FOR AGENDA

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June 9, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Oman - 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 Oman. This subject has been tentatively scheduled for discussion on Wednesday, July 6, 1983.

If Executive Directors have technical or factual questions relating to this paper prior to the Board discussion, they should contact Mr. Jakubiak, ext. (5)7109.

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OMAN

Staff Report for the 1983 Article IV Consultation

Prepared by the Staff Representatives for the 1983 Article IV Consultation with Oman

Approved by S. H. Hitti and Subimal Mookerjee

June 8, 1983

I. Introduction

The 1983 Article IV consultation discussions with Oman were held in Muscat during the period April 2-9, 1983. The Omani representatives included the President of the Central Bank of Oman, the Undersecretary of Finance, the Undersecretary for Petroleum and Minerals, and the Secretary General of the Development Council. The mission also had the benefit of meeting with the Deputy Prime Minister for Financial and Economic Affairs. The mission was composed of Messrs. H.E. Jakubiak (Head), M. Arif, E. Taha, and S. Thayanithy and Mrs. A. Pavon (Secretary), all of MED.

Oman accepted the obligations of Article VIII, Sections 2, 3, and 4, of the Fund Articles of Agreement on June 19, 1974.

II. Background

The petroleum sector is dominant in the Omani economy and in recent years has accounted for over 60 per cent of GDP, 95 per cent of export earnings, and about 90 per cent of government revenues. The volume of Oman's oil exports fell sharply (by about 25 per cent) between 1977 and 1980 as a result of declining production from established fields. However, with the implementation of an active exploration program and the discovery and development of new fields, output recovered by 1981 to near the peak levels achieved in the mid-1970s. Despite the reduced average volume of petroleum exports during the 1979-81 period, oil receipts nearly tripled to about US$4.5 billion due to sharply higher world petroleum prices. Consequently, although import and other external payments also rose steeply, Oman's balance of payments recorded substantial current and overall surpluses, with the latter averaging $1.2 billion in 1980-81. The external payments position also benefited from receipt of official grants and loans on concessional terms.

Between 1979 and 1981, the rapid increase in oil revenues was accompanied by a growth in public expenditures of nearly 30 per cent on an annual average basis. The largest expenditure increases were for investment, which rose by 37 per cent on average and was directed toward development projects outside the oil sector as well as the expansion of petroleum sector capital. Current outlays accounted on average for over 70 per cent of total spending but rose at a relatively slower rate of about 25 per cent. Despite the higher expenditure levels, the budget recorded surpluses averaging 12 per cent of GDP, which were utilized largely to build up the State General Reserve Fund. 1/

A major policy objective of the authorities is to utilize oil revenues for development of the economy and more particularly to diversify its base and reduce dependence on the oil sector. Oman's First Development Plan, which ended in 1980, was directed primarily toward putting in place the infrastructural facilities prerequisite to broadening economic and investment activity. Under the Second Plan (1981-85), the authorities intend to direct substantial resources toward manufacturing, mining, and public utilities while also developing further the petroleum and gas sector. Manufacturing activity in particular is projected to expand substantially, reflecting in part several large public sector projects (see below). A major role is envisioned for private investment. A large program for vocational, technical, and university training of Omanis is also included in the Plan. In 1981, the first Plan year, gross domestic investment accounted for 26 per cent of GNP, and nominal non-oil GDP is estimated to have grown by over 25 per cent.

In Oman the level of government net domestic expenditure is the primary determinant of the growth of the non-oil economy and the rate of monetary expansion. Thus, the surge in government spending over the 1979-81 period was reflected, particularly in the latter two years, in a relatively high average rate of expansion of domestic liquidity. There were also strong increases in private sector credit. With the rapid growth of the money supply, upward pressures on prices emerged. Broadly representative price series are not available; however, the existing series and movements in import prices, which have a heavy weight in the Omani economy, indicate annual price increases of 10-15 per cent over the 1980-81 period.

