 18.6 billion during the period 1995–96, with about 875 job creations expected. However, there is little information as to how much investment actually has taken place.

Tourism

25. According to many observers, tourism represents the most potentially dynamic sector of the economy.¹⁸ However, as of the end of 1997, only a few limited efforts had been undertaken in the sector, most notably by SNIM which, through its subsidiary SOMACERT, redeveloped several hotels and began to organize package tours of the Mauritanian desert for

¹⁷The current code was enacted in 1989. It is currently being revised, with the assistance of the World Bank, in order to make it more transparent and better integrated with the rest of the tax code.

¹⁸Inquiries at the investor information center, the Centre d'Information Mauritanien pour le Développement Economique et Technique (CIMDET), show that more than 70 percent of potential investors were interested in the sector in 1997.

European tourists.¹⁹ The infrastructure to cater for tourists is still poor and therefore most of Mauritania's tourist potential remains untapped. Nevertheless, the amount of investment in this sector that was approved by NCI in 1997 was UM 1.7 billion.

The public enterprise sector

26. In 1995, the government embarked upon an intensive restructuring program for the public enterprise sector. Over the three years 1995–97, it privatized or liquidated many of the public enterprises that were in existence in 1994. At end-1997, there were about 33 public enterprises involved in commercial activities (Appendix I). Among them, 24 were majority owned.²⁰

27. In addition to reducing the number of public enterprises, all the major enterprises which remained under public ownership, notably SNIM, SONELEC, and OPT, were restructured following a program supported by the World Bank. The efficiency and profitability of most of the remaining public enterprises greatly improved over the three years. Despite the reduction in the number of public enterprises, total profits (Table 17) for the sector increased from UM 1,863 million in 1994 to UM 4,339 million in 1997. The improved performance is due to increased productivity as a result of significant investments undertaken by the three major public enterprises, SNIM, SONELEC, and OPT, which together contribute to about 90 percent of total value added of the sector. During the period 1995–97, annual increases in productivity averaged 18.6 percent at SONELEC, 15.3 percent at SNIM, and 20 percent at OPT. At the same time, average wage increases were kept below inflation. This improvement in the efficiency of public enterprises meant that the sector's contribution to GDP remained roughly constant over the period 1995–97, averaging 16.8 percent of GDP. During the same period, the sector employed about 7,580 people.

28. One public enterprise that remained in public hands over the period 1995–97 ran into major financial difficulties in 1997, Air Mauritanie. As a result of its losses, the government appointed a temporary administrator for the company in May 1998; he is responsible for improving the company's operations and balance sheet in preparation for its privatization. In 1998 the administrator implemented several measures including: (i) the return of the two aircraft purchased in 1996 to their manufacturer;²¹ (ii) a reduction in the number of employees and the wage bill by about 30 percent by end-October 1998; and (iii) an increase in domestic and international fares of about 23 percent and 20 percent, respectively.

¹⁹About 4,000–5,000 tourists per year were catered for by SOMACERT in the past two years.

²⁰Including through holdings by other public enterprises.

²¹The manufacturer's remaining financial claim relating to the refurbishing cost of the two planes was, however, not settled by end-1998.

C. Prices, Wages, and Employment

Prices

29. By 1997, virtually all consumer and producer prices had been liberalized under successive adjustment programs. The only controlled prices which remained were: (i) utility prices (water, electricity, and telecommunications); (ii) airline prices; and (iii) petroleum prices. Regarding the latter, the government introduced a new pricing policy in September 1998, in which the government-set pricing schedule would be updated on a monthly basis. Domestic prices will therefore respond more quickly to developments in international prices and to changes in the exchange rate.

30. According to the official consumer price index (CPI), which is calculated only for low-income households in the capital city, inflation has shown a downward trend between 1995 and 1997, moving from 6.5 percent to 4.5 percent (Table 26). Preliminary data show that inflation picked up in 1998 reflecting, in part, the pass-through effects of the depreciation of the ouguiya in both 1997 and 1998, and the one-off increase in the prices of some imported goods owing to the strengthening of customs administration (below). As of end-September 1998, the 12-month average inflation rate was 7.1 percent. However, the current CPI probably underestimates the inflation rate because of various technical and methodological difficulties.²²

Wages

31. The minimum wage for industry and agriculture is determined by the government, while wage rates in public enterprises and the formal private sector are set through collective bargaining. The statutory minimum wage has remained unchanged at UM 42.83/hour since 1993. However, the government increased the lowest salaries by up to 15 percent within the context of the 1998 budget law,²³ the first such increase since 1992 (Table 27). Given the leading role played by government salaries, public enterprises and the formal private sector and trade unions agreed at end-August 1998 to an increase of up to 15 percent for low salaries.²⁴

²²There are three main weaknesses in the calculation of the CPI: (i) limited breadth of coverage, both geographically and in the range of commodity prices; (ii) lack of some data for certain commodities; and (iii) the use of an ad hoc weighting scheme.

²³Effectively increasing the overall wage bill by about 4 percent for the year 1998.

²⁴In some cases, this was applied across the board in order to avoid distortions in the salary structure.

Employment

32. There are no formal employment statistics published regularly in Mauritania. However, according to a recent study²⁵ based on a survey conducted in 1995, the unemployment rate was estimated at 26 percent of an active population of 678,000. The unemployment rate varies according to gender (36 percent of women are unemployed against 22 percent among men) and according to geographical location (32 percent in urban areas, 24 percent in rural areas with sedentary agriculture, and 15 percent among nomadic pastoralists). The situation is particularly critical in the fast growing cities of Nouakchott and Nouadhibou, whose active population is growing at rates of 7.8 percent and 8.8 percent, respectively.

33. It is estimated that in order to maintain the unemployment rate at 1995 levels, the economy needs to generate about 16,300 jobs per year on average up to the year 2000. Partial evidence shows that the number of jobs created per year is less than 10,000, and this is mainly in the informal sector.

III. GOVERNMENT FINANCE

A. Structure of the Nonfinancial Public Sector

34. The nonfinancial public sector in Mauritania consists of the central government, decentralized agencies, local governments and a number of nonfinancial public enterprises. The central government includes the Presidency, the National Assembly, the Senate, the Islamic Council, the Constitutional Council, the General Accounting Office, the Supreme Court, 18 ministries and four State Secretaries. In addition, there are a number of administrative government agencies which deal with economic and social activities and which have their own budgets.²⁶ Local governments include 208 municipalities, for which no aggregate financial information is available. Also included are public enterprises, which accounted for about 17.5 percent of total value added in 1997 (Section II and Table 17).

35. In this report, the consolidated financial operations of the government refer to the central government budget and extrabudgetary operations. The central government budget has two components: the general budget and the special accounts. The general budget provides for both current operations and the share of capital operations that are directly financed by the Treasury. The special accounts are extrabudgetary accounts created by law or executive order in which earmarked receipts are recorded for the purpose of financing specific expenditures.

²⁵Ministère de la Fonction Publique, du Travail, de la Jeunesse et des Sports, "L'emploi en Mauritanie: un état des lieux", September 1998.

²⁶Etablissements Publics Administratifs (EPA). Despite having their own budgets, some of them are highly dependent on transfers from the central government.

In 1997 there were 24 special accounts, with one of them, the Development Support Fund (FSD), accounting for 23 percent of their total revenue. The special accounts represented less than 1 percent of total government revenue in 1997.

36. Extrabudgetary operations consist mainly of investment and restructuring expenditures that are financed by external loans and grants and that are not recorded in the treasury accounts. These operations may take place either abroad, with lenders and donors paying suppliers and Mauritania receiving imported goods, or domestically through an account at the central bank.

37. The budget preparation and execution is split up between the Ministry of Finance and the Ministry of Economic Affairs and Development, the former being responsible for the current budget and the special accounts, and the latter for the investment budget.²⁷ Mauritania's budget year coincides with the calendar year. The complementary period ends in mid-January of the following year. Revenues are recorded on a cash or check deposit basis, while expenditures are on a payment order basis, with the exception of interest payments on external debt and foreign financed capital expenditure (below), which are recorded on a commitment basis.

B. Overview of Budgetary Trends

38. The budget policies that were followed over the period 1995–97 were formulated in the context of the 1995 Policy Framework Paper.²⁸ Their aim was to consolidate macroeconomic stability, while enhancing private sector-led growth and reducing poverty. To this end, the government's objectives were: (i) to balance its budget over the 1995–97 period through the stabilization of total revenue at about 26 percent of GDP and the reduction of expenditure to about the same level; and (ii) to increase expenditure in basic infrastructure and social sectors.

39. Overall, fiscal developments recorded an even stronger consolidation, with the fiscal balance shifting from a deficit of 4.5 percent of GDP in 1994 to a surplus of 5.6 percent of GDP and 4.2 percent of GDP in 1996 and 1997, respectively.²⁹ This was the result of two

²⁷In addition, the Ministry of Economic Affairs and Development prepares the annexed budgets, which cover the EPA.

²⁸EBD/95/7.

²⁹In 1998, the fiscal performance deteriorated mainly on account of the fisheries sector crises and instances of expenditure overruns. In the second half of 1998, the Parliament approved a Supplementary Budget Law that lowered the targeted fiscal surplus for 1998 at 2.8 percent of GDP.

main factors: (i) the surge in fish license fees since 1996 (Section II); and (ii) the authorities' decision to sterilize a large fraction of these fees to support the exchange rate policy and contribute to the accumulation of a sizable amount of official reserves.

C. Revenue Developments

40. Government revenues in Mauritania averaged about 26.9 percent of GDP during 1995–97 (Table 1). Revenue developments were characterized by a peak, in 1996, due to the surge in fish license fees. As a result, the dependence of budgetary revenue on the fisheries sector increased from 10.4 percent in 1995 to 32 percent in 1997³⁰ and, consequently, the composition of revenue has changed in favor of nontax sources, which accounted for 40 percent of total revenue in 1997, compared with 28 percent in 1995.

41. Over the period 1995–97, the ratio of tax revenue to GDP averaged about 16.7 percent, which compared favorably with other African countries. However, it decreased by about one percentage point between 1994 and 1997. In addition, there was a significant shift in the relative importance of various tax categories (Table 1 and Chart 2). In 1997, revenue from taxes on goods and services accounted for 45 percent of total revenue (compared with 17 percent in 1994), and revenue from taxes on international trade accounted for 21 percent (compared with 46 percent in 1994).

42. Revenue from direct taxes decreased slightly between 1995 and 1997 to reach one-third of total tax revenue in 1997. This decline reflected a lack of compliance, particularly for the personal income tax, limited administrative capacity to enforce tax laws, and generous tax exemptions. In Mauritania, the personal income tax is designed on a schedular basis to which a global tax has been added since 1986. The system, which imposes “double taxation” of income and is highly progressive, resulted in a low level of compliance by taxpayers. In addition, generous tax exemptions were granted to numerous large public enterprises, either as part of restructuring contracts (SONELEC, OPT, PAN, PANPA), or in the context of specific tax agreements (SNIM).³¹ Private enterprises were also exempted or subject to lower tax rates if their activities satisfied the requirements of the investment code.

³⁰These percentages reflect the share of fishing royalties in total revenue; the contribution of the fisheries sector to tax revenue is negligible.

³¹In 1979, the government signed an “Establishment Convention” that defined the conditions of mineral resources exploitation by SNIM for the period 1979–98. The convention granted SNIM exemptions from all: (i) import duties; (ii) export taxes; (iii) all direct and indirect domestic taxes; and (iv) all taxes on dividends distributed to nonresidents. Following the exchange rate depreciation of 1992, the tax regime was modified and SNIM was subject to: (i) a profit tax; (ii) a transfer of UM 80 per ton of iron ore exported; and (iii) a lump sum payment of UM 50 million per year. However, the total of the above three taxes could not exceed 10 percent of the company’s turnover. Finally, in 1996, the profit tax and the transfer were substituted with a sales tax equivalent to 10 percent of the company’s turnover.

Table 1. Mauritania: Consolidated Government Revenue, 1993-97

	1993	1994	1995	1996	1997
	(In percent of GDP)				
Total revenue 1/	25.8	23.2	24.0	29.8	26.9
Tax revenue	19.1	17.9	17.0	17.5	15.6
Tax on income and profits	6.5	5.8	5.9	4.9	5.0
Other direct taxes	0.3	0.2	0.2	0.2	0.2
Taxes on goods and services	3.0	3.7	5.4	7.3	7.1
Taxes on international trade	9.2	8.0	5.4	4.9	3.2
Other tax revenue	0.1	0.2	0.1	0.1	0.1
Non tax revenue	5.3	4.9	6.7	12.1	11.2
Fishing licenses and royalties	1.6	1.5	2.5	9.4	8.6
Other non tax revenue	3.7	3.5	4.2	2.8	2.6
Special accounts	0.5	0.4	0.3	0.2	0.2
	(In percent of total revenue)				
Tax revenue	74.0	77.1	71.0	58.7	57.9
Tax on income and profits	25.2	25.1	24.6	16.6	18.5
Other direct taxes	1.0	0.9	0.8	0.7	0.8
Taxes on goods and services	11.8	16.0	22.6	24.4	26.3
Taxes on international trade	35.5	34.4	22.5	16.6	12.0
Other tax revenue	0.5	0.7	0.5	0.4	0.3
Non tax revenue	20.6	21.3	27.8	40.8	41.5
Fishing licenses and royalties	6.2	6.4	10.4	31.4	32.0
Other non tax revenue	14.4	14.9	17.4	9.4	9.5
Special accounts	2.1	1.6	1.3	0.5	0.6
	(In percent of tax revenue)				
Tax on income and profits	34.0	32.5	34.6	28.3	31.9
Other direct taxes	1.3	1.2	1.1	1.2	1.4
Taxes on goods and services	15.9	20.8	31.9	41.6	45.4
Taxes on international trade	48.1	44.6	31.7	28.3	20.8
Other tax revenue	0.6	0.9	0.7	0.6	0.6

Source: Mauritanian authorities.

1/ Total revenue for 1992-93 has been adjusted for uncashed checks.

43. Taxes on domestic goods and services rose from an average of 18 percent of total tax revenue in 1992–94 to 40 percent in 1995–97. This resulted from three main factors: (i) a reform of the system of indirect taxation with the introduction in 1995 of a Value Added Tax (VAT);³² (ii) the implementation of a 10 percent tax for SNIM's turnover in 1996; and (iii) an increase in excise tax revenue due to higher rates on petroleum products, sugar, tobacco, and cement. However, VAT receipts as a share of GDP, which were expected to increase over the period, remained almost constant at about 3 percent mainly because of difficulties in administering this tax.³³

44. Following the sharp increase in 1993, due to the full-year impact of the 1992 exchange rate depreciation, international trade taxes declined by about five percentage points of GDP to 3.3 percent in 1997. This decline mainly reflected the introduction of two policy measures: (i) the change in the taxation of the fisheries sector (below); and (ii) the implementation in 1997 of the first phase of a trade reform under which the maximum combined rate was reduced from 148 percent to 35 percent (Section V). To compensate for the revenue loss stemming from the implementation of the tariff reform, several tax measures were introduced, including: (i) the broadening of the VAT base to include the statistical tax and the consumption tax; (ii) the increase/introduction of a consumption tax for several products; and (iii) the elimination of some tax exemptions.

45. In Mauritania, nontax revenue is comprised of four main categories: (i) fishing royalties and licenses; (ii) transfers of profits and dividends by public enterprises and the central bank; (iii) debt service payments by public enterprises for loans contracted by the government and onlent to public enterprises (*dette r troced e*); and (iv) revenue from the FSD.³⁴ Nontax revenue rose from an average of 5.8 percent of GDP in 1994–95 to an average of 11.7 percent of GDP in 1996–97 reflecting the sharp increase in fishing royalties and licenses, which represented 77 percent of total nontax revenue in 1997 compared with 30 percent in 1994. This surge resulted from the opening of deep-sea fishing to European

³²The VAT has replaced turnover taxes. Two rates apply: a normal rate of 14 percent, and a reduced rate of 5 percent applied to medicines, some food staples and intermediate goods. In addition, exports are taxed at zero percent.

³³In particular, until 1998, the responsibility for collecting domestic VAT was entrusted to the Treasury, while the administration of the tax system was the responsibility of the General Directorate of Taxes. This separation resulted in limited control over collection and long delays in taking action against tax evasion.

³⁴This fund consists of the difference between the retail price of petroleum products and the price computed through the application of the petroleum price structure. A share of 80 percent of this difference is paid to the budget; the remaining 20 percent constitutes the revenue of the special account.

vessels (above) and a reform of the taxation of the fisheries sector. Concerning the latter measure, in September 1994 the government decided to reform the taxation of the fisheries sector over a period of three years. With the aim of discouraging nonefficient producers, the system of export taxes was replaced with a license and access rights system for industrial fishing, and by a territorial fee system for artisanal fishing.

46. Over the period, progress was made in reinforcing tax administration and collection, including an improvement in the quality of tax assessment and in the implementation of tax audits, in particular for the VAT. Similarly, customs administration was strengthened, in particular through improved accountability of civil servants and increases in staff and resources.

D. Expenditure Developments

47. Expenditures decreased steadily as a share of GDP from 24.8 percent in 1995 to 22.8 percent in 1997 (Table 2). This reduction affected both current expenditures (which fell by 1.2 percentage points of GDP), and capital expenditure, including net lending (which fell by about 1 percentage point of GDP over the same period). Within current expenditures, the shares of goods and services expenditures and of interest payments increased, while those of wages and salaries and of military expenditures declined.

48. Although they increased at an annual average rate of about 6 percent during 1995–97, wages and salaries nevertheless decreased as a percentage of GDP from 5.3 percent in 1994 to 4.8 percent in 1997. Containment in the growth of the wage bill resulted from two main factors. First, no general wage increase was granted over the period; second, civil service recruitment was limited to the health and education sectors, which at end-1997 accounted for 67 percent of total civil servants (Table 28).

49. Outlays for subsidies and transfers declined slightly as a share of GDP due to the elimination of current transfers to public enterprises. As of 1997, these expenditures consisted of transfers to a number of EPA most of which were operating in the areas of education and training and research in the fisheries sector. Other components were transfers to local governments and current contributions to international organizations.

50. After a sharp increase in 1993, due to the exchange rate change, interest payments on total public debt averaged about 3.2 percent of GDP in 1995–97. Interest payments on external public debt accounted for 78 percent of the total interest payments in 1997 compared with 74 percent in 1995. This reflected the effect of the exchange rate depreciation, particularly in 1997, on debt service. Despite the deepening of the treasury bill market, the outstanding stock of domestic debt as a percent of GDP remained virtually constant over the period 1995–97 (10.8 percent in 1997).

Table 2. Mauritania: Consolidated Government Expenditures, 1993-97

	1993	1994	1995	1996	1997
	(In percent of GDP)				
Total expenditures	36.8	27.7	24.8	24.5	22.8
Current expenditures	20.4	18.0	17.8	17.5	16.6
Wages and salaries	5.6	5.3	5.0	5.0	4.8
Goods and services	5.3	4.9	5.0	4.9	4.9
Interest on public debt 1/	1.9	1.7	1.7	1.6	1.5
Current transfers	4.1	2.9	3.2	3.3	3.0
Other 2/	3.6	3.2	2.8	2.7	2.4
Capital expenditure and net lending	15.2	9.1	6.8	6.8	5.9
Fixed capital formation	5.7	5.8	5.1	5.6	5.5
Restructuring and net lending	9.5	3.3	1.8	1.2	0.3
Other 3/	1.1	0.7	0.2	0.2	0.3
	(In percent of total expenditures)				
Current expenditures	55.6	64.8	71.6	71.3	73.1
Wages and salaries	15.4	19.0	20.3	20.3	21.1
Goods and services	14.4	17.6	20.2	20.0	21.7
Interest on public debt 1/	11.1	10.4	13.0	13.4	13.0
Current transfers	5.0	6.2	6.7	6.5	6.7
Other 2/	14.7	17.7	18.1	17.7	17.2
Capital expenditure and net lending	41.3	32.9	27.6	27.8	25.7
Fixed capital formation	15.6	20.8	20.4	22.9	24.2
Restructuring and net lending	25.7	12.1	7.2	4.9	1.5
Other 3/	3.1	2.3	0.8	0.9	1.2
	(In percent of current expenditures)				
Wages and salaries	27.6	29.4	28.3	28.4	28.9
Goods and services	25.8	27.2	28.2	28.0	29.7
Interest on public debt	20.0	16.0	18.2	18.8	17.8
Current transfers	9.1	9.6	9.3	9.2	9.2
Other 2/	26.5	27.4	25.3	24.8	23.6

Source: Mauritanian authorities.

1/ Interest expenditures on external debt are recorded on a commitment basis.

2/ Includes special accounts and military expenditures.

3/ Includes unclassified expenditures and expenditures that had been disbursed using emergency procedures, which by-pass regular budget controls.

51. Capital expenditure and net lending decreased by about 1 percentage point of GDP between 1995 and 1997, due to the reduction in the latter following the completion of the commercial banks' restructuring process and an improvement in the financial position of public enterprises. Capital expenditures increased slightly from 5.1 percent of GDP in 1995 to 5.5 percent of GDP in 1997. However, the analysis of the evolution of capital expenditures is constrained by inadequate data recording. There are two main problems. First, it has been estimated that about 25 percent of the expenditures classified as capital expenditures are de facto current expenditures as they include salary payments and outlays for infrastructure maintenance.³⁵ Second, data on capital expenditures financed with external resources are provided by the Minister of Economic Affairs and Development on a commitment basis and they systematically underestimate actual disbursements as recorded by donors and by the Central Bank of Mauritania (BCM).³⁶ Foreign-financed capital expenditures represented at end-1997 about half of total capital expenditures, compared with about 70 percent in 1995. This reflected both the government's strategy of increasing over time the domestic counterpart in public investment projects as well as delays in implementing investment projects and in fulfilling conditions attached to foreign financing.

52. The share of government capital expenditures in total public capital expenditures (excluding SNIM) increased from 47 percent in 1995 to 63 percent in 1997. Throughout 1995-97, public investment³⁷ was concentrated on projects in the agricultural sector, infrastructure, education, and health, which together received more than 80 percent of public outlays. In the agricultural sector, the emphasis was on the mobilization and conservation of water resources and extension of other services to arable land. In infrastructure, the focus was on road transportation, and water and electricity supply, particularly in urban areas.

53. Data on the functional classification of expenditures are not yet available for Mauritania. However, partial information confirmed that, over the period 1995-97, military expenditures decreased by one percentage point of GDP, whereas social expenditures³⁸ remained at about 7.5 percent of GDP, thus increasing their share in total expenditures from 30 percent in 1995 to 33 percent in 1997. In addition, as part of its antipoverty plan, in 1992

³⁵To correct for this misclassification, data on government capital expenditures in Table 7 do not coincide with those presented in Table 31.

³⁶Data from the BCM record only cash disbursements, whereas those from donors include both cash and in-kind disbursements. Data are made available after long delays and the reconciliation among different sources had not been completed as of end-1998.

³⁷Referring to investment undertaken by the government, public enterprises (excluding SNIM) and public agencies. Separate data on the sectoral distribution of government capital expenditures are not available.

³⁸Referring to expenditure for education, health, and poverty reduction.

the government created the Mauritanian Agency for Public Works and Employment (AMEXTIPE), in collaboration with the World Bank and other donors. The main goal of this agency is to create employment and improve infrastructure and services in disadvantaged areas. Preliminary evidence shows that the overall impact has been encouraging. Over the period 1993–98, close to 200 projects were run, resulting in the creation of 7,000 person-years of temporary jobs.

E. Budget Financing

54. Strong fiscal consolidation, together with large foreign financing of government operations (below) resulted in a substantial fall in domestic financing. The central government moved from a debtor position vis-à-vis the banking system of UM 9.3 million (1 percent of GDP) in December 1994, to a creditor position of UM 25.4 million (15 percent of GDP) in December 1997. Nonbank domestic financing, after having increased substantially from UM 370 million in 1994 to UM 690 million in 1995, became negative, mainly reflecting the low attractiveness of ouguiya-denominated assets until late 1997.

