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November 14, 1983

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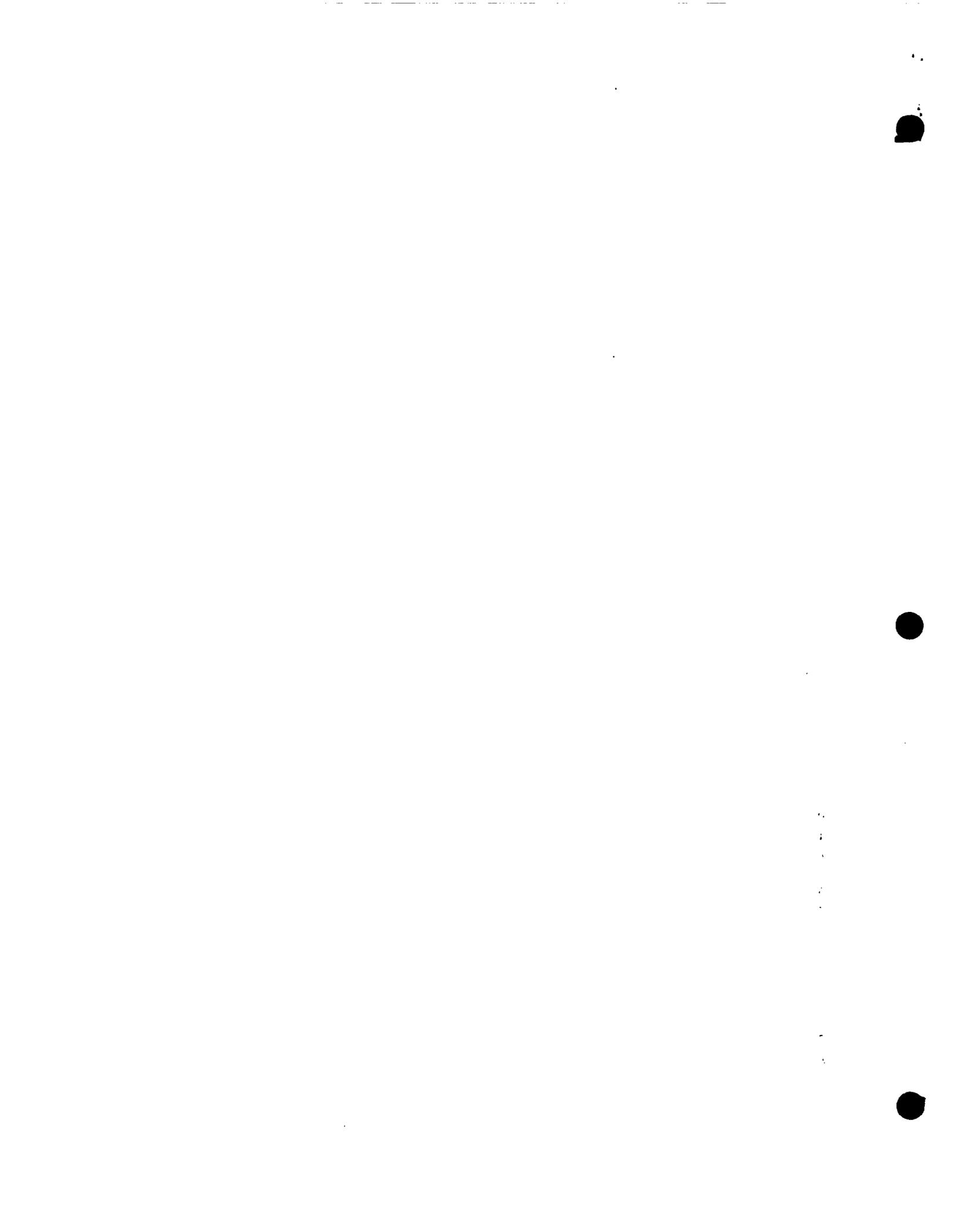
Subject: Qatar - Staff Report for the 1983 Article IV Consultation

Attached for consideration by the Executive Directors is the staff report for the 1983 Article IV consultation with Qatar, which will be brought to the agenda for discussion on a date to be announced.

