

DOCUMENT OF INTERNATIONAL MONETARY FUND
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FOR
AGENDA

EBS/94/169
Correction 1

CONFIDENTIAL

September 6, 1994

To: Members of the Executive Board

From: The Secretary

Subject: Togo - Staff Report for the 1994 Article IV Consultation
and Request for Arrangements Under the Enhanced Structural
Adjustment Facility

The following corrections have been made in EBS/94/169 (8/24/94):

Pages 56, 57, and 58, Basic Data: Revised

Page 63, Table 4, stub Payments Arrears, net (decrease -), columns 1 and 2:
for "9.6 8.6"
read "11.6 11.1"

stub External financing, column 2: for "10.6"
read "10.9"

stub Financing gap, column 2: for "--"
read "-0.3"

Corrected pages are attached.

Att: (4)

Other Distribution:
Department Heads

Togo - Statistical Issues

Togo has a relatively good statistical apparatus as far as national accounts on the production side are concerned, but improvements should be done on national accounts at constant prices, the sectoral GDP deflators, and on the use of resources on the demand side, and the distribution of value added. The consumer price index has not been compiled for the first nine months of 1993, due to the general strike. The consumer survey on which the CPI is based would, however, benefit from an update, as it dates from the early 1980s; improvements should be made on the rapidity of updating the consumer price.

Public finance statistics are compiled by the Ministry of Finance on the basis of inputs from the Customs, Tax and Treasury Directorate; these data are available with a one to three months' lag. Domestic payments arrears which accumulated in recent years are not yet fully identified. A survey of domestic arrears is scheduled to be finalized before end-1994. Problems exist with the integration of current and investment expenditure into one budget.

In the monetary area, the delays in commercial bank reporting to the BCEAO should be shortened. Balance of payments data, prepared by the Central Bank, are based in part on estimated data as far as imports and private transfers are concerned; in particular the data on reexports and informal imports from neighboring countries are not adequately captured. A major effort of data analysis by the Central Bank would be needed to improve the estimation of private transfers and informal trade.

TOGO - Basic Data
Area, population, and GDP per capita

Area	56,600 square kilometers
Population: Total (1993)	3.9 million
Growth rate	3.3 percent
GDP per capita (1993)	SDR 236.4

	1989	1990	1991	1992	1993 Est.
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Gross domestic product
 (in current prices)

(In billions of CFA francs)

Total

431.6	445.4	455.6	423.6	353.8
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(In percent of GDP)

Primary sector	32.2	33.7	32.6	37.8	48.6
Secondary sector	24.3	22.5	23.8	22.3	18.0
Of which: mining	(8.0)	(4.9)	(5.9)	(4.2)	(3.9)
Tertiary sector	43.5	43.8	43.6	39.8	33.5
Consumption	83.9	86.7	88.5	94.5	102.4
Investment	25.1	23.1	19.6	16.0	6.0
Gross domestic savings	16.1	13.3	11.5	5.5	-2.4

(Annual change in percent)

Real GDP	3.9	0.1	-0.9	-8.8	-13.5
Nominal GDP	5.1	3.2	2.3	-7.0	-16.5

Prices

Implicit GDP deflator	0.9	2.8	3.3	1.9	-3.5
Consumer price index (low-income index for Lomé)	-1.2	1.1	0.4	3.7	-3.6
Export prices (CFA francs) 1/	8.4	-3.4	-1.0	-9.3	-7.8
Import prices (CFA francs)	10.9	-13.0	2.2	-2.9	2.4
Terms of trade	-2.2	11.0	-3.2	-6.5	-10.0

Government finance

(In billions of CFA francs)

Revenue	97.6	100.4	78.9	72.6	38.2
Grants	10.3	14.3	6.7	7.9	1.0
Expenditure and net lending	124.1	127.7	115.0	98.8	93.0
Of which: current expenditure	(91.9)	(94.9)	(94.6)	(83.0)	(84.8)
Overall surplus/deficit (-) 2/	-26.5	-27.3	-36.1	-26.1	-54.8
Payments arrears (decrease -) 3/	2.5	-2.2	11.6	11.1	38.4
Of which: external interest	(--)	(--)	(4.2)	(2.9)	(9.4)

- 1/ Excluding re-exports.
 2/ Excluding grants; on a payment order basis.
 3/ Reduction through net cash payments.