55. Foreign financing averaged about 4.6 percent of GDP over the period 1995–97. However, it decreased from 6 percent of GDP in 1995 to 2.7 percent of GDP in 1997. This was mainly due to three factors. First, there was a limited increase in grants and loans to finance government capital expenditures, due to delays in implementing some investment projects and inadequate coordination with donors. After having increased by about 20 percent in ouguiya terms between 1995 and 1996, in 1997 foreign project financing fell back to about its 1995 level. In addition, the share of grants decreased slightly from 33 percent in 1995 to 28 percent in 1997. Second, program-related assistance fell from UM 5.6 billion in 1995 to UM 3.3 billion in 1997. Finally, the cost of debt service increased, particularly in 1997 due to the depreciation of the ouguiya.

IV. MONETARY AND FINANCIAL SECTORS

A. Developments in the Institutional Structure of the Financial System

56. Following the 1993–94 restructuring process, the financial sector entered a period of relative stability and expansion between 1995 and mid-1998. As of mid-1998, the Mauritanian banking system was comprised of the BCM, five commercial banks, one of which (BAMIS)³⁹ followed Islamic banking principles, and several specialized financial institutions. In 1993–94, the government withdrew almost entirely from the banking sector, with the privatization of three of the commercial banks⁴⁰ and the closure of the government-owned development bank

³⁹Banque Al Baraka Mauritanienne Islamique.

⁴⁰Banque Nationale de Mauritanie (BNM), Banque Mauritanienne pour le Commerce

(continued...)

(UBD).⁴¹ As of mid-1998 only one commercial bank, Chinguitty Bank, remained publicly owned, with the Mauritanian and Libyan governments each holding a 50 percent stake (Table 36).^{42 43}

57. In 1995, a fifth bank, the Générale de Banque Mauritanienne (GBM), was set up with capital of UM 500 million. It is entirely privately owned, and has significant foreign capital participation. La Belgolaise (a Belgian shareholder) and the International Finance Corporation (IFC) hold 30 percent and 5 percent of GBM's capital, respectively. While some other banks were withdrawing from the fisheries sector, GBM was entering it, allocating a large share of its loan portfolio to enterprises in that sector.⁴⁴

58. During the period 1995–97, three other financial institutions emerged whose activities provided credit to sectors of the economy with limited access to commercial bank financing (Box 1 provides a description of the main financial institutions that were created in the early 1990s).⁴⁵ A housing bank,⁴⁶ La Banque de l'Habitat de Mauritanie (BHM), started its activities at end-1997 with a capital base of UM 2 billion. Like the other commercial banks, BHM is permitted to take deposits and must observe all banking regulations. Its main objective is to facilitate the construction of a large number of housing units. It provides finance to both developers and home buyers (both must have accounts with the bank), and will

⁴⁰(...continued)

International (BMCI), and BAMIS.

⁴¹An agency, ARCB, was set up to recover the nonperforming loans of the liquidated government-owned development bank, Union des Banques de Développement (UBD). The performing loans in UBD's portfolio were allocated to various other financial institutions. ARCB was closed in 1998 and its functions were transferred to the treasury.

⁴²The Libyan government's share is held by Foreign Bank Libya, a publicly-owned Libyan bank.

⁴³In addition, the government owned 34 percent of the Nationale d'Assurances et de Réassurances (NASR) company.

⁴⁴It is estimated that, in 1998, GBM's market share in this sector was in the 50–60 percent range.

⁴⁵In addition, in 1998, the central bank granted a license for the creation of a leasing bank.

⁴⁶It is similar to a savings and loans institution in the United States, or a building society in the United Kingdom.

lend up to 300 percent of an applicant's downpayment, with maturities of up to 15 years.⁴⁷ As of mid-1998, BHM had financed the construction of 300 housing units, 100 of which had been completed.

59. The majority of BHM's capital is publicly owned. As of mid-1998, the central bank was its largest shareholder, with 27.5 percent of the capital,⁴⁸ and a further 40 percent remained held by public enterprises.⁴⁹ As of mid-1998, most of its deposits were placed by Mauritanian emigrants in Gulf countries and Europe.⁵⁰ However, in order to attract further deposits from the Muslim segment of the population that has been reluctant to participate in banking activities, BHM, with technical and financial support from the Islamic Development Bank and the Arab Fund for Economic and Social Development, is designing a banking scheme that would conform to Islamic laws (Sharia).

60. In July 1996 the BCM approved the creation of L'Union Nationale des Cooperatives de Crédit à la Pêche Artisanale (UNCOPAM) out of two smaller fishing cooperatives with a combined shareholder membership of 500. Its objective is to provide lines of credit, both short- and medium-term, to small fishing enterprises for the purchase of fishing supplies and equipment. UNCOPAM is not a deposit-taking institution, and its capital base of UM 400,000 comes mainly from L'Agence Française de Développement (AFD) and from its own shareholders. As of mid-1998, it had not yet begun its lending activities.

61. L'Agence de Promotion des Caisses Populaires d'Epargne et de Crédit (PROCAPEC) is an agency that was created in 1997 in order to increase the availability of basic financial services to, and attract savings from, low and middle income Mauritians. PROCAPEC is not a credit union itself, but rather an umbrella organization designed to foster the development of new credit unions throughout the country. In addition to providing the legal expertise needed for the creation of a new credit union, the Agency also provides training for its managers and staff, and technical assistance in areas such as accounting. Initially, the World Bank, the African Development Bank (AfDB), and the Mauritanian government were the main donors to this agency. Recently, the agency obtained additional financial support from the AfDB and the Canadian International Development Agency (CIDA) which is

⁴⁷As of mid-1998, the interest rate was 13 percent for housing developers, 9 percent for customers who have held a savings account for 5 years, and 12 percent for customers who have held a savings account for 2 years.

⁴⁸The BCM had been planning to sell its shares, but had not yet done so.

⁴⁹SNIM owns 20 percent, Chinguitty Bank 10 percent, SOCOGIM 5 percent, and CNSS 5 percent.

⁵⁰As of mid-1998, BHM held 946 housing saving accounts.

targeted toward particular expenditures.⁵¹ The first credit union began operating in April 1997 with 300 members. In mid-1998, four credit unions, all located in Nouakchott, were open to the public. Their capital is based on an investment of UM 5000 by each member and their combined membership totaled 900.

B. Instruments of Monetary Policy

62. With the abolition of bank-specific credit ceilings in 1996, the monetary authorities began to rely more on indirect monetary policy instruments. In particular, they began to use treasury bill auctions more actively to control bank liquidity and credit expansion. Over the period 1995–98, the government implemented several measures to deepen the treasury bill market and improve the functioning of the auctions. These measures included: (i) a progressive reduction of the minimum amount for individual bids from UM 2 million (1994) to UM 0.1 million (1998); (ii) an increase in the frequency and an improvement in the regularity of the auctions; (iii) the introduction of bills with shorter maturities (2 weeks and 4 weeks); (iv) an increase in the publicity given to the announcement of auctions and their results; and (v) improvements in the accounting methods used for treasury bills at the level of the central bank. As a result, the outstanding amount of negotiable treasury bills, which were first issued in July 1994, increased from UM 500 million at end-1994 to UM 5.7 billion at mid-1998.

63. As of mid-1998, the auctions had the following structural features. They were organized by the central bank, and were held biweekly. The exact amount of treasury bills to be auctioned was not announced and a range within which the amount would be chosen was determined by a monetary policy committee.⁵² The choice of range was based on factors such as the projected liquidity of banks, the amount of treasury bills maturing, and the amount of foreign exchange flowing into commercial banks over the two-week horizon. The exact amount sold was determined by the committee on the basis of the various bids and the interest rate policy of the authorities. Despite the growing importance of the primary treasury bill market, a secondary market had not yet developed, mainly due to the limited numbers of treasury bill holders, and to the rudimentary cash flow management techniques used by commercial banks. In addition, the central bank did not hold a stock of negotiable treasury bills that it could have used for monetary intervention in the secondary treasury bill market.⁵³

⁵¹The AfDB's contribution of UM 400 million (paid over 4 years) is for staff salaries. CIDA's contribution of Can\$1 million is aimed at financing technical assistance in accounting, and at training the staff on how to carry out various administrative tasks and prepare the paperwork needed to process loans.

⁵²Its members are from the central bank, the treasury, and the Budget Directorate.

⁵³The BCM holds a large portfolio of nonnegotiable treasury bills that were issued as part of the bank restructuring operations which occurred primarily before 1995, in particular the

(continued...)

64. For most of the period 1995–97, the yield on treasury bills remained fairly constant, averaging 8.1 percent in the last quarter of 1995 and 9 percent in the last quarter of 1996. However, toward the end of 1997 the rate began to increase significantly, and this trend continued through the first half of 1998. By mid-1998, the central bank was accepting bids up to 16–17 percent on treasury bills.

65. Also reflecting the increased reliance on indirect instruments, the government removed some of the restrictions on interest rates and began to use adjustments in the discount rate as a means of controlling liquidity in the banking system. In particular, in January 1995 government-set minimum rates on time deposits were eliminated and in 1996 banks were authorized to remunerate sight deposits. However, the authorities continued to set the floor on some savings rates⁵⁴ and the legal ceiling on lending rates (usury rate).⁵⁵ Recently, the latter ceased to be set independently of other rates, and instead was fixed at 10 percentage points above the discount rate.⁵⁶ For most of the period the discount rate was changed little, and averaged 11 percent. However, in late 1997 and the first half of 1998, the rate began to be adjusted more frequently. By mid-1998, the discount rate had been raised to 18 percent.

66. As of mid-1998, there were three refinancing facilities: (i) a repurchase facility, which provided banks with refinancing through the repurchase at the discount rate of treasury bills, for a maximum of seven days;⁵⁷ (ii) a discount facility for private bills of exchange;⁵⁸ and (iii) a lender of last resort facility at which banks could borrow at five percentage points above the discount rate.⁵⁹

⁵³(...continued)

liquidation of the UBD. As of end-1997, they totaled UM 12.5 billion.

⁵⁴Commercial banks were required to pay a minimum rate on passbook savings, which in 1998 was increased from 8 percent to 10 percent. At the same time, the imposed ceiling of UM 5 million on these accounts was removed.

⁵⁵The actual spread on commercial bank saving and lending rate remained wide (10–15 percentage points) throughout the period.

⁵⁶The usury rate was increased from 20 percent to 22 percent in December of 1995, and then to 28 percent in early 1998. At its 1998 level, the usury rate was reportedly not binding.

⁵⁷Only on a few occasions in 1998 treasury bills had been discounted.

⁵⁸In practice, the BCM had not used this facility in the period under review.

⁵⁹Collateral was not required. However, loans were made at the discretion of the central bank.

67. Reserve requirements continued to play a role in the management of bank liquidity during this period despite the increase in the volume of treasury bills issued. The required reserve ratio was increased in steps from 2.5 percent in 1992 to 4.5 percent in October 1997. Reserve requirements were based on all deposits in ouguiyas taken by the banks and were not remunerated. Failure to comply with the regulation incurred penalty interest charges at five percentage points above the usury rate.⁶⁰

C. Developments in Monetary Aggregates

Trends over the period 1995–97

68. Total broad money shrank by 2.7 percent over the three years. However, in 1997 it increased by 8 percent, following a four-year decline.⁶¹ Similarly, in 1997 the amount of currency in circulation increased by 14.9 percent and the currency ratio⁶² increased by 1.3 percent, again, in both cases, reversing four-year declines. Five other features characterized the period 1995–97. First, net foreign assets grew steadily, increasing by 92.4 percent from December 1994 to December 1997.⁶³ This was primarily due to the accumulation of a substantial amount of foreign exchange reserves by the BCM and the reduction of foreign liabilities by commercial banks (Tables 38 and 39). Second, net domestic assets fell in each of the three years for a total decline of 48.5 percent between December 1994 and December 1997. This decline was driven almost entirely by the accumulation of government deposits with the banking system (Section III). Third, private sector credit increased over the three years by 26.3 percent. Fourth, velocity continued its upward trend throughout the period, rising from an average of 4.8 in 1994 to 6.5 in 1997. Finally, the volume of treasury bills increased steadily, growing by 30.7 percent over the three years. This explains the difference in the behavior of broad money and M3, the latter having grown by a modest 0.4 percent over the period.⁶⁴

69. In 1995, concerns about inflation were raised following an unexpectedly large rise in domestic credit in the fourth quarter of 1994. As a result, the central bank tightened monetary policy, and the government maintained the restrained fiscal stance that had been adopted in

⁶⁰A minimum penalty of UM 0.5 million applied.

⁶¹Broad money continued to grow through mid-1998.

⁶²The ratio of currency in circulation to broad money.

⁶³In the monetary survey reported in Table 37, the accounts of UBD, which was liquidated in 1994, are included in the data for 1994 but not for the subsequent years. In the discussion concerning developments over the period 1995–97 that follows, 1994 data that excluded UBD's accounts was used (Table 3).

⁶⁴M3 is defined as broad money plus treasury bills held by nonbank institutions.

Table 3. Mauritania: Monetary Survey, 1993-97 1/

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Net foreign assets	-30,273	-28,593	-24,616	-11,153	-2,162
Central bank	-20,258	-22,679	-18,926	-9,952	-1,876
Commercial banks	-10,015	-5,914	-5,690	-1,201	-286
Net domestic assets	57,846	56,021	50,635	35,856	28,842
Domestic credit	52,975	39,698	32,877	21,077	12,992
Claims on the government (net)	11,159	9,289	1,351	-14,421	-25,419
Claims	18,813	17,370	15,191	17,361	18,526
Deposits	-7,654	-8,081	-13,840	-31,782	-43,945
Claims on the economy	41,816	30,409	31,526	35,498	38,411
Other items (net)	4,871	16,323	17,758	14,779	15,850
Broad money	27,573	27,428	26,019	24,703	26,680

Source: Mauritania authorities.

1/ Excluding accounts of the development bank (UBD).

1994. Consequently, broad money fell by 5.1 percent in 1995. This decline was due to a sharp fall in domestic credit mainly driven by a fall in net credit to the government of 29 percent of the beginning-of-period money stock. In addition, the central bank maintained tight control on the growth of credit to the private sector, in part through the use of direct bank-specific credit ceilings, which as a result increased very modestly from UM 30.4 billion in 1994 to UM 31.5 billion in 1995.⁶⁵ This helped the BCM to more than double its holdings of foreign exchange over the year, from UM 5.1 billion to UM 11.7 billion.

70. In 1996, broad money continued its decline, falling again by 5.1 percent over the year, despite significant increases in net foreign assets of both the central bank and the commercial banks. The increase in the BCM's net foreign assets reflected its continued policy of increasing its foreign exchange reserves, which over the year grew by 33 percent of the December 1995 broad money stock. The increase in the commercial banks' net foreign assets reflected a sharp decline in their foreign liabilities, which fell from UM 9.2 billion to UM 5.1 billion, due in large part to the completion of an IDA-supported debt buyback operation (Section V) (Table 39). Moreover, credit to the private sector expanded by 15 percent of the beginning of period stock of broad money, with much of the increase occurring in the fourth quarter and resulting in part in the buildup of foreign goods inventories. The fall in broad money was due to the continued decline of net domestic assets, which fell from UM 50.6 billion to UM 35.9 billion. Again, this was primarily due to the accumulation of government deposits with the BCM. The composition of money shifted in favor of deposits which grew by 2.9 percent compared with a decline of 31 percent in the amount of currency in circulation. This was part of a larger fall in reserve money over the year. Most of that decrease was due to the pronounced fall in the reserves of commercial banks held at the BCM, which fell from UM 11.5 billion in December 1995 to UM 3.7 billion in December 1996.⁶⁶

71. In 1997, broad money grew by 8 percent, reflecting in part, the increased attractiveness of ouguiya-denominated assets. A substantial amount of net foreign assets was again accumulated in this year. Currency in circulation increased by 14.9 percent, and deposits also increased. Credit to the private sector went up to UM 38.4 billion from UM 35.5 billion in December 1997, reflecting in part increases in lending to the key sectors of fishing and agriculture.

⁶⁵Excluding UBD accounts.

⁶⁶The amount of this decrease which effectively occurred in 1996, however, is exaggerated because of the inclusion of ouguiya counterpart deposits of past overdue trade-related liabilities of the commercial banks in the measurement of reserves. All of these liabilities had been assumed by the central bank, and most of them were extinguished in 1996. The commercial banks no longer had access to these funds once they had been deposited at the central bank.

Composition of credit for the period

72. Short-term credit increased over the period from UM 28.3 billion in December of 1994 to UM 31.9 billion in December of 1997 (Table 44). This was driven primarily by increases in the amount of short-term credit extended to the trade, services, and manufacturing sectors. Short-term credit to the fishing and agricultural sectors declined over the period. Nevertheless, in 1997 the fishing sector still received 26.8 percent of total short-term credit, second only to the trade sector which received 39.2 percent. Although medium-term credit has never been a large proportion of total credit in the economy, it declined even further over the period, from UM 2.2 billion to UM 860 million, reflecting the reduction of medium-term lending to all sectors except trade. Only the fishing, manufacturing, and trade sectors received long-term credit.

D. Banking Regulation and Supervision

73. With the objective of strengthening both banking regulation and the supervisory role of the central bank, a new banking law was passed (Law 95-011) in July of 1995. To this end, the law tightened regulations governing banks, for example, by specifying, for the first time, prudential ratios with which all banks must comply.⁶⁷ In accordance with the banking law, the BCM can act as a lender of last resort to the banking system, promptly providing temporary support, at the penalty rate, to illiquid but solvent banks. Under the 1995 law, owners and large creditors are not protected from bankruptcy, and banks that are insolvent or cease to meet their licensing agreement are called to take corrective measures or are forced to exit in a timely manner.

74. Moreover, with technical assistance from the Monetary and Exchange Affairs Department of the Fund, the BCM took steps to strengthen its supervision of the banking system. The Bank Supervision Department periodically analyzes documents submitted by the commercial banks and performs both off-site and on-site inspections to assess the health of individual banks and ensure their compliance with banking regulations. It has the ability to punish infractions and impose corrective measures. To complement its own analysis, the BCM occasionally requests prominent external auditors to assess the adequacy of a bank's loan valuation and provisioning. Finally, with assistance from the Banque de France, the BCM adopted internationally recognized accounting standards.

75. Despite the general improvement in the performance of the banking sector over the period 1995-96, one bank, BAMIS, continued to make losses. The report of an audit done in 1996 showed that about 80 percent of its loans were either bad or doubtful or had been restructured. Its cumulative losses to the end of 1996 amounted to UM 2.2 billion. In mid-1997, a large share of the bank was taken over by a group of Mauritanian businessmen, and

⁶⁷The main ratios are the liquidity ratio and the capital adequacy ratio, the minimum levels of which are set at 20 percent and 8 percent, respectively.

the bank adopted a corrective plan of action proposed by the BCM. By mid-1998, there were signs that BAMIS's financial position had somewhat improved. In the first semester of 1998, its deposits had increased by UM 379 million and its credits to the economy decreased by about UM 600 million. In order to rectify its noncompliance with some prudential ratios, in July 1998 BAMIS's shareholders agreed to increase capital by UM 500 million in order to bring total capital to UM 2.5 billion.⁶⁸

76. Due to the crisis in the fisheries sector in 1997, the two banks with particularly heavy exposure to that sector, BNM and GBM, saw their financial positions deteriorate and did not meet some of the prudential requirements in the spring of 1998.⁶⁹ GBM increased its capital by UM 1 billion in July 1998 which brought the bank's total capital to UM 1.5 billion. In addition, both banks stepped up their efforts to recover nonperforming loans and by July 1998, were compliant with prudential regulations.

V. EXTERNAL SECTOR DEVELOPMENTS

A. Balance of Payments

Background and overall developments

77. Balance of payments analysis in Mauritania is constrained by inadequate recording and compilation of data, as well as by persistent discrepancies between data derived from different national agencies and with partner country figures. Data on exports, imports, short-term capital flows, private transfers and commercial banks' liabilities are particularly weak. These problems are reflected in sizable and highly variable unexplained capital flows and errors and omissions.⁷⁰ In terms of statistical inconsistencies, data on official transfers provided by the BCM and the Ministry of Economic Affairs and Development on project grants differ regularly, and there are also discrepancies between export data reported by the central bank and that reported by customs.

⁶⁸This was done in October. The capital adequacy ratio increased from 7.4 percent in June to 11.1 percent in July and to 11.3 percent in August.

⁶⁹In June 1998, GBM's liquidity ratio was 14.1 percent, below the 20 percent minimum. However, there was some improvement in the ratios of both banks in the third quarter of 1998. In particular, GBM's liquidity ratio was at 24.1 percent in August.

⁷⁰One possibility is that the generally large positive errors and omissions item reflects an overestimated current account deficit, resulting from unrecorded exports. This assessment is supported by the differences in trade figures between national data and the declarations provided by import partners in the IMF's *Direction of Trade Statistics*. The degree of underrecording may have increased since 1997 as surrender requirements have been partially eliminated and expectations of exchange rate depreciation increased.

78. In addition, the balance of payments data presented in the attached tables have undergone some significant revisions, including reclassification, compared with the data used for the previous Recent Economic Developments report.⁷¹ First, the principal change in classification concerns the treatment of the license fees received from the EU. In previous reports, all license fees and royalty payments were recorded as nonfactor services. However, in accordance with the fifth edition of the Balance of Payments Manual, payments for licenses, including those for fishing rights, are now treated as taxes, and classified as current transfers to general government.⁷² Second, program assistance (both grants and loans) is now shown as part of exceptional financing. Third, the authorities have significantly revised import data, mainly to correct for previous double counting of petroleum imports. In addition, import data is presented on a free on board (f.o.b) basis rather than a cost, insurance, freight (c.i.f) basis.

79. Overall, Mauritania's balance of payments position improved between 1995 and 1997 with a reduction in both the current account deficit and the overall deficit, and a significant strengthening of the official reserves position (Table 45). Nevertheless, Mauritania was subject to a heavy debt burden and continued to rely on exceptional financing in the form of debt relief and balance of payments support, and on significant amounts of concessional external assistance, to meet its financing needs. While the external position consolidated somewhat, its vulnerability to external shocks was starkly demonstrated by the 1997-98 crisis in the fisheries sector (above). Limited export diversification took place over the period under discussion. Moreover, the medium-term prospects were damaged by the indefinite postponement of a major private sector mining investment which was to be entirely financed through foreign direct investment.

80. In 1995, the current account deficit (including transfers) deteriorated by almost 6 percentage points of GDP as higher imports and fisheries-related service payments outweighed significantly stronger export performance, particularly from the fisheries sector. The weakening of the overall balance was contained to 3 percent of GDP on account of higher short-term capital flows. The resulting overall deficit of SDR 31 million, was financed by a Paris Club rescheduling with comparable treatment from some non-Paris Club creditors and program assistance of SDR 28 million. This allowed the central bank to double its gross official reserves to SDR 61 million, or 1.8 months of imports of goods and services.

81. A marked improvement in the current account (including official transfers) equivalent to 3 percent of GDP was registered in 1996, due to the fisheries agreement with the EU (above). These receipts actually masked a deterioration in the current account (excluding

⁷¹SM/95/4 (1/12/1995)

⁷²They are considered as a tax because no service is rendered in return for the license fee. In contrast, royalties should be classified as services. The key distinction between license fees and royalties is that the latter are paid as some function of the service received, i.e., the catch or use of the factor of production.

transfers) of 2 percent of GDP, due mainly to a higher nonfactor services deficit and a small weakening in the trade balance as the stock of imported inventories continued to accumulate. Combined with a strengthening in the capital account, the overall balance of payments deficit improved from SDR 31 million to SDR 8 million. Despite a payment of SDR 8 million to commercial creditors to clear arrears that were not part of the 1996 debt buyback operation, the central bank was able to build up official reserves by SDR 42 million, which raised import cover to 2.8 months. A substantial portion of commercial arrears (SDR 61 million of principal and interest) were cleared, and debt relief of SDR 69 million was provided by bilateral creditors through the second tranche of the 1995 Paris Club rescheduling.

