

January 19, 1981 - 81/10

The Chairman's Summing Up at the Conclusion of the
1980 Article IV Consultation with Djibouti
Executive Board Meeting 81/8 - January 14, 1981

Executive Directors have shown themselves in broad agreement with the thrust of the views expressed in the staff appraisal of the report for the 1980 Article IV consultation with Djibouti. They commended the authorities for pursuing cautious policies designed to promote financial stability but noted that economic growth in recent years had been limited.

Directors expressed their concern about the vulnerability of the economy to external factors because of its meager natural resources and its heavy dependence on imports to satisfy virtually all its basic requirements. They noted that while the service sector should continue to be expanded and exploited more effectively, some degree of import substitution would be desirable.

Directors emphasized the need to accelerate the preparation of an investment program with clearly identified priorities and projects. While commending the prudent budgetary policies followed by the Djibouti authorities, Directors underlined the importance of activating and strengthening the institutional framework to pursue more active monetary and development policies.