If Executive Directors have technical or factual questions relating to this paper prior to the Board discussion, they should contact Mr. Kayoumy, ext. 72950.

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INTERNATIONAL MONETARY FUND

QATAR

Staff Report for the 1983 Article IV Consultation

Prepared by the Staff Representatives for the
1983 Consultation with Qatar

Approved by S.H. Hitti and Subimal Mookerjee

November 10, 1983

I. Introduction

The 1983 Article IV consultation discussions with Qatar were held in Doha during the period September 10-14, 1983. The Qatar representatives were senior officials of the Ministries of Finance and Petroleum, Agriculture and Industry, Economy and Commerce, the Qatar Monetary Agency, and other public sector agencies and corporations. The mission was composed of Messrs. B.A. Karamali (Head), M. Arif, A. Kayoumy, and D. Noursi, and Ms. M. Bullough (Secretary), all of MED. Qatar accepted the obligations of Article VIII, Sections 2, 3, and 4 of the Fund Articles of Agreement on June 4, 1973. The last consultation discussions were held in November 1981 and the Staff Report (SM/82/32) was discussed by the Executive Board on March 24, 1982.

II. Background

The economy of Qatar depends heavily on the oil sector which in recent years has contributed about two thirds of the GDP and has provided almost all of export earnings and government revenues. Due to the authorities' conservation policy and, more recently, weak market conditions, output of crude oil has been reduced gradually over the last decade from a peak level of 570,000 barrels per day (b/d) in 1973 to 252,000 b/d in the first seven months of 1983. Qatar's crude oil output accounted for about 2 percent of total OPEC output in 1982. After showing a rising trend from 1973 to 1981, oil prices (for Qatar representative Dukhan crude) declined from the peak level of US\$37.24 per barrel in October 1981 to US\$29.49 per barrel by March 1983, following the signing of the OPEC agreement on prices and production.

In Qatar the pace of economic activity, liquidity creation, and the balance of payments outcome are mainly a function of changes in the level of public expenditures financed almost entirely by oil revenues. The rate of growth of the economy fluctuated with a rising trend between 1974 and 1981. The acceleration in economic activity in 1974-77 led to sharp rises in liquidity, domestic prices, and in labor inflows from abroad, and to rapid reductions in budgetary and balance of payments

surpluses. There was a slowdown in 1978 which was accompanied by reductions in liquidity growth, inflation, and demand for labor, and by large budgetary and balance of payments surpluses. The pickup and renewed acceleration of economic activity in 1979-81 was accompanied by similar trends as those that prevailed during the previous expansionary cycle. Although the rises in domestic liquidity and prices were very sharp over this period, the budgetary and balance of payments surpluses remained at relatively high levels because of the large rise in oil receipts reflecting the substantial increases in oil prices.

Following three years of continuous rise, the Government's budgetary surpluses began to decline in 1981, reflecting an acceleration in expenditures, which grew by about 35 percent compared with the average annual rise of about 24 percent in the previous three years whereas revenues fell slightly as against the sharp increases in previous years.

Monetary expansion (as reflected by changes in money and quasi-money) accelerated over the three years ended 1981, with the rate reaching its peak of 42 percent in 1981. The major contributing factors were the sharp increases in net foreign assets of the banking system and in credit to the private sector, which more than offset the contractionary impact exerted by the accumulation of government deposits and other net unclassified liabilities of the banking system. The substantial increase in oil receipts during these years had resulted in a large build-up of foreign assets and sharp expansion of government expenditures, while at the same time permitting the Government to augment its deposits with the banking system, thus providing large resources to the banks to expand their credit operations.

