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FOR
AGENDA

EBS/85/74
Correction 1

CONFIDENTIAL

April 18, 1985

To: Members of the Executive Board

From: The Secretary

Subject: Zaire - Staff Report for the 1984 Article IV Consultation
and Request for Stand-By Arrangement

The following corrections have been made in EBS/85/74 (3/26/85):

Page 2, 3rd full para., line 3: for "Appendix III and IV"
read "Appendix III and V"
line 4: for "Appendix V."
read "Appendix VI, Table I."

Page 18, last line: for "January 2, 1984." read "January 2, 1985."

Page 20, line 6: for "the ratio of term to time deposits increased"
read "the ratio of time deposits to total deposits increased"

Page 49, Appendix II, line 4, column 1: for "5" read "24"
column 2: for "10" read "5"
column 3: for "15" read "10"

Pages 53 and 54: add "APPENDIX IV"

Page 57, Appendix VI, heading of last column: for "1989" read "1990"

Page 59, Appendix VI, after stub "Service of financing of the balance of
payments gap": add "5/"

footnote 5: for "(Table)" read "(Table 2)"

Corrected pages are attached.

Att: (8)

I. Introduction

The 1984 Article IV consultation discussions with Zaire were initiated in Kinshasa during the period November 20-December 2, 1984. Subsequently, in connection with negotiations on an adjustment program for 1985-86, the discussions were concluded during the period January 8-18, 1985. ^{1/} In the attached letter dated March 25, 1985 (Appendix II), the Executive Council of Zaire requests a 12-month stand-by arrangement, in an amount equivalent to SDR 162 million representing 55.7 percent of Zaire's quota (Appendix I). Zaire has purchased SDR 198 million under the 15-month stand-by arrangement for SDR 228 million, which expires on March 26, 1985; the last scheduled purchase of SDR 30 million was not made because the end-December 1984 subceiling on net credit to the Government has been exceeded, but all other performance criteria have been satisfied.

As of March 15, 1985, the Fund's holdings of Zaire's currency subject to repurchase amounted to SDR 612.6 million, or 211 percent of quota; excluding holdings resulting from purchases under the compensatory financing facility, they amounted to SDR 391.2 million or 134 percent of quota. As is shown in Table 1, if the full amount of the requested stand-by arrangement is purchased, and after taking into account scheduled repurchases, the Fund's holdings of Zaire's currency subject to repurchase would amount to SDR 664.8 million, or 228 percent of quota, by the end of March 1986; they would be equivalent to SDR 496.8 million, or 171 percent of quota, if holdings under the compensatory financing facility are excluded.

The stand-by arrangement will be financed from ordinary resources exclusively. According to the proposed phasing of purchases under the requested stand-by arrangement, an initial purchase of SDR 40 million would be available upon approval of the arrangement; a second purchase of SDR 23 million after June 1, 1985, upon observance of the performance

^{1/} The Zairian representatives included Mr. Sambwa, Governor of the Bank of Zaire; Mr. Kiakwama, then Commissioner of State for Finance, Budget, and the Portfolio; Mr. Mulumba, Commissioner of State for the Plan; and other senior officials concerned with economic and financial matters. Members of the staff missions also had discussions with President Mobutu, as well as with Prime Minister Kengo. The staff representatives on the two missions were Mr. Goreux (head-AFR), Mr. Baldet (FAD), Mr. Kapur (AFR), Mr. de Schaetzen (ETR), Mr. McCarthy (AFR), and Mr. Diao (AFR), with Mrs. Dowsett (AFR) and Miss de Leva (Office in Europe) as secretaries; the missions were assisted by Mr. Blin, Fund resident representative in Zaire. Mr. Alfidja, Executive Director, and Mr. Tshishimbi, then Alternate Executive Director, also participated in the principal policy meetings.

criteria for end-March 1985; a third purchase of SDR 33 million after August 14, 1985, upon observance of the end-June 1985 performance criteria and completion of the first review; a fourth purchase of SDR 33 million after November 14, 1985, upon observance of the end-September 1985 performance criteria; and a fifth and final purchase of SDR 33 million after February 14, 1986, upon observance of the end-December 1985 performance criteria and completion of the second review (Table 1).