TOGO - Basic Data (continued)

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u> Est.
<u>Government finance (continued)</u> (In billions of CFA francs)					
Foreign financing (net)	32.5	22.3	20.3	10.9	0.6
Of which: amortizat. arrears	(-1.3)	(--)	(0.9)	(3.7)	(10.5)
Domestic financing (net)	-8.4	7.3	4.3	4.5	19.6
Of which: banking system	(-14.7)	(4.5)	(3.9)	(3.4)	(8.7)
(In percent of GDP)					
Revenue	22.6	22.5	17.3	17.1	10.8
Current expenditure	21.3	21.3	20.8	19.6	24.0
Capital expenditure	7.4	7.2	4.5	3.7	2.3
Overall surplus/deficit (-), including grants	-3.8	-2.9	-6.5	-4.3	-15.2
<u>Money and credit</u> (In billions of CFA francs: end of period)					
Net foreign assets	78.4	81.7	81.3	58.6	23.2
Net domestic assets	109.0	115.2	123.6	118.2	128.2
Of which: credit to the private sector	(100.1)	(103.6)	(118.7)	(114.4)	(103.9)
Broad money	181.2	190.5	198.3	170.7	145.3
(Annual change in percent)					
Net domestic assets	-10.8	5.7	7.3	-4.4	8.5
Of which: credit to private sector	(-3.1)	(3.5)	(11.7)	(-1.2)	(-9.2)
Broad money	3.9	5.1	4.1	-13.9	-14.9
<u>Balance of payments</u> (In millions of SDRs)					
Exports, f.o.b.	319.2	291.3	287.5	228.8	156.8
Of which: phosphates	(109.9)	(76.1)	(92.3)	(56.3)	(38.2)
Imports, f.o.b.	-362.9	-376.5	-330.7	-296.7	-181.7
Trade balance	-43.8	-85.2	-43.5	-67.9	-24.9
Services (net)	-83.9	-79.6	-73.7	-71.8	-76.8
Private transfers	7.1	7.3	10.5	6.2	7.0
Current account 1/	-120.5	-157.5	-106.7	-133.5	-94.7
Official transfers (net)	82.7	83.9	66.8	57.6	22.7

1/ Excludes official transfers (net).

TOGO - Basic Data (concluded)

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u> Est.
<u>Balance of payments (continued)</u>					
	<u>(In millions of SDRs)</u>				
Capital (net) 1/	91.0	75.9	37.8	-1.2	-69.2
Overall surplus/deficit (-)	55.1	2.3	-2.0	-77.1	-141.2
Payments arrears (decrease -)	--	--	13.1	16.3	50.0
Net foreign assets					
(increase -) 2/	-55.1	-2.3	-11.2	60.9	91.4
	<u>(In percent of GDP)</u>				
Exports, f.o.b.	30.4	24.2	24.3	20.1	17.2
Imports, f.o.b.	34.4	31.2	28.0	26.1	19.9
Current account balance					
(excluding official transfers)	-11.4	-13.1	-9.0	-11.8	-10.4
Overall surplus/deficit (-)	0.1	-3.0	-3.0	-10.6	-17.5
	<u>(In millions of SDRs; end of period)</u>				
Gross international reserves					
(IFS; end of period)	217.1	248.3	255.1	198.2	113.8 3/
<u>External public debt 3/</u>					
	<u>(In millions of SDRs)</u>				
Disbursed and outstanding					
(end of period)	956.1	807.3	867.7	881.9	900.5
Interest due before rescheduling	41.8	34.9	33.6	30.6	34.2
Debt rescheduling	36.0	38.8	33.5	43.5	18.1
Arrears (end of period)	--	--	13.1	29.4	78.3
Debt service ratio 4/	12.8	11.4	7.4	4.2	5.0
<u>Exchange rates</u>					
	<u>(CFA francs per SDR)</u>				
End of period	380.3	364.8	370.5	378.6	404.9
Period average	408.9	369.4	385.9	372.8	387.5

1/ Includes errors and omissions and rescheduling and cancellation of external debt.