82. The current account deficit (including official transfers)⁷³ declined further in 1997 to 0.1 percent of GDP despite a further weakening in the trade balance driven by a 25 percent fall in fish exports. This improvement resulted mainly from lower service payments to boats leased for pelagic fisheries and higher private transfers. The evolution of the capital account was less favorable than in 1996 on account of significantly lower “other capital” flows compared with 1996. Reflecting these developments, the overall deficit widened slightly to 1.3 percent of GDP from 1 percent in 1996. Reserve coverage increased further in 1997 to 4.5 months of imports of goods and nonfactor services.

Merchandise trade

Exports

83. Mauritania’s export base remained highly concentrated on two products—iron ore and fish—during the 1995–97 period⁷⁴ (Table 46). In 1995 there was a strong increase in export receipts mainly due to a better-than-expected fish catch during the third quarter (especially of pelagic fish), and exceptionally high prices for cephalopods. A slight further improvement in export performance was recorded in 1996, due to higher prices for iron ore and cephalopods. However, the aggregates masked a further decline in cephalopod volume, which by 1996 were 46 percent below their peak of 1993. Export growth in 1996 was also constrained by the sharp fall in gold exports, which declined to close to zero following the closure of gold mining operations at Akjoujt. Export developments in 1997 were dominated by the fisheries sector crisis. Even though iron ore export proceeds increased due to a 5 percent increase in volume

⁷³Official transfers data were revised downward in 1997 as the authorities determined that the grants representing the counterpart to technical assistance services had been consistently overestimated.

⁷⁴As noted above, data on nontraditional exports is likely to be understated, failing to capture potentially significant cross border trade, e.g. in livestock, with neighboring countries, particularly Senegal and Mali.

and a 6 percent increase in unit prices, overall exports declined by 10 percent in SDR terms (Table 45) reflecting the decline in fish exports (Section II). On a more positive note, there are signs of diversification of mineral exports.

Imports

84. Revised import data provided by the authorities show that total imports increased sharply in 1995 by 23 percent in nominal terms (Table 47). This was largely the result of increased import volume, particularly due to the accelerated implementation of the public investment program. In 1996, a further increase in imports was driven by higher private sector import demand as the stock of imported goods was built up, by higher demand for intermediate goods for the construction sector, as well as by the purchase of two replacement planes by the national airline company (Air Mauritanie). Imports declined in 1997, but this masked a continued increase in the stock of inventories, facilitated by the ability of importers to keep, until the end of the year, merchandise in customs' warehouses for extended periods. In SDR terms, the imports of SNIM remained broadly unchanged over the 1995–97 period. One notable implication of Mauritania's remaining exchange restrictions was the direct financing of imports abroad, i.e., *importations sans règlement financier*.⁷⁵

Terms of trade

85. Mauritania's terms of trade improved marginally in 1995 and 1996 but improved significantly by 9 percent in 1997 (Table 48). The latter was mainly due to an improvement of 6.9 percent in export prices (in SDR terms) on account of a 35 percent increase in the unit price of fish exports and a 6 percent increase in iron ore prices. Import prices in partner countries also declined by 2.1 percent in 1997.⁷⁶ Indications for the first nine months of 1998 show that lower average prices of fish have eroded a significant part of these terms of trade gains.

Direction of trade

86. Direction of trade statistics for Mauritania rely on partner country data. These figures are typically significantly higher than those reported by the authorities. The main export markets continue to be to industrialized countries, particularly those of the EU. This partly reflects the fact that iron ore is solely exported to the EU. Exports of fish, particularly high

⁷⁵This could partly explain differences between customs data on imports and data from the foreign exchange records of banks and *bureaus de change* on the domestic acquisition of foreign exchange to meet import payments. According to BCM estimates, imports financed in this way averaged around 10.3 percent of total imports over the 1995–97 period.

⁷⁶In U.S. dollar terms the change in import and export prices in 1997 was 7.2 percent and 1.3 percent, respectively, as the U.S. dollar depreciated against the SDR.

value species (cephalopods), are primarily directed to Asian countries. Notably, in recent years exports have been increasing to a number of neighboring African countries (Table 49). Imports also originate mainly from industrial countries, with France accounting for one quarter of all imports, followed by Spain (8 percent) and Germany (7 percent). The share of total imports from developing countries increased between 1995 and 1997 from 24 percent to 28 percent, primarily due to a recovery in recorded trade with Senegal (Table 50).

Services

87. The services account deteriorated in 1995 mainly reflecting higher payments to foreign owners for the lease of pelagic vessels as the value of pelagic exports surged, and due to higher miscellaneous private service payments (Table 51). Lower receipts for government services, as well as a continued increase in leasing payments, contributed to a further deterioration in the services balance in 1996. In 1997, the fisheries crisis reduced the services deficit mainly due to lower payments for boat leasing and other services related to the fisheries sector. In addition, there was a large fall in other service payments, but these data should be qualified by the observation that the foreign exchange record may not fully capture services acquired through nonrepatriated earnings.

Private and public transfers

88. Data on private transfers to Mauritania are particularly weak.⁷⁷ These flows largely reflect remittances from Mauritanian workers overseas. In total, net private transfers increased from SDR 20 million in 1995 to SDR 39 million in 1997, possibly in response to the liberalization of the exchange regime (Table 52). Net official transfers rose significantly from 1996 onwards reflecting, as noted above, the new fisheries agreement with the EU.

Capital account

89. The capital account improved in 1995 and 1996 before weakening in 1997.⁷⁸ In 1995, despite lower project loans for SNIM's investment program, the improvement derived from increased "other capital flows" and higher "errors and omissions." This also accounted for the small improvement in the capital account in 1996. Higher trade credits contributed to part of the increase in these categories between 1995 and 1996. However, there was also a significant

⁷⁷Given the remaining surrender requirements, it is possible that the foreign exchange inflows classified as private transfers by the authorities could either be current transfers or short-term capital inflows. Moreover, there are indications that the identification of the transactions by banks and foreign exchange bureaus, which provide the information, may not be fully accurate.

⁷⁸The capital account figures for years before and after 1994 are not comparable due to the reclassification of program lending to exceptional financing after 1994.

unexplained capital flows component which could have been due to one or more of the following reasons: (i) underinvoicing of exports; (ii) unrecorded worker remittances; and (iii) other capital flows using unofficial channels to benefit from the parallel market exchange rate.⁷⁹ In 1997, the capital account weakened due to a reversal in recorded "other capital," which more than offset higher project related lending associated with a significant increase in the public investment program and a shift in the mix of external project financing from grants to loans.

Exchange rate

90. Calculations based on the Fund's Information Notice System (INS) show that the external value of ouguiya depreciated in nominal and real effective terms by 14 percent and 3.6 percent, respectively between December 1994 and December 1997 (Chart 4). Following a depreciation in the first half of 1995, there was a steady appreciation from the second quarter of 1996 as the inflation differential between Mauritania and its trading partners exceeded the rate of nominal depreciation. Most of the depreciation occurred from the second quarter of 1997 after the authorities began pursuing a more active exchange rate policy to reverse this real appreciation.⁸⁰

B. External Debt

91. Based on data reported to the World Bank's Debtor Reporting System (DRS), Mauritania's total external debt outstanding and disbursed averaged about SDR 1.69 billion during 1995-97, or the equivalent of 247 percent of GDP at end-1997 (Table 53).⁸¹ In terms of debt composition, there was a continued increase in the relative importance of borrowing from multilateral creditors (in particular IDA, the African Development Fund, and the IMF) with their share increasing from 40 percent of total debt in 1993 to 49 percent by end-1997 (Table 55). Outstanding debt to bilateral creditors decreased between 1995-97. In terms of the composition of debt by domestic debtors, the outstanding debt of central government increased relative to the liabilities of public enterprises as project and program borrowing to finance the Public Investment Program increased and large net repayments were made by SNIM and SONELEC (Table 56).

⁷⁹These unexplained capital flows could actually be the counterpart of *importations sans règlement financier*, i.e., unrecorded export receipts flowing back to Mauritania in the form of imports paid for directly abroad.

⁸⁰Specifically, from end-July 1997 a nominal depreciation of 2.6 percent per month against the U.S. dollar was allowed compared with an average of 1 percent during the first seven months of 1997.

⁸¹The authorities adhered strictly to a prudent debt management policy where all new medium- and long-term borrowing was limited to loans on highly concessional terms.

92. Progress in addressing Mauritania's external debt problem has been mixed. In June 1995, Paris Club creditors agreed to reschedule eligible maturities and arrears on Naples terms.⁸² Several non-Paris Club creditors (including Algeria, China, the Abu Dhabi Fund, and the Kuwait Development Fund) agreed to provide relief on comparable terms. As a result, arrears on official external debt were reduced to SDR 27 million at end-December 1995 (Table 54). The Paris Club implemented the second tranche of the 1995 rescheduling in June 1996 following the settlement of overdue obligations by Mauritanian importers vis-à-vis some Paris Club creditors. However, negotiations with several non-Paris Club creditors on the rescheduling of arrears and current maturities on terms comparable to the 1995 Paris Club rescheduling remained protracted through 1996 and 1997, and arrears to these creditors increased to SDR 43 million by end-1997. Similarly, in 1997 the authorities also made efforts to normalize their relations with the Organization of Arab Petroleum Exporting Countries (OAPEC) and to clarify the status of the "passive debt,"⁸³ but these issues also remained unresolved. As a result of deficiencies in the functioning of the exchange system (below) which were compounded by the fisheries sector crisis, sizable arrears by domestic commercial banks and importers on short-term commercial claims insured by Paris Club creditors were accumulated in 1997 and 1998.

93. Due to disputes over Mauritania's obligations to certain foreign banks, a buyback of arrears on short-term commercial debt could not be completed in 1995. With a SDR 4.3 million grant obtained under the IDA-debt reduction facility, the buyback operation was successfully undertaken in September 1996. The buyback covered 98 percent (SDR 36 million) of eligible principal arrears which were purchased at 10 cents per dollar.⁸⁴ The central bank's share of the debt ineligible for the operation (approximately SDR 20.2 million) was cleared by end-1997.

C. Exchange and Trade System Reforms

Exchange system

94. Wide-ranging exchange system liberalization took place since the resumption of adjustment efforts in 1992. In 1992 the foreign exchange market was highly centralized. It had four dominant characteristics. First, the central bank exercised total control over the supply of

⁸²Details on the terms of the rescheduling can be found in "Mauritania—Report on External Debt Renegotiation" (SM/95/191; 8/8/1995).

⁸³The "passive debt" is debt on which the authorities understand that creditors have de facto waived debt service payments.

⁸⁴The largest portion of these principal arrears (SDR 20.5 million) were liabilities of the liquidated development bank (UBD). Around SDR 25 million of interest arrears were also written off. If these interest arrears were also included, the price per dollar of claim extinguished under this operation was 6 percent.

foreign exchange and all foreign exchange proceeds had to be surrendered to the central bank. Second, the central bank exercised control over the expenditure of foreign currency. The majority of foreign exchange transactions were done in the noncash market—i.e., through transfers of foreign exchange and all such transfers had to go through the central bank. In addition, if the transfer was to purchase imports, a license from the government had to be obtained first.⁸⁵ Third, in October 1992, a limited market for foreign currency notes and travelers checks opened. However, only commercial banks were authorized dealers. There were no restrictions on commercial banks' purchases of foreign exchange notes and travelers checks which were acquired foreign currency from travelers and from Mauritians working abroad.⁸⁶ Fourth, from 1992 until the end of 1995, Mauritania openly ran a two-tier exchange system in which the official market (including all transfers), made by the central bank, and the cash market largely run by the commercial banks co-existed with different exchange rates. The exchange rate in the cash market was routinely reported to the central bank, and the rate typically differed by 2–4 percent from the official rate. In addition, there existed a tolerated parallel cash market in which the rate differed by as much as 20 percent from the official rate.⁸⁷

95. In 1995, Mauritania undertook a unification of the two officially recognized rates. This unification was based on several reforms implemented throughout 1995 which fell under four broad categories (Box 2): (i) the removal of restrictions requiring that certain current transactions, notably purchases of foreign exchange for import purposes, be conducted exclusively at the BCM; (ii) measures to increase the supply of foreign exchange entering the commercial bank market; (iii) the liberalization of the noncash market through, for example, allowing private banks to maintain accounts with foreign correspondents; and (iv) the liberalization of the cash market through the granting of licenses to foreign exchange bureaus.

⁸⁵Licenses to import had to be purchased at government auctions. Foreign exchange for all imports had to be purchased at the central bank. The administrative procedures were complicated, and requests for transfers for foreign exchange were subject to bureaucratic discretion.

⁸⁶The sale of foreign notes and travelers checks by commercial banks could be made only for specific purposes (i.e., travel, medical or education expenses—which had to be proven to be bona fide). There was no obligation for the central bank to provide foreign notes to commercial banks. However, if foreign currency notes were purchased for the purpose of imports, they had to be purchased from the central bank.

⁸⁷Existence of this market was due largely to restrictions on the quantities that could be purchased on the officially recognized cash market, and to the restrictions on access to foreign exchange for import purposes.

96. Several other developments coincided with the unification. First, an interbank foreign exchange market was established in December 1995.⁸⁸ Second, the central bank ceased to set the exchange rate.⁸⁹ The official exchange rate became a reference rate which was calculated daily as the volume-weighted average of the rates applied to bank, foreign exchange bureau, and interbank transactions that had taken place.

97. These reforms, however, ran into growing difficulties from 1996 with a deterioration in the relations between banks and foreign exchange bureaus and increased segmentation of the market. In the cash market, the number of new foreign exchange bureaus, which were allowed to deal in foreign currency notes and travelers checks, grew rapidly.⁹⁰ Although some of the foreign exchange bureaus were owned and operated by commercial banks, in an effort to protect their dwindling share of that market and their control of import/distribution networks, some banks refused to transact with independent foreign exchange bureaus.⁹¹ As a result, market segmentation increased and, at times, the rates quoted by individual bureaus differed considerably from one another and from the rate quoted by banks.

98. More importantly, while de jure there was only one exchange rate at this time, de facto, foreign exchange was trading at a premium over the official rate, particularly in the cash market.⁹² The divergence between the official reference rate and the actual market rate was in part due to the noncompetitive behavior of some banks. Moreover, the central bank was not always prepared to satisfy the demand for foreign exchange at the official rate,⁹³ although it

⁸⁸Activity on this market has remained limited.

⁸⁹Up to December 1995, the official exchange rate of the ouguiya was determined on the basis of a basket of currencies.

⁹⁰There were ceilings on the amount of foreign exchange which the bureaus were permitted to hold (the ceiling was equal to twice the size of the security deposit placed by the bureau at the BCM). Ceilings also existed on bank holdings of foreign exchange, though they were higher. Amounts in excess of the ceilings had to be immediately sold on the market. However, enforcement of these regulations proved difficult.

⁹¹Bank ownership of foreign exchange bureaus raised some problems regarding the enforcement of prudential ratios for the foreign positions of the banks. Some bureaus were increasing their security deposits using bank guarantees, making it possible for banks to use their own bureaus to circumvent prudential ratios on their own foreign exchange positions.

⁹²Restrictions on amounts of foreign currency notes that could be sold to individuals, for example for travel purposes, remained. Consequently, the parallel cash market continued to exist with rates that were at times substantially different from the official rate.

⁹³While the central bank rate was, as noted above, the volume-weighted average of the rates applied to actual transactions, it reflected only imperfectly the market exchange rate premium,
(continued...)

still exercised considerable control over the supply of foreign exchange. As of end-1997, all export proceeds and transfers of foreign exchange still were required to be channeled through the central bank, which purchased a prescribed fraction of the total amount of foreign exchange and then released the remainder to the market.⁹⁴

99. Reflecting these market deficiencies, on several occasions over this period importers and commercial banks accumulated arrears to foreign creditors because of delays they encountered in purchasing foreign exchange to settle their transactions. In addition, the above-mentioned crisis in the fisheries sector in 1997–98 exacerbated the imbalance between supply and demand for foreign exchange in the cash and noncash markets resulting in further segmentation of the market and a widening in the parallel market exchange rate premium. These tensions in the exchange market were accompanied by an accumulation of trade-related debt arrears.

100. Consequently, most of the reforms to the foreign exchange system in 1998 focused on relaxing the central bank's tight control over the supply of foreign exchange, and changing its intervention strategy in the foreign exchange market. In January 1998, surrender requirements for nonmineral export proceeds were completely abolished. At the same time, the obligatory requirement to repatriate export proceeds through the central bank was eliminated. Following this, the surrender requirement of repatriated SNIM export proceeds was reduced from 100 percent to 85 percent from end-July, 1998.⁹⁵ With effect from end-October, the period for which exporters were authorized to retain foreign exchange was lengthened from 60 days to 90 days. To complement this liberalization, the central bank also decided to significantly alter its intervention strategy in the market. Since November 1998, the BCM announces weekly an intervention rate that is determined on the basis of various indicators including market

⁹³(...continued)

especially the one prevailing in the cash market, due to widespread misreporting to the central bank.

⁹⁴ For exports made using documentary credit, earnings were repatriated through the BCM's correspondent banks. Importers would credit the BCM's account in favor of the domiciling domestic commercial bank (in 1994, commercial banks were permitted to keep foreign exchange in accounts at the correspondents of the central bank which were jointly held by the commercial banks and the central bank). The following day the BCM would transfer the prescribed portion, at the time 70 percent, to the domestic commercial bank. Although in principle, exports made without the use of documentary credit also had to be repatriated through the BCM, in practice they were often repatriated through commercial banks. The commercial bank would then transfer 30 percent of the foreign exchange to the BCM.

⁹⁵The central bank approval procedure for prior import declarations, i.e. the *visa statistique*, was also eliminated in July 1998.

developments, reserve accumulation objectives, and competitiveness considerations, and is willing to buy and sell unlimited amounts of foreign exchange at a fixed (1 percent) spread around this intervention rate. These reforms occurred against a background of an accelerated depreciation of the nominal exchange rate from 1997 and an 11.6 percent step depreciation in July 1998.

Trade system

101. Despite earlier reforms of the import tax regime in 1982 and 1989, Mauritania's trade regime over the first half of the 1990s was characterized by high nominal and effective protection rates,⁹⁶ a multitude of tariff rates and bands, widespread exemptions, and significant nontariff barriers. With technical assistance from the Fund, the government conducted an evaluation of tariff reform in 1995. A medium-term strategy was subsequently adopted, the goals of which were to simplify the import tax system and to lower the average nominal and effective protection on competing final products while reducing the average import duty on imported inputs (particularly raw materials and intermediate/capital goods). A three-stage trade reform was announced in October 1996.⁹⁷ The authorities embarked on the first phase from January 1997 under which the maximum combined import tax rate was reduced to 35 percent; the number of tariff regimes was reduced from four to three (fiscal duty, customs duty, and statistical tax); and the number of tariff rates under the fiscal duty regime was reduced was 33 to 5.⁹⁸ As programmed, the second stage was implemented in January 1998 with the combined maximum tariff rate lowered from 35 percent to 30 percent through the reduction in the top fiscal duty rates by five percentage points to 22 percent.⁹⁹ Export taxes remain on various categories of fish exports as well as selected other exports, notably leathers and hides, arabic gum, and live animals. Since 1997, all export and import monopolies have been eliminated, with the exception of SMCP's monopoly on the export of high value species of frozen fish.

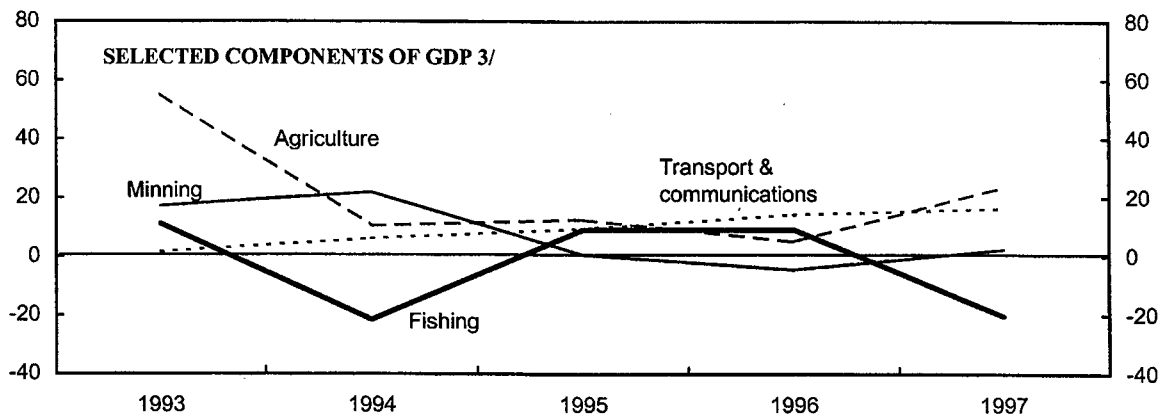
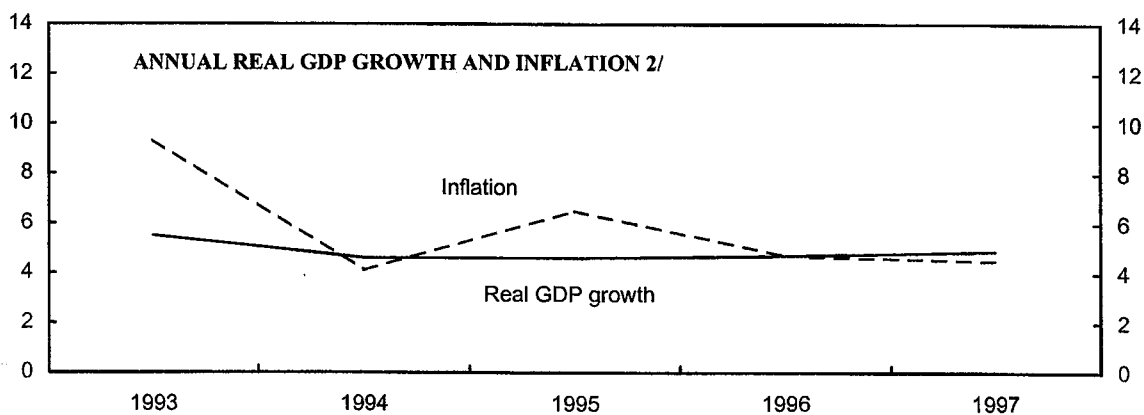
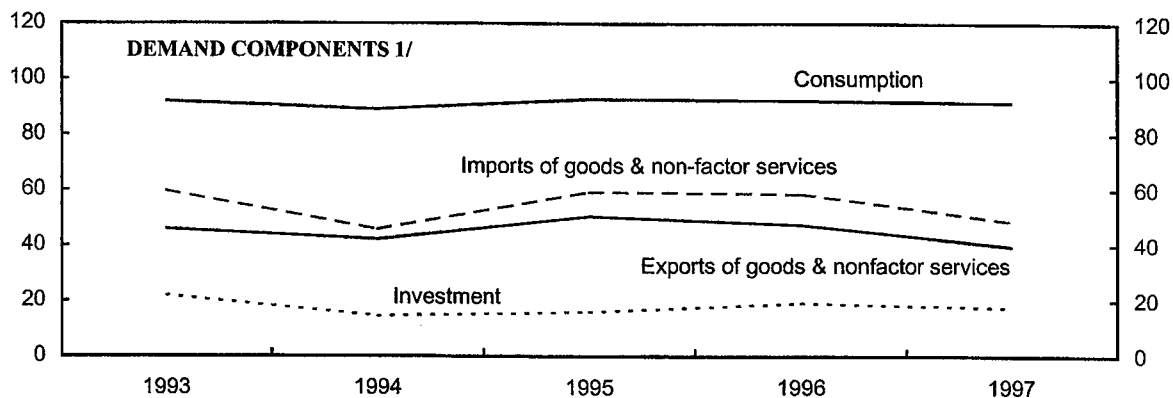
⁹⁶The effective protection on competing final products was estimated at between 52–108 percent in 1995. In 1996, the “effective” maximum combined tariff rate was about 47 percent and the fiscal duty rates ranged from zero to 148 percent.