The last Article IV consultation discussions with Zaire, along with negotiations on an adjustment program, were held during the periods May 9-21, 1983 and July 5-20, 1983 in Kinshasa, and were concluded during the period August 2-9, 1983 in Washington. A staff team visited Kinshasa during the period November 16-23, 1983 to assess the implementation of certain aspects of the program. The staff report for the consultation and the request for the stand-by arrangement (EBS/83/257), together with the report on recent economic developments (SM/83/248) and a request for a purchase under the compensatory financing facility (EBS/83/260), were considered by the Executive Board on December 16, 1983; the stand-by arrangement was approved subject to Zaire obtaining adequate debt relief to close the financing gaps. On December 27, 1983, the stand-by arrangement came into effect following the rescheduling of Zaire's official debt by Paris Club creditors.

There were four reviews of the 1983-84 program, which were discussed by the Executive Board on April 30, 1984 (EBS/84/72), August 8, 1984 (EBS/84/147), November 9, 1984 (EBS/84/213), and January 23, 1985 (EBS/84/271). Staff teams visited Kinshasa during the months of February, May, August-September and November-December 1984 to carry out the discussions that formed the basis for the reviews.

Zaire continues to avail itself of the transitional arrangements of Article XIV. Summary statements on Zaire's relations with the Fund and with the World Bank Group are provided in Appendix III and V, respectively; basic economic and financial data are contained in Appendix VI, Table I. A supplement is also being prepared by the staff of the World Bank and will be issued in due course.

II. Background and Prospects

1. The setting

The development of the Zairian economy has been uneven since independence in 1960. It has been influenced mainly by domestic policies, but also by cyclical variations in the world price of copper. The first six years after independence were marked by political and economic turmoil, and by low copper prices (Chart 1). A turning point occurred in 1967 with the implementation of a strong adjustment program, which was followed

Cognizant of the severe repercussions which a continued deterioration in the public enterprises' financial performance would have on the overall economic situation, the authorities decided, in early 1984, to undertake a thorough review of the major enterprises with a view to rehabilitate a number of them and to privatize or liquidate the others. While undertaking a comprehensive study of the public enterprise sector with technical assistance from the World Bank, the authorities have started to deal with the most urgent problem cases. External audits have been or are being undertaken for three companies, 1/ and steps have been taken to redress the situation, notably by eliminating uneconomic operations, reducing employment, restructuring management, adjusting tariffs, and seeking foreign participation.

Following the liquidation of SOZACOM in July, a holding company was established with three subsidiaries responsible for mining production, marketing, and other activities, respectively. The production subsidiary retains ownership of its output until the sales transaction is completed, while the marketing subsidiary acts solely as an agent and is remunerated for its services. Sales contracts for metal exports will be jointly signed by the production and the marketing subsidiaries, while the accounts of GECAMINES (Commerciale) and GECAMINES (Exploitation) will be verified quarterly by an external auditor.

4. Production and income

Real GDP increased by 2.8 percent in 1984, which was one of the best yearly performances since 1974. In contrast to the 1967-74 period, growth in 1984 was not induced by the copper sector, since output did not increase and prices declined. Growth originated essentially from the mining sector other than copper and gold, and from agriculture. The greatest increases were for oil, diamonds, coffee, but food production also rose. As a result of tight monetary policies and of a more competitive environment, enterprises were induced to adopt cost saving measures. Nevertheless, a number of them suffered from a liquidity squeeze, either because they could not afford to borrow from the domestic banking system at yearly rates of 35 or 40 percent or because, even at these rates, credit was not available. Collection and marketing of agricultural products was hampered by the lack of credit in the third quarter of 1984, precisely when delays occurred in river transportation because of the low water level resulting from the drought.

The evolution of wages was uneven among sectors. Since the September 1983 devaluation, civil servants suffered a substantial purchasing power loss, while employees of the two largest public enterprises (GECAMINES

1/ Audits have already been completed for CMZ and Air Zaire; the audit for KILOMOTO is scheduled to be completed by March 1985.

and SNCZ) and of a number of private enterprises succeeded in maintaining their real wage level. When private sector wages were renegotiated in the last quarter of 1984, increases of about 35 percent were granted in most cases, but employees of the banking sector succeeded in obtaining a 70 percent increase.

