

Table 1. Democratic Republic of the Congo: Quarterly Quantitative Indicators,  
June 2001–March 2002 1/

(In millions of Congo francs, unless otherwise indicated)

	2001								2002	
	Stock				Cumulative changes 2/				Cumulative changes 2/	
	End-May		End-Sep.		End-Sep,				End-Dec.	End-Mar.
	Prog.	Act.	Prog.	Act.	Prog.	Act.	Prog.	Act.	Prog.	Prog.
					(without adjust.)	(without adjust.)	(without adjust.)	(with adjust.)		
Net banking system credit to the government 3/ 4/	23,014	17,172	22,016	14,512	-998	-2,660	-16,590	12,932	-4,376	-6,912
Net banking system credit to public sector enterprises	603	723	716	681	113	-42		-42	197	397
Cumulative wage arrears					0	0		0	0	0
New nonconcessional external borrowing contracted or guaranteed by the government or the BCC					0	0		0	0	0
Net foreign assets of the BCC (stocks, floor) (in millions of U.S. dollars)					-481	-475		-475	-481	-481
Deposits of a monthly amount of SDR 100,000 in an account held with the Bank for International Settlements							met			

1/ The indicators and the procedures for monitoring the indicators are defined in the technical memorandum of understanding for the 2001 enhanced interim program (Appendix I, Attachment II of the Letter of Intent of June 20, 2001).

2/ Cumulative changes are calculated from end-May 2001.

3/ For actual stocks, transitory expenditure (expenditure items in transit) is not excluded from government deposits with the Central Bank of the Congo.

4/ Any excess of total revenue net of refunds to the revenue collecting agencies (*régies financières*) over and above the revenue programmed in the monthly treasury cash-flow plan will lower the ceiling on net banking system credit to the government. For 2002, the performance indicator on net banking system credit to the government will be adjusted downward by 25 percent of the total surplus over and above the revenue programmed in the monthly cash flow plan, net of transfers to revenue-collecting agencies (*régies financières*).

Table 2. Democratic Republic of the Congo: Structural Performance Benchmarks

Measures	Status
<b>By September 30, 2001:</b>	
Reinstate budget and accounting procedures through the use of commitment vouchers for expenditure on goods and services and comply strictly with payment authorization procedures under the supervision of the Directorate of the Treasury.	Being implemented
Execute budget on a cash basis (resources actually available) in accordance with the cash-flow plan.	Completed
Begin preparation of a public enterprise reform program with World Bank assistance.	Completed
Launch a study to identify domestic arrears between public enterprises and between public enterprises and the government.	Completed
Continue audits of commercial banks.	Completed
Finalize the investment code and the mining code prepared with World Bank assistance.	The investment code was approved by Parliament on June 26, 2001. The mining code has been finalized and will be presented to Parliament before end-February 2002.
Begin the reform of the regulatory framework and the strengthening of the judicial system with assistance from the World Bank and other development partners.	Initiated
Finalize the audit of public service actions before end-2001.	Completed
Draft action plan to implement good governance.	Being implemented
Start work on the formulation of a poverty reduction strategy with assistance from the IMF, the AfDB, and the UNDP.	Completed
<b>By December 31, 2001:</b>	
Audit the Central Bank of the Congo.	Being implemented
Prepare the 2002 budget.	Completed
Publish the statutes of the Central Bank of the Congo, and new banking law.	Being implemented

Table 3A. Democratic Republic of the Congo: Execution of the Monthly Treasury Cash-Flow Plan 2001  
(In millions of Congo francs)

