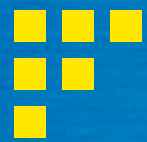


# Maintaining Macroeconomic Stability: Rwanda's IMF-supported program

Dmitry Gershenson  
IMF Resident Representative

October 28, 2010

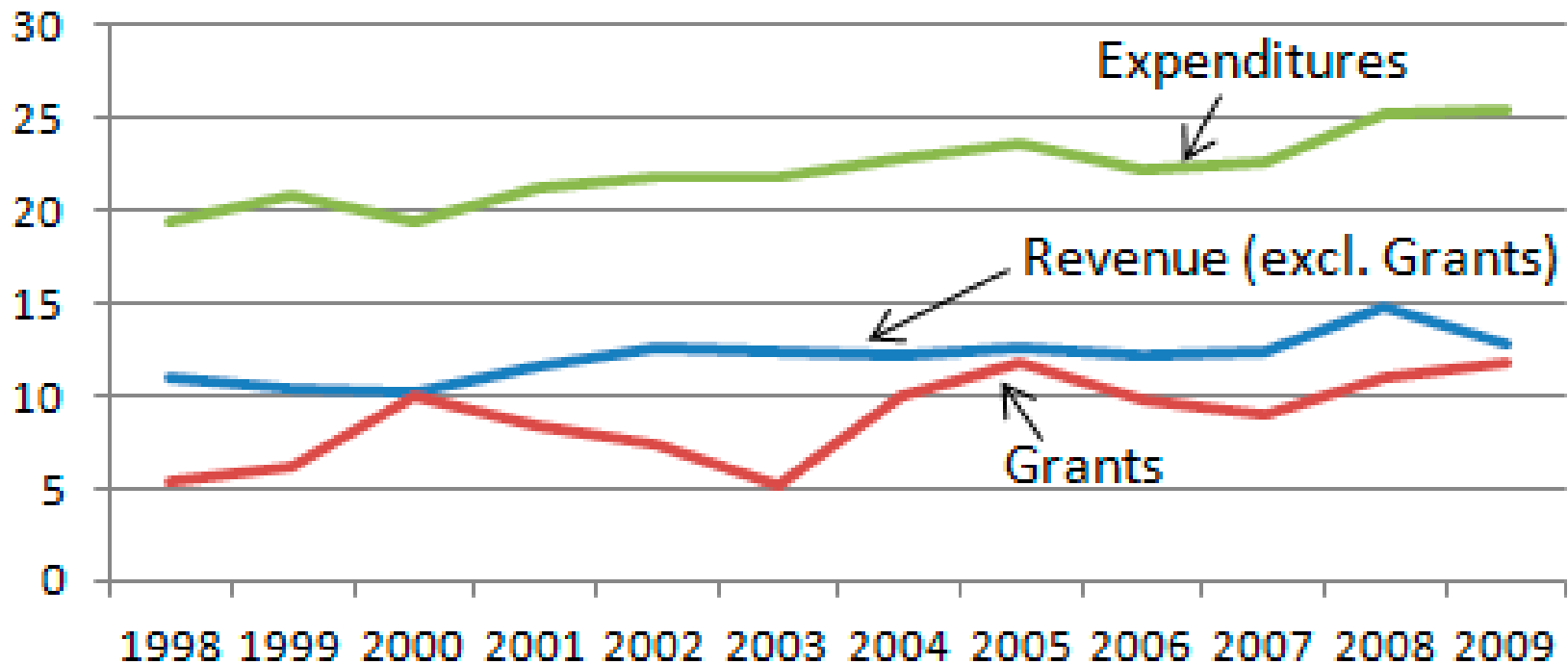