5. Money, credit, and exchange rate

Monetary developments in 1984 were characterized by a drastic reduction in the expansion of broad money from 73.8 percent of the beginning money stock in 1983 to 34.2 percent in 1984, reflecting, in large part, the slowdown in the overall expansion of credit (Table 6). The surge in the money supply during the last quarter of 1983 (following the devaluation in September 1983) continued through the first quarter of 1984, as broad money grew at an annualized rate of about 62 percent. Money growth decelerated to about 45 percent in the second quarter and slowed sharply to less than 20 percent for the second half of 1984. More than half of the expansion in broad money during 1984 was attributable to the growth of currency in circulation as the ratio of currency in circulation to deposits increased from 78 percent at the end of 1983 to 88 percent by end-1984.

Government expenditures have shown a pronounced seasonal pattern which has been reflected in the growth of credit and broad money. In 1983, 58 percent of the increase in net credit to Government for the entire year was released in the last quarter, and 45 percent of the yearly increase in broad money also occurred in that quarter. As the surge in credit and broad money came at the end of the last quarter, the problem facing the authorities at the beginning of 1984 was to absorb the excess liquidity, in order to arrest the depreciation of the currency while maintaining the interbank foreign exchange market reasonably free of restrictions. For this purpose, the authorities decided to establish an instrument providing holders of zaires with a remuneration, at least, as high as the one they could have obtained by holding foreign currencies; on April 3, 1984, the Bank of Zaire started issuing Treasury bills on behalf of the government for periods of 28, 56 and 91 days in multiples of Z 50,000. The bills were sold at weekly auctions to the non-bank public at interest rates ranging from 40 to 45 percent a year, depending on the maturity. With a 2 percent average monthly depreciation of the zaire in relation to the SDR, these rates would have been equivalent to a 13 percent annual yield on SDR holdings, which was an attractive rate of remuneration. During the third quarter of 1984, several modifications were introduced. The minimum face value of Treasury bills was reduced from Z 50,000 to Z 10,000; physical bearer paper was issued instead of accounting entries in the books of the Bank of Zaire, and sales started in the interior of the country through branches of the Bank of Zaire and of commercial banks. As the annual rate of inflation declined to about 20 percent, interest rates were reduced to an average of 36 percent as of October 23, and 31 percent as of January 2, 1985.

Table 6. Zaire: Monetary Survey, 1983-85

(In millions of zaires; end of period)

	1983	1984				1985			
	Dec. 1/	Mar. 1/	June 1/	Sept. 1/	Dec. 1/	Mar. 2/	June 2/	Sept. 2/	Dec. 2/
Net foreign assets (broad)	-18,941	-22,495	-22,391	-23,766	-23,653	-27,554	-29,038	-30,315	-31,137
Net foreign assets (narrow)	-16,014	-18,806	-18,321	-20,933	-20,861	-23,310	-24,598	-25,675	-26,301
Assets	9,317	10,420	10,354	9,941	11,804	12,076	11,388	12,698	12,706
Bank of Zaire	6,019	6,173	7,733	7,742	8,785	...	...	...	...
Commercial banks	3,298	4,247	2,621	2,199	3,019	...	...	...	...
Liabilities	-25,331	-29,226	-28,675	-30,874	-32,665	-35,386	-35,986	-38,373	-39,007
Bank of Zaire	-24,577	-28,230	-27,931	-30,295	-32,154				
Of which: provisions for external commercial and invisible arrears	(-5,753)	(-6,443)	(-5,559)	(-5,087)	(-4,989)	(-4,730)	(-4,500)	(-4,230)	(-3,920)
Commercial banks	-753	-996	-744	-580	-511	...	...	...	...
Foreign currency deposits and provisions for import financing	-2,927	-3,690	-4,070	-2,832	-2,792	-4,244	-4,440	-4,640	-4,836
Net domestic assets	14,150	15,895	17,650	16,989	19,396	22,234	23,384	24,634	25,384
Net claims on Government	10,252	11,318	11,345	11,096	13,449	14,652	14,802	15,452	15,602
Credit to enterprises and households	2,882	3,544	4,160	3,846	4,492	5,582	6,232	6,732	7,282
Other net domestic assets	1,016	1,033	2,145	2,048	1,455	2,000	2,350	2,450	2,500
Money and quasi-money	14,002	15,799	17,165	17,979	18,792	20,280	21,980	22,780	23,351
Currency in circulation	6,136	6,795	7,900	8,215	8,802	...	...	...	...
Deposits	7,866	9,004	9,265	9,764	9,990	...	...	...	...
Revaluation gains and losses (net)	-18,656	-22,331	-21,427	-23,276	-25,733	-27,067	-28,628	-29,529	-29,866
Off balance sheet accounting adjustment 3/	-2,575	-2,504	-3,707	-4,749	-744	-2,243	-2,890	-2,988	-3,466
SDR allocation counterpart	2,437	2,437	3,227	3,270	3,428	3,710	3,884	4,056	4,228

Sources: Data provided by the Zairian authorities; and staff projections.