Oman has a liberal trade system, and there are no restrictions on current international transactions. At end-1982 tariffs for most dutiable imports were 2 per cent, but only about one half of imports was dutiable. Since February 1973 the Omani rial has been pegged to the U.S. dollar at the rate of RO 1 = US$2.89524. With the strengthening of the U.S. dollar against the currencies of Oman's major trading partners, the peg to the dollar resulted in an appreciation of the nominal effective (import-weighted) exchange rate of about 15 per cent over the 1981-82 period.

1/ The surplus or deficit/GDP ratios in this paper are calculated on the basis of total revenues adjusted to include receipts assigned to the Reserve Fund; these latter are excluded from the published budget. The Reserve Fund was established in 1980 and receives a targeted 15 per cent of oil revenues and other resources (as available). The authorities intend to use the Reserve Fund to finance budget deficits which might emerge while maintaining development spending at planned levels; the general policy is to draw on the Fund only after careful consideration.

III. Report on Discussions

1. Production and prices

Government policy with regard to the level of crude oil production and exports has been to adjust output guidelines to match revenue needs after taking conservation considerations into account; at the same time, some spare capacity is maintained so that output can be increased at short notice. Oman's Development Plan incorporated a production guideline of 330,000 barrels per day (b/d) for the five-year period beginning 1981. At the export prices then prevailing, which were expected to rise moderately over the medium term, this level of output was deemed adequate to meet the financing requirements of the budget and the Plan and to build up the Reserve Fund. However, in 1982 actual production slightly exceeded the guideline, increasing by 2.3 per cent over the 1981 output level and partly offseting the effect on revenues of falling oil prices.

With the prospect of a further decline in prices in 1983, production was targeted at 360,000 b/d. Oman markets its crude oil under long-term contracts, and agreements with traditional buyers have been signed covering the exports associated with this production level. Actual output in January-February 1983 averaged 370,000 b/d, and following the mid-March downward price adjustment by OPEC producers the fiscal authorities are considering the need to maintain crude oil output at this level or higher on average over the year. 1/ If there were a need, they were confident that a level of 380,000 b/d could be reached. The Omani representatives indicated that as Oman is a small producer with good relations with its traditional customers an increased output level can be successfully marketed. The major current constraint on Oman's crude oil production is pipeline capacity, which is being expanded to 380,000 b/d in 1983 in the context of a phased program to enlarge capacity to 500,000 b/d by 1987. Exploration activity by several companies is continuing, and identified reserves have risen to 3 billion barrels.

In its pricing of crude oil exports, Oman has generally followed the pricing decisions of Saudi Arabia. The realized price for Omani crude oil exports fell on average by about 7 per cent in 1982, and a further reduction to $29.00 per barrel was introduced in March 1983. With no further price change over the remainder of the year, this would result in a 13 per cent lower average export price for 1983.

Oman's first oil refinery came into operation in November 1982, with a capacity of 50,000 b/d. The refinery is able to meet the country's entire requirement for refined products, and import savings this year will amount to about 18,000 b/d. An equal volume of residual fuel oil will be exported.

1/ Oman is not a member of OPEC and does not participate in production-sharing schemes.

Oman has considerable proven natural gas reserves, but a substantial proportion of these will be required for oilfield injection, thus leaving consumable stocks below the threshold needed for competitive gas exports. At present, primarily nonassociated gas is being used to maintain oilfield pressure. However, the Government has initiated a capital investment program to reduce to a minimum the amount of nonassociated gas used for this purpose and replace it with the associated gas now being flared. This would free gas resources for use in the domestic power sector and result in considerable petroleum savings.