⁹⁷In order to protect competitiveness and government revenues, an important consideration in its design was to ensure that Mauritania's tariff structure did not deviate too far from the tariff structure of member countries of the Western African Economic and Monetary Union (WAEMU).

⁹⁸ Under the first stage the new fiscal duty rates were: 0, 5, 10, 15, and 27 percent. Two customs duty rates (0 and 5 percent) and two rates of statistical tax (0 and 3 percent) existed.

⁹⁹The second highest fiscal duty rate was also lowered by 5 percentage points to 10 percent. The customs duty and statistical tax were left unchanged at 5 percent and 3 percent, respectively. Combining the fiscal duty, the custom duty, and the statistical tax there were 13 effective rates.

**CHART 1
MAURITANIA
REAL SECTOR DEVELOPMENTS, 1993 -97**



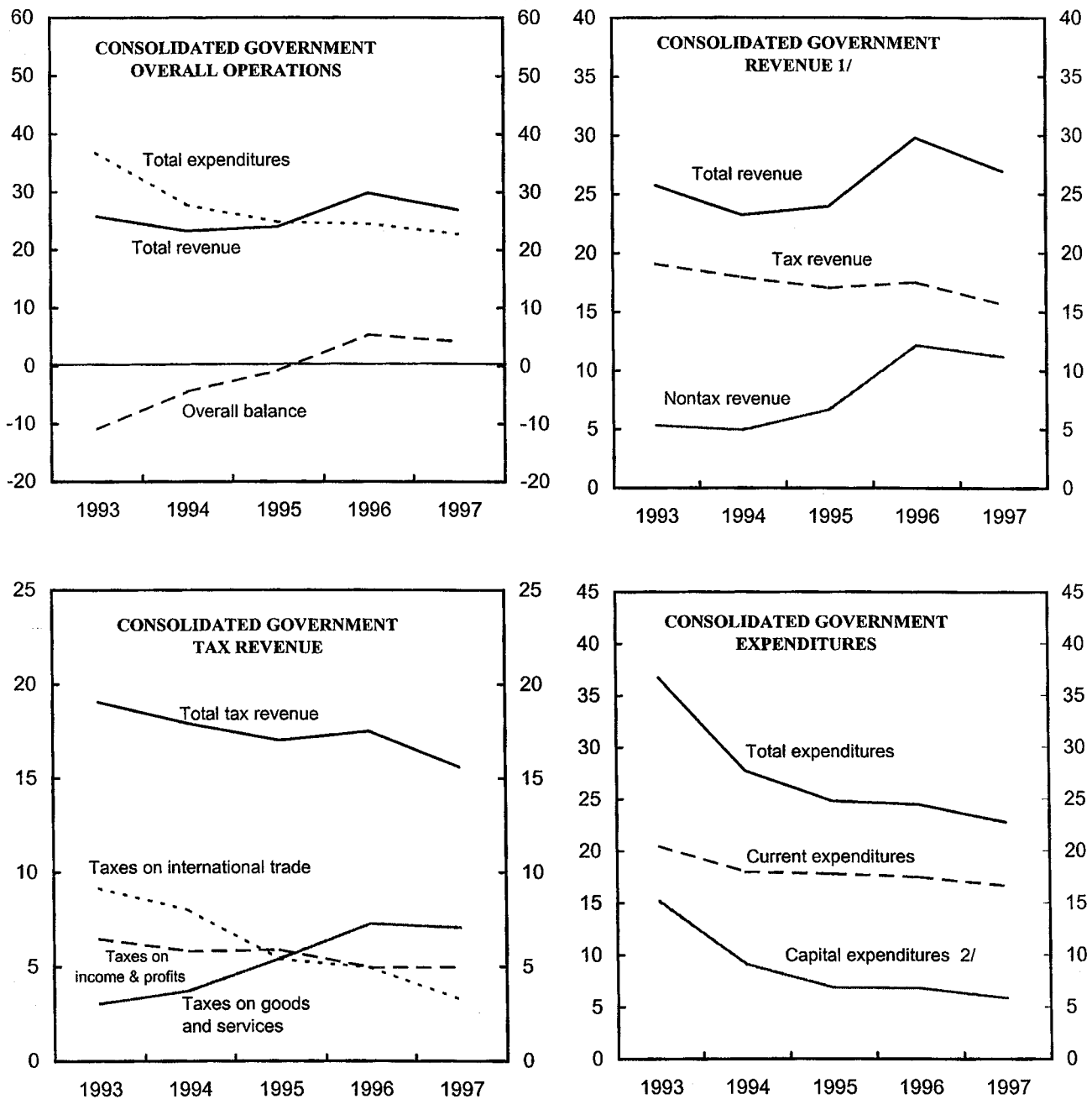
Sources: Mauritanian authorities, and Fund staff estimates.

1/ As a percentage of GDP.

2/ In percentage.

3/ Annual percentage growth.

CHART 2
MAURITANIA
FISCAL DEVELOPMENTS, 1993 - 97
(In percent of GDP)

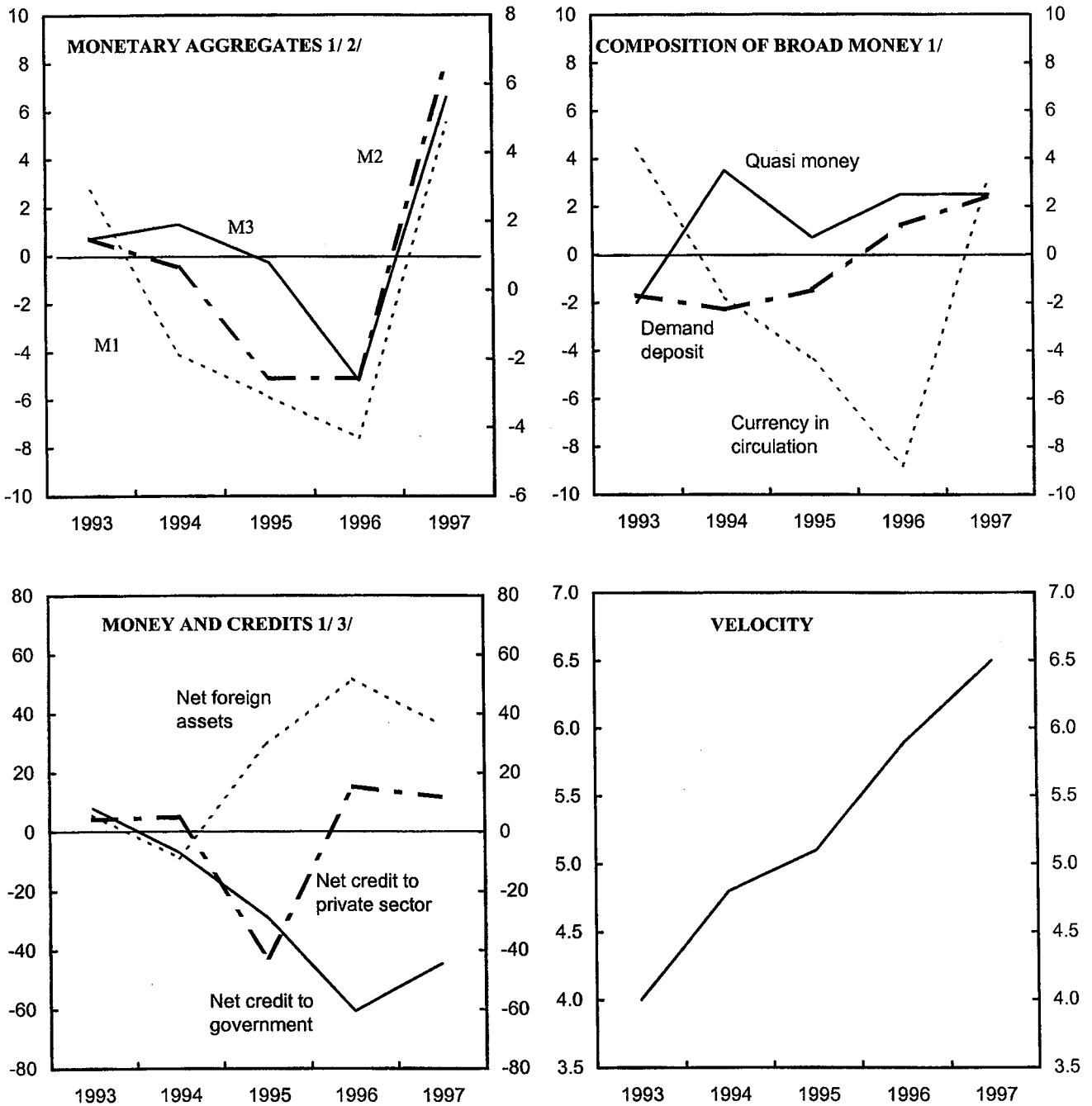


Sources: Mauritanian authorities, and staff estimates.

1/ Including special accounts.

2/ Including net lending and public enterprises restructuring operations.

**CHART 3
MAURITANIA
MONEY AND CREDIT DEVELOPMENTS, 1993-97**



Sources: Mauritanian authorities; and Fund staff estimates.

1/ Annual change in percent of broad money at the beginning of the period.

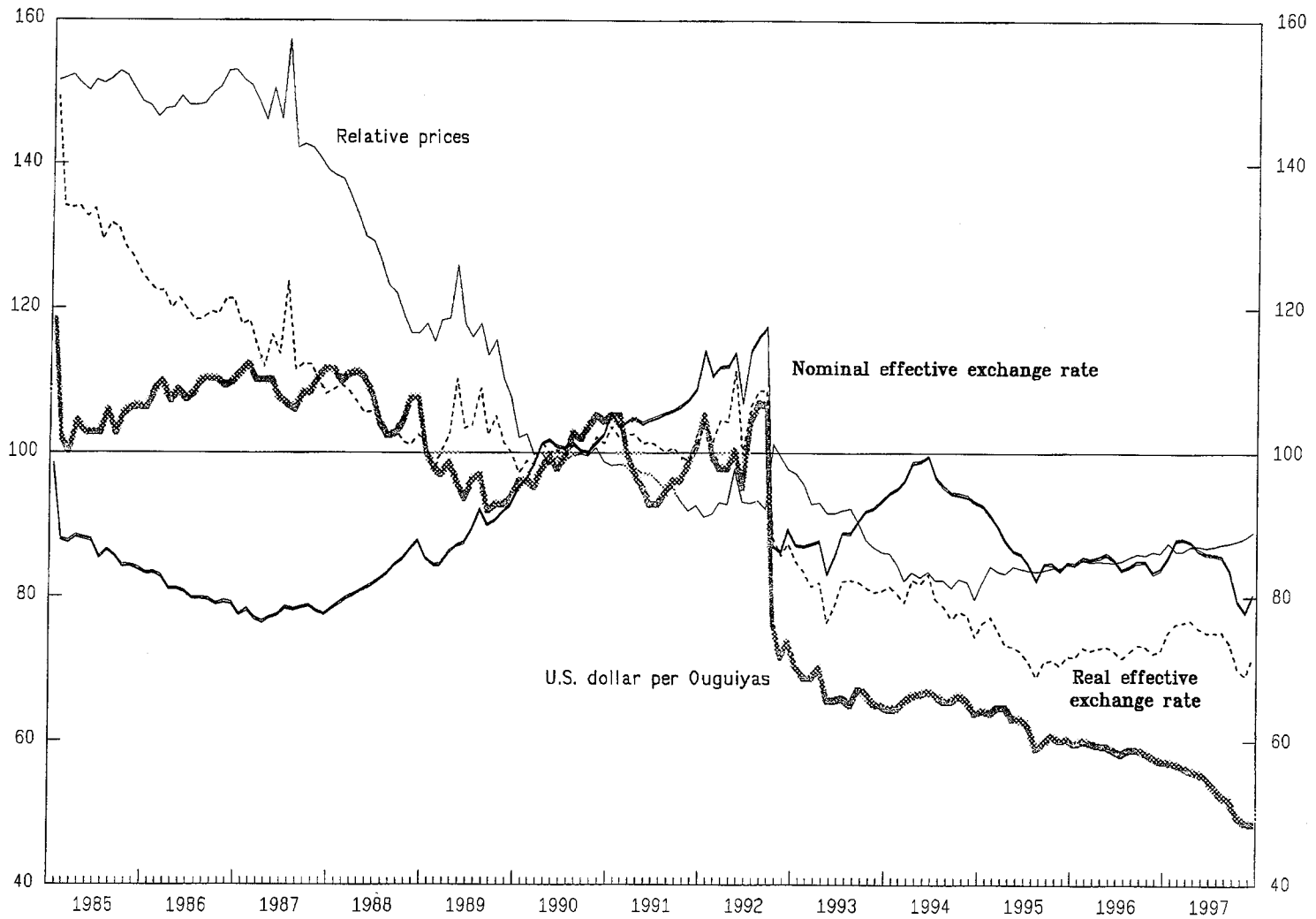
2/ M1 is defined as currency in circulation plus sight deposits; M2 (broad money) is defined as M1 plus time deposits; and M3 is defined as M2 plus treasury bills held by the non-banking sector.

3/ Includes UBD accounts up to 1994.

CHART 4

MAURITANIA

Real and Nominal Effective Exchange Rates, 1985-97
(1990=100)



Source: International Monetary Fund, Information Notice System.

Box 1. Mauritania: Financial Institutions created 1990–93

In 1990–93, several financial institutions were created to provide financial services to specific sectors of the economy. These institutions are not permitted to take deposits and can lend only to their own respective shareholders/members. Their funding comes from shareholders and foreign institutions, of which the main contributors are the World Bank, the European Union, and the Agence Française de Développement (AFD).

1. **L'Union Nationale des Coopératives Agricoles de Crédit et d'Épargne (UNCACEM)** was created in 1992. UNCACEM is governed by the legislation concerning cooperatives, and must also comply with Central Bank regulations. Its purpose is to formulate rules governing the lending practices of small agricultural cooperatives, and to provide them with cash advances for operational purposes. The cooperatives make short- and medium-term loans for supplies and equipment purchase related exclusively to rice production in the Traza and Haut Fleuve areas. In 1997, the cooperatives made 310 loans, amounting to UM 651 million, of which UM 489 million were short-term loans. UNCACEM has struggled to make profits, in part due to the low recovery rate on its loans. As of the end of 1997, it had approximately UM 107 million in capital.

2. **Investissement–Développement en Mauritanie (IDM)** was created in 1991 with financial contributions from AFD and Société d'Investissement et de Développement (SID). Its purpose is to provide credit to small and medium-sized local private enterprises. IDM does not have any public funding. While under the auspices of the Ministry of Planning, the IDM must comply with regulations of the Central Bank of Mauritania. As of mid-1997, IDM had already committed UM 215 million to various businesses, of which UM 130 million is in the form of loan contracts, the remainder being in equity and leasing contracts.

3. **L'Association pour le Crédit à la Micro et Petite Entreprise (ACMPE)** was created following the bankruptcy of UBD in 1993. Originally created to provide credit to Mauritians repatriated from Senegal, its clientele was later extended to cover young unemployed Mauritanian university graduates. Most of its financial capital, about UM 215 million, comes from the Mauritanian government. The ACMPE directs its resources towards three types of project: (i) water infrastructure projects; (ii) establishment of retail gas stations (ACMPE has financed the creation of 11 such businesses in conjunction with the national gas company SOMAGAZ); and (iii) development of enterprises providing various other services ranging from sewing and carpentry to secretarial services.

4. **La Caisse d'Épargne et de Crédit des Artisans (CECA)**, a credit union for artisans, was created in June 1993. By 1996, the organization had 550 members with total capital of about UM 6 million. The credit union offers financing to those of its members who have qualified for a loan by saving for at least three months. The average loan size is around UM 50,000.

Box 2. Mauritania: Exchange System Liberalization, 1995–97

Key measures implemented by the Mauritanian authorities to liberalize the exchange system:

1995

- From January 1, free market operations for commercial banks were broadened to include foreign exchange purchases for the payment of imports of goods and services and current private transfers.
- A system of nonbank foreign exchange dealers was established in mid-1995.
- The system of auctioning import authorizations was abolished in the fourth quarter and foreign exchange was to be purchased on the free market for all imports.
- At end-1995, the surrender requirement to the central bank on nonmineral exports proceeds amounted to 30 percent. The remainder was retained by exporters who were allowed to hold up to 30 percent of their total proceeds for up to 30 days, after which any remaining foreign currency had to be exchanged. Exporters had to sell 40 percent of their proceeds to the market immediately. In addition, 100 percent of mineral proceeds were surrendered to the central bank.
- On December 31, 1995, the authorities de jure unified the exchange rate.

1996

- All current transactions were made in the free market.
- An institutional framework for an interbank market in foreign exchange was established in January 1996. Banks and bureaux de change agreed to a code of conduct.

1997

- New regulations on the net foreign exchange positions of banks were introduced in February-March, and an inspection program was launched to verify compliance. A mandatory system of maximum daily working balances for banks and bureau de change was introduced in November 1997.
- Effective May 1997, the surrender requirement for foreign exchange proceeds was reduced to 20 percent and the retention period was lengthened from 30 to 60 days. The surrender requirement was further reduced at end-November 1997 from 20 percent to 10 percent.
- The system of prior import declarations was modified in late 1997 with the transfer of this responsibility to a pre-shipment inspection company.

Mauritania: List of Major Nonfinancial Public Enterprises, April 1998

Rural development

SONADER: Société Nationale de Développement Rural

Fisheries

SALIMAUREM: 1/ Société Arabe-Libyo-Mauritanienne des Ressources Maritimes

SMCP: 1/ Société Mauritanienne de Commercialisation du Poisson

SPPAM: 1/ Société pour la Promotion de la Pêche Artisanale en Mauritanie

MPN: Marché du Poisson de Nouakchott

Mining and utilities

SAFA: 2/ Société Arabe du Fer et de l'Acier

SAMIA: 2/ Société Arabe des Industries Métallurgiques

SAMIN: 1/ Société Arabe des Mines de l'Inchiri

SNIM: Société Nationale Industrielle et Minière

SONELEC: Société Nationale d'Eau et d'Electricité

SOMAGAZ: 1/ Société Mauritanienne des Gaz

SOMIR: Société Mauritanienne des Industries de Raffinage

Transport

AM: Air Mauritanie

PAN: Port Autonome de Nouadhibou

PANPA: Port Autonome de Nouakchott, known as "Port de l'Amitié"

SAMMA: 2/ Société d'Aconage et de Manutention

SAM: 1/ Société des Aéroports de Mauritanie

EPBR: Etablissement de la Baie de Repos

SBR: Société des Bacs de Rosso

Mauritania: List of Major Nonfinancial Public Enterprises, April 1998

ENER:	Etablissement National d'Entretien Routier
Communications	
IN:	Imprimerie Nationale
OPT:	Office de Postes et Télécommunications
Distribution	
MEPP: 1/	Mauritanienne d'Entreposage des Produits Pétroliers
NAFTEC:	Société Mauritanienne pour la Commercialisation des Produits Pétroliers
Other services	
SOCOGIM:	Société de Construction et de Gestion Immobilière en Mauritanie
CNSS:	Caisse Nationale de Sécurité Sociale
SAN:	Société des Abattoirs de Nouakchott
FIO	Fondation Islamique des Oqafs
MASHREF 1/	Mauritanian Ships Repair Facilities
ATTM 2/	Société d'Assainissement de travaux de Transport et de Maintenance
SOMASERT 2/	Société Mauritanienne de Service et de Tourisme
COMECA: 2/	Construction Mécanique Atlantique
SONIMEX:	Société Nationale d'Import et d'Export

Source: Information provided by the Mauritanian authorities.

1/ The government's share is less than 50 percent.

2/ Subsidiaries of SNIM.

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. Taxes on income and net profits			
1.1 Corporate	There are no corporate taxes as such. The schedular tax described in 1.11 below is levied on companies as well as individuals.		
1.11 Tax on industrial and commercial profits and on agricultural profits (BIC)—General Tax Code, 1982 (CGI)	Schedular tax levied on the profits of joint-stock companies, limited liabilities, and public enterprises. Nonresidents are taxed on profits earned in Mauritania. Tax returns must be signed within three months of the close of the fiscal year, and the tax must be paid within the month following the deadline for filing tax returns.	Cooperative companies and bodies authorized in accordance with Law No. 67/171 of July 18, 1967 are exempt. Capital gains are not taxable if they are reinvested within three years.	40 percent.
1.12 Minimum lump-sum tax (IMF)—CGI	Based on the turnover of the last completed fiscal year. One fourth (50 percent for banks, SONIMEX, and the fishing sector) can be deducted from the amount of BIC payable (see 1.11).	See 1.11 above.	Since 1986, 4 percent of turnover with minimum of UM 300,000; 2 percent for fishing sector. With 1989 finance law, minimum lowered to UM 240, 000. 25 percent of IMF can be deducted from BIC.
1.13 Tax on income from securities (IRCM)—CGI	Levied on dividends and interest from shares, stocks and bonds, and on attendance fees and bonuses. Withheld at source.		Normal rate: 16 percent.
1.14 Tax on real estate (IRF)—CGI	Levied on income from real estate.	Income from real estate included in the profits of an industrial, commercial, or small enterprise is subject only to BIC. A lump-sum deduction of 30 percent is made from gross real estate income. Real estate income not exceeding UM 50,000 is exempt.	10 percent.
1.2 Individual			
1.21 Tax on industrial, commercial, and agricultural profits (BIC)	Levied on profits of individuals in the manner described in 1.11. With 1989 finance law, taxpayers whose annual turnover does not exceed UM 3.0 million if they sell merchandise, or UM 1.5 million if they provide services, are eligible for the lump-sum arrangement; taxpayers whose annual turnover is between UM 3 million and UM 6 million, if they sell merchandise, or UM 1.5 million and UM 3 million, if they provide services, are eligible for the simplified tax schedule.		40 percent.