1/ Actuals.

2/ Projections.

3/ Equivalent to the difference between net foreign assets of the Bank of Zaire as shown on its balance sheet and as reported by correspondents; the latter data have been used for foreign assets and liabilities in this table.

In many respects, the sale of Treasury bills was a success. The amount outstanding at face value increased rapidly; it reached Z 255 million by the end of June, Z 535 million by the end of September and Z 692 million by the end of December. Moreover, the high rate of return on Treasury bills induced commercial banks to raise their borrowing rates. As a result, the ratio of time deposits to total deposits increased and banks started to remunerate short-term deposits of a large size.

At the same time, the Bank of Zaire tightened the liquidity position of commercial banks by raising the effective minimum reserve requirement to 15 percent as of March 1, 1984 and to 18 percent as of April 30, 1984. Also, the Bank of Zaire required importers to make a domestic currency deposit before opening uncovered letters of credit; the rate was raised from 50 percent in March to 65 percent in May. As it was found that this constitutes multiple currency practice, the rate was reduced to 50 percent in November and the authorities decided to eliminate mandatory deposits by June 1985. As the liquidity position of commercial banks became progressively tighter, it appeared necessary to provide them with a safety margin by raising, as of June 11, the rediscount ceiling at the Central Bank from Z 150 million to Z 600 million and establishing a separate ceiling of Z 400 million for the placing of pledged paper by the commercial banks with the Central Bank. The commercial banks took advantage of these rediscount facilities only when their liquidity was low, because they had to pay a 20 percent yearly discount rate.

The Bank of Zaire also imposed tight credit ceilings on commercial banks, which acted as the main constraint to the expansion of credit to enterprises and households. These various measures, combined with very strict fiscal policies resulted in a slowing-down in credit expansion. From end-March to end-September 1984, the increase in net domestic assets represented only 18 percent of the increase for the whole of 1984 and the nominal effective exchange rate remained virtually unchanged; the zaire depreciated in relation to the U.S. dollar, but it appreciated in relation to the Belgian franc (Chart 7). Toward the end of 1984, net credit to Government increased sharply again. As foreign exchange was in short supply due to large repayments of external arrears, the zaire started to depreciate vis-à-vis the Belgian franc, as it had one year earlier. The nominal effective exchange rate declined by 10 percent in the first ten weeks of the year, compared with a 16 percent fall in the first quarter of the preceding year. In both cases, it resulted in a substantial decline of the real effective exchange rate.

6. Balance of payments

The foreign exchange interbank market has been functioning in a manner which, on the whole, can be considered as satisfactory, because developments in the balance of payments have also been relatively satisfactory. The performance of the trade balance was particularly

Table 1. Zaire: Proposed Ceilings Under the Program for 1985-86

	1984	1985				1986
	Dec. 1/	March 2/	June 2/	Sept. 2/	Dec. 2/	March 3/
(In millions of zaires)						
Net domestic assets of the banking system (at end of month)	20,234	22,234 4/	23,384 4/	24,634 4/	25,384 4/	27,924
Net credit of the banking system to the Government (at end of month)	13,452	14,652 4/	14,802 4/	15,452 4/	15,602 4/	16,802
(In millions of SDRs)						
Net cumulative reduction of commercial and invisible arrears through cash payments in foreign exchange (by end of month)	40	10	20	30	40	10
Net cumulative reduction in external nondebt arrears of the Treasury (for applicable calendar year)	24	5	10	15	20	5
New external borrowing by the Government or against government guarantee through end of period						
1-12 years' maturity	--	150	150	150	150	150
1-5 years' maturity	--	40	40	40	40	40
less than 1 year	--	40	40	40	40	--

1/ 1984-85 program ceilings.

2/ Performance criteria.

3/ Targets.