	Jan.		Feb.		Mar.		Apr.		May		Jan.-May			Jun.		Jul.		Aug.		Sep.		
	(Prel.)	(Rev.)	(Prel.)	(Rev.)	(Prel.)	(Rev.)	(Initial)	(Prel.)	(Initial)	(Prel.)	(Initial)	(Prel.)	Differ.	(Initial)	(Prel.)	(Initial)	(Prel.)	(Initial)	(Prel.)	(Initial)	(Est.)	
												(1)	(2)	(2)-(1)								
Total revenue and grants	1,871	1,412	2,061	1,581	2,942	2,542	3,946	4,364	4,146	4,483	14,966	14,383	-584	4,122	9,396	5,407	9,485	6,294	9,982	6,435	9,453	
Total revenue	1,871	1,412	2,061	1,581	2,942	2,542	3,946	4,364	4,146	4,483	14,966	14,383	-584	4,122	9,396	5,407	9,485	6,294	9,982	6,435	9,453	
Customs and excise (OFIDA)	424	424	533	533	1,176	1,176	1,903	1,903	2,069	2,168	6,105	6,204	99	2,274	2,410	2,365	3,708	2,570	3,884	2,526	3,468	
Direct and indirect taxes (DGC)	647	647	508	508	777	777	1,127	1,127	868	1,258	3,926	4,317	390	880	1,954	892	1,902	930	2,364	922	2,045	
DGRAD	76	76	91	91	232	232	148	148	144	278	691	825	134	144	810	144	397	144	429	144	320	
GECAMINES	0	0	0	0	0	0	0	0	0	0	0	0	0	68	277	193	0	457	0	364	0	
MIBA	0	0	0	0	0	0	5	5	0	95	5	100	95	106	1,710	341	233	369	0	402	742	
Petroleum	45	45	201	201	106	217	151	151	154	107	657	721	64	560	66	1,292	285	1,633	362	1,873	300	
Production	45	45	201	201	106	217	151	151	154	107	657	721	64	400	1	650	0	838	0	911	1	
Distribution														160	65	642	285	795	362	962	299	
Other	3	3	113	99	205	93	182	1	182	38	685	234	-452	91	7	181	509	192	80	204	269	
Of which: special contribution	1	1		95	90	90	182	0	182	32	455	218	-237	91	0	181	447	192	70	204	202	
Of which: special funds	2	2	4	4	2	3		1		6	8	16	8	0	7	0	14	0	10	0	9	
Of which: other	0	0	109	0	113	0					222	0	-222	0	0	0	49	0	0	0	58	
Off-budget revenue	675	217	616	150	446	48	431	1,030	729	539	2,896	1,983	-914	0	2,161	0	2,449	0	2,863	0	2,311	
Total grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total expenditure	2,422	1,924	3,753	3,223	5,249	4,847	4,981	4,030	6,170	4,250	22,576	18,272	-4,303	4,092	9,155	5,372	9,871	5,802	7,532	5,894	5,994	
Current expenditure	1,624	1,649	3,043	3,049	4,588	4,593	4,236	2,800	4,270	3,593	17,761	15,685	-2,076	2,660	6,607	3,694	7,875	4,035	5,617	4,049	5,093	
Wages	696	708	1,308	1,308	1,288	1,288	1,324	687	2,033	1,835	6,649	5,826	-823	2,033	2,269	2,033	2,449	2,034	1,763	2,034	1,772	
Interest payments	3	3	45	45	4	4	10	10	69	25	131	87	-44	69	2	69	16	69	83	69	14	
Other current expenditure	471	484	1,532	1,538	2,488	2,493	2,101	1,962	1,368	1,323	7,960	7,800	-160	478	4,024	1,193	5,102	1,532	3,439	1,747	2,946	
Institutions	25	25	345	345	701	701	700	560	500	219	2,271	1,850	-421	89	1,221	89	171	89	155	89	196	
Ministries	299	309	534	534	995	995	831	831	650	288	3,309	2,958	-352	100	1,312	250	997	400	762	448	813	
Centralized payments (utilities)	22	22	102	102	46	46	95	95	100	28	365	293	-72	210	303	692	228	845	45	1,012	261	
Provinces	80	80	138	138	372	372	148	148	100	383	837	1,120	283	70	219	140	571	176	597	176	287	
Other	45	49	412	418	375	380	328	329	18	405	1,178	1,580	402	10	969	22	3,134	22	1,881	22	1,390	
Transfers and subsidies	455	455	158	158	808	808	800	141	800	410	3,021	1,972	-1,049	80	312	400	307	400	332	199	361	
Petroleum Guarantee Fund	...	...	...	...	...	...	...	...	400	0	400	0	-400	650	0	838	0	911	0	992	0	
Off-budget expenditure	675	152	616	79	446	38	431	915	729	473	2,896	1,657	-1,240	0	1,824	0	1,678	0	1,804	0	864	
Capital expenditure	122	122	95	95	216	216	315	315	310	43	1,057	790	-267	310	643	310	315	310	99	310	37	
Net lending			0	0	0	0					0	0	0	0	77	0	0	0	0	0	0	
Other operations	...	...	...	...	...	...	...	...	161	141	161	141	-20	172	5	230	3	246	13	243	0	
Contingency Fund	0	0	0	0	0	0	0	0	300	0	300	0	-300	300	0	300	0	300	0	300	0	
Change in arrears	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-100	0
Monthly balance (cash basis)	-551	-511	-1,693	-1,642	-2,308	-2,304	-1,035	334	-2,024	233	-7,610	-3,890	3,720	30	241	35	-386	492	2,450	441	3,459	
Cumulated balance (cash basis)	-551	-511	-2,244	-2,153	-4,551	-4,457	-5,586	-4,123	-7,610	-3,890	-7,610	-3,890	3,720	-7,580	-3,649	-7,545	-4,035	-7,053	-1,585	-6,611	1,874	
Cumulated balance from June 1														30	241	65	-145	557	2,305	998	5,764	
Total financing	551	50	1,693	1,630	2,308	1,879	1,035	1,131	2,024	-1,266	7,610	3,424	-4,186	-30	307	-35	-2	-492	-2,451	-441	-4,652	
Central Bank and other banking system	551	50	1,693	1,630	2,308	1,879	1,035	1,131	2,024	-1,248	7,610	3,442	-4,168	-30	516	-35	989	-492	-974	-441	-3,279	
Nonresident banks										-18			-18		-209		-991		-1,477		-1,373	
Discrepancy	...	-461	...	-12	...	-425	...	1465	...	-1032	...	-466	...	...	548	...	-388	...	-1	...	-1193	