As to development policies, the authorities' objective is to encourage the private sector to assume the lead in nonenergy economic activities. As facets of this policy, the Government continued to divest its shares in completed projects during 1982. It has also invited private investment in a large number of new projects for which feasibility studies have been completed and is developing a major industrial estate near Muscat, the first phase of which is expected to be operational in early 1984. During the early stages of Oman's development, the Government sees a need to offer financial incentives to the private sector in the form of fiscal concessions and low-interest loans. This was also necessitated in part by similar policies in neighboring countries. The Omani representatives indicated that in general government policy is to avoid subsidization, and only a few commodities or economic inputs are subsidized. The existing interest subsidy for investment is viewed as transitory, and consideration is being given to reducing allocations for this purpose during the current Plan period and dispensing with them altogether thereafter. Water is priced to almost fully cover costs. As regards other commodities, the Omani authorities have consistently maintained domestic consumer prices for refined petroleum products at international levels and intend to continue this policy. Natural gas is supplied to the power sector at a price equivalent to international levels. Although electric power is directly subsidized, the representatives explained that the authorities intend to reduce or eliminate the subsidy as circumstances permit.

The implementation of the Development Plan in 1982 went broadly as envisaged, and no major bottlenecks were experienced. In some sectors, such as oil, education, mining, and manufacturing, investment expenditures were permitted to exceed budget allocations in order to accelerate the completion of important projects. In the authorities' view, neither external nor internal developments have warranted any significant readjustments thus far of Plan priorities. Despite the recent decline in oil revenues, they intend to continue the execution of the Plan over the 1983-85 period broadly as envisaged in order to sustain growth and meet the economic and social needs of lower income groups.

Although national income data for 1982 are not yet available, there are indications that the growth momentum of the previous two years was maintained in the non-oil sector. In nominal terms, non-oil GDP is tentatively estimated to have grown in the range of 15-20 per cent. Manufacturing output in particular expanded briskly as a result of the coming on stream of a number of new projects in the private sector. At the same time, the rate of inflation is believed to have slowed considerably in 1982, reflecting in part a 5 per cent decline in import prices and more stable rents. In the absence of a comprehensive consumer price index, it is difficult to assess overall price movements; however, the available information points to an inflation rate of well under 5 per cent. Oman has a liberal external labor policy; during 1982 the expatriate labor force rose by 16 per cent to 210,000.

For 1983 the authorities are seeking to maintain to the maximum extent possible the pace of development and the growth of the non-oil economy. They expect the growth rate to remain fairly high, reflecting, inter alia, in the public sector a full year's production from the oil refinery, as well as the coming on stream of a copper smelter and a major cement plant later in the year. Copper exports are expected to reach 7,000 tons this year, but the Government intends to encourage in the near future the development of downstream copper industries by the private sector. The public sector cement plant is expected to meet about 70 per cent of the domestic requirement and the balance would be largely met by a private plant to be commissioned in 1984. Oman has begun to mine chromite for which known reserves are large; exports are not envisaged this year except on a market-testing basis.

2. Domestic financial policies

In 1982 Oman's budget surplus declined sharply to the equivalent of 1.3 per cent of estimated GDP. Total budget receipts (including revenues assigned to the General Reserve Fund) were 6 per cent below the previous year's level. As the weakening of oil prices had been anticipated by the authorities, the decline in oil revenues closely approximated the erosion forecast in the budget. There was, however, a small shortfall below budget in other receipts due mainly to lower than expected external grants. At the time of the budget, the authorities took steps to contain the growth of total expenditures to 19 per cent, compared with the actual increase of 27 per cent in 1981, with strong restraint planned for current outlays. Actual spending rose by only 16 per cent. Current outlays increased by 13 per cent, about one half the 1981 rate, reflecting in part tightened expenditure controls, while capital spending increased by 25 per cent, comparable to the growth rate in 1981. Total investment expenditure approximated the budget target; however, within this aggregate, as noted above, outlays for some important projects exceeded budget allocations.

With the expectation of a continued weakness in oil prices, the 1983 budget projected a further reduction in the overall growth of expenditures to 14 per cent. Current spending is to be contained to an increase of 9 per cent, while the growth in capital outlays is targeted at about the 1982 rate. Total receipts were forecast to rise by 6 per cent, with oil revenue estimated on the basis of oil production of 360,000 b/d and a price of $34.00 per barrel. An overall deficit was anticipated, equivalent to 3 per cent of projected GDP. With the mid-March 1983 reduction in petroleum prices, the oil revenue estimate has been revised to reflect the decline in price to $29.00 per barrel and a higher output level. Although the authorities' approach is to implement budget outlays generally as envisioned, particularly capital expenditures under the Development Plan, they are considering measures equivalent to 2 per cent of GDP to strengthen the fiscal position. These include increases in a large number of taxes and fees and delaying implementation of low-priority road projects. Strict expenditure control would be continued. Taken together, the measures would help limit the overall budget deficit to under 5 per cent of GDP.