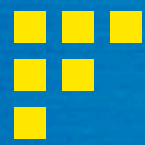
# Outline

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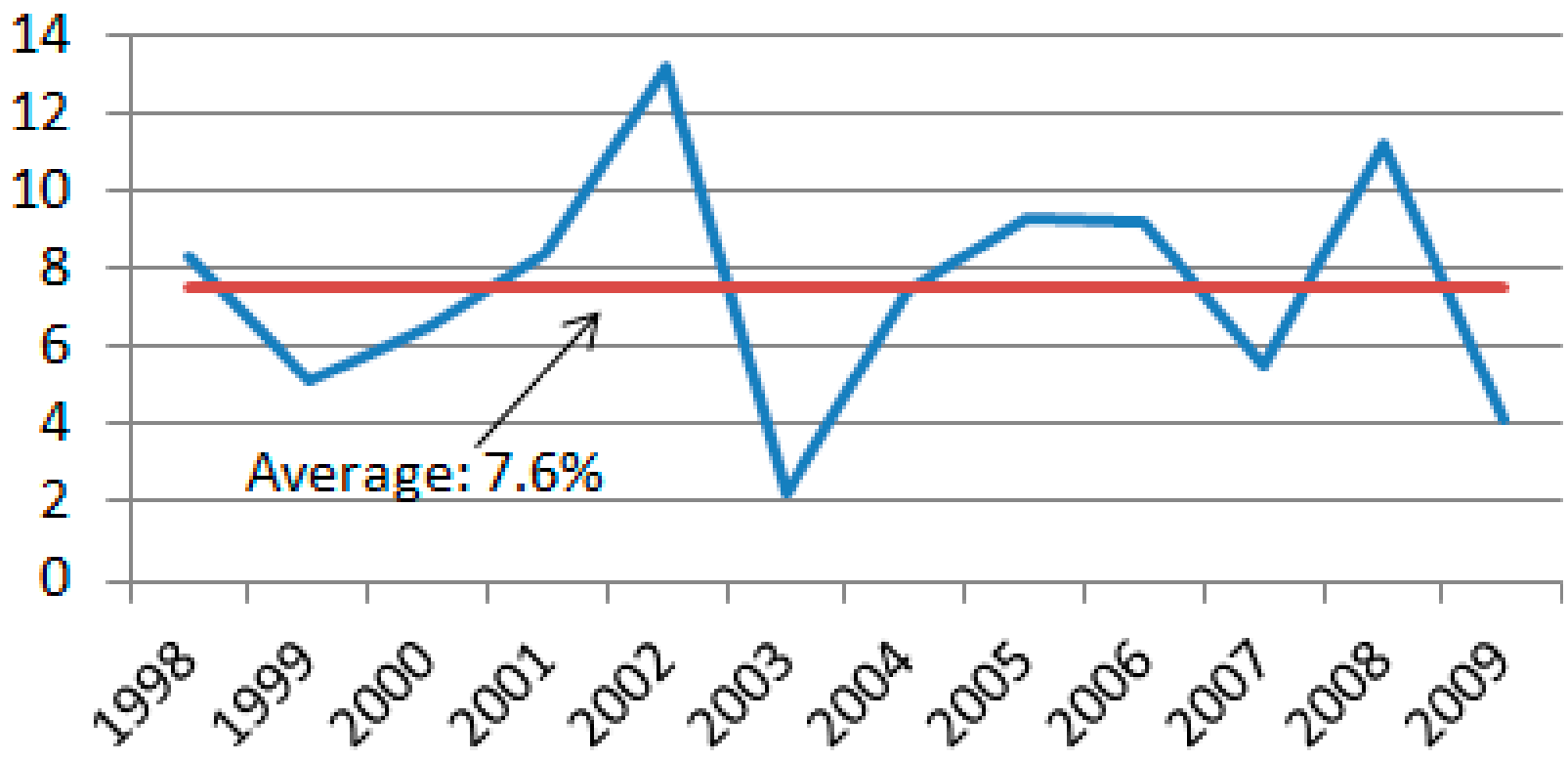
- Macroeconomic developments since the late 1990s
- Remaining challenges
- PSI – the new IMF program