Sources: Congolese authorities; and staff estimates.

Table 3A. Democratic Republic of the Congo: Execution of the monthly Treasury Cash-Flow Plan 2001  
(In millions of CGF)

	Jun.-Sep.			Jan.-Sep.			Oct.		Nov.		Dec.		Total 2001					
	(Initial)	(Prel.)	Differ.	(Initial)	(Prel.)	Differ.	(initial)	(Prel.)	(Initial)	(est.)	(Initial)	(est.)	(Initial)	(In percent of GDP)	(Est.)	(In percent of GDP)	Diff.	Change in percent
	(2)	(3)	(3)-(2)	(2)	(3)	(3)-(2)							(4)	(5)			(5)-(4)	
Total revenue and grants	22,259	38,316	16,057	37,225	52,699	15,474	6,862	11,069	7,223	11,249	7,604	11,105	58,915	5.2	86,121	7.0	27,207	46
Total revenue	22,259	38,316	16,057	37,225	52,699	15,474	6,862	11,069	7,223	11,249	7,604	11,105	58,915	5.2	86,121	7.0	27,207	46
Customs and excise (OFIDA)	9,735	13,470	3,735	15,840	19,674	3,834	2,704	4,355	3,008	4,150	3,448	4,500	25,000	2.2	32,679	2.7	7,679	31
Direct and indirect taxes (DGC)	3,624	8,265	4,641	7,550	12,581	5,031	974	3,123	1,009	3,500	890	3,100	10,424	0.9	22,304	1.8	11,881	114
DGRAD	575	1,956	1,382	1,266	2,782	1,515	144	647	144	571	144	571	1,697	0.2	4,571	0.4	2,874	169
GECAMINES	1,081	277	-804	1,081	277	-804	405	0	407	0	449	0	2,343	0.2	277	0.0	-2,066	-88
MIBA	1,218	2,685	1,467	1,223	2,785	1,562	440	0	443	480	447	480	2,552	0.2	3,745	0.3	1,193	47
Petroleum	5,358	1,012	-4,345	6,014	1,733	-4,281	1,977	1,723	1,992	1,189	2,005	1,094	11,989	1.1	5,739	0.5	-6,250	-52
Production	2,798	2	-2,796	3,455	723	-2,732	992	1,051	998	946	999	851	6,444	0.6	3,570	0.3	-2,874	-45
Distribution	2,559	1,010	-1,549	2,559	1,010	-1,549	985	672	994	243	1,006	243	5,544	0.5	2,169	0.2	-3,376	-61
Other	668	865	197	1,353	1,099	-254	219	67	220	206	222	206	2,013	0.2	1,578	0.1	-435	-22
<i>Of which: special contribution</i>	668	719	51	1,123	937	-186	219	32	220	206	222	206	1,783	0.2	1,381	0.1	-401	-23
<i>Of which: special funds</i>	0	40	40	8	56	47		18					0.0	74	0.0	74	ns	
<i>Of which: other</i>	0	106	106	222	107	-116		16					0.0	123	0.0	123	ns	
Off-budget revenue	0	9,784	9,784	2,896	11,767	8,870	0	1,154	0	1,154	0	1,154	2,896	0.3	15,227	1.2	12,331	426
Total grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0.0	0	ns
Total expenditure	21,160	32,552	11,391	43,736	50,824	7,088	5,030	8,713	4,994	8,475	5,628	8,962	59,389	5.3	76,975	6.3	17,586	30
Current expenditure	14,439	25,191	10,753	32,200	40,876	8,676	4,072	7,981	4,105	7,008	4,667	7,495	45,044	4.0	63,361	5.2	18,317	41