The Oman authorities plan to finance the projected budget deficit without endangering financial stability. They anticipate drawing on General Reserve Fund resources and concessional foreign loans to finance the greater part of the deficit. At end-1982 Reserve Fund foreign assets stood at $2.3 billion. With the decline in international interest rates, commercial borrowing abroad, if needed, is also being considered.

Mainly as a result of the slower growth in government net domestic expenditures in 1982, the rate of monetary expansion declined to 25 per cent. The spending restraint also contributed to a less buoyant credit demand by the private sector. Toward the end of the year, there were indications of increased commercial bank liquidity. This trend continued into the first quarter of 1983 and was reflected in lower interbank interest rates. Interest rate policy continues to be implemented on the basis of ceilings on loan and deposit rates. In the recent period of high international interest rates, the ceilings had complicated the management of bank liquidity. With the decline in international rates to levels below the domestic ceilings, the authorities believe it would be opportune to review interest rate policy and consider freeing interest rates. During 1982 the Central Bank introduced measures to strengthen the commercial banks' capital base and limit their exposure to exchange rate fluctuations.

Regarding monetary and credit policy in 1983, the discussions focused on the authorities' objectives of maintaining public sector investment spending and the growth of the non-oil economy while limiting the budget deficit. While government budget policy appears broadly appropriate to present circumstances, the mission cautioned that attaining both objectives simultaneously might not be possible. There were indications that the level of government net domestic spending being contemplated for 1983 might yield an expansion of domestic liquidity and private sector activity which was too low to support a rate of real growth for the non-oil economy targeted at the high level achieved in 1982. Therefore, the authorities might need to consider the relative importance of a reasonable increase in net domestic expenditures over the budgeted level to help maintain economic growth against the risk of a lower growth rate. Although the former might entail a somewhat larger budget deficit and greater use of external resources, there was scope for increasing domestic outlays without endangering financial stability. The authorities are aware that pursuing such a policy mix over the medium term would need to be approached cautiously.

3. External sector

In 1982 Oman's current account and overall balance of payments surpluses declined substantially from the peak levels recorded in the previous year. Owing primarily to an 8 per cent decline in oil export receipts and a continued strong growth in import and other payments, the current account surplus fell to $0.3 billion, 5 per cent of estimated GNP compared with 19 per cent in 1981. The reduction in the overall surplus (to $0.86 billion) was less sharp due mainly to private capital inflows.

For 1983 the authorities' balance of payments projections indicate the emergence of a current account deficit, equivalent to an estimated 5 per cent of GNP. As the volume of total oil exports is projected to be higher, the further weakening in the external position is expected to result again from the reduction in oil export prices and a continued growth in external payments. While the import growth rate is projected to decline, the deficit relating to services and private transfers would grow somewhat faster than last year owing mainly to lower interest earnings on official foreign assets. Inflows of official loans and grants and oil sector capital are expected to be higher and to more than offset the projected current account deficit. The overall position would evidence a small surplus. On the current assumption of stable oil prices over the remainder of the year, the Omani authorities do not have major concerns over the balance of payments prospects for 1983. However, they intend to watch developments closely so that corrective action can be taken on a timely basis in the event of a deterioration in the situation. The need for additional adjustments in demand management policies would be kept under review.