2/ Includes net use of Fund resources, net of counterpart of revaluation.

3/ Including IMF.

4/ Debt service paid after rescheduling and arrears accumulation and repayment, as percent of exports of goods and nonfactor services including re-exports.

Table 4. Togo: Consolidated Government Operations, 1991-97

	1991	1992	1993	1994		1994	1995	1996	1997
		Estimates		Sem. 1 Est.	Sem. 2 Prog.	Program		Projections	
(In billions of CFA francs)									
Revenue	78.9	72.6	38.2	26.8	33.5	60.2	93.4	112.4	128.5
Tax revenue	68.9	54.8	30.8	25.7	29.3	55.1	79.2	95.8	109.9
Public enterprises	8.0	7.5	2.3	3.7	5.5	9.3	16.1	18.3	21.6
Other direct taxes	16.0	14.7	9.5	9.0	5.1	14.1	18.5	22.9	25.5
Import duties	32.3	25.3	13.5	11.0	15.3	26.3	36.5	44.0	50.6
Other indirect taxes	12.5	7.4	5.5	2.0	3.4	5.4	8.1	10.6	12.2
Nontax revenue	10.0	17.8	7.4	1.0	4.1	5.1	14.3	16.6	18.6
Expenditure and net lending	115.0	98.8	93.0	54.7	80.3	134.9	157.0	176.4	183.8
Current expenditure	94.6	83.0	84.8	54.0	65.8	119.8	117.2	122.9	125.7
Primary current expenditure	80.1	70.3	70.1	38.3	54.2	92.6	96.1	102.2	106.4
Personnel	42.0	38.6	38.5	24.2	24.2	48.4	50.6	56.3	58.8
Other primary expenditure	38.1	31.7	31.6	14.1	30.0	44.1	45.4	45.9	47.5
Materials and supplies	18.5	14.8	13.5	...	...	13.6	15.0	15.4	16.2
Subsidies and transfers	5.9	5.8	4.3	...	...	12.4	13.4	11.9	10.6
Other	13.7	11.1	13.7	...	...	18.2	17.0	18.6	20.8
Interest on external debt	13.0	11.4	13.3	14.4	10.3	24.7	19.1	18.9	18.1
Interest on domestic debt	1.5	1.3	1.5	1.3	1.3	2.5	1.9	1.9	1.2
Investment expenditure	20.4	15.7	8.2	0.7	14.4	15.1	39.8	53.5	58.1
Of which: financed by domestic resources	(2.3)	(6.9)	(6.0)	(0.7)	(1.4)	(2.1)	(3.1)	(3.7)	(4.5)
Net lending	--	0.1	--	--	--	--	--	--	--
Primary current balance	-1.2	2.3	-31.9	-11.6	-20.8	-32.3	-2.7	10.2	22.2
Current balance	-15.7	-10.4	-46.6	-27.2	-32.4	-59.6	-23.7	-10.5	2.8
Overall deficit (-), payment order basis	-36.1	-26.1	-54.8	-27.9	-46.8	-74.7	-63.5	-64.1	-55.3
Payment arrears, net (decrease -)	11.6	11.1	38.4	11.6	-44.3	-32.7	-18.3	-16.7	-14.6
Domestic - Treasury	5.4	7.3	28.0	0.4	-7.4	-7.0	-8.2	-14.7	-12.6
Other domestic arrears	2.0	0.9	1.0	--	--	--	-2.0	-2.0	-2.0