Wages	8,134	8,253	119	14,783	14,079	-704	2,034	2,895	2,034	2,607	2,034	2,607	20,885	1.9	22,187	1.8	1,302	6
Interest payments	275	115	-160	406	202	-204	69	41	69	69	69	69	613	0.1	381	0.0	-232	-38
Other current expenditure	4,950	15,512	10,562	12,910	23,312	10,402	1,770	4,730	1,803	3,894	2,367	4,380	18,851	1.7	36,315	3.0	17,465	93
Institutions	355	1,743	1,388	2,626	3,592	967	89	981	89	1,000	89	1,186	2,892	0.3	6,759	0.5	3,867	134
Ministries	1,198	3,884	2,685	4,508	6,842	2,334	448	941	448	900	842	1,500	6,247	0.6	10,183	0.8	3,936	63
Centralized payments (utilities)	2,759	838	-1,922	3,124	1,130	-1,994	1,035	194	1,044	194	1,045	194	6,248	0.6	1,712	0.1	-4,536	-73
Province	562	1,674	1,112	1,399	2,794	1,395	176	86	200	800	369	500	2,144	0.2	4,180	0.3	2,036	95
Other	76	7,374	7,298	1,254	8,954	7,700	22	2,528	22	1,000	22	1,000	1,320	0.1	13,482	1.1	12,162	921
Transfers and subsidies	1,079	1,312	232	4,100	3,284	-816	199	316	199	439	197	440	4,696	0.4	4,478	0.4	-218	-5
Petroleum Guarantee Fund	3,390	0	-3,390	3,790	0	-3,790	90	0	0	0	0	0	3,880	0.3	0	0.0	-3,880	-100
Off-budget expenditure	0	6,170	6,170	2,896	7,826	4,930	0	453	0	1,154	0	1,154	2,896	0.3	10,586	0.9	7,690	266
Capital expenditure	1,240	1,093	-147	2,297	1,883	-414	310	264	310	264	310	264	3,227	0.3	2,674	0.2	-553	-17
Net lending	0	77	77	0	77	77		0		0		0	0	0.0	77	0.0	77	ns
Other operations	891	21	-870	1,053	162	-891	258	16	280	50	351	50	1,941	0.2	278	0.0	-1,663	-86
Contingency Fund	1,200	0	-1,200	1,500	0	-1,500	300	0	300	300	300	300	2,400	0.2	0	0.0	-2,400	-100
Change in arrears	-100	0	100	-100	0	100	-500	0	-800	-800	-1,360	-1,360	-2,760	-0.2	-2,160	-0.2	600	-22
Monthly balance (cash basis)							1,333	2,355	1,428	1,974	617	783						
Cumulated balance (cash basis)	998	5,764	6,611	-6,511	1,874	8,386	-5,279	4,230	-3,851	6,204	-3,234	6,986	-3,234	-0.3	6,986	0.6	10,220	-316
Cumulated balance from June 1	1,650	8,164	6,514	1,650	8,164	6,514	2,331	8,119	3,759	10,093	4,376	10,876	4,376	0.4	10,876	0.9	6,500	149
Total financing	-998	-6,797	-5,799	6,611	-3,374	-9,985	-1,333	-2,355	-1,428	-1,974	-617	-783	3,234	0.3	-8,485	-0.7	-11,719	-362
Central Bank and other banking system	-998	-2,748	-1,749	6,611	694	-5,917	-1,333	-1,762	-1,428	-1,974	-617	-783	3,234	0.3	-3,825	-0.3	-7,059	-218
Nonresident banks		-4,050			-4,068			-593							-4,661		-4,661	
Discrepancy	0	-1,033	-1,033	0	-1,499	-1,499	-1,499	0	0	0	0	0	0	0	0	-1499.0	-0.1	-1499