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates	
1.22 Minimum lump-sum tax on individuals	Levied on individuals subject to BIC and BNC on actual profit. Importers are also subject to a 4 percent tax (2 percent for the fishing sector) on the value of their imports, one fourth of which can be deducted from the BIC payable the following fiscal year.		See 1.12 above.	
1.23 Tax on income from securities	See 1.13 above.	See 1.13 above.	See 1.13 above.	
1.24 Tax on noncommercial profits (BNC)—CGI	Levied on persons exercising a liberal profession who are not subject to another schedular tax; the minimum lump-sum tax is also applicable.	Since 1989 finance law, minimum of UM 120,000; 25 percent of IMF can be deducted from BNC.	35 percent.	
1.25 Tax on wages, salaries, pensions, and life annuities—CGI	Levied on wages, salaries, pensions, annuities, indemnities, fees, and benefits in kind. Withheld at source.	Family allowances, special indemnities (up to UM 10,000 a month), and pensions paid to disabled soldiers, war veterans, and victims of occupational accidents are exempt. Retirement plan contributions and some similar social plan contributions may be deducted from gross amounts received.	Monthly payment (UM)	Tax rate (percent)
			Up to 4,000	0
			From 4,001 to 6,000	6
			From 6,001 to 10,000	9
			From 10,001 to 20,000	16
			From 20,001 to 25,000	21
			From 25,001 to 30,000	23
			From 30,001 to 40,000	26
			From 40,001 to 60,000	30
			From 60,001 to 80,000	33
			From 80,001 to 100,000	35
			Over 100,000	39
1.26 Tax on income from real estate—CGI	See 1.14 above. 30 percent deduction. Revenues lower than UM 50,000 exonerated.	See 1.14 above.	See 1.14 above.	
1.27 General income tax (IGR)—CGI	Levied on total net income, regardless of source, of individuals whose customary residence or principal abode is in Mauritania or of individuals whose activity is chiefly performed there.	The tax is based on income as calculated for schedular tax purposes (after a 10 percent deduction from wages). One split is allowed for a spouse and one half split for each dependent child, up to five splits per family. The rates shown in the next column are applied separately to each split and the total tax payable by the family unit is equal to the sum of the amount due for each split. Since 1986, salaries are exonerated.	Income brackets (one split) (UM)	Rate (percent)
			Up to 120,000	0
			From 120,001 to 180,000	5
			From 180,001 to 380,000	10
			From 380,001 to 500,000	15
			From 500,001 to 700,000	20
			From 700,001 to 1,000,000	25
			From 1,000,001 to 1,350,000	30
			From 1,350,001 to 1,850,000	35
			From 1,850,001 to 2,500,000	40
			From 2,500,001 to 2,900,000	45
			From 2,900,001 to 4,000,000	50
			Over 4,000,000	55

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
2. Social security contributions			
Law 67/039 of February 3, 1967	Covers: (1) family benefits; (2) occupational hazards; and (3) retirement. The maximum monthly wage for contribution purposes is UM 30,000.		<p>Contributions</p> <p style="text-align: right;">percentage of wages</p> <p>Family benefits</p> <p style="padding-left: 20px;">Employer 9</p> <p style="padding-left: 20px;">Employee 0</p> <p>Occupational hazards</p> <p style="padding-left: 20px;">Employer 2</p> <p style="padding-left: 20px;">Employee 0</p> <p>Retirement</p> <p style="padding-left: 20px;">Employer 2</p> <p style="padding-left: 20px;">Employee 1</p>
3. Employer's payroll taxes			
3.1 Apprenticeship tax—CGI	Levied on total wages paid by companies or individual operators engaged in industrial, commercial, or agricultural activities.	Employers making arrangements for technical instruction or apprenticeship are exempt. A tax reduction of up to UM 400 is allowed on sums paid to apprentices, up to an amount representing 50 percent of the tax normally due.	0.6 percent of total wages paid.
4. Taxes on property			
4.1 Real estate taxes			
4.11 Tax on improved land—CGI	Levied on improved properties, including permanent installation in commercial premises and uncultivated land used for commercial or industrial purposes. Based on rental value.	Permanent exemptions: buildings belonging to the Government, local governments and public entities, buildings used for medical, educational or social welfare purposes, and straw huts. A 30 percent deduction is granted on the fixed rental value to allow for expenses.	<p>3 percent: owner-occupied buildings maintained as principal residence.</p> <p>10 percent: buildings not rented, inhabited, or used by their owner.</p> <p>10 percent: buildings rented.</p> <p>9 percent: other buildings.</p>

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
4.2 Transfer taxes—CGI	Levied on inheritance settlements among heirs and on transfers of real property, business assets, and shares in companies.	Acquisitions by local government agencies, including regional financial groups, the Central Bank of Mauritania, the Development Bank, the Savings Bank, the National Social Security Fund, cooperative companies, mutual societies, companies in which the Government holds at least 51 percent of the capital, and gifts between spouses and between lineal relatives are exempt.	0.5 percent on divisions between coinheritors, co-owners and co-associates. 5 percent for buildings. 12 percent for businesses. 2 percent for goods related to businesses.
4.3 Livestock tax—CGI	Levied on beef cattle, horses, camels, donkeys, sheep, and goats.	Livestock farmers whose income is derived exclusively from: - 50 goats or sheep; - 20 beef cattle; and - 15 camels.	Rate varies from UM 20 to UM 250 per head.
5. Domestic taxes on goods and services			
5.1 Value-added tax (VAT)	Levied on the value of imports, domestic sales of products, real estate works, services, sales of real estate, and the activities of commercial professions.	The following are exempt: Individuals (except Government suppliers) not subject to presumptive taxation (i.e., those with turnovers of less than UM 6 million), medical activities excepts hospital charges, sales of administrative organizations, and repairs of aircraft.	Tax rates: General rate: 14 percent. Reduced rate: 5 percent.
5.2 Excises			
5.21 Tax on petroleum products—CGI	Levied on petroleum products at specific rates.	Fuel delivered to ocean-going ships, fishing vessels, and commercial airlines is exempted, but subject to the tax on company margins (ISMS). The ISMS rates are as follows: Regular gasoline: UM 850 per hectoliter. Premium gasoline: UM 800 per hectoliter. Gas-oil: UM 120 per hectoliter.	Premium gasoline: UM 2,315 per hectoliter. Regular gasoline: UM 2,429 per hectoliter. Fuel oil: UM 220 per hectoliter. Heavy oils: UM 800 per metric ton. Greasing and lubricating oils: UM 4,200 per metric ton. Liquefied gas: UM 1,040 per metric ton.

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.22 Other excises	Levied on alcoholic beverages, tobacco products, tea, and sugar.		Hard liquors: 294 percent of customs value. Sparkling wines: 229 percent of customs value. Beer: 195 percent of customs value. Cigarettes and cigars: Between 24 and 40 percent of c.i.f. value. Tea: UM 120 per kilogram. Sugar in lump: 18 percent of c.i.f. value. Tobacco leaves: 15 percent of customs value. Cement: UM 2 per kilogram.
5.3 Taxes on specific services			
5.31 Tax on insurance premiums—CGI	Levied annually on premiums collected by insurance companies.	Reinsurance operations, occupational accident insurance premiums, and premiums collected by cooperative companies are exempt.	Fire insurance: 10 percent. Sea transportation and associated risks of all nature: 5 percent. River or air transportation and associated risks of all nature: 10 percent. Life annuity contract: 10 percent. Export credit insurance: 0.1 percent. Other insurance: 10 percent.
5.32 Tax on movies—CGI	Levied on gross receipts of movie houses or from movie rentals.		1.5 percent on turnover. UM 5 per ticket sold.
5.4 Taxes on use of or permission to use goods or to perform activities			
5.41 Tax on motor vehicles—CGI	Levied yearly on motor vehicles and based on horsepower.	Vehicles belonging to the Government, local governments, and diplomats are exempt.	Rates vary from UM 2,700 to UM 15,600.
5.42 Business license tax—CGI (collected for local governments)	Annual tax payable by individuals and corporations regularly exercising an industrial or commercial occupation or craft or an industry not expressly exempted in Mauritania.	The Central Government, regional governments, artists, mine operators, fishermen, associates in partnerships, limited partnerships, or limited liability companies, and craftsmen are exempt.	The tax is composed of two fees: (i) a fixed fee whose rate ranges from UM 25,000 to UM 500,000 according to 13 different classes depending on the overall turnover for the preceding year; (ii) a proportional fee at the rate of 5 percent of the rental value of premises where the taxable activity is exercised.
5.43 Other business license tax—CGI (not collected)	Annual tax payable by persons or companies selling alcoholic or fermented beverage, wholesale or retail, for consumption on or off premises.		UM 25,000.

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
5.44 Airport tax	Levied on airplane tickets for foreign destinations.	- Babies less than two years of age - Airline personnel	4,000 ouguiyas per ticket sold for foreign destinations.
6. Taxes on international trade and transactions			
6.1 Import duties (customs tariff)			
6.11 Customs duties	Levied on imports on the basis of their c.i.f. value or their administrative value as determined by the Customs Department.	Certain capital goods and various consumer goods, such as tea, salt, and medicines, are exempt. All imports from CEAO (West African Economic Community) member countries not subject to the regional cooperation tax, and some imports from Morocco, Algeria, Tunisia, and the EU, also are exempt.	General rate: 5 percent. Reduced rate: 6 percent.
6.12 Import duty	Levied on the same basis as the customs duties referred to in 6.11.	Various exemptions are allowed.	Rates from 0 to 27 percent.
6.13 Statistical tax	Levied on imports on the basis of c.i.f. customs value.	Various exemptions are allowed.	0 and 3 percent.
6.2 Export duties (customs tariff)			
6.21 Export duty	Levied on the f.o.b. value of exports.	All goods originating other than in Mauritania are exempt on export or re-export.	This tax is not currently collected.
6.22 Export tax on fish	Levied on f.o.b. value of exports of fish and crustaceans.		Rates vary from 5 percent to 20 percent.
7. Other taxes			
7.1 Stamp taxes	Mandatory use of stamps on legal documents drawn up for various acts.		Fixed or proportional taxes, depending on the type of document used.

Mauritania: Summary of the Tax System, 1997

(All amounts in ouguiyas)

Tax	Nature of Tax	Exemptions and Deductions	Rates
Summary of the Investment Code, January 1989			
<p>The 1989 Investment Code replaces the 1979 Code and clearly redefines the Government's economic priorities and the advantages that should be extended to qualified investors. The list of priorities comprises agro-industry, fishing, mining, construction, maritime transport, low-rent housing construction, utilities, and tourism. The selection criterion is the project's contribution to the national economy, with particular emphasis on promotion of small and medium-size enterprises; development of exports of products manufactured in Mauritania; increased use of domestic resources; investment in the interior of Mauritania; and promotion of foreign investments. There are two regimes: priority enterprises and enterprises granted tax agreement. To be eligible for the priority scheme the investments must represent a new undertaking; or an expansion of an existing activity (increase of 30 percent in number of employees, or increase of 40 percent in assets). To be eligible for the agreement scheme the value of the investment must be more than UM 500 million implemented over four years and create at least 200 new jobs during the first two years of production.</p>			
<p>Priority enterprises and enterprises granted tax agreement are exempt from the BIC on 40 percent of their profits during the first six years of production, as long as the exempted amount is reinvested in the enterprise or in another priority enterprise within three years. Priority enterprises also benefit for a limited period of time from a reduction in the BIC rates, which vary according to the location of the investment. During the first six years of production, the rate of the TPS is reduced by 5 percent on bank loans obtained to finance the investment; for investment in the interior of the country, benefits include preferential discount rate, exemption from business license tax, and sale of land at below market prices; for enterprises exporting products manufactured in Mauritania, benefits include preferential discount rate for export credits, 50 percent reduction in TPS rates on export credits, permission to open foreign exchange accounts to deposits up to 20 percent of export earnings.</p>			
<p>Under the tax agreement regime, enterprises are guaranteed a stable direct taxation system for ten years. Other general advantages can be only on real estate taxes, user taxes, trading licenses, and tax on income from securities, from which enterprises can be exempted during the first six years of production.</p>			

Sources: General Tax Code of May 24, 1982; Investment Code; Customs Tariff; Fiduciaire France-Afrique, Fiscalité Africaine; Mémento fiscal and social de la République Islamique de Mauritanie, 1983; International Bureau of Fiscal Documentation, African Tax System, 1983; and information provided by the Mauritanian authorities.

Table 4. Mauritania: Gross Domestic Product by Sector
of Origin at Constant 1985 Prices, 1993-97

	1993	1994	1995	1996	1997
	(In millions of ouguiyas)				
Primary sector	13,662	14,073	14,779	15,261	16,346
Agriculture	2,928	3,232	3,633	3,819	4,716
Livestock	10,065	10,317	10,575	10,818	11,132
Fishing	669	524	571	624	497
Secondary sector	18,214	19,518	20,468	21,053	21,001
Mining	6,955	8,436	8,478	8,097	8,291
Manufacturing and handicrafts	6,812	5,573	6,150	6,731	6,086
Fishing	4,273	2,907	3,401	3,925	2,944
Other industries	2,401	2,521	2,597	2,651	2,969
Handicrafts	138	145	152	155	174
Construction and public works	4,447	5,509	5,840	6,225	6,623
Tertiary sector	27,249	28,376	29,642	31,768	34,397
Commerce and other services	8,661	9,337	9,944	10,809	11,728
Transport and communications	4,193	4,445	4,863	5,558	6,470
Other services	3,691	3,890	4,131	4,354	4,567
Public administration	10,704	10,704	10,704	11,047	11,632
GDP (at factor cost)	59,125	61,967	64,889	68,082	71,744
Indirect taxes	6,256	6,425	6,682	6,853	6,860
GDP (at market prices)	65,381	68,392	71,571	74,935	78,604
Annual growth rate (in percent)	5.5	4.6	4.6	4.7	4.9
	(Shares of GDP, in percent)				
Primary sector	20.9	20.6	20.6	20.4	20.8
Agriculture	4.5	4.7	5.1	5.1	6.0
Livestock	15.4	15.1	14.8	14.4	14.2
Fishing	1.0	0.8	0.8	0.8	0.6
Secondary sector	27.9	28.5	28.6	28.1	26.7
Mining	10.6	12.3	11.8	10.8	10.5
Manufacturing and handicrafts	10.4	8.1	8.6	9.0	7.7
Fishing	6.5	4.3	4.8	5.2	3.7
Other industries	3.7	3.7	3.6	3.5	3.8
Handicrafts	0.2	0.2	0.2	0.2	0.2
Construction and public works	6.8	8.1	8.2	8.3	8.4
Tertiary sector	41.7	41.5	41.4	42.4	43.8
Commerce and other services	13.2	13.7	13.9	14.4	14.9
Transport and communications	6.4	6.5	6.8	7.4	8.2
Other services	5.6	5.7	5.8	5.8	5.8
Public administration	16.4	15.7	15.0	14.7	14.8
GDP (at factor cost)	90.4	90.6	90.7	90.9	91.3
Indirect taxes	9.6	9.4	9.3	9.1	8.7
GDP (at market prices)	100.0	100.0	100.0	100.0	100.0

Sources: Mauritanian authorities; and Fund staff estimates.

Table 5. Mauritania: Growth of Output by Sector, 1993-97

(In percent)

	1993	1994	1995	1996	1997
Primary sector	9.7	3.0	5.0	3.3	7.1
Agriculture	55.0	10.4	12.4	5.1	23.5
Livestock	1.0	2.5	2.5	2.3	2.9
Fishing	11.0	-21.7	9.0	9.2	-20.3
Secondary sector	8.8	7.2	4.9	2.9	-0.2
Mining	17.1	21.3	0.5	-4.5	2.4
Manufacturing and handicrafts	5.6	-18.2	10.4	9.5	-9.6
Fishing	6.2	-32.0	17.0	15.4	-25.0
Other industries	4.7	5.0	3.0	2.1	12.0
Handicrafts	4.5	5.1	4.8	2.1	12.0
Construction and public works	2.3	23.9	6.0	6.6	6.4
Tertiary sector	0.7	4.1	4.5	7.2	8.3
Commerce and other services	1.5	7.8	6.5	8.7	8.5
Transport and communications	1.5	6.0	9.4	14.3	16.4
Other services	0.0	5.4	6.2	5.4	4.9
Public administration	0.0	0.0	0.0	3.2	5.3
GDP at factor costs	5.1	4.8	4.7	4.9	5.4
Indirect taxes	9.1	2.7	4.0	2.6	0.1
GDP at market prices	5.5	4.6	4.6	4.7	4.9

Sources: Mauritanian authorities; and Fund staff estimates.

Table 6. Mauritania: Gross Domestic Product at Current Prices, 1993-97

	1993	1994	1995	1996	1997
	(In millions of ouguiyas, unless otherwise specified)				
Primary sector	27,146	28,746	31,134	33,232	37,117
Agriculture	5,722	6,157	7,176	7,798	10,074
Livestock	19,864	21,152	22,331	23,599	25,376
Fishing	1,560	1,438	1,627	1,835	1,667
Secondary sector	30,490	35,517	39,073	42,323	46,865
Mining	10,405	12,860	13,441	13,440	16,075
Manufacturing and handicrafts	12,617	12,311	14,160	16,117	16,447
Fishing	7,348	6,859	8,281	9,844	8,867
Other industries	5,044	5,206	5,609	5,985	7,085
Handicrafts	225	246	270	288	341
Construction and public works	7,468	10,346	11,471	12,766	14,344
Tertiary sector	43,891	48,612	53,281	58,463	66,260
Commerce and other services	15,877	18,045	20,064	22,287	25,511
Transport and communications	7,392	8,058	9,239	10,282	12,627
Other services	7,508	8,306	9,235	10,210	11,270
Public administration	13,115	14,203	14,743	15,684	16,852
GDP (at factor cost)	101,527	112,875	123,488	134,018	150,242
Indirect taxes	12,472	14,006	15,131	16,124	16,688
GDP (at market prices)	113,999	126,881	138,619	150,142	166,930
GDP (at market prices) (annual change, in percent)	10.0	11.3	9.3	8.3	11.2
GDP deflator (annual change, in percent)	4.3	6.4	4.4	3.5	6.2
	(Shares of GDP, in percent)				
Primary sector	23.8	22.7	22.5	22.1	22.2
Agriculture	5.0	4.9	5.2	5.2	6.0
Livestock	17.4	16.7	16.1	15.7	15.2
Fishing	1.4	1.1	1.2	1.2	1.0
Secondary sector	26.7	28.0	28.2	28.2	28.1
Mining	9.1	10.1	9.7	9.0	9.6
Manufacturing and handicrafts	11.1	9.7	10.2	10.7	9.9
Fishing	6.4	5.4	6.0	6.6	5.3
Other industries	4.4	4.1	4.0	4.0	4.2
Handicrafts	0.2	0.2	0.2	0.2	0.2
Construction and public works	6.6	8.2	8.3	8.5	8.6
Tertiary sector	38.5	38.3	38.4	38.9	39.7
Commerce and other services	13.9	14.2	14.5	14.8	15.3
Transport and communications	6.5	6.4	6.7	6.8	7.6
Other services	6.6	6.5	6.7	6.8	6.8
Public administration	11.5	11.2	10.6	10.4	10.1
GDP (at factor cost)	89.1	89.0	89.1	89.3	90.0
Indirect taxes	10.9	11.0	10.9	10.7	10.0
GDP (at market prices)	100.0	100.0	100.0	100.0	100.0

Sources: Mauritanian authorities; and Fund staff estimates.

Table 7. Mauritania: Expenditures and Savings at Current Prices, 1993-97

	1993	1994	1995	1996	1997
	(In millions of ouguiyas)				
Consumption	104,625	112,908	128,570	138,362	152,444
Central government	18,159	18,786	19,591	20,945	22,348
Private sector 1/ 2/	86,467	94,123	108,979	117,417	130,095
Gross domestic investment	25,080	18,398	22,169	28,827	29,170
Central government	4,898	5,498	5,273	6,209	6,397
Private sector 1/ 3/	20,182	12,900	16,897	22,618	22,774
Net export of goods and nonfactor services	-15,706	-4,425	-12,182	-17,047	-14,926
Exports	52,340	53,387	69,969	70,880	66,077
Imports	68,046	57,812	82,151	87,927	81,003
Nominal GDP (at market prices)	113,999	126,881	138,557	150,142	166,689
Net factor income 4/	-8,322	-6,507	-6,861	-7,732	-7,840
Net official transfers	12,882	11,872	13,369	21,133	22,678
Gross national disposable income	118,559	132,246	145,065	163,543	181,526
Gross national savings	13,794	19,286	16,488	25,224	29,004
Government	-7,638	-254	4,157	14,263	13,335
Others 1/	21,432	19,540	12,332	10,960	15,669
	(In percent of GDP)				
Consumption	91.8	89.0	92.8	92.2	91.5
Central government	15.9	14.8	14.1	13.9	13.4
Private sector 1/ 2/	75.8	74.2	78.7	78.2	78.0
Gross domestic investment	22.0	14.5	16.0	19.2	17.5
Central government	4.3	4.3	3.8	4.1	3.8
Others 1/ 3/	17.7	10.2	12.2	15.1	13.7
Net export of goods and nonfactor services	-13.8	-3.5	-8.8	-11.4	-9.0
Exports	45.9	42.1	50.5	47.2	39.6
Imports	59.7	45.6	59.3	58.6	48.6
Net factor income 4/	-7.3	-5.1	-5.0	-5.1	-4.7
Net official transfers	11.3	9.4	9.6	14.1	13.6
Gross national disposable income	104.0	104.2	104.7	108.9	108.9
Gross national savings	12.1	15.2	11.9	16.8	17.4
Government	-6.7	-0.2	3.0	9.5	8.0
Others 1/	18.8	15.4	8.9	7.3	9.4

Sources: Data provided by the Mauritanian authorities; and Fund staff estimates.

1/ Including public enterprises.

2/ Determined as a residual.

3/ Including change in stocks.

4/ Including private transfers.

Table 8. Mauritania: Area Cultivated and Production of Selected Crops, 1992/93–1996/97 1/

	1992/93	1993/94	1994/95	1995/96	1996/97
(In thousands of hectares)					
Area cultivated					
Total cereals	112.5	146.1	274.2	271.1	192.2
Millet and sorghum 2/	95.7	128.8	243.8	257.7	161.3
Paddy rice	12.7	17.3	19.2	13.4	17.4
Maize, wheat, and barley	4.1	0.0	11.2	0.0	13.5
Cowpeas, vegetables, and other	26.2	60.0	31.0	13.7	2.5
Dates	12.0	15.0	15.5	n.a	n.a
(In thousands of metric tons)					
Production					
Total cereals	105.5	160.4	200.4	219.8	121.3
Millet and sorghum 2/	51.7	96.8	140.0	167.0	48.8
Paddy rice	50.7	63.6	53.2	52.8	66.7
Maize, wheat, and barley	3.1	0.0	7.2	0.0	5.8
Cowpeas, vegetables, and other	15.2	25.0	31.7	41.9	29.7
Dates	12.0	15.0	18.5	20.1	16.0

Source: Ministry of Rural Development and the Environment (MDRE).

1/ Crop year usually ends June 30; the main harvest takes place at the end of the first cropping season, before December 31 of each calendar year.

2/ Excluding new spring cereal culture.

Table 9. Mauritania: Supply of Cereals, 1993-97

(In thousands of metric tons)

	1993	1994	1995	1996	1997
Production 1/	73	123	142	174	87
Imports	213	153	81	212	215
Rice (SONIMEX)	59	42	15	73	84
Flour (private sector)	79	63	53	90	63
Other (private sector)	79	48	13	49	68
Food aid	37	38	25	15	32
Total supply	323	314	248	401	333
Per capital supply (in kilograms)	133	163	144	168	156

Source: Commission for Food Security (CSA).

1/ Consumable cereal production equals gross production less estimated losses on paddy (40 percent) and other cereals (15 percent).

Table 10. Mauritania: CSA—Operating Revenues and Expenditures, 1993–97

	1993	1994	1995	1996	1997
	(In millions of ouguiyas)				
Total revenue	714.6	723.3	589.4	470.6	393.5
Sales of cereals	283.1	400.4	255.2	306.6	32.2
Operating subsidies	212.0	89.3	63.7	9.9	66.6
Other revenues	219.5	233.6	270.5	154.1	294.7
Expenses	391.6	600.6	589.7	444.9	921.7
Purchases	114.2	161.5	35.0	45.3	159.5
Personnel	150.7	168.3	172.0	168.6	182.8
Transport	...	19.6	29.8	22.5	60.7
Amortization	50.9	52.6	51.9	55.9	116.0
Other	75.8	198.6	301.0	152.6	402.7
Operating profits (+)/losses (-)	323.0	122.7	-0.3	25.7	-528.2
	(In thousands of metric tons)				
Memorandum items:					
Distribution and marketing of foodstuffs:					
Food distribution	30.5	13.9	1.7	6.1	18.0
Cereal sales	14.5	12.1	10.1	8.2	8.5

Source: Commission of Food Security (CSA).

Table 11. Mauritania: Estimated Size of Livestock Herds,
Controlled Slaughtering, and Average Prices, 1993-97

	1993	1994	1995	1996	1997
	(In thousands of heads)				
Livestock herds					
Cattle	1,100	1,100	1,100	1,125	1,312
Sheep and goats	8,900	8,900	8,900	8,810	9,032
Camels	1,080	1,080	1,080	1,087	1,182
Controlled slaughtering					
Cattle	34	34	36	38	46
Sheep and goats	104	106	105	108	124
Camels	20	22	21	23	38
	(In ouguiyas per head)				
Average prices					
Cattle	25,000	44,000	46,000	40,000	50,000
Sheep	5,000	6,500	6,800	7,000	7,000
Goats	3,500	4,900	5,500	6,000	6,500
Camels	35,000	57,000	54,000	60,000	65,000

Source: Ministry of Rural Development and the Environment (MDRE).

