

# INTERNATIONAL MONETARY FUND

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The International Monetary Fund has approved a stand-by arrangement for the Government of Senegal, authorizing purchases up to the equivalent of SDR 47.25 million, or 75 per cent of Senegal's quota in the Fund over the next 12 months. The purchases, in support of the Government's economic and financial adjustment program, will be financed in part from the Fund's ordinary resources (SDR 23.34 million) and in part from resources borrowed by the Fund (SDR 23.91 million).

Following a period of slow growth, the economy of Senegal deteriorated sharply in recent years. During the two-year period ending June 1981, real per capita gross domestic product (GDP) fell by 13 per cent, the deficit of the Central Government rose from 4 per cent of GDP to 13 per cent, and the deficit of the current external account increased from 13 per cent of GDP to 21 per cent. This deteriorating trend was reversed in 1981/82 through a combination of good weather, sizeable external assistance, and strong adjustment measures supported by a stand-by arrangement with the Fund.

The program for 1982/83 comprises a series of supply-oriented measures as well as fiscal and monetary policies. The main objectives are to restore positive domestic savings, and to further reduce both the current external account deficit and the overall public finance deficit relative to GDP by about 2.5 per cent points. Price and tax measures, accompanied by wage moderation helped to raise government revenues by 17 per cent in 1981/82, and a slightly higher rate of increase is projected in 1982/83.

Senegal's outstanding financial obligations to the Fund resulting from past operations and transactions, excluding Trust Fund loans, currently total the equivalent of SDR 160.9 million.