Sources: Congolese authorities; and staff estimates.

Table 3B. Democratic Republic of the Congo: Monthly Treasury  
Cash-Flow Plan—January–March 2002

(In millions of Congo francs)

	2002			
	Jan.	Feb.	Mar.	Jan.-Mar.
Total revenue and grants	8,339	9,275	10,825	28,439
Total revenue	8,339	9,275	10,825	28,439
Customs and excise (OFIDA)	3,872	3,473	4,263	11,608
Direct and indirect taxes (DGC)	2,496	2,670	3,247	8,413
DGRAD	600	600	680	1,880
GECAMINES	98	98	98	293
MIBA	356	356	356	1,067
Petroleum	600	1,760	1,864	4,224
Production	0	957	966	1,923
Distribution	600	804	898	2,302
Other	318	318	318	954
<i>Of which: special contribution</i>	281	281	281	842
<i>Of which: special funds</i>	17	17	17	50
<i>Of which: other</i>	21	21	21	63
Total grants	0	0	0	0
Total expenditure	8,304	8,573	9,025	25,903
Current expenditure	7,167	7,560	7,932	22,659
Wages	3,238	3,238	3,238	9,713
Interest payments	988	868	792	2,647
External debt (payment)	0	0	0	0
Domestic debt (payment)	988	868	792	2,647
Other current expenditure	2,221	2,843	3,303	8,367
Institutions	622	691	625	1,938
Ministries	676	1,127	1,318	3,120
Centralized payments (utilities)	375	416	652	1,442
Provinces	299	332	361	993
Other	250	277	347	874
Transfers and subsidies	721	612	601	1,933
Transfers to public agencies	233	233	233	700
Retrocessions	487	378	367	1,233
Capital expenditure	620	622	701	1,943
Foreign-financed Investment	0	0	0	0
Congoese-financed Investment	537	538	618	1,693
Emergency program	83	83	83	250
Net lending	0	0	0	0
Other operations	17	17	17	50
Contingency Fund	500	375	375	1,250
Change in arrears	-164	-164	-164	-493
Domestic	-164	-164	-164	-493
Monthly balance (cash basis)	35	701	1,800	2,536
Central Bank operations	17	-54	-94	-131
Consolidated balance	52	647	1,706	2,405
Cumulated balance (cash basis)	35	736	2,536	2,536
Total financing	-35	-701	-1,800	-2,536
Central Bank and other banking system	-819	-720	-1,653	-2,536

