

SUR/83/46

CONFIDENTIAL

December 16, 1983

The Chairman's Summing Up at the Conclusion
of the 1983 Article IV Consultation with Qatar
Executive Board Meeting 83/172 - December 14, 1983

Executive Directors were in general agreement with the views contained in the staff report on the 1983 Article IV consultation with Qatar. Directors noted that the Qatar authorities had been faced with a difficult task of economic adjustment in FY 1982/83 because of the sharp decline in oil receipts from the level of previous years. The authorities were commended for adopting appropriate, well-balanced adjustment policies stressing fiscal restraint. Measures to contain the growth in government spending in FY 1982/83 had been successful, as reflected by a decline in current expenditures. The restrained fiscal stance had led to a marked slowing down in the rate of monetary expansion.

Directors noted that budgetary plans for FY 1983/84 continued to emphasize fiscal restraint with further cuts in total outlays from the level of the year before, including the extension of the freeze on government salaries, cuts in subsidies, and greater selectivity in development spending.

Directors agreed with the Qatar authorities on the need to formulate fiscal policies within a longer-term framework in order to facilitate the achievement of balanced and more diversified growth in the economy. Reflecting the drop in oil export receipts, deficits had been recorded in the overall balance of payments during 1982 and 1983. Directors noted that Qatar had been pursuing appropriate, open external sector policies, that it maintained a liberal trade and exchange system, and that it had continued its foreign aid programs despite falling oil revenues.

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