4/ These amounts are based on the assumptions that (a) external debt service payments by the Treasury will amount to the zaire equivalent of SDR 72.4 million at end-March 1985, SDR 155.4 million at end-June 1985, SDR 238.4 million at end-September 1985, and SDR 321.4 million at end-December 1985; (b) arrears in foreign exchange of the Treasury, which amounted to the equivalent of US\$37 million at end-December 1984, will be reduced by US\$5 million by end-March 1985, US\$10 million by end-June 1985, US\$15 million by end-September 1985, and US\$20 million by end-December 1985; (c) the outstanding stock of Treasury bills will not exceed Z 900 million at end-March 1985, Z 1,000 million at end-June 1985, Z 1,100 million at end-September 1985, and Z 1,200 million at end-December 1985. Should actual payments fall short of the amounts indicated in (a) and (b), the ceilings and sub-ceilings will be reduced by equivalent amounts. Should the outstanding stock of Treasury bills exceed the amounts indicated in (c), the excess amount will be used to reduce the advances of the Bank of Zaire to the Treasury; however, the ceilings on net domestic assets for end-March, end-June, end-September, and end-December 1985 will not be reduced unless the outstanding stock of Treasury bills exceeds Z 1,000 million, Z 1,150 million, Z 1,300 million, and Z 1,350 million, respectively.

Zaire - Relations with the Fund

(As of March 15, 1985)

I. Membership Status

- (a) Date of membership: September 28, 1963
- (b) Status: Article XIV

A. Financial Relations

II. General Department (General Resources Account)

- (a) Quota: SDR 291 million
- (b) Total Fund holdings of Zaire's currency: SDR 903.6 million,
311 percent of quota
- (c) Fund credit: SDR 612.6 million, 211 percent of quota
Of which: credit tranches: SDR 391.2 million, 134 per-
cent of quota
special facilities: SDR 221.4 million, 76 per-
cent of quota

III. Current Stand-By or Extended Arrangement and Special Facilities

- (a) Current stand-by arrangement:
 - (i) Duration: December 1983-March 1985
 - (ii) Amount: SDR 228 million
 - (iii) Utilization: SDR 198 million
 - (iv) Undrawn balance: SDR 30 million
- (b) Previous stand-by and extended arrangements:
 - (i) EFF; June 22, 1981-June 21, 1984; SDR 912 million;
Amount drawn: SDR 175 million; canceled June 21, 1982.
 - (ii) SBA; August 27, 1979-February 26, 1981; SDR 118 million;
Amount drawn: SDR 118 million.
 - (iii) SBA; April 25, 1977-April 24, 1978; SDR 45 million;
Amount drawn: SDR 5 million.
 - (iv) SBA; March 22, 1976-March 21, 1977; SDR 40.96 million;
Amount drawn: SDR 40.96 million.
- (c) Special facilities:
 - (i) CFF; December 16, 1983; SDR 114.5 million.
 - (ii) CFF; March 19, 1982; SDR 106.9 million.
 - (iii) CFF; April 25, 1977; SDR 28.25 million.
 - (iv) CFF; March 22, 1976; SDR 56.5 million.

Zaire - Statistical Issues

1. Outstanding Statistical Issues

a. Real sector

The present consumer price index (1969 = 100) is outdated and in need of revision.

b. Government finance

The 1984 Government Finance Statistics Yearbook includes data through 1982 only. In addition, the coverage of data has been limited since investment expenditures financed from abroad have not always been included in total expenditures and revenues.

c. Monetary accounts

As a result of the work of two technical assistance missions from the Bureau (in February and May 1984, respectively), (1) the "key" employed by the Zairian authorities to prepare the monetary aggregates used by the Fund to monitor the stand-by program was improved; (2) the classification, by economic sector and by liquidity, of the accounts of the Bank of Zaire and of the commercial banks was refined; (3) revised data on international reserves have been published in IFS; and (4) more current revised monetary aggregates will be published in an early issue of IFS, which will be readily reconcilable with the aggregates actually used in Fund staff reports. The missions also recommended the use of a new call report form for collecting more comprehensive and reliable data from the commercial banks, improvements in the procedures for recording the Bank of Zaire's foreign exchange transactions, and the regular reporting of monetary data by those "other financial institutions" that do not report at present.

d. Merchandise trade

Trade data on a customs basis are uncurrent, and there are problems with the quality of the more current trade data on a payments basis collected by the Bank of Zaire.

e. Balance of payments

The Zairian authorities have submitted balance of payments data for the years 1982 and 1983 but have not submitted any data for 1981. The 1982 and 1983 data have not yet been incorporated in the Bureau's data files because the methodology used for compiling the reported data for 1982 and 1983 differs significantly from that used in compiling the data for earlier years.

