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**The Acting Chairman's Summing Up at the Conclusion of the
1981 Article IV Consultation with Rwanda
Executive Board Meeting 81/115 - August 24, 1981**

Directors are in broad agreement with the thrust of the views expressed in the staff appraisal in the 1981 Article IV consultation with Rwanda. They noted with much satisfaction that over the last four years Rwanda has achieved steady and relatively rapid economic growth in a climate of financial stability, and that the Rwandan authorities have followed prudent financial policies, including cautious management of external debt. In contrast, because of weaknesses in world market conditions for the country's principal exports, notably coffee, the medium-term outlook is less favorable. Although net inflow of capital is expected to remain large, both the budget and balance of payments are expected to come under growing pressure. In view of these prospects, Directors emphasized the importance of tight demand management, including fiscal restraint, as well as a continued sound monetary policy.

There is a need to broaden the revenue base and to strengthen tax administration, to contain the fast growth of current expenditures and to strengthen the financial position of public enterprises. Meanwhile, supply policies should continue to accord priority to the development of agriculture, transport, and manufacturing sectors, with particular emphasis on productive and employment generating investments. Directors stressed the vital role of appropriate pricing policies, particularly producer prices and exchange rate policies, and supported urgent re-examination of these areas. Directors welcomed the authorities' intentions to make appropriate changes in these policies, as this would assist in achieving the country's development objectives.