Table 12. Mauritania: Estimated Fish Catch, 1993-97

(In thousands of metric tons)

	1993	1994	1995	1996	1997
Artisanal fishing	17.2	15.3	17.3	22.3	17.8
Traditional	7.1	6.7	8.7	10.8	n.a.
Modern	10.1	8.7	8.6	11.5	n.a.
Industrial fishing	462.7	291.0	407.2	541.6	375.5
Demersal (deep-sea) fish	49.9	42.3	36.2	33.9	21.8
Pelagic (surface) fish	379.8	213.6	336.0	457.0	339.6
Other	33.0	35.1	35.0	50.7	14.1
Total	479.8	306.3	424.5	563.9	390.5
Estimated undeclared catch	14.8	1.0	13.4	n.a.	n.a.

Source: Ministry of Fishing.

Table 13. Mauritania: Composition of Fish Exports, 1993-97

	1993	1994	1995	1996	1997
(In thousands of metric tons)					
Volume					
Pelagic	214.2	131.7	208.7	283.0	138.0
Deep-sea	9.6	9.1	15.6	17.5	13.6
Cephalopod	58.1	38.7	32.7	27.7	23.5
Fish meal	25.7	9.1	16.4	23.3	14.1
Other	5.0	7.5	13.3	14.3	8.6
Total	312.6	196.1	286.7	365.8	197.8
(In millions of ouguiyas)					
Value					
Pelagic	8,024.0	6,573.8	9,456.2	12,079.0	5,924.0
Deep-sea	1,762.0	803.4	2,476.3	3,338.6	2,625.0
Cephalopod	16,224.2	17,264.3	20,034.8	18,401.0	17,751.0
Fish meal	1,201.6	453.0	858.5	1,409.7	807.0
Other	400.7	601.8	1,124.6	1,219.0	941.0
Total	27,612.5	25,696.3	33,950.4	36,447.3	28,048.0
Total (in millions of U.S. dollar)	228.6	207.9	261.6	265.7	184.7

Source: Ministry of Fishing.

Table 14. Mauritania: Fishing Vessels by Nationality and Category, 1993-97

	1993	1994	1995	1996	1997
Deep-sea fishing	202	211	216	259	264
Mauritanian	142	169	169	195	209
Foreign	60	42	47	64	55
Pelagic fishing	36	28	39	77	51
Mauritanian	3	3	3	1	1
Foreign	33	25	36	76	50
Other fishing	159	157	107	117	104
Mauritanian	4	4	2	4	4
Foreign	155	153	105	113	100
Total	397	396	362	453	419
Mauritanian	149	176	174	200	214
Foreign	248	220	188	253	205

Source: Ministry of Fishing.

Table 15. Mauritania: Iron Ore—Production, Exports, and Stocks, 1993–97

(In thousands of metric tons)

	1993	1994	1995	1996	1997
Production	9,196	11,439	11,329	11,363	11,703
Exports	9,737	10,342	11,514	11,158	11,689
Changes in stocks	-541	1,097	-185	205	14
Stocks (end of period)	907	2,004	1,819	2,024	2,038

Source: National Industrial and Mining Company (SNIM).

Table 16. Mauritania: Net Production of Electricity and Water, 1993-97

	1993	1994	1995	1996	1997
(In thousands of kilowatt hours)					
Electricity 1/	148,059	155,922	167,971	179,075	183,951
Nouakchott	83,899	91,127	100,000	112,368	124,326
Nouadhibou	57,256	55,778	58,300	56,689	51,022
Other	6,904	9,017	9,671	10,018	8,603
(In megawatts)					
Guaranteed capacity installed	53	53	53	61	61
(In thousands of cubic meters)					
Water	14,856	15,418	14,674	14,255	16,457
Nouakchott	11,431	11,990	11,416	11,246	13,453
Nouadhibou	2,214	2,131	2,025	2,154	1,982
Other	1,211	1,297	1,233	855	1,022

Source: National Water and Electricity Company (SONELEC).

1/ Excluding electricity produced by autonomous producers, mainly SNIM.

Table 17. Mauritania: Selected Indicators for Public Enterprises, 1993-97

(In millions of ouguiyas)

	1993	1994	1995	1996	1997
Value added	20,649	18,880	22,162	25,300	29,082
<i>Of which</i>					
SNIM	11,445	12,486	14,928	16,910	19,125
OPT	1,536	1,935	2,085	2,415	3,134
SONELEC	2,362	2,019	2,107	2,545	3,322
Profits	1,610	1,863	933	1,760	4,339
<i>Of which</i>					
SNIM	499	103	346	867	4,029
OPT	604	813	845	539	743
SONELEC	222	211	60	400	430
Investment	13,316	8,801	8,515	11,508	8,911
<i>Of which</i>					
SNIM	9,461	5,620	4,330	4,418	5,572
OPT	478	1,071	1,778	1,635	1,278
SONELEC	1,096	1,198	1,497	664	1,316
Number of employees	7,927	7,974	7,673	7,530	7,535
<i>Of which</i>					
SNIM	4,443	4,443	4,443	4,443	4,443
OPT	959	1,019	1,008	963	963
SONELEC	763	763	763	763	763
Memorandum items:					
Value added per employee (UM '000)	2,605	2,368	2,888	3,360	3,860
Value added (in percentage of GDP)	18.1	14.9	16.0	16.9	17.4
Average annual wage (UM '000) 1/	744	797	829	876	916

Source: Ministry of Finance.

1/ Including benefits.

Table 18. Mauritania: SNIM—Operating Accounts, 1993–97

(In millions of ouguiyas)

	1993	1994	1995	1996	1997
Total revenue	23,039	25,552	29,228	32,184	37,198
Sales (in millions of metric tons)	10	10	12	11	12
Total expenses	22,017	24,690	28,591	28,627	30,009
Cost of goods sold	9,890	11,225	11,803	13,410	14,219
Personnel expenses	3,172	3,445	3,492	3,591	3,911
Financial expenses	4,514	4,740	6,103	5,631	5,899
Depreciation and other provisioning	4,263	5,096	6,027	5,732	5,721
Taxes	77	77	1,000	81	82
Other expenses	102	107	166	182	177
Operating profits (+)/losses (-)	1,022	862	637	3,557	7,189

Source: National Industrial and Mining Company (SNIM).

Table 19. Mauritania: SNIM—Balance Sheet, 1993–97

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Assets	74,369	79,637	81,527	77,178	82,082
Cash in banks	4,889	5,628	5,667	6,683	8,860
Receivables	4,873	4,939	4,359	4,652	6,571
Inventories	6,746	10,105	11,897	10,553	8,619
Fixed assets	30,247	29,331	28,297	27,025	29,134
Fixed capital formation expenses	11,398	11,219	10,125	9,312	8,600
Uncalled capital	0	0	0	0	0
Other	16,216	18,415	21,182	18,953	20,298
Liabilities and equity	74,369	79,637	81,527	77,178	82,082
Short-term debt	5,814	5,150	5,216	3,694	4,072
Long-term debt	38,810	49,811	49,531	45,648	45,958
Equity	21,778	22,170	23,766	24,148	25,016
Losses (-) or profits 1/	422	64	382	868	4,028
Other	7,545	7,592	2,632	2,820	3,008

Source: National Industrial and Mining Company (SNIM).

1/ Figures are equivalent to operating profits reported in Table 18 less special transfers to the government.

Table 20. Mauritania: SONELEC—Operating Accounts, 1993–97

(In millions of ouguiyas)

	1993	1994	1995	1996	1997
Operating receipts	4,099	4,640	4,885	5,483	6,170
Electricity sales	2,432	3,062	2,966	3,474	4,114
Water sales	1,411	1,372	1,280	1,369	1,598
Other	256	206	639	640	458
Operating expenses	3,546	4,217	4,712	5,138	5,744
Goods and services inputs	1,510	2,404	2,392	2,381	2,594
Personnel	501	472	578	605	681
Financial expenses	291	253	345	238	357
Amortization	931	918	924	988	1,383
Taxes	7	9	255	8	15
Other	307	161	218	918	714
Operating profits (+)/losses (-)	553	423	173	345	426

Source: National Water and Electricity Company (SONELEC).

Table 21. Mauritania: Public Utility Rates, 1993-97

	1993	1994	1995	1996	1997
(Ouguiyas per kilowatt hour)					
Electricity					
Medium voltage (industry)					
One hook-up	16.4	16.4	16.9	17.6	17.6
Two hook-ups	10.1	10.1	10.4	10.8	17.4
Low voltage					
Domestic	23.0	23.0	23.7	24.6	24.6
Public lighting	26.2	26.2	27.0	28.1	27.0
Other	25.2	25.2	25.9	27.0	27.0
(Ouguiyas per cubic meter)					
Water					
Private					
Tranche 1	72.7	72.7	74.9	77.9	77.9
Tranche 2	144.0	144.0	148.4	154.4	154.4
Tranche 3	181.1	181.1	186.5	194.0	194.0
Industry and government	150.9	150.9	155.4	161.7	161.7
Public fountains	72.7	72.7	74.9	77.9	77.9

Source: National Water and Electricity Company (SONELEC).

Table 22. Mauritania: Consumption of Petroleum Products, 1993-97

(In thousands of metric tons)

	1993	1994	1995	1996	1997
Ordinary gasoline	36.5	39.4	41.2	42.2	41.5
Super gasoline	0.9	0.7	0.5	0.3	0.3
Fuel oil	56.5	60.5	63.5	59.9	80.8
Kerosene	11.2	11.6	11.6	14.9	15.7
Lighting oil	2.3	1.5	1.0	1.3	0.8
Gas oil	164.2	189.4	201.4	214.3	213.1
Fishing fleet	63.0	69.3	83.7	83.8	81.2
Transportation 1/	21.7	39.4	80.7	52.8	62.7
Agriculture	4.7	4.7	4.8	...	...
SONELEC	6.5	12.4	3.0	17.1	9.4
SNIM	46.2	59.2	40.9	54.7	52.8
Other	7.3	4.4	4.8	5.9	7
Butane	12.5	13.4	13.5	15.5	16

Sources: Directorate of Energy, Ministry of Water and Energy.

1/ Including agriculture in 1996 and 1997.

Table 23. Mauritania: NAFTEC—Operating Revenues and Expenditures, 1993–97

(In millions of ouguiyas)

	1993	1994	1995	1996	1997
Total revenues	5,012	4,871	4,859	5,992	5,940
Sales	4,974	4,751	4,782	5,915	5,926
Other revenues	38	120	77	77	13
Expenses	4,905	4,691	4,600	5,360	5,485
Cost of petroleum 1/	2,433	4,273	4,166	5,055	4,948
Personnel	114	139	149	136	134
Financial expenses	92	61	106	50	180
Amortization and equipment	140	61	61	86	170
Other	2,106	157	118	33	52
Operating income before tax	107	180	259	632	455
Taxes	244	191	257	433	350
Net operating income after taxes	-137	-11	2	199	104

Source: NAFTEC, previously known as Mauritanian Company for Commercialization of Petroleum Products (SMCPP).

1/ Includes net reductions in stocks.

Table 24. Mauritania: SNIM—Energy Consumption, 1993–97

	1993	1994	1995	1996	1997
(In thousands of metric tons)					
Petroleum products	77,900	113,600	93,605	98,510	104,039
Ordinary gasoline	2,280	4,570	2,812	2,960	2,906
Gas oil	46,160	70,173	53,952	54,720	53,073
Heavy fuel	29,460	38,845	36,836	40,830	48,060
Butane	0	12	5	0	0
(In thousands of kilowatt hours)					
Electricity 1/	164,593	178,959	86,490	213,917	204,671

Source: National Industrial and Mining Company (SNIM).

1/ Autogenerated.

Table 25. Mauritania: Unit Prices of Petroleum Products, 1993-97 1/

(Prices per liter; unless otherwise specified)

	1993	1994	1995	1996	1997
(In ouguiyas)					
Regular gasoline	87.9	87.8	98.4	102.6	110.6
Premium gasoline	97.0	97.0	114.2	118.4	126.4
Lighting oil	50.3	50.3	68.3	68.3	73.8
Gas oil					
Transportation	48.5	48.5	51.5	55.5	58.5
Fishing fleet 2/	25.5	23.8	31.9	39.6	36.9
Butane (bottle of 12.5 kg)	740.0	740.0	740.0	840.0	1000.0
(In U.S. dollars)					
Regular gasoline					
Mauritania	0.73	0.71	0.76	0.75	0.73
Algeria	0.26	0.23	0.26	0.27	0.32
Morocco	0.72	0.76	0.87	0.83	0.78
Senegal	1.13	0.75	0.83	0.81	0.71
Mediterranean ex-refinery 3/	...	...	0.12	0.20	0.19
Premium gasoline					
Mauritania	0.80	0.78	0.88	0.86	0.83
Algeria	0.28	0.31	0.30	0.31	0.36
Morocco	0.75	0.79	0.90	0.88	0.81
Senegal	1.24	0.82	0.91	0.89	0.78
Mediterranean ex-refinery 3/	...	...	0.13	0.21	0.20
Gas Oil					
Mauritania	0.40	0.39	0.40	0.40	0.39
Algeria	0.13	0.19	0.16	0.17	0.20
Morocco	0.43	0.46	0.53	0.50	0.50
Senegal	0.88	0.54	0.60	0.59	0.51
Mediterranean ex-refinery 3/	...	...	0.13	0.20	0.17

Source: Mauritanian authorities (MIIE). Mediterranean ex-refinery price from Oil Market Intelligence.

1/ Unit prices "ex-dépôt Nouakchott".

2/ Unit Prices "dock Nouadhibou". From 1997, "ex-refinery price".

3/ Benchmark wholesale price.

Table 26. Mauritania: Consumer Price Index for Nouakchott, 1993-97

(July 1985 = 100)

Weights (in percent)	Foodstuffs (52.0)	Clothing (14.6)	Lodging (25.3)	Other (8.1)	Overall	
					Index (100)	Percentage Change
(Annual average)						
1993	185.0	160.2	193.6	143.9	180.2	9.3
1994	191.4	169.4	204.0	144.9	187.6	4.1
1995	206.7	183.4	213.3	143.4	199.8	6.5
1996	222.2	179.2	222.0	140.8	209.3	4.7
1997	231.1	192.5	229.2	141.5	216.8	4.5
(Monthly average)						
1996						
January	216.4	187.9	213.4	141.7	205.4	0.5
February	216.0	186.6	215.7	141.0	205.8	0.2
March	215.0	186.4	219.1	140.0	205.9	0.1
April	215.3	189.7	224.9	139.8	206.9	0.5
May	216.6	179.4	222.3	140.0	206.4	-0.2
June	217.8	179.2	221.9	141.4	207.0	0.3
July	223.9	177.1	221.0	140.9	209.6	1.2
August	226.8	171.7	223.9	139.6	211.0	0.7
September	229.1	172.4	224.5	141.0	212.5	0.7
October	230.2	171.9	224.6	141.1	213.1	0.3
November	230.4	173.9	227.5	141.2	214.2	0.5
December	229.6	174.2	225.1	141.7	213.2	-0.4
1997						
January	231.9	196.3	226.8	140.7	218.0	2.3
February	231.0	188.0	225.7	140.7	216.1	-0.9
March	230.7	185.3	225.5	140.6	215.5	-0.3
April	230.1	188.2	225.9	140.6	215.7	0.1
May	229.8	189.5	226.3	140.6	215.8	0.1
June	229.7	190.2	226.6	140.6	215.9	0.0
July	229.9	191.4	226.9	140.6	216.3	0.2
August	230.3	192.3	227.2	140.6	216.7	0.2
September	230.7	193.2	227.6	140.7	217.2	0.2
October	231.1	194.1	228.2	141.1	217.7	0.2
November	233.7	200.0	241.6	145.0	218.2	0.2
December	234.2	201.7	242.2	146.0	218.8	0.3

Source: Directorate of Statistics (ONS).

Table 27. Mauritania: Evolution of Minimum Wages and Salaries, 1993-97

(In ouguiyas)

	1993	1994	1995	1996	1997
Private sector (hourly wages)					
SMIG 1/	42.83	42.83	42.83	42.83	42.83
SMAG 2/	42.83	42.83	42.83	42.83	42.83
Public sector (civil servants' monthly salary)					
Category A1	18,936	19,322	19,717	20,119	20,521
Category A2	17,693	18,407	18,408	18,776	19,152
Category B	17,367	17,714	18,069	18,430	18,799
Category C	12,442	12,690	12,944	13,203	13,467
Category D	11,030	11,251	11,476	11,705	11,939
Category E (teachers)					
Assistant teachers	14,862	15,165	15,475	15,791	16,113
Teachers	18,923	19,309	19,704	20,106	20,516
Assistant professors	28,464	29,045	29,638	30,243	30,860

Source: Mauritanian authorities.

1/ Guaranteed minimum industrial wage.

2/ Guaranteed minimum agricultural wage.

Table 28. Mauritania: Civil Service Size and Recruitment, 1993-97 1/

Ministry and Department	Civil Service at end-1993	Recruitment 1994	Departures 1994	Civil Service at end-1994	Recruitment 1995	Departures 1995	Civil Service at end-1995	Recruitment 1996	Departures 1996	Civil Service at end-1996	Recruitment 1997	Departures 1997	Civil Service at end-1997
Presidency	240	--	4	236	--	7	229	--	2	227	0	2	225
General Secretariat of the government	115	--	--	115	--	2	113	--	7	106	0	10	96
Ministry of Interior, Post, and Telecommunications	2,632	--	16	2,616	--	24	2,592	--	25	2,567	0	35	2,532
Ministry of Justice 3/	945	--	8	937	--	6	931	--	16	915	0	28	887
Ministry of Economic Affairs and Development 3/	152	--	1	151	--	1	150	--	2	148	0	4	144
Ministry of Finance	1,337	--	2	1,335	--	15	1,320	15	18	1,317	0	23	1,294
Ministry of Commerce, Artisanal Works, and Tourism 4/	159	--	--	159	--	--	159	--	1	158	0	3	155
Ministry of Fishing and Sea Economy	124	--	2	122	--	1	121	--	2	119	0	4	115
Ministry of Equipment and Transport	181	--	4	177	--	4	173	--	10	163	0	13	150
Ministry of Rural Development and Environment	788	--	13	775	--	28	747	--	8	739	0	12	727
Ministry of Water and Energy	74	--	1	74	--	1	72	--	3	69	0	7	62
Ministry of Culture and Islamic Affairs	108	--	1	107	--	1	106	--	2	104	0	7	97
Ministry of Education	8,863	557	52	9,368	669	67	9,970	807	80	10,697	952	95	11,554
Ministry of Health and Social Affairs	3,099	78	28	3,149	93	42	3,200	111	48	3,263	143	30	3,376
Ministry of Foreign Affairs	107	--	1	106	--	--	106	--	4	102	0	4	98
Ministry of Information	84	--	--	84	--	1	83	--	--	83	0	3	80
Ministry of Mines and Industry	70	--	1	69	--	--	69	--	--	69	0	2	67
Ministry of Civil Service, Labor, Youth, and Sports	430	--	4	426	--	6	420	--	5	415	0	9	406
State Audit	79	--	--	79	--	--	79	--	3	76	0	6	70
Secretariat for Women's Affairs	125	--	1	124	--	5	119	--	7	112	0	9	103
Secretariat for Maghreb Affairs	17	--	--	17	--	--	17	--	--	17	0	4	13
Secretariat for Literacy	189	--	2	187	--	1	186	--	1	185	0	3	182
Total	19,918	635	141	20,412	762	212	20,962	933	244	21,651	1,095	313	22,433

Source: Mauritanian authorities.

1/ Number of civil servants at the end of each period are adjusted for changes in the number and responsibilities of each ministry.

2/ Following the dismantling of the National Committee in 1992, its employees were transferred to the Secretariat for Women's Affairs.

3/ Not including the redeployment of personnel from these Ministries to the Secretariat of Civil State and Mauritians abroad.

4/ Including the redeployment of personnel from the Ministry of Commerce to the Ministries of Finance and Interior.

Table 29. Mauritania: Public Investment Program and its Financing, 1993-97 1/

(In millions of ouguiyas)

	1993	1994	1995	1996	1997
Rural development	4,552	3,954	4,677	3,170	4,392
Industry 1/	3,003	3,254	1,098	1,640	1,019
SNIM	5,960	2,066	1,417	178	930
Infrastructure	2,383	3,562	5,606	4,447	5,767
Other	2,107	2,215	3,615	2,427	2,314
Total investment	18,004	15,051	16,413	11,862	14,422
Financing	18,004	15,051	16,413	11,862	14,423
Government	7,936	8,354	8,748	7,052	7,123
Domestic resources	1,619	2,722	2,143	2,160	2,939
Grants	3,699	2,023	2,238	1,161	774
Loans	2,618	3,610	4,368	3,732	3,410
Parastatals	1,534	2,709	4,546	2,934	3,996
Domestic resources	350	328	1,193	1,641	1,890
Grants	62	205	411	198	65
Loans	1,122	2,176	2,942	1,095	2,041
SNIM	5,959	2,066	1,418	178	930
Savings	1,125	395	0	0	0
Grants	2,018	840	217	0	0
Loans	2,816	831	1,201	178	930
SONADER	2,574	1,922	1,702	1,698	2,374
Domestic resources	189	254	168	48	91
Grants	1,637	704	515	202	391
Loans	747	964	1,019	1,448	1,892
Memorandum items:					
External financing	14,719	11,353	12,911	8,014	9,502
Grants	7,416	3,772	3,381	1,561	1,231
Loans	7,303	7,581	9,530	6,453	8,272

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Excluding SNIM.

Table 30. Mauritania: Treasury Operations, 1993-97 1/

	1993	1994	1995	1996	1997
	(In millions of ouguiyas)				
Revenue	29,321	29,460	33,210	44,720	44,832
Budgetary revenue	27,727	28,980	32,790	44,490	44,582
Special accounts	609	470	420	230	250
Adjustment for uncashed checks	985	0	0	0	0
Expenditure and net lending	37,747	30,550	30,180	31,630	33,515
Budgetary expenditure	25,253	25,080	27,150	29,370	31,971
<i>Of which:</i>					
Interest due	4,671	3,650	4,480	4,931	4,923
Wages and salaries	6,436	6,700	6,970	7,445	8,000
Goods and services	6,020	6,210	6,930	7,341	8,229
Investment	2,375	2,670	2,830	3,094	4,179
Special accounts	432	820	280	320	329
Net lending	10,780	4,250	2,460	1,940	1,215
<i>Of which</i>					
Restructuring	10,570	4,060	2,290	1,360	701
Adjustment for unclassified expenditure	1,282	0	0	0	0
Surplus or deficit (-)	-8,426	-1,090	3,030	13,090	11,317
Financing	8,246	1,090	-3,030	-13,090	-11,317
External	-140	910	-1,310	-2,960	-5,382
Grants	2,585	1,490	1,360	1,930	80
Loans (net)	-2,725	-580	-2,670	-4,890	-5,462
Drawings 2/	5,520	4,270	4,210	2,680	3,195
Amortization due	-8,245	-4,850	-6,880	-7,570	-8,657
Domestic (net)	2,960	-1,500	-7,210	-15,810	-11,440
Banking system	2,200	-1,870	-7,900	-8,570	-10,998
Other	760	370	690	-7,240	-442
Exceptional financing	5,607	1,660	5,460	5,680	5,505
Change in external arrears	-19,949	-2,460	2,110	-710	2,870
Principal	-15,741	-1,750	1,700	-650	2,392
Interest	-4,208	-710	410	-60	478
Change in domestic arrears	280	30	-310	0	0
External debt relief and other exceptional assistance	25,276	4,100	2,070	6,380	2,635
Rescheduling	25,276	4,100	2,070	6,380	2,635
Interest	2,064	...	460	1,560	315
Principal	3,941	...	770	3,660	2,320
Arrears	19,306	3,760	840	1,170	0
Exceptional assistance	0	0	0	0	0
Memorandum items:					
Surplus or deficit (-), excluding restructuring operations	2,144	2,970	5,320	14,450	12,018
Surplus or deficit (-), classifying grants as revenue:					
Including restructuring operations	-5,841	10,400	4,390	15,020	11,397
Excluding restructuring operations	4,729	4,460	6,680	16,380	12,098
	(In percent of GDP)				
Revenue	25.6	23.2	24.0	29.8	26.9
Expenditure and net lending	33.0	24.1	21.8	21.1	20.1
Surplus or deficit (-)	-7.4	-0.9	2.2	8.7	6.8
Surplus or deficit (-), excluding restructuring operations	1.9	2.3	2.2	9.6	7.2
Surplus or deficit (-), classifying grants as revenue:					
Including restructuring operations	-5.1	0.3	3.2	10.0	6.8
Excluding restructuring operations	4.1	3.5	4.8	10.9	7.3

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Excluding foreign-financed government operations.