Oman's gross official reserves at end-1982 totaled $3.3 billion, equivalent to 12 months' imports at the projected 1983 rate. Official reserves are held partly in the General Reserve Fund (about 60 per cent) and partly by the Central Bank. With regard to the Reserve Fund, government policy is to invest its resources in short-term marketable financial instruments of foreign governments and international institutions. Strict guidelines govern asset and currency diversification. The primary consideration in the management of Central Bank reserves is the maintenance of liquidity and security of assets. Thus, the maturity of most foreign assets is short term, with a very small proportion having a longer term; the Bank also seeks a diverse currency compositon.

Oman's official external debt at end-1982 amounted to $756 million, equivalent to about 10 per cent of GDP, and consisted of medium- and long-term concessional project loans from development institutions. The debt service ratio was 3 per cent in 1982 and is projected to remain low over the medium term. Oman does not have any outstanding commercial borrowing.

Despite the weakening in the balance of payments, the authorities intend to continue their liberal trade and exchange policies. The Omani representatives stated that they did not at present envisage any change in the exchange regime but policy in this area was being kept under review. They were satisfied with the peg to the U.S. dollar and also found the current exchange rate appropriate. The appreciation of the currency had helped to stabilize domestic prices.

IV. Staff Appraisal

Largely as a result of enhanced petroleum prices, Oman's oil revenues expanded sharply over the 1979-81 period, and the authorities utilized this opportunity to increase considerably budgetary outlays for development purposes. Their objective has been to diversify the economy's base and reduce dependence on the oil sector. Substantial progress was made toward establishing the prerequisite infrastructure and initiating major projects in the mining and manufacturing sectors. Resources which could not be fruitfully invested on a current basis were set aside in the Reserve Fund for future use. Consequently, the external accounts recorded large increases in official foreign reserves. Despite these developments, the level of net government domestic expenditures exceeded the economy's absorptive capacity, and upward pressures on prices accompanied the higher real growth of the economy.

Oman's policy response to a lower level of oil revenue has been broadly appropriate. The Government's objective is to sustain economic growth and maintain the pace of development outlays, while also acting to contain budget outlays. To help achieve these goals, the growth of current expenditures in 1982 was sharply curtailed, resulting in some decline in the growth of net domestic spending and a concomitantly slower rate of increase in domestic liquidity. While the inflation rate dropped to a low level, real growth continued at a brisk pace. Although the authorities' policy mix in the context of the weakening of oil prices contributed to a reduction in the balance of payments surplus, the official reserves position remained comfortable. As an element of budgetary and development policy, the authorities have consistently sought to limit strictly explicit and implicit subsidization in the economy. This policy stance is sound and will contribute to an efficient growth pattern. The staff believes, however, that the task of economic management and the development process would also benefit from the freeing of interest rates now under consideration.

Although no large recovery in oil revenue is now anticipated for 1983, the authorities intend to maintain essentially unchanged their growth and development objectives. The rate of increase in investment expenditures is to be broadly sustained, while the growth of current spending is to be further reduced in order to contain the budget deficit. The staff agrees with the authorities' assessment that the financing of a budget deficit this year and the projected further weakening in the external position are not of immediate concern, given the strong reserves position and the possibility of increasing further the volume of oil exports. There are indications, however, that the level of net domestic spending estimated on the basis of budgeted expenditures may not be adequate to generate private sector activity and an increase in domestic liquidity consonant with a continued brisk expansion of the real economy. The authorities, therefore, need to consider whether to undertake budget and financing measures which are compatible with the growth target for this year or to accept a somewhat lower level of economic activity. Whether an expansionary budget policy over the medium term is sustainable will need to be reviewed in the light of external developments. The authorities have not finalized their plans regarding external financing for this year's budget. Reserve Fund resources will be utilized, but the possibility of foreign commercial borrowing, if the need arises, has not been ruled out. Oman at present has no outstanding commercial loans, and the medium-term debt service ratio would remain low at the level of external commercial borrowing being considered. With regard to policies to be pursued if oil prices weaken further, the authorities indicated that they are taking a cautious approach and would introduce policy adjustments as circumstances required.

Oman has consistently pursued commendably liberal external trade and exchange policies as well as a flexible policy toward foreign labor. At the same time, reserve management has focused on security and liquidity rather than short-term gains. These external policies which have contributed to international adjustment are to be continued.