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

Table 4. Democratic Republic of the Congo: Fiscal Measures Planned for 2001

Measures	Implementation by	Status
<b>Generation of revenue</b>		
Depositing of all tax and off-budget revenue with the Central Bank of the Congo (BCC) and elimination of the system of tax offsets	May 2001	Being implemented
Appointment of a tax and customs reform commission	May 2001	Being implemented
Establishment of monthly revenue targets for Office des Douanes et Accises (OFIDA) and Direction Générale des Contributions (DGC)	May 2001	Completed
Elimination of all deferred payment options	May 2001	Completed
Application of the market exchange rate to the c.i.f. valuation of imports	End-May 2001	Completed
Taking of steps with financial and banking institutions participating in the collection of tax and non-tax revenue to expedite the centralization of revenue and reporting	June 2001	Completed
Creation of a large enterprises' unit within the DGC and establishment of one-stop windows in the three largest OFIDA offices	End-2001	Being implemented
Registration of all taxpayers with the DGC and OFIDA	End-2001	Being implemented
Finalization of the draft law on the VAT and preparation of an action plan for its implementation in 2003	End-2001	Being implemented
Assessment of payment authorization and revenue collection procedures and initial implementation of recommendations	End-2001	Being implemented
Adoption of an action plan to reduce tax exemptions	2002 Budget Law	Being implemented
<b>Management and control of expenditure</b>		
Refusal of the BCC to make disbursements that go beyond the ceiling set in the monetary program	June 2001	Being implemented
Strict management of expenditure on a cash basis (resources actually available) as defined in the treasury cash-flow plan.	June 2001	Being implemented
Reinstatement of budget and accounting procedures through the use of commitment vouchers for expenditure on goods and services and strict compliance with the payment authorization procedures under the supervision of the DRC treasury Directorate	June 2001	Completed
Coordination of commitments and payments by reinstatement of periodic commitment reports and appointment of a committee including the Minister of Finance, the Secretaries-General of Finance and the Budget, the Director of Budget Control, and the Director of the Treasury	June 2001	Being implemented
Launch of an audit of government and public enterprise arrears	August 2001	Completed
Breakdown of the budget allocation for the armed forces	End-2001	Outstanding
Finalization of the audit of civil service personnel and initial establishment of a database of government employees	End-2001	Being implemented
Beginning of reinstatement of the process of expenditure control in the provinces	September 2001	Being implemented
Preparation of a realistic 2002 budget (end-December 2001) and adoption by parliament (early 2002)	2002 Budget Law	Being implemented
Audit of fiscal year 2001 accounts	End-2002	

Table 5. Democratic Republic of the Congo: Technical Assistance Requirements in the Fiscal Area

Requirements	Implementation by	Status
<b>Generation of revenue</b>		
Obtain financing for an audit of payment and collection procedures	September 2001	Obtained
Obtain technical assistance in support of tariff reforms and the program to modernize Office des Douanes et Accises (OFIDA) departments.	November 2001	Obtained
Obtain technical assistance for the preparation and introduction of a taxpayer identification number, a large taxpayers' unit, and the VAT	December 2001	Obtained
Obtain assistance for the establishment of a one-stop revenue collection window at the DGRAD	December 2001	Not yet obtained
Obtain financial assistance for the renovation of Direction Générale des Contributions (DGC) and DGRAD buildings and offices	July 2001	Not yet obtained
Obtain UN Conference on Trade and Development (UNCTAD) technical assistance to modernize the ASYCUDA customs data computer system	July 2001	Not yet obtained
Obtain IDA financing to upgrade equipment, particularly computer equipment	September 2001	Obtained
<b>Expenditure and control of staffing</b>		
Obtain in-depth assessment and recommendations for reinstatement of the budget and accounting functions and the expenditure control process	Ongoing	Obtained
Seek financing for an audit of the domestic arrears of the government and public enterprises	July 2001	Outstanding
Seek assistance and expert advice for the establishment of a database of government employees (civil service and non-civil service)	July 2001	First phase obtained
Seek financing to rehabilitate the work environment and procedures of the ministries	August 2001–02	Outstanding
Seek financing for a review of public expenditure and an assessment of requirements in the area of infrastructure and basic services	End-2001	Outstanding
Request medium-term assistance for integration of the expenditure control process	End-2001	Obtained
Launch a training program for Ministry of Finance staff on the accounting, budgetary, and supervision functions	Early 2002	
Seek financing for partial computerization of the expenditure control process at the central level	Early 2002	