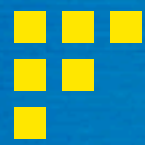
## Revenue and Expenditures, % of GDP



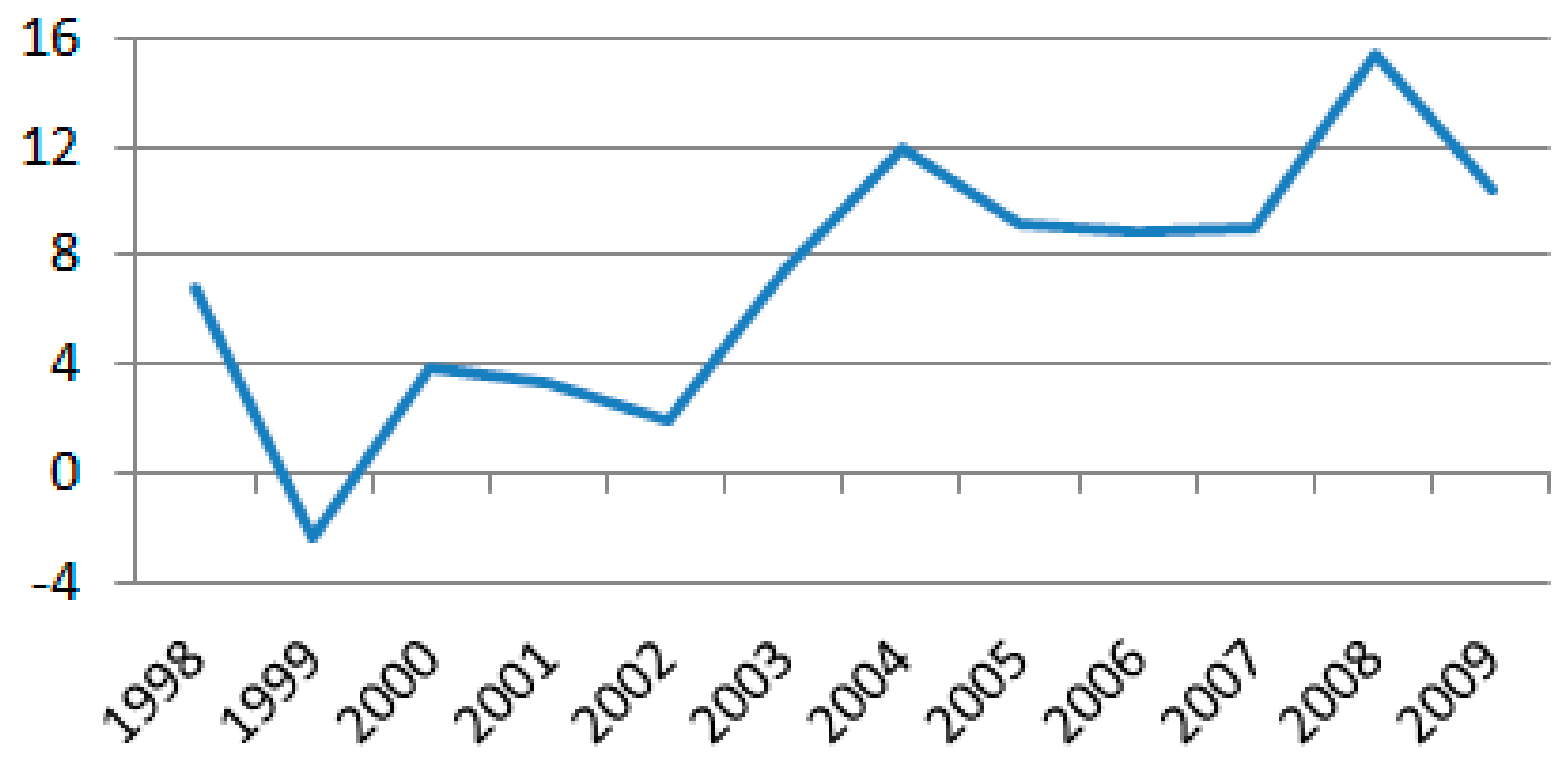


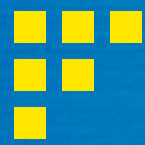