The authorities are agreeable that the 1984 Article IV consultation discussions be held at about the same time next year.

Oman: Fund Relations 1/

Date of membership:	December 23, 1971.
Status:	Article VIII.
Quota:	SDR 30 million; the proposed new quota is SDR 63.1 million.
Exchange system:	The Omani rial has been pegged to the U.S. dollar since February 1973 at the rate of RO 1 = US$2.89524. The Central Bank's buying and selling rates for the U.S. dollar, the intervention currency, are RO 0.3405/0.34574.
Fund holdings of Omani rials:	Fund holdings of rials amount to SDR 7.8 million and are equivalent to 26.0 per cent of quota. Oman has never made use of Fund resources.
SDR position:	SDR 13.7 million, equivalent to 217.5 per cent of net cumulative allocations of SDR 6.3 million.
Direct distribution of profits from gold sales:	Oman has received US$1.1 million in the distribution of profits from the sale of gold.
Gold distribution:	Four distributions, totaling 5,990.856 fine ounces.
Last Article IV consultation:	April 1982; the Board discussion took place on July 14, 1982.
Technical assistance:	Two CBD panelists--one on statistics and one on bank supervision--are currently on assignment with the Central Bank of Oman.

1/ As of May 31, 1983.

Oman - Basic Data

Population 0.92 million (1981 IFS estimate)
GNP per capita US$6,828 (1981 estimate)

	1978	1979	1980	1981	1982
			(In per cent)		
National income (at current market prices) 1/					
Growth rates					
GNP	2.9	32.7	...	22.9	...
Non-oil GDP	14.2	14.5	...	26.2	...
Petroleum and gas	-6.8	44.7	...	19.5	-4.9
Industry	8.5	9.5	...	21.1	...
Services	18.2	17.0	...	29.7	...
Ratios					
Gross domestic fixed capital formation/GNP	35.7	28.8	26.3	26.1	...
Gross national savings/GNP	31.7	39.9	47.4	44.8	...
Current account/GNP	-4.0	11.1	21.1	18.7	...
			(In thousands of barrels per day)		
Oil sector					
Crude oil production	314	295	284	328	336
Crude oil exports	318	295	279	329	325
Average export price (US$ per barrel)	12.81	20.08	35.32	36.83	34.35
			(In per cent)		
Changes in:					
Crude oil production	-7.5	-6.1	-3.7	15.5	2.3
Crude oil exports	-5.0	-7.2	-5.1	17.6	-1.0
Average export price	--	56.8	75.9	4.3	-6.7

	1978	1979	1980	1981	Prov. Actual 1982	Budget 1983
			(In millions of rials Omani) 2/			
Government finance						
Revenues, of which: 3/	502.0	692.3	923.6	1,262.2	1,175.4	1,310.2
Oil revenues 3/	(458.0)	(635.1)	(831.6)	(1,125.9)	(1,057.9)	(1,181.1)
Grants	7.0	61.9	35.2	50.0	14.7	10.0
Current expenditures	437.5	457.3	678.1	856.9	969.2	1,056.8
Capital expenditures	122.7	193.1	246.7	317.4	395.2	497.0
Civil	(88.9)	(129.5)	(168.9)	(241.0)	(289.0)	(362.0)
Oil sector	(33.8)	(63.6)	(77.8)	(76.4)	(106.2)	(135.0)
Net lending and equity participation	-19.7	-15.9	-39.9	-49.5	-47.5	-61.0
Surplus or deficit (-)	-70.9	87.9	-5.9	88.4	-221.8	-294.6
Receipts assigned to General Reserve Fund 4/	—	—	273.6	253.2	254.9	208.4 5/
Total surplus or deficit (-)	-70.9	87.9	267.7	341.6	33.1	-86.2
			(In per cent)			
Rates of change: 6/						
Total revenue	-3.5	37.9	72.9	26.6	-5.6	6.2
Oil revenue	-5.0	38.7	72.6	23.4	-10.0	14.2
Current expenditures	12.6	4.5	48.3	26.4	13.1	9.0
Capital expenditures	-15.9	57.4	27.8	28.7	24.5	25.8
As per cent of GDP: 6/						
Total revenue	56.2	59.0	62.1	64.5	58.0	...
Oil revenue	51.3	54.2	56.9	57.6	49.3	...
Current expenditures	49.0	39.0	35.2	36.5	39.3	...
Capital expenditures	13.7	16.5	12.8	13.5	16.0	...
Total surplus or deficit (-)	-7.9	7.5	13.9	14.5	1.3	...