Table 6. Democratic Republic of the Congo: Prior Actions for the SMP

Measures	Status
<b>Government finance</b>	
Start execution of the 2001 budget strictly on a cash basis.	Completed
Centralize expenditure and eliminate all extrabudgetary expenditure.	Being implemented
Deposit all revenue in the treasury's general account with the BCC.	Being implemented
Finalize the list of priority strategic projects for 2001 with the World Bank.	Completed
<b>Monetary sector</b>	
Enact and publish all legislation on the independence of the BCC, as well as the new banking law (taking due account of the comments of the IMF) by end-June 2001.	Completed
Liberalize all interest rates.	Completed
Ensure that the BCC will no longer extend direct credit to the private sector or to public enterprises. Moreover, any transaction on account of the government will require the authorization of the Minister of Economy, Finance, and the Budget.	Implemented
In coordination with the Minister of Economy, Finance, and Budget, reconcile the accounts that constitute net credit to the government.	Implemented
Begin strengthening the supervision of the banking system.	Implemented
<b>External sector</b>	
Introduce a floating exchange rate system and publish related legislation and regulations, taking due account of IMF comments.	Completed
<b>Structural measures</b>	
Enhance interministerial coordination on economic and financial policies through ECOFIN.	Completed
Effectively liberalize the diamond market and publish applicable legislation.	Completed
Cease all arbitrary interference and involvement in commercial activities.	Completed
Liberalize the prices of goods by end-June 2001, with the exception of electricity, water, and public transportation, which will be adjusted periodically.	Completed
Liberalize petroleum product prices and establish an automatic and transparent mechanism for pricing petroleum products. Raise the prices of petroleum products in accordance with that mechanism.	Completed