Qatar's exchange system is free of restrictions and the import regime is liberal. Most import items are taxed at a rate of 2.5 percent. The Qatar riyal is pegged to the SDR at QR 4.7619 per SDR 1 with margins around the SDR parity of 7.25 percent. The U.S. dollar is the intervention currency. In January 1978, Qatar, Bahrain, and the United Arab Emirates established fixed selling rates for their currencies against the U.S. dollar (following a 1.8 percent revaluation of the Qatar riyal) and agreed to coordinate movements in the exchange rates. The arrangement for fixed rates was suspended in May 1979 when Qatar revalued its currency against the U.S. dollar. In the first half of 1980, the riyal was appreciated on four occasions by a total of about 1.8 percent against the U.S. dollar. Since mid-1980, however, the riyal/dollar rate has remained unchanged at QR 3.64 = US\$1.00; with the strengthening of the dollar, the riyal/SDR rate has moved beyond the 7.25 percent margin beginning in May 1981.

III. Report on the Discussions

1. The energy sector and investment policy

Oil production declined further by about 19 percent in 1982 and by about 24 percent (to a level of 252,000 b/d) during the first seven months of 1983. However, unlike the previous decline which was brought about

by government conservation policy, the drop in 1982-83 has been mainly due to weakness in oil demand in major consuming countries. Under the OPEC agreement of March 1983, Qatar's quota of crude oil production has been set at 300,000 b/d. The authorities expected the production level to gradually expand to the level of the quota ceiling by the end of 1983.

After rising sharply during most of the 1979-81 period, Qatar's oil export prices began to decline in November 1981 and since then have dropped by about 21 percent to US\$29.49 per barrel (the price set under the OPEC agreement of March 1983). ^{1/} During the past year, some agreements for bartering crude against imports of machinery have been concluded with suppliers of projects such as electricity and water desalination plants. These agreements, which amounted to about QR 800 million, however, provided no discounts in prices from those set under the OPEC agreement.

Domestic consumption of major oil products increased by 13 percent in 1982 compared with the annual average increases of about 7 percent during 1978-81. With a view to reducing implicit subsidies, the authorities raised the domestic prices of petroleum products in May 1983 to bring them in line with those prevailing in the region. As a result, domestic consumption of oil products is expected to expand less rapidly than the year before and dependence on imports is expected to be eliminated when a new refinery starts operations toward the end of 1983.

While no major discoveries have been made in recent years, exploration for oil is continuing in Qatar with the main emphasis being placed on seismic surveys in offshore areas. The Al-Bunduq offshore oil field, which started production in 1975 and stopped operations in 1979 due to the high gas/oil ratio, is expected to resume production in late 1983 after the installation of machinery for water injection. In addition to exploration activities, the Government's energy policy emphasizes the development of oil-related industries and gas resources (estimated at about 300 trillion cubic feet) for domestic as well as for export purposes. Plans for utilizing the unassociated gas from the North field, although still at a preliminary stage, were also proceeding satisfactorily.

In recent years the Government has embarked on a number of projects designed to lessen the economy's dependence on the production of oil and enhance industrial and commercial diversification. Cement, iron and steel, and fertilizer industries have been established. Also, an industrial port at Umm Said and an industrial estate in Doha have been completed. The Industrial Development Technical Centre has been engaged

^{1/} Prices were reduced in November 1981 from US\$37.24 per barrel (for Qatar representative Dukhan crude) to US\$35.65; further declines to US\$35.45, US\$34.49, and US\$29.49 per barrel were effected in January 1982, March 1982, and March 1983, respectively.

in coordinating project planning and supervision, while the law for encouraging industrialization has provided various incentives including exemption from import duties, protection, concessional loans, facilitation of entry of foreign workers, and assistance with workers' accommodations.