## Real GDP Growth, %



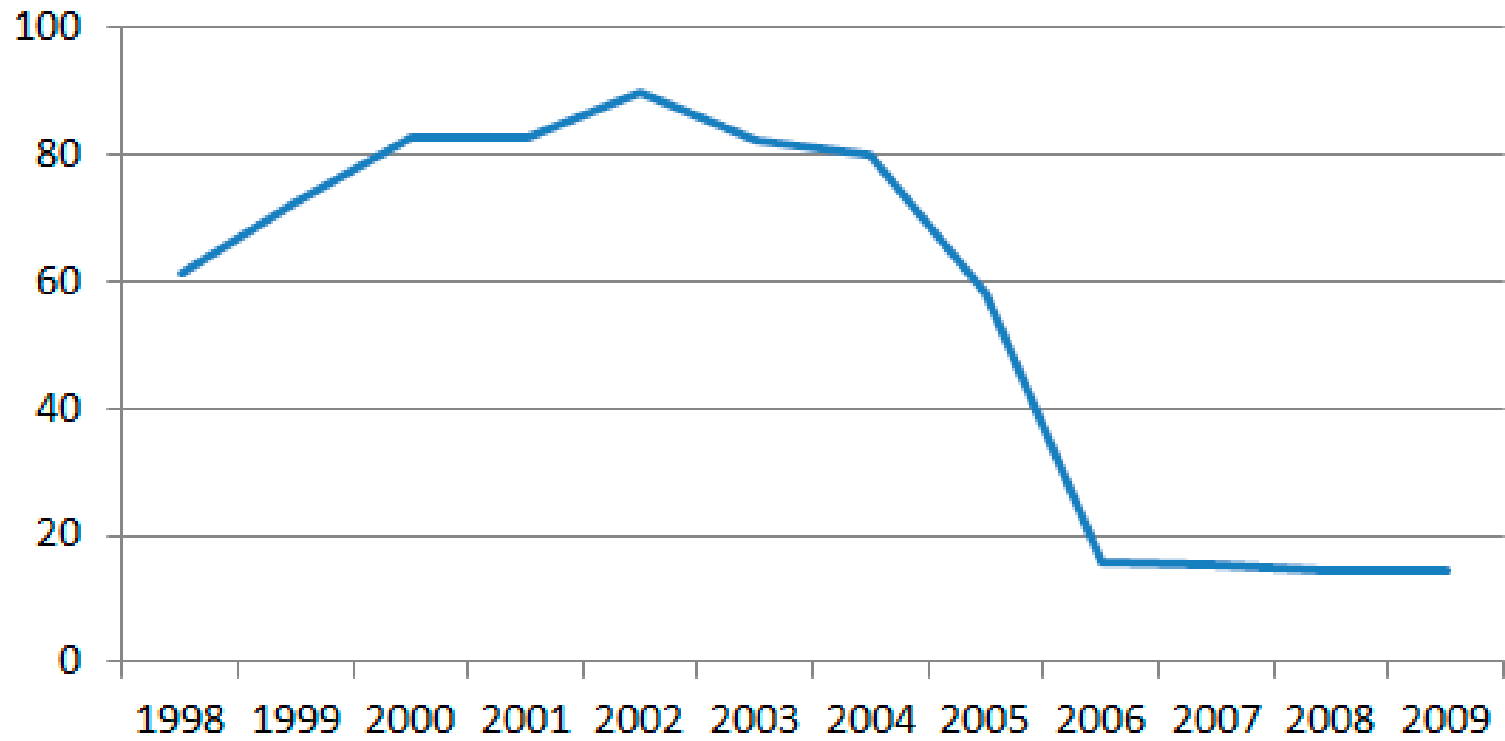


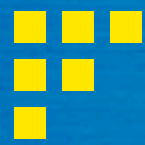
## Inflation (period average), %



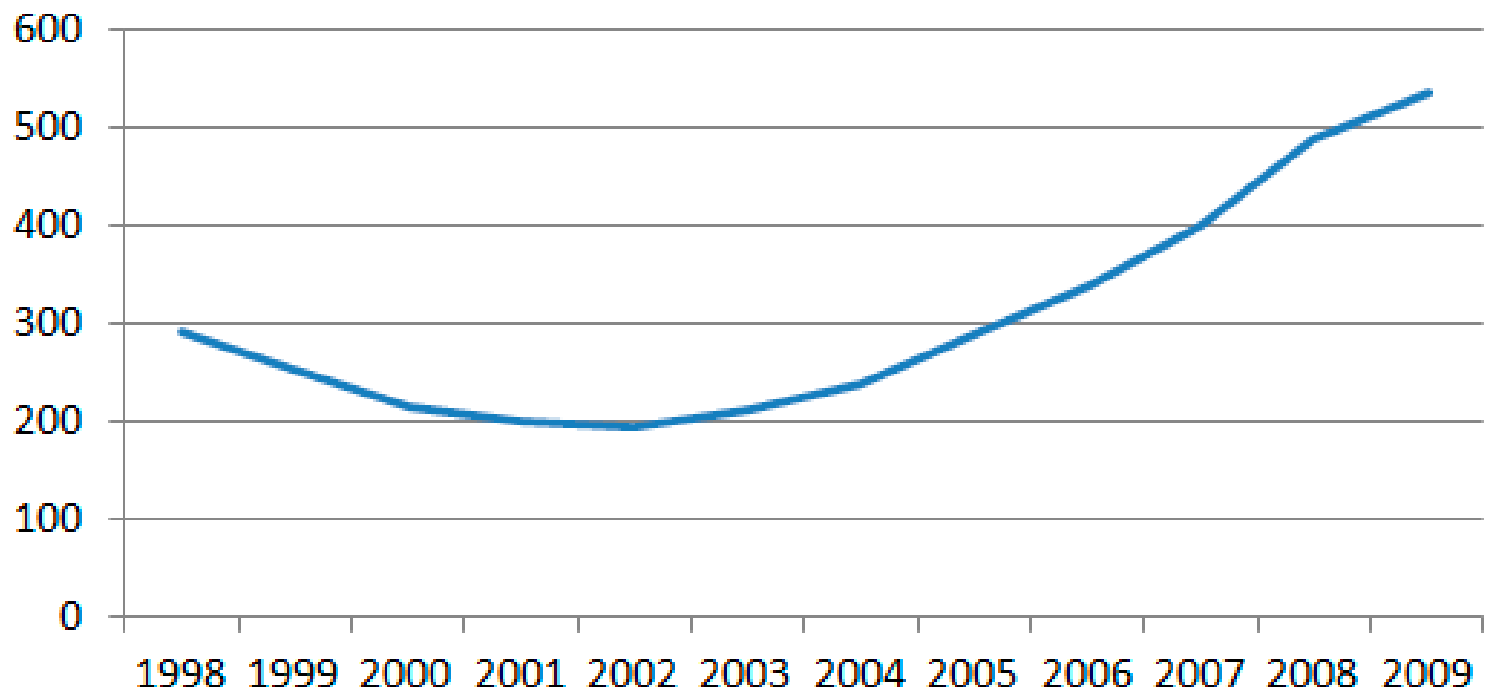