2/ Drawings on budgetary loans and World Bank structural adjustment loan (including cofinancing).

Table 31. Mauritania: Consolidated Government Financial Operations, 1993-97 1/

	1993	1994	1995	1996	1997
	(In billions of ouguiyas)				
Total revenue	29.3	29.5	33.2	44.7	44.8
Budgetary revenue	27.7	29.0	32.8	44.5	44.6
Special accounts	0.6	0.5	0.4	0.2	0.3
Adjustment for uncashed checks	1.0	0.0	0.0	0.0	0.0
Expenditure and net lending 2/	41.9	35.2	34.4	36.7	37.9
Current expenditure	24.5	22.8	24.6	26.2	27.7
Wages and salaries	6.4	6.7	7.0	7.4	8.0
Goods and services	6.0	6.2	6.9	7.3	8.2
Transfers and subsidies	2.1	2.2	2.3	2.4	2.5
Military expenditure	3.6	3.6	3.6	3.7	3.7
Interest on public debt	4.7	3.7	4.5	4.9	4.9
Other	1.7	0.4	0.3	0.4	0.3
Capital expenditure and net lending	17.3	11.6	9.5	10.2	9.7
Fixed capital formation	6.5	7.3	7.0	8.3	8.5
Budgetary	2.4	2.7	2.8	3.1	3.7
Extrabudgetary	4.2	4.7	4.2	5.2	4.8
Restructuring and net lending	10.8	4.3	2.5	1.9	1.2
Restructuring public enterprises	2.8	3.8	2.3	1.4	0.7
Restructuring commercial banks	7.8	0.3	0.0	0.0	0.0
Other restructuring operations	0.2	0.0	0.1	0.4	0.3
Other including net lending	0.0	0.2	0.1	0.2	0.3
Other expenditure	0.1	0.8	0.3	0.3	0.4
Overall surplus/deficit (-)	-12.6	-5.7	-1.2	8.0	7.0
Financing	12.6	5.7	1.2	-8.0	-7.0
Foreign (net)	4.0	5.6	2.9	2.2	-1.0
Grants	3.7	2.6	2.8	3.3	1.3
Budgetary	2.6	1.5	1.4	1.9	0.1
Extra-budgetary	1.1	1.1	1.4	1.4	1.2
Loans (net)	0.3	3.0	0.2	-1.1	-2.3
Drawings	8.5	7.9	7.0	6.4	6.3
Budgetary 3/	5.5	4.3	4.2	2.7	3.2
Projects	3.0	3.6	2.8	3.8	3.1
Amortization due	-8.2	-4.9	-6.9	-7.6	-8.7

Table 31. Mauritania: Consolidated Government Financial Operations, 1993-97 1/

	1993	1994	1995	1996	1997
	(In billions of ouguiyas)				
Domestic (net)	3.0	-1.5	-7.2	-15.8	-11.4
Banking system	2.2	-1.9	-7.9	-15.8	-11.0
Other	0.8	0.4	0.7	0.0	-0.4
Exceptional financing	5.6	1.7	5.5	5.7	5.5
Change in external arrears	-20.0	-2.5	2.1	-0.7	2.9
Principal	-15.7	-1.8	1.7	-0.7	2.4
Interest	-4.2	-0.7	0.4	-0.1	0.5
Change in domestic arrears	0.3	0.0	-0.3	0.0	0.0
External debt relief	25.3	4.1	2.1	6.4	2.6
	(In percent of GDP)				
Memorandum items:					
Revenue	25.70	23.20	24.00	29.80	26.90
Total expenditure and net lending	36.80	27.70	24.80	24.50	22.72
Overall surplus/deficit (-)	-11.00	-4.50	-0.80	5.30	4.18
Overall surplus/deficit (-), excluding restructuring operations	-1.70	-1.30	0.90	6.60	4.91
Overall surplus/deficit (-), classifying grants as revenue:					
Including restructuring operations	-7.70	-1.90	1.30	7.50	4.96
Excluding restructuring operations	1.50	0.70	2.80	8.80	5.69
Primary balance	-6.90	-1.60	2.40	8.60	7.13

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Including operations financed directly from abroad and not recorded in treasury accounts, and operations related to the restructuring of banks and public enterprises; excluding grants.

2/ On a commitment basis.

3/ Includes program loans.

Table 32. Mauritania: Structure of Budgetary Revenue, 1993-97 1/

(In billions of ouguiyas)

	1993	1994	1995	1996	1997
Tax revenue 2/	21.7	22.7	23.6	26.3	26.0
Tax on income and profits	7.4	7.4	8.2	7.4	8.3
Tax on business profits	3.7	3.5	3.9	3.4	3.7
Tax on wages and salaries	3.4	3.6	3.9	3.7	4.1
General income tax	0.2	0.2	0.2	0.2	0.2
Other	0.1	0.1	0.2	0.1	0.2
Employers' payroll tax	0.0	0.0	0.0	0.0	0.0
Taxes on property	0.3	0.2	0.2	0.3	0.3
Taxes on goods and services	3.5	4.7	7.5	10.9	11.8
VAT	0.0	0.0	4.5	4.8	5.0
Turnover taxes	1.2	1.1	0.3	3.2	3.6
Tax on petroleum products	1.3	2.6	1.5	1.5	1.8
Other excises	0.9	0.9	1.0	1.2	1.1
Other	0.1	0.2	0.2	0.2	0.2
Taxes on international trade	10.4	10.1	7.5	7.4	5.4
Import taxes	7.2	7.8	4.7	5.6	5.4
Export tax on fish	3.1	2.3	2.7	1.7	0.0
Other taxes and duties	0.1	0.2	0.2	0.2	0.2
Nontax revenue	5.4	5.1	8.0	17.4	17.8
Fishing royalties and penalties	1.8	1.9	3.5	14.0	14.4
Revenue from public enterprises	1.2	0.4	0.5	0.4	0.6
Other	2.4	2.8	4.0	2.9	2.8
Revenue from capital	0.7	1.2	1.2	0.9	0.8
Total budgetary revenue	27.9	29.0	32.8	44.5	44.6
Special accounts	0.6	0.5	0.4	0.2	0.3
Total revenue 2/	28.5	29.5	33.2	44.7	44.8

Sources: Mauritanian authorities; and staff estimates.

1/ Owing to rounding, totals may not add to sum of components.

2/ For 1993, these totals do not agree with those shown in Tables 30 and 31 because the latter have been adjusted to exclude uncashed checks.

Table 33. Mauritania: Structure of Budgetary Revenue, 1993-97 1/

(In percent of total)

	1993	1994	1995	1996	1997
Tax revenue	77.8	78.4	79.1	59.0	58.3
Tax on income and profits	26.6	25.5	24.9	16.7	18.6
Tax on business profits	13.3	12.1	11.8	7.6	8.4
Tax on wages and salaries	12.2	12.3	11.9	8.4	9.3
General income tax	0.7	0.7	0.7	0.4	0.5
Other	0.5	0.4	0.5	0.3	0.5
Employers' payroll tax	0.1	0.1	0.1	0.1	0.1
Taxes on property	0.9	0.8	0.7	0.6	0.7
Taxes on goods and services	12.5	16.3	22.9	24.6	26.4
VAT	0.0	0.0	13.7	10.8	11.3
Turnover taxes	4.2	3.8	0.9	7.1	8.0
Tax on petroleum products	4.7	8.9	4.7	3.3	4.1
Other excises	3.2	3.0	2.9	2.8	2.5
Other	0.4	0.6	0.7	0.5	0.5
Taxes on international trade	37.6	35.0	22.8	16.7	12.1
Import taxes	25.8	27.0	14.4	12.6	12.1
Export tax on fish	11.3	8.0	8.3	3.7	0.0
Other taxes and duties	0.5	0.7	0.5	0.4	0.3
Nontax revenue	19.5	17.6	24.4	39.1	39.8
Fishing royalties and penalties	6.6	6.5	10.5	31.6	32.2
Revenue from public enterprises	4.2	1.4	1.6	1.0	1.3
Other	8.7	9.7	12.2	6.5	6.4
Revenue from capital	2.7	4.0	3.8	1.9	1.9
Total budgetary revenue	100.0	100.0	100.0	100.0	100.0

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Owing to rounding, totals may not add to sum of components.

Table 34. Mauritania: Treasury Expenditure, 1993-97

	1993	1994	1995	1996	1997
	(In billions of ouguiyas)				
Budgetary expenditure 1/	25.24	25.08	27.15	28.89	31.53
Operating expenditure	22.87	22.41	24.32	25.80	27.35
Wages and salaries	6.44	6.70	6.97	7.45	8.00
Goods and services 2/	6.02	6.21	6.93	7.34	8.23
Subsidies and transfers 2/	2.11	2.20	2.30	2.40	2.54
Interest on public debt 3/	4.67	3.65	4.48	4.93	4.92
Military expenditures	3.64	3.64	3.64	3.68	3.66
Investment expenditure 4/	2.38	2.67	2.83	3.09	4.18
Special accounts	0.43	0.40	0.29	0.41	0.33
Net lending 5/	0.03	0.15	0.10	0.15	0.25
Total expenditure and net lending 1/	25.71	25.63	27.54	29.45	32.11
	(In percent of total expenditure and net lending) 6/				
Budgetary expenditure	98.1	97.9	98.6	98.1	98.2
Operating expenditure	88.9	87.4	88.3	87.6	85.2
Wages and salaries	25.0	26.2	25.3	25.3	24.9
Goods and services	23.4	24.2	25.2	24.9	25.6
Subsidies and transfers	8.2	8.6	8.4	8.1	7.9
Interest on public debt	18.2	14.2	16.3	16.7	15.3
Military expenditures	14.1	14.2	13.2	12.5	11.4
Investment expenditure	9.2	10.4	10.3	10.5	13.0
Special accounts	1.7	1.6	1.1	1.4	1.0
Net lending	0.1	0.6	0.4	0.5	0.8
Total expenditure and net lending	100.0	100.0	100.0	100.0	100.0

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Excludes unclassified expenditure shown in Tables 30 and 31.

2/ Including arrears unrecorded at the treasury level.

3/ Interest due.

4/ Excluding foreign-financed investment expenditure.

5/ Excluding extrabudgetary outlays related to restructuring operations.

6/ Owing to rounding, totals may not add up to sum of components.

Table 35. Mauritania: Subsidies and Transfers, 1993-97

(In millions of ouguiyas)

	1993	1994	1995	1996	1997
Government agencies and public enterprises	1,392	1,380	1,390	1,585	1,689
Scholarships	348	345	383	382	366
Transfers to local authorities	80	80	80	80	82
Transfers to communes	7	9	9	9	9
Transfers to nonprofit organizations	6	7	7	7	7
Transfers to international organizations	147	227	227	180	191
Other	119	152	204	157	197
Total	2,099	2,200	2,300	2,400	2,541

Sources: Directorate of Budget, Ministry of Finance.

Table 36. Mauritania: Deposits Money Banks, as of end-August 1998

Name of Bank 1/	Shareholders		Subscribed Capital (UM Millions)	Number of Branches
Banque Al Barka Mauritanienne Islamique (BAMIS) (1985)	Group El Baraka	18.5 percent	2,000	2
	Private Mauritians	81.5 percent		
Banque de l'Habitat de Mauritanie (1997)	Private Mauritians	27.5 percent	2,000	0
	Government agencies	30 percent		
	Other banks	42.5 percent		
Banque Mauritanienne pour le Commerce International (BMCI) (1974)	Private Mauritians	100 percent	2,000	7
Banque Nationale de Mauritanie (1989)	Private Mauritians	100 percent	1,500	7
Chinguitty Bank (1972)	Mauritanian Government	50 percent	2,000	2
	Foreign Bank of Libya	50 percent		
Générale de Banque de Mauritanie (1995)	Private Mauritians	65 percent	1,500	2
	Belgolaise	30 percent		
	SFI	5 percent		

Source: Central Bank of Mauritania

1/ The date between bracket corresponds to Banks' year of establishment.

Table 37. Mauritania: Monetary Survey, 1993-97 1/

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Net foreign assets	-30,273	-32,701	-24,616	-11,153	-2,162
Central bank	-20,258	-22,679	-18,926	-9,952	-1,876
Commercial banks	-10,015	-10,022	-5,690	-1,201	-286
Net domestic assets	57,846	60,129	50,635	35,856	28,842
Domestic credit	52,975	52,479	32,877	21,077	12,992
Claims on the government (net)	11,159	9,289	1,351	-14,421	-25,419
Central bank	11,406	9,925	3,767	-13,735	-25,663
Commercial banks	-247	-636	-2,416	-686	244
Claims on the economy	41,816	43,190	31,526	35,498	38,411
Other items (net)	4,871	7,650	17,758	14,779	15,850
Valuation change	14,211	16,623	15,658	15,801	19,065
Other	-9,340	-8,973	2,100	-1,022	-3,215
Money and quasi-money	27,573	27,428	26,019	24,703	26,680
Money	20,938	19,816	18,202	16,227	17,579
Currency outside banks and treasury	9,097	8,598	7,383	5,093	5,854
Demand deposits	11,841	11,218	10,819	11,134	11,725
Quasi-money	6,635	7,612	7,817	8,476	9,101

Source: Mauritanian authorities.

1/ Including, through 1994, the accounts of the development bank (UBD) which was liquidated in 1994.

Table 38. Mauritania: Assets and Liabilities of the Central Bank, 1993-97

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Assets	49,230	52,449	57,554	65,962	79,457
Foreign assets	6,218	5,756	12,425	21,030	34,425
Gold	555	558	603	598	553
Foreign exchange	5,556	5,093	11,709	19,915	33,737
SDRs	2	--	8	412	30
Other	105	105	105	105	105
Claims on the government,	18,979	17,949	17,109	17,109	17,102
<i>Of which</i>					
Treasury bonds (BNM)	6,404	6,404	6,404	6,404	6,404
Treasury bonds (UBD)	6,143	6,143	6,143	6,143	6,143
Claims on commercial banks	2,353	2,571	1,872	2,334	2,793
Other claims	625	690	804	864	1,132
Other assets	21,055	25,483	25,344	24,625	24,005
Liabilities	49,230	52,449	57,554	65,962	79,457
Reserve money	22,810	21,966	20,724	10,462	9,089
Currency outside banks and treasury	9,097	8,598	7,383	5,093	5,854
(Memo: total currency in circulation)	10,176	10,258	8,439	6,835	7,301
Bankers' deposits	13,380	13,295	13,196	5,250	3,139
Deposits of public enterprises	333	73	145	119	96
Foreign liabilities	26,476	28,435	31,351	30,982	36,301
Short term	10,813	12,093	14,649	15,543	19,232
<i>Of which</i>					
Pending transfers	2,703	947	675	0	0
Use of Fund credit	7,944	11,020	13,683	15,282	19,142
Long term	15,663	16,342	16,702	15,439	17,069
Government deposits	7,573	8,024	13,342	30,844	42,765
<i>Of which</i>					
Counterpart funds	6,049	6,852	9,067	11,029	12,844
Capital account	4,946	4,888	4,415	4,059	4,821
Other liabilities	-12,525	-10,864	-12,278	-10,385	-13,519
<i>Of which</i>					
Valuation change	-12,711	-14,655	-14,718	-14,822	-17,930
Memorandum items:					
Net foreign assets	-20,258	-22,679	-18,926	-9,952	-1,876
Net credit to the government	11,406	9,925	3,767	-13,735	-25,663
Other items (net)	17,657	20,735	21,883	28,035	32,357

Source: Central Bank of Mauritania.

Table 39. Mauritania: Assets and Liabilities of the Commercial Banks, 1993-97 1/

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Assets	67,092	68,190	53,168	51,791	56,239
Reserves 2/	10,799	12,775	12,486	5,355	5,677
<i>Of which</i>					
With the central bank	10,126	11,492	11,527	3,711	1,740
Foreign assets	3,201	3,561	3,556	3,853	4,165
<i>Of which</i>					
With banks	2,966	3,349	3,282	3,824	3,852
Claims on the government	-166	-579	-1,918	252	1,424
Claims on the economy	41,191	42,500	30,722	34,634	37,279
<i>Of which</i>					
Short-term credit	37,457	38,824	27,519	30,577	32,470
Other assets	12,067	9,933	8,322	7,697	7,694
Liabilities	67,092	68,190	53,168	51,791	53,645
Demand deposits	11,508	11,145	10,674	11,015	11,629
Time deposits	6,635	7,612	7,817	8,476	9,101
Foreign liabilities	13,216	13,583	9,246	5,054	4,451
<i>Of which</i>					
To banks	13,051	13,306	8,467	4,220	3,593
Government deposits	81	57	498	938	1,180
Credit from the central bank	3,351	3,358	7	7	7
Capital accounts	20,802	21,972	20,709	22,359	23,260
Other liabilities	11,499	10,463	4,217	3,942	4,017
<i>Of which</i>					
Valuation change	-1,500	-1,968	-940	-979	-1,135
Memorandum items:					
Net foreign assets	-10,015	-10,022	-5,690	-1,201	-286
Net credit to the government	-247	-636	-2,416	-686	244
Other items (net)	-12,786	-13,085	-4,125	-13,256	-13,913

Source: Central Bank of Mauritania.

1/ Including, through 1994, the accounts of the development bank (UBD) which was liquidated in 1994.

2/ Including cash held by the commercial banks.

Table 40. Mauritania: Claims of the Banking System on the Government, 1993-97

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Net claims on the government	11,159	9,289	1,351	-14,421	-25,419
Central bank's claims (net)	11,406	9,925	3,767	-13,735	-25,663
Claims	18,979	17,949	17,109	17,109	17,102
Advances to the treasury	1,913	848	0	0	0
Claims on public enterprises	926	926	926	926	926
Other claims on the government	16,140	16,281	16,281	16,281	16,281
Minus: cash at the treasury	-141	-106	-98	-98	-105
Liabilities	7,573	8,026	13,342	30,844	42,765
Deposits of central administration	7,907	8,122	13,513	30,977	42,861
Minus: private deposits (post office)	-334	-98	-171	-133	-96
Commercial banks' claims (net)	-247	-636	-2,416	-686	244
Claims	-166	-579	-1,918	252	1,424
Claims on central administration	1,083	916	782	2,742	4,302
Minus: treasury (customs bills)	-1,249	-1,495	-2,700	-2,490	-2,878
Liabilities	81	57	498	938	1,180
Deposits, treasury	61	48	492	932	1,174
Other	20	9	6	6	6

Source: Mauritanian authorities.

Table 41. Mauritania: Foreign Assets and Liabilities of the Banking System, 1993-97 1/

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Banking system (net)	-30,273	-32,701	-24,616	-11,153	-2,162
Assets	9,419	9,317	15,981	24,883	38,590
Liabilities	-39,692	-42,018	-40,597	-36,036	-40,752
Central bank (net)	-20,258	-22,679	-18,926	-9,952	-1,876
Assets	6,218	5,756	12,425	21,030	34,425
Gold	555	558	603	598	553
Foreign exchange	5,556	5,093	11,709	19,915	33,737
SDRs	2	0	8	412	30
Other	105	105	105	105	105
Liabilities 2/	-26,476	-28,435	-31,351	-30,982	-36,301
Fund credit	-7,944	-11,020	-13,683	-15,282	-19,142
Banks and correspondents	-13,049	11,439	-11,419	-11,466	-13,021
<i>Of which</i>					
Pending transfers	-2,703	-947	-675	0	0
Arab Monetary Fund	-5,317	-5,850	-5,958	-3,973	-4,048
Other	-166	-126	-291	-261	-90
Commercial banks (net)	-10,015	-10,022	-5,690	-1,201	-286
Assets	3,201	3,561	3,556	3,853	4,165
Liabilities	-13,216	-13,583	-9,246	-5,054	-4,451
Banks and correspondents	-13,051	-13,306	-8,467	-4,220	-3,593
Other	-165	-277	-779	-834	-858
Ouguiyas/SDR (end-period)	171	187	204	205	227

Source: Central Bank of Mauritania.

1/ Including, through 1994, the foreign assets and liabilities of the development bank (UBD) which was liquidated in 1994.

2/ The stock of outstanding liabilities has been adjusted to reflect Mauritania's position vis-à-vis the Arab Monetary Fund to ensure consistency with the balance of payments.

Table 42. Mauritania: Foreign Assets and Liabilities of the Banking System, 1993–97 1/

(In millions of SDRs; end of period)

	1993	1994	1995	1996	1997
Banking system (net)	-177.5	-174.5	-120.8	-54.4	-9.5
Assets	55.2	49.7	78.4	121.5	169.9
Liabilities	-232.7	-224.2	-199.2	-175.9	-179.4
Central bank (net)	-118.8	-121.0	-92.9	-48.6	-8.3
Assets	36.5	30.7	60.9	102.7	151.5
Gold	3.3	3.0	3.0	2.9	2.4
Foreign exchange	32.6	27.2	57.4	97.2	148.5
SDRs	0.1	0.0	0.0	1.0	0.3
Other	0.5	0.6	0.5	1.5	0.3
Liabilities 2/	-155.2	-151.7	-153.8	-151.3	-159.8
Fund credit	-46.1	-58.8	-67.1	-74.6	-83.4
Banks and correspondents	-76.5	-61.0	-56.0	-56.0	-57.3
<i>Of which</i>					
Pending transfers	-15.8	-5.1	-3.3	0.0	0.0
Other	-1.5	-0.7	-1.5	-1.3	-1.3
Arab Monetary Fund	-31.2	-31.2	-29.2	-19.4	-17.8
Commercial banks (net)	-58.7	-53.5	-27.9	-5.9	-1.3
Assets	18.8	19.0	17.4	18.8	18.3
Liabilities	-77.5	-72.5	-45.4	-24.7	-19.6
Banks and correspondents	-76.5	-71.0	-41.5	-20.6	-15.8
Other	-1.0	-1.5	-3.8	-4.1	-3.8
Memorandum items:					
Gross official reserves 3/	1.1	1.0	1.7	2.8	4.4
Exchange rate Ouguiyas/SDR (end-period)	170.5	187.4	203.8	204.8	227.2

Source: Central Bank of Mauritania.

1/ Including, through 1994, the foreign assets and liabilities of the development bank (UBD), which was liquidated in 1994.

2/ The stock of outstanding liabilities has been adjusted to reflect Mauritania's position vis-à-vis the Arab Monetary Fund to ensure consistency with the balance of payments.

3/ In months of imports of goods and nonfactor services.

Table 43. Mauritania: Selected Interest Rates Lending and Deposits, 1997-98

(In percent per year)

	1997 (end-December)	1998 (end-September)
Discount rate of the central bank	15	18
Maximum rate charged by commercial banks on credits extended to customers	22	18-28
Rate applied to demand deposits of Mauritanians residing overseas 1/	8	8
Minimum rate on savings	9	10

Source: Central Bank of Mauritania.

1/ Demand deposits of residents are not remunerated.