2. Overall level of activity, prices, employment, and wages 1/

Following an acceleration in 1981, reflecting renewed expansion in budgetary outlays, the tempo of economic activity (in non-oil sectors) slowed down in 1982 due to a reduction of about 8 percent in government expenditures. The slowdown in 1982 which affected most sectors was most pronounced in manufacturing, reflecting mainly setbacks in production of fertilizers and cement. Indications are that the slowdown in the level of economic activity has continued through 1983, with the construction sector being particularly affected by the curtailment of government expenditures on some ongoing projects and postponement of new projects.

While comprehensive information on employment and wages is not available, preliminary estimates show that the labor force was about 104,000, of which 1,320 (or 1.3 percent) were unemployed. The economy continues to be highly dependent on expatriate workers who constitute about 85 percent of the labor force in the private sector. As a result of the slowdown in economic activity, there has been a considerable decline in demand for expatriate labor. The Qatar representatives stated that their manpower policy aimed at reducing the need for foreign labor. Steps taken to reduce dependence on expatriate labor for skilled and managerial posts include a requirement that foreign companies provide training facilities for Qatari employees.

Salaries and wages of the public sector employees have remained frozen over the last two years; data with respect to wages and salaries in the private sector are not available.

Demand pressures on domestic prices eased in 1982 as reflected by an increase of only 4.4 percent in the consumer price index compared with a rise of 8.5 percent in 1981. Available data for the first seven months of 1983 showed a further deceleration in price increases. The factors contributing to deceleration of prices included a reduction in the growth rate of domestic liquidity, continued appreciation of the Qatar riyal, and moderation of price increases abroad. These have also been of assistance in moderating the rise in the cost of the subsidy program to the Government. The program involves sales of a range of imported basic consumer products at prices below procurement costs.

1/ Agriculture in Qatar continues to be constrained by various natural limitations while the fishing sector has been supplying the bulk of fish for domestic consumption and shrimp for both domestic consumption and export.

Cement and poultry products are subject to price controls, while gasoline is sold at less than its international market value (despite an increase of about 30 percent in prices of petroleum products effected in May 1983), and water and electricity are provided free of charge.

3. Fiscal policy

The weakening trend in the fiscal position, which commenced in 1981, accentuated in 1982 and 1983, although an adequate comparison with previous years is difficult because of a change in the coverage period of the fiscal years since the end of 1981. The 1982/83 budget covered a period of 18 months ended in April 1983. ^{1/} The budget's initial estimates were based on projections of oil production of 400,000 b/d (and oil revenues of about QR 24 billion), expenditures of about QR 24 billion, and a budget surplus of about QR 3 billion representing mainly investment income and non-oil revenues. However, developments in the world oil market in 1982 invalidated these projections as oil production did not exceed a level of 328,000 b/d and international oil prices weakened. Preliminary estimates of actual developments indicate that total revenues amounted to QR 21.1 billion for the 18-month period, of which oil revenues constituted QR 17.7 billion. Prorated to a 12-month basis, these estimates would be QR 14.0 billion for total revenues and QR 11.8 billion for oil revenues. Thus, compared with 1981, total revenues and oil revenues showed declines of 27 percent and 32 percent, respectively.

In view of the emerging weakness in the oil market and the slowdown in oil receipts, the Qatar authorities took measures during the 1982/83 fiscal year to contain the growth in government spending, which included stretching out the implementation period of ongoing projects and tighter controls on current spending. Moreover, there was some delay in the disbursement of foreign grants and other obligations. As a result, total expenditures for the 18-month period amounted to QR 20.3 billion which corresponded to QR 13.6 billion on a 12-month basis, representing an 8 percent decline from 1981. This decline was in current spending as actual capital outlays recorded a slight increase. A budget surplus of QR 0.7 billion was recorded in the 1982/83 (18-month) period which corresponded to about QR 0.5 billion on a 12-month basis compared with a surplus of about QR 4.5 billion in 1981. In view of this smaller surplus, there was a decline in disbursements for domestic and foreign equity participation. However, despite the decline in these items, an overall budgetary deficit of about QR 1.5 billion (on a 12-month basis) was recorded, compared with a deficit of about QR 0.6 billion in 1981.