2. Coverage, Currentness, and Reporting of Data in IFS

The table below shows the currentness and coverage of data published in the country page for Zaire in the March 1985 issue of IFS. The data are based on reports sent to the Fund's Bureau of Statistics by the Bank of Zaire, which during the past year have been reported on an irregular basis, and data are uncurrent.

<u>Status of IFS Data</u>		<u>Latest Data in March 1985 IFS</u>
Real Sector	- National Accounts	1982
	- Prices	December 1984
	- Production	n.a.
	- Employment	n.a.
	- Earnings	n.a.
Government Finance	- Deficit/Surplus	1981
	- Financing	1981
	- Debt	n.a.
Monetary Accounts	- Monetary Authorities	June 1984
	- Deposit Money Banks	June 1984
	- Other Financial Institutions	1980
External Sector	- Merchandise Trade: Values - exports	Q4 1983
	- imports	Q3 1983
	Prices	n.a. (except for copper, Dec. 1984)
	- Balance of Payments	1980
	- International Reserves	October 1984
	- Exchange Rates	January 1985

3. Technical Assistance

A two-week technical assistance mission on general economic data is presently in Kinshasa.

Table II. Zaire: Exports, 1984-90

(Value in millions of SDRs; volume and unit prices as indicated)

	1984	1985	1986	1987	1988	1989	1990
Copper							
Value (SDR)	654.0	655.4	750.5	787.0	834.4	884.6	933.3
GECAMINES	(613.4)	(608.3)	(698.8)	(732.4)	(776.8)	(823.9)	(869.2)
SODIMIZA	(40.5)	(47.1)	(51.7)	(54.5)	(57.5)	(60.7)	(64.0)
Volume (thousands of tons)	490.4	487.3	508.1	505.0	507.5	510.0	510.0
GECAMINES	(460.0)	(452.3)	(473.1)	(470.0)	(472.5)	(475.0)	(475.0)
SODIMIZA	(30.4)	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)
Unit price (US\$/lb)	0.62	0.61	0.67	0.71	0.75	0.79	0.83
Cobalt							
Value (SDR)	215.1	229.9	220.5	234.8	250.1	266.3	283.6
Volume (tons)	10.0	11.2	10.0	10.0	10.0	10.0	10.0
Unit price (US\$/lb)	10.0	9.3	10.0	10.7	11.3	12.1	12.9
Zinc							
Value (SDR)	58.3	53.2	58.5	62.9	67.7	72.7	78.2
Volume (tons)	67.8	63.5	65.0	65.0	65.0	65.0	65.0
Unit price (US\$/lb)	0.40	0.38	0.41	0.44	0.47	0.51	0.55
Silver							
Value (SDR)	7.3	15.7	17.2	14.3	10.9	12.3	13.3
Volume (kgs)	32.9	50.8	52.0	40.2	28.5	30.0	30.0
Unit price (US\$/t. oz.)	8.0	10.9	11.7	12.6	13.5	14.6	15.6
Gold							
Value (SDR)	33.8	39.2	46.3	81.0	89.8	95.9	101.2
Volume (1,000 kgs)	3.3	4.2	4.7	7.8	8.2	8.3	8.3
Unit price (US\$/t. oz.)	372	330	348	367	387	409	431
Diamonds							
Value (SDR)	221.1	239.5	265.2	293.6	322.0	353.0	387.1
Volume (1,000 carats)	18.85	19.47	20.06	20.66	21.07	21.49	21.92
Unit price (US\$/carat)	11.7	12.3	13.2	14.2	15.3	16.4	17.7
Coffee							
Value (SDR)	207.1	234.2	247.1	260.7	283.2	298.7	324.2
Volume (tons)	79.6	85.0	85.0	85.0	87.5	87.5	90.0
Unit price (US\$/lb)	1.21	1.25	1.32	1.39	1.47	1.55	1.63
Rubber							
Value (SDR)	15.1	15.5	17.4	19.7	22.3	25.1	28.3
Volume (tons)	15.25	15.25	16.00	16.80	17.70	18.53	19.46
Unit price (US\$/lb)	0.46	0.46	0.49	0.53	0.57	0.61	0.66
Crude oil							
Value (SDR)	316.2	413.2	547.5	490.6	475.0	483.9	492.3
Volume (1,000 barrels)	11.8	14.8	18.6	15.8	14.5	14.0	13.5
Unit price (US\$/barrel)	27.4	27.9	29.4	31.1	32.8	34.6	36.5
Other (value)	111.0	153.3	145.0	160.2	177.0	195.6	216.2
F.M.M. 1/	-107.6	-83.2	-85.4	-84.4	-95.3	-102.4	-112.4
Total exports	1,731.4	1,965.8	2,229.9	2,320.5	2,437.0	2,585.9	2,745.2
Assumptions on prices, 1986-90							
World inflation (in percentage)	5.5						
Real prices							
Copper	0.0						2.0
Cobalt	1.0						0.0
Zinc	2.0						2.0
Silver	2.0						0.0
Gold	0.0						5.0
Diamonds							2.0
Coffee							0.0
Rubber							2.0
Crude oil							0.0
Other							5.0