Table 7. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 1997–2001

	1997	1998	1999	2000	2001	
					Est.	Prog.
(Annual percentage changes, unless otherwise indicated)						
Output and prices						
Real GDP	-5.6	-1.6	-10.4	-6.1	0.0	-4.1
GDP deflator	57.0	136.0	462.0	532.0	260.0	322.0
Consumer prices, annual average	199.0	107.0	270.0	553.7	299.0	357.9
Consumer prices, end of period	14.0	135.0	484.0	511.0	99.0	134.7
External sector						
Exports, f.o.b. (in U.S. dollar terms)	-27.5	-1.3	-17.5	-8.9	1.2	5.8
Imports, f.o.b. (in U.S. dollar terms)	-31.4	11.8	-40.9	43.3	-16.2	7.0
Export volume	-15.5	6.9	-18.8	-8.4	11.9	1.9
Import volume	-26.4	24.0	-42.7	45.3	-17.7	12.0
Terms of trade	-7.8	2.4	-1.3	0.9	-11.1	-11.9
Nominal effective exchange rate 1/	-49.6	-55.6	-47.1	-90.7	...	...
Real effective exchange rate 1/	-26.2	1.9	197.2	-43.9	...	...
Nominal effective exchange rate 2/	-52.0	-53.5	-77.3	-84.2	...	...
Real effective exchange rate 2/	-29.8	6.7	27.4	-5.2	...	...
(Changes in percent of beginning-of-year broad money, unless indicated otherwise)						
Money and credit 3/						
Broad money 4/	71	160	382	493	53	84
Net foreign assets	60	-283	-99	-563	0	7
Net domestic assets	157	121	423	343	55	11
Net credit to the government	154	104	392	272	15	-17
Credit to the private sector	3	13	26	61	39	27
Credit to the parastatals	0	4	4	10	2	1
Central bank interest rate (level in percent)	13.0	22.0	120.0	120.0	...	140.0
(In percent of GDP)						
Central government finances						
Revenue (excluding grants)	9.4	5.9	4.6	5.0	5.2	7.0
Grants (including relief aid)	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure 5/	20.2	12.3	9.8	10.9	7.1	7.8
Primary domestic balance (cash basis) 6/	-6.1	-2.4	-3.0	-3.9	-0.2	0.6
Overall balance (commitment basis)	-10.8	-6.4	-5.2	-5.9	-1.9	-0.8
Overall balance (cash basis)	-6.3	-2.7	-3.5	-4.0	-0.3	0.6
Investment and saving						
Gross national savings	12.0	11.5	10.0	6.0	8.0	6.0
Government	-5.4	-2.6	-2.4	-3.6	-1.6	0.8
Nongovernment	17.4	14.1	12.4	9.6	9.6	5.2
Investment	14.5	17.9	11.9	11.1	22.0	9.6
Government	0.9	0.1	1.1	0.4	0.3	0.2
Nongovernment	13.6	17.8	10.8	10.7	21.7	9.4
(In millions of U.S. dollars, unless otherwise indicated)						
Balance of payments						
Exports of goods and nonfactor services	1,246.0	1,286.6	1,021.9	957.3	839	1,006.4
Imports of goods and nonfactor services 7/	1,024.9	1,340.5	758.0	879.8	1,104	957.0
External current account, including grants (in percent of GDP)	-2.5	-6.4	-1.9	-5.1	-14.0	-3.6
External current account, excluding grants (in percent of GDP)	-3.8	-9.1	-4.2	-8.5	-18.1	-8.7
Gross official reserves (end of period)	47.2	59.6	65.5	51.4	52	60.6
Gross official reserves (weeks of imports)	2.4	2.3	4.5	3.0	2.4	3.3
External public debt						
Total, including IMF 8/	12,634	13,506	13,238	12,608	12,957	12,737
Of which: arrears	7,769	8,710	9,222	9,604	10,027	10,305
Net present value of debt (NPV) 9/	...	...	...	11,888	...	...
Scheduled debt service (including interest on arrears)	752	818	762	707	757	684.2
In percent of exports of goods and services	60.4	63.6	74.6	73.9	90	68.0
In percent of government revenue	204.9	332.2	343.6	323.4	333	218.4
Exchange rate						
Units of local currency per U.S. dollar (end of period)	1.3	2.4	4.5	50.0	...	312.0
Parallel market rate per U.S. dollar (end of period)	1.3	3.6	25.0	141.0	...	...
Nominal GDP (in billions of Congo Francs)	4.3	10.0	50.4	304.0	1,128.0	1,232.0

Sources: Congolese authorities; and staff estimates and projections.

1/ Annual averages based on official rates. Minus sign indicates depreciation.

2/ Annual averages based on parallel market rates. Minus sign indicates depreciation.

3/ Excluding valuation change effects

4/ For 2001, including valuation effects, the percentage change would be 179.

5/ Including interest due on external debt.

6/ Revenue (excluding grants) minus noninterest expenditure.

7/ Based on revised customs data, a major downward adjustment was made for 1996–2001 imports.

8/ End of period. Outstanding debt stock includes all arrears.

9/ The net present value of external public debt is 92 percent of the nominal value, reflecting the significant stock of arrears.

Figure 1. Democratic Republic of the Congo: Fiscal sector, Money, Prices, and Exchange Rates, 1998-2001