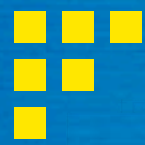
## External Debt, % of GDP





## GDP per Capita, US Dollars





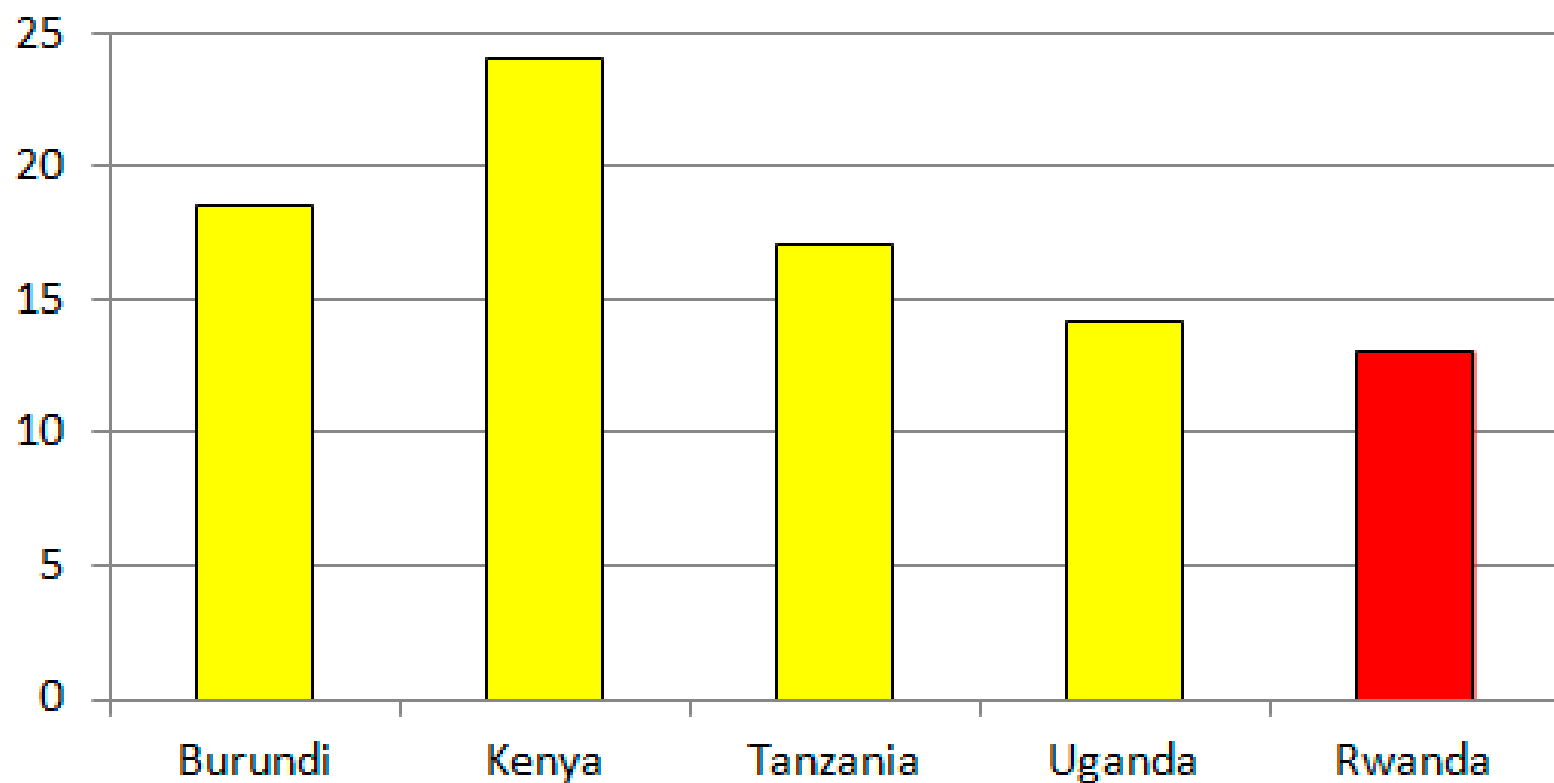
# Remaining challenges

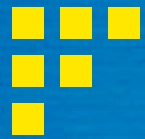
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- Low domestic revenues and the corresponding dependence on donor assistance
- Persistent trade deficit
- High poverty rates