Table 44. Mauritania: Distribution of Bank Credit According to
Maturity and Economic Sectors, 1993-97 1/

(In millions of ouguiyas; end of period)

	1993	1994	1995	1996	1997
Short term	37,579	28,334	28,258	30,214	31,935
Agriculture and livestock	435	236	340	394	135
Fishing	13,931	10,634	10,594	9,391	8,546
Mining	178	212	258	1	4
Manufacturing	2,072	796	393	646	1,019
Construction	1,080	786	857	597	444
Transport	1,081	206	200	168	276
Services	2,031	1,399	950	1,606	1,786
Trade	13,062	9,850	9,694	10,926	12,518
Other	3,709	4,216	4,971	6,487	7,206
Medium term	2,624	1,158	2,193	1,163	860
Agriculture and livestock	387	75	33	0	0
Fishing	884	486	494	372	159
Mining	0	0	0	0	0
Manufacturing	558	58	348	309	57
Construction	3	0	0	0	0
Transport	4	4	87	4	116
Services	324	360	385	19	15
Trade	33	0	0	0	238
Other	431	176	846	460	275
Total	40,203	29,492	30,451	31,377	32,795

Source: Central Bank of Mauritania.

1/ 1993 data includes credit from the development bank (UBD) which was liquidated in 1994.

Table 45. Mauritania: Balance of Payments, 1993-97

	1993	1994	1995	1996	1997
	(In millions of SDRs)				
Trade balance	-7	63	64	57	42
Exports, of which:	286	275	325	334	300
Iron ore	114	114	130	143	157
Fish	158	145	185	191	143
Imports, f.o.b 1/	-293	-212	-261	-277	-258
Services (net)	-136	-125	-161	-181	-151
Nonfactor services	-86	-88	-126	-142	-113
Factor services	-49	-37	-35	-39	-38
<i>Of which</i>					
Interest payments due	-47	-37	-33	-35	-37
Private unrequited transfers (net)	-1	9	20	27	39
Current account (excluding official transfers)	-143	-52	-77	-97	-70
Official transfers	76	58	39	79	70
Adjustment grants 2/	16	10	0	0	0
Other (net)	60	47	39	79	70
Current account (including official transfers)	-67	5	-38	-18	0
Capital account	48	-15	6	10	-10
Direct investment	12	2	5	0	-2
Official medium- and long-term loans	12	26	-20	-25	-18
Disbursements	88	72	33	32	46
Project loans	55	47	33	32	46
Program lending 2/	33	25	0	0	0
Principal due	-75	-46	-53	-58	-65
Other capital and errors and omissions	24	-43	22	36	11
Overall balance	-19	-10	-31	-8	-10
Financing	19	10	31	8	10
Net foreign assets (excluding arrears)	-5	-8	-31	-44	-43
Central bank	7	7	-27	-42	-43
Assets	12	6	-30	-42	-43
Liabilities	-4	1	3	-1	0
Use of Fund resources (net)	4	13	8	8	9
Other	-8	-12	-5	-8	-9
Commercial banks	-12	-15	-4	-1	0
Exceptional financing	24	18	62	52	53
Accruals (+) / reductions (-) of arrears	-170	-23	-11	-45	12
Debt rescheduling and cancellation	194	41	45	69	24
Current maturities	43	10	17	31	24
Arrears	151	31	28	38	0
Program based grants and loans	0	0	28	28	17
	(In percent of GDP, unless otherwise specified)				
Current account deficit					
Including official transfers	-9.9	0.7	-5.4	-2.4	-0.1
Excluding official transfers	-21.2	-7.3	-10.9	-12.9	-8.8
Overall balance	-2.8	-1.4	-4.5	-1.0	-1.3
Gross official reserves					
In months of imports	1.0	1.0	1.8	2.8	4.5
In millions of SDRs	36.5	30.7	61.0	102.7	145.7
Debt service ratio 3/					
Before debt relief	44.3	31.2	26.9	30.9	37.0
After debt relief (excluding arrears reduction)	30.4	28.0	22.2	22.3	29.4

Sources: Mauritanian authorities; and staff estimates and projections.

1/ Starting in 1994, imports figures are compiled on the basis of customs data and are f.o.b and are not comparable with those for the previous years.

2/ Shown as part of exceptional financing from 1995 onwards.

3/ In percent of exports of goods and services.

Table 46. Mauritania: Exports, 1993-97

(In millions of SDRs, unless where otherwise specified)

	1993	1994	1995	1996	1997
Total exports, f.o.b.	286.4	275.0	324.8	334.2	300.2
Iron ore					
Value	114.0	114.1	129.7	142.6	157.3
Volume (millions of metric tons)	9.7	10.3	11.5	11.1	11.6
Change in percent	21.6	6.2	11.7	-3.5	4.6
Unit value (SDR/metric ton)	11.7	11.1	11.3	12.9	13.6
Change in percent	-14.6	-5.1	1.8	13.9	5.5
Fish					
Value	158.0	144.6	184.5	190.6	142.8
Pelagic 1/	55.9	32.3	56.7	75.6	41.7
Demersal fish	6.7	9.4	8.8	13.6	9.7
Cephalopod	90.8	97.5	105.9	96.2	85.1
Other	4.5	5.4	13.3	5.2	6.4
Volume (thousands of metric tons)	308.5	190.8	297.9	366.4	203.7
Pelagic 1/	243.9	139.4	250.7	321.1	166.8
Demersal fish	6.3	10.1	8.4	13.1	9.6
Cephalopod	54.8	38.0	33.2	29.2	23.5
Other	3.5	3.3	5.6	3.0	3.7
Unit value (SDR/metric ton)					
Pelagic 1/	229.3	231.5	226.2	235.4	250.0
Demersal fish	1,068.6	926.7	1,051.6	1,039.2	1,002.0
Cephalopod	1,657.1	2,567.0	3,190.8	3,295.0	3,617.7
Other	1,289.1	1,643.0	2,366.4	1,715.0	1,716.2
Gold					
Value	11.1	14.3	9.2	1.0	0.0
Volume (thousands of ounces)	41.6	55.7	38.5	4.0	0.0
Change in percent	107.0	33.9	-30.9	-89.6	-100.0
Unit value (SDR/ounce)	267.0	255.9	239.3	250.0	0.0
Change in percent	9.6	-4.2	-6.5	4.6	-100.0
Other	3.3	2.0	1.4	0.0	0.0

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Including fish meal.

Table 47. Mauritania: Imports, 1993-97

(In millions of SDRs)

	1993	1994	1995	1996	1997
Total imports, f.o.b. (central bank data)	268.5	...	...	...	...
Settled through the domestic banking system 1/	159.1	...	...	...	...
Foodstuffs	58.1	...	...	...	...
Other consumption goods	9.4	...	...	...	...
Transportation goods and other machinery 2/	11.5	...	...	...	...
Fishing equipment	5.1	...	...	...	...
Other imports:		...	...	...	...
Settled through the central bank	26.3	...	...	...	...
Financed through an increase in commercial banks' liabilities	26.1	...	...	...	...
<i>Of which</i>					
Fishing boats	17.5	...	...	...	...
Imports financed directly abroad	109.4	...	...	...	...
SNIM external operations account	43.2	...	...	...	...
Public investment	42.0	...	...	...	...
<i>Of which</i>					
SNIM imports	28.1	...	...	...	...
Food aid 3/	8.5	...	...	...	...
Red Crescent and other aid	3.0	...	...	...	...
Other capital and intermediate goods	3.5	...	...	...	...
Other	9.2	...	...	...	...
Total imports f.o.b. (customs data)	...	212.2	260.6	277.5	258.3
Total, excluding SNIM	...	149.1	200.4	215.2	197.8
Airplanes	...	0.0	0.0	15.6	0.0
Public investment and aid 3/	...	32.6	57.9	38.1	29.9
Private sector	...	116.5	142.5	161.4	167.8
Equipment and machinery	...	...	21.6	20.5	19.4
Other	...	...	120.9	140.9	148.5
SNIM	...	63.1	60.2	62.3	60.5
Memorandum items:					
(Customs Data)					
Petroleum products	...	20.1	34.0	41.4	40.7

Sources: Mauritanian authorities; and Fund staff estimates.

1/ These amounts include adjustments introduced by the central bank to the import value of some goods so that such value is recorded on a transaction rather than on a cash basis. To that extent, the amounts shown in the table as imports financed through an increase in commercial banks' liabilities are underestimated.

2/ From 1993 onwards includes imports for the development of a new gold mine, part of which is directly financed abroad.

3/ Includes cereals and other food aid.

Table 48. Mauritania: Foreign Trade Indices, 1993-97

(Annual percentage changes)

	1993	1994	1995	1996	1997
Export value (SDR)	-2.7	-3.9	18.1	2.8	-10.2
Export volume	12.4	-19.0	12.7	-1.5	-16.0
Export price (SDR)	-13.4	18.7	4.8	4.4	6.9
Import value (SDR) 1/	-9.7	-12.6	22.8	6.4	-6.9
Import volume 1/ 2/	-12.9	-8.7	17.4	2.3	-4.9
Import price (SDR) 1/	2.4	0.3	4.7	4.1	-2.1
Terms of trade (SDR)	-15.4	18.4	0.1	0.3	9.2
Export price (UM)	14.5	24.6	16.6	5.7	12.1
Import price (UM)	40.9	5.2	16.5	5.3	2.7

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Indices for 1995 and 1996 are calculated using reestimated figures for 1994, which are based on customs data (c.i.f). They are therefore not comparable with data for the preceding years.

2/ The increase in import volume by the private sector (i.e., imports excluding aid, public investment program, airplanes, and SNIM) is estimated at 5.7 percent in 1995 and 12.9 percent in 1996.

Table 49. Mauritania: Direction of Exports, 1993-97 1/

(In millions of SDRs)

	1993	1994	1995	1996	1997
Total exports 2/	304.4	324.1	388.8	394.7	402.0
Industrial countries	262.8	268.9	327.6	331.3	324.4
Belgium-Luxembourg	24.3	16.8	19.7	24.1	28.7
France	45.1	44.0	48.0	42.7	55.7
Germany	5.0	8.4	14.5	13.8	16.9
Italy	53.7	48.2	71.1	60.6	67.2
Japan	76.6	90.1	105.9	118.5	93.6
Spain	32.9	37.0	42.8	39.2	33.4
United Kingdom	15.0	10.5	13.9	13.8	17.7
United States	5.0	2.8	4.6	4.1	0.2
Others	5.2	11.2	7.1	14.5	11.0
Developing countries	39.4	53.8	58.6	60.6	74.3
Cameroon	12.9	15.4	17.8	21.3	25.9
Côte d'Ivoire	17.9	20.3	24.3	12.4	14.6
Others	8.6	18.2	16.5	26.9	33.8
Other countries	2.2	1.4	2.6	2.7	3.3

Source: IMF, Direction of Trade Statistics.

1/ Data (c.i.f.) based on partner country information.

2/ Includes unspecified areas.

Table 50. Mauritania: Direction of Imports, 1993-97 1/

(In millions of SDRs)

	1993	1994	1995	1996	1997
Total imports 2/	397.5	411.4	418.5	438.1	453.6
Industrial countries	282.9	260.5	280.3	300.3	392.7
Belgium-Luxembourg	23.6	20.3	23.7	30.3	29.1
France	106.7	95.7	100.0	136.4	115.8
Germany	17.2	25.1	21.1	21.4	30.6
Italy	19.3	15.4	9.2	16.5	11.7
Japan	10.0	23.0	21.1	10.3	21.4
Netherlands	32.9	11.2	21.7	15.8	17.1
Spain	34.4	21.0	33.6	31.7	34.1
United Kingdom	10.0	27.2	6.6	16.5	11.3
United States	15.0	10.5	30.9	11.7	14.5
Others	13.8	11.2	12.3	9.7	7.1
Developing countries	98.1	118.0	100.7	110.9	127.8
Algeria	30.1	14.0	12.5	14.5	17.3
Brazil	1.4	1.4	2.6	2.8	2.1
China, PR	3.6	24.4	23.0	10.3	9.2
Côte d'Ivoire	5.0	5.6	7.2	4.1	4.5
Hong Kong	6.7	10.5	10.5	10.3	9.9
Indonesia	9.3	9.1	9.2	9.6	14.2
Korea	0.0	0.0	0.0	0.0	0.0
Senegal	0.0	4.9	5.9	0.0	11.4
Thailand	6.4	4.2	10.5	22.7	23.0
Others	35.6	44.0	18.7	36.6	36.2
Other countries	16.5	32.8	37.5	26.2	33.2

Sources: IMF, Direction of Trade Statistics.

1/ Data based on partner country information.

2/ Includes unspecified areas.

Table 51. Mauritania: Services, 1993-97

(In millions of SDRs)

	1993	1994	1995	1996	1997
Total services (net)	-160.1	-130.6	-160.4	-180.9	-150.8
Nonfactor services (net)	-111.0	-88.2	-126.2	-142.1	-113.3
Receipts	23.9	26.4	30.4	21.6	16.1
Transport	1.8	1.2	1.1	0.9	0.5
Travel	4.2	4.1	3.7	3.0	1.4
Fishing royalties	9.6	10.8	14.8	13.1	6.8
Government	5.2	7.4	8.2	2.6	5.0
Other services	3.1	2.9	2.6	2.1	2.4
Payments	-134.9	-114.6	-156.7	-163.7	-129.4
Freight and insurance	-24.6	-17.0	-20.9	-22.2	-20.7
Travel	-10.7	-9.1	-9.6	-9.4	-14.6
Transport	-41.2	-35.0	-56.1	-67.1	-41.4
Fishing vessel leasing	-30.5	-22.3	-46.4	-54.4	-34.4
Other	-10.7	-12.7	-9.7	-12.7	-7.0
Government	-14.4	-14.5	-14.7	-11.6	-15.7
Other payments	-44.0	-39.0	-55.4	-53.4	-37.1
Related to the fishing sector	-10.9	-19.7	-17.7	-12.5	-4.7
Related to projects	-7.8	-9.4	-7.3	-6.0	-18.2
Other	-25.3	-9.9	-30.4	-34.9	-14.3
Factor services (net)	-49.2	-36.7	-34.8	-38.8	-37.5
Receipts	0.5	1.7	1.3	1.1	0.8
Payments due	-49.7	-38.4	-36.1	-39.9	-38.3
<i>Of which</i>					
Direct investment income	-3.0	-1.3	-3.0	-3.2	-1.1
Interest on medium- and long-term debt	-46.7	-37.1	-33.2	-34.3	-36.7
<i>Of which</i>					
IMF	-1.2	-0.7	-0.6	-0.7	-0.8

Sources: Mauritanian authorities; and Fund staff estimates.

Table 52. Mauritania: Private and Public Transfers, 1993–97 1/

(In millions of SDRs)

	1993	1994	1995	1996	1997
Total transfers (net) 2/	75.3	67.2	68.0	120.2	108.9
Private transfers (net)	-0.8	9.5	19.9	27.2	38.9
Receipts 3/	20.6	22.3	27.9	36.0	46.8
Payments	-21.4	-12.8	-8.0	-8.8	-7.9
With payments by central bank	-1.2	...	...	...	...
Without payments by central bank	-20.2	...	...	...	...
Public transfers (net)	76.1	57.7	48.1	93.0	70.0
Receipts	78.1	59.7	50.1	94.2	72.0
Program-related	15.6	10.4	9.1	14.2	0.4
EU Fishing License Fees	0.0	0.0	0.0	48.2	44.8
Public investment-related	14.6	18.3	18.0	7.1	7.7
Food aid, c.i.f.	9.4	10.0	9.9	9.0	5.3
Red Crescent aid, c.i.f.	2.5	2.8	0.9	2.5	2.6
Other grants	36.0	18.2	12.2	13.2	11.2
Payments	-2.0	-2.0	-2.0	-1.2	-2.0

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Data for 1994–97 are not strictly comparable to those from previous years owing to methodological changes to estimate technical assistance grants and private transfers.

2/ From 1996 onwards, the total transfers figure differs from the balance of payments table as program grants in the latter table are included in the exceptional financing.

3/ Mostly transfers from Mauritanian workers abroad.

Table 53. Mauritania: External Debt Outstanding and Disbursed and Debt Service, 1993-97

	1993	1994	1995	1996	1997
	(In millions of SDRs)				
Total debt service due (including IMF)	137.7	94.3	97.3	109.8	111.9
Principal due (excluding Fund repurchases)	86.7	53.0	58.3	68.7	69.9
Interest due (excluding Fund)	45.5	36.3	32.5	33.6	35.9
Fund repurchases/loan repayments	4.4	4.2	5.9	6.8	5.4
Fund charges	1.2	0.7	0.6	0.7	0.7
Disbursements of medium- and long-term loans	96.2	88.8	66.2	60.5	69.9
Project loans	54.9	47.3	32.9	32.4	46.0
Program loans	32.8	24.5	19.0	13.8	16.8
Fund purchases/loans	8.5	17.0	14.3	14.3	7.1
Debt outstanding at end of year	1,563.6	1,525.0	1,582.3	1,677.6	1,818.1
Medium- and long-term loans	1,460.0	1,414.1	1,455.5	1,534.2	1,573.1
Fund credit and loans outstanding	46.1	58.8	67.1	74.6	83.4
Short-term credit 1/	57.5	52.1	59.7	68.8	161.6
	(In percent of exports of goods and services)				
Total debt service (before relief)	44.4	31.3	27.4	30.9	35.4
Interest and charges	14.7	12.0	9.1	9.4	11.4
<i>Of which</i>					
Fund charges	0.4	0.2	0.2	0.2	0.2
Principal and repurchases	29.4	19.0	18.1	21.2	23.8
<i>Of which</i>					
Fund repurchases	1.4	1.4	1.7	1.9	1.7
Total debt service (after debt relief)	30.4	28.0	22.2	21.2	25.7
	(In percent of GDP)				
Debt outstanding	233.9	225.2	232.6	228.8	247.4

Sources: Mauritanian authorities; World Bank Debtor Reporting System, and Fund staff estimates.

1/ Including overdue external liabilities of the banking system.

Table 54. Mauritania: Arrears on External Public Debt, 1995-97

(In millions of SDRs)

	As of December 31, 1995			As of December 31, 1996			As of December 31, 1997		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
I. Paris Club creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-cut off date and not									
previously rescheduled debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-cut off date and									
previously rescheduled debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post-cut off date debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
II. Non-Paris Club creditors									
Other bilateral	9.2	17.9	27.1	5.9	20.4	26.3	17.4	25.6	43.0
State	9.2	0.5	9.7	5.9	0.2	6.1	17.4	2.5	19.9
Public enterprises	0.0	17.4	17.4	0.0	20.2	20.2	0.0	23.1	23.1
Multilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
III. Total	9.2	17.9	27.1	5.9	20.4	26.3	17.4	25.6	43.0
State	9.2	0.5	9.7	5.9	0.2	6.1	17.4	2.5	19.9
Public enterprises	0.0	17.4	17.4	0.0	20.2	20.2	0.0	23.1	23.1

Source: Mauritanian authorities.

Table 55. Mauritania: Medium- and Long-Term Debt by Creditor, 1993-97 1/

(In millions of SDRs; end of period)

	1993	1994	1995	1996	1997
Total external debt	1,473.1	1,484.4	1,535.7	1,497.6	1,656.6
Bilateral loans 2/	880.7	856.9	857.7	783.6	877.9
Algeria	80.7	93.3	82.1	45.1	49.5
Austria	69.9	71.4	81.4	76.1	68.4
China, P.R.	56.8	40.4	49.8	56.7	61.3
France	83.8	97.0	110.3	122.7	120.6
Federal Republic of Germany	4.5	4.5	4.7	4.5	4.1
Japan	47.4	48.4	44.4	51.0	51.6
Netherlands	25.3	25.4	27.6	27.5	25.0
Saudi Arabia	133.5	120.0	109.7	110.6	113.2
Spain	28.3	27.3	28.3	29.3	30.9
United Arab Emirates	19.0	21.7	13.5	11.3	9.0
Others	331.5	307.4	306.1	248.6	344.3
Multilateral loans	592.4	627.5	678.0	714.0	778.6
African Development Bank	49.1	49.7	50.3	47.2	44.1
African Development Fund	80.1	86.6	89.9	95.5	114.6
AFESD 3/	92.9	85.4	95.5	99.1	106.8
Arab Monetary Fund	25.3	26.7	28.9	19.4	17.8
European Investment Bank	57.4	59.9	61.9	59.0	55.5
IBRD	13.9	8.7	7.3	5.6	4.1
IDA	186.6	206.1	226.0	250.0	276.1
IMF 4/	46.1	58.8	67.1	75.2	83.4
Islamic Development Bank	17.0	17.4	19.5	23.8	29.3
OPEC Special Fund	9.3	12.8	9.4	15.1	15.5
Others	14.7	17.5	22.1	24.1	31.3

Source: World Bank Debtor Reporting System.

1/ Debt outstanding and disbursed only.

2/ Includes suppliers' credits, loans from financial institutions, export credits, and bilateral loans.

3/ AFESD, Arab Fund for Economic and Social Development.

4/ Includes Trust Fund and use of Fund resources.

Table 56. Mauritania: Medium- and Long-Term Debt by Debtor, 1993-97 1/

(In millions of SDRs)

	1993	1994	1995	1996	1997
Total external debt	1,473.1	1,484.4	1,374.1	1,436.2	1,509.6
Central government	1,113.4	1,124.9	1,017.0	1,106.7	1,238.6
Central bank	134.2	137.8	89.0	79.7	80.8
Development and primary banks	0.0	0.0	0.0	0.0	0.0
Public enterprises 2/	225.6	221.8	268.1	249.9	190.2
AFARCO	1.9	1.8	1.7	1.8	1.8
Air Mauritania	0.0	0.0	0.0	0.0	0.8
ALMAP	10.7	10.1	0.0	0.0	0.0
OPT	3.7	3.1	15.9	16.6	17.9
SONELEC	37.3	42.1	44.0	43.2	9.6
Société Mauritanienne d'Armement et Pêche	0.0	0.0	0.0	0.0	0.0
SNIM	169.5	162.6	204.4	186.8	159.9
Other	2.4	2.1	2.1	1.5	0.1

Source: World Bank Debtor Reporting System.

1/ Excluding medium- and long-term debt contracted by parastatals without explicit guarantee from the central government. Also, excludes interest in arrears.

2/ AFARCO, African-Arab Construction Company; ALMAP, Algéro-Mauritanienne de Pêche; OPT, Office des Postes et Télécommunications; SALIMAUREM, Société Arab-Libyo-Mauritanienne des Ressources Maritimes; SONELEC, Société Nationale d'Eau et d'Electricité; SNIM, Société Nationale Industrielle et Minière.

Table 57. Mauritania: Average Terms of Contracted Debt, 1993-97 1/

(In percent, unless otherwise specified)

	1993	1994	1995	1996	1997
Total external debt					
Interest rate	1.8	2.0	0.9	3.6	1.8
Maturity (years)	29.9	28.0	35.3	21.9	33.6
Grace period (years)	8.9	8.6	9.8	6.5	7.8
Grant element	64.7	62.1	76.6	47.6	66.8
Multilateral loans					
Interest rate	1.8	2.4	0.9	2.0	1.8
Maturity (years)	32.8	28.2	37.9	31.8	33.6
Grace period (years)	9.8	8.1	9.9	8.6	7.8
Grant element	66.2	58.0	78.3	65.1	66.8
Bilateral loans 2/					
Interest rate	1.7	...	1.0	8.8	0.0
Maturity (years)	23.7	19.5	28.5	10.0	0.0
Grace period (years)	7.1	10.5	9.7	0.0	0.0
Grant element	61.5	75.2	72.4	0.0	0.0
Memorandum item:					
One-year US\$ London interbank offered rate (LIBOR)	3.6	5.6	6.2	5.8	6.1

Sources: World Bank Debtor Reporting System; and IMF, International Financial Statistics.

1/ Based on new commitments.

2/ Excludes suppliers credit in 1996 to finance airplanes by Air Mauritania (nonguaranteed by the central government). According to DRS data, all new commitments in 1997 were from multilaterals.