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SM/83/97
Correction 1

CONTAINS CONFIDENTIAL
INFORMATION

June 15, 1983

To: Members of the Executive Board
From: The Secretary
Subject: United Arab Emirates - Staff Report for the
1983 Article IV Consultation

The following correction has been made in SM/83/97 (5/23/83):

Page 9, SDR Department, line 3: for "SDR 503.1 million"
read "SDR 50.3 million"

A corrected page is attached.

Att: (1)

Other Distribution:
Department Heads

United Arab Emirates - Fund Relations 1/

Date of membership: September 22, 1972.

Status: Article VIII.

Quota: SDR 202.60 million.

Fund holdings of U.A.E. dirhams: SDR 106.16 million, equivalent to 52.4 per cent of quota.

Lending to the Fund: The Emirate of Abu Dhabi, one of the constituent Emirates of the U.A.E., agreed to lend the Fund SDR 150 million under the supplementary financing facility, of which SDR 104.97 million has been utilized (as of January 31, 1982).

SDR Department: The U.A.E. became a participant on December 21, 1978. Holdings amount to SDR 50.3 million, which is equivalent to 129.86 per cent of net cumulative allocation of SDR 38.74 million.

Gold distribution: 12,836.804 fine ounces.

Direct distribution of profits from gold sales: The U.A.E. has ceded to the Trust Fund its share of profits from gold sales amounting to US\$2.36 million.

Exchange rate system: Since January 1978 the U.A.E. dirham has been pegged to the SDR at the rate of Dh 4.76190 = SDR 1; the margins were initially set at 2.25 per cent but were widened to 7.25 per cent in August 1978. The U.S. dollar has remained the intervention currency. As of March 31, 1983, the midpoint between buying and selling rates for the dirham against the U.S. dollar was Dh 3.6710 = US\$1.

Technical assistance: Two experts are working with the U.A.E. Central Bank under the Fund's CBD program.

Previous consultations: The last Article IV consultation discussions were held in April 1982, and the Staff Report (SM/82/103) was discussed by the Executive Board on June 28, 1982.

1/ As of April 27, 1983.

United Arab Emirates - Basic Data

Area	77,000 square kilometers
Population (1980 estimate)	1,040,000
GDP per capita (1980 estimate)	US\$28,457

1979 1980 1981 1982

(In millions of barrels)

Crude oil production	668	626	549	459
Abu Dhabi	534	494	414	329
Dubai	129	128	131	127
Sharjah	5	4	4	3

(In billions of dirhams)

National accounts (at current prices)				
Private final consumption	15.3	19.0	24.1	24.9
Government final consumption	9.6	12.0	17.3	18.4
Gross fixed investment	28.4	30.1	29.3	31.9
Change in stocks	-0.8	1.0	2.7	1.6
Domestic expenditure	52.5	62.1	73.4	76.8
Exports, goods, and nonfactor services	56.9	85.6	84.9	69.8
Imports, goods, and nonfactor services	-29.4	-37.9	-40.8	-37.7
Gross domestic product (market prices)	80.0	109.8	117.5	108.9

(Rate of change)

Real gross domestic product				
Crude oil	--	-6	-12	-16
Other	8	14	9	3
Total GDP	4	4	-2	-6

1979 1980 1981 Prelim.
1982

(In billions of dirhams)

Public sector finances <u>1/</u>				
Revenues, of which:	28.7	46.7	47.8	37.5
Oil	(26.9)	(44.6)	(45.0)	(34.9)
Expenditures, of which:	26.1	36.2	42.5	40.8
Development	(9.3)	(7.5)	(7.7)	(8.9)

1/ Estimates cover the Federal Government and the Governments of Abu Dhabi and Dubai only. Oil revenues in the budgetary data differ from oil export proceeds as recorded in the balance of payments mainly because Abu Dhabi budget does not include retained earnings by Abu Dhabi National Oil Company and Dubai budget includes only the revenues transferred by the Ruler to finance expenditures.