Interest on external debt (net)	4.2	2.9	9.4	11.2	-36.9	-25.7	-8.1	--	--
Of which: London Club	...	...	...	...	...	(1.2)	(-8.1)	--	--
Overall deficit (-), cash basis	-24.5	-15.1	-16.4	-16.3	-91.1	-107.4	-81.9	-80.8	-69.9
Financing	24.5	15.5	20.3	6.3	-16.3	-10.0	-15.0	37.2	36.6
Domestic financing	4.3	4.5	19.6	7.2	11.0	18.2	-2.5	7.0	1.0
Banking system	3.9	3.4	8.7	2.1	12.2	14.3	1.6	10.0	2.0
Net use of Fund resources	-2.4	--	-2.4	-1.4	6.7	5.3	11.6	11.8	2.0
Advances from the Central Bank	--	1.1	3.2	3.2	-6.2	-3.0	--	--	--
Other domestic bank financing	6.3	2.2	7.9	0.3	11.7	12.0	-10.0	-1.8	--
Nonbank financing	0.3	1.2	11.0	5.1	-1.3	3.9	-4.2	-3.0	-1.0
Of which: except. advances from PEs	...	--	(11.0)	(5.1)	(-1.3)	(3.9)	(-4.2)	(-3.0)	(-1.0)
External financing	20.3	10.9	0.6	-0.9	-27.2	-28.2	-12.5	30.2	35.6
Grants (project & program)	6.7	7.9	1.0	--	6.0	6.0	22.1	32.0	34.0
Of which: project	(6.7)	(6.8)	(1.0)	--	(6.0)	(6.0)	(22.1)	(32.0)	(34.0)
Borrowing	16.0	1.8	1.2	--	7.0	7.0	14.6	17.9	19.6
Amortization due	-16.2	-18.6	-19.3	-16.9	-17.4	-34.3	-29.9	-20.7	-18.5
Rescheduling already obtained	12.9	16.2	7.2	--	--	--	--	--	--
Debt cancellation from France	--	--	--	1.6	1.8	3.4	1.0	1.0	0.5
Arrears on amortiz., net (decr. -)	0.9	3.7	10.5	14.4	-24.7	-10.3	-20.3	--	--
Of which: (London Club)	...	...	...	...	...	(6.8)	(-20.3)	--	--
Financing gap 1/	--	-0.3	-3.9	10.0	107.4	117.4	96.9	43.6	33.4
(In percent of GDP)									
Total revenue	17.3	17.1	10.8	...	...	11.8	15.9	17.5	18.4
Total expenditure and net lending	25.2	23.3	26.3	...	...	26.4	26.7	27.5	26.3
Current primary expenditure	17.6	16.6	19.8	...	...	18.1	16.4	15.9	15.2
Investment expenditure	4.5	3.7	2.3	...	...	3.0	6.8	8.3	8.3
Primary current balance (deficit -)	-0.3	0.5	-9.0	...	...	-6.3	-0.5	1.6	3.2
Current balance (deficit -)	-3.4	-2.5	-13.2	...	...	-11.7	-4.0	-1.6	0.4
Overall bal. excl. foreign finan. invest. (def. -)	-3.9	-4.1	-14.9	...	...	-12.1	-4.6	-2.2	3.2
Overall balance, payments order basis (deficit -)	...	...	...	...	...	...	...	...	...
Including grants	-6.5	-4.3	-15.2	...	...	-13.5	-7.1	-5.0	-3.0
Excluding grants	-7.9	-6.2	-15.5	...	...	-14.6	-10.8	-10.0	-7.9
Nominal GDP (in billions of CFA francs)	455.5	423.6	353.8	...	...	510.4	587.2	642.7	699.4