Sources: GECAMINES; data provided by the Zairian authorities; and staff projections.

1/ Marketing and financial costs of GECAMINES.

Table III. Zaire: Medium- and Long-Term Debt Outstanding and Projected Debt Service, 1984-90

(In millions of U.S. dollars)

	Debt outstanding at end-Dec. 1984	Service on the debt outstanding end-December 1984 and projected new disbursements after end-December 1984						
		1984 1/	1985	1986	1987	1988	1989	1990
Paris Club	2,903	159.7	495.8	443.7	407.9	391.6	463.7	413.9
(interest)		(118.7)	(225.2)	(203.9)	(185.0)	(167.9)	(151.8)	(127.1)
Austria	24.9	1.4	4.1	3.8	3.8	3.6	4.1	4.0
(interest)		(0.6)	(2.2)	(2.0)	(1.8)	(1.6)	(1.5)	(1.2)
Belgium	310.6	25.3	48.5	44.0	39.8	39.0	43.3	35.5
(interest)		(18.1)	(23.1)	(20.8)	(18.8)	(16.4)	(14.3)	(11.0)
Canada	39.4	0.4	4.1	3.7	3.3	3.4	4.2	3.9
(interest)		(--)	(1.9)	(1.8)	(1.7)	(1.5)	(1.4)	(1.1)
France	527.2	31.7	98.1	84.2	82.4	82.3	92.8	84.5
(interest)		(23.0)	(43.9)	(41.4)	(39.1)	(35.2)	(30.8)	(28.5)
Germany	313.5	13.4	35.3	31.5	28.9	28.5	37.6	40.8
(interest)		(10.5)	(17.7)	(16.4)	(15.2)	(14.2)	(13.4)	(11.4)
Italy	247.8	14.3	62.3	52.0	46.7	40.6	50.2	47.9
(interest)		(11.2)	(31.1)	(24.0)	(21.7)	(19.3)	(17.7)	(14.5)
Japan	160.9	1.9	9.3	11.8	10.8	10.8	11.9	11.8
(interest)		(1.5)	(2.4)	(2.0)	(1.8)	(1.9)	(1.7)	(1.5)
Netherlands	97.4	8.5	17.9	16.1	14.8	15.0	17.8	14.7
(interest)		(6.6)	(9.0)	(8.2)	(7.6)	(6.8)	(6.1)	(4.8)
Norway	13.2	1.9	2.0	1.6	1.0	1.0	1.6	2.3
(interest)		(1.5)	(1.5)	(1.4)	(0.8)	(0.7)	(0.7)	(0.6)
Sweden	71.8	6.7	14.8	13.7	12.7	12.1	14.3	14.1
(interest)		(5.3)	(8.3)	(7.6)	(6.9)	(6.3)	(5.6)	(4.6)
Switzerland	7.3	0.6	0.7	0.5	1.6	2.5	2.4	1.1
(interest)		(0.5)	(0.5)	(--)	(0.5)	(0.3)	(0.2)	(0.0)
United Arab Emirate	82.5	--	14.7	14.6	9.2	9.5	14.9	--
(interest)		(--)	(2.6)	(2.5)	(--)	(--)	(--)	(--)
United Kingdom	66.5	6.0	18.1	16.0	14.1	13.3	16.0	11.5
(interest)		(4.1)	(8.1)	(7.2)	(6.4)	(5.7)	(5.1)	(3.8)
United States	940.0	47.6	165.9	150.2	138.8	130.0	152.6	141.8
(interest)		(35.8)	(72.9)	(68.6)	(62.7)	(58.0)	(53.3)	(44.1)
Other official creditors	208.6	2.0	6.5	6.5	10.7	12.4	12.4	12.2
(interest)		(2.0)	(0.1)	(0.1)	(0.6)	(1.0)	(1.0)	(0.8)
Multilateral institutions	628.2	22.9	36.4	45.8	48.2	45.4	42.4	32.9
(interest)		(7.1)	(9.0)	(10.7)	(12.3)	(11.6)	(12.1)	(11.2)
Of which: IDA	306.4	3.6	3.1	4.4	5.1	5.2	6.2	6.7
(interest)		(2.9)	(2.1)	(2.7)	(3.1)	(3.2)	(3.4)	(3.5)
Trust Fund	109.9	9.9	19.1	22.3	21.6	19.0	12.7	3.4
(interest)		(--)	(0.4)	(0.3)	(0.2)	(0.1)	(0.1)	(--)