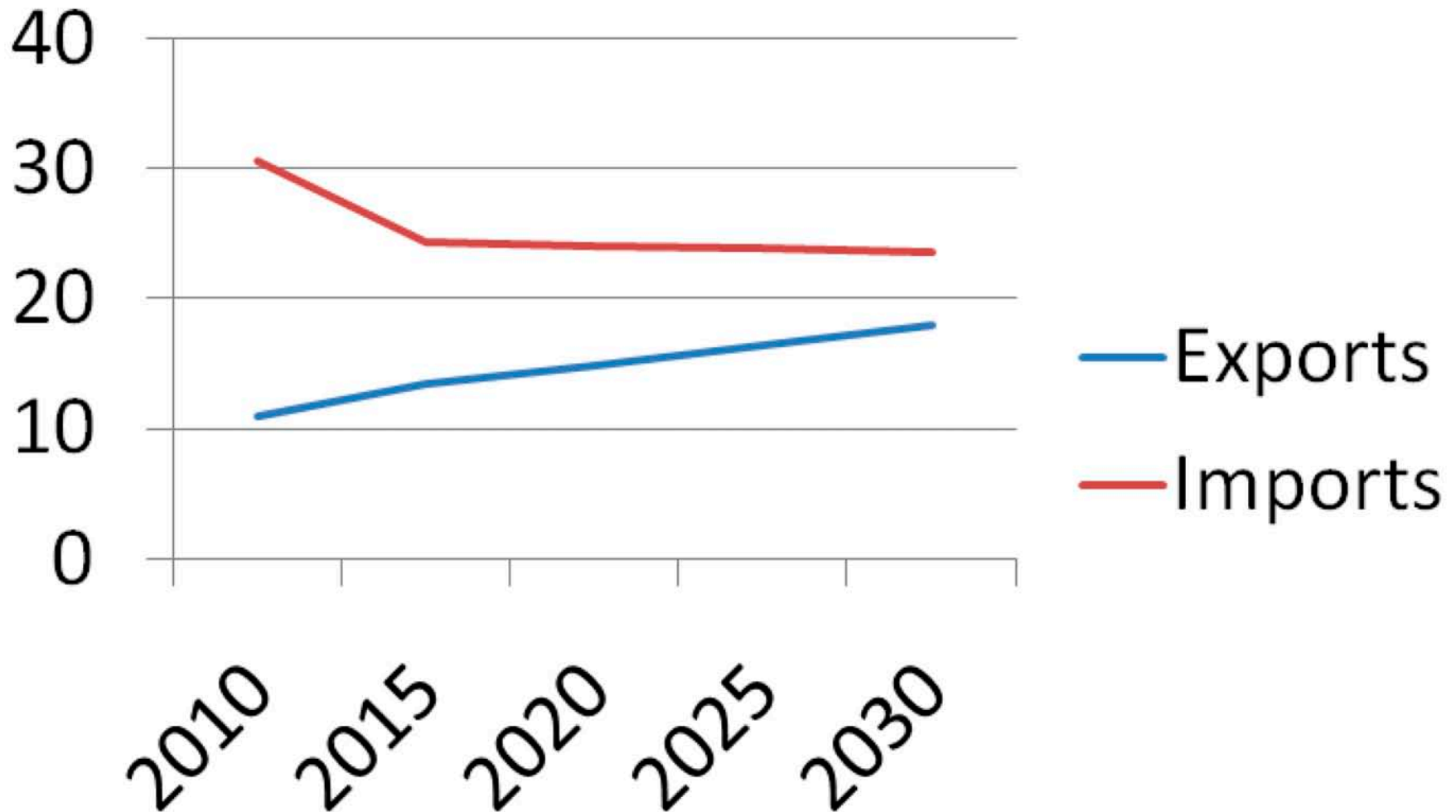


## Revenue (excl. Grants), % of GDP, 2009





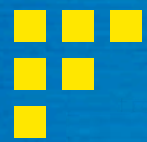
# Trade balance projections





# The new IMF program

- Policy Support Instrument (PSI)– designed for countries that achieved macroeconomic stability and do not need financial support from the IMF
- Reviews every 6 months
- Rwanda is only the seventh PSI country (after Cape Verde, Mozambique, Nigeria, Senegal, Tanzania, and Uganda) and the first one to get a PSI after the onset of the global crisis



# PSI – objective

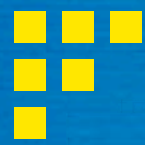
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*Achieving high growth and poverty reduction in a stable macroeconomic environment.*



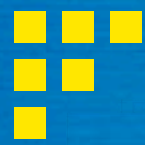
# PSI - pillars

1. **Fiscal sustainability** with the emphasis on revenue mobilization
2. **Low and stable inflation** by way of prudent monetary and exchange rate policies
3. **Strong, accessible, well-supervised financial sector**
4. **Structural reforms:** improved export performance, business environment
5. **Limited nonconcessional borrowing** tied to specific projects



# Role of civil society

- Participation in the PRSP process
- Bring the public's voices to the attention of the policymakers
- Educate the public on the merits of the policies



# Additional information

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- IMF website

*[www.imf.org](http://www.imf.org)*

- IMF Office in Rwanda

*[www.imf.org/kigali](http://www.imf.org/kigali)*