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

1/ Excess financing in 1992 and 1993 results from unrecorded extra budgetary expenditure.

Table 5. Togo: Monetary Survey, 1991-95

(In billions of CFA francs; end of period)

	1991	1992	1993 Dec.	1994 Jan. 12 1/	Mar. 2/	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
					Est.	Program				Projections		
Net foreign assets	81.3	58.6	23.2	5.1	30.2	11.7	12.6	15.2	21.1	33.1	42.0	51.0
Central Bank	69.6	53.8	24.1	3.6	20.7	--	--	--	--	--	--	--
Commercial banks	2.7	-0.1	-0.9	1.4	9.6	--	--	--	--	--	--	--
Treasury	9.0	4.9	--	--	--	--	--	--	--	--	--	--
Net domestic assets	123.6	118.2	128.2	147.4	141.8	161.3	175.3	180.8	187.6	193.8	196.5	187.9
Net claims on government	12.5	12.6	23.6	42.9	39.9	45.1	57.4	57.6	61.8	60.4	62.9	57.7
Net claims on Central Government	26.1	29.4	38.2	57.5	55.0	59.6	71.4	71.7	73.7	73.3	71.6	73.4
Other 3/	-13.5	-16.8	-14.6	-14.6	-15.1	-14.5	-14.0	-14.1	-11.9	-12.9	-8.7	-15.7
Credit to the private sector	118.7	114.4	103.9	103.9	104.3	117.6	118.3	122.6	125.1	132.7	132.9	131.5
Claims on OPAT and OTP	24.0	26.0	28.3	28.3	31.1	40.7	37.7	34.6	34.4	39.2	36.7	32.6
OPAT	2.0	1.3	0.2	0.2	2.5	8.1	5.1	2.0	2.5	8.1	5.1	2.0
OTP	22.0	24.7	28.1	28.1	28.6	32.6	32.6	32.6	31.9	31.1	31.6	30.6
Other	94.7	88.4	75.6	75.6	73.1	76.8	80.5	87.9	90.7	93.4	96.2	98.9
Other items (net)	-7.6	-8.9	0.6	0.6	-2.4	-1.4	-0.4	0.6	0.6	0.6	0.6	-1.4
Broad money	198.3	170.7	145.3	145.3	166.3	167.4	182.2	190.3	206.0	221.1	232.8	233.1
Currency in circulation	36.3	22.1	10.5	--	26.8	--	--	--	--	--	--	--
Demand deposits	--	--	--	--	--	--	--	--	--	--	--	--
Time deposits	--	--	--	--	--	--	--	--	--	--	--	--
SDR allocation	4.3	4.2	4.2	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Medium- and long-term foreign borrowing	2.3	1.9	1.9	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Revaluation account	--	--	--	-5.2	-5.2	-5.2	-5.2	-5.2	-5.2	-5.2	-5.2	-5.2
(Change in percent of beginning-of-period money stock 4/)												
Net foreign assets	-0.2	-11.4	-20.7	--	--	--	--	7.0	--	--	--	18.8
Net domestic assets	4.4	-2.7	5.9	--	--	--	--	23.0	--	--	--	3.7
Credit to the government	13.7	1.7	5.1	--	--	--	--	10.1	--	--	--	0.1
Credit to the economy	14.6	-3.6	-9.1	--	--	--	--	18.0	--	--	--	7.3
Broad money	4.1	-13.9	-14.9	--	--	--	--	31.0	--	--	--	22.5
(Annual increase in percent)												
Nominal GDP	2.2	-9.4	-16.5	--	--	--	--	44.2	--	--	--	15.1
GDP deflator	3.3	2.0	-3.5	--	--	--	--	29.3	--	--	--	6.2
Memorandum items:												
Net domestic assets (in billions of CFA francs) 5/	144.8	143.8	142.1	162.0	156.9	175.8	189.3	195.0	199.4	206.6	205.1	203.6
Nominal GDP (in billions of CFA francs)	455.6	423.6	353.8	--	--	--	--	510.2	--	--	--	587.2
Velocity 6/	2.3	2.3	2.2	--	--	--	--	3.0	--	--	--	2.8

Sources: Central Bank of West African States (BCEAO); and staff estimates and projections.

1/ Gross reserves of the Central Bank were not revalued while the liabilities were.

2/ In March 1994, the increase in foreign assets is partially explained by transfers of CFAF 18.5 billion in deposits from the BOAD. These deposits were drawn down in May 1994.

3/ Deposits related to foreign-financed projects.

4/ In 1994, changes are net of the impact of the revaluation.

5/ Excluding project deposits.

6/ Computed as the ratio of GDP (in the year n) to the average of broad money at the end of the years n-1 and n.