Table III (concluded). Zaire: Medium- and Long-Term Debt Outstanding and Projected Debt Service, 1984-90
(In millions of U.S. dollars)

	Debt outstanding at end-Dec. 1984	Service on the debt outstanding end-December 1984 and projected new disbursements after end-December 1984						
		1984 ^{1/}	1985	1986	1987	1988	1989	1990
Special payment mechanisms ... ^{2/}		61.1	60.3	72.5	72.5	63.1	54.4	20.7
(interest)		(42.2)	(19.3)	(21.3)	(17.0)	(12.6)	(8.7)	(5.6)
Of which: GECAMINES Trust ...		30.0	29.7	29.7	29.7	29.7	29.7	...
(interest)		(11.1)	(9.4)	(7.7)	(5.9)	(3.9)	(1.7)	(...)
London Club	349.1	48.0	102.9	94.9	87.0	78.8	70.8	32.4
(interest)		(48.0)	(42.1)	(34.0)	(26.1)	(18.0)	(10.0)	(2.0)
Other bank creditors	222.4	11.1	27.9	27.4	25.9	17.4	10.2	8.9
(interest)		(5.1)	(9.3)	(7.4)	(5.9)	(3.6)	(1.4)	(0.6)
Other creditors	77.4	23.0	19.9	12.5	8.3	6.1	6.7	7.3
(interest)		(6.8)	(3.9)	(3.1)	(2.4)	(2.1)	(1.9)	(1.5)
Total disbursed debt as of end-Dec. 1984	4,388.5	327.8	749.7	703.3	660.5	677.9	660.6	528.3
(interest)								
Service on projected new disbursements after Dec. 1984 ^{3/}	--	--	6.0	19.6	35.0	52.7	73.0	101.3
(interest)		(--)	(6.0)	(19.6)	(35.0)	(52.7)	(73.0)	(96.2)
Total projected debt service on medium- and long-term debt		327.8	755.8	722.9	695.5	730.6	733.6	629.6
(interest)		(230.0)	(314.9)	(300.1)	(284.3)	(269.5)	(259.9)	(245.0)
Payments to the Fund ^{4/}		113.8	158.7	149.5	173.2	210.2	161.5	111.5
(charges)		(49.9)	(54.7)	(55.5)	(48.2)	(37.7)	(23.9)	(13.9)
Service on financing of the balance of payments gap ^{5/}		--	16.0	47.0	75.0	105.0	129.0	138.0
(interest)		(--)	(16.0)	(47.0)	(75.0)	(105.0)	(129.0)	(138.0)
Total debt service (interest and charges)		441.6	930.5	919.4	943.7	1,045.9	1,024.0	879.1
		(279.9)	(385.6)	(403.6)	(411.5)	(414.2)	(410.8)	(390.9)

Sources: Office de la Dette Publique; and staff calculations.

^{1/} After the December 1983 rescheduling with Paris Club members and the rescheduling arrangement with London Club members.

^{2/} Included under official and bank creditors.

^{3/} Assumes an average interest rate of 7 percent

^{4/} Based on projected use of Fund resources as of end-March 1985.

^{5/} Based on medium-term balance of payments projections (Table 2) and assuming an average interest rate of 8 percent.

