INTERNATIONAL MONETARY FUND
EXTERNAL RELATIONS DEPARTMENT

Press Release No. 08/224
FOR IMMEDIATE RELEASE
September 26, 2008

International Monetary Fund
Washington, D.C. 20431 USA

Statement by an IMF Staff Mission at the Conclusion of a Visit to the Central African Republic

An International Monetary Fund (IMF) mission, led by Martin Petri, visited the Central African Republic during September 11–25, 2008 to conduct the third review of the authorities' program supported by the Poverty Reduction and Growth Facility (PRGF) arrangement. The mission met with the Head of State, His Excellency President François Bozizé, Prime Minister Faustin Archange Touadéra, Minister of State for Economy, Plan and International Cooperation Sylvain Maliko, Minister of Finance and Budget Emmanuel Bizot, other ministers, senior government officials, the national management of the Bank of Central African States (BEAC), representatives of the private sector and civil society, and the donor community.

The mission issued the following statement in Bangui on September 25, 2008:

"During the first half of 2008, economic activity has been resilient despite disruptions in electricity supply, increased inflation, and a slow down in main exports. Real GDP growth is expected to reach 3½ percent this year. The current account balance is expected to deteriorate due to world oil price increases, but the overall balance of payments position should improve thanks to strong private capital inflows. Fiscal performance is encouraging: revenues are increasing as projected and expenditures are managed prudently. There was important progress in structural reforms—notably the implementation of the automatic fuel pricing formula, which will insulate the government's budget from fluctuations in international oil prices and provide resources for priority spending.

"Despite uncertainties surrounding the global economic and financial environment, economic growth will likely recover with economic activity becoming more broad-based and inflation moderating. Project support by development partners and foreign direct investment are expected to provide a key impetus for the economy.

"The program for 2008–09 aims at accelerating growth to around 4½ percent while preserving the macroeconomic and fiscal framework. Building on the progress made during 2008, the priorities for the 2009 budget are to further enhance revenue mobilization, address critical financial conditions of major public enterprises, particularly in the energy sector, and clear domestic arrears predictably. Structural reforms in revenue administration and public financial management should support the implementation of the budget.

"Overall performance under the PRGF-supported program has been satisfactory and, subject to approval by Fund management and continued implementation of program policies, it is expected that the IMF's Executive Board will discuss the third review of the Central African Republic's program under the PRGF in November/December 2008."