^{1/} This change was made to facilitate the budget preparation process that was increasingly falling in the summer months and also to approximate the government budget's coverage period with the budgets of corporations which have adopted the Gregorian calendar year. Thus, the budget for 1983/84 was prepared on the basis of a 12-month period from April 14, 1983 to April 2, 1984.

The budget for 1983/84 projects total revenues of QR 8.9 billion (of which QR 6.7 billion represents oil revenues), expenditures of QR 14.3 billion, and a deficit of QR 5.4 billion. The oil revenues for the 1983/84 fiscal year had been estimated on the basis of oil exports of 225,000 b/d. However, preliminary estimates show that oil production and exports in 1983/84 are likely to rise considerably above that level; consequently, actual oil revenues are expected to amount to about QR 7.5 billion and total revenues to about QR 9.7 billion. With respect to expenditures, the Qatar representatives indicated that actual current and capital outlays in 1983/84 were likely to amount to 80 percent and 90 percent of budget allocations, respectively. Therefore, total actual outlays were likely to amount to QR 11.8 billion (or 13 percent less than preliminary actuals of 1982/83) so that the budget deficit might be of the order of QR 2.1 billion in 1983/84. The authorities expect to bring about this decline in expenditures through a freeze on most new development projects and stretching out the completion of ongoing projects. Moreover, stringent limits have been specified for current expenditures including measures to reduce payments on subsidies by over QR 200 million.

With respect to efforts to raise revenues, the authorities were considering an increase in the rates of customs duties from a minimum of 2.5 percent to a minimum of 4 percent, and levying a charge on services provided by public utilities. These measures are to be taken within the context of economic integration programs worked out by the Gulf Cooperation Council (GCC). For the present time, the authorities intend to finance the budget deficit mainly through a drawdown of foreign asset holdings but the authorities do not exclude the possibility of borrowing in international markets as a means of financing future deficits.

4. Monetary developments and policies

With the sharp fall in oil income and retrenchment in the Government's fiscal operations in 1982 there was a marked slowdown in the rate of increase in domestic liquidity, from 42 percent in 1981 to 15 percent. The deceleration in expansion of domestic liquidity has continued during the current year and in fact, domestic liquidity actually contracted by about 1 percent in the first six months of 1983 compared with an expansion of about 10 percent in the corresponding period of 1982. This reflects a large decline in injection of liquidity by the public sector, a slowdown in growth of credit to the private sector, and a sharp fall in net foreign assets of the banking system. On the basis of preliminary projections with respect to the balance of payments, budgetary operations, and credit needs of the private sector, the Qatar representatives stated that for the year as a whole the expansion in domestic liquidity was likely to be about 3 percent.

As the cutbacks in government spending were affecting the liquidity position of some banks, the Qatar Monetary Agency (QMA) is keeping a close watch on the situation and stands ready to introduce a rediscount facility if deemed necessary. The Qatar representatives noted that

should the accumulation of external assets by banks lead to further shortages of riyals domestically and create undesirable tightness in the expansion of domestic credit, ceilings could be imposed on foreign asset holdings of the commercial banks in relation to their foreign liabilities. While agreeing with the mission that outflows of funds could also be influenced through changes in interest rates and by generating doubt about the absence of exchange risks, they did not consider either of these approaches to be very desirable. In any event, changes in the interest rate structure or in the exchange rate would be coordinated in the context of the regional arrangements with the GCC countries.

Over the last 18 months there have been some institutional changes in the banking and financial sectors, including the establishment of the Islamic Bank, the approval of the charter for the establishment of the Qatar Al-Ahli Bank (expected to start operations sometime toward the end of 1983), the establishment of three new bank branches, and the promulgation of a law prescribing the procedures for establishing money exchanges and regulating their operations.