Oman: Basic Data (concluded)

	1978	1979	1980	1981	1982
	(In millions of rials Omani)				
Changes in monetary aggregates					
Net foreign assets	-34.5	102.6	150.1	155.4	98.1
Net domestic assets	58.5	-86.8	-71.4	-29.8	13.8
Claims on Government (net)	(34.5)	(-91.3)	(-83.2)	(-47.8)	(5.3)
Claims on private sector	(31.2)	(24.2)	(60.7)	(51.6)	(42.4)
Other items (net)	(-7.2)	(-19.7)	(-48.9)	(-33.6)	(-33.9)
Money and quasi-money	24.0	15.8	78.7	125.7	111.9
Government net domestic expenditure 7/	272.9	327.1	481.1	586.4	682.4
External deficit of private sector 7/	-272.9	-315.7	-414.2	-478.7	-579.0
Claims on private sector	31.2	24.2	60.7	51.6	42.4
Other items (net)	-7.2	-19.7	-48.9	-33.6	-33.9
	(In per cent)				
Rates of change:					
Money and quasi-money	11.5	6.9	32.0	38.7	24.8
Government net domestic expenditures	9.0	20.0	47.0	22.0	16.0
Claims on private sector	18.7	12.2	27.3	18.2	12.7
					Prov. 1982
	(In millions of U.S. dollars)				
Balance of payments estimates					
Trade balance	329.1	851.5	1,683.1	1,973.4	1,275.6
Oil exports	(1,510.7)	(2,158.9)	(3,603.4)	(4,419.3)	(4,081.1)
Other exports and re-exports, f.o.b.	(87.4)	(120.7)	(144.8)	(276.5)	(341.9)
Imports, c.i.f.	(-1,269.0)	(-1,428.1)	(-2,065.1)	(-2,722.4)	(-3,147.4)
Services and private transfers (net)	-417.8	-522.3	-605.7	-797.0	-960.7
Current account balance	-88.7	329.2	1,077.4	1,176.4	314.9
Capital account (including official grants)	38.0	166.1	182.7	333.5	240.9
Errors and omissions (net) 8/	-49.7	-202.2	-323.0	-109.3	303.9
SDR allocations	--	4.1	2.9	--	--
Overall balance (deficit-)	-100.4	297.2	940.1	1,400.6	859.7
Gross official reserves (year end)	281.8	443.2	1,248.6	2,508.5	3,307.2
Central Bank foreign assets	(281.8)	(443.2)	(742.5)	(1,051.9)	(1,274.7)
Government foreign assets	(--)	(--)	(506.1)	(1,456.6)	(2,032.5)
	(In per cent)				
Rates of change:					
Oil exports	-4.4	42.9	66.9	22.6	-7.6
Imports, c.i.f.	11.6	12.5	44.6	31.8	15.6
Services and private transfers (net)	-6.5	25.0	16.0	31.6	20.5

1/ The revised national income accounts beginning 1980 are not comparable with data for earlier years.
2/ RO 1 = US$2.89524.
3/ Beginning 1980 excludes revenues assigned to the General Reserve Fund.
4/ Includes oil revenue, interest earned on Reserve Fund assets, and appreciation adjustments, which cannot be separated.
5/ Estimated at 15 per cent of gross oil revenues.
6/ Beginning 1980 revenues have been adjusted to include receipts assigned to the General Reserve Fund.
7/ Staff estimates.
8/ Includes non-oil private capital.