5. External sector policies

For the first time since 1977, the overall balance of payments position showed a deficit in 1982 (about US\$0.7 billion), or a turnaround of about US\$1.6 billion from a surplus of US\$0.9 billion in 1981. Oil export receipts fell by about 24 percent in 1982 largely due to the 17 percent decline in the quantity exported. Receipts from other exports also fell as exportable surpluses of steel and ethylene were reduced, partly due to increased local consumption and a softening of international prices. On the other hand, imports, at US\$1.9 billion, were at an all-time high, representing a 28 percent increase over 1981. Compared with 1981, a considerably smaller surplus on the current account was recorded in 1982 despite some reductions in payments for tourism, remittances of profits by foreign companies, and other items. Official grants and loans to less developed countries declined in 1982 from the record level of the previous year, but the deficit on the capital account rose due to increased private capital outflows.

For 1983, it is expected that oil exports will drop further to US\$2.7 billion (compared with US\$4.1 billion in 1982) while imports will amount to about US\$1.8 billion and the current account will show a surplus of about US\$0.2 billion compared with a surplus of about US\$1.3 billion in 1982. The overall balance of payments position is projected to show a deficit of about US\$1.0 billion. The authorities expect some improvement in the external accounts in 1984 as oil exports are projected to rise somewhat from the depressed level of 1983 and there may be some reduction in imports due to the slowdown in government spending and a drawing down of stocks.

Policies governing the management of international reserves continue to be guided by security, liquidity, and yield considerations. Reductions in foreign assets are made in a balanced manner. About

5 percent of assets is held in the form of gold and the rest is in various strong currencies and comprises cash, bank deposits, bonds, and securities. At the end of 1982, net foreign assets amounted to about US\$5.1 billion, equivalent to about 31 months of imports.

The Qatar riyal has remained stable vis-a-vis the U.S. dollar at QR 1 = US\$0.27473 since mid-1980. During the period June 1980-August 1983, the Qatar riyal appreciated by 26.8 percent against the SDR; the nominal effective exchange rate for the Qatar riyal (import-weighted basis) reflected an appreciation of 37.3 percent over the same period. The authorities do not contemplate any change in exchange rate policy in the foreseeable future.

IV. Staff Appraisal

Economic and financial developments in Qatar have been markedly affected by the weakening in world demand for oil during recent years. In response to falling oil revenues, the authorities have acted promptly and have adopted adjustment policies that have stressed fiscal restraint. Success was achieved in reducing current spending in 1982/83 while maintaining and allowing some expansion in capital expenditures. Increased investments in recent years in infrastructure have eliminated bottlenecks in production and transportation and have considerably expanded in general the absorptive capacity of the economy, thus providing the potential for achieving a sustainable high rate of growth in the future.

The changed circumstances regarding oil revenues have provided the authorities with the opportunity to consolidate previous economic and social gains and encouraged closer scrutiny of new capital projects. Budgetary plans for 1983/84 continue to emphasize fiscal restraint with further cuts in current expenditures and some reductions in capital outlays. As expected, this has led to a further slowing down of the economy in recent months. While the restrained fiscal stance is appropriate, it would be desirable to try avoiding excessive or abrupt swings in government spending in order to facilitate growth and economic management. With the outlook for the oil sector improving somewhat, a moderate rise in the level of capital expenditures would be beneficial. Moreover, the availability of relatively large foreign asset holdings provides the needed cushion to absorb fluctuations in the level of oil receipts.

Monetary expansion slowed down in 1982 and contracted in absolute terms for the first time in the first six months of 1983, due to sharply reduced levels of liquidity injection by the Government, a slowdown in credit demand by the private sector, and a rise in capital outflows. Reflecting trends in domestic liquidity, price developments abroad, and the strengthening of the Qatar riyal's exchange rate, the rise in domestic prices has sharply decelerated over the last 18 months. In view of the banking system's tightening liquidity conditions, the Qatar Monetary

Agency's possible establishment of a rediscount facility and its enhanced supervisory and regulatory powers over financial institutions seem appropriate.

While developments in the external sector have been adversely affected over the last 18 months by the reduction in oil receipts, prospects for the rest of 1983 and for 1984 are for some improvement, particularly in the current account balance due to an expected rise in oil exports coupled with a decline in imports. Qatar has been pursuing appropriate external sector policies and its foreign aid program has continued, albeit at a reduced level, despite falling oil revenues.

It is recommended that the next Article IV consultation with Qatar be held on the 18-month cycle.

Qatar: Fund Relations 1/

Date of membership: September 1972.

Status: Article VIII.

Quota: SDR 66.2 million (proposed quota of SDR 114.9 million under the Eighth Review).

Exchange system: The Qatar riyal is pegged to the SDR at QR 4.7619 per SDR 1 with margins around the SDR parity of 7.25 percent. The buying and selling rates for the U.S. dollar, its intervention currency, quoted by the Qatar Monetary Agency are now QR 3.6385 and QR 3.6415, respectively.

Use of Fund resources: Qatar has never drawn on the Fund. Fund holdings of riyals are equivalent to 62.57 percent of quota.

SDR Department: Qatar became a participant in March 1978; its SDR holdings amount to SDR 18.96 million, equivalent to 147.91 percent of net cumulative allocation.

Trust Fund: Not eligible for loans. Qatar ceded to the Trust Fund US\$3.2 million in the distribution of profits from gold sales.

Gold distribution: Acquired 17,117 fine ounces.

Subsidy Account: Qatar has not contributed.

Loans to the Fund: Qatar did not participate in lending to the Fund either for the oil facility, for the supplementary financing facility, or for financing the enlarged access policy.

Last Article IV Consultation: November 1981; the Staff Report (SM/82/32) was discussed by the Executive Board on March 24, 1982 (EBM/82/36).

Technical assistance: An expert in the foreign exchange field was assigned to the Qatar Monetary Agency under the Central Banking Department program for two years ended November 1979.

1/ As of September 30, 1983.

Qatar: Basic Data

Area 10,365 square kilometers
 Population 244,534 (1982 estimate)

	1978	1979	1980	1981	1982	July	
						1982	1983
(In billions of Qatar riyals)							
GDP at current market prices	15.7	21.8	29.1	31.8	28.8	...	...
Oil sector	(8.7)	(13.7)	(19.3)	(20.2)	(15.2)	...	...
Non-oil sectors	(7.0)	(8.1)	(9.8)	(11.6)	(13.6)	...	...
Crude oil production (million barrels)	175.2	180.2	172.7	146.7	119.0	70.4	53.4
Doha price index		100.0	106.8	115.9	121.0	119.8	128.3
(In millions of Qatar riyals)							
	1978	1979	1980	1981	Prel. 1/ Actual 1982/83	Budget 2/	
						1983/84	1983/84
Government finances							
Revenues	8,225.1	12,090.3	19,003.6	19,242.8	14,047.8	8,911.2	
Oil and gas revenues	7,420.8	11,220.2	17,453.9	17,188.9	11,770.7	6,654.3	
Investment income and other	804.3	870.1	1,549.7	2,053.9	2,277.1	2,256.9	
Expenditures	6,517.7	8,269.7	10,937.0	14,742.0	13,545.3	14,261.6	
Current expenditures	3,853.3	5,566.1	7,848.6	11,123.7	9,912.0	10,411.4	
Of which: foreign grants	(291.3)	(1,057.8)	(1,169.4)	(1,253.4)	(500.9)	(800.0)	
Capital expenditures	2,664.4	2,703.6	3,088.4	3,618.3	3,633.3	3,850.2	
Surplus or deficit (-)	1,707.4	3,820.6	8,066.6	4,500.8	502.5	-5,350.2	
As percent of GDP	(10.9)	(17.5)	(27.7)	(14.1)	(1.7)	(...)	
Net lending and equity participation	1,169.3	887.0	3,457.6	5,112.7	1,994.2	...	
Overall surplus or deficit (-)	538.1	2,933.6	4,609.0	-611.9	-1,491.7	...	
Change in government domestic and foreign deposits	355.6	2,976.8	4,862.0	1,215.2	-2,421.2	...	
Discrepancy 3/	182.5	-43.2	-253.0	-1,827.1	929.5	...	
Percent change in:							
Revenues	(0.9)	(47.0)	(57.2)	(1.2)	(-27.0)	(-36.6)	
Expenditures	(-10.9)	(26.9)	(32.3)	(34.8)	(-8.1)	(5.3)	
June							
	1978	1979	1980	1981	1982	1982	1983
Changes in:							
Money and quasi-money	548.1	395.8	765.8	2,198.0	1,091.8	768.4	-60.4
Money	219.4	185.0	-217.4	1,129.0	391.7	388.0	-159.4
Quasi-money	328.7	210.8	983.2	1,069.0	700.1	380.4	99.0
Foreign assets (net)	427.5	207.8	722.5	1,734.2	174.1	-254.6	-513.5
Net domestic assets	120.6	188.0	43.3	463.8	917.7	1,023.0	453.1
Credit to private sector	425.5	389.3	414.7	814.1	1,068.5	777.3	595.2
Government deposits (net) (increase-)	-220.5	-40.2	-165.7	-80.8	107.2	336.7	17.0
Other items (net) (increase-)	-84.3	-161.1	-205.7	-269.5	-258.0	-91.0	-159.1

Qatar: Basic Data (Concluded)

(In percent)

	1978	1979	1980	1981	1982	June	
						1982	1983
Rate of change							
Money and quasi-money	15	10	17	42	15	10	-1
Credit to private sector	17	13	13	22	24	17	11

(In millions of U.S. dollars)

	1978	1979	1980	1981	1982	Prel.	Proj.
						Est. 1983	1984
Balance of payments							
Goods and services	707	1,884	3,024	2,732	1,285	206	770
Exports, f.o.b.	2,386	3,884	5,684	5,844	4,507	3,088	3,434
Of which: oil exports	(2,305)	(3,693)	(5,363)	(5,350)	(4,084)	(2,684)	(3,022)
Imports, c.i.f.	-1,184	-1,426	-1,440	-1,518	-1,947	-1,786	-1,511
Trade balance	<u>1,202</u>	<u>2,458</u>	<u>4,244</u>	<u>4,326</u>	<u>2,560</u>	<u>1,302</u>	<u>1,923</u>
Services and private transfers (net)	-495	-574	-1,220	-1,594	-1,275	-1,096	-1,153
Grants to less developed countries	-75	-275	-314	-349	-157	-69	-69
Balance on goods, services, and official grants	<u>632</u>	<u>1,609</u>	<u>2,710</u>	<u>2,383</u>	<u>1,128</u>	<u>137</u>	<u>701</u>
Official capital	161	86	-154	-69	-65	-42	-42
Other capital (including errors and omissions)	-535	-840	-984	-1,432	-1,757	-1,098	-1,209
Overall balance (deficit-)	<u>258</u>	<u>855</u>	<u>1,572</u>	<u>882</u>	<u>-694</u>	<u>-1,003</u>	<u>-550</u>
Net foreign assets (end of period)							
Government	<u>2,271</u>	<u>3,188</u>	<u>4,862</u>	<u>5,767</u>	<u>5,073</u>	...	...
Monetary Agency	1,644	2,489	3,943	4,368	3,626	...	...
Commercial banks	220	295	363	395	421	...	...
	407	404	556	1,004	1,026	...	...

1/ Prorated for a 12-month period ended April 13, 1983.

2/ Ended April 2, 1984.

3/ Arising from differences in overall surplus or deficit items, as reported by the Ministry of Finance, and the financing item, which is partly derived from monetary and banking data and partly from extrabudgetary accounts of the